

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
Financial Report
Consolidated
2018 - 1. 3 Monthly Notification

General Information About Financial Statements

Independent Audit Comment

Independent Audit Company	GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Audit Type	Limited
Audit Result	Positive

Convenience Translation of the Independent Auditor's Review Report Originally Prepared and Issued in Turkish

To the General Assembly of Doğu Otomotiv Servis ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Doğu Otomotiv Servis ve Ticaret A.Ş. and its subsidiaries (the "Group") as at 31 March 2018, the condensed consolidated statements of profit or loss, condensed consolidated other comprehensive income, condensed consolidated changes in equity and condensed consolidated cash flows for the three month period then ended and notes to the interim financial information ("the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Turkish Accounting Standards 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with TAS 34 Interim Financial Reporting.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

A member firm of Ernst Young Global Limited

Ferzan Ülgen, SMMM

Partner

9 May 2018

İstanbul, Türkiye

Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 31.03.2018	Previous Period 31.12.2017
Statement of Financial Position (Balance Sheet)			
Assets [abstract]			
CURRENT ASSETS			
Cash and cash equivalents	5	92.005	156.266
Trade Receivables		940.728	1.375.334
Trade Receivables Due From Related Parties	23.1	733.103	1.111.575
Trade Receivables Due From Unrelated Parties	8.1	207.625	263.759
Other Receivables		119.564	189.901
Other Receivables Due From Unrelated Parties	9	119.564	189.901
Inventories	10	1.983.427	1.425.344
Prepayments	15.1	43.118	28.548
Current Tax Assets		0	445
Other current assets	15.4	13.019	18.429
SUB-TOTAL		3.191.861	3.194.267
Total current assets		3.191.861	3.194.267
NON-CURRENT ASSETS			
Financial Investments		577.747	579.277
Financial Assets Available-for-Sale	6	577.747	579.277
Other Receivables		536	524
Other Receivables Due From Unrelated Parties		536	524
Investments accounted for using equity method	11	381.554	352.323
Investment property	13	21.163	21.266
Property, plant and equipment	12	980.293	975.348
Intangible assets and goodwill		33.554	31.731
Prepayments	15.2	6.626	10.608
Deferred Tax Asset	21	10.817	1.538
Total non-current assets		2.012.290	1.972.615
Total assets		5.204.151	5.166.882
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current Borrowings	7	2.386.189	2.959.896
Current Portion of Non-current Borrowings	7	2.156	3.836
Trade Payables		1.175.188	633.545
Trade Payables to Related Parties	23.4	44.752	44.618
Trade Payables to Unrelated Parties	8.2	1.130.436	588.927
Employee Benefit Obligations		14.414	24.602
Other Payables		143.000	0
Other Payables to Related Parties	23.5	143.000	0
Deferred Income	15.3	35.908	32.644
Current tax liabilities, current	21	24.865	5.827
Current provisions		65.007	68.597
Other current provisions	14	65.007	68.597
Other Current Liabilities	16	43.057	63.115
SUB-TOTAL		3.889.784	3.792.062
Total current liabilities		3.889.784	3.792.062
NON-CURRENT LIABILITIES			
Long Term Borrowings	7	11.900	11.106
Deferred Income		1.946	1.178
Non-current provisions		35.591	35.091
Non-current provisions for employee benefits		35.591	35.091
Total non-current liabilities		49.437	47.375
Total liabilities		3.939.221	3.839.437
EQUITY			
Equity attributable to owners of parent		1.259.808	1.322.336
Issued capital	17	220.000	220.000
Inflation Adjustments on Capital	17	23.115	23.115
Treasury Shares (-)	17	-220.291	-220.288
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		-18.784	-18.014
Gains (Losses) on Revaluation and Remeasurement		-18.784	-18.014

Gains (Losses) on Remeasurements of Defined Benefit Plans		-18.784	-18.014
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		510.847	510.877
Exchange Differences on Translation	17	13.596	12.085
Gains (Losses) on Revaluation and Reclassification		497.251	498.792
Gains (Losses) on Remeasuring and/or Reclassification of Available-for-sale Financial Assets	17	497.251	498.792
Restricted Reserves Appropriated From Profits	17	460.405	446.297
Legal Reserves		170.419	156.314
Treasury Share Reserves		220.291	220.288
Other Restricted Profit Reserves		69.695	69.695
Prior Years' Profits or Losses	17	203.241	177.117
Current Period Net Profit Or Loss		81.275	183.232
Non-controlling interests	17	5.122	5.109
Total equity		1.264.930	1.327.445
Total Liabilities and Equity		5.204.151	5.166.882

Profit or loss [abstract]

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 31.03.2018	Previous Period 01.01.2017 - 31.03.2017
Profit or loss [abstract]			
PROFIT (LOSS)			
Revenue		2.719.275	2.084.885
Cost of sales		-2.395.051	-1.852.285
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		324.224	232.600
GROSS PROFIT (LOSS)		324.224	232.600
General Administrative Expenses	18	-95.600	-98.865
Marketing Expenses	18	-93.308	-74.875
Other Income from Operating Activities		38.420	38.472
Other Expenses from Operating Activities		-16.725	-13.115
PROFIT (LOSS) FROM OPERATING ACTIVITIES		157.011	84.217
Investment Activity Income	19	7.253	5.504
Share of Profit (Loss) from Investments Accounted for Using Equity Method	11	29.318	20.313
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		193.582	110.034
Finance costs	20	-95.394	-79.827
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		98.188	30.207
Tax (Expense) Income, Continuing Operations		-16.900	-2.289
Current Period Tax (Expense) Income	21	-25.910	-9.694
Deferred Tax (Expense) Income	21	9.010	7.405
PROFIT (LOSS) FROM CONTINUING OPERATIONS		81.288	27.918
PROFIT (LOSS)		81.288	27.918
Profit (loss), attributable to [abstract]			
Non-controlling Interests		13	-370
Owners of Parent		81.275	28.288
Earnings per share [abstract]			
Earnings per share [line items]			
Basic earnings per share			
Basic Earnings (Loss) Per Share from Continuing Operations			
Sürdürülen faaliyetlerden pay başına kazanç (zarar)	22	0,41050000	0,13210000
Diluted Earnings Per Share			
Diluted Earnings (Loss) per Share from Continuing Operations			
Sürdürülen faaliyetlerinden sulandırılmış pay başına kazanç (zarar)	22	0,41050000	0,13210000

Statement of Other Comprehensive Income

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 31.03.2018	Previous Period 01.01.2017 - 31.03.2017
Statement of Other Comprehensive Income			
PROFIT (LOSS)		81.288	27.918
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss		-770	-6.090
Gains (Losses) on Remeasurements of Defined Benefit Plans		-963	-7.613
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		193	1.523
Taxes Relating to Remeasurements of Defined Benefit Plans	21	193	1.523
Other Comprehensive Income That Will Be Reclassified to Profit or Loss		-30	-685
Exchange Differences on Translation		1.511	883
Gains (Losses) on Remeasuring or Reclassification Adjustments on Available-for-sale Financial Assets		-1.530	-1.557
Gains (losses) on Remeasuring Available-for-sale Financial Assets	6	-1.530	-1.557
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss	11	-87	-89
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		76	78
Taxes Relating to Gains (Losses) on Remeasuring or Reclassification Adjustments on Available-for-sale Financial Assets	21	76	78
OTHER COMPREHENSIVE INCOME (LOSS)		-800	-6.775
TOTAL COMPREHENSIVE INCOME (LOSS)		80.488	21.143
Total Comprehensive Income Attributable to			
Non-controlling Interests		13	-370
Owners of Parent		80.475	21.513

Statement of cash flows (Indirect Method)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 31.03.2018	Previous Period 01.01.2017 - 31.03.2017
Statement of cash flows (Indirect Method)			
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		619.617	558.452
Profit (Loss)		81.288	27.918
Adjustments to Reconcile Profit (Loss)		153.591	124.234
Adjustments for depreciation and amortisation expense	18.2	21.013	20.824
Adjustments for Impairment Loss (Reversal of Impairment Loss)		693	655
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables		-7	194
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	10	700	461
Adjustments for provisions		61.877	47.713
Adjustments for (Reversal of) Provisions Related with Employee Benefits		2.354	1.676
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		2.079	2.834
Adjustments for (Reversal of) Warranty Provisions		21.654	10.742
Adjustments for (Reversal of) Other Provisions		35.790	32.461
Adjustments for Interest (Income) Expenses		89.679	78.409
Adjustments for Interest Income		0	-559
Adjustments for interest expense		89.679	78.968
Adjustments for unrealised foreign exchange losses (gains)		0	161
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	11	-29.318	-20.313
Adjustments for Tax (Income) Expenses	21	16.900	2.289
Adjustments for losses (gains) on disposal of non-current assets		-7.253	-5.504
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets	19	-7.253	-5.504
Changes in Working Capital		421.308	429.075
Adjustments for decrease (increase) in trade accounts receivable		434.613	515.947
Decrease (Increase) in Trade Accounts Receivables from Related Parties		378.472	322.378
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties		56.141	193.569
Adjustments for decrease (increase) in inventories		-558.783	-423.842
Adjustments for increase (decrease) in trade accounts payable		506.544	320.460
Increase (Decrease) in Trade Accounts Payables to Related Parties		134	-7.580
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties		506.410	328.040
Increase (Decrease) in Deferred Income		4.032	-2.783
Other Adjustments for Other Increase (Decrease) in Working Capital		34.902	19.293
Cash Flows from (used in) Operations		656.187	581.227
Interest received		0	559
Payments Related with Provisions for Employee Benefits		-2.817	-1.394
Payments Related with Other Provisions		-27.326	-18.907
Income taxes refund (paid)		-6.427	-3.033
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		-14.302	-191.572
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	11	0	-4.255
Proceeds from sales of property, plant, equipment and intangible assets		25.744	25.974
Proceeds from sales of property, plant and equipment		25.744	25.974
Purchase of Property, Plant, Equipment and Intangible Assets		-40.046	-213.291
Purchase of property, plant and equipment		-33.098	-207.820
Purchase of intangible assets		-6.948	-5.471
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		-668.659	-370.943
Proceeds from borrowings		681.716	822.251
Repayments of borrowings		-1.264.379	-1.131.846
Interest paid		-85.993	-61.348
Other inflows (outflows) of cash		-3	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-63.344	-4.063
Effect of exchange rate changes on cash and cash equivalents		-917	-336
Net increase (decrease) in cash and cash equivalents		-64.261	-4.399

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	156.266	89.098
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	92.005	84.699

Previous Period 01.01.2017 - 31.03.2017	Statement of changes in equity (abstract)															
	Statement of changes in equity (line items)															
	Equity at beginning of period	17	220.000	23.115	-220.274	-7.636	5.808		469.664	446.283	-60.557	237.688	1.114.091	4.632	1.118.713	
	Adjustments Related to Accounting Policy Changes															
	Adjustments Related to Required Changes in Accounting Policies															
	Adjustments Related to Voluntary Changes in Accounting Policies															
	Adjustments Related to Errors															
	Other Restatements															
	Restated Balances															
	Transfers										237.688	-237.688	0		0	
	Total Comprehensive Income (Loss)					-6.090	883		-1.568			28.288	21.513	-370	21.143	
	Profit (loss)											28.288	28.288	-370	27.918	
	Other Comprehensive Income (Loss)					-6.090	883		-1.568				-6.775		-6.775	
	Issue of equity															
	Capital Decrease															
	Capital Advance															
	Effect of Merger or Liquidation or Division															
	Effects of Business Combinations Under Common Control															
	Advance Dividend Payments															
	Dividends Paid															
	Decrease through Other Distributions to Owners															
	Increase (Decrease) through Treasury Share Transactions															
	Increase (Decrease) through Share-Based Payment Transactions															
	Acquisition or Disposal of a Subsidiary															
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity															
	Transactions with noncontrolling shareholders															
	Increase through Other Contributions by Owners															
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
Increase (decrease) through other changes, equity																
Equity at end of period	17	220.000	23.115	-220.274	-13.726	6.691		468.096	446.283	177.131	28.288	1.135.604	4.252	1.139.856		
Previous Period 01.01.2017 - 31.03.2017	Statement of changes in equity (abstract)															
	Statement of changes in equity (line items)															
	Equity at beginning of period	17	220.000	23.115	-220.288	-18.014	12.085		498.792	446.297	177.117	183.332	1.322.336	5.109	1.327.445	
	Adjustments Related to Accounting Policy Changes															
	Adjustments Related to Required Changes in Accounting Policies															
	Adjustments Related to Voluntary Changes in Accounting Policies															
	Adjustments Related to Errors															
	Other Restatements															
	Restated Balances															
	Transfers									14.105	169.127	-183.232	0		0	
	Total Comprehensive Income (Loss)					-770	1.511		-1.541			81.275	80.475	13	80.488	
	Profit (loss)											81.275	81.275	13	81.288	
	Other Comprehensive Income (Loss)					-770	1.511		-1.541				-800		-800	
	Issue of equity															
	Capital Decrease															
	Capital Advance															
	Effect of Merger or Liquidation or Division															
	Effects of Business Combinations Under Common Control															
	Advance Dividend Payments															
	Dividends Paid															

Current Period 01.01.2018 - 31.03.2018											-143.000		-143.000		-143.000
	Decrease through Other Distributions to Owners														
	Increase (Decrease) through Treasury Share Transactions				-3					3	-3		-3		-3
	Increase (Decrease) through Share-Based Payment Transactions														
	Acquisition or Disposal of a Subsidiary														
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity														
	Transactions with noncontrolling shareholders														
	Increase through Other Contributions by Owners														
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Increase (decrease) through other changes, equity														
	Equity at end of period	17	220.000	23.115	-220.291	-18.784	13.596	497.251	460.405	203.241	61.275	1.259.808	5.122	1.264.930	