

ANNUAL REPORT 2017



182,199

RETAIL SALES
(UNITS)

13,220
million TRY

SALES REVENUE

5,167
million TRY

TOTAL ASSETS

18.9%

MARKET SHARE

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CHAIRMAN'S STATEMENT



Valued Stakeholders,

In 2017, political developments were the driving force in shaping economic developments. Although the cycle of recession that has held the world in its grip for nearly a decade seems to have entered a period of gradual reconstitution, globalization became the focus of controversial debate, particularly with the Trump administration's more protectionist and introverted policies in the U.S. Moreover, political tensions and regional unrest with no clear course intensified concerns.

The uncertainty and instability caused by geopolitical risks manifested its impact on the economy through volatility in exchange and interest rates throughout the year. However, the continuation of a favourable liquidity situation maintained the positive outlook in the markets. Nevertheless, considering that time is still needed for things to settle and an equilibrium to be established on a global scale, the importance of risk management increases day by day. The need for caution during the coming few years will continue to be among the main

factors shaping new investment plans.

The world automotive industry continued its growth

The automotive industry growing steadily in recent years in line with the recovery in the economy reached 95.6 million units in light vehicles in 2017 and nearly 100 million units overall. The U.S. and China continued to lead in this rapid growth. India followed these two countries with its fast growth rate. In 2017, electric car sales exceeded 1 million units for the first time. In 2018, the main growth is expected to be in this segment and electric car sales are expected to reach 1.4 million units.

The automotive market in Turkey has shrunk

Automobile and light commercial vehicle sales in Turkey decreased by 2.8% in 2017 compared to the previous year dropping to 956,194 units. The main contraction was experienced in cars and luxury automobiles with large engines. The light commercial vehicle market, however, continued to grow.

In 2017, in addition to the generally unfavourable conditions in the market, Doğuş Otomotiv had to confront some additional challenges due to the adverse impact of the new Special Consumption Tax (ÖTV) on our brands as well as the inability to offer diesel engine alternatives for every brand. Despite the drop in our vehicle sale numbers and loss of market share compared with the previous year, we managed to reach our targets foreseen in 2017. We reached profitable and cost-effective sales targets which is of main importance for us.

The automotive industry is undergoing a major transformation

2017 has generally been a year when tangible results of a major transformation experienced on a global scale in the automotive industry were observed. The developments that have been experienced signalled the ever growing impact of three main trends reshaping the future of the industry.

The first is the changes experienced in automobile technology ushered in by the zero emissions vision declared

by many countries. Since restrictions imposed on diesel vehicles due to environmental requirements have massively increased manufacturing costs in particular, many companies discontinued diesel engine production. As in the case of Volkswagen's Jetta model, absence of diesel engine alternatives in some models was directly reflected in the sale figures in 2017.

The second significant transformation is manifested in the convergence of digital technology and artificial intelligence. Vehicles now behaving like computers offer consumers brand new experiences through artificial intelligence implementations and their ability to interact with their environments. As a member of the Volkswagen Group poised to be the leading edge of the new generation vehicles in the world through its massive investments in electrical cars and IT, we are closely following up exciting developments in this field and preparing ourselves for the future.

The third major wave shaping the automotive industry are the changes in the perception of car ownership. Car ownership, previously seen as a sign of social status and a means of investment is undergoing a major transformation due to various factors including the change in life styles, developments in public transport, diverse vehicle rental options as well as the widespread use of car sharing.

Those that cannot keep up with change will be left behind

In the years ahead, these changes will oblige car makers as well as the entire sale systems delivering products to end users to confront a massive need to change themselves in order to adapt to new circumstances. Structures failing to fall in step with the changing requirements, expectations and ways of doing business, and unable to put in place their digital strategy suitably will inevitably lag behind.

As Doğuş Otomotiv, we are delighted to see that the groundwork we put in place –recognising well in advance this need for transformation– is taking us to our objectives step by step. 2017 was the scene of concrete developments that proved us right in many of our insights. Our infrastructure efforts enabling all our pro-

cesses to be compatible with digital systems and allowing us to reach our customers directly and rapidly are to a large extent completed.

Moreover, in 2017, we appointed a CDO (Chief Digital Officer) in our management structure with a view to undertaking the digital transformation effort, which was so far carried out under different departments and brands, on a common platform and developing the company's long term digital strategies entailing marketing, customers and processes.

In the next term we consider it our mission to make use of the benefits of digital technology in every sphere from human resources to training, from performance evaluation to social responsibility projects and make them available to all our stakeholders. I would like to take this opportunity to thank our affiliate Doğuş Teknoloji for their contributions in this respect.

Dynamism is indispensable for us

As well as the rapid advances in technology, the ever changing conditions of our times compel companies to respond through a very dynamic structure in view of the necessity for fast decision making, constant revision of strategies and putting them in place with the same speed. As Doğuş Otomotiv, we encourage and support all our employees to embrace a culture of constant change and development.

As such, we regard the changes made in management positions in several of our brands as of the end of 2017 a necessary feature of the same dynamic structure. I would like to wish our young colleagues success in their new positions on the occasion of this changing of the guard which enables them to gain experience in different positions as well as expanding their vision.

This is team-play

Doğuş Otomotiv owes its position as the leading automotive company of Turkey to being a big family from its employees to its suppliers, its extensive dealer and service network to its customers. I am convinced that this strong family structure will enable Doğuş Otomotiv to be an exemplary company of the Turkish automotive industry in the future as well, as it is

today. We believe it is very important that Doğuş Otomotiv comes across strongly not only due to its sales successes but also through its responsible corporate citizenship, through projects that return part of its earnings back to society, its ethical values and its efforts in the areas of combating corruption and sustainability.

"Traffic is Life!" platform is our most distinctive social responsibility undertaking that we have created for the development of society. Through projects on this platform we are getting in touch with every section of society, creating a positive change in traffic culture and setting an example for the automotive industry. As being one of the longest running social responsibility platforms, we reach out with "Traffic is Life!" to many educational levels from primary education to universities through unique content and programs and touch the lives of students.

Furthermore, through our business model we are extending the awareness of corporate sustainability to our authorized dealers and suppliers throughout Turkey. The award we have received from the Sustainability Academy for this achievement has been a source of pride for us and has given us a great motivation to take further steps in this direction. Moreover, we have been gratified to be ranked as the second company among The First Three Companies with the Highest Corporate Governance Rating in 2017 by the Corporate Governance Association of Turkey, which is a testimony for the efforts we have made in this direction for many years.

I would like to take this opportunity to extend my sincere thanks to all my colleagues and our authorized dealer and service network who have accomplished their duties with great sacrifice despite all the challenges posed by market conditions in 2017 and held Doğuş Otomotiv at the very top in every way. I would also like to express my gratitude to all our investors and shareholders who have through their confidence in us given their unstinting support in our efforts to always go further.

Best regards,

Aclan Acar
Chairman of the Board

CEO'S STATEMENT



Valued Stakeholders,

Turkey surpassed expectations economically in the first three quarters of the year, despite witnessing several significant political changes in 2017, both in the country and within its geographical region. Turkish automotive industry also had a good year both as far as production and exports are concerned. Automotive exports exceeded USD 26 billion in 2017, breaking all records of all time. Production, meanwhile, rose over 1.5 million units with a 24% increase compared to the previous year.

The first of the two critical economic developments in the domestic market in 2017 as regards the automotive industry was the Special Consumption Tax (SCT) hike that took place in the beginning of the year, while the second one was the fluctuations in foreign exchange rates. While the sector started off the year with conservative expectations particularly due to the reflection of the SCT increase in prices, it was relieved when economic growth exceeded expectations in Q1 and Q2 and the market developed positively. Forecasts made by sector players for 2017 indicating a relative shrinkage in the market

were replaced by a more positive outlook in the face of this picture.

Although sales in the domestic market fell somewhat due to the impact of the increase in SCT and FX rates, this drop was limited as a result of the positive effect of the sale campaigns. The Turkish car and light commercial vehicle market shrunk by 2.8% compared to the previous year dropping to 956,194 units. As a general assessment, the automotive sector once more demonstrated that it was the driving force behind the Turkish economy even under the direst conditions. We expect car sales which have steadied in the 900-950 thousand band annually to maintain this performance in the years to come as well.

Turkey follows global trends

According to existing data the Turkish automotive market is in interaction with global trends both as far as preferences and engine choices are concerned. In the last decade, while cars with smaller engines have been preferred more, in Turkey the market share of engines smaller in size than 1600 cc is increasing both due to the SCT advantage and their fuel economy. More than 96% of cars sold in Turkey last year had 1600 cc or smaller

engines. The market share of automatic transmission cars sold in Turkey last year also continued to increase, reaching 60.5%. 61% of the cars sold had diesel engines. In Turkey, there is growing demand for the SUV market. The share of this segment in total sales rose to 18% in 2017 with the sale of nearly 130,000 vehicles. We believe the share of SUV sales will exceed 20% in the years to come.

A dynamic and profitable year

In 2017 Doğuş Otomotiv reached its targets in all its fields of operation. While brands we represent in Turkey reached targets set at the beginning of the year, their market share forecasts were also met. 2017 was also quite vigorous as regards the introduction of new models. Volkswagen Passenger Car introduced the New Polo, the New Arteon and the New Golf while SEAT launched its first vehicle in the compact SUV segment and the New Ibiza. Meanwhile, Porsche introduced the New Cayenne and the New Panamera and Audi launched the New A8.

The automotive sector offers new areas for opportunities

The automotive sector realizes 17% of Turkey's exports singlehandedly and

has been the leader in exports for over a decade. It ranks first among R&D and has been a stable and predictable market for a long time. I believe the automotive sector will continue to maintain its position as a driving force in the economy in the years to come also. In that sense, every line of the automotive industry harbours new areas of opportunity for the future.

Turkey has a young and dynamic population that can adapt to change quickly. This characteristics also means that Turkey has a large demographic set that can adopt new concepts and technologies such as car-sharing, connectivity and e-mobility. This, I believe, is a valuable opportunity for the automotive sector in Turkey.

We will enhance our service quality through digital transformation

As Doğuş Otomotiv we place great importance on digital transformation in order to benefit from this opportunity in the best way, creating different services by utilizing technology and enhancing our service quality. A concrete step we have taken on this issue which has been on the top of our agenda for over five years was to set up a Digital Transformation Department and appoint a Chief Digital Officer for this function with a view to realizing digital transformation within the company faster and more efficiently. I believe this structuring will take on a significant task in preparing the company and our employees for the future.

As Doğuş Otomotiv, our top priority on our digital agenda is to enhance service quality and efficiency at every point we meet the customer. To this end, while we are working for the digitalization of our in house processes, we are re-assessing the infrastructure and processes of our Authorized Dealers and Services across Turkey from a digital transformation perspective.

It is also our aim to be the pioneers of change in human resources

As an enterprise valuing its human resources above all its assets, we consider being close to our employees and enhancing employee loyalty among the priority issues of our company. Among the noteworthy measures taken in this area in 2017 were flexible working hours, personalized work environments, special arrangements for women employees, employee health and personal development. We have supported our employees in numerous areas throughout the year including healthy living through the provi-

sion of a dietician, practicing yoga and pilates, hobby clubs, nurseries for staff children, development school, reward and appreciation system and staff rotation practices. We have designed several coaching and mentoring programs for women employees based on outputs from the "Life Balance Workshops" we have organized to enable our employees to manage the work-family life balance within the framework of the project we have undertaken as a member of the Equality at Work Platform and provided this training to 90 women employees.

Considering the changing dynamics within the sector, changes in the employee profile to be recruited and the competences that will be required in the next term seem inevitable. In this framework, while competences entailing creativity, adaptability to team-work, adoption of the flexible work mechanism as well as the ability to work in a project focused manner; we are putting in place HR practices step by step that adapt to and support change with a view to recruiting and retaining these profiles. Moreover, as employee experience is important not only within the company but for our potential recruits outside the company, we are mobilizing our potential human resources through various events at universities, new graduate programs, projects and summer internships.

We will reach our targets with the support and participation of our stakeholders

Our cooperation project with Vocational and Technical Anatolian High Schools and with the Technical University on which we place great importance within the scope of sustainable corporate responsibility is a first of a kind implementation in this field and it has continued successfully in 2017 as well. During the year, work was undertaken with a view to standardizing processes and internship processes of students in a total of 7 schools in 5 provinces where there are VW classes.

The "Traffic is Life!" platform created by Doğuş Otomotiv to increase traffic safety awareness within society at large continued its successful activities in 2017 also. Children are among the age group most affected by road accidents in Turkey. Hence, child safety in vehicles was among our priority issues in 2017. Through the help of "Traffic is Life!" instructors, we have organized trainer trainings for maternity nurses in private and state hospitals. We reached nearly 5.5 million people over

the social media through 8 informative videos developed by the participation of the "Traffic is Life!" experts. We also broadcast our animation film series "Pictos" created by Varol Yaşaroğlu which targets children and provides information about traffic rules. The film was seen by nearly 3 million individuals.

We launched the Radio Jingle Contest enabling youths to be the active stakeholders of traffic safety and to put their suggestions in practice. The work that won the first prize reached more than 20 million people through radios.

In order to capture the attention of the new generation which is becoming digitalized and is active in social media with "Traffic is Life!", we have provided previous years' driving licence test questions on our Facebook page through the ChatBot app in order to enable candidate drivers taking the driving licence test to be better equipped.

The Traffic Safety Remote Education Project which is part of the "Traffic is Life!" project that started in 2013 and has still been going on in 18 universities reached 5,000 new university students. We will continue our project in 2018 also to enable traffic awareness to reach all sections of society.

As a company building all its activities on the basis of ethics, transparency and accountability, as Doğuş Otomotiv, we are moving forward with the same management culture in our relations with our stakeholders. While we render the cooperation we have established with our stakeholders sustainable, we are not neglecting our responsibility towards the environment and society in addition to the economic value we create.

The impact of this special relationship we have established with our stakeholders in the company's achievements in 2017 cannot be ignored. As we have done so far, we will continue to be cooperating with our stakeholders and will try to meet their expectations with innovative solutions in 2018 as well.

In this framework, I am convinced that we will continue to move forward with strong strides in our new term as a big family.

Best regards,

Emir Ali Bilaloğlu
Chief Executive Officer

CORPORATE PROFILE

Doğuş Otomotiv, one of the leading players of the Turkish automotive industry, ranks among the top most admired and trusted brands in Turkey thanks to its dynamic, customer satisfaction focused service approach.

Doğuş Otomotiv continued to maintain its position among Turkey's leading automotive importers and the largest automotive distributors in 2017, the company's 23rd year of operations. Doğuş Otomotiv prepares its business plans driven by the vision of "creative service beyond expectations", and determines its corporate strategy on the goal of "operating with a focus on customer satisfaction". Doğuş Otomotiv boasts the widest brand and service network in Turkey in its industry segment.

Doğuş Otomotiv is the representative of 12 international brands, each the leader of its own segment, in the fields of passenger cars, light commercial vehicles, heavy vehicles, industrial and marine engines, and cooling systems. Doğuş Otomotiv offers private and corporate customers Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Lamborghini, Bugatti, Porsche, Volkswagen Commercial Vehicles, and Scania brands as well as a wide array of more than 85 models by these brands. The company also competes in the industrial and marine engines market with the Scania Engines brand, and in the cooling systems market with Thermo King. Doğuş Otomotiv provides its customers services in second hand car sales under the DOD brand.

Doğuş Otomotiv adopts unconditional customer satisfaction as the number one priority in its services, and has one of the widest authorized dealer and aftersales service networks in Turkey. Nearly 550 customer touch points across the country offer Doğuş Otomotiv's customers seamless, widespread sales, aftersales, and spare parts services. Through the Value and Interest Centre (DIM) founded in 2014 within the framework of customer satisfaction efforts Doğuş Otomotiv provides its customers road assistance on a 24/7 basis.

Doğuş Otomotiv is one of the most important players of the Turkish automotive industry with nearly 2,500 employees. The unwavering customer-satisfaction oriented dynamic service approach that the company has adopted since the very beginning has always made Doğuş Otomotiv one of the most liked and trusted brands in Turkey according to corporate reputation surveys. Since its initial public offering in 2004, Doğuş Otomotiv shares are traded at Borsa Istanbul (BIST) with the ticker symbol "DOAS.IS".

Doğuş Otomotiv, which builds all of its business processes in line with its environmental and social responsibility approach, released its first Corporate Sustainability Report in 2009, which also happened to be a first in Turkey in

this sector. Doğuş Otomotiv went on to undersign the UN Global Compact in 2010. Aiming to make a positive difference in the overall responsibility, awareness and perception in the community toward traffic safety, the company has been carrying out social responsibility projects for 14 year without interruption since they were first launched with the "Traffic is Life!" slogan in 2004. Projects undertaken within the scope of the "Traffic is Life!" corporate responsibility platform has received numerous awards to date.

Doğuş Otomotiv is listed for the third consecutive year in the BIST Sustainability Index for the period of November 2017 to October 2018. In addition, the Company, having internalized and complied with best practices to a great extent, was also awarded second place in the category of "Top Three Companies with the Highest Corporate Governance Rating" in 2017 by the Corporate Governance Association of Turkey.

Doğuş Otomotiv is a member of Doğuş Group, active in seven core industries including automotive, construction, media, tourism and services, real estate, energy and entertainment, with growth through new investments in the areas of technology, sports, and entertainment.

Sales Units (Retail)	2017	2016	2015
Passenger Vehicles	152,709	174,124	167,584
Volkswagen	89,688	101,763	107,401
Audi	21,585	22,005	20,279
SEAT	16,064	20,637	16,911
ŠKODA	24,679	28,876	22,107
Bentley	16	9	19
Lamborghini	7	7	6
Porsche	670	827	861
Light Commercial Vehicles	27,793	32,772	31,642
Volkswagen	27,793	32,772	31,642
Heavy Commercial Vehicles	1,697	2,060	3,856
Scania	1,697	2,050	3,291
Krone*	-	2	158
Meiller*	-	8	407
TOTAL	182,199	208,956	203,082

Doğuş Otomotiv Market Share (retail)	18.9%	21.0%	20.6%
Used Car Sales (DOD)	22,009	22,534	23,125

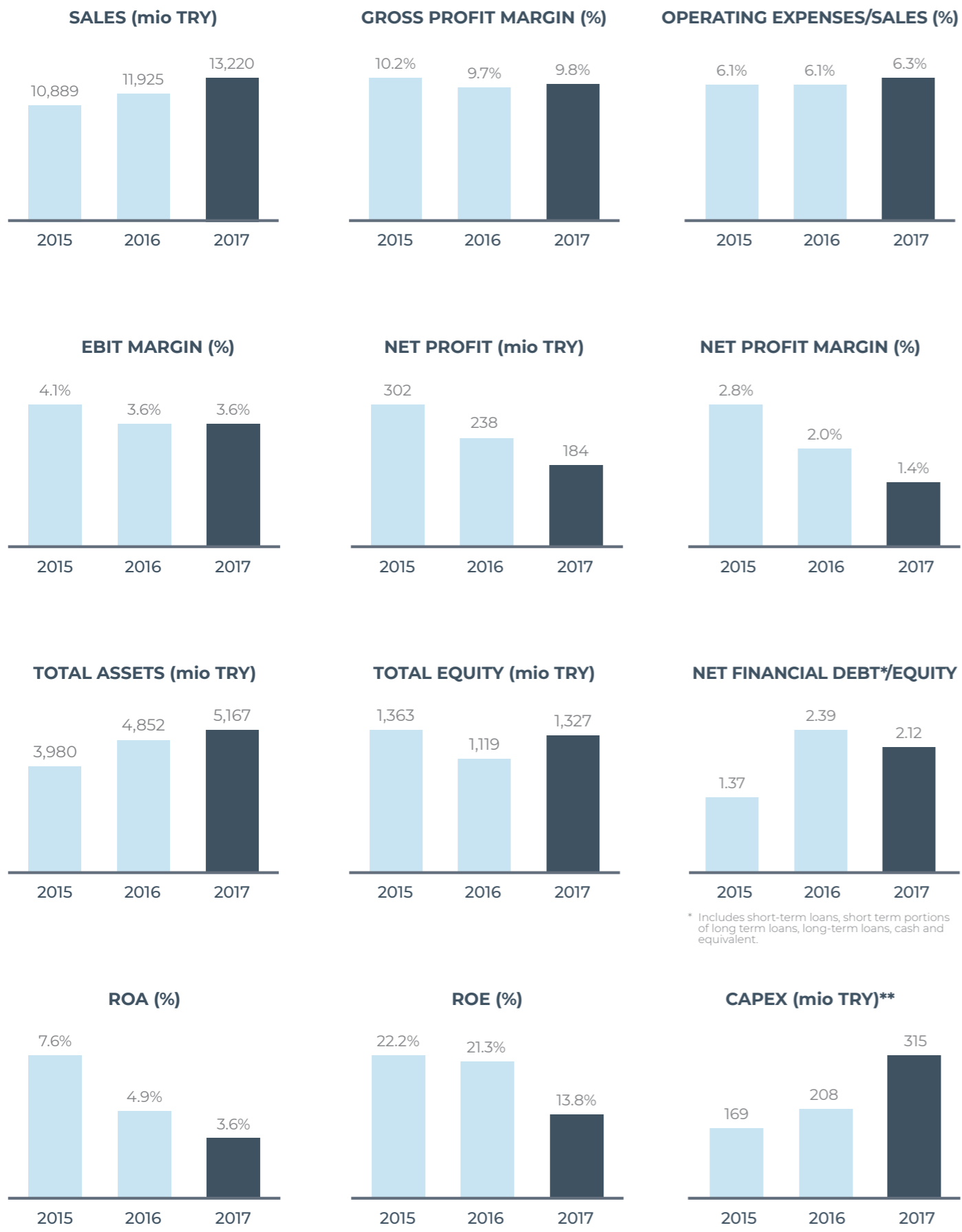
* Brands are no longer being distributed.

Financial Indicators	2017	2016	2015
Net Sales (mio TRY)	13,220	11,925	10,889
Operating Expenses (mio TRY)	827	727	662
OpEx/Sales (%)	6.3%	6.1%	6.1%
EBIT (mio TRY)	474	426	447
EBIT (%)	3.6%	3.6%	4.1%
Gross Profit (mio TRY)	1,301	1,153	1,109
Gross Profit Margin (%)	9.8%	9.7%	10.2%
Net Profit (mio TRY)	184	238	302
Net Margin (%)	1.4%	2.0%	2.8%
ROA	3.6%	4.9%	7.6%
ROE	13.8%	21.3%	22.2%
Net Financial Liabilities/Equity*	2.12	2.39	1.37
CapEx (mio TRY)**	315	208	169

* Includes short-term loans, short-term portions of long-term loans, long-term loans, cash and equivalent.

** Includes tangible asset entries.

FINANCIAL INDICATORS



* Includes short-term loans, short term portions of long term loans, long-term loans, cash and equivalent.

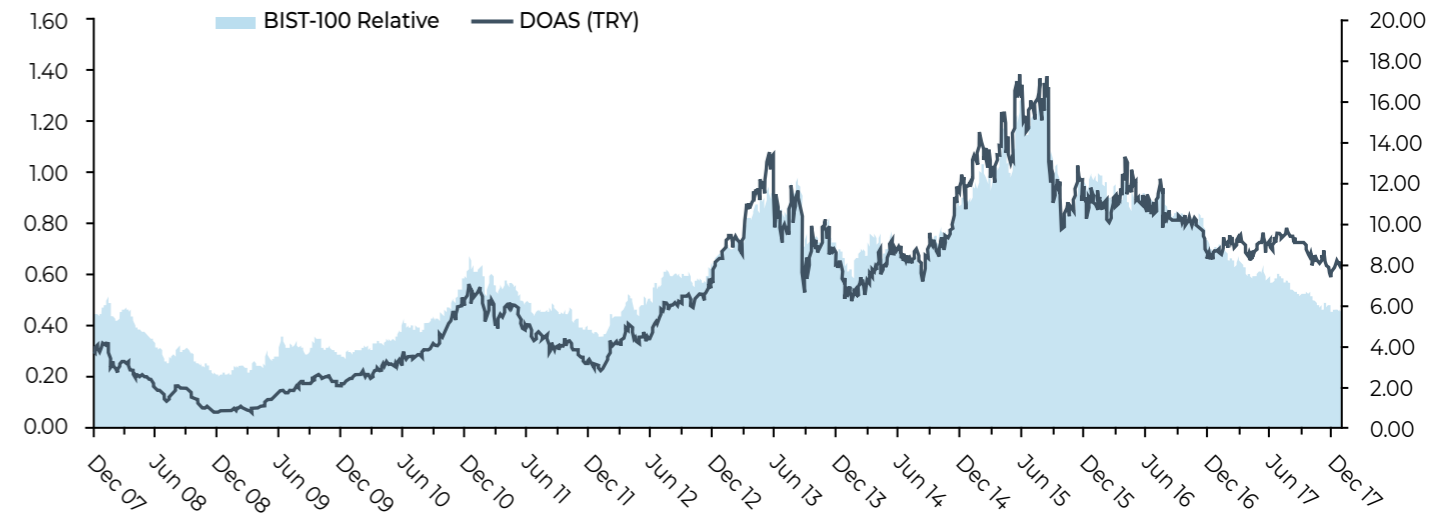
** Includes tangible asset entries.

STOCK PERFORMANCE

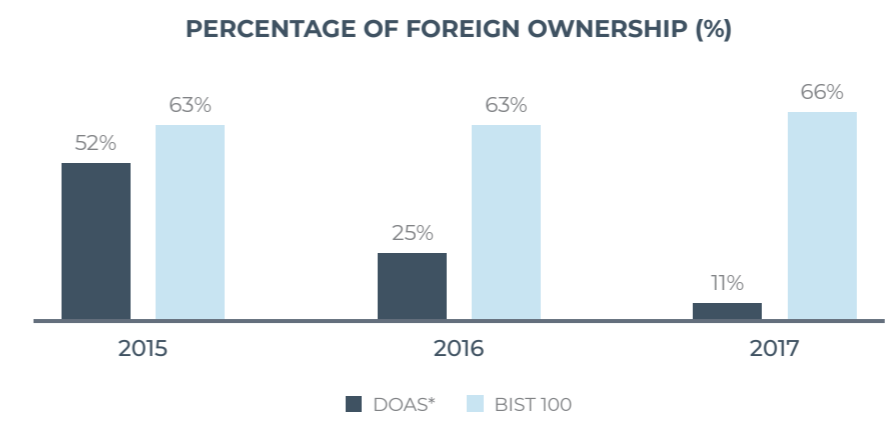
BIST Code: DOAS.IS
Reuters Code: DOAS.IS
Bloomberg Code: DOAS.TI
Initial public offering: 17.06.2004
Number of stocks: 220,000,000
Free float rate: 14.73%

Stock Performance in 2017

	TL	USD
Share price (31.12.2017)	8.24	2.18
Lowest (29.11.2017)	7.42	1.88
Highest (24.07.2017)	9.80	2.76
Market Cap. (31.12.2017)	1,813 mio TRY	481 mio USD
Daily average trading volume	13.4 mio TRY	3.7 mio USD

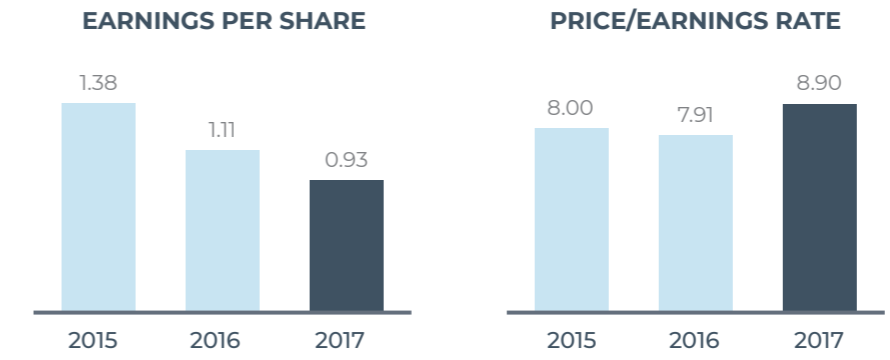


Source: Reuters (31.12.2017)



The Percentage of Foreign Ownership in DOAS was realized as 11% in 2017.

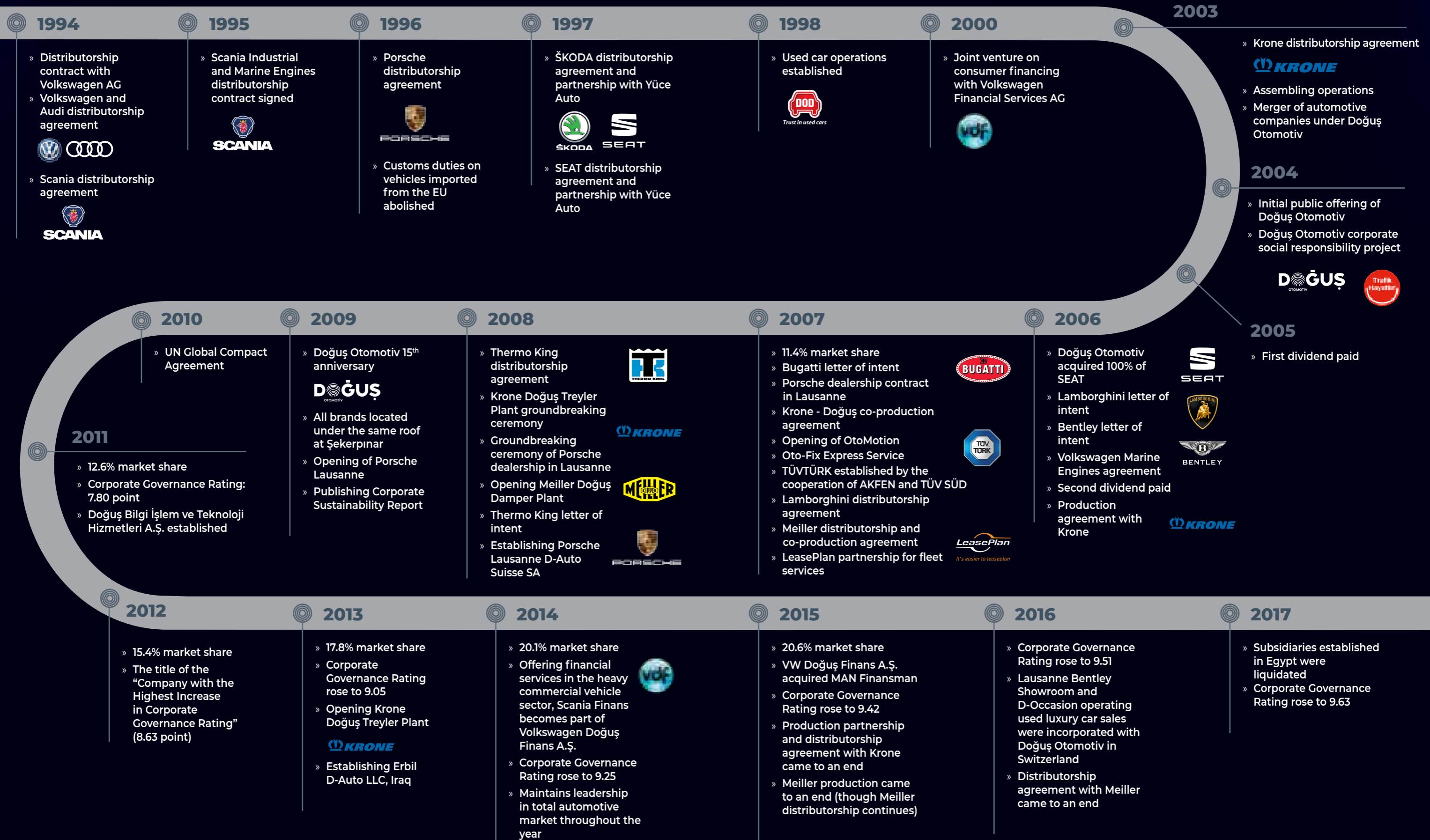
* Within the scope of the Company's Share Buy-Back Program initiated by the Board of Directors resolution, our Company bought back 22.000.000 of its publicly traded shares in 2016 in accordance with the CMB legislation for TL 220,274,251.16 in total.



In 2017, Earnings per Share was realized as 0,93.

In 2017, the Price/Earnings Rate was realized as 8,90.

MILESTONES



BOARD OF DIRECTORS



Aclan ACAR

Chairman of the Board of Directors

Chairman of the Board of Directors Mr. Aclan Acar is a graduate of Ankara Faculty of Economics and Commercial Sciences, and holds a master's degree in Banking and Insurance from the same university, and a master's degree in Economics from Vanderbilt University in the United States. Mr. Aclan Acar began his career in 1974 at Halk Bank, and from 1978 to 1990 continued his banking career at the Central Bank of Turkey. After joining Doğuş Group in 1990, Mr. Aclan Acar initially held the position of Assistant General Manager at Garanti Bank, Responsible for Treasury and Financial Institutions. He served as the General Manager of Bank Ekspres from 1994 to 1996; Osmanlı Bank General Manager from 1996 to 2000; Tansaş Chairman of Board of Directors, from 2001 to 2005, and Garanti Sigorta A.Ş., and Garanti Emeklilik A.Ş. Chairman of the Board from 2002 to 2006. Since April 2000, he has been serving as a Member of the Board of Doğuş Holding, as well as Chairman of Doğuş Otomotiv Servis ve Ticaret A.Ş. and Doğuş Oto Pazarlama A.Ş. since February 2006. Mr. Aclan Acar is also a member of Doğuş Otomotiv Corporate Governance and Sustainability Committee, Early Risk Detection Committee, and Remuneration and Nomination Committee.

Osman Nezih ALPTÜRK

Vice Chairman of the Board of Directors

Mr. Osman Nezih Alptürk, who started his career as an analyst at Azot Sanayi A.Ş. after graduating from Ankara University Faculty of Political Sciences Department of Economics, worked for the Central Bank of Turkey as a researcher, manager and advisor to the chairman from 1976 to 1988. Starting in 1988, he provided consultancy services for companies as a Management Consultant. From 1991 until 1995, he served as the Assistant General Manager at Garanti Securities, where he carried out corporate finance, research and international marketing activities. From 1996 to 2000, he served as the Head of Budget Planning and Business Development at Doğuş Holding. During the same period, he also served as the Vice Chairman of the Board of Directors, and General Manager at Körfez Yatırım A.Ş. Since 1999, he has been serving Doğuş Holding A.Ş. first as a member of the Executive Board, and later as a consultant. Mr. Osman Nezih Alptürk has been serving as Vice Chairman of the Board of Directors at Doğuş Otomotiv, and Doğuş Oto since March 2016 and he is also a member of Doğuş Otomotiv's Remuneration and Nomination Committee.

Hayrullah Murat AKA

Board Member

Mr. Hayrullah Murat Aka completed his undergraduate studies in the Department of Business Administration at the Middle East Technical University (1984) and his graduate studies in the Department of Management at the Boğaziçi University (1987). In 2007, he completed the 172nd session of the Advanced Management Program (AMPI172) at Harvard Business School. Having joined the Group in 1987, Mr. Hayrullah Murat Aka is still a Board Member at Doğuş Otomotiv and a Member of its Early Risk Detection Committee, additionally executing his position as a Board Member and Head of the Audit/Risk Committee of Doğuş Oto Pazarlama, VDF Financing, Factoring, Insurance and Fleet Leasing Companies. Mr. Hayrullah Murat Aka is concurrently the Deputy Chairman of the Board of Doğuş Spor Yatırımları and Doğuş Sigorta Aracılık Hizmetleri A.Ş., and a Member of the Board of Doğuş Gayrimenkul Yatırım Ortaklığı.

Emir Ali BİLALOĞLU

Board Member

Mr. Emir Ali Bilaloğlu is a graduate of Die Technische Universität Berlin Engineering Faculty, and holds a master's degree from the same school. Mr. Emir Ali Bilaloğlu chairs the Executive Board of Doğuş Otomotiv, and also serves as a Member of the Board in Doğuş Otomotiv Servis ve Ticaret A.Ş., Doğuş Oto Pazarlama A.Ş., Yüce Auto, DMS (Doğuş Customer Systems) and D-Auto Suisse SA. Mr. Emir Ali Bilaloğlu plays an active role both in the Steering Committee of the Automotive Distributors Association (ADA) of Turkey and, since 2008, in DEIK, a consultancy board on foreign economic relations.

Gür ÇAĞDAŞ

Board Member

Mr. Gür Çağdaş graduated from Istanbul University, Faculty of Political Sciences in 1983, and earned his master's degree at Istanbul University School of Business Administration Institute of Business Economics in 1985. He started to work as an investment specialist at Eczacıbaşı Securities in 1986, and later founded Vakıflar Bank's Securities Center in Istanbul in 1988 and managed this institution until 1990. He joined Doğuş Group in May 1990 and has served as the Head of the Capital Markets Group at the Birleşik Türk Körfez Bank, Assistant General Manager at Garanti Securities, and Garanti Yatırım ve Ticaret Bank, General Manager of Garanti Asset Management starting in June 1997. He was appointed the Vice Chairman of the Board of Directors, and later as Chairman of the same organization. Since 1 January 2016, Mr. Gür Çağdaş has served as Advisor to the President at Doğuş Holding, and Board Member at Doğuş Enerji Toptan Elektrik Tic. A.Ş., and Doğuş Sigorta Tic. A.Ş. He was the Chairman of the Turkish Institutional Investment Managers' Association (TKYD) from February 2007 to 2014, and also represented Turkey at the European Fund and Asset Management Association (EFA-MA). He is currently the Vice President of Corporate Governance Association of Turkey (TKYD).

Özlem Denizmen KOCATEPE

Board Member

Mrs. Özlem Denizmen Kocatepe is a graduate of Cornell University, Department of Industrial Management, and holds a master's degree from Sloan School of Management at MIT. Mrs. Özlem Denizmen Kocatepe also attended the "Influencing Techniques" program at Stanford, "Leadership" program at GE Crotonville Center, and the "Advanced Management" program at Harvard Business School. Since 2000, she has served in a number of positions in Strategy, Planning, Budgeting, Business Development and Investor Relations within Doğuş Group. Mrs. Özlem Denizmen Kocatepe is currently a Board Member of Doğuş Otomotiv. In the area of community service, Mrs. Özlem Denizmen Kocatepe is the founder of FODER - Financial Literacy Association; and "Para Durumu", a social initiative focusing on personal financing. Mrs. Özlem Denizmen Kocatepe started serving as a Board Member of Global Reporting Initiative (GRI) in 2014.

BOARD OF DIRECTORS



Recep Yılmaz ARGÜDEN
Independent Board Member

Graduating as an honor-roll student and receiving the President's Recognition Award for student leadership from Boğaziçi University, Department of Industrial Engineering, Mr. Recep Yılmaz Argüden received his Ph. D in strategic analyses from the RAND Graduate School with General Distinction. Since 2012, Mr. Recep Yılmaz Argüden has been an Independent Board Member, Head of the Corporate Governance and Sustainability Committee, and the Early Risk Detection Committee, as well as a member of the Audit Committee at Doğu Otomotiv. Mr. Recep Yılmaz Argüden also serves as Chairman of the Boards of ARGE Consulting, and Rothschild - Turkey. He is the founder of the non-profit Argüden Governance Academy. Mr. Recep Yılmaz Argüden has assumed international roles on the IFC Corporate Governance Group Advisory Board, and the BIAC Governance Committee representing the business world in the OECD countries. Mr. Recep Yılmaz Argüden was elected the Chair of the UN Global Compact Local Networks Advisory Group and became a member of the UN Global Compact Board of Directors. He was selected as one of the "100 Global Leaders of Tomorrow" by the World Economic Forum for his commitment to improve the quality of life.

Ferruh EKER
Independent Board Member

Mr. Ferruh Eker is a graduate of Adana Academy of Commercial Sciences, and completed the 156th session of the Advanced Management Program at Harvard Business School. In 1979, Mr. Ferruh Eker served in the Garanti Bank Supervisory Commission and also in a number of different positions in the bank. After serving as the General Manager of Garanti Leasing and Garanti Faktoring, Mr. Ferruh Eker left Doğu Group in 2004 and founded, as well as chaired, Turde Real Estate Development and Mining, Inc. Mr. Ferruh Eker rejoined Doğu Group in March 2012, and is now serving as an Independent Board Member at Doğu Otomotiv, and as the Head of the Audit Committee.

Emine Gülden ÖZGÜL
Independent Board Member

A graduate of METU Administrative Sciences Faculty, Department of Economics, Mrs. Emine Gülden Özgül served as the Coordinator of Central Operations at Ottoman Bank. From 2001 to 2008, Mrs. Emine Gülden Özgül was the Asst. General Manager at Oyakbank responsible for Operations, Project Management, and Quality. In 2008, when Oyakbank was acquired by ING Bank, Mrs. Emine Gülden Özgül maintained her position in the new entity. Experienced in the improvement of operational processes, efficiency, and restructuring, Mrs. Emine Gülden Özgül has been an independent Board Member at Doğu Otomotiv, and the Head of the Remuneration and Nomination Committee since March 2013.

EXECUTIVE BOARD



Emir Ali BİLALOĞLU
Chief Executive Officer



Giovanni Gino BOTTARO
Executive Board Member



İlhami EKŞİN
Executive Board Member



Anıl GÜRSOY
Executive Board Member



Kerem Galip GÜVEN
Executive Board Member



Mustafa KARABAYIR
Executive Board Member



Ela KULUNYAR
Executive Board Member



Tolga SENYÜCEL
Executive Board Member



Kerem TALİH
Executive Board Member



Vedat UYGUN
Executive Board Member

The Turkish automotive industry broke four records in 2017 in total production, export volume, export amount as well as car manufacturing. Automotive exports exceeded USD 26 billion, reaching its highest level of all times.

2017 was characterized with global geopolitical risks leading to uncertainties as well as a record growth in the economy since 2011. Greater investment spending, improvement in trade volume and industrial production augured well for an economic recovery. The Turkish economy also exceeded expectations in the first three quarters of 2017, registering a successful growth rate.

Following growth rates of 5.3% and 5.4% (revised annual rate) respectively in the first two quarters of the year, Turkey became the third fastest growing economy among the G-20 countries after China and India. The 11.1% annual growth rate in Q3 is the highest growth rate Turkey has recorded during the last 6 years.

Exports was one of the main sources of growth in 2017. Turkey's exports rose by 10.2% in 2017 compared to the previous year, reaching USD 157.1 billion - the second highest export level in the history of the Republic. Imports also rose, reaching USD 234.2 with an increase of 17.9%. The ratio of exports to imports, on the other hand, was 71.8% in 2016 and went down to 67.1% in 2017.

Retail car and light commercial vehicle sales in Turkey shrunk by 2.8% in 2017 compared to the previous year, dropping to 956,194 units. The Special Consumption Tax hike as well as FX fluctuations played a major role in this drop. Car sales fell by 4.5% dropping to 722,759 units; while light commercial vehicle sales rose by 2.9%, reaching 233,435 units.

The Turkish automotive industry had four records in 2017 in total production volume, export volume, export amount and car manufacturing. While automotive exports exceeded USD 26 billion, reaching its highest level of all times; production went up more than 24% compared to the previous year, exceeding 1.5 million units.

While the biggest shrinkage in cars was experienced in luxury cars with an engine over 2000 cc, the sale of diesel vehicles went down to 61%. The heavy vehicle market on the other hand closed 2017 with the sale of 18,554 units, slightly above the 18,343 units sold in 2016.

Automotive Market Sales Units (Wholesale Units)

	2017	2016	2015
Passenger Vehicles	722,759	765,467	726,477
Light Commercial Vehicles	233,435	228,446	245,027
Heavy Commercial Vehicles	18,554	18,343	33,652
TOTAL	974,748	1,012,256	1,005,156

Doğuş Otomotiv continued to be the leading automotive distributor in 2017 with the added value and competitive advantage that the brands bring, and to enable the world's most valuable brands to perform successfully in Turkey.

Doğuş Otomotiv is the representative of 12 international brands, each of which is a leader in its sector, including passenger cars, light commercial vehicles, industrial and marine engines and cooling systems. It is Turkey's leading automotive importer and one of the biggest automotive distributors with a product portfolio comprising around 85 models from among these brands. With nearly 550 customer touch points throughout the country, the Company has one of Turkey's widest Authorized Dealer and Service networks. More than 2,500 employees in the Company provide value to over 150,000 customers.

2017 was a year when growth gained impetus on a global scale but expectations for stability could not be fully met due to uncertainties brought about by geopolitical risks. Despite the emerging doubts, the global automotive industry maintained the recent years' growth trend in 2017 as well.

The retail car and light commercial vehicle market in Turkey however, lost some impetus in 2017 due to the new Special Consumption Tax regulation and currency fluctuations and total sales decreased by 2.8%, declining to 956,194 units. On the other hand, the Turkish automotive industry reached record numbers in production and exports in 2017.

In 2017, Doğuş Otomotiv maintained its strong presence in the sector by a total sale of 180,502 vehicles excluding heavy commercial vehicles and a retail market share of 18.9%.

Doğuş Otomotiv continued to be the leading automotive distributor in 2017 with the added value and competitive advantage that the brands bring, and to enable the world's most valuable brands to perform successfully in Turkey, steadily strengthening with the vision of "creative service beyond expectations" and the principle of "working with a focus on customer satisfaction".

The Human Resources vision in Doğuş Otomotiv is to become Turkey's most preferred employer that makes employees feel valued and creates a common culture through innovative and sustainable human resources practices. The Human Resources policy shaped by this vision is to attract and retain employees that: are able to sustain high performance in the long term, system-focused, productivity based, eager to learn and develop, appreciative of customers, has the skills required by the dynamism of the company, and able to adopt the values of Doğuş Group, and to ensure that they use their potential in the most efficient way, and to contribute to their professional and personal development.

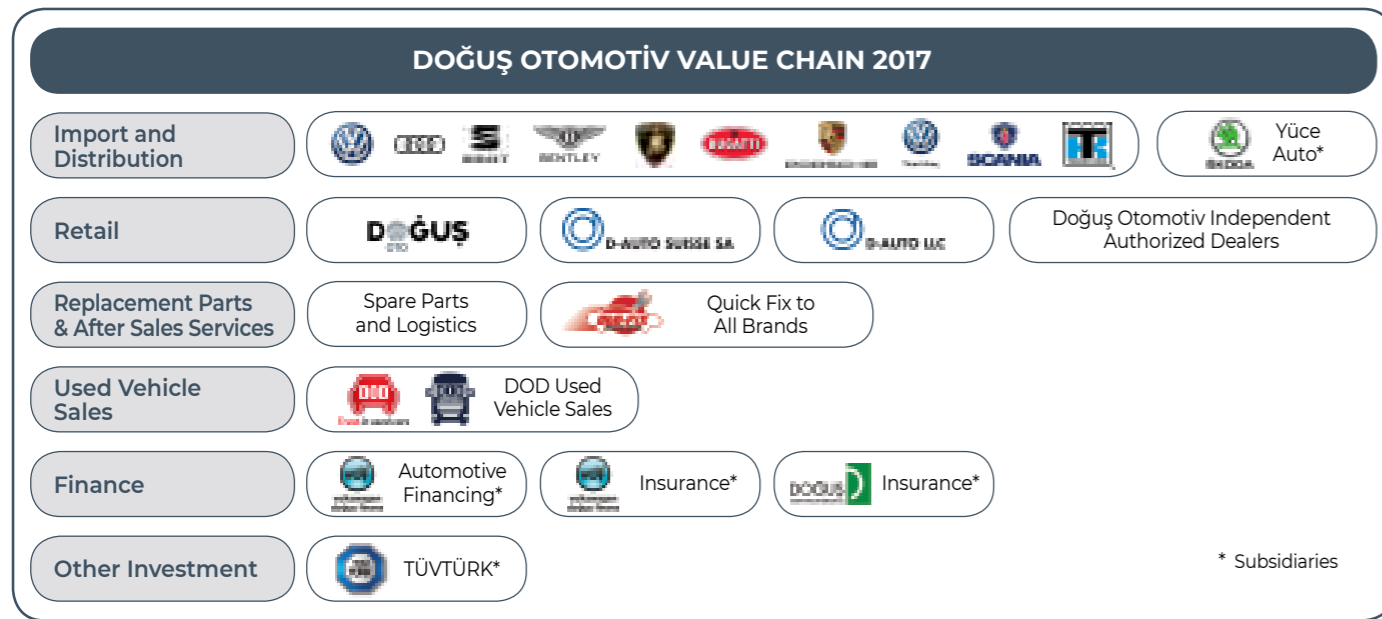
Doğuş Otomotiv has reinforced its already strong position in the Turkish automotive industry in 2017 with:

- 12 distributorships bringing together the world's strongest automotive brands,
- A total vehicle park of more than 1.9 million vehicles,
- Nearly 550 customer touch points,
- Close to 2,500 employees,
- Over 85 different models offered in a wide array of products,
- 182,199 units of retail vehicle sales (including heavy vehicles),
- 22,009 units of used vehicle sales.

Sales achievements

Brands under Doğuş Otomotiv have realized significant sales successes in 2017.

Volkswagen Passenger Car reached a market share of 12.4% with a retail sale figure of 89,688 vehicles in 2017 thanks to the product and communication strategies put in place and completed the year in the second place in the passenger car market. The New Golf, New Polo, New Tiguan Allspace and the New Arteon placed on the market made a significant contribution to this success. The New Golf Passat, Passat, Passat Variant and the Beetle completed the year as leaders in their segments



by the end of 2017. In a market that declined by 4.5%, Passat sedan increased its sales by 3.2%, reaching the sale of 29,227 vehicles, becoming the most preferred imported passenger car in the passenger car market.

The Audi brand, which started to be imported to Turkey by Doğuş Otomotiv in 1994, reached a sale number of 21,585 in 2017 and increased its passenger car market share by 2.7% compared to the previous year. While A3 Sedan, A3 Sportback and A3 Cabriolet consolidated their leadership position in their class in 2017, A4, A4 Avant and A4 allroad sales exceeded 4,500 units, reaching its highest level to date. With its vehicle park that increased by 14% compared to 2016 and its 73% customer loyalty rate which is exemplary in Europe, Audi has achieved a 22% increase in its aftersales services turnover.

2017 witnessed numerous launches of the SEAT brand. In January the facelifted Leon, in July the completely renewed New Ibiza and in November SEAT Arona, the first compact crossover model of the VW Group, were placed on the market. Increasing its market share by 2.22% in 2017 by selling 16,064 passenger vehicles, SEAT

also increased its fleet sales by 31%, reaching the highest fleet sale figure to date.

In 2017, when the automotive market declined, ŠKODA was prominent with its successes especially in the fleet market and the D segment. Managing to rank among the top 10 in the world with its sales once again, ŠKODA Turkey attracted attention with its D-SUV Kodiaq model, which was introduced to the market in 2017. Kodiaq became the 4th best-selling model in the D-SUV segment with a sales figure of 1,944 in 8 months. The increase in the fleet sales of Yüce Auto was crowned with the "Certificate of Achievement" awarded by Škoda SA.

While Bentley maintained its strong presence in the high-end luxury segment with the sale of 16 vehicles, Lamborghini sold 7 vehicles in 2017. Porsche continued its steady rise in the market in 2017 as well. While Porsche's top selling model was Macan with 400 vehicles, 718 Boxster/Cayman models increased their market share in their segment by 24% and the 911 closed the year as the leader in the premium sports car segment.

Volkswagen Commercial Vehicle had an 11.9% share in the growing

light commercial vehicle market in 2017, with a sales figure of 27,793 vehicles. Ranking third in the overall market, Volkswagen Commercial Vehicle maintained its leadership in imported commercial vehicles. The brand further consolidated its product range by Amarok's premium fully equipped version the New Amarok Aventura and Caddy Alltrack, exclusively marketed in Turkey, and Caravelle Highline, the supremely equipped version of the Caravelle model.

Scania completed 2017 with an overall market share of 9.1% and a record 22% in the tractor market. Scania Engines, meanwhile, continued its steady growth in generator engine sales and ranked 8th among Scania's highest export countries with the sale of 188 engines. Scania Engines achieved a significant breakthrough by making its first gas fuelled engine sale in 2017.

Meanwhile, Thermo King, long time market leader in the chiller unit industry, has maintained its leading position with the sales results achieved in 2017. Thermo King started offering new generation SLX units to the consumers simultaneously with their worldwide launch.

Aftersales services

Doğuş Otomotiv, building its business philosophy on customer satisfaction and carrying out all of its operations in line with its quality-focused service approach, continued to take innovative steps in 2017 in the field of aftersales services. The Value and Care Centre (DIM), created to offer sales and aftersales services to users of the brands distributed in Turkey by Doğuş Otomotiv, contacted 1.8 million customers throughout 2017, becoming the most active unit in its field of expertise in the Turkish automotive industry.

Always improving its efforts to maintain the unrivalled automotive experience it offers its customers, Volkswagen Passenger Car Aftersales Services increased its service points to 76 with the opening of the Beşer and Avek Ümraniye Authorized Services that opened in 2017. Volkswagen Aftersales Services ranked second by increasing its score points in the IACS (International After Sales Customer Satisfaction) Survey carried out by Volkswagen AG worldwide. In 2017, spare parts sales increased by 22.9% and workmanship by 6.8%.

Achieving a 22% increase in its aftersales services sales in 2017, Audi Turkey Aftersales Services ranked first among other

brands this year again in the Dealer Satisfaction Survey (DSS) undertaken by Audi AG.

Vehicle service entries into the SEAT Authorized Services reached 90,000, corresponding to 21% increase compared to the previous year with the effects of the growing vehicle park and service marketing activities in 2017. Thanks to the actions taken regularly throughout the year, Authorized Service customer loyalty reached 62% while the aftersales services customer satisfaction survey score reached 4.73% as a result of the customer focused service approach.

A 39% increase in extended insurance coverage sales and an 8% increase in work orders were achieved by Porsche by the end of 2017, thanks to the service campaigns realized in response to the 7% increase in the vehicle park of the Porsche brand. Customers' Authorized Dealer loyalty rate was 79% while the customer satisfaction survey score was 4.88.

Volkswagen Passenger Car Aftersales Services increased its service points to 76, along with the Beşer and Avek Ümraniye Authorized Services that were opened in 2017. In the Volkswagen Service Quality Awards organized globally by Volkswagen AG every year where the entire Volkswagen

Commercial Vehicle Aftersales Services and customer satisfaction are evaluated, Volkswagen Commercial Vehicle Turkey has become the world winner in 2017 through its success in aftersales services and outstanding customer satisfaction. In 2017, parts turnover increased by 21.1% while labour turnover rose by 5.5%.

For Scania, expanding its Authorized Service network in order to provide the fastest service to a larger area across the country is a priority target. Thermo King also continued its efforts to enhance the service quality of its Authorized Service teams throughout 2017.

Spare Parts and Logistics

Spare Parts and Logistics manages the importation, warehousing and distribution of vehicles and spare parts to Authorized Dealers of the world's most prestigious brands such as Volkswagen, Audi, SEAT, ŠKODA, Porsche, Bentley, Lamborghini, and Scania, as well as Scania Industrial and Marine Engines, Thermo King Transport Temperature Control Systems. In 2017, Spare Parts and Logistics imported 154,308 vehicles, and dispatched 183,000 vehicles to Authorized Dealers, ending the year with a total revenue of TRY 1,043.6 million generated by the sales of spare parts and accessories.



Providing the best aftersales experience

With its quality focused service approach, Doğuş Otomotiv has been increasing its aftersales services sales in all its brands and achieving very successful results in international assessments.

Awards

Doğuş Otomotiv and its brands completed 2017 as a year full of awards. In the category "Top Three Companies with the Highest Corporate Governance Rating", Doğuş Otomotiv has been awarded with second place by the Corporate Governance Association of Turkey. The Company was also awarded by the Sustainability Academy in 2017, thanks to its business model set up in order to extend to its Authorized Dealers and Suppliers across the country the awareness of corporate sustainability which it has established as its corporate culture. Meanwhile, Aon Hewitt, an international human resources and consultancy firm, selected Yücel Auto, a Doğuş Otomotiv affiliate, as the "Best Work Place" as a result of the survey carried out with 210,000 employees from 170 companies.

Doğuş Otomotiv's social responsibility platform "Traffic is Life!" was awarded the Golden Compass prize by the Public Relations Association of Turkey with its "Child Safety in Vehicles" project and it was also selected as the "Social Responsibility Project of the Year" at the ADA Sales and Communication Awards organized by the Automotive Distributors Association (ADA) with the Jingle Contest.

Volkswagen Passenger Cars was as successful in sales as it was in communication and was voted the most loved car brand of the year for the 5th consecutive year in the survey conducted by the independent research company MediaCat Ipsos. Volkswagen Passenger Cars was awarded the first prize in the "Radio Application of the Year" category at the ODD Sales and Communications Awards organized by the Automotive Distributors Association for its radio integration of the "Tiguan on the Road" social media project and also won the "Press Launch of the Year" award with the New Polo launch. Furthermore, in the Red Awards, the brand has been awarded as the "Best Digital Channel Utilization" award for its "beIN Digturk TV Remarketing" campaign; received the "Best Community Management" prize in the Social Media Awards 2017 and ranked at the first place in the Turkish Customers' Voice Research in the automotive category.

Continuing its advertising and communication efforts towards enhancing brand recognition throughout 2017, Audi Turkey received awards in two categories in the Crystal Apple awards and an award in one category each in the MediaCat Felis and Epica awards.

Doğuş Oto

Doğuş Oto provides new vehicles, second hand vehicles, spare parts and accessory sales as well as aftersales services for Volkswagen Passenger Car, Volkswagen Commercial Vehicle, Audi, Porsche, SEAT and ŠKODA brands in a total of 6 regions at 34 Authorized Dealer and 31 Service points. The company exceeded its targets in 2017 with the sale of 60,405 new vehicles, 4,242 second hand cars and a total of 295,613 vehicles service entries.

In 2017, Doğuş Oto regions received the first place in three categories in Top SEAT People 2017, namely the Best Sales Representative, Service Manager and Insurance Guarantee Expert branches. Moreover, it added to its achievements by receiving Turkey wide championship in the "Technology" category in the Audi Twin Cup 2017, organized by Audi AG worldwide, also the first, the second and the third places in the Audi Sales Cup.

D-Auto Suisse SA

Operating in Lausanne, Switzerland since 2009, D-Auto Suisse SA focused on growing in the luxury segment in 2017 with Porsche, Bentley and D-Occasion brands and succeeded in becoming the market leader in the Vaud Canton in the luxury

segment with the Bentley brand it added to its portfolio. The company realized the sale of 306 new and 151 second hand cars in 2017.

D-Auto LLC

D-Auto LLC, operating in Erbil, Iraq as the distributor of the Volkswagen Passenger Car, Volkswagen Commercial Vehicle and Audi brands, was adversely affected by the declining market due to economic recession and political developments in 2017 and realized a sale of a total of 46 new vehicles. The company also serviced 1,816 vehicles in 2017.

DOD

DOD, which reinstated institutionalization and trust in the second hand car sector, moved out of retail sales due to the change in its business model and focused on supply and sale of vehicles to Authorized Dealers. Thus, through new collaboration with vehicle fleet companies, a 26% increase was attained in vehicles supplied to Authorized Dealers. Also, cash sales to Authorized Dealers grew by 62%, reaching 1,500 vehicles, the highest date in the history of DOD. DOD Authorized Dealer sales was realized as 22,009 units in 2017.

TÜVTÜRK

As the solely authorized body responsible for periodic vehicle inspections providing significant contribution to road and vehicle safety, TÜVTÜRK registered growth in all its lines of operation in its 10th founding anniversary. Raising its revenue to TRY 1,633 million in 2017 with a 12.5% increase compared to the previous year, it also realized the periodic inspection of 8,919 thousand vehicles, with an 8.8% increase compared to the previous year. In exhaust gas emission measurements emissions 3,300 thousand vehicles were measured with an increase of 4.7% compared to the previous year.

In 2017, when investments gained impetus, the "Tenth Anniversary

Station", Europe's largest and the most user friendly vehicle inspection station as far as customer experience is concerned became operational in Hadımköy, İstanbul, bringing the number of permanent inspection stations in İstanbul to 14. Moreover, with the aim of further expanding its extensive activities and taking its services to every point of Turkey, TÜVTÜRK opened its Hakkari, Yüksekova station in 2017. Capacity and quality enhancement investments in other cities also continued throughout the year.

vdf Automotive Financing

The vdf Group, encompassing financial services, insurance, factoring and fleet companies, succeeded in reaching its targets in 2017 by prioritizing products and services with a customer focus. With an average of 35% penetration ratio among the Volkswagen Group brands in vehicle loans, it continued to hold its market leadership among finance companies and banks 2017 with a 14% market share in vehicle loans. Providing 68,130 new loans in 2017, vdf reached its targets with a total number of 147,670 live loans. vdf increased its total live loan volume by 11%, reaching TRY 7.8 billion.

vdf Insurance Services succeeded in maintaining its title of being the largest insurance agency regarding total net premium generation and the number of live policies. Generating a total net premium of TRY 373 million in 2017, vdf Insurance raised its number of policies to de 323,975. vdf Faktoring, reached a transaction volume of TRY 13.6 billion and total asset volume of TRY 1 billion. Taking its place in the operational fleet rental sector also in 2017, vdf reached 2,800 active contracts 80% of which are comprised of Doğuş Otomotiv vehicles.

Digital transformation

Doğuş Otomotiv considers digital transformation among

its priorities with a view to fully exploiting the benefits of technology in the automotive industry all facets of which are becoming digitalized; to enhance its service quality in this area and to render its business processes more efficient. In 2017, a Chief Digital Officer (CDO) was appointed in order to render this transformation more efficiently and rapidly, to consolidate the various digitalization efforts in various units and processes of the company and most importantly, to make digitalization a part of the corporate culture.

Believing in the importance of digitalization in employer brand communication, Doğuş Otomotiv launched its LinkedIn, Instagram and Facebook channels. Reaching a visitor size of over 50,000 on LinkedIn, the Company has been using Facebook and Instagram channels intensively and interactively as well as sharing information about company employees over these channels.

In 2017, the "Traffic is Life!" platform introduced the Facebook ChatBot application that was employed for the first time in the area of social responsibility on social media. Through the application, the platform enabled candidate drivers to take previous years' driving licence tests and measure their knowledge. More than 100,000 participants made use of the application as of December 2017.

Moreover, in 2017, "HOP!" mobile app was launched in order to provide the safety of those who move about in traffic on bicycles and to create social awareness on this issue in general. 5,000 people downloaded the app enabling cyclists to be made more visible in traffic.

All brands of Doğuş Otomotiv, which has been closely following the developments in the digital world, utilized digital

12 brands, more than
85 models

Doğuş Otomotiv achieved significant sales successes in 2017 in the brands it represents and maintained its strong position in the Turkish automotive industry.



channels efficiently in 2017. The web site developed for Volkswagen Passenger Car was visited 25 million times to date. "My Volkswagen" application developed with the aim of being always behind Volkswagen lovers was downloaded on the smart phones of 140 thousand users. Volkswagen, which has Turkey's largest automotive Facebook page, maintained its leadership in this area by exceeding 4 million local followers. Volkswagen Passenger Cars was also the most followed automotive brand in Instagram with over 296,000 followers. It also established one-on-one and real time communication with its customers through "Social CRM" applications by maintaining its effective presence in YouTube, LinkedIn and Google Plus accounts with a view to offering Volkswagen fans the most accurate content in every channel. Two more Authorized Dealers; Beşer Mardin and Vosmer Bornova became operational as of 2017 within the framework of the "Digital Retail" project whose pilot studies were carried out in 2016.

Placing digitalization at the focus of its business processes, Audi Turkey fully reached its targets in 2017 and was cited by Audi AG as benchmark to other countries for its digital showrooms and exemplary projects. Within the integration of Digital Retail Modules (DRM), the installation of a total of 41 modules, with 10 CPL (Customer Private Lounge) and 31 SL (Sales Lounge) has been completed. During the year, the "Self-Reception" application where customers are able to open their work orders for express services and the tablet application aiming to measure customer satisfaction before they leave the service became operational. Moreover, transition to online training, reducing training period and increasing efficiency for Authorized Service employees was realized.

SEAT's customer focused and innovative communication strategy carried out over Facebook, Instagram, Twitter, YouTube and LinkedIn aiming to enhance brand recognition enabled it to be increased by 30% and contributed to the enhancement of customer satisfaction.

ŠKODA Turkey's achievements continued in the digital world as well in addition to sales. ŠKODA Turkey page continued its rapid rise in Facebook and Instagram with 710,156 followers and 104,703 followers respectively. The totally renewed www.skoda.com.tr webpage providing a user friendly interface continued to grow steadily with 9,172,969 visits.

Porsche focused on digitalization in all its business processes in line with its 2025 strategy and thus has taken customer satisfaction to a higher level. Within the framework of the Google project launched in 2017, intensive online communication work was undertaken in Turkey which was selected by Porsche CEE as a pilot region. Through efforts made with an aim to being more visible to the target group, collecting customer data and providing faster service to customers, time and cost savings were achieved. A YouTube account was opened as it is an effective channel for reaching potential customers. A total of 2,464 potential customer data was collected over Facebook at the end of the year while 7,013 calls were generated through Google searches and 8 vehicles were sold.

In addition to Facebook with more than 1 million members, through the customer focused innovative and noteworthy applications offered on other social media platforms like Instagram and YouTube, and the services that it has taken to online channels that enhance customer satisfaction, Volkswagen Commercial Vehicle is undertaking pioneering initiatives

in the sector. 360° vehicle interior visuals as well as "Advanced Driving Pleasure" videos for all models created for digital media channels ranked among the top YouTube searches. Also, the improvement of the "Smart Turquoise Screen" application used by Volkswagen Authorized Dealers and Services continued in 2017. The project, offering a whole range of data and information in processed form in front of the sale or service consultant and aiming to enhance communication with the customer, received two international awards in 2017. Also, the "Road Assistance" service was added to the Volkswagen Commercial Vehicle application offered over Appstore and Google Play.

Digitalization efforts had a significant place on Scania's agenda. Reaching 193,000 users in Facebook in 2017, Scania continued to maintain its continuity on Instagram, LinkedIn and Google Plus platforms. In addition to "My Scania is Super Strong", one of the sector's successful applications, "My Scania on Mobile" application also had a positive outlook in 2017 with 5,000 downloads. The brand eased access to data by launching its fleet management portal FMP in 2017, which can be used online by the entire Authorized Service Network.

The mission of DoğuŖ Oto in the digital age is to provide uninterrupted service to meet customer demands and to maintain the highest level of digital experience for customers accessing through any channel. To this end, the DoğuŖ Oto website was redesigned in 2017 in order to respond to customer demand immediately and through the channel of their choice. Thanks to its features, the new website is first of its kind in Turkey and a "benchmark" in the world. The website has won this year's Golden Spider Web Awards in the automotive category.

Meanwhile, DOD maintained its leadership through its digital projects enhancing customer experience introduced for the first time in Turkey in the second hand car sector. The DOD 360° feature, a first of a kind implementation in Turkey in the second hand car market enabling customers to examine the vehicle interior was offered to the use of the entire Authorized Dealer organization. Access speed to the website was increased through infrastructure work and the vehicle search process for the digital platform users was rendered more user friendly. DOD mobile app was downloaded on more than 450,000 smart phones or tablets over iOS and Android platforms, becoming one of the most preferred mobile applications.

Corporate Sustainability

DoğuŖ Otomotiv continued its corporate sustainability endeavours at full speed in 2017 with the aim of managing the impact of its operations and bringing the solutions it creates to all its stakeholders, as well as working on transparency and accountability, the basic tenets of corporate sustainability.

The Company's commitments regarding environmental, economic, social, and ethical factors that shape its strategic decisions support its sustainability vision. DoğuŖ Otomotiv also believes firmly that in order to continue its existence in the future, it is as important to create social good for the people living in the regions where it conducts its operations as financial success.

DoğuŖ Otomotiv took on a pioneering role in 2009 when it prepared its first Corporate Sustainability Report in compliance with GRI's Global Reporting Framework, with the report being published regularly since then.

DoğuŖ Otomotiv strives to define the future expectations and needs

accurately, building on its financial and operational successes across the automotive value chain by offering the right products and services, and regards it as a top priority to develop business models and innovative solutions focused on creating sustainable business processes and common values.

The Company has been carrying out its social responsibility project with the slogan, "Traffic is Life!" aiming to positively enhance the general responsibility, awareness and perception of the public regarding traffic it launched in 2004 for thirteen years without interruption. The Traffic is Life! platform develops special projects aimed at all target groups in order to change the behaviours and habits of individuals from all ages about traffic safety and create a positive culture in the community.

The focus of the Traffic is Life! Platform in 2017 was "Child Safety in Vehicles" as it was the case in 2016. Five viral informative films on mother and child safety in particular were prepared by the brand spokesperson Prof. Üstün Dökmen and broadcast on social media channels in order to reach the target audience effectively. Moreover, training on "Child and Foetus Safety in Traffic" was provided for healthcare staff at hospitals by Prof. Serpil Acar and Prof. MemiŖ Acar from Loughborough University; seminars and training were organized for mothers with the participation of mother-child bloggers; campaigns and events encouraging the use of child safety seats were held, and informative programs were broadcast on Uzman TV, as well as various national TV and radio channels.

Reaching 112,000 followers in 2017 on Facebook, Traffic is Life! platform provided informative/entertaining information to all sections of society through

regular sharing of content. A jingle contest was organized under the jury chairpersonship of Nil Karaibrahimgil in 2017 with a view to raising youth awareness about traffic and the winning jingle was widely broadcast as a radio spot.

In addition, HOP! Mobile app was introduced to provide the safety of bicycle riders in traffic and events to promote it were organized during the year. The course content of the Traffic Safety remote education offered as an elective course in 18 universities to include the Bilgi University and Istanbul Technical University (ITU) was upgraded through the collaboration of ITU. Moreover, driver candidates who would be taking the Ministry of Education approved driving licence test were given the opportunity to test themselves and measure their knowledge based on previous year's test questions.

The "Traffic is Life!" platform which received several awards in previous years continued to add new ones in 2017. "Traffic is Life!" platform was cited among the top ten project by the Capital magazine in the Best Corporate Social Responsibility survey. While the "Child Safety in Vehicles" project was given the Golden Compass award by the Public Relations Association of Turkey, the HOP! application developed for cyclists' safety in traffic was chosen as the best project in the "Sustainable Cities and Habitats" category by the Corporate Social Responsibility Association of Turkey and the Geneva based Sustainable Development Academy. The "Traffic is Life!" platform received the "Social Responsibility Project of the Year" award at the Sales and Communication Awards organized by the Automotive Distributors Association.

TRAFFIC IS LIFE!

The “Child Safety in Traffic” project launched in 2016 due to the vital importance of child safety continued to be the focal point of the “Traffic is Life!” platform in 2017 also.

Doğuş Otomotiv shapes the future with its focus on sustainability and carries out its operations with a sense of responsibility towards its stakeholders and society. Setting out with the goal of creating a long term cultural transformation in society regarding traffic safety, the Company realized a project in 2004 that would add value to social development and leave a mark for posterity through the “Traffic is Life!” project.

As the longest lasting social responsibility project of the automotive industry, Traffic is Life! platform has been carrying out awareness raising activities that would change the behaviour and habits of individuals of all age groups in traffic and create social awareness targeting different groups. The platform believes a

positive cultural transformation regarding traffic will create a favourable impact in every area of life and create liveable cities and a liveable future.

Young people who are the future of society are the most important agents who would be able to change traffic culture positively. “Traffic Safety Remote Education” was launched in order to protect youths against traffic accidents and to inform them about traffic safety. So far, it has reached more than 25,000 students at 18 universities. The remote education which has been included among the “Elective Course” category by the Higher Education Board of Turkey (YÖK) is the first social responsibility project that has entered the university SCORM system with its traffic safety content.

“Child Safety in Traffic” project launched in 2016 since the 5-14 year old group of children are the most vulnerable in road accidents and child safety in traffic is a vitally important issue for Turkey continued to be the centrepiece of the “Traffic is Life!” platform in 2017. Many informative, educational and promotional events in various media channels were organized throughout the year in order to raise awareness about child safety in cars and the traffic.

Five viral informative films on “Mother and Child Safety in Traffic” in particular were prepared by the brand spokesperson Prof. Üstün Dökmen. The films were broadcast on social media channels and were followed by 5 million people.

Everything is for the safety of children

Films in which Prof. Üstün Dökmen draws attention to mother-child safety in traffic have reached great numbers through the social media.



Moreover, a series of training programs on “Child and Foetus Safety in Traffic” was provided by Prof. Serpil Acar and Prof. Memiş Acar from Loughborough University, who have done important research on pregnant women in vehicles and child safety, in their capacity as consultants for the project. The target group of the training were training nurses and staff at the offices of Hospital General Secretaries at Zeynep Kamil Hospital, Ümraniye Research Hospital and İstanbul Anatolian State Hospitals Union which are among health institutions with the highest number of child births. The “Traffic is Life!” platform has provided training to 310 healthcare staff so far. The staff who received the training were given pre and post training examinations to test their level of knowledge and the number of pregnant women they reached was followed up.

Also through the contributions of Prof. Serpil Acar and Prof. Memiş Acar, 3 video films made specifically with the theme of “Mother and Child Safety in Vehicles” reached a total of 365,116 people over Uzman TV and the social media.

In May, when the traffic week is organized, Traffic is Life! platform consultant Prof. Üstün Dökmen offered advice to mothers on issues including the importance of child safety seat in vehicles as well as child safety in cars during a seminar attended by mother-child bloggers Merve Öztürk and Burçin Kaya and their followers. In the seminar where a total of 60 mothers were present, questions asked by mothers joining the event over the internet were answered through a live broadcast over Facebook.

Prof. Üstün Dökmen who was host to Özlem Denizmen's program on Star TV entitled “Kadınca”, explained the “Child Safety in Traffic” project, and also provided information on mother-child safety in vehicles and the importance of the use of child safety seat by joining the live broadcast of Radio Traffic program in December.

As was done in 2016, events encouraging the use of child safety seats in vehicles were organized in 2017. Throughout the year, free of charge child safety seats were provided to

those renting cars at the İstanbul, İzmir and Ankara offices of the Central Rent a Car company with the support of our business partner company Itamex. More than 300 people renting cars made use of this opportunity. Child safety seat stands were set up at the Maslak, Bursa and Avek showrooms of Doğuş Oto where information was provided about child safety seats to interested parents.

In 2017, nearly 80,000 people who bought Volkswagen Passenger Cars and Commercial Vehicles were provided information pamphlets along with their delivery files about the safety of pregnant women and children in vehicles.

Social media was actively used during the year in order to reach as large a group as possible on issues like child safety in traffic and traffic safety. As of December 2017, Traffic is Life! platform's Facebook account had 112,000 followers. Through regular content sharing, every section of society was provided informative/educational benefit on traffic safety.

3 million people were reached in November 2017 through 3 video films that started to be broadcast with the Pictoos character created by Varol Yaşaroğlu with a view to teaching and reminding viewers about traffic rules in an entertaining way. Films and further communication will continue in 2018.

Traffic is Life! for young people

The "Public Awareness Message" contest organized in 2016 with a view to leaving a mark for posterity with young people and to include them in the issue of traffic safety was widely acclaimed as the first contest to be held in Turkey about traffic safety. The owner of the winning project, "Safety is the Future", was offered the opportunity to re-shoot the video in a professional manner in 2016. Similarly, "Respect in Traffic Saves Lives", the winner of the second place was also re-shot professionally in 2017 under the direction of the screenwriter Zeynep Dilara Aksoy. The film was produced by Böcek Productions who were on the jury of the Public Awareness Message

contest. Both public awareness films and the Koltron cartoon film were broadcast a total of 5,200 times on various TV channels between June and December 2017.

Following the "Public Awareness Message" contest, Traffic is Life! platform was once again in the limelight in 2017 by organizing Turkey's first jingle contest on traffic safety aiming to reach people in traffic over the radio. 568 people applied to the contest where Nil Karaibrahimgil was the head of the jury. The jingle by the winner of the contest Başak Gürcan that was sung together with Nil Karaibrahimgil was later developed into a radio spot and broadcast total of 2,000 times on the radios free of charge during June-July. As a result of social media communication and cooperation with social media celebrities, 16 million hits during and 5 million hits after the jingle contest were received. Moreover, special features were made in publications to include Mediacat, Marketing Türkiye, Hürriyet Kelebek and Habertürk.

Traffic is life! for society

HOP! mobile app was introduced in 2017 by Traffic is Life! platform aiming to create sustainable projects that would touch all sections of society in order to provide the safety of bicycle riders in traffic in particular and create awareness on this issue in general. The app enabling cyclists to be noticed in traffic was first promoted during the 19th of May Bicycle Festival organized by Kadıköy Municipality in İstanbul. Traffic is Life! projects and the HOP! mobile app were introduced during the WRI Liveable Cities Symposium and Road Safety course of Bilgi University. It was also offered to a large number of cycling enthusiasts through the stand road set up in at the Karşıyaka, İzmir Cycling Festival in September. In 2017, 5,000 people downloaded the app. Improvements in the app will continue in 2018.

The course content of the Traffic Safety remote education offered as an elective course in 18 universities to include the Bilgi University and İstanbul



Technical University was upgraded through the collaboration of ITU. Also, with the approval of the Ministry of Education, driver candidates -who would be taking the driving licence test over the Facebook Chat Bot app a first implementation on social media in the area of social responsibility- were given the opportunity to test themselves and measure their knowledge based on previous year's test questions. Over 100,000 participants benefited from the app as of December 2017.

Having received numerous awards in previous years, Traffic is Life! platform continued to add new ones to its achievements in 2017 also. "Traffic is Life!" platform was cited among the top ten projects by the Capital magazine in the best Corporate Social Responsibility survey. While the "Child Safety in Vehicles" project was given the Golden Compass award by the Public Relations Association of Turkey, the HOP! application developed for cyclists' safety in traffic was chosen as the best project in the

"Sustainable Cities and Habitats" category by the Corporate Social Responsibility Association of Turkey and the Geneva based Sustainable Development Academy. It was also selected as the social responsibility project of the year in the Gladiators of the Year Awards in 2017 organized by Automotive Distributors in the area of Communication and Sales.

In 2018, interactive projects based on target groups will be organized within the framework of the Traffic is Life! platform contributing to the creation of a positive traffic culture in every section of society.

Awards keep coming in for the "Traffic is Life!"

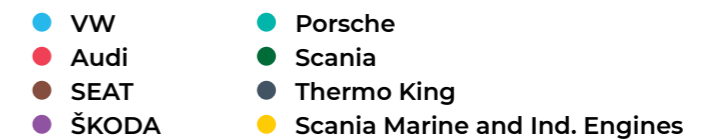
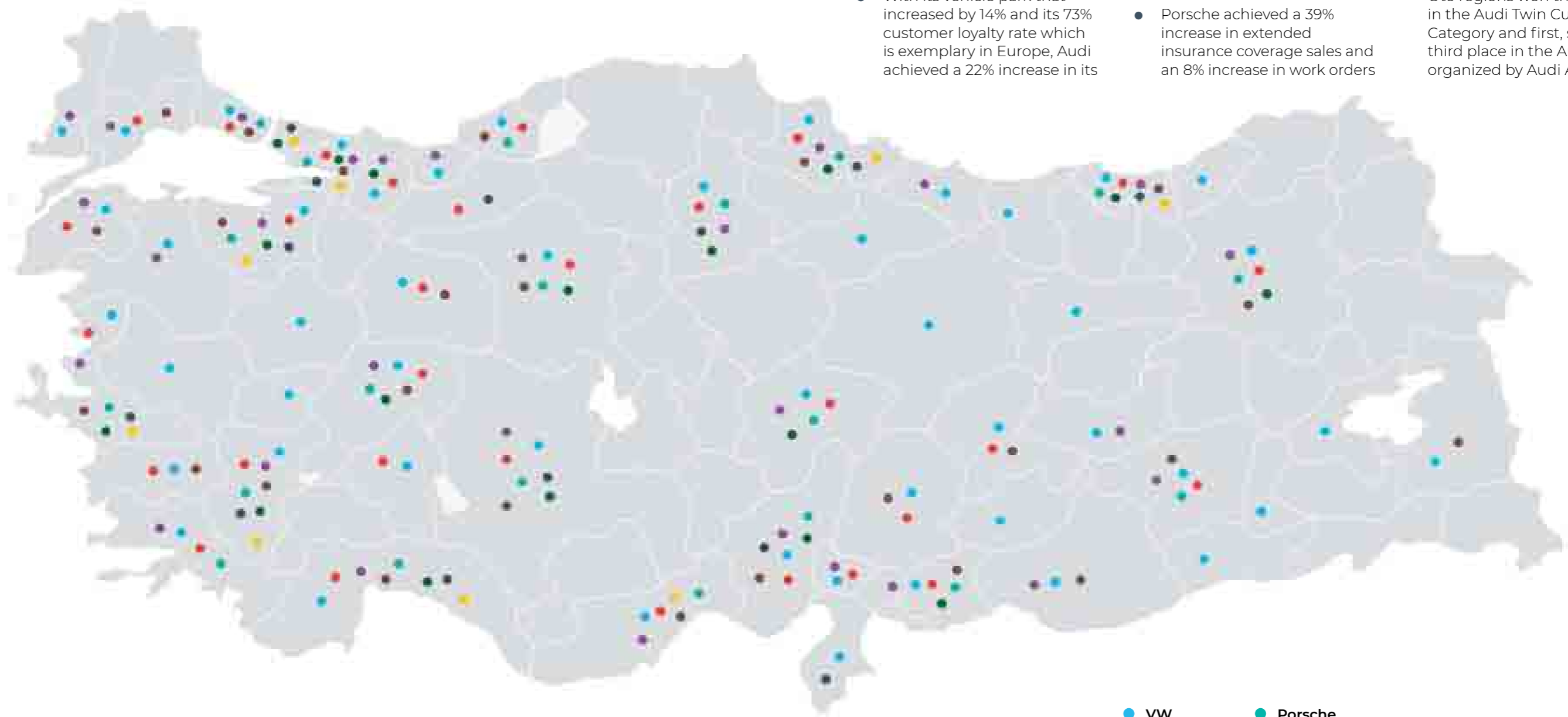
In 2017, the "Traffic is Life!" platform was selected among the top ten projects in the Capital Magazine's best Social Responsibility survey. New successes were achieved in the Golden Compass and The Gladiators of the Year Awards.



Pictoos animation characters that teach children signs of traffic.

ULTIMATE CUSTOMER SATISFACTION

Doğuş Otomotiv aims at delivering ultimate customer satisfaction as number one priority in providing services, and boasts one of Turkey's widest Authorized Dealer and Aftersales Service network.



2017 Developments in Dealers - Sales Channels

- An average of 83,000 customers are serviced monthly with 1 million vehicle entries per year at Authorized Services.
- In 2017, Volkswagen Passenger Car Aftersales Services increased its service points to 76, along with the newly opened Beşer and Avek Ümraniye Authorized Services. Volkswagen Aftersales Services ranked second by increasing its score points in the IACS (International After Sales Customer Satisfaction) Survey.
- With its vehicle park that increased by 14% and its 73% customer loyalty rate which is exemplary in Europe, Audi achieved a 22% increase in its aftersales services revenue. Audi Aftersales Services ranked first among other brands this year also in the Dealer Satisfaction Survey undertaken by Audi AG every year.
- Vehicle service entries into the SEAT Authorized Services reached 90,000, corresponding to 21% increase compared to the previous year with the impact of the growing vehicle park and service marketing activities in 2017.
- Porsche achieved a 39% increase in extended insurance coverage sales and an 8% increase in work orders thanks to the 7% increase in the vehicle park and the service campaigns realized in 2017.
- In the Volkswagen Service Quality Awards organized globally by Volkswagen AG every year, Volkswagen Commercial Vehicle Turkey has become the world winner in 2017 through its success in aftersales services and outstanding customer satisfaction.
- With a total of 295,613 service entries, Doğuş Oto exceeded its financial targets in 2017. Doğuş Oto regions won the first place in the Audi Twin Cup Technical Category and first, second and third place in the Audi Sales Cup organized by Audi AG.


 DIGITAL TRANSFORMATION

Within the framework of operational excellence, Doğuş Otomotiv has launched the Digital Transformation Department in 2017 in order to structure the future by determining the existing trends of our times and customer expectations and redefine the value chain.

Offering innovative services beyond customer expectations is the Doğuş Otomotiv strategy. The Company has given impetus to its efforts along this direction in 2017 with the aim of achieving digital transformation through parallel processes with the manufacturer as well as meeting the requirements of the digital age. Within the framework of operational excellence, in order to keep up with the trends of our times as well as customer expectations and to structure the future by redefining the value chain, the Company has started its corporate structuring with the launch of the Digital Transformation Department in 2017.

The rapid digital morphing of the automotive industry

With the ever more widespread use of digital technologies in cars, the automotive industry is undergoing a process of rapid digitalization whereby vehicles offering ease of use and enhanced safety to drivers as well as autonomous driving capabilities that can interact and communicate with its surroundings are being manufactured. The automotive industry is going through a rapid process of digitalization starting from the product itself and encompassing the processes in the automotive industry, the expectations from the industry, the technologies employed as well as internal work flows. This is a direct indication that "digital products" or "digital services" will be predominant in the future business models

of establishments operating within the automotive industry. In an industry where rapid communication, data based proactive services and hi-tech solutions entailing artificial intelligence are fast becoming the order of the day, digitalization has become a priority of enterprises.

Technology is in the DNA of Doğuş Otomotiv

The "Turkuaz" system launched by Doğuş Otomotiv in 2015 to manage its business processes with its Authorized Dealers and Services is a significant indication of the Company's farsightedness to be up to date with state-of-the-art technology and trends and its vision of adapting itself to change by forecasting the future transformation. The rapid and

comprehensive development in digitalization along with the technological advancement in recent years enabled the already existent "digitalization" trend in Doğuş Otomotiv to gain impetus and to be taken up on a broader basis. Consequently, based on the decision of Doğuş Otomotiv Board of Directors, a Digital Transformation Department was formed in 2017 and Koray Bebekođlu was appointed as its CDO (Chief Digital Officer) as of 01.01.2018.

Within this framework, work is underway with BCG (Boston Consulting Group) for 2018. Through this consultation, critical business processes of Doğuş Otomotiv will be reviewed, improvement areas will be determined and the business processes will be redesigned, taking into consideration digital trends.

Through the launch of the department anticipating dynamics that will shape the future along strategies of digitalization, in-house processes, efforts and projects related to digitalization will be carried out in a more consolidated and institutionalized manner.

The aim is to render digital transformation part of the corporate culture

One of the main tasks of the Digital Transformation Department is to enable digital transformation to become a corporate culture. While playing the main role in defining and determining from Doğuş Otomotiv's outlook the scope of "digitalization", which is an overarching concept, the department will also be instrumental in Doğuş Otomotiv's future successes through its contributions in the following areas:

- To enable Doğuş Otomotiv as an entire organization to have the flexibility necessitated by digitalization,
- To enable Company employees to do their jobs better, more easily and more efficiently,
- To manage decision making processes more effectively,
- To undertake the existing operations more cost effectively and efficiently,
- To create a difference in customer relations and customer experience,
- To better understand the customers' requests and insight regarding digitalization and develop the infra and superstructures to meet these expectations and,
- To transform the changes in the existing processes into a different business model.

Doğuş Group, with over 300 companies and more than 35,000 employees, serves its customers with advanced technologies, highest brand quality and a dynamic human resource.

Doğuş Group, founded in 1951, sets standards for a better living by being at the forefront of discoveries that shape modern life. Doğuş, which aspires to be a global house of best in class lifestyle brands that create aspiration, not only for customers but also employees, partners and even competitors, continues to work in all of its fields of operation with the aim of becoming a global player.

Doğuş Group, active in seven core businesses including automotive, construction, media, tourism and services, real estate, energy and entertainment, sustains its growth with new investments in the areas of technology, sports, and entertainment along with its current operations. With over 300 companies and more than 35,000 employees, the Group serves its customers with advanced technologies, highest brand quality and a dynamic human resource.

Doğuş Group owes its success to a management approach centered on customer satisfaction and efficiency. As a result of this approach, the Group continues to build strong partnerships with globally reputable brands, and represents Turkey across the world. Doğuş Group currently partners and cooperates with

some of the large global players including: Volkswagen AG and TÜV SÜD in automotive; Condé Nast (Vogue, GQ) in media; Hyatt International Ltd. in tourism; the Latsis Group, the Kiriacoulis Group and the Adriatic Croatia International (ACI) Group in marina and nautical operations; the international Azumi Group that holds under its roof brands such as Coya, Roka, Zuma and Oblix in food & beverage and entertainment; and the South Korean SK Group in e-commerce.

Doğuş Group's management approach also embodies a strong corporate citizenship awareness that the whole society benefits now and in the future. In launching social responsibility projects, the Group always aims to leave a mark on people's lives and improve their daily life. The Group's social responsibility projects are managed with the objective to help the society to create a progressive future; a modern lifestyle.

Doğuş Group, aware of its responsibilities in all its corporate social responsibility and sponsorship projects, is committed to being a pioneer and an example by contributing to the country's economy and employment through its investments.

As a pioneer of change in Turkey, Doğuş Group capitalizes on its broad network of services, knowledge base and collaborations to attain its goals. Doğuş Group, driven by its vision of becoming a global player that sets the standards and advances through explorations, continues to consider the partnership and investment opportunities that might be beneficial for the nation's economy.



Volkswagen

VOLKSWAGEN PASSENGER CARS

Volkswagen Passenger Cars which reached the market share of 12.4% and finished second in the passenger car market, continued its sales success also in communication and was chosen as Lovemark 5th time running.



Thanks to the successful product and communication strategies implemented in 2017 supported by the New Golf, New Polo, New Tiguan Allspace and New Arteon placed on the market as main model launches, Volkswagen Passenger Cars reached a 12.4% market share with the retail sale of 89,688 vehicles, ranking second in the passenger car market.

2017: A year full of awards

Volkswagen Passenger Cars was as successful in sales as it was in communication and was voted the most loved car brand of the year for the fifth consecutive year in the survey conducted by the independent research company MediaCat Ipsos.

Volkswagen Passenger Cars was awarded the first prize in the "Radio Application of the Year" category at the ODD Sales and Communications Awards organized by the Automotive Distributors Association for its radio integration of the "Tiguan on the Road" social media project and also won the "Press Launch of the Year" award with the New Polo launch. Furthermore, in the Red Awards, the brand has been awarded as the "Best Digital Channel Utilization" award for its "beIN Digiturk TV Remarketing" campaign; received the "Best Community Management" prize in

the Social Media Awards 2107 and ranked at the first place in the Turkish Customers' Voice Research in the automotive category.

The performance of the models

The New Golf, Passat, Passat Variant and the Beetle completed the year as leaders in their segments by the end of 2017. Passat, the most preferred imported model of the passenger car market as it was last year, reached a sale figure of 29,227 vehicles and increased its segment share by 5.9% reaching 40.9% in the B/NB segment compared to 2016.

The New Golf model in the A/HB segment was renewed in March and became the first in its segment which it has been maintaining for many years, reaching 27% in 2017, increasing its segment share by 1.5% compared to 2016. Passat Variant maintained its leadership position in 2017 too with a segment share of 41.5 %.

The Beetle, in the A Coupe segment is the leader again with a 48% segment share. Tiguan, hugely sought after since the first day it came on the market reached a segment share of 11.9% in the A/SUV segment.

The Jetta model, which is in the A/ NB segment where diesel engines

are predominantly preferred, completed 2017 with a segment share of 4.7% with the sales volume of petrol engine models alone.

Innovative solutions in digital communication

The web site developed in 2017 for Volkswagen Passenger Cars, which follows up the digital world closely, was visited 25 million times and 22,350 prospective customers were contacted through digital leads. "My Volkswagen" application developed with the aim of being always behind Volkswagen lovers was downloaded on the smart phones of 140 thousand users.

The social media channels reaching users through their strong strategy and unique content, were the most followed accounts in 2017 as well. Volkswagen, which has Turkey's largest automotive Facebook page, maintained its leadership in this area by exceeding 4 million local followers.

Volkswagen Passenger Cars was also the most followed automotive brand in Instagram with over 296,000 followers. It also established one-on-one and real time communication with its

customers through "Social CRM" applications by maintaining its effective presence in YouTube, LinkedIn and Google Plus accounts with a view to offering Volkswagen fans the most accurate content in every channel.

Two more Authorized Dealers; Beşer Mardin and Vosmer Bornova became operational as of 2017 within the framework of the "Digital Retail" project whose pilot studies were carried out in 2016 in Doğuş Oto Etimesgut with great self-sacrifice in order to catch up with the digitalization process in the world and the requirements of our era.

Aftersales services

Ever improving itself with a view to sustaining the unique automotive experience it offers its customers, Volkswagen Passenger Cars increased its service points to 77, along with the Beşer, Avek Ümraniye and Kare Oto Authorized Services that were opened in 2017.

In 2017, Volkswagen Aftersales Services maintained its second position in the ranking by increasing its score points in the IACS (International After Sales Customer Satisfaction) Survey

carried out by Volkswagen AG worldwide annually on a country basis through an independent research company, where he aftersales services of all automotive companies in the country are compared. Authorized Services serve an average of 57,863 customers with the entry into service of 694,357 vehicles. In 2017, spare parts turnover increased by 22.9% while labour turnover rose by 6.8%.

Doğuş Otomotiv Volkswagen Passenger Cars continued to be a leading brand in the Turkish automotive sector in 2017 with the retail sale of 89,688 vehicles and 12.4% market share.

Lovemark for the 5th time in a row

Volkswagen Passenger Cars continued its success in sales also in communication, and was chosen as the most loved car brand for the 5th consecutive year by the independent research company MediaCat Ipsos.

29,227

In a market that shrunk by 4.5%, Passat sedan increased its sales by 3.2%, reaching the sale of 29,227 vehicles, becoming the most preferred imported passenger car in the passenger car market.



AUDI

Audi Turkey has increased its passenger car market share by 2.7% compared to the previous year. Audi Turkey, which made digitalization the focus of its business processes, was cited by Audi AG as benchmark to other countries.

Record number of sales

The Audi brand, which started to be imported to Turkey by Doğuş Otomotiv in 1994, reached a sale number of 21,585 in 2017, which is a considerable achievement. Total sales for the A3 Sedan, a leader in its class, A3 Sportback and A3 Cabriolet in 2017 was 10,800 units. A4, A4 Avant and A4 allroad sales exceeded 4,500, reaching their highest level to date. Total sale of the A5 family was 2,500 units while the total sale of the A6 family was 2,700 units. While the Q2 and Q3 sales exceeded 1,500, Q5 sales reached 400 units while the Q7 reached a sale figure of 250. Meanwhile, the ratio of the sale of special models like S/RS, A4 allroad, A3 Cabriolet and TT within total sales continued to increase.

Digitalization in business processes

Audi Turkey, which made digitalization the focus of its business processes, was cited by Audi AG as benchmark to other countries for its digital showrooms and exemplary achievements. The installation of a total of 41 modules with 10 CPL (Customer Private Lounge) and 31 SL (Sales Lounge) modules within the framework of Audi digital retail module (DRM) integration was completed. Thus, the target set by Audi AG was realized 100%, ranking first among other networks in Europe based on number and ratio.

In previous years, the Smart Pen project enabling all data to be transferred to the digital medium on a real time basis and the Self Reception application enabling customers to open their own work orders for express service requirements were introduced.

In 2017, online training was started and basic training modules, which are the introductory part of the training modules, were loaded on the portal. The training portal has been an application that reduced training time for Authorized Service employees and increased efficiency.

Yet another project introduced in 2017 in the area of aftersales services was the customer satisfaction questionnaire the customers would respond to by the score they would give on the tablet before they left the service area. Through this new process a possible customer dissatisfaction is shared with the authorized staff concerned, enabling immediate response to the problem.

Marketing and launch activities

Advertising and communication efforts to enhance the Audi brand recognition continued throughout 2017 and the Q5 and A5 launches during the first quarter were realized

in line with the 360 degree communication target. Moreover, an advertising campaign in parallel with the channel content was developed, taking Q5 recognition to higher levels. Audi received awards in two categories in the Crystal Apple awards and in one category in the MediaCat Felis and Epica awards.

Another priority issue in 2017 was the social media communication. Social media channels to include Facebook, Twitter, Instagram, YouTube and LinkedIn were successfully utilized to communicate the Audi brand. The Audi brand ranked among the first in Facebook average interaction rates in the premium segment. As was the case in previous years, Audi Turkey Twitter account continued to be the brand among the Turkish automotive pages with the highest number of followers.

The audi.com.tr website whose traffic was increased by digital media publications rose to the fifth place in the most visited Audi websites ranking particularly in recent months. With this statistics, the website has become one of the 10 most visited official Audi websites in the world.

Aftersales services

The Audi brand reached a sale figure of 21,585 units in 2017. With its vehicle park that increased by 14% compared to 2016 and its 73% customer loyalty rate which is exemplary in Europe, a 22% increase has been achieved in its aftersales services turnover.

In yet another significant achievement, Audi Aftersales Services ranked first among other brands this year also in the Dealer Satisfaction Survey undertaken by

Audi AG with the participation of service managers and company owners. This achievement demonstrates that the communication and cooperation with business partners is at the highest level.



21,585

With a sale figure of 21,585 units in 2017, Audi increased its passenger car market share and consolidated its position in the premium market.



SEAT

Receiving the “Highest Growth Rate Importer Over the Last Years” award in 2017, SEAT Turkey has won the the same prize for two consecutive years.

The performance of the models

2017 was a year full of new launches for the SEAT brand. In January, facelifted Leon and in July, the New Ibiza that was completely renewed using the VW Group's MQB platform for the first time was placed on the market. In November, SEAT Arona, the first compact crossover model of VW Group, arrived at the Authorized Dealers.

Maintaining its second ranking for three consecutive years in the A-HB segment with the sales of 10,104 units in 2017, Leon realized a segment share of 14.55%. Ibiza, the second best selling model of the brand closed the year with a sales of 4,237 units.

With Arona, that was added to the model range in December 2017, SEAT strengthened its presence in the SUV segment. Total sales figure of Ateca in the A-SUV segment was 864 units while that of Arona in the A0-SUV segment was 113 units.

SEAT brand also increased its share in fleet sales by the 2,050 unit fleet sales in Turkey with the Abdi İbrahim project, the highest in the history of SEAT S.A. SEAT's fleet sales increased by 31% compared to 2016, reaching the highest fleet sales number to date.

SEAT was able to establish a market share of 2.22% by realizing the sales of 16,064 passenger cars in 2017.

Launches and sponsorship activities

Launch communication of facelifted Leon in February and the completely renewed Ibiza in September was realized in traditional and digital media channels.

Within the scope of the ongoing Turkish Airlines Euroleague and Eurocup sponsorships, SEAT effectively reached the basketball target group by being present in all communication channels from classic to new media. Sponsorship of Darüşşafaka Doğu Basketbol Team also continued throughout the year.

With a view to enhancing brand awareness, SEAT used its customer oriented and innovative communication strategy in digital media channels as well, through Facebook, Instagram, Twitter, YouTube and LinkedIn, and continued to increase customer satisfaction.

Thanks also to contribution of communication activities and sponsorship communication, SEAT's brand awareness rose to 30% with an increase of one percentage point.



Upgraded corporate identity

In order to increase the level of customer satisfaction, a customer focused new showroom concept underlining a young brand perception was developed. While corporate changes of all SEAT Authorized Dealers external facades were completed in 2017, the rate of completion of the interior changes reached 57%.

Additionally, two new Authorized Dealers, Yağcı Otomotiv in Balıkesir

and Miram Otomotiv in Malatya joined the SEAT family in 2017.

After-sales services

Car entries into the SEAT Authorized Services reached 90,000, corresponding to 21% increase compared to the previous year with the effects of the growing vehicle park and service marketing activities in 2017. Thanks to the actions taken regularly throughout the year, Authorized Service customer loyalty rates

reached 62% while the aftersale services customer satisfaction survey score reached 4.73% with SEAT's customer satisfaction-oriented approach.



Sustainable increase in brand awareness

Thanks to the impact of communication activities and sponsorship communication, sustainable increase of SEAT brand awareness continued in 2017 also, reaching 30%.

16,064

In 2017 SEAT realized the sale of 16,064 units in the passenger car market.



ŠKODA

While ŠKODA Turkey placed its big SUV Kodiaq on the market in Turkey in 2017 its sales in the D segment model Superb gained impetus in the operational leasing sector.



ŠKODA leads in the D segment sedan and SUV segment

In 2017, when the automotive market shrunk, ŠKODA's D segment sedan Superb and the D-SUV Kodiaq made a positive contribution to the brand's image and sales. ŠKODA closed 2017 with a sale of 24,679 vehicles and a drop of 14.5%.

2017

In 2017, ŠKODA had a market share of 3.41%. The brand's global sales reached 1.2 million vehicles, exceeding the 1 million level for the fourth year running. ŠKODA Turkey left behind important markets including Italy, Austria, Belgium and Spain by once again ranking among the top 10 markets.

ŠKODA Turkey was able to sell 9,215 vehicles in the first six months of 2017, both due to difficulties in supply as well as the changing market conditions. This sale figure, corresponding to a 29.7% shrinkage compared to last year gained great impetus with the arrival of action models and supply force to include Superb Comfort, Octavia Ambition 1.2 TSI 86 PS, Octavia Sport and Rapid Spaceback Dynamic. The sale of 15,466 vehicles in the last six months of the year enabled the shrinkage to be realized at a minimum level.

Moreover, ŠKODA succeeded in increasing its sales every year since it started operating in the fleet market in 2014. The brand, which realized a fleet sale of 2,067 vehicles in 2014 increased this number to 7,545 in 2017. The rise in the fleet sales of Yüce Auto was crowned with the "Certificate of Achievement" awarded by Škoda SA.

The models' performance

Octavia, the brand's best-selling model in 2016, continued to be the best selling model in 2017 also with a total sale of 9,142 vehicles. Additionally, the move was made to the renewed Octavia in 2017. The second ranking Superb came to the fore by increasing its sales from 7,872 to 8,423. While D segment sales dropped by 10%, Superb became the third best-selling D segment sedan by increasing its sales by 7%. Superb also realized an 80% increase in fleet sales compared to last year, reaching a sale figure of 3,246 vehicles.

Among the most noteworthy models in 2017 is the D-SUV model Kodiaq, placed on the Turkish market since May. Displayed for the first time in Turkey during the youth festival Whitefest 2017 held in Uludağ full of fun and attended by many colourful personalities, Kodiaq became the 4th

best-selling model in the D-SUV segment with a sale figure of 1,944 in 8 months.

2017 developments

In 2017, ŠKODA's brand image made a marked improvement. Among the models contributing to it is the D segment SUV model Kodiaq. Based on the MQB platform of the VW Group, Kodiaq was noteworthy as the brand's first big SUV, attracting a new customer group to the ŠKODA brand both globally and in Turkey. A continuation of the brand's change that started with Superb Kodiaq is offered to the market with its 5 and 7 seater versions, diesel and petrol engine alternatives as well as its 4x4 system.

Yet another significant novelty of the ŠKODA brand promoted in 2017 is the Karoq model. Positioned under the Kodiaq model in its product range, Karoq will be placed on the market in Turkey as of the first quarter of the year.

Awards and achievements

In 2017, Yüce Auto earned the prestigious "2016 Best Employer Award" in the framework of the

"Aon Best Employer Awards" based on employee loyalty research undertaken in Turkey for many years by Aon Hewitt, the world leader in human resources and management consultancy.

ŠKODA Turkey's achievements continued in the digital world as well in addition to sales. ŠKODA Turkey page continued its rapid rise in Facebook and Instagram with 710,156 followers and 104,703 followers respectively. Also, the totally renewed www.skoda.com.tr webpage providing a user friendly interface continued to grow steadily with 9,172,969 visits.

2018 expectations

With its new models placed on the market, ŠKODA aims to increase its sales and market share in 2018. In 2018, offering Kodiaq for a full calendar year, the arrival in showrooms of Karoq and the arrival of the renewed Fabia on the market will contribute to the growth of the existing market share.

As the country that has completed its Corporate Identity Transformation the fastest with its refurbished showrooms, an experience with a difference will

be offered to the customers in 2018 ranging from the showroom visits to aftersales services. ŠKODA will continue to be prominent by offering one of the richest product ranges and enhance customer satisfaction.

Superb has increased its sales by 7%

While D segment sales dropped by 10%, Superb became the third best-selling D segment sedan by increasing its sales by 7%, with the sale of 8,423 vehicles.

1,944

Attracting attention when offered to the Turkish market in 2017, Kodiaq became the 4th best-selling model in the D-SUV segment with a sale figure of 1,944 in 8 months.



BENTLEY



BENTLEY & LAMBORGHINI

In 2017, global launches of the world's first super sport SUV Urus and the best Grand Tourer manufactured to date, the New Continental GT were done.

The most prestigious and luxurious models

Bentley Motors was founded in 1919 by railroad engineer Walter Owen Bentley. Today, the brand pursues its operations under the umbrella of Volkswagen AG. Since the early 1910s, the British Bentley brand has gained recognition for manufacturing the most prestigious and luxurious car models in automobile history.

Automobili Lamborghini was founded in 1963 by Ferruccio Lamborghini. Production operations of the brand have been carried out of Bologna, Italy since its foundation. Following the acquisition of all Lamborghini shares by Audi AG in 1998, the brand shifted towards a rapid uptrend with its new models equipped with powerful and highend technologies.

2017: Sustainable success

In 2017, while the Bentley brand consolidated its position in the competition with its Bentayga Diesel engine, Lamborghini continued to maintain its sustainable success with the Huracán model.

In 2017, Bentley realized the sales of 16 vehicles in total: 6 Bentayga Diesel, 6 GT V8, 1 each of Continental Supersports, Mulsanne Speed, Bentayga W12 and Flying Spur V8.

In the Lamborghini brand on the other hand, a total of 7 vehicles were sold in 2017, 5 of which were Huracáns and 2 were Aventador S Coupe. 2 of the Huracán sales were Huracán Performante, 2 were Huracán Spyder and one was Huracán LP 610-4, models offering both performance and luxury.

Keeping up brand communication

Marketing investments for Bentley and Lamborghini continued in 2017. The highlights of these efforts are as follows:

- On 30-31 March and 25-27 July, Bentley Motors organized press test drives exclusively for the Turkish media members. The first of these included the entire model range of Bentley while the second one focused on Continental Supersports, the world's fastest sedan. Press members from the daily newspapers and lifestyle magazines participated in both organizations which included nearly 500 km of driving for each. Extensive and effective coverage was received as a result of these events.
- Automobili Lamborghini organized a test drive and factory visit on 11-13 October for the Turkish media members. Huracán and



Aventador models were tested during the event attended by press members from the automotive and lifestyle media and extensive coverage was received in the media.

- Press members were invited to attend the global media launch of the world's first super sport SUV Urus organized in Bologna on 4 December.

- Sustainable communication efforts have been undertaken throughout the year in line with the global marketing plans of Bentley Motors and Automobili Lamborghini.





PORSCHE

PORSCHE

Porsche focused on digitalization in all its business processes in line with its 2025 strategy and thus has taken customer satisfaction to a higher level.



Investments

Porsche Authorized Dealer and Service Vosmer in Izmir started serving its customers on 4 December at its new premises with its 612 m² showroom and 380 m² service area.

Performance of the models

In 2017, 911 completed the year as the leader in its segment. Porsche's highest selling model was Macan which sold 400 units. While Cayenne closed the year with 139 cars sold, Panamera reached a sales figure of 39 units. The 718 Boxster/Cayman models increased its market share in its segment by 24% with the sale of 69 units.

Communication activities

Throughout 2017 when digital marketing and PR activities were prominent 33 press releases were serviced and 10 media events were organized with the participation of 78 people. Members of the press were provided the opportunity to test various Porsche models for a total of 124 hours.

A year full of media events

Porsche started 2017 with a media driving event at Istanbul Park on 17 March with the participation of media members. Through this event, media members were introduced to the new

718 Cayman, the new 718 Boxster and the new Panamera models where they had the experience of driving all Porsche models on the track.

On 28-30 May, the Porsche Driving Academy event was organized at Istanbul Park for the members of the media. Additionally, Porsche GT event was held at the Porsche Leipzig factory on 21-23 August with the participation of Turkish media members. On 29-30 August, the worldwide launch of the new Cayenne was done in Stuttgart.

On 21-22 September, the new Cayenne technology workshop event was held in Düsseldorf with the participation of Turkish members of the press; on 21-23 September Panamera Sport Turismo press launch was held on the island of Split in Croatia; on 5-6 November the new Cayenne press launch was held on the island of Crete, Greece. The last press event of 2017 was the GT3 launch held on 2 November at the Porsche Driving Centre with the participation of 23 media members.

Experiential marketing strategy

The requisite driving activities of the Porsche brand kicked off on 8-11 February in Levi, Finland with the Snow & Ice event with the participation of 10 potential customers.

A total of 253 people participated in the "Porsche on Track" and "Advanced Porsche on Track" driving events held at the Porsche Driving Centre on 24-25-26 March, 9-11 June and 3-4-5 November respectively where all the Porsche models were tested by the invitees. This year, differently from previous years, 5 November was organized as the "Porsche Performance Day" for the first time and a performance oriented driving was undertaken with more driving on the track.

On 15-18 August, Porsche on Road event was held at Tegernsee, Munich with 9 Porsche Club members. On the last day of the event, the team drove to Prague and participated in the Panamera Sport Turismo launch.

Sponsorship projects

The launch of the Porsche Driver's Selection boutique products was carried out throughout the year with various sponsorship events. The Palm sponsorship event held on 8 March at the Four Seasons Hotel was such an event.

Throughout the year 12 Porsches were displayed at the D-Gym and special privileges were accorded to members.

5 customers who won the Porsche Golf Tournament in 2016 participated in the Porsche Golf Cup World Final Tournament finals held on Mallorca on 8-10 May.

2017 marketing activities ended with The Palm sponsorship the second of which was held on 7 December.

Customer satisfaction on the online media

Within the framework of the Google project launched in 2017, intensive online communication work was undertaken in Turkey which was selected by Porsche CEE as a pilot region.

In all the work undertaken, the objectives of meeting internet users specifically undertaking searches for Porsche and the rival brands, collecting potential customer data and providing speedy service to customers were given priority. Users accessing through the Porsche website were channelled into action through retargeting; the target pools held were segmented whereby relevant messages were sent to the relevant customers; data collected over the social media channels were enabled to reach

the Value and Care Center pool automatically saving time and costs and a YouTube account was opened as a new and effective channel for reaching out to potential customers.

At the end of the year, a total of 2,464 potential customer data was collected, 7,103 calls were received through Google searches and 8 vehicle sales were realized.

Record aftersales services

Compared to 2016, a 6% increase in accessory sales, 49% increase in boutique sales, 39% increase in extended insurance coverage sales and an 8% increase in work orders have been achieved thanks to the service campaigns realized in response to the 7% increase in the vehicle park of the Porsche brand at the end of 2017 and the Porsche accessory, boutique and extended insurance coverage marketing efforts. Customers' Authorized Service loyalty rate was 79% while the customer satisfaction score was 4.88 thanks to the customer focused approach in aftersales services. In 2017, Porsche Aftersales Services reached 1,357 users through its Porsche Mobile App designed in line with the global digitalization strategy.

400

In 2017 the highest selling model of Porsche was Macan, with 400 units.



Ticari Araç

VOLKSWAGEN COMMERCIAL VEHICLES

Ranking third in the total market in 2017, Volkswagen Commercial Vehicles maintained its leadership in imported commercial vehicles sales. Moreover, Volkswagen Commercial Vehicles Turkey ranked first in the world in 2017 in the After Sales - Service Quality Award evaluation thanks to its success in aftersales services and outstanding customer satisfaction.



2017 brand performance

In 2017, a 2.9% growth compared to the previous year was achieved in the light commercial vehicles market in Turkey with the sale of 233,435 units. Volkswagen Commercial Vehicles had an 11.9% market share in the light commercial vehicles market with the sale of 27,793 units and maintained its leadership in the imported commercial vehicles market with a 25.3% market share.

The Transporter model reached a market share of 39.4% with the sale of 11,674 units, Amarok reached a market share of 16.2% with the sale of 3,263 units, Crafter reached a market share of 5.2% with the sale of 2,967 units, Caddy reached a market share of 14.0% with the sale of 9,889 units.

New product launches

In 2017, Amarok's premium equipped version, the New Amarok Aventura, the strongest in its segment with its 3 liter, V6 engine, was launched on the market with a 360° communication strategy. Moreover, as the owner of the "2018 International Pick-up Award" (IPUA 2018), Amarok is the first pick-up to be awarded the same prize a second time that it also won in 2010.

The New Caddy Alltrack, that further strengthened Volkswagen Commercial Vehicles's most desired model Caddy's assertion with its sporty looks and high equipment level was also launched on the Turkish market in 2017. The launch of the Caddy Alltrack which is devel-

oped especially for Turkey was supported by an effective communication plan with a positive impact on the increase of Caddy's segment share.

With its highest level of equipment and the strongest engine in its segment, Caravelle Highline version of our Caravelle model which stands out in its class with the safety, comfort, engine, interior equipment and robustness features offered to its users as standard, has taken its place in the market in 2017.

Brand communication

In line with its target oriented marketing strategy Volkswagen Commercial Vehicles has continued its communication effectively based on an in-depth analysis of the profile and the media used by its customers. Throughout the year various projects were realized with a view to promoting the Volkswagen Commercial Vehicles brand, informing its customers and introducing its products in all communication channels ranging from classic channels to new media. Volkswagen Commercial Vehicles pioneers on social media platforms such as Facebook with over 1,000,000 followers, as well as Instagram and YouTube through the customer-focused, innovative and noteworthy applications offered, and the services that it has taken to online channels enhancing customer satisfaction.

The 360° vehicle interior visuals developed for the social and digital media channels in particular enable customers to examine all models in all channels with ease.

"Advanced Driving Pleasure" videos for all models have been made to share in social and digital channels. In these videos, the technological and electronic systems in the vehicles are explained in a "How does it work?" format aiming to convey the product features to the users correctly. The aim here is to enhance the benefit acquired from the Volkswagen Commercial Vehicles models and increase customer satisfaction. The videos concerned rank highly in search results, thus, Volkswagen technology and its superiority are offered to everyone doing a search on YouTube.

The improvements on the "Intelligent Turkuaz Screen" application, which was introduced in 2016 and utilized by Volkswagen Authorized Dealers and Aftersales Services, continued in 2017 as well. With the help of this application, it is aimed to offer the Volkswagen Commercial Vehicles users the most appropriate service through the analysis of the information left by the users on online and offline channels with their permission. Intelligent Turkuaz Screens process a lot of information according to certain built-in algorithms within the system and present the processed information to the sales or service consultant, thus enhancing the quality of the communication with the customer. Moreover, the data on the screen is transformed into visual images short-

ening the customer response time and increasing the efficiency of the time spent in the showroom. In 2017, two international awards were won regarding the project in question.

"Road Assistance" has been added to the Volkswagen Commercial Vehicles application which was made available in the App Store and Google Play. Thus, users logging on to this app are called within 120 seconds by the call centre if they request road assistance, a recovery vehicle is sent in times of need and the location of the recovery vehicle is monitored on a real time basis. When the vehicle reaches the service centre, the customer is given up to the minute information including the location of the vehicle.

Customer relations management and Authorized Dealers field activities

Volkswagen Commercial Vehicles continued its approach of always being one step ahead of customer expectations in 2017 as well. Thanks to the potential customer and external visit project, the number of potential customer records reached 290,000 in 2017. During the year, 75,000 customers were actively visited on a one-to-one basis.

Big award for high quality service With the Beşer and Avek Ümraniye Authorized Services opening in 2017, Volkswagen Commercial Vehicles

Aftersales Services expanded its service network, providing services at 76 Authorized Service points.

At the After Sales - Service Quality Awards organized globally by Volkswagen AG every year, Volkswagen Commercial Vehicles Turkey has become the best distributor among all markets in the world in 2017 through its success in aftersales services and outstanding customer satisfaction.

Authorized Services provide services to an average of 19,252 customers per month with the reception of 231,026 vehicles per annum. In 2017, parts turnover increased by 21.1% while labour turnover rose by 5.5%.

2018 expectations

In 2018, Volkswagen Commercial Vehicles plans to maintain its share in the light commercial vehicles market and strong brand image in all customer focused areas including product, Authorized Dealers' field activities and aftersales services without interruption. Its large and revolving product range, the trust established by the Doğu Otomotiv and Volkswagen brands, its Authorized Dealer network throughout Turkey as well as its strong customer communication will be the most significant means for Volkswagen Commercial Vehicles in reaching the 2018 sales targets.

World winner

At the Volkswagen After Sales - Service Quality Awards organized globally by Volkswagen AG every year, Volkswagen Commercial Vehicles Turkey has become the world winner in 2017 through its success in aftersales services and outstanding customer satisfaction.



SCANIA

With its “Your business is our business” approach, Scania completed 2017 with a record 9.1% share in the entire market and 22% share in the tractor unit market.

Next generation Scania

In 2017, SCANIA continued to make its business partners feel that the brand stands by their side in every project and moment of need. Driven by the “Your business is our business” approach, Scania has always been there for its business partners during and after sales with all of its employees and Authorized Aftersales Service organization.

Presenting its customers on the roads of Turkey its new generation vehicles it started manufacturing as a result of 10 years of research and development, 2 billion Euros worth of investment and over 10 million kilometres of test driving, Scania continued to provide comfort and driving experience exceeding standards.

Scania is now more digital

Scania continued to provide vehicle owners training and coaching services specially tailored to their line of work as well as a smart fleet management system in 2017 also, thanks to the SESS (Scania Integrated Driving Systems) project.

Reaching 193,000 users in its Facebook account in 2017, Scania continued its presence on the Instagram, LinkedIn and Google Plus platforms.

Demonstrating its customer satisfaction focus with one of the sector’s pioneering applications “My Scania is Super Strong”, Scania also successfully introduced “My Scania on Mobile” app in 2017 with 5,000 downloads.

In 2017, the brand facilitated data access by introducing the fleet management portal FMP, which the entire Authorized Service network can use online.



2018 expectations

In 2018, Scania will continue to develop new applications including “My Scania is Super Strong”, “My Scania on Mobile”, “GeoVabis” and “Drivers’ League”. In addition, one of the most important goals of Scania, which will be a pioneer of innovation

with its data focused outlook, is to expand its Authorized Service network. Scania is aiming to open three more Authorized Services in 2018 in order to be able to provide the fastest services to a larger area across the country.



“My Scania on Mobile”

“My Scania on Mobile” has reached 5,000 downloads.

New generation Scania on the Turkish market

New generation Scania vehicles are on the roads of Turkey as a result of 10 years of research and development, 2 billion Euros worth of investment and over 10 million kilometres of test driving.



SCANIA ENGINES

Having sold 188 engines in the Turkish market in 2017, Scania Engines ranked 8th in Scania CV worldwide, maintaining its place in the top ten.

Yet another successful year

Doğuş Otomotiv offers its customers land generator engines, marine engines, marine generator engines and industrial engines under the Scania Engines brand. Scania Engines sold a total of 188 engines in 2017 and ranked 8th among the countries to which Scania exports the most.

Scania Engines increased its market share to higher levels by realizing the sale of 179 generator engines in 2017 through cooperation projects with Turkey's leading generator companies and maintained its steady rise in this area.

Rich product range

Scania Engines achieved a significant breakthrough by realising its first gas fuelled engine sale in 2017.

Enriching its marine engine product range by new V8 engines, Scania reached its new product range based on the 16.4 litre V8 truck engines. In this new product range, where greater power is generated by sending high pressure fuel to the cylinders through the XPI fuel technology, performance has reached the levels required by Scania thanks to the filter technology employed.

In 2018, Scania Engines will continue to enhance its product range by the 12.7 litre marine engines and the IMO Tier 3 regulations compliant engines demanded by the market.

2018 targets

Scania Engines will continue its activities in 2018 with a view to expanding its product range as a reliable solution partner and increasing its sustainable quality and market share in this line. The business partnership that started with the leading generator manufacturers in the land generator market in 2013 will continue in 2018 as it did in 2017. Scania Engines aims to become the market leader with its quality product range and market dominance by increasing its sale numbers in 2018 as well.

Supporting sales through marketing activities

Scania Engines, attracting attention through the high technology products it places on the market as well as press stories about it, aims to attain high sales figures in 2018 by the sale of new land generator engines.



Diverse product range

Through the Scania Engines brand, Doğuş Otomotiv offers its customers environment friendly gas fuelled generator engines, land generator engines, marine engines, marine generator engines and industrial engines.

188

Scania Engines, increased its market share by the sale of 188 engines in Turkey in 2017.



THERMO KING

Through the latest technological capabilities it offers its customers simultaneously with their implementation worldwide, Thermo King ensures quality and reliability in food and pharmaceuticals transportation until they reach the end user, setting the standards in transportation in Turkey.

Sales performance in 2017

Thermo King, long time market leader in the diesel chiller unit industry, has maintained its leading position with the sales results achieved in 2017.

By providing chilling and heating units specific to each project, Thermo King offers tailor made unit alternatives meeting its customers' requirements. Through the latest technological capabilities it offers its customers simultaneously with their implementation worldwide, Thermo King ensures quality and reliability in food and pharmaceuticals transportation until they reach the end user, setting the standards in transportation in Turkey.

As of the second half of 2017, Thermo King started offering new generation SLX units to the end users simultaneously with their worldwide launch. Tracking service training started to be provided to the company officials concerned for the optimum use of the new generation SLX units.

The latest developments at Thermo King

Thermo King continues to be the technology leader in the chiller industry. With the acquisition of its tracking service provider, Thermo King began to offer remote tracking system

as standards on the trailer units in the second half of 2017.

The TrackKing equipment, which places Thermo King one step ahead of its competitors, uses GPS technology to enable instant data follow-up in more than 80 countries. TrackKing also enables remote access to the unit with its two-way communication feature. Also, through its Bluebox technology the driver is able to monitor the unit through his/her smart phone.

Strong Authorized Reseller and Aftersales Service organization

Thermo King continuously strives to better serve its Authorized Resellers and Aftersales Service teams. With information on technological advancements delivered through service and sales trainings in 2017, the effectiveness of the Authorized Reseller and Aftersales Service network has been improved.

Different chilling capabilities with the same frame

By rendering the remote tracking system enabling the simultaneous transportation of products requiring different temperatures a standard feature in its Spectrum models, Thermo King continued to be the most important assurance in sensitive pharmaceuticals and food



transport. The brand is the most important solution partner of the health sector by the certification and training it provides in pharmaceuticals transportation.

Marketing and communication activities

The marketing activities in 2017 included advertising campaigns and newsletters prepared for the trade media, as well as communication events to support Authorized Resellers and Services, and delivery ceremonies that provide an opportunity to communicate with the customers.

Thermo King has maintained its market share in the cold chain transportation, and successfully continued to offer solutions for various projects in 2017.

The assurance of the pharmaceuticals and food transportation

By rendering the remote tracking system enabling the simultaneous transportation of products requiring different temperatures a standard feature in its Spectrum models, Thermo King continued to be the most important assurance in sensitive pharmaceuticals and food transport.



Instant data follow-up in more than 80 countries

The TrackKing equipment, which places Thermo King one step ahead of its competitors, uses GPS technology to enable instant data follow-up in more than 80 countries.

DOĞUŞ OTO

We have been working without interruption to meet our customers' needs with our innovative outlook. In 2017, by making available our vehicle stocks on our new website we have once again demonstrated that Doğuş Oto is both a customer focused company as well as being a pioneer in the automotive industry in Turkey as far as digitalization is concerned.



About Doğuş Oto

Doğuş Oto sells new and used vehicles, spare parts and accessories in the İstanbul, Ankara and Bursa provinces, and also offers insurance, financing and aftersales support services for the 6 brands (VW Passenger Cars, VW Commercial Vehicles, Audi, Porsche, SEAT and ŠKODA) it represents. It also sells second hand vehicles as a DOD Authorized Dealer.

Operating in a total of 6 regions with 34 Authorized Dealers and 31 Service points with more than 1,700 employees, Doğuş Oto has a pioneering role in its sector with its strength and stability. The mission of Doğuş Oto is to provide sale and aftersales services for the passenger cars it represents in the areas it operates at the highest level of quality.

2017

Doğuş Oto sold 60,405 new and 4,242 second hand vehicles in 2017. With a total of 295,613 service entries, 2017 was a year when the financial targets were exceeded.

New investments

In 2017, the foundations of the Gebze Centre where the sale and aftersales services of the Volkswagen passenger cars and commercial vehicles in

İstanbul will be provided were laid. In Etimesgut Region of Ankara, the renewal of the Volkswagen brand with the digital showroom concept has been completed.

Achievements

Doğuş Oto regions scored new achievements by receiving the first place among other teams from Turkey in the Audi Twin Cup Technical Category; and also first, second and third place in the Audi Sales Cup organized worldwide by Audi AG.

In Top SEAT People 2017, Doğuş Oto Bursa won the first prize in three categories as the Best Sales Representative, Best Service Manager and Best Warranty Expert.

The winner of this year's Golden Spider Web Awards in the automotive category was Doğuş Oto with its website www.dogusoto.com.tr.

Marketing activities

The mission of Doğuş Oto in the digital age is to provide uninterrupted service to meet customer demands and to maintain the highest level of digital experience for customers accessing through any channel. To this end, the Doğuş Oto website was redesigned in 2017 in order to respond to customer demand immediately and through

the channel of their choice. Thanks to its features, the new website is first of its kind in Turkey and a "benchmark" in the world.

By making available its vehicle stocks on the internet, Doğuş Oto demonstrated that it is both a customer focused company as well as being a pioneer in the automotive industry in Turkey as far as digitalization is concerned. Through the new website, users can review the company's vehicle stocks whenever they want on a real time basis, obtain information on prices and vehicle equipment, make comparisons and even reserve vehicles. The feature of reserving vehicles over the internet is the first of a kind application in the automotive sector in Turkey.

Moreover, users are able to see the available dates and hours easily and obtain service appointments from whichever region and service consultant they wish, make a test drive request in any Doğuş Oto region for any model vehicle and contact the region. Additionally, it is possible to follow most up to date campaigns for the vehicles represented by the company over the website.

With its new website, Doğuş Oto has created a service channel through which it provides its customers the information and service they need without having to go to the showroom with the ease of a single click.

By opening Doğuş Oto social media accounts on Twitter, Instagram, Facebook and LinkedIn and through sharing of information over these channels, it was intended to open up new doors for customers in the channels they were present and thus increase accessibility.

In 2017, in addition to several activities to include brand positioning to understand customers, determining marketing strategies and customer relations management, Doğuş Oto undertook an NPS (Net Promoter Score) and CES (Customer Effort Score) survey to have an in depth analysis of to what extent customers refer Doğuş Oto to others and the reasons for referring or not referring it. This survey helped determine areas that needed to be improved and strengthened in the company and measure customer loyalty.

2018 expectations

As a leader in its sector developing innovative solutions and a company with high insight, as well as one placing importance on change and creating a difference in its field by always being open to innovation, Doğuş Oto will continue to develop products and services that will enable it to understand its customers and make life easier for them in 2018 also.

60,405

Doğuş Oto sold 60,405 new and 4,242 second hand vehicles in 2017.

D-AUTO SUISSE

In 2017, D-Auto Suisse SA focused on increasing its market share in vehicle sales and aftersale services in the luxury and high-end segments thanks to its capacity enhancing new investments.

D-Auto Suisse SA focused on growing in the luxury segment with Porsche, Bentley and D-Occasion brands in 2017. Continuing its investments in improving process and service quality without interruption in parallel with the increasing business volume, D-Auto Suisse continued to provide an excellent retail experience to its customers in 2017 as well.

About D-Auto Suisse SA

D-Auto Suisse SA, a subsidiary of Doğuş Otomotiv, has continued its operations with Porsche since September 2009, and the recently added Bentley and D-Occasion brands in the Swiss city of Lausanne located in Canton Vaud, which has a population of 750,000. By offering customers new and used vehicles, spare parts sales, and aftersales services, the company improves its service quality and reliability every year.

Sales successes

D-Auto Suisse succeeded in selling 306 new and 151 used vehicles in 2017. The sales of 157 Macan units supported its penetration into the customer segments that did not own a Porsche before.

With the addition of the Bentley brand to its portfolio, the company succeeded in becoming the market

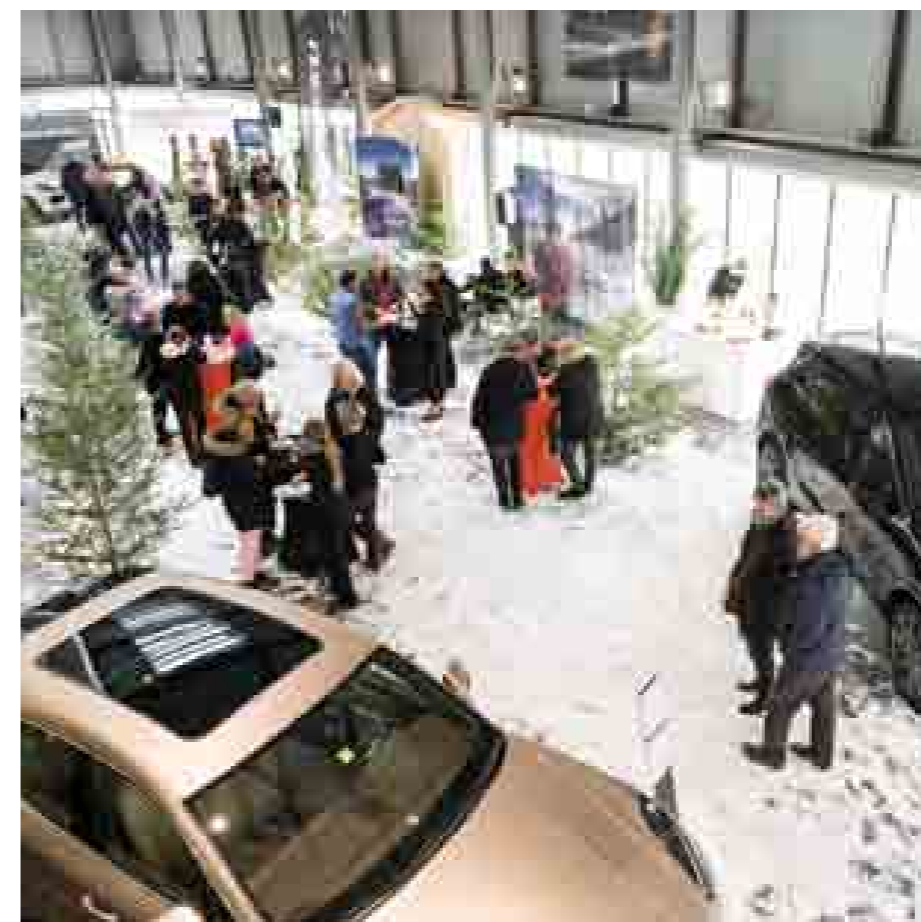
leader in the high-end segment in the Vaud Canton in its first year. With the addition of the D-Occasion brand to its portfolio, second hand car sales increased by 20% compared to the previous year. With the increasing capacity and the company strategy to enhance process and service quality, growth will continue in the luxury and high-end segment.

Marketing activities

Numerous marketing activities were carried out in line with the objective of increasing brand recognition, announcing campaigns and attracting new customers throughout the year.

With the launch of 911 Carrera GTS in January, Panamera Sport Turismo in October, Continental GT in November and Cayenne in December, the new product range was presented to the existing and potential customers. Through these events, the objective of introducing Macan customers to Porsche's new sport models was also achieved.

As of 2017 year-end, the number of registered customers in the D-Auto Suisse database has reached 7,900. As it always has been, our plan will be to increase our market share in the high-end market segment.



Market leadership with Bentley

With the addition of the Bentley brand to its portfolio, D-Auto Suisse SA succeeded in becoming the market leader in the high-end segment in the Vaud Canton in the first year of its operations.

306

D-Auto Suisse succeeded in selling 306 new and 151 used vehicles in 2017.



D-AUTO LLC

D-Auto LLC provides its customers with the best quality service, combined with its knowledge and experience in an area of 7,500 m² with 10 employees.

About D-Auto LLC

D-Auto LLC, 100% owned by Doğuş Otomotiv, signed an exclusive general distributorship agreement for the Iraq territory with the Volkswagen and Audi brands in 2013, and launched its operations in the city of Erbil in July 2014. This was followed in December 2015 with the signing of the Iraq distribution agreement with Volkswagen Commercial Vehicles, adding another brand to the range.

2017 activities

2017 was a year when both economic recession deepened at an increasing rate and political issues surfaced when Mosul was evacuated and the referendum decision was taken. Thus, the automotive sector was adversely affected and a significant shrinking was experienced in the market.

D-Auto LLC sold a total of 48 new vehicles, 36 of which were Audis and 12 of which were Volkswagens.

D-Auto LLC has gained acclaim among Volkswagen and Audi users for its customer satisfaction oriented service approach. With the high quality offered in aftersales services and trained technical staff, D-Auto LLC became the customers' preferred service point, and serviced 1,816 vehicles in 2017.

2018 expectations

The decline in the market is expected to continue in 2018 as the adverse economic and political conditions in the region are not likely to change in the near future. Despite all adverse conditions D-Auto LLC continues its operations by maintaining its minimum cost structure while closely monitoring the developments in the region.



1,816

D-Auto LLC serviced 1,816 vehicles in 2017.



Trust in used cars

DOD

As a Company striving to update itself along customer needs and new trends, DOD continued to put in place its New Authorized Dealer Showroom Concept and innovative digital projects in 2017.

DOD in 2017

Due to the change in the business model in 2017, one of DOD's retail sale points, DOD City Esenyurt, was handed over to Doğu Oto. Meanwhile, Şekerpinar's retail sale activities were terminated and the building was renewed as the DOD Expertise and Training Centre. Consequently, DOD moved out of retail sales and focused on supplying and selling vehicles to Authorized Dealers.

Collaboration with fleet companies increased in 2017 also and the number of vehicles supplied to Authorized Dealers rose by 26%. Models and brands were diversified by concluding new agreements and a wider range of vehicles was supplied to the Authorized Dealers. Cash sales by DOD to Authorized Dealers reached 1,500 units in 2017 with an increase of 62%, realizing the highest cash sales in the history of DOD. Meanwhile, DOD Authorized Dealer sales reached 22,009 units in 2017.

Used cars with a warranty enables customers to feel more secure when purchasing used cars. It is also one of the greatest differentiating factors in the corporate field. Penetration in the sale of used cars with warranty reached 56% in 2017.

Customer focused improvements in processes and services

As a company striving to update itself along customer needs and new trends, DOD continued to put in place its New Authorized Dealer Showroom Concept and innovative digital projects in 2017. The new concept was put in place in a total of 9 sale points. Improvements in the system and processes to provide the customers faster and higher quality services continued throughout the year and the expertise forms were renewed taking into consideration customer needs and satisfaction. Thanks to the renewed expertise form training, the knowledge level of the employees was increased and customer satisfaction was improved with the help of more detailed expertise procedures.

Through the Tramer system whose integration with the Turkuaz system was completed in the first quarter of 2017, the damage record of all vehicles in DOD stocks was automatically included on the expertise form. Upon activation of the system, Tramer data of more than 12,500 vehicles could be accessed.

Digital investments

DOD continued its pioneering position in the sector in 2017 as well through new projects in digital channels

enhancing customer experience which were implemented for the first time in the used car sector in Turkey. The DOD 360 feature whose experimental implementation was tested in 2016 could be used by all Authorized Dealers. The 360 degree vehicle interior photographs taken by Authorized Dealers were loaded on the DOD digital platforms. Through this service, user

experience on digital platforms was enhanced allowing users to examine the interior of the vehicles without actually seeing it.

Through the infrastructure enhancements on the website, access speed to the website was increased 4 fold and with new additions to search criteria, search process for the digital platform users was further facilitated.

DOD mobile app was downloaded on more than 450,000 smart phones or tablets over iOS and Android platforms, becoming one of the most preferred mobile applications.



DOD 360 feature

With the DOD 360 feature, a first of a kind in Turkey's used car market, user experience on digital platforms was enhanced and users were enabled to examine the vehicle interior in detail without physically being there.



vdf

The vdf Group, encompassing financial services, insurance, factoring and fleet companies, succeeded in reaching its targets in 2017 by prioritizing products and services with a customer focus.

**vdf AUTOMOTIVE FINANCE
(VOLKSWAGEN DOĞUŞ
FİNANSMANI A.Ş.)**

The vdf Group, encompassing financial services, insurance, factoring and fleet companies, succeeded in reaching its targets in 2017 by prioritizing products and services with a customer focus.

With an average of 35% penetration ratio among the Volkswagen Group brands in vehicle loans, vdf continued its market leadership among finance companies and banks in 2017 with a 14% market share in vehicles loans.

Providing 68,130 new loans in 2017, vdf reached its targets with a total number of 147,670 live loans. vdf increased its total live loan volume by 11%, from TRY 7 billion to TRY 7.8 billion.

In 2017, vdf aimed to increase customer satisfaction and customer loyalty through sale, marketing and customer loyalty campaigns it jointly organized with the brands. According to the results of the survey it made in 2017, vdf scored much higher than the world and Europe averages in customer satisfaction assessments compared to the previous year. According to the survey, 9 out of 10 people stated that they would want to work with vdf again.

For 2018, vdf aims to expand its loan, insurance and service packages designed especially for the needs of its customers, and to serve them in every step of the automotive value chain.

**vdf SİGORTA VE ARACILIK
HİZMETLERİ A.Ş. (vdf INSURANCE
AND BROKERAGE SERVICES, INC.)**

vdf Insurance Services created maximum customer satisfaction in 2017, with its broad experience and product range, especially developed to meet the needs of its customers. Operating as the agent of 11 insurance companies, vdf Insurance Services serves individual and group customers in several branches including car insurance, extended warranty, and loan protection insurance.

Operating within the Authorized Dealers of the VW Group brands, vdf Insurance continued to provide its services in 113 showrooms in 2017. vdf Insurance Services created a difference in its sector with special guarantee terms for the brands, starting with Volkswagen Comprehensive Car Insurance and carrying on with SEAT, ŠKODA, Audi and Scania Comprehensive Car Insurance.

Maintaining its position as the largest insurance agency in 2017 also,

regarding total net premium generation and live policy numbers, vdf Insurance continued its steady growth with a total net premium generation worth TRY 373,000,000. The company also raised its number of policies to 323,975 in 2017.

**vdf FAKTORİNG HİZMETLERİ A.Ş.
(vdf FACTORING SERVICES, INC.)**

Since its inception in 2010, vdf Factoring Inc. has been offering factoring and financing services to 160 Doğuş Otomotiv and Yüce

Otomotiv Authorized Dealers across Turkey. vdf Factoring reached a transaction volume of TRY 13.6 billion, and a total asset value of TRY 1 billion in 2017. Committed to the principle of continuous and stable growth, vdf Factoring aims to further increase its business volume in 2018.

**vdf FILO KİRALAMA A.Ş. (vdf
RENTAL FLEET INC.)**

Positioning itself in the operational rental fleet sector in 2017, vdf set out its operations by not

only regarding its customers' needs as vehicle renting but also adopted the vision of providing its customers consultancy services in fleet cost optimization, total ownership costing and fleet management. In 2017, reaching 2,800 active contracts, 80% of which were comprised of Doğuş Otomotiv group branded vehicles, the company will continue to serve its customers in 2018 with the principle of offering the best services to its customers by developing digital solutions.



**Better service with
digital development**

vdf group aims to provide its customers the fastest service at every service point by continuing its digital development and investments in 2018 also.

147,670

Providing 68,130 new loans in 2017, vdf reached its targets with a total number of 147,670 live loans.



TÜVTÜRK

Celebrating its 10th anniversary in 2017, TÜVTÜRK continues to enhance road safety with a total of 103 million inspections it has undertaken to date and grow by adding value to Turkey with new investments made in 2017.

In 2017, TÜVTÜRK achieved growth in all operational areas, and periodic inspections in particular, increasing its turnover by 12.5%, from TRY 1,452,000,000 to TRY 1,633,000,000. The operations of TÜVTÜRK İstanbul accounted for TRY 267,000,000 of the total amount.

TÜVTÜRK, one of Turkey's most effective Public and Private Sector Collaboration projects, has contributed nearly TRY 6.1 billion to the public since its inception while this figure for 2017 alone was TRY 900 million.

For TÜVTÜRK, 2017, the 10th year of its founding, was a year when investments gained new momentum. First among these significant investments is the new Main Office building in Ayazağa, İstanbul, which is the property of TÜVTÜRK.

In addition, the "Tenth Anniversary Station", Europe's largest and the most user friendly vehicle inspection station as far as customer experience is concerned also became operational in Hadımköy, Yeşilbayır in İstanbul in 2017. With the addition of the "Tenth Anniversary Station" with its modern waiting hall, expansive cafeteria, spacious exhaust gas emission measurement area as well as its prayer room, the number of fixed stations in İstanbul reached 14.

Yet another significant investment undertaken in 2017 by TÜVTÜRK with the aim of further expanding its extensive activities and taking its services to every point of Turkey was the station it opened in Hakkari, Yüksekova. Thus, 3 new fixed stations including the Ankara-Logistics Base, Hakkari, Yüksekova Station and İstanbul Tenth Anniversary Station became operational during the year in response to past experience and requests, enabling customers to receive better services in greater comfort and ease. Moreover, in 2017, capacity was increased in the Bartın Station with the addition of another service pit, the administrative building expansion in the İstanbul Çatalca Station was completed and an additional service building was constructed in the Bursa Central Station.

Together with 3 new stations that opened in 2017, TÜVTÜRK now provides services at 207 fixed, 76 mobile, 5 motorcycle and 16 mobile tractor stations in 81 cities across Turkey.

Major contribution to road safety

In 2017, periodic vehicle inspection of 8,919,000 vehicles was carried out, showing an increase of 8.8% compared to the previous year. During these inspections, 35.9% of the vehicles were identified as having major

faults or being unsafe. Of the 3,125,000 vehicles that returned for reinspection, 98% were found to have been fixed for defects and faults, and allowed to reenter traffic safely after successfully passing the reinspection.

Exhaust emission tests

In 2017, 3,330,000 vehicles underwent exhaust gas emission tests. This marked a 4.7% increase in units compared to the previous year, and the ratio of this service to periodic inspections was 37.3%.

Roadworthiness inspection

In 2017, 29,000 roadworthiness inspections were conducted at 30 stations.

Traffic Responsibility Action

Under the coordination of the Ministry of Transport, Maritime Affairs and Communications, the Traffic Responsibility Action was launched in 2010 to raise social awareness of road safety and personal responsibilities. While the "Bosom Buddies Action" and "Have a Good Lesson Mr. Driver"

projects, aimed at different target groups, have been continuing, three sub-projects ("Safe Vehicle Action", "Responsible Citizen Action" and "Youth Action in Traffic") that were conducted from 2010 to 2017 were completed. In the last seven years, the project reached more than 1.25 million people directly, and nearly 6.7 million people indirectly through communication activities. The Traffic Responsibility Movement was awarded with 11 distinctions to date.



Continue to invest to reach the whole country

İstanbul Tenth Anniversary Station and Hakkari Yüksekova Station which became operational on the same day in December 2017, were among the significant investments of TÜVTÜRK as a result of its aim to further expand its extensive activities and take its services to every point of Turkey.

TRY 6.1 billion

One of Turkey's most effective Public and Private Sector Collaboration projects, TÜVTÜRK has contributed nearly TRY 6.1 billion to the public since its inception.

SPARE PARTS AND LOGISTICS

Spare Parts and Logistics combines the technology of the future with sustainable logistics management through synergies created by modern and best practices, offering unsurpassed services for Doğuŝ Otomotiv's multi-brand structure.



About Spare Parts and Logistics

Spare Parts and Logistics manages the importation, warehousing and distribution of vehicles and spare parts to Authorized Dealers of the world's most prestigious brands such as Volkswagen, Audi, SEAT, ŐKODA, Porsche, Bentley, Lamborghini, and Scania, as well as Scania Industrial and Marine Engines, Thermo King Transport Temperature Control Systems.

Spare Parts and Logistics combines the technology of the future with sustainable logistics management through synergies created by modern and best practices creating a peerless service for the brands represented by Doğuŝ Otomotiv.

All efforts aim to provide the right and speedy service to the customer

Spare Parts and Logistics uses advanced technologies and stock management systems, which can be easily adapted to various demands of customers, to run its operations smoothly. As a result, spare parts availability has risen to 99%. Effective pricing and price positioning policies, along with the use of common parts up to 50%, create a significant synergy in the Spare Parts and Logistics organization.

Spare Parts and Logistics has undertaken a new leap regarding its facilities by doubling installed capacity in 2013 to improve the quality of its service and ensure sustainability of the business volume for the next decade. With the automation systems investments that started in 2014, error ratio has been minimized while gaining speed in warehousing operations and distribution of spare parts.

As the "shipment from the port" project that Spare Parts and Logistics implemented as a part of its pioneering vision in vehicle logistics continued for vehicle stocking and importation at the ports, significant improvements were achieved in client delivery times by working with more than one transportation company for vehicle deliveries from ports to Authorized Dealers. Moreover, it has taken steps towards digitalization in the processes of Field Stock Management and vehicle delivery to Authorized Dealers using RFID technology.

Spare Parts and Logistics has achieved CO₂ emission savings of nearly 3,000 tons emanating from logistical operations thanks to the intermodal route system it manages despite the ever increasing work volume every year.

In 2014, Spare Parts and Logistics launched central structuring to include all Authorized Dealers as well, and took successful steps in managing and collecting waste, and as a result collected more waste batteries than the legally required amount in 2017.

Products and services

For the efficient supply of products and services to Authorized Dealers and aftersales services, and improved overall customer satisfaction, Spare Parts and Logistics offers the following services:

- Operational management of vehicle imports and homologation for all brands,
- Warehousing imported vehicles supplied by VW, Audi, SEAT, ŐKODA, Porsche, Bentley, Lamborghini and Scania brands in the bonded and stock areas, and delivering them to the Authorized Dealers.
- Ordering, import, stock management and delivery to Authorized Dealers of the spare parts and accessories of VW, Audi, SEAT, ŐKODA, Porsche, Bentley, Lamborghini, Scania and Thermo King brands.

- Monitoring the qualitative and quantitative parts bonus criteria at Authorized Dealers, and how they are achieved.
- Fulfilling the obligations of DOAS and Authorized Aftersales Services born of environmental legislation, and reducing our environmental impact as part of our corporate responsibility.

Improving quality focused business approach

The priority goals of Spare Parts and Logistics include:

- Adopting the role of a strategist in spare parts activities, creating a vision and sharing it with brand representatives, and thereby adding value to the group brands' market share growth.
- Achieving operational excellence in the speed / quality / cost axis with employee participation.
- Pioneering digitalization investments to create effective e-trade chain management (Industry 4.0).
- Implementing projects with the aim of continuous improvements in spare parts management systems.

- Reducing delivery times and costs to support new vehicle sales, and thereby enabling the organization to operate with lower stock costs.
- Seeking new opportunities in accessories marketing to increase sales volume, are among the prioritized goals of Spare Parts and Logistics.

In 2017, Spare Parts and Logistics imported 154,308 vehicles, and dispatched 183,000 vehicles to Authorized Dealers, ending the year with a total revenue of TRY 1,043.6 million generated by the sales of spare parts and accessories.

154,308

In 2017, Spare Parts and Logistics imported 154,308 vehicles.

Doğuş Insurance, with over 30 years of experience, provides its clients reliable insurance services that make a difference.

An experienced broker

Doğuş Sigorta Aracılık Hizmetleri A.Ş. (Doğuş Insurance), a subsidiary of Doğuş Holding ve Doğuş Otomotiv, is an insurance brokerage company established on March 26, 1984.

Considering the strong competition in the insurance market, its objective is to provide insurance for the assets and commitments of Doğuş Holding companies in the best possible way in terms of cost and operation. Doğuş Sigorta continued to carry out its activities throughout 2017 in line with the principle of always providing excellent insurance services for Group companies and their employees, as well as other customers.

- All the insurance transactions of the Group companies, which operate in eight major industries including finance, automotive, construction, media, tourism and services, real estate, energy, and catering are pursued by Doğuş Insurance.
- Within the framework of the Doğuş Combined Insurance program, Doğuş Group companies have been offered significant coverage and premium advantages in terms of risk assessment and pricing in policies issued in 2017.

- In line with the operations of Doğuş Group companies in various industries, the range of insurance products offered was increased and risk assessments were updated in all the activities performed throughout the year.
- Doğuş Insurance, with a team of 6, has increased its premium production in 2017 by 20% compared to the previous year, to reach TRY 67 million, and produced 28,000 policies with 15% increase.

Growth to continue in 2018

Through collaboration with Turkey's leading insurance companies, Doğuş Insurance provides the fastest service in highest quality for its customers; and aims to continue its successful performance in 2018 with its experience, knowhow, and a wide product range for the insurance activities of the Doğuş Group.

28,000

Doğuş Insurance produced 28,000 policies with 15% increase.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

“Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi” (Doğuş Otomotiv Service and Trade Corporation) has applied the Corporate Governance Principles issued by the Capital Markets Board of Turkey in the fiscal year that ended on December 31, 2017 in accordance with the following explanations.

1. DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

In the fiscal year that ended on December 31, 2017, our company has adopted the principles of equality, transparency, accountability and liability in accordance with the Corporate Governance Communiqué (“Communiqué”) No: II-17.1 issued by the Capital Markets Board of Turkey on 3 January 2014, and published in the Official Gazette No: 28871. According to the statement of the Capital Markets Board of Turkey in its bulletin no. 2017/01 dated 06/01/2017, the company is listed among the BIST 2nd Group Companies. Following an evaluation of 401 criteria defined in the methodology prepared by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş., it has been determined that our company has complied with the Communiqué to a great extent. The Company’s Corporate Governance Rating, which was 95.06 (9.51 out of 10) as of December 15, 2016 rose to 96.32 (9.63 out of 10) on December 15, 2017 as a result of the constant improvement efforts by our Company. In the category “Top Three Companies with the Highest Corporate Governance Rating”, Doğuş Otomotiv has been awarded with second place by the Corporate Governance Association of Turkey.

This outcome demonstrates that the risks that may threaten the Company have been largely identified and are under control and that the rights of shareholders and stakeholders are justly protected. Furthermore, a high level of performance has been attained in terms of public disclosures and transparency. In this respect, the structure and working conditions of the Board of Directors comply with Corporate Governance Principles.

SUBCATEGORIES	WEIGHT	RATING
Shareholders	0.25	95.45
Public Disclosures and Transparency	0.25	97.67
Stakeholders	0.15	95.95
Board of Directors	0.35	95.98
TOTAL	1.00	9.63

The Corporate Governance Rating Report is available on the corporate website and can also be accessed via this link: <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/corporate-governance/reports/kobirate-corporate-governance-compliance-rating-report>.

Overall, the Company fully complies with all mandatory principles in the Communiqué as well as most of the non-mandatory principles, and continues to further improve its Corporate Governance efforts. No conflict of interest has arisen due to the below listed issues, which are not yet implemented and remain outside the scope of principles currently applied.

Even though there are no provisions or applications in the Articles of Association concerning the issues mentioned below, the Turkish Commercial Code, the Capital Markets Law and relevant regulatory provisions are applied.

General Assembly meetings are conducted open to the public as stated in the General Assembly Meeting calls.

Diligence is paid to the exercise of minority rights. However, broadening the scope of rights and extending these rights to shareholders holding less than one-twentieth of the capital of the corporation are not included in the Articles of Association.

Support mechanisms and models have been devised to ensure the employees’ and stakeholders’ participation in the management of the Company. Detailed information is provided in Article 4.2 (Participation of Stakeholders in Management).

Currently, there are two (2) female members serving on the Company’s Board of Directors. In line with the proposal of the Remuneration and Nomination Committee, formed by the Board of Directors of the Company in accordance with the Capital Market Board’s Corporate Governance Principles, the following article has been added to the Board of Directors Selection Criteria pursuant to the Board’s resolution no 2016/69 dated 9 December 2016: “When nominating candidates for the Board of Directors of Doğuş Otomotiv Servis ve Ticaret A.Ş. the most important factor is the contribution to be provided by the candidate to the company, the shareholders, the public and all stakeholders. Besides, the Company also aims to facilitate the prioritization of women in terms of Board Membership, and strengthen the position of women in decision-making processes. Accordingly, when a candidate is to be nominated for Board Membership, nomination of female members from among candidates with comparable qualifications in terms of knowledge, experience and competence will be prioritized. The Remuneration and Nomination Committee ensures that the Corporate Governance Principles issued by the Capital Markets Board are complied with regarding the exercise of this article both in term and also in ratio.”

Even though self-criticism and performance assessments are carried out on the Board of Directors, members are neither awarded nor discharged from their duties as a result of these evaluations. However, participation of the Board Members in the Board of Directors and Committee meetings, their contributions, and sharing of knowledge, knowhow and experience are taken into account, and the performance of the Board of Directors as a whole is assessed biannually.

Pursuant to Article 4.6.5 of the Corporate Governance Principles, all remunerations as well as all benefits provided to Board Members and executives with administrative responsibilities are disclosed to the public as an aggregate sum through the annual report.

While our current management practices are in compliance with the Corporate Governance Principles, in the event that we have plans in the future to make any changes within the framework of the Corporate Governance Principles, our stakeholders will be duly informed.

As in 2017, the Corporate Governance Principles will continue to be internalized in the upcoming period taking into account the relevant requirements and developments in the regulations, and we will maintain our willing and resolute approach to creating solutions to areas that require compliance and improvement.

2. SHAREHOLDERS

2.1. Investor Relations Department

Relationships with shareholders are carried out by the Investor Relations Department in our Company. Investor Relations Department is composed of the following employees:

**Investor Relations Department Manager, and
Corporate Governance and Sustainability Committee Member
Halide Müge Yücel**

Capital Market Activities Level 3 License (207941)
Corporate Governance Rating Expertise License (701487)

**Investor Relations Specialist
Bahar Efeoğlu Açar**

Capital Market Activities Level 3 License (211136)
Corporate Governance Rating Expertise License (702008)

Investor Relations Contact Details:

Phone: +90 (262) 676 90 58-59
Fax: +90 (262) 676 90 96
Email: investorrelations@dogusotomotiv.com.tr

The Investor Relations Department is responsible for regularly disclosing information to shareholders and potential investors pertaining to the Company’s operations, its financial standing, and strategies, and for answering requests for information, except for publicly undisclosed or confidential information and trade secrets, in a manner that will not lead to information disparities. The Investor Relations Department forms a bridge between the Company and the existing and potential investors based on two-way communication and mutual trust.

The Investor Relations Department has responded to all queries and applications received from shareholders throughout 2017 in a timely manner and without any discrimination by phone, email or in one-on-one meetings. Of the total meetings with 204 investment firms in 2017, 159 were conducted one-on-one, 44 as a group, and 6 as conference calls. In addition to attending 14 investor conferences and 19 roadshows in Turkey and abroad, the Department has also held 1 analyst group meeting, and 2 teleconferences with multiple participants to inform a total of 92 analysts on our quarterly financial results. Furthermore, several meetings were attended in Abu Dhabi, Austin, Berlin, Boston, Budapest, Cape Town, Chicago, Dallas, Des Moines, Dubai, Edinburgh, Frankfurt, Glasgow, Helsinki, Hong Kong, Istanbul, Copenhagen, London, Los Angeles, Milan, New York, Paris, Seoul, Singapore, Stamford, Stegersbach, Stockholm, Tallinn, Tokyo and Warsaw to provide information to corporate investors.

The Investor Relations Department has started to carry out Investor Relations activities with a proactive approach in 2017. The "Investor Relations Activities and Strategic Plan" of the year ahead is prepared by the Department and submitted for approval to the Corporate Governance and Sustainability Committee, and the periodic "Investor Relations Activities Information Document" relating to current activities is presented to the Committee for review. A comprehensive "Investor Relations Annual Report" is also prepared by the Department and presented to the Board of Directors once a year. Meanwhile the daily and weekly reports are consolidated and periodically presented by the Chief Financial Officer to the Board of Directors.

2.2. Exercise of the Shareholders' Right to Obtain Information

Previously provided and continuously updated information and disclosures, which may affect the exercise of shareholders' rights, are made available in English and Turkish for investors on the corporate website: <http://www.dogusotomotiv.com.tr/en/home>

Even though the right to request the appointment of a Private Auditor is not specifically regulated in the Articles of Association, Article 438 of the TCC stipulates, "each shareholder has the right to request from the General Assembly the appointment of a private auditor if necessary even when this is not part of the agenda, provided that the right to obtain and examine information has already been exercised with respect to the matter in question, and if the General Assembly agrees to this request, the company or each shareholder may apply to the commercial court with jurisdiction in the area of the Company's headquarters within 30 days for a private auditor to be appointed." However, there were no requests for the appointment of a private auditor during the reporting period. Company operations are periodically audited by an Independent Auditing Company appointed at the General Assembly.

2.3. General Assembly Meetings

The Ordinary General Assembly convened on 29 March 2017 at 10:00 a.m. at "Maslak Mahallesi, Ahi Evran Caddesi, No:4, İç Kapi No: 6, (Doğuş Center Maslak), Bentley-Lamborghini Showroom, Sarıyer/ İstanbul" to review the 2016 activities.

For the purpose of encouraging shareholders' attendance, the meeting was held at the location of the Company's headquarters as well as over the Electronic General Assembly System in a manner to minimize inequality among shareholders and the costs of their participation.

The call for the General Assembly Meeting, which was open to stakeholders and members of the media, was made in accordance with the Articles of Association, and as required by law, and the announcement along with the meeting agenda was published in the Turkish Trade Registry Gazette No: 9276 on 3 March 2017. The Company also presented the financial statements, the annual report, audit reports, and the Board of Directors' proposal for the distribution of profit, as well as disclosures and statements required by Law and Corporate Governance Principles to the shareholders on the same date, all of which must be made available for the shareholders to review pursuant to Article 437 of the Turkish Commercial Code No. 6102.

At the Ordinary General Assembly 179,108,557 shares out of the total 220,000,000 shares were all represented by proxy, corresponding to a total share capital of TRY 220,000,000.

Along with the General Assembly Meeting announcement, disclosure documents covering the General Assembly agenda items were also published on the corporate website. In this context, information on the total number of shares and voting rights showing the shareholder structure of the company, as well as information on whether or not there were any privileged shares in the Company's capital were disclosed to the shareholders. Information about the management and operations of the Company and its affiliates, as well as procedures that

may cause conflicts of interest, transactions conducted with related parties, collaterals, pledges, and mortgages were also included. In the drafting of the General Assembly agenda, the agenda items were phrased explicitly and in a manner not to cause different interpretations, taking utmost care not to use vague expressions such as "other" and "miscellaneous."

At the Ordinary General Assembly on 29 March 2017, shareholders exercised their rights to direct questions as set out in relevant legislation, and these questions were answered immediately. Each agenda item was voted on individually, and votes were counted and announced before the meeting ended. The meeting chairman, who presided over the General Assembly Meeting, ensured that the topics on the agenda were conveyed objectively and in detail in a clear and comprehensible manner, and provided the opportunity for the shareholders to express their opinions and raise questions on equal ground. The meeting chairman also made sure that all questions, which did not fall into trade secrets, raised by the shareholders during the meeting were answered directly at the General Assembly Meeting. The questions posed and answers given during the meeting were recorded in the meeting minutes, and disclosed to the public on the corporate website. The shareholders did not put in any written requests to the Investor Relations Department regarding the addition of an item on the meeting agenda. General Meeting minutes are open to shareholders on our website and can also be viewed at the Company headquarters.

The agenda of the General Assembly Meeting also included as a separate item the matter of whether or not to give permission to the shareholders with management control, Board Members, managers with administrative responsibilities, their spouses, and relatives by blood or marriage up to the second degree to conduct materially significant transactions that may cause conflicts of interest with the Company or affiliates, and/or conduct transactions on behalf of themselves or a third party in the same field of activity as the Company or its affiliates, or become an unlimited shareholder in a business that operates in the same field of activity as the Company or its affiliates. It was noted that no such transaction took place in the 2016 reporting period, and no information was communicated to the Board of Directors about persons who have the privilege to access Company information regarding their engagement in activities in the same field as the Company.

Pursuant to the provisions of the CMB Communiqué No. II-17.1, the General Assembly was informed about common and continuous exchange of assets, services and obligations between the Company and related parties, and the collaterals, pledges and mortgages that were given in favor of third parties, with the details included in the Annual Report and the notes in the Consolidated Financial Statements. The same information can also be found on the corporate website: <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/corporate-governance/subsidiaries-and-affiliates/transactions-with-related-parties>. In a separate agenda item, information was provided about the amount and the beneficiaries of the donations and support extended in the reporting period. No changes were made to the Company's Articles of Association in the reporting period.

2.4. Voting and Minority Rights

All of the Company shares are in bearer certificates, which do not grant any rights to the Company's profits. The Articles of Association do not give any privileges concerning the exercise of the voting rights. Voting rights are exercised in the General Assembly in accordance with regulations on representation and voting manner. The CMB regulations on voting by proxy are fully upheld. All shareholders are provided with the opportunity to vote equally, easily and appropriately. The disclosure documents of the General Assembly contain information on the structure of the Company's shares, voting rights granted by shares, and voting privileges. It is explicitly stated that one share gives one voting right and that no voting privileges have been granted to any shareholder groups. The Company does not have any cross ownership in another entity that would result in a controlling relationship.

There were no violations in the exercise of basic shareholder rights, such as the participation of minority shareholders in the General Assembly, proxy representation, and no imposition of an upper limit in the exercise of voting rights. Diligence is paid to the exercise of minority rights. There are no provisions in the Company's Articles of Association regarding the representation of minority shares in the management or cumulative voting method.

2.5. Dividend Distribution Policy, Time and Method

Our Company's dividend distribution policy has been determined in accordance with the framework of principles and procedures laid out in the Turkish Commercial Code, Capital Markets Law and other relevant regulations, and Article 24 entitled "Determination and Distribution of Dividend", Article 25 entitled "Timing and Method of Dividend Distribution, Dividend Advances" and Article 26 entitled "Reserves" of the Articles of Association, taking into consideration the country's economy and the condition of the industry and by maintaining a balance

between our shareholders' expectations and the needs of our Company. The Articles of Association include no privileges regarding profit sharing. Dividend distribution is determined by the General Assembly, based upon the proposal by the Board of Directors prepared taking into consideration the following principles.

a) Dividend Distribution Rate:

In compliance with the rate and amount determined by the Capital Markets Board and on condition that there are no adverse circumstances in the country's economy or the industry that might affect Company activities, a minimum of 50% of the distributable profit, calculated in accordance with the Capital Markets regulations, is distributed. The Board of Directors may propose a different rate or amount to the General Assembly, following the assessment.

b) Method of Dividend Distribution:

The dividend distribution is made in the form of cash and/or bonus shares.

c) Timing of Dividend Distribution:

The date of dividend distribution is determined by the Board of Directors following the General Assembly, based on the dates specified in the regulation.

d) Dividend Advances:

The General Assembly may authorize the Board of Directors for dividend advances. The Board of Directors may distribute dividend advances, based on the year and limits of the authorization granted, taking into consideration the country's economy and the condition of the industry.

The developments that Turkey experienced in 2016 had a negative impact on the capital markets and the Company bought back 22.000.000 of its shares traded on the Stock Exchange for TRY 220,274 thousand; accordingly at the Ordinary General Assembly that convened on 29 March 2017 it was resolved to retain the earned profits and not to distribute dividends in line with the Company's growth policies and considering possible uncertainties that might affect our activities in the automotive industry.

The Company's proposal for dividend distribution and table for the 2017 operating term is presented in ANNEX 1.

2.6. Transfer of Shares

The Company's Articles of Association contains no practices that complicate the transfer of shares by shareholders or provisions that restrict the transfer of shares, and the Company avoids practices that would complicate the free transfer of shares. The transfer of shares is conducted in accordance with the Capital Market Law, the Capital Market Regulations, and relevant provisions of the Turkish Commercial Code. The Company shares are not listed in international stock exchanges.

3. PUBLIC DISCLOSURE AND TRANSPARENCY

The Company's Disclosure Policy specifies how information and developments with respect to the Company's past performance and future expectations, except for trade secrets, will be disclosed. Accordingly, the Company has informed the public in a fair, timely, accurate, complete, easily accessible, comprehensible, interpretable, and equal manner. The Disclosure Policy offers other than pertinent provisions to the legislation, information about what will be disclosed to public, in which manner and what frequency, using which channels, and the method to be followed in answering questions directed at the Company.

The principles of disclosing information about the future are also included in the Disclosure Policy. Any information that refers to the future in public disclosures is provided together with the rationale and statistical data on which the estimates are based. Such information does not contain exaggerated and groundless predictions or may not be misleading, and are prepared in a manner relevant to the Company's financial standing and operational results.

The employees responsible for and authorized to sign the disclosures within the scope of public disclosure are: Kerem Talih (Chief Financial Officer); Yeşim Yalçın Maleri (Director of Financial Affairs); and Engin Kaya (General Accounting Manager). These persons are in charge of observing and monitoring all public disclosure related matters.

Material events containing internal or continuous information, circumstances and developments that might influence investment decisions are disclosed to the public in accordance with the CMB Communiqué No. II-15.1, and relevant regulations, in a timely, complete, accurate, comprehensible, and sufficient manner, free from any misrepresentations.

Pursuant to applicable regulations of BİAŞ and CMB, material event disclosures are submitted to the Public Disclosure Platform bearing an electronic signature, and published on the corporate website under a separate heading. In 2017, the company made 26 material event disclosures.

Material Developments After the End of the Reporting Term

Announcements and Material Event Disclosures from 31 December 2017 to 28 February 2018:

Latest announcements and material event disclosures made between the above-mentioned dates are detailed below:

3 January 2018 – Regarding the cancellation of the merger between our shareholders Doğuş Holding A.Ş. and Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş.

With the material disclosure on 6 November 2017, the resolution of our main shareholder Doğuş Holding A.Ş. to merge with Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş., another of our shareholders, together with all the latter's assets and liabilities was announced.

However, after considering the changes in business conditions, it has now been resolved to take this merger off the agenda with the possibility of revisiting the issue at a later date.

Since both parties to the merger are part of the Doğuş Group, this cancellation will not lead to any changes in the shareholder structure and management control of our Company.

11 January 2018 – Updating the Validity Date of the Registered Capital Ceiling –Capital Markets Board Approval

The Capital Markets Board has approved the application filed for extending the validity date of the registered capital ceiling for five (5) years and amending article 6 "Capital" in the articles of association, and this amendment to articles of association will be presented to the approval of our shareholders at the first General Assembly following the approval of the Turkish Ministry of Customs and Trade.

29 January 2018 – Reorganization in Senior Management

With the material disclosure on 22 December 2017, appointments were announced regarding reorganization in senior management of the brands our Company represents as well as our subsidiary Doğuş Oto Pazarlama ve Ticaret A.Ş. and affiliate Yüce Auto Motorlu Araçlar Ticaret A.Ş. (Škoda).

Agreement has been reached with the manufacturers whose brands we represent about the general manager appointments, all of which will be effective as of 1 February 2018.

1. Giovanni Atilla Cino Bottaro, General Manager, Audi, Bentley, Lamborghini and Bugatti has been appointed as General Manager, Volkswagen Passenger Cars.

2. Kerem Galip Güven, General Manager, Volkswagen Commercial Vehicles, has been appointed as General Manager, Audi, Bentley, Lamborghini and Bugatti.

3. Tolga Senyücel, General Manager, Yüce Auto Motorlu Araçlar Ticaret A.Ş. (Škoda), has been appointed as General Manager, Volkswagen Commercial Vehicles.

4. Vedat Uygun, General Manager, Volkswagen Passenger Cars, has been appointed to replace Hasan Hüsnü Güzelöz as a member of the Board of Directors of our subsidiary Doğuş Oto Pazarlama ve Ticaret A.Ş. to serve for the same term as the member he is replacing and to be approved at the first General Assembly Meeting.

5. Osman Yelkenci, Operations Director, Doğuş Oto Pazarlama ve Ticaret A.Ş. Fleet and Used Vehicles, has been appointed as the General Manager of our subsidiary Doğuş Oto Pazarlama ve Ticaret A.Ş.

6. Zafer Başar, General Manager, Doğuş Oto Pazarlama ve Ticaret A.Ş. as the General Manager of our affiliate Yüce Auto Motorlu Araçlar Ticaret A.Ş. (Škoda).

6 February 2018 – Amendment to Articles of Association

Necessary legal permissions have been obtained to amend article 3 "Purpose and Scope," article 7 "Shares" and article 16 "General Assembly Meetings" of our articles of association, and these amendments will be presented to the approval of our shareholders at the first General Assembly Meeting.

3.1. Corporate Website

The Company's corporate website (www.dogusotomotiv.com.tr) is used as an active and effective platform for public disclosure, and the information therein is regularly updated. The information on the website is consistent with the statements made in accordance with applicable regulations.

In addition to the mandatory information required by legislation, the corporate website also includes: trade registry information, the latest ownership and management structure, the Board of Directors, the most up-to-date version of the Articles of Association together with the dates and issues of the Turkish Trade Registry Gazettes in which these changes were published, material event disclosures, informative presentations for investors, financial statements, annual reports, prospectus, General Assembly Meeting agendas, lists of attendees, minutes of meetings, form for proxy voting, internal directives, Dividend Distribution Policy, Disclosure Policy, Remuneration and Severance Pay Policy, Share Buy-Back Policy, Grant and Aid Policy, Corporate Sustainability Policies, Human Resources Policy, the Company's Code of Ethics, as well as information requests from the Company, questions and notifications and their answers under the Frequently Asked Questions heading.

The ownership structure of the Company and the names of non-corporate owners with more than 5% shares after eliminating the effects of indirect and cross ownership were disclosed to public together with their privileges, share amounts, and percentages. This information is made available on the corporate website, and also offered in English for the benefit of international investors.

As required by the relevant provisions of the Capital Market Law, financial statements are disclosed on the Public Disclosure Platform simultaneously in Turkish and English. Disclosures in English are provided in a true, complete, direct, comprehensible, satisfactory manner and remain consistent with the Turkish version thereof as a summary, to the extent that the disclosure assists the beneficiaries in making a decision.

3.2. Annual Report

The Board of Directors has prepared the Annual Report in accordance with the Capital Market Law and CMB's Corporate Governance Principles and in a way that would help the public to obtain complete and accurate information about the Company's activities. The Annual Report is disclosed to public on the Public Disclosure Platform (PDP) along with financial statements. The Annual Report is prepared in Turkish and in English and is disclosed to the public on the corporate website. The annual reports of the last five years are also available to public on the website.

The annual reports include:

- Board Members' and senior executives' résumés, start dates and terms of their service
- Information on the Company's field of operations and position in the industry
- Information on the organization's financial resources, and the qualification and amount of capital market instruments issued,
- Changes to the Articles of Association made during the reporting period and their reasons
- Statement of Responsibility in the Financial Reports,
- Corporate Governance Principles Compliance Report,
- Independent Auditor's Report regarding the Annual Report.

In addition to topics specified in legislation and other sections of the Corporate Governance Principles, the Annual Reports also include:

- Information on the duties that Board members and executives assume outside the Company
- Declarations of independence by the Independent Board Members,
- Members of the committees formed under the Board of Directors, and meeting frequency of these committees, working principles including the activities carried out, and the Board of Directors' assessment of the committees' effectiveness
- Number of Board meetings during the year, and attendance of Board Members in the meetings,
- Information regarding some legislative changes that may materially affect the Company's operations
- Information on legal actions brought against the Company and their possible consequences,
- Information on social rights of employees, their vocational trainings, and other corporate responsibility activities regarding the Company's operations that have impact on community engagement and the environment
- Links to Corporate Sustainability Reports that include information on the Company's performance within the scope of Corporate Sustainability Principles

- Information regarding the requirement that prior approval must be given by the General Assembly to shareholders who have management control, members of the Board of Directors, managers with administrative responsibilities, and their spouses, relatives by blood or marriage up to second degree to conduct significant transactions with the Company or its affiliates that may cause conflicts of interest, to compete or conduct such transactions, along with other topics related to the Company.

4. STAKEHOLDERS

4.1. Keeping Stakeholders Informed

Doğuş Otomotiv Group's stakeholders, namely the customers, shareholders, employees, subsidiaries and affiliates, Authorized Dealers and Aftersales Services, suppliers, OEMs, government and social milieu, are informed on topics that are relevant to them. Information may be provided in the form of announcements of material events on the Public Disclosure Platform, minutes of General Assemblies, Independent Auditor Reports and financial statements, presentations made to individual and corporate investors, reports drawn up about the Company by third parties and Corporate Sustainability Reports, through print and digital media and by publishing them on our corporate website. Furthermore, the annual Corporate Sustainability Report covers detailed explanation about all the stakeholder engagement platforms that involve individual stakeholder groups. The Company carries out stakeholder engagement activities to create dialogue platforms with stakeholders, which directly affect and are in turn directly affected by our operations, to provide benefits for all parties, understand their expectations using a clear and transparent communication strategy, and respond to these expectations.

As a routine operation, the company procedures are evaluated as instruments of daily workflow developed under the control of Process Management by taking into account the opinions of all related departments and brands, and by considering the company strategy. For this purpose, the employees are notified through the dedicated intranet on the company-related issues they need to be informed about. In periodic management information meetings, highlights such as achievements, strategies and targets, and the company's roadmap are shared transparently with employees. Furthermore, queries or requests received by phone are promptly taken into consideration, and necessary information is provided.

All financial reports and information open to public are disclosed by Doğuş Otomotiv Investor Relations Department in an accurate, complete, fair, valid, and comprehensible manner.

Regarding the protection/use of assets, ensuring the company's safety, and detection/prevention of fraud, there are mechanisms in place to allow stakeholders to report these instances to the Early Risk Detection Committee or the Audit Committee.

4.2. Stakeholder Participation in Management

Models for the participation of stakeholders in management are implemented while continuous enhancements are introduced within the Corporate Governance Principles framework.

Shareholders: Shareholders' participation in management and protection of their rights are ensured within the framework of applicable laws and regulations.

Employees: In addition to involving employees in decision-making mechanisms to the extent of their authority and responsibilities, online platforms have been established on the intranet for them to share their requests, suggestions and opinions. The contributions that employees provide as part of the Suggestion and Award System are reviewed by authorized teams and awarded when deemed necessary. The answers to the social, environmental and economic topics included in the employee satisfaction surveys to understand employee expectations are consolidated and published in the Corporate Sustainability Report, and regularly presented to senior management. Activities of the Corporate Responsibility Working Group, composed of delegates from all departments, are regularly shared with the Corporate Governance and Sustainability Committee reporting to the Board of Directors.

Customers: An independent firm regularly conducts customer satisfaction surveys. Customer requests received by Customer Relations and the results of customer surveys are evaluated by the responsible departments, and necessary updates are implemented. Furthermore, customers are informed of the Company's strategies and plans at Authorized Dealer events organized throughout the year. In line with the philosophy of serving more effectively, efficiently and with higher quality, regular meetings are held with stakeholders to shape

corporate policies and decisions. Necessary actions are taken according to the evaluation of results as part of the engagement process.

Meanwhile, other shareholders - who are not controlling shareholders that directly take part in management - participate in management via General Assemblies.

4.3. Human Resources Policy

Doğuş Otomotiv, as a service company, derives its power from its human resource, which is accepted as a corporate value. Accordingly, in our Human Resources Policy, we emphasize the importance of attracting and working with employees who:

- Adopt the values of Doğuş Group (We sincerely solve, apply, and develop)
- Have the competencies required by the dynamism of the company
- Are well aware of the significance of the customer
- Are eager to learn and develop
- Take efficiency as a reference within the company
- Employ a system-oriented approach, and
- Sustain a long – lasting high performance.

In line with the Human Resources Policy, we also strive to contribute to their professional and personal development, and assist them in realizing their full potential. In addition to the Human Resources Policy, we have also disclosed "Our Employee and Quality Work Environment Policy" which covers our targets in the following topics: employee satisfaction, occupational health and safety, sustainable employment, equal rights and opportunities for employees, open dialogue and transparent communication with employees, and establishing platforms to enable direct communication with senior management.

4.4. Code of Ethics and Corporate Sustainability

Doğuş Otomotiv Code of Ethics/Sustainability

An Ethics Working Group was established within the Company to prepare the Code of Ethics, which was completed and launched in 2012 after diligent studies and efforts.

Doğuş Otomotiv Code of Ethics provides detailed explanation of our ethical ways of doing business, and concerns not only the Company managers and employees, but also our suppliers and all the stakeholders we work with. Doğuş Otomotiv Code of Ethics is shared with all our stakeholders in our Corporate Sustainability Report and on the corporate website.

The trainings organized in order for the employees to fully understand our Code of Ethics were planned as one-on-one Q&A sessions. During the 2017 reporting period 96 employees of Doğuş Otomotiv received a total of 240 man/hours of one-on-one Code of Ethics training. A total of 360 employees hired in the same period received information on Code of Ethics during the 900 man/hours of e-orientation training.

Informative activities to familiarize the Authorized Dealers and Aftersales Services with Doğuş Otomotiv Code of Ethics continued in 2017. Accordingly, authorized dealers, aftersales services and suppliers included within the scope of the Corporate Sustainability Report were instructed about the Code of Ethics in detail during info meetings.

Corporate Sustainability

Corporate Sustainability refers to the methods we use in developing solutions for the social, economic and environmental issues in our industry, and our corporate behaviour that encompasses all of our operations. Doğuş Otomotiv has been taking the necessary steps to undertake all its operations in line with its strategy of sustainability since 2009. Sustainability, which has become a component of all our business lines and units, is also a part of our corporate goals and vision.

- We believe in the importance of our employees' contributions in ensuring our existence as a strong and trustworthy corporation across all stages of the automotive value chain.
- We value the reputation of the brands we manage in the eyes of our stakeholders, and ensure that this reputation grows in parallel with our performance in all of our areas of responsibility.
- We are aware that the right to safer, healthier, more environmentally friendly and more comfortable mobility is a part of social welfare.



- We ensure continuous development through dialogue platforms built on open communication, mutual respect, and tolerant service with our employees, customers, Authorized Dealers and Aftersales Service Centres, and all other key stakeholders.
- We regularly question our key stakeholders' expectations, and cooperate with them to respond to these expectations in the best way possible.
- As one of the most important representatives of the international trust and quality approach in our country, we strive to constantly raise our stakeholders' awareness of and performance in this area.
- Through activities that younger generations will embrace and that will lead to changes in behaviour, we draw attention to the vital importance of traffic safety.
- We plan, establish, and implement policies to minimize the potential negative effects of our operations on the environment.
- We are well aware of the critical importance of our employees' social, mental and professional contributions for the Doğuş Otomotiv Group, and consider their health and safety a top priority.

We have continued to carry out our activities in line with our understanding of sustainability in 2017. Some of our main headings regarding our sustainability performance in 2017 are as follows:

- **Stakeholder Engagement and Materiality:** The priority focus area study of which the first we undertook in 2009 was renewed in December 2017 and a one day workshop was held attended by managers from all departments of our Company. Priorities in line with the materiality criteria were determined during the workshop and the pertaining targets as well as action plans will be published in the 2018 Sustainability Report.
- **Sustainability Supply Chain:** In order to make our procurement process more sustainable, 22 Authorized Dealers and Services and 6 suppliers were informed about sustainability and included in our reporting process. Suppliers who participated in the reporting process received awards within the framework of the Suppliers' Day which was organized for the first time in 2017. Doğuş Otomotiv was awarded by the Sustainability Academy in the category of Supply Chain Management of the Sustainability Business Awards for its business model established to promote sustainability awareness among its Authorized Dealers and Services across Turkey.
- **Work Ethics:** In 2017, Doğuş Otomotiv continued the ethics code training program in a comprehensive manner it had launched in 2015. The details of this issue are provided above under the heading Doğuş Otomotiv Code of Ethics/Sustainability.
- **Efficiency and Innovation:** With 85 projects realized in 2017, about TRY 3,000,000 worth of savings were made. Throughout the year, 2,300 proposals were received for Doğuş Otomotiv and Doğuş Oto, 1,849 proposals were evaluated, 661 were approved and 604 were realized. Also in 2017 over four days and two sessions, 25 employees trained to be lean leaders.
- **Traffic is Life!** Our Company has been continuing its social responsibility project "Traffic is Life!", launched in 2004, with a view to positively enhance the general responsibility, awareness and perception

of society about traffic safety without interruption for 13 years. Work done in this area is explained in detail in the Traffic is Life! section of our Annual Report.

- **Vocational Schools:** Our cooperation with vocational schools with a view to contributing to education and quality recruitment for employment continued comprehensively in 2017. Further information regarding our Corporate Sustainability activities are covered in greater detail in the General Information section under Article 4.13.4. Corporate Sustainability Activities.

5. BOARD OF DIRECTORS

5.1. Board of Directors' Function

The Board of Directors has maintained the Company's risk, growth and return balance at optimal levels by making strategic decisions, and managed and represented the Company by first and foremost protecting the long-term interests of the Company through rational and prudent risk management. Driven by the Company's vision and mission, the Board of Directors has coordinated the operations performed by the executive body, and at the same time overseen Company management's performance, monitoring how the Company's operations and activities complied with the legislation, the Articles of Association, internal regulations and policies. The Board is the highest authority in the Company for decision-making, strategy, and representation.

Corporate Vision, Mission and Strategic Goals

Doğuş Otomotiv has strived to balance profitability levels and market share in 2017 while ensuring that corporate strategies are applied. In the rapidly digitalizing automotive industry where technological developments play a significant role, the company regards digital transformation as a top priority in improving service quality and strengthening business processes. Accordingly, the Digital Transformation Department was formed in 2017 pursuant to a Doğuş Otomotiv Board of Directors resolution by appointing a Chief Digital Officer (CDO) an important step was taken. Within the same context, Doğuş Otomotiv started to work with Boston Consulting Group (BCG) in 2018. This cooperation will encompass review of Doğuş Otomotiv's critical business processes, identifying development areas and further enhancing our priorities, particularly in digitalization through value flow diagrams.

As a result, our goal for the upcoming period is to continue to strengthen our cost management in line with the Company's vision and mission, to implement digital transformation in all possible business processes, to create "fan customers" and to be a productive company that develops sustainably for our employees, business partners, customers and shareholders.

Vision:

To provide innovative services beyond expectations.

Mission:

Doğuş Otomotiv is an automotive company with a customer-focused approach and deep insights into the industry, that understands stakeholder expectations, defines new requirements and delivers them with excellence, that possesses creative manpower and uses technology optimally in this regard to provide efficient and profitable services across the automotive value chain.

Strategy:

Corporate strategies are based on the following goals:

BE SIZABLE – BE CLOSE – BE CREATIVE

BE SIZABLE:

For Doğuş Otomotiv to achieve systematic, efficient and profitable expansion in value chain areas in Turkey and international markets and ensure career development of human resource,

BE CLOSE:

To acquire insights into the expectations of our stakeholders and particularly our customers and elevate our relations with them to levels of perfection beyond expectations as rapidly as possible; to establish effective systems to achieve operational excellence, monitoring and analyzing financial and operational position closely.

BE CREATIVE:

To create distinction and a competitive edge through constant innovations based on a participative approach to

product development, customer service and business concept; to develop actions and methods that will render the business in a "leaner, faster, affordable" manner with participation and teamwork in process improvement.

To create distinction and a competitive edge through constant innovations based on a participative approach to product development, customer service and business concept; to develop actions and methods that will render the business in a "leaner, faster, affordable" manner with participation and teamwork in process improvement.

Since its inception, Doğuş Otomotiv, in line with its strategic plans, has focused on strengthening its position in the industry, forming and expanding its Authorized Dealer and Aftersales Service network, and improving recognition and image of the brands it represents in the domestic market. Following the Company's initial public offering in 2004 as an importer and distributor of all the brands it embodies, the Company has evolved its strategy by focusing on the development and performance of its other core and automotive-related ancillary businesses with a local and global perspective.

We aim at being the first institution to implement our newly developed applications using innovation and technology, and creating synergy with our employees and other stakeholders based on our Company's sustainable and stable growth strategy. Therefore, we see it as our priority to work on new projects to continuously increase the quality of our core and automotive-related ancillary businesses. Furthermore, based on the knowledge and experience we have accumulated for more than 20 years as well as the success we attained we intend to expand our business activities by capturing new opportunities.

Knowing that the long-term success of Doğuş Otomotiv can only be sustained through the ultimate satisfaction of our stakeholders, we have built our strategy on four pillars:

One Step Beyond Customer Satisfaction: Turning Customers into Fans!

With uncompromising customer satisfaction-oriented dynamic and attentive service approach, our strategy is to make our customers feel they are valued and offer high quality and creative service by attending to all of their demands and needs.

- Value and Care Center (DIM) that supports our brands at every stage of the customer life cycle became operational in November 2014.
- In the upcoming period, we will work on being constantly connected and accessible for our customers through "Connectivity" to generate quick and creative solutions in every instance that we communicate.
- With a virtual showroom concept that offers a digital experience for customers, the "Audi Cities" represent the future of the current "store" culture; these life-size, virtual versions of all Audi models can be shown on giant LED screens.

Achieving Operational Excellence through Increase in Productivity!

Doğuş Otomotiv offers sales, aftersales service and spare parts services for 12 international brands at more than 510 customer touch points and aims to continue its activities as Turkey's leader in automotive imports and distribution by achieving optimum profitability.

- Our internet-based and mobile device compatible software "Turkuaz", already used by Doğuş Otomotiv and all Authorized Dealers/Aftersales Services, adds value to the automotive processes by including manufacturers and suppliers as well and with constant software updates, it serves our digitalization targets significantly.
- In accordance with the efforts to achieve sustainable efficiency in shipments originating at the ports and in light of the increasing volume of our Company, the stockyard expansion project will soon to be launched.
- The aim is to identify development areas through continuous measurement of quality standards at all customer touch points and to review the capacities of Authorized Dealers for the purpose of making revisions.
- The employee infrastructure will be reinforced for more efficiency as business volume in our Company increases and new technologies are integrated.
- Investment opportunities will be continually assessed for new business areas and the Company's development plans will be reviewed.
- Within the scope of Lean Management practices, necessary programs will be implemented to ensure that our employees contribute to the efficiency of business processes and savings-oriented process improvement programs will be launched.

Maintaining Leadership in the Automotive Market!

- The company aims at maintaining its market leadership in the automotive industry and optimized profitability in its operations.
- The company aims to enable the international brands it represents to perform successfully in Turkey and to benefit from those brands' value and competitive advantage to ensure sustainable growth with "creative service beyond expectations" vision and "customer-satisfaction oriented work" principle.

Fan Employees are Essential for Creating Fan Customers!

The Company offers a common culture for more than two thousand valuable employees, engages in innovative and sustainable human resources practices and carries out projects that improve employee experience and loyalty.

- The company's employer brand "Bir'iz" (Together) gives the message of "we act together and make our mark", which is spread across the company through brand ambassadors.
- "GO - Development School", built on the basis of gamification-motivation for training, offers a digital platform where the focus is on employee experience, allowing employees to have fun as they develop, win rewards, write blog posts and perform mutual trainer-employee assessments. In this manner, employees are able to monitor their personal and professional development and training processes and improve their social engagement within the company.
- Talent management in our company includes a system based on potential and succession plans. Talents showing potential according to specific criteria are selected to participate in a series of training and development programs. Coaching and mentoring programs are also offered by the Company within the scope of Talent Management.
- With the biannual Employee Commitment and Satisfaction Survey conducted companywide, the employees' commitment to the company is scored based on the principle of confidentiality and development areas are identified. According to the results, action plans to improve employee commitment are created and the activities to be carried out during the year are also included in the executive level targets.
- In accordance with the activities of the "Equality at Work" platform, coaching and mentoring training is provided for women in the Company as they are offered opportunities to get prepared for the next management level. With this program, female employees are supported about managing their own impact, which contributes to their personal/professional development. Several other practices have been introduced to help women achieve better work/private life balance.
- With the DRIVE (Doğuş Otomotiv's Route is toward People and Education) team, the objective is to support the development of Doğuş Otomotiv authorized dealers with Doğuş Otomotiv's corporate structure and values and to integrate Human Resources processes to achieve sustainable success in customer satisfaction with business results. With Drive, investments are made for continuous improvement of employees working at authorized dealers and aftersales services. Within this scope, consultancy support is provided for the development of human resources processes at more than 510 Authorized Dealers and Aftersales Service Centers where 7,500 employees work.
- Training and development activities such as expert guest speakers and seminars, personalized educational content, online trainings, development festivals and university collaborations; activities that support work-private life balance such as adjusting working hours, practices for female employees and gender equality and activities for employees' children; activities aimed at creating employee experiences such as personalized birthday gifts, festivals, happy hours, healthy lifestyle practices (dieticians, pilates, yoga) and artistic activities are carried out to make each employee feel valued and special.

The programs that Doğuş Otomotiv develops and carries out to enhance employee experience and satisfaction are addressed in detail in the annual Corporate Sustainability Reports.

5.2. Board of Directors' Working Principles

The Board of Directors conducts its activities in a transparent, accountable, fair, and responsible manner. Separate individuals perform the duties of the Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors plays a key role in maintaining effective communication with shareholders and resolving possible disputes. For this purpose, the Board of Directors works in close cooperation with the Investor Relations Department.

While performing its duties and responsibilities, the Board of Directors engages in continuous and effective collaboration with executives. When deemed necessary, executives participate in the Board meetings. The responsibilities and duties of the Board members and executives are covered in the Articles 9 through 13 of the Articles of Association.

The Board Members of the Company are covered by an umbrella insurance, the "Directors and Officers Liability Insurance Policy" by Doğuş Holding A.Ş. as insurer for an amount of \$25 million per annum against any damages resulting from their managerial misconduct that may have adverse financial consequences to the company.

With regard to the working principles and procedures of the Board of Directors:

- Administrative structure, duties, and responsibilities of the Board of Directors
- Processes for calling Board members to meetings, and preparation for meetings
- Information on the frequency and planning of annual meetings
- Method used to set meeting agenda
- Process of sharing information and documents with the Board members regarding agenda items
- Each member having the right to one vote,
- Obligation of the Board members to share information with one another, and of executives to inform the Board of Directors.
- Distribution of duties and responsibilities within the Board of Directors, and committees,
- Performance appraisal of the Board of Directors, and several other topics stated in the principles are adjudicated. In execution, this regulation is applied.

5.3. Structure of the Board of Directors

The Company's Board of Directors is made up of nine (9) people; one (1) chairman and eight (8) members. In this respect, the rule of having at least five (5) members to set up a Board is complied with. This number is sufficient for the Board to carry out efficient and constructive work, and effectively form committees and organize their activities. The Board of Directors has one (1) executive and eight (8) non-executive members. Most of the members are therefore in non-executive roles. On the other hand, three (3) members of the Board of Directors who are non-executive are also independent members, as required by the Corporate Governance Principles. The independent members have submitted to the Board of Directors their written declaration stating their independence within the framework of relevant legislation, Articles of Association and the criteria set forth in the Principles. Currently there are two (2) female members serving on the Board. The Company has developed a policy for the presence of female members in the Board of Directors in line with a proposal by the Remuneration and Nomination Committee formed by the Board of Directors according to Capital Market Board's Corporate Governance Principles.

The selection of Board Members in our company complies with the qualifications mentioned in Chapter IV of the CMB Corporate Governance Principles, and is carried out in accordance with the relevant articles of the Turkish Commercial Code.

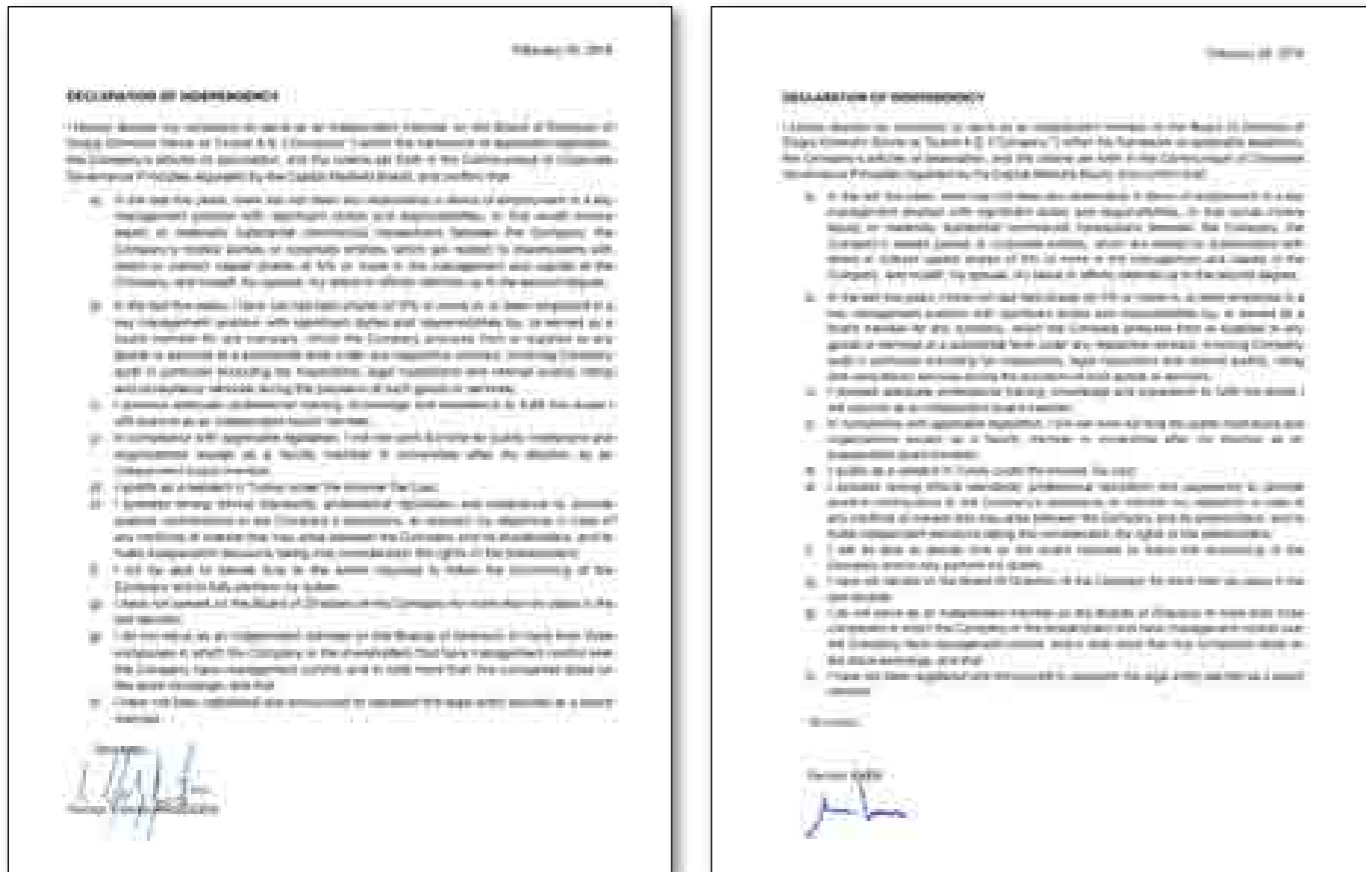
The Board Members of our Company are Aclan Acar, Osman Nezih Alptürk, Hayrullah Murat Aka, Emir Ali Bilaloğlu, Gür Çağdaş, Özlem Denizmen Kocatepe, Recep Yılmaz Argüden, Ferruh Eker and Emine Gülten Özgül. The Chairman of the Board is Aclan Acar. The three independent members of the Board are Recep Yılmaz Argüden, Ferruh Eker and Emine Gülten Özgül. The members were elected to the Board of Directors to serve for two (2) years at the General Assembly meeting on March 25, 2016.

The résumés of the Board members can be found in page 14.

5.4. Board of Directors Meeting Procedures

The Board of Directors convenes frequently enough to effectively fulfill its duties. The Articles of Association includes provisions on the number of meetings and quorum for Board meetings. Board meeting dates are set at the beginning of each year and announced to all participants. The Board of Directors convened 11 times in 2017, all of which were attended. In the absence of some members, they were duly informed and their opinions were taken in accordance with the general principles. Topics addressed in Board of Directors meetings are recorded as minutes of the meeting, and saved. Board Members have the right to declare different opinions on any subject, and to get their reservations recorded in the minutes. The Company's strategic goals, operational results, and performance indicators are monitored regularly by the Board of Directors through monthly meetings.

Declarations of Independence by the Independent Board Members:



Each member of the Board of Directors has the right to one vote, and none of the members has a right to veto. The Board of Directors meetings are held in compliance with the legislation and the relevant sections of the Articles of Association.

Attendance ratios of the Board members in the Board of Directors Meetings in 2017 are listed below:

	Attendance Ratios
Aclan Acar	100%
Osman Nezihi Alptürk	100%
Hayrullah Murat Aka	100%
Emir Ali Bilaloğlu	100%
Gür Çağdaş	100%
Özlem Denizmen Kocatepe	83%
Recep Yılmaz Argüden	100%
Ferruh Eker	100%
Emine Gülden Özgül	100%

5.5. Committees Formed under the Board of Directors

Audit Committee, Corporate Governance and Sustainability Committee, Early Risk Detection Committee, and Remuneration and Nomination Committee have been formed in order for the Board of Directors has to fulfill its duties and responsibilities in a healthy manner. Separate Nomination and Remuneration Committees have not been established due to the structure of the Board of Directors, and their duties are fulfilled by a single Remuneration and Nomination Committee.

Duties, working principles and members of the Committees have been determined by the Board of Directors, publicly disclosed through approved written documents, and announced on the corporate website. All members of the Audit Committee are independent Board Members. Among the Corporate Governance and Sustainability Committee, the Early Risk Detection Committee, and the Remuneration and Nomination Committee, at least one Committee Head is an independent Board Member while the Executive Board Chair/CEO does not serve on any of these committees.

The Board of Directors has provided the Committees with all kinds of resources and support required to fulfill their duties. When deemed necessary, Committees may invite executives to the meetings to obtain their views. Committee reports have been evaluated by the Board of Directors, and necessary actions taken by our Company.

AUDIT COMMITTEE

Ferruh Eker (Head of Committee – Independent Board Member)
Recep Yılmaz Argüden

The Audit committee, consisting of Independent Board Members as defined by the CMB's Corporate Governance Principles, carries out its activities according to the Audit Committee Bylaws approved by the Board of Directors. The Committee assists Board of Directors in the oversight of accounting, auditing, internal control system and financial reporting.

In this respect, the Audit Committee, on behalf of the Board of Directors, defines methods and criteria for the internal audit, the effectiveness and sufficiency of internal control and risk management, the functioning of the accounting and reporting systems in accordance with the Capital Markets Law and the principles therein, the integrity of information, the confidential assessment and resolution of complaints made to the Company regarding the internal control system, and the independent auditing and discretion in evaluation of notifications.

In addition to public disclosure of financial information and regular monitoring of independent auditing activities, the Audit Committee also reports its findings as a result of its own duties and responsibilities, and evaluations to the Board of Directors.

The Audit Committee provides written information about its evaluations with regard to the veracity and accuracy of the annual and interim financial statements to be disclosed to public, supported by the opinions of the Company's responsible executives and independent auditors. Accordingly, four (4) written briefs were presented to the Board of Directors in 2017.

The Committee convened six (6) times in 2017, and also held one (1) joint meeting with the Early Risk Detection Committee. During the presentations by the Internal Audit Department, the Committee was informed about internal control, risk management, and governance processes as a result of audits, and the decisions reached were recorded in the minutes of the Committee meeting. The Committee Members gave four (4) presentations to the Board of Directors in 2017 about audit findings.

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

Recep Yılmaz Argüden (Head of Committee – Independent Board Member)
Aclan Acar
Gür Çağdaş
Hasan Hüsnü Güzelöz
Halide Müge Yücel

The Corporate Governance and Sustainability Committee identifies whether or not Corporate Governance Principles are complied with, the reasons for why not, and conflicts of interest that may arise due to lack of compliance, and fulfills its duty for public disclosure with the Corporate Governance Compliance Report. The Committee also informs the Board of Directors on preventive/remedial measures for ensuring the implementation of sustainability principles, areas of opportunity and operational results. The Committee consists of five (5) members, including the Head of the Committee, who is an Independent Board member and two (2) non-executive Board members, with the fourth member the Manager of the Investor Relations Department, and is an appointed member of the Corporate Governance and Sustainability Committee, pursuant to the CMB Communiqué No. II-17.1.

When the Corporate Governance and Sustainability Committee consists of two members, both of the members should be non-executive, whereas if there are more than two members, then the majority of the members should be non-executive. Currently, the Committee complies with the Corporate Governance Principles in terms of its formation. The Committee has convened four (4) times in 2017, and regularly reported its findings and resolutions to the Board of Directors.

EARLY RISK DETECTION COMMITTEE

Recep Yılmaz Argüden (Head of Committee – Independent Board Member)
Aclan Acar
Hayrullah Murat Aka
Hasan Hüsnü Güzelöz

The Early Risk Detection Committee consists of four (4) members, with the Head of the Committee an independent Board member. The Committee was severed from the Corporate Governance and Sustainability Committee as of April 2013, and its working principles were established. The Early Risk Detection Committee fulfills its duties and responsibilities in accordance with the legislation. The Committee, formed for early diagnosis of causes that threaten the Company's existence, development and continuity, taking precautions/remedies for their prevention, and managing risks, is responsible to run and develop the system. The Committee held a total of four (4) meetings in 2017, including one joint meeting with the Audit Committee, and presented regular reports to the Board of Directors to assess the risk situations, also sharing these reports with the auditor.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Corporate Risk Management, which we established to revise and assess methods of defining volatilities in a timely and adequate manner and to take remedial measures in accordance with the objectives of our Company's overall code of conduct, continues to evolve into a corporate culture that extends from the governing body to entry-level employees.

The Financial Control Department, operating under the General Directorate of the Chief Financial Officer as a consequence of the importance we attach to risks in the Company, was restructured in May 2015 as the

Financial Control and Risk Management Department. By addressing the complementary nature of risk and control concepts together under the same roof, we maintain our goal of creating one single responsibility center and a common language. In line with this objective, a direct, comprehensive and integrated service is provided for the Early Risk Detection Committee as the command center for effective risk management, with full support to the oversight duty of the Committee.

Our risk composition, considered on the basis of probabilities and possible effects of processes and scenarios, has been redefined and expanded to include our growing sensitivity for health, safety, environment, business continuity, and sustainability in the recent years. Risk measurement and assessment parameters, the use of common terminology, business continuity approach, as well as all related reporting and shareholder information activities also continue to be reinforced accordingly.

The revisions we have made in accordance with our changing organization and the current environment in which we operate are aimed at controlling and managing the risks following their analysis in accordance with the objective of the internal control system. Managerial bodies, including relevant committees and executive management plan the necessary measures to be taken for assurance in accordance with our Company objectives, and address and monitor them through authorized channels.

REMUNERATION AND NOMINATION COMMITTEE

Emine Gülden Özgül (Head of Committee – Independent Board Member)
Aclan Acar
Osman Nezihi Alptürk

Relevant executives and managers are invited for a meeting based on the topic, and asked to provide their opinions and input.

The Remuneration and Nomination Committee consists of three (3) members, with the Head an independent Board member. The Committee has convened four (4) times in 2017, and the issues identified in the meeting, the actions taken, and the results obtained were presented to the Board of Directors.

Further to the guidance and efforts of the Committee in 2017, and parallel to the activities carried out, Executive Board Dynamics Assessment and Leadership Development Project – aiming to analyze the structure, function, strengths and development areas of the Executive Board and to present findings and recommendations to the Board of Directors – was finalized during the year under the coordination of an independent firm, and presented to the Board of Directors. Within this context, the firm has conducted surveys, face-to-face interviews and a workshop. A development plan will be designed within the framework of the study's output and implemented in 2018.

5.6. Financial Benefits Provided to the Board of Directors and Executives with Administrative Responsibilities

The remuneration principles for the Board of Directors and executives with administrative responsibilities have been put into writing, presented to the General Assembly for approval, and disclosed electronically to the general public. In remuneration of independent members of the Board of Directors, payment plans such as dividend, stock options or payment options based on the Company's performance have not been considered. The remuneration of independent members of the Board of Directors has been set at a level to maintain their independence.

Our company has not given loans or credit to any members of the Board of Directors or executives with administrative responsibilities, nor granted anyone any loan through a third party under the guise of personal loans, nor given securities on their behalf. Performance appraisals of the Board members have been conducted with the support of a professional organization using objective criteria.

The sum of financial benefits, including salaries and similar payments, health insurance and employer's contribution of social security, granted to the Company's governing bodies and executives with administrative responsibilities amounted to TRY 62,545 thousand in 2017.

GENERAL INFORMATION

1. GENERAL COMPANY INFORMATION

This Annual Report covers the period from 1 January 2017 to 31 December 2017.

1.1. General Information on the Company

Company Title:	Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi
Company Address:	Maslak Mahallesi, Ahi Evran Cad. No: 4 İç Kapı No: 13 (Doğuş Center Maslak) Sarıyer / İSTANBUL
Head Office:	Şekerpinar Mahallesi, Anadolu Caddesi, No: 22 41420 Çayırova / KOCAELİ
Phone:	(0262) 676 9090
Fax:	(0262) 676 9096
Website:	www.dogusotomotiv.com.tr
Date of Establishment:	19.11.1999
Trade Registry No:	429183 / 376765

1.2. Information on Capital Structure and Shareholding

As of December 31, 2017, no changes have occurred in the Company's issued share capital. During the reporting period, the Company has not increased its capital or issued any capital market board tools.

Shareholder's Commercial Title	Share in the Capital (TL)	Share in the Capital (%)
Doğuş Holding A.Ş.	98,946,629	44.98
Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş.	66,638,086	30.29
Doğuş Otomotiv Servis ve Ticaret A.Ş.*	22,000,000	10.00
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	292	0.00
Publicly Traded Shares	32,414,993	14.73
Total	220,000,000	100

* In accordance with communique of CMB, the Company reacquired 22,000,000 units of its own shares, which is equivalent to 10% of its paid-in capital in 2016.

1.3. Privileged Shares

As of 31 December 2017 the current shareholding structure of our Company is described above and there are no privileged shares in our Company.

1.4. Managing Body, Senior Executives and Personnel

In 2017, the Company has employed 930 blue-collar, and 1,851 white-collar employees on average.

Information on Senior Executives and Board Members' Duties in 2017

Name Surname	Position	Starting Date	Duration
Aclan Acar	Chairman of the Board of Directors, Corporate Governance and Sustainability Committee Member, Early Detection of Risk Committee Member, Remuneration and Nomination Committee Member	25 March 2016	2 years
Osman Nezihi Alptürk	Vice Chairman of the Board of Directors, Remuneration and Nomination Committee Member	25 March 2016	2 years
Hayrullah Murat Aka	Board Member, Early Risk Detection of Committee Member	25 March 2016	2 years
Emir Ali Bilaloğlu	Board Member	25 March 2016	2 years
Gür Çağdaş	Board Member, Corporate Governance and Sustainability Committee Member	25 March 2016	2 years
Özlem Denizmen Kocatepe	Board Member	25 March 2016	2 years
Recep Yılmaz Argüden	Board Member, Audit Committee Member, Head of Corporate Governance and Sustainability Committee, Head of Early Risk Detection Committee	25 March 2016	2 years
Ferruh Eker	Board Member, Head of Audit Committee	25 March 2016	2 years
Emine Gülden Özgül	Board Member, Head of Remuneration and Nomination Committee	25 March 2016	2 years

1.4.2. Employees Involved in the Management

Name Surname	Position	Education
Emir Ali Bilaloğlu	Chief Executive Officer	M.Sc. in Engineering
Kerem Talih	Chief Financial Officer	Economics
Giovanni Atilla Gino Bottaro	General Manager, Audi, Bentley, Lamborghini and Bugatti	Mechanical Engineering
İlhami Eksin	General Manager, Scania, Thermo King, DOD Heavy Vehicles, Scania Industrial and Marine Engines	Economics
Anıl Gürsoy	General Manager, DOD, SEAT and Porsche	Business Administration
Kerem Güven	General Manager, VW Commercial Vehicles	Tourism & Hotel Management
Mustafa Karabayır	General Manager, Spare Parts and Logistics	Geology Engineering / M. Sc. in Civil Engineering
Ela Kulunyar	General Manager, Human Resources and Process Management	Business Administration
Tolga Senyücel	General Manager, ŠKODA Yüce Auto	Business Administration / MBA
Vedat Uygun	General Manager, VW Passenger Cars	Mechanical Engineering / MBA
Koray Bebekoğlu	Director, Digital Transformation and Corporate Communications	Mining Engineering / MBA
Yeşim Yalçın Maleri	Director, Financial Affairs	Economics

2. REMUNERATION OF THE BOARD MEMBERS AND SENIOR EXECUTIVES

Information pertaining to the remuneration of the Board members and senior executives may be found in the Corporate Governance section under Article 5.6 Financial benefits provided to the Board of Directors and Executives with Administrative Responsibilities.

3. RESEARCH & DEVELOPMENT STUDIES

The Company has not carried out any research & development activities in 2017.

4. MATERIAL DEVELOPMENTS REGARDING COMPANY OPERATIONS

4.1. Investments

The Company has invested TRY 315,056 thousand in fixed assets in 2017 including vehicle purchases, showroom renovations, service equipment, purchase of the Esenyurt real estate and the continued Kartal costs.

4.2. Internal Control and Internal Audit Activities

The internal control and internal auditing activities carried out within the Company aim to ensure the effective, reliable and uninterrupted management of the company's services and assets, and create a safe environment to maintain the integrity and consistency of information, allowing timely access and ensuring protection.

With internal control practices as an integral part of our policies and procedures, our objective is to protect the rights of shareholders and interest holders, ensure that the Company's financial and non-financial information are realistic and accessible, comply with legislation and the Articles of Association, and carry out operations effectively and efficiently. Given that internal control is a living and ongoing activity and its assessments provide an instant view of the system, our existing structure has been reinforced with the three lines of defense. The internal control system, conducted by executives and employees, constitutes the primary defense line while the Financial Control and Risk Management activities, which have been restructured under the General Directorate of the Chief Financial Officer, create a second line of defense. Functioning directly at operational level, Financial Control and Risk Management acts in coordination with the other control units such as Internal Audit and Legal. Our third and final line of defense is composed of our internal audit activities.

The Internal Audit Department reports to the Audit Committee, and operates within the scope of regulations set out in accordance with legislative regulations and international standards. The department regularly and systematically audits and reviews the Company processes and internal control activities according to a risk-based annual audit plan approved by the Board of Directors. Six (6) meetings with the Audit Committee and one (1) joint meeting with the Early Risk Detection Committee were conducted throughout 2017 to discuss and review the independent audit results and the regular audits, inspection and investigations carried out by the Internal Audit Department.

The Internal Audit Department, taking utmost care to comply with international standards of internal audit activities, evaluates development opportunities by considering senior management expectations and similar industry practices. In this respect, further steps were taken in 2017 to audit Information Technologies and their weight in the audit plan has been increased. In addition, the ongoing continuous auditing, which commenced in 2016, has contributed to the effectiveness, efficiency and timeliness of audits by providing daily, weekly and monthly reporting through the system and by developing audit methodology that can generate results over all data instead of sampling. The objective for 2018 is to increase the weight of continuous audits in the regular audits.

4.3. Information on Direct and Indirect Subsidiaries and Share Ratios

Company Title	Area of Operation	Paid-in / Issued Capital	Company's Share in Capital	Monetary Unit	Company's Share in Capital (%)	Relation to Company
DOĞUŞ HOLDİNG A.Ş.	Holding Company	TRY 856,027,050.00	TRY 31,839,470.00	TRY	3.75	LONG TERM SECURITY
VDF SİGORTA ARACILIK HİZMETLERİ A.Ş.	Insurance and Brokerage Services	TRY 2,000,000.00	TRY 80.00	TRY	0.00	LONG TERM SECURITY
D-AUTO SUISE SA	Vehicle Trading & AS Services – Lausanne / Switzerland	CHF 11,788,000.00	CHF 11,782,248.00	CHF	99.95	SUBSIDIARY
D-AUTO LIMITED LIABILITY COMPANY	Vehicle Trading & AS Services – Iraq	IQD 150,000,000.00	IQD 150,000,000.00	IQD	100.00	SUBSIDIARY
DOĞUŞ OTO PAZARLAMA VE TİCARET A.Ş.	Vehicle Trading & AS Services	TRY 45,000,000.00	TRY 43,288,270.00	TRY	96.20	SUBSIDIARY
DOĞUŞ BİLGİ İŞLEM VE TEKNOLOJİ HİZMETLERİ A.Ş.	IT Infrastructure & Software	TRY 19,000,000.00	TRY 8,740,000.00	TRY	46.00	AFFILIATE
DOĞUŞ SİGORTA ARACILIK HİZMETLERİ A.Ş.	Insurance and Brokerage Services	TRY 1,265,000.00	TRY 531,232.00	TRY	42.00	AFFILIATE
VDF SERVİS VE TİCARET A.Ş.	Automotive Products & Services	TRY 5,100,000.00	TRY 1,948,874.00	TRY	38.22	AFFILIATE
VOLKSWAGEN DOĞUŞ FİNANSMAN A.Ş.	Automotive Consumer Financing	TRY 180,000,000.00	TRY 86,399,987.00	TRY	48.00	AFFILIATE
YÜCE AUTO MOTORLU ARAÇLAR TİCARET A.Ş.	ŠKODA Turkey Distributor	TRY 2,100,000.00	TRY 1,049,999.40	TRY	50.00	AFFILIATE
MEİLLER DOĞUŞ DAMPER SANAYİ VE TİCARET LTD. ŞTİ. (*)	Tipper Manufacturing and Sales	TRY 234,000.00	TRY 114,650.00	TRY	49.00	BUSINESS PARTNERSHIP
TÜVTURK GÜNEY TAŞIT MUAYENE İSTASYONLARI YAPIM VE İŞLETİM A.Ş.	Vehicle Inspection Stations	TRY 25,250,000.00	TRY 8,416,666.00	TRY	33.33	BUSINESS PARTNERSHIP
TÜVTURK KUZAY TAŞIT MUAYENE İSTASYONLARI YAPIM VE İŞLETİM A.Ş.	Vehicle Inspection Stations	TRY 67,100,000.00	TRY 22,366,667.00	TRY	33.33	BUSINESS PARTNERSHIP

* The company's operations have been terminated and the dissolution process is ongoing.

Detailed information about the transactions performed during the year pertaining to Company's Direct and Indirect Subsidiaries is provided in the accompanying notes to the consolidated financial statements for the year ending on 31 December in the "Note 28: Balances and Transactions with Related Parties" section.

4.4 Information on the Company's Share Buy-Back Policy and Program

In the event that the Board of Directors of Doğu Otomotiv resolves to buy-back its shares or accept them as pledge, all necessary public disclosures and announcements will be made pursuant to "Communiqué No: II-22.1 on Share Buy-Back", which was published in the Official Gazette No. 28871 on 3 January 2014.

The Company currently retains the shares, corresponding to 10% of its capital, traded on the stock exchange and bought back in 2016 in accordance with CMB regulations.

4.5. Information on Private and Public Audits within the Fiscal Period

The inspections carried out by the Ministry of Customs and Trade within the scope of Consumer Law was finalized in 2017 and the monetary fine was paid without filing a lawsuit.

4.6. Information on the Legal Actions Brought Against The Company, Actions that may Affect The Company's Financial State and Operations, and Their Possible Consequences

There are no cases brought against the Company, nor any cases that may affect the Company's financial state and operations.

4.7 Information on the Administrative and Judicial Sanctions Imposed on the Company and its Managing Body due to Noncompliance with the Legislative Provisions

No administrative or judicial sanctions have been imposed on the members of the Management Body.

As a result of the audits and inspections carried out at our Company and authorized aftersales services within the scope of Law No. 6502 on the Protection of Consumers by the Ministry of Customs and Trade, Directorate General of Consumer Protection and Market Surveillance, the Company was ordered to pay TRY 100,750 in administrative fines due to violation of Articles 56 and 58 of Law No. 6502, and has exercised the right for advance payment discount pursuant to Misdemeanors Law and paid TRY 75,562.50 in total.

4.8 Information on Materially Significant Asset Acquisitions or Sales

Information on asset acquisitions or sales is provided in the accompanying notes of the consolidated financial statements of the years ending on December 31, under "Note 12 – Property and Equipment " and Note 13 – Intangible Assets".

4.9 Information on Possible Conflicts of Interest with Service-Providing Companies

During the 1 January 2017 – 31 December 2017 period, there were no conflicts of interest between our Company and other companies that provide investment consultancy, rating, and other services. Diligent efforts are made to prevent conflicts of interest via contracts and intercompany activities in line with the Company's Code of Ethics.

4.10 Information on Some Legislative Changes that may Materially Affect the Company's Operations

The Competition Authority's "Block Exemption Communiqué on Vertical Agreements in the Motor Vehicles Sector" (Communiqué No: 2017/3) published in the Official Gazette on 24.02.2017 has an impact on the operations of our Company since it is a regulation related to the automotive industry.

The following regulations within the scope of Law No. 6698 on "Protection of Personal Data" and published in the Official Gazette on the dates indicated have had impact on the operations of our Company:

- Regulation on the Registry of Data Officers dated 30.12.2017
- Regulation on the Working Procedures and Principles of the Data Protection Commission dated 16.11.2017
- Regulation on Deletion, Destruction or Anonymization of Personal Data dated 28.10.2017

The amendment on the "Motor Vehicles Tax" published in the Official Gazette on 5.12.2017 had an impact on the automotive sector.

The amendment on the "Special Consumption Tax" imposed by the Ministry of Finance, Revenue Administration and published in the Official Gazette on 27.12.2017 had an impact on the automotive sector.

4.11. Information on Attaining Targets Set in the Previous Terms and Fulfilling General Assembly Resolutions

There were no targets that the Company did not attain, nor any General Assembly resolutions not fulfilled by the Company during the operating term.

4.12. Information on the Extraordinary General Assembly

The Company did not convene an Extraordinary General Assembly in 2017.

4.13. Information on Relations with Customers and Suppliers

4.13.1. CRM - Customer Relations Management Unit

CRM (Customer Relations Management) Unit has been placed under the Digital Transformation and Corporate Communication Department. CRM Unit aims to manage customer experience in the best manner possible during the life cycle of our customers, streamline customer communication processes through a proactive approach, design personalized proposals and services based on central data management and analysis, plan actions that will increase customer loyalty and maintain customer satisfaction at the highest level.

The key responsibilities of the CRM Unit include:

- Taking all necessary steps to ensure that customer data are stored properly and kept up-to-date;
- Ensuring that a customer-oriented working concept is adopted as a corporate culture across the entire organization;
- Conducting and reporting of internal and external customer satisfaction surveys (CSS, CSI, DSS) to improve processes, measuring, evaluating and reporting results;
- Performing, measuring and reporting optimized direct marketing activities (via email, SMS, MMS, direct mailing, and web) in response to the demands of authorized dealers and brands;
- Developing analytical projects for brands, authorized dealers and services with third party companies;
- Procuring social and digital media listening and reporting services, developing software to respond to customer complaints received via the social media and convert them into sales opportunities;
- Enhancing the customer recognition, monitoring and information functions in the Turkuaz system used by all brands and authorized dealers to make them more effective, leaner and more comprehensive based on the needs;
- Designing, managing, and coordinating loyalty projects;
- Protecting first and foremost the right to respect for private life and the fundamental rights and freedoms of persons in processing private data belonging to customers according to the Law on the Protection of Private Data, and while processing data our customers share with our Company, along with the management of processes in line with our obligations, using communication channels our customers have provided us with their permission within the framework of Consensual Marketing Law and undertaking marketing activities meeting our customers' own areas of interest and requirements;
- Coordinating cooperation projects that will benefit our customers;
- Undertaking campaign management and communication over the loyalty platform;
- By utilizing contact mapping covering every business and process step where Doğuş Otomotiv brands touch the customer, managing each communication step to be established with the customer;
- Providing Customer Experience Management (CEM) training to our Authorized Dealers;
- Designing and managing sale and service campaigns and projects based on data analytics, undertaking customer segmentation and loyalty focused analyses and providing support to online integration by utilizing offline services.

The Customer Experience activities carried out in 2017 included:

Customer experience management entails the whole range of perceptions and emotions created as a result of the relations established with customers at each contact point we touch them. In order to manage customer communication proactively, in a streamlined manner and without interruption by placing the customer at the centre, customer contact mapping determining work and process steps during the pre-sale, sale and after sale phases of the VW Passenger Car, Audi, Porsche, SEAT, Scania and DOD brands was completed in 2017.

Customer satisfaction surveys undertaken by an independent research company to follow up our customers' satisfaction levels have been renamed as Customer Experience Management (CEM) whereby, based on global trends, they have been transformed from a structure measuring customer processes to one measuring customer experience. Accordingly, questions have become shorter and surveys have evolved into a system that focuses on obtaining the customers' reviews of their experiences and toward improving the services directly one on one. As digitalization reduces the need for phone calls and increases online surveys, the infrastructure preparations for technological advances were completed and pilot activities were conducted for online surveys. The data required for research have been integrated into the system and important steps were taken toward monitoring data quality. In 2017, more than 75,000 customers were interviewed where their satisfaction regarding sale and services were queried and improvement measures were planned by the management units concerned.

In line with the ever more widespread use of mobile applications, the volume of communication and campaigns our brands realized over the ZUBIZU loyalty platform increased in 2017. Numerous privileges are provided by companies in various sectors for the DoğuŖ Otomotiv customers over the ZUZIBU platform. The platform has also become a channel offering communication opportunities to reach micro segments created according to specific criteria among DoğuŖ Otomotiv customers with exclusive promotions. During 2017, our ZUBIZU-Shell fuel benefit program partnership continued.

Aiming to create "Fan Customers" to increase the customers' loyalty to our brands and/or DoğuŖ Otomotiv, certain criteria were defined, and customers that met these criteria were identified. In order to further improve these customers' satisfaction and reinforce their loyalty by assessing them at every touch point, the services are continuously enhanced. The first leg of the project, defining "Fan Customers" in the system, was completed in 2017.

A "Value Segmentation" activity has been launched for the purpose of getting to know DoğuŖ Otomotiv customers in terms of their sales and aftersales movements as well as their various behavioral dimensions to personalize all actions for the individual customer and manage their life cycle.

In order to increase the continuity of our customers' service loyalties, big data on the Turkuaz system was analyzed, and churning customers that are most likely to stop coming to the aftersales services were identified using statistical modeling. The pilot study with our SEAT brand was completed in 2017 and it was decided to expand the practice across all brands in 2018. The project, which will contribute to increasing service loyalty and reducing the number of lost customers, was presented, especially for its omni-channel communications design, as a benchmark at the "2017 Auto CRM Summit", a global event held in Berlin, and received favorable responses.

We have started to work on a project that will enable our current customers and prospects, who are active in social media, to query the Turkuaz system with personal and social media account credentials. In order to improve the quality of customers' data in the Turkuaz system, an SMS verification system has been activated to ensure the authenticity of the mobile phone information entered into the system. Using an advanced algorithm that evaluates the customer resemblance rate within the scope of customer recruiting, the creation of duplicate customer records has been significantly inhibited.

Under the Personal Data Protection Act, a Web Permission Portal has been created and added to brands' websites where customers can edit their permissions for use of their personal data and direct marketing activities.

With the increase in the effectiveness of the joint customer database infrastructure provided by DMS in 2017, cross-cooperation between DoğuŖ Group brands has become a prominent agenda and has gained momentum. Many projects have been implemented in companies such as DoğuŖ Otomotiv-DoğuŖ Tourism, d.ream, DoğuŖ Retail Group and Pozitif with the aim of improving customer experience, revenue increase or cost reduction.

With the DMP (Data Management Platform) investment, online and offline data of DoğuŖ Otomotiv companies started to be consolidated and we began to uniquely identify each customer under the right segments and by a single digital identity. Customers' needs were determined by following their digital footprints at digital marketing points, through which brands were supported in rendering the right targeting in their marketing communication. Customer data were enriched by anonymous data of the group companies using the same DMP whereby the prospective customer pool was enlarged.

Pilot trials at various Authorized Dealers were launched within the framework of the Central Switchboard Project. The project was developed with a view to setting up a modern switchboard system to enable efficient management of the increasing telephone call traffic at our Authorized Dealers whereby they will be contacted faster and more easily. The system will have the capability of accessing the services, recognizing the customer making the call, undertaking voice recording and analysis, taking customer satisfaction to a higher level as well as reporting the calls, measuring efficiency, monitoring call durations and answering ratios on an employee basis and enhancing the efficiency of sales consultants and service quality. The network infrastructure to be put in place for the Central Switchboard Project aims to establish the technical infrastructure on which all future digital transformation projects will operate on a robust platform. After observing the product and service quality of different suppliers, the ideal solution will be determined and the project will be more widely implemented.

4.13.2. Value and Care Center (DIM)

Aiming to increase customer satisfaction in sales and after sales services in line with the vision of "Creating Fan Customers," the Company has brought together the previously outsourced services such as dialog (care management), road assistance, and call center operations (surveys and bookings) under its own roof with a new quality concept. Named the Value and Care Center (DIM) to highlight how much the customers are valued and cared for, the unit was structured under the Digital Transformation and Corporate Communications Department in November 2014, and set up at a separate location in Kavacık to deliver creative services beyond expectations, create positive customer experiences, and increase the number of fan customers by promoting value and inspiring trust.

In addition to lending support to all our brands at every customer lifecycle stage, DIM also continues to improve the quality and variety of its services through projects. The DIM operation that aims at bringing a service and quality standard to customer contact points makes it possible for brands and authorized dealers to follow consumer expectations and opinions transparently and in real time with the reporting functions it offers.

DIM is based on the idea that not only customers but also employees need to feel valued. This is why an environment in which employees feel valued and important, show initiative and participate in decision-making is created.

DIM provides the following services:

1. Care Management (Dialog): Managing demands (requests, complaints, suggestions, gratitude, etc.) concerning vehicles of brands that DoğuŖ Otomotiv imports as well as authorized dealers and aftersales services, and meeting customer needs and expectations mean our customers receive the value and care they deserve. These demands are conveyed to DIM through various communication channels such as phone calls, email, live chat, social media and letters.

In 2017, DIM successfully responded to 168,904 dialog calls, which correspond to a 27% increase year on year while the average speed of answer (ASA) was realized at significantly high level of 15 seconds.

Customer emails answered totaled 40,732 with average email response time of 4 minutes. DIM also held a total of 29,590 online chats, and replied to 105,376 notifications on social media (twitter and facebook).

2. Road Assistance: Covers road assistance services offered for vehicles imported by DoğuŖ Otomotiv, VDF Insurance policyholders and VDF Fleet Rental vehicles' users. Primary goal of road assistance services is to enable customers to continue with their journey. The aim is to make customers feel safe against adverse situations that may arise on the road, and to reach them as quickly as possible to provide all-encompassing road assistance.

DIM responded to 358,092 calls for road assistance in 2017, seeing a 13% increase compared to the previous year while the average speed of answer (ASA) for these requests was recorded as 14 seconds.

The "emergency service" offered by DIM to its customers reached 22,232 in number with an increase of 11% year on year.

Meanwhile, the "car towing services" offered to customers by DIM increased by 2% in 2016, and totaled 28,495.

During these operations, DIM provided its customers with 4,203 temporary vehicles.

The number of tickets opened for road assistance calls decreased by 6% in 2017 on the previous year, totaling 118,475.

And finally, customer satisfaction with road assistance was rated at 80.02%.

3. Surveys: Calling customers to verify data and service quality with the aim of getting specific answers to scripted questions. The main goal is to enable our brands to retain their current customers and proactively reach prospects. Calling customers and recording data are essential in terms of managing CRM operations accurately and effectively to maximize sales opportunities with new and loyal customers, and use potential and existing customers' data properly. DIM conducted surveys with 568,827 respondents for 28 different projects in 2017.

4. Appointments: Involves planning and booking appointments for maintenance and repairs since authorized aftersales services are the initial contact with the customer after a vehicle is sold. This process is fundamentally built on attending to the customer's needs and expectations. It also involves coordination with the relevant Authorized Aftersales Service regarding workshop planning. In 2017, the appointment line (Doğuş Oto and Şenyıldız) received 363,403 calls, with 138,756 resulting in bookings.

5. Used Vehicle Sales: Involves analyzing the requests received from DOD customers through the website, social media and by phone about buying, selling and trading used vehicles and their insurance and financing conditions, presenting results to customers and establishing contact between customers and authorized dealers. DOD calls decreased by 15% year on year and totaled 31,586 in 2017.

While the world average for Service Level as one of the key indicators for the call center industry is 75%, DIM's score was 85% in 2017.

NPS surveys that evaluate customer representatives, service quality and the impressions left on the customers revealed a score of 88.96 points in 2017.

As a result of the quality measurement of DIM customer representatives, the quality of the calls with customer representatives was scored as 88.73 in 2017.

DIM always considers service excellence a priority, and works on contract with towing companies operating in important and high-intensity areas, followed by quality measurements.

The employees at DIM also contributed to this process with 213 suggestions in 2017, topping the list with the highest number of suggestions submitted within the entire organization.

DIM employees are offered a platform where they compete against each other on a monthly basis with the aim of offering a unique experience to their customers. The platform, named "Passion for the Road," rewards the employee that creates the best experience for their customers. In 2017, 15 out of 45 candidates for unique customer experience received the "Passion for the Road" award.

6. New applications:

DIM Rent A Car (RAC): Since 2015, DIM VW and Audi have been providing our authorized dealers with temporary car rental service to better serve our customers stranded on the road, allowing them to experience our upper segment vehicles such as Passat and Audi A4.

DIM Technical Expert: The Technical Expert Support program is applied with the aim of elevating customer satisfaction and reducing service times by having a highly qualified technical expert in-house. With this program, the customer representative taking a road assistance call decides on the course of action regarding specific issues by conferring with the Technical Assistance Expert, without having to first speak with Emergency Service staff. The goal is to shorten the duration of calls with Emergency Service staff, increase efficiency, and decrease wait periods for the customers. The program has resulted in a 19% increase in efficiency.

D-Pedia Portal: A new web-based FAQ portal has been set up to allow customer representatives to answer customer questions in a timely manner and to record these questions and problems in corporate memory.

Online Performance System: The new software developed especially for DIM has been integrated into the performance system, informing customer representatives about assessment results (call quality, tests, etc.) simultaneously as they are measured.

Dialog Mobile App: The first phase of DIALOG mobile app developed to meet customer expectations and deliver a unique customer experience has been implemented. When the customer is stranded on the road, their location can be identified through the app, and communicated to the emergency service / towing company for immediate action. The location of the emergency service and the tow truck can be also monitored by the customers on their smart phones. The app helps the customers to benefit from road assistance services with one tap.

Automated NPS Calls: NPS calls to measure the satisfaction of customers from the DIM service were previously made by customer representatives and starting in 2017, these calls are made by the automated IVR system. This has resulted in savings in workforce and receiving more information from customers to develop and enhance processes.

In 2017, DIM also made an important technology investment and started using the Verint Speech Analytics system. In this system, all recorded calls are automatically converted to text using speech-to-text technology, and data mining methods are applied to these texts to perform various analyzes. The Speech Analytics system has contributed to DIM in terms of performance management, efficiency and marketing.

DIM, aiming to improve the customer representatives' knowledge and interest in the operations, has also acquired a new mobile app that uses reinforced learning module named DIM Sell-R. With new questions uploaded to this app every month, the competencies of the customer representatives are enhanced.

DIM has earned the ISO EN 15838 Customer Management System certification, which is an international standard with industry requirements for Call Centers and granted to customer-oriented service providers; as well as ISO 10002 certification compliant with ISO 9001, a management approach that enables forming more useful and long-term relationships with customers and improves those relationships.

In 2017, DIM also won first prize in the 'Best Customer Experience' and "Best Recruitment Model" categories at the twelfth annual Contactcenterworld.com Awards, considered the world's most prestigious award of the customer relations management industry.

DIM took over the call center management of VDF Fleet, one of our group companies in 2017 and started to provide road assistance services to VDF fleet company as well as operator services out of office hours.

DIM began handling the Porsche Google project launched by Porsche in 2017. As part of the project, DIM started receiving all the calls made to a dedicated phone line for Porsche aftersales service appointments and diverting operator calls.

With the Positive Discrimination Project launched in 2016, DIM has implemented a new practice to provide faster service to people with disabilities, women and +60 age group among the customers they serve, and to minimize their waiting times. Defining these customers in the system connected to DIM and the operator system enables them to be automatically taken to the front of the queue, with a sign appearing on the screen of the customer representatives about the customer's special case (female, +60, or disabled, etc.). In this respect, a difference is made in the service both in terms of treating the customer and also in service time.

7. Project-based Activities:

- Analyzing and reporting requests, complaints and demands received from the field and implementing improvement projects;
- Giving regular feedback to aftersales service teams regarding emergency services, contributing to the efforts for compensating for shortages and maintaining standards;
- Carrying out brands' customer relations projects [such as managing the Lead system, providing exclusive call center service for the VW Commercial Vehicles Premium project and similar projects such as Digiturk Portal, DMF leads, VW Shop, D-Gym, meeting periodical campaign demands (dost drive, etc.), and Scania Corporate operations];
- Updating customer data on project basis by calling customers of a specific brand or authorized dealer;
- Developing projects for brands by taking part in their annual planning process;
- Carrying out activities aimed at improving customer relations by observing customer experiences at authorized dealers that are open to improvement, and making results available to the entire organization;
- Carrying out training and motivation programs for emergency services and towing companies to improve processes and increase customer satisfaction.

8. DIM also manages the "CRM Scorecard", a special project designed to measure the effects of CRM activities on brand performance.

9. Carrying out telemarketing work (sales of accessories, warranties, etc.).

4.13.3. Suppliers

Our cooperation with the suppliers that we count among our primary stakeholders is based on an understanding of building open and productive relationships. This is how Doğuş Otomotiv develops long-lasting collaboration with all suppliers.

Doğuş Otomotiv's transparent and close relationship with manufacturers of international brands, which the company has been representing as a distributor for many years, has been continuously growing since the Company took over the distributorship of Volkswagen and Audi brands in 1994. Today, Doğuş Otomotiv is the only distributor in the world to gather all the brands associated with the Volkswagen Group under its umbrella. In its dealings with all its social stakeholders, Doğuş Otomotiv is driven by its vision of providing "creative service beyond expectations" and, as a result of this approach, engages in long-term partnerships that keep growing over time. The company, as the holder of ISO 9001:2000 certification by TÜV in Germany, covering the Volkswagen, Audi and SEAT brands and the Logistics Center, regards customer satisfaction and quality as two of its most important values.

Doğuş Otomotiv exercises utmost diligence when selecting its suppliers. Those that meet the main selection criteria are audited on site. Based on the audit scores, the suppliers are then evaluated to determine whether or not they would be eligible to remain on the approved list. Those criteria also apply to companies yet to be included in the list.

The wide range of selection criteria includes holding TSE, ISO 9001 Certification / TSE Quality Certification, manufacturer's seal of approval, a current and industry-standardized Capacity Report by the Union of Chambers and Commodity Exchanges of Turkey and not having any outstanding tax liabilities or debts to the Social Security Institution. Companies operating in 16 main services fields, including cleaning, catering, printing, printed documentation, personnel transportation, security, and textiles are regularly audited for their compliance with the selection and evaluation criteria.

In 2011, a supplementary protocol to the existing agreements with our suppliers was drawn up to ensure that economic, environmental and societal risk predictions in Doğuş Otomotiv's corporate responsibility vision were espoused by our suppliers. Six of our suppliers were included in the Corporate Sustainability Report as of 2017.

A survey has been conducted to measure satisfaction of suppliers and internal customer. Furthermore, a Suppliers Day event has been organized to promote sustainability and corporate responsibility among our suppliers and raise their awareness. Doğuş Otomotiv manages its supply chain very effectively. The Company's supply chain management is presented in detail in Corporate Sustainability Reports and under Sustainability on the corporate website. (<http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-performance-of-suppliers>)

4.13.4. Corporate Sustainability Activities

BIST SUSTAINABILITY INDEX

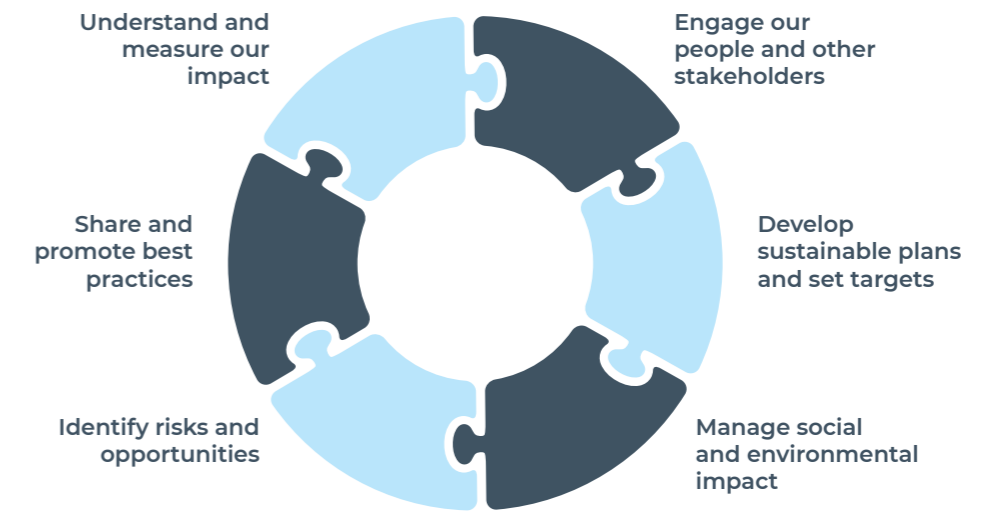
For the third consecutive year, Doğuş Otomotiv has been included in the BIST Sustainability Index, which is composed of companies with highest corporate sustainability performances whose shares are traded in the Borsa Istanbul, for the period from November 2017 to October 2018.

CORPORATE RESPONSIBILITY

Doğuş Otomotiv is committed to being an exemplary corporate citizen both at home and in the world by generating ultimate sustainable and innovative solutions for its social and ecological stakeholders across the automotive value chain.

Our Corporate Sustainability strategy is to become an indispensable business partner for our stakeholders by focusing on continuous growth across the automotive value chain, and delivering outstanding performance with complete, timely and accurate service. We evaluate, monitor and manage our performance according to the priorities set in in line with our policies.

We, at Doğuş Otomotiv have defined our understanding of Corporate Sustainability by considering the requirements of global standards, our priorities directly related to our field of activities and the expectations of our stakeholders. Corporate Sustainability is the method we use to determine the solutions we generate for the social, economic and environmental issues in our industry and our organizational approach to all of our operations.



Doğuş Otomotiv has been releasing Corporate Sustainability Reports in compliance with the GRI (Global Reporting Initiative) since 2009. The corporate policies pertaining to the performance areas reported within this framework were studied by subcommittees composed of the Corporate Sustainability Work Group members in 2010, and the policies prepared were presented to and approved by the Corporate Sustainability Steering Committee. In 2017, existing priority areas have been updated with the participation of members from the Corporate Sustainability Team and Corporate Sustainability Committee. Our policies, priority areas and performances thereof are published within the scope of Corporate Sustainability Reports and disclosed on our corporate website.

CORPORATE SUSTAINABILITY MANAGEMENT

At Doğuş Otomotiv, Corporate Sustainability management has been organized to apply the principles of responsibility and accountability in all our business processes, to lead in areas related to sustainability and to promote guidance. We know that being a leader of sustainability at the Board of Directors and the Executive Board level is critically important for integrating sustainability management and related performances into the culture, processes, and business relations of our Company.

We approach sustainability management systematically to understand the risks related to our activities and manage them proactively. The inclusion of meticulously calculated risks and their careful management in the decisions we make regarding our business brings long-term value to all of our stakeholders.

At the Board of Directors level, Corporate Governance and Sustainability Committee monitors activities regarding sustainability, sets targets and manages processes. The committee determines whether or not corporate governance principles are implemented within the company, identifies the reasons if not and conflicts of interest that arise from not fully implementing these principles and proposes improvements of these practices to the Board of Directors. Furthermore, the committee informs the Board of Directors about preventive/remedial measures to ensure the implementation of sustainability principles, areas that can create opportunities and results of the activities. The committee has been established to implement corporate governance principles as well as carrying out management, advisory and coordination activities that relevant institutions and stakeholders may need in line with social, environmental, economic and ethical responsibilities of our Company. Moreover, the Committee may directly transfer part of its duties and responsibilities by requesting a subcommittee directly reporting to it. This subcommittee should be composed of senior executives appointed by the Board of Directors. The subcommittee fulfills its duties and responsibilities with the support of a working group or commission formed by division managers of its own choosing, takes part in Committee meetings and reports directly and regularly to the Committee. The Corporate Sustainability Working Group, consisting of managers and employees from all departments of our Company, reports to the committee.

STAKEHOLDER ENGAGEMENT

As Turkey's leading automotive distributor, Doğuş Otomotiv's approach to corporate leadership, is based on its policy of taking stakeholder expectations into account in all decision-making processes and setting targets accordingly and establishing continuous, transparent and regular communication with its stakeholders. Doğuş

Otomotiv considers all platforms that bring the Company together with its stakeholders, where they can express their expectations, as a natural part of the business processes.

As an institution that inspires confidence among the public with its size and standing, and embraces principles of corporate governance and ethics, DoğuŖ Otomotiv continues to succeed in all lines of business, sharing its earnings with the society and fulfilling its responsibilities. The Company plays an active role in managing corporate communications and relations. DoğuŖ Otomotiv also presents information with a specific approach and steers industry-related developments. Aiming to stand close to its stakeholders, DoğuŖ Otomotiv complies with the principles of high business moral and honest codes of conduct.

In terms of its business targets, strategic growth and social endeavors, DoğuŖ Otomotiv attaches great importance to being regarded as a company that values the views of its stakeholders, respects the protection of their best interests, identifies and monitors their expectations, offering creative services beyond expectations. In line with its pioneering position and leadership in the industry, DoğuŖ Otomotiv also plays an active role in the non-governmental institutions and industry-related trade organizations. DoğuŖ Otomotiv's corporate communications and relations are based on integrity, transparency and openness to inform. The Company's communication strategies and practices are managed and handled by the Digital Transformation and Corporate Communications Department. All the information concerning the Company and its spokespersons that DoğuŖ Otomotiv shares with its stakeholders are prepared by the Digital Transformation and Corporate Communications Department, using an accountable and transparent communication method based on the integrity principle.

Stakeholder Engagement Strategy

DoğuŖ Otomotiv's Stakeholder Engagement Strategy, focused on continuous and reciprocal communication, was determined by the DoğuŖ Otomotiv Corporate Sustainability Working Group through a number of workshops held in 2009. Every dialogue platform with key stakeholders is evaluated according to the feedback received. DoğuŖ Otomotiv Stakeholder Engagement Strategy is based on raising awareness of social, environmental, economic and ethical responsibility areas, maintaining continuous and open communication, feedback and improvement performances in the medium and long term. Detailed information on DoğuŖ Otomotiv's stakeholder engagement process management is disclosed in the annual Corporate Sustainability Report and in the Sustainability section on the website: <http://www.dogusotomotiv.com.tr/tr/surdurulebilirlik/kurumsal-surdurulebilirlik/dogus-otomotivde-surdurulebilirlik/surdurulebilirlik-raporlarimiz>

Considering stakeholder expectations and demands, DoğuŖ has organized a workshop with the participation of the Corporate Sustainability Team members in 2017 and reviewed and updated priority areas. Activities will continue in these priority areas aimed at meeting stakeholder expectations.

DoğuŖ Otomotiv organized a Suppliers Day event on 13 December 2017 to take supplier satisfaction to another level with 159 participants from 65 different companies.

SUSTAINABLE ENVIRONMENT

The automotive industry's ecosystem is undergoing a massive transformation due to the changing expectations of consumers, technological developments at an overwhelming pace, globalization, new mergers & acquisitions and partnerships. We are living in a new century when the way people approach mobility will also change rapidly. Multi-modal transportation systems are becoming more popular and smart vehicles that meet the environmental responsibility, safety and information needs of the consumers are in higher demand. Meanwhile, automotive companies are in intense competition to develop new business models that will help them in ensuring responsible growth. In this dynamic new age, DoğuŖ Otomotiv believes that the key to success in the next decade lies in customized mobility solutions, innovative sales techniques in retail industry and inclusive partnerships and collaborations in line with global regulations and practices.

As a distributor within the automotive ecosystem, DoğuŖ Otomotiv increasingly builds on its environmental performance with the conviction that the companies that lead change are destined to become the companies of the future and commits to:

- Reinforcing customer confidence,
- Making a difference within its sphere of influence through its network of Authorized Dealers and Aftersales Service Centers,

- Raising awareness of waste management and efficiency, and
- Using resources economically by regarding the ecological environment as a key stakeholder.

DoğuŖ Otomotiv is further committed to managing medium and long-term risks that may stem from climate change and ensuring that the necessary improvements are made. DoğuŖ Otomotiv declares its Environmental Responsibility Policy, and performance in key areas annually in the Corporate Sustainability Report: <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>

TRANSPARENCY AND ACCOUNTABILITY

DoğuŖ Otomotiv has been openly reporting to the public on its social, economic, environmental and ethical performance in its fields of activity according to international standards since 2009. The Company evaluates stakeholder feedback on how these activities were performed every year and duly sets targets for the coming year. Our explanations about the sanctions and penalties, if any, imposed on our Company due to incompliance with the regulations are also stated in the GRI Index presented in our Corporate Sustainability Report. DoğuŖ Otomotiv Corporate Sustainability Reports are available on our corporate website at: <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>

DOĞUŞ OTOMOTİV CODE OF ETHICS

DoğuŖ Otomotiv published its Code of Ethics in 2012, describing its way of conducting business with all its stakeholders and aiming to create a perception about the future of our country and the world, spread this perception and deepen where necessary and act with the vision of setting an example for the whole community beyond the industries. With the DoğuŖ Otomotiv Code of Ethics, which became the first of its kind in Turkey not to be adopted from international sources but prepared according to global standards, our Company has pledged to uphold honest and ethical behavior in all its relationships with the employees, customers, business partners as well as competitors and has documented this commitment. In this manner, the company has once again emphasized that one of its primary goals is to be an honest, trustworthy and highly respected company, known for its unwavering commitment to ethical rules while successfully continuing to operate under the current economic conditions and competitive environment, and remaining the leader of the industry.

As we continued to share the DoğuŖ Otomotiv Code of Ethics with our suppliers, business partners and third parties, 96 people were given 240 man/hours of Code of Ethics training in 2017.

In the 2015-2017 period:

- 713 people at DoğuŖ Otomotiv received 1,446.5 man/hours and
- 1,324 at DoğuŖ Oto received 2,168.5 man/hours

of training (Code of Ethics trainings at DoğuŖ Oto were only provided in 2015). Information on Code of Ethics was included in the 900 man/hours of e-orientation of 360 new employees that started in this period.

DoğuŖ Otomotiv Code of Ethics includes all the Company's commitments and policies on ethical matters and is published openly on the corporate website at: <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/governance-risk-management-ethics/ethics/dogus-otomotiv-code-of-ethics>

EMPLOYEES: OUR PRIORITY STAKEHOLDERS

DoğuŖ Otomotiv believes that its greatest strength that would sustain the business and help the Company continue to provide strong, ethical and high-quality services in the future lies in its employees.

DoğuŖ Otomotiv is well aware that its employees, whom the company regards as its key stakeholder, can become indispensable contributions to both the society and the Company value by reinforcing the effective work processes with a sense of responsibility. With the policy published in the 2010 Corporate Sustainability Report, DoğuŖ Otomotiv has declared that its employees and the decent work environment provided for them are the pillars of its Corporate Sustainability approach.

The Company places employee satisfaction and loyalty at the top of its business goals and believes that the main reason for the continuous increase in Corporate Sustainability performance is the employees' efforts and the level of awareness attained.

The changing nature of the business world, with expectations and conditions diversifying, requires that companies should not only manage employees but also collaborate with them, establish dialogue and question their expectations, ensure that their suggestions and feedback are directly communicated to senior management and involve them in all processes. This is how a far more efficient working environment can be created, a more innovative and competitive organization is built and healthier relations are established with other stakeholders through the employees.

Equal Rights

Doğuş Otomotiv states in its Code of Ethics under Article 3 on “Justice and Equality”: “We treat all of our stakeholders and each other justly and avoid discrimination”. Doğuş Otomotiv applies the “Employees and Decent Work Environment Policy”, which stipulates that employees are protected regardless of their faith, language, race, color, gender, age, ethnic origin, disability, citizenship or other social status protected by legal regulations.

Employee Benefits

“Doğuş Otomotiv Basic Rights and Responsibilities Procedure” explicitly states that Doğuş Otomotiv employees who all work fulltime have the same rights and that each employee is a key stakeholder of the Company. Health and life insurance, meals and transportation services are social rights available to all employees. Doğuş Otomotiv also offers daycare and shuttle opportunities for mothers. Employees, who are unable to bring their children to the company nursery, benefit from daycare support. Other benefits provided for Doğuş Otomotiv employees along with detailed information on the training opportunities are publicly announced each year in the Corporate Sustainability Report.

Communication with Employees

Each Doğuş Otomotiv employee can communicate directly with his/her superior any time. The executives and senior management also exchange information about the Company’s activities and operations at the quarterly Management Briefings.

Human Resources and Process Management General Directorate organizes annual Communication Meetings where employees from each brand/department meet with HR teams separately. In these half-day meetings, detailed information about the changes in practices regarding HR and Process Management as well as HR processes are shared with the employees who are also given the opportunity to transparently communicate their opinions and suggestions concerning Human Resources and employer brand. In 2017, 19 such meetings were held.

During the Employee Committee workshops, which were held three times in 2017, with one employee invited as a representative of each department, employees’ opinions and suggestions are received about the practices and activities of the Bir’iz Employer brand and Human Resources Viable suggestions (i.e. company library, hobby clubs, etc.) are included in the work plan.

Furthermore, information about the company and regulations are shared with the employees periodically via the intranet or by email.

With the Suggestion System, which is one of the effective platforms to enhance the performance of the company and improve processes, allowing the employees to share their suggestions and views about the company and all the processes, the employees have submitted 9,600 suggestions and helped make the processes leaner. Approximately 3,700 of these proposals have been approved and nearly 3,200 have been implemented and improved business processes.

At the “Birthday of Ideas at Doğuş”, an event that brings all employees together, the best projects of the year selected from among an average of 80 projects consisting of innovations that employees implement in their own processes with their own creative ideas are presented and the projects that contribute to the company’s performance are explained by the project owners to all employees. In this manner, innovation culture is spread across the entire company by sharing the projects that enable cost and labor savings, new business management approaches and activities that improve efficiency. This event is held annually with the participation of an average of 200 participants and senior management.

These process improvement projects developed by employees are awarded at an event, also attended by senior management. In addition to being a platform where lean leaders present the projects they develop after

their training and receive certificates, the Birthday of Ideas Graduation Ceremony, open to all Doğuş Group companies, also provides an opportunity to come together with employees.

Dialogue platforms that Doğuş Otomotiv creates together with its employees, trainings and all employee strategies and policies are explained in detail in the annual Corporate Sustainability Report: <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>

DOĞUŞ OTOMOTİV AND COMMUNITY

“Traffic is Life!”

In line with its strategy of generating sustainable and innovative solutions, Doğuş Otomotiv regards it as a priority to launch corporate responsibility platforms, which will create social value and take product/service responsibility into account, as important as attaining successful financial and operational results. Driven by the experiences accumulated in its line of business, the company is committed to introducing and carrying out sustainable initiatives, which include “Traffic is Life!”, a special project launched in 2004.

With the “Traffic is Life!” platform, our company pioneers innovations through various projects aimed at raising awareness of traffic safety by reaching out to every segment of the society. In addition to radio and television communications to reach the entire community, the “Traffic is Life!” Platform includes young people and children, who are the guarantee of the future, in the traffic safety topic, and also organizes competitions on traffic safety.

In this context, a jingle competition was organized in 2017 with Nil Karaibrahimgil as Jury President. The jingle competition was the first of its kind in Turkey for its topic of traffic. A total of 568 people applied for the competition, and 2500 people registered. Before and during the competition, social media communication as well as offline and online channels were used to raise awareness about the subject. As a result, 21 million people were engaged. With this project, Traffic is Life was awarded the Social Responsibility Award of the Year at the Gladiator Awards organized by Automotive Distributors Association. Furthermore, Nil Karaibrahimgil and the winner of the competition recorded the jingle, which played as a radio spot on several stations.

Traffic is Life platform, which launched the “Child Safety in Traffic” initiative taking into consideration that the second most affected group from traffic accidents is children, aims at reaching families through social-digital media and field activities. Acclaimed psychologist Professor Üstün Dökmen along with Professor Serpil Acar of Loughborough University and Professor Memiş Acar supported the project as brand speakers with their content on mother-child safety in traffic and vehicles. In this context, “Mother and Child Safety in vehicles” trainings were given to training nurses and secretarial staff of Zeynep Kamil Hospital, Ümraniye Research Hospital and other healthcare facilities under the Istanbul Anatolian Public Hospitals Union in 2017. A total of 310 healthcare personnel were trained and the levels of awareness about the subject were measured by performing pre-tests and post-tests. The level of awareness and the number of pregnant women reached are monitored. Furthermore, a viral film series was shot with Professor Üstün Dökmen to raise awareness in social media and was viewed 5 million times.

In 2017, the Traffic is Life Platform collaborated with famous cartoonist Varol Yaşaroğlu to create Pictoos characters and bring them to life on traffic signs to educate children about traffic rules in a fun way. The project, which will continue in 2018, aims to instill traffic awareness in children and their families with 1-minute animated films.

After launching a project for all stakeholders involved in traffic, this year Traffic is Life developed a mobile app for cyclists, the group most exposed to traffic accidents after pedestrians. Hop! a warning system for cyclers and drivers was launched in May together with Kadıköy Municipality. The app was introduced to cyclists at the Karşıyaka Bicycling Festival, and by December 2017, it reached 5,000 downloads. In 2018, the second phase of improvements will be launched for Hop!

In social media, the Facebook Chat Bot application, applied as a social responsibility for the first time offered driver candidates the opportunity to take a test with questions from previous years’ driving test questions approved by the Ministry of Education. Over 100,000 users benefited from the application, which was launched in December.

The content of ‘Long Distance Traffic Safety’ training that “Traffic is Life!” has been providing continually since 2012 at universities was updated in cooperation with Istanbul Technical University (ITU). To date, the long-

distance trainings have reached over 20,000 students in 18 universities including Bilgi University and ITU.

Traffic is Life won a Golden Compass at the 2017 Golden Compass Awards organized by TÜHİD with the Child Safety in Traffic and Vehicles project.

Vocational High Schools and Doğuş Otomotiv Cooperation

Doğuş Otomotiv aims at contributing to education and employment through developing cooperation with vocational high schools, and our collaboration with these institutions continued in 2017 as the number of vocational schools supported rose to eight.

In 2017, 98% of the students studying in the Doğuş Otomotiv Volkswagen Training Laboratories were included in the winter internship program. Students who graduated from our classes were offered employment in Authorized Aftersales Service Centers. Of the 97 students who graduated were hired by Authorized Aftersales Service Centers.

In the meetings organized as part of the “Doğuş’tan Meslek Sahibi” (Born with a Profession) project implemented in Vocational High Schools this year, 350 parents and 2,617 students were provided information to encourage orientation toward the sector.

Through cooperation with Yıldız Technical University Lifelong Learning Center, an advisory board consisting of faculty members was formed to provide a multidisciplinary academic infrastructure for “Doğuş’tan Meslek Sahibi” project activities. Following three different trainings by Yıldız Technical University Lifelong Learning Center, the students that will move on to professional life were certified by Yıldız Technical University.

4.14. Donations and Aid

No changes were made to the Doğuş Otomotiv Donation and Aid Policy and the donations made in 2017 are listed below:

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş. and SUBSIDIARIES	
2017 Donations and Aid	AMOUNT - TRY
Fenerbahçe Sports Club Association	1,000,000
Şehit İdari Ataşe Çağlar Yücel Vocational and Technical Anatolian High School	518,831
Ayhan Şahenk Foundation	35,375
Samandıra Vocational and Technical Anatolian High School	24,735
Küçükyalı Vocational and Technical Anatolian High School	23,596
Turkish Education Association	13,500
Boğaziçi University Foundation	12,000
Burhanettin Yıldız Vocational and Technical Anatolian High School	11,062
Other Associations and Foundations	41,874
Total	1,680,973

4.15. Group of Companies

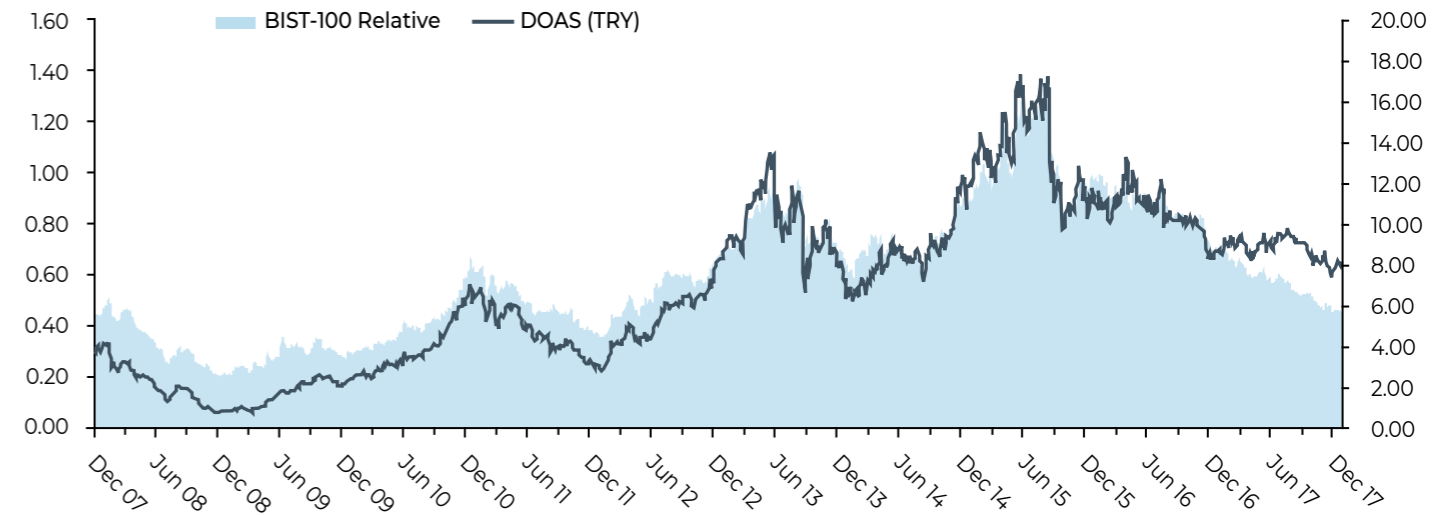
The Company, in its interactions with the parent company and its subsidiaries, has not engaged in any actions/ transactions unjustly serving to the advantage of these companies in 2017. Therefore, our Company does not have any assessments for the compensation made for disadvantages and for the measures taken regarding the transactions made with the parent company and its subsidiaries, as required by Article 199 of the Turkish Commercial Code.

5. FINANCIAL STANDING

5.1. Doğuş Otomotiv Stock Information

Reuters ticker symbol: DOAS.IS
Bloomberg ticker symbol: DOAS.TI

Doğuş Otomotiv’s initial public offering took place on 17 June 2004 and the Company’s shares are traded on Borsa Istanbul (BIST) with the “DOAS.IS” ticker.



5.2. Operational and Financial Indicators

The equity of the Company is TRY 1,327,445 thousand, and the capital is secured and covered, without running into debt.

The Company presents a solid financial standing and does not plan to take further actions to improve its financial structure.

The revenue increased by 11%, sales volume and net profit decreased by 13% and 30% respectively, year on year. The Company also succeeded to maintain its OpEx/Sales ratio at 6.3% as an indication of the importance that the Company attaches to maintaining a lean management and dynamic structure.

In analyzing and interpreting the Company's financial standing and results, the financial information below should be considered along with other financial information included in the Consolidated Financial Statements and Notes.

	2017	2016	2015
Consolidated Income Statements			
Sales/Units (Wholesale)	184,692	213,185	205,593
Net Sales (TRY million)	13,220	11,925	10,889
Gross Profit (TRY million)	1,301	1,153	1,109
Operating Expenses (TRY million)	827	727	662
EBIT (TRY million)	474	426	447
Income from Investment Activities, net (TRY million)	20	23	47
Income from Investments accounted by Equity Method (TRY million)	81	99	43
Net Financial Expenses (TRY million)	349	273	171
Net Profit for the Period (TRY million)	184	238	302
Earnings per Share	0.93	1.11	1.38
Price/Earnings Ratio	8.90	7.91	8.00
Gross Profit Margin (%)	9.8%	9.7%	10.2%
Operating Expenses/Sales (%)	6.3%	6.1%	6.1%
EBIT Margin (%)	3.6%	3.6%	4.1%
Net Profit Margin (%)	1.4%	2.0%	2.8%
Consolidated Statements of Financial Position			
Total Assets (TRY million)	5,167	4,852	3,980
Net Financial Debt * (TRY million)	2,819	2,669	1,869
Total Equity (TRY million)	1,327	1,119	1,363
Capital Expenditure ** (TRY million)	315	208	169
ROA (%)	3.6%	4.9%	7.6%
ROE (%)	13.8%	21.3%	22.2%
Net Financial Debt/Equity	2.12	2.39	1.37

* Short-term loans, short term portions of long-term loans, long-term loans, cash and equivalents have been taken into consideration.

** Tangible asset entries have been taken into consideration.

EXPECTATIONS FOR 2018

Total Automotive Market (Passenger + Light Commercial + Heavy Commercial)

850-875,000 units

Doğuş Otomotiv Sales Volume (including ŠKODA)

165-175,000 units

Investment Expenditures

TRY 185-195 million

Having completed 2017 as the leader of the automotive industry with 19.0% market share, our Company, in line with its long-term goals, aims to achieve the following in 2018:

- Maintaining optimum profitability and market share at 18-20% levels for long-term success;
- In light of all reassessed projects and marketing plans, following a cautious expenditure management structure; and
- Making necessary improvements and reinforcing operational efficiency through constant monitoring of key performance indicators.

Investment expenditures planned for 2018 include:

- Expenditures for head office, logistics, spare parts, training areas and subsidiaries
- Machinery and equipment investments
- Investments in information technologies
- The expected completion of the Office Tower construction in Kartal
- Investments presenting potential to create value

In addition to the possibility that our Company may make some small scaled investments in the retail area, the aim is to predominantly continue with works focused on mobility, digitalization and service areas. Furthermore, critical business processes will be fortified in a holistic structure that considers digitalization trends as part of continuous development and manufacturers' strategies. The Company will also continue to maintain its competitive position in 2018 with new vehicle models of the international brands represented.

Risks regarding expectations

We have ascertained the following risks for 2018:

- Geopolitical risks and potential impact
- Exchange rate fluctuations and reflections on strategic financial risk management
- Protective policies depending on the developments in global markets and liquidity movements

The principles regarding the management of risks are explained in detail in the "6. Risks and Evaluation of the Board" section under the General Company Information heading of the Annual Report.

5.3 Dividend Distribution Proposal and Table

The Company's proposal for dividend distribution and table for the 2017 operating term is presented in ANNEX 1.

6. RISKS AND EVALUATION OF THE BOARD

6.1 Risk Management Policy

Our Company's risk management policy was created within a framework configured by internal control and audit activities where all the roles and responsibilities from the Board of Directors to the lowest level were determined and the risk processes were planned and managed. Within the existing structure, the most fundamental topic we emphasize is for risk, as a common corporate culture, to be expressed in the same terms by all our stakeholders. It is essential that the models and methods designed for application within the company are addressed in line with generally accepted references. Identifying the factors that might pose a threat for our organization, assets and stakeholders, taking measures and improving the effectiveness of oversight will, as always, determine the direction of our efforts.

6.2 Early Risk Detection Committee Activities

The Early Risk Detection Committee conducts activities for effective risk management by detecting early on the potential causes that may endanger the existence, development and continuation of the Company and taking the necessary precautions. Most of the time, the interpretation of future scenarios and uncertainties, as the main theme of these activities, are not perceived solely as absolute barriers due to the Committee's strategic perspective and encouragement and at our Company they are considered potential opportunities to lay the groundwork for systematic self-evaluation and new advantages. With a qualified team and accurate information flow, the Committee provides assurance and supports the oversight role of the Board of Directors, and reviews the risk management systems at least once a year. The Committee presented to the Board of Directors within

the year the assessment reports drawn up following meetings on the dates set according to working principles and also shared them with the auditor.

6.3 Risk Factors and Practices

The Company's risk perspective, shaped according to its field of operations, scale and business structure, continuously evolves and matures in line with international developments and examples of best practices. The fact that the risks involved in this process would not remain limited to financial, operational and natural phenomena and would eventually require management with a much wider perspective and sustainability approach is a key issue that determines our corporate risk management actions. With the activities we created as an integrated blueprint taking into account the interconnected risks, the processes included in risk management are guided on a path leading up to a strategic and proactive business model.

FINANCIAL RISKS

Liquidity Risk

The overall financial standing of our company has been monitored in an environment where financial sensitivities are carefully considered and solutions generated to that end. Particularly, a reporting template based on the variations in commercial transactions is used to monitor risk management asset-liability cash flow.

The continuity of high quality lenders and relations, access to competitive rates, diversity of financial instruments and services (loans, factoring capacity etc.) and liquidity strength were among the issues that were carefully considered, as has been the case in previous years. As a result, the management of payables and receivables was secured through both amount and maturity-planned cash movement controls, ensuring that funding requirements for growth and investment policies were balanced.

Exchange Rate Risk

The net FX position was monitored, again, on the basis of the company's commercial transactions and communicated regularly to the risk-related governing body as well as the Early Risk Detection Committee through monthly risk management reports. The effects of devaluation, parity and inflation movements were analyzed and necessary precautions were taken.

As a business whose intensive import transactions are constantly exposed to foreign exchange risks, forward exchange contracts were executed and planned cash has been partially kept in foreign currency to keep the payments in check. Some additional measures were taken, including model-based agreements negotiated with manufacturers according to product portfolio and action plans and pricing options to minimize the negative effects of currency fluctuations.

Interest Risk

The risk management of our Company is grouped into currencies and strategic interest position is determined by also taking into account the effective maturities according to yield and costs of assets and liabilities.

For the circumstances where the loan amounts and interest rates change according to our scenario projections, measures are taken proactively according to the load that the cost increases would impose and suitable instrument/rate options are selected and implemented.

Receivables Risk

With joint factoring projects and cooperation, the receivable/payable risks between Doğuş Otomotiv and the authorized dealers and aftersales services has been minimized.

Product Cost/Price Risk

Import planning and resource management are considered as a whole with the quantities and amount of stock in bonded warehouses, in transit, loading or at the ports while the brands are monitored daily for their foreign exchange positions. The direct impact of the sudden spikes in foreign exchange rates on both cost composition and the capacity of generating income are analyzed according to various scenarios. In the studies carried out about working capital on the other hand, cash flows, loan limit/risk projections and the financing of the working capital are planned against possible lack of revenues in the scenarios. All of the summarized activities were included in the monthly risk management reports and the relevant management levels were informed regularly during the year.

OPERATIONAL RISKS

Relations with Suppliers

Our Company takes precautionary measures against risks such as supply discontinuity or interruption, possible delivery and quality problems and the supplier's financial and technical incompetency. Some of these ongoing practices include monitoring supplier performance, an evaluation system based on minimum offer and bidding procedures, binding agreements and where necessary legal approval, letter of guarantee and other similar instruments to ensure the provision of the service. The precautions taken for and the supervision of issues regarding Supply Chain Management and managing the suppliers' social, environmental and economic risks are explained in detail within the scope of the Sustainability Report.
(<http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>)

Occupational Health and Safety (OHS)

Certain OHS committees and an organizational structure have been formed to effectively perform/manage the OHS processes in the Company. However, it has been resolved to outsource these services starting from 2018 rather than using our employees, and a three-year agreement has been signed, thus expanding the scope of services and sharing risks. Within the scope of OHS, risk analyses of our facilities and work environments, accident studies, civil defense trainings and drills are carried out. Furthermore, current circumstances and legal responsibilities are regularly reviewed during OHS committee meetings and monitored. Trainings aimed at raising the employees' awareness are offered throughout the year with tests conducted under the supervision of experts to measure knowledge levels. Detailed information on Doğuş Otomotiv and Doğuş Oto's OHS activities is available in the Sustainability section on the corporate website.
(<http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/occupational-health-and-safety/dogus-otomotivs-ohs-work>)

Business Continuity and Crisis Management

This activity, based on the principle of raising awareness being guided by the relevant ISO standards and the action plan released by the Institute of Internal Auditors by adopting key concepts that better align with literature, was conducted in direct contact with Doğuş Teknoloji and task owners for comprehensiveness and applicability in real life. As an important detail of this work, business continuity and disaster recovery are addressed as two different but complementary vital factors within the integrated structure. The framework and roadmap for Business Continuity were presented to the Early Risk Detection Committee for approval during the year and additional opinions and suggestions were noted.

The emergency action plans and crisis management scenarios developed to recover the processes that may potentially be interrupted as a result of destructive risks despite the Company's proactive efforts are also reviewed. Generally accepted tools and consulting services were utilized in these plans and scenarios that aim to prevent loss of life, goods and information, meet the expectations of right holders, take the correct legal steps and protect the organization's reputation.

Information Technologies

An integrated information system (Turkuaz) is used to carry out the operations at our company. The processes that require intensive transactions such as procurement, inventory management, sales and accounting are generally performed through the applications available on this system. There are also a number of ongoing activities and efforts aimed at resource planning, the use of defined authorities and access rights, training and certifications toward the use of professional equipment, follow-up on reference models and taking action in accordance with audit results.

Decision Making Processes and Practices

As a precaution against the violation of Company policies and as part of our governance principles, the Code of Ethics, created in global standards and approved by the Company's governing body, states a way of doing business even beyond the regulations and directives at every stage of company operations. The code has been adopted in a simple blueprint and with exemplified narrative content and carefully prepared as a guide for all stakeholders. With regular internal trainings as well as reminders/notifications, awareness is maintained and care is taken to make Code of Ethics easily accessible on various platforms.

7. MISCELLANEOUS

After the operation term ended, there has not been any specific or significant incident that may affect the rights of the shareholders, creditors and other relevant persons or institutions.

This report has been prepared in compliance with the provisions of the Turkish Commercial Code, the Capital Markets Law and relevant regulations and has been signed and approved by the members of the Board of Directors pursuant to the Board resolution no. 2018/12 dated 28 February 2018.

The Responsibility Statement by the Board members responsible for financial reporting and the executive responsible for financial reporting for the 2018 operating term is presented in ANNEX 2.

Further to the Board of Directors resolution no. 2018/12 dated 28 February 2018, it has been agreed to approve the Company's Consolidated Financial Statements and its Notes for the fiscal year that ended on 31 December 2016 and prepared in compliance with Capital Markets Board standards and to disclose the Independent Audit Report prepared and submitted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi with the Financial Statements and Notes on the Public Disclosure Platform (KAP).

APPENDIX 1. DIVIDEND DISTRIBUTION PROPOSAL AND TABLE

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.					
DIVIDEND DISTRIBUTION TABLE FOR THE YEAR 2017 (TL)					
1-	Paid -in /Issued Capital			220.000.000,00	
2-	Legal Reserves (According to Legal Records)			161.522.458,00	
	Information on the profit distribution privilege, if any, as required by the articles of association			-	
			According to the CMB		According to legal records
3-	Profit for the period		226.129.000,00		164.607.048,94
4-	Taxes(-)		(42.410.000,00)		(32.358.130,48)
5-	Net profit for the period (*)		183.232.000,00		132.248.918,46
6-	Accumulated losses (-)		-		-
7-	Legal Reserves(-)		-		-
8-	NET DISTRIBUTABLE PROFIT FOR THE PERIOD		183.232.000,00		132.248.918,46
9-	Donations made through the year (+)		1.680.973,00		
10-	Distributable Net Income for the Period including Donations		184.912.973,00		
11-	First Dividend to the Shareholders		92.456.487,00		
	- Cash		92.456.487,00		
	-Non-paid		-		
	-Total		92.456.487,00		
12-	Dividend Distributed to Privileged Shareholders		-		
13-	Dividend Distributed to		-		
	- Board members		-		
	-Employees		-		
	-Other than shareholders		-		
14-	Dividend Distributed to Redeemed Shareholders		-		
15-	Second Dividend to Shareholders		50.543.513,00		
16-	Legal Reserves		13.200.000,00		
17-	Statutory Reserves		-		-
18-	Special Reserves		-		-
19-	EXTRAORDINARY RESERVES		27.032.000,00		(0,00)
20-	Other Reserves Distributable		-		23.951.081,54
	-Retained Earnings		-		-
	-Extraordinary Reserves		-		23.951.081,54
DIVIDEND RATIO TABLE					
DIVIDEND INFORMATION (**)	TOTAL DIVIDEND PAYOUT AMOUNT		TOTAL DIVIDEND DISTRIBUTED /NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND PER SHARE OF 1 TL NOMINAL VALUE	
	CASH (TL)	FREE OF CHARGE (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
-GROSS	143.000.000,00	-	78,0	0,6500000	65,000
-NET	121.550.000,00	-	66,3	0,5525000	55,250
(*)	Net profit for the period for the Parent, except Non- controlling interest.				
(**)	Represents the amounts in case of gross distribution or net distribution after 15% withholding tax.				

APPENDIX 2. STATEMENT OF RESPONSIBILITY ON FINANCIAL REPORTS



RESOLUTION OF THE BOARD OF DIRECTORS CONCERNING THE APPROVAL OF FINANCIAL STATEMENTS AND ANNUAL REPORTS

RESOLUTION DATE: 28 FEBRUARY 2018
RESOLUTION NUMBER: 2018/12

STATEMENT OF RESPONSIBILITY PURSUANT TO ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUE ON THE "PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS"

We have examined the Consolidated Financial Statements and the Annual Report of the Board of Directors prepared for the fiscal year ending on 31 December 2017 pursuant to the Capital Markets Board Communiqué on the "Principles of Financial Reporting in Capital Markets, and we hereby state, to the best of our knowledge with respect to our duties and areas of responsibility in the Company, that;

- The consolidated financial statements and notes contain no misrepresentation of the facts on any major issues or any omissions that may be construed as misleading as of the date of the related disclosure;
- The financial statements, including those subject to consolidation, prepared in accordance with Turkish Accounting Standards, accurately reflect the fact about the Group's assets, liabilities, financial position, profit and loss and other comprehensive income.

Respectfully yours,

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Kerem TALİH

CFO/ General Manager Responsible
for Financial Affairs

R. Yılmaz Argüden
Board Member and
Member of Audit Committee

Emir Ali BILALOĞLU

Chief Executive Officer and
Board Member

Ferruh EKER

Board Member and
Head of Audit Committee

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Kanuni Merkez

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APPENDIX 3. INDEPENDENT AUDITORS' REPORT RELATED TO ANNUAL REPORT



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(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi

1) Opinion

We have audited the annual report of Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2017-31/12/2017.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 28, 2018 on the full set consolidated financial statements of the Group for the period of 1/1/2017-31/12/2017.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting in Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report, reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Customs and Trade and related institutions.

(1)

(Convenience translation of a report originally issued in Turkish)

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS issued by POA and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The engagement partner who supervised and concluded this audit is Ferzan Ülgen.

Göney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited


Ferzan Ülgen, SMMM
Engagement Partner

February 28, 2018
Istanbul, Turkey