

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019 AND 31 DECEMBER 2018**

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

	Notes	Reviewed 30 June 2019	Audited 31 December 2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	493,094	365,892
Trade receivables		770,256	643,538
Trade receivables due from related parties	23.1	501,691	387,259
Trade receivables due from third parties		268,565	256,279
Other receivables		115,290	322,976
Other receivables due from related parties	23.1	5,038	-
Other receivables due from third parties	9	110,252	322,976
Inventories	10	1,542,994	1,365,896
Prepayments	15.1	64,468	25,953
Current income tax assets	21	7,251	35,178
Other current assets	15.4	7,159	57,710
Total current assets		3,000,512	2,817,143
NON-CURRENT ASSETS			
Financial investments		573,486	567,259
Financial assets measured at fair value through other comprehensive income	6	573,486	567,259
Other receivables		514	679
Other receivables due from third parties		514	679
Investments accounted for using equity method	11	366,947	374,659
Investment property	13	20,585	20,853
Property, plant and equipment	12	946,730	982,378
Right of use assets	25	129,265	-
Intangible assets		33,307	35,354
Prepayments	15.2	2,849	337
Deffered tax assets	21	19,277	-
Total non-current assets		2,092,960	1,981,519
TOTAL ASSETS		5,093,472	4,798,662

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

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		Reviewed 30 June 2019	Audited 31 December 2018
LIABILITIES	Notes		
CURRENT LIABILITIES			
Current borrowings	7	2,573,898	2,650,665
Trade payables		954,228	554,172
Trade payables to related parties	23.4	91,920	119,587
Trade payables to third parties	8.2	862,308	434,585
Employee benefit obligations		15,661	18,760
Deferred income	15.3	15,668	18,325
Current tax liabilities	21	2,622	3,235
Current provisions		46,752	44,104
Other current provisions	14.1	46,752	44,104
Other current liabilities	16	36,969	73,884
Total current liabilities		3,645,798	3,363,145
NON-CURRENT LIABILITIES			
Long-term borrowings	7	104,286	60,000
Deferred income	15.3	8,053	2,489
Non-current provisions		62,531	63,158
Non-current provisions for employee benefits		43,322	39,152
Other long-term provisions		19,209	24,006
Deferred tax liabilities	21	344	1,998
Other non-current liabilities		2,145	-
Total non-current liabilities		177,359	127,645
TOTAL LIABILITIES		3,823,157	3,490,790
EQUITY			
Equity attributable to equity holders of the Company		1,263,533	1,301,564
Issued capital	17	220,000	220,000
Inflation adjustment on capital	17	23,115	23,115
Treasury shares (-)	17	(220,288)	(220,288)
<i>Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss</i>		<i>(21,252)</i>	<i>(20,519)</i>
Gains (losses) on revaluation and remeasurement		(21,252)	(20,519)
Gains (losses) on remeasurements of defined benefit plans		(21,252)	(20,519)
<i>Other accumulated comprehensive income (loss) that will be reclassified in profit or loss</i>		<i>494,975</i>	<i>488,163</i>
Exchange differences on translation	17	2,015	1,473
Gains (losses) on revaluation and reclassification		492,960	486,690
Gains (losses) from financial assets measured at fair value through other comprehensive income	17	492,960	486,690
Restricted reserves appropriated from profits	17	461,831	460,402
Legal reserves		171,848	170,419
Treasury share reserves		220,288	220,288
Other restricted profit reserves		69,695	69,695
Prior years' profit or losses	17	349,262	217,534
Profit (loss) for the period		(44,110)	133,157
Non-controlling interests	17	6,782	6,308
TOTAL EQUITY		1,270,315	1,307,872
TOTAL EQUITY AND LIABILITIES		5,093,472	4,798,662

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE

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

		Reviewed	Reviewed	Reviewed	Reviewed
		For the six month	For the six month	For the three month	For the three month
		period ended	period ended	period ended	period ended
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018
PROFIT OR LOSS					
Revenue		3,966,464	5,769,345	2,157,930	3,050,070
Cost of sales		(3,416,601)	(5,120,407)	(1,862,806)	(2,725,356)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		549,863	648,938	295,124	324,714
GROSS PROFIT (LOSS)		549,863	648,938	295,124	324,714
General administrative expenses	18.2	(214,326)	(193,779)	(112,480)	(98,179)
Marketing expenses	18.1	(153,786)	(186,842)	(76,927)	(93,534)
Other income from operating activities		54,448	69,678	27,291	31,258
Other expenses from operating activities		(35,736)	(36,041)	(16,727)	(19,316)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		200,463	301,954	116,281	144,943
Investment activity income	19	36,542	12,543	26,953	5,290
Share of profit (loss) from investments accounted for using equity method	11	20,822	48,993	29,750	19,675
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		257,827	363,490	172,984	169,908
Financial income	20	49,292	6,559	26,594	2,185
Financial expense	20	(368,540)	(203,544)	(185,601)	(103,776)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		(61,421)	166,505	13,977	68,317
Tax (expense) income, continuing operations		17,785	(29,222)	10,366	(12,322)
Current period tax (expense) income	21	(3,273)	(31,176)	(2,659)	(5,266)
Deferred tax (expense) income	21	21,058	1,954	13,025	(7,056)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		(43,636)	137,283	24,343	55,995
PERIOD PROFIT/ LOSS FROM DISCONTINUED OPERATIONS		-	248	-	248
PROFIT (LOSS)		(43,636)	137,531	24,343	56,243
Profit (loss), attributable to					
Non-controlling interests		474	754	(1,023)	741
Owners of parent		(44,110)	136,777	25,366	55,502
Basic earnings per share					
Basic earnings(loss) per share from continuing operations	22	(0.2228)	0.6908	0.1281	0.2803
Diluted earnings per share					
Diluted earnings(loss) per share from continuing operations	22	(0.2228)	0.6908	0.1281	0.2803

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE

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

		Reviewed For the six month period ended 30 June 2019	Reviewed For the six month period ended 30 June 2018	Reviewed For the three month period ended 30 June 2019	Reviewed For the three month period ended 30 June 2018
Notes					
	PROFIT (LOSS)	(43,636)	137,531	24,343	56,243
	Other comprehensive income				
	Other comprehensive income that will not be reclassified to profit or loss	(733)	(262)	81	508
	Gains (losses) on remeasurements of defined benefit plans	(918)	(327)	99	636
	<i>Other comprehensive income that will not be reclassified to profit or loss, tax effect</i>	<i>185</i>	<i>65</i>	<i>(18)</i>	<i>(128)</i>
	Gains (losses) on remeasurements of defined benefit plans, tax effect	21	65	(18)	(128)
	Other comprehensive income that will be reclassified to profit or loss	6,812	(3,636)	6,064	(3,606)
	Foreign currency translation differences	542	4,740	164	3,229
	<i>Gains (losses) on remeasuring and/or reclassification of available-for-sale-financial assets</i>	<i>6,227</i>	<i>(8,316)</i>	<i>5,860</i>	<i>(6,786)</i>
	Gains (losses) on remeasuring available-for-sale-financial assets	6	6,227	5,860	(6,786)
	Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss	11	355	334	(387)
	<i>Other comprehensive income that will be reclassified to profit or loss, tax effect</i>	<i>(312)</i>	<i>414</i>	<i>(294)</i>	<i>338</i>
	Gains (losses) on remeasuring or reclassification on available-for-sale-financial assets, tax effect	21	(312)	(294)	338
	OTHER COMPREHENSIVE INCOME (LOSS)	6,079	(3,898)	6,145	(3,098)
	TOTAL COMPREHENSIVE INCOME (LOSS)	(37,557)	133,633	30,488	53,145
	Total comprehensive income attributable to				
	Non-controlling interests	474	754	(1,023)	741
	Owners of parent	(38,031)	132,879	31,511	52,404

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE

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

			Accumulated other comprehensive income and expense that will not be reclassified through profit or loss	Accumulated other comprehensive income and expense that will be reclassified through profit or loss		Accumulated earnings						
	Issued capital (Note 17)	Inflation adjustments on capital (Note 17)	Treasury Shares (Note 17)	Gains / (losses) on remeasurements of defined benefit plans (Note 17)	Foreign currency translation difference (Note 17)	Gains / (Losses) on remeasuring of available-for-sale financial assets (Note 17)	Restricted Reserve (Note 17)	Retained Earnings / (Accumulated Losses) (Note 17)	Net profit/ loss for the period	Equity Attributable to equity holders of the Company	Non- controlling interests (Note 17)	Total Equity
Balance at 1 January 2018	220,000	23,115	(220,288)	(18,014)	12,085	498,792	446,297	177,117	183,232	1,322,336	5,109	1,327,445
Transfers	-	-	-	-	-	-	14,105	169,127	(183,232)	-	-	-
Total comprehensive income (loss)	-	-	-	(262)	4,740	(8,376)	-	-	136,777	132,879	754	133,633
Profit (loss) for the period	-	-	-	-	-	-	-	-	136,777	136,777	754	137,531
Other comprehensive income (loss)	-	-	-	(262)	4,740	(8,376)	-	-	-	(3,898)	-	(3,898)
Dividends Paid	-	-	-	-	-	-	-	(143,000)	-	(143,000)	-	(143,000)
Increase (decrease) through treasury share transactions	-	-	-	-	-	-	-	14,290	-	14,290	-	14,290
Balance at 30 June 2018	220,000	23,115	(220,288)	(18,276)	16,825	490,416	460,402	217,534	136,777	1,326,505	5,863	1,332,368
Balance at 1 January 2019	220,000	23,115	(220,288)	(20,519)	1,473	486,690	460,402	217,534	133,157	1,301,564	6,308	1,307,872
Transfers	-	-	-	-	-	-	1,429	131,728	(133,157)	-	-	-
Total comprehensive income (loss)	-	-	-	(733)	542	6,270	-	-	(44,110)	(38,031)	474	(37,557)
Profit (loss) for the period	-	-	-	-	-	-	-	-	(44,110)	(44,110)	474	(43,636)
Other comprehensive income (loss)	-	-	-	(733)	542	6,270	-	-	-	6,079	-	6,079
Balance at 30 June 2019	220,000	23,115	(220,288)	(21,252)	2,015	492,960	461,831	349,262	(44,110)	1,263,533	6,782	1,270,315

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE

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

	Notes	Reviewed 30 June 2019	Reviewed 30 June 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss)		534,714	759,404
Profit (loss) from continued operations		(43,636)	139,076
Profit (loss) from discontinued operations		(43,636)	137,283
		-	1,793
Adjustments to for profit (loss) for the period reconciliation:		358,674	263,625
Adjustments for depreciation and amortization expense	18.2	66,225	39,309
Adjustments for (reversal of) impairment		1,450	1,277
Adjustments for (reversal of) impairment loss of receivables		97	(118)
Adjustments for (reversal of) impairment loss of inventories	10	1,353	1,395
Adjustments for provisions		82,673	68,870
Adjustments for provisions for employee benefits		5,518	7,228
Adjustments for (reversal of) lawsuit and/or penalty provision expenses		4,650	4,803
Adjustments for (reversal of) warranty provisions	18	66,194	45,456
Adjustments for (reversal of) other provisions	8.2	6,311	11,383
Adjustments for interest (income) and expense		229,336	180,630
Adjustments for interest income		(49,292)	(6,559)
Adjustments for interest expense		278,628	187,189
Adjustments for unrealized foreign exchange losses (gains)		54,139	5,853
Adjustments for undistributed profits of investments accounted for using equity method	11	(20,822)	(48,993)
Adjustments for tax (income) expenses	21	(17,785)	29,222
Adjustments for losses (gains) on disposal of non-current assets		(14,376)	(12,543)
Adjustments for losses (gains) on disposal of property, plant and equipment	19	(14,376)	(12,543)
Adjustments for losses (gains) on disposal of associates or joint ventures		(22,166)	-
Changes in working capital		270,883	528,146
Adjustments for decrease (increase) in trade receivables		(126,824)	677,790
Decrease (increase) in due from related parties		(114,432)	717,531
Decrease (increase) in due from third parties		(12,392)	(39,741)
Adjustments for decrease (increase) in inventories		(178,451)	(1,679,113)
Adjustments for increase (decrease) in trade payables		393,745	1,487,541
Increase (decrease) in due to related parties		(27,667)	24,615
Increase (decrease) in due to third parties		421,412	1,462,926
Increase (decrease) in deferred income		2,907	(2,330)
Adjustments for other increase (decrease) in working capital		179,506	44,258
Cash flows from operations		585,921	930,847
Payments related with provisions for employee benefits		(2,266)	(3,836)
Payments related with other provisions		(72,991)	(52,841)
Income taxes refund (paid)		24,041	(31,536)
Other cash inflows (outflows)		9	-
Net cash flows on discontinuing operations		-	(83,230)
B. CASH FLOWS FROM INVESTING ACTIVITIES		60,473	(1,836)
Cash inflow by proceeds from sales of property, plant and equipment and intangible assets		31,203	32,366
Cash inflow by proceeds from sales of property, plant and equipment		31,203	32,366
Cash outflow by acquisition of property, plant and equipment and intangible assets		(21,785)	(81,275)
Cash outflow by acquisition of property, plant and equipment		(11,749)	(68,251)
Cash outflow by acquisition of intangible assets		(10,036)	(13,024)
Dividends received		51,055	49,539
Net Cash Flows from Discontinuing Operations		-	(2,466)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(466,707)	(740,212)
Proceeds from issuance of borrowings		1,549,611	1,592,194
Repayments of borrowings		(1,695,726)	(2,000,859)
Cash outflows on debt payments from leasing agreements		(41,842)	-
Dividends paid	17	-	(143,000)
Interest paid	20	(328,042)	(193,561)
Interest received		49,292	6,559
Net cash flows on discontinuing operations		-	(1,545)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		128,480	17,356
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(1,278)	(14,308)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		127,202	3,048
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	365,892	106,385
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	493,094	109,433

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