Registered number: 10127251

NUSRET UK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

NUSRET UK LIMITED

COMPANY INFORMATION

Directors	Nihan Turgay Nimet Yazoglu Yegin Eryigit Umur (appointed 4 September 2019)
Registered number	10127251
Registered office	C/O Dogus International Limited 10 Stratford Place London United Kingdom SW1X 9QX
Independent auditors	Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

NUSRET UK LIMITED

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NUSRET UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present their strategic report for the year ended 31 December 2018.

Business review

The company, together with its subsidiary entities, has been set up as a restaurant business. The company operates in the United Kingdom, but has yet to commence trading and these financial statements therefore detail its pre-trading activity.

Principal risks and uncertainties

The company has an appropriate risk management sysem in place which is designed to identify, manage and mitigate business risk. The management team carries out risk assessment and quality assurance continuously. The company closely monitors trends and takes timely action to issues that may affect trading.

Financial key performance indicators

The directors do not consider there to be any relevant key performance indicators, as the company has not yet commenced operations. However, when the restaurant begins trading the key performance indicators will be turnover and profit before tax.

This report was approved by the board and signed on its behalf.

Nihan Turgay
Director

Date: 21 / 01 / 2020

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the year was that of a holding company.

The 2017 figures are not entirely comparable and reflect a period of 8 months from 1 May 2017 to 31 December 2017 while the 2018 figures reflect a period of 12 months to 31 December 2018.

Results and dividends

The loss for the year, after taxation, amounted to £619,651 (2017 - loss £166,603).

Directors

The directors who served during the year were:

Ekrem Nevzat Oztangut (resigned 4 September 2019)
Marcus Paulus Padberg (resigned 14 December 2018)
Nihan Turgay
Nimet Yazoglu Yegin

Future developments

In line with its stated principal activity, the future plans of the Company are to open and operate a restaurant in Kensington, London. Since the year end, the refurbishment of this restaurant has continued, with trade expected to commence in 2020.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

In October 2019 the company entered into an amended lease arrangement which resulted in a surrender of the original lease for the restaurant, and included new commitments for future rental payments. At the date of signing, the original lease commitments disclosed in note 17 to these financial statements were no longer payable.

Under the amended lease, the total lease commitments are dependent on the opening date of the restaurant, and the maximum commitment amounts to £7,267,000 over a ten year period.

Auditors

Under section 487(2) of the Companies Act 2006, Lubbock Fine will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

Nihan Turgay
Director

Date: 21 / 01 / 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUSRET UK LIMITED

Opinion

We have audited the financial statements of Nusret UK Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our *Auditors' Report.*

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lubbock Fine

Stephen Banks (Senior Statutory Auditor)

for and on behalf of
Lubbock Fine

Chartered Accountants & Statutory Auditors

Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB
Date: 21 January 2020

NUSRET UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Administrative expenses		(619,651)	(166,603)
Operating loss	4	(619,651)	(166,603)
Tax on loss	7	-	-
Loss for the financial year		(619,651)	(166,603)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 10 to 19 form part of these financial statements.

NUSRET UK LIMITED

REGISTERED NUMBER:10127251

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	8		865,666		14,072
Investments	9		80		80
			865,746		14,152
Current assets					
Debtors: amounts falling due within one year	10	1,638,248		2,361,849	
Cash at bank and in hand	11	37,547		6,206	
		1,675,795		2,368,055	
Creditors: amounts falling due within one year	12	(673,612)		(14,841)	
Net current assets			1,002,183		2,353,214
Total assets less current liabilities			1,867,929		2,367,366
Net assets			1,867,929		2,367,366
Capital and reserves					
Called up share capital	13		1		1
Other reserves	14		2,745,249		2,625,035
Profit and loss account	14		(877,321)		(257,670)
			1,867,929		2,367,366

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Nihan Turgay
Director

Date: 21 / 01 / 2020

The notes on pages 10 to 19 form part of these financial statements.

NUSRET UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2018

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2017	1	2,492,068	(91,067)	2,401,002
Comprehensive income for the period				
Loss for the period	-	-	(166,603)	(166,603)
Capital contributions	-	132,967	-	132,967
At 1 January 2018	1	2,625,035	(257,670)	2,367,366
Comprehensive income for the year				
Loss for the year	-	-	(619,651)	(619,651)
Capital contributions	-	120,214	-	120,214
At 31 December 2018	1	2,745,249	(877,321)	1,867,929

The notes on pages 10 to 19 form part of these financial statements.

1. General information

Nusret UK Limited is a private company limited by shares and incorporated in England and Wales. The company's registered office is C/O Dogus International Limited, 10 Stratford Place, London, W1C 1BA and its principal place of business is The Park Tower, Knightsbridge Hotel, London, SW1X 7RN.

In the prior period the company shortened their accounting period to 31 December 2017 and therefore the comparative financials cover the 8 month period from 1 May 2017 to 31 December 2017. The current period covers the year to 31 December 2018 and as such the figures for the current and prior periods are not entirely comparable.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dogus Holdings A.S. as at 31 December 2018 and these financial statements may be obtained from www.dogusgrubu.com.tr.

2.3 Going concern

The Company meets its day to day working capital requirements with the financial support of its ultimate parent undertaking. The directors believe it is appropriate to prepare the financial statements on a going concern basis on the basis of the Company's plans and the continued support of the parent undertaking and wider group. This assumes that the Company will continue in operational existence for the forseeable future.

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The only assets held on the balance sheet in the period are in relation to assets under construction, and since the company has not yet begun trading, the assets have not been depreciated. Once the restaurant begins trading these assets will be depreciated over the expected useful life of the asset.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a

2. Accounting policies (continued)

2.9 Financial instruments (continued)

rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.15 Termination benefits

Amounts paid to employees on the termination of their employment become due on the date that the employment contract is terminated. At this point, the expected amount required to terminate employment is recognised as a charge in the Statement of Comprehensive Income, and accrued in the Balance Sheet up until the date when payment is made.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions which affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. The following key sources of estimation are considered to have an impact on the amounts recognised in the financial statements:

<u>Recoverability of group debtors</u>
As at 31 December 2018 an amount of £996,912 (2017 - £2,361,804) was due from subsidiary undertakings and is held in accordance with the Company's accounting policy on debtors, being measured at transaction price less any accumulated impairment. Recoverability of these debtors is dependent on the future performance of the subsidiaries, which determines their ability to repay the debts. As such, there is an element of uncertainty involved when considering the value of debt expected to be recovered, and the actual amount recovered could differ from the value of the debtor recognised in the financial statements. The directors consider that these amounts will be recoverable in full and therefore do not consider it appropriate to recognise a provision.

4. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Exchange differences	(66,796)	100,236
Other operating lease rentals	404,688	-

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,400	5,400

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Employees

	2018 £	2017 £
Wages and salaries	151,640	50,188
Social security costs	18,312	3,363
Cost of defined contribution scheme	1,262	-
	171,214	53,551

None of the directors received remuneration through the company during the year (2017 - £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Directors	4	4
Management	1	1
Restaurant Staff	2	-
	7	5

7. Taxation

	2018 £	2017 £
Total current tax	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(619,651)	(166,603)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	(117,734)	(31,655)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,522	-
Unrelieved tax losses carried forward	112,212	31,655
Total tax charge for the year/period	-	-

8. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2018	-	14,072	14,072
Additions	129,423	722,171	851,594
At 31 December 2018	129,423	736,243	865,666
Net book value			
At 31 December 2018	129,423	736,243	865,666
At 31 December 2017	-	14,072	14,072

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	80
At 31 December 2018	80

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Nusret US Inc.	Restaurant	Ordinary	100%
Nusret Holdings USA LLC	Holding company	Ordinary	90%
Nusret Miami LLC	Restaurant	Ordinary	90%
Nusret South Beach LLC	Restaurant	Ordinary	90%
Saltbae LA LLC	Restaurant	Ordinary	90%
Nusret NY LLC	Restaurant	Ordinary	90%
Saltbae NY LLC	Restaurant	Ordinary	90%

All subsidiary undertakings are incorporated in the United States. Saltbae LA LLC was not yet trading at the period end.

The registered office addresses of the subsidiaries are as follows:

- Nusret US Inc: C/O United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Delaware 19904
- Nusret Holdings USA LLC: C/O United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Delaware 19904
- Nusret Miami LLC: C/O Corporation Service Company, 1201 Hays Street, Tallahassee, Florida, 2301-2525
- Nusret South Beach LLC: C/O Corporation Service Company, 1201 Hays Street, Tallahassee, Florida, 2301-2525
- Saltbae LA LLC: C/O Corporation Services Company, CSC Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N Sacramento, CA 95833-3505
- Nusret New York LLC: C/O United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Delaware 19904
- Saltbae NY LLC: C/O Corporation Service Company, 80 State Street Albany, New York, 12207

10. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	996,912	2,361,804
Other debtors	641,336	45
	1,638,248	2,361,849

11. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	37,547	6,206

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	39,838	-
Amounts owed to group undertakings	-	80
Other taxation and social security	3,908	3,961
Other creditors	623,866	-
Accruals and deferred income	6,000	10,800
	673,612	14,841

13. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	1	1

14. Reserves

Other reserves

Other reserves relate to accumulated capital contributions received from the immediate parent entity.

Profit and loss account

The Profit and loss account comprises all retained profits and loss to date, less distributions paid.

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,262 (2017 - £nil). There were no contributions payable to the fund at the balance sheet date included in creditors or in the prior period.

16. Termination benefits

During the year the company charged a total of £53,681 (2017 - £nil) to the Statement of Comprehensive Income in respect of benefits paid to former employees on the termination of their employment contracts. The nature of all such payments was cash and the total amounts outstanding in respect of termination benefits at the balance sheet date was £nil (2017 - £nil).

17. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	625,000	404,688
Later than 1 year and not later than 5 years	3,000,000	2,775,000
Later than 5 years	3,312,500	3,757,812
	6,937,500	6,937,500

Following the reporting date but before the date of authorisation of these financial statements, the company re-negotiated its lease arrangements and its rental commitments were altered. This did not impact its position at 31 December 2018, and the impacts of this transactions are disclosed in note 19 to these financial statements.

18. Related party transactions

Amounts owed by entities in which the company has a controlling interest totalled £996,912 as at 31 December 2018 (as at 31 December 2017 - £2,361,804). This balance is unsecured, interest-free and repayable on demand.

During the year ended 31 December 2018 repayments of £1,397,092 (period ended 30 April 2017 - £nil) were received against this debtor balance and advances of £nil (period ended 30 April 2017 - £71,118) were made. A foreign exchange gain of £32,201 (period ended 30 April 2017 - loss of £103,230) was recognised on the outstanding balance in the year.

19. Post balance sheet events

In October 2019 the company entered into an amended lease arrangement which resulted in a surrender of the original lease for the restaurant, and included new commitments for future rental payments. At the date of signing, the original lease commitments disclosed in note 17 to these financial statements were no longer payable.

Under the amended lease, the total lease commitments are dependent on the opening date of the restaurant, and the maximum commitment amounts to £7,267,000 over a ten year period.

20. Parent undertaking

The immediate parent undertaking is D Nusret International Holding B.V a company incorporated in the Netherlands. Dogus Holding AS, a company incorporated in Turkey, is the company's ultimate parent undertaking and the parent undertaking of the smallest and largest group to consolidate the accounts of Nusret UK Limited.

Copies of the accounts of Dogus Holding AS may be obtained from www.dogusgrubu.com.tr. The registered office of Dogus Holding AS is Büyükdere Cad. No: 249, 34398 Maslak / Sariyer, Istanbul, Turkey.

THESE ACCOUNTS
FORM PART OF A
GROUP PACKAGE
FOR COMPANY NUMBER
10127251

Doğuş Holding Anonim Şirketi
and its Subsidiaries

Consolidated Financial Statements
As at and for the Year Ended
31 December 2018
With Independent Auditor's
Report

11 March 2019
This report includes 5 pages of independent auditor's report and 137 pages of consolidated financial statements together with their explanatory notes and 5 pages of supplementary information.

Doğuş Holding Anonim Şirketi and its Subsidiaries

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KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Independent Auditor's Report

To the Board of Directors of Doğuş Holding Anonim Şirketi

Opinion

We have audited the consolidated financial statements of Doğuş Holding Anonim Şirketi ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Turkey and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and other intangible assets

Refer to notes 42.e).i), "Intangible assets and goodwill" for the relevant accounting policy and a discussion of significant accounting estimates

Key audit matter	How our audit addressed the key audit matter
Goodwill and indefinite useful life intangible assets arise as a result of acquisitions made by the Group. The Group Management conducted their annual impairment test to assess the recoverability of the goodwill and indefinite useful life intangible assets. In order to establish whether an impairment exists, fair value less costs to sell or the value in use is determined and compared to the net book value of the goodwill and intangible assets. This determination of an impairment is highly subjective as significant judgement is required by the Group management in determining the fair value less costs to sell or the value in use as appropriate. The value in use is based on the cash flow forecast model for each cash-generating unit and requires the estimation of model assumptions, most importantly the discount rate and growth rate. Accordingly, due to the high estimation uncertainty, the accounting for goodwill and indefinite useful life intangible assets is considered to be a key audit matter.	We focused our testing of the impairment of goodwill and intangible assets on the key assumptions made by the Company management. We evaluated the Group management' cash flow forecasts; including comparing them to the latest management approved budgets. Working with our valuation specialists, we challenged the Group management' key assumptions, including the long term growth rate by comparison to historic growth rates and managements' budgets and the discount rate by independently estimating a range based on market data and analysis of comparable companies. We evaluated whether the model used to calculate the fair value less costs to sell and value in use of the individual cash-generating units complies with the requirements of IAS 36: Impairment of Assets. The Group management performed sensitivity analysis around these assumptions to ascertain the extent of change that either individually or collectively would be required for the goodwill to be impaired. We then considered the likelihood of such movement in those key assumptions arising. We have evaluated the appropriateness and adequacy of the disclosures of the financial statements including disclosures of key assumptions and judgements

Revenue recognition on construction contracts

Refer to notes 42(I)(i), "Revenue and cost recognition" for the relevant accounting policy and a discussion of significant accounting estimates

Key audit matter	How the matter was addressed in our audit
The revenue from the construction contracts of the Group that constitutes a 18% portion of the Group's total revenue. The Group operates with its subsidiaries in the construction sector, conducting construction projects in Turkey and abroad. The construction projects are complex and exposes the Group to various business and financial reporting risks. The revenue from construction contracts is calculated using the input method, and the Group recognizes revenue when it satisfies the performance obligation in accordance with IFRS 15 "Revenue from Contracts with Customers". The Group recognises revenue in accordance with input method to compare proportion of contract costs incurred for performance obligation with expected total contract costs of related performance obligation. The recognition of revenue and the expectation of the outcome of construction contracts with project specific terms require significant management judgement, in particular with respect to estimation the cost to complete and the amounts of variation orders and claims to be recognized. Due to the significance of the estimates, assumptions, the level of judgements and its complex structure, revenue recognition on construction contracts has been identified as key audit matter.	We discussed on the status of projects under construction with finance and technical staff of the Group and made site visits for financially significant projects to evidence our understanding with the supporting documents. We recomputed contract revenue by using the percentage of completion method. We tested, on a sample basis, the revenue recognised from the construction contracts to amounts invoiced to customers and the subsequent receipts of payment from those customers and obtained confirmations or performed alternative procedures for outstanding balances from customers. We tested the cost for the construction contracts recognised to amounts invoiced to suppliers and subcontractors and obtained confirmations or performed alternative procedures for outstanding balances to subcontractors. The cost budgets of construction contracts and estimates used by management is evaluated through comparing with prior year's figures. In addition, the management estimates related to completion rates and the change in cost budgets were analysed. Where we considered as applicable we performed substantive analytical procedures using third party inputs to determine of recoverability of variations and claims. We have evaluated the appropriateness and adequacy of the disclosures of the financial statements including disclosures of key assumptions and judgements.

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Other Matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as whole. The supplementary information included in Appendix I is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. The US Dollar amounts presented in Appendix I are solely for the convenience of the reader as additional analysis and have not been subjected to the audit procedures applied in the audit of the basic consolidated financial statements. Accordingly, we do not express an opinion on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member firm of KPMG International Cooperative

Ruşen Fikret Selamet
Partner

11 March 2019
Istanbul, Turkey

Doğuş Holding Anonim Şirketi and its Subsidiaries
Consolidated Statement of Financial Position
As at 31 December 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	31 December 2018	31 December 2017
ASSETS			
Current assets:			
Cash and cash equivalents	14	2.111.404	2.069.440
Other investments, including derivatives	15	246.644	264.093
Trade receivables	17	2.581.184	3.665.358
- Due from related parties	*38*	*531.538*	*1.213.195*
- Due from third parties		*2.049.646*	*2.452.163*
Inventories	18	1.744.356	1.840.456
Prepayments	28	167.105	208.495
Other current assets	28	1.589.517	1.109.414
Subtotal		**8.440.210**	**9.157.256**
Assets held for sale	23	39.168	110.036
Total current assets		**8.479.378**	**9.267.292**
Non-current assets:			
Trade receivables	17	344.653	276.909
- Due from third parties		*344.653*	*276.909*
Investments in equity accounted investees	16	4.130.928	3.613.764
Investment property	19	9.208.914	7.675.066
Property and equipment	20	12.062.820	10.730.856
Intangible assets	21	3.100.830	3.076.244
- Goodwill		*1.233.194*	*1.316.943*
- Other intangible assets		*1.867.636*	*1.759.301*
Prepayments	29	144.890	185.814
Deferred tax assets	22	1.426.392	981.207
Other non-current assets	29	722.594	735.361
Total non-current assets		**31.142.021**	**27.275.221**
TOTAL ASSETS		**39.621.399**	**36.542.513**

The accompanying notes form an integral part of these consolidated financial statements.

Doğuş Holding Anonim Şirketi and its Subsidiaries
Consolidated Statement of Financial Position *(continued)*
As at 31 December 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	31 December 2018	31 December 2017
LIABILITIES			
Current liabilities:			
Short term loans and borrowings	25	3.865.592	4.576.212
Short term portion of long term loans and borrowings	25	9.142.438	3.102.237
Derivative instruments	26	135.008	--
Trade payables	17	2.304.050	2.012.045
- Due to related parties	*38*	*127.853*	*43.263*
- Due to third parties		*2.176.197*	*1.968.782*
Current tax liabilities	22	43.408	41.004
Provisions	27	153.899	138.835
- Employee benefits		*49.783*	*46.904*
- Other provisions		*104.116*	*91.931*
Other current liabilities	30	973.395	630.238
Total current liabilities		**16.617.790**	**10.500.571**
Non-current liabilities:			
Loans and borrowings	25	15.624.969	16.674.134
Derivative instruments	26	520.362	278.979
Provisions	27	186.812	170.381
- Employee benefits		*141.302*	*132.227*
- Other provisions		*45.510*	*38.154*
Deferred tax liabilities	22	980.072	895.420
Other non-current liabilities	31	927.832	1.134.644
Total non-current liabilities		**18.240.047**	**19.153.558**
TOTAL LIABILITIES		**34.857.837**	**29.654.129**
EQUITY			
Equity attributable to owners of the Company:			
Share capital		856.027	856.027
Adjustments to share capital		1.512.094	1.512.094
Capital stock held by subsidiaries (-)		(94.531)	(94.531)
Share premium		167.384	167.384
Other comprehensive income items that will never be classified to profit or loss		2.836.203	2.433.742
Other comprehensive income items that are or may be classified to profit or loss		(49.462)	229.683
Restricted reserves		5.958.196	4.263.011
Accumulated losses		(4.562.923)	(898.340)
Loss for the year		(2.944.243)	(2.404.860)
Total equity attributable to owners of the Company	32	**3.678.745**	**6.064.210**
Non-controlling interests			
Şahenk family		32.739	87.615
Other		1.052.078	736.559
Total non-controlling interests	32	**1.084.817**	**824.174**
TOTAL EQUITY		**4.763.562**	**6.888.384**
TOTAL EQUITY AND LIABILITIES		**39.621.399**	**36.542.513**

The accompanying notes form an integral part of these consolidated financial statements.

Doğuş Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	2018	2017
PROFIT OR LOSS			
Revenue	6	19.294.609	20.383.133
Cost of sales (-)	7	(16.168.025)	(17.946.455)
Gross profit		**3.126.584**	**2.436.678**
Administrative expenses (-)	8	(1.609.787)	(1.681.899)
Selling, marketing and distribution expenses (-)	8	(761.185)	(789.722)
Other operating income	12	968.383	534.089
Other operating expenses (-)	12	(471.843)	(241.800)
Share of (loss) / profit of equity accounted investees	16	(134.094)	4.226
Operating profit		**1.118.058**	**261.572**
Gains from investing activities	9	538.596	121.877
Losses from investing activities (-)	9	(527.777)	(378.073)
Profit before net finance cost		**1.128.877**	**5.376**
Finance income	10	1.851.110	1.311.193
Finance cost (-)	11	(5.965.374)	(3.771.153)
Loss before tax		**(2.985.387)**	**(2.454.584)**
Tax income / (expense)			
- Current tax expense	22	(244.096)	(208.888)
- Deferred tax income	22	300.205	374.702
Loss for the year		**(2.929.278)**	**(2.288.770)**
Profit / (loss) attributable to:			
Non-controlling interests	32	14.965	116.090
- Şahenk family		*7.340*	*4.268*
- Other		*7.625*	*111.822*
Owners of the Company		(2.944.243)	(2.404.860)
Net loss for the year		**(2.929.278)**	**(2.288.770)**
Loss per share (Full TL)	13	(3,44)	(2,81)

Doğuş Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018 *(continued)*

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	2018	2017
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:		**497.941**	**414.607**
Revaluation of property and equipment	20	510.934	491.528
Remeasurements of defined benefit liability	27	(14.734)	(19.370)
Tax on items that will not be reclassified to profit or loss:			
- *Deferred tax*	*22*	*(48.147)*	*(88.622)*
Other comprehensive income from equity accounted investees, net of tax	16	49.888	31.071
Items that are or may be reclassified to profit or loss:		**30.337**	**(109.131)**
Foreign currency translation differences for foreign operations		(75.281)	(21.856)
Changes in fair value of available for sale financial assets		*(9.109)*	*154*
Net investment hedge for foreign operations	32	(670.203)	(385.354)
Tax on items that are or may be reclassified to profit or loss:			
- *Current tax*	*22*	*134.041*	*77.071*
- *Deferred tax*	*22*	*345*	*(235)*
Other comprehensive income from equity accounted investees, net of tax	16	650.544	221.089
OTHER COMPREHENSIVE INCOME		**528.278**	**305.476**
TOTAL COMPREHENSIVE INCOME / (LOSS)		**(2.401.000)**	**(1.983.294)**
Total comprehensive income / (loss) attributable to:			
Non-controlling interests		111.007	173.372
- *Şahenk Family*		*7.594*	*8.051*
- *Other*		*103.413*	*165.321*
Owners of the Company		(2.512.007)	(2.156.666)
		(2.401.000)	**(1.983.294)**

The accompanying notes form an integral part of these consolidated financial statements.

Doğuş Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2018

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

					Other comprehensive income that will never be classified to profit or loss		Other comprehensive income that are or may be classified to profit or loss				Accumulated losses				
	Paid-in capital	Adjustment to share capital	Capital stock held by subsidiaries	Share premium	Revaluation surplus	Remeasurements of defined benefit liability	Translation reserve	Fair value reserve for available for sale financial assets	Hedging reserve	Restricted reserves	Accumulated losses	Net profit/ (loss) for the period	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balances at 1 January 2017	**856.027**	**1.512.094**	**(94.531)**	**167.384**	**2.309.665**	**(21.177)**	**799.001**	**(64.215)**	**(426.645)**	**4.373.951**	**1.173.617**	**(2.126.083)**	**8.459.088**	**740.041**	**9.199.129**
Total comprehensive income	--	--	--	--	321.256	(1.438)	237 445	(785)	(308.284)	--	--	(2 404.860)	(2.156.666)	173.372	(1.983.294)
Dividends paid	--	--	--	--	--	--	--	--	--	--	(192.602)	--	(192.602)	(9.168)	(201.770)
Transfer of depreciation	--	--	--	--	(25.968)	--	--	--	--	--	25.968	--	--	--	--
Acquisition of non-controlling interests through business combinations [1]	--	--	--	--	--	--	--	--	--	--	--	--	--	(1.360)	(1.360)
Change in non-controlling interests in consolidated subsidiaries without a change in control	--	--	--	--	--	--	--	--	--	--	(38.776)	--	(38.776)	(21.536)	(60.312)
Consolidation method change [2]	--	--	--	--	--	--	--	--	--	--	--	--	--	15.342	15.342
Sale of shares of associate [3]	--	--	--	--	(148.596)	--	(111.407)	61.661	42.912	--	148.596	--	(6.834)	(101.730)	(108 564)
Capital injection and establishment of subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	29.213	29.213
Transfers	--	--	--	--	--	--	--	--	--	(110.940)	(2.015.143)	2.126.083	--	--	--
Balances at 31 December 2017	**856.027**	**1.512.094**	**(94.531)**	**167.384**	**2.456.357**	**(22.615)**	**925.039**	**(3.339)**	**(692.017)**	**4.263.011**	**(898.340)**	**(2.404.860)**	**6.064.210**	**824.174**	**6.888.384**
Change in accounting policy, (Note 42)	--	--	--	--	--	--	--	--	--	--	(24 565)	--	(24.565)	--	(24.565)
Balances at 1 January 2018, restated	**856.027**	**1.512.094**	**(94.531)**	**167.384**	**2.456.357**	**(22.615)**	**925.039**	**(3.339)**	**(692.017)**	**4.263.011**	**(922.905)**	**(2.404.860)**	**6.039.645**	**824.174**	**6.863.819**
Total comprehensive income	--	--	--	--	462.144	(9.985)	523.919	(7.679)	(536.163)	--	--	(2.944.243)	(2.512.007)	111.007	(2.401.000)
Dividends paid	--	--	--	--	--	--	--	--	--	--	--	--	--	(87.641)	(87.641)
Transfer of depreciation	--	--	--	--	(32.481)	--	--	--	--	--	32.481	--	--	--	--
Dividends related to reacquired shares of subsidiary	--	--	--	--	--	--	--	--	--	--	14.290	--	14.290	(14.290)	--
Change in non-controlling interests in consolidated subsidiaries without a change in control	--	--	--	--	9.951	--	(7.182)	--	--	12.640	(189.557)	--	(174 148)	(74.616)	(248.764)
Sale of shares of subsidiary [4]	--	--	--	--	--	--	(252.819)	779	--	(179)	563.184	--	310 965	287 274	598.239
Sale of assets	--	--	--	--	(27.168)	--	--	--	--	--	27 168	--	--	--	--
Capital injection and establishment of subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	38.909	38.909
Transfers	--	--	--	--	--	--	--	--	--	1.682.724	(4.087.584)	2.404.860	--	--	--
Balances at 31 December 2018	**856.027**	**1.512.094**	**(94.531)**	**167.384**	**2.868.803**	**(32.600)**	**1.188.957**	**(10.239)**	**(1.228.180)**	**5.958.196**	**(4.562.923)**	**(2.944.243)**	**3.678.745**	**1.084.817**	**4.763.562**

[1] Includes non-controlling interests arising due to the acquisition of Meng Unlu Mamüller Gıda Sanayi ve Ticaret A.Ş. which has been accounted as an asset acquisition.
[2] Following the completion of final shareholders agreement, Coya Group entities which were classified as "Associate" and consolidated using equity accounting as at 31 December 2016 were considered as "Subsidiary" and were included by using the full consolidation method in the consolidated financial statements of the Group dated 31 December 2017.
[3] On 22 March 2017, The Group has sold of its shares held in T.Garanti Bankası A.Ş. ("Garanti Bank") representing 9,95% of the total issued share capital of Garanti Bank to Banco Bilbao Vizcaya Argentaria S.A. After the sale transaction, revaluation surplus amounting to TL 148.596 thousand have been transferred to retained earnings and the remaining equity items have been recognized in profit or loss for the period.
[4] Includes the effect of the sale of shares of Hotel Villa Magna and Dream International B.V. disclosed in Note 35.

The accompanying notes form an integral part of these consolidated financial statements.

Doğuş Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2018

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	2018	2017
A. Cash flows from operating activities			
Loss for the year		(2.929.278)	(2.288.770)
Adjustments for			
Depreciation and amortisation	*5.3,20,21*	714.360	665.571
Impairment loss on property and equipment	*5.4*	(12.894)	61.341
Provision for and reversal of employee severance indemnity, net	*5.4,27.2*	16 040	26.618
Warranty provision	*5.4*	117.264	98.012
Other provisions		81 688	8.406
Provision for doubtful receivables		18 948	13.789
Interest expense	*5.4*	47 206	72.888
Fair value change in investment property	*5.4,19*	(643.456)	(207.969)
Loss on written off of property and equipment	*5.4,11*	9 663	20.325
Taxation	*22*	(56.109)	(165.814)
Share of profit of equity accounted investees	*16*	134.094	(4.226)
(Gain) / loss on sale of subsidiaries	*9*	(256.653)	2 198
Loss on sale of associate / joint venture	*9*	18.495	219.276
Gain on sales of property and equipment	*9*	(156.453)	(56.589)
Impairment of goodwill	*9*	181.647	--
Impairment of brand name	*9*	43.557	9.645
Impairment of associates	*9*	137.197	--
Gain on sale of investment property	*9*	(94.265)	--
Other impairments		150.404	--
Foreign currency differences of loans and borrowings, net	*11*	1.014.846	2.069.448
Foreign currency differences of cash and cash equivalents, net		(454.017)	(150.512)
Change in working capital			
Trade receivables		1.015.447	(727.357)
Inventories		96.100	170.103
Trade payables		292.005	48.138
Other assets and liabilities		1.338.687	(892.918)
Cash flows from operations			
Dividends received from equity accounted investees	*16*	94.104	69.156
Contribution to share capital increase of equity accounted investees	*16*	(73.728)	(102.305)
Acquisition of equity accounted investees	*16*	(3.277)	(80.022)
Employee severance indemnity paid	27 2	(21.697)	(18.577)
Warranty expense paid		(125.281)	(93.476)
Recoveries from doubtful receivables	17	983	1.245
Taxes paid	22 2	(107.651)	(102.722)
Proceeds from sale of investment property		514.899	--
Acquisition of investment property	*19*	(473.518)	(450.319)
Cash flows provided from / (used in) operating activities		**629.357**	**(1.785.417)**
B. Cash flows from investing activities			
Proceeds from sales of subsidiaries		843.706	--
Acquisition of subsidiaries	*36*	--	(67.028)
Change in non-controlling interests in consolidated subsidiaries without a change in control		(248.764)	(60.312)
Proceeds from the sale of joint ventures and associates		121 952	3.590.174
Proceeds from sale of property and equipment and intangible assets		1 716 914	452.083
Acquisition of property and equipment and intangible assets		(1.194.628)	(1.265.712)
Cash flows provided from / (used in) investing activities		**1.239.180**	**2.649.205**
C. Cash flows from financing activities			
Proceeds from loans and borrowings	*25*	5.553.293	8.318.659
Repayments of loans and borrowings	*25*	(5.716.581)	(7.126.465)
Interest paid		(2.029.661)	(1.343.624)
Dividends paid		(87.641)	(201.770)
Cash flows from financing activities		**(2.280.590)**	**(353.200)**
Net increase / (decrease) in cash and cash equivalents before the effects of foreign currency differences (A+B+C)		**(412.053)**	**510.588**
D. Effects of foreign currency differences on cash and cash equivalents		**454.017**	**150.512**
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		**41.964**	**661.100**
E. Cash and cash equivalents at 1 January	*14*	**2.069.440**	**1.408.340**
Cash and cash equivalents at 31 December (A+B+C+D+E)	*14*	**2.111.404**	**2.069.440**

The accompanying notes form an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1 Reporting entity

Doğuş Holding Anonim Şirketi ("Doğuş Holding" or "the Company") was established in 1975 to invest in and coordinate the activities of companies operating in different industries, including automotive, construction, tourism, media, real estate, energy, food and beverage and entertainment and is registered in Turkey.

Doğuş Holding is owned and managed by the members of Şahenk Family. As at 31 December 2018, the principal shareholders and their respective shareholding rates in Doğuş Holding are stated in note 32.

The address of the registered office of Doğuş Holding is as follows:

Huzur Mahallesi
Maslak Ayazağa Caddesi, No: 2
34396 Sarıyer / İstanbul-Turkey

As at 31 December 2018, Doğuş Holding has 203 (31 December 2017: 220) subsidiaries ("the Subsidiaries"), 85 (31 December 2017: 89) joint arrangements ("the Joint Arrangements") and 40 (31 December 2017: 39) associates ("the Associates") (referred to as "the Group" or "Doğuş Group" herein and after). The consolidated financial statements of Doğuş Group as at and for the year ended 31 December 2018 comprises Doğuş Holding and its subsidiaries and the Group's interest in associates and joint arrangements. As explained in more detail in this note, Doğuş Holding holds controlling interest directly or indirectly via other companies owned and/or exercising the control over the voting rights of the shares held by the members of Şahenk Family, in all its subsidiaries included in the Group.

The Group operates partnerships and has distribution, management and franchise agreements with internationally recognised brand names, such as Volkswagen AG, Volkswagen Financial Services AG, Audi AG, Dr.Ing.h.c. F.Porsche Aktiengesellshaft, Bentley Motors Limited, Seat SA, Scania CV AB, Automobili Lamborghini S.p.A., Thermo King, Hyatt International Ltd., Soho House, Eden Rock St. Barths, Raleigh, Hilton, Chenot, Bodyism, Peninsula, Four Seasons, Messika Group S.A, Gucci, Loro Piana, Orlebar Brown, Capritouch, Kiko, Under Armour, Hublot, Arnold&Son S.A., Bell and Ross, Breitling, Vacheron Constantin, M Missoni, HYT, Döttling, Tag Heuer, Condé Nast ("Vogue-GQ"), Kitchenette, Zuma, Roka, Mezzaluna, Mezzaluna Express, Coya, Oblix, La Petite Maison and L'Atelier.

The number of employees of the Group at 31 December 2018 is approximately 20.950 (31 December 2017: 25.222).

As explained in more detail in note 5, The Group is organised mainly in Turkey under 7 core operating segments:

- Construction
- Automotive
- Tourism
- Media
- Energy
- Others (Real Estate, Food & Beverage and Entertainment and Others)

1 Reporting entity *(continued)*

The subsidiaries, the joint ventures, joint operations and the associates included in the consolidation scope of Doğuş Holding, their country of incorporation, nature of business and their respective operating segments are as follows:

1.1 Entities in construction segment

Below entities are first consolidated under Doğuş İnşaat ve Ticaret A.Ş. ("Doğuş İnşaat"); then consolidated under the Group.

Subsidiaries	Nature of business	Country of incorporation
Ayson Geoteknik ve Deniz İnşaat A.Ş. ("Ayson")	Drilling	Turkey
Ayson Sondaj Limited Ukraine ("Ayson Sondaj")	Non-operating company	Ukraine
Dogus Construction LLC	Construction	Qatar
Doğuş EOOD	Construction	Bulgaria
Doğuş İnşaat	Construction	Turkey
Doğuş İnşaat Limited (Kazakistan) ("Doğuş İnşaat (Kazakistan)")	Non-operating company	Kazakhistan
Doğuş İnşaat Limited (Ukraine) ("Doğuş İnşaat (Ukrayna)")	Construction	Ukraine
Doğus Maroc SARL	Construction	Morocco
Dogus Oman LLC	Construction	Oman
Doğuş - (Onur)	Construction	Qatar
Teknik Mühendislik ve Müşavirlik A.Ş. ("Teknik Mühendislik")	Civil engineering	Turkey

Joint operations	Nature of business	Country of incorporation
Doğuş Alarko YDA İnşaat ("Doğuş Alarko")	Construction	Turkey
Doğuş Gülsan Adi Ortaklığı ("Kazakistan")	Construction	Kazakhistan
Doğuş Gülsan Adi Ortaklığı ("Kömürhan")	Construction	Turkey
Doğuş – Tekfen Adi Ortaklığı	Construction	Turkey
Doğuş YDA Adi Ortaklığı ("Doğuş YDA")	Construction	Turkey
Gülermak-Doğuş Adi Ortaklığı ("Gülermak Doğuş")	Construction	Turkey
Doğuş – VIA – Ultrastroy Adi Ortaklığı	Construction	Bulgaria
Doğuş – ES Adi Ortaklığı	Construction	Turkey
Yapı Merkezi-Doğuş-Yüksel-Yenigün-Belen Adi Ortaklığı ("YMDYYB")	Construction	Turkey
Doğuş – Dusa Adi Ortaklığı	Construction	Turkey
Doğuş – Yapı Merkezi – Özaltın Adi Ortaklığı	Construction	Turkey
Doğuş – Soma Adi Ortaklığı	Construction	India

1.2 Entities in automotive segment

Below entities are first consolidated under Doğuş Otomotiv Servis ve Ticaret A.Ş. ("DOAŞ"); then consolidated under the Group.

Subsidiaries	Nature of business	Country of incorporation
DOAŞ	Automotive distribution	Turkey
D-Auto Limited Liability Company ("Doğuş Auto Iraq")	Automotive retail	Iraq
Doğuş Oto Pazarlama ve Ticaret A.Ş. ("Doğuş Oto")	Automotive retail	Turkey
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	Insurance agency	Turkey

1 Reporting entity *(continued)*

1.2 Entities in automotive segment *(continued)*

Joint ventures	Nature of business	Country of incorporation
TDB Sigorta Brokerlik A.Ş.	Insurance agency	Turkey
TÜV SÜD Doğuş Ekspertiz ve Danışmanlık Hizmetleri Limited Şirketi ("TÜV SUD Doğuş Ekspertiz")	Valuation services	Turkey
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	Vehicle inspection station	Turkey
TÜVTURK İstanbul Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK İstanbul")	Vehicle inspection station	Turkey
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	Vehicle inspection station	Turkey

Associates	Nature of business	Country of incorporation
Driver Turkey Master S.A.	Special purpose	Luxembourg
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	Factoring	Turkey
VDF Filo Kiralama A.Ş. ("VDF Filo Kiralama")	Fleet management	Turkey
VDF Servis ve Ticaret A.Ş. ("VDF Servis Holding")	Investment company	Turkey
VDF Sigorta Aracılık Hizmetleri A.Ş. ("VDF Sigorta")	Agency/brokerage	Turkey
Volkswagen Doğuş Finansman A.Ş. ("VDF Tüketici")	Consumer finance	Turkey
Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto")	Automotive distribution	Turkey

1.3 Entities in tourism segment

Subsidiaries	Nature of business	Country of incorporation
Acropolis S.p.A	Hospitality	Italy
Acropolis USA Trading Corp.	Retail	U.S.A
Alantur Turizm ve Ticaret A.Ş. ("Alantur")	Hospitality	Turkey
Anadolu Göcek Marina Turizm Yatırımları A.Ş. ("D Marin Göcek")	Marina operation	Turkey
Antur Turizm A.Ş. ("Antur")	Hospitality and travel agency	Turkey
Arena Otel Lokanta ve Eğlence Yerleri İşletmeciliği ve Turizm Yatırım A.Ş. ("Arena")	Hospitality and café management	Turkey
Argos Turizm Yatırım ve Ticaret A.Ş. ("Argos")	Hotel management	Turkey
Bangolare S.L.	Investment company	Spain
BMK Turizm ve Otelcilik Hizmetleri A.Ş. ("BMK")	Hotel management	Turkey
Capritouch SRL	Retail	Italy
CW Finance SAS	Ship maintenance / repair	France
D Hospitality BV	Investment company	The Netherlands
D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş. ("D Marina")	Marina management	Turkey
D Otel Göcek Turizm Yatırımları ve İşletmeciliği Ticaret A.Ş. ("D Otel Göcek")	Hospitality	Turkey
D Otel Marmaris Turizm İşletmeciliği Ticaret ve Sanayi A.Ş. ("D Otel")	Hospitality	Turkey
D Saat ve Mücevherat Ticaret A.Ş. ("D Saat")	Retail and distribution of luxury watches	Turkey
Dogus Avenue BV ("Doğuş Avenue BV")	Investment company	The Netherlands
Dogus Avenue Holding Coöperatief U.A. ("Doğuş Avenue Coop")	Investment company	The Netherlands
Dogus Avenue LLC ("Dogus Avenue LLC")	Retail sales service	Russia
Dogus Croatia d.o.o. ("Doğuş Croatia")	Investment company	Crotia
Doğuş Dalaman Marina İşletmeciliği Turizm Ticaret A.Ş. ("Doğuş Dalaman") [1]	Non-operating company	Turkey

1 Reporting entity *(continued)*

1.3 Entities in tourism segment *(continued)*

Subsidiaries	Nature of business	Country of incorporation
Doğuş Didim Marina İşletmeleri ve Ticaret A.Ş. ("Doğuş Didim")	Marina operation	Turkey
Doğuş Health & Wellness AG	Hospitality	Switzerland
Dogus Hellas SA. ("Dogus Hellas")	Investment and management company	Greece
Dogus International Coöperatief U.A.	Investment company	The Netherlands
Dogus Leisure and Entertainment Investment Limited ("Dogus Leisure")	Investment company	United Kingdom
Doğuş Marina Hoteli d.o.o. ("D Resort Sibenik")	Hospitality	Croatia
Doğuş Marina Upravljanje d.o.o ("Marina Upravljanje")	Non-operating company	Croatia
D Marinas BV	Investment company	The Netherlands
D Marinas Management BV	Marina management	The Netherlands
Doğuş Otel İşletmeciliği ve Yönetim Hizmetleri A.Ş. ("Doğuş Otel İşletmeciliği")	Hotel management	Turkey
Doğuş Otel Yatırımları ve Turizm İşletme A.Ş. ("Doğuş Otel")	Investment company	Turkey
Doğuş Perakende Satış, Giyim ve Aksesuar Ticaret A.Ş. ("Doğuş Perakende")	Retail sales service	Turkey
Doğuş Razvitak I Upravljanje d.o.o. ("Doğuş Razvitak")	Non-operating company	Croatia
Dogus TRG Inc	Investment company	U.S.A
Doğuş Turgutreis Marina İşletmeciliği Turizm ve Ticaret A.Ş. ("Doğuş Turgutreis")	Marina operation	Turkey
Dogus Upravljanje d.o.o ("Sibenik Upravljanje")	Non-operating company	Croatia
Doğuş Zhenfa Kozmetik Ticaret A.Ş. ("Doğuş Zhenfa")	Investment company	Turkey
Garanti Turizm Yatırım ve İşletme A.Ş. ("Garanti Turizm")	Hospitality	Turkey
Gouvia Marina S.A.	Marina operation	Greece
Göktrans Turizm ve Ticaret A.Ş. ("Göktrans Turizm")	Hospitality	Turkey
Hospitality d.o.o ("Hospitality")	Investment company	Croatia
Il Riccio Restaurant FZE	Non-operating company	United Arab Emirates
K&G Mediterranean Marinas Management A.E.	Marina management	Greece
King of the Rib	Investment company	Spain
Lefkas Marina S.A.	Marina operation	Greece
Marina Barcelona 92 S.A.	Ship maintenance / repair	Spain
Marina Borik d.o.o ("Marina Borik")	Marina operation	Croatia
Marina Dalmacija d.o.o ("Marina Dalmacija")	Marina operation	Croatia
Marina Sibenik d.o.o. ("Marina Sibenik")	Marina operation	Croatia
Marinas TR BV	Investment company	The Netherlands
MB92 La Ciotat SAS (formerly named as "Compositeworks")	Ship maintenance / repair	France
Mercati S.p.A	Hospitality	Italy
MK Holding A.Ş. ("MK Holding")	Investment company	Turkey
Panther Marina Limited ("Panther Marina")	Investment company	British Virgin Islands
Şahintur Şahinler Otelcilik Turizm Yatırım İşletmeciliği A.Ş. ("Şahintur")	Hospitality	Turkey
Villa Dubrovnik d.d.	Hospitality	Croatia
Voyager Mediterranean Turizm Endüstrisi ve Ticareti A.Ş. ("Voyager")	Hospitality	Turkey
West Mediteranean Holding Limited ("West Mediternean")	Investment company	Malta
Zadar Residences d.o.o	Hospitality	Croatia
Zadar Resort d.o.o	Hospitality	Croatia
Zea Marina S.A.	Marina operation	Greece

1 Reporting entity *(continued)*

1.3 Entities in tourism segment *(continued)*

Joint ventures	Nature of business	Country of incorporation
Argos Bağcılık ve Şarapçılık San.Tic. A.Ş. ("Argos Bağcılık")	Viticulture	Turkey
Argos Kültür Sanat Tanıtım Organizasyon Tic. A.Ş. ("Argos Kültür")	Culture, art, promotion	Turkey
Bodyfood Limited ("Bodyfood")	Healthy life consultancy	United Kingdom
Bodyism Global Holdings Limited ("Bodyism Global Holdings")	Investment company	United Kingdom
Bodyism Global Limited	Healthy life consultancy	United Kingdom
Bodywear Limited ("Bodywear")	Sportswear	United Kingdom
Chenot Cosmetic S.R.L.	Cosmetics retail	Italy
Corpera Turizm Yatırımları A.Ş. ("Corpera")	Hospitality	Turkey
Elmira Miami LLC	Hospitality	U.S.A
Elmira Miami Mezz LLC	Hospitality	U.S.A
Elmira Miami Partners LLC	Investment company	U.S.A
Gestin Turizm Yatırım İşletmeleri İnşaat ve Ticaret A.Ş. ("Gestin")	Investment company	Turkey
HC Biontis S.R.L.	Healthy life consultancy	Italy
HC International A.G.	Investment company	Switzerland
Ionian Hotel Enterprises S.A. ("Ionian")	Hospitality	Greece
Lamda Dogus Marina Invesments S.A. ("Lamda Dogus")	Investment company	Greece
Lamda Flisvos Holding A.E.("Lamda Flisvos")	Investment company	Greece
Lamda Flisvos Marina A.E. ("Lamda Marina")	Marina operation	Greece
Raleigh Club Management, LLC	Club management	U.S.A
RH Miami Employees LLC	Hospitality	U.S.A
TH Hospitality Management, LLC	Non-operating company	U.S.A
THRH, LLC	Investment company	U.S.A
TRG International IP Co Limited	Investment company	United Kingdom
TRG US IP Co Limited	Investment company	United Kingdom
Uzunetap Tanıtım Organizasyon Tic. A.Ş. ("Uzunetap")	Promotion / organization	Turkey

(1) Doğuş Dalaman was established to build and operate yachting marina in seaside resort towns in Mediterranean coasts of Turkey. However, Doğuş Dalaman has not yet started its operations and accordingly was noted as non-operating.

Associates	Nature of business	Country of incorporation
Adelia Ltd	Non operating company	Malta
Afternoon Tea SCI	Hospitality	St Barths Island
Apollo Investment Holdco SARL	Investment company	Luxembourg
Astir Marina Vouliagmenis S.A.	Marina operation	Greece
Astir Palace Vouliagmenis S.A.	Hospitality	Greece
Eden Rock SARL	Hospitality	St Barths Island
Eden Rock Villa Rental SAS	Hospitality	St Barths Island
Icons and Styles Turizm A.Ş.	Organization and travel agency	Turkey
Jermyn Street Real Estate Fund IV L.P.	Investment company	Cayman Island
Kiko Kozmetik Ürünleri Ticaret A.Ş. ("Kiko")	Cosmetics retail	Turkey
Solid Rock Property SAS	Hospitality	St Barths Island

1 Reporting entity *(continued)*

1.4 Entities in media segment

Subsidiaries	Nature of business	Country of incorporation
Doğuş Dijital Hizmetler A.Ş. ("Doğuş Dijital")	Media	Turkey
Doğuş Media Group GmbH ("Doğuş Media")	Media	Germany
Doğuş Yayın Grubu A.Ş. ("Doğuş Yayın Grubu")	Media	Turkey
Kral Müzik Medya Hizmetleri A.Ş. (formerly named as "A Yapım Televizyon Programcılık A.Ş.") ("Kral Müzik Medya")	Media	Turkey
Kral Pop Avrupa Radyo ve Televizyon Yayıncılığı A.Ş. ("Kral Pop Avrupa")	Media	Turkey
Kral Pop Medya Hizmetleri A.Ş. ("Kral Pop")	Media	Turkey
NTV Radyo ve Televizyon Yayıncılığı A.Ş. ("NTV Radyo")	Media	Turkey
Sekiz Prodüksiyon ve Reklam A.Ş. ("Sekiz Prodüksiyon")	Media	Turkey
Star Avrupa Radyo ve Televizyon Yayıncılığı A.Ş. ("Star Avrupa")	Media	Turkey
StarTV Medya Hizmetleri A.Ş.	Media	Turkey

Associates	Nature of business	Country of incorporation
MNG Medya ve Tv Yayıncılık A.Ş. ("MNG Medya")	Media	Turkey
MNG Reklam Pazarlama ve Prodüksiyon A.Ş. ("MNG Reklam")	Media	Turkey
MNG TV Yayıncılık A.Ş. ("MNG TV")	Media	Turkey
Onsekiz Reklam Prodüksiyon Medya Yapımevi ("Onsekiz Reklam")	Media	Turkey
Sekiz Televizyon Yayıncılık A.Ş. ("Sekiz Televizyon")	Media	Turkey

1.5 Entities in energy segment

Subsidiaries	Nature of business	Country of incorporation
D Enerji Üretim ve Yatırım A.Ş. ("D Enerji")	Investment company	Turkey
Doğuş Enerji Toptan Elektrik Ticaret A.Ş. ("Doğuş Enerji Toptan")	Purchasing and selling of electricity	Turkey
Doğuş Enerji Üretim ve Ticaret A.Ş. ("Doğuş Enerji")	Electricity generation	Turkey

Joint ventures	Nature of business	Country of incorporation
Aslancık Elektrik Üretim A.Ş. ("Aslancık")	Electricity generation	Turkey
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat")	Electricity generation	Turkey

1 Reporting entity *(continued)*

1.6 Entities in other segment

Subsidiaries	Nature of business	Country of incorporation
Ad Yiyecek İçecek Ticari Sanayi A.Ş. ("AD Yiyecek")	Restaurant establishment	Turkey
A.L.E. Gıda Turizm ve Ticaret A.Ş. ("A.L.E. Gıda")	Restaurant establishment	Turkey
Alperen Gayrimenkul Yatırım ve İşletme A.Ş. ("Alperen")	Real estate development	Turkey
Altın Mecralar İnteraktif Medya ve Pazarlama ve Teknoloji Hizmetleri Ticaret Limited Şirketi ("Altın Mecralar")	E-mail marketing	Turkey
Altınhan Turizm ve Ticaret A.Ş. ("Altınhan")	Restaurant establishment	Turkey
Ara Güler Doğuş Sanat ve Müzecilik A.Ş.	Photography	Turkey
Bal Turizm ve Gıda Pazarlama A.Ş. ("Bal Turizm")	Restaurant establishment	Turkey
Başkent Yiyecek İçecek A.Ş. ("Başkent")	Restaurant establishment	Turkey
Boğaziçi Borsa Lokantacılık İşl. San. ve Tic. A.Ş.("Borsa")	Restaurant establishment	Turkey
Bomonti Kültür ve Eğlence Merkezi Yönetimi A.Ş. ("Bomonti")	Entertainment and organization	Turkey
Coya Inc.	Investment company	U.S.A
Coya Abu Dhabi Limited ("Coya Abu Dhabi")	Restaurant establishment	U.A.E
Coya Angel Limited	Restaurant establishment	United Kingdom
Coya Limited	Investment company	U.A.E
Coya (Restaurant) Limited ("Coya London")	Restaurant establishment	United Kingdom
Coya Restaurant LLC ("Coya Dubai")	Restaurant establishment	U.A.E
D Eğlence Bar Restoran İşletmeciliği ve Yatırım A.Ş. ("D Eğlence")	Establishment and management of restaurants and cafes	Turkey
D Et ve Et Ürünleri Gıda Pazarlama Ticaret A.Ş. ("D Et")	Establishment and management of restaurants and cafes	Turkey
D Nusret International Holding BV	Investment company	The Netherlands
D Nusret International Holding Coöperatief U.A	Investment company	The Netherlands
D Nusret International B.V.	Investment company	The Netherlands
Dafne Yayıncılık Turizm ve Gıda Pazarlama Ticaret A.Ş. ("Dafne Yayıncılık")	Restaurant and catering	Turkey
Darüşşafaka Sportif Yatırımlar ve Ticaret A.Ş. ("Darüşşafaka Sportif")	Sports activities	Turkey
Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. ("Doğuş Arge")	Investment company	Turkey
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. ("Doğuş Bilgi İşlem")	Software development	Turkey
Doğuş Finance Ukraine	Non-operating company	Ukraine
Doğuş Fotoğraf ve Kamera Ekipmanları A.Ş. ("Doğuş Fotoğraf")	Retail sale services	Turkey
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Doğuş GYO")	Real estate investment fund	Turkey
Doğuş Gayrimenkul Yatırım ve İşletme A.Ş. ("Doğuş Gayrimenkul")	Real estate development	Turkey
Dogus International Limited ("Dogus International")	Management	United Kingdom
Dogus Management Services Limited ("Dogus Management")	Business and financial investments	U.A.E
Dogus Mercado Inc.	Investment company	U.S.A
Doğuş Müşteri Sistemleri A.Ş. ("DMS")	Loyalty management, online marketing and advertising	Turkey
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş. ("Doğuş Spor")	Sports activities	Turkey
Doğuş Tarımsal Projeler Araştırma Geliştirme A.Ş. ("Doğuş Tarım")	Agricultural research and development activities	Turkey
Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Ticaret A.Ş. ("Doğuş Turizm")	Real estate development	Turkey
Doğuş Yeni Girişimler ve Projeler A.Ş.	Consultancy	Turkey
Doğuş Yönetim Danışmanlığı A.Ş.	Consultancy	Turkey
Doors Akademi Eğitim ve Danışmanlık Hizmetleri A.Ş. ("Doors Akademi")	Academy	Turkey
Dream Global B.V.	Investment company	The Netherlands
Dream International B.V.	Investment company	The Netherlands
Dream International Coöperatif U.A.	Investment company	The Netherlands
Nahita Global Ltd. (formerly named as "Dream IP Limited")	Investment company	United Kingdom

1 Reporting entity *(continued)*

1.6 Entities in other segment *(continued)*

Subsidiaries	Nature of business	Country of incorporation
Dream Management Services LLC	Investment and management company	U.A.E.
Etiler Kebapçılık Restoran A.Ş. ("Etiler Kebapçılık")	Restaurant establishment	Turkey
Etiler Turistik Tesisler İşletmeciliği Ticaret A.Ş. ("Etiler Turistik")	Restaurant and cafe establishment and management	Turkey
Euromessage Deutschland GmbH ("Euromessage Deutschland")	E-mail marketing	Germany
Galataport İstanbul Liman İşletmeciliği ve Yatırımları A.Ş. ("Salıpazarı")	Real estate development	Turkey
Günaydın Çamlıca Restoran Gıda Turizm Ticaret A.Ş.	Restaurant establishment	Turkey
Günaydın Et Sanayi ve Ticaret A.Ş. ("Günaydın Et")	Restaurant and cafe establishment and management	Turkey
Günaydın International Holding B.V. ("Günaydın Int. B.V")	Investment company	The Netherlands
Günaydın International Holding Coöperatief U.A. ("Günaydın Int. Coop")	Investment company	The Netherlands
Günaydın Restaurant LLC ("Günaydın Restaurant")	Restaurant establishment	U.A.E
Gunaydın Restaurants LLC	Restaurant establishment	U.S.A
Gunaydın US Inc.	Non-operating company	U.S.A
Gunaydın UK Ltd.	Non-operating company	United Kingdom
Günaydın Üretim ve Lojistik A.Ş.	Restaurant, food and beverage production	Turkey
Havana Yayıncılık Turizm ve Gıda Pazarlama Ticaret A.Ş. ("Havana Yayıncılık")	Restaurant, food and beverage production	Turkey
Hedef Medya Tanıtım Interaktif Media Pazarlama A.Ş. ("Hedef Medya")	E-mail marketing	Turkey
Kivahan Turizm Ticaret A.Ş. ("Kivahan")	Restaurant establishment	Turkey
Körfez Havacılık Turizm ve Ticaret A.Ş. ("Körfez Hava")	Air transportation	Turkey
Lacivert Turizm A.Ş. ("Lacivert")	Restaurant establishment	Turkey
Liquid Art Boston LLC	Restaurant establishment	U.S.A
Liquid Art Holding LLC	Investment company	U.S.A
London Doors Restaurant Group Ltd	Investment company	United Kingdom
LPM İstanbul Restoran İşletmeciliği ve Yatırım A.Ş. ("LPM İstanbul")	Restaurant establishment	Turkey
Luxury Food Restaurant LLC ("Nusret Katar")	Restaurant establishment	Qatar
Meng Unlu Mamüller Gıda Sanayi ve Ticaret A.Ş.	Investment company	Turkey
Meto Turizm İşletmeciliği ve Tasarım Dekorasyon Ticaret A.Ş. ("Meto Turizm")	Establishment and management of restaurants and cafes	Turkey
Mezzaluna Gıda İşletmecilik Sanayi ve Ticaret A.Ş. ("Mezzaluna")	Restaurant establishment	Turkey
Mobilet Dijital Hizmetleri A.Ş.	Ticket sale	Turkey
Nahita Dallas	Restaurant establishment	U.S.A
Nahita International Inc.	Investment company	U.S.A
Nahita International Limited	Investment company	United Kingdom
Nahita Restoran İşletmeciliği ve Yatırım A.Ş. ("Nahita")	Investment company	Turkey
Nusret Dallas LLC	Restaurant establishment	U.S.A
Nusret Galleria Restaurant Limited ("Nusret Galleria")	Restaurant establishment	U.A.E
Nusret Holdings USA LLC	Investment company	U.S.A
Nusret Miami LLC	Restaurant establishment	U.S.A
Nusret Miami South Beach LLC	Restaurant establishment	U.S.A
Nusret New York LLC	Restaurant establishment	U.S.A
Nusret Restaurant L.L.C. ("Nusret Dubai")	Restaurant establishment	U.A.E
Nusret UK Limited	Investment company	United Kingdom

1 Reporting entity *(continued)*

1.6 Entities in other segment *(continued)*

Subsidiaries	Nature of business	Country of incorporation
Nusret US Inc.	Investment company	U.S.A
Omni Kanal Dijital Teknoloji ve Arge Yazılım Hizmetleri A.Ş. ("Omni Kanal")	Electronic marketing	Turkey
Partnership Management Limited ("Partnership")	Management	United Kingdom
Popülist Yiyecek İçecek Sanayi ve Ticaret A.Ş. ("Popülist")	Restaurant establishment	Turkey
Portakal Yazılım Danışmanlık Reklamcılık ve Yayıncılık San. ve Tic A.Ş. ("Portakal Yazılım")	Electronic marketing	Turkey
Pozitif Arena Konser Salon İşletmeleri A.Ş. ("Pozitif Arena")	Entertainment and organization	Turkey
Pozitif Müzik A.Ş. ("Pozitif Müzik")	Entertainment and organization	Turkey
Pozitif Müzik Yapım A.Ş. ("Pozitif Yapım")	Entertainment and organization	Turkey
Related Digital Marketing B.V.	Investment company	The Netherlands
Related Digital Marketing Coöperatief U.A.	Investment company	The Netherlands
Related Digital Marketing Limited	Digital marketing	United Kingdom
Restaurant Craft Limited ("Rüya Londra")	Restaurant establishment	United Kingdom
Ruya Restaurant LLC ("Ruya Restoran")	Restaurant establishment	U.A.E.
Sait Restoran Turizm İşletmeciliği İnş. Emlak ve Tic.A.Ş. ("Sait")	Restaurant establishment	Turkey
Saltbae LA LLC ("Saltbea LA")	Restaurant establishment	U.S.A
Saltbae Restoran İşletmeciliği Turizm Perakende Tekstil ve Yat. A.Ş.	*Retail sale services*	Turkey
Saltbae NY LLC	Restaurant establishment	U.S.A
Semanticum Bilişim Sanayi ve Ticaret A.Ş. ("Semanticum")	Social media information	Turkey
Sititur Turizm Yatırım ve Danışmanlık Hizmetleri A.Ş. ("Sititur")	Non-operating company	Turkey
Soya Restoran İşletmeciliği ve Ticaret A.Ş. ("Soya")	Restaurant establishment	Turkey
Tansaş Gıda ve Sanayi Turizm A.Ş. ("Tansaş Gıda")	Non-operating company	Turkey
The Tom Aikens Group Ltd	Restaurant establishment	United Kingdom
Tiendes Turizm İşletmeleri A.Ş. ("Tiendes")	Restaurant establishment	Turkey
Tom Aikens Ltd	Restaurant establishment	United Kingdom
Tom's Kitchen Ltd	Restaurant establishment	United Kingdom
Toms Kitchen Restaurant Holdings Limited	Investment company	United Kingdom
Vitapark Spor Turizm Hizmet İnşaat ve Ticaret A.Ş. ("Vitapark")	Golf resort	Turkey
Zeytin Dallas LLC	Restaurant establishment	U.S.A
Zuma Turizm ve Gıda Pazarlama Ticaret A.Ş. ("Zuma Turizm")	Restaurant establishment	Turkey
Wrap Around LLC	Restaurant establishment	U.A.E.

1 Reporting entity *(continued)*

1.6 Entities in other segment *(continued)*

Joint ventures	Nature of business	Country of incorporation
Azumi Limited	Establishment and management of restaurant and cafes	United Kingdom
Azumi LLC	Restaurant establishment	U.S.A
Bahia (UK) Limited	Restaurant establishment	United Kingdom
Beach-Chu Hallandale LLC	Restaurant establishment	U.S.A
Beach-Chu Inc.	Investment company	U.S.A
Beach-Chu Las Olas LLC	Restaurant establishment	U.S.A
Doğuş Planet Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. ("Doğuş Planet")	E-commerce	Turkey
Doğuş SK Finansal ve Ticari Yatırım ve Danışmanlık A.Ş. ("Doğuş SK")	Private equity	Turkey
Ege Turizm ve Gayrimenkul Yatırımları A.Ş. ("Ege Turizm")	Real estate development	Turkey
Inko Nito Broadwick Street Ltd.	Restaurant establishment	United Kingdom
Inko Nito Garey St. LLC	Restaurant establishment	U.S.A
Inko Nito Inc.	Investment company	U.S.A
Inko Nito Limited	Restaurant establishment	United Kingdom
Inko Nito West 3rd Street LLC	Restaurant establishment	U.S.A
Mad Atelier International B.V. ("Mad Atelier")	Investment company	The Netherlands
Mad Atelier S.A.S ("L'Atelier")	Restaurant establishment	France
PIT İstanbul Otel İşletmeciliği A.Ş. ("PIT Istanbul")	Hospitality	Turkey
Robata Holding USA LLC	Investment company	U.S.A
Robata Rest Ltd	Restaurant establishment	United Kingdom
Roka Aldwych Ltd	Restaurant establishment	United Kingdom
Roka Chelsea Limited	Restaurant establishment	United Kingdom
Roka Limited (Roka Dubai)	Restaurant establishment	U.A.E.
Roka Mayfair Ltd	Restaurant establishment	United Kingdom
Roka Restaurant LLC	Restaurant establishment	U.S.A
Taddeo Trading Ltd	Investment company	British Virgin Island
Taraneete International Ltd	Restaurant establishment	Hong Kong
Tasfiye Halinde Kanlıca Turizm Sanayi A.Ş. ("Kanlıca Turizm")	Non-operating company	Turkey
TDB Kalibrasyon Hizmetleri A.Ş. ("TDB Kalibrasyon")	Calibration services	Turkey
Time Result Investments Ltd	Restaurant establishment	British Virgin Island
Wildfire Entertainment Ltd	Restaurant establishment	United Kingdom

1 Reporting entity *(continued)*

1.6 Entities in other segment *(continued)*

Joint ventures	Nature of business	Country of incorporation
Wildfire Holdings USA LLC	Investment company	U.S.A
Zuma Bangkok Ltd	Restaurant establishment	Thailand
Zuma Club LLC	Restaurant establishment	U.A.E
Zuma Holdings USA LLC	Investment company	U.S.A
Zuma Japanese Restaurant INC	Investment company	U.S.A
Zuma Japanese Restaurant Miami LLC	Restaurant establishment	U.S.A
Zuma Las Vegas LLC	Restaurant establishment	U.S.A
Zuma NY LLC	Restaurant establishment	U.S.A
Zuma Restaurant LTD, Abu Dhabi	Restaurant establishment	U.A.E
Zuma Rome	Restaurant establishment	Italy
Zuma USA LLC	Investment company	U.S.A

Associates	Nature of business	Country of incorporation
Amazonica UK Limited	Restaurant establishment	United Kingdom
Central Asturcova S.L.U.	Restaurant management	Spain
DG Holdings Limited	Investment company	Jersey Island
DG Limited	Investment company	Jersey Island
DÔA Miami Beach LLC	Restaurant establishment	U.S.A
Dome Group Financial Advisers Limited	Investment banking	United Kingdom
El Gourmet de Jorge Juan S.L.U.	Restaurant establishment	Spain
IPE Velázquez 18, S.L.U (Chia)	Restaurant establishment	Spain
İstinye Yönetim Hizmetleri A.Ş. ("İstinye Yönetim Hizmetleri")	Shopping mall management	Turkey
LPM Miami	Restaurant establishment	U.S.A
Mosela Investments S.L.U.	Investment company	Spain
Puerta de Alcala 10. S.L.U	Restaurant establishment	Spain
Reidin FZ-LLC ("Reidin")	Real estate research	U.A.E
Restauradores Asturcova S.L.U. ("Paraguas")	Restaurant establishment	Spain
Secosilva Empresarial S.L.U.	Restaurant establishment	Spain
Ultramarinos Quintin S.L.U.	Restaurant establishment	Spain
Zingat Gayrimenkul Bilgi Sistemleri A.Ş. ("Zingat")	Internet services	Turkey

2 Basis of accounting

Statement of compliance

Doğuş Group entities operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles per Turkish Uniform Chart of Accounts, Turkish Commercial Code and per Capital Market Board of Turkey.

Doğuş Group's foreign entities maintain their books of account and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The consolidated financial statements were authorised for issue by Doğuş Holding's management on 11 March 2019. The Doğuş Holding's General Assembly and the other reporting bodies have the power to amend the consolidated financial statements after their issue.

3 Functional and presentation currency

These consolidated financial statements are presented in TL which is Doğuş Holding's functional currency. All financial information presented in TL has been rounded to the nearest thousand, except when otherwise indicated.

4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management discusses the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

1- Group amortises and depreciates its intangible assets and property and equipment over useful lives that are disclosed in note 42 (d) and (e),

2- Assumptions are used in projections of discounted cash flow method and impairment test of non-financial assets, see note 21,

3- Fair value of derivative instruments are estimated through market price or use of discounted cash flow method, see note 33 (b),

4- Liabilities that may occur due to ongoing cases and probability of loss from cases are estimated by Group Management considering the view of legal counsel and experts. Group Management assesses lawsuit provision thereon, see note 27,

4 Use of estimates and judgments *(continued)*

5- The data in the discounted price list are used to calculate inventory impairment. If expected net realizable value is less than cost, the Group allocates provisions for inventory impairment, see note 18,

6- The warranties on automobiles sold by the Group are issued by the original equipment manufacturers ("OEM"). The Group acts as an intermediary between the customers and OEM. The claims of customers from the Group are recognised as warranty expense. The Group recognises the amount claimed from the OEM's as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufacturers. Accordingly, the Group recognises the estimated liability for the difference between possible warranty claims of customers and possible warranty claims based on historical service statistics, see note 27,

7- Deferred tax asset is recognised to the extent that taxable profit will be available against which the deductible temporary differences can be utilised. When taxable profit is probable, deferred tax assets is recognised for all temporary differences. For the year ended 31 December 2018, to the extent that the assumptions related to the Group's future taxable profit generation are considered adequate, deferred tax asset is recognised, see note 22,

8- In the calculations of provision for employee benefits, actuarial assumptions related to turnover ratio, discount rate and salary increase are used. Calculation details are disclosed in note 27.2,

9- Investment property is measured at fair value, which is appraised by independent third party appraisers. Investment property under construction is carried at cost. For assumptions used in the appraisals see note 19,

10- Group monitors recoverability of its accounts receivable considering the past experience and recognise allowance for doubtful receivables for probable losses. Subsequently, if the allowance for doubtful receivable is recovered fully or partially, the amount is reversed from allowance and recognised in profit or loss, see note 17.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property and equipment

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged based on market values. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between market participants in an orderly transaction where the participants act in their best economic interest and are knowledgeable.

The Group reflects land and buildings at their fair values as appraised by independent third party appraisers. The fair values of land and buildings are determined based on the discounted cash flow method, depreciable replacement cost or market prices for similar items.

4 Use of estimates and judgments *(continued)*

***Determination of fair values** (continued)*

(b) Intangible assets

The fair values of intangible assets, which comprise the broadcasting rights, concession rights, customer relationship, content library, franchise network, sponsorship contracts and brand names acquired in business combinations, are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Investment property

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and when appropriate counter-notices have been served validly and within the appropriate time.

(d) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(e) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, debt securities at amortised cost and financial assets at fair value through other comprehensive income is determined by reference to their quoted bid price at the reporting date. The fair value of debt securities and amortised cost is determined for disclosure purposes only.

(f) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes or when such assets are acquired through a business combination.

(g) Derivatives

The fair values of forward exchange contracts, options and other derivative contracts are based on their listed market prices, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

4 Use of estimates and judgments *(continued)*

***Determination of fair values** (continued)*

(g) Derivatives *(continued)*

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(h) Contingent consideration

The fair value of contingent consideration is measured based on discounted cash flow model. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA or other variables defined on the share purchase agreement, the amount to be paid under each scenario and the probability of each scenario.

(i) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

5 Operating segments

The Group has reportable segments, as described below, which are largely organised and managed separately according to nature of products and services provided, distribution channels and profile of customers.

Almost each entity included in the Group operates in one specific industry. Accordingly, all the financial statement components of an entity concerned are considered related only to its specific industry.

The Group's main segments are as follows:

Construction: Entities operating in the construction segment are mainly involved in the constructions of buildings, infrastructure and related civil engineering businesses.

Automotive: Entities operating in the automotive segment are exclusively involved in the importation, distribution and retailing of Volkswagen, Audi, Seat, Skoda, Porsche, Bentley, Scania, and Lamborghini brand motor vehicles and spare parts and after sales services, and vehicle inspection services in Turkey.

Tourism: Entities operating in the tourism segment are involved in hotel and marina investments, hotel management, retail services, ticket sales, hotel reservation, and tour/conference organisation services.

Media: Entities operating in media segment are involved in broadcasting through TV channels, radios, digital and printed media.

Energy: Entities operating in energy segment are mainly involved in energy investments, electricity generation, hydroelectric power plant operation, wholesale trade and sales activities.

Others: Entities operating in other operations segment are mainly involved in real estate, food and beverage, entertainment and several service businesses. Doğuş Holding is included in the other segment.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.1 Geographical segments

The Group operates principally in Turkey, but also has operations in the Netherlands, Russia, Ireland, Turkish Republic of Northern Cyprus, Malta, Luxembourg, Switzerland, Germany, Romania, Morocco, Ukraine, Bulgaria, Libya, Italy, Greece, United Kingdom, Hong Kong, United States, Oman, Qatar, Dubai, Saudi Arabia, Thailand, Iraq, Spain and Croatia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

As at and for the years ended 31 December, total geographical sector risk concentrations, both on and off statement of financial position, are presented below:

31 December 2018	Total assets	Total liabilities	Capital expenditure
Turkey	28.244.141	27.544.266	1.247.974
United Kingdom	970.729	624.211	37.727
Croatia	1.658.975	582.088	51.956
Spain	1.385.039	498.014	112.341
Italy	1.317.018	247.600	20.715
Others	6.045.497	5.361.658	197.433
	39.621.399	**34.857.837**	**1.668.146**

31 December 2017	Total assets	Total liabilities	Capital expenditure
Turkey	24.181.066	22.874.894	1.306.495
United Kingdom	769.343	524.354	3.027
Croatia	1.295.892	451.870	9.953
Spain	1.902.479	386.002	208.750
Italy	905.905	204.082	21.322
Others	7.487.828	5.212.927	360.447
	36.542.513	**29.654.129**	**1.909.994**

5.2 Major customers

As at 31 December 2018 and 2017, there is not any single external customer which comprises more than 10 percent of the Group's consolidated revenue.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.3 Information about the segments

The financial information of the joint ventures was included in the segment results, prepared within the reporting framework of the Group's managerial approach, by combined method (as 100%). The below information about the segments was prepared as "combined financial information" and before consolidation adjustments and eliminations.

31 December 2018	*Construction*	*Automotive*	*Tourism*	*Media*	*Energy*	*Others*	*Total*
Revenue	3.348.871	15.729.485	2.661.474	1.026.452	690.902	4.363.508	27.820.692
Gross profit	262.354	2.003.334	876.065	171.183	291.728	1.892.321	5.496.985
Operating profit / (loss)	133.721	788.825	333.560	(184.705)	257.235	387.807	1.716.443
Operating profit / (loss) before net finance cost	145.615	842.264	345.620	(209.739)	257.235	3.854.384	5.235.379
Profit / (loss) for the period attributable to the owners of the Company excluding non-controlling interests	(290.704)	276.701	(457.429)	(748.744)	(1.352.798)	1.236.505	(1.336.469)
Other information							
Total assets	4.010.777	17.576.289	21.409.571	1.530.829	6.307.629	41.624.492	92.459.587
Total liabilities	4.131.879	15.393.920	10.475.348	2.002.419	8.523.954	19.509.603	60.037.123

31 December 2017	*Construction*	*Automotive*	*Tourism*	*Media*	*Energy*	*Others*	*Total*
Revenue	2.918.903	17.320.307	2.055.095	1.080.956	1.091.865	2.985.326	27.452.452
Gross profit	131.683	1.837.956	688.339	251.996	151.782	1.220.409	4.282.165
Operating profit / (loss)	69.775	759.066	(90.725)	(129.891)	124.436	(409.405)	323.256
Operating profit / (loss) before net finance cost	97.228	775.176	(70.439)	(124.965)	124.436	1.659.526	2.460.962
Profit / (loss) for the period attributable to the owners of the Company excluding non-controlling interests	(182.329)	348.328	(443.012)	(404.994)	(680.152)	294.520	(1.067.639)
Other information							
Total assets	3.653.392	18.534.132	16.926.407	1.699.108	5.644.213	33.747.015	80.204.267
Total liabilities	3.627.807	16.515.492	8.344.504	1.814.894	6.370.158	14.939.674	51.612.529

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.3 Information about the segments *(continued)*

The reconciliations of the combined financial information to the amounts reported in the accompanying consolidated financial statements for the years ended 31 December were presented separately as follows:

a) Revenue

	2018	2017
Combined	27.820.692	27.452.452
Joint ventures and associates	(7.921.389)	(6.511.771)
Consolidation elimination and adjustments	(604.694)	(557.548)
Consolidated	19.294.609	20.383.133

b) Gross profit

	2018	2017
Combined	5.496.985	4.282.165
Joint ventures and associates	(2.018.497)	(1.505.146)
Consolidation elimination and adjustments	(351.904)	(340.341)
Consolidated	3.126.584	2.436.678

c) Operating profit

	2018	2017
Combined	1.716.443	323.256
Joint ventures and associates	(413.920)	(241.228)
Consolidation elimination and adjustments	(184.465)	179.544
Consolidated	1.118.058	261.572

d) Profit before net finance cost

	2018	2017
Combined	5.235.379	2.460.962
Joint ventures and associates	(402.118)	(241.547)
Consolidation elimination and adjustments	(3.704.384)	(2.214.039)
Consolidated	1.128.877	5.376

e) Loss for the period attributable to the owners of the Company excluding non-controlling interests

	2018	2017
Combined	(1.336.469)	(1.067.639)
Joint ventures and associates	796.373	251.097
Consolidation elimination and adjustments	(2.404.147)	(1.588.318)
Consolidated	(2.944.243)	(2.404.860)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.3 Information about the segments *(continued)*

f) Total assets

	31 December 2018	31 December 2017
Combined	92.459.587	80.204.267
Joint ventures and associates	(23.407.031)	(21.214.274)
Consolidation elimination and adjustments	(29.431.157)	(22.447.480)
Consolidated	39.621.399	36.542.513

g) Total liabilities

	31 December 2018	31 December 2017
Combined	60.037.123	51.612.529
Joint ventures and associates	(20.853.950)	(17.931.502)
Consolidation elimination and adjustments	(4.325.336)	(4.026.898)
Consolidated	34.857.837	29.654.129

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.3 Information about the segments *(continued)*

The below information were prepared on the basis of appropriate accounting policies applied for the subsidiaries, associates and joint ventures.

31 December 2018	*Construction*	*Automotive*	*Tourism*	*Media*	*Energy*	*Others*	*Total*
Revenue							
Total external revenue	3.378.351	10.692.566	2.099.914	613.943	430.892	2.434.796	19.650.462
Intersegment revenue	--	656	35.229	15.572	24.144	280.252	355.853
Net segment revenue	3.378.351	10.691.910	2.064.685	598.371	406.748	2.154.544	19.294.609
Gross profit	324.530	1.304.538	733.146	26.034	201.332	537.004	3.126.584
Operating profit / (loss)	201.463	664.042	157.470	(192.375)	(50.031)	337.489	1.118.058
Operating profit / (loss) before net finance	213.357	719.129	207.465	(219.157)	(50.031)	258.114	1.128.877
Profit / (loss) for the period attributable to owners of the Company	(223.169)	168.330	(461.279)	(520.505)	(134.719)	(1.772.901)	(2.944.243)
Other information							
Segment assets	4.006.170	4.355.632	8.352.413	1.046.730	3.151.331	14.578.195	35.490.471
Investments in equity accounted investees	--	375.427	2.040.441	244.773	--	1.470.287	4.130.928
Total assets	4.006.170	4.731.059	10.392.854	1.291.503	3.151.331	16.048.482	39.621.399
Total liabilities	4.126.718	3.521.587	6.028.197	1.387.309	3.519.095	16.274.931	34.857.837
Capital expenditure (*)	134.433	205.366	508.916	6.903	1.604	810.924	1.668.146
Depreciation and amortisation	126.170	88.330	229.904	17.234	60.374	192.348	714.360
Non-cash expenses other than depreciation	85.354	95.181	105.988	38.133	10.107	(204.746)	130.017

(*) Includes current year additions of investment property as well.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.3 Information about the segments *(continued)*

31 December 2017	*Construction*	*Automotive*	*Tourism*	*Media*	*Energy*	*Others*	*Total*
Revenue							
Total external revenue	2.963.572	13.224.616	1.485.515	676.875	708.067	1.643.747	20.702.392
Intersegment revenue	40.016	1.117	57.890	12.803	32.020	175.413	319.259
Net segment revenue	2.923.556	13.223.499	1.427.625	664.072	676.047	1.468.334	20.383.133
Gross profit	180.784	1.304.124	452.771	100.084	79.839	319.076	2.436.678
Operating profit / (loss)	124.506	663.332	(98.135)	(95.994)	(16.655)	(315.482)	261.572
Operating profit / (loss) before net finance cost	151.959	668.554	(112.294)	(152.409)	(16.655)	(533.779)	5.376
Profit / (loss) for the period attributable to owners of the Company	(114.386)	215.772	(466.328)	(376.950)	(221.965)	(1.441.003)	(2.404.860)
Other information							
Segment assets	3.652.409	4.657.954	7.226.975	1.178.911	2.261.469	13.951.031	32.928.749
Investments in equity accounted investees	--	338.260	1.776.333	284.226	--	1.214.945	3.613.764
Total assets	3.652.409	4.996.214	9.003.308	1.463.137	2.261.469	15.165.976	36.542.513
Total liabilities	3.625.810	3.863.009	5.707.649	1.295.700	2.891.637	12.270.324	29.654.129
Capital expenditure (*)	181.775	338.124	612.021	4.184	5.975	767.915	1.909.994
Depreciation and amortisation	124.566	78.807	199.308	23.712	61.124	178.054	665.571
Non-cash expenses other than depreciation	27.580	110.975	33.372	77.422	(16.280)	(118.638)	114.431

(*) Includes current year additions of investment property as well.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5 Operating segments *(continued)*

5.4 Non-cash (income) / expenses other than depreciation

Non-cash (income)/expenses other than depreciation for the year ended 31 December 2018 were as follows:

	Construction	*Automotive*	*Tourism*	*Media*	*Energy*	*Others*	*Total*
Warranty provision	--	117.264	--	--	--	--	117.264
Accrued interest and other accruals	33.977	(44.591)	24.778	9.936	2.957	20.149	47.206
Loss on written-off of property and equipment	--	--	9.663	--	--	--	9.663
Provision for and reversal of employee severance indemnity	307	7.151	4.571	(3.687)	144	7.554	16.040
Provision for doubtful receivables	--	429	3.690	11.617	--	3.212	18.948
Reversal of impairment in property and equipment	--	--	(7.758)	--	--	(5.136)	(12.894)
Impairment of intangible asset (brand name)	--	--	54	24.271	--	19.232	43.557
Impairment of intangible asset (goodwill)	--	--	--	1.747	--	179.900	181.647
Fair value adjustment resulting from control change	--	--	--	--	--	(22.165)	(22.165)
Fair value change in investment property	--	--	(124.497)	--	--	(518.959)	(643.456)
Loss from construction business segment	51.253	--	--	--	--	--	51.253
Impairment of long term trade receivable	--	--	20.991	--	7.053	7.555	35.599
Losses on financial assets at fair value through profit or loss	--	--	--	--	--	112.542	112.542
Impairment of associates	--	--	137.197	--	--	--	137.197
Impairment of short term trade receivable	--	--	24.428	--	--	--	24.428
Recoveries of doubtful receivables	--	(32)	(437)	(358)	--	(156)	(983)
Others	(183)	14.960	13.308	(5.393)	(47)	(8.474)	14.171
Total	85.354	95.181	105.988	38.133	10.107	(204.746)	130.017

Non-cash (income)/expenses other than depreciation for the year ended 31 December 2017 were as follows:

	Construction	*Automotive*	*Tourism*	*Media*	*Energy*	*Others*	*Total*
Warranty provision	--	98.012	--	--	--	--	98.012
Accrued interest and other accruals	20.127	(3.472)	13.272	9.648	(16.364)	49.677	72.888
Loss on written-off of property and equipment	--	6.165	14.160	--	--	--	20.325
Provision for and reversal of employee severance indemnity	9.605	4.416	2.823	5.635	180	3.959	26.618
Provision for doubtful receivables	--	327	2.623	4.091	--	6.748	13.789
Reversal of impairment in property and equipment	--	(1.939)	--	--	--	--	(1.939)
Impairment in property and equipment	--	--	--	--	--	4.390	4.390
Impairment in intangible asset	--	--	--	61.341	--	9.645	70.986
Fair value change in investment property	--	--	(15)	--	--	(207.954)	(207.969)
Recoveries of doubtful receivables	--	(220)	--	(294)	--	(731)	(1.245)
Others	(2.152)	7.686	509	(2.999)	(96)	15.628	18.576
Total	27.580	110.975	33.372	77.422	(16.280)	(118.638)	114.431

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

6 Revenue

For the years ended 31 December, revenue comprised the following:

	2018	2017
Domestic sales	14.835.923	17.256.316
Foreign sales	4.458.686	3.126.817
	19.294.609	20.383.133

7 Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2018	2017
Cost of merchandise sold	9.644.325	12.118.355
Cost of construction	2.932.939	2.622.418
Personnel expenses	791.341	630.999
Cost of electricity sold	131.090	523.782
Broadcasting costs	407.945	392.761
Others	2.260.385	1.658.140
	16.168.025	17.946.455

8 Administrative, selling, marketing and distribution expenses

For the years ended 31 December, general and administrative expenses comprised the following:

	2018	2017
Personnel expenses	726.258	853.944
Depreciation and amortisation	236.605	213.861
Maintenance and repair expenses	88.281	72.673
Rent expenses	79.332	47.378
Audit and consultancy expenses	77.272	67.559
Taxes and duties other than taxes on income	49.528	36.091
Electronic data processing expenses	23.241	15.773
Insurance expenses	21.084	16.814
Grant and donation expenses	18.335	79.136
Executive expenses	17.729	11.355
Provision for employee severance indemnity	16.040	22.056
Utility expenses	14.039	11.661
Travel expenses	11.616	11.055
Litigation expenses	11.244	8.458
Telecommunication expenses	6.523	7.589
Cleaning expenses	6.328	4.050
Stationery expenses	1.964	1.905
Gasoline expenses	707	434
Others	203.661	200.107
	1.609.787	1.681.899

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

8 Administrative, selling, marketing and distribution expenses *(continued)*

For the years ended 31 December, selling, marketing and distribution expenses comprised the following:

	2018	2017
Personnel expenses	189.530	202.573
Advertising and promotion expenses	121.760	144.427
Warranty provision expense	117.264	98.012
Distribution expenses	98.985	117.829
Rent expenses	63.920	55.678
Depreciation and amortisation	16.409	19.008
Customer service expenses	13.788	21.517
Commission expense	13.300	9.349
Others	126.229	121.329
	761.185	789.722

9 Gains and losses from investing activities

For the years ended 31 December, gains from investing activities comprised the following:

	2018	2017
Gain on sales of subsidiary (*)	256.653	3.090
Gain on sales of property and equipment	160.730	70.587
Gain on sales of investment property	98.373	--
Gain on sales of associate / joint venture (**)	675	48.200
Other	22.165	--
	538.596	121.877

(*) On 23 November 2018 and 27 November 2018, the Group has sold of its shares held in Hotel Villa Magna and Doğuş Auto Switzerland, respectively.

(**) As at 31 December 2017, gain on sale of associate / joint venture consists of sale of shares of Dream International BV in Zuma Club LLC (20%), Time Result Investments Limited (38,13%) and Robata Restaurants Limited (10%).

For the years ended 31 December, losses from investing activities comprised the following:

	2018	2017
Impairment of goodwill (Note 21)	(181.647)	--
Impairment of associates (Note 16)	(137.197)	--
Losses on financial assets at fair value through profit or loss	(112.542)	--
Impairment of brand name (Note 21)	(43.557)	(9.645)
Loss on sale of associate (*)	(19.170)	(267.476)
Loss on sales of property and equipment	(4.277)	(13.998)
Loss on sale of investment property	(4.108)	--
Loss on sale of subsidiary and loss on liquidation of subsidiary	(851)	(5.288)
Loss on written-off of property and equipment (Note 20)	--	(20.325)
Other	(24.428)	(61.341)
	(527.777)	(378.073)

(*) As at 31 December 2018, The Group has sold its 33,33 % shares held in MD Health and Welness LLC. As at 31 December 2017, loss on sale of associate is a result of the sale of shares held by the Group entities in Garanti Bank representing 9,95% of the paid-up of its share capital.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

10 Finance income

For the years ended 31 December, finance income comprised the following:

	2018	2017
Foreign exchange gains	1.709.148	1.137.004
Interest income on bank deposits	56.061	89.523
Other interest and similar items	85.901	84.666
	1.851.110	1.311.193

11 Finance cost

For the years ended 31 December, finance cost comprised the following:

	2018	2017
Foreign exchange losses	(3.754.352)	(2.337.937)
Interest expense on borrowings	(2.029.661)	(1.347.730)
Other interest and similar items	(181.361)	(85.486)
	(5.965.374)	(3.771.153)

12 Other operating income and expense

For the years ended 31 December, other operating income comprised the following:

	2018	2017
Fair value gain on investment property (Note 19)	643.456	222.909
Construction income	43.928	58.388
Commission income	43.883	32.030
Service income	42.926	44.308
Rental income	30.395	36.479
Foreign exchange gains on trade receivables and payables	15.428	2.023
Insurance claim income	5.360	5.082
Reversal of provision for litigation	895	1.321
Others	142.112	131.549
	968.383	534.089

For the years ended 31 December, other operating expenses comprised the following:

	2018	2017
Impairment loss	55.624	19.636
Loss from construction business segment	51.253	--
Construction expense	49.065	34.586
Commission expense	37.511	22.422
After sales services expense	18.671	16.534
Foreign exchange losses on trade receivables and payables	17.419	1.874
Legal provision expenses	14.915	7.424
Idle capacity expenses losses	13.837	4.183
Service expenses	13.663	12.879
Compensation expenses	9.767	3.875
Provision expenses	4.489	1.400
Insurance claim expenses	3.723	3.020
Impairment loss on receivables from associates	--	21.510
Decrease in fair value of investment properties	--	14.940
Others	181.906	77.517
	471.843	241.800

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

13 Earnings per share

The calculation of basic earnings per share at 31 December 2018 and 2017 was based on the loss attributable to ordinary shareholders of TL (2.944.243) thousand and TL (2.404.860) thousand and a weighted average number of ordinary shares outstanding of 856.027.050 (31 December 2017: 856.027.050), as follows:

	2018	2017
Weighted average number of shares	856.027.050	856.027.050
Loss for the year attributable to owners of the Company (TL)	(2.944.243)	(2.404.860)
Basic loss per share (full TL)	(3,44)	(2,81)
Weighted average number of ordinary shares	856.027.050	856.027.050

14 Cash and cash equivalents

At 31 December, cash and cash equivalents comprised the following:

	2018	2017
Cash at banks	2.074.243	2.029.069
Time deposits (*)	*649.924*	*1.409.637*
Demand deposits	*1.353.138*	*557.001*
Credit card receivables (**)	*71.181*	*62.431*
Other liquid assets and cheques	13.422	26.995
Cash on hand	23.739	13.376
	2.111.404	2.069.440

For the years ended 31 December, cash and cash equivalents disclosed in the consolidated statement of cash flows comprised the following:

	2018	2017
Cash at banks	2.074.243	2.029.069
Other liquid assets and cheques	13.422	26.995
Cash on hand	23.739	13.376
Cash and cash equivalents in the statement of cash flows	2.111.404	2.069.440

(*) As at 31 December 2018, the average effective interest rates of time deposits for TL, USD and Euro are 16,49%, 2,94% and 1,31% respectively (31 December 2017: average effective interest rates are 13,14%, 4,07% and 3,82%, respectively).

(**)Credit card receivables' due dates are less than three months.

There are no blocked deposits as at 31 December 2018 and 2017. Foreign currency risk exposure of cash and cash equivalents are presented under Note 33.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

15 Other investments, including derivatives

As at 31 December, other investments including derivatives comprised the following:

	2018		
	Short-term	**Long-term**	**Total**
Financial assets carried at fair value through profit or loss (*)	178.861	--	178.861
Financial assets carried at fair value through other comprehensive income	67.783	--	67.783
	246.644	--	246.644

	2017		
	Short-term	**Long-term**	**Total**
Financial assets carried at fair value through profit or loss (*)	203.418	--	203.418
Financial assets carried at fair value through other comprehensive income	60.675	--	60.675
	264.093	--	264.093

(*) As of 31 December 2018, the portion of TL 178.828 thousand (31 December 2017: TL 203.385 thousand) of financial investments at fair value through profit or loss comprise investment funds.

Financial assets carried at fair value through other comprehensive income

As at 31 December, financial assets carried at fair value through other comprehensive income comprised the following:

	2018	2017
Equity securities	67.779	60.671
Debt securities	4	4
	67.783	60.675

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

16 Investments in equity accounted investees

Investments in equity-accounted associates and joint ventures and the Group's share of investment are as follows:

	31 December 2018		31 December 2017	
Associates-equity accounted	**Carrying value**	**% of ownership**	**Carrying value**	**% of ownership**
Jermyn Street (Astir Palace)	912.142	33,00	691.042	33,00
Paraguas Restaurant Group	375.332	40,00	278.348	40,00
Solid Rock	366.291	33,33	249.622	33,33
MNG TV	244.773	30,00	284.226	30,00
VDF Tüketici	141.046	49,00	158.590	49,00
VDF Servis	109.990	49,00	78.091	49,00
Other	33.003		30.878	
Joint ventures-equity accounted				
Azumi Limited	659.903	50,01	568.491	50,01
Corpera	281.838	50,00	229.101	50,00
Raleigh Hotel	169.927	61,47	192.851	61,47
Ionian Hotel Enterprises S.A.	132.319	50,00	100.169	50,00
Ege Turizm	131.207	50,00	131.007	50,00
HC International AG	127.040	51,00	96.875	51,00
PIT İstanbul	121.122	50,00	54.990	50,00
TÜVTURK Kuzey–Güney	91.391	33,33	69.477	33,33
Mad Atelier	66.612	60,00	66.612	60,00
Doğuş Planet	59.179	50,00	50.654	50,00
Gestin Turizm	21.907	50,00	17.567	50,00
Bodyism Global Holding	3.706	50,01	36.116	50,01
MD Health and Wellness (1)	--	--	138.911	33,33
Boyabat (2)	--	34,00	--	34,00
Aslancık (3)	--	33,33	--	33,33
Other	82.200		90.146	
Total	4.130.928		3.613.764	

(1) The Group has sold its shares held in MD Health and Welness LLC in 2018.

(2) Although there is considerable uncertainty regarding whether the credit will or will not be paid, in the context of possible evaluations on the existence of bail of the Group to the amount equal to one year principal installment and the amount of interest arising from 50% of the Group's shares and the evaluation of the information regarding the liquidation of the loan by the banks, a provision has been booked within the principle of "prudence" of the accounting for the above mentioned bail. In this framework, the net amount of the liabilities to the Group for the provision for additional loss and the recognition of the liability amount, even after the net assets of Boyabat Elektrik have fallen to zero or below, with reference to the application of the 39th item of IAS 28, has been limit subject to the collateral amount given by Group to the long-term project financing loan amount approximately USD 19 million. It is known that the companies operating under energy sector have commenced negotiations with the banks in order to restructure their financial liabilities due to the fact that the price for 1 MWh electricity decreased to 49 (exact) dollars in 2017 whereas it was 78 (exact) dollars in 2013, accompanied by depreciation of TL. Boyabat Elektrik was also significantly affected both by the decrease in electricity prices and the depreciation of the Turkish Lira and as of 31 December 2018, it went into default of its loans and started to negotiate with financial institutions as of the end of 2017. In this context, a letter of bid was signed with the banks in December 2018. Accordingly, negotiations on the completion of the loan agreement to be re-structured are ongoing and it is expected that the loan agreement will be signed in 2019.

(3) The Group's share of losses in Aslancık, a joint venture of the Group, exceeds its interest in Aslancık, the carrying amount of the investment is reduced to zero and the total carrying value of the investment and share of losses in Aslancık has been reclassified as other non-current liability amounting to TL 54.714 thousand (31 December 2017: TL 12.761 thousand)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

16 Investments in equity accounted investees *(continued)*

The movements in investments in equity accounted investees were as follows:

	2018	2017
Balance at 1 January	3.613.764	7.144.167
Share of (loss) / profit of equity accounted investees	(134.094)	4.226
Share of other comprehensive income	700.432	252.160
Dividend	(94.104)	(69.156)
Transfer to subsidiaries, net (Note 36) [(1)]	(1.223)	(149.122)
Disposals [(2)]	(140.447)	(3.809.450)
Transfer from non-current assets	5.514	--
Loss making joint venture classified as non-current liability	236.991	82.414
Purchase of joint ventures, additional share purchase payments and capitalisation of acquisition costs prior to acquisition [(3)]	3.277	80.022
Impairment of associates [(4)]	(137.197)	--
Profit margin elimination	4.287	(23.802)
Increase in paid-in capital	73.728	102.305
Balance at 31 December	4.130.928	3.613.764

[(1)] Meiller Doğuş which is F.X Meiller Fahrzeug-und Maschinenfabrik GmbH&Co.KG has transferred 51% of it's shares to Doğuş Pazarlama A.Ş.. Doğuş Oto Pazarlama A.Ş. took over Meiller Doğuş A.Ş. by merging at 12 November 2018. As at 31 December 2017, Coya Group have been classified as subsidiary.

[(2)] The Group has sold its shares held in MD Health and Welness LLC in 2018. The Group and BBVA have entered into a share purchase agreement for the sale of shares of Garanti Bank representing 9,95% of its paid-up share capital. Besides, Group signed agreements for the sale of certain shares in Zuma Club LLC (20%), Time Result Investments Limited (38,13%) and Robata Restaurants Limited (10%) in 2017.

[(3)] On 31 January 2017, Dogus TRG Inc. and D Hospitality B.V acquired an additional 11,46% of the shares and totally reached 61,47% shares of the following companies: THRH LLC, Raleigh Club Management LLC, TH Hospitality Management LLC, TRG US IP Co Limited, TRG International IP Co Limited which collectively directly and indirectly own and operate the Raleigh Hotel in Miami, USA.

[(4)] Impairment of associates includes impairment of Raleigh Hotel, Bodyism Global Holding and Il Riccio Dubai.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

16 Investments in equity accounted investees *(continued)*

Share of profit / (loss) of equity accounted investees

For the years ended 31 December, share of profit/(loss) of investments in equity accounted investees comprised the following:

	2018	2017
Azumi Limited	42.748	42.673
TÜVTURK Kuzey-Güney Consolidated	44.984	35.259
Astir Palace	(13.471)	(8.860)
VDF Tüketici	(17.545)	34.025
VDF Servis	31.900	17.130
Boyabat	(196.184)	(69.653)
Aslancık	(40.811)	(12.574)
Other	14.285	(33.774)
Total	(134.094)	4.226

Share of other comprehensive income / (expense) of equity accounted investees

For the years ended 31 December, share of other comprehensive income / (expense) of investments in equity accounted investees comprised the following:

	2018	2017
Astir Palace	234.438	119.135
Azumi Limited	88.267	67.909
Paraguas Restaurant Group	88.153	55.820
Solid Rock	77.711	40.377
TÜVTURK Kuzey-Güney Consolidated	--	(3.192)
Other (*)	211.863	(27.889)
Total	700.432	252.160

(*) Other is mainly attributable to the foreign currency translation effect of foreign associates and joint ventures.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

16 Investments in equity accounted investees *(continued)*

The table below presents the financial information of the joint ventures and the associates as adjusted to comply with accounting policies adopted by the Group; which is applied before consolidating to the Group with the equity method:

	31 December 2018						31 December 2018		
Associates	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenue	Net profit/(loss)	Other comprehensive income / (expense)
VDF Tüketici	8.582.070	121.979	8.704.049	8.426.558	2.041	8.428.599	991.155	(31.914)	--
Jermyn Street	634.208	1.861.643	2.495.851	149.386	1.173.803	1.323.189	47.663	(40.418)	234.438
Others	1.992.792	1.373.807	3.366.599	2.286.555	561.248	2.847.803	2.840.679	95.747	165.863
Joint ventures									
Boyabat	55.598	1.777.600	1.833.198	4.308.275	194.845	4.503.120	141.509	(1.350.280)	--
Aslancık	13.983	449.573	463.556	218.874	406.745	625.619	113.984	(122.434)	--
Azumi	184.422	1.814.208	1.998.630	240.053	438.806	678.859	916.046	85.479	88.267
Others	750.802	3.794.344	4.545.146	764.884	1.681.877	2.446.761	2.870.354	(9.661)	124.827

	31 December 2017						31 December 2017		
Associates	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenue	Net profit/(loss)	Other comprehensive income / (expense)
VDF Tüketici	8.712.543	98.765	8.811.308	8.498.886	1.170	8.500.056	812.822	70.329	--
Jermyn Street	451.708	914.440	1.366.148	67.155	339.132	406.287	26.645	(26.849)	357.466
Others	2.110.193	1.131.195	3.241.388	2.697.145	7.961	2.705.106	2.404.460	20.963	260.682
Joint ventures									
Boyabat	53.124	1.939.245	1.992.369	482.517	2.740.811	3.223.328	285.528	(540.756)	--
Aslancık	25.928	428.458	454.386	144.307	346.272	490.579	82.612	(37.726)	--
Azumi	150.377	1.286.152	1.436.529	144.093	352.606	496.699	640.697	85.329	135.791
Others	509.306	3.402.840	3.912.146	711.455	1.397.993	2.109.448	2.259.007	(54.098)	111.490

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

16 Investments in equity accounted investees *(continued)*

The following table summarizes cash and cash equivalents, depreciation and amortisation expenses, interest income and interest expenses of significant joint ventures before the consolidation of eliminations and adjustments:

	31 December 2018			
	Cash and cash equivalents	**Depreciation and amortisation**	**Interest income**	**Interest expense**
Azumi Limited	89.753	41.084	361	12.634
VDF Tüketici	820.793	13.446	991.155	902.323

	31 December 2017			
	Cash and cash equivalents	**Depreciation and amortisation**	**Interest income**	**Interest expense**
Azumi Limited	90.546	92.589	356	5.606
VDF Tüketici	1.165.277	15.454	812.822	640.558

Financial Information regarding Azumi Limited and its subsidiaries

The following table summarizes the reconciliation of investments in equity of Azumi Limited and its subsidiaries:

	2018	**2017**
Total equity attributable to equity holders of Azumi Limited	966.525	800.418
Total equity attributable to equity holders of Azumi Limited based on the equity interest of the Group (50,01%)	483.359	400.289
Goodwill	176.544	168.202
Investment in equity accounted investees	**659.903**	**568.491**

Financial information regarding VDF Tüketici

The following table summarizes the reconciliation of investments in equity of VDF Tüketici:

	2018	**2017**
Total equity attributable to equity holders of VDF Tüketici	275.450	311.253
Total equity attributable to equity holders of VDF Tüketici based on the equity interest of the Group (49,00%)	134.970	152.514
Goodwill	6.076	6.076
Investment in equity accounted investees	**141.046**	**158.590**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

17 Trade receivables and trade payables

Short-term trade receivables

As at 31 December, short-term trade receivables comprised the following:

	2018	2017
Account receivables	1.185.072	2.057.061
Contracts receivable	755.549	1.001.153
Due from customers for contract work (Note 24)	504.060	486.521
Doubtful receivables	96.959	74.416
Allowance for doubtful receivables (-)	(96.959)	(74.416)
Post dated cheques	82.929	57.054
Notes receivables	5.523	24.819
Other receivables	48.051	38.750
	2.581.184	3.665.358

Long-term trade receivables

As at 31 December, long-term trade receivables comprised the following:

	2018	2017
Due from customers for contract work (Note 24)	163.543	142.374
Contracts receivable	181.110	134.535
Doubtful receivables	365.150	264.051
Allowance for doubtful receivables (-)	(365.150)	(264.051)
	344.653	276.909

As at 31 December 2018, the Group held letters of guarantee amounting to TL 95.655 thousand (31 December 2017: TL 126.391 thousand) as collateral against its receivables.

Movements in the allowance for doubtful receivables during the years ended 31 December were as follows:

	2018	2017
Balance at the beginning of the year	338.467	310.301
IFRS 9 effect	31.493	--
Provision for the year	18.948	13.789
Acquired through business combinations	--	218
Recoveries	(983)	(1.245)
Written-off provisions	(932)	(11.653)
Exchange rate differences on foreign currency balances	75.116	27.057
Balance at the end of the year	462.109	338.467

Short-term trade payables

As at 31 December, short-term trade payables comprised the following:

	2018	2017
Account payables	1.656.943	1.700.707
Due to customers for contract work (Note 24)	459.401	153.585
Payables related to employee benefits	30.794	15.719
Notes payable	2.125	1.736
Other payables	154.787	140.298
	2.304.050	2.012.045

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

18 Inventories

As at 31 December, inventories comprised the following:

	2018	2017
Trading goods (**)	979.100	956.603
Goods in transit (**)	370.764	466.568
Spare parts	173.777	176.608
Raw materials (*)	159.097	162.221
Trading property, net of impairment provisions	1.901	1.901
Other inventory	70.193	85.881
Provision for impairment in the value of inventories (-)	(10.476)	(9.326)
	1.744.356	1.840.456

(*) As at 31 December 2018 and 2017, raw materials are mainly composed of construction materials in various construction projects of Doğuş İnşaat and food and beverage inventories of the companies of food and beverage and tourism segment.

(**) Trading goods and goods in transit are mainly composed of automotive segment.

The Group has provided provision for damaged and slow-moving items in inventories. The current year inventory provision is included in "cost of sales".

For the years ended 31 December, movement of provision for diminution in the carrying value of inventories is as follows:

	2018	2017
Balance at the beginning of the year	9.326	6.400
Increase during the period	1.077	5.847
Currency translation differences	73	38
Reversal of provisions	--	(2.959)
End of the period	10.476	9.326

19 Investment property

As at 31 December, investment properties comprised the following:

	2018	2017
Investment property	4.445.754	3.991.786
Investment property under construction	4.763.160	3.683.280
	9.208.914	7.675.066

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

19 Investment property *(continued)*

19.1 Investment property

For the years ended 31 December, the movements of investment property were as follows:

	2018	2017
Balance at the beginning of the year	3.991.786	3.471.974
Fair value changes recognised in profit or loss (Note 12)	643.456	207.969
Additions	54.076	102.640
Disposals	(311.112)	--
Transfer to investment property under construction	--	215.774
Translation reserves	--	9.174
Transfer from property and equipment (Note 20)	67.548	1.871
Transfer to property and equipment (Note 20)	--	(17.616)
End of the period	4.445.754	3.991.786

19.2 Investment property under construction

For the years ended 31 December, the movements of investment property under construction were as follows:

	2018	2017
Balance at the beginning of the year	3.683.280	2.886.330
Additions	419.442	347.679
Capitalised interest expense	262.096	170.767
Capitalised foreign currency differences	507.864	491.917
Transfer from property and equipment	--	2.361
Disposals	(109.522)	--
Transfer (to) / from investment property	--	(215.774)
End of the period	4.763.160	3.683.280

Investment property under construction is mainly composed of Salıpazarı Cruise Harbor amounting to TL 4.748.739 thousand. On 16 May 2013, Doğuş Holding won the tender for privatization of Salıpazarı Port Area. On 18 July 2013, Competition Board decided that Doğuş Holding's acquisition of the Salıpazarı Cruise Harbor, which was previously owned by Türkiye Denizcilik İşletmeleri Anonim Şirketi, within the scope of its privatization via the "transfer of operating rights" method for a period of 30 years was not subject to authorisation of the Board. Total amount of the tender was paid on 13 February 2014 as TL 1.539.169 thousand (equivalent of USD 702 million).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

19 Investment property *(continued)*

The Group obtained independent appraisal reports for each item of investment properties and stated them at their fair values. All investment property within the scope of IFRS 13 on the fair value hierarchy are as follows:

2018	Level 1	Level 2	Level 3	Total
Investment property	--	1.512.845	2.932.909	4.445.754
Total	--	1.512.845	2.932.909	4.445.754

2017	Level 1	Level 2	Level 3	Total
Investment property	--	1.223.289	2.768.497	3.991.786
Total	--	1.223.289	2.768.497	3.991.786

As at 31 December 2018, fair value of the investment properties is calculated by using the discounted cash flow method and a peer comparison by independent appraisal.

Peer comparison method (Level 2) determines recently listed or sold properties in market and takes into consideration of other factors for the adjustment of value based on size of land of property with current condition and location. For current market outlook, the appraisers contact with the property sale intermediaries.

The following table shows the cost method and discounted cash flow valuation technique (Level 3) used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	❖ Expected market rental growth, 0-6% ❖ Occupancy rate (85-99,9%) ❖ Risk-adjusted discount rates (6,8-22%).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

20 Property and equipment

Movements of property and equipment and related accumulated depreciation during the year ended 31 December 2018 were as follows:

Cost	1 January	Additions	Acquired through business combinations (**)	Disposals	Transfers	Effects of movements in exchange rates	Net revaluation change	Sale of subsidiary (***)	Transfers to investment property	Transfers to assets held for sale	Written off	31 December
Land and buildings (*)	7.977.005	86.973	--	(78 617)	82.019	1 014.127	586.623	(1.346.655)	(76.557)	(32.353)	--	8.212.565
Furniture and equipment	2.392.352	257.660	7.004	(132.093)	2.647	407.670	--	(198.614)	(9.482)	--	(174)	2.726.970
Leasehold improvements	2.626.226	203.259	31.796	(92.477)	54.491	771.817	--	--	--	--	(11.185)	3.583.927
Motor vehicles	567.255	109.170	--	(124.267)	2	25.726	--	(18.541)	(22)	--	--	559.323
Construction in progress	280.306	343.198	--	(27.681)	(134.058)	44.040	--	--	--	--	--	505.805
Others	74.154	3.412	--	(756)	(408)	31.499	--	(4.140)	--	--	--	103.761
Total cost	13.917.298	1.003.672	38.800	(455.891)	4.693	2.294.879	586.623	(1 567.950)	(86.061)	(32.353)	(11.359)	15.692 351

Less: Accumulated depreciation	1 January	Current year depreciation	Acquired through business combinations	Disposals	Transfers	Effects of movements in exchange rates	Net revaluation change	Sale of subsidiary	Transfers to investment property	Transfers to assets held for sale	Written off	31 December
Buildings	(1.107.776)	(147.132)	--	9.256	10	(116.742)	(76.113)	229.749	11.525	2 163	--	(1.195.060)
Furniture and equipment	(1.299.885)	(250.854)	(2.440)	67.355	(2.980)	(158.245)	--	113.708	6.966	--	--	(1.526.375)
Leasehold improvements	(530.043)	(139.263)	(8.442)	57.962	6.593	(51.451)	--	--	--	--	167	(664.477)
Motor vehicles	(186.850)	(49.109)	--	67.274	14	(7.220)	--	3.047	22	--	1.529	(171.293)
Others	(47.290)	(5.355)	--	600	(341)	(21.512)	--	3.276	--	--	--	(70 622)
Total accumulated depreciation	(3.171.844)	(591.713)	(10.882)	202.447	3.296	(355.170)	(76.113)	349.780	18.513	2.163	1 696	(3.627.827)
Net book value	10.745.454	--	27.918	(253.444)	7.989	1.939.709	510.510	(1.218.170)	(67.548)	(30.190)	(9 663)	12 064.524
Less Impairment in value	(14.598)	--	--	5.998		6.472	424	--	--	--	--	(1.704)
Net carrying value	10.730.856	--	27.918	(247.446)	7.989	1.946.181	510.934	(1.218.170)	(67.548)	(30.190)	(9.663)	12.062.820

(*)The fair value of land and buildings have been calculated on a periodic basis by independent valuation companies using peer comparison and income discounting methods.
(**) Includes purchase of land amounting to TL 27.918 thousand belonging to Liquid Art which is accounted as asset purchase.
(***) Includes the balances of Hotel Villa Magna SLU which were transferred in 2018.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

20 Property and equipment *(continued)*

Movements of property and equipment and related accumulated depreciation during the year ended 31 December 2017 were as follows:

Cost	1 January	Additions	Change in consolidation method(**)	Acquired through business combinations (***)	Disposals	Transfers (****)	Effects of movements in exchange rates	Net revaluation change	Transfers from investment property	Transfers to investment property	Transfers to assets held for sale	Written off	31 December
Land and buildings (*)	6.551.080	562.598	--	120.176	(238.611)	102.685	456.400	511.635	--	(1.871)	(87.087)	--	7.977.005
Furniture and equipment	2.104.895	240.620	12.015	17.705	(131.865)	48.044	100.938	--	--	--	--	--	2.392.352
Leasehold improvements	2.554.629	77.672	21 187	9	(48.624)	(107.162)	154.004	--	--	(7.579)	--	(17 910)	2.626.226
Motor vehicles	562.891	101.361	80	1.734	(95.624)	9.751	11.128	--	--	--	(24.066)	--	567.255
Construction in progress	69.520	172.689	--	5.274	(1.308)	4.330	14.245	--	17.616	--	--	(2.060)	280.306
Others	62.565	5.882	--	3.591	(7.050)	576	8.590	--	--	--	--	--	74.154
Total cost	11.905.580	1.160.822	33.282	148.489	(523.082)	58.224	745.305	511.635	17.616	(9.450)	(111.153)	(19 970)	13.917.298

Less: Accumulated depreciation	1 January	Additions	Change in consolidation method	Acquired through business combinations	Disposals	Transfers	Effects of movements in exchange rates	Net revaluation change	Transfers from investment property	Transfers to investment property	Transfers to assets held for sale	Written off	31 December
Buildings	(924.855)	(118.100)	--	(16.063)	26.450	(24.162)	(44.751)	(22.046)	--	--	15 751	--	(1.107 776)
Furniture and equipment	(1.053.371)	(239.400)	--	(10.499)	43.973	8.123	(48.711)	--	--	--	--	--	(1.299.885)
Leasehold improvements	(423.395)	(132.089)	--	--	42.964	(12.725)	(9.661)	--	--	5.218	--	(355)	(530.043)
Motor vehicles	(141.813)	(69.849)	--	(901)	29.217	(4.377)	(1.534)	--	--	--	2.407	--	(186.850)
Others	(35.575)	(6.012)	--	(1.864)	2.577	(680)	(5.736)	--	--	--	--	--	(47.290)
Total accumulated depreciation	(2.579.009)	(565.450)	--	(29.327)	145.181	(33.821)	(110.393)	(22.046)	--	5 218	18.158	(355)	(3.171.844)
Net book value	9.326.571	595.372	33.282	119.162	(377.901)	24 403	634 912	489.589	17.616	(4.232)	(92.995)	(20.325)	10.745.454
Less: Impairment in value	(10.394)	(4.390)	--	--	--	--	(1.753)	1.939	--	--	--	--	(14.598)
Net carrying value	9.316.177	590.982	33.282	119.162	(377.901)	24.403	633.159	491.528	17.616	(4.232)	(92 995)	(20.325)	10.730.856

(*)Fair value of land and buildings of the Group is appraised by independent third party appraisers using peer comparison (level 2) and discounted cash flow method (level 3) at regular time intervals.
(**)The Coya Restaurant Group, which was classified as an associate in previous periods, was consolidated as a subsidiary as of 31 December 2017.
(***)Includes property and equipment acquired through business combination as disclosed in Note 36 and includes purchase of land amounting to TL 88.183 thousand belonging to Meng which is accounted as asset purchase.
(****)Transfer is partly comprised of motor vehicle belonging to Körfez Havacılık amounting to TL 21.659 thousand which was previously classified as assets held for sale and which was reclassified as property and equipment during the current year and Doğuş Holding's land located in Maslak.

The Group's land and buildings are revalued for the purpose of the consolidated financial statements. Independent third party appraisers conduct the appraisals periodically on the basis of fair market value. As at 31 December 2018, the revaluation surplus, net of non-controlling interests and deferred taxes, amounting to TL 2.868.803 thousand including the fair value differences of investment and trading properties till the date of the use of property change from own use and the fair value differences of land and buildings until reclassified as asset held for sale (31 December 2017: TL 2.456.357 thousand) was recognised in other comprehensive income, and presented in "revaluation surplus" account within the equity.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

20 Property and equipment *(continued)*

Had there been no revaluation on land and buildings, the balances of land and buildings as at 31 December would have been as follows:

	Historical cost	Accumulated depreciation	Net Book Value
31 December 2018	5.460.036	(784.898)	4.675.138
31 December 2017	5.784.109	(805.991)	4.978.118

21 Intangible assets

As at 31 December, intangible assets comprised the following:

	2018	2017
Goodwill	1.233.194	1.316.943
Intangible assets except goodwill	1.867.636	1.759.301
	3.100.830	3.076.244

21.1 Goodwill

As at 31 December, the movements in goodwill were as follows:

	2018	2017
Balance at the beginning of the year	1.316.943	1.072.341
Acquisition during the year (Note 36)	--	107.293
Adjustment of goodwill previously recognised as provisional (*)	16.152	(36.688)
Coya	*16.152*	--
Villa Magna	--	*(18.998)*
Aldrovandi	--	*(17.690)*
Sale of subsidiary	(53.302)	--
Villa Magna	*(53.302)*	--
Impairment of goodwill	(181.647)	--
Star TV (formerly named as Kapital Radyo)	*(1.747)*	--
Pozitif Group Companies	*(28.860)*	--
Aresta	*(1.825)*	--
Doors Holding	*(149.215)*	--
Change in consolidation method – Coya (Note 36)	--	124.562
Adjustments for currency translation	135.048	49.435
Balance at the end of the year	1.233.194	1.316.943

(*) Based on revision works on the valuation regarding the fair value of intangible assets of Coya Companies during the current period, the goodwill amount has increased by TL 16.152 thousand respectively. As of 31 December 2017, based on revision works on the valuation regarding the fair value of intangible assets of Villa Magna and Mercati S.p.A. during the current period, the goodwill amount has decreased by TL 18.998 thousand and TL 17.690 thousand, respectively.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

21 Intangible assets *(continued)*

21.1 Goodwill *(continued)*

As at 31 December, goodwill comprised the following:

Entity	Acquisition cost	Net asset fair value	Purchase date	Shares acquired %	Group share	Cumulative adjustment for currency translation	Impairment	Sale of subsidiary	31 December 2018 net amount	31 December 2017 net amount
Günaydın	316.884	94.941	August 2014	70,00	66.459	--	--	--	250.425	250.425
Star TV	596.234	405.110	November 2011	99,93	404.810	--	--	--	191.424	191.424
Coya	147.632	32.362	January 2017	76,00-72,00	124.562	77 829	--	--	218.543	151.611
Doors Holding	259.929	159.558	December 2012	74,25	118.472	7.757	(149.215)	--	--	145.988
CW Finance SAS	132 511	25 218	October 2017	75,00	25.218	35.938	--	--	143 232	107.293
NTV Radyo	98.877	12.081	April 2004	97,00	11.719	--	--	--	87.158	87 158
Mercati S.p.A	270.659	209.591	January 2016	100,00	209.591	35.021	--	--	96.088	73.238
Villa Magna	579.327	549.080	March 2016	100,00	549.080	23.055	--	(53.302)	--	40 474
Maça Kızı	58.236	15.926	November 2013	60,00	9.556	--	--	--	48.680	48.680
Sele Restaurant Group	54.625	24 061	April 2015	67,00	16.121	--	--	--	38.504	38 504
Pozitif Group Companies	46.598	22 173	August 2013	80,00	17.738	--	(28.860)	--	--	28 860
Acropolis S.p A.	285.701	257.467	May 2016	100,00	257.467	15.556	--	--	43.789	34.365
Doğuş İnşaat	89.076	1.491.894	December 2006	4,09	61.093	--	--	--	27 983	27.983
Etiler Turistik	28.112	15.182	August 2013	75,00	11.386	--	--	--	16.726	16 726
D Et	21.859	15.179	April 2012	51,00	7.741	--	--	--	14.118	14.118
Zadar Resort	67.657	55.845	May 2014	100,00	55.845	--	--	--	11.812	11.812
Hedef Medya	43.267	55 010	March 2015	60,00	33 006	--	--	--	10.261	10.261
Villa Dubrovnik	80 425	82.780	April 2014	88,17	72 987	--	--	--	7.437	7 437
Sait Balıkçılık	8.061	5.062	December 2013	60,00	3 037	--	--	--	5.024	5.024
Meto Turizm	8.385	4.897	August 2013	75,00	3.673	--	--	--	4.712	4.712
Lacivert	9.145	5.971	May 2013	75,00	4.478	--	--	--	4.667	4.667
Star TV (*) (formerly, named as Kapital Radyo)	9.246	72	December 2007	97,00	70	--	(1.747)	--	2 388	4 135
LPM	1.461	(1.413)	February 2015	100,00	(1 413)	--	--	--	2.874	2.874
Kivahan	3.619	1.509	April 2012	51,00	770	--	--	--	2.849	2.849
DOAŞ	2.735	--	December 2006	50,00	--	--	--	--	2.735	2 735
Aresta	5.207	5.637	December 2012	60,00	3.382	--	(1.825)	--	--	1.825
Semanticum	1 649	609	February 2016	60,00	365	--	--	--	1.284	1.284
Portakal Yazılım	1.525	1.741	December 2014	60,00	1.044	--	--	--	481	481
						195.156	**(181.647)**	**(53.302)**	**1.233.194**	**1.316.943**

(*) Kapital Radyo merged with Star TV on 29 June 2012.

21 Intangible assets *(continued)*

21.1 Goodwill *(continued)*

Impairment testing for goodwill

The Group performs annual impairment tests for goodwill and other intangible assets that have indefinite useful life, together in each entity.

The recoverable amount of goodwill related with DOAŞ are determined based on their quoted share prices.

The valuations of the fair value of equities of NTV Radyo is performed by the Group. The peer comprison approach and similar approaches are used to determine the fair value of equities.

The valuation of the fair value of equity for Doğuş İnşaat is performed by by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Doğuş İnşaat. 6-year business plan prepared by management is used for valuation. The Group considers business plans developed during the life of the construction contracts in progress is more appropriate for valuation.

The valuation of the fair value of equity for Star TV is performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Star TV. 5-year business plan prepared by management is used for valuation.

The valuations of the fair value of equities of Kivahan, Mezzaluna, Lacivert, Sait Balıkçılık, Etiler Turistik, Meto Turizm, Sele Restaurant Group and LPM are performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equities of Kivahan, Mezzaluna, Lacivert, Sait Balıkçılık, Etiler, Meto, Sele Restaurant Group and LPM. 5-year business plan prepared by management is used for valuations.

The valuation of the fair value of equity for Günaydın companies is performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Günaydın 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for Villa Dubrovnik, Maça Kızı and Argos in Cappadocia are performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Villa Dubrovnik, Maça Kızı and Argos in Cappadocia 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for Hedef Medya is performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Hedef Medya 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for Mercati S.p.A. companies is performed by an independent valuation company. The income approach (discounted cash flow method) is used to determine the fair value of equity of Mercati S.p.A 5-year business plan prepared by management is used for valuation.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

21 Intangible assets *(continued)*

21.1 Goodwill *(continued)*

Impairment testing for goodwill *(continued)*

The valuation of the fair value of equity for Acropolis S.p.A is performed by an independent valuation company. The income approach (discounted cash flow method) is used to determine the fair value of equity of Acropolis S.p.A 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for CW Finance SAS is performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of CW Finance SAS 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for D-Et and Coya Restaurant Group is performed by the Group. In order to determine the fair value of the equity of these companies, the method used to multiply the profit before interest, tax, and depreciation is frequently used in the food and beverage sector.

Key assumptions used in discounted cash flow projections

Key assumptions used in calculation of recoverable amounts about goodwill and other intangible assets that have indefinite useful life are discount rates and terminal growth rates. Discount rates were determined by currency used in discounted cash flow. These assumptions are as follows:

	Currency	Discount rate	Terminal growth rate
Doğuş İnşaat	USD	percent 8,1	percent 2,00
Kapital Radyo	TL	percent 18,3	percent 7,00
Star TV	USD	percent 8,1	percent 1,00
Kivahan	TL	percent 23,1	percent 7,00
Mezzaluna	TL	percent 22,4	percent 7,00
Lacivert	TL	percent 24,3	percent 7,00
Sait Balıkçılık	TL	percent 24,0	percent 7,00
Etiler Turistik ve Meto Turizm	TL	percent 24,3	percent 7,00
Günaydın	TL	percent 21,2	percent 7,00
Villa Dubrovnik	EUR	percent 10,2	percent 2,00
Argos in Cappadocia	EUR	percent 7,3	percent 2,00
Sele Restaurant Group	TL	percent 19,0	percent 7,00
Hedef Medya	USD	percent 12,9	percent 2,00
LPM	TL	percent 19,0	percent 7,00
CW Finance SAS	EUR	percent 7,99	percent 2,00

Discount rates used in discounted cash flows are the weighted average cost of capital ("WACC") of the relevant entities. As a result of the impairment testing on entity basis, no impairment loss is recognised during the year ended 31 December 2018.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

21 Intangible assets *(continued)*

21.2 Other intangible assets

Movements of other intangible assets and related accumulated amortisation during the year ended 31 December 2018 were as follows:

Cost	1 January	Additions	Acquired through business combinations (*)	Disposals	Transfers	Effects of movements in exchange rates	Impairment	Sale of subsidiary	31 December
Concession rights	620 751	59.044	--	--	5.527	170.547	--	--	855.869
Concession rights-D Marin Göcek (a)	34.952	7.748	--	--	--	--	--	--	42.700
Concession rights- Didim Marina (l)	--	33.084	--	--	--	--	--	--	33.084
Concession rights – Turgutreis Marina (l)	--	18.212	--	--	--	--	--	--	18.212
Concession rights – Dalmacija and Borik(c)	236.552	--	--	--	--	78.537	--	--	315.089
Concession rights – Pozitif Arena (h)	13.824	--	--	--	--	--	--	--	13.824
Concession rights – K&G	48.497	--	--	--	--	4.818	--	--	53.315
Concession rights – Marina Sibenik	639	--	--	--	--	11	--	--	650
Concession rights – MB 92	286.287	--	--	--	5.527	87.181	--	--	378.995
Customer relationship	66.828	--	--	--	--	2.419	--	--	69.247
Customer relationship-D Marin Göcek (a)	1.890	--	--	--	--	--	--	--	1.890
Customer relationship Dalmacija and Borik (c)	7.223	--	--	--	--	2.419	--	--	9.642
Customer relationship-Maça Kızı	734	--	--	--	--	--	--	--	734
Customer relationship-Hedef Medya	56.981	--	--	--	--	--	--	--	56.981
Brand name	681 922	--	--	--	--	43 948	(19 232)	(63.739)	642.899
Brand name - Star TV	232.429	--	--	--	--	--	--	--	232.429
Brand name - Nusr-et (d)	17.207	--	--	--	--	--	--	--	17.207
Brand name - Kivahan (e)	1.677	--	--	--	--	--	--	--	1.677
Brand name - Go Mongo (g)	6.509	--	--	--	--	--	(6.509)	--	--
Brand name - Kitchenette (f)	60.443	--	--	--	--	--	--	--	60.443
Brand name - Da Mario (f)	13.804	--	--	--	--	--	--	--	13.804
Brand name - Gina (f)	11.341	--	--	--	--	--	--	--	11.341
Brand name - Vogue (f)	11.483	--	--	--	--	--	--	--	11.483
Brand name - Tom's Kitchen (f)	9.884	--	--	--	--	--	(9.884)	--	--
Brand name - Mezzaluna	5.887	--	--	--	--	--	--	--	5.887
Brand name - Lacivert	7.385	--	--	--	--	--	--	--	7.385
Brand name - Ulus 29 (i)	12.976	--	--	--	--	--	--	--	12.976
Brand name - Çubuklu 29 (i)	4.217	--	--	--	--	--	--	--	4.217
Brand name - Makı 29, Alaçatı 29 (i)	2.839	--	--	--	--	--	(2.839)	--	--
Brand name - Maça Kızı	2.955	--	--	--	--	--	--	--	2.955
Brand name - Sait	4.053	--	--	--	--	--	--	--	4.053
Brand name - Villa Dubrovnik	7.332	--	--	--	--	--	--	--	7.332
Brand name - Argos in Cappadocia	3.121	--	--	--	--	--	--	--	3.121
Brand name –Günaydın	92.292	--	--	--	--	--	--	--	92.292
Brand name –Pozitif (h)	17.256	--	--	--	--	--	--	--	17.256
Brand name –Sele Restaurant Group)(k)	33.536	--	--	--	--	--	--	--	33.536
Brand name – Capri	17.741	--	--	--	--	5.943	--	--	23.684
Brand name – Villa Magna	47.746	--	--	--	--	15.993	--	(63.739)	--
Brand name – Aldrovandi	27.642	--	--	--	--	9.259	--	--	36.901
Brand name - Coya	30.167	--	--	--	--	12.753	--	--	42.920
Broadcasting rights	196.939	--	--	--	--	--	(24.271)	--	172 668
Broadcasting rights - A Yapım (b)	64.724	--	--	--	--	--	(24.271)	--	40.453
Broadcasting rights - Star TV	132.215	--	--	--	--	--	--	--	132.215
Content library (movies and series) - *Star TV*	20.365	--	--	(20.365)	--	--	--	--	--
Franchise network - Kitchenette *(f)*	6.913	--	--	--	--	--	--	--	6 913
Sponsorship contract *(f)*	74.887	--	--	--	--	--	--	--	74.887
Other intangible assets	497.040	100.634	3.733	(48.636)	(10.220)	29.394	(54)	(27.756)	544 135
Total cost	2.165.645	159.678	3.733	(69.001)	(4.693)	246.308	(43.557)	(91.495)	2.366.618

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

21 Intangible assets *(continued)*

21.2 Other intangible assets *(continued)*

Less: Accumulated amortisation	1 January	Current year amortisation	Acquired through business combinations (*)	Disposals	Transfers	Effects of movements in exchange rates	Impairment	Sale of subsidiary	31 December
Concession rights	106.227	38.138	--	--	1 810	21.598	--	--	167.773
Concession rights-D Marin Göcek (a)	*3.188*	*1 099*	--	--	*1.810*	--	--	--	6.097
Concession rights- Dalmacija and Borik (c)	*26.239*	*23.749*	--	--	--	*4.926*	--	--	*54.914*
Concession rights - Pozitif Arena (h)	*2.937*	*691*	--	--	--	--	--	--	*3.628*
Concession rights- K&G	*8.834*	*3.605*	--	--	--	--	--	--	*12.439*
Concession rights- MB 92	*65.029*	*8 994*	--	--	--	*16.672*	--	--	*90.695*
Customer relationship	22 329	6.500	--	--	(1 810)	877	--	--	27.896
Customer relationship-D Marin Göcek (a)	*2.388*	*107*	--	--	*(1.810)*	--	--	--	*685*
Customer relationship-Dalmacija and Borik (c)	*2.259*	*548*	--	--	--	*877*	--	--	*3.684*
Customer Relationship-Maça Kızı	*588*	*147*	--	--	--	--	--	--	*735*
Customer Relationship – Hedef Medya	*17.094*	*5.698*	--	--	--	--	--	--	*22.792*
Content library (movies and series) - *Star TV*	20.365	--	--	(20 365)	--	--	--	--	--
Franchise network - Kitchenette *(f)*	3.507	701	--	--	--	--	--	--	4.208
Sponsorship contracts *(f)*	36.987	7.576	--	--	--	--	--	--	44.563
Other intangible assets	216.929	69.732	373	(42 370)	3.296	9.498	--	(2.916)	254.542
Total accumulated amortisation	406.344	122 647	373	(62.735)	3.296	31 973	--	(2.916)	498.982
Net carrying value	1.759.301	--	3.360	(6 266)	(7.989)	214.335	(43.557)	(88.579)	1.867.636

(1) Includes amounts of Liquid Art which is accounted as asset purchase.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

21 Intangible assets *(continued)*

21.2 Other intangible assets *(continued)*

Movements of other intangible assets and related accumulated amortisation during the year ended 31 December 2017 were as follows:

Cost	1 January	Additions	Acquired through business combinations	Change in consolidation method	Disposals	Transfers	Effects of movements in exchange rates	Impairment	Sale of subsidiary	31 December
Concession rights	520 675	--	6 782	--	--	--	93 294	--	--	620.751
Concession rights-D Marin Gocek (a)	*34 952*	--	--	--	--	--	--	--	--	*34 952*
Concession rights- Dalmacija and Borik (c)	*195 701*	--	--	--	--	--	40 851	--	--	*236 552*
Concession rights – Pozitif Arena (h)	*13 824*	--	--	--	--	--	--	--	--	*13.824*
Concession rights – K&G	*45.931*	--	--	--	--	--	2 566	--	--	*48 497*
Concession rights – Marina Sibenik	*628*	--	--	--	--	--	11	--	--	*639*
Concession rights – MB 92	*229.639*	--	6.782	--	--	--	49 866	--	--	286 287
Customer relationship	65 539	--	--	--	--	--	1 289	--	--	66.828
Customer relationship-D Marin Gocek (a)	*1 890*	--	--	--	--	--	--	--	--	*1 890*
Customer relationship Dalmacija and Borik (c)	*5 934*	--	--	--	--	--	1 289	--	--	*7.223*
Customer relationship-Maça Kızı	*734*	--	--	--	--	--	--	--	--	*734*
Customer relationship-Hedef Medya	*56 981*	--	--	--	--	--	--	--	--	*56 981*
Brand name	582 847	--	66 832	25.030	--	--	16 858	(9.645)	--	681 922
Brand name - Star TV	*232.429*	--	--	--	--	--	--	--	--	*232.429*
Brand name - Nusr-et (d)	*17 207*	--	--	--	--	--	--	--	--	*17.207*
Brand name - Kıvahan (e)	*1 677*	--	--	--	--	--	--	--	--	*1 677*
Brand name - Go Mongo (g)	*6 509*	--	--	--	--	--	--	--	--	*6.509*
Brand name - Kitchenette (f)	*60 443*	--	--	--	--	--	--	--	--	*60.443*
Brand name - Da Mario (f)	*13 804*	--	--	--	--	--	--	--	--	*13.804*
Brand name - Gina (f)	*11 341*	--	--	--	--	--	--	--	--	*11.341*
Brand name - Vogue (f)	*11 483*	--	--	--	--	--	--	--	--	*11.483*
Brand name - Anjelique	*9 645*	--	--	--	--	--	--	*(9.645)*	--	--
Brand name - Tom's Kitchen (f)	*9 884*	--	--	--	--	--	--	--	--	*9 884*
Brand name - Mezzaluna	*5 887*	--	--	--	--	--	--	--	--	*5.887*
Brand name - Lacivert	*7 385*	--	--	--	--	--	--	--	--	*7.385*
Brand name - Ulus 29 (i)	*12 976*	--	--	--	--	--	--	--	--	*12.976*
Brand name - Çubuklu 29 (i)	*4 217*	--	--	--	--	--	--	--	--	*4 217*
Brand name - Maki 29, Alaçatı 29 (i)	*2 839*	--	--	--	--	--	--	--	--	*2 839*
Brand name - Maça Kızı	*2 955*	--	--	--	--	--	--	--	--	*2 955*
Brand name - Sait	*4.053*	--	--	--	--	--	--	--	--	*4 053*
Brand name –Villa Dubrovnik	*7 332*	--	--	--	--	--	--	--	--	*7 332*
Brand name –Argos in Cappadocia	*3 121*	--	--	--	--	--	--	--	--	*3.121*
Brand name –Günaydın	*92 292*	--	--	--	--	--	--	--	--	*92.292*
Brand name –Pozitif (h)	*17 256*	--	--	--	--	--	--	--	--	*17.256*
Brand name –Sele Restaurant Group)(k)	*33 536*	--	--	--	--	--	--	--	--	*33 536*
Brand name - Capri	*14.576*	--	--	--	--	--	*3 165*	--	--	*17 741*
Brand name – Villa Magna	--	--	*42 327*	--	--	--	*5 419*	--	--	*47 746*
Brand name – Aldrovandi	--	--	*24 505*	--	--	--	*3 137*	--	--	*27 642*
Brand name - Coya	--	--	--	*25 030*	--	--	*5 137*	--	--	*30 167*
Broadcasting rights	271 451	--	--	--	--	--	--	(61 341)	(13.171)	196.939
Broadcasting rights - A Yapım (b)	*139 236*	--	--	--	--	--	--	*(61 341)*	*(13.171)*	*64 724*
Broadcasting rights - Star TV	*132 215*	--	--	--	--	--	--	--	--	*132 215*
Content library (movies and series) - *Star TV*	20 365	--	--	--	--	--	--	--	--	20 365
Franchise network - Kitchenette *(f)*	6 913	--	--	--	--	--	--	--	--	6 913
Sponsorship contract *(f)*	74 887	--	--	--	--	--	--	--	--	74.887
Other intangible assets	417.602	104 890	1.908	8 156	(8 876)	(35.368)	8.728	--	--	497 040
Total cost	1 960 279	104.890	75.522	33 186	(8 876)	(35.368)	120.169	(70 986)	(13 171)	2.165.645

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

21 Intangible assets *(continued)*

21.2 Other intangible assets *(continued)*

Less: Accumulated amortisation	1 January	Current year amortisation	Acquired through business combinations	Change in consolidation method	Disposals	Transfers	Effects of movements in exchange rates	Impairment	Sale of subsidiary	31 December
Concession rights	71 598	22 930	--	--	--	--	11 699	--	--	106 227
Concession rights-D Marin Göcek (a)	*2.676*	*512*	--	--	--	--	--	--	--	*3.188*
Concession rights- Dalmacija and Borik (c)	*15.303*	*8.731*	--	--	--	--	*2.205*	--	--	*26 239*
Concession rights - Pozitif Arena (h)	*2.246*	*691*	--	--	--	--	--	--	--	2 937
Concession rights- K&G	*6.204*	*2.630*	--	--	--	--	--	--	--	*8.834*
Concession rights- MB 92	*45 169*	*10.366*	--	--	--	--	*9.494*	--	--	*65.029*
Customer relationship	15 141	6 789	--	--	--	--	400	--	--	*22.330*
Customer relationship-D Marin Gocek (a)	*1.850*	*538*	--	--	--	--	--	--	--	*2.388*
Customer relationship-Dalmacija and Borik (c)	*1.454*	*406*	--	--	--	--	*400*	--	--	*2.260*
Customer Relationship-Maça Kızı	*441*	*147*	--	--	--	--	--	--	--	*588*
Customer Relationship – Hedef Medya (Note 36 6)	*11.396*	*5 698*	--	--	--	--	--	--	--	*17.094*
Content library (movies and series) - *Star TV*	20 365	--	--	--	--	--	--	--	--	20.365
Franchise network - Kitchenette *(f)*	2 806	*701*	--	--	--	--	--	--	--	3.507
Sponsorship contracts *(f)*	29 411	7.576	--	--	--	--	--	--	--	36 987
Other intangible assets	160.965	62 125	721	--	(3.167)	(10 965)	7 249	--	--	216.928
Total accumulated amortisation	300 286	100.121	721	--	(3 167)	(10 965)	19 348	--	--	406 344
Net carrying value	1 659 993	4.769	74.801	33.186	(5 709)	(24 403)	100 821	(70 986)	(13.171)	1 759 301

a) According to share transfer agreement dated 27 October 2009, the Group decided to purchase D Marin Göcek from Turkon Holding Anonim Şirketi. On 7 December 2010, the share transfer was finalised with a closing agreement and the Group obtained control by acquiring 100 percent of shares and voting rights in D Marin Göcek. Under IFRS 3, customer relationships amounting to TL 1.890 thousand and concession rights amounting to TL 20.454 thousand were recognised as intangible assets arising from the acquisition of D Marin Göcek at the date of acquisition. During the year 2015, TL 14.498 thousand which was previously classified as goodwill has been reclassified as other intangible assets.

b) Following the tender organised by Saving Deposits Insurance Fund on 18 June 2008; the transfer of the commercial and economic assets of Kral TV and Kral FM to A Yapım Televizyon Programcılık A.Ş. ("A Yapım"), a consolidated entity operating in media business, was started and Competition Authority approvals were obtained. Radio Television Supreme Council approved the process and A Yapım took over Kral TV and Kral FM on 16 October 2008 and recognised the amounts paid as broadcasting rights under intangible assets.

c) With the share purchase agreement dated 20 April 2012, the Group has decided to purchase 100 percent of shares in Marina Dalmacija d.o.o. and Marina Borik d.o.o. from International Seaport AG. On 30 April 2012, the share transfer was finalised. According to IFRS 3, customer relationship by TL 3.733 thousand and concession rights amounting to TL 43.246 thousand were recognised as intangible assets arising at the date of acquisition with purchase. During the year 2015, TL 89.509 thousand which was previously classified as goodwill has been reclassified as other intangible assets.

d) With the share transfer agreement dated 17 April 2012, the Group purchased 51 percent of shares of D Et from CNG Turizm Gıda İthalat İhracat Limited Şirketi and the Group obtained control and 51 percent voting rights in D Et. According to IFRS 3, brand name, amounting to TL 17.207 thousand has been recognised as an intangible asset at the acquisition date.

21 Intangible assets *(continued)*

21.2 Other intangible assets *(continued)*

e) With the share transfer agreement dated 13 April 2012, the Group has decided to purchase 51 percent of shares at Kivahan. On 17 April 2012, the share transfer was finalised and the Group obtained control by acquiring 51 percent of shares and voting rights in Kivahan. According to IFRS 3, brand name, amounting to TL 1.677 thousand has been recognised as an intangible asset at the acquisition date.

f) On 14 November 2012, the Group signed a share purchase agreement to acquire 74.25 percent shares of Doors Holding A.Ş. On 26 December 2012, the share transfer was finalised and the Group obtained control and 74.25 percent voting rights in Doors Holding A.Ş. According to IFRS 3, TL 186.743 thousand worth of Kitchenette, Da Mario, Gina, Vogue and Tom's Kitchen brands, sponsorship contracts and Kitchenette franchise network values at the acquisition date have been recognized as intangible asset.

g) On 16 October 2012, the Group signed a share purchase agreement to purchase 60 percent of shares in Aresta Gıda. On 5 December 2012, the share transfer was finalised and the Group obtained control and 60 percent voting rights in Aresta Gıda. According to IFRS 3, brand name, amounting to TL 6.509 thousand has been recognised as an intangible asset at the acquisition date. Impairment loss amounting to TL 6.509 thousand recognised in profit or loss as at 31 December 2018.

h) On 28 August 2013, the Group signed a share purchase agreement to purchase 80 percent of shares in Pozitif Müzik, Pozitif Yapım ve Pozitif Arena. According to IFRS 3, Babylon brand name, amounting to TL 17.256 thousand, sponsorship contract, amounting to TL 12.140 thousand and concession right Arena (VW Arena), amounting to TL 13.824 thousand has been recognised as an intangible asset at the acquisition date.

i) On 2 August 2013, the Group signed a share purchase agreement to purchase 75 percent of shares in Meto Turizm, Etiler Turistik ve Afiyet Olsun. According to IFRS 3, brand name, amounting to TL 20.032 thousand has been recognised as an intangible asset at the acquisition date. On 27 December 2017, Afiyet Olsun Turizm İşletmeleri A.Ş. has merged with Meto Turizm İşletmeciliği ve Tasarım Dekorasyon Ticaret A.Ş. under Meto Turizm İşletmeciliği ve Tasarım Dekorasyon Ticaret A.Ş. Impairment loss amounting to TL 2.839 thousand recognised in profit or loss as at 31 December 2018.

j) With the share transfer agreement dated August 2014, Group purchased 70 percent of share of Günaydın Group companies. According to IFRS 3, brand name, amounting to TL 92.292 thousand has been recognised as an intangible asset at the acquisition date.

k) With the share transfer agreement dated April 2015, Group purchased 67 percent of share of Sele Restaurant Group companies. According to IFRS 3, brand name, amounting to TL 33.536 thousand has been recognised as an intangible asset at the acquisition date.

l) The concession period of the Didim and Turgutreis marinas was extended to 49 years in accordance with the provisions of the Regulation on the Extension and Sale of Tourism Investments on Real Estates as published in the Official Gazette on 4 May 2018 based on the temporary article 23 of the Law No:4706.

22 Taxation

In Turkey, corporate tax rate is 22% as of 31 December 2018 (2017: 20%). However, according to the Article 91 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the provisional clause 10 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2018, 2019 and 2020 is amended to 22%, which would later be applied as 20% at the end of these periods. During these periods, Council of Ministers is entitled to decrease the corporate tax rate of 22% to 20%.

22 Taxation *(continued)*

The tax legislation provides for a temporary tax of 22% (2017: 20%) to be calculated and paid based on earnings generated for each quarter for the period ended 31 December 2018. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. With the amendment to the Law, corporate rate is set to 22% for the years 2018, 2019 and 2020.

75% of the income derived by entities from the sale of participation shares, immovable property, preferential rights, founders' shares and redeemed shares which are carried in assets at least for two years is exempt from corporate tax as of 31 December 2018. However, according to the amendments by Law numbered 7061, this rate is reduced from 75% to 50% and tax declarations starting from 2018 will be calculated using 50% for immovable property sales gains.

In order to be able to benefit from the exemption, the relevant income should be kept under a fund account in the liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The transfer pricing law is covered under Article 13 "disguised profit distribution via transfer pricing" of the Corporate Tax Law. The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

22 Taxation *(continued)*

Tax applications for foreign subsidiaries of the Group

The Netherlands

In the Netherlands, corporate income tax is levied at the rate of 20 percent (31 December 2017: 20 percent) for tax profits up to Euro 200.000 and 25 percent (31 December 2017: 25 percent) for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. There is an additional dividend tax of 5 percent computed only on the amounts of dividend distribution at the time of such payments.

Under the Dutch taxation system, tax losses can be carried forward for nine years to offset against future taxable income. Tax losses can be carried back to one prior year. Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months).

Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Iraq

As at 31 December 2018, enacted corporation tax rate is 15 percent (31 December 2017: 15 percent) for the entities registered in Iraq according to local tax law.

Switzerland

As at 31 December 2018, enacted corporation tax rate is 22,8 percent (31 December 2017: 22,8 percent) for the subsidiaries registered in Switzerland according to local tax law. According to the Tax Procedural Law in Switzerland, statutory losses can be carried forward maximum for seven years.

Qatar

As at 31 December 2018, enacted corporation tax rate is 10 percent (31 December 2017: 10 percent) for the subsidiaries registered in Qatar according to local tax law.

Morocco

The applicable corporate tax rate in Morocco is 31 percent (31 December 2017: 31 percent). Tax losses can be carried forward to offset against future taxable income for five years. Where the loss includes a claim for depreciation, that portion can be carried forward for indefinitely.

Saudi Arabia

As at 31 December 2018, enacted corporation tax rate is 20 percent for the entities registered in Saudi Arabia according to local tax law (31 December 2017: 20 percent).

Croatia

As at 31 December 2018, enacted corporation tax rate is 18 percent for the entities registered in Croatia according to local tax law (31 December 2017: 18 percent).

Greece

As at 31 December 2018, enacted corporation tax rate is 29 percent for the entities registered in Greece according to local tax law (31 December 2017: 29 percent).

United Kingdom

As at 31 December 2018, enacted corporation tax rate is 20 percent for the entities registered in the United Kingdom according to local tax law (31 December 2017: 19 percent).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

22 Taxation *(continued)*

22.1 Tax recognised in profit or loss

Income tax benefit for the years ended 31 December comprised the following items:

	2018	**2017**
Current corporation and income taxes	244.096	208.888
Deferred tax benefit	(300.205)	(374.702)
Total income tax (benefit) / expense	(56.109)	(165.814)

22.2 Reconciliation of effective tax rate

The reported income tax benefit for the years ended 31 December are different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2018		**2017**	
	Amount	**%**	**Amount**	**%**
Reported loss before taxation	(2.985.387)		(2.454.589)	
Taxes on reported profit per statutory tax rate	656.785	(22,00)	490.918	(20,00)
Permanent differences:				
Disallowable expenses	(182.281)	6,11	(48.999)	2,00
Tax exempt income	7.217	(0,24)	33.439	(1,40)
Impairment of goodwill	(39.962)	1,34	--	--
Effect of share of profit of equity-accounted investees	(29.501)	0,99	845	--
Current-year losses for which no deferred tax asset is recognised	(280.257)	9,39	(254.913)	10,40
Reversal of tax effect of previously recognised tax losses	(2.368)	0,08	(4.626)	0,20
Tax rate differences	32.190	(1,08)	--	--
Effects of exchange rates	(86.150)	2,89	--	--
Differences related to investment property exemption	25.522	(0,85)	10.415	(0,40)
Others, net	(45.086)	1,51	(61.264)	2,50
Tax (expense) / benefit	56.109		165.814	

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with IFRS and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes. Tax rate is 20% for deferred tax assets and liabilities on temporary differences. Since the applicable tax rate has been changed to 22% for the 3 years beginning from 1 January 2018, 22% tax rate is used in the deferred tax calculation of 31 December 2018 for the temporary differences expected to be realized within 3 years (for the years 2018, 2019 and 2020). However, since the corporate tax rate after 2020 is 20%, 20% tax rate is used for the temporary differences expected to be realized after 2020 (31 December 2017: 20%).

22.3 Taxes payable on income

In accordance with the tax legislation in Turkey, tax payments that are made in advance during the year are being deducted from the total final tax liability of the fiscal year. Accordingly, the taxation charge on income is not equal to the final tax liability appearing on the consolidated statement of financial position.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

22 Taxation *(continued)*

22.3 Taxes payable on income *(continued)*

Taxes payable on income as at 31 December comprised the following:

	2018	2017
Total tax expense / (benefit)	(56.109)	(165.814)
Add: Taxes carried forward	41.004	11.909
Add: Current taxes recognised in other comprehensive income	(134.041)	(77.071)
Add: Deferred taxes	300.205	374.702
Less: Corporation taxes paid in advance	(107.651)	(102.722)
Taxes payable on income	43.408	41.004

22.4 Deferred tax assets and liabilities

Deferred tax is provided in respect of taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Unrecognised deferred tax assets and liabilities

As at 31 December 2018, deferred tax assets amounting to TL 555.684 thousand (31 December 2017: TL 445.564 thousand) have not been recognised mainly with respect to the statutory tax losses carried forward and temporary differences. Such losses carried forward expire until 2023. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Recognised deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 31 December are attributable to the items detailed in the table below:

	2018		2017	
	Asset	Liability	Asset	Liability
Revaluation on land and buildings	--	(223.335)	--	(211.172)
Provisions	27.201	--	20.529	--
Effect of percentage of completion method	234.186	(174.624)	208.971	(94.634)
Employee severance indemnity and short term employee benefits	27.836	--	24.369	--
Pro-rata basis depreciation expense	115.365	--	74.488	--
Fair value gain from investment property	--	(149.486)	--	(112.260)
Valuation difference of financial assets and liabilities	12.089	--	29.042	--
Differences arising on business combinations and intangible assets	22.462	(435.459)	19.922	(505.238)
Other temporary differences	250.382	(66.478)	127.637	(70.103)
Subtotal	689.521	(1.049.382)	504.958	(993.407)
Tax losses carried forward	806.181	--	574.236	--
Total deferred tax assets/(liabilities)	1.495.702	(1.049.382)	1.079.194	(993.407)
Set off of tax	(69.310)	69.310	(97.987)	97.987
Deferred tax assets/(liabilities), net	1.426.392	(980.072)	981.207	(895.420)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

22 Taxation *(continued)*

22.4 Deferred tax assets and liabilities *(continued)*

Recognised deferred tax assets and liabilities (continued)

According to the Tax Procedural Law in Turkey, statutory losses can be carried forward maximum for five years. Consequently, 2023 is the latest year for recovering the deferred tax assets arising from such tax losses carried forward. The Group management forecasted to generate taxable income during 2019 and the years thereafter and based on this forecast, it has been assessed as probable that the deferred tax assets resulting from tax losses carried forward in the amount of TL 4.030.935 thousand (31 December 2017: TL 2.871.180 thousand) will be realisable; hence, such realisable deferred tax assets in the amount of TL 806.181 thousand (31 December 2017: TL 574.236 thousand) are recognised in the consolidated financial statements.

Movements in temporary differences during the year

Movements in deferred tax assets / (liabilities) were as follows:

	2018	2017
1 January	(85.787)	(113.338)
Recognised in profit or loss	300.205	374.702
Recognised in other comprehensive income	(47.802)	(88.857)
- Remeasurements of defined benefit liability	2.947	3.874
- Valuation difference on financial assets and liabilities	345	(235)
- Revaluation of property and equipment	(51.094)	(92.496)
Acquired through business combinations (Note 36)	--	1.880
Adjustment of goodwill previously recognised as provisional	--	(17.397)
Sale of subsidiary	199.527	--
IFRS 9 effect	6.928	--
Adjustments for currency translation	73.249	(71.203)
31 December	446.320	(85.787)

23 Assets held for sale

As at 31 December, assets held for sale comprised the following:

	2018	2017
Assets held for sale (*)	30.190	92.995
Assets subject to sale of subsidiary (**)	--	11.424
Others (***)	8.978	5.617
	39.168	110.036

(*) As at 31 December 2018, asset held for sale comprise building amounting to TL 30.190 thousand (31 December 2017: TL 21.659 thousand,airplanes).

(**) On 2 March 2018, a share sale agreement was signed with Discovery Medya Hizmetleri Limited Şirketi to sell broadcast rights used by Ntvspor.

Breakdown of the assets held for sale were as follows:

Assets held for sale	**2017**
Trade receivables	115
Other current assets	4
Prepaid expenses	1.759
Intangible assets	13.171
Total assets	**15.049**
Trade payables	2.451
Other current liabilities	1.174
Total liabilities	**3.625**

(***) Other comprised of the apartments, villas and flats obtained through barter transactions with construction companies in exchange for advertising service provided from Doğuş Yayın Grubu.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

24 Due from/due to customers for contract work

As at 31 December, the details of uncompleted contracts were as follows:

	2018	2017
Total costs incurred on uncompleted contracts	14.394.333	9.300.388
Estimated earnings / (loss)	1.081.612	535.600
Total estimated revenue on uncompleted contracts	15.475.945	9.835.988
Less: Billings to date	(15.267.743)	(9.360.678)
Net amounts due from customers for contract work	208.202	475.310

Due from customers for contract work and due to customers for contract work were included in the accompanying consolidated statement of financial position under the following captions:

	2018	2017
Due from customers for contract work (Note 17)	667.603	628.895
Due to customers for contract work (Note 17)	(459.401)	(153.585)
	208.202	475.310

25 Loans and borrowings

As at 31 December, loans and borrowings comprised the following:

	2018	2017
Non-current liabilities		
Long-term bank borrowings	15.335.477	16.036.484
Finance lease liabilities	19.629	31.489
Debt securities issued	269.863	606.161
	15.624.969	16.674.134
Current liabilities		
Short-term portion of long term bank borrowings	8.687.089	2.991.867
Short-term bank borrowings	3.785.631	4.512.231
Finance lease liabilities	14.437	13.117
Factoring liabilities	65.524	50.864
Debt securities issued*	455.349	110.370
	13.008.030	7.678.449

As at 31 December, the Group's total loans and borrowings are as follows:

	2018	2017
Bank borrowings	27.808.197	23.540.582
Finance lease liabilities	34.066	44.606
Factoring liabilities	65.524	50.864
Debt securities issued (*)	725.212	716.531
	28.632.999	24.352.583

Long term debt securities issued

(*)Doğuş Holding A.Ş. has issued a bond with a nominal value of TL 700 million with an interest rate of the benchmark interest +3,50% spread and TRLibor +3,75 spread and quarterly coupon payment to be sold only to qualified investors without being offered to the public on 3 March 2017 and 21 July 2017 and with a maturity of 1 March 2019 and 26 July 2021.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

25 Loans and borrowings *(continued)*

Terms and debt repayment schedule

As at 31 December, the terms and conditions of outstanding loans and borrowings were as follows:

2018

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Secured bank borrowings	USD	(Libor + 0,89% - Libor + 5,50%)-4,70 – 9,60	2019 - 2026	3.215.508	3.233.098
Secured bank borrowings	Euro	(Euribor + 0,24% - Euribor 5,75%)-3,60 - 8,95	2019 - 2030	13.174.725	13.208.403
Secured bank borrowings	Other	2,65 – 39,70	2019 - 2028	476.768	489.599
Unsecured bank borrowings	USD	(Libor + 3,85% - Libor + 5,35%)	2019 - 2020	541.201	551.151
Unsecured bank borrowings	Euro	(Euribor + 2,94% - Euribor 5,50%)-3,20 - 8,95	2019 - 2022	6.713.293	6.804.533
Unsecured bank borrowings	Other	5,35 – 35,70	2019 - 2022	3.484.133	3.586.937
Finance lease liabilities	USD	6,04	2022	21.656	21.656
Finance lease liabilities	Euro	6,13 - 12,58	2019 - 2019	3.164	3.164
Finance lease liabilities	Other	10,25 - 18,47	2019 - 2020	9.166	9.246
Debt securities issued	Other	Benchmark bond rate + 3,50% - TR Libor 3,75%	2019 - 2021	700.000	725.212
				28.339.614	28.632.999

2017

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Secured bank borrowings	USD	(Libor + 0,89% - Libor + 5,50%)-3,43 – 6,80	2018 - 2026	2.577.133	2.581.816
Secured bank borrowings	Euro	(Euribor + 1,50% - Euribor 5,75%)-3,60 – 6,90	2018 - 2030	10.049.034	10.049.458
Secured bank borrowings	Other	6,35 - 19,75	2018 - 2020	793.088	793.069
Unsecured bank borrowings	USD	(Libor + 4,35% - Libor + 5,35%)	2018 - 2020	364.228	374.089
Unsecured bank borrowings	Euro	(Euribor + 2,95% - Euribor 5,50%)-2,5 - 6,50	2018 - 2022	5.518.874	5.575.568
Unsecured bank borrowings	Other	5,5 - 19,50	2018 - 2021	4.005.728	4.217.446
Finance lease liabilities	USD	6,04	2022	19.858	19.858
Finance lease liabilities	Euro	3,30 - 8,00	2018 - 2021	8.469	8.759
Finance lease liabilities	Other	4,11 – 18,47	2018 - 2020	15.680	15.989
Debt securities issued	Other	Benchmark bond rate + 3,50% - TR Libor+ 3,75%	2019 - 2021	700.000	716.531
				24.052.092	24.352.583

Redemption schedules of the Group's total loans and borrowings according to original maturities as at 31 December are as follows:

	2018	2017
2018	--	7.678.449
2019	13.008.030	4.903.344
2020	3.472.130	3.415.234
2021	2.933.646	1.964.050
2022 and over	9.219.193	6.391.506
	28.632.999	24.352.583

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

25 Loans and borrowings *(continued)*

For the years ended 31 December, financial liabilities movement schedule is as follows:

	2018	2017
Balance at the beginning of the year – 1 January	24.352.583	21.273.342
Additions	5.553.293	8.318.659
Principal payments	(5.716.581)	(7.126.465)
Change in exchange rates	4.396.498	1.814.171
Change in interest accruals	47.206	72.876
End of the period – 31 December	28.632.999	24.352.583

Finance lease liabilities

As at 31 December 2018, finance lease liabilities are payable as follows:

	2018		
	Minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	15.641	(1.203)	14.438
Between one and five years	20.167	(539)	19.628
	35.808	(1.742)	34.066

As at 31 December 2017, finance lease liabilities are payable as follows:

	2017		
	Minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	15.150	(2.033)	13.117
Between one and five years	33.770	(2.281)	31.489
	48.920	(4.314)	44.606

26 Derivative instruments

As at 31 December 2018 and 2017, derivative instruments comprised the following:

		31 December 2018	
	Contract amount(*)	Fair values	
		Asset	Liability
Cross-currency fixed rate swaps	1.832.194	--	655.370
	1.832.194	--	655.370

		31 December 2017	
	Contract amount(*)	Fair values	
		Asset	Liability
Cross-currency fixed rate swaps	1.535.065	--	278.979
	1.535.065	--	278.979

(*) Refers to the aggregate contract amounts of buy and sell legs of the related derivative instruments.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

27 Provisions, commitment and contingencies

As at 31 December 2018, the Group's position related to collaterals, pledges, mortgages and letter of guarantees ("CPMG") are as follows:

31 December 2018	**Original balances (TL equivalent)**			
	USD	**TL**	**Other (*)**	**Total**
A. Total amount of CPMG's given in the name of its own legal personality	619.594	811.029	9.108.705	10.539.328
B. Total amount of CPMG's given on behalf of the fully consolidated companies	1.103.058	797.628	10.381.301	12.281.987
C. Total amount of CPMG's given on behalf of third parties for ordinary course of business	--	--	--	--
D. Total amount of other CPMG's given	205.576	241.400	178.816	625.792
i. Total amount of CPMG's given on behalf of the majority shareholder	--	--	--	--
ii. Total amount of CPMG's given to on behalf of other group companies which are not in scope of B and C	*205.576*	*241.400*	*178.816*	*625.792*
iii. Total amount of CPMG's given on behalf of third parties which are not in scope of C	--	--	--	--
Total	**1.928.228**	**1.850.057**	**19.668.822**	**23.447.107**

(*) The other mainly consists of EUR.

As at 31 December 2017, the Group's position related to collaterals, pledges, mortgages and letter of guarantees ("CPMG") are as follows:

31 December 2017	**Original balances (TL equivalent)**			
	USD	**TL**	**Other (*)**	**Total**
A. Total amount of CPMG's given in the name of its own legal personality	1.147.344	939.176	6.174.211	8.260.731
B. Total amount of CPMG's given on behalf of the fully consolidated companies	918.491	1.080.780	8.655.739	10.655.010
C. Total amount of CPMG's given on behalf of third parties for ordinary course of business	--	--	--	--
D. Total amount of other CPMG's given	268.571	248.324	145.618	662.513
i. Total amount of CPMG's given on behalf of the majority shareholder	--	--	--	--
ii. Total amount of CPMG's given to on behalf of other group companies which are not in scope of B and C	*268.571*	*248.324*	*145.618*	*662.513*
iii. Total amount of CPMG's given on behalf of third parties which are not in scope of C	--	--	--	--
Total	**2.334.406**	**2.268.280**	**14.975.568**	**19.578.254**

(*) The other mainly consists of EUR.

Other CPMGs given by the Group as at 31 December 2018 are equivalent to 17% of the Group's equity (31 December 2017: 11%).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

27 Provisions, commitment and contingencies *(continued)*

Operational lease liabilities

	2018	2017
2018	--	267.900
2019	352.783	314.848
2020	308.622	339.018
2021 and over	2.385.623	1.158.374
Total	3.047.028	2.080.140

Letter of guarantees received and suretyship

As at 31 December 2018 and 2017, the Group's letters of guarantes received are as follows:

	2018	2017
Letters of guarantees received	451.833	422.688
Letter of guarantee for bill guarantee	4.838	10.513
Others	11.694	4.670
	468.365	437.871

Litigation and claims

On 27 April 2010 Alstom – Marubeni- Doğuş Consortium (Consortium) terminated the Marmaray CR1 contract signed with DLH General Management which is connected to Ministry of Transport. Group recorded TL 15.405 thousand loss for sales expense of mentioned contract. On 13 July 2010 Consortium carried the dispute to International Chamber of Commerce Secreteriat for recovery of the losses related with the termination of the contract. In the Partial Award received on 19 December 2014 even if some of the claims of consortium accepted, Tribunal founded the termination of Consortium wrongful and parties invited to calculate their material damages in second phase (Quantum Phase) of the arbitration. By the report date Hearings of second phase of arbitration completed and Post-Hearing Brief's submitted, parties wait Tribunal to issue Award.

ICC Tribunal declared its decision on 6 September 2013 and distributed Final Award (ICC Award) related with the case about the Doğuş Construction's bridge project in Kiev. ICC Tribunal decided Respondent South West Railways (SWR) to pay Dogus Construction USD 23.438 thousand remuneration ve USD 3.346 thousand arbitration costs in total USD 26.784 thousand. In addition for the balance of USD 20.059 thousand Tribunal decided to impose %3 interest from the date of award until full payment. SWR appealed this decision in Swiss Federal Court (SCC) and Swiss Federal Court approved ICC decision and dismissed SWR's appeal. The recognition for the ICC award is completed and enforcement process continues in Ukraine.

27.1 Commitments and contingent liabilities

As at 31 December 2018, commitment for uncalled capital of subsidiaries amounting to TL 90.205 thousand (31 December 2017: TL 32.940 thousand).

27.2 Provisions

Short-term provisions

As at 31 December, short-term provisions comprised the following items:

	2018	2017
Warranty provision	16.356	25.321
Provision for litigation	62.926	46.497
Vacation pay liability	49.860	43.706
Other short-term provisions	24.757	23.311
	153.899	138.835

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

27 Provisions *(continued)*

27.2 Provisions *(continued)*

Long-term provisions

As at 31 December, long-term provisions comprised the following items:

	2018	2017
Long-term provisions related to employee benefits	141.302	132.227
Reserve for severance payments	*141.302*	*132.227*
Warranty provision	24.007	23.058
Provision for litigation	2.658	1.207
Other long-term provisions	18.845	13.889
	186.812	170.381

Reserve for severance payments

In accordance with the existing labour law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire (age of 58 for women, age of 60 for men) or completed service years of 20 for women or 25 for men, are called up for military service or die. According to change of regulation, dated 8 September 1999, there are additional liabilities for the integration articles.

For the years ended 31 December, the movements in the reserve for severance payments were as follows:

	2018	2017
Balance at the beginning of the year	132.227	104.814
Provision for the year	16.040	26.618
Paid during the year	(21.699)	(18.575)
Actuarial difference	14.734	19.370
Balance at the end of the year	141.302	132.227

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

Statistical valuation methods were developed to estimate the Group's obligation under defined benefit plans. Accordingly, the following statistical assumptions were used in the calculation of the total liability:

	2018	2017
	%	%
Discount rate	3,69	3,95
Interest rate	6,4-12,3	6,0-10,2
Expected rate of salary/limit increase	1,5-8,0	1,5-8,0
The range of turnover rate to estimate the probability retirement	1,0-8,0	1,0-8,0

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. As at 31 December 2018, the ceiling amount was TL 5.434 (full TL) (31 December 2017: TL 4.732 (full TL)).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

28 Other current assets and prepayments

As at 31 December, other current assets comprised the following:

	2018	2017
Value Added Tax ("VAT") receivables	620.020	409.365
Warranty claims and price difference receivables	297.026	168.348
Accrued income	193.224	368.862
Deposits and guarantees given	153.792	38.409
Prepaid taxes	136.229	34.204
Receivables from insurance companies	14.004	16.256
Others (*)	175.222	73.970
	1.589.517	1.109.414

(*) As at 31 December 2018, others comprised restricted cash and cash equivalents amounting to TL 107.889 thousand (31 December 2017: TL 24.386 thousand).

As of 31 December, short-term prepayments consist of the following:

	2018	2017
Prepaid expenses	93.420	74.814
Advances given for inventory	53.947	64.028
Others	19.738	69.653
	167.105	208.495

29 Other non-current assets and prepayments

As at 31 December, other non-current assets comprised the following:

	2018	2017
VAT receivables	209.502	336.889
Prepaid taxes	86.256	109.611
Deposits and guarantees given	7.484	2.116
Others (*)	419.352	286.745
	722.594	735.361

(*) As at 31 December 2018, others comprised restricted cash and cash equivalents amounting to TL 389.789 thousand (31 December 2017: TL 214.186 thousand).

As at 31 December, long-term prepayments comprised the following:

	2018	2017
Advances given for property and equipment	81.107	71.387
Prepaid expenses	61.959	78.932
Other advances given	1.824	35.495
	144.890	185.814

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

30 Other current liabilities

As at 31 December, other current liabilities comprised the following:

	2018	2017
Taxes and duties payable other than on income	298.307	168.991
Deposits and guarantees received	272.354	125.472
Accrued expenses	161.770	149.689
Deferred income	117.848	111.914
Employee benefit	18.813	24.601
Other	104.303	49.571
	973.395	630.238

31 Other non-current liabilities

As at 31 December, other non-current liabilities comprised the following:

	2018	2017
Advances received	459.653	700.685
Deffered income	52.302	28.255
Liabilities due to extention of concession period	33.212	--
Deposits and guarantees received	7.556	13.192
Other (*) (**)	375.109	392.512
	927.832	1.134.644

(*) The Group's share of losses in Boyabat, a joint venture of the Group, exceeds its interest in Boyabat, the carrying amount of the investment is reduced below zero and the total carrying value of the investment and share of losses in Boyabat has been reclassified as other non-current liability amounting to TL 99.766 thousand (31 December 2017: TL 309.353 thousand).

(**)The Group's share of losses in Aslancık, a joint venture of the Group, exceeds its interest in Aslancık, the carrying amount of the investment is reduced below zero and the total carrying value of the investment and share of losses in Aslancık has been reclassified as other non-current liability amounting to TL 54.852 thousand (31 December 2017: 12.761 thousand).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

32 Capital and reserves

32.1 Share capital

As at 31 December 2018, the share capital of Doğuş Holding amounted to TL 856.027 thousand (31 December 2017: TL 856.027 thousand).

The paid-in capital of Doğuş Holding comprises 856.027.050 shares (31 December 2017: 856.027.050 shares) of TL 1 each.

At 31 December, the shareholding structure of Doğuş Holding based on the number of shares is presented below:

	2018		2017	
	Thousands of shares	%	Thousands of shares	%
Ferit Şahenk	278.383	32,52	278.383	32,52
Filiz Şahenk	260.534	30,44	260.534	30,44
Deniz Şahenk	148.053	17,30	148.053	17,30
Doğuş Arge	87.883	10,27	87.883	10,27
Garanti Turizm	40.098	4,68	40.098	4,68
DOAŞ	31.575	3,69	31.575	3,69
Doğuş Sigorta	4.618	0,54	4.618	0,54
Antur	3.848	0,45	3.848	0,45
Doğuş Turizm	770	0,09	770	0,09
Others	265	0,02	275	0,02
	856.027	100,00	856.027	100,00

32.2 Restricted reserves

The details of the restricted reserves are as follows:

	2018	2017
Legal reserves	380.548	374.080
Treasury share reserves	168.919	164.709
Special reserves	5.408.729	3.724.222
	5.958.196	4.263.011

According to article 519 of Turkish Commercial Code, exceptions are defined for holding companies which aims to invest in other entities regarding the legal reserves. Accordingly, the legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Group's statutory accounts until it reaches 20 percent of paid-in share capital (first legal reserve).

Within the scope of the Exemption for Sale of Participation Shares, the 75% portion of gains in statutory financial statements arising from the sale of investments held in the past at least for two years was classified under "Restricted Reserves".

Doğuş Otomotiv, reacquired its own shares that are traded on Borsa Istanbul A.Ş. In this context, as of 31 December 2016, Doğuş Otomotiv reacquired its own 22.000.000 units of registered shares that are equivalent to 10% portion of its issued capital at an amount of TL 220.274 thousand and accounted as "Treasury shares" under the equity. Additionally, "Treasury share reserve" have been reclassified in the amount of the Group's portion of the value of the reacquired shares under "Restricted reserves" in accordance with the relevant communique.

32.3 Dividend

In 2018, the Company did not distribute dividends to the shareholders (2017: TL 192.602 thousand)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

32 Capital and reserves *(continued)*

32.4 Revaluation surplus

For the years ended 31 December, the movements of revaluation surplus were as follows:

	2018	2017
Balance at the beginning of the year	2.456.357	2.309.665
Revaluation increase in land and building	502.648	405.517
Deferred taxes on revaluation surplus	(40.504)	(84.261)
Non-controlling share purchase, deferred tax effect net	9.951	--
Sale of assets	(27.168)	--
Effect of sale of associate	--	(148.596)
Depreciation effect on revaluation surplus	(32.481)	(25.968)
Balance at the end of the year	2.868.803	2.456.357

32.5 Remeasurements of defined benefit liability

As a result of the adoption of IAS 19 (2011), all actuarial differences are recognised immediately in other comprehensive income.

32.6 Non-controlling interests

For the years ended 31 December, movements of the non-controlling interests were as follows:

	2018	2017
Balance at the beginning of the year	824.174	740.041
Acquisition of non-controlling interests through business combinations	--	(1.360)
Effect of share capital increase and new establishments	38.909	29.213
Changes of non controlling interest in consolidated subsidiaries	(74.616)	(21.536)
Actuarial differences	(1.802)	(3.246)
Release of non-controlling interests through dividend distribution	(87.641)	(9.168)
Sale of subsidiary	287.274	--
Non-controlling interest of changes in revaluation surplus	19.879	43.870
Change in consolidation method	--	15.342
Dividends related to reacquired shares of subsidiary	(14.290)	--
Foreign curreny translation effect	77.965	16.658
Sale of associates	--	(101.730)
Non-controlling interest of profit for the year	14.965	116.090
Balance at the end of the year	1.084.817	824.174

32.7 Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations into TL.

32.8 Capital stock held by subsidiaries

Capital stock held by subsidiaries is used to present share capital at the amount of statutory records of the Company due to the purchase of shares of the Company by subsidiaries (Note 32.1).

32 Capital and reserves *(continued)*

32.9 Accounting in net investment hedge

Group, designated some portion of its EUR and CHF denominated bank borrowings as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiaries, joint ventures, associates and joint operations operating in foreign countries from EUR and CHF to Turkish Lira. As at 31 December 2018, bank borrowings amounting to EUR 443 million were designated as a net investment hedging instrument.

Net foreign exchange losses before tax recognised in the statement of profit or loss and other comprehensive income for the year ended 31 December 2018 is TL 670.203 thousand related to the net investment hedging transactions (31 December 2017 Net foreign exchange loss: TL 385.354 thousand).

33 Financial instruments – Fair values and risk management

(a) Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Risk management framework

Enterprise Risk Management ("ERM") efforts have been initiated by Doğuş Group since 2006 and these efforts have been executed by Doğuş Holding Risk Management Department. Risk Management activities are conducted by a realistic organizational structure and it is fully supported with the commitment of top level management, so that the Group is pioneer in risk management activities in Turkish business environment.

Group acts proactively in terms of risk management in order to ensure that its business operations in different industries and regions are not adversely affected as a result of market, liquidity and counterparty risks. Risk Management and Internal Audit departments within each sector and at the Group level provide and maintain awareness for different types of risks, including emerging risks, and ensure that appropriate risk management mechanisms are in place.

In 2010, by the Risk and Audit Committee decision, Group companies created their own Risk Management departments. Doğuş Holding Risk Management Department works closely with the Group companies' Risk Management departments to obtain accurate information on time and to assess and evaluate the risk taking processes. In addition to establishing an independent reporting infrastructure for Group companies, group-wide awareness for different types of risks and risk management strategies is ensured by periodical risk roundtables, workshops, dashboards and reports throughout the organization.

Risk Committee meetings are held on regular basis and valuable and relevant risk information is generated discussed and escalated if deemed necessary.

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(i) Risk management framework *(continued)*

ERM is applied in Group companies so that risks are managed effectively within the Group in accordance with the defined risk management framework. This framework is customised according to the needs and structure of the Group's businesses.

ERM activities are executed in the following fields:

- Determining risk management standards and policies,
- Developing group-wide culture and capabilities,
- Conducting risk analysis of existing and potential investments,
- Determining risk levels, limits and action plans,
- Supporting the implementation of these action plans,
- Enhancing strategic and operational processes with a risk management approach.

Risk Management Department is under the supervision of Doğuş Holding's CEO and the Risk and Audit Committee which functions under the Board of Directors.

The Risk and Audit Committee is responsible for assessing the risk appetite of the shareholders and the investors. Many sectors has its own risk committee.

Furthermore, internal audit activities performed by Doğuş Holding Internal Audit Department are also planned and implemented on a risk-based perspective.

Automotive

Corporate Risk Management, which is 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 the Companies' 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 attached to risks in the automotive business, 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, the Companies operation in automotive business maintain the 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.

The risk composition, considered on the basis of probabilities and possible effects of processes and scenarios, has been redefined and expanded to include the 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.

Construction

The Board of Doğuş İnşaat has established a Risk Committee in 2009 to have a better view over risks and implement the enterprise-wide risk management process within the construction group. The Risk Committee is accountable to the Board and advises the Board on risk management, aiming to manage risks in a more systematic manner and foster a risk culture within the company. The management of the company has the overall responsibility for the establishment and oversight of the risk management framework. In January 2010, Doğuş İnşaat Risk Management Department has been established and assigned to managing risk management processes.

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(i) Risk management framework *(continued)*

***Construction** (continued)*

Risk management vision of Doğuş İnşaat is defined as, identifying and monitoring risks and opportunities that will impact the corporate objectives, managing risks and uncertainties in the most effective and efficient manner and in line with the shareholders' risk appetite, and proactively implementing the most appropriate response to risk.

Doğuş İnşaat's risk management policies and procedures are established to identify and analyse the risks faced by the company, to set up appropriate risk limits and controls, and to monitor risks, responses, and adherence to such limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Doğuş İnşaat's activities.

Risks are identified and managed at three levels: i) corporate level ii) business process level and iii) project level. Risks are discussed at monthly Risk Committee meetings with management and monitored by regular reports.

Media

The Board of Directors has overall responsibility for establishment and oversight of the Media Group's risk management framework. The Risk Committee is accountable to the Board on risk management, aiming to manage risks in more systematic manner and foster risk culture. In January 2010, Internal Audit and Risk Management Department was established with the decision of the Board. This strengthened focus on corporate risk management throughout the Media Group by developing methodology as well as centralising risk management operations.

Tourism

Doğuş Tourism Group developed a risk management process to strengthen the internal controls and focus on risk assessment at the strategic level of the business and reports to the Risk Committee regulary. Within this perspective, Doğuş Tourism Group has selected an internationally accepted internal control model and built a risk management framework to operationalise the selected model in the organisation.

The risk management framework consists of five interrelated components derived from the way management runs the business process: control environment, risk assessment, control activities, information and communication and monitoring.

Real Estate, energy, food and beverage, entertainment and other segment

Doğuş Holding's Risk Management Department gives support to ensure the application of risk management processes in the Real Estate, Energy, Food and Beverage, Entertainment and other businesses.

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade receivable

The Group's exposure to credit risk is influenced mainly by the characteristics of each customer of the segments. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate has an influence on credit risk. Since the Group mainly operates in construction, automotive, media, real estate, energy, entertainment and tourism businesses, geographically the concentration of credit risk for the Group's entities operating in the mentioned businesses are mainly in Turkey.

Majority of accounts receivable in the automotive business segment is due from dealers. Entities operating under automotive business segment have set an effective control mechanism to follow up and limit the risk for each counter party and obtain letters of guarantee from its dealers against its receivables for vehicle and spare part sales. The companies operating under the segments other than automotive segment have set a credit policy under which each new customer is analysed individually for the creditworthiness before each company's standard payment and delivery terms and conditions are offered.

In the energy segment, the maximum amount of procurement limits that can be realized for each customer is established and these limits are reviewed once a year. The Company makes a significant portion of its electricity sales to related parties. When buying other customers into their own subscription system, they receive cash or non-cash guarantees up to the 2-month estimated invoice amount according to their risk rating. Some customers (especially those who are active players in the electricity market) are closely monitoring the cash position and credit risk processes through the direct debiting system ("DDS") through contracted banks. In monitoring customer credit risk, customers are grouped according to geographic location, industry structure, payment profile, maturity and prior financial difficulties, including customers being dealers, tourism agencies, retailers or end users.

Regarding the management of counterparty risk in the construction segment, the Group targets financing projects based on reliable sources and forms its portfolio in such projects. In addition, the Group manages this risk by diversifying its portfolio on a country and project basis.

Guarantees

In general terms, the Group's policy is to receive guarantees from the customers of the Group entities in terms of sureties, letters of guarantee in the nature of the businesses that each entity operates.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(ii) Credit risk *(continued)*

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2018 was:

	Trade receivables				
31 December 2018	**Related party**	**Third party**	**Cash at banks**	**Financial investments**	**Derivatives**
Maximum credit risk exposure at reporting date (A+B+C+D)	**531.538**	**2.394.299**	**2.087.665**	**246.644**	--
- Portion of maximum risk covered by guarantees	--	**95.655**	--	--	--
A. Carrying value of financial assets that are neither past due nor impaired	531.538	1.988.217	2.087.665	246.644	--
B. Carrying value of financial assets that are past due but not impaired (*)	--	138.915	--	--	--
C. Carrying value of impaired assets	--	267.167	--	--	--
- Past due	--	267.167	--	--	--
- Gross book value (-)	--	729.276	--	--	--
- Impairment (-)	--	(462.109)	--	--	--
- *Guaranteed portion of net values*	--	--	--	--	--
- Not past due	--	--	--	--	--
- Gross book value (-)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- *Guaranteed portion of net values*	--	95.655	--	--	--
D. Off financial statement items with credit risks	--	--	--	--	--

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(ii) Credit risk *(continued)*

Exposure to credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2017 was:

	Trade receivables				
31 December 2017	**Related party**	**Third party**	**Cash at banks**	**Financial investments**	**Derivatives**
Maximum credit risk exposure at reporting date (A+B+C+D)	**1.213.195**	**2.729.072**	**2.056.064**	**264.093**	--
- Portion of maximum risk covered by guarantees	--	126.391	--	--	--
A. Carrying value of financial assets that are neither past due nor impaired	1.213.195	2.377.826	2.056.064	264.093	--
B. Carrying value of financial assets that are past due but not impaired (*)	--	129.783	--	--	--
C. Carrying value of impaired assets	--	221.463	--	--	--
- Past due	--	221.463	--	--	--
- Gross book value (-)	--	559.930	--	--	--
- Impairment (-)	--	(338.467)	--	--	--
- *Guaranteed portion of net values*	--	--	--	--	--
- Not past due	--	--	--	--	--
- Gross book value (-)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- *Guaranteed portion of net values*	--	*126.391*	--	--	--
D. Off financial statement items with credit risks	--	--	--	--	--

(*) As at 31 December 2018 and 31 December 2017, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(ii) Credit risk *(continued)*

Exposure to credit risk (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was as follows:

	2018	2017
Contract receivables	2.018.340	2.825.090
Retailers	201.915	263.772
Advertising agencies	216.724	270.984
End-users	156.451	166.105
Other	332.407	416.316
	2.925.837	3.942.267

The maximum exposure to credit risk for trade receivables at the reporting date by geographic concentration was as follows:

	Carrying amount	
	2018	2017
Turkey	1.791.059	3.025.586
Libya	356.722	275.804
Ukraine	4.758	173
Morocco	192	--
Euro zone	97.088	145.961
Other	676.018	494.743
	2.925.837	3.942.267

Impairment losses

The aging of trade receivables at the reporting date was:

	2018		2017	
	Gross	Impairment	Gross	Impairment
Not past due	2.519.755	--	3.591.021	--
Past due 0-30 days	17.231	--	1.428	--
Past due 31-120 days	50.151	--	74.109	--
Past due 121-365 days	71.533	--	54.246	--
More than one year	729.276	(462.109)	559.930	(338.467)
Total	3.387.946	(462.109)	4.280.734	(338.467)

Cash and cash equivalents

As of 31 December 2018 and 2017, total cash and cash equivalents are neither past due nor impaired. A significant portion of the bank deposits that are classified under cash and cash equivalents are held in banks operating in Turkey.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iii) Liquidity risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. In the framework of liquidity risk management, funding sources are being diversified and sufficient cash and cash equivalents are held. In order to meet instant cash necessities it is ensured that the level of cash and cash equivalent assets does not fall below a predetermined portion of the short term liabilities.

As at 31 December, the following tables provide an analysis of monetary assets and monetary liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment:

	2018				
Monetary assets	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
Turkish Lira					
Financial investments	16.790	--	--	--	16.790
Other non-current assets	--	--	--	443.091	443.091
Trade receivables - due from third parties	456.685	519.850	559.243	--	1.535.778
Trade receivables - due from related parties	20.688	407.518	6.052	--	434.258
Other current assets	376.918	368.701	447.112	--	1.192.731
Cash and cash equivalents	355.587	1.854	73.431	--	430.872
Total TL monetary assets	1.226.668	1.297.923	1.085.838	443.091	4.053.520
Foreign Currency					
Financial investments	229.854	--	--	--	229.854
Other non-current assets	--	--	--	424.394	424.394
Trade receivables - due from third parties	338.225	20.163	155.480	344.653	858.521
Trade receivables - due from related parties	16.124	26.373	54.783	--	97.280
Other current assets	253.476	214.800	95.615	--	563.891
Cash and cash equivalents	1.552.130	141	128.261	--	1.680.532
Total foreign currency monetary assets	2.389.809	261.477	434.139	769.047	3.854.472
Total monetary assets	**3.616.477**	**1.559.400**	**1.519.977**	**1.212.138**	**7.907.992**

	2018				
Monetary liabilities	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
Turkish Lira					
Loans and borrowings	1.436.142	1.186.317	1.064.183	978.494	4.665.136
Other non-current liabilities	--	--	--	611.013	611.013
Trade payables - due to third parties	124.550	599.195	118.318	--	842.063
Trade payables - due to related parties	69.940	25.127	--	--	95.067
Other current liabilities	216.460	168.982	288.082	-	673.524
Total TL monetary liabilities	1.847.092	1.979.621	1.470.583	1.589.507	6.886.803
Foreign Currency					
Loans and borrowings	1.172.723	541.229	7.607.436	14.646.475	23.967.863
Derivative instruments	--	--	135.008	520.362	655.370
Other non-current liabilities	--	--	--	503.631	503.631
Trade payables - due to third parties	114.334	702.627	517.173	--	1.334.134
Trade payables - due to related parties	32.783	--	3	--	32.786
Other current liabilities	182.991	87.882	317.905	--	588.778
Total foreign currency monetary liabilities	1.502.831	1.331.738	8.577.525	15.670.468	27.082.562
Total monetary liabilities	**3.349.923**	**3.311.359**	**10.048.108**	**17.259.975**	**33.969.365**
Liquidity (gap)/position	**266.554**	**(1.751.959)**	**(8.528.131)**	**(16.047.837)**	**(26.061.373)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iii) Liquidity risk *(continued)*

	2017				
Monetary assets	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
Turkish Lira					
Financial investments	22.593	--	--	--	22.593
Other non-current assets	--	--	--	649.721	649.721
Trade receivables - due from third parties	1.511.631	332.687	--	3.694	1.848.012
Trade receivables - due from related parties	11.922	1.114.947	28.262	--	1.155.131
Other current assets	538.333	119.590	236.633	--	894.556
Cash and cash equivalents	233.019	675	58.165	7.908	299.767
Total TL monetary assets	2.317.498	1.567.899	323.060	661.323	4.869.780
Foreign Currency					
Financial investments	241.500	--	--	--	241.500
Other non-current assets	--	--	--	271.454	271.454
Trade receivables - due from third parties	166.983	121.553	319.309	273.215	881.060
Trade receivables - due from related parties	--	11.971	46.093	--	58.064
Other current assets	59.406	318.596	45.351	--	423.353
Cash and cash equivalents	1.718.665	6.016	44.992	--	1.769.673
Total foreign currency monetary assets	2.186.554	458.136	455.745	544.669	3.645.104
Total monetary assets	**4.504.052**	**2.026.035**	**778.805**	**1.205.992**	**8.514.884**

	2017				
Monetary liabilities	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
Turkish Lira					
Loans and borrowings	1.633.044	337.438	1.943.475	1.631.034	5.544.991
Other non-current liabilities	--	--	--	843.458	843.458
Trade payables - due to third parties	242.050	658.571	178.234	--	1.078.855
Trade payables - due to related parties	5.638	33.574	3.954	--	43.166
Other current liabilities	269.355	194.019	97.564	--	560.938
Total TL monetary liabilities	2.150.087	1.223.602	2.223.227	2.474.492	8.071.408
Foreign Currency					
Loans and borrowings	3.326.633	32.662	405.198	15.043.099	18.807.592
Derivative instruments	--	--	--	278.979	278.979
Other non-current liabilities	--	--	--	461.567	461.567
Trade payables - due to third parties	114.084	336.461	439.382	--	889.927
Trade payables - due to related parties	--	--	97	--	97
Other current liabilities	28.620	18.087	161.430	--	208.137
Total foreign currency monetary liabilities	3.469.337	387.210	1.006.107	15.783.645	20.646.299
Total monetary liabilities	**5.619.424**	**1.610.812**	**3.229.334**	**18.258.137**	**28.717.707**
Liquidity (gap)/position	**(1.115.372)**	**415.223**	**(2.450.529)**	**(17.052.145)**	**(20.202.823)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iii) Liquidity risk *(continued)*

The following tables are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	31 December 2018						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Secured bank borrowings	16.931.100	18.161.559	1.505.349	2.910.329	3.081.241	4.898.230	5.766.410
Unsecured bank borrowings	10.942.621	11.648.841	4.088.201	4.625.840	1.486.153	1.443.026	5.621
Finance lease liabilities	34.066	35.807	11.835	7.113	15.260	1.599	--
Trade payables	2.304.050	2.313.754	1.446.886	866.868	--	--	--
Notes payable	725.212	1.023.163	424.371	55.287	110.574	432.931	--
Derivative financial liabilities							
Cross-currency fixed interest rate swaps (*)	655.370	(429.822)	25.162	(92.062)	38.304	(401.226)	--
	31.592.419	32.753.302	7.501.804	8.373.375	4.731.532	6.374.560	5.772.031

(*)The carrying value of forward transactions represents the fair value of the related contracts carried in the balance sheet. Contractual cash flows represent the net of possible cash inflows and outflows from related forward foreign exchange transactions over nominal contract amounts.

	31 December 2017						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Secured bank borrowings	13.424.343	13.615.044	537.143	630.205	2.286.978	4.451.338	5.709.380
Unsecured bank borrowings	10.167.103	10.200.862	2.526.065	2.584.007	2.678.204	1.716.523	696.063
Finance lease liabilities	44.606	43.367	4.955	4.617	7.997	101	25.697
Trade payables	2.012.045	2.013.301	1.892.876	120.170	255	--	--
Notes payable	716.531	1.010.289	59.288	60.507	428.326	462.168	--
Derivative financial liabilities							
Cross-currency fixed interest rate swaps (*)	278.979	(40.891)	31.703	31.428	16.769	(120.791)	--
	26.643.607	26.841.972	5.052.030	3.430.934	5.418.529	6.509.339	6.431.140

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iv) Market risk

Interest rate risk

Profile

As at 31 December, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2018	2017
Fixed rate instruments		
Financial assets	643.884	1.367.706
Financial liabilities	17.024.545	8.400.706
Variable rate instruments		
Financial assets	6.040	41.930
Financial liabilities	11.608.454	15.951.877

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2017.

	Profit or loss		Equity	
	100 bp		100 bp	
31 December 2018	**increase**	**decrease**	**increase**	**decrease**
Variable rate instruments	(68.847)	68.847	(48.505)	48.505
Cash flow sensitivity (net)	(68.847)	68.847	(48.505)	48.505

	Profit or loss		Equity	
	100 bp		100 bp	
31 December 2017	**increase**	**decrease**	**increase**	**decrease**
Variable rate instruments	(59.698)	59.698	(32.722)	32.722
Cash flow sensitivity (net)	(59.698)	59.698	(32.722)	32.722

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iv) Market risk *(continued)*

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD, but also Euro, Swiss Francs ("CHF"), Sterling ("GBP"), Libyan Dinar ("LYD"), Japanese Yen ("JPY"), Croatian Kuna ("HRK"), Romanian Leu ("RON"), Emirati Dirham ("AED"), Qatar Riyal ("QAR"), Kazakstani Tenge ("KZT"), Ukranian Hryvnia ("UAH") and Russian Rouble ("RUB"). The currencies in which these transactions primarily are denominated are TL, Euro and USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk through the impact of rate changes on the translation of foreign currency denominated payables and bank borrowings from financial institutions.

To minimise risk arising from foreign currency denominated statement of financial position items, the Group sometimes utilises derivative instruments as well as keeping part of its idle cash in foreign currencies. In addition, a natural foreign currency risk management occurs due to the Group's net investments in foreign operations. At the same time, due to the foreign currency denominated real estate investments, which are accounted for as non-monetary items, and due to the fact that some of the foreign currency denominated loans are part of the foreign subsidiaries whose functional currency is other than Turkish Lira, the net foreign currency (liability) in the economic sense is lower than it appears in the tables below.

Due to its funding structure, Group aims to minimise its exposure to changes in interest rates. Derivative financial instruments are used to manage the potential earnings impact of interest rate and foreign currency movement. Several types of derivative financial instruments are used for this purpose, including interest rate swaps and currency swaps, options, futures, forward contracts and other derivative instruments.

In the automotive segment, as a business with intensive import transactions, which 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

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iv) Market risk *(continued)*

Currency risk (continued)

At 31 December 2018, the currency risk exposures of the Group in TL thousand equivalents are as follows:

CURRENCY POSITION ANALYSIS	31 December 2018			
	TL equivalent	USD	EURO	OTHER(*)
1 Trade receivables	955.801	21.704	52 046	527.890
2a. Monetary financial assets (including cash, bank accounts)	1.680.532	35 599	169 060	474.159
2b. Non-monetary financial assets	--	--	--	--
3. Other	793.745	27.160	49.348	353.388
4. Current assets (1+2+3)	**3.430.078**	**84.463**	**270.454**	**1.355.437**
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	424.394	21	10.157	363 057
8. Non-current assets (5+6+7)	**424.394**	**21**	**10.157**	**363.057**
9. Total Assets (4+8)	**3.854.472**	**84.484**	**280.611**	**1.718.494**
10. Trade payables	(1.366.920)	(7.375)	(89 729)	(787.233)
11. Financial liabilities	(9.321.388)	(244.093)	(1.331.247)	(12 475)
12a. Other monetary liabilities	(588 778)	(5.448)	(44.202)	(293.671)
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	**(11.277.086)**	**(256.916)**	**(1.465.178)**	**(1.093.379)**
14. Trade payables	--	--	--	--
15. Financial liabilities	(14.646.475)	(479.339)	(1.989 274)	(133.380)
16a. Other monetary liabilities	(1.023.993)	(2.442)	(106 497)	(369 182)
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	**(15.670.468)**	**(481.781)**	**(2.095.771)**	**(502.562)**
18. Total liabilities (13+17)	**(26.947.554)**	**(738.697)**	**(3.560.949)**	**(1.595.941)**
19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)	**(1.184.194)**	--	**(196.449)**	--
19a. Hedged portion of assets amount	--	--	--	--
19b. Hedged portion of liabilities amount	(1.184.194)	--	(196.449)	--
20. Net foreign currencies assets / (liability) position (9+18+19)	**(24.277.276)**	**(654.213)**	**(3.476.787)**	**122.553**
21. Monetary items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)	**(24.311.221)**	**(681.394)**	**(3.339.843)**	**(593.892)**

(*) TL equivalents are given.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iv) Market risk *(continued)*

***Currency risk** (continued)*

At 31 December 2017, the currency risk exposures of the Group in TL thousand equivalents are as follows:

CURRENCY POSITION ANALYSIS	31 December 2017			
	TL equivalent	USD	EURO	OTHER(*)
1 Trade receivables	939.124	93.626	11.199	535 255
2a. Monetary financial assets (including cash, bank accounts)	1.769.673	320 995	80 240	194.329
2b. Non-monetary financial assets	--	--	--	--
3. Other	664.853	50.322	53.675	232.670
4. Current assets (1+2+3)	**3.373.650**	**464.944**	**145.114**	**962.254**
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	271.454	12.565	8.925	183.758
8. Non-current assets (5+6+7)	**271.454**	**12.565**	**8.925**	**183.758**
9. Total Assets (4+8)	**3.645.104**	**477.508**	**154.039**	**1.146.012**
10. Trade payables	(890 024)	(10 088)	(126 223)	(282.015)
11. Financial liabilities	(3.764.493)	(162 529)	(680 034)	(80.757)
12a. Other monetary liabilities	(208.137)	(4.794)	(19.391)	(101.809)
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	**(4.862.654)**	**(177.411)**	**(825.648)**	**(464.581)**
14. Trade payables	--	--	--	--
15. Financial liabilities	(15.043 099)	(626 400)	(2.782.215)	(117.287)
16a. Other monetary liabilities	(740 546)	(559)	(18.844)	(653.492)
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	**(15.783.645)**	**(626.959)**	**(2.801.059)**	**(770.779)**
18. Total liabilities (13+17)	**(20.646.299)**	**(804.370)**	**(3.626.707)**	**(1.235.360)**
19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)	**(887.065)**	--	**(194.496)**	--
19a. Hedged portion of assets amount	--	--	--	--
19b. Hedged portion of liabilities amount	(887.065)	--	(194.496)	--
20. Net foreign currencies assets / (liability) position (9+18+19)	**(17.888.260)**	**(326.862)**	**(3.669.164)**	**(89.348)**
21. Monetary items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)	**(17.937.502)**	**(389.749)**	**(3.535.268)**	**(505.776)**

(*) TL equivalents are given.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(a) Financial risk management *(continued)*

(iv) Market risk *(continued)*

Sensitivity analysis

A 10 percent weakening / strengthening of TL against the following currencies at 31 December 2018 and 2017 would have increased / (decreased) profit or loss before tax and equity by the amounts shown below.

	Profit / (Loss)		Equity	
31 December 2018	**Strengthening of TL**	**Weakening of TL**	**Strengthening of TL**	**Weakening of TL**
Increase/(decrease) 10% of USD parity				
1-US Dollar net asset / liability	346.011	(346.011)	(1.835)	1.835
2-Hedged portion of US Dollar amounts(-)	--	--	--	--
3-Net effect of US Dollar (1+2)	**346.011**	**(346.011)**	**(1.835)**	**1.835**
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	1.835.739	(1.835.739)	451.196	(451.196)
5-Hedged portion of EUR amounts(-)	--	--	(188.677) (*)	188.677
6-Net effect of EUR (4+5)	**1.835.739**	**(1.835.739)**	**262.519**	**(262.519)**
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	16.434	(16.434)	(28.689)	28.689
8-Hedged portion of other foreign currency amounts(-)	--	--	--	--
9-Net effect of other foreign currencies (7+8)	**16.434**	**(16.434)**	**(28.689)**	**28.689**
TOTAL (3+6+9)	**2.198.184**	**(2.198.184)**	**231.995**	**(231.995)**

	Profit / (Loss)		Equity	
31 December 2017	**Strengthening of TL**	**Weakening of TL**	**Strengthening of TL**	**Weakening of TL**
Increase/(decrease) 10% of USD parity				
1-US Dollar net asset / liability	120.182	(120.182)	3.107	(3.107)
2-Hedged portion of US Dollar amounts(-)	--	--	--	--
3-Net effect of US Dollar (1+2)	**120.182**	**(120.182)**	**3.107**	**(3.107)**
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	1.328.525	(1.328.525)	493.963	(493.963)
5-Hedged portion of EUR amounts(-)	--	--	(165.699)(*)	165.699
6-Net effect of EUR (4+5)	**1.328.525**	**(1.328.525)**	**328.264**	**(328.264)**
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	4.039	(4.039)	5.040	(5.040)
8-Hedged portion of other foreign currency amounts(-)	--	--	(99)	99
9-Net effect of other foreign currencies (7+8)	**4.039**	**(4.039)**	**4.941**	**(4.941)**
TOTAL (3+6+9)	**1.452.746**	**(1.452.746)**	**336.312**	**(336.312)**

(*) Sensitivity amount under equity includes the net investment hedge accounting amount of the Group.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

33 Financial instruments – Fair values and risk management *(continued)*

(b) Fair value information

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale of liquidation, and is best evidenced by a quoted market price.

The estimated fair values of financial instruments have been determined using available market information by the Group, and where it exists, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Group has used available market information in estimating the fair values of financial instruments, the market information may not be fully reflective of the value that could be realised in the current circumstances.

The following methods and assumptions are used to estimate the fair values of financial instruments.

Financial assets

Carrying values of significant portion of cash and cash equivalents and trade receivables are assumed to reflect their fair values due to their short-term nature.

Financial liabilities

Fair values of short term borrowings and trade payables are assumed to approximate their carrying values due to their short-term nature.

The table below analyses financial instruments carried at fair value as at 31 December, by valuation method:

2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	33	178.828	--	178.861
Financial assets at fair value through other comprehensive income	67.783	--	--	67.783
Financial assets at fair value	67.816	178.828	--	246.644
Derivative financial liabilities	--	655.370	--	655.370
Financial liabilities at fair value	--	655.370	--	655.370

2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	33	203.385	--	203.418
Financial assets at fair value through other comprehensive income	60.675	--	--	60.675
Financial assets at fair value	60.708	203.385	--	264.093
Derivative financial liabilities	--	278.979	--	278.979
Financial liabilities at fair value	--	278.979	--	278.979

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises

34.1 List of subsidiaries

The table below sets out all consolidated subsidiaries and shows shareholding structure of the subsidiaries at 31 December:

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Acropolis S.P.A	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Acropolis USA Trading Corp.	100,00	100,00	--	--	100,00	100,00	100,00	100,00
AD Yiyecek	90,00	60,00	--	--	90,00	60,00	89,46	60,00
A.L.E. Gıda	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Alantur	100,00	100,00	--	--	100,00	100,00	99,96	99,82
Alperen	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Altınhan	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Altın Mecralar [1]	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Antur	99,99	99,99	--	--	99,99	99,99	99,96	99,82
Ara Güler	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Arena	100,00	100,00	--	--	100,00	100,00	99,87	99,03
Aresta	--	100,00	--	--	--	100,00	--	99,97
Argos	80,00	80,00	--	--	80,00	80,00	80,00	80,00
Arjantin Et	--	100,00	--	--	--	100,00	--	70,00
Ataşehir Restoran	--	100,00	--	--	--	100,00	--	70,00
Ayson	70,00	70,00	--	--	70,00	70,00	70,00	70,00
Ayson Sondaj	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Bal Turizm	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Bangolare S.L.	90,00	90,00	--	--	90,00	90,00	90,00	90,00
Başkent	100,00	100,00	--	--	100,00	100,00	99,40	100,00
BMK [2]	100,00	100,00	--	--	100,00	100,00	90,00	90,00
Bomonti	100,00	100,00	--	--	100,00	100,00	98,97	99,00
Borsa	67,00	67,00	--	--	67,00	67,00	66,60	67,00
Büke Turizm	--	100,00	--	--	--	100,00	--	100,00
Blohm+ Vos La Ciotat, SAS [4]	--	49,00	--	--	--	49,00	--	34,30
Capritouch SRL	80,00	80,00	--	--	80,00	80,00	80,00	80,00
Coya Abu Dhabı	60,00	60,00	--	--	60,00	60,00	49,30	60,00
Coya Angelcourt	60,00	60,00	--	--	60,00	60,00	49,30	60,00
Coya Inc	100,00	100,00	--	--	100,00	100,00	82,16	100,00
Coya London	72,00	72,00	--	--	72,00	72,00	59,16	72,00
Coya Ltd, Dubai	76,00	76,00	--	--	76,00	76,00	62,44	76,00
Coya Management	--	75,00	--	--	--	75,00	--	54,00
Coya Restaurant LLC, Dubai	76,00	76,00	--	--	76,00	76,00	62,44	76,00
Coya Restaurant LLC, Miami	--	61,00	--	--	--	61,00	--	61,00
CW Atlantic SASU	--	100,00	--	--	--	100,00	--	52,50
CW Finance SAS [4]	75,00	75,00	--	--	75,00	75,00	52,50	52,50
CWCB SASU	--	60,00	--	--	--	60,00	--	31,50
Çankaya Grup	--	100,00	--	--	--	100,00	--	70,00
Çukurambar Lokanta	--	100,00	--	--	--	100,00	--	70,00
D-Auto Suisse SA	--	100,00	--	--	--	100,00	--	73,07
D Eğlence	100,00	100,00	--	--	100,00	100,00	99,40	100,00
D Enerji	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Et	51,00	51,00	--	--	51,00	51,00	41,90	51,00
D Nusret International Holding Coöperatief U.A	99,95	99,95	--	--	99,95	99,95	41,91	51,00
D Nusret International Holding B.V.	100,00	100,00	--	--	100,00	100,00	41,90	51,00
D Nusret International B.V.	100,00	--	--	--	100,00	--	41,90	--
D Marina	100,00	100,00	--	--	100,00	100,00	100,00	100,00

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.1 List of subsidiaries *(continued)*

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
D Marinas Management	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Marinas B.V.	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Marine Gocek	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Hospitality B V.	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Otel	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Otel Plaj	--	100,00	--	--	--	100,00	--	100,00
D Otel Göcek	100,00	100,00	--	--	100,00	100,00	100,00	99,78
D Resort Sibenik	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Saat	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Dafne Yayıncılık	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Darüşşafaka Sportif	100,00	100,00	--	--	100,00	100,00	100,00	100,00
DMS	100,00	100,00	--	--	100,00	100,00	100,00	100,00
DOAŞ	75,27	75,27	--	--	75,27	75,27	74,96	73,06
Dogus Croatia	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Arge	99,00	92,72	1,00	7,28	100,00	100,00	99,00	92,72
Doğuş Auto Iraq	100,00	100,00	--	--	100,00	100,00	74,96	73,06
Dogus Avenue BV	100,00	100,00	--	--	100,00	100,00	98,12	98,12
Dogus Avenue Coop	98,12	98,12	--	--	98,12	98,12	98,12	98,12
Dogus Avenue LLC	100,00	100,00	--	--	100,00	100,00	98,12	98,12
Dogus Avenu	--	99,39	--	--	--	99,39	--	99,39
Doğuş Bilgi İşlem	100,00	100,00	--	--	100,00	100,00	88,48	87,61
Dogus Construction LLC	49,00	49,00	--	--	49,00	49,00	49,00	49,00
Doğuş Dalaman	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Didim	100,00	100,00	--	--	100,00	100,00	99,95	99,65
Doğuş Dijital	94,85	94,85	--	--	94,85	94,85	94,85	94,85
Doğuş - (Onur)	55,00	55,00	--	--	55,00	55,00	55,00	55,00
Doğuş Enerji	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Enerji Toptan	100,00	100,00	--	--	100,00	100,00	100,00	99,98
Doğuş EOOD	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Finance Ukraine	99,00	99,00	--	--	99,00	99,00	99,00	99,00
Doğuş Fotoğraf	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Gayrimenkul	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş GYO	94,98	94,53	--	--	94,98	94,53	94,98	94,53
Doğuş Health and Wellness	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Hellas	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş İnşaat	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş İnşaat (Kazakistan)	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Doğuş İnşaat (Ukrayna)	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş International	100,00	100,00	--	--	100,00	100,00	99,00	92,72
Dogus International Coöperatief	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Leisure	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Management	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Maroc SARL	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Media	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Dogus Montenegro Inv.	--	100,00	--	--	--	100,00	--	100,00
Dogus Oman LLC	70,00	70,00	--	--	70,00	70,00	70,00	70,00
Doğuş Otel İşletmeciliği	100,00	100,00	--	--	100,00	100,00	100,00	99,76
Doğuş Otel Yatırımları	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Oto Pazarlama	100,00	100,00	--	--	100,00	100,00	75,91	74,08
Doğuş Perakende	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Razvitak	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş SA	--	100,00	--	--	--	100,00	--	100,00
Doğuş Sağlıklı Yaşam	--	100,00	--	--	--	100,00	--	100,00
Doğuş Sigorta	100,00	100,00	--	--	100,00	100,00	89,49	88,69

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.1 List of subsidiaries *(continued)*

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
Doğuş Spor	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Sportif	--	100,00	--	--	--	100,00	--	100,00
Doğuş Tarım	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Dogus TRG	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Turgutreis	100,00	100,00	--	--	100,00	100,00	99,76	98,28
Doğuş Turizm	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Yayın Grubu	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Doğuş Yeni Girişimler	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğuş Yönetim Danışmanlığı	100,00	--	--	--	100,00	--	100,00	--
Doğuş Zhenfa	67,00	67,00	--	--	67,00	67,00	67,00	67,00
Doors Akademi	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Doors Holding	--	100,00	--	--	--	100,00	--	100,00
Dream International Coöperatif U.A.	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Dream Global B.V.	100,00	--	--	--	100,00	--	99,40	--
Dream International B.V.	82,16	100,00	--	--	82,16	100,00	82,16	100,00
Dream Management	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Etiler Kebapçılık	75,00	75,00	--	--	75,00	75,00	75,00	75,00
Etiler Turistik	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Euromessage Deutschland (1)	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Garanti Turizm	100,00	100,00	--	--	100,00	100,00	99,89	99,22
Gouvia Marina S.A. (3)	100,00	100,00	--	--	100,00	100,00	99,01	99,01
Gunaydın Int. B.V.	100,00	100,00	--	--	100,00	100,00	69,58	70,00
Gunaydın Int. Coop	100,00	100,00	--	--	100,00	100,00	69,58	70,00
Gunaydın Restaurant	100,00	100,00	--	--	100,00	100,00	69,58	70,00
Gunaydın Restaurants	100,00	--	--	--	100,00	--	69,58	--
Gunaydın UK	100,00	--	--	--	100,00	--	69,58	--
Gunaydın US	100,00	--	--	--	100,00	--	69,58	--
Günaydın Çamlıca	51,00	51,00	--	--	51,00	51,00	35,49	35,70
Günaydın Et Sanayi	70,00	70,00	--	--	70,00	70,00	69,58	70,00
Günaydın İstanbul	--	70,00	--	--	--	70,00	--	70,00
Gunaydın Üretim	70,00	70,00	--	--	70,00	70,00	69,58	70,00
Göktrans	100,00	100,00	--	--	100,00	100,00	99,97	99,76
Havana Yayıncılık	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Hedef Medya	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Hospitality	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Hotel Villa Magna	--	100,00	--	--	--	100,00	--	100,00
Il Riccio Dubai	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Kadıkoy Tepe	--	100,00	--	--	--	100,00	--	70,00
King of the Rib	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Kivahan	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Köprü	--	100,00	--	--	--	100,00	--	100,00
Körfez Hava	100,00	100,00	--	--	100,00	100,00	100,00	100,00
K&G Mediterranean Marinas Management A.E.	99,01	99,01	--	--	99,01	99,01	99,01	99,01
Kral Müzik Medya	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Kral Pop	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Kral Pop Avrupa	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Kral TV Radyo	--	100,00	--	--	--	100,00	--	99,96
Lacivert	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Lefkas Marina S.A. (3)	100,00	100,00	--	--	100,00	100,00	99,01	99,01
Liquid Art Boston	80,00	80,00	--	--	80,00	80,00	79,52	80,00
Liquid Art Holding	100,00	100,00	--	--	100,00	100,00	99,40	100,00
London Doors Restaurant Group	79,00	79,00	--	--	79,00	79,00	78,53	79,00
LPM Istanbul	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Marina Barcelona	70,01	70,01	--	--	70,01	70,01	70,01	70,01

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.1 List of subsidiaries *(continued)*

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Marina Bonk	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Marina Dalmacija	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Marina Sibenik	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Marina Upravljanje	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Marinas TR BV	100,00	100,00	--	--	100,00	100,00	100,00	100,00
MB92 La Ciotat	100,00	100,00	--	--	100,00	100,00	52,50	52,50
Mercado	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Mercati S.p.A	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Meto Turizm	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Mezzaluna	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Meng Unlu Mamuller	100,00	100,00	--	--	100,00	100,00	41,90	51,00
MK Holding	90,00	90,00	--	--	90,00	90,00	90,00	90,00
Mobilet	100,00	100,00	--	--	100,00	100,00	98,00	98,00
Nahita	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Nahita Dallas	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Nahita Global	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Nahita International Inc	100,00	100,00	--	--	100,00	100,00	82,16	100,00
Nahita International Limited	100,00	100,00	--	--	100,00	100,00	82,16	100,00
NTV Batı	--	100,00	--	--	--	100,00	--	99,96
NTV Radyo	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Nusret Dallas	*100,00*	--	--	--	*100,00*	--	37,71	--
Nusret Dubai	100,00	100,00	--	--	100,00	100,00	41,90	51,00
Nusret Galleria	100,00	100,00	--	--	100,00	100,00	41,90	51,00
Nusret Holdings USA	90,00	90,00	--	--	90,00	90,00	37,71	45,90
Nusret New York	100,00	100,00	--	--	100,00	100,00	37,71	45,90
Nusret Miami	100,00	100,00	--	--	100,00	100,00	37,71	45,90
Nusret South Beach	100,00	100,00	--	--	100,00	100,00	37,71	45,90
Nusret US	100,00	100,00	--	--	100,00	100,00	41,90	51,00
Nusret UK Limited	100,00	100,00	--	--	100,00	100,00	41,90	51,00
Nusret Katar	59,00	59,00	--	--	59,00	59,00	30,09	30,09
Omni Kanal [1]	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Oran Gurme	--	100,00	--	--	--	100,00	--	70,00
Partnership	100,00	100,00	--	--	100,00	100,00	59,16	72,00
Panther Marina	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Populist	90,00	60,00	--	--	90,00	60,00	89,46	60,00
Portakal Yazılım [1]	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Pozitif Arena	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Pozitif Müzik A.Ş.	80,20	80,00	--	--	80,20	80,00	80,20	80,00
Pozitif Müzik Yapım A.Ş.	80,00	80,00	--	--	80,00	80,00	80,00	80,00
Related Digital Marketing Coöperatief U.A. [1]	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Related Digital Marketing BV [1]	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Related Digital Marketing Limited [1]	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Ruya London	100,00	100,00	--	--	100,00	100,00	66,60	67,00
Ruya Restaurant	67,00	67,00	--	--	67,00	67,00	66,60	67,00
Sait	60,00	60,00	--	--	60,00	60,00	59,64	60,00
Salıpazarı	81,00	81,00	--	--	81,00	81,00	81,00	81,00
Saltbae LA	100,00	--	--	--	100,00	--	37,71	--
Saltbae NY	100,00	--	--	--	100,00	--	37,71	--
Saltbae Restoran İşletmeciliği	78,43	74,83	--	--	78,43	74,83	32,86	40,00
Sekiz Produksiyon	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Semanticum [1]	80,00	60,00	--	--	80,00	60,00	80,00	60,00
Sibenik Upravljanje	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Sititur	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Soya	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Spor TV Medya Hizmetleri	--	100,00	--	--	--	100,00	--	99,96

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.1 List of subsidiaries *(continued)*

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
Star Avrupa	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Star TV	100,00	100,00	--	--	100,00	100,00	99,99	99,96
Şahintur	100,00	100,00	--	--	100,00	100,00	100.00	100,00
Toms Kitchen Restaurant Holdings Limited	80,00	74,00	--	--	80,00	74,00	62,82	58.46
Tansaş Gıda	99,87	99,87	--	--	99,87	99,87	99,87	99,87
Teknik Mühendıslik	100,00	100,00	--	--	100,00	100.00	100,00	100,00
The Tom Aikens Group Ltd	100,00	100,00	--	--	100,00	100,00	62,82	58.46
Tom Aikens Ltd	100,00	100,00	--	--	100,00	100,00	62,82	58,46
Tiendes	75,00	75,00	--	--	75,00	75,00	52,18	52.50
Wrap Around LLC	100,00	100,00	--	--	100,00	100,00	99,40	100,00
Tom's Kitchen Ltd	100,00	100,00	--	--	100,00	100,00	62,82	58.46
Villa Dubrovnik	89.60	89,60	--	--	89,60	89,60	89,60	89,60
Vıtapark	100,00	100.00	--	--	100,00	100,00	100,00	100,00
Voyager	100,00	100,00	--	--	100,00	100,00	100.00	100,00
West Mediternean	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Zadar	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Zadar Residences	100.00	--	--	--	100,00	--	100.00	--
Zea Marina S.A. [3]	75.00	75,00	--	--	75,00	75,00	74,26	74.26
Zeytın Dallas	100,00	100.00	--	--	100,00	100,00	99,40	100,00
Zuma Turizm	90,00	90,00	--	--	90,00	90,00	57,52	70,00

(1) Consolidated under Hedef Medya

(2) Consolidated under MK Holdıng,

(3) Consolidated under K&G Medmarinas Management S.A.

(4) Consolidated under Marina Barcelona 92

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.2 List of associates

The table below sets out the associates and shows the shareholding structure of the associates at 31 December:

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
Adelia Ltd	100,00	100,00	--	--	100,00	100,00	33,33	33,33
Amazonico UK [1]	100,00	--	--	--	100,00	--	32,87	--
Apollo Investment	100,00	100,00	--	--	100,00	100,00	33,33	33,33
Astir Marina	100,00	100,00	--	--	100,00	100,00	33,33	33,33
Astir Palace	100,00	100,00	--	--	100,00	100,00	33,33	33,33
Central Asturcova [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
DG Holdings Limited	16,67	25,00	--	--	25,00	25,00	16,67	25,00
DG Limited	100,00	100,00	--	--	100,00	100,00	16,67	25,00
Dome Group Financial Advisers Limited	100,00	--	--	--	100,00	--	16,67	--
DÔA Miami	32,50	32,50	--	--	32,50	32,50	26,70	32,50
El Gourmet [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
Icons and Styles	55,00	55,00	--	--	55,00	55,00	34,99	34,97
Il Riccio Miami LLC	--	59,76	--	--	--	59,76	--	59,76
IPE Velázquez [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
İstinye Yonetim Hizmetleri	42,00	42,00	--	--	42,00	42,00	42,00	42,00
Jermyn Street Real Estate	33,33	33,33	--	--	33,33	33,33	33,33	33,33
Kiko	49,00	49,00	--	--	49,00	49,00	49,00	32,83
LPM Miami	5,00	5,00	--	--	5,00	5,00	4,11	5,00
MNG Medya	100,00	100,00	--	--	100,00	100,00	30,00	29,99
MNG Reklam	100,00	100,00	--	--	100,00	100,00	30,00	29,99
MNG TV	100,00	100,00	--	--	100,00	100,00	30,00	29,99
Mosela Investments	40,00	40,00	--	--	40,00	40,00	32,87	40,00
Onsekiz Reklam	100,00	100,00	--	--	100,00	100,00	30,00	29,99
Para Picchu Limited	--	40,00	--	--	--	40,00	--	40,00
Puerta de Alcalá 10 [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
Reidin	51,00	51,00	--	--	51,00	51,00	51,00	51,00
Paraguas [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
SARL Eden Rock	100,00	100,00	--	--	100,00	100,00	33,33	33,33
SAS Eden Rock Villa Rental	100,00	100,00	--	--	100,00	100,00	33,33	33,33
SCI Afternoon Tea	100,00	100,00	--	--	100,00	100,00	33,33	33,33
Secosilva Empresarial [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
Sekiz Televizyon	22,22	22,22	--	--	22,22	22,22	22,22	22,21
Solid Rock Property SAS	33,33	33,33	--	--	33,33	33,33	33,33	33,33
Ultramarinos Quintin [1]	100,00	100,00	--	--	100,00	100,00	32,87	40,00
VDF Faktoring [2]	100,00	100,00	--	--	100,00	100,00	39,44	38,71
VDF Filo Kiralama [2]	100,00	100,00	--	--	100,00	100,00	39,44	38,71
VDF Tüketici	49,00	49,00	--	--	49,00	49,00	36,98	36,07
VDF Servis	49,00	49,00	--	--	49,00	49,00	39,44	38,71
VDF Sigorta [2]	100,00	100,00	--	--	100,00	100,00	39,44	38,71
Yuce Auto	50,00	50,00	--	--	50,00	50,00	37,48	36,53
Zingat	51,00	51,00	--	--	51,00	51,00	51,00	51,00

[1] Consolidated under Mosela Investments.

[2] Consolidated under VDF Servis Holding.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.3 List of joint ventures / joint operations

The table below sets out the joint ventures and joint operations and shows the shareholding structure of the joint ventures and joint operations as at 31 December:

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
Abu Dhabi (4)	95,00	95,00	--	--	95,00	95,00	41,09	50,01
Argos Bağcılık	100,00	100,00	--	--	100,00	100,00	50,00	50,00
Argos Kültür	90,00	90,00	--	--	90,00	90,00	45,00	45,00
Aslancık	33,33	33,33	--	--	33,33	33,33	33,33	33,33
Azumi Limited	50,01	50,01	--	--	50,01	50,01	41,09	50,01
Azumi LLC (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Balıa (UK) Limited	100,00	100,00	--	--	100,00	100,00	59,64	60,00
Beach-Chu Hallandale (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Beach-Chu Inc (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Beach-Chu Las Olas LLC (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Bodyism Global Holdings	50,01	50,01	--	--	50,01	50,01	50,01	50,01
Bodyfood	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Bodyism Global Limited	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Bodywear	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Boyabat	34,00	34,00	--	--	34,00	34,00	34,00	33,97
Chenot S.R.L. (1)	100,00	100,00	--	--	100,00	100,00	50,99	50,99
Chenot Cosmetique S.a.g.l. (1)	--	100,00	--	--	--	100,00	--	50,99
MD Health and Wellness	--	33,33	--	--	--	33,33	--	33,33
Corpera	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Dogus – Soma (2)	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuş – Tekfen (2)	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuş – VIA – Ultrastroy (2)	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Doğuş-Yapı Merkezi-Özaltın (2)	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Doğuş Alarko (2)	37,50	37,50	--	--	37,50	37,50	37,50	37,50
Doğuş ES (2)	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuş Planet	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuş SK	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuş YDA (2)	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuş- DUSA	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Ege Turizm	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Elmira Miami	100,00	100,00	--	--	100,00	100,00	61,47	61,47
Elmira Miami Mezz	100,00	100,00	--	--	100,00	100,00	61,47	61,47
Elmira Miami Partners	100,00	100,00	--	--	100,00	100,00	61,47	61,47
Gestin Turizm	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Gülermak Doğuş (2)	50,00	50,00	--	--	50,00	50,00	50,00	50,00
HC Biontis S.R.L. (1)	100,00	100,00	--	--	100,00	100,00	50,99	50,99
HC International A.G.	50,99	50,99	--	--	50,99	50,99	50,99	50,99
HC Trademarks GmbH (1)	--	100,00	--	--	--	100,00	--	50,99
Home Holdings	--	50,00	--	--	--	50,00	--	50,00
Inko Nito Garey St LLC (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.3 List of joint ventures / joint operations *(continued)*

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
Inko Nito Inc [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Inko Nito West 3rd Street LLC [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Inko Nito Broadwick Street [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Inko Nito Limited [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Ionian	50,00	100,00	--	--	50,00	100,00	50,00	50,00
Kanlıca Turizm	49,00	49,00	--	--	49,00	49,00	48,71	49,00
Kazakistan	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Kömurhan [(2)]	50,00	50,00	--	--	50,00	50,00	50,00	50,00
L'atelier	100,00	100,00	--	--	100,00	100,00	59,64	60,00
Lamda Dogus	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Lamda Flisvos [(3)]	83,39	83,39	--	--	83,39	83,39	41,69	41,69
Lamda Marina [(3)]	77,23	77,23	--	--	77,23	77,23	32,20	32,20
Mad Atelier	60,00	60,00	--	--	60,00	60,00	59,64	60,00
Doğuş Damper	--	49,00	--	--	--	49,00	--	35,80
Ortakonak Gayrimenkul	--	50,00	--	--	--	50,00	--	50,00
PIT İstanbul	50,00	50,00	--	--	50,00	50,00	40,50	40,50
Raleigh Club Management	61,47	61,47	--	--	61,47	61,47	61,47	61,47
RH Miami Employees	100,00	100,00	--	--	100,00	100,00	61,47	61,47
Robata Holdings USA [(4)]	80,00	80,00	--	--	80,00	80,00	32,87	40,01
Robata Rest [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Roka Mayfair Ltd [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Roka Aldwych Ltd [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Roka Chelsea Ltd [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Roka Dubai [(4)]	95,00	95,00	--	--	95,00	95,00	39,04	47,51
Roka Restaurants [(4)]	100,00	--	--	--	100,00	--	39,04	--
Taddeo Trading Ltd [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Taraneete International Ltd [(4)]	72,80	72,80	--	--	72,80	72,80	41,09	50,00
TDB Kalibrasyon	33,33	33,33	--	--	33,33	33,33	33,33	33,33
TDB Sigorta	100,00	33,33	--	--	100,00	33,33	24,99	33,33
TH Hospitality Management	61,47	61,47	--	--	61,47	61,47	61,47	61,47
THRH	61,47	61,47	--	--	61,47	61,47	61,47	61,47
Time Result Investments Ltd [(4)]	100,00	100,00	--	--	100,00	100,00	41,09	50,01
TRG International IP Co	61,47	61,47	--	--	61,47	61,47	61,47	61,47
TRG US IP Co	61,47	61,47	--	--	61,47	61,47	61,47	61,47
TÜVTURK Güney	33,33	33,33	--	--	33,33	33,33	24,99	24,35
TÜVTURK İstanbul	100,00	100,00	--	--	100,00	100,00	24,99	24,35
TÜVTURK Kuzey	33,33	33,33	--	--	33,33	33,33	24,99	24,35
Tüv Süd Doğuş Ekspertiz	49,95	49,95	--	--	49,95	49,95	49,95	49,95
Uzunetap	90,00	90,00	--	--	90,00	90,00	45,00	45,00
Wildfire Entertainment Ltd. [(4)]	40,00	40,00	--	--	40,00	40,00	16,44	20,00
Wildfire Holdings USA	40,00	--	--	--	40,00	--	16,44	--
YMDYYB [(2)]	26,00	26,00	--	--	26,00	26,00	26,00	26,00

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

34 Group enterprises *(continued)*

34.3 List of joint ventures / joint operations *(continued)*

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2018	2017	2018	2017	2018	2017	2018	2017
Zuma Abu Dhabi,Ltd (4)	--	90,00	--	--	--	90,00	--	45,01
Zuma Bangkok Ltd (4)	49,00	49,00	--	--	49,00	49,00	20,13	24,50
Zuma Club LLC (4)	95,00	95,00	--	--	95,00	95,00	41,09	50,01
Zuma Holdings USA (4)	100,00	--	--	--	100,00	--	41,09	--
Zuma Japanese Restaurant INC (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Zuma Japanese Restaurant Miami LLC (4)	90,00	90,00	--	--	90,00	90,00	41,09	50,01
Zuma Las Vegas LLC (4)	90,00	90,00	--	--	90,00	90,00	36,98	45,01
Zuma NY LLC (4)	100,00	100,00	--	--	100,00	100,00	36,98	45,01
Zuma Rome (4)	100,00	100,00	--	--	100,00	100,00	41,09	50,01
Zuma USA LLC (4)	90,00	90,00	--	--	90,00	90,00	36,98	45,01

(1) Consolidated under HC International AG

(2) The joint operations are proportionately consolidated under the Group in accordance with IFRS 11"*Joint Arrangements*"

(3) Consolidated under Lamda Dogus.

(4) Consolidated under Azumi Limited.

The major changes in Group enterprises for the year ended 31 December 2018 are summarised in the following paragraphs:

34.4 Establishment of new entities

- On 11 April 2018, Doğuş Yönetim Danışmanlığı A.Ş has been established as a consultancy entity.
- In 2018, Dream Global BV, Günaydın Restaurant LLC, Gunaydın US Inc., Gunaydın UK Ltd, Nusret Dallas LLC, Saltbae NY LLC, Saltbae LA LLC, Amazonica UK Limited ve Roka Restaurant LLC have been established. The area of operation of the entities are food and beverage.

34.5 Sale of entities

- The shares of MD Health and Wellness LLC were transferred in 2018.
- On 23 November 2018, the Group sold Hotel Villa Magna S.L.U to WinFeel Investment SLU.
- On 20 December 2018, a sales contract was signed for the Raleigh Hotel owned by Elmira Miami LLC, one of the Group's business partnerships, with BSD Raleigh Propco LLC.

34.6 Liquidation / merger of entities

- Doğuş Finance Ukraine, Doğuş Prestige and Kanlıca Turizm Sanayi A.Ş. are under liquidation.
- On 28 February 2018, Günaydın İstanbul Merkez Gıda Turizm Ticaret A.Ş. has merged with Günaydın Et Sanayi ve Ticaret A.Ş. under Günaydın Et Sanayi ve Ticaret A.Ş..
- Doğuş S.A., Para Picchu Limited and Doğuş Montenegro Investments d.o.o. have been liquidated.
- On 6 April 2018, Orta Konak Gayrimenkul Yatırım Yönetim ve Turizm A.Ş. has been sold.
- On 27 April 2018, D Otel Plaj İşletmeciliği A.Ş. has merged with Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.under Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.

34 Group enterprises *(continued)*

34.6 Liquidation / merger of entities *(continued)*

- On 15 May 2018, Home Holdings Anonymi Etairia Symmetochon has merged with Ionian Hotel Enterprises S.A.under Ionian Hotel Enterprises S.A.
- On 31 May 2018, Büke Turizm ve Lokantacılık Ticaret A.Ş. has merged with Bal Turizm ve Gıda Pazarlama A.Ş. under Bal Turizm ve Gıda Pazarlama A.Ş.
- On 31 May 2018, Köprü Restoran İşletmeciliği Ticaret A.Ş. has merged with Kivahan Turizm Ticaret A.Ş. under Kivahan Turizm Ticaret A.Ş.
- In June 2018, HC Trademarks S.A.R.L., Chenot Cosmetique S.A.G.L. and HC International A.G. have merged with HC International A.G. under HC International A.G.
- On 31 August 2018, Aresta Gıda Ticaret ve Sanayi A.Ş. and Doors Holding A.Ş. have merged with Nahita Restoran İşletmeciliği ve Yatırım A.Ş. under Nahita Restoran İşletmeciliği ve Yatırım A.Ş.
- On 4 September 2018, Coya Management Services Inc. Company has been liquidated.
- On 5 September 2018, NTV Batı Medya Hizmetleri A.Ş. has merged with STARTV Medya Hizmetleri A.Ş. under STARTV Medya Hizmetleri A.Ş.
- On 26 October 2018, Kraltv Radyo ve Televizyon Yayıncılığı A.Ş. has merged with STARTV Medya Hizmetleri A.Ş. under STARTV Medya Hizmetleri A.Ş.
- On 31 October 2018, Arjantin Et Ürünleri Gıda Lokantacılık Turizm Tic. A.Ş., Ataşehir Restoran İşletmeleri Gıda Turizm Ticaret A.Ş., Çankaya Grup Lokantacılık Gıda Turizm Ticaret A.Ş., Çukurambar Lokantacılık Gıda Turizm Ticaret A.Ş., Kadıköy Tepe Restoran Gıda Turizm Ticaret A.Ş. and Oran Gurme Et Lokantacılık Gıda Turizm Ticaret A.Ş. have merged with Günaydın Et Sanayi ve Ticaret A.Ş.under Günaydın Et Sanayi ve Ticaret A.Ş.
- Doğuş Oto Pazarlama A.Ş. took over Meiller Doğuş A.Ş. by merging at 12 November 2018.
- On 30 November 2018, Doğuş Sportif Faaliyetler A.Ş. and Doğuş Sağlıklı Yaşam ve Danışmanlık Hizmetleri Ticaret A.Ş. have merged with Doğuş Holding A.Ş. under Doğuş Holding A.Ş.
- On 31 December 2018, Doğuş Avenu Dış Ticaret A.Ş. has merged with Doğuş Holding A.Ş. under Doğuş Holding A.Ş..
- CW Atlantic SASU and CWCB SASU have been liquidated in 2018. MB92 La Ciotat SAS and Blohm+Voss La Ciotat SAS have merged under the name of MB92 La Ciotat SAS in 2018.

34.7 Change in structure/ title

- Dream IP Ltd changed its legal name as Nahita Global Ltd.
- D-Marine Investments Holding B.V. changed its legal name as D Hospitality B.V.
- A Yapım Televizyon Programcılık A.Ş. changed its legal name as Kral Müzik Medya Hizmetleri A.Ş.
- Compositeworks France SASU changed its legal name as MB92 La Ciotat,SAS.
- Doğuş SK Girişim Sermayesi Yatırım Ortaklığı A.Ş. changed its legal name as Doğuş SK Finansal ve Ticari Yatırım ve Danışmanlık A.Ş.

35 Significant events

- Dream International Coöperatif U.A., which is 99,9% owned subsidiary of Nahita Restoran İşletmeciliği ve Yatırım A.Ş. sold 17,34% shares of it's wholly owned subsidiary Dream International B.V for a consideration of USD 200 million to Temasek, an investment company headquartered in Singapore and Metric Capital Partners, the European private capital group ("Investors") in accordance with the share purchase agreement dated March 2018. Dream International B.V has investments in Azumi Group (Zuma, Roka, Oblix, Inko Nito), Nusr-Et, Coya and Paraguas under its portfolio.

  In accordance with the "Option Agreement" signed between the parties on the same date, Dream International Coöperatif U.A. granted to Investors the option right to sell and transfer to Dream International Coöperatif U.A. their shares in Dream International B.V. at any time between 1 January 2022 and 31 December 2024. On 31 December 2024, the option period ends.

  At 31 December 2018, when determining the fair value of the put option liability for non-controlling interests, it is assumed that Investors would exercise their put option in 2022 and the fair value of the option was then discounted to 31 December 2018. As at 31 December 2018, the fair value of the put option liability for non-controlling interests is calculated as TL 127.498 thousand and recognized under non-current other liabilities. The difference between the share sale price and the put option liability is accounted under retained earnings. In accordance with the Group accounting policies, subsequent changes in the fair value of the put option liability related to non-controlling interests shall be accounted under retained earnings in equity.

- On 2 March 2018, transfer process for the sale of the terrestrial broadcast frequency which is broadcasting on the Ntvspor logo to the Discovery Medya Hizmetleri Limited Şirketi has been finalised.

- On 27 June 2018, the Group started negotiations for the sale of its wholly owned subsidiary Doğuş Auto Suisse SA located in Lausanne, Switzerland which is operating as Porsche sales distributor and after-sales service and the negotiations are ongoing. The transfer of the shares of the subsidiary that are owned by the Group is finalized in 27 November 2018.

- On 6 April 2018, Doğuş Gayrimenkul Yatırım ve İşletme A.Ş has sold its 50% investment in İzmir İstinyepark AVM-Otel construction project and the shareholding interest in Orta Konak Gayrimenkul Yatırım Yönetimi ve Turizm A.Ş. to Orta Gayrimenkul Yatırım Yönetimi ve Turizm A.Ş.

- On 3 May 2018, the Group has purchased additional 20% shares of Semanticum Bilişim Ticaret ve Sanayi A.Ş.

- On 23 November 2018, the Group has sold its shares held in Hotel Villa Magna S.L.U to WinFeel Investment SLU.

- The Group has transferred its own 49% of shares of Meiller-Doğuş to its subsidiary Doğuş Oto Pazarlama A.Ş as of 20 July 2018. Besides, F.X. Meiller Fahrzeug- und Maschinenfabrik GmbH & Co. KG, who owns 51% of Meiller- Doğuş shares, transferred its own shares to Doğuş Oto Pazarlama A.Ş. and Doğuş Oto Pazarlama A.Ş. currently owns 100% of Meiller-Doğuş.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

35 Significant events *(continued)*

- On 11 October 2018, the Group has transferred its 33,33% shares held in MD Health and Wellness LLC to Meraas Venture LLC according to share purchase agreement.
- On 21 December 2018, the Group has agreed and signed a letter on the main principles of refinancing agreement with co-leader banks in order to restructure the maturity of the some of its loans and borrowings.
- Doğuş İnşaat has signed in the of contracts for the construction of the following projects:

Riyad Al-Dara Hospital

Customer	:	Aldara Medikal Şirketi
Contract Value	:	USD 44 Million
Contract Date	:	10 May 2018
Doğuş Share	:	100.00%
Type	:	Aldara Hospital and Medical Center projects
Duration	:	300 days

Veli Palas Line

Customer	:	Karayolları Genel Müdürlüğü
Contract Value	:	TL 95 Million
Contract Date	:	18 August 2018
Doğuş Share	:	50.00%
Type	:	Malatya - Elazığ State Road, Construction of Velipalas Landslide
Duration	:	600 days

Torbalı - Ödemiş Line

Customer	:	T.C Devlet Demir Yolları İşletmesi Genel Müdürlüğü
Contract Value	:	TL 32 Million
Contract Date	:	14 May 2018
Doğuş Share	:	50.00%
Type	:	Torbalı (Excluded) – Ödemiş – Çatal - Tire Railway Line Signalization and Telecommunication Works
Duration	:	600 days

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

36 Acquisition of subsidiaries and non-controlling interests

Acquisition in 2017

36.1 Acquisition of CW Finance SAS

With the share transfer agreement dated 30 October 2017, the Group purchased 75 percent of shares of CW Finance SAS and the Group obtained the control and 75 percent voting rights in CW Finance SAS. The Group also was signed put option agreement for remaining 25 percent shares of CW Finance SAS and recognised consideration payable amounting to TL 54.059 thousand in consolidated financial statements.

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. As of 31 December 2017, the values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values. As of 31 December 2018, the identifiable asset,liabilities and contingent liabilities that are the basis for the acquisition fair valuation process have been completed.

The following table summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred	
Cash paid	78.452
Consideration payable	54.059
Total purchase consideration	132.511
Identifiable assets acquired and liabilities assumed	
Property and equipment	27.251
Other current assets	89.601
Inventories	1.707
Cash and cash equivalents	11.424
Other current liabilities	(100.434)
Other non-current liabilities	(4.331)
Total net identifiable assets	25.218

Goodwill

Goodwill has been recognised as a result of the acquisition as follows:

Total consideration transferred	132.511
Less: Value of net identifiable assets	(25.218)
Goodwill	**107.293**

Cash consideration transferred	78.452
Cash and cash equivalents acquired	(11.424)
Net cash outflow arising on acquisition	67.028

The Group's acquisition of CW Finance SAS is a potentially honorable base for the group's objectives, as it is positioned in a strong location that offers high-quality maintenance / repair services to luxury yacht customers with one of the world's largest maintenance facilities for powerful and well-known branded yachts.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

36 Acquisition of subsidiaries and non-controlling interests *(continued)*

Acquisition in 2017 *(continued)*

36.2 Acquisition of Coya Group

As at 31 December 2017, The Group has 76 percent and 72 percent of shares and voting rights in Coya Dubai and Coya London respectively. Following the completion of the new share purchase agreement in 2017, Coya Group were considered as a "Subsidiary" and were included by using the full consolidation method in the consolidated financial statements of the Group dated 31 December 2017.

This transaction was considered as "change of control" within the framework of the provisions of IFRS 3 "Business Combinations".

Pre-acquition values are calculated in accordance with IFRS, which is effective immediately prior to the purchase date. As of 31 December 2017, the fair value of the identifiable assets, liabilities and contingent liabilities are determined and estimated at their fair values. As of 31 December 2018, the fair valuation of the identifiable assets, liabilities and contingent liabilities which are the basis of the acquisition has been completed.

The following table summarises the information regarding the calculation and net assets under control change at the acquisition date:

Carrying value of the shares before the consolidation method change	147.632
Total	**147.632**
Identifiable assets acquired and liabilities assumed	
Property and equipment	15.563
Intangible assets	6.798
Trade receivables	3.907
Other current assets	4.469
Inventories	2.570
Cash and cash equivalents	17.961
Trade payables	(4.018)
Other current liabilities	(6.259)
Other non-current liabilities	(8.629)
Total net identifiable assets	32.362

Goodwil

Goodwill has been recognised as a result of the acquisition as follows:

Carrying value of the shares before the consolidation method change	147.632
Non controlling share (based on the proportionate share of acquired identifiable assets and liabilities)	9.292
Less: Value of net identifiable assets	(32.362)
Goodwill	**124.562**

The goodwill is mainly attributable to the deal rationale of the Group's ambition to penetrate a promising market and acquire strong brand names which are engaged in offering high-end fine dining services to A class customers.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

37 Interests in other entities

Information regarding the DOAŞ in which the Group has major non-controlling interests is as follows:

Subsidiary	*Non-controlling interest*	*Net profit attributable to non-controlling interests*	*Accumulated non-controlling interests*	*Dividend paid to non-controlling interests*
31 December 2018	%25,04	46.060	385.613	--
31 December 2017	%26,94	61.328	368.202	--

Consolidated financial information of DOAŞ before consolidation adjustments and eliminations are as follows:

Assets	**31 December 2018**	**31 December 2017**
Cash and cash equivalents	365.892	156.266
Current trade receivables	643.538	1.375.334
Other current assets	1.807.713	1.662.667
Non-current assets	1.981.519	1.972.615
Total assets	**4.798.662**	**5.166.882**
Short-term loans and borrowings	2.650.665	2.959.896
Current trade payables	554.172	633.545
Other current liabilities	158.308	175.563
Long-term loans and borrowings	60.000	11.106
Other non-current liabilities	67.645	59.327
Total liabilities	**3.490.790**	**3.839.437**
Total equity	**1.307.872**	**1.327.445**
Total liabilities and equity	**4.798.662**	**5.166.882**
Revenue	10.688.489	13.220.361
Cost of sales	(9.387.395)	(11.919.377)
Operating profit	526.668	474.034
Profit before tax	148.798	226.129
Profit for the year	**134.356**	**183.719**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

38 Related party disclosures

For the purpose of the consolidated financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint ventures are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business. Most of the related party activity is eliminated at consolidation and the remaining activity is not material to the Group.

As disclosed in detail in Note 42, the Joint Ventures and Associates of the Group have been accounted for using the equity method in the consolidated financial statements. Accordingly, the transactions of Group's Subsidiaries with Joint Ventures and Associates and the balances from Joint Ventures and Associates are not subject to elimination.

Garanti Bankası and its subsidiaries which were considered as related parties excluded from this scope as of 19 September 2017.

38.1 Related party balances

As at 31 December, the Group had the following balances outstanding from its related parties:

	2018		
	Joint Ventures	*Other (*)*	*Total*
Trade receivables - due from related parties	101.597	429.941	531.538
Trade payables - due to related parties	78.524	49.329	127.853

	2017		
	Joint Ventures	*Other (*)*	*Total*
Trade receivables - due from related parties	67.202	1.145.993	1.213.195
Trade payables - due to related parties	9.554	33.709	43.263
Other non-current assets	--	25.750	25.750

(*) Mainly includes related party balances with Associates of the Group.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

38 Related party disclosures *(continued)*

38.1 Related party balances *(continued)*

As at 31 December 2018, TL 380.746 thousand of trade receivables (31 December 2017: TL 1.106.520 thousand) is composed of balances due to the factoring receivables of DOAŞ from VDF Factoring, TL 135 thousand of trade receivables from VDF Filo Kiralama A.Ş.; TL 46.947 thousand of trade payables (31 December 2017: TL 23.434 thousand) is composed of balances due to vehicle purchases of DOAŞ from Yüce Oto.

No impairment losses have been recognised against balances outstanding as at 31 December 2018 (31 December 2017: None) and no specific allowance has been made for impairment losses on balances with the related parties.

38.2 Related party transactions

For the years ended 31 December, the revenues earned and expenses incurred by the Group in relation to transactions with its related parties as summarised below:

	2018		
	Joint Ventures	***Other (*)***	***Total***
Revenue	14.942	17.805	32.747
Cost of sales	(8.341)	(23)	(8.364)
Administrative expenses	(118)	(12.702)	(12.820)
Selling, marketing and distribution expenses	(542)	(161)	(703)
Net finance income / (expenses)	6.770	(53.844)	(47.074)
Other operating income	75.003	28.587	103.590
Other operating expenses	--	(45.662)	(45.662)

	2017		
	Joint Ventures	***Other (*)***	***Total***
Revenue	12.167	114.651	126.818
Cost of sales	(49.243)	(17)	(49.260)
Administrative expenses	(223)	(3.289)	(3.512)
Selling, marketing and distribution expenses	(23)	(246)	(269)
Net finance income / (expenses)	8.252	(95.575)	(87.323)
Other operating income	117.648	30.784	148.432
Other operating expenses	(69.172)	(22.816)	(91.988)

(*) Mainly includes related party balances with Associates of the Group.

38.3 Transactions with key management personnel

On a consolidated basis, key management costs included in administrative expenses for the year ended 31 December 2018 amounted to TL 157.216 thousand (31 December 2017: TL 302.436 thousand).

39 Subsequent events

39.1 The Group transferred its joint venture Elmira Miami LLC, which has 61,47% of its shares, and its owned real estate Raleigh Hotel Miami located in Miami to BSD Raleigh Propco LLC, according to the sales contract dated 13 February 2019.

39.2 The Group has signed preliminary sales contract in 15 February 2019 in order to transfer its real estates located in Kemeraltı Mahallesi, Marmaris/Muğla used for hospitality ("D Resort Grand Azur Marmaris") and located in Armutalan Mahallesi used for staff accommodation, brand of Grand Azur in the use of business and furniture and fixture in these real estates owned by Garanti Turizm, which is 100% owned subsidiary of the Group, to the TT Hotels Turkey Otel Hizmetleri ve Tic. A.Ş.

39.3 Based on the approval of the Capital Markets Board dated 30 November 2016, Doğuş Holding A.Ş. has issued a bond to the qualified investors with a demand collection date at 1-2 March 2017, starting date of 3 March 2017 and maturity date of 1 March 2019, with a nominal value of TL 350 million thousand. On 1 March 2019, bond with an ISIN code of TRSDOGH31910 has expired and redemption transaction has been made.

39.4 Partnership Management Limited and Adelia Limited have been liquidated.

39.5 The Group has signed a share transfer agreement on 14 February 2019 in order to transfer its 50% shares in Ionian Hotel Enterprises S.A., which includes Atina Hilton, to Tourism Enterprises of Messinia S.A.

39.6 The Group has signed a share purchase and sale agreement on 27 February 2019 in order to transfer its all shares in the Arena Otel Lokanta ve Eğlence Yerleri İşletmeciliği ve Turizm Yatırım A.Ş.

39.7 In the Extraordinary General Assembly of Doğuş Holding A.Ş. dated 23 February 2019, the Turkish lira denominated foreign currency with a maturity of up to 5 years with a maturity not exceeding TL 500 million; If the market conditions and opportunities are considered as a result of the investigation of the market conditions, the issuance of bonds and / or debt instruments at one or more times, to be sold to qualified investors without being offered to the public and / or allocated, shall be discounted and / or coupon, due to market conditions, The decision was taken to determine the interest rates, distribution principles and allocations to the investor groups, to complete the sales and to authorize the Board of Directors to perform all the necessary transactions with the application to the Capital Markets Board and other relevant authorities.

40 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis as adjusted for the effects of inflation that lasted until 31 December 2004, except for the following material items in the consolidated statement of financial position:

- derivative financial instruments are measured at fair value,
- available-for-sale financial assets are measured at fair value,
- non-derivative financial instruments at fair value through profit and loss are measured at fair value,
- investment property is measured at fair value,
- certain classes of property and equipment are measured at fair value.

The methods used to measure the fair values are discussed further in note 4.

41 Changes in accounting policies and reclassifications

Except for the changes below, the accounting policies applied in these consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

The Group has prepared the consolidated statement of financial position as at 31 December 2018 comparatively with the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statements of cash flows and changes in equity for the year ended 31 December 2018 comparative to the year ended 31 December 2017.

41.1 Reclassifications

Classifications made in the consolidated statement of financial position for the year ended 31 December 2017:

- The Group has reassessed the expected realization period of warranty obligation and reclassified TL 23.058 of warranty provision under other long-term provisions.

Reclassifications made in the consolidated statement of profit or loss for the year ended 31 December 2017:

- Finance incomes, previously presented in net basis under the finance costs amounting to TL 4.106 have been reclassified and presented in gross basis under the Finance income.

During the preparation of the consolidated statement of cash flows, reclassifications which are explained above were taken into consideration.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

41 Changes in accounting policies and reclassifications *(continued)*

41.2 Changes in accounting policies

41.2.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretation.

The Group has applied IFRS 15 using the cumulative effect method – by recognizing the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, the comparative information presented for 2017 has not been restated and continues to be as previously reported under IAS 18 and IAS 11 and related interpretations.

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

Group recognises revenue based on the following principles:

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

IFRS 15 have not had a significant impact on the financial position or performance of the Group.

Significant accounting policy details about Group's various products and services and revenue recognition methods are exlplained in Note 42 (I).

41.2.2 IFRS 9 Financial instruments

The Group has initially adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2018. IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The following table summarizes the impact, net of tax, of transition to IFRS 9 on retained earnings at 1 January 2018:

	Impact of adopting IFRS 9 at 1 January 2018
Retained earnings	
Recognition of expected credit losses under IFRS 9	(31.493)
Related tax	6.928
Opening balance under IFRS 9 (1 January 2018)	**(24.565)**

i. *Classification of financial assets and financial liabilities*

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments. Detailed information on how the Group classifies, measures and recognizes the related income and expenses in accordance with IFRS 9 is presented below.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

41 Changes in accounting policies and reclassifications *(continued)*

41.2 Changes in accounting policies *(continued)*

41.2.2 IFRS 9 Financial instruments *(continued)*

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and liabilities as at 1 January 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortised cost	2.069.440	2.069.440
Trade receivables	Loans and receivables	Amortised cost	3.942.267	3.910.835
Other investments, including derivatives	Available-for-sale financial investments	Changes in fair value attributable to other comprehensive income	60.675	60.675
Other investments, including derivatives	Financial investments at fair value through profit or loss	Changes in fair value attributable to profit or loss	203.418	203.418
Financial liabilities				
Derivatives	Financial investments at fair value through profit or loss	Changes in fair value attributable to profit or loss	278.979	278.979
Loans and borrowings	Amortised cost	Amortised cost	24.352.583	24.352.583
Trade payables	Amortised cost	Amortised cost	2.012.045	2.012.045

ii. *Impairment of financial assets*

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and contract assets but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, other receivables and cash and cash equivalents.

As at 1 January 2018, the effect of impairment allowance under IFRS 9 is as follows:

Loss allowance as at 31 December 2017 under IAS 39	
Impairment recognised at 1 January 2018	(338.467)
- Additional impairment recognised on trade receivables	(31.493)
Loss allowance as at 1 January 2018 under IFRS 9	**(369.960)**

41 Changes in accounting policies and reclassifications *(continued)*

41.2 Changes in accounting policies *(continued)*

41.2.2 IFRS 9 Financial instruments *(continued)*

ii. Impairment of financial assets (continued)

The Group's trade receivables from the automotive sector consists of dealers and fleet leasing companies. The Group has established an effective control system on its dealers and has reduced the expected credit risk arising from these transactions to a minimum with the bank letter of guarantee received and the factoring transactions made in the form of irrevocable receivables. In this respect, there is no significant impact on the provision for impairment of trade receivables from the automotive sector for the new model applied in accordance with IFRS 9.

The Group's trade receivables from the construction sector and a significant portion of its contractual assets consist of receivables from public administrations in different countries in which they operate, contract assets that have not yet been converted into rights, and receivables from subcontractors. The Group assesses the credit losses expected from the commercial assets of the public administrations and the contract assets based on the credit rating of the country where the relevant public administrations reside. As trade receivables from subcontractors are worked to a significant extent in reciprocal currents, these receivables are offset by the trade payables to subcontractors and minimize the risk that they may arise and do not calculate expected credit losses for those receivables. In this respect, there is no significant impact on the provision for impairment of trade receivables from the construction sector for the new model applied in accordance with IFRS 9.

The Group's trade receivables from the media sector consist of receivables from advertising agencies. The Group has established an effective lending system on agency companies and has minimized the expected credit risk of these transactions by irrevocable factoring transactions. Therefore, the effect of the new model applied in accordance with IFRS 9 on the provision for impairment on trade receivables from the media sector is specified in 41.2.2 (i).

42 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Doğuş Holding, its subsidiaries, joint arrangements and associates on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(iii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (i)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

42 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(i) Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(i) Non-controlling interests ("NCI")

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain / loss arising is recognised directly in equity.

42 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(vi) Associates (Equity-accounted investees) (continued)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method and are initially recognised at cost.

The cost of investments includes transaction costs. The consolidated financial statements include the Group's share of profit and loss and other comprehensive income of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associates, the carrying amount of that interest, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vii) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

42 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or qualifying cash flow hedges to the extent the hedge is effective.

The foreign currency exchange rates of EURO / TL, US Dollar / TL and GBP / TL as of the related periods are as follows:

	31 December 2018	**31 December 2017**
EURO / TL	6,0280	4,5155
US Dollar / TL	5,2609	3,7719
GBP / TL	6,6528	5,0803

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at average exchange rates at the dates of the transactions.

42 Significant accounting policies *(continued)*

(b) Foreign currency*(continued)*

***(ii) Foreign operations** (continued)*

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented within equity in the translation reserve.

(iii) Hedge of net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the parent entity's functional currency (TL), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the hedging reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as a part of the profit or loss on disposal.

(c) Financial instruments

i) Recognition and measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability for an item not at FVTPL is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI – debt and equity investment, or equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

42 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

ii) Classification and subsequent measurement (continued)

Financial assets – Policy applicable from 1 January 2018 *(continued)*

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVOCI:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets and equity investments measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

Financial assets- Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales. Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

42 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

ii) Classification and subsequent measurement (continued)

Financial assets- Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Since the principal is the present value of expected cash flows, trade receivables and other receivables meets the solely payments of principal and interest criteria. It is managed in accordance with the business model based on collection of these receivables.

Financial assets- Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Accounting policies at below is applicable for following measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

42 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

Financial assets: Policy applicable before 1 January 2018

Loans and receivables

The Group classified its financial assets as follows: loans and receivables. The Group initially recognized loans and receivables and deposits on the date that they were originated.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables and cash and cash equivalents in the consolidated balance sheet.

The Group initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date. Financial assets other than financial assets at fair value trough profit or loss are initally recognized at fair value plus transaction costs. The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of ownerships of the financial assets are transferred. Loans and receivables are recognized at amortized cost using the effective interest method.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognized at fair value and revalued at their fair value at the balance sheet date. Changes in fair value are recognized in profit or loss. Net gain or loss recognized in profit or loss includes the interest paid on the financial liability. As at the reporting date, the Group has no financial liabilities at fair value through profit or loss.

42 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

ii) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Effective interest rate; it is the rate that exactly disconts estimated future cash payments through the exptected life of the financial insturements or, where appropriate, a shorter period.

Gain or loss arising from the derecognition of such liabilities are recognized in profit or loss.

iii) Derecognition

Derecognition – Policy applicable after 1 January 2018

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Derecognition – Policy applicable before 1 January 2018

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

42 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

v) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting – Policy applicable after 1 January 2018

The Group uses derivative financial insturements for the purpose of hedging foreign currency and interest risk rate. Embedded derivative instruments are separated from the main contract and recognized separately when the underlying contract is not a financial asset and mets certain criteria.

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging instruments in order to maintain the variability in the cash flows related to the high probability of realization arising from the changes in exchange rates and interest rates. The Group defines certain derivatives and non-derivative financial liabilities as hedging instruments for net investment in foreign operations.

At the beginning of the hedge relationship, the Group makes a certification regarding the risk management purpose and strategy that causes the protection relationship and the operation of the enterprise.

The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and the protection means are expected to offset each other.

Net investment hedge

When derivative instruments or non-derivative financial liabilities are designated as hedging instruments in the net investment hedge transactions, the effective portion of the change in the fair value of the derivative instruments or foreign currency gains and losses on the non-derivative financial liability is recognized as other comprehensive income and is recognized under translation reserve in equity. The ineffective portion of the change in the fair value of the derivative or the foreign currency gains and losses arising from the financial liability are immediately recognized in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss at the time of disposal of the entity abroad.

Derivative financial instrument and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018.

42 Significant accounting policies *(continued)*

(d) Property and equipment

(i) Recognition and measurement

The costs of items of property and equipment purchased before 31 December 2005 are restated for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29. Property and equipment purchased after this date are recorded at their historical costs. Accordingly, items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any (see accounting policy 42(i)), except as explained below:

In 2001, the Group started to reflect the land and buildings at their fair values as appraised by independent third party appraisers. Any increase arising on the revaluation of such land and buildings is credited to other comprehensive income, and presented in revaluation surplus in equity, except to the extent that it reverses a impairment loss for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour,
- any other costs directly attributable to bringing the asset to a working condition for its intended use,
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposals and the carrying amount of the item) is recognised, net in profit or loss in "gains from investing activities" or "losses from investing activities". When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

42 Significant accounting policies *(continued)*

(d) Property and equipment

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation surplus in equity. Any loss is recognised immediately in profit or loss.

(iii) Subsequent expenditures

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iv) Depreciation

Items of property and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the assets are complete and ready for use.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Description	*Year*
Buildings	20-50
Furniture and equipment	4-20
Motor vehicles	5-10

Leasehold improvements are amortised over shorter of useful lives or the periods of the respective leases, also on a straight-line basis.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

42 Significant accounting policies *(continued)*

(e) Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is presented in intangible assets and goodwill account. For the measurement of goodwill at initial recognition, see note 42(a)(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses (see accounting policy 42(i)(ii)). In respect of associates / joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the associates as a whole.

(ii) Service concession arrangements

Concession rights acquired by the Group have finite useful lives of 36 years ("D Marin Göcek"), 34 years ("Dalmacija"), 16 years ("Borik"), 18 years (''Pozitif Arena''), 26 years ("K&G Medmarinas") and 24 years ("MB 92") starting from 7 December 2010, 30 April 2012, 30 April 2012, 28 August 2013, 4 February 2015 and 21 December 2015 respectively, and are measured at cost less accumulated amortisation. In addition, the definite allocation, definite authorization, use permit and easement period of some hotels and marinas with D Marin Göcek, Doğuş Didim and Doğuş Turgutreis marinas by the temporary Article 23 added to the Law No. 4706 and by Article 60 of Law No. 7061, which came into force after being published in the Official Gazette dated 5 December 2017 and in accordance with the provisions of the Regulation on the Extension and Sale of Tourism Investments on Public Immovables, which was promulgated in the Official Gazette dated 4 May 2018 based on this law. Cost includes borrowing costs directly attributable to the acquisition of the concession rights. The Group capitalises the borrowing costs directly attributable to the acquisition, or construction of a qualifying asset as part of the cost of that asset.

(iii) Broadcasting rights

Broadcasting rights represent terrestrial broadcasting licence of Kral TV and Kral FM which are the intangible assets recognised during the acquisition of commercial and economic assets of Kral TV and Kral FM in 2008 and terrestrial broadcasting licence of Star TV which are the intangible assets recognised during the acquisition of StarTV Medya Hizmetleri A.Ş. in 2011. Terrestrial broadcast rights have indefinite useful lives. These rights are tested for impairment annually.

(iv) Brand name

Brand name represents brand names resulting from acquisitions or revision of valuation work of net identifiable assets provisionally in the previous year of Aldrovandi and Coya in 2017, Capri in 2016, Masa, Borsa, Mora, Darphane in 2015, Argos in Cappadocia, Babylon,Villa Dubrovnik and Günaydın in 2014, Mezzaluna, Lacivert, Ulus 29, Çubuklu 29, Maçakızı and Sait acquired in 2013, Da Mario, Gina, Kivahan, Kitchenette, Nusr-et and Vogue which are related to the intangible assets recognised during the acquisitions in 2012, and Star TV which is related to the intangible asset recognised during the acquisition in 2011. Brand names have indefinite useful lives and are tested for impairment annually.

42 Significant accounting policies *(continued)*

(e) Intangible assets and goodwill *(continued)*

(v) Content library

The content library of series and movies are related to the intangible assets recognised during the acquisition of Star TV in 2011. Ownership right of these items in the content library belongs to Star TV with unlimited transmission. The fair value of the content library on the acquisition date has been determined by an independent external expert. The content library is measured at cost less accumulated amortisation and any accumulated impairment losses. Useful lives of content library are five years from the date the content library is ready to screen on TV starting.

(vi) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses, if any (see accounting policy 42(i)).

(vii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(viii) Amortisation

Except for goodwill, broadcasting rights and brand name recognised in business combinations, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation of service concession rights acquired by the Group is recognised in profit or loss on a straight line basis over their respective concession periods.

Amortisation of content library is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The amortisation period for all items in content library are five years period when content library is ready to screen on TV. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Amortisation of franchise network is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The amortisation period for franchise network is ten years period. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Amortisation of sponsorship is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The amortisation period for sponsorship is ten years period. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

(f) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss.

42 Significant accounting policies *(continued)*

(f) Investment property *(continued)*

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment property under construction is measured at cost when the fair value is not reliably determined.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation surplus is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Except as discussed in the following paragraphs, the cost of inventories is mainly based on the weighted average, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Entities operating in automotive businesses, the cost of inventories is determined on actual costing basis for trade goods, moving weighted average basis for spare parts and other inventories. Trading properties comprise land and buildings that are held for trading purposes. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Construction contracts in progress

Construction contracts in progress represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see note 42 (l)(i)) less progress billings and recognised losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contracts in progress is presented as part of trade receivables in the consolidated statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed cost incurred plus recognised profits, then the difference is presented as deferred income in the consolidated statement of financial position.

The asset, "Due from customers for contract work" represents revenue recognised in excess of amounts billed. The liability, "Due to customers for contract work" represents billings in excess of revenue recognised.

42 Significant accounting policies *(continued)*

(i) Impairment

i. Non-derivative financial assets

Policy applicable from 1 January 2018

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:
- financial assets measured at amortized cost

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:
- bank balances for which credit risk has not increased significantly since initial recognition.

The Group applied lifetime ECL for calculation of loss allowances for trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

The cash deficit is the difference between the cash flows to be incurred and the cash flows expected to be received by the entity. As the amount and timing of payments are considered in anticipated credit losses, a credit loss occurs even if the entity expects to receive the full payment in the contract with the maturity specified in the contract. Expected credit loss are discounted over the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

42 Significant accounting policies *(continued)*

(i) Impairment *(continued)*

i. Non-derivative financial assets (continued)

Policy applicable from 1 January 2018 (continued)

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The loss provision for the debt instruments measured at fair value through other comprehensive income is reflected in the other comprehensive income instead of decreasing the carrying amount of the financial asset in the statement of financial position.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

i. Non-derivative financial assets- Policy applicable before 1 January 2018

Financial assets measured at amortized cost	The Group evaluates impairment indicators for these assets both at the asset level and collectively. All significant assets are assessed for impairment. Assets that do not have significant impairment as a separate asset are tested for impairment only for impairment losses that have been incurred but have not yet been determined. Assets that are not significant alone are grouped as assets with similar risk characteristics and are subject to impairment tests.
	The Group collectively evaluates the impairment and takes into consideration the past tendencies of recovery timing and loss amounts. In making this assessment, the Group management makes necessary adjustments by taking into consideration the current economic situation and credit conditions, and considering that the losses should be more or less than the provision for impairment.
	An impairment loss is the difference between the carrying amount of the asset and its estimated future cash flows discounted at the original effective interest rate to its present value. Losses are recognized in profit or loss and recognized using the reserve account. When the Group has no realistic expectations for the recovery of the asset, the related amounts are deducted. If an event occurring after the impairment is recognized causes a decrease in impairment, such decrease is recognized in profit or loss and reversed from the previously recognized impairment loss.

42 Significant accounting policies *(continued)*

(i) Impairment *(continued)*

i. Non-derivative financial assets- Policy applicable before 1 January 2018 (continued)

Assets held for sale	Impairment on available-for-sale financial assets is accounted for by reclassifying accumulated losses in equity in the fair value reserve. Accumulated losses transferred from equity to profit or loss are calculated by deducting the impairment losses recognized in profit or loss, other than the difference between the cost to the principal and the present value of the difference between the recoverable amount and amortization. In the event that an increase in the fair value of a debt instrument classified as available-for-sale is recognized in a subsequent period, the increase in the impairment of the impairment is recognized in profit or loss in the event that an increase in fair value is recognized in an event occurring after the impairment loss is recognized. Impairment losses recognized in profit or loss relating to investments in equity instruments classified as available for sale are not reversed by profit or loss.

Non financial assets

Impairment of goodwill and other non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite lives are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For the non financial other assets, impairment loss is reversed when there is a change in the estimates used in the calculation of recoverable amount. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

42 Significant accounting policies *(continued)*

(j) Employee benefits

(i) Reserve for employee severance indemnity

Reserve for employee severance indemnity represents the present value of the estimated future probable obligation of the Group arising from the retirement of the employees and calculated in accordance with the Turkish Labour Law. It is computed and reflected in the consolidated financial statements on an accrual basis as it is earned by serving employees.

IFRSs require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	2018	2017
	%	%
Discount rate	3,69	3,95
Turnover rate to estimate the probability of retirement	1,0-8,00	1,0-8,00

Actuarial gains/losses are comprised of adjustment of difference between actuarial assumptions and realised and change in actuarial assumptions. According to IAS 19, the Group recognised all actuarial differences in other comprehensive income.

(j) Employee benefits

(ii) Defined benefit plan

The Group is obliged to transfer certain amount of benefit on behalf of employees to Social Security Foundation (Public Institution). Except the benefit payments made by the Group, the Group does not have any other liability. These benefits are recognised directly in profit or loss in personnel expenses as they accrue.

(iii) Vacation liability

Liabilities from unused vacation days are recognised a liability when the right is qualified.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

The warranties on vehicles sold by the Group are issued by the main producers where the Group acts as an intermediary between the customers and the producer. The claims of customers to the Group are recognised as warranty expense in profit or loss. The Group recognises the amount claims from the producers as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufacturers. Accordingly, the Group recognises the estimated liability for the difference between possible warranty claims of customers and possible warranty claims from producers based on historical service statistics.

42 Significant accounting policies *(continued)*

(k) Provisions *(continued)*

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 42 (i)(ii)).

(l) Revenue and cost recognition

General model for accounting of revenue

In accordance with IFRS 15, a five-step model is followed in recognizing revenue for all contacts with customers.

Step 1: Identify the contract

A contract with a customer is in the scope of the new standard when the contract is legally enforceable and certain criteria are met. If the criteria are not met, then the contract does not exist for purposes of applying the general model of the new standard, and any consideration received from the customer is generally recognized as a deposit (liability).

Contracts entered into at or near the same time with the same customer (or a related party of the customer) are combined and treated as a single contract when certain criteria are met.

Step 2: Identify the performance obligations

The Group defines the "performance obligations" as a unit of account for revenue recognition. The company assesses the goods or services it has committed in a contract with the customer and determines each commitment to the customer as one of the performan obligations as a performans obligation:

(a) good or service (or a bundle of goods or services) that is distinct; or

(b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

An entity may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

Step 3: Determine the transaction price

When determining the transaction price, an entity assumes that the goods or services will be transferred to the customer based on the terms of the existing contract. In determining the transaction price, an entity considers variables considerations and significant financing components.

42 Significant accounting policies *(continued)*

(l) Revenue and cost recognition *(continued)*

Step 3: Determine the transaction price (continued)

Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration to reflect the time value of money if the contract contains a significant financing component. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. The Group does not have a sales transaction with a significant financiang component.

Variable consideration

The Group identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

Step 4: Allocate the transaction price

The transaction price is allocated to each performance obligation – generally each distinct good or service – to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

Step 5: Recognize revenue

An entity recognizes revenue over time when one of the following criterias are met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or

- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or

- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The objective is to depict the transfer of control of the goods or services to the customer. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances. If a performance obligation is not fulfilled in time, then the Company recognizes revenue when the control of goods or services is transferred to the customer.

Revenues are recognised on an accrual basis at the time the services are given and deliveries are made, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Other revenues from operations such as sponsorships and franchises are recognised on an accrual basis at the time services are given and/or the deliveries are made in accordance with the related contracts.

The Group transfers revenue to a customer and recognizes the revenue in its consolidated financial statements as per it fulfills or when it fulfills the performans obligation. When the control of an asset is checked (or passed to) by the customer, the assets is transferred.

42 Significant accounting policies *(continued)*

(l) Revenue and cost recognition *(continued)*

Step 5: Recognize revenue (continued)

The Group recognizes the revenue in the financial statements in accordance with the following basic principles:

a) Identify the contracts with customer
b) Identify the performance obligations in contracts
c) Determine the transaction price in contracts
d) Transaction price allocation to performance obligations
e) Revenue recognition when each performance obligations are met.

(i) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

(ii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(iii) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other operating income.

(iv) Advertisement revenue under service revenue

Movie revenue is recognised in profit or loss when the movies or advertisements are broadcasted. The revenue is recognised as the fair value of the amount received or receivable for core business activity, after deduction of discounts, returns, sales premiums and return premium given to agents.

42 Significant accounting policies *(continued)*

(l) Revenue and cost recognition *(continued)*

(v) Risturn premium

Advertising sales made in accordance with the contract signed risturn advertising agencies depend on the volume of sales premiums covered by the advertising agency risturn premium is paid. Risturn premiums are recorded by deducting from revenue items as incurred. Revenues are recorded at fair value can be obtained or to be obtained first amount if the amount of revenue is able to be reliably measured and the economic benefits arising from the transactions. If the sales transaction is including a financing transaction, the fair value of the sales price, the amount to be obtained in the receivables is calculated by discounting the effective interest method. The interest rate used in discounting, is the interest that discounts the nominal amount of the relevant goods or services to the cash sale price ratio.

(vi) Barter transactions

Revenue from barter transactions is recognised at the fair value of the goods or services received, adjusted for any cash involved in the transaction. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue.

Revenue is measured at the fair value of the consideration received or receivable. When the fair value of the services received cannot be measured reliably, the revenue is measured at the fair value of the services provided, adjusted by the amount of any cash or cash equivalents transferred. When the outcome of a transaction involving the rendering of services cannot be estimated reliably (e.g. the amount of revenue cannot be measured reliably), revenue should be recognised only to the extent of the expenses recognised that are recoverable. Revenue is recognised only to the extent of costs incurred that are expected to be recoverable and, as the outcome of the transactions cannot be estimated reliably, no profit is recognised.

As a consequence, due to the dissimilarity among the services and goods exchanged within barter transaction and the difference in settlement term of transaction even if they are the advertisements, these exchanges were regarded as different transactions which generates revenue by the Group.

(vii) Revenue from magazine and book sales

Revenue from the sales of magazine and books in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised on an accrual basis when persuasive evidence exists that goods are delivered and services are rendered, that the significant risks and rewards of ownership have been transferred to the buyer; recovery of the consideration is probable; there is no continuing management involvement with the goods; and the amount of revenue can be measured reliably. If the discount can be measured reliably and probable, the discount is recognised net of revenue.

42 Significant accounting policies *(continued)*

(l) Revenue and cost recognition *(continued)*

(viii) Revenue from sales of cars and spare parts

Revenue from the sales of vehicles, spare parts and services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized on an accrual basis when persuasive evidence exists that goods are delivered and services are rendered, that the significant risks and rewards of ownership have been transferred to the buyer.

In case the Group has the right to collect a price directly corresponding to the value of the customer from the customer's completed transaction, the Group takes the revenue to the financial statements by the amount that it has the right to invoice. The Group considers that, at the beginning of the contract, the period between the date of transfer of the goods or services to the customer and the date on which the customer pays the price of such goods will be one year or less, there will be no impact of an important financing component on the price promised. Therefore, Group does not correct the accrued price.

(ix) Revenue from tourism

Consisted of hotel accommodation, agency, and marina income. The hotel accommodation and agency income are recognised once the service is provided to the client, "at a specific point in time". Marina income is consisted of accommodation of sea vehicles and store rent incomes. The said rent income is recorded during the rent contracts over time and based on the output method. For the sale of hotel food and beverage products, the transfer is mostly due to the customer's receipt of the receipt. The hotel provides hotel management as well as hotel-related services. When the services are performed in a single contract but in different reporting periods, the price is distributed on the fair value basis between the services provided.

(x) Revenue from energy

Since electricity, cannot be stored, sale and purchase of the electricity sold to the customers by the Group are conducted at the same time and the sale and costs are accordingly realized at the time of usage. Revenue is the fair value of the receivable amount which is received or given in the case where the electricity delivery is realized. Revenue is accounted on accrual basis over the billing amount. Net sales are represented over the amount invoiced electricity delivery, after sales commissions and sales taxes. Invoices are issued at the end of the month and in general, there is no transition regarding periodicity since it includes electricity usage between 1 and 31 of the related month. Sales are accounted on an accrual basis over the fair value of the price received or receivable for the determination of the revenue amount in a credible way and possibility of the transfer of the economic benefits of the transaction to the Group, depending upon the usage of the customer. The Group management follows the end of each period of the electricity sale on the analysis showing that electricity readings 5-10 days late on the electricity meters will not have a significant effect on their financial statements.

42 Significant accounting policies *(continued)*

(l) Revenue and cost recognition *(continued)*

(xi) Other businesses

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sale is recognised.

The transfer of control varies according to the terms of each sales contract. Revenues from the services offered are recorded in profit or loss on the date of reporting at the reporting date.

(xii) Research and development costs

Expenditure on research activities is recognised in profit or loss when incurred.

(xiii) Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established. Dividend payables are recognised after the dividend distribution approval in the General Assembly.

(m) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other operating income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

(n) Leases

(i) Leased assets

Assets held by the Group under financial leasing contract which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. At initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lease payments within the contract of financial leasing made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

42 Significant accounting policies *(continued)*

(n) Leases *(continued)*

(iii) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. The following two criteria must be met for a "lease":

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(o) Finance income and finance cost

Finance income comprises interest income on funds invested, foreign currency gains (excluding those on trade receivables and payables), and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance cost comprise interest expense on borrowings, foreign currency losses (excluding those on trade receivables and payables), and losses on derivative instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Borrowing costs that are directly attributable to construction of investment property is in included in the cost base of related assets.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(p) Income tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, jointly arrangements and associates to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

42 Significant accounting policies *(continued)*

(p) Income tax *(continued)*

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred taxes related to fair value measurement of available for sale assets and cash flow hedges are charged or credited to equity and subsequently recognised in profit or loss together with the deferred gains that are realised.

Deferred taxes related to revaluation surplus reserve are recognised in other comprehensive income in revaluation surplus in equity on a net basis.

Deferred tax asset is recognised and only limited with below mentioned conditions are met both for taxable temporary differences of Doğuş Holding and its subsidiaries:

- Temporary differences will reverse in a foreseeable future period and
- There would be enough taxable income in order to utilise temporary differences.

Deferred tax liability is recognised except below mentioned conditions are met both for taxable temporary differences of Doğuş Holding and its subsidiaries:

- Owners of the Company are able to control timing of reversal of temporary differences and
- Temporary differences would not be reversed probably in a foreseable future period.

(r) Assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates ceases once classified as held for sale or distribution.

42 Significant accounting policies *(continued)*

(s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the CEO ("Chief Executive Officer") and BOD members to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(t) De-merger/ Spin off

Economically a de-merger represents a division of an entity into separate parts. The result of a de-merger is that the same shareholders own the same group of businesses; the shareholders structure and their ownership interests are identical both before and after the de-merger. In the absence of further guidance in IFRS, the Group has accounted the de-merger via book values.

(u) Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows.

IFRS 16 Leases

On 13 January 2016, IASB issued the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently changes to IAS 40 Investment Properties. IFRS 16 Leases eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. IFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15 Revenue from Contracts with Customers. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.

42 Significant accounting policies *(continued)*

(u) Standards issued but not yet effective and not early adopted *(continued)*

IFRIC 23 Uncertainty over Income Tax Treatments

On 17 June 2017, IASB issued IFRIC 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. IFRIC 23 is effective from 1 January 2019, with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 23.

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

IFRS 4 has been amended by IASB to reduce the impact of the differing effective dates of the new insurance contracts standard and IFRS 9. These amendments to IFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying IFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39; or ii) an optional temporary exemption from applying IFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2021. These companies will be permitted to continue to apply existing requirements for financial instruments in IAS 39. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS 4.

The revised Conceptual Framework

The revised Conceptual Framework issued on 28 March 2018 by the IASB. The Conceptual Framework sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards. The revised Framework is more comprehensive than the old one – its aim is to provide the Board with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. For companies that use the Conceptual Framework to develop accounting policies when no IFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

Annual Improvements to IFRSs 2015-2017 Cycle

Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2015–2017 Cycle. The amendments are effective as of 1 January 2019. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

42 Significant accounting policies *(continued)*

(u) Standards issued but not yet effective and not early adopted *(continued)*

***Annual Improvements to IFRSs 2015-2017 Cycle** (continued)*

IFRS 3 Business Combinations and *IFRS 11 Joint Arrangements*

IFRS 3 and IFRS 11 are amended to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. If a party maintains (or obtains) joint control, then the previously held interest is not remeasured.

IAS 12 Income Taxes

IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income (OCI) or equity.

IAS 23 Borrowing Costs

IAS 23 is amended to clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool.

Amendments to IAS 28- Long-term interests in Associates and Joint Ventures

On 12 October 2017, IASB has issued amendments to IAS 28 to clarify that entities also apply IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. An entity applies IFRS 9 to such long-term interests before it applies related paragraphs of IAS 28. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 28.

Amendments to IFRS 9 - Prepayment features with negative compensation

On 12 October 2017, IASB has issued amendments to IFRS 9 to clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. Under IFRS 9, a prepayment option in a financial asset meets this criterion if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include 'reasonable additional compensation' for early termination of the contract. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS 9.

42 Significant accounting policies *(continued)*

(u) Standards issued but not yet effective and not early adopted *(continued)*

***Annual Improvements to IFRSs 2015-2017 Cycle** (continued)*

Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement

On 7 February 2018, IASB issued Plan Amendment, Curtailment or Settlement (Amendments to IAS 19). The amendments clarify the accounting when a plan amendment, curtailment or settlement occurs. A company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI). The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted. The [Group/Company] is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 19.

Amendments to IAS 1 and IAS 8 - Definition of Material

In October 2018 the IASB issued Definition of Material (Amendments to IAS 1 and IAS 8). The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. Those amendments are prospectively effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 1 and IAS 8.

Amendments to IFRS 3 - Definition of a Business

Determining whether a transaction results in an asset or a business acquisition has long been a challenging but important area of judgement. The IASB has issued amendments to IFRS 3 Business Combinations that seek to clarify this matter. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The amendment applies to businesses acquired in annual reporting periods beginning on or after 1 January 2020. Earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS 3.

Appendix I

Doğuş Holding Anonim Şirketi and its Subsidiaries

Supplementary Information

Convenience Translation to US Dollar

31 December 2018

The US Dollar ("USD") amounts shown in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income on the following pages have been included solely for the convenience of the reader. For the current year's consolidated financial statements, USD amounts are translated from TL consolidated financial statements using the official TL exchange rate of 5,2609 TL/USD prevailing on 31 December 2018. For the prior year's consolidated financial statements, USD amounts are translated from TL consolidated financial statements using the official TL exchange rate of 3,7719 TL/USD prevailing on 31 December 2017.

Such translation should not be construed as a representation that the TL amounts have been converted into USD pursuant to the requirements of IFRSs or Generally Accepted Accounting Principles in the United States of America or in any other country.

Appendix I.1

Doğuş Holding Anonim Şirketi and its Subsidiaries

As at 31 December 2018

Consolidated Statement of Financial Position

(Amounts expressed in thousands of USD)

	31 December 2018	31 December 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	401.339	548.647
Financial investments	46.882	70.016
Trade receivables	490.635	971.753
- Due from related parties	*101.036*	*321.640*
- Due from third parties	*389.600*	*650.113*
Inventories	331.570	487.939
Prepayments	31.764	55.276
Other current assets	302.139	294.126
Subtotal	**1.604.329**	**2.427.757**
Assets held for sale	7.445	29.173
Total current assets	**1.611.774**	**2.456.930**
Non-Current Assets:		
Trade receivables	65.512	73.414
- Due from third parties	*65.512*	*73.414*
Investments in equity accounted investees	785.213	958.075
Investment property	1.750.445	2.034.801
Property and equipment	2.292.919	2.844.947
Intangible assets	589.410	815.569
- Goodwill	*234.407*	*349.146*
- Other intangible assets	*355.003*	*466.423*
Prepayments	27.541	49.263
Deferred tax assets	271.131	260.136
Other non-current assets	137.352	194.958
Total non-current assets	**5.919.523**	**7.231.163**
TOTAL ASSETS	**7.531.297**	**9.688.093**

Doğuş Holding Anonim Şirketi and its Subsidiaries

As at 31 December 2018

Consolidated Statement of Financial Position *(continued)*

(Amounts expressed in thousands of USD)

	31 December 2018	31 December 2017
LIABILITIES		
Current Liabilities:		
Short term loans and borrowings	734.778	1.213.238
Short term portion of long term loans and borrowings	1.737.809	822.460
Derivative instruments	25.663	--
Trade payables	437.957	533.430
- *Due to related parties*	*24.302*	*11.470*
- *Due to third parties*	*413.655*	*521.960*
Current tax liabilities	8.251	10.871
Provisions	29.254	36.808
- *Employee benefits*	*9.463*	*12.435*
- *Other provisions*	*19.791*	*24.373*
Other current liabilities	185.024	167.088
Total current liabilities	**3.158.736**	**2.783.895**
Non-Current Liabilities:		
Loans and borrowings	2.970.018	4.420.619
Derivative instruments	98.911	73.962
Provisions	35.510	45.171
- *Employee benefits*	*26.859*	*35.056*
- *Other provisions*	*8.651*	*10.115*
Deferred tax liabilities	186.294	237.392
Other non-current liabilities	176.362	300.817
Total non-current liabilities	**3.467.095**	**5.077.961**
TOTAL LIABILITIES	**6.625.831**	**7.861.856**
EQUITY		
Equity attributable to owners of the Company:		
Share capital	162.715	226.948
Adjustments to share capital	287.421	400.884
Capital stock held by subsidiaries (-)	(17.969)	(25.062)
Share premium	31.817	44.377
Other comprehensive income items that will never be classified to profit or loss	539.110	645.230
Other comprehensive income items that are or may be classified to profit or loss	(9.402)	60.893
Restricted reserves	1.132.543	1.130.203
Accumulated losses	(867.327)	(238.166)
Loss for the year	(559.646)	(637.573)
Total equity attributable to owners of the Company	**699.262**	**1.607.734**
Non-controlling interests		
Şahenk family	6.223	23.228
Other	199.981	195.275
Total non-controlling interests	**206.204**	**218.503**
TOTAL EQUITY	**905.466**	**1.826.237**
TOTAL LIABILITIES AND EQUITY	**7.531.297**	**9.688.093**

Appendix I.2

Doğuş Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018
(Amounts expressed in thousands of USD)

	2018	2017
PROFIT OR LOSS		
Revenue	3.667.549	5.403.943
Cost of sales (-)	(3.073.243)	(4.757.935)
Gross profit	**594.306**	**646.008**
Administrative expenses (-)	(305.991)	(445.902)
Selling, marketing and distribution expenses (-)	(144.687)	(209.370)
Other operating income	184.072	141.597
Other operating expenses (-)	(89.689)	(64.106)
Share of (loss) / profit of equity accounted investees, net of tax	(25.489)	1.120
Operating profit	**212.522**	**69.347**
Gains from investing activities	102.377	32.312
Losses from investing activities (-)	(100.321)	(100.234)
Profit before net finance cost	**214.578**	**1.425**
Finance income	351.862	347.622
Finance cost (-)	(1.133.908)	(999.802)
Loss before tax	**(567.468)**	**(650.755)**
Tax income / (expense) from continuing operations		
- Current tax expense	(46.398)	(55.380)
- Deferred tax income	57.063	99.340
Loss for the year	**(556.803)**	**(606.795)**
Profit attributable to:		
Non-controlling interests	2.843	30.778
- Şahenk family	*1.395*	*1.132*
- Other	*1.448*	*29.646*
Owners of the Company	(559.646)	(637.573)
	(556.803)	**(606.795)**
Loss per share (full USD)	**(0,65)**	**(0,74)**

Appendix I.2

Doğuş Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income *(continued)*

For the Year Ended 31 December 2018

(Amounts expressed in thousands of USD)

	2018	2017
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:	**94.649**	**94.350**
Revaluation of property and equipment	97.119	130.313
Remeasurements of defined benefit liability	(2.801)	(5.135)
Tax on items that will not be reclassified to profit or loss:		
- *Deferred tax*	*(9.152)*	*(39.065)*
Other comprehensive income from equity accounted investees, net of tax	9.483	8.237
Items that are or may be reclassified to profit or loss:	**5.768**	**(13.362)**
Foreign currency translation differences for foreign operations	(14.309)	9.775
Changes in fair value of available for sale financial assets	(1.731)	41
Net investment hedge for foreign operations	(127.393)	(102.164)
Tax on items that are or may be reclassified to profit or loss:		
- *Current tax*	*25.479*	*20.433*
- *Deferred tax*	*66*	*(62)*
Other comprehensive income from equity accounted investees, net of tax	123.656	58.615
OTHER COMPREHENSIVE INCOME	**100.417**	**80.988**
TOTAL COMPREHENSIVE INCOME / (LOSS)	**(456.386)**	**(525.807)**
Total comprehensive income / (loss) attributable to:		
Non-controlling interests	21.100	45.965
- *Şahenk Family*	*1.443*	*2.134*
- *Other*	*19.657*	*43.831*
Owners of the Company	(477.486)	(571.772)
	(456.386)	**(525.807)**