

Registered number: 10127251

**NUSRET UK LIMITED**

**FINANCIAL STATEMENTS**

**PERIOD FROM 1 MAY 2017  
TO 31 DECEMBER 2017**

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

**NUSRET UK LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Ekrem Nevzat Oztangut Marcus Paulus Padberg Nihan Turgay Nimet Yazoglu Yegin
<b>Registered number</b>	10127251
<b>Registered office</b>	C/O Dogus International Limited 190-192 Sloane Street London United Kingdom SW1X 9QX
<b>Independent auditors</b>	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 PERIOD ENDED 31 DECEMBER 2017**

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**Introduction**

The directors present their strategic report for the period ended 31 December 2017.

**Business review**

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

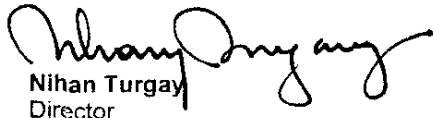
**Principal risks and uncertainties**

The company has an appropriate risk management system 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: 28/09/2018

## **NUSRET UK LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE PERIOD ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the period ended 31 December 2017.

#### **Principal activity**

The principal activity of the company during the period was that of a holding company. Following the period end, the company commenced operations as a trading restaurant, which is its current principal activity.

The company shortened their accounting period in the current year to 31 December 2017 and these financial statements therefore cover the 8 month period from 1 May 2017 to 31 December 2017. The prior period covers the financial period from incorporation on 15 April 2016 to 30 April 2017.

#### **Directors**

The directors who served during the period were:

Ekrem Nevzat Oztangut  
Marcus Paulus Padberg  
Nihan Turgay (appointed 9 August 2017)  
Nimet Yazoglu Yegin (appointed 9 August 2017)

#### **Results and dividends**

The loss for the period, after taxation, amounted to £166,603 (2017 - loss £91,067).

#### **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 2019.

#### **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.

**NUSRET UK LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**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.

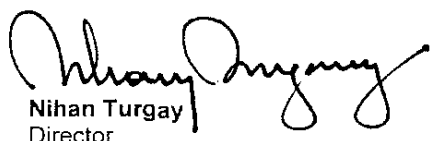
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**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: 28 / 09 / 2018

## **NUSRET UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NUSRET UK LIMITED**

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#### **Opinion**

We have audited the financial statements of Nusret UK Limited (the 'Company') for the period ended 31 December 2017, 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 2017 and of its loss for the period 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.

## **NUSRET UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NUSRET UK LIMITED (CONTINUED)**

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#### **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 period 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**NUSRET UK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NUSRET UK LIMITED (CONTINUED)**

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**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.



**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: 28/09/2018

**NUSRET UK LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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		<b>Period ended 31 December 2017 £</b>	<b>Period ended 30 April 2017 £</b>
Administrative expenses		(166,603)	(91,067)
<b>Operating loss</b>	<b>4</b>	<u>(166,603)</u>	<u>(91,067)</u>
<b>Loss for the financial period</b>		<u>(166,603)</u>	<u>(91,067)</u>

There was no other comprehensive income for the period ended 31 December 2017 (period ended 30 April 2017:£Nil).

The notes on pages 10 to 18 form part of these financial statements.

NUSRET UK LIMITED

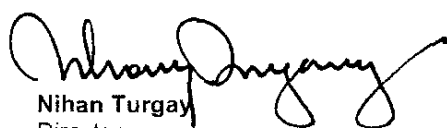
REGISTERED NUMBER:10127251

**BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	Note	31 December 2017 £	30 April 2017 £
<b>Fixed assets</b>			
Tangible assets	7	14,072	3,585
Investments	8	80	80
		<u>14,152</u>	<u>3,665</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	2,361,849	2,393,917
Cash at bank and in hand	10	6,206	8,900
		<u>2,368,055</u>	<u>2,402,817</u>
Creditors: amounts falling due within one year	11	(14,841)	(5,480)
<b>Net current assets</b>		<u>2,353,214</u>	<u>2,397,337</u>
<b>Net assets</b>		<u>2,367,366</u>	<u>2,401,002</u>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Other reserves	13	2,625,035	2,492,068
Profit and loss account	13	(257,670)	(91,067)
		<u>2,367,366</u>	<u>2,401,002</u>

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



Nihan Turgay  
Director

Date: 28/09/2018

The notes on pages 10 to 18 form part of these financial statements.

**NUSRET UK LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 DECEMBER 2017**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2016</b>	-	-	-	-
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(91,067)	(91,067)
Shares issued during the period	1	-	-	1
Capital contributions	-	2,492,068	-	2,492,068
<b>At 1 May 2017</b>	1	2,492,068	(91,067)	2,401,002
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(166,603)	(166,603)
Capital contributions	-	132,967	-	132,967
<b>At 31 December 2017</b>	1	2,625,035	(257,670)	2,367,366

The notes on pages 10 to 18 form part of these financial statements.

## **NUSRET UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE PERIOD ENDED 31 DECEMBER 2017**

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#### **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, 190-192 Sloane Street, London, England, SW1X 9QX and its principal place of business is 190-192 Sloane Street, London, SW1X 9QX.

The company shortened their accounting period in the current year to 31 December 2017 and these financial statements therefore cover the 8 month period from 1 May 2017 to 31 December 2017. The prior period covers the financial period from incorporation on 15 April 2016 to 30 April 2017. 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 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 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 2017 and these financial statements may be obtained from [www.dogusgrubu.com.tr](http://www.dogusgrubu.com.tr).

##### **2.3 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.

## NUSRET UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

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## 2. Accounting policies (continued)

### 2.4 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 Profit and Loss Account.

### 2.5 Investments in subsidiaries

*Investments in subsidiaries are measured at cost less accumulated impairment.*

### 2.6 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.

### 2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

### 2.8 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 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.

## **NUSRET UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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## **2. Accounting policies (continued)**

### **2.8 Financial instruments (continued)**

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.

### **2.9 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.

### **2.10 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'

### **2.11 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.

# NUSRET UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

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### 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:

#### Recoverability of group debtors

At the period end an amount of £2,361,803 (prior period - £2,393,915) was due from subsidiary undertakings, and is held in the 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:

	31 December 2017 £	Period ended 30 April 2017 £
Exchange differences	100,236	85,597
Auditors' remuneration	5,400	5,400
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**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

**5. Employees**

	<b>31 December 2017 £</b>
Wages and salaries	50,188
Social security costs	3,363
	<u>53,551</u>

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

	<b>31 December 2017 No.</b>	<b>Period ended 30 April 2017 No.</b>
Directors	4	2
Management	1	-
	<u>5</u>	<u>2</u>

**6. Taxation**

	<b>31 December 2017 £</b>	<b>Period ended 30 April 2017 £</b>
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**NUSRET UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**6. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	<b>31 December 2017 £</b>	<b>Period ended 30 April 2017 £</b>
Loss on ordinary activities before tax	(166,603)	(91,067)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(31,655)	(18,213)
<b>Effects of:</b>		
Unrelieved tax losses carried forward	31,655	18,213
<b>Total tax charge for the period</b>	<b>-</b>	<b>-</b>

**7. Tangible fixed assets**

	<b>Fixtures and fittings £</b>
<b>Cost or valuation</b>	
At 1 May 2017	3,585
Additions	10,487
At 31 December 2017	14,072
<b>Net book value</b>	
At 31 December 2017	14,072
At 30 April 2017	3,585

**NUSRET UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2017****8. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 May 2017	80
At 31 December 2017	80
<b>Net book value</b>	
At 31 December 2017	80

**Subsidiary companies**

The following were subsidiary undertakings of the Company:

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

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 32301-2525
- Nusret South Beach LLC: C/O Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301-2525
- 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

**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

**9. Debtors**

	<b>31 December 2017 £</b>	<b>30 April 2017 £</b>
Amounts owed by group undertakings	2,361,804	2,393,916
Other debtors	45	-
Called up share capital not paid	-	1
	<u>2,361,849</u>	<u>2,393,917</u>

**10. Cash and cash equivalents**

	<b>31 December 2017 £</b>	<b>30 April 2017 £</b>
Cash at bank and in hand	6,206	8,900
	<u>6,206</u>	<u>8,900</u>

**11. Creditors: Amounts falling due within one year**

	<b>31 December 2017 £</b>	<b>30 April 2017 £</b>
Amounts owed to group undertakings	80	80
Other taxation and social security	3,961	-
Accruals and deferred income	10,800	5,400
	<u>14,841</u>	<u>5,480</u>

**NUSRET UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2017****12. Share capital**

	31 December 2017 £	30 April 2017 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

**13. 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.

**14. Commitments under operating leases**

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2017 £	30 April 2017 £
Not later than 1 year	404,688	-
Later than 1 year and not later than 5 years	2,775,000	-
Later than 5 years	3,757,812	-
	6,937,500	-

**15. 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](http://www.dogusgrubu.com.tr). The registered office of Dogus Holding AS is Huzur Mahallesi, Maslak Ayazaga Caddesi, No:2, 34396 Sariyer, Istanbul, Turkey.

# ANNUAL REPORT

GROUP ACCOUNTS FORM PART  
OF THE ACCOUNTS OF  
COMPANY. 1012725.1

L14

\*L7FERIW1\*

28/09/2018

#477

COMPANIES HOUSE

**DOĞUŞ**  
GROUP

# 2017

## ANNUAL REPORT



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## OPERATIONAL MAP



## AMERICA

1. USA  
d.ream Partnerships  
D-Hotels & Resorts
2. Saint Barths  
D-Hotels & Resorts

## EUROPE

3. Bulgaria  
Doğuş Construction EODD  
Doğuş Construction Bulgaria Branch  
Doğuş Construction Representative Office
4. Croatia  
D-Marin  
D-Hotels & Resorts
5. Germany  
Doğuş Media Group GMBH  
Euromessage Deutschland GMBH
6. Greece  
D-Marin Greece  
D-Hotels & Resorts
7. Italy  
D-Hotels & Resorts  
d.ream Partnerships
8. Romania  
SC Motoractive Credit SA  
Ralfi IFN SA
9. Switzerland  
D-Auto Suisse SA  
Doğuş SA - Geneva
10. The Netherlands  
D-Marin Investment Company BV  
d.ream International BV
11. United Kingdom  
d.ream Partnerships
12. Ukraine  
Doğuş Construction L.L.C.  
Doğuş Construction Representative Office

## AFRICA

15. Libya  
Doğuş Construction Libya Branch
16. Morocco  
Doğuş Construction L.L.C.  
Doğuş Construction Morocco Branch

## ASIA

17. Azerbaijan  
d.ream Franchises

18. China  
d.ream Partnerships

19. North Iraq  
D-Auto L.L.C.

20. Kazakhstan  
Doğuş Construction Kazakhstan  
Branch  
Doğuş L.L.C.

21. Oman  
Doğuş Construction Oman L.L.C.

22. Qatar  
Doğuş Construction L.L.C.  
Doğuş Construction Qatar  
Branch

23. Russia  
d.ream Franchises  
Doğuş Avenu L.L.C.  
- Crate and Barrel

24. Saudi Arabia  
Doğuş Construction Saudi Arabia  
Branch

25. Thailand  
d.ream Partnerships

26. United Arab  
Emirates  
Doğuş Management Services Ltd.  
d.ream Partnerships  
REIDIN Headquarters

27. Kyrgyzstan  
Doğuş Construction Ky  
Branch

# KEY FINANCIAL INDICATORS

(TL THOUSAND)

## TOTAL ASSETS

36,542,513

## REVENUES

20,383,133

## GROSS PROFIT

2,436,678

	2013	2014	2015	2016
Total Assets	20,748,914	26,854,001	29,411,241	34,971,104
Total Shareholders' Equity	10,586,002	10,626,543	10,992,945	8,459,088
Revenues	8,644,506	10,372,853	14,782,598	17,559,822
Net Profit for the Year	127,591	60,739	(432,841)	(2,126,083)
Gross Profit	1,083,348	1,185,416	1,519,199	1,694,309
Profit before Net Finance Cost	1,036,479	1,046,099	1,735,479	144,168

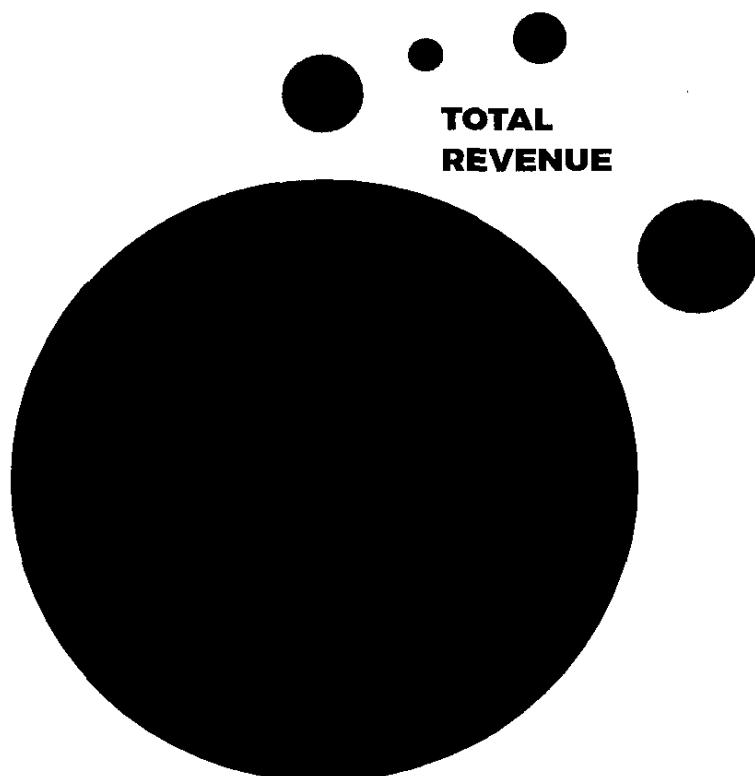
## FINANCIAL AND OPERATIONAL HIGHLIGHTS

	2013	2014	2015	2016	2017
<b>Banking and Finance</b>					
Segment Assets	6,055,545	7,063,906	3,295,202	3,739,155	-
Total Interest and Commission Income	-	-	-	-	-
<b>Automotive</b>					
Segment Assets	2,122,790	2,538,297	3,660,224	4,528,387	4,996,214
Revenue	6,604,260	7,694,772	10,891,069	11,927,635	13,223,499
<b>Construction</b>					
Segment Assets	1,083,802	1,675,571	2,444,333	2,969,001	3,652,409
Revenue	449,154	800,605	1,595,468	2,367,530	2,923,556
<b>Media</b>					
Segment Assets	1,591,177	1,498,397	1,674,877	1,511,772	1,463,137
Revenue	818,749	746,683	648,599	621,909	664,072
<b>Tourism and Services</b>					
Segment Assets	2,336,769	3,199,053	4,925,183	7,511,881	9,003,308
Revenue	348,148	480,882	610,097	1,092,889	1,427,625
<b>Energy</b>					
Segment Assets	993,933	1,653,824	2,253,241	2,239,242	2,261,469
Revenue	62,082	68,840	114,942	565,184	676,047
<b>Other Industrial Segments</b>					
Segment Assets	6,564,898	9,224,953	11,158,181	12,471,666	15,165,976
Revenue	362,113	581,071	922,423	984,675	1,468,334

## CONSOLIDATED INFORMATION BY SEGMENTS



- 6% Energy
- 14% Automotive
- 10% Construction
- 4% Media
- 25% Tourism and Services
- 42% Others



- 3% Energy
- 65% Automotive
- 14% Construction
- 3% Media
- 7% Tourism and Services
- 7% Others

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

The Doğuş Group, active in seven core businesses including automotive, construction, media, tourism and services, real estate, energy and food&beverage, sustains its growth with new investments in the areas of technology, sports, and entertainment along with its current operations. With over 300 companies in 25 countries in 4 continents and more than 35,000 employees, the Group serves its customers with advanced technologies, highest brand quality and a dynamic human resource.

The Group  
serves its customers with over  
**300 COMPANIES IN  
25 COUNTRIES IN  
4 CONTINENTS** and more than  
**35,000 EMPLOYEES.**

The Doğuş Group owes its success to a management approach centered on customer satisfaction and efficiency. As a result of this approach, the Group continues to build strong partnerships with globally reputable brands, and represent Turkey across the world. The Doğuş Group currently partners and cooperates with some of the large global players including: Volkswagen AG and TÜVSÜD in automotive; Condé Nast (Vogue, GQ) in media; Hyatt International Ltd. in tourism; the Latsis Group, the Kiriacoulis Group and the Adriatic Croatia International (ACI) Group in marina and nautical operations; the international Azumi Group that holds under its roof brands such as Coya, Roka, Zuma and Oblix in food&beverage and entertainment; and the South Korean SK Group in e-commerce.

The Doğuş Group's management approach also embodies a strong corporate citizenship awareness that the whole society does and will benefit. In launching social responsibility projects, the Group always aims to leave a mark on people's life and make it much better. The Group's social responsibility projects are managed with the objective to help the society to create a progressive future; a modern lifestyle.

The Group launches and carries out a variety of corporate social responsibility and sponsorship projects, particularly focused on culture and arts, sports and education. Aware of its responsibilities in all the areas it supports, Doğuş Group acts with the vision of leading the community by example, and contributes to the economy and employment through its investments.

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

# DOĞUŞ HOLDİNG AND ITS FUNCTIONS

Doğuş Holding's mission is to fulfil steering, coordination, control and audit functions, as well as to generate value for the group and its companies, monitor activities of the group companies on behalf of the shareholders, and perform the financial audit and administer control systems. Doğuş Holding aims to create competitive companies that put regional growth at the focal point of their operations. In the management of its subsidiaries, Doğuş Holding is committed to fulfilling the following responsibilities:

- Updating the group's strategy along with the changing investment climate and steering the group companies in line with the predetermined strategy.
- Ensuring generation of sufficient financial resources to realize the group's long-term vision.
- Formulating and managing corporate initiatives to enable the group to adapt in the quickest manner possible to the developing and evolving business environment.
- Leading the creation and management of strategic alliances and corporate partnerships.
- Providing communication among the group companies and identifying opportunities that will result in synergies.
- Coordinating and consolidating the financial and corporate reporting of group companies.
- Ensuring optimum use of technology, knowledge and human resources across the group.
- Formulating and maintaining corporate values and communicating them within and outside the group.
- Instilling an awareness of social responsibility and corporate citizenship.
- Implementing the ERM (Enterprise Risk Management) approach, to assure that the business risks undertaken by the Group companies are aligned with shareholders' risk appetite.

## HOLDING FUNCTIONS

### Finance and Risk Management

The Finance is responsible for the relations with local and foreign financial institutions, in tandem with the financing needs of Doğuş Holding and other Group companies. The department's responsibilities also include the cash flow and asset management, the coordination of market risks as well as rating process management, and project finance requirements of the nonfinancial segment of Doğuş Group. *The Risk Management's main responsibility is to seek and provide assurance that the risks and opportunities across*

Doğuş Group Companies are identified and risk topics are properly measured, managed and actioned upon to ensure the shareholder value is sustained. Risks monitored by the Department include financial, strategic, business and operational risks as well as emerging ones. The Department works closely with the Group companies and their respective finance, sales, operations and other executive functions as well as the risk management departments in order to evaluate necessary risk intelligence and their due consideration in the decision-making processes. The Department is also responsible for the oversight and strategy for risk retention and transfer through design and procurement of corporate insurance cover with relevant insurance policies. In accordance with risk management guidelines, the Department regularly prepares risk reports, facilitates risk-based discussions in management meetings, and makes recommendations to the CEO, Risk&Audit Committee, and the Board of Directors.

### Human Resources

The Human Resources Department is responsible for the management of Doğuş Holding human resources processes in line with corporate values and long-term strategies. The Department aims to create common language for human resources policies among the other Doğuş Group companies. The main goals of the Human Resources Department are attracting and recruiting talented individuals; investing in and creating a well-educated, innovative, ethical and sensitive workforce; developing employees' careers based on the future needs of the Group; enhancing practices within the Group through assignments, transfers and rotation program for employee and organizational development; establishing competitive reward and recognition systems; and increasing employee motivation and commitment. The other functions of the Department are implementing organizational development policies, career planning, compensation, benefits and performance management for Doğuş Holding and some of its subsidiaries. The Department is also responsible for the management of internal communication platform, Do'lu Hayat as well as the organization of the hobby clubs established by the employees and the volunteering activities. The department also provides strategic and operational human resources policies among the other Doğuş Group companies and ensures an environment suitable for lifelong learning.

## DOĞUŞ HOLDİNG AND ITS FUNCTIONS

With the leadership of Doğuş Holding Chairman Ferit F. Şahenk, Doğuş Holding Human Resources Department aims to improve women's employment within the Group. Since Doğuş Holding became a member of "Equality at Work Platform" which is established in 2012 under the presidency of Turkish Ministry of Family and Social Policies, the Human Resources Department has launched a "Mentoring Program" for female employees in order to increase women in executive positions. In 2017, all Group companies joined the program.

### Corporate Communications

The Corporate Communications Department is responsible for Doğuş Group's reputation management through the means of strategic communication tools, media relations, social responsibility projects and sponsorship activities. The Department is also responsible for the coordination of the internal communications among Doğuş Group companies and the group's external communication tools including the annual report, corporate responsibility report, and the corporate website.

### Risk Management

The Risk Management Department's main responsibility is to seek and provide assurance that the risks and opportunities across Doğuş Group companies are identified and risk topics are properly measured, managed and actioned upon to ensure the shareholder value is sustained. Risks monitored by the Department include financial, strategic, business and operational risks as well as emerging ones. The Department works closely with the Group companies and their respective finance, sales, operations and other executive functions as well as the risk management departments in order to evaluate necessary risk intelligence and their due consideration in the decision-making processes. The Department is also responsible for the oversight and strategy for risk retention and transfer through design and procurement of corporate insurance cover with relevant insurance policies. In accordance with risk management guidelines, the Department regularly prepares risk reports, facilitates risk-based discussions in management meetings, and makes recommendations to the CEO, Risk&Audit Committee, and the Board of Directors.

### Internal Audit

The Internal Audit Department is responsible for the performance of financial, operational, and IT audits at Doğuş Group companies in accordance with its annual risk-based audit plan. In addition, the Department tracks all internal audit findings and coordinates follow-ups to ascertain that the appropriate action taken. The department periodically reports the results to the Risk&Audit Committee. The Internal Audit Department also supports M&A transactions.

### Legal Affairs

The Legal Affairs Department is responsible for the legal representation of Doğuş Holding and other group companies and for ensuring that all kinds of contracts, legal processes and counselling services handled in line with the Company's best interests and with no legal risk.

### Investments

The Investments Department is responsible for business development activities in new sectors and in those sectors in which Doğuş Group already operates. It evaluates domestic and regional investment opportunities that are in line with the Group's strategy and developments in the global economy. Department responsibilities include providing thorough analysis of business opportunities and undertaking M&A activities of the Group for the projects approved by Doğuş Holding Board of Directors. The Department is also responsible for monitoring projects after successful initiation to ensure timely and efficient returns.

### Financial Affairs, Tax Affairs and Financial Reporting

The Financial Affairs Department is responsible for book keeping in accordance with tax legislation and within the framework of a single-form accounts plan, preparing and controlling of monthly, quarterly and annually tax returns, preparing and submitting the financial reports (quarterly P&L, balance sheet, reconciliations and other reports as required) to the authorities. The Department is liable for the approval of the invoices in line with the manual of the Company, and following up their maturity dates. It also has the responsibility of providing assistance in terms of tax accountability, relations with tax authorities, intercompany relations, and financial activity compatibility.

## DOĞUŞ HOLDİNG AND ITS FUNCTIONS

The Tax Affairs Department is responsible for assistance and support services for Doğuş Group, as well as its subsidiaries, regarding tax laws and procedures such as tax disputes, incentives, M&A, transfer pricing, training, and structuring to avoid international double taxation. The Department also participates in the meetings of the related associations such as TUSİAD and YÖİKK to support the tax legislation process.

The Financial Reporting Department is mainly responsible for the preparation of consolidated financial statements, management reports and projections in accordance with Turkish and International Financial Reporting Standards, and monitoring and reporting of deviations from business line budgets. The Department also monitors the planning and budgeting process and carries out the Group Reporting System convergence projects.

### Security and Administrative Affairs

The Security and Administrative Affairs Department supports Doğuş Holding and group companies in administrative cases including work safety, employee health, cleaning, catering, gardening, spraying, inventory management, valet service, call-center and courier services, protocol services, library and archives services, educational audit, security training services, ambulance service, transport, purchasing, common purchasing, vehicle fleet rental, technical maintenance, emergency case management, electronic security applications and project management, private security and other administrative affairs in line with Doğuş Group's vision, mission, main principles and terms.

Security and Administrative Affairs Department is organized "Security Managers Seminar" every year with the participation of Doğuş Group Security Managers. The Department informs the Group companies about necessary notifications regarding 5188 law and the new electronic and physical developments in the world.

The Department acts as the managing partner in the bidding process, the introduction of new suppliers and shares new trends and developments in purchasing at the monthly meeting with Doğuş Group Purchasing Managers. The Department shares updated information and experiences on the Occupational Health and Safety Law with the Group Companies and follow up the developments. The Department makes on-site detection and offers advice on Electronic and Physical Security,

Technical and Occupational Health and Safety issues in accordance with the scope of Doğuş Group companies. The Department conducts follow-ups through Occupational Health and Safety, Fire and Architectural Audits and by Building Hygiene audits.

### Social Projects

The Social Projects Department is responsible for managing Doğuş Holding's social welfare programs. The programs are concentrated on the financial literacy and the empowerment of women; including the "3 Kumbara Financial Literacy Education Program" and "DOKU". DOKU was initiated in 2016 with the aim for continuous economic and social development of women via establishing women centers built with the support of local authorities, in which women are given personal development and soft skill training as well as vocational training. The Department also supports women related initiatives of the Group such as the Women Empowerment Principles (WEPs) and The Business against Domestic Violence (BADV) Project. The Social Projects Department works in close cooperation with public authorities, NGOs and various organizations that are within the scope of the undertaken programs. The Department aims to generate various sustainable projects that are of benefit to the Turkish society.

### Protocol

The Protocol Department is responsible for the overall coordination of meetings, events and organizations in which the Chairman of Doğuş Group is involved and invited as well as the logistical coordination of protocol services and event management. This includes conducting the necessary arrangements to represent the Chairman at the national and international platforms in line with the protocol, the coordination of the official relations of Doğuş Group and the coordination of the official organizations to which the Doğuş Group Executive Board members are invited. The Protocol Department's responsibilities also include economic research, analysis and reporting on a regular and ad hoc basis, drafting statements, letters and protocol messages, preparing documents and presentations upon request of the Chairman. The Department is also responsible for managing external communications and strategic relations with the related third parties and institutions such as the World Economic Forum (WEF), Turkish Industry and Business Association (TUSİAD) and Foreign Economic Relations Board (DEİK).

## CORPORATE RISK MANAGEMENT AND INTERNAL AUDIT

Global and local risk experiences in recent years have made effective risk management mechanisms crucial. Long-term success goals around sustainable growth and profitability along with increasing regulatory requirements have made it essential for companies to employ robust risk management and internal control systems. Doğuş Group, with diverse business operations in different regions and countries, is cognizant of its need to monitor and manage various risks, including financial, strategic, business and operational risks. Risk Committee meetings are held on a regular basis in Group sectors and these meetings generate valuable and relevant risk information, which is discussed and escalated when necessary.

The Risk Management Department of Doğuş Holding works closely with the sector Risk Management departments in order to strengthen risk culture and penetrate risk management activities across the Group and in order to obtain and generate sound, timely risk intelligence into its decision-making processes. Holding Risk Management Department provides policies, guidance and know-how to Group companies, and raises group-wide awareness for different types of risks via periodical risk roundtables, workshops, dashboards and reports it facilitates/generates. The Department is also responsible for the oversight and strategy of risk retention and transfer through design and procurement of insurance programs.

At Doğuş Group, the Board of Directors oversee the risk management and internal audit activities and their effectiveness. The Risk and Audit Committee of Doğuş Holding is held on a regular basis. In addition, every major sector has its own Risk and Audit Committee. These Committees, which function under the respective Board of Directors, are also responsible for assessing risks and proposing appropriate solutions aligned with Group's risk appetite. Internal Audit Department of Doğuş Holding contributes to the long-term success of Doğuş Group by promoting an effective framework of controls by performing the following functions:

- Assessing and reporting to group and company audit and risk committees and to management as appropriate, on the effectiveness of the design and operation of the framework of controls.
- The Internal Audit Department of Doğuş Holding is responsible for performing financial and operational (process) and IT audits at Doğuş Group companies in accordance with its annual risk-based audit plan. The Department operates with a risk-based approach, tracking all internal audit findings and coordinating follow-ups to ascertain that appropriate action is taken. Results are periodically reported to the Risk and Audit Committee of Doğuş Holding, which in turn monitors and reviews the scope, extent and effectiveness of the activity of the Internal Audit Department. The Internal Audit team consists of qualified professionals in different audit disciplines with relevant experience in the business processes that are under review.
- The Internal Audit Department of Doğuş Holding works closely with the Internal Audit departments of various sectors to improve the effectiveness of control environments within the Group companies.

## DOĞUŞ GROUP'S APPROACH TOWARD ITS STAKEHOLDERS

### TRANSPARENCY AND ACCOUNTABILITY

Doğuş Group adheres to strict business ethics that include transparency and accountability in an environment where all players, from large corporations to individual customers, and from employees to society in general, are affected by each other's actions. In all of its operations and business activities, Doğuş Group has fully integrated globally accepted principles of responsible business conduct. All stakeholders have been informed of the Group's position on these matters. Upholding these principles and high ethical standards is not limited to its own business dealings; the Group also requires that the same approach be followed by all of its stakeholders, on both national and international levels. Doğuş Group embraces the principle of "not being involved" with any party that acts contrary to globally-accepted standards and that cannot provide reliable disclosures with regards to its actions.

Much attention is paid by Doğuş Group to the disclosure of its financial and non-financial information to its shareholders, employees, customers, national and international business partners, suppliers, existing and potential investors of its publicly floated companies, and the public at large. The Group makes all relevant information available on its website and informs the public about its corporate strategy, activities, and new fields of investment via annual reports, periodic press releases, and conferences. The Group's financial statements are drawn up quarterly in accordance with International Financial Reporting Standards (IFRS). Semi-annual and year-end consolidated financial statements together with independent auditors' review and audit reports, respectively, are shared with the public.

All Doğuş Group affiliated companies listed on Borsa Istanbul (BIST) have their individual Investor Relations departments that are able to effectively manage the flow of information to their stakeholders in line with national regulations. The fields of activity and performance of the Group's publicly-floated companies are disclosed in conformity with the principles of their respective companies by the Capital Markets Board of Turkey (SPK).

### ETHICAL PRINCIPLES

As a participant to the United Nations Global Compact since April 2007, the Group has reaffirmed its commitment to fight corruption both internally and in other areas, which may fall within its sphere of influence.

Ethical principles are spelled out and documented in procedures under the following headings:

- Time and resource utilization at the companies,
- Relations with customers, subcontractors, suppliers of goods and other companies and individuals with whom the company has commercial interactions,
- The acceptance of gifts, invites, aids and donations,
- Relations with the media,
- Actions that can result in conflict of interest,
- Safeguarding of information pertaining to the companies, personal information, professional misconduct, security and harassment.



Doğuş Holding is instantly recognized by its ratings from international rating agencies. Transparency and accountability are the two key components of Doğuş Group's management approach. Consequently, Doğuş Holding has been rated by two of the major international rating agencies - Standard&Poor's and Moody's since 2000 and 2006, respectively. Doğuş Holding is instantly recognized by its ratings from international rating agencies. The Group has become well-known for both its quality of management and the global principles of corporate governance it supports.

<b>Standard &amp; Poor's Rating Outlook</b>	<b>Rating</b>
LONG-TERM COUNTERPARTY CREDIT RATING	B+
SHORT-TERM COUNTERPARTY CREDIT RATING	B
OUTLOOK	Negative

<b>Moody's Rating Outlook</b>	<b>Rating</b>
LONG-TERM CORPORATE FAMILY RATING	Ba2
PROBABILITY OF DEFAULT RATING	Ba2
OUTLOOK	Negative

## MEMBERS OF THE BOARD OF DIRECTORS

### **FERİT F. ŞAHENK** **Chairman**

Ferit F. Şahenk is the Chairman of Doğuş Group and also the Honorary President of Garanti Bank. Formerly, he served as the founder and Vice President of Garanti Securities, CEO of Doğuş Holding, Chairman of Doğuş Otomotiv and Chairman of Garanti Bank. Mr. Şahenk is a Board Member of the Foreign Economic Relations Board (DEİK) of Turkey. Previously, he served as the Chairman of the Turkish-German Business Council; the Chairman of the Turkish-American Business Council; Vice Chairman of Turkish-United Arab Emirates Business Council and Executive Board Member of Turkish-Greek Business Council of DEİK. Mr. Şahenk is an active member of the World Economic Forum and the Alliance of Civilizations Initiative. He serves on the Regional Executive Board of Massachusetts Institute of Technology (MIT) Sloan School of Management for Europe, Middle East, South Asia and Africa. Mr. Şahenk holds a Bachelor's degree in Marketing and Human Resources from Boston College.

### **SÜLEYMAN SÖZEN** **Vice Chairman, Board of Directors**

A graduate of Ankara University Faculty of Political Sciences, Süleyman Sözen worked in the Ministry of Finance and the Undersecretariat of the Treasury as a Chief Auditor. Since 1981, he has worked in the private sector in various posts especially in financial institutions. A Certified Public Accountant, Mr. Sözen has worked at Doğuş Holding since 1997 and presently serves as the Chairman of Garanti Bank. He also sits on the boards of other Doğuş Group companies as Chairman or Vice-Chairman.

### **HÜSNÜ AKHAN** **CEO**

Hüsnü Akhan completed his primary and secondary education at Birecik High School (Şanlıurfa). He is a graduate of Middle East Technical University, Department of Business Administration and received his Master's degree in Economics from University of Miami (USA). Mr. Akhan served at various positions of the Central Bank of the Republic of Turkey. He served as Representative at London Office and Assistant General Manager at the Foreign Relations Department of the Central Bank of the Republic of Turkey. He joined Doğuş Group in 1994. After serving as the Executive VP responsible for Treasury, Operations and

Foreign Relations at Garanti Bank, he was assigned as the General Manager of Körfezbank in 1998. Mr. Akhan was a board member of Doğuş Holding and CFO during 2001-2005. Since January 2006, he has been a board member of Doğuş Holding and the CEO. Additionally, he currently serves as the Chairman of the Board for Doğuş Real Estate Investment Trust, Related Digital Marketing, Doğuş Photography, Körfez Aviation, Doğuş Planet Electronics & Informatics Services, as Deputy Chairman for Doğuş Data Processing & Technology Services, Ara Güler Doğuş Art & Museum, and as a board member for TÜVTÜRK and Doğuş Construction.

### **ACLAN ACAR** **Member**

Aclan Acar started his career in 1974. After working for the state-owned Halkbank for three years, he joined the Central Bank of Turkey in 1978 where he served in different departments until 1990. During this period Mr. Acar undertook several managerial responsibilities including establishing trading room, managing open market account for domestic operations, reorganizing and managing foreign exchange transactions division of money markets and treasury department of the Central Bank. Mr. Acar has been continuing his career within the Doğuş Group, one of the leading conglomerates of Turkey, since September 1990. First, he started at Garanti Bank, one of the leading private banks in the country, as the Executive Vice President in charge of Treasury and Financial Institutions. At this position, he also undertook administration of international branches and representative offices of Garanti Bank. Between 1994-1996 period, he served as the President and Chief Executive Officer of Bank Ekspres, then owned by the Group. Following acquisition of Ottoman Bank, the oldest and one of the most respected banks of the country, by the Doğuş Group in June 1996, Mr. Acar was appointed as the President and Chief Executive Officer of the Bank. Since April 2000 he serves as a Member of Board and the Executive Committee of Doğuş Group. Between the years 2001-2005 he served as the Chairman of Tansaş and in the meantime as the Chairman of Garanti Insurance and Garanti Pension Company. As of January 2006 he was appointed as the Chairman of Doğuş Otomotiv. Mr. Acar took his undergraduate degree from the Academy of Economics and Commercial Sciences in Ankara. Later on, he received his MS degree in Banking and Insurance from the same university. Between the years of 1985-1986, he attained his MA degree in Economics from Vanderbilt University, Nashville, Tennessee, USA.

## MEMBERS OF THE BOARD OF DIRECTORS

### ŞEHMUZ AHMET SEDİD KURUTLUOĞLU Member

Ahmet Kurutluoğlu obtained his undergraduate degree from Faculty of Law, his MBA degree from the Business Administration Faculty, and his Master's degree in Labour Legislation from the Faculty of Law, Istanbul University. He joined Doğuş Group in 1981 and has been in charge for the legal affairs as a Legal Counsel for Doğuş Holding and Doğuş Construction. Mr. Kurutluoğlu is currently a member of the Board of Directors of Doğuş Holding and in charge for the legal affairs as the Chief Legal Counsel of the Group.

### ERGUN ÖZEN Member

Ergun Özen leaded one of the largest financial institutions in Turkey as the President and CEO for 15 years. Mr. Özen started his banking career at Treasury Department of Türkiye İş Bankası in 1987. He joined Garanti Bank in 1992 as a Vice President at Treasury Department, then appointed as a Senior Vice President in 1993 before being named Treasury and Investment Banking Executive in 1995. Mr. Özen was appointed as the Chief Executive Officer and President of Garanti Bank in April 2000. Mr. Özen is now holding the following positions: Board Member of Garanti Bank Turkey, Chairman of Doğuş Mobilet Dijital Hizmetler A.Ş., Chairman of Pozitif Muzik Yapım A.Ş., Chairman of Boyner Holding A.Ş., Board Member of Atom Bank, Board Member of Doğuş Holding A.Ş., Board Member of Doğuş Sportif Faaliyetler A.Ş., Board Member of Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş., Board Member of Istanbul Foundation for Culture and Arts (IKSV) and Board Member of the Trustees of Turkish Education Association. Mr. Özen was born in 1960 in Ankara, Turkey. He earned a bachelor's degree in economy from New York State University (1985). He is a graduate of the Advanced Management Program at Harvard Business School (1997).

### ERMAN YERDELEN Member

Erman Yerdelen was born in Istanbul and graduated from high school also in Istanbul. He has visited Münster University, Germany, where he attended the School of Business Administration. In 1966, he graduated from the Finance and Business Administration Faculty of Istanbul School of Economy and Commerce. He received his Master's degree in 1996 from Marmara University, Istanbul. After various managerial posts in the private sector, in 1992, Mr. Yerdelen became the Chairman of the Board of Turkish Airlines. He participated in the founding of NTV News Channel in 1996 and has been acting as its Chairman of the Board since then. He is also a member of Doğuş Holding Board of Directors representing Doğuş Media Group. Mr. Yerdelen speaks both English and German.

### GÖNÜL TALU Member

Gönül Talu achieved his bachelor's and master's degrees from the Department of Civil Engineering of Istanbul Technical University. Mr. Talu joined Doğuş Construction and Trade Inc. in 1969, served at various executive levels and promoted to the Chairman of Board of Directors in 1994. Besides to these responsibilities, Mr. Talu continues his service as a Board Member of Doğuş Holding A.Ş.

### PROF. DR. MUHSİN MENGÜTÜRK Member

Prof. Dr. Muhsin Mengütürk is a member of the Board of Directors of Doğuş Holding. He served as the Chairman of the Capital Markets Board of Turkey from 1997 to 2000 and he has held numerous executive roles in the finance sector. Prior to 1990, he taught at Bosphorus University and Istanbul Technical University (İTÜ). Prof. Mengütürk is a graduate of American Robert College in Istanbul where he completed his undergraduate degree in Mechanical Engineering. He received his MS and PhD at Duke University, again in Mechanical Engineering.

## MEMBERS OF THE BOARD OF DIRECTORS

### **E. NACİ BAŞERDEM** **Member**

Born in Aksaray-Turkey. 1957. Graduated in 1981 from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Management. Worked at various management levels in both banks and private sector companies and participated to Doğu Group in 1998. He executed different roles at Doğu Media, Food Retail and Construction Groups. He worked on privatization process of "Vehicle Inspection Services in Turkey" and after the privatization, he was appointed as the CEO of the joint venture company between German Tuv Súd, English Bridge Point and Doğu. Mr. Başerdem, is in the Doğu Board of Management since 2014 and he is the president of Doğu Tourism Group, Doğu Retail Group and Doğu Marketing Systems.

### **DR. SADİ GÖĞDÜN** **Member**

Sadi Göğdün graduated from Istanbul High School of Economics and Commercial Sciences and obtained his doctor's degree in economics and commercial sciences in 1971. He joined Doğu Group in 1976. He has worked as a member of the Board in various companies of the Group. Furthermore, he served as a member of the Board of Garanti Bank. Currently, Dr. Göğdün serves as a member of the Board of Directors of Doğu Holding, Doğu Construction and Trade Company and Doğu Tourism Group.

### **ŞADAN GÜRTAŞ** **Member**

Şadan Gürtaş is a graduate of Anadolu University, Faculty of Economic and Commercial Sciences. He joined Doğu Group in 1968. Mr. Gürtaş has been a Member of the Board of Directors of Doğu Holding A.Ş. with his other responsibilities as the Chairman and Board Member in other affiliates of Doğu Group. He currently serves as the Chairman of Doğu Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Ticaret A.Ş., Nahita Restoran İşletmeciliği ve Yatırım A.Ş., Doğu Sigorta Aracılık Hizmetleri A.Ş., Doğu Spor Kompleksi Yatırım ve İşletme A.Ş. He also continues to function as the member of the Board of Directors at Doğu İnşaat ve Ticaret A.Ş., Doğu Sportif Faaliyetler A.Ş. and Darüşşafaka Doğu Sportif Yatırımlar ve Ticaret A.Ş.

### **YÜCEL ÇELİK** **Member**

Yücel Çelik is a graduate of Ankara University, Faculty of Political Sciences. He had served in the finance sector prior to joining Doğu Group in 1974 with Garanti Bank. Between 1983-2006, he was a member of the Board of Directors of Garanti Bank and its subsidiaries. Currently, Mr. Çelik serves as a member of the Board of Directors of Doğu Holding.

## COMMITTEES ESTABLISHED BY THE BOARD OF DIRECTORS

### THE RISK AND AUDIT COMMITTEE

The Doğuş Holding Risk and Audit Committee is established by the Doğuş Group Board of Directors to assist the Board in its oversight of risk and risk management across the Group and Group Companies. It exists to support the Board in its responsibility for ensuring that a sound system of internal control exists. The Committee consists of three Board Members elected by the Board. It meets regularly prior to the Group Board meetings, and no less than four times a year. The Committee is supported by Doğuş Holding Risk Management and Internal Audit departments.

Risk Management related responsibilities include:

- Reviewing the design, completeness and effectiveness of the risk management framework relative to the Group sectors' activities; reviewing the adequacy and quality of the risk management function; reviewing the effectiveness of risk reporting (including timeliness and risk events),
- Reviewing regular information flow from Group sectors and evaluating risk information as well as Group strategies, business plans, budgets and investments,
- Reviewing management's view of emerging and potential risks; and reviewing the management actions, if any, required in response to changes in the risk profile and emerging or potential risks,
- Reviewing Group risk levels to ensure that they are in line with shareholder risk preferences,
- Providing guidance to the Doğuş Holding Risk Management Department.

Internal Audit related responsibilities include:

- Overseeing the efficiency of actions taken by Group companies in response to the results of financial, operational, and information technology audits performed by the Doğuş Holding Internal Audit Department,
- Evaluating the efficiency of the internal control processes of Group companies and advising on ways to improve the internal control environment,

- Overseeing the efficiency of financial control and internal audit activities within the Group,
- Overseeing the security, efficiency and effectiveness of the information systems used by Doğuş Group companies and reviewing and approving their contingency plans,
- Assisting the Board of Directors in order to ensure that the business activities of Group companies are in compliance with the requirements of applicable laws and regulations.

### THE HUMAN RESOURCES COORDINATION COMMITTEE

The Human Resources Coordination Committee is established to assist the Board in fulfilling its oversight responsibilities in the field of human resources. The Committee's primary focus is with respect to the development, succession planning and compensation of senior executives and the identification, oversight and management of risk related to the human resources policies and practices of all group companies.

The Major Responsibilities of the Committee include:

- Developing, implementing and sharing human resources best practices within Group companies,
- Sharing within the Group information about vacant positions and potential candidates,
- Developing common projects to increase employee engagement.

### THE LEGAL ADVISORY COUNCIL

- Evaluating legislation-related issues with a forward-looking view,
- Advising on the legal processes to be followed and the measures to be taken in such matters.

## MESSAGE FROM THE CEO



Dear Stakeholders,

Year 2017 was a demanding period both economically and politically both in Turkey and in global markets. As such, developed countries entered 2018 with considerable stability in macroeconomic indicators like growth, inflation and unemployment rates. The moderate recovery of economic activity continues thanks to increased confidence in the global economy.

From the perspective of developing countries, 2017 was a difficult year cyclically but was overall a good year. On the other hand, economic and political issues specific to certain countries and regions, rising interest rates and the resurgence of the economies of developed countries continued to be a risk factor for developing economies and their currencies.

Meanwhile, the Turkey economy has gathered momentum. The Credit Guarantee Fund contributed to economic growth by supporting the activities of small and medium-sized enterprises. The reduction of VAT and special consumption tax rates in particular groups of durable consumer goods has also breathed new life into the markets. These steps reflected positively in the areas of growth, production, and employment. The Turkish economy grew 7.4 percent last year, with the growth rate amounting to 7.3 percent in the final quarter of the year. In 2018, we predict growth will be around 3.5-4 percent assuming these positive trends continue.

### **Doğuş Group Sustained its Growth**

In 2017, Doğuş Group continued its organic and inorganic growth in parallel with Turkey's national growth trend. The most important development in 2017 for the Group was completing its exit from the finance industry.

The Group increased its turnover for 2017 to 20.4 billion Turkish lira. The Group capped off 2017 with a total asset size of 36.5 billion Turkish lira. Consolidated total assets increased by 0.05 percent compared to the 2016 year-end.

The Doğuş Group had a year of intensive activity. **Doğuş Otomotiv**, one of the most important players in the Turkish automotive industry, continued to see high demand

MESSAGE FROM  
THE CEO

and became the most lucrative company of our Group. All the brands represented in Turkey by Doğuş Otomotiv achieved the targets set at the beginning of the year, while the projected levels were captured in market shares. Of all Volkswagen AG-authorized dealers in Europe, Doğuş otomotiv measured the highest employee productivity levels. Meanwhile, TÜVTÜRK, the only institution authorized for periodical vehicle inspection in Turkey, gained a strong momentum in the vehicle inspection service as it celebrated its 10<sup>th</sup> year.

**Doğuş Construction**, a global player, added new infrastructure projects to its extensive portfolio. Besides its existing 22 projects in Saudi Arabia, India, Bulgaria, Qatar, Kazakhstan and Turkey, the company won three rail system project tenders, one road project tender, one superstructure project tender and two environmental project tenders in Turkey and abroad. It also included Africa and Latin America to its business development efforts in 2017. The company started the construction of the Mumbai Subway Line 3 tender, which it won in 2016.

**The biggest change** in 2017 was the restructuring of its media business, which had begun a year prior. The sale of NTV Spor to Discovery was completed. NTV was re-positioned as a news, economy and sports channel that would parallel trends abroad. While Vogue and GQ magazines continues to be published, Puhu TV leads the digital transformation of the Turkish television broadcasting with powerful new content.

The tourism industry suffered a difficult year throughout Turkey. It could not catch the momentum of previous years, though there was improvement over 2016. **Doğuş Tourism Group** continues to grow rapidly thanks to new investments in Turkey and around the world. Seven out of the 19 hotels of the Group were gathered under the collective banner of Mytha Hotel Anthology. The marinas are also seeing strong progress. The Group serves in five countries, with 10 marinas and two refit and maintenance centers.

**Doğuş Retail Group** saw a lot of growth and momentum this year. Under Armour saw the biggest sales growth outside the U.S. in Turkey. Thanks to a new online store,

products became available all across Turkey. On the other hand, the Group made the decision to drop Crate&Barrel as part of its cost management strategy. Similarly, a business partnership with Armani was terminated. The Retail Group is proceeding strongly with Gucci and Loro Piana in the high-end segment and with Under Armour, KIKO Milano and D Watch and Jewelry on the other hand.

**Doğuş Real Estate Investment Trust (Doğuş REIT)** completed the construction of its Gebze project and ensured strong development and stability in its current real estate portfolio. As of the end of 2017, Doğuş REIT's investment portfolio consisted of Doğuş Center Maslak, Doğuş Center Etiler, Gebze Center Shopping Mall, Gebze Center Hotel, Gebze Center Automotive Showroom and Service, and Antalya 2000 Plaza, and had reached a value of 1.14 billion Turkish Lira.

**The Doğuş Real Estate company** continues to provide project management services that the Group companies need in real estate development and innovation. In 2017, the office building in Maslak 65 was completed.

We are currently forging ahead with **energy** investments and manufacturing operations. The 1GW-total-capacity portfolio includes the Artvin Dam and Hydroelectric Power Plant with 332MW of output, the Boyabat Dam and Hydroelectric Power Plant with 513MW of output, and the Aslancık Dam and Hydroelectric Power Plant with 120MW of output.

**In the food and beverage industry**, we aim to expand the Group's brands, both in Turkey and in the rest of the world, from the Gulf Region to the Far East and from Europe to the Americas. In 2017, we continued our intensive efforts to expand d.ream abroad. It entered a rapid growth phase by extending pivotal brands, creating new concepts, and promoting local brands abroad. It further strengthened its position in the restaurant business by fostering strong partnerships across Turkey and the rest of the world. In 2017, we saw the opening of 14 new restaurants in total, nine of which were in Turkey and five abroad.

Regarding ongoing investments, significant strides were made in **Galataport**. All formalities, such as approvals

## MESSAGE FROM THE CEO

and permit processes, were completed. According to the current working schedule, we remain on target to open at the end of 2019. We predict that the Peninsula Istanbul Hotel within the Galataport investment, which is the most prestigious hotel group of the world, will open in April 2020.

**n11.com** became the leader of its industry in 2017. It created a trade volume of around \$2 billion with 80,000 stores, 1.9 billion total visits, more than 10.3 million members and 55.7 million products in just four-and-a-half years. The company is innovating not only in terms of the trust towards the platform, but also in the service and convenience offered to customers.

**REIDIN**, one of the most important players in the real estate industry since its foundation, achieved great successes also in 2017 as it celebrated its 10th year. Zingat.com received an investment from the Dubai-based Propertyfinder Group.

The Loyalty Program **Zubizu** has made great headway, acquiring nearly 2.5 million total members, of which 1 million are active, and providing services to members with more than 400 brands at over 10,000 sales points.

**Mobilet**, the ticket sales, social discovery and sharing platform developed by the collaborative work of Pozitif, DMS and Doğuş Technology, began operations in 2017.

### We Work with a Sustainable Growth Vision

As a Group, change is encoded in our DNA. Though we live by our corporate values, we continuously redefine our focus according to the prevailing conditions. Doğuş Group follows developments and needs in the Turkish economy and adjusts its strategies accordingly. It prides itself on creating employment opportunities by investing in relevant industries and lines of business. We closely follow the flow of change in Turkey and the world, and adapt our targets to best suit the new world order. We strengthen our position by investing in the right industries at the right time.

Our Group-wide target is to create more employment opportunities by investing in our country. To this end, we will also continue expanding this year with a robust consolidated equity and financial structure.

In line with our vision of sustainable growth, 2017 saw our Group giving great consideration to cost and liquidity management. These two became the pillars of our business and company life. Changes were implemented and considerable steps were taken. We will continue to do so in the future.

**Doğuş Technology** made great strides towards change in 2017. With its combination of advanced technological infrastructure and highly-experienced staff, Doğuş Technology inspires all the Group companies and offers end-to-end technological solutions. Doğuş Technology has today become a very important part of the Group with its 350 employees.

Initiatives were made to ensure the companies within our Holding can do their most effective and inspired work in 2017. Doğuş Technology developed an infrastructure that will ensure the extended and more active use of the common purchasing platform that began five years ago. Interest in the ever-improving platform from our group companies rises every day.

### Human Resources and Internal Communication Are Always Our Priority

We have developed different approaches in our human resources strategies, as we believe that change begins at an individual level. With **"Bi Do'lu Kariyer,"** launched in 2017, we have created a platform that can be described as our "Group's LinkedIn." There are over 10 DO Clubs, from theater to music and sports to culture, that work actively. Our internal communication boldly continues across a wide range of platforms.

Entrepreneurship is very important for Doğuş Group. **INVENDO** was implemented to support the development of innovation and creative ideas or projects within across our Group. It was developed to nurture the entrepreneurship muscle of our employees and incorporated to help them realize their projects. Three projects in 2016 and four projects in 2017 were deemed investable and welcomed in the company. A key aspect of employee suggestions were the projects designed to increase productivity. Implementing these also proved to be advantageous for our Group.

## MESSAGE FROM THE CEO

Another initiative that we care deeply about is **"Equality at Work Platform."** This initiative is designed to support the professional development of our female employees. Our female employees receive mentorships within the platform, where knowledge and leadership experiences are shared from generation to generation, and enrich themselves with different viewpoints and experiences of our management team. Moving forward, this project, which began for our female employees only, will continue in 2018 and will be available to both genders as requested.

### We Continue to Add Value to Our Society

In 2017, our social responsibility projects were gathered under the motto of "Inherently a Better Future." We continue to contribute to the future of our society through various industries as we invest in the future of our country. We continue to invest in the field of social responsibility in service of culture, art, sports and education. We offer value to our society by sponsoring the Bodrum Music Festival, the Presidential Symphony Orchestra, and the Göbeklitepe excavations, as well as our Doğuş Children's Symphony Orchestra, and our projects like A Place for Art, Stay in the Play, Today is Tomorrow, and Traffic is Life.

Efforts continue to open an internationally recognized photography museum in which all the works of Ara Güler will be exhibited reflecting his art, life, and artistic identity. Intensive work is being carried out to bring to light a photograph archive that includes over 2 million photographs that reflect the history of the Republic. The negatives are examined one by one by experts, and are lovingly restored and digitalized. The "Ara Güler Archive and Research Center" can be found at Bomontiada. The Ara Güler Museum will be opened at Bomontiada in 2018. On the other hand, efforts are underway to repurpose the Güler Apartment building in Beyoğlu as a museum. We are very proud of the Ara Güler Photography Museum and excitedly await its debut.

The social and economic contribution of women to our society is being acknowledged through the DOKU project. Since 2015, production and education support was given to 120 women in Uçhisar and Didim. The products created as part of the project are also used in Doğuş Group companies.

The "A Place for Art" project, a platform that promotes the work of young Turkish artists, continues at full steam. The selection committee comprises some of Turkey's leading artists. With their endorsements, these young artists will have their work exhibited at more locations.

The Göbeklitepe visitor center, another international project of the Group, became a center for working with foreign architects. It conforms to international standards. National and international promotion efforts continue at full pace.

As we cap off a year of continued change and development, I would like to extend my thanks to the employees of Doğuş Group, who contribute to our success with their extraordinary motivation, hard work and perseverance; our shareholders, who have provided us their full support; and all of our stakeholders.

**HÜSNÜ AKHAN**  
CEO  
Doğuş Group



# Automotive

# FINANCIAL HIGHLIGHTS

(TL THOUSAND)

## TOTAL ASSETS

5,166,882

## REVENUE

13,220,361

## GROSS PROFIT

1,300,984

	2013	2014	2015	2016
Total Assets	2,464,346	2,827,257	3,979,903	4,851,854
Revenue	6,602,663	7,692,702	10,889,161	11,925,176
Gross Profit	749,616	872,988	1,108,563	1,152,876

Source: Figures are based on Doğu Otomotiv CMB Report.

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

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

The retail car and light commercial vehicle market in Turkey however, lost some impetus in 2017 due to the new Special Consumption Tax regulation and currency fluctuations and total sales decreased by 2.8%, declining to 956,194 units. On the other hand, the Turkish automotive industry reached record numbers in production and exports in 2017. In 2017, Doğuş Otomotiv maintained its strong presence in the sector by a total sale of 180,502 vehicles excluding heavy commercial vehicles and a retail market share of 18.9%.

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

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

## PROVIDING THE BEST AFTERSALES EXPERIENCE

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

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

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

### Sales Achievements

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

Volkswagen Passenger Car reached a market share of 12.4% with a retail sale figure of 89,688 vehicles in 2017 thanks to the product and communication strategies put in place and completed the year in the second place in the passenger car market. The New Golf, New Polo, New Tiguan Allspace and the New Arteon placed on the market made a significant contribution to this success. The New Golf Passat, Passat, Passat Variant and the Beetle completed the year as leaders in their segments by the end of 2017. In a market that declined by 4.5%, Passat sedan increased its sales by 3.2%, reaching the sale of 29,227 vehicles, becoming the most preferred imported passenger car in the passenger car market.

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

2017 witnessed numerous launches of the SEAT brand. In January the facelifted Leon, in July the completely renewed New Ibiza and in November SEAT Arona, the first compact crossover model of the VW Group, were placed on the market. Increasing its market share by 2.22% in 2017 by selling 16,064 passenger vehicles, SEAT also increased its fleet sales by 31%, reaching the highest fleet sale figure to date.

In 2017, when the automotive market declined, ŠKODA was prominent with its successes especially in the fleet market and the D segment. Managing to rank among the top 10 in the world with its sales once again, ŠKODA Turkey attracted attention with its D-SUV Kodiaq model, which was introduced to the market in 2017. Kodiaq became the 4<sup>th</sup> best-selling model in the D-SUV segment with a sales figure of 1,944 in 8 months. The increase in the fleet

sales of Yüce Auto was crowned with the "Certificate of Achievement" awarded by Škoda SA.

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

Volkswagen Commercial Vehicle had an 11.9% share in the growing light commercial vehicle market in 2017, with a sales figure of 27,793 vehicles. Ranking third in the overall market, Volkswagen Commercial Vehicle maintained its leadership in imported commercial vehicles. The brand further consolidated its product range by Amarok's premium fully equipped version the New Amarok Aventura and Caddy Alltrack, exclusively marketed in Turkey, and Caravelle Highline, the supremely equipped version of the Caravelle model.

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

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

### Aftersales Services

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

## VALUE CHAIN 2017

IMPORT &  
DISTRIBUTION

## RETAIL



Doğuş Otomotiv Independent Authorized Dealers

REPLACEMENT PARTS AND  
AFTER SALES SERVICES (TR)

Spare Parts and Logistics



Quick Fix to All Brands

## USED VEHICLE SALES

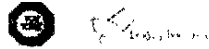


DOD Used Vehicle Sales

## FINANCE



## OTHER INVESTMENTS



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

Achieving a 22% increase in its aftersales services sales in 2017, Audi Turkey Aftersales Services ranked first among other. With its quality focused service approach, Doğuş Otomotiv has been increasing its aftersales services sales in all its brands and achieving very successful results in international assessments. Providing the best aftersales experience brands this year again in the Dealer Satisfaction Survey (DSS) undertaken by Audi AG.

Vehicle service entries into the SEAT Authorized Services reached 90,000, corresponding to 21% increase compared to the previous year with the effects of the growing vehicle park and service marketing activities in 2017. Thanks to the

actions taken regularly throughout the year, Authorized Service customer loyalty reached 62% while the aftersales services customer satisfaction survey score reached 4.73% as a result of the customer focused service approach.

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

Volkswagen Passenger Car Aftersales Services increased its service points to 76, along with the Beşer and Avek Ümraniye Authorized Services that were opened in 2017. In the Volkswagen Service Quality Awards organized globally by Volkswagen AG every year where the entire Volkswagen Commercial Vehicle Aftersales Services and customer satisfaction are evaluated, Volkswagen Commercial Vehicle Turkey has become the world winner in 2017 through its success in aftersales services and outstanding customer satisfaction. In 2017, parts turnover increased by 21.1% while labour turnover rose by 5.5%.

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

### Spare Parts and Logistics

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

### AWARDS

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

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

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

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

### DOĞUŞ OTO

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

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

## D-AUTO SUISSE SA

Operating in Lausanne, Switzerland since 2009, D-Auto Suisse SA focused on growing in the luxury segment in 2017 with Porsche, Bentley and D-Occasion brands and succeeded in becoming the market leader in the Vaud Canton in the luxury segment with the Bentley brand it added to its portfolio. The company realized the sale of 306 new and 151 second hand cars in 2017.

## D-AUTO LLC

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

## DOD

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

## TÜVTÜRK

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

In exhaust gas emission measurements emissions 3,300 thousand vehicles were measured with an increase of 4.7% compared to the previous year. In 2017, when investments gained impetus, the "Tenth Anniversary Station", Europe's largest and the most user friendly vehicle inspection station as far as customer experience is concerned became operational in Hadımköy, İstanbul, bringing the number of permanent inspection stations in İstanbul to 14. Moreover, with the aim of further expanding its extensive activities and taking its services to every point of Turkey, TÜVTÜRK opened its Hakkari, Yüksekova station in 2017. Capacity and quality enhancement investments in other cities also continued throughout the year.

## vdf AUTOMOTIVE FINANCING

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

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

## DIGITAL TRANSFORMATION

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

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

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

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

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

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

## 12 BRANDS, MORE THAN 85 MODELS

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

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

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

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

In addition to Facebook with more than 1 million members, through the customer focused innovative and noteworthy applications offered on other social media platforms like Instagram and YouTube, and the services that it has taken to online channels that enhance customer satisfaction, Volkswagen Commercial Vehicle is undertaking pioneering initiatives in the sector. 360° vehicle interior visuals as well as "Advanced Driving Pleasure" videos for all models created for digital media channels ranked among the top YouTube searches. Also, the improvement of the "Smart Turquoise Screen" application used by Volkswagen Authorized Dealers and Services continued in 2017. The project, offering a whole range of data and information in processed form in front of the sale or service consultant and aiming to enhance communication with the customer, received two international awards in 2017. Also, the "Road Assistance" service was added to the Volkswagen Commercial Vehicle application offered over Appstore and Google Play.

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

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

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



# Construction

# FINANCIAL HIGHLIGHTS

(TL THOUSAND)

## TOTAL ASSETS

3,901,196

## REVENUE

2,944,038

## GROSS PROFIT

131,442



	2013	2014	2015	2016
Total Assets	1,347,885	1,963,854	2,503,179	3,168,812
Revenue	781,337	1,268,741	1,873,797	2,576,171
Gross Profit	73,677	65,970	7,105	56,182

Source: Figures are based on Doğu İnşaat IFRS Financial Statements.

**Impressive and diverse portfolio of projects include 1515 KM OF ROADS, 43 KM OF BRIDGES and VIADUCTS, OVER 200 KM OF SUBWAYS AND TUNNELS, and 21 DAMS and HYDROELECTRIC POWER PLANTS CAPABLE OF PRODUCING 3350 MW OF ELECTRICITY.**

Doğuş Construction and Trade Inc. is considered a world-class leader in the construction sector, having completed over 200 mega-infrastructure and superstructure projects since 1951 with a total value of USD20 billion. It has operated within joint ventures and consortiums with many international companies in projects across Turkey, Middle East, North Africa, Eastern Europe and Gulf Countries, and has featured in ENR's annual list of the world's top 250 construction companies since 2003.

Doğuş Construction's impressive and diverse portfolio of projects include 1515 km of roads, 43 km of bridges and viaducts, over 200 km of subways and tunnels, and 21 dams and hydroelectric power plants capable of producing 3350 MW of electricity. Its 3 million square meter of building construction includes shopping and leisure centres, ports and marinas, offices, residential, industrial buildings and metro stations. Also, the Company implemented 2,6 million square meter building construction within the scope of Doğuş Group real estate investments.

As a result of the benchmark research by Great Place to Work® Institute in 2014 and 2017, in recognition of its efforts to provide its employees a safe working environment and due to its superior Human Resources Practices, Doğuş was qualified as one of the "Best Place to Work" and awarded "Occupational Health and Occupational Safety" special category prize among top 10 companies in the category of 50-500 employees. Doğuş Construction has become the very first and only construction company in Turkey that is awarded this prize in consideration of recognition.

appreciation, trust and the creation of an emotionally and psychologically healthy and satisfying working environment for their employees which is open to progress.

Doğuş values long-term strategic partnerships and alliances with reputable global companies in the industry to share risks in the projects and extend its field of activities. Doğuş's strategy involves growing in the current market in which it is operational and seeking business opportunities within potential markets to ensure sustainability, thereby maximizing profitability while maintaining liquidity and minimizing risks. As part of its vision to diversify its portfolio, Doğuş Construction has added airport projects to its field of activities and expects to grow in this sector. Metro, light rail transit and rail systems, building projects, environmental and industrial projects, ports and marine structures are also areas in which Doğuş seeks business opportunities for expansion.

Doğuş Construction and Trade Inc. employed 12.015 employees (6.070 sub-contractor employees) in construction and trade activities as of December 31, 2017.

## DOMESTIC PROJECTS

In 2017, the Company's projects in Turkey included metro and light rail system projects as well as highways and roads, tunnels and bridges, railways and viaducts, dams, hydroelectric power plants, irrigation and sewage systems, ports and buildings. Doğuş Construction applied for preliminary qualification/preselection of 85 projects out of 113 in the domestic arena and prequalified for 78 of these projects. The results of 7 projects will be announced in 2018. The Company bid for 62 projects and won 4 projects:

- Başakşehir Wholesale Market Building Complex and Recreation Facilities Infrastructure and Landscaping Works
- Çekmeköy-Sancaktepe-Sultanbeyli and Sarıgazi-Taşdelen-Yenidoğan Metro Construction and Electromechanical Works including supply, installation and commissioning works
- Kaynarca-Karasu-Kocaali 4<sup>th</sup> District Borderline including excavation and filling works, stone column, deep soil mixing and steel superstructures
- Kayaş-Yerköy High Speed Railway, Superstructure and Electromechanical Works

### Ongoing Domestic Projects

As of 31.12.2017	Expected Project Value (USD Million)	Doğuş's Share
Üsküdar-Ümraniye-Çekmeköy Metro	888	888
Mavi Tünel Potable Water Treatment Plants and Potable Water Transmission Pipeline	72	72
Tokat-Niksar Road	179	89
Kılavuzlu Irrigation Main Channel, Section 1	89	89
Kömürhan Bridge Connection Tunnel and Road	88	44
Ankara-Sivas Railway, Section between Kayaş-Kırıkkale, Viaducts V7-V9-V10-V15	131	131
Star Aegean Refinery 'Marine Works'	225	112
Construction of Ergene Basin Deep Marine Discharge	25	25
Ankara-İzmir High Speed Railway, Infrastructure Works of Afyon-Şaş (Banaz) Section	298	149
Eminönü-Alibeyköy Tramline Construction and Electromechanical Works	167	167
Afyon Alkaloids Factory Water Treatment Plant	8	8
Başakşehir Wholesale Market Building Complex and Recreation Facilities	88	53
Çekmeköy-Sancaktepe-Sultanbeyli and Sarıgazi-Taşdelen-Yenidoğan Metro Construction and Electromechanical Works	636	382
Kaynarca-Karasu-Kocaali 4 <sup>th</sup> District Borderline	103	103
Kayaş-Yerköy High Speed Railway, Superstructure and Electromechanical Works	200	200
TOTAL	3,197	2,512

The construction and electromechanical works of "Üsküdar-Ümraniye-Çekmeköy Metro" was awarded to Doğuş Construction in 2011 and the construction commenced in the 2<sup>nd</sup> quarter of 2012. Total length of the line is 20 kilometers including the access to the depot area and 16 stations. The estimated completion date is May 2018.

Doğuş Construction awarded "Tokat-Niksar Road" in 2013. The project which involves the construction of 49 km of 2x2 lane road, 7 bridges and 125 engineering structures, is planned to be completed by the end of 2019. "Kömürhan Bridge Connection Tunnel and Road" which involves the construction of a bridge connection tunnel and road, was commenced in late 2013. The bridge connection tunnel has a total length of 4.820 m including double tubes with 4 vehicle crossings and 4 turnouts. The project is envisaged to be completed in mid-2018.

"Mavi Tünel Potable Water Treatment Plant" which has a daily water treatment capacity of 366.850 cubic meters is in provisional acceptance phase while "Mavi Tünel Potable Water Transmission Pipeline" is still under construction. A similar environmental project "Kılavuzlu Irrigation Main Channel, Section 1" with a total irrigation area of 55.536 hectares in Kahramanmaraş, Gaziantep and Hatay is expected to be completed in 2018.

The construction of "Petkim Container Port, Sheet Pile Quay and Wall Construction and Dolphin" was completed in 2017. Approximately 900 piles were employed within the scope of 700-meter Sheet Pile Quay Construction Works. "Star Aegean Refinery 'Marine Works' Project" on the other hand which involves engineering works, environmental studies and construction works, is still under construction. This project is also planned to be completed in 2018. Also "Ergene Basin Deep Marine Discharge" which involves the construction of a deep sea discharge system with a length of 45.000 meters at 50 meters depth from the sea level, was commenced in 2015 and is planned to be completed in August 2018.

Ankara-Sivas Railway, Section between Kayaş-Kırıkkale involves the construction of 4 viaducts with a total length of 6.216 m which are going to be the tallest high-speed train viaducts of Turkey. It is expected to be completed in 2019.

The contract was signed for "Başakşehir Wholesales Market Building Complex and Recreation Facilities" Project which was awarded to Doğuş-Dusa Joint Venture in January 2017. The project to involves the construction of 930 wholesale stores, banks and restaurants as well as 109 commercial stores, a parking lot with a vehicle capacity of 1.125 cars and social facilities. The estimated completion date of the project is April 2019.

Doğuş Construction signed the contract for the construction of "Çekmeköy-Sancaktepe-Sultanbeyli, and Sarıgazi-Taşdelen-Yenidoğan Metro Lines" which are the extension of existing Üsküdar-Ümraniye-Çekmeköy Metro Line in April 2017. The 10,9 km-long Sancaktepe-Sultanbeyli line as the extension of Üsküdar-Ümraniye-Çekmeköy Metro Line which is currently being constructed by Doğuş Construction as the sole contractor, will have 8 stations. The 6,95 km-long Taşdelen-Yenidoğan line which will be integrated to Çekmeköy-Sancaktepe-Sultanbeyli line at

Sarıgazi Station, will have 6 stations. The project which also involves the supply of electromechanical systems, installation and commissioning works; is planned to be completed in 2020.

The contract for "Kaynarca-Karasu-Kocaali 4<sup>th</sup> District Borderline" was signed in July 2017. Within the scope of the project consisting of approximately 25 km-long road construction, where Doğuş Construction is the sole contractor; earthworks, bridge and tunnel works, engineering structures and superstructure works will also be performed. Estimated completion date for the project is August 2019.

Doğuş Construction signed the contract for the construction of "Kayaş-Yerköy High Speed Railway, Superstructure and Electromechanical Works Project" in November 2017. The project is envisaged to be completed at the end of 2019.

## INTERNATIONAL PROJECTS

With its proactive business development approach, Doğuş Construction extends its reach to newly emerging markets and takes advantage of opportunities in the international arena. The Company follows businesses in the Middle East, Gulf Region, Africa, Eastern Europe, CIS, Scandinavian Countries, Central and South Asia. In order to gain competitive advantage, share risks and adhere to qualifications, it cooperates with leading international and local companies. Doğuş Construction increases its experiences by diversifying its project portfolio via joint ventures and strategic partnerships in new markets.

Together with current markets such as Bulgaria, Ukraine, Kazakhstan, Libya, Morocco, Qatar, Saudi Arabia and India, in 2017 the Company was interested in projects such as roads, highways, railways, tunnels, metros, airports, sewage systems, energy transfer lines and hydroelectric power plants in markets such as UAE, Bahrain, Greece, Kenya, Kyrgyzstan, Nepal, Poland, Romania, Tanzania and Uzbekistan.

Doğuş Construction has completed the incorporation of local companies in Oman, Qatar and Saudi Arabia and aims to increase its market penetration in these countries and the region. The Company has been interested in 51 overseas projects in total. Doğuş Construction applied for preliminary qualification/preselection for 17 projects in 2017. The Company bid for 15 international projects.

## Ongoing International Projects

As of 31.12.2017	Expected Project Value (USD Million)	Doğuş's Share
Qatar	70	70
Construction and Upgrade of Al Rayyan Road	1,208	665
Saudi Arabia		
Riyadh Metro, Construction of TBM Tunnels of North and South Lines	276	276
Bulgaria		
Sofia Metro Extension Project, Line III Lot 4	109	65
India		
Mumbai Metro Line III, Package UGC-03	386	193
Libya		
Libya Al Tahadi University	435	435
Libya Al Tahadi University Library	95	95
TOTAL	2,509	1,729

The contract for "Construction and Upgrade of Al Rayyan Road" which is the most critical of seven big projects that were tendered by the Public Works Authority (Ashghal) was signed in January 2014. Within the scope of the project; the construction and development works on a 5.3 kilometers section of the current 10.7 kilometers Al Rayyan Road will be realized by Doğuş Construction. The project is planned to be completed in 2018.

"Riyadh Metro Project" which involves the construction of North and South lines TBM Tunnels with a total length of 16,5 km besides to piling, grouting and civil works as well as installation of rails and walkways, was signed in November 2014. The project will be completed in 2018.

Doğuş Construction awarded a new section of "Sofia Metro Extension Project" in September 2015. The construction of the new line with a total length of 6,7 kilometers will be completed in 2019.

Doğuş Construction carried its profound expertise in railways to its new route: India by signing the contract for Mumbai Metro Line, Package UGC-03 in October 2016. The project involves the construction of 5 stations between Mumbai Train Station and Worli at a total length of 5,055 meters and 3,550 meters long double tunnel including electromechanical works. Estimated completion time for the project is January 2021.

2017: Delivering Quality and Expanding Core Competencies  
Geopolitical risks, uncertainties in the global economy and major economic issues in developing countries force international contractors to be more competitive and search for new markets in order to achieve sustainable growth and profitability.

Doğuş Construction, which has been listed since year 2003 in the "The Top 250 International Contractors" list that is determined every year by Engineering News Record (ENR) based on the previous year's foreign project revenues of the world's leading contracting firms, rose to 128th place in 2017 and carried its position to the 16th place within Turkish firms. While the number of Turkish contractors in one of the world's most prestigious reports, ENR rose from 40 to 46 this year; the share of Turkish contracting sector within the international construction market went through a dramatic increase.

Due to security risks, lack of political stability and limited funding in Sub-Saharan African countries, Doğuş Construction has focused mainly on the selected countries in the Gulf Cooperation Council (GCC). Doğuş strengthened its position one more time with Al Rayyan Road and Riyadh Metro projects as one of the leading companies in transportation business line.

Utilizing its mega project approach and its long-standing experience, the Company continued to grow for sustainable profitability. Increasing its share in the sector, Doğuş Construction gained a more dynamic structure and continues its progress with no interruption towards achieving its goal of remaining stable in those markets where it is operational.

## Projects in 2017

### Domestic

Name of the Project	Location	Project Value
Başakşehir Wholesale Market Building Complex and Recreation Facilities	Istanbul	TL 339.900.000
Çekmeköy-Sancaktepe-Sultanbeyli and Sarıgazi-	Istanbul	TL 2.342.385.741,09
İşğelen-Yenioğuzan Metro Construction and Electromechanical Works		
Kaynarca-Karasu-Kocaali 4 <sup>th</sup> District Borderline	Sakarya	TL 370.946.584,04
Kayaş-Yerköy High Speed Railway, Superstructure and Electromechanical Works	Ankara-Sivas	TL 779.411.346,35

## FUTURE PLANS

In 2017, Doğuş Construction executed business development activities not only in Turkey but also abroad with the aim of diversifying its portfolio and of conducting businesses in target markets.

The Company's medium term goal is to increase the weight of high value-added projects in its portfolio in focused markets as well as expand its geographical coverage within the regions. Including preselection / qualification and bidding processes, the total value of the projects Doğuş Construction intends to take part is USD 33 billion of which approximately 50% comes from the new markets.

## QUALITY, OCCUPATIONAL HEALTH AND SAFETY, ENVIRONMENT

Doğuş Construction implements and maintains an integrated Quality, Health and Safety and Environmental Management System in accordance with the leading international standards (ISO 9001:2008, OHSAS 18001:2007 and ISO 14001:2004). All of these three management systems are certified by LRQA (Lloyd's Register Quality Assurance). Within 2018, the Company's Quality and Environmental Management systems will be revised to achieve compliance with ISO 9001:2015 and ISO 14001:2015 standards.

# AYSON GEOTECHNICAL AND MARINE CONSTRUCTION CO.

Since its establishment, Ayson has been providing advanced technical services to local and international enterprises. The Company was founded in 1972 as Doğuş Drilling and Investigation Co. and played important part in large dam projects (Hasan Uğurlu Dam and HEPP, Suat Uğurlu Dam and HEPP, Aslantaş Dam and HEPP) which were undertaken by Doğuş Construction and Trade Inc. In 1999, the commercial name of the Company was replaced with Ayson Drilling Investigation and Construction Co. and in 2008 with Ayson Geotechnical and Marine Construction Co.. The Company added offshore construction and marine works within the scope of its fields of activity.

## AYSON'S QUALITY AND HSE POLICIES

In 2009, Ayson established an integrated management system complying with Quality, Occupational Health and Safety and Environmental policies and certified by LRQA (Lloyd's Register Quality Assurance). This management system is solely based on the standards of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. Within 2018, the Company's Quality and Environmental Management systems will be revised to achieve compliance with ISO 9001:2015 and ISO 14001:2015 standards.

## Local and Overseas Operations

Ayson is specialized in marine works, transportation, dams and hydroelectric power plants, superstructure, environmental projects and pipelines. Ayson has profound expertise on piled marine structures, container ports, pier structures, highways and urban roads, grouting works of dams, NATM and TBM tunneling. Besides, Ayson recently diversified its operations on deep sea discharge lines and art structures of highways.

In 2017, "Petkim Container Port Project" was completed as well as "Ege Gübre Sanayi A.Ş. Sheet Pile Construction Project" which was awarded to Ayson in the same year.

## Ongoing Projects in 2017

The project which involves the construction works of "Galataport Cruise Terminal Pier" located in Karaköy, Istanbul; was signed in 2015. Within the scope of the project; total number of 1,464 steel pipe piles will be driven (offshore) for the construction of a quay with a total length

## Projects Ayson Awarded in 2017

No	Project	Employer	Proposal Date	Proposed Offer (USD)
1	Ege Gübre Sanayi A.Ş. Sheet Pile Construction	Ege Gübre Sanayi A.Ş.	22.02.2017	357.402 USD
2	Kaynarca-Karasu-Kocaeli 4 <sup>th</sup> District Borderline Earthworks, Art Structures and Bridges, Tunnels and Superstructure Works	Doğuş Construction and Trade Inc.	21.07.2017	92.178.859 USD
3	Kumport Pier No 1 Extension and Renovation Project (including construction works of 7-8-9 lifts)	Kumport Liman Hizmetleri ve Lojistik San. ve Tic. A.Ş.	31.10.2017	9.158.389 USD
<b>TOTAL (VAT EXCLUDED):</b>				<b>101.694.650 USD</b>

of 1.250 m. In the project where a total of 50.250 m<sup>3</sup> of concrete will be used, 185.000 m<sup>3</sup> of hydraulic fill will be executed. Estimated completion date for the project is the first half of 2019.

The contract was signed in 2014 for the construction of three jetties within the scope of "Star Aegean Refinery 'Marine Works' Project" in Aliağa, İzmir which will operate for fueling and defueling once it is completed. The total length of the jetties is 1.178 m. Each jetty was constructed on steel pipe piles with an average length of 60 m (maximum 75 m). Total number of 818 steel pipe piles was driven offshore with an average sea depth of 35 m (maximum 45 m). Within the scope of the project 36.350 m<sup>3</sup> of concrete and 7.750 tons of steel reinforcement were utilized. With additional works of underdeck pipeline erection, the completion date for the project was extended to the second half of 2018.

The contract for the construction of "Ergene Basin Deep Sea Discharge Project" was signed in 2015. Within the scope of the project; sewerage network lines, tunnels and deep sea discharge system that will enable wastewater discharge from Ergene Basin Industrial Estate Joint Wastewater Treatment Plants to Marmara Sea are being constructed. In the project, total length of 4.500 m (at maximum 52

## AYSON GEOTECHNICAL AND MARINE CONSTRUCTION CO.

m sea depth) pipes with concrete cover (steel pile tube of Ø2000 and total of Ø2200 mm) will be installed to the sea floor. Prior to pipe installation, 340.000 m<sup>3</sup> of sea floor will be dredged and this process will be followed by 126.000 m<sup>3</sup> offshore fill. The project will be completed within 2018.

The contract was signed in 2014 for TBM tunneling works of "Kılavuzlu Irrigation Main Channel, Section I" Project. The project which is planned to be completed in 2018, involves 500 m of conventional tunneling and 5.450 m of TBM tunneling and canal works.

The Company signed the contract for the construction of "Kaynarca-Karasu-Kocaali 4<sup>th</sup> District Borderline" in 2017. The project involves excavation and filling works, stone column, deep soil mixing and steel superstructures; including 830 m tunnel and 7 bridges, 136 m crossing bridge on Sakarya River. The construction of this new 60 km highway will be completed within 2019.

Ayson awarded "Kumport Pier No 1 Extension and Renovation" Project in 2017. The Company will initiate construction works by February 2018. The project involves the extension of current pier by 166 m with steel pipe pier

system including the construction works of 7-8-9 lifts. The total amount of concrete to be employed is 10.000 m<sup>3</sup>.

### Employment

By the end of year 2017; Ayson has been providing employment to 286 employees directly and 68 employees indirectly.

### FUTURE PLANS

Ayson's recently acquired extensive experience and well equipped machinery park, trigger the construction group to grow in marine works. Therefore, in the upcoming period the Company's motive in the global arena is to cooperate with investors and contractors, and form strategic partnerships especially in marine construction. Besides, the Company will concentrate its domestic and overseas business development activities on transportation and superstructure projects. Ayson aims to expand its operations in the international arena especially in its target markets: Azerbaijan, Eastern Europe, Russia, Ukraine, Georgia, India, North and Sub-Saharan Africa, Central and Southern Asia and Gulf Countries.

### ONGOING AND COMPLETED PROJECTS

No	Project	Employer	Completion Ratio (%)	Completion Year	Project Cost (USD)
1	Petkim Container Port, Sheet Pile Quay and Wall Construction and Dolphin	Petlim Port and Trade Co./ Doğu Construction and Trade Inc.	100%	2017	41.500.000
2	Ege Gübre Port	Ege Gübre ve San. A.Ş.	100%	2017	357.402
3	Construction of Ergene Basın Deep Marine Discharge	Doğu Construction and Trade Inc.	79%	2018	21.368.755
4	Star Aegean Refinery, 'Marine Works'	TSCI (Joint Venture of Técnicas Reunidas, Saipem SpA, GS and Itochu)	98%	2018	106.588.650
5	Kılavuzlu Irrigation Main Channel, Section 1	Doğu Construction and Trade Inc.	92%	2018	9.100.000
6	Galataport Cruise Terminal Pier Construction Works	Salıpazarı Port Management and Investments Inc.	78%	2019	53.455.760
7	Galataport Cruise Terminal Pier; Geodetic Observing System, Measurement and Reporting Services	Salıpazarı Port Management and Investments Inc.	99%	2018	202.985
8	Kaynarca-Karasu-Kocaali 4 <sup>th</sup> District Borderline; Excavation and Filling Works, Stone Column, Deep Soil Mixing and Steel Superstructures	Doğu Construction and Trade Inc.	1%	2019	101.208.800
9	Kumport Pier No 1 Extension and Renovation	Kumport Liman Hizmetleri ve Lojistik San. ve Tic. A.Ş.	0%	2018	9.158.389
TOTAL (VAT EXCLUDED):					342.940.741

TEKNİK ENGINEERING AND  
CONSULTING INC.

Established in 1984, Teknik Engineering and Consultancy is specialized in engineering, consultancy and technical services. Teknik Engineering provides a variety of services concentrating on infrastructure and superstructure projects such as motorways, highways, railways, metros, tramlines, tunnels, state roads, bridges, dams and hydroelectric power plants, geotechnical works, composed of expert architects, engineers and technicians from different disciplines.

Teknik Engineering aims to offer integrated solutions in structural, architectural, geotechnical, alignment and E&M work design services in national and international projects with its creative and expert staff who has skills and expertise to implement innovative and state-of-the-art designs in this direction.

#### Ongoing Projects

Teknik Engineering relocated its headquarter from Ankara to Istanbul in 2016. Expanded its team to include internationally experienced engineers and architects. Teknik Engineering built advanced IT infrastructure and added railway (metros and tramline) designs to its portfolio.

Teknik Engineering prepared the detailed design application of "Tokat-Niksar Road Project" which is implemented by Doğu Construction. In the same way, Teknik Engineering performed all design works (including structural, architectural and E&M works) of "Eminönü-Alibeyköy Tramline Construction and Electromechanical Works Project" which involves the construction of a 10 km tramline, 14 stations and 1 depot area. The Company continues to execute all design works of "Çekmeköy-Sancaktepe-Sultanbeyli Metro". It applies BIM (Building Information Technology) for structural, architectural and E&M works of 13 stations and the line with a total length of 17 km.

#### FUTURE PLANS

No	Project	Design Scope	Commence Year	Completion Year	Project Value (USD)
1	Tokat-Niksar Road Design Works	Alignment Structural Geotechnical	2016	2018	680.000
2	Eminönü-Alibeyköy Tramline Design Works	Architectural Structural Geotechnical Alignment	2016	2019	1.025.000
3	Çekmeköy-Sancaktepe-Sultanbeyli and Sarıgazi-Taşdelen-Yenidoğan Metro Design Works	Architectural Structural Geotechnical Alignment E&M	2017	2021	5.923.000

Teknik Engineering continues to produce creative solutions for designing transportation projects based on know how it acquired through the years. Teknik Engineering also intends to develop high quality and cost-effective engineering and architectural projects with the cooperation of academic institutions and other partnerships within the industry. Teknik Engineering concentrated its works mainly on Non-Linear Dynamic Structural and Geotechnical Analysis and Building Information Modelling (BIM) as they are state-of-the-art practices in AEC (Architecture, Engineering and Construction) industry in recent years.

**Teknik Engineering continues  
to produce creative solutions  
for transportation projects  
based on know how it  
acquired through the years.**



**KRAL FM**

**KRALPOP TV**

**KRAL TV**

**KRAL**  
MÜZİK

**KRALPOP**  
RADYO

**KRALWORLD**  
RADIO

**NTV SPOR**

**NTV**  
radyo

**NTV SPOR.net**

**GQ**

**VOGUE**  
TÜRKİYE

**puhu tv**

# Media

# FINANCIAL HIGHLIGHTS

(TL THOUSAND)

## TOTAL ASSETS

1,506,461

## REVENUE\*

1,129,988

## GROSS PROFIT\*

210,086

	2013	2014	2015	2016
Total Assets	1,586,987	1,494,263	1,675,402	1,539,143
Revenue*	820,114	749,936	652,219	1,043,387
Gross Profit*	108,582	41,425	16,567	114,949

Source: Figures are based combined financial statements of Doğuř Yayın Group, Doğuř Dijital Hizmetler A.ř. and TV8.

## Doğuş Media Group directs and influences the Turkish media sector with its innovations and successful applications.

Doğuş Media Group's vision is to become the world's best-known Turkish media and entertainment company. From TV and internet to radio and magazines, Doğuş Media Group has made its mark with its prestigious and high quality publications. The Group aims to cater to the needs of consumers by following and supporting developments and innovations in technology and media.

Doğuş Media Group directs and influences the Turkish media sector with its innovations and successful applications. The success of Turkey's first news channel, NTV, heralded a new era of thematic channels in Turkey. The Media Group widened its audience profile when it acquired Turkey's first private mainstream entertainment channel, Star TV, in 2011.

Doğuş Media Group has made significant progress with both created and acquired brands and has built upon global alliances with partners such as Condé Nast.

The Group has broadened its operations from TV to magazines, radios, digital and print media, and it has become the leading media organization providing thematic content to the public. With 963 employees (642 male and 321 female Doğuş Media Group currently is one of the largest companies in the media industry. Doğuş Media Group fosters public trust with its professionalism and quality-focused business dealings. The sense of belonging it creates for consumers also give rise to expectations of continuous progress and distinction.

The close bonds developed with consumers by Doğuş Media Group also have had an impact on advertisers, leading them to prefer the Media Group's brands for promotions.

Always staying one step ahead in its advertising practices, Doğuş Media Group generates tailored solutions for customers who wish to be associated with the Media Group's brand equity and to differentiate themselves from the competition. Advertisers are offered various media solutions and a high level of efficiency.

Doğuş Media Group reaches millions of people through its innovative, informative and entertaining broadcasts.

Doğuş Media Group offers a wide variety of high quality media including not only television, but also magazines, radio, various internet portals and more. Thus, this participating in the budgets of advertisers for several segments is an advantage for the Group.

Within the entertainment sector, television is preferred most by advertisers. With the acquisition of Star TV, the Media Group also began to meet the expectations of advertisers in the entertainment sector.

### ACTIVITIES IN 2017

TV ad sales constituted 53.2% of Turkey's total advertising market in 2017, and the entertainment sector represented 83.4% of that. The total advertising market in 2017 is increased by 14% and share in active markets of Doğuş Media Group is 13.3%.

The Group's market share in 2017 is 10% of the total ad market.

The Groups' radio stations' market share is 11.7%, while the internet segment is 2.7 % and magazines 15.7% in 2017.

### Technological Infrastructure

The uplink system that enables satellite distribution of Doğuş Media Group's TV and radio programming consists of seven live-broadcast vehicles - three in Istanbul, two in Ankara and one in Diyarbakır. The Group has a total of 180 NTV transmitters, 200 STAR transmitters (including two in the Turkish Republic of Northern Cyprus), 90 NTV SPOR transmitters, 28 NTV Radio transmitters, 30 KRAL FM transmitter and 20 KRAL POP Radio transmitters.

Star TV HD and NTVSPOR HD broadcast on Turksat satellite as unencrypted, on D-Smart, Digiturk and Teledünya platforms. NTV HD broadcasts on Turksat satellite as unencrypted, on D-Smart and TELEDÜNYA platforms.

### Awards

Doğuş Media Group was honored as the recipient of 1,600 awards between 2000 and 2016 for its broadcasts and social responsibility campaigns.

### FUTURE PLANS

Doğuş Media Group's vision is to become the world's best-known Turkish media and entertainment company.

**Doğuş Media Group has  
6 TV CHANNELS,  
4 RADIO STATIONS,  
4 PERIODICALS and  
7 INTERNET PORTALS.**

## DOĞUŞ MEDIA GROUP BRANDS

### TV CHANNELS

#### NTV

In 1996, NTV began broadcasting the first 24-hour news channel in Turkey. In January 1999, it became a member of the Doğuş Media Group family. The success of NTV altered the Turkish media landscape by ushering in an era of thematic TV channels. In addition to NTV's Head Office in Istanbul, the latest developments in Turkey are followed by NTV from its offices in other cities; Ankara and Diyarbakır. Reporters and news agencies scour the entire country for the latest happenings. For international news, NTV reporters in major cities like London, Cologne, Athens, Strasbourg, Baghdad, Damascus, Islamabad, Pristina, Singapore, Stockholm and worldwide well-known news corporations - Reuters, ENEX and APTN.

#### STAR

Star TV began broadcasting under the name of Magic Box in May 1990 in Liechtenstein. In September 1990 it commenced official broadcasts via the German satellite, Eutelsat, and subsequently changed its name to Interstar in 1992 before finally becoming Star TV in 2002. A new era began when Star TV joined Doğuş Media Group in November 2011.

With a mission to provide "entertainment for everyone," Star has always enjoyed a colorful and intimate brand perception. Adhering to this mission, Doğuş Media Group enhanced this objective as "high quality entertainment for everyone." With Star, the Group aims to raise the standards of TV networks in Turkey.

#### NTV Spor

Launched in March 2008, NTV Spor is a dedicated TV channel producing sports-related programming 24 hours a day. Using NTV's expertise in news and sports broadcasting, NTV Spor is regarded as a sports platform where fans can catch up on everything related to sports, 24/7. Only six months after it was launched, NTV Spor was ranked second among all thematic TV channels. NTV Spor commenced terrestrial broadcast in the beginning of 2010.

#### Kral TV

Turkey's first music TV station, Kral TV is the leader in its category with its music video clips and programs. From arabesque to Turkish folk music and Turkish classical music, Kral TV broadcasts all genres of Turkish music fulfilling an important need in the music television sector.

#### Kral Pop TV

Kral Pop TV, the heart of popular music, airs all the Turkish hits in tandem with Kral Group's second radio station, Kral Pop Radio.

#### Kral World TV

Kral World TV, targeting an audience aged between 12 and 30 who follow a global music vision, was launched on 15 December 2013. Kral World TV can be reached from [www.kralworld.com.tr](http://www.kralworld.com.tr), Kral mobile application and other music TV mobile applications.

**TV8**

TV8, a mid-scale TV channel, was acquired by Acunmedya-Doğuş partnership in late 2013. The channel was relaunched in 2014 with a brand new vision. Thanks to its dynamic hands-on management approach and top rated entertainment programs, TV8 has consolidated its position among leading TV channels in a very short time. Barely one year after the acquisition, TV8 achieved highest yearly average "prime time" audience share in 2015.

TV8 has an alternative, "pure entertainment" programming strategy which is also unique among to TVs with its "news free" program grid. With its motto of "All together", TV8 committed to be the TV of the whole family. The extensive expertise on producing high quality content with its internal sources, TV8 is one of the most promising players in the market. TV8's agile and creative content production skills not only secure long term profitability but also provide the strength required to withstand the disruptive waves of media sector.

**INTERNET****ntv.com.tr**

Turkey's News Portal ntv.com.tr, was founded on 15th of May, 2000 with NTV's news experience and network. The content of ntv.com.tr is prepared and developed by its own editors. Providing news on a wide range of subjects, ntv.com.tr caters to the daily news needs of readers with various subjects from national to international news; latest developments in breaking news along with detailed reports on special events. With the restructuring of ntv.com.tr based on the web 2.0 technology on February 2009, it serves the users with a modern interface and infrastructure full of user-friendly multimedia elements.

**NTVSpor.net**

NTVSpor.net is the official website of NTV Spor, Turkey's leading sports channel. The content of the website is curated by a professional and experienced staff and takes advantage of the powerful content and experience of NTV Spor.

The website, with more than 100 million page views and approximately 10 million unique visitors each month, has 8.5 million followers on Facebook and Twitter. NTVSpor.net exceeds more than five times the number of users of its closest competitor through the portal and social networks.

NTVSpor.net has been downloaded as an application more than 1 million times on mobile platforms such as iPhone, iPad, Ovi, Android and it is the leader in this category in Turkey. The website also provides online games such as Social League. It is the number one sports gaming website with more than 700,000 active gaming members.

**Startv.com.tr**

Startv.com.tr is the online platform for Star TV, where users can enjoy the content that is possessed by Star TV both VOD and live. According to latest comscore figures for Turkey (July 2014) it is the most used premium video content site in Turkey. Startv.com.tr also provides exclusive relevant content with Star TV. Star TV is digitally accessible via startv.com.tr, iPad, iPhone and Android applications.

**kralmuzik.com.tr**

Kral.muzik.com.tr was found in May 15 2014. kralmuzik.com.tr is an internet platform in which you can find all media of Kral Group; including all the current programs, the archives and worldwide music production. In addition, radio frequencies and broadcast streaming can be followed via kralmuzik.com.tr. Daily updated music lists which are closely followed by the whole Turkish music industry (TOP 10, Top 20, POP List, etc.) are also available on kralmuzik.com.tr.

**vogue.com.tr**

Vogue Türkiye's website vogue.com.tr was found in March 2010. The website consists of daily, weekly and monthly special content and categories. It's a comprehensive site including the social media platforms. Fashion, beauty, lifestyle, celebrity and fashion shows are put together as content through Vogue's perspective.

**gq.com.tr**

GQ Türkiye's website gq.com.tr was found in March 2012 parallel to the launch of the magazine. It's an online guide for Men's lifestyle. The website consists of style, news, living and all the important things about a Man's world.

**cntraveller.com.tr**

Condé Nast Traveller's website cntraveller.com.tr was found in May 2015 parallel to the launch of the magazine. The website consists of destination recommendations, special lists, gourmet spots. It's a guide for both local and global destinations.

## RADIO STATIONS

### NTV Radyo

Launched in November 2000, NTV Radyo carries out an important mission in the area of news broadcasting. Its broadcasts include economy, sports, lifestyle, and arts and culture. NTV Radyo reaches its audience from 28 centers with news every day.

### Kral FM

Turkey's most-listened to radio station, Kral FM, was launched in 1992 and became a member of the Doğuş Media Group in June 2008. Kral FM plays the best of Turkish pop, folk, classical, rock, and arabesque. The radio station also delivers daily news and the latest developments in Turkey. Kral FM reaches its listeners via 40 transmitters and has one of the largest radio communities in Europe.

### Kral Pop Radio

With the acquisition of Kral TV and Kral FM in 2008, Doğuş Media Group became a prominent member of the music industry. One of the most recent accomplishments of the Group was the launch of the new national radio station, Kral Pop.

## PERIODICALS

### Vogue Türkiye

Vogue, a Condé Nast publication, has been leading and inspiring the fashion world since 1892 and now reaches millions of people in 19 countries. There was a long wait for Vogue in Turkey, and the magazine was finally launched by Doğuş Media Group in March 2010. The magazine not only informs its readers of new trends, it also decides what fashion is. Vogue Türkiye is courageous, avant-garde and innovative with its shoots.

### GQ Türkiye

GQ was established in the United States in 1932. The magazine became a part of Condé Nast Publications 32 years ago and is currently published in 20 countries and in 12 different languages.

GQ Türkiye has been published by Doğuş Media Group since March 2012. The best-selling men's magazine in the world, GQ outshines competitors with extraordinary photo shoots, a humorous tone, and the best writers and photographers. It combines its global position with the values and dreams of Turkish men.

### Robb Report

The Robb Report joined Doğuş Media Group in 2008 as Turkey's first magazine focused on the luxury market. Its mission is to become an exclusive guide for high net worth individuals who are passionate about celebrating life. From yachts and automobiles to jewelry, priceless watches, fashion and premiere vacation spots, Robb Report readers enjoy all the elements of a luxurious lifestyle. This magazine covers both the latest products and original styles from world-renowned luxury brands.

Doğuş Dijital is established in 2016 in order to build the next generation of online video viewership via its OTT offering and its existence in all relevant online video platforms.

Doğuş Dijital, with the power of media and sales expertise of the group, believes in great potential of online video viewership.

Doğuş Dijital has 3 main business departments:

#### **puhutv**

puhutv is the most watched online television platform in Turkey. Established in the end 2016 with the vision of "becoming the preferred online platform for the top-rated and watched local productions"; puhutv is the first online TV that is focused on local content, comprised of Turkish dramas, new and classic Turkish movies and Turkish cartoons.

puhutv has already reached a mass number of TV viewers with great success, thanks to its first original content 'Fi', produced by Turkey's most successful production company, Ay Yapım.

puhutv offers a library of over 11.000 hours of Turkish premium dramas and movies. On top of its library, puhutv launched its first original content, Fi, being Turkey's most-watched online drama with more than 100 million streams.

puhutv won the prestigious Effie Award in 2017 in two categories, Kristal Elma Award in three categories and The Best Content award in Smarties Awards.

puhutv is available on [www.puhutv.com](http://www.puhutv.com), all smartphones and tablets as well as Smart TVs.

#### **Online Video Monetization**

Doğuş Dijital has an expert team of online video monetization for platforms like YouTube, Dailymotion, and Facebook. Doğuş Dijital builds the best possible strategy to monetize its vast content in and outside of Turkey depending on the business needs. Doğuş Dijital is now the biggest partner of YouTube in the MENA region thanks to its great success in online video management and monetization strategy.

#### **Content Protection**

With so many popular content in hand, Doğuş Group also faces the online piracy problem. The growing easy-to-make pirate online video websites are a big threat to online video platforms globally.

One of the important objectives of Doğuş Dijital is to fight and deter online piracy businesses via all possible ways including removing pirated content from known hosting platforms and bring a law suit whenever possible with its dedicated lawyer team.

#### **FUTURE PLANS**

puhutv plans to expand on 3 areas. Technologically, the next step of the platform is to offer an ad-free, subscription based freemium model. Geographically, expand to the region and content wise, increase its original content and TV catch-up offerings.

puhutv has achieved  
significant growth in a year  
**27 MILLION USERS,**  
**4 MILLION APP DOWNLOADS**  
and **1.8 MILLION**  
**REGISTERED USERS.**



# Tourism and Services



HOSPITALITY



MARINAS



RETAIL

**DOĞUŞ**  
GROUP

# FINANCIAL HIGHLIGHTS\*

(TL THOUSAND)

## TOTAL ASSETS

16,926,407

## REVENUE

2,055,095

## GROSS PROFIT

688,339

	2013	2014	2015	2016
Total Assets	3,149,754	4,438,298	7,230,324	11,919,530
Revenue	458,850	656,974	853,154	1,506,397
Gross Profit	147,853	234,663	297,195	433,558

\* Figures are based on combined financial statements of Doğuř Tourism Group, Doğuř Retail Group and D-Marin Marinas Group companies.

## HOSPITALITY | D-Hotels and Resorts

### **D-Hotels and Resorts consist of 19 HOTELS - 7 LUXURY & 4 RESORT HOTELS & 8 MANAGEMENT AGREEMENTS & PARTNERSHIPS IN 7 COUNTRIES.**

D-Hotels and Resorts consist of 19 hotels: 7 luxury hotels under Mytha Hotel Anthology brand (D Maris Bay, Il Riccio Bodrum, Argos in Cappadocia, Aldrovandi Villa Borghese, Capri Palace, Villa Dubrovnik, Villa Magna), 4 resort hotels (D-Resort Grand Azur, D-Resort Göcek, D-Resort Sibenik, Murat Reis Ayvalık) 8 management agreements and partnerships (Grand Hyatt Istanbul, Park Hyatt Istanbul, Soho House Istanbul, Eden Rock St Barths, Maça Kızı, The Raleigh Miami, Hilton Atina and Hyatt House Gebze). Rixos Downtown is operated by Rixos Group and Alantur Hotel is operated by Labranda Group under long-term lease agreements. All of D-Hotels and Resorts' properties share common vision and values; each hotel is committed to the highest level of quality and standards. A true hospitality leader, D-Hotels and Resorts strives to obtain a reputation for excellence both local and international D-Hotels and Resorts holdings.

#### **2017 TOURISM HIGHLIGHTS**

By the global and regional facts that have been faced during 2017; 2018 is expected to be a recovery season for hospitality business in Turkey. D-Hotels and Resorts is being taken necessary action plan accordingly; focusing on local and international alternative markets as well as the hotels abroad. Risk equalizing is targeted to be managed by focusing different markets and investing in different destinations.

D-Hotels and Resorts' future strategies, in line with those of Doğuş Group, are to become a regional leader and to continue expanding in the sector. D-Hotels and Resorts will seek to continue reflecting its growth-oriented investment philosophy in its financial results and operations in the coming years. In accordance with this philosophy, and

the demand for better facilities and services, D-Hotels and Resorts have exciting plans for the near future. D-Hotels and Resorts continued to create brand awareness of its luxury brand Mytha Hotel Anthology with 7 hotels in Italy, Spain, Croatia and Turkey.

#### **ACTIVITIES IN 2017**

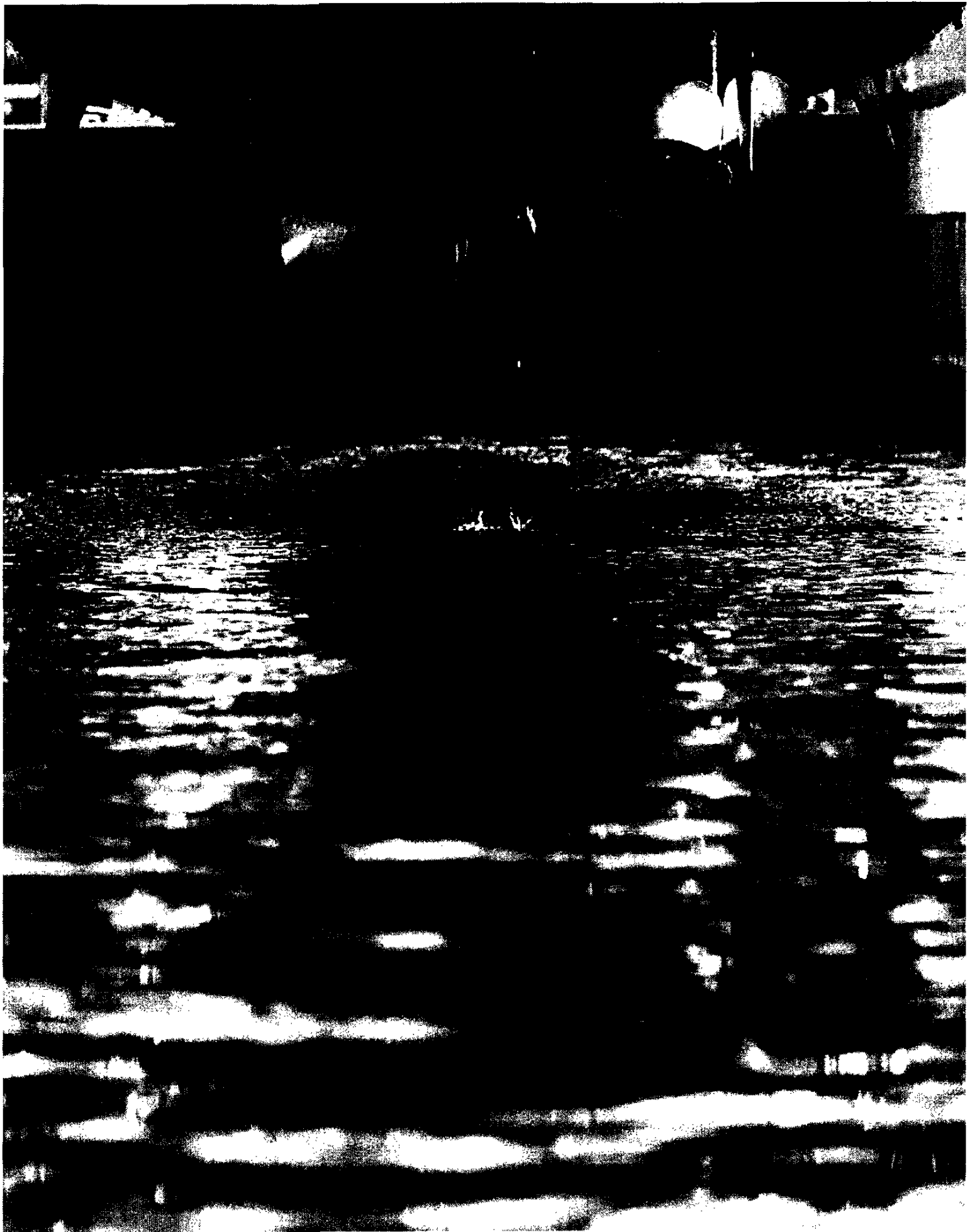
- Hyatt House Gebze opened its doors by October 2017.
- Park Weggis was purchased in Luzern. After renovation the hotel will serve under Chenot brand as a wellbeing hotel.
- Renovation of Astir Palace continued in 2017 and the hotel will reopen its doors by 2019 after re-construction.
- Argos in Cappadocia had continued to renovate its rooms and new spa&fitness facilities. The project for new additional accommodation units is to be continued till 2018.
- Eden Rock St Barths and The Raleigh Miami properties were seriously affected by hurricane. Both hotels are taken under renovation. Eden Rock St Barths will re-open its doors by 2020.
- The Raleigh Miami will have full refurbishment and will re-open by 2020.
- SPA of Villa Magna went under renovation. The facility will start to serve its guests by May 2018.
- D Resort Sibenik has a new feature. A beach club was constructed and started to host its guests.

#### **FORECAST**

2018 is expected to be a recovery season after two consecutive tough seasons for hospitality business especially for Turkish market. Necessary action plans were done and executed accordingly in 2016 and 2017. All properties in Turkey have better pickups for upcoming season and better profit and revenue expectations.

#### **FUTURE PLANS**

D-Hotels and Resorts, accordingly with Doğuş Group, aims to be the regional leader and in order to reach this goal, will carry on showing its development-oriented investment strategy both fiscally and operationally in the forthcoming years. D-Hotels and Resorts have exciting plans for future. Mixed use project of Astir Peninsula with 2 hotels, marina and residential area will be open within 2018 at Athens, Greece. The hotels will be managed by Four Seasons brand.



## D-MARIN | Marinas, Refit and Maintenance Shipyards

D-Marin is a Doğuş Group company that was established to set a new benchmark in operations of the marinas.

By managing 11 unique marinas in Ionian, Aegean & Adriatic Seas, D-Marin creates one of the largest international chain of marinas in the Eastern Mediterranean that promotes recreational yachting; provides critical waterfront infrastructure that allows community access to the natural waterways; and develops sustainable businesses that encourage local employment and growth within the economy.

D-Marin started its operations in 2003 in Turkey with its first marina, D-Marin Turgutreis. In 2009, D-Marin Didim commenced operations as the second marina in the network, and furthermore, in 2010 D-Marin Göcek joined to the D-Marin.

In 2009, D-Marin expanded outside of Turkey and entered Croatia through D-Marin Mandalina located in Šibenik. In April 2012, D-Marin Dalmacija, which is the largest marina in Croatia, and D-Marin Borik joined D-Marin.

In December 2012, entering into partnerships with Lamda Development and Kiriacoulis Mediterranean Cruises Shipping resulted in adding a world class superyacht marina - Flisvos Marina, also 3 other premium marina destinations in Greece; Gouvia, Lefkas and Zea to its portfolio. Finally, D-Marin undertook the management of Portonovi Marina in Montenegro, with the management agreement signed in January 2018 and increased its berthing capacity to 8,471.

**D-Marin creates one of the largest international chain of marinas with 11 UNIQUE MARINAS in TURKEY, CROATIA, GREECE and MONTENEGRO.**

In December 2015, D-Marin has expanded its service area to the refit, repair and maintenance of superyachts in the yachting sector by the partnership agreement made with MB'92 in Barcelona. Starting April 2017, Blohm + Voss La Ciotat, 200 meter long dock in France and October 2017, Compositeworks began to be managed by MB92, which has 25 years of experience and knowledge in superstructure maintenance and repair.

### SUPERYACHTS

D-Marin offers full homeport solutions around the world's most spectacular cruising destinations. You can explore the coastline of Turkey, unique islands of Greece, natural wonders of Dalmatia, the vibrance of Athens and Venice, ancient towns of Zadar and Sibenik in Croatia with D-Marin excellence.

The marina provides berthing facilities for yachts from 30 m to 180+ m and ensure that all of the marinas can now provide superyacht homeport facilities. Extensive range of services and amenities designed exclusively for superyachts, with exceptional marina facilities and specialized staff ensure that D-Marin offers its guests unforgettable experiences in every visit.

### For Kids

D-Marin does not forget the guests' kids. With the goal of being a "kids friendly" marina, D-Marin has initiated the kids program. D-Marin Kids aims to strengthen kids' bonds with the sea starting from the early ages and will continue with different activities including educational programs and creative workshops.

### D-Marin Turgutreis

The flagship marina "Turgutreis" is only 20 km far from Bodrum, was the first investment by Doğuş Group initiating its commitment to develop an international network of integrated marinas.

D-Marin Turgutreis has created a true marina destination that combines the lifestyle benefits of yachting with the magnificent city life and history of the Bodrum Peninsula. The award winning marina village comprises of Yacht Club & The Blue Point facilities, worldwide known activities, upmarket boutiques, galleries and restaurants, creating an elegant waterside atmosphere to please discerning visitors.

## D-MARIN | Marinas, Refit and Maintenance Shipyards

### MARINAS

#### D-Marin Didim

D-Marin Didim is one of the most extensive marina and shipyard facility that became a hub for yachts and superyachts requiring a superb homeport marina as well as being a fascinating catamaran center in the Eastern Mediterranean. In 2009, the marina commenced its operations as the second marina of the D-Marin network.

The marina is an official port of entry and located roughly in the middle of the Bodrum-Milas International Airport and İzmir-Adnan Menderes International Airport.

#### D-Marin Göcek

A paradise where Turkey's Mediterranean coast meets the pristine south west, D-Marin Göcek is the sheltered in a cove of unspoiled hidden beaches, pine forests and fascinating islands to create Turkey's safest natural marina. This preciousness has been recognized and it is registered area of special protection, meaning multi-story buildings are not allowed and the natural beauty has been largely preserved.

An exquisite restaurant both for its menu and architecture, Q Lounge serves contemporary Japanese "izakaya" cuisine accompanied by a wide selection of wines and special cocktail recipes. It is a "must visit" place, especially during summer nights with a great selection of music and DJ performances. Adjacent to the 250-meter long blue flag beach with its pure white sand and deep blue water D-Resort Göcek – the luxury resort hotel that features the newly designed D-SPA warmly welcomes you next to the marina.

Through sustainable design and pro-active environmental management, D-Marin Göcek has become a relaxed and enjoyable marina village. Apart from its natural heritage, the marina hosts sailing races attracting the sea lovers, all year round.

Göcek city centre itself is only a five-minute walk from the marina and contains many pleasant restaurants, cafés and bars along its promenade.

#### D-Marin Mandalina

Croatia's only 5 Gold Anchor awarded marina, D-Marin Mandalina accommodates superyachts up to 140m. The marina is located in this beautiful and ancient city of Šibenik on the beautiful Dalmatian coast, which is also an official port of entry of the Republic of Croatia.

D-Marin Mandalina is well connected by car 40 minutes driving distance from Split as well as Zadar International Airport which are both very well connected to the other major European cities.

The marina can be reached from both airports with regular bus services or by car.

Car rental services are also available. The marina is known to be one of the safest berthing places due to its naturally protected location.

Located within the marina, D-Resort Šibenik harmoniously complements natural landscape and environment and liven up the whole city with its architectural design. The walkway that leads to the roof of the hotel offers an amazing view of the sea, marina and Šibenik, will definitely be a unique feature not only in Croatia, but also in the region.

#### D-Marin Dalmacija

The mild Mediterranean climate with predictable and pleasant winds provides perfect sailing conditions which gather together sailing fans and visitors from all over the world and make the largest Croatian marina, D-Marin Dalmacija, an attractive and vivid place throughout whole year.

D-Marin Dalmacija is located in a naturally protected bay that is only 10-minute far from the attractive ancient town of Zadar. The marina is easily and safely accessible by modern motorways and is within a 10-minute drive to Zadar Airport. Portus Beach Club and Restaurants in a unique setting on the beach offers a truly relaxing atmosphere and fine dining experience.

The town is also served by ferry and ship services operating to destination along Croatian coast as well as to Ancona, Italy.

## D-MARIN | Marinas, Refit and Maintenance Shipyards

### D-Marin Borik

D-Marin Borik is situated on the west coast of the 3000 year old city of Zadar. With the capacity of 177 berths and all services marina users might need close at hand D-Marin Borik is truly a boutique marina.

It is easily accessible by land or sea and is at a distance of only 13 km from the Zadar Airport which is with seasonal flights connected to more fifty major European cities. The town of Zadar served by ferry connections with Ancona, Italy as well as with ports up and down the Croatian coast.

### Gouvia Marina

In the 17<sup>th</sup> century, Venetian seamen considered the harbor and the Bay of Gouvia as a natural link between the Adriatic and the Mediterranean Sea as well as a port of call to repose, enjoying the climate and the beauties of the island. Today, because of its geographical advantage, sailing yachts and superyachts from all over the world prefer to come to Gouvia Marina to enjoy the sea, the environment and the beautiful island of Corfu.

In contemporary Corfu you will find luxury hotels, traditional accommodation, as well as services equivalent to those of a modern city with an excellent infrastructure. With a golf club which has been praised as one of the best in the world, horse riding clubs, many tennis clubs, among which the oldest in Greece, cricket courts and water sports facilities, the Island of Corfu has a lot to offer to the perspective superyacht guests.

### Lefkas Marina

Lefkas Marina is literally embraced by Lefkas Town, and right next to the main harbor being a district town within the main town. The geographical location of Lefkas Marina is considered to be its great advantage as it is connected to the mainland with a small bridge and the marina is very close to the National Airport pf Aktion in Prevanza.

Within the marina you will find a shopping center with a variety of shops including restaurants, supermarket and cafés providing opportunity to do shopping, enjoy a meal and have a drink with a wonderful sight of the town of Lefkas. There is also a hotel and conference center located in Lefkas Marina. Apart from that, you can enjoy cultural events, exhibitions and concerts.

### Zea Marina

Zea Marina is located in Athens near the main port of Piraeus where it was first found as a war harbor with shipyards, dry docks and other installations at the beginning of the 5th century B. C. Today, Piraeus is the largest commercial port of Greece being the starting point to the Aegean Islands, the Saronic Gulf and the Island of Crete for millions of tourists every year.

Fully organized, offering facilities and services of high standards, the marina was totally renovated for the 2004 Olympic Games.

### Flisvos Marina

Surrounded by the blue seas of the Saronic Gulfs as its backdrop, and only 6 km from the center of Athens, in Paleo Faliro. Flisvos Marina is Greece's first exclusive marina to offer large-scale mooring capacity for mega yacht owners from Greece and abroad. The marina features 303 berths with over 150 berths dedicated to luxury yachts in excess 35 m and up to 180 m. The commercial complex, that stretches across an area of 3,800 sq.m., features a majestic Mediterranean esplanade lined with fine dining and shopping venues, as well as a roster of special events during the calendar year enjoyed by yacht owners and visitors alike.

### D-Marin Portonovi Montenegro Marina

Located within stunning Bay of Boka Kotorska, with excellent access to the cruising grounds of the Adriatic, the geographical positioning of Portonovi Resort and Portonovi Marina is exceptional and strategic.

Portonovi Marina will attract mega and superyachts, between 7 and 70 m long inside marina and up to 120 m on the outer side of marina piers, with its 238 deep-water berths located on the eastern part of the resort. Portonovi Marina, part of the Portonovi Resort, is crafted for the most demanding captains and those that want to dock in style, and is located on the eastern part of the Resort. The state-of-the-art-mega-yacht marina will offer the highest level of services while the best quality infrastructure will guarantee that Portonovi is a safe and secure place for all of the yachts and their owners. As an international port, Portonovi Marina will serve as Border Crossing and among many amenities will offer also water and power supplies, shower facilities, a laundry and petrol station, as well as Yacht Club.

## D-MARIN | Marinas, Refit and Maintenance Shipyards

Portonovi Marina is only 17 km away to Tivat International Airport, 101 km away Podgorica International Airport and also 34 km away to Dubrovnik International Airport and which are very well connected to the major European cities.

Portonovi Resort is 26 hectare haven of the exclusivity with various residential offering, private villas, state-of-the-art-mega marina and the first One&Only in Europe with Chenot Health Wellness Spa. This stylish mixed-use resort, nestled in the heart of the Montenegro coastline between mountain and sea is believed to become the jewel in the crown Montenegro and one of the most sought-after destinations in the Mediterranean.

### REFIT AND MAINTENANCE SHIPYARDS

#### Marina Barcelona 92

Established in 1992 and located in the port of Barcelona, Marina Barcelona 92 (MB92), a strategic stop-off point for the yachts on their journey between the Mediterranean and the Caribbean, is the largest dedicated superyacht refit and repair company in the world in which majority shares are owned by D-Marine Investments Holding B.V., a subsidiary of Doğuş Group, continuously investing on leisure, entertainment and hospitality globally.

MB92 provides service-refit, repair and maintenance works to more than 90 superyachts per year with overall lengths from 35 up to 200 meters.

With 25 years of activity in the superyacht industry, MB92 has the experience to undertake any yacht refit operation from start to finish guaranteeing the highest level of quality (ISO 9001, ISO 14001, ISPS)

MB92 has 100 employees on payroll and subcontracts work to more than 800 professionals, engineers and specialists from local workshops and international firms.

The company's facilities cover a surface area of 76.000 m<sup>2</sup> and comprise a 220-meter dry dock, a 2000-ton Syncrolift, a 125-meters in length and another berthing repair area for 6 yachts up to 200 meters, making it one of the largest superyacht refit facilities.

Starting from April 2017, Blohm + Voss La Ciotat, 200 meter long dock in France and from October 2017, Compositeworks began to be managed by MB92, which has 25 years of experience and knowledge in superstructure maintenance and repair.

#### Blohm + Voss La Ciotat

Blohm + Voss La Ciotat SAS is a shipyard located in the port of La Ciotat – France, that provides services of refit & repair to superyachts with lengths of more than 75 meters. Right in the heart of Provence, B+V La Ciotat contains the extraordinary 200m long x 60m wide x 8.5m draft dry dock able to haul out 4 superyachts at a time. The technical area of La Ciotat is surrounded by a specialized companies able to cover any yacht need.

All services and management benefit from 25 years of Marina Barcelona 92 professional experience and knowledge in the industry.

#### Compositeworks

Located in La Ciotat technical area next to Blohm+Voss La Ciotat shipyard, Compositeworks provides high-end solutions for every aspects of large yacht refits, from basic maintenance works & class visits to extremely complex major modifications.

Officially created on 1990, Compositeworks has always worked to evolve every year providing better solutions to its clients. After a formal plan signed last 31<sup>st</sup> of October (2017) in Barcelona, MB92 has taken a 75% stake of Compositeworks shipyard.

All services and management carried out in BVLC and CW shipyards benefit from 25 years of Marina Barcelona 92 professional experience and knowledge in the industry, guaranteeing the highest level of quality. Compositeworks is an award-winning shipyard that has delivered over 800 projects since its inception in 1998.

## DOĞUŞ RETAIL GROUP FASHION RETAIL

Doğuş Fashion Retail initially secured the franchises for Emporio Armani and Gucci in 1997, opening their first boutiques in one of Istanbul's most prestigious locations, the historical Maçka Palas Building.

Initiating a multi-brand fashion retail project under the store name of 'In-Formal,' the Company continued to present prestigious labels to a fashion-conscious clientele with exclusive service standards in a unique surrounding. The Emporio Armani store was opened in 2007 at İstinyePark, one of Istanbul's most prominent shopping malls, followed by Armani Jeans and Gucci boutiques. In addition to these new stores, the Company also secured the franchise of Loro Piana a brand known for its premium quality of cashmere, in the same year. The Loro Piana boutique was opened in the fashionable Nişantaşı district of Istanbul in 2007 and later moved to İstinyePark in 2010. Emporio Armani Panora store was also opened in the same year in Ankara, where the city finally gained access to the brand.

In 2012, another In-Formal store was opened at D-Marıs Bay Marmaris. In the same year, Doğuş Fashion Retail was given the distribution rights of several luxury brands in Turkey such as Giorgio Armani, Armani Jeans and Armani Junior, entering the wholesale business.

Doğuş Fashion Retail has the distribution rights of several luxury brands in Turkey such as **GIORGIO ARMANI, EMPORIO ARMANI, ARMANI JEANS and ARMANI JUNIOR, GUCCI, LORO PIANA, CAPRITOUCH M MISSONI, ORLEBAR BROWN and ELEVENTY.**

The Company continued to further penetrate into the luxury market in 2013; two Armani Jeans stores at Vialand Mall in Istanbul and Palmarina Bodrum; three In-Formal stores in Palmarina Bodrum, Kaya Palazzo Belek and D-Resort Göcek; an outlet retail concept branded as "in4out" at ViaPort Istanbul were opened.

Doğuş Fashion Retail was also proud to introduce Capritouch - the Italian brand famous for its hand-made linen collection inspired by Capri Hotel located on marvelous Capri Island of Italy - via its store at Palmarina Bodrum. M Missoni's distribution rights were also acquired the same year.

2014 witnessed the second Capritouch store at D-Marıs Bay at Datça Peninsula as well as a sales corner at In-Formal D-Resort Göcek, reaching a total of 3 sales points.

Bringing together all Armani brands under the same roof, spanning 6 floors, the Armani/Istanbul store was opened at Nişantaşı Abdi İpekçi, where the Company, for the first time, introduced the Giorgio Armani brand to the fashion lovers of Turkey at its own store.

In 2015, Doğuş Fashion Retail expanded its sales network by opening its 4<sup>th</sup> Capritouch sales point at Il Riccio Bodrum; as well as the second in4out store at ACity Outlet Center in Ankara.

In 2016, "in4out" store at Maçka Palas was opened; as well as the first Orlebar Brown store at Akasya Mall in Istanbul and the second Orlebar Brown store at Bodrum Palmarina.

The Company has become the brand representative of Eleventy in Turkey and was given the distribution rights also the same year.

In 2017, the Loro Piana boutique is planning to renovate and enlarge from 247 sqm to 332 sqm. During the same year, Eleventy sales corner will be opened at Galeries Lafayette at Emaar Square in Istanbul.

Through its global co-operations and superior customer service, Doğuş Fashion Retail continues to respond to the fashion expectations of consumers in the national market. The Company currently operates 11 brands and has 21 owned stores with around 50 points of sale.

## DOĞUŞ RETAIL GROUP DOĞUŞ AVENUE

Doğuş Avenue was established on 1 November 2013 to bring together the skills and experience of relevant shareholders to invest in Turkey's developing retail market. Aiming to take the advantage of the huge potential for "affordable luxury" in the housewares and furniture market in the region, Doğuş Avenue signed a Master Franchise Agreement (MFA) with Barrel Holdings and became the independent franchisee to cover Turkey, Russia, Azerbaijan, Bulgaria, Croatia, Georgia, Kazakhstan, Romania and Ukraine market.

Crate and Barrel offers a unique one-stop shopping experience with its comprehensive product portfolio that blends intricate designs with functionality. Being an inspirational as well as educational brand, Crate and Barrel is best described through its attention to detail to offer products and serves based on its three pillars of success: "clean, warm and current".

## DOĞUŞ RETAIL GROUP KIKO MILANO

KIKO MILANO was established and founded in 1997 by the Percassi Group. It is an Italian professional cosmetics brand that features a range of cutting-edge makeup, face and body treatments. Safe and effective products of the highest quality, created to satisfy the beauty requirements of women of any age.

KIKO is constantly committed to a single objective: to allow all women to treat themselves to the most innovative cosmetics without having to sacrifice their budget. To give all their customers the chance to experiment in all areas of makeup and treatments with top quality shades, packaging and formulas, which are always on trend. Finally, to create a beauty care concept which is able to rewrite the rules of cosmetics: quality is no longer synonymous with high prices. With KIKO, professional luxury is an exciting reality you can touch.

The identity of KIKO MILANO has its origins in the values of Made in Italy and in the fashion, art and design capital. The research into original textures and colors are combined with studies performed on quality formulas with guaranteed effectiveness in order to offer a perfect fusion between quality and creativity.

In 2015, Kiko Milano entered to Turkish market with Doğuş Group. First store was opened at Capacity Mall in March 2016. The Company, continued to further penetrate into the market in 2016; stores at Istanbul İstinyepark, Tepe Nautilus, Forum Istanbul, Watergarden Istanbul, Buyaka Malls were opened. First store outside Istanbul opened in Bursa Zafer Plaza Mall. As end of 2017, KIKO ended up with 11 stores by 4 more openings; Ankara Kentpark Mall, Izmir Optimum Mall, Eskisehir Espark Mall and Istanbul Hilltown Mall.

In February 2018, 12th store opened in Ankara AnkaMall and Kiko Milano will continue to open stores all over Turkey.

**End of 2017: 11 STORES**  
**1 in Bursa, 1 in Ankara,**  
**1 in Izmir, 1 in Eskisehir**  
**and 7 in Istanbul.**

## DOĞUŞ RETAIL GROUP UNDER ARMOUR

Founded in 1996 by former University of Maryland football player Kevin Plank, Under Armour is the originator of performance apparel - gear engineered to keep athletes cool, dry and light throughout the course of a game, practice or workout.

Under Armour is a sports performance apparel, footwear and accessory brand that supports the athletes for 22 years and offers its products to customers with the enthusiasm of endless innovation.

Under Armour's mission is to make all athletes better through passion, design and the relentless pursuit of innovation.

The technology behind Under Armour's diverse product assortment for men, women and youth is complex, but the program for reaping the benefits is simple: wear HeatGear® when it's hot, ColdGear® when it's cold, and AllSeasonGear® between the extremes.

Doğuş Fashion Retail secured the franchises for Under Armour in 2015. After that, total of 20 stores have been launched in the most prestigious locations of 5 major cities over the past 2 year. With the introduction of underarmour.com.tr in February 2017, UNDER ARMOUR keeps helping athletes improve themselves all around Turkey.

First store was a concept store in D-Gym and opened in March 3rd, 2016. The brand added to its launches with 8 stores in 2016 and 11 stores in 2017. Having 13 stores in İstanbul, 3 stores in Ankara, 2 stores in İzmir, 1 store each in Bursa and Antalya by the end of 2017, Under Armour found itself in a solid place in sports industry in Turkey and succeeded to make its mark.

During this period, Under Armour was the sponsor of the Doğuş Darüşşafaka Basketball Team. And also, sponsored premium fitness centers such as D-Gym to strengthen the communication with the target group of the brand.

In 2018, Under Armour will continue to reach everyone who takes sports as a lifestyle and/or like sports wearing.

**20 STORES**  
**18 BRAND HOUSES**  
**2 OUTLET STORES**

## D WATCHES AND JEWELLERY

D Watches and Jewelry, founded in June 2013, is the distributor of the world's leading luxurious watch, watch accessories, jewellery and personal accessories brands to exclusive watch boutiques in Turkey. It holds the distribution rights of the well-known Swiss made watches such as Breitling, Hublot, Arnold&Son, Bell&Ross, HYT and Vacheron Constantin as well as the German case and winder manufacturer Döttling and the French jewelry brand Messika in Turkey. The company also works with 22 retailers.

D Watches and Jewelry meets its represented brands with its customers at the stores of Hublot, Quadran Luxury Timepieces at Istinyepark Istanbul and Quadran Boutique at D-Maris Bay in Datça Peninsula. It presents pioneer in innovation products to the enthusiasts and collectors of watches and jewellery in our country. In addition, the experienced sales representatives present its enchanting products to foreign visitors as well in the ambience at world standards.

Furthermore, 'Quadran Culture' magazine that is prepared in house and published by D Watches and Jewelry, communicates the innovations in the field of watch, jewelry and the art of luxurious lifestyle.

The employees of the head office and boutiques have been provided with the training programs with the title of Corporate Representation and Chemistry of Luxury under the roof of Luxury Academy Istanbul.

In the two boutiques of Quadran Luxury Timepieces, the high-end watch brands of Swiss watch manufacturing Arnold&Son, Bell&Ross, Bovet, Breitling, Corum, Graham,

Hublot, HYT, Jaeger-LeCoultre, Bvlgari, MontBlanc, Omega, Panerai, Parmigiani Fleurier, Roger Dubuis, Romain Jerome, Ulysse Nardin, Vacheron Constantin and Zenith, and the designs of the case manufacturers Buben Zörweg and Döttling are presented. Moreover, Paris-Based lighter manufacturer S.T. Dupont and the pen collections of Montegrappa and Montblanc, jewellery brands such as Baraka, L'estasi, Messika and Vertu mobile phones are some of the brands presented.

D Watches and Jewelry, holds the distribution rights of the well-known Swiss made watches such as **BREITLING, HUBLOT, ARNOLD&SON, BELL&ROSS, HYT and VACHERON CONSTANTIN** as well as the German case and winder manufacturer **DÖTTLING** and the French jewelry brand **MESSIKA** in Turkey.

**CORPORATE TRAVEL AND EVENT MANAGEMENT:  
ANTUR**

Antur, a Doğuş Group company established in 1976, is one of the leading Corporate Travel and Event Management companies in Turkey. Antur presents a selection of services helping its customers tackle business challenges, with an eye for detail and focus on innovation.

Antur Tourism is a member of acknowledged and well-known Tourism communities such as IATA (International Air Transport Association), ASTA (American Society of Travel Agents), UFTAA (United Federation of Travel Agents), and TURSAB (Association of Turkish Travel Agencies).

Operating with a team of fifty-six employees, Antur increased revenues by six percent as of December 2017 year-over-year.

**Corporate Travel Management**

Corporate travel management is one of Antur's powerhouses since its inception. Offering a range of expertise and experience, Antur provides its customers added value and tailored solutions. In addition to conventional services including flight tickets, hotel bookings, and car rentals, the company executes and reports corporate travel policies, and acts as intermediary in financial reporting and visa procedures.

**Events Management**

Antur's professional and creative team delivers MICE services to companies from a variety of sectors. Melding business dynamics with local and international regional know-how and well-established supplier network, Antur Tourism guarantees a high level of customer satisfaction.

Antur organizes around 1,000 events per year of varying concepts and scopes for leading Turkish and international companies.

**Destination Management**

Antur Tourism caters to all individuals and groups who visit Turkey, offering a wide range of tourism services in cooperation with leading travel agencies and tour operators in all countries. Antur's high volume of regional service traffic as well as resourceful relations with local suppliers provide a high bargaining and purchasing power. In addition to conventional ones, Antur designs customized tour programs.

**Concierge and Travel Consultancy Services**

As of March 1<sup>st</sup>, 2017; Antur, in cooperation with DMS, operates the Garanti Travel Line and [www.garantiseyahathatti.com](http://www.garantiseyahathatti.com) website. Set to deliver customized services in every corner of the world, this platform offers 24/7 travel consultancy. With a concierge service that reinforces its CRM infrastructure, the company adds to its business partnerships worldwide.

**ESPACE PRIVÉ CHENOT D-LIFE ISTANBUL**

Doğuş Group collaborated with Chenot Group and put the Espace Privé Chenot D-Life Istanbul center into service for its distinguished customers who are passionate fans of a healthy lifestyle. Operating within Doğuş Group as the preferred place for people who would like to adopt healthy living, D-Life has become the first center introducing the Chenot Method in Turkey as part of the collaboration with Chenot Group.

Chenot Group was founded by Dr. Henri Chenot, world-renowned scientist with many publications in this area. Espace Privé Chenot D-Life Istanbul is offering its customers a wide range of services including detox packages, well-being services, skin care and slimming techniques, and nutrition programs. The Chenot Method is a product of Dr. Henri Chenot's 45 years of experience, and now is in use for the distinguished customers.

## KÖRFEZ HAVACILIK - KÖRFEZ AVIATION

Körfez Havacılık Turizm ve Ticaret A.Ş., under the affiliation of Doğu Group, was formed in 2007 and in May 2008 received its Operating Certificate (AOC) from the Turkish Civil Aviation Authority. Körfez's fleet, comprised of one Gulfstream 550, one Gulfstream 450, two Airbus H145 helicopters and one Sikorsky S76C++ helicopter, is authorized to operate commercial flights domestically and internationally.

The company's main operations center is at the General Aviation apron of Istanbul Atatürk Airport. Körfez has its own special hangar in which the aircraft are based and where the experienced technical personnel perform regular maintenance, when necessary. Maintenance is performed at authorized service centers under the observation of the team of experts.

Körfez Havacılık's professional flight crew possess over 17 years of civil aviation experience on the aircraft they operate as well as its qualified maintenance staff.

The company has established and applies a Quality Management System (ISO 9001:2008) for Air Taxi Management. The company has a compliance with national and international aviation rules and its implementing rules.

## D-GYM

D-Gym is a high-quality health club equipped with the most advanced technological infrastructure and has been serving in the area of sports and healthy lifestyle in Turkey since 2009. The complex aims to promote the message: "Improve the way you exercise. Improve your quality of life. Change for the better." In accordance with this purpose, being the most comprehensive fitness club D-Gym Etiler, began its operations in 2015, January. The club prides itself on offering a large variety of zones and instruments such as multi-purpose studios, a swimming pool, a basketball court, a squash court, a pilates studio, an H.I.P.T studio, a kick-box studio, kinesis devices, table tennis, CoreAlign unit and many other professional services including nutrition counselling. Over and above, Bodyism, which is an internationally popular exercise method is available in D-Gym since the last quarter of 2017.

The spa service of the club is customized to our guests for massage, traditional Turkish bath, steam rooms, saunas, relaxation lounges and skincare. The facility also has a special parking garage for D-Gym members.

D-Gym is the only facility having ambulance and doctor service in Turkey. The facility takes place on 8500 m<sup>2</sup> area with 22 professional trainers. D-Café, located within D-Gym, welcomes members and non-members offering a tempting and healthy menu, which combines local and seasonal ingredients.

DOGUS  
CENTER  
ETILER

DOGUS  
KATILIM MENKUL DEĞERLER A.Ş.

GebzeCenter  
GÜZER MAREKED

DOGUS  
CENTER  
MASLAK

DOGUS  
KATILIM MENKUL DEĞERLER A.Ş.

*Antalya*  
**2000** PLAZA



İstinyePark

# Real Estate

# FINANCIAL HIGHLIGHTS\*

(TL THOUSAND)

## SEGMENT ASSETS

4,681,316

## REVENUES

247,077

## GROSS PROFIT

220,261

	2013	2014	2015	2016
Segment Assets	3,137,219	3,431,877	4,004,737	4,304,495
Revenues	148,178	169,799	202,495	222,069
Gross Profit	130,015	150,173	180,857	202,382

\* Figures are based on standalone financial statements of Doğuř Gayrimenkul Yatırım ve İşletme A.Ş., Doğuř Gayrimenkul Yatırım Ortaklığı A.Ş. and Doğuř Turizm Sağlık Yatırımları ve İşletmeciliğı Sanayi ve Ticaret A.Ş.

Doğuş REIT started to operate on July 25, 1997 and, went public on March 25, 1998 as the third REIT traded at the Istanbul Stock Exchange.

The foundations of the Project EVIDEA – the first housing project – were laid down in November, 2004. Developed on a land of 34,000 m<sup>2</sup> in total, the Project EVIDEA consists of a construction area of 101,000 m<sup>2</sup> in total including a residence area of 73,000 m<sup>2</sup> and, a social facility area of 24,500 m<sup>2</sup>. All the houses within the Project EVIDEA developed with the combination of the experiences of Doğuş REIT and, Yapı Kredi Koray in the fields of real estate development and financing have been delivered to the respective owners as of the end of 2007.

The construction of the project Doğuş Center Maslak started in Maslak, Istanbul in June, 2005. Doğuş Center Maslak has a rentable area of 47,398 m<sup>2</sup> and, opened on November 9, 2006.

Upon the sales of the Garanti REIT shares held by Garanti Bank to General Electric (GE) Capital Corporation and Doğuş Holding, the shareholding structure of our company changed as of December 1, 2006 to 25.5% held by Doğuş Holding, 25.5% held by GE and, 49% by the public, and the corporate name changed to Doğuş-GE REIT as of the same date.

As a result of the partial demerger completed on December 26, 2013, the Gebze Center Shopping Mall was included into the real estate portfolio of Doğuş REIT. The Gebze

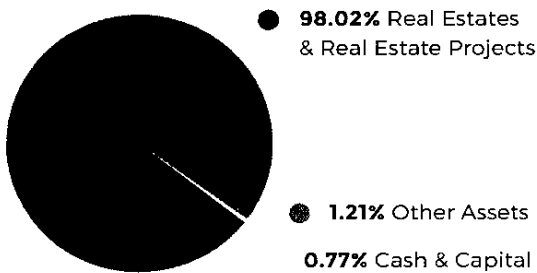
Center Shopping Mall started to be constructed by Doğuş Gayrimenkul Yatırım ve İşletme A.Ş. in August, 2008 came into operation on September 3, 2010 with a rentable area of 59,054 m<sup>2</sup> and, about 130 stores.

After the inclusion of the Gebze Center Shopping Mall into the real estate portfolio of Doğuş REIT, the development efforts started to be carried out to create a mixed life center by means of extending the existing Shopping Mall to include additional buildings and a hotel project, and the project started to be constructed with the respective building license obtained on 20.02.2015. There is a 158-room hotel and, various commercial areas in the project consisting of a construction area of about 50 thousand m<sup>2</sup>.

As a result of the partial demerger completed on September 6, 2016, the Doğuş Center Etiler was included into the real estate portfolio of Doğuş REIT. The total land area of the Doğuş Center Etiler is 36,440.80 m<sup>2</sup>, consisting of 45 detached sections and, the total rentable area is 9,827 m<sup>2</sup>. The Doğuş Center Etiler is considered to be one of the most important business centers in the region due to its office and social areas and, the opportunities to use it provides.

The project Gebze Center Hotel and Expansion Project, the investment of which started in 2015, was completed in 2017 and, the hotel opened under the brand "Hyatt House Gebze". The rental procedures for the automotive showroom and the service area as well as additional Shopping Mall units have been completed.

## REAL ESTATE INVESTMENT PORTFOLIO



The general administrative expenses of Doğuş REIT:

December 31, 2016	7.090.069 TL
December 31, 2017	8.104.480 TL

Real Estate Portfolio	Portfolio Breakdown	Appraisal Value (TL)
Doğuş Center Maslak	28.1%	321.440.000
Doğuş Center Etiler	12.7%	144.609.000
Antalya 2000 Plaza	1.3%	14.707.500
Gebze Center - Shopping Mall	49.9%	570.010.000
Gebze Center - Hotel	5.6%	64.475.000
Gebze Center - Automotive Showroom and Services	2.4%	26.810.000
TOTAL	100%	1.142.051.500

## 1- DOĞUŞ CENTER MASLAK

Doğuş Center Maslak serves with the brands, showrooms and services areas of Doğuş Automotive, the brands of Doğuş Media Group and, the food court area.

It is situated in Maslak, a significant location considered to be at the heart of the business and finance center of Istanbul, where there are many business centers. The total area of the center is 63,202 m<sup>2</sup>, of which there is a rentable area of 47,398 m<sup>2</sup>.

The construction of the project was completed in November 2006, and the Doğuş Center Maslak was opened for service.

The value of the building with a share of 28.1% in the total investment real estate portfolio of the company is TL 321,440,000 according to the appraisal report issued by Taksim Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. on December 26, 2017.

## 2- DOĞUŞ CENTER ETİLER

Doğuş Center Etiler is an office building located in Etiler, Beşiktaş, Istanbul, operating in an easily accessible central location, within a peaceful environment.

Doğuş Center Etiler is a center offering privileged office unites and different working environment in a great combination, in respect of its usage efficiency, architectural features, location and size.

The total land area of the Doğuş Center Etiler is 36,440.80 m<sup>2</sup>, and the total rentable area of 45 detached sections owned by the company is 9,827 m<sup>2</sup>.

The value of the building with a share of 12.7% in the total investment real estate portfolio of the company is TL 144,609,000 according to the appraisal report issued by Taksim Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. on December 26, 2017.

## 3- GEBZE CENTER - SHOPPING MALL, HOTEL, AUTOMOTIVE SHOWROOM AND SERVICE

### Gebze Center Shopping Mall

Gebze Center Shopping Mall is the first shopping and entertainment center in the region.

Considering the accessibility to the city center, the shopping center has become the only attraction and social/entertainment center in the region.

Consisting of a rentable area of 66,072.72 m<sup>2</sup>, about 130 stores, cinema theaters, bowling, gym and kid entertainment areas, the Gebze Center came into operation on September 3, 2010 with an investment budget of USD 180 million and, accommodates more than 9 million visitors in a year.

The value of the building with a share of 49.9% in the total investment real estate portfolio of the company is TL 570,010,000 according to the appraisal report issued by TSKB Gayrimenkul Değerleme A.Ş. on December 29, 2017.

**Gebze Center - Hotel**

Hyatt House Gebze has become the new ring of the chain of Hyatt Hotel, starting to operate with 158 rooms as of November 1, 2017. Hyatt House Gebze, the first concept of the brand Hyatt House in Turkey provides such details that make the guests accommodating for a long time feel that they live all together with their neighbors in a peaceful environment. Consisting of 3 basements, 1 mezzanine and a 13-level hotel building started to be constructed in May 2015, in a land of 21,983.12 m<sup>2</sup>. Hyatt House Gebze opened its doors on November 1, 2017 in line with the global standards and concept of the brand Hyatt. Hyatt House Gebze consisting of 158 rooms in total provides services of swimming pool, business center, lounge and food & beverage.

The value of the building with a share of 5.6% in the total investment real estate portfolio of the company is TL 64,475,000 according to the appraisal report issued by TSKB Gayrimenkul Değerleme A.Ş. on December 29, 2017.

**Gebze Center - Automotive Showroom and Service**

Since it is within the same area as the Gebze Center Shopping Mall, the first and only shopping center of the region, the intense circulation from this shopping center greatly contributes to Doğuş Oto Gebze, and thus the region of Gebze.

Doğuş Oto Gebze has an enclosed area of 12,212.21 m<sup>2</sup> in total consisting of 3 basements + ground floor + mezzanine + roof in the automotive showroom and service.

The value of the building with a share of 2.4% in the total investment real estate portfolio of the company is TL 26,810,000 according to the appraisal report issued by TSKB Gayrimenkul Değerleme A.Ş. on December 29, 2017.

**4- ANTALYA 2000 PLAZA**

Antalya 2000 Plaza is situated on the Recep Peker Avenue, where the urban demand is at the highest level with an intense pedestrian and vehicle traffic.

It is an office and shopping center consisting of an office, market and cinema theater areas of 9,000 m<sup>2</sup>, where there are 92 detached sections.

The value of the building with a share of 1.3% in the total investment real estate portfolio of the company is TL 14,707,500 according to the appraisal report issued by Taksim Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. on December 26, 2017.

**FINANCIAL OUTLOOK 2017**

As of December 31, 2017, Doğuş REIT's registered capital and paid-in capital are 500,000,000 TL and 332,007,786 TL, respectively.

Doğuş REIT's total asset size in 1.165 million TL, and a net profit is 54 million TL for 2017. The company's total real estate investment portfolio is 1.142 million TL, and its market capitalization is 1.076 million TL.

Doğuş REIT is traded at BIST Index with the code "DGGYO".

**CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY 2017**

The shareholding structure of Doğuş REIT is as follows as of 31 December 2017;

Name/Corporate Name Of Shareholders	Group	Share Amount (TL)	Share Percentage (%)
DOĞUŞ HOLDİNG A.Ş. (NON-PUBLIC)	A	2.604.451	0.78
DOĞUŞ HOLDİNG A.Ş. (NON-PUBLIC)	B	48.693.875	14.67
PUBLIC (*)	B	280.709.460	84.55
TOTAL		332.007.786	100.00

(\*) As of 31 December 2017, the other publicly-held shares belong to Doğuş Holding A.Ş. amounting to TL 261.038.907 and to Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Ticaret A.Ş. amounting to TL 1.522.029.

Doğuş Real Estate Investment and Management belongs entirely to the Doğuş Group. The Company was founded in 2006. Since its foundation, its goal has been to be the most valuable company in the sector without comprising its principles of trustworthiness, respectability, honesty, or its commitment to high quality service. It has also been committed to hiring expert staff that works to improve the fields of real estate, construction management, sales and marketing.

Doğuş Real Estate stays abreast of developments in the sector and helps promoting Doğuş Group's growth, which owns and invests in the Company's extensive real estate portfolio. The Company seeks to stay on top of developments in residential properties, trade centers, hotels, hospitals, and the field of logistics via its project management and project development services.

Doğuş Real Estate follows developments in the real estate sector in Turkey closely, and in doing so, continues its project management services in the field of residential properties, trade centers, hotels and office buildings.

Doğuş Real Estate, which holds 12 assets all over Turkey, continues to work with great care to make the best use of these assets.

## TARGETS

- To focus on unconditional customer satisfaction
- To reflect the Doğuş identity and different points of views in all of its projects
- To create spaces that provide high standards of living
- To become the most valuable and respected company in the sector

## PRINCIPLES

- Trustworthiness
- Respectability
- Honesty
- Fulfilling the responsibilities towards current and future generations
- Maintaining a high quality of service
- Providing permanent institutional competitive advantages
- Keeping team work at the forefront

## COMPLETED PROJECTS

- Gebze Center Shopping Mall Project
- Doğuş Holding Dubai Office Project
- D-Life Ulus Project
- D-Gym Maslak Project
- Ayazağa Doğuş Group Office Building Renovation Project
- Darüşşafaka Ayhan Şahenk Sports Center Renovation Project
- Artvin School Project
- Grand Hyatt Hotel Restaurant Renovation Project
- D-Hotel Maris Renovation Project
- D-Resort Göcek Phase 1 Project
- d.ream Ortaköy Office Building
- Nusr-Et Building Project
- D-Resort Göcek Phase 2 Project
- D-Gym Etiler Project
- Van OÇEM Project
- Volkswagen Arena Project
- Bodrum Castle Performing Center Project
- Crate&Barrel Store Decorations Project (Akasya & Zorlu AVM)
- Doğuş Holding Ankara Office Project
- D-Marin Turgutreis Yatch Club Renovation Project
- Murat Reis Ayvalık Hotel Renovation Project
- Il Riccio Bodrum Project
- D-Office Maslak Project
- Bomonti Babylon Project
- DMS Office Renovation Project
- Volkswagen Arena Sports Hall Project
- Leica Bomonti Project
- Il Riccio Bodrum Phase 2 Project
- Ayvalık Cultural Center
- Holding Athens Representative Office Project
- RTE Uni. Faculty Building Project
- Darülaceze Okmeydanı Visitor Center Project
- Soma Housing&Misc. Facilities Complex Project
- Ömer Halisdemir Uni. Livestock Research&Development Center Project
- Fenerbahçe Faruk Ilgaz&Dereağzı Facilities Renovation Project
- Holding Athens Representative Office 1<sup>st</sup>-2<sup>nd</sup>-3<sup>th</sup> floor Renovation Project
- Il Riccio Bodrum Phase 3 Project
- Ara Güler Bomontiada Archive Project
- Gebze Hotel and annexes Project
- Göbeklitepe Archaeological Site Project

**ONGOING PROJECTS****Salıpazarı Port Project**

Construction Area: 374,243 m<sup>2</sup>

Construction period is still ongoing.

**Chenot Palace Weggis Project**

Construction Area: 21,400 m<sup>2</sup>

Project design period is ongoing.

**Serbia Basketball Academy Project**

Project design period is ongoing.

**Ara Güler Museum Project**

Construction Area: Bomontiada Museum: 971 m<sup>2</sup> -  
construction period is ongoing.

Beyoğlu Museum: 850 m<sup>2</sup> – construction period is ongoing.

**Hotel Aldrovandi Renovation Project**

Construction Area: 12.724 m<sup>2</sup> closed area

Project design period is ongoing.

**FUTURE PLANS**

Doğuş Real Estate's mission is to increase its investments in the coming years with steady growth and to achieve the highest level of customer satisfaction possible by carrying out its real estate projects with the utmost professionalism.

## İSTİNYEPARK

Offering luxury, style and convenience under the same roof, İstinyePark lets its guests experience a world of elegance and luxury in Istanbul. Since September 2007, Doğuş Group has been operating İstinyePark under a partnership between Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği and Orta Gayrimenkul Yatırım Yönetim. Doğuş Holding owns 42% while Orta Gayrimenkul Yatırım Yönetim owns 58%.

Offering luxury, style and convenience under the same roof, İstinyePark lets its guests experience a world of elegance and luxury in Istanbul. Every renovation made and every new store opened has been important building blocks in the success of this venture. Forty-two brands have opened their first monobrand stores in Turkey at İstinyePark. Looking forward, İstinyePark aims to become an international shopping destination.

Since its opening in September 2007, İstinyePark has been working tirelessly to offer the best possible service to its visitors. The shopping mall provides a vast selection of products and services, thanks to its considerable 270,000 m2 surface area, 87,000 m2 store area, 3,600-unit car park and wide range of stores.

İstinyePark has 70 people working in the management department and 3,500 employees in total. İstinyePark has the widest selection in Turkey in terms of its range of brands. It has two unique areas, which differentiate İstinyePark from other shopping centers; the bazaar area and the lifestyle area. The only shopping center in the Sarıyer district of Istanbul, İstinyePark has become the model that the new generation of shopping centers in the country looks to.

İstinyePark offers viable alternatives to a wide scale of visitors from all ages and backgrounds. The shopping mall features both indoor and outdoor spaces. With its giant glass dome and glass ceilings, the Mall basks in an abundance of natural light, creating a perfect combination of indoor comfort and outdoor airiness for its visitors. İstinyePark was built according to the belief that a shopping mall should provide the highest standards in service and presentation, as well as in architectural splendor and technical innovation. Visitors to İstinyePark can experience the joy of sitting under the shade of a tree or the comfort of chatting with local shopkeepers, together with the ultimate pleasure of watching a movie in a state-of-the-art theater or the fulfillment of living an active urban life – all under one roof.

In 2016 İstinyePark extended its restaurant mix by adding internationally known restaurants Le Petite Maison and Nusret Steak House and also empowered its position as the main destination of luxury shopping as Vakko moved to Brands Street and opened 4 new stores including Vakko Couture and Vakko Home. Brooks Brothers, Audi City and Paul&Shark are the other new brands that have recently opened stores at İstinyePark.

Completing the year 2016 with 16,5 million visitors and 100% occupancy, İstinyePark aims to complete the year 2017 with 17 million visitors and 100% occupancy.

**The year 2016  
with 16,5 million visitors  
and 100% occupancy  
İstinyePark aims  
to complete the year 2017  
with 17 million  
visitors and occupancy.**

## AWARDS

In 2008, the world's biggest real estate and retail expo, Mapic, crowned İstinyePark as the "Shopping Mall Developer of the Year."

In 2009, the International Shopping Mall Council (ICSC) awarded İstinyePark the "Grand Opening", "Expansion & Renovation" and "Maxi Silver" awards. In the same year, the Mall was also recognized as "Europe's Best Shopping Mall" by the ICSC. Furthermore, the Shopping Malls and Retailers Association (AMPD) awarded İstinyePark "Shopping Mall of the Year."

İstinyePark was awarded the "FIABCI Prix d'Excellence" prize for retail in 2012.

In 2016 İstinyePark extended its restaurant mix by adding internationally known restaurants Le Petite Maison and Nusret Steak House and also empowered its position as the main destination of luxury shopping as Vakko moved to Brands Street and opened 4 new stores including Vakko Couture and Vakko Home. Brooks Brothers, Audi City and Paul&Shark are the other new brands that have recently opened stores at İstinyePark.

Completing the year 2016 with 16,5 million visitors and 100% occupancy, İstinyePark aims to complete the year 2017 with 17 million visitors and 100% occupancy.

220  
PLUS  


 **ASLANCIK**  
HYDROELECTRIC POWER PLANT

 **Artvin**  
Dam and Hydroelectric Power Plant

**boyabat**  
Dam and Hydroelectric Power Plant

# Energy

**DOĞUŞ**  
GROUP

# FINANCIAL HIGHLIGHTS\*

(TL THOUSAND)

TOTAL ASSETS

3,253,476

2015 2014 2013 2012

REVENUES

842,007

2015 2014 2013 2012

GROSS PROFIT

122,964

2015

	2015	2014	2013	2012
Total Assets	1,939,649	2,640,866	3,243,176	3,264,710
Revenues	183,444	213,916	262,837	719,562
Gross Profit	40,399	22,240	50,838	154,683

\* Figures are based on combined financial statements of Doğuř Enerji Group companies with Doğuř shares.

The energy sector in Turkey is characterized by low per-capita usage and ongoing liberalization of the market. To maintain the continuity of Turkey's economic, sociological, and technological progress and expansion, the energy sector must support and keep up with the latest developments in this industry. Installed capacity reached 83.2 GW at the end of 2017. According to the Investment Support and Promotion Agency projections, the country's installed capacity is expected to reach 100 GW in 2023. The increase is expected to be undertaken by the private sector. From this perspective, the share of private sector in Turkey's installed capacity is expected to increase every year.

Doğuş Holding holds a 100% share in Doğuş Energy, which holds:  
100% share in Doğuş Energy Trading Company  
100% share in Artvin HEPP  
34% share in Boyabat HEPP  
33% share in Aslancık HEPP

Doğuş Energy develops and grows through strategic and profitable enterprises to maintain an optimal generation portfolio. In order to maintain the sustainability of the economical, sociological and technological progress, Doğuş Energy aims for reduction of the foreign energy dependency through utilization of power generation from local energy sources.

The company aims to stay abreast of all the developments concerning energy sector, both within Turkey and throughout the region. It is responsible for formulating and generating strategies for all energy and infrastructure investments within Doğuş Group. The ultimate goal of this organization is to make sure that the Group takes all necessary measures in the energy sector and to create profitable business enterprises.

Doğuş Energy is one of the leading private companies in the generation of renewable energy, with its 1 GW installed capacity. The Company has outlined new investment projects and privatization initiatives for the generation of electricity, as well as the operation of these assets and energy trading as its core areas of business.

Doğuş Energy provides electric energy to eligible consumers including its own Group companies, other businesses and individuals through its 220PLUS brand. This requires the Company to engage in origination, wholesale and trading activities. Doğuş Energy focuses on the continuous improvement of service skills and capabilities in order to provide customers with better plus services. The importance of

service transparency and fair trade is central to the Company's beliefs, and it tries to show this in its activities. Doğuş Energy aims to expand its customer reach whilst reflecting its customer-oriented approach.

### Generation Assets

In consideration of Turkey's growing energy dependence, benefiting from domestic and renewable energy sources is of strategic importance for the country. In addition, renewable sources play a key role in supporting endeavors to decrease carbon emission levels. In this regard, hydroelectric energy, which is a domestic, renewable and clean energy source, has begun to assume greater importance in Turkey, as stated in the strategic paper declared by the State Planning Agency.

Artvin HEPP is on the Çoruh River and located 20 km southwest of Artvin. The project is fully owned by Doğuş Energy and began operations in December 2015. Artvin HEPP is one of the largest hydroelectric power plants in Turkey with 332 MW installed capacity and more than 1 billion kWh of electricity generation per year.

Boyabat HEPP is on the river Kızılırmak and located 180 km east of Samsun and 150 km south of Sinop. Boyabat HEPP has an installed capacity of 513 MW and annual average electricity generation is 1.5 billion kWh per year and began operations in December 2012. The project has second largest installed capacity of any private sector hydroelectric power plant in Turkey.

Aslancık HEPP is located on Harsit River on province of Doğanşehir and Tiresbolu in Giresun and began operations in March 2014. Aslancık HEPP has an installed capacity of 120 MW and annual average electricity generation of 418 million kWh.

Artvin and Boyabat HEPPs, which represent 88% of Doğuş Energy's total capacity investment, are designed to benefit from peak hours. Both will help the Company to maximize its profit and serve the country by stabilizing spot market electricity prices in peak hours.

### FUTURE PLANS

Doğuş Energy closely monitors privatization initiatives and also greenfield and brownfield projects in various regions of the country in order to optimize its portfolio. Doğuş Energy is developing investment plans on prospective projects in order to optimize its generation portfolio.

zuma

STAY

Sele  
TUTU

DOA

KİLİMANJARO

CHERRY

QUINTIN

TEN  
CONTEN

Amazonica

biz  
café

STAY

CATRICORN

BORSA

eatstop

dream  
AKADEMI

CrateCafé

DELIMONTI

DOLCE

Go! MoCo

GINA

FENIX

COYA

Mezzaluna

GÜNAYDIN  
kafite & more

DA MARIO

STAY

STAY

POPULIST

LACIVERT

STAY

kiva

PARLÉ

iM  
MODERN

GÜNAYDIN  
STAY & more

masa

Sele  
TUTU

MONTAGNÔNE

oblix

STAY

KITCHENETTE

STAY

Sait

STAY

RÜYA

STAY

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STAY

STAY

STAY

STAY

# Food and Beverage

# FINANCIAL HIGHLIGHTS

(TL THOUSAND)

## TOTAL ASSETS

2,839,000



## REVENUES

1,924,000



## GROSS PROFIT

1,322,000



	2013	2014	2015	2016
Total Assets	994,000	1,569,000	1,791,000	2,012,000
Revenues	578,000	874,000	1,206,000	1,290,000
Gross Profit	403,000	580,000	829,000	891,000

\* Figures are based on combined financial statements of DREAM Group companies.

**In 2017, 7 NEW LOCATIONS  
ABROAD and 9 IN TURKEY  
have been opened.**

d.ream (Doğuş Restaurant Entertainment and Management) began its operations in April 2012 and has achieved a major position in the food & beverage sector through key partnerships as well as creation of innovative concepts in Turkey and globally.

d.ream holds majority stake in globally recognized F&B players such as Nusr-Et, Günaydın and Sele Istanbul Restaurant Group, which owns multiple brands including Borsa and Masa restaurants. The company's partnership with Azumi Group, which has Zuma, Roka and Oblix under its umbrella, as well as Paraguas Group initiated its expansion into the international arena, which continues with global expansion of local brands.

d.ream plays a major role in the development of the sector via setting corporate standards and increasing the level of service quality and as well as creating new job opportunities all around the world. d.ream also provides training opportunities for its employees through its in-house academy.

#### ACTIVITIES IN 2017

d.ream reached a unique position in F&B sector through the variety and number of restaurants it operates globally. Owing to its strong growth, d.ream name is to be found at around 170 outlets in 12 countries. In 2017, 7 new locations abroad and 9 in Turkey have been opened.

After successful launches in Dubai and Abu Dhabi, Nusr-Et Steakhouse started its operations in Doha and Miami. Overseas investments will continue with New York, London, Dallas and the second location in Miami. In 2017 Nusr-Et Burger has been opened at three new locations; Bebek, İstinyePark and Kanyon shopping mall. Plans are in place to open new burger locations both in Turkey and abroad.

#### FUTURE PLANS

d.ream aims to continue its sustainable growth through both domestic and global expansion as well as introducing brand and innovative new concepts.

Opening of Zaytinya Dallas together with ThinkFoodGroup as well as Da Mario Dallas will enlarge d.ream's footprint in the US. Launch of Nahita in Boston and Rüya in London are among upcoming international projects.

Plans are in place to support Günaydın's sustainable growth both in Turkey and also in the international markets. Günaydın will open two new locations in Dubai; 'Kebab & Steakhouse' at Bluewaters and 'Köfte & Döner' at Dubai Mall. Günaydın will also start its operations in Riyadh, Saudi Arabia.

Relaunch of 29, a multi brand project in İzmir and launch of a brand new concept; Angie are on the pipeline. d.ream is also planning to introduce its new franchise system, which in the first place will give opportunity for the investors to open Günaydın Köfte & Döner, Mezzalauna and Kitchenette.

SALIPAZARI  
LIMAN YÖNETİM  
VE  
YATIRIM ŞİRKETİ

n11.com

**DMS**  
DİJİTAL MENKUL DEĞERLER MENKUL DEĞERLER

 zingat

 Doğuş Teknoloji

**REIDIN**  
REIDIN

**pozitif**

||| related

 **Mobilet**

# New Initiatives

Pozitif is the lead promoter of **INTERNATIONAL MUSIC, CULTURE and ENTERTAINMENT EVENTS** in Turkey since 1989.

As Turkey's leading integrated entertainment marketing company, Pozitif is dedicated to creating best-in-class experiences that connect communities, creators and brands around physical and digital arts, culture & entertainment platforms.

Pozitif is the creator of many community platforms that helped shape Turkey's arts, culture and entertainment landscape, such as:

- The Babylon music culture brand and club
- Independent cultural publisher and music label Doublemoon Records
- Europe's most acoustically advanced live entertainment venue Volkswagen Arena. Volkswagen Arena is an integral part of the UNIQ Istanbul cultural complex that is located in Istanbul's financial and business district Maslak, and which also includes offices, a shopping mall, 1,200 seat multi-use concert hall, dining areas, historic mansions, exhibition spots, and shopping spaces.
- Turkey's longest running festivals, Cappadox Festival (Turkey's first international multi-disciplinary destination festival), One Love Festival, the International Akbank Jazz Festival and the D Marin Bodrum International Classical Music Festival
- Istanbul's first urban creative culture campus, Bomontiada, the Alt contemporary art and performance space and the Kilimanjaro fine dining restaurant
- Pozitif's network includes Radio Babylon, Radio Eksen and Radio Voyage

## FUTURE PLANS

In line with its vision to set the global standards of integrated entertainment for audiences, brands and creators, Pozitif will continue its expansion in arts, culture and entertainment ecosystem in 2018:

- Integrated experiential marketing platform
- New media channels
- New venue operations
- New community platforms through collaborations in classical music, contemporary arts, cultural industry.

Through 29 years of expertise and an ecosystem of complementary services now on the fore front of the converging entertainment and media economy, Pozitif dominates EMEA's fastest growing entertainment market.

## MUSIC & CULTURE PUBLISHING

### Doublemoon

Founded in 1998, Doublemoon Records is an independent pioneering label based in Istanbul, dedicated to spreading the cultural tapestry that is the city's sound around the world. Doublemoon complements Pozitif's ecosystem through a rich heritage catalogue archive and in-depth knowledge of talent and content development, record publishing and licensing.

### Mobilet

A joint venture of two Doğuş Group companies, Pozitif and Doğuş Customer Systems', Mobilet was launched in 2016 with many innovative features which redefines the ticket-buying experience.

Going online in May 2017 with a web site and a mobile application, Mobilet is the first ticketing and social planning platform that enables users to buy tickets for multiple events with friends, make reservations and seamlessly transfer tickets based on personal and social recommendations.

Mobilet offers innovative and useful communication, marketing, targeted campaigning opportunities for creators, event and space owners and all experience providers with its CRM infrastructure and reporting tools.

Mobilet's CRM infrastructure system "Nirvana", which was developed in cooperation with Doğuş Technology, Pozitif and DMS, was among 10 projects within the scope of Global Market Projects as an example of collaboration between Doğuş Group companies.

Doğuş Planet's e-commerce platform n11.com, established in partnership with Doğuş Group and South Korean SK Group, has reached a trade volume of \$2 billion over the past four and a half years since it was established.

Over four-and-a-half years since its establishment, with more than 80.000 registered stores, 11 million members, 64 million items sold, with a total of 2,14 billion visits, n11.com has reached \$2 billion trade volume. The VAT revenue provided by the n11.com e-commerce platform to the state was \$281 million.

Until today, n11.com, which makes sales to individual customers with its business model and brought Turkish SMEs to the economy, has established a wholesale e-commerce channel that will serve under the name n11pro. The new platform collects customers and suppliers under one roof, reduces cost and operational risks, and offers bulk purchasing to corporate customers. The new platform will allow producers and businesses to grow with high volume sales.

In addition, n11.com has launched an electronic billing system n11faturam for business partners, which supported by the Revenue Administration Department for SMEs. For the first time in the open market platforms developed by Digital Planet and n11.com cooperation, thanks to n11faturam, companies operating in n11.com can easily carry out all billing transactions by January 2018 to the electronic environment.

n11.com climbed five positions to 16<sup>th</sup> place overall on the 'Top 100 Retailers in Turkey' list this year, which was ranked 21st with a trading volume of TL 1 billion last year according to the most prestigious and the only list of the Retail World 'The Top 100 Retailers in Turkey'.

**n11.com climbed to  
16<sup>th</sup> place overall on the  
"TOP 100 RETAILERS  
IN TURKEY" list in 2017.**

## DOĞUŞ MARKETING SERVICES (DMS)

DMS was established as a data-driven marketing company in 2014 in order to provide integrated CRM, database management, cross-marketing and customer experience enhancement services. The company operates mobile applications reaching nearly 2.5 million customers, and also offers analytics services to corporate clients.

DMS has many third-party brand alliances and strategic partners working alongside Doğuş Group Companies such as the leading finance, telecom and entertainment companies operating in Turkey.

The starting vision of DMS is to create cross synergy opportunities, direct communication within the Group Companies and a shared database. DMS has also developed sophisticated reporting tools so as to cater all kinds of reporting needs within and outside the company.

DMS aims to increase customer engagement and generate innovative solutions through a new approach based on customer profiling and providing the highest quality services.

DMS leverages a wide range of brands, products and services to achieve its objectives, including:

**DMS leverages a WIDE RANGE OF BRANDS, PRODUCTS AND SERVICES to achieve its objectives, including: ZUBİZU, Rezervin, Brandmail, DMS Travel&Concierge.**

### BRANDS

**ZUBİZU**, a lifestyle and entertainment mobile application with currently more than 400 brands at 10.000 point of sale (ranging from retail stores, restaurants to travel agents and telecom operators), was launched officially in April 2016. Program members get special discounts, early discount periods, special screenings, entry to events curated for them and many other privileges according to their interests and overall behaviors. Besides these benefits, ZUBİZU also provides the users with latest trends and unique contents according to their interests. There are also convenience functions for the members such as online restaurant reservation, mobile payment, hotel reservation, and ticketing. ZUBİZU which has nearly 2.5 million customers, has won 21 awards in different categories.

**REZERVİN**, an online restaurant reservation mobile application, was launched officially in July 2015. Rezervin receives reservations through its five channels (Rezervin mobile application, functional website, call center, ZUBİZU, and widgets that are placed on member-restaurant websites). With its extensive category lists and suggestions, it helps its members to find and reserve nearly 200 member fine-dining restaurants based on cuisine, location and availability of their choice.

**BRANDMAIL**, operates in DMS since June 2017. Brandmail connects exclusive brands and organisations with members of its opt-in database of over 600.000 members from partners. The Partners are A + brands such as airlines, luxury restaurants, etc. Brandmail sends out newsletters based on members' interests, age and gender, amongst other demographics, making it easy to create campaigns that directly reach the target audience.

## DOĞUŞ MARKETING SERVICES (DMS)

### SERVICES & COOPERATIONS

DMS Travel & Concierge, is established by Doğuş Marketing Services and Antur in order to serve the best travel and lifestyle concierge experiences to their customers worldwide. It offers a wide range of services including flight, hotel and restaurant reservations, transfer, insurance and visa services, event organizations, gifting, event ticketing, customized travel itineraries. With its broadly experienced team in tourism sector, DMS Travel&Concierge offers customized solutions to its customers on a 7/24 basis. DMS Travel & Concierge started its operations on March 2017, serving to Garanti Bank's customers and then expanded the business with serving ONB Finansbank, TEB and HSBC Bank's customers.

Doğuş Group's Corporate Entrepreneurship Programme, InvenDO, has been managed and led by DMS. In order to manage the programme in a more professional and efficient manner, a subsidiary of Doğuş Holding was established under the name Doğuş Yeni Girişimler ve Projeleri A.Ş. In 2018, the projects and project owners are planned to be under the umbrella of this newly established company.

Mobilet a joint venture of DMS has started to operate in 2017. Mobilet is a social discovery and sharing platform that aims to redefine the ticket buying experience journey. DMS gives support to Mobilet's marketing operations.

DMS has initiated a DMP (Data Management Platform) project in 2017, a digital data driven marketing tool, enabling the company to consolidate its online and offline data to conduct more extensive customer segmentation with a single customer perspective. The platform will be fed by online and offline data derived from Group's companies operating in a variety of sectors, including Automotive, Retail, Tourism, Media and Food & Beverage. The platform

will enable DMS to know Doğuş Group customers with deeper insight, redirect the relevant marketing communications to targeted audiences through the right channels, help Group Companies monetize their data while creating savings in their digital marketing budgets. These business objectives are achieved by gathering customer data streaming through all the customer touch points and defining these data precisely and utilizing them for the related companies to create value added marketing activities and to design the marketing processes accordingly.

Doğuş Teknoloji's mission is to research leveraging technology solutions in accordance with performance targets of businesses.

Doğuş Teknoloji began its activities as a part of the Doğuş Group companies in 2012. Since then, it has remained an innovative, solution-oriented and dynamic company ensuring customer satisfaction through high-quality, value-added products and services at the lowest costs possible.

Doğuş Teknoloji works in a huge variety of areas of Information Technology (IT) infrastructures, adapting systems and software products, creating and maintaining products using the latest technologies. The Company treats its customers as strategic partners, working closely with their internal business and IT units. Doğuş Teknoloji creates products that answer to actual demands, and that reflect strong technological and operational experience, and sectorial expertise. In addition, the Company offers effective project management services, and it reviews and continuously improves its methodologies to deliver the best on-time, as-promised solutions, thereby maintaining the highest level of quality and customer satisfaction. It is thanks to these principles of perfection and dependability that Doğuş Teknoloji is able to expand its customer portfolio.

**Doğuş Teknoloji creates products that answer to actual demands, and that reflect STRONG TECHNOLOGICAL AND OPERATIONAL EXPERIENCE, AND SECTORIAL EXPERTISE.**

The main areas of Doğuş Teknoloji's expertise include designing software and information systems, requests for the analysis of business requirements (i.e.; business process automation, reporting, security, etc.), development, installation, updating, maintenance, error fixing and integration of projects into these systems, maintaining security, monitoring performance and reporting abnormalities, consultancy services, and managing all of all these processes.

Below is a list of some of the Company's software products:

#### **Mobilet**

*Mobilet is a social discovery and sharing platform that aims to redefine the ticket buying experience journey. Mobilet offers a seamless, social discovery, planning and buying experience to users, and real-time integration and engagement for promoters, creators and brand partners.*

#### **Zubizu**

It is a mobile application developed by Doğuş Teknoloji providing its subscribers with special advantages at Doğuş Group's companies as well as others based on the customers' fields of interests. Thanks to Zubizu mobile app, its customers get special discounts at member businesses and make mobile payment at restaurants of Doğuş Group and Shell gas stations.

#### **Rezervin**

This is a system developed by Doğuş Teknoloji enabling its customers to make reservations at Rezervin member restaurants. Thanks to the Rezervin mobile app, its customers can make reservations using Rezervin widget embedded into the relevant restaurant's web site. In case the restaurant is called via phone, it is possible to make a reservation through the Rezervin interface addressed to the restaurant.

#### **D-Suit**

D-Suit is a tool provided by Doğuş Technology that digitizes the complete work processes of Doğuş Group companies. Allowing the employee to complete any form ranging from expenditure forms to leave terms in the digital environment with a single software, D-Suit will remove the paperwork etc. approval processes and aim to save from time and costs. On the other hand including the Procurement, Human Resources and Asset Management, it will ensure the standardization of all processes of a company.

#### **Do'lu Hayat**

Do'lu Hayat has become a social network that bring the social media experience to the office and increase the collaboration in the organization. It allows single point access to news regarding Doğuş Group, to discounts, awards, events and furthermore it allows following persons or groups and increase interaction and sharing with followers or groups.

**Turkuaz**

A large scale enterprise software used by DoğuŖ Otomotiv, as well as all its authorized dealers / service providers, OEMs, and suppliers, which adds value to all automotive processes. It is a fully integrated system that provides instantaneous data access and analysis capabilities for all brands, modules and points of operation.

- Vehicle Planning, Ordering and Sales (Distributor & Dealer)
- After Sales Services
- Spare Part and Logistics
- Customer Relationship Management
- Financial & Administrative Affairs, Finance
- Integrated Accounting Application
- Reporting and Business Intelligence
- Numerous integration points by producing companies-vendors

**DOD**

Second hand vehicle sales system for DoğuŖ Otomotiv and authorized dealers.

**MYS**

Cost tracking and reporting system, developed for DoğuŖ Construction. Costs, incomes and projects transferred into the system. Calculation algorithms are run at certain intervals. Detailed costs of projects can be observed in different aspects.

**D-İnsan**

Integrated employee performance evaluation system.

**VIAOnline**

Vehicle Inspection Automation software developed for TÜVTURK, which is used in more than 200 vehicle inspection stations.

**VDFNet**

Auto Loan System - Credit application, assessment, drawdown and tracking system developed for VDF Finance Company.

**VDF Factoring System**

Developed for VDF Factoring Company. It's a solution for authorized dealers to supply stock finance. It consists of invoice tracking, collection and payment schedule functions.

**VDF Insurance**

Developed for VDF Insurance. This application consists of on credit or non-credit sales of insurance policies of VDF Insurance products.

**Fleet Management System**

Developed for VDF Fleet Company. It consists of management of proposals for long-term car rentals, contract management, operation management and collection functions.

**BOS**

Broker Automation System developed for TDB Insurance. It consists of sales of insurance policies and management of TDB Insurance products.

**PYS**

Policy Management System developed for DoğuŖ Insurance. It consists of management of Insurance products and general ledger.

**Aria Marina Management System**

An application developed for all marinas under D-Marin Marinas Group which comprises customer and boat management, offer / bidding, reservation, contract process, management and monitoring all sorts of boat operations, finance and accountancy integrations, reporting and all other global integrations.

**D-ERP**

Finance software to set up an ERP foundation for the Group companies, starting with DoğuŖ Holding Headquarters.

**DO Card**

A management system for the loyalty card for DoğuŖ Group Employees.

**MIS**

A restaurant management application / software for the restaurants within Doğuş Restaurant Entertainment and Management - d.ream.

**Axapta ERP Software**

An end-to-end ERP software developed for merchandising and all operations of Crate & Barrel Brand, which is incorporated by Doğuş Avenue. All Russia and Turkey operations are conducted by this system.

**DT E-Fatura / DT E-Invoice Software**

Integration software and portal for the government's E-Invoice system, used by Doğuş Group companies as well as other customers.

**Doğuş E-Defter / Doğuş E-Ledger Software**

A platform free software/system for taxpayers to compose and send their journals and ledgers to Revenue Administration and receive their certified books / journals from Revenue Administration.

**E-Invoice and E-Ledger Archive Software**

A software for taxpayers to withhold their e-invoices in legal terms. E-invoice storage software is integrated with E-Invoice and E-Ledger system.

**New Accountancy System**

A reconstruction of the accountancy system's infrastructure and interfaces, considering the necessities for E-book/journal.

**Web Site Services**

Doğuş Teknoloji provides for the design, development and technical support for over 250 web sites.

**Document Management System**

Document Management System used for storing, managing and sharing Dogus Group documents in safe and secure standards.

**DPAY**

Credit card payment integration infrastructure used by DMS, Crate&Barrel, ANTUR, Doğuş Enerji, Porsche, Doğuş Oto, D-Resort and Mobilet. Includes virtual POS integration with all national banks, PAYCELL, MasterPass and GarantiPAY.

**R&D Center**

As one of the most important achievements of 2017, the applications made to the Ministry of Science and Technology, within the framework of Law No. 5746 on Supporting Research and Development Activities, the Doğuş Technology Şekerpınar office was officially registered as the R&D Center on May 12, 2017. 134 researchers are currently employed at the Şekerpınar R&D Center.

In November 2017, an application was filed on behalf of the Maslak head office and the Maslak office was officially registered as the R&D center by the Ministry on November 15, 2017. 79 researchers are currently employed at Maslak R&D Center.

There are 12 ongoing R&D projects at the Şekerpınar R&D office and 6 ongoing projects at the Maslak R&D office. The R&D Center has been formed with the R&D Center Competence Model in the transformation process. Within this framework, 11 cooperations were made with Turkey's elite universities to develop an eco system with 19 patent applications made in 2017 was. A total of 136 conferences and 358 trainings were held domestically and internationally in order to sustain the structure of competence in personnel working in the R&D Centers.

As we have reached our short-term targets in 2017, we will strengthen our eco system with our domestic and international cooperations by ensuring the sustainability of the R&D Center and we will increase our experience with applications we will provide to the domestic and international incentives/grants programs.

**FUTURE PLANS**

Doğuş Teknoloji's mission is to research leveraging technology solutions in accordance with business development and the management performance targets of businesses. The Company also aims to provide technology consultancy by offering projects, which comply with these targets, and to bring these technological applications to life. In this context, Doğuş Teknoloji is developing Internet and mobile applications, corporate and sectorial boutique software, and business intelligence applications, as well as providing support and maintenance services for advanced technological infrastructures.

Related Group's aim is to provide the best marketing automation and AI platform along with interactive services and help our customers engage with their audiences in a meaningful way. The Group's "Related Marketing Cloud" platform, which is preferred by over a thousand brands focuses on omnichannel campaign management, social media monitoring and artificial intelligence driven personalization.

Offering a wide range of online marketing services in different business areas, Related Group has entered the Turkish market as the Turkey's first e-mail service provider with euro.message brand in 2002 and has initiated a new market in Turkey. Adding Visilabs in 2014 and Semanticum in 2016 to its portfolio, Related Group has also started offering web optimization, data driven personalization and social media measurement services. In 2016, Related Group integrated its flagship euro.message and Visilabs products under the Related Marketing Cloud brand to create a marketing automation platform focused on omni-channel interaction, artificial intelligence driven personalization and social media driven business intelligence.

## PRODUCTS

- Customer Data Platform
- AI Based Big Data Segmentation
- Marketing Automation Platform
- Omnichannel Campaign Management
- Customer Journey Builder
- Target & Recommendation
- Social Media Marketing
- Digital Marketing
- Social Listening & Analytics
- Customer Intelligence
- CMS System

## TECHNOLOGIES

- Marketing Technology Usage Consultancy
- Customer Journey Mapping
- E-mail Marketing
- Web Design and Personalization
- Mobile Messaging (SMS, push notification)
- Interactive Campaign Creation
- Digital Marketing Strategy and Management
- Social Media Strategy and Management

## 2017 ACTIVITIES

In 2017, Related Group acquired 100% of Visilabs and Doğuş Group acquired 100% of Related Group. With its flagship product Related Marketing Cloud, Related Group has expanded its long-term collaboration with Estee Lauder Companies and started to provide personalization and automation solutions in 20 countries. Madebycat has been restructured and repositioned in the market as an end-to-end solution agency offering all Related Digital technologies and services to group clients, including but not limited to social media strategy & management, customer journey mapping, web & mobile personalisation. Semanticum have released the new integrated version of social media monitoring, analysis and management platform. International operations for the highly-strategic international client Estee Lauder Companies have expanded 15 countries with added personalisation and automation solutions.

## FUTURE PLANS

Related Group's 2018 strategy is to sustain its position as Turkey's most preferred digital marketing hub, through new company acquisitions and expanded service offerings through new digital marketing products and technologies. Related Group will also continue to create valuable partnerships in Europe and MENA to expand its international presence.

**Related Group is a group of integrated companies offering a broad range of digital marketing services for many of the world's well-known brands.**

Since 2007, we have been known for being the leading provider of property data and real estate information company for emerging markets. From being the first company to offer price indices enriched with hard-to-get real estate data in Turkey and UAE, we have become a global player in Data Analytics and Data Science utilizing the most advanced AI algorithms and techniques to process large amounts of our proprietary and client data. Today we are a multidisciplinary Data & Analytics Company helping our clients make better strategic decisions, increase revenues, lower costs, and beat competition. Among our clients are government organizations, banks, insurance companies, retailers, property developers, brokers, consultants, and appraisers.

#### ACTIVITIES IN 2017

In 2017, REIDIN expanded its range of services to its customer base in the sector by adding the "Data Analytic" dimension and business model by means of the Artificial Intelligence and Machine Learning applications to its identity as Leading Real Estate Information Service identity.

The first of the models is the Automated Real Estate Valuation Module developed by the Machine Learning method which enables the making of analyses by location. By means of 17 variables pertaining to the Real Estate and the Features of its Surroundings, the system allows making of inquiries and analyses in all parts of Turkey as independent of the administrative boundaries.

Another model is the QRID (Questioning Reidin Investment Decision-Maker) which uses the Machine Learning methods again to provide location-based solutions for the Retail Sector in particular. This application enables making of a number of analyses supporting the decision-making process, from the Location Selection Analyses to the Turnover Forecasts, in real time.

REIDIN has moved its infrastructure, storage and analysis tools to a cloud with a view to delivering more flexible and faster Artificial Intelligence solutions to its clients.

In addition to its web-based service, REIDIN has introduced the map-based Web Platform which enables making of location-based analyses to its clients in Turkey and the United Arab Emirates. This product of REIDIN which allows making of locational/specific area analyses as independent of administrative boundaries is a trailblazer in the real estate analysis in the sector.

A map-based web application developed by REIDIN specially for DMS (Doğuş Marketing Services) enables making of analysis and reporting of location data in real time interactively. Following this application, REIDIN started its Phase II work involving making of micro-segmentation of potential customers based on the data of DMS and suggesting appropriate digital marketing models accordingly.

REIDIN has also expanded the scope of its data/report published monthly across Turkey, which is eagerly followed by local and foreign interest groups, from 68 provinces to 81, realizing an unprecedented project in the country.

Similarly, it has strengthened its data resources for the Turkish Republic of Northern Cyprus, Saudi Arabia, Qatar, Kuwait, Egypt, Indonesia, Malaise, Thailand, Pakistan, Greece, Bulgaria, Poland, and Romania and thus included these countries into portfolio of service.

The company has realized the web integration of Coldwell Banker (CB), one of the largest real estate chains in Turkey, which provides data/information service to its around 1,500 real estate consultants.

Giving great importance to collaborations with universities, the company expounded the issue of so-called "Real Estate Balloon" with detailed analyses focused on the prominent provinces and districts of Turkey and developed a leading indicator within the framework of recent collaboration with Boğaziçi University.

Doğuş Group strongly values intrapreneurship. In 2016, Doğuş Group launched the iNVENDO - Intrapreneurship Program. This program aimed to promote the development of creative and innovative projects within the Group, and to nurture employees' entrepreneurial spirits.

Selection committee greenlit three projects in InvenDO's first period and four projects in its second period.

In 2017, a new company named Doğuş Yeni Girişimler ve Projeleri A.Ş. was established as a subsidiary of Doğuş Holding and was conceived to take quick action and efficiently execute bureaucratic procedures. The new company began overseeing existing in-house projects and initiatives outside the Holding that would benefit Doğuş Group.

StokArtı is one such project from iNVENDO's first period. It is an online marketplace for excess or used spare parts, construction materials and equipment stocks in the construction industry. Ninety companies have registered to the platform and 7,000 products have been listed for sale. StokArtı began its operations within the company.

The four projects approved during iNVENDO's second period are currently in the incubation process. These projects are: Aktivido, a marketplace for adventurers and adrenaline junkies; GiftBuddy, an online platform that recommends gifts based on the digital footprints of people to receive the gift; HerkesFit, an online platform that provides remote personal trainer support for training and nutrition programs; and Tividenal, an online platform that sells clothes and products that have featured on TV shows.

## FUTURE PLANS

iNVENDO's third period is scheduled to start in June 2018. Looking forward, there are plans in place to transform it into an open program where Group employees can apply year-round. There are also plans to create vertical iNVENDO programs that will further meet the need for innovative thinking within Group companies.

**Selection committee greenlit  
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## GALATAPORT PROJECT

On May 16, 2013, Doğuş Group placed the highest offer for the privatization of the Istanbul Salıpazarı Cruise Port, with a \$702 million bid, winning the right to operate the port area for 30 years. In January 2014, BLG Capital, the real estate private equity arm of Bilgili Holding, acquired 19% of the shares in the company formed to develop the project leaving the remaining 81% with Doğuş Group. Following the signing of the Transfer of Operating Rights Agreement with The Turkish Maritime Administration in February 2014, the Company took over the management of the pier and started its operations.

Galataport Project is a city project with a master plan coherent with the neighbourhood texture of the Karaköy region and Istanbul. With the new port, the Karaköy coastline, which is currently closed to public access, will be transformed into a promenade open to public, connecting the city with the sea. Through small streets planned between the buildings, visual and physical access to the Bosphorus will be enabled. The maximum height of the new buildings will be lower than the heights of the current ones.

Galataport Project is a **CITY PROJECT WITH A MASTER PLAN** coherent with the neighbourhood texture of the Karaköy region and Istanbul.

Tophane Public Square, to be reconfigured into a total area of 30,000 sqm with the public park located next to it and its arms going down to the Bosphorus, is expected to become one of the most popular public squares in Istanbul. Furthermore, the historical buildings within the port area will be restored as part of the project and will thereby regain their importance as historical monuments of Istanbul.

The Cruise Passenger Terminal in the pier area will also be redesigned as part of the project in line with global standards and the pier will continue to operate as the main gateway to Istanbul and Turkey from the sea. The new terminal is planned underground in order to make the residents and visitors of Istanbul enjoy the promenade without any interruption during cruise operations. An underground carpark is also among the project plans aiming to solve the parking problem in the neighbourhood.

Hosting the Istanbul Modern Museum and Mimar Sinan Fine Arts University Painting and Sculpture Museum within its premises, Turkey's best practices in contemporary arts, Galataport Project will become the new arts and culture center of Istanbul. The public and open spaces throughout the port area will also be used for open air exhibitions and installations.

Doğuş Group founded Doğuş Sportif to make an impact in Turkish basketball. We aim to stand out by consistently producing high quality basketball products and maintaining a sportsmanslike character for our organization with a focus on making sports business one of the group's main field of operation.

Darüşşafaka Association was considered as the best possible partner, as it was Turkey's first community-based organization working in the field of education. It was founded in 1863 to support the education of poor and orphaned children with the mission of providing "equality of opportunities in education".

Darüşşafaka Sports Club was established in 1914 and activated its basketball branch in 1951. The club has immediately got a strong tradition in Turkish basketball, raised star players and concentrated on the development of youth setup throughout years with a passion to contribute into the development of social and cultural life in Turkey.

On September 2013, Doğuş Group, Darüşşafaka Association and Darüşşafaka Sports Club signed an agreement to achieve sporting success in Turkish and European basketball, while providing amateur athletes all over the country a chance for self-development in line with "equality of opportunities in sports" mission.

Darüşşafaka Doğuş, the team which combines the legacy of Darüşşafaka and the professionalism of Doğuş Group, showed his fans real meaning of ambition and devotion almost in every game during the successful season both in Turkey and in Europe, in 2016-2017 season.

Darüşşafaka Doğuş made a good start for 2016-2017 season with a strong team and the new coach, David Blatt, one of the best ones in Europe. After a long and rough season, team had been qualified for Euroleague Final 8 after spectacular wins both home and away games. The team had also successful season on the local league where they were ranked on the 4<sup>th</sup> place.

Not only on sports perspective, Darüşşafaka Doğuş has also been able to create a great atmosphere in the arena on game days and made live his fans a real "fan and game day experience" with on court activities and other practices made around Volkswagen Arena where the team was playing its home games.

**Doğuş Group founded  
Doğuş Sportif to  
MAKE AN IMPACT IN  
TURKISH BASKETBALL.**

Real estate portal Zingat.com started operations in 2015 in cooperation with Doğuş Group and REIDIN. Zingat.com is a reliable real estate information and marketing platform that brings together real estate professionals and individuals under the same roof with valid and comprehensive reference information by adhering to the concept of high-quality service and transparent information.

Zingat.com with the mission of "Property. Knowledge. Trust." is a source of information and a meeting point for real estate sellers/renters, for property investors, for those who search for a new home, and real estate agents and brokers." Zingat.com provides accurate and useful information about anything related to real estate, thanks to its cooperation with REIDIN, the first and the biggest real estate information platform, and its analysis and content teams.

## THE TURKISH REAL ESTATE SECTOR

Real estate continued to be one of the locomotive sectors of the country's economy in 2017. According to the data released by the Turkish Statistical Institute (TÜİK), in 2017 the number of residential properties sold across Turkey was 1,409,314. Houses sold increased by 5.1% in 2017 compared to the previous year.

- Istanbul had the highest share of residential property sales with 16.9% and corresponding 238,383 properties.
- The trailing cities were Ankara with 150,561 sales (10.7% of all sales) and Izmir with 84,184 sales (6.0% of all sales).
- The least performing city was Hakkari with only 124 residential property sales.

473,099 of all sales were mortgaged, while others were purchased by cash, developer financing or by other means.

Residential properties acquired by foreign nationals increased by 22.2% in 2017 compared to 2016. Istanbul had the highest number of house sales with 8,182 sales in 2017. Antalya was the second city with 4,707 sales. Antalya was followed by Bursa (1,474 sales) and Yalova (1,079 sales).

According to the December 2017 results of REIDIN-GYODER New House Price Index, residential unit prices in branded projects increased 4.02% compared to the same period of last year.

Turkey Residential Property Sales Price Index (TR-68) of REIDIN, covering 68 cities across Turkey increased by 11.97% in December compared to the same period last year. Whereas, Turkey Residential Rent Price Index (TR-68) increased by 7.19% in the same period

## 2017 ACTIVITIES

- Propertyfinder Group (PFG) which has over 10 years of experience with seven leading real estate portals in the Middle East and North Africa invested in Zingat and bought 16.95 percent of its shares. The founder and CEO of PFG Michael Lahyani has joined Zingat's Board of Directors. This partnership will enable property professionals, who are customers of Zingat.com, to introduce their inventory in multiple countries. This investment from Middle East has created an outstanding opportunity for promoting Turkish property market abroad.
- Zingat.com has succeeded to be one of the first three actors among property portal verticals in the relatively short period since its inception, and reached 7,000 corporate clients in 2017.
- While 250,000 real estate ads appear on Zingat.com, the number of monthly visitors has increased to about 6 million by the end of 2017.
- Active number of users on Zingat mobile app increased by 55% in 2017. Users can view real estate ads on the map around them as they stroll around by using the improved radar feature. When the radar feature is turned on, the location change is detected and the user is provided with the nearest property ads.
- Zingat.com's four new commercial films aired with the concept of "Zingat.com says that ..." in the month of November. The commercials aimed increasing the awareness of Zingat.com's Regional Report, which provides price and demographic data about the locations of property listings.
- Zingat.com received Bronze Crystal Apple Award in the category of "home, house, furniture, decoration commercial" in Crystal Apple Advertisement Awards Contest presented by the Turkish Association of Advertising Agencies.

**Doğuş Group has partnered with LEICA, a legend in the history of photography, for a new investment in Turkey, in 2016.**

Doğuş Group, promoting and contributing to the development of culture and arts, has entered into an important partnership with Leica Camera AG, which is one of the outstanding representatives of visual history for over one hundred years.

As part of this partnership, Doğuş Group built a Leica complex consisting of a Leica store, gallery and academy in Istanbul.

Built in Bomontiada, the new culture and arts hub of Istanbul, and spread on 1,000 sqm., Leica Istanbul Complex will house a store where Leica products will be sold, and will also be home to many firsts that will lead the development of photography in Turkey. At the complex, Leica will offer a complete experience to photography enthusiasts from buying and trying to training and exhibitions, along with opportunities for brand's fans, new beginners, amateurs and photography professionals to get together.

Leica complex is one of the largest Leica complexes in the world after Los Angeles and Frankfurt. Leica currently has over 200 stores worldwide, and the brand's first store in the Middle East region is brought to Istanbul with this important initiative of Doğuş Group to the delight of photograph enthusiasts.

## FUTURE PLANS

Doğuş Group aims to create a new market for photographers and collectors in Turkey with Leica.

Leica Istanbul Complex will give photography enthusiasts a chance to have direct access to Leica cameras and accessories, and play a unique role in communicating both the technical and also the artistic aspects of photography through exhibitions and lecture programs in international scale.

In the long run, with Leica Galerie and Leica Akademie, Doğuş Group is aiming at promoting Turkish artists in the international arena, encouraging collectors for photography, and ensuring that photography is perceived much more consciously in terms of technique and content. In addition to hosting globally acclaimed photographers, the Leica Galerie housed in Istanbul, will also welcome Turkish photographers who produce internationally acknowledged works. In terms of training, Doğuş Group will proceed in line with international programs.

# **Corporate Social Responsibility**

The sustainability strategy of Doğuş Group aims to create innovative and sustainable business models in areas and sectors of operation to improve the welfare of the society, and to ensure the economic, cultural, social and environmental sustainability of development. As a multi-business conglomerate with local and global presence in several sectors, Doğuş Group acknowledges a stakeholder-engagement oriented sustainability strategy and related policies as an important baseline.

## DOĞUŞ HOLDİNG

### Stay in the Game

Stay in the Game (Oyunda Kal) is a platform, which is encouraging children to participate in sports to leave a legacy of more active children who are less prone to bad habits. The program constructs new basketball courts and upgrades existing ones in Turkey and across the world. Stay in the Game coaches also run regular training sessions at community courts and schools to improve children's basketball skills. Since 2014, Stay in the Game refurbished 58 basketball courts in 35 cities, reaching a total of 80,000 children across Turkey.

### Sanata Bi Yer

University students show their talents with Sanata Bi Yer by turning the city into an art gallery through Doğuş, which opens the gates of Doğuş Group locations for them. As students upload their work on sariatabiyer.com website, they are displayed after a selection by the advisory board, which constitutes of experts from various art fields. Since 2015, more than 1,800 pieces of artwork uploaded on the website. More than 300 pieces of artwork find themselves place in 30 locations. 60 students' works has been bought by the art lovers.

### Today is Tomorrow

Young people are the true keepers of the future, and we have utter faith in them. Since 2016, under the "Today is Tomorrow" project, we encourage young people to write their own success stories, support them for a better future, and help them plan their future careers. To date, we have made 27 university visits, reaching out to more than 20,000 students, and have created 45 internship and 7 full-time employment opportunities.

### Göbeklitepe

Dating back around 12,000 years, Göbeklitepe is an underexplored archaeological treasure from the dawn of humanity, which the Şahenk Initiative is bringing to the world's attention. The Şahenk Initiative became the main sponsor of "Göbeklitepe Promotion Project", carried out in 2013-2014. The Şahenk Initiative has signed a 20-year partnership with the Turkish Ministry of Culture and Tourism with a first phase investment of USD 15 million to expand our knowledge of history of humanity through supporting conservation and excavation. The one-of-a-kind partnership marks the Şahenk Initiative's commitment to Göbeklitepe. It also covers delivering a world-class visitor center and establishing a global communication network. Göbeklitepe was built in the pre-pottery Neolithic age, a time when people were thought to be huntergatherers. It is the oldest temple known to mankind and its relatively recent discovery transformed our understanding of how human society first developed. UNESCO treated our Group's sponsorship of Göbeklitepe as an exemplary project. It was presented to the participants at the 2016 meeting of the World Heritage Committee as a successful collaboration between a government agency and a private entity.

### Doğuş Kids Symphony Orchestra

The Doğuş Kids Symphony Orchestra was established in 2006 as Turkey's first national and permanent children's symphony orchestra. The Orchestra is comprised of conservatory students between 11 and 18 years of age from different regions of Turkey, and introduces the wonder of symphonic music to Turkish children as performed by their peers. Since its establishment, Doğuş Kids Symphony Orchestra performed 70 concerts, both in Turkey and abroad, brought together more than 800 young students reaching a total audience of 93,000. The proceeds of concerts have been donated to the Tohum Autism Foundation.

### Children of the Wind

This country will produce world-class athletes. With complete faith in this, we proudly sponsor the Children of the Wind, the new name of Turkish National Sailing Team. We attach great importance to fostering highly skilled athletes to represent our country. As such, we have been sponsoring the Turkish Sailing Federation's Children of the Wind project since 2016.

**DOKU**

DOKU platform was initiated in 2016 and comprises of two centres based in Uçhisar and Didim, to promise a new life to the authentic values of Anatolia. DOKU enables women to present a different take on traditional customs, and infuse urban life with traditional and authentic values. The products, lovingly crafted by women, are manufactured at locations where Doğuş Group currently has other investments in place and presented to a wider audience: sometimes a foreign tourist is encouraged to try fascinating Anatolian delicacies; at other times it takes form of a traditional handcraft. DOKU helps women to market their crafting capabilities to the masses, while "Applied Training Workshops" help them to adopt a more knowledgeable approach to the production and consumption cycle while learning more about a series of subjects from economics to culture and art. Women are provided with a platform where they are not only encouraged to strive for economic independence but also a space where they interact socially, create value, feel appreciated and develop a higher self-esteem.

**Financial Literacy for Children: 3 Kumbara**

"3 Kumbara Financial Literacy Education Program" (3kumbara.org) aims to increase the consciousness about money management, savings and managing their budgets from an early age and indicate its role in human behavioral modeling. "3 Kumbara" is undertaken with the support of the Ministry of National Education of Turkey, the social enterprise Para Durumu and FODER (Financial Literacy and Inclusion Association). "3 Kumbara" incorporates a three-step awareness raising sustainability model of financial literacy, thereby also educating the parents and teachers of these children to ensure the progression of the program. Since 2011, "3 Kumbara" engaged with over 500,000 students, 16,000 teachers in 81 cities across all 7 regions of Turkey.

**Ara Güler Museum**

We are in the process of opening Turkey's first-ever international-standards photography museum to pass on to future generations the art, legacy and inspirational life of Ara Güler, the doyen of Turkish photography. The "Ara Güler Archive and Research Center" and the "Ara Güler Museum" are set to open for art enthusiasts upon completion of the inventory and conservation efforts performed in collaboration with Ara Güler.

**CORPORATE SPONSORSHIPS****Bodrum Music Festival**

Doğuş Group continues to provide support for the development of classical music, striving to ensure its access to a wider section of the population and help Turkish artists produce world-class pieces. Since 2005, Doğuş Group has been organizing the Bodrum Music Festival in Bodrum. This Festival highlights the support that is required for the development of diverse forms of music. The proceeds obtained from the Festival are donated to the Tohum Autism Foundation and Bodrum Health Foundation. The Festival has already constituted a loyal audience of its own, constantly increasing each year. Since 2005, the Festival has reached over 200,000 audiences and held almost 4,000 artists within 108 concerts. The goal is to foster a growing interest in the festival in the years to come, thereby disseminating a taste for classical music in the general public and hosting international artists and orchestras more often in Turkey.

**Presidential Symphony Orchestra of Turkey**

The Presidential Symphony Orchestra of Turkey, which was established in 1826, has been one of the few special orchestras in the world that has managed to survive to date. In 2007, Doğuş Group signed an agreement, with the Ministry of Culture and Tourism, to become the main sponsor of the orchestra.

**Euroleague Basketball Partnership**

In 2015, Doğuş Group joined Euroleague Basketball's family of partners. The Group brought its strong commitments to the game of basketball, social wellbeing and corporate excellence to the forefront by partnering with the continent's premier basketball competition. At the core of the partnership are mutual goals relating to corporate social responsibility as well as Pan-European and regional sponsorship for some of the Doğuş Group's companies that will be part of both the Euroleague and Eurocup's marketing partnership program. Much like Euroleague Basketball and its "One Team" program, Doğuş Group believes in using the power of basketball to engage communities. Its award-winning "Stay in the Game" platform has seeded basketball in more than 30 communities throughout Turkey by establishing or refurbishing basketball courts.

**Fenerbahçe Sailing Branch Sponsorship**

Doğuş Group has become the sponsor of the Fenerbahçe Sailing Branch with the aim of creating the best teams of the world, but not only Turkey's. 4-year sponsorship activities, which will continue until 2020 includes the restoration of the Fenerbahçe Sailing Branch facilities, and the support of professional and amateur athletes in the international arena. Besides, Doğuş Group's ambition is to contribute to the recognition and development of sailing in Turkey.

**Fenerbahçe Basketball Branch Sponsorship**

In 2017, Doğuş Group has added a new dimension to the steps it has taken to support many aspects of sports with its "Inherently a Better Future" vision. Doğuş Group, which has been supporting basketball for many years with its different brands, has signed a name sponsorship agreement with Fenerbahçe Men's Basketball Team. Under the sponsorship deal, Fenerbahçe Men's Basketball Team has been named as Fenerbahçe Doğuş.

**Ayhan Şahenk Foundation**

Ayhan Şahenk, the late Founder and Chairman of Doğuş Group, established the Ayhan Şahenk Foundation in 1992 to ensure continuity of his services to society. Engaged in the fields of education, culture, art, health, environment and sports, the foundation sponsors scientific research and gives back to the society through social responsibility projects. It gives priority to education and health projects while putting children, the cornerstone of our future, first.

**AUTOMOTIVE**

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

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

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

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

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

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

Reaching 112,000 followers in 2017 on Facebook, Traffic is Life! platform provided informative/ entertaining information to all sections of society through regular sharing of content. A jingle contest was organized under the jury chairpersonship of Nil Karaibrahimgil in 2017 with a view to raising youth awareness about traffic and the winning jingle was widely broadcast as a radio spot.

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

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

## D-MARİN

D-Marin strives to be an asset to the community, supporting the social, cultural, intellectual and economic development of the local communities and surrounding regions.

Existing and sustainable commitments of D-Marin:

- **Contribution to social life:** Sponsorship of Bodrum Music Festival, Şibenik Şansona Festival, International Children's Festival (Şibenik), GKK Şibenik Basketball Team, KK Zadar Basketball Club
- **Contribution to environment:** Collaboration with Turmepa DenizTemiz (Clean Seas) Foundation in Turkey, Blue Flag award (Turgutreis, Didim, Göcek, Mandalina, Dalmacija, Flisvos, Gouvia, Lefkas), 5 Gold Anchors award

(Turgutreis, Göcek, Didim, Mandalina, Flisvos)

- **Contribution to local community:** Land/waterfront access and social facilities for local community, waterfront destination supporting the surrounding commercial businesses and the local economy, direct employment for local residents.

## NTV

NTV's summer lineup has been mainly composed of environmental programs "NTV Green Screen" calls attention to environmental problems and raises public awareness on related issues, responding to questions and correcting common misunderstandings about "green" issues.



# **Consolidated Financial Statements**

6 April 2018

This report includes 5 pages of independent auditor's report and 136 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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#### **Independent Auditor's Report**

To the Board of Directors of Doğu Holding Anonim Şirketi

#### **Opinion**

We have audited the consolidated financial statements of Doğu Holding Anonim Şirketi ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017, 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.



## 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
<p>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.</p> <p>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 use of goodwill and indefinite useful life intangible assets is considered to be a key audit matter.</p>	<p>We focused our testing of the impairment of goodwill and other intangible assets on the key assumptions made by the Company management.</p> <p>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.</p> <p>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.</p> <p>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.</p>



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#### *Revenue recognition on construction contracts*

Refer to notes 42(l)(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
<p>The revenue from the construction contracts of the Group is amounting to TL 2.923.556 thousand that constitutes a 14,3% portion of the Group's total revenue. The Group operates with its subsidiaries in the construction sector, conducting construction projects in Turkey and abroad.</p> <p>The construction contracts are complex and exposes the Group to various business and financial reporting risks. The timing of the recognition of revenue in respect of construction contracts is calculated using the percentage of completion method. The recognition of revenue and the estimation 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 to be recognised. We identified revenue from construction contracts as a significant risk, requiring special audit consideration.</p>	<p>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.</p> <p>We recomputed contract revenue by using the percentage of completion method.</p> <p>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.</p> <p>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.</p> <p>We performed an assessment of the historical level of accuracy and prudence in the contract cost budgets and forecasts and challenged management's current assumptions in respect of completion stages of the construction projects or change in the cost budgets.</p> <p>Where we considered as applicable we performed substantive analytical procedures using third party inputs to determine of recoverability of variations and claims.</p> <p>We discussed on the status of construction contracts with project technical staff of the Group and evidenced our understanding with the supporting documents.</p>

**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

Hakan Ölekli  
Partner

6 April 2018  
Istanbul, Turkey

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Consolidated Statement of Financial Position****As at 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)*

	Notes	31 December 2017	31 December 2016
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	14	2.069.440	1.408.340
Financial investments	15	264.093	192.809
Trade receivables	17	3.665.358	2.988.366
- Due from related parties	38	1.213.195	885.822
- Due from third parties		2.452.163	2.102.544
Inventories	18	1.840.456	2.006.282
Prepayments	28	208.495	194.722
Other current assets	28	1.109.414	916.840
<b>Subtotal</b>		<b>9.157.256</b>	<b>7.707.359</b>
Assets held for sale	23	110.036	65.588
<b>Total current assets</b>		<b>9.267.292</b>	<b>7.772.947</b>
<b>Non-current assets:</b>			
Trade receivables	17	276.909	237.671
- Due from third parties		276.909	237.671
Investments in equity accounted investees	16	3.613.764	7.144.167
Investment property	19	7.675.066	6.358.304
Property and equipment	20	10.730.856	9.316.177
Intangible assets and goodwill	21	3.076.244	2.732.334
- Goodwill		1.316.943	1.072.341
- Intangible assets		1.759.301	1.659.993
Prepayments	29	185.814	172.865
Deferred tax assets	22	981.207	632.049
Other non-current assets	29	735.361	604.590
<b>Total non-current assets</b>		<b>27.275.221</b>	<b>27.198.157</b>
<b>TOTAL ASSETS</b>		<b>36.542.513</b>	<b>34.971.104</b>

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

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Consolidated Statement of Financial Position (continued)****As at 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)*

	Notes	31 December 2017	31 December 2016
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short term loans and borrowings	25	4.576.212	3.499.032
Short term portion of long term loans and borrowings	25	3.102.237	3.491.103
Trade payables	17	2.012.045	1.959.305
- Due to related parties	38	43.263	52.480
- Due to third parties		1.968.782	1.906.825
Current tax liabilities	22	41.004	11.909
Provisions	27	161.893	154.525
- Employee benefits		46.904	49.903
- Other provisions		114.989	104.622
Other current liabilities	30	630.238	574.073
<b>Total current liabilities</b>		<b>10.523.629</b>	<b>9.689.947</b>
<b>Non-current liabilities:</b>			
Loans and borrowings	25	16.674.134	14.283.207
Derivative instruments		278.979	91.987
Trade payables	17	--	584
- Due to third parties		--	584
Provisions	27	147.323	117.441
- Employee benefits		132.227	104.814
- Other provisions		15.096	12.627
Deferred tax liabilities	22	895.420	745.387
Other non-current liabilities	31	1.134.644	843.422
<b>Total non-current liabilities</b>		<b>19.130.500</b>	<b>16.082.028</b>
<b>TOTAL LIABILITIES</b>		<b>29.654.129</b>	<b>25.771.975</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company:</b>			
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		2.433.742	2.288.488
Other comprehensive income items that are or may be classified to profit or loss		229.683	308.141
Restricted reserves		4.263.011	4.373.951
Retained earnings		(898.340)	1.173.617
Loss for the year		(2.404.860)	(2.126.083)
<b>Total equity attributable to owners of the Company</b>	32	<b>6.064.210</b>	<b>8.459.088</b>
<b>Non-controlling interests</b>			
Şahenk family		87.615	180.112
Other		736.559	559.929
<b>Total non-controlling interests</b>	32	<b>824.174</b>	<b>740.041</b>
<b>TOTAL EQUITY</b>		<b>6.888.384</b>	<b>9.199.129</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36.542.513</b>	<b>34.971.104</b>

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

# DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Consolidated Statement of Profit or Loss and other Comprehensive Income

### For the Year Ended 31 December 2017

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

	Notes	2017	2016
<b>PROFIT OR LOSS</b>			
Revenue	6	20.383.133	17.559.822
Cost of sales (-)	7	(17.946.455)	(15.865.513)
<b>Gross profit</b>		<b>2.436.678</b>	<b>1.694.309</b>
Administrative expenses (-)	8	(1.681.899)	(1.562.183)
Selling, marketing and distribution expenses (-)	8	(789.722)	(690.930)
Other operating income	12	534.089	495.162
Other operating expenses (-)	12	(241.800)	(228.479)
Share of profit of equity accounted investees	16	4.226	420.529
<b>Operating profit</b>		<b>261.572</b>	<b>128.408</b>
Gains from investing activities	9	121.877	26.698
Losses from investing activities (-)	9	(378.073)	(10.938)
<b>Profit before net finance cost</b>		<b>5.376</b>	<b>144.168</b>
Finance income	10	1.307.087	1.083.534
Finance cost (-)	11	(3.767.047)	(3.443.491)
<b>Loss before tax</b>		<b>(2.454.584)</b>	<b>(2.215.789)</b>
Tax income / (expense)			
- Current tax expense	22	(208.888)	(118.790)
- Deferred tax income	22	374.702	305.703
<b>Loss for the year</b>		<b>(2.288.770)</b>	<b>(2.028.876)</b>
<b>Profit / (loss) attributable to:</b>			
Non-controlling interests	32	116.090	97.207
- Şahenk family		4.268	28.978
- Other		111.822	68.229
Owners of the Company		(2.404.860)	(2.126.083)
<b>Net loss for the year</b>		<b>(2.288.770)</b>	<b>(2.028.876)</b>
<b>Loss per share (Full TL)</b>	13	(2,81)	(2,48)

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

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**Consolidated Statement of Profit or Loss and other Comprehensive Income**  
**For the Year Ended 31 December 2017 (continued)***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)*

	Notes	2017	2016
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss:</b>		<b>414.607</b>	<b>80.505</b>
Revaluation of property and equipment	32	491.528	74.367
Remeasurements of defined benefit liability	27	(19.370)	(9.224)
Tax on items that will not be reclassified to profit or loss:			
- Deferred tax	22	(88.622)	(1.873)
Other comprehensive income from equity accounted investees, net of tax	16	31.071	17.235
<b>Items that are or may be reclassified to profit or loss:</b>		<b>(109.131)</b>	<b>49.365</b>
Foreign currency translation differences for foreign operations		(21.856)	133.343
Changes in fair value of available for sale financial assets		154	(570)
Net investment hedge for foreign operations	32	(385.354)	(275.434)
Tax on items that are or may be reclassified to profit or loss:			
- Current tax	22	77.071	55.087
- Deferred tax	22	(235)	--
Other comprehensive income from equity accounted investees, net of tax	16	221.089	136.939
<b>OTHER COMPREHENSIVE INCOME</b>		<b>305.476</b>	<b>129.870</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(1.983.294)</b>	<b>(1.899.006)</b>
<b>Total comprehensive income attributable to:</b>			
Non-controlling interests		173.372	111.994
- Şahenk Family		8.051	29.269
- Other		165.321	82.725
Owners of the Company		(2.156.666)	(2.011.000)
		<b>(1.983.294)</b>	<b>(1.899.006)</b>

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

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2017

(Amounts expressed in thousands of Turkish Lira (TL))

unless otherwise stated.)

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	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 sale financial assets	Hedging reserve	Restricted reserves	Retained earnings	Net profit/ (loss) for the period	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
<b>Balances at 1 January 2016</b>	<b>856.027</b>	<b>1.510.464</b>	<b>(94.531)</b>	<b>167.384</b>	<b>2.270.258</b>	<b>(11.635)</b>	<b>481.867</b>	<b>(37.577)</b>	<b>(188.284)</b>	<b>2.723.377</b>	<b>3.748.436</b>	<b>(432.841)</b>	<b>10.992.945</b>	<b>772.314</b>	<b>11.765.259</b>
Total comprehensive income	--	--	--	--	73.539	(9.542)	315.812	(26.861)	(238.361)	496	--	(2.126.083)	(2.011.000)	111.994	(1.899.006)
Dividends paid	--	--	--	--	--	--	--	--	--	--	(199.765)	--	(199.765)	(87.625)	(287.390)
Transfer of depreciation	--	--	--	--	(23.888)	--	--	--	--	--	23.888	--	--	--	--
Effect of merge and demerge	--	1.630	--	--	--	--	--	--	--	--	(6.036)	--	(4.406)	6.039	1.633
Sale of assets of the Group associate	--	--	--	--	(8.673)	--	709	223	--	(337)	5.483	--	(2.595)	--	(2.595)
Change in non-controlling interests in consolidated subsidiaries without a change in control	--	--	--	--	(1.571)	--	613	--	--	56	(149.709)	--	(150.611)	(33.813)	(184.424)
Acquisition of non-controlling interests through business combinations	--	--	--	--	--	--	--	--	--	--	--	--	--	244	244
Effect of subsidiaries treasury share transactions <sup>(1)</sup>	--	--	--	--	--	--	--	--	--	--	(164.679)	--	(164.679)	(59.552)	(224.231)
Sale of shares of subsidiary	--	--	--	--	--	--	--	--	--	--	182	--	182	(1.262)	(1.080)
Capital injection and establishment of subsidiaries	--	--	--	--	--	--	--	--	--	56	(1.039)	--	(983)	31.702	30.719
Transfers	--	--	--	--	--	--	--	--	--	1.650.303	(2.083.144)	432.841	--	--	--
<b>Balances at 31 December 2016</b>	<b>856.027</b>	<b>1.512.094</b>	<b>(94.531)</b>	<b>167.384</b>	<b>2.309.665</b>	<b>(21.177)</b>	<b>799.001</b>	<b>(64.215)</b>	<b>(426.645)</b>	<b>4.373.951</b>	<b>1.173.617</b>	<b>(2.126.083)</b>	<b>8.459.088</b>	<b>740.041</b>	<b>9.199.129</b>
<b>Balances at 1 January 2017</b>	<b>856.027</b>	<b>1.512.094</b>	<b>(94.531)</b>	<b>167.384</b>	<b>2.309.665</b>	<b>(21.177)</b>	<b>799.001</b>	<b>(64.215)</b>	<b>(426.645)</b>	<b>4.373.951</b>	<b>1.173.617</b>	<b>(2.126.083)</b>	<b>8.459.088</b>	<b>740.041</b>	<b>9.199.129</b>
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 <sup>(2)</sup>	--	--	--	--	--	--	--	--	--	--	--	--	--	(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 <sup>(3)</sup>	--	--	--	--	--	--	--	--	--	--	--	--	--	15.342	15.342
Sale of shares of associate <sup>(4)</sup>	--	--	--	--	(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	--	--	--
<b>Balances at 31 December 2017</b>	<b>856.027</b>	<b>1.512.094</b>	<b>(94.531)</b>	<b>167.384</b>	<b>2.456.357</b>	<b>(22.615)</b>	<b>925.039</b>	<b>(3.339)</b>	<b>(692.017)</b>	<b>4.263.011</b>	<b>(898.340)</b>	<b>(2.404.860)</b>	<b>6.064.210</b>	<b>824.174</b>	<b>6.888.384</b>

(1) In 2016, Doğuş Otomotiv Servis ve Ticaret A.Ş. and Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. reacquired their own registered shares by 10% and 0,45% respectively that are traded on Borsa İstanbul A.Ş.

(2) 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.

(3) Following the completion of final shareholders agreement, Coysa 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.

(4) On 22 March 2017, The Group has sold of its shares held in T.Caranti Bankası A.Ş. ('Caranti Bank') representing 9,95% of the total issued share capital of Caranti 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.

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

# DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Consolidated Statement of Cash Flows

### For the Year Ended 31 December 2017

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

	Notes	31 December 2017	31 December 2016
<b>A. Cash flows from operating activities</b>			
Loss for the year		(2.288.770)	(2.028.876)
<b>Adjustments for</b>			
Depreciation and amortisation	5.3.20.21	665.571	561.843
Impairment loss on property and equipment	5.4	70.986	(56)
Provision for and reversal of employee severance indemnity, net	5.4.27.2	26.618	23.710
Warranty provision	5.4	98.012	87.089
Other provisions		8.406	7.438
Interest expense	5.4	72.888	(21.657)
Fair value change in investment property	5.4.19	(207.969)	(204.185)
Loss on write-off of property and equipment	5.4	20.325	630
Taxation	22	(165.814)	(186.913)
Share of profit of equity accounted investees	16	(4.226)	(420.529)
(Gain) / loss on sale of subsidiaries	9	2.198	8.600
Gain on sale of associate / joint venture	9	219.276	--
Gain on sales of property and equipment	9	(56.589)	(24.360)
Foreign currency differences of loans and borrowings, net	11	2.069.448	3.215.200
Foreign currency differences of cash and cash equivalents, net		(150.512)	(220.849)
<b>Change in working capital</b>			
Trade receivables		(713.568)	(513.831)
Inventories		170.103	(529.011)
Trade payables		48.138	497.712
Other assets and liabilities		(892.918)	(553.328)
<b>Cash flows from operations</b>			
Dividends received from equity accounted investees	16	69.156	120.482
Contribution to share capital increase of equity accounted investees	16	(102.305)	(183.606)
Acquisition of equity accounted investees	16	(80.022)	(1.351.175)
Proceeds from sale of equity accounted investees		3.590.174	--
Employee severance indemnity paid	27.2	(18.577)	(16.709)
Warranty expense paid		(93.476)	(81.105)
Recoveries from doubtful receivables	17	1.245	906
Taxes paid	22.2	(102.722)	(62.502)
Acquisition of investment property	19	(450.319)	(282.084)
<b>Cash flows provided from / (used in) operating activities</b>		<b>1.804.757</b>	<b>(2.157.166)</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sales of subsidiaries		--	1.750
Acquisition of subsidiaries	36	(67.028)	(992.423)
Proceeds from sale of property and equipment and intangible assets		452.083	234.250
Acquisition of property and equipment and intangible assets		(1.265.712)	(1.072.172)
<b>Cash flows provided from / (used in) investing activities</b>		<b>(880.657)</b>	<b>(1.828.595)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from loans and borrowings	18	8.318.659	8.566.560
Repayments of loans and borrowings	18	(7.126.465)	(4.130.326)
Change in non-controlling interests in consolidated subsidiaries without a change in control		(60.312)	(184.424)
Interest paid		(1.343.624)	(964.151)
Payments to acquire entity's shares or other equity instruments		--	(224.259)
Dividends paid		(201.770)	(287.390)
<b>Cash flows from financing activities</b>		<b>(413.512)</b>	<b>2.776.010</b>
<b>Net increase / (decrease) in cash and cash equivalents before the effects of foreign currency differences (A+B+C)</b>		<b>510.588</b>	<b>(1.209.751)</b>
<b>D. Effects of foreign currency differences on cash and cash equivalents</b>		<b>150.512</b>	<b>220.849</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>661.100</b>	<b>(988.902)</b>
<b>E. Cash and cash equivalents at 1 January</b>	14	<b>1.408.340</b>	<b>2.397.242</b>
<b>Cash and cash equivalents at 31 December (A+B+C+D+E)</b>	14	<b>2.069.440</b>	<b>1.408.340</b>

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTENTS

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**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***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 2017, 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 2017, Doğuş Holding has 220 (31 December 2016: 199) subsidiaries ("the Subsidiaries"), 89 (31 December 2016: 73) joint arrangements ("the Joint Arrangements") and 39 (31 December 2016: 68) 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 2017 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 Aktiengesellschaft, 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, Crate and Barrel, Messika Group S.A., Emporio Armani, Gucci, Loro Piana, Orlebar Brown, Capritouch, Armani Jeans, Giorgio Armani, Armani Junior, Kiko, Under Armour, Hublot, Arnold&Son S.A., Bell and Ross, Breitling, Vacheron Constantin, M Missoni, HYT, Döttling, Condé Nast ("Vogue-GQ"), Tom's Deli, Tom's Kitchen, Kitchenette, Zuma, Roka, Mezzaluna, Mezzaluna Express, Coya, Oblix, La Petite Maison and L'Atelier.

The number of employees of the Group at 31 December 2017 is approximately 25.222 (31 December 2016: 45.108).

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)

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***1 Reporting entity (continued)**

The subsidiaries, the joint ventures, joint operations and the associates included in the consolidation scope of Doğu 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 Doğu İnşaat ve Ticaret A.Ş. ("Doğu İnşaat"); then consolidated under the Group.

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
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
Doğu EOOD	Construction	Bulgaria
Doğu İnşaat	Construction	Turkey
Doğu İnşaat Limited (Kazakistan) ("Doğu İnşaat (Kazakistan)")	Non-operating company	Kazakhstan
Doğu İnşaat Limited (Ukraine) ("Doğu İnşaat (Ukraine)")	Construction	Ukraine
Doğu Maroc SARL	Construction	Morocco
Dogus Oman LLC	Construction	Oman
Doğu-Çınar	Construction	Qatar
Teknik Mühendislik ve Müşavirlik A.Ş. ("Teknik Mühendislik")	Civil engineering	Turkey
<b>Joint operations</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
Doğu Alarko YDA İnşaat ("Doğu Alarko")	Construction	Turkey
Doğu Gülsan Adi Ort. ("Kazakistan")	Construction	Kazakhstan
Doğu Gülsan Adi Ort. ("Körmürhan")	Construction	Turkey
Doğu-ES Adi Ortaklığı	Construction	Turkey
Doğu Tekfen Adi Ortaklığı	Construction	Turkey
Doğu-VIA-Ulustray Adi Ortaklığı	Construction	Bulgaria
Doğu YDA Adi Ortaklığı ("Doğu YDA")	Construction	Turkey
Gülermak-Doğu Adi Ortaklığı ("Gülermak Doğu")	Construction	Turkey
Yapı Merkezi-Doğu-Yüksel-Yenigün-Belen Adi Ortaklığı ("YMDYYB")	Construction	Turkey
Doğu - Dusa Adi Ortaklığı	Construction	Turkey
Doğu - Yapı Merkezi - Özalpın Adi Ortaklığı	Construction	Turkey
Doğu - Soma Adi Ortaklığı	Construction	India

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
Notes to Consolidated Financial Statements  
As at and for the Year Ended 31 December 2017*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***1 Reporting entity (continued)****1.2 Entities in automotive segment**

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

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
D-Auto Limited Liability Company ("Doğuş Auto Iraq")	Automotive retail	Iraq
D-Auto Suisse SA	Automotive retail	Switzerland
DOAŞ	Automotive distribution	Turkey
Doğuş Oto Pazarlama ve Ticaret A.Ş. ("Doğuş Oto")	Automotive retail	Turkey
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	Insurance agency	Turkey
<b>Joint ventures</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
Meiller Doğuş Damper Sanayi ve Ticaret Limited Şirketi ("Meiller Doğuş")	Non-operating company	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
<b>Associates</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
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 Tüketicisi")	Consumer finance	Turkey
Yüce Auto A.Ş. ("Yüce Auto")	Automotive distribution	Turkey

**1.3 Entities in tourism segment**

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
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 in Cappadocia")	Hotel management	Turkey
Bangolare S.L.	Non-operating company	Spain
BMK Turizm ve Otelcilik Hizmetleri A.Ş. ("BMK")	Hospitality	Turkey
Blohm Voss La Ciotat, SAS	Ship maintenance / repair	France
Capritouch SRL	Retail	Italy
Compositeworks France SASU	Ship maintenance / repair	France
CW Finance SAS	Ship maintenance / repair	France
CW Atlantic SASU	Ship maintenance / repair	France
CWCB SASU	Ship maintenance / repair	France

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### Notes to Consolidated Financial Statements

#### As at and for the Year Ended 31 December 2017

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

## 1 Reporting entity (continued)

### 1.3 Entities in tourism segment (continued)

Subsidiaries	Nature of business	Country of incorporation
D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş. ("D Marina")	Marina management	Turkey
D-Marine Investments Holding B.V.	Investment company	The Netherlands
D Otel Göcek Turizm Yatırımları ve İşletmeciliği A.Ş. ("D Otel Göcek")	Hospitality	Turkey
D Otel Marmaris Turizm İşletmeciliği Ticaret ve Sanayi A.Ş. ("D Otel")	Hospitality	Turkey
D Otel Plaj İşletmeciliği A.Ş. ("D Otel Plaj")	Restaurant and cafe management, hospitality	Turkey
D Saat ve Mücevherat Ticaret A.Ş. ("D Saat")	Retail and distribution of luxury watches	Turkey
Doğuş Avenu Dış Ticaret ("Doğuş Avenu")	Retail services	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 services	Russia
Dogus Croatia d.o.o. ("Doğuş Croatia")	Investment company	Croatia
Doğuş Dalaman Marina İşletmeciliği Turizm Ticaret A.Ş. ("Doğuş Dalaman") <sup>(1)</sup>	Non-operating company	Turkey
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 Montenegro Investments d.o.o.	Investment company	Montenegro
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 services	Turkey
Doğuş Razvitak I Upravljanje d.o.o. ("Doğuş Razvitak")	Non-operating company	Croatia
Doğuş TRG Inc	Investments 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

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### Notes to Consolidated Financial Statements

#### As at and for the Year Ended 31 December 2017

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

## 1 Reporting entity (continued)

### 1.3 Entities in tourism segment (continued)

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of incorporation</b>
Göktrans Turizm ve Ticaret A.Ş. ("Göktrans Turizm")	Hospitality	Turkey
Hospitality d.o.o ("Hospitality")	Hospitality	Croatia
Hotel Villa Magna, S.L.U	Hospitality	Spain
Il Riccio Dubai	Non-operating company	U.A.E
K&C Medmarinas Management S.A.	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
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 Ticaret A.Ş. ("Voyager")	Hospitality	Turkey
West Mediteranean Holding Limited ("West Mediternean")	Investments company	Malta
Zadar Resort d.o.o ("Zadar")	Hospitality	Croatia
Zea Marina S.A.	Marina operation	Greece

<b>Joint ventures</b>	<b>Nature of business</b>	<b>Country of incorporation</b>
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")	Investments 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
Chenot Cosmétique S.a.g.l.	Cosmetics retail	Switzerland
Corpera Turizm Yatırımları A.Ş. ("Corpera")	Hospitality	Turkey
Elmira Miami L.L.C	Hospitality	USA
Elmira Miami Mezz LLC	Hospitality	USA
Elmira Miami Partners LLC	Investments company	USA
Gestin Turizm Yatırım İşletmeleri İnşaat ve Ticaret A.Ş. ("Gestin")	Investments company	Turkey
HC Biontis S.R.L.	Healthy life consultancy	Italy
HC International A.G.	Investments company	Switzerland
HC Trademarks GmbH	Healthy life consultancy	Switzerland
Home Holdings Anonymi Etairia	Investment company	Greece

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***1 Reporting entity (continued)****1.3 Entities in tourism segment (continued)****Joint ventures**

	<b><u>Nature of business</u></b>	<b><u>Country of Incorporation</u></b>
Ionian Hotel Enterprises S.A. ("Ioniki") (Atina Hilton)	Hospitality	Greece
Lamda Dogus Marina Investments S.A. ("Lamda Dogus")	Investment company	Greece
Lamda Flisvos Holding ("Lamda Flisvos")	Investment company	Greece
Lamda Flisvos Marina ("Lamda Marina")	Marina operation	Greece
MD Health and Wellness LLC ("Chenot Dubai")	Hospitality	U.A.E.
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

**Associates**

	<b><u>Nature of business</u></b>	<b><u>Country of Incorporation</u></b>
Adelia Ltd	Non operating company	Malta
Afternoon Tea SCI	Hospitality	St Barths Island
Apollo Investment Holdco SARL	Investment company	Luxembourg
Astir Marina Vouliaagmenis S.A.	Marina operation	Greece
Astir Palace Vouliaagmenis 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
Il Riccio Miami LLC	Non operating company	USA
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) 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.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***1 Reporting entity (continued)****1.4 Entities in media segment****Subsidiaries**

	<b><u>Nature of business</u></b>	<b><u>Country of Incorporation</u></b>
A Yapım Televizyon Programcılık A.Ş. ("A Yapım")	Media	Turkey
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 Pop Avrupa Radyo ve Televizyon Yayıncılığı A.Ş. ("Kral Pop Avrupa")	Media	Turkey
Kral Pop Medya Hizmetleri A.Ş. ("Kral Pop")	Media	Turkey
Kral TV Radyo ve Televizyon Yayıncılığı A.Ş. ("Kral TV Radyo")	Media	Turkey
NTV Batı Medya Hizmetleri A.Ş. ("NTV Batı")	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. ("Star TV" formerly, named as İşıl Televizyon Yayıncılık A.Ş.)	Media	Turkey
Spor TV Medya Hizmetleri A.Ş.	Media	Turkey

**Associates**

	<b><u>Nature of business</u></b>	<b><u>Country of Incorporation</u></b>
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**

	<b><u>Nature of business</u></b>	<b><u>Country of Incorporation</u></b>
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**

	<b><u>Nature of business</u></b>	<b><u>Country of Incorporation</u></b>
Aslancık Elektrik Üretim A.Ş. ("Aslancık")	Electricity generation	Turkey
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat")	Electricity generation	Turkey

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 1 Reporting entity (continued)

## 1.6 Entities in other segment

Subsidiaries	Nature of business	Country of incorporation
A.L.E. Gıda Turizm ve Ticaret A.Ş. ("A.L.E. Gıda")	Restaurant establishment	Turkey
Ad Yiyecek İçecek Ticari Sanayi A.Ş. ("AD Yiyecek")	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 Doğu Sanat ve Müzecilik A.Ş.	Photography	Turkey
Aresta Gıda Ticaret ve Sanayi A.Ş. ("Aresta")	Restaurant establishment	Turkey
Arjantin Et Ürünleri Gıda Lokantacılık Turizm Ticaret A.Ş. ("Arjantin Et")	Restaurant establishment	Turkey
Ataşehir Restoran İşletmeleri Gıda Turizm Ticaret A.Ş. ("Ataşehir Restoran")	Restaurant establishment	Turkey
Ayla Restaurant LLC ("Ayla Restaurant")	Restaurant establishment	Dubai/U.A.E.
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
Büke Turizm ve Lokantacılık Ticaret A.Ş. ("Büke Turizm")	Restaurant establishment	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 Management Services, Inc. ("Coya Management")	Management	U.S.A
Coya Restaurant LLC ("Coya Dubai")	Restaurant establishment	U.A.E
Coya Restaurants LLC ("Coya Miami")	Non-operating company	U.S.A
Çankaya Grup Lokantacılık Gıda Turizm A.Ş. ("Çankaya Grup")	Restaurant establishment	Turkey
Çukurambar Lokantacılık Gıda Turizm A.Ş. ("Çukurambar Lokanta")	Restaurant establishment	Turkey
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
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 HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***1 Reporting entity (continued)****1.6 Entities in other segment (continued)**

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
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
Doğuş International Limited ("Doğuş International")	Non-operating company	United Kingdom
Dogus Management Services Limited ("Dogus Management")	Business and financial investments	U.A.E.
Dogus Mercado Inc.	Non-operating company	U.S.A.
Doğuş Müşteri Sistemleri A.Ş. ("DMS")	Loyalty management	Turkey
Doğuş SA	Non-operating company	Switzerland
Doğuş Sağlıklı Yaşam ve Danışmanlık Hizmetleri Ticaret A.Ş. ("Doğuş Sağlıklı Yaşam")	Healthcare counseling	Turkey
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş. ("Doğuş Spor")	Sports activities	Turkey
Doğuş Sportif Faaliyetler A.Ş. ("Doğuş Sportif")	Investment company	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
Doors Akademi Eğitim ve Danışmanlık Hizmetleri A.Ş. ("Doors Akademi")	Academy	Turkey
Doors Holding A.Ş. ("Doors Holding")	Investment company	Turkey
Dream International B.V.	Investment company	The Netherlands
Dream International Coöperatif U.A.	Investment company	The Netherlands
Dream IP Limited	Investment company	United Kingdom
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 café establishment and management	Turkey
Euromessage Deutschland GmbH ("Euromessage Deutschland")	E-mail marketing	Germany
Günaydın Çamlıca Restoran Gıda Turizm Ticaret A.Ş.	Restaurant establishment	Turkey
Günaydın Et Sanayi ve Ticaret A.Ş. ("Günaydın Et")	Restaurant and café 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 İstanbul Merkez Gıda Turizm Ticaret A.Ş. ("Günaydın İstanbul")	Restaurant and café establishment and management	Turkey
Günaydın Restaurant LLC ("Günaydın Restaurant")	Restaurant establishment	U.A.E.
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 Medya Pazarlama A.Ş. ("Hedef Medya")	E-mail marketing	Turkey
Kadıköy Tepe Restoran Gıda Turizm Tic.A.Ş. ("Kadıköy Tepe")	Restaurant establishment	Turkey
Kivahan Turizm Ticaret A.Ş. ("Kivahan")	Restaurant establishment	Turkey
Köprü Restoran İşletmeciliği Ticaret A.Ş. ("Köprü")	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.

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<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
Liquid Art Holding, LLC	Investment company	U.S.A
London Doors Restaurant Group Ltd	Investment company	United Kingdom
LPM İstanbul Restoran İşl. 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")	Establishment and management of restaurants and cafes	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 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	Dubai / U.A.E
Nusret UK Limited	Investment company	United Kingdom
Nusret US Inc.	Investment company	U.S.A
Omni Kanal Dijital Teknoloji ve Arge Yazılım Hizmetleri A.Ş. ("Omni Kanal")	E-mail marketing	Turkey
Oran Gurme Et Lokantacılık Gıda Turizm Ticaret A.Ş. ("Oran Gurme")	Restaurant establishment	Turkey
Partnership Management Limited ("Partnership")	Management Company	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")	E-mail marketing	Turkey
Pozitif Arena Konser Salon İşletmeleri A.Ş. ("Pozitif Arena")	Entertainment and event management	Turkey
Pozitif Müzik A.Ş. ("Pozitif Müzik")	Entertainment and event management	Turkey
Pozitif Müzik Yapım A.Ş. ("Pozitif Yapım")	Entertainment and event management	Turkey
Related Digital Marketing B.V.	Investment company	The Netherlands
Related Digital Marketing Coöpetatief U.A.	Investment company	The Netherlands
Related Digital Marketing Limited	Digital marketing	United Kingdom
Restaurant Craft Limited ("Rüya Londra")	Non-operating company	United Kingdom
Sait Restoran Turizm İşletmeciliği İnş. Emlak ve Tic.A.Ş. ("Sait")	Restaurant establishment	Turkey
Galataport İstanbul Liman İşletmeciliği ve Yatırımları A.Ş. ("Salıpazarı")	Real estate development	Turkey
Saltbae Restoran İşletmeciliği Turizm Perakende Tekstil ve Yat. A.Ş.	Retail	Turkey
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

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<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
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 Deli Restaurant LLC ("Tom's Deli")	Restaurant establishment	U.A.E
Tom's Kitchen Ltd	Restaurant establishment	United Kingdom
Tom's 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

<b>Joint ventures</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>
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 Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Doğuş SK Girişim")	Private equity	Turkey
Ege Turizm ve Gayrimenkul Yatırımları A.Ş. ("Ege Turizm")	Real estate development	Turkey
Inko Nito Garey St. LLC	Restaurant establishment	U.S.A
Inko Nito Inc.	Investment Company	U.S.A
Inko Nito West 3rd Street LLC	Restaurant establishment	U.S.A
Inko Nito Broadwick Street Ltd.	Restaurant establishment	U.S.A
Inko Nito Limited	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
Orta Konak Gayrimenkul Yatırım Yönetimi ve Turizm A.Ş. ("Orta Konak")	Real estate development	Turkey
PIT İstanbul Otel İşletmeciliği A.Ş. ("PIT İstanbul")	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	U.A.E
Roka Limited (Roka Dubai)	Restaurant establishment	United Kingdom
Roka Mayfair Ltd	Restaurant establishment	United Kingdom
Taddeo Trading Ltd.	Investment company	British Virgin Islands
Taraneete International Ltd.	Restaurant establishment	Hong Kong
Tasfiye Halinde Kanlıca Turizm Sanayi A.Ş. ("Kanlıca Turizm")	Non-operating company	Turkey

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***1 Reporting entity (continued)****1.6 Entities in other segment (continued)****Joint ventures**

TDB Kalibrasyon Hizmetleri A.Ş. ("TDB Kalibrasyon")
TDB Sigorta Brokerliği A.Ş. ("TDB Sigorta")
Time Result International Ltd
Wildfire Entertainment Ltd
Zuma Bangkok Ltd
Zuma Club LLC
Zuma Japanese Restaurant INC
Zuma Japanese Restaurant Miami LLC
Zuma Las Vegas LLC
Zuma NY LLC
Zuma Restaurant LLC Abu Dhabi ("Abu Dhabi")
Zuma Restaurant LTD. Abu Dhabi
Zuma Rome
Zuma USA LLC

<b>Nature of business</b>	<b>Country of Incorporation</b>
Vehicle inspection service	Turkey
Insurance agency	Turkey
Restaurant establishment	British Virgin Islands
Restaurant establishment	United Kingdom
Restaurant establishment	Thailand
Restaurant establishment	U.A.E
Investment company	U.S.A
Restaurant establishment	U.S.A
Restaurant establishment	U.S.A
Restaurant establishment	U.S.A
Restaurant establishment	U.A.E
Restaurant establishment	U.A.E
Restaurant establishment	Italy
Investment company	U.S.A

**Associates**

Central Asturcova, S.L.U
DOA Miami Beach LLC ("DOA Miami")
DG Limited
DG Holdings Limited
El Gourmet de Jorge Juan S.L.U (Amazonico)
IPE Velazquez 18.S.L.U (Chia)
Istinye Yönetim Hizmetleri A.Ş. ("İstinye Yönetim Hizmetleri")
Mosela Investment,S.L.
LPM Miami
Para Picchu Limited
Puerta de Alcalá 10, S.L.U
Restauradores Asturcova, S.L.U. ("Paraguas")
Reidin FZ-LLC ("Reidin")
Secosilya Empresarial S.L.U. ("Ten Con Ten")
Ultramarinos Quintin S.L.
Zingat Gayrimenkul Bilgi Sistemleri A.Ş. ("Zingat")

<b>Nature of business</b>	<b>Country of incorporation</b>
Restaurant establishment	Spain
Restaurant establishment	U.S.A
Investment Banking	Jersey Island
Investment company	Jersey Island
Restaurant establishment	Spain
Restaurant establishment	Spain
Shopping mall administration	Turkey
Investment Company	Spain
Restaurant establishment	U.S.A
Investment company	United Kingdom
Restaurant establishment	Spain
Restaurant establishment	Spain
Real estate research	U.A.E
Restaurant establishment	Spain
Restaurant establishment	Spain
Real estate online listing	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 12 March 2018. 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.
- 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.

**4 Use of estimates and judgments (continued)**

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 2017, 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.

**(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.

## **4 Use of estimates and judgments (continued)**

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

#### **(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, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments 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).

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 six 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.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***5 Operating segments (continued)**

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.

**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, Croatia, France, India and Kazakhstan. 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:

<b>31 December 2017</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Capital expenditure</b>
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
	<b>36,542,513</b>	<b>29,654,129</b>	<b>1,909,994</b>
<b>31 December 2016</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Capital expenditure</b>
Turkey	27,481,143	19,552,607	1,700,698
United Kingdom	710,992	1,111,699	--
Croatia	1,018,125	394,891	100,110
Spain	1,287,768	157,463	455,105
Italy	736,621	136,648	118,894
Others	3,736,455	4,418,667	305,350
	<b>34,971,104</b>	<b>25,771,975</b>	<b>2,680,157</b>

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As at 31 December 2017 and 2016, there is not any single external customer which comprises more than 10 percent of the Group's consolidated revenue.

**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 2017	Banking and finance	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)
<b>Other information</b>								
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

31 December 2016	Banking and finance	Construction	Automotive	Tourism	Media	Energy	Others	Total
Revenue	26.822.810	2.565.040	15.679.667	1.506.397	1.025.871	963.545	2.109.835	50.673.165
Gross profit	14.243.218	77.864	1.642.210	433.558	112.259	250.048	899.973	17.659.130
Operating profit / (loss)	6.339.235	(12.614)	702.845	(169.656)	(142.473)	228.326	(200.473)	6.745.190
Operating profit / (loss) before net finance cost	6.339.235	(8.495)	729.353	(145.305)	(148.190)	228.326	64.103	7.059.027
Profit / (loss) for the period attributable to the owners of the Company excluding non-controlling interests	5.009.403	(150.804)	380.103	(386.595)	(366.231)	(856.437)	(1.099.534)	2.529.905
<b>Other information</b>								
Total assets	308.318.527	3.002.360	15.285.276	11.919.530	1.780.916	5.754.464	29.847.818	375.908.891
Total liabilities	271.880.571	2.877.605	13.737.286	5.257.450	1.441.528	5.810.684	12.286.829	313.291.953

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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**

	2017	2016
Combined	27.452.452	50.673.165
Joint ventures and associates	(6.511.771)	(32.236.991)
Consolidation elimination and adjustments	(557.548)	(876.352)
Consolidated	20.383.133	17.559.822

**b) Gross profit**

	2017	2016
Combined	4.282.165	17.659.130
Joint ventures and associates	(1.505.146)	(15.400.567)
Consolidation elimination and adjustments	(340.341)	(564.254)
Consolidated	2.436.678	1.694.309

**c) Operating profit**

	2017	2016
Combined	323.256	6.745.190
Joint ventures and associates	(241.228)	(5.990.571)
Consolidation elimination and adjustments	179.544	(626.211)
Consolidated	261.572	128.408

**d) Profit before net finance cost**

	2017	2016
Combined	2.460.962	7.059.027
Joint ventures and associates	(241.547)	(6.001.517)
Consolidation elimination and adjustments	(2.214.039)	(913.342)
Consolidated	5.376	144.168

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

	2017	2016
Combined	(1.067.639)	2.529.905
Joint ventures and associates	251.097	(4.280.361)
Consolidation elimination and adjustments	(1.588.318)	(375.627)
Consolidated	(2.404.860)	(2.126.083)

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(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 2017	31 December 2016
Combined	80.204.267	375.908.891
Joint ventures and associates	(21.214.274)	(324.691.590)
Consolidation elimination and adjustments	(22.447.480)	(16.246.197)
Consolidated	36.542.513	34.971.104

**g) Total liabilities**

	31 December 2017	31 December 2016
Combined	51.612.529	313.291.953
Joint ventures and associates	(17.931.502)	(285.828.626)
Consolidation elimination and adjustments	(4.026.898)	(1.691.352)
Consolidated	29.654.129	25.771.975

## 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.

[illegible]

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(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 2017 were as follows:

	<u>Construction</u>	<u>Automotive</u>	<u>Tourism</u>	<u>Media</u>	<u>Energy</u>	<u>Others</u>	<u>Total</u>
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 write-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
<b>Total</b>	<b>27.580</b>	<b>110.975</b>	<b>33.372</b>	<b>77.422</b>	<b>(16.280)</b>	<b>(118.638)</b>	<b>114.431</b>

Non-cash (income)/expenses other than depreciation for the year ended 31 December 2016 were as follows:

	<u>Construction</u>	<u>Automotive</u>	<u>Tourism</u>	<u>Media</u>	<u>Energy</u>	<u>Others</u>	<u>Total</u>
Warranty provision	--	87.089	--	--	--	--	87.089
Accrued interest and other accruals	--	2.314	19.272	5.524	(23.731)	(25.036)	(21.657)
Loss on write-off of property and equipment	--	--	630	--	--	--	630
Provision for and reversal of employee severance indemnity	6.346	2.952	4.504	4.252	109	5.547	23.710
Provision for doubtful receivables	--	628	1.974	2.986	--	888	6.476
Reversal of impairment in property and equipment	--	(56)	--	--	--	--	(56)
Fair value change in investment property	--	--	(8.979)	--	--	(195.206)	(204.185)
Recoveries of doubtful receivables	--	(52)	(402)	(265)	--	(187)	(906)
Others	--	5.108	(575)	(12.579)	(3)	3.647	(4.402)
<b>Total</b>	<b>6.346</b>	<b>97.983</b>	<b>16.424</b>	<b>(82)</b>	<b>(23.625)</b>	<b>(210.347)</b>	<b>(113.301)</b>

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***6 Revenue**

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

	<b>2017</b>	<b>2016</b>
Domestic sales	17.256.316	15.457.426
Foreign sales	3.126.817	2.102.396
	<b>20.383.133</b>	<b>17.559.822</b>

**7 Cost of sales**

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

	<b>2017</b>	<b>2016</b>
Cost of merchandise sold	12.118.355	10.897.351
Cost of construction	2.622.418	2.250.518
Personnel expenses	630.999	558.619
Cost of electricity sold	523.782	419.686
Broadcasting costs	392.761	385.825
Others	1.658.140	1.353.514
	<b>17.946.455</b>	<b>15.865.513</b>

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
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For the years ended 31 December, general and administrative expenses comprised the following:

	<b>2017</b>	<b>2016</b>
Personnel expenses	853.944	777.787
Depreciation and amortisation	213.861	206.612
Grants and donations expenses	79.136	104.543
Maintenance and repair expenses	72.673	59.548
Audit and consultancy expenses	67.559	72.382
Rent expenses	47.378	34.210
Taxes and duties other than taxes on income	25.535	24.374
Provision for employee severance indemnity	22.056	19.186
Insurance expenses	16.814	16.633
Electronic data processing expenses	15.773	10.813
Utility expenses	11.661	5.233
Executive expenses	11.355	31.829
Travel expenses	11.055	8.379
Litigation expenses	8.458	8.830
Telecommunication expenses	7.589	6.801
Cleaning expenses	4.050	3.623
Stationery expenses	1.905	1.900
Gasoline expenses	434	1.097
Others	210.663	168.403
	<b>1.681.899</b>	<b>1.562.183</b>

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

	<b>2017</b>	<b>2016</b>
Personnel expenses	202.573	165.970
Advertising and promotion expenses	144.427	144.995
Distribution expenses	117.829	105.474
Warranty provision expense	98.012	87.089
Rent expenses	55.678	50.621
Depreciation and amortisation	19.008	12.633
Customer service expenses	13.790	16.896
Commission expense	14.136	6.878
Others	124.269	100.374
	<b>789.722</b>	<b>690.930</b>

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
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For the years ended 31 December, gains from investing activities comprised the following:

	<b>2017</b>	<b>2016</b>
Gain on sales of property and equipment	70.587	26.698
Gain on sales of associate / joint venture (*)	48.200	--
Gain on sales of subsidiary	3.090	--
	<b>121.877</b>	<b>26.698</b>

(\*) 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:

	<b>2017</b>	<b>2016</b>
Loss on sale of associate (**)	(267.476)	
Loss on write-off of property and equipment	(20.325)	
Loss on sales of property and equipment	(13.998)	(2.338)
Impairment in brand name	(9.645)	--
Loss on liquidation of subsidiary	(5.288)	
Loss on sale of subsidiary	--	(8.600)
Other	(61.341)	--
	<b>(378.073)</b>	<b>(10.938)</b>

(\*\*) 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.

**10 Finance income**

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

	<b>2017</b>	<b>2016</b>
Foreign exchange gains	1.137.004	957.370
Interest income on bank deposits	85.417	74.676
Other interest and similar items	84.666	51.488
	<b>1.307.087</b>	<b>1.083.534</b>

**11 Finance cost**

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

	<b>2017</b>	<b>2016</b>
Foreign exchange losses	(2.337.937)	(2.405.199)
Interest expense on borrowings	(1.343.624)	(964.151)
Other interest and similar items	(85.486)	(74.141)
	<b>(3.767.047)</b>	<b>(3.443.491)</b>

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

	<b>2017</b>	<b>2016</b>
Fair value gain on investment property	222.909	210.764
Construction income	58.388	23.201
Service income	44.308	35.657
Rental income	36.479	18.631
Commission income	32.030	27.735
Insurance claim income	5.082	20.630
Foreign exchange gains on trade receivables and payables	2.023	65.549
Reversal of provision for litigation	1.321	3.275
Interest income on trade receivables	--	467
Others	131.549	89.253
	<b>534.089</b>	<b>495.162</b>

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

	<b>2017</b>	<b>2016</b>
Construction expense	34.586	15.861
Commission expense	22.422	13.780
Impairment loss on receivables from associates	21.510	--
Impairment loss	19.636	12.272
After sales services expense	16.534	15.923
Decrease in fair value of investment properties	14.940	6.579
Service expenses	12.879	12.775
Legal provision expenses	7.424	16.165
Compensation expenses	3.875	9.871
Insurance claim expenses	3.020	20.913
Foreign exchange losses on trade receivables and payables	1.874	3.991
Provision expenses	1.400	501
Others	81.700	99.848
	<b>241.800</b>	<b>228.479</b>

**13 Earnings per share**

The calculation of basic earnings per share at 31 December 2017 and 2016 was based on the loss attributable to ordinary shareholders of TL (2.404.860) thousand and TL (2.126.083) thousand and a weighted average number of ordinary shares outstanding of 856.027.050 (31 December 2016: 856.027.050), as follows:

	<b>2017</b>	<b>2016</b>
Weighted average number of shares	856.027.050	856.027.050
Loss for the year attributable to owners of the Company ( TL)	(2.404.860)	(2.126.083)
Basic loss per share (full TL)	(2,81)	(2,48)
Weighted average number of ordinary shares	856.027.050	856.027.050

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

	2017	2016
Cash at banks	2.029.069	1.394.537
<i>Time deposits(*)</i>	1.409.637	935.181
<i>Demand deposits</i>	557.001	416.885
<i>Credit card receivables(**)</i>	62.431	42.471
Other liquid assets and cheques	26.995	5.060
Cash on hand	13.376	8.743
	<b>2.069.440</b>	<b>1.408.340</b>

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

	2017	2016
Cash at banks	2.029.069	1.394.537
Other liquid assets and cheques	26.995	5.060
Cash on hand	13.376	8.743
Cash and cash equivalents in the statement of cash flows	<b>2.069.440</b>	<b>1.408.340</b>

(\*) As at 31 December 2017, the average effective interest rates of time deposits for TL, USD and Euro are 13.14%, 4.07% and 3.82% respectively (31 December 2016: average effective interest rates are 10.00%, 1.63% and 1.36%, respectively).

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

There are no blocked deposits as at 31 December 2017 and 2016. Foreign currency risk exposure of cash and cash equivalents are presented under Note 33.

**15 Other investments, including derivatives**

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

	2017		
	Short-term	Long-term	Total
Financial investments at fair value through profit or loss (*)	203.418	--	203.418
Available-for-sale financial investments	60.675	--	60.675
	<b>264.093</b>	<b>--</b>	<b>264.093</b>

	2016		
	Short-term	Long-term	Total
Financial investments at fair value through profit or loss (*)	154.830	--	154.830
Available-for-sale financial investments	37.979	--	37.979
	<b>192.809</b>	<b>--</b>	<b>192.809</b>

(\*) As of 31 December 2017, the portion of TL 203.385 thousand (31 December 2016: TL 152.817 thousand) of financial investments at fair value through profit or loss comprise investment funds.

**Available-for-sale financial investments**

As at 31 December, available-for-sale financial investments comprised the following:

	2017	2016
Equity securities	60.671	37.895
Debt securities	4	84
	<b>60.675</b>	<b>37.979</b>

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## 16 Investments in equity accounted investees

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

	31 December 2017		31 December 2016	
	Carrying value	% of ownership	Carrying value	% of ownership
<b>Associates-equity accounted</b>				
Jermyn Street (Astir Palace)	691.042	33.00	548.631	33.00
MNG TV	284.226	30.00	304.568	30.00
Paraguas Restaurant Group	278.348	40.00	207.355	40.00
Solid Rock	249.622	33.33	199.849	33.33
VDF Tüketici	158.590	49.00	124.066	49.00
VDF Servis	78.091	49.00	60.959	49.00
Garanti Bank <sup>(1)</sup>	--	--	3.739.155	10.00
Coya Group <sup>(2)</sup>	--	--	144.264	--
Other	30.878	--	23.107	--
<b>Joint ventures-equity accounted</b>				
Azumi Limited	568.491	50.01	559.527	50.01
Corpera	229.101	50.00	354.063	50.00
Raleigh Hotel	192.851	61.47	156.164	50.01
Chenot Dubai	138.911	33.33	114.128	33.33
Ege Turizm	131.007	50.00	130.945	50.00
Home Holdings (Atina Hilton)	100.169	50.00	84.222	50.00
HC International AG	96.875	51.00	79.456	51.00
TÜVTÜRK Kuzey-Güney	69.477	33.33	60.265	33.33
Mad Atelier	66.612	60.00	55.047	60.00
PIT İstanbul	54.990	50.00	58.016	50.00
Doğuş Planet	50.654	50.00	51.068	50.00
Bodyism Global Holding	36.116	50.01	29.949	50.01
Gestin Turizm	17.567	50.00	12.194	50.00
Boyabat <sup>(3)</sup>	--	34.00	--	34.00
Aslancık <sup>(4)</sup>	--	33.33	--	33.33
Others	90.146	--	47.169	--
<b>Total</b>	<b>3.613.764</b>		<b>7.144.167</b>	

(1) 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. Following the share transfer, Group holds 0.05% of Garanti Bank which is classified under financial investments in the consolidated statement of financial position.

(2) Please see Note 36.

(3) The Group provided a guarantee for Boyabat (a joint venture of the Group)'s long-term project financing loan. This amount is limited to the amount of the net assets allocated to the Group by the collateral amount given by Doğuş Holding A.Ş. to the project financing loan with reference to the application of IAS 28, article 39. after the share of Boyabat Elektrik has decreased to zero and additional liability has been settled and the liability amount has been recognised.

(4) 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 12.761 thousand (31 December 2016: none)

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

	2017	2016
Balance at 1 January	7,144,167	4,929,207
Share of profit of equity accounted investees	4,226	420,529
Share of other comprehensive income	252,160	154,174
Dividend	(69,156)	(120,482)
Transfer to subsidiaries, net (Note 36) <sup>(1)</sup>	(149,122)	(132,899)
Disposals <sup>(2)</sup>	(3,809,450)	--
Transfer from non-current assets	--	31,216
Transfer from advances given	--	220,982
Loss making joint venture classified as non-current liability	82,414	106,659
Purchase of joint ventures, additional share purchase payments and capitalisation of acquisition costs prior to acquisition <sup>(3)</sup>	80,022	1,351,175
Profit margin elimination	(23,802)	--
Increase in paid-in capital	102,305	183,606
Balance at 31 December	3,613,764	7,144,167

<sup>(1)</sup> During the current year Coya Group, in prior year Acropolis S.p.A. and Zuma Turizm have been classified as subsidiary.<sup>(2)</sup> 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%).<sup>(3)</sup> On 31 January 2017, Dogus TRG Inc. (a subsidiary of D-Marine Investments Holding B.V) and D-Marine Investments Holding 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.

As of 31 December 2016, Group purchased additional shares of Coya Group and shares of Raleigh Hotel, Astir Palace, Athens Hilton and Paraguas Restaurant Group and Chenot Dubai.

**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:

	2017	2016
Azumi Limited	42,673	36,438
TÜVTÜRK Kuzey-Güney Consolidated	35,259	33,541
VDF Tüketici	34,025	34,852
VDF Servis	17,130	18,807
Garanti Bank	--	500,775
Boyabat	(69,653)	(167,828)
Aslancık	(12,574)	(14,889)
Others	(42,634)	(21,167)
Total	4,226	420,529

**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:

	2017	2016
Astir Palace	119,135	--
Azumi Limited	67,909	90,136
Aslancık	--	(12)
TÜVTÜRK Kuzey-Güney Consolidated	(3,192)	(2,565)
Garanti Bankası	--	(1,709)
Others (*)	68,308	68,324
Total	252,160	154,174

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

## 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 2017					31 December 2017			
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenue	Net profit/ (loss)	Other comprehensive income
<b>Associates</b>									
VDF Tüketici	8.712.543	98.765	8.811.308	8.498.886	1.170	8.500.056	812.822	70.329	--
Dermyn Street	451.708	914.440	1.366.148	671.55	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
<b>Joint ventures</b>									
Boyarbat	53.124	1.939.245	1.992.369	482.517	2.740.811	3.223.328	285.528	(540.756)	--
Atıncık	25.928	428.458	454.386	144.307	346.272	490.579	82.612	(37726)	--
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

	31 December 2016				31 December 2016				
	<u>Current assets</u>	<u>Non-current assets</u>	<u>Total assets</u>	<u>Current liabilities</u>	<u>Non-current liabilities</u>	<u>Total liabilities</u>	<u>Total revenue</u>	<u>Net profit/ (loss)</u>	<u>Other comprehensive income</u>
<b>Associates</b>									
Garanti Bank	147,846,586	160,493,952	308,340,538	233,361,997	38,518,571	271,880,568	27,377,020	5,009,403	(17,090)
VDF Tüketicî	7,819,347	104,766	7,924,113	7,666,668	1,068	7,667,736	743,628	84,830	--
Others	1,090,452	700,826	1,791,278	1,338,827	4,612	1,343,439	2,173,323	62,532	--
<b>Joint ventures</b>									
Boyalat	148,769	2,032,350	2,181,119	312,453	2,572,604	2,885,057	255,442	(493,612)	--
Aslancık	26,846	439,059	465,905	109,195	355,177	464,372	102,689	[44,673]	[36]
Others	708,044	3,280,593	3,988,637	519,306	1,039,491	1,558,797	2,139,099	46,050	--

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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 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
	31 December 2016			
	Cash and cash equivalents	Depreciation and amortisation	Interest income	Interest expense
Garanti Bank	11.601.263	344.363	22.611.719	11.531.830
VDF Tüketici	1.003.447	15.687	743.628	568.706
Azumi Limited	86.844	21.718	65	24

**Financial Information regarding Azumi Limited and its subsidiaries**

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

	2017	2016
Total equity attributable to equity holders of Azumi Limited	800.418	803.944
Total equity attributable to equity holders of Azumi Limited based on the equity interest of the Group (50.01%)	400.289	402.052
Goodwill	168.202	157.475
<b>Investment in equity accounted investees</b>	<b>568.491</b>	<b>559.527</b>

**Financial Information regarding VDF Tüketici and its subsidiaries**

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

	2017	2016
Total equity attributable to equity holders of VDF Tüketici	311.253	240.796
Total equity attributable to equity holders of VDF Tüketici based on the equity interest of the Group (49.00%)	152.514	117.990
Goodwill	6.076	6.076
<b>Investment in equity accounted investees</b>	<b>158.590</b>	<b>124.066</b>

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

	2017	2016
Account receivables	2.057.061	1.783.027
Contracts receivable	1.001.153	592.806
Due from customers for contract work (Note 24)	486.521	509.074
Doubtful receivables	74.416	71.529
Allowance for doubtful receivables (-)	(74.416)	(71.529)
Notes receivables	24.819	54.065
Post dated cheques	57.054	23.110
Other receivables	38.750	26.284
	3.665.358	2.988.366

**Long-term trade receivables**

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

	2017	2016
Due from customers for contract work (Note 24)	142.374	122.631
Contracts receivable	134.535	115.040
Doubtful receivables	264.051	238.772
Allowance for doubtful receivables (-)	(264.051)	(238.772)
	276.909	237.671

As at 31 December 2017, the Group held letters of guarantee amounting to TL 126.391 thousand (31 December 2016: TL 116.230 thousand) as collateral against its receivables.

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

	2017	2016
Balance at the beginning of the year	310.301	257.779
Provision for the year	13.789	6.476
Acquired through business combinations	218	383
Recoveries	(1.245)	(906)
Write-offs	(11.653)	(3.845)
Exchange rate differences on foreign currency balances	27.057	50.414
Balance at the end of the year	338.467	310.301

**Short-term trade payables**

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

	2017	2016
Account payables	1.805.108	1.772.599
Due to customers for contract work (Note 24)	153.585	141.751
Payables related to employee benefits	15.719	12.067
Notes payable	1.736	26
Others	35.897	32.862
	2.012.045	1.959.305

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

	2017	2016
Account payables	--	244
Others	--	340
	--	584

**18 Inventories**

As at 31 December, inventories comprised the following:

	2017	2016
Trading goods (**)	956.603	981.685
Goods in transit (**)	466.568	711.673
Spare parts	176.608	145.048
Raw materials (*)	162.221	119.442
Trading property, net of impairment	1.901	1.901
Other inventory	85.881	52.933
Provision for impairment in the value of inventories (-)	(9.326)	(6.400)
	1.840.456	2.006.282

(\*) As at 31 December 2017 and 2016, raw materials are mainly composed of construction materials in various construction projects of Doğu 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:

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:

	2017	2016
Balance at the beginning of the year	6.400	6.043
Increase during the period	5.847	841
Currency translation differences	38	30
Reversal of provisions	(2.959)	(514)
End of the period	9.326	6.400

**19 Investment property**

As at 31 December, investment properties comprised the following:

	2017	2016
Investment property	3.991.786	3.471.974
Investment property under construction	3.683.280	2.886.330
	7.675.066	6.358.304

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

	2017	2016
Balance at the beginning of the year	3,471,974	3,186,244
Fair value changes recognised in profit or loss (Note 12)	207,969	204,185
Additions	102,640	91,050
Transfer to investment property under construction	215,774	(9,505)
Translation reserves	9,174	--
Transfer from property and equipment (Note 20)	1,871	--
Transfer to property and equipment (Note 20)	(17,616)	--
End of the period	3,991,786	3,471,974

**19.2 Investment property under construction**

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

	2017	2016
Balance at the beginning of the year	2,886,330	2,307,854
Additions	347,679	191,034
Capitalised interest expense	170,767	108,603
Capitalised foreign currency differences	491,917	269,334
Transfer from property and equipment	2,361	--
Transfer (to) / from investment property	(215,774)	9,505
End of the period	3,683,280	2,886,330

Investment property under construction is mainly composed of Salıpazarı Cruise Harbor amounting to TL 3,547,301 thousand. On 16 May 2013, Doğu Holding won the tender for privatization of Salıpazarı Port Area. On 18 July 2013, Competition Board decided that Doğu Holding's acquisition of the Salıpazarı Cruise Harbor, which was previously owned by Turkey 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).

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

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

2016	Level 1	Level 2	Level 3	Total
Investment property	--	1,107,662	2,364,312	3,471,974
Total	--	1,107,662	2,364,312	3,471,974

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As at 31 December 2017, 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, 2.5-6% Occupancy rate (85-100%) Risk-adjusted discount rates (6.8-12%).

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**20 Property and equipment**

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

Cost	Acquired through business combinations				Effects of movements in exchange rates	Net revaluation change	Transfers from investment property	Transfers to investment assets held for sale		Write off	31 December
	1 January	Additions (***)	Change in consolidation method (**)	Acquired through business combinations (***)				Transfers from investment property	Transfers to investment assets held for sale		
Land and buildings (*)	6.551.080	562.598	--	120.176	(238.611)	102.685	456.400	511.635	--	--	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	--	--	(17.910)	2.626.226
Motor vehicles	562.891	101.361	80	1.734	(95.624)	9.751	11.128	--	--	--	567.255
Construction in progress	69.520	172.689	--	5.274	(11.308)	4.330	14.245	--	--	(2.060)	280.306
Others	62.565	5.882	--	3.591	(70.501)	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	(19.970)	13.917.298
<b>Less: Accumulated depreciation</b>											
Less: Accumulated depreciation	Acquired through business combinations				Effects of movements in exchange rates	Net revaluation change	Transfers from investment property	Transfers to investment assets held for sale		Write off	31 December
	1 January	Additions	Change in consolidation method	Acquired through business combinations				Transfers from investment property	Transfers to investment assets held for sale		
Buildings	(924.855)	(118.100)	--	(16.063)	(24.162)	(22.046)	(44.751)	--	--	--	(1.107.776)
Furniture and equipment	(1.053.371)	(239.400)	--	(10.499)	8.123	--	(48.711)	--	--	--	(1.299.885)
Leasehold improvements	(423.395)	(132.089)	--	--	(12.725)	--	(9.660)	--	--	(355)	(530.043)
Motor vehicles	(141.813)	(69.849)	--	(901)	(4.377)	--	(1.534)	--	2.407	--	(186.850)
Others	(35.575)	(6.012)	--	(1.864)	(680)	--	(5.738)	--	--	--	(47.290)
Total accumulated depreciation	(2.579.009)	(565.450)	--	(29.327)	(33.821)	(22.046)	(110.394)	--	5.218	(355)	(3.171.844)
Net book value	9.326.571	595.372	33.282	119.162	(377.901)	24.403	634.911	489.589	17.616	(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	633.158	491.528	17.616	(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.

(\*\*) Coysa Group, which was previously classified as associate, has been reclassified as subsidiary.

(\*\*\*) 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.

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**20 Property and equipment (continued)**

Movements of property and equipment and related accumulated depreciation during the year ended 31 December 2016 were as follows:

<b>Cost</b>	<b>1 January</b>	<b>Additions</b>	<b>Change in consolidation method (**)</b>	<b>Acquired through business combinations (***)</b>	<b>Disposals</b>	<b>Transfers (****)</b>	<b>Effects of movements in exchange rates</b>	<b>Net revaluation change</b>	<b>Sale of subsidiary</b>	<b>31 December</b>
Land and buildings (*)	4,750,349	149,629	--	1,345,014	(31,314)	89,939	172,143	75,320	--	6,551,080
Furniture and equipment	1,518,277	200,263	1,631	122,031	(59,565)	264,859	59,617	--	(2,218)	2,104,895
Leasehold improvements	2,375,610	128,081	2,532	--	(7,845)	43,120	16,372	--	(3,241)	2,554,629
Motor vehicles	439,883	194,560	--	902	(83,824)	1,259	10,120	--	(9)	562,891
Construction in progress	270,598	271,850	4,624	4,460	(69,499)	(428,991)	16,478	--	--	69,520
Others	20,530	3,640	--	33,211	(572)	2,208	3,548	--	--	62,565
<b>Total cost</b>	<b>9,375,247</b>	<b>948,023</b>	<b>8,787</b>	<b>1,505,618</b>	<b>(252,619)</b>	<b>(27,606)</b>	<b>278,278</b>	<b>75,320</b>	<b>(5,468)</b>	<b>11,905,580</b>

<b>Less: Accumulated depreciation</b>	<b>1 January</b>	<b>Additions</b>	<b>Change in consolidation method</b>	<b>Acquired through business combinations</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Effects of movements in exchange rates</b>	<b>Net revaluation change</b>	<b>Sale of subsidiary</b>	<b>31 December</b>
Buildings	(720,455)	(105,129)	--	(111,652)	1,469	38,490	(26,625)	(953)	--	(924,855)
Furniture and equipment	(767,421)	(187,392)	(1,335)	(66,364)	16,539	(20,432)	(27,311)	--	345	(1,053,371)
Leasehold improvements	(283,631)	(120,651)	(2,495)	--	6,880	(167)	(23,655)	--	324	(423,395)
Motor vehicles	(107,209)	(62,075)	--	(832)	23,759	5,459	(917)	--	2	(141,813)
Others	(6,682)	(2,823)	--	(21,637)	38	(2,438)	(2,031)	--	--	(35,573)
<b>Total accumulated depreciation</b>	<b>(1,885,398)</b>	<b>(478,070)</b>	<b>(3,830)</b>	<b>(200,485)</b>	<b>48,685</b>	<b>20,912</b>	<b>(80,539)</b>	<b>(953)</b>	<b>671</b>	<b>(2,579,007)</b>
<b>Net book value</b>	<b>7,489,849</b>	<b>469,953</b>	<b>4,957</b>	<b>1,305,133</b>	<b>(203,934)</b>	<b>(6,695)</b>	<b>197,758</b>	<b>74,367</b>	<b>(4,797)</b>	<b>9,326,571</b>
<b>Less: Impairment in value</b>	<b>(4,076)</b>	<b>--</b>	<b>--</b>	<b>(6,374)</b>	<b>56</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(10,394)</b>
<b>Net carrying value</b>	<b>7,485,773</b>	<b>469,953</b>	<b>4,957</b>	<b>1,298,759</b>	<b>(203,878)</b>	<b>(6,695)</b>	<b>197,740</b>	<b>74,367</b>	<b>(4,797)</b>	<b>9,316,177</b>

(\*) Fair value of land and buildings of the Group is appraised by independent third party appraisers using peer comparison and discounted cash flow method at regular time intervals.

(\*\*) Zuma Turizm, which was previously classified as associate, has been reclassified as subsidiary.

(\*\*\*) Includes property and equipment acquired through business combination as disclosed in Note 36.

(\*\*\*\*) Transfer is partly comprised of motor vehicle belonging to Körfez Havacılık amounting to TL 5,893 thousand which was previously classified as assets held for sale and which was reclassified property and equipment during the current year.

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 2017, the revaluation surplus, net of non-controlling interests and deferred taxes, amounting to TL 2,456,357 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 2015: TL 2,309,665 thousand) was recognised in other comprehensive income, and presented in "revaluation surplus" account within the equity.

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

	<u>Historical cost</u>	<u>Accumulated depreciation</u>	<u>Net Book Value</u>
31 December 2017	5.784.109	(805.991)	4.978.118
31 December 2016	5.050.572	(627.952)	4.422.620

**21 Intangible assets and goodwill**

As at 31 December, intangible assets and goodwill comprised the following:

	<u>2017</u>	<u>2016</u>
Goodwill	1.316.943	1.072.341
Intangible assets	1.759.301	1.659.993
	<u>3.076.244</u>	<u>2.732.334</u>

**21.1 Goodwill**

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

	<u>2017</u>	<u>2016</u>
Balance at the beginning of the year	1.072.341	908.232
Acquisition during the year (Note 36)	107.293	157.522
Adjustment of goodwill previously recognised as provisional (*)	(36.688)	(1.634)
<i>Günaydın</i>	--	(1.634)
<i>Villa Magna</i>	(18.998)	--
<i>Aldrovandi</i>	(17.690)	--
Transfer from other intangible asset	--	481
<i>Portakal</i>	--	481
Change in consolidation method - Coya (Note 36)	124.562	--
Adjustments for currency translation	49.435	7.740
Balance at the end of the year	<u>1.316.943</u>	<u>1.072.341</u>

(\*)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.

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**21 Intangible assets and goodwill (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	31 December 2017 net amount	31 December 2016 net amount
Cünaydin	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	27.049	151.611	--
Doors Holding	259.929	159.558	December 2012	74,25	118.472	4.531	145.988	144.426
CW Finance SAS	132.511	25.218	October 2017	75,00	25.218	--	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	12.170	73.238	78.758
Villa Magna	579.327	549.080	March 2016	100,00	549.080	10.227	40.474	56.949
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	6.131	34.365	28.234
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 Balıqlılık	8.061	5.062	December 2013	60,00	3.037	--	5.024	5.024
Melo 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	--	4.135	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
						<b>60.108</b>	<b>1.316.943</b>	<b>1.072.341</b>

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

## 21 Intangible assets and goodwill (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 internally. The peer comparison approach and similar approaches are used to determine the fair value of equities.

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

The valuations of the fair value of equities of Kivahan, D-Et, Aresta, Mezzaluna, Lacivert, Sait Balıkçılık, Etiler Turistik, Meto Turizm, Sele Restaurant Group and LPM are performed by an independent valuation company. The income approach (discounted cash flow method) is used to determine the fair value of equities of Kivahan, D-Et, Aresta, 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 Pozitif Müzik A.Ş. and Pozitif Müzik Yapım A.Ş. are performed by an independent valuation company. The income approach (discounted cash flow method) is used to determine the fair value of equity of Pozitif Müzik and Pozitif Yapım 5-year business plan prepared by management is used for valuation. The valuation of the fair value of equity for Pozitif Arena A.Ş. is appraised by independent third party real estate appraiser. This valuation report was used in determining the fair value of the company's equity.

The valuation of the fair value of equity for Maça Kızı companies is performed by a Group. The purchase price of additional shares is used to determine the fair value of equity of Maçakızı.

The valuation of the fair value of equity for Günaydın 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 Günaydın 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for Villa Dubrovnik 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 Villa Dubrovnik 5-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for Argos in Cappadocia is performed by an independent valuation company. The income approach (discounted cash flow method) is used to determine the fair value of equity of 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 an independent valuation company. 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.

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The valuation of the fair value of equity for Mercati 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 Mercati S.p.A 11-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for Villa Magna is performed by an independent valuation company. The income approach (discounted cash flow method) is used to determine the fair value of equity of Villa Magna 10-year business plan prepared by management is used for valuation.

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 fair value of CW Finance SAS and Coya Group companies which have been acquired in 2017 was determined provisionally pending completion of valuation.

**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:

	<u>Currency</u>	<u>Discount rate</u>	<u>Terminal growth rate</u>
Doğuş İnşaat	USD	percent 7,98	percent 2,00
Kapital Radyo	USD	percent 5,40	percent 1,00
Star TV	USD	percent 5,40	percent 1,00
Doors Holding	TL	percent 13,50	percent 7,00
Kivahan	TL	percent 18,90	percent 7,00
D-Et	TL	percent 16,00	percent 7,00
Aresta	TL	percent 13,00	percent 7,00
Mezzaluna	TL	percent 14,60	percent 7,00
Lacivert	TL	percent 19,50	percent 7,00
Sait Balıkçılık	TL	percent 16,20	percent 7,00
Etiğer Turistik ve Meto Turizm	TL	percent 14,30	percent 7,00
Pozitif Yapım	TL	percent 12,90	percent 2,00
Pozitif Müzik	TL	percent 14,90	percent 7,00
Günaydın	TL	percent 8,10	percent 7,00
Villa Dubrovnik	EUR	percent 7,40	percent 2,00
Argos in Cappadocia	EUR	percent 7,98	percent 2,00
Sele Restoran Grubu	TL	percent 11,19	percent 7,00
Hedef Medya	USD	percent 10,70	percent 2,00
LPM	TL	percent 14,01	percent 7,00

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 2017.

**21 Intangible assets and goodwill (continued)**

## 21.2 Intangible assets other than goodwill

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

[illegible]

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## 21 Intangible assets and goodwill (continued)

## 21.2 Intangible assets other than goodwill (continued)

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
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 - Günaydin	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 (Note 36.5)	14.576	--	--	--	--	--	3.165	--	--	17.741
Brand name - Villa Magna (Note 36.3)	--	--	42.327	--	--	--	5.419	--	--	47.746
Brand name - Aldrovandi (Note 36.4)	--	--	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

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## 21 Intangible assets and goodwill (continued)

## 21.2 Intangible assets other than goodwill (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	6.790	--	--	--	--	399	--	--	22.329
Customer relationship-D Marin Göcek (a)	1.850	538	--	--	--	--	--	--	--	2.388
Customer relationship- Dalmacija and Borik (c)	1.454	406	--	--	--	--	399	--	--	2.259
Customer Relationship- Maça Kızı	441	147	--	--	--	--	--	--	--	588
Customer Relationship - Hedef Medya (Note 35.6)	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

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

As at and for the Year Ended 31 December 2017

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

## 21 Intangible assets and goodwill (continued)

## 21.2 Intangible assets other than goodwill (continued)

Movements of intangible assets other than goodwill and related accumulated amortisation during the year ended 31 December 2016 were as follows:

Cost	1 January	Additions	Acquired through business combinations	Disposals	Transfers	Effects of movements in exchange rates	Sale of subsidiary	31 December
Concession rights	455.131	--	--	--	--	65.544	--	520.675
Concession rights-D Marin Göcek (a)	34.952	--	--	--	--	--	--	34.952
Concession rights- Dalmacija and Borik (c)	167.105	--	--	--	--	28.596	--	195.701
Concession rights - Pozitif Arena (h)	13.824	--	--	--	--	--	--	13.824
Concession rights - K&G	44.235	--	--	--	--	1.696	--	45.931
Concession rights - Marina Sibenik	628	--	--	--	--	--	--	628
Concession rights - MB 92	194.387	--	--	--	--	35.252	--	229.639
Customer relationship	64.688	--	--	--	--	851	--	65.539
Customer relationship-D Marin Göcek (a)	1.890	--	--	--	--	--	--	1.890
Customer relationship Dalmacija and Borik (c)	5.083	--	--	--	--	851	--	5.934
Customer relationship-Maça Kızı	734	--	--	--	--	--	--	734
Customer relationship-Hedef Medya	56.981	--	--	--	--	--	--	56.981
Brand name	568.271	--	14.576	--	--	--	--	582.847
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 - Anjelique (f)	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 -Günaydin	92.292	--	--	--	--	--	--	92.292
Brand name -Pozitif (h)	17.256	--	--	--	--	--	--	17.256

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

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

## 21 Intangible assets and goodwill (continued)

## 21.2 Intangible assets other than goodwill (continued)

Cost	1 January	Additions	Acquired through business combinations	Disposals	Transfers	Effects of movements in exchange rates	Sale of subsidiary	31 December
Brand name -Sele Restaurant Group	33.536	--	--	--	--	--	--	33.536
Brand name - Capri (Note 36.5)	--	--	14.576	--	--	--	--	14.576
Broadcasting rights	279.661	--	--	--	--	--	(8.210)	271.451
Broadcasting rights - A Yapım (b)	139.236	--	--	--	--	--	--	139.236
Broadcasting rights - Star TV	140.425	--	--	--	--	--	(8.210)	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	262.716	124.149	16.440	(6.107)	12.702	7.722	(20)	417.602
Total cost	1.732.632	124.149	31.016	(6.107)	12.702	74.117	(8.230)	1.960.279
Less: Accumulated amortisation	1 January	Current year amortisation	Acquired through business combinations	Disposals	Transfers	Effects of movements in exchange rates	Sale of subsidiary	31 December
Concession rights	48.018	16.614	--	--	--	6.966	--	71.598
Concession rights-D Marin Göcek (a)	2.164	512	--	--	--	--	--	2.676
Concession rights- Dalmacija and Borik (c)	8.655	5.430	--	--	--	1.218	--	15.303
Concession rights - Pozitif Arena (h)	1.555	691	--	--	--	--	--	2.246
Concession rights- K&G (Note 36.7)	3.558	2.646	--	--	--	--	--	6.204
Concession rights- MB 92 (Note 36.9)	32.086	7.335	--	--	--	5.748	--	45.169
Customer relationship	8.325	6.710	--	--	--	106	--	15.141
Customer relationship-D Marin Göcek (a)	1.312	538	--	--	--	--	--	1.850
Customer relationship-Dalmacija and Borik (c)	1.021	327	--	--	--	106	--	1.454
Customer Relationship-Maça Kızı	294	147	--	--	--	--	--	441
Customer Relationship - Hedef Medya (Note 36.5)	5.698	5.698	--	--	--	--	--	11.396
Content library (movies and series) - Star TV	16.292	4.073	--	--	--	--	--	20.365
Franchise network - Kitchenette (f)	2.103	703	--	--	--	--	--	2.806
Sponsorship contracts (f)	21.818	7.593	--	--	--	--	--	29.411
Other intangible assets	110.621	48.080	3.876	(2.539)	114	815	(2)	160.965
Total accumulated amortisation	207.177	83.773	3.876	(2.539)	114	7.887	(2)	300.286
Net carrying value	1.525.455	40.376	27.140	(3.568)	12.588	66.230	(8.228)	1.659.993

**21 Intangible assets and goodwill (continued)****21.2 Intangible assets other than goodwill (continued)**

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, 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.

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.

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.

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.

## 22 Taxation

In Turkey, corporate tax rate is 20% as of 31 December 2017 (2016: 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%.

The tax legislation provides for a temporary tax of 20% (2016: 20%) to be calculated and paid based on earnings generated for each quarter for the period ended 31 December 2017. 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 2017. 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.

### *Tax applications for foreign subsidiaries and joint ventures of the Group*

#### *The Netherlands*

In the Netherlands, corporate income tax is levied at the rate of 20 percent (31 December 2016: 20 percent) for tax profits up to Euro 200,000 and 25 percent (31 December 2016: 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.

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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 2017, enacted corporation tax rate is 15 percent (31 December 2016: 15 percent) for the entities registered in Iraq according to local tax law.

*Switzerland*

As at 31 December 2017, enacted corporation tax rate is 22.8 percent (31 December 2016: 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 2017, enacted corporation tax rate is 10 percent (31 December 2016: 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 2016: 30 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 2017, enacted corporation tax rate is 20 percent for the entities registered in Saudi Arabia according to local tax law (31 December 2016: 20 percent).

*Croatia*

As at 31 December 2017, enacted corporation tax rate is 18 percent for the entities registered in Croatia according to local tax law (31 December 2016: 20 percent).

*Greece*

As at 31 December 2017, enacted corporation tax rate is 29 percent for the entities registered in Greece according to local tax law (31 December 2016: 29 percent).

*United Kingdom*

As at 31 December 2017, enacted corporation tax rate is 19 percent for the entities registered in the United Kingdom according to local tax law (31 December 2016: 20 percent).

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***22 Taxation (continued)****22.1 Tax recognised in profit or loss**

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

	2017	2016
Current corporation and income taxes	208.888	118.790
Deferred tax benefit	(374.702)	(305.703)
Total income tax (benefit) / expense	(165.814)	(186.913)

**Reconciliation of effective tax rate**

The reported income tax expense 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:

	2017		2016	
	Amount	%	Amount	%
Reported profit before taxation	(2.454.589)		(2.215.789)	
Taxes on reported profit per statutory tax rate	490.918	(20,00)	443.158	(20,00)
Permanent differences:				
Disallowable expenses	(48.999)	2,00	(18.654)	1,00
Tax exempt income	33.439	(1,40)	16.162	(1,00)
Effect of share of profit of equity-accounted investees	845	0,00	84.106	(4,00)
Current-year losses for which no deferred tax asset is recognised	(254.913)	10,40	(251.625)	11,00
Reversal of tax effect of previously recognised tax losses	(4.626)	0,20	(40.927)	2,00
Differences related to investment property exemption	10.415	(0,40)	11.926	(1,00)
Others, net	(61.264)	2,50	(57.233)	3,00
Tax (expense) / benefit	165.814	(6,80)	186.913	(8)

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 2017 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 2016: 20%).

**22.2 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.

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

	2017	2016
Total tax expense / (benefit)	(165.814)	(186.913)
Add: Taxes carried forward	11.909	10.708
Add: Current taxes recognised in other comprehensive income	(77.071)	(55.087)
Add: Deferred taxes	374.702	305.703
Less: Corporation taxes paid in advance	(102.722)	(62.502)
Taxes payable on income	41.004	11.909

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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 2017, deferred tax assets amounting to TL 445.564 thousand (31 December 2016: TL 469.677 thousand) have not been recognised mainly with respect to the statutory tax losses carried forward and temporary differences. Such losses carried forward expire until 2022. 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:

	2017		2016	
	<u>Asset</u>	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Revaluation on land and buildings	--	(211.172)	--	(95.374)
Provisions	20.529	--	23.086	--
Effect of percentage of completion method	208.971	(94.634)	102.308	(77.001)
Employee severance indemnity and short term employee benefits	24.369	--	20.369	--
Pro-rata basis depreciation expense	74.488	--	35.062	--
Fair value gain from investment property	--	(112.260)	--	(168.982)
Valuation difference of financial assets and liabilities	29.042	--	9.982	--
Differences arising on business combinations and intangible assets	19.922	(505.238)	18.287	(427.762)
Other temporary differences	127.637	(70.103)	48.314	(74.945)
Subtotal	504.958	(993.407)	257.408	(844.064)
Tax losses carried forward	574.236	--	473.318	--
Total deferred tax assets/(liabilities)	1.079.194	(993.407)	730.726	(844.064)
Set off of tax	(97.987)	97.987	(98.677)	98.677
Deferred tax assets/(liabilities), net	981.207	(895.420)	632.049	(745.387)

According to the Tax Procedural Law in Turkey, statutory losses can be carried forward maximum for five years. Consequently, 2022 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 2018 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 2.871.180 thousand (31 December 2016: TL 2.366.590 thousand) will be realisable; hence, such realisable deferred tax assets in the amount of TL 574.236 thousand (31 December 2016: TL 437.318 thousand) are recognised in the consolidated financial statements.

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

	<b>2017</b>	<b>2016</b>
1 January	(113.338)	(151.814)
Recognised in profit or loss	374.702	305.703
Recognised in other comprehensive income	(88.857)	(1.873)
- Remeasurements of defined benefit liability	3.874	1.845
- Valuation difference on financial assets and liabilities	(235)	--
- Revaluation of property and equipment	(92.496)	(3.718)
Acquired through business combinations (Note 36)	1.880	(238.054)
Adjustment of goodwill previously recognised as provisional	(17.397)	--
Adjustments for currency translation	(71.203)	(27.300)
31 December	<b>(85.787)</b>	<b>(113.338)</b>

**23 Assets held for sale**

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

	<b>2017</b>	<b>2016</b>
Assets held for sale (*)	92.995	59.025
Assets subject to sale of subsidiary (**)	11.424	--
Others (***)	5.617	6.563
	<b>110.036</b>	<b>65.588</b>

(\*) As at 31 December 2017, asset held for sale comprise airplanes and land amounting to TL 21.659 thousand (31 December 2016: TL 59.025 thousand).

(\*\*) 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:

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

(\*\*\*) 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.

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

	<b>2017</b>	<b>2016</b>
Total costs incurred on uncompleted contracts	9.300.388	6.242.162
Estimated earnings / (loss)	535.600	363.176
Total estimated revenue on uncompleted contracts	9.835.988	6.605.338
Less: Billings to date	(9.360.678)	(6.115.384)
Net amounts due from customers for contract work	475.310	489.954

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:

	<b>2017</b>	<b>2016</b>
Due from customers for contract work (Note 17)	628.895	631.705
Due to customers for contract work (Note 17)	(153.585)	(141.751)
	475.310	489.954

**25 Loans and borrowings**

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

	<b>2017</b>	<b>2016</b>
<b>Non-current liabilities</b>		
Long-term bank borrowings	16.036.484	14.246.208
Finance lease liabilities	31.489	36.999
Debt securities issued	606.161	--
	16.674.134	14.283.207
<b>Current liabilities</b>		
Short-term portion of long term bank borrowings	2.991.867	3.491.103
Short-term bank borrowings	4.512.231	3.480.155
Finance lease liabilities	13.117	18.877
Factoring liabilities	50.864	--
Debt securities issued	110.370	--
	7.678.449	6.990.135

As at 31 December, the Group's total bank borrowings and finance lease liabilities are as follows:

	<b>2017</b>	<b>2016</b>
Bank borrowings	23.540.582	21.217.466
Finance lease liabilities	44.606	55.876
Factoring liabilities	50.864	--
Debt securities issued (*)	716.531	--
	24.352.583	21.273.342

**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 (annual simple interest rates of 16,31% and 16,81%, respectively) 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.

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

**2017**

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>Face value</b>	<b>Carrying amount</b>
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

**2016**

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>Face value</b>	<b>Carrying amount</b>
Secured bank borrowings	USD	(Libor + 0.65% - Libor + 5.35%)-3.43 - 5.75	2017 - 2026	5.261.318	5.308.820
Secured bank borrowings	Euro	(Euribor + 1.40% - Euribor 5.75%)-2.90 - 5.72	2017 - 2030	7.308.608	7.333.253
Secured bank borrowings	Other	2.00 - 16.64	2017 - 2020	286.588	286.588
Unsecured bank borrowings	USD	(Libor + 1.95% - Libor + 5.35%)- 3.00 - 5.70	2017 - 2020	1.069.040	1.082.817
Unsecured bank borrowings	Euro	(Euribor + 2.90% - Euribor 5.50%)-2.80 - 8.68	2017 - 2022	3.581.441	3.600.762
Unsecured bank borrowings	Other	2.00 - 18.79	2017 - 2021	3.476.219	3.605.226
Finance lease liabilities	USD	6.04	2022	22.335	22.335
Finance lease liabilities	Euro	3.30 - 12.58	2017 - 2020	20.948	20.952
Finance lease liabilities	Other	10.14 - 18.79	2017 - 2020	9.573	12.589
				21.036.070	21.273.342

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Redemption schedules of the Group's bank borrowings and finance lease liabilities according to original maturities as at 31 December are as follows:

	2017	2016
2017	--	6.990.135
2018	7.678.448	3.131.722
2019	4.903.344	3.573.821
2020	3.415.234	1.738.672
2021 and over	8.355.557	5.838.992
	24.352.583	21.273.342

As at 31 December 2017 and 2016, Group's financial liabilities movement schedule is as follows:

	2017	2016
Balance at the beginning of the year – 1 January	21.273.342	14.418.319
Additions	8.318.659	8.566.560
Principal payments	(7.126.465)	(4.130.326)
Change in exchange rates	1.814.171	2.426.161
Change in interest accruals	72.876	(7.370)
End of the period – 31 December	24.352.583	21.273.342

**Finance lease liabilities**

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

As at 31 December 2015, finance lease liabilities are payable as follows:

	2016		
	Minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	21.506	(2.629)	18.877
Between one and five years	38.017	(1.018)	36.999
	59.523	(3.647)	55.876

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As at 31 December 2017 and 2016, derivative instruments comprised the following:

	<b>Contract amount(*)</b>	<b>31 December 2017</b>		<b>31 December 2016</b>	
		<b>Fair values</b>		<b>Fair values</b>	
		<b>Asset</b>	<b>Liability</b>	<b>Asset</b>	<b>Liability</b>
Cross-currency fixed rate swaps	1.535.065	--	278.979	--	91.987
	1.535.065	--	278.979	--	91.987

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

**27 Provisions, commitment and contingencies**

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

<b>31 December 2017</b>	<b>Original balances (TL equivalent)</b>			
	<b>USD</b>	<b>TL</b>	<b>Other</b>	<b>Total</b>
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	--	--	--	--
<b>Total</b>	<b>2.334.406</b>	<b>2.268.280</b>	<b>14.975.568</b>	<b>19.578.254</b>

(\*) The other mainly consists of EUR.

As at 31 December 2015, the Group's position related to collaterals, pledges, mortgages and letter of guarantees ("CPMG") are as follows:

<b>31 December 2016</b>	<b>Original balances (TL equivalent)</b>			
	<b>USD</b>	<b>TL</b>	<b>Other</b>	<b>Total</b>
A. Total amount of CPMG's given in the name of its own legal personality	1.532.425	686.685	4.091.851	6.310.961
B. Total amount of CPMG's given on behalf of the fully consolidated companies	1.744.779	1.067.502	6.962.024	9.774.305
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	274.972	238.896	122.650	636.518
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	274.972	238.896	122.650	636.518
iii. Total amount of CPMG's given on behalf of third parties which are not in scope of C	--	--	--	--
<b>Total</b>	<b>3.552.176</b>	<b>1.993.083</b>	<b>11.176.525</b>	<b>16.721.784</b>

(\*) The other mainly consists of EUR.

Other CPMGs given by the Group as at 31 December 2017 are equivalent to 11% of the Group's equity (31 December 2016: 7%).

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	2017	2016
2017	--	116.340
2018	139.538	101.686
2019	116.244	91.708
2020 and over	908.692	815.483
<b>Total</b>	<b>1,164,474</b>	<b>1,125,217</b>

**Letter of guarantees received and suretyship**

As at 31 December 2017 and 2016, the Group's letters of guarantes received are as follows:

	2017	2016
Letters of guarantees received	776.929	568.624
Letter of guarantee for bill guarantee	10.513	12.836
Others	4.670	156
	792.112	581.616

**Litigation and claims**

On 27 April 2010 Alstom – Marubeni- Doğuş Consortium (Consortium) terminated the Marmaray CRI 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 Doguş 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 2017, commitment for uncalled capital of subsidiaries amounting to TL 7.134 thousand (31 December 2016: TL 38.644 thousand).

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

	<b>2017</b>	<b>2016</b>
Warranty provision	48.379	43.843
Provision for litigation	46.497	44.523
Vacation pay liability	43.706	36.423
Other short-term provisions	23.311	29.736
	<b>161.893</b>	<b>154.525</b>

**Long-term provisions**

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

	<b>2017</b>	<b>2016</b>
Long-term provisions related to employee benefits	132.225	104.814
<i>Reserve for severance payments</i>	<i>132.225</i>	<i>104.814</i>
Provision for litigation	1.207	1.355
Other long-term provisions	13.891	11.272
	<b>147.323</b>	<b>117.441</b>

**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:

	<b>2017</b>	<b>2016</b>
Balance at the beginning of the year	104.814	85.559
Provision for the year	13.384	8.266
Interest cost	6.192	5.951
Cost of services	5.147	6.677
Paid during the year	(18.577)	(16.709)
Acquired through business combinations	--	3.030
Termination costs	1.895	2.816
Actuarial difference	19.370	9.224
Balance at the end of the year	<b>132.225</b>	<b>104.814</b>

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

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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:

	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>
Discount rate	3,95	4,30
Interest rate	6,0-10,2	7,0-11,6
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 2017, the ceiling amount was TL 4.732 (full TL) (31 December 2016: TL 4.297 (full TL)).

**28 Other current assets and prepayments**

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

	<b>2017</b>	<b>2016</b>
Value Added Tax ("VAT") receivables	409.365	339.924
Accrued income	368.862	201.006
Warranty claims and price difference receivables	168.348	163.514
Deposits and guarantees given	38.409	91.808
Prepaid taxes	34.204	32.413
Receivables from insurance companies	16.256	8.971
Others (*)	73.970	79.204
	<b>1.109.414</b>	<b>916.840</b>

(\*) As at 31 December 2017, others comprised restricted cash and cash equivalents amounting to TL 24.386 thousand (31 December 2016: TL 27.703 thousand).

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

	<b>2017</b>	<b>2016</b>
Prepaid expenses	74.814	66.739
Advances given for inventory	64.028	76.192
Others	69.653	51.791
	<b>208.495</b>	<b>194.722</b>

**29 Other non-current assets and prepayments**

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

	<b>2017</b>	<b>2016</b>
VAT receivables	336.889	334.316
Prepaid taxes	109.611	119.985
Deposits and guarantees given	2.116	1.858
Others (*)	286.745	148.431
	<b>735.361</b>	<b>604.590</b>

(\*) As at 31 December 2017, others comprised restricted cash and cash equivalents amounting to TL 214.186 thousand (31 December 2016: TL 118.909 thousand).

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

	<b>2017</b>	<b>2016</b>
Prepaid expenses	78.932	80.970
Advances given for property and equipment	71.387	76.481
Other advances given	35.495	15.414
	<b>185.814</b>	<b>172.865</b>

**30 Other current liabilities**

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

	<b>2017</b>	<b>2016</b>
Taxes and duties payable other than on income	168.991	156.656
Accrued expenses	149.689	132.308
Deposits and guarantees received	125.472	122.105
Deferred income	111.914	100.918
Employee benefit	24.601	16.458
Other	49.571	45.628
	<b>630.238</b>	<b>574.073</b>

**31 Other non-current liabilities**

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

	<b>2017</b>	<b>2016</b>
Advances received	700.685	495.499
Deferred income	28.255	20.925
Deposits and guarantees received	13.192	26.477
Other (*) (**)	392.512	300.521
	<b>1.134.644</b>	<b>843.422</b>

(\*) 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 309.353 thousand (31 December 2016: TL 280.677 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 12.761 thousand (31 December 2016: --).

**32 Capital and reserves****32.1 Share capital**

As at 31 December 2017, the share capital of Doğuş Holding amounted to TL 856.027 thousand (31 December 2016: TL 856.027 thousand). The paid-in capital of Doğuş Holding comprises 856.027.050 shares (31 December 2016: 856.027.050 shares) of TL 1 each.

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

	<b>2017</b>		<b>2016</b>	
	<b>Thousands of shares</b>	<b>%</b>	<b>Thousands of shares</b>	<b>%</b>
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	87.873	10.27	87.873	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	275	0.02	275	0.02
	<b>856.027</b>	<b>100.00</b>	<b>856.027</b>	<b>100.00</b>

**32.2 Restricted reserves**

The details of the restricted reserves are as follows:

	<b>2017</b>	<b>2016</b>
Legal reserves	374.080	485.006
Treasury share reserves	164.709	164.679
Special reserves	3.724.222	3.724.266
	<b>4.263.011</b>	<b>4.373.951</b>

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 İstanbul 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 2017, the Company distributed dividends to the shareholders amounting to TL 192.602 thousand (2016: TL 199.765 thousand)

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

	<b>2017</b>	<b>2016</b>
Balance at the beginning of the year	2.309.665	2.270.258
Revaluation increase in land and building	405.517	74.367
Deferred taxes on revaluation surplus	(84.261)	2.259
Non-controlling interest portion of revaluation changes	--	(1.571)
Sale of assets of the Group associate	--	(8.673)
Effect of building demolition	--	(24.099)
Foreign currency translation differences	--	25.537
Effect of demerger	--	(4.525)
Effect of sale of associate	(148.596)	--
Depreciation effect on revaluation surplus	(25.968)	(23.888)
Balance at the end of the year	<b>2.456.357</b>	<b>2.309.665</b>

**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 year ended 31 December, movements of the non-controlling interests were as follows:

	<b>2017</b>	<b>2016</b>
Balance at the beginning of the year	740.041	772.314
Acquisition of non-controlling interests through business combinations	(1.360)	244
Effect of share capital increase and new establishments	29.213	31.702
Changes of non controlling interest in consolidated subsidiaries	(21.536)	(33.813)
Actuarial differences	(3.246)	(1.057)
Release of non-controlling interests through dividend distribution	(9.168)	(87.625)
Sale of subsidiary	--	(1.262)
Non-controlling interest of changes in revaluation surplus	43.870	3.557
Change in consolidation method	15.342	--
Effect of subsidiaries reacquisition of its own shares	--	(59.552)
Foreign currency translation effect	16.658	12.287
Sale of associate	(101.730)	--
Effect of merge and demerger	--	6.039
Non-controlling interest of profit for the year	<b>116.090</b>	<b>97.207</b>
Balance at the end of the year	<b>824.174</b>	<b>740.041</b>

## 32 Capital and reserves (continued)

### 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).

### 32.9 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 2017, bank borrowings amounting to EUR 511 million and CHF 3 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 2017 is TL 385,354 thousand related to the net investment hedging transactions (31 December 2016 Net foreign exchange gains: TL 275,434 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.

**33 Financial instruments – Fair values and risk management (continued)****(a) Financial risk management (continued)****(i) Risk management framework (continued)**

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

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 Doğuř 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 Doğuř Holding Internal Audit Department are also planned and implemented on a risk-based perspective.

**Automotive**

DOAŞ's risk management approach can be defined as minimizing the threats towards the organization, personnel and assets using reasonable, justifiable and clearly documented methods and improving the efficiency of oversight activities. In the frame of this approach, authorised by the Board of Directors, the Committee of Early Identification of Risks ensures that the risk management is handled effectively in a fair, transparent, responsible consistent, and accountable nature and in compliance with the Committee Directive. This group conducts studies towards an effective management of risk by proactively detecting the potential outcomes, which may endanger the presence, development and continuation of the DOAŞ and by putting the necessary precautions and measures into effect.

**Construction**

The Board of Doğuř İnřaat 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, Doğuř İnřaat Risk Management Department has been established and assigned to managing risk management processes.

Risk management vision of Doğuř İnřaat 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.

Doğuř İnřaat'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 Doğuř İnřaat's activities.

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

#### (a) Financial risk management (continued)

##### (i) Risk management framework (continued)

###### **Construction (continued)**

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 will strengthen 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 regularly. 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.

##### (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 monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a dealer, tourism agency, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

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The Group establishes an allowance for impairment losses that represent its estimate of incurred losses in its receivables portfolio. The Group sets impairment for its receivables if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral discounted based on the original effective interest rate of the originated receivables at inception.

**Guarantees**

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

**Exposure to credit risk**

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

31 December 2017	Trade receivables		Cash at banks	Financial investments	Derivatives
	Related party	Third party			
<b>Maximum credit risk exposure at reporting date (A+B+C+D)</b>	<b>1.213.195</b>	<b>2.729.072</b>	<b>2.069.440</b>	<b>264.093</b>	<b>--</b>
- Portion of maximum risk covered by guarantees	--	126.391	--	--	--
<b>A.</b> Carrying value of financial assets that are neither past due nor impaired	1.213.195	2.377.826	2.069.440	264.093	--
<b>B.</b> Carrying value of financial assets that are past due but not impaired (*)	--	129.783	--	--	--
<b>C.</b> Carrying value of impaired assets	--	221.463	--	--	--
- Past due	--	221.463	--	--	--
- Gross book value (-)	--	559.930	--	--	--
- Impairment (-)	--	(338.467)	--	--	--
- Guaranteed portion of net values	--	126.391	--	--	--
- Not past due	--	--	--	--	--
- Gross book value (-)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Guaranteed portion of net values	--	--	--	--	--
<b>D.</b> Off financial statement items with credit risks	--	--	--	--	--

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**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 2016 was:

31 December 2016	Trade receivables		Cash at banks	Financial investments	Derivatives
	Related party	Third party			
<b>Maximum credit risk exposure at reporting date (A+B+C+D)</b>	<b>885.822</b>	<b>2.340.215</b>	<b>1.399.597</b>	<b>192.809</b>	<b>--</b>
- Portion of maximum risk covered by guarantees	--	116.230	--	--	--
<b>A. Carrying value of financial assets that are neither past due nor impaired</b>	<b>885.822</b>	<b>1.978.978</b>	<b>1.399.597</b>	<b>192.809</b>	<b>--</b>
<b>B. Carrying value of financial assets that are past due but not impaired (*)</b>	<b>--</b>	<b>123.547</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>C. Carrying value of impaired assets</b>	<b>--</b>	<b>237.690</b>	<b>--</b>	<b>--</b>	<b>--</b>
- Past due	--	237.690	--	--	--
- Gross book value (-)	--	547.992	--	--	--
- Impairment (-)	--	(310.302)	--	--	--
- Guaranteed portion of net values	--	116.230	--	--	--
- Not past due	--	--	--	--	--
- Gross book value (-)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Guaranteed portion of net values	--	--	--	--	--
<b>D. Off financial statement items with credit risks</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

(\*) As at 31 December 2017 and 31 December 2016, 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.

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

	2017	2016
Contract receivables	2.825.090	2.174.849
Retailers	263.772	329.424
Advertising agencies	270.984	236.538
End-users	166.105	134.144
Other	416.316	351.082
	<b>3.942.267</b>	<b>3.226.037</b>

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

	<i>Carrying amount</i>	
	<b>2017</b>	<b>2016</b>
Turkey	3.025.586	2.466.276
Libya	275.804	237.557
Ukraine	173	3.275
Morocco	--	962
Euro zone	145.961	170.938
Other	494.743	347.029
	<b>3.942.267</b>	<b>3.226.037</b>

**Impairment losses**

The aging of trade receivables at the reporting date was:

	<b>2017</b>		<b>2016</b>	
	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
Not past due	3.591.021	--	2.864.800	--
Past due 0-30 days	1.428	--	78.186	--
Past due 31-120 days	74.109	--	25.918	--
Past due 121-365 days	54.246	--	19.443	--
More than one year	559.930	(338.467)	547.992	(310.302)
Total	<b>4.280.734</b>	<b>(338.467)</b>	<b>3.536.339</b>	<b>(310.302)</b>

**Cash and cash equivalents**

As of 31 December 2017 and 2016, 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.

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## 33 Financial Instruments – Fair values and risk management (continued)

## (a) Financial risk management (continued)

## (iii) Liquidity risk

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:

	2017				
	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
<b>Monetary assets</b>					
<b>Turkish Lira</b>					
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
<b>Foreign Currency</b>					
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
<b>Total monetary assets</b>	<b>4.504.052</b>	<b>2.026.035</b>	<b>778.805</b>	<b>1.205.992</b>	<b>8.514.884</b>
	2017				
	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
<b>Monetary liabilities</b>					
<b>Turkish Lira</b>					
Loans and borrowings	1.633.044	337.438	1.943.475	1.631.034	5.544.991
Other non-current liabilities	--	--	--	820.400	820.400
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	120.622	--	583.996
Total TL monetary liabilities	2.150.087	1.223.602	2.246.285	2.451.434	8.071.408
<b>Foreign Currency</b>					
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
<b>Total monetary liabilities</b>	<b>5.619.424</b>	<b>1.610.812</b>	<b>3.252.392</b>	<b>18.235.079</b>	<b>28.717.707</b>
<b>Liquidity (gap)/position</b>	<b>(1.115.372)</b>	<b>415.223</b>	<b>(2.473.587)</b>	<b>(17.029.087)</b>	<b>(20.202.823)</b>

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	2016				
	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
<b>Monetary assets</b>					
<b>Turkish Lira</b>					
Other non-current assets	--	--	--	673.617	673.617
Trade receivables - due from third parties	252.856	393.805	612.629	--	1.259.290
Trade receivables - due from related parties	15.045	850.375	5.086	--	870.506
Other current assets	229.238	201.269	273.082	--	703.589
Cash and cash equivalents	307.861	54.653	114.075	8.342	484.931
Total TL monetary assets	805.000	1.500.102	1.004.872	681.959	3.991.933
<b>Foreign Currency</b>					
Other investments, including derivatives	--	--	192.809	--	192.809
Other non-current assets	--	--	--	103.838	103.838
Trade receivables - due from third parties	13.774	22.513	892.143	237.671	1.166.101
Trade receivables - due from related parties	--	--	15.316	--	15.316
Other current assets	2.211	82.226	238.361	--	322.798
Cash and cash equivalents	172.258	666.536	84.584	31	923.409
Total foreign currency monetary assets	188.243	771.275	1.423.813	341.540	2.724.271
<b>Total monetary assets</b>	<b>993.243</b>	<b>2.271.377</b>	<b>2.428.085</b>	<b>1.023.499</b>	<b>6.716.204</b>
	2016				
	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
<b>Monetary liabilities</b>					
<b>Turkish Lira</b>					
Loans and borrowings	673.789	411.258	1.951.952	773.816	3.810.815
Other non-current liabilities	--	--	--	418.276	418.276
Trade payables - due to third parties	136.671	426.035	538.080	584	1.101.370
Trade payables - due to related parties	419	32.806	14.225	--	47.450
Other current liabilities	143.108	214.242	241.021	--	598.371
Total TL monetary liabilities	953.987	1.084.341	2.745.278	1.192.676	5.976.282
<b>Foreign Currency</b>					
Loans and borrowings	112.983	25.751	3.814.402	13.509.391	17.462.527
Derivative instruments	--	--	--	91.987	91.987
Other non-current liabilities	--	--	--	542.587	542.587
Trade payables - due to third parties	61.347	87.510	657.182	--	806.039
Trade payables - due to related parties	--	--	5.030	--	5.030
Other current liabilities	13.761	14.185	102.281	--	130.227
Total foreign currency monetary liabilities	188.091	127.446	4.578.895	14.143.965	19.038.397
<b>Total monetary liabilities</b>	<b>1.142.078</b>	<b>1.211.787</b>	<b>7.324.173</b>	<b>15.336.641</b>	<b>25.014.679</b>
<b>Liquidity (gap)/position</b>	<b>(148.835)</b>	<b>1.059.590</b>	<b>(4.896.088)</b>	<b>(14.313.142)</b>	<b>(18.298.475)</b>

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**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 2017						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank borrowings	13.424.343	13.615.043	537.143	630.205	2.286.978	4.451.338	5.709.380
Unsecured bank borrowings	10.167.103	10.200.863	2.526.065	2.584.007	2.678.204	1.716.523	696.063
Finance lease liabilities	44.606	43.368	4.955	4.617	7.997	101	25.697
Trade payables	2.012.045	2.013.299	1.892.876	120.170	255	--	--
Notes payable	716.531	1.010.289	59.288	60.507	428.326	462.168	--
<b>Derivative financial liabilities</b>							
Cross-currency fixed interest rate swaps(*)	278.979	(40.891)	31.703	31.428	16.769	(120.791)	--
	26.643.607	26.509.508	5.063.472	3.479.027	5.789.917	5.918.433	6.258.658

(\*)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 2016						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank borrowings	12.928.661	13.255.298	1.059.241	1.161.644	2.352.345	5.472.421	3.209.647
Unsecured bank borrowings	8.288.805	8.349.228	2.783.365	1.585.189	1.383.405	2.033.624	563.645
Finance lease liabilities	55.876	55.984	3.605	8.375	7.359	1.621	35.024
Trade payables	1.959.889	1.961.213	1.812.042	111.018	38.153	--	--
<b>Derivative financial liabilities</b>							
Cross-currency fixed interest rate swaps(*)	91.987	210.089	35.298	34.992	70.290	69.509	--
	23.325.218	23.831.812	5.693.551	2.901.218	3.851.552	7.577.175	3.808.316

**(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:

	2017	2016
<b>Fixed rate instruments</b>		
Financial assets	1.367.706	863.680
Financial liabilities	8.400.706	6.057.627
<b>Variable rate instruments</b>		
Financial assets	41.930	71.501
Financial liabilities	15.951.877	15.215.715

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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 2016.

	Profit or loss		Equity	
	100 bp		100 bp	
	Increase	decrease	Increase	decrease
<b>31 December 2017</b>				
Variable rate instruments	(59.698)	59.698	(32.722)	32.722
Cash flow sensitivity (net)	(59.698)	59.698	(32.722)	32.722
	Profit or loss		Equity	
	100 bp		100 bp	
	Increase	decrease	Increase	decrease
<b>31 December 2016</b>				
Variable rate instruments	(34.293)	34.293	(957)	957
Cash flow sensitivity (net)	(34.293)	34.293	(957)	957

**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") and Ukrainian Hryvnia ("UAH"). 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. Such risk is monitored by the Board of Directors and limited through taking positions within approved limits as well as using derivative instruments where necessary.

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.

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.

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**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	53.676	232.670
<b>4. Current assets (1+2+3)</b>	<b>3.373.650</b>	<b>464.944</b>	<b>145.114</b>	<b>962.254</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	271.454	12.565	8.925	183.758
<b>8. Non-current assets (5+6+7)</b>	<b>271.454</b>	<b>12.565</b>	<b>8.925</b>	<b>183.758</b>
<b>9. Total Assets (4+8)</b>	<b>3.645.104</b>	<b>477.508</b>	<b>154.039</b>	<b>1.146.012</b>
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	--	--	--	--
<b>13. Short term liabilities (10+11+12)</b>	<b>(4.862.654)</b>	<b>(177.411)</b>	<b>(825.648)</b>	<b>(464.581)</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	(15.043.099)	(626.400)	(2.782.215)	(117.287)
16a. Other monetary liabilities	(740.546)	(558)	(18.843)	(653.492)
16b. Other non-monetary liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>(15.783.645)</b>	<b>(626.958)</b>	<b>(2.801.058)</b>	<b>(770.779)</b>
<b>18. Total liabilities (13+17)</b>	<b>(20.646.299)</b>	<b>(804.370)</b>	<b>(3.626.705)</b>	<b>(1.235.360)</b>
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>(887.065)</b>	<b>--</b>	<b>(194.496)</b>	<b>--</b>
19a. Hedged portion of assets amount	--	--	--	--
19b. Hedged portion of liabilities amount	(887.065)	--	(194.496)	--
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>(17.888.260)</b>	<b>(326.862)</b>	<b>(3.669.115)</b>	<b>(89.348)</b>
<b>21. Monetary Items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(17.937.502)</b>	<b>(389.748)</b>	<b>(3.535.267)</b>	<b>(505.776)</b>

(\*) TL equivalents are given.

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

As at and for the Year Ended 31 December 2017

(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 2016, the currency risk exposures of the Group in TL thousand equivalents are as follows:

CURRENCY POSITION ANALYSIS	31 December 2016			
	TL equivalent	USD	EURO	OTHER(*)
1. Trade receivables	1.181.417	12.393	209.374	361.046
2a. Monetary financial assets (including cash, bank accounts)	923.409	45.527	178.455	101.142
2b. Non-monetary financial assets	--	--	--	--
3. Other	515.522	45.123	33.434	232.689
<b>4. Current assets (1+2+3)</b>	<b>2.620.348</b>	<b>103.043</b>	<b>421.263</b>	<b>694.877</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	103.922	43	3.813	89.542
<b>8. Non-current assets (5+6+7)</b>	<b>103.922</b>	<b>43</b>	<b>3.813</b>	<b>89.542</b>
<b>9. Total Assets (4+8)</b>	<b>2.724.270</b>	<b>103.086</b>	<b>425.076</b>	<b>784.419</b>
10. Trade payables	(811.069)	(5.769)	(180.393)	(121.527)
11. Financial liabilities	(3.969.977)	(699.127)	(391.092)	(58.695)
12a. Other monetary liabilities	(222.212)	(1.300)	(27.382)	(116.054)
12b. Other non-monetary liabilities	--	--	--	--
<b>13. Short term liabilities (10+11+12)</b>	<b>(5.003.258)</b>	<b>(706.196)</b>	<b>(598.867)</b>	<b>(296.276)</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	(13.492.550)	(1.123.438)	(2.561.809)	(34.892)
16a. Other monetary liabilities	(542.587)	(39)	(12.483)	(496.137)
16b. Other non-monetary liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>(14.035.137)</b>	<b>(1.123.477)</b>	<b>(2.574.292)</b>	<b>(531.029)</b>
<b>18. Total liabilities (13+17)</b>	<b>(19.038.395)</b>	<b>(1.829.673)</b>	<b>(3.173.159)</b>	<b>(827.305)</b>
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>(728.806)</b>	<b>--</b>	<b>(196.449)</b>	<b>--</b>
19a. Hedged portion of assets amount	--	--	--	--
19b. Hedged portion of liabilities amount	(728.806)	--	(196.449)	--
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>(17.042.931)</b>	<b>(1.726.587)</b>	<b>(2.944.532)</b>	<b>(42.886)</b>
<b>21. Monetary Items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(16.933.569)</b>	<b>(1.771.754)</b>	<b>(2.785.330)</b>	<b>(365.117)</b>

(\*) TL equivalents are given.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(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 of TL against the following currencies at 31 December 2017 and 2016 would have increased / (decreased) profit or loss before tax and equity by the amounts shown below.

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

31 December 2016	Profit / (Loss)		Equity	
	Strengthening of TL	Weakening of TL	Strengthening of TL	Weakening of TL
<b>Increase/(decrease) 10% of USD parity</b>				
1-US Dollar net asset / liability	602.413	(602.413)	5.208	(5.208)
2-Hedged portion of US Dollar amounts(-)	--	--	--	--
<b>3-Net effect of US Dollar (1+2)</b>	<b>602.413</b>	<b>(602.413)</b>	<b>5.208</b>	<b>(5.208)</b>
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	826.991	(826.991)	417.525	(417.525)
5-Hedged portion of EUR amounts(-)	--	--	(152.124)	152.124
<b>6-Net effect of EUR (4+5)</b>	<b>826.991</b>	<b>(826.991)</b>	<b>265.401</b>	<b>(265.401)</b>
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	4.392	(4.392)	1.742	(1.742)
8-Hedged portion of other foreign currency amounts(-)	--	--	(1.854)	1.854
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>4.392</b>	<b>(4.392)</b>	<b>(112)</b>	<b>112</b>
<b>TOTAL (3+6+9)</b>	<b>1.433.796</b>	<b>(1.433.796)</b>	<b>270.497</b>	<b>(270.497)</b>

**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 or 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:

2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	33	203.385	--	203.418
Financial assets available-for-sale	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
2016	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	2.013	152.817	--	154.830
Financial assets available-for-sale	37.979	--	--	37.979
Financial assets at fair value	39.992	152.817	--	192.809
Derivative financial liabilities	--	91.987	--	91.987
Financial liabilities at fair value	--	91.987	--	91.987

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).

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(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 Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
A Yapım	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Acropolis S.P.A	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Acropolis USA Trading Corp.	100,00	--	--	--	100,00	--	100,00	--
AD Yiyecek	60,00	60,00	--	--	60,00	60,00	60,00	60,00
A.L.E. Gıda	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Afiyet Olsun	--	100,00	--	--	--	100,00	--	100,00
Alantur	100,00	100,00	--	--	100,00	100,00	99,82	99,82
Alperen	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Altınhan	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Altın Mecralar <sup>(1)</sup>	100,00	99,00	--	--	100,00	99,00	100,00	59,40
Antur	99,99	99,99	--	--	99,99	99,99	99,82	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	99,03	99,03
Aresta	100,00	60,00	--	--	60,00	60,00	99,97	59,97
Argos in Cappadocia	80,00	80,00	--	--	80,00	80,00	80,00	80,00
Arjantin Et	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Ataşehir Restoran	100,00	100,00	--	--	100,00	100,00	70,00	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
Ayla Restaurant	67,00	67,00	--	--	67,00	67,00	67,00	67,00
Bal Turizm	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Bangolare S.L.	90,00	--	--	--	90,00	--	90,00	--
Başkent	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Blohm Voss La Ciotat. SAS	49,00	--	--	--	49,00	--	34,30	--
BMK <sup>(2)</sup>	100,00	100,00	--	--	100,00	100,00	90,00	70,00
Bomonti	100,00	100,00	--	--	100,00	100,00	99,00	99,00
Borsa	67,00	67,00	--	--	67,00	67,00	67,00	67,00
Büke Turizm	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Capritouch SRL	80,00	--	--	--	80,00	--	80,00	--
Compositeworks <sup>(4)</sup>	100,00	--	--	--	100,00	--	52,50	--
Coya Abu Dhabi	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Coya Angelcourt	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Coya Inc	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Coya London	72,00	72,00	--	--	72,00	72,00	72,00	72,00
Coya Ltd, Dubai	76,00	76,00	--	--	76,00	76,00	76,00	76,00
Coya Management	75,00	75,00	--	--	75,00	75,00	54,00	54,00
Coya Restaurant LLC, Dubai	51,00	51,00	--	--	51,00	51,00	38,76	38,76
Coya Restaurant LLC, Miami	61,00	61,00	--	--	61,00	61,00	61,00	61,00
CW Atlantic SASU <sup>(5)</sup>	100,00	--	--	--	100,00	--	52,50	--
CW Finance SAS <sup>(6)</sup>	75,00	--	--	--	75,00	--	52,50	--
CWCB SASU <sup>(6)</sup>	60,00	--	--	--	60,00	--	31,50	--
Çankaya Grup	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Çukurambar Lokanta	100,00	100,00	--	--	100,00	100,00	70,00	70,00
D-Auto Suisse SA	100,00	100,00	--	--	100,00	100,00	73,07	73,07
D Eğlence	100,00	100,00	--	--	100,00	100,00	100,00	100,00

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	Direct and indirect ownership interest held by Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
D Enerji	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Et	51,00	51,00	--	--	51,00	51,00	51,00	51,00
D Koruma	--	100,00	--	--	--	100,00	--	100,00
D Nusret International Holding Coöperatief U.A	99,95	99,95	--	--	99,95	99,95	51,00	51,00
D Nusret International Holding BV	100,00	100,00	--	--	100,00	100,00	51,00	51,00
D Marina	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Marinas Management	100,00	--	--	--	100,00	--	100,00	--
D Marinas B.V.	100,00	--	--	--	100,00	--	100,00	--
D Marine Göcek	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D-Marine Investment Holding B.V.	100,00	100,00	--	--	100,00	100,00	100,00	99,99
D Otel	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Otel Plaj	100,00	100,00	--	--	100,00	100,00	100,00	100,00
D Otel Göcek	100,00	100,00	--	--	100,00	100,00	99,78	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	100,00	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	73,06	73,06
Doğu Croatia	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Arge	92,72	92,72	7,28	7,28	100,00	100,00	92,72	92,72
Doğu Auto Mısır JS	--	100,00	--	--	--	100,00	--	73,07
Doğu Auto Mısır LLC	--	99,00	--	--	--	99,00	--	72,34
Doğu Auto Iraq	100,00	100,00	--	--	100,00	100,00	73,06	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	99,39	99,39	99,39
Doğu Bilgi İşlem	100,00	100,00	--	--	100,00	100,00	87,61	87,61
Dogus Construction LLC	49,00	49,00	--	--	49,00	49,00	49,00	49,00
Doğu Dalaman	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Didim	100,00	100,00	--	--	100,00	100,00	99,65	99,65
Doğu Dijital	94,85	94,85	--	--	94,85	94,85	94,85	94,85
Doğu - (Onur)	55,00	55,00	--	--	55,00	55,00	55,00	55,00
Doğu Enerji	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Enerji Toptan	100,00	100,00	--	--	100,00	100,00	99,98	99,98
Doğu EOOD	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Finance Ukraine	99,00	99,00	--	--	99,00	99,00	99,00	99,00
Doğu Fotoğraf	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Gayrimenkul	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu GYO	94,53	96,68	--	--	94,53	96,68	94,53	94,74
Doğu Health and Wellness	100,00	--	--	--	100,00	--	100,00	--
Doğu Hellas	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Doğu İnşaat	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu İnşaat (Kazakistan)	60,00	60,00	--	--	60,00	60,00	60,00	60,00

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	Direct and Indirect ownership Interest held by Doğu Holding and its subsidiaries		Ownership Interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective Interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
Doğu İnşaat (Ukrayna)	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu International	100,00	100,00	--	--	100,00	100,00	92,72	92,72
Dogus International Coöperatief U.A.	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Doğu Leisure	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Doğu Management	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Maroc SARL	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Media	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Dogus Montenegro Inv.	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Dogus Oman LLC	70,00	70,00	--	--	70,00	70,00	70,00	70,00
Doğu Otel İşletmeciliği	100,00	100,00	--	--	100,00	100,00	99,76	99,76
Doğu Otel Yatırımları	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Oto Pazarlama	100,00	100,00	--	--	100,00	100,00	74,08	74,08
Doğu Perakende	100,00	100,00	--	--	100,00	100,00	100,00	99,75
Doğu Razvitak	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu SA	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Sağlıklı Yaşam	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Sigorta	100,00	100,00	--	--	100,00	100,00	88,69	88,69
Doğu Spor	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Sportif	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Tarım	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Telekom	--	100,00	--	--	--	100,00	--	100,00
Dogus TRG	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Doğu Turgutreis	100,00	100,00	--	--	100,00	100,00	98,28	98,28
Doğu Turizm	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doğu Yayın Grubu	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Doğu Yeni Girişimler	100,00	--	--	--	100,00	--	100,00	--
Doğu Zhenfa	67,00	67,00	--	--	67,00	67,00	67,00	67,00
Doors Akademi	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doors Holding	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Doors Uluslararası Yönetim	--	100,00	--	--	--	100,00	--	100,00
Dream International Coöperatif U.A.	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Dream International B.V.	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Dream IP Limited	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Dream Management	100,00	100,00	--	--	100,00	100,00	100,00	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	100,00	100,00
Euromessage Deutschland <sup>(1)</sup>	100,00	100,00	--	--	100,00	100,00	100,00	60,00
Garanti Turizm	100,00	100,00	--	--	100,00	100,00	99,22	99,22
Gouvia Marina S.A. <sup>(2)</sup>	100,00	100,00	--	--	100,00	100,00	99,01	99,00
Gunaydin Int. B.V.	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Gunaydin Int. Coop	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Gunaydin Restaurant	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Günaydin Çamlıca	51,00	100,00	--	--	51,00	100,00	35,70	70,00
Günaydin Et Sanayi	70,00	70,00	--	--	70,00	70,00	70,00	70,00
Günaydin Et Şarküteri	--	70,00	--	--	--	70,00	--	70,00

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

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(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	
	2017	2016	2017	2016	2017	2016	2017	2016
Günaydın İdealtepe	--	70,00	--	--	--	70,00	--	70,00
Günaydın İstanbul	70,00	70,00	--	--	70,00	70,00	70,00	70,00
Günaydın Üretim	70,00	70,00	--	--	70,00	70,00	70,00	70,00
Göktrans	100,00	100,00	--	--	100,00	100,00	99,76	99,76
Havana Doors	--	100,00	--	--	--	100,00	--	100,00
Havana International Coöperatif U.A.	--	100,00	--	--	--	100,00	--	100,00
Havana International B.V.	--	100,00	--	--	--	100,00	--	100,00
Havana Yayıncılık	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Hedef Medya	100,00	60,00	--	--	100,00	60,00	100,00	60,00
Hospitality	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Hotel Villa Magna	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Il Riccio Dubai	100,00	--	--	--	100,00	--	100,00	--
İstinye Park Gayrimenkul	--	100,00	--	--	--	100,00	--	100,00
Kadıköy Tepe	100,00	100,00	--	--	100,00	100,00	70,00	70,00
King of the Rib	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Kivahan	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Köprü	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Körfez Hava	100,00	100,00	--	--	100,00	100,00	100,00	100,00
K&G Medmarinas Management S.A.	99,01	99,01	--	--	99,01	99,01	99,01	99,00
Kral Pop	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Kral Pop Avrupa	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Kral TV Radyo	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Lacivert	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Lefkas Marina S.A. <sup>(B)</sup>	100,00	100,00	--	--	100,00	100,00	99,01	99,00
Liquid Art Boston	80,00	--	--	--	80,00	--	80,00	--
Liquid Art Holding	100,00	--	--	--	100,00	--	100,00	--
London Doors Restaurant Group	79,00	79,00	--	--	79,00	79,00	79,00	79,00
LPM İstanbul	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Marina Barcelona	70,01	70,01	--	--	70,01	70,01	70,01	70,00
Marina Borik	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	--
Mercado	100,00	--	--	--	100,00	--	100,00	--
Mercati S.p.A.	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Meto Turizm	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Mezzaluna	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Meng Unlu Mamuller	100,00	--	--	--	100,00	--	51,00	--
MK Holding	90,00	70,00	--	--	90,00	70,00	90,00	70,00
Mobilnet	100,00	100,00	--	--	100,00	100,00	98,00	90,00
Nahita	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Nahita Dallas	100,00	--	--	--	100,00	--	100,00	--
Nahita International Inc	100,00	100,00	--	--	100,00	100,00	100,00	100,00

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

As at and for the Year Ended 31 December 2017

(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	
	2017	2016	2017	2016	2017	2016	2017	2016
Nahita International Limited	100,00	100,00	--	--	100,00	100,00	100,00	100,00
NTV Batı	100,00	100,00	--	--	100,00	100,00	99,96	99,96
NTV Radyo	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Nusret Dubai	100,00	100,00	--	--	100,00	100,00	51,00	51,00
Nusret Galleria	100,00	100,00	--	--	100,00	100,00	51,00	51,00
Nusret Holdings USA	90,00	--	--	--	90,00	--	45,90	--
Nusret Limited	--	100,00	--	--	--	100,00	--	51,00
Nusret New York	100,00	--	--	--	100,00	--	45,90	--
Nusret Miami	100,00	--	--	--	100,00	--	45,90	--
Nusret Miami South Beach	100,00	--	--	--	100,00	--	45,90	--
Nusret US	100,00	--	--	--	100,00	--	51,00	--
Nusret UK Limited	100,00	100,00	--	--	100,00	100,00	51,00	51,00
Nusret Katar	59,00	--	--	--	59,00	--	30,09	--
Omni Kanal <sup>(1)</sup>	100,00	100,00	--	--	100,00	100,00	100,00	60,00
Oran Gurme	100,00	100,00	--	--	100,00	100,00	70,00	70,00
Partnership	100,00	100,00	--	--	100,00	100,00	72,00	72,00
Panther Marina	100,00	100,00	--	--	100,00	100,00	100,00	99,99
Populist	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Portakal Yazılım <sup>(1)</sup>	100,00	60,00	--	--	100,00	60,00	100,00	36,00
Pozitif Arena	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Pozitif Müzik A.Ş.	80,00	80,00	--	--	80,00	80,00	80,00	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. <sup>(1)</sup>	100,00	99,60	--	--	100,00	99,60	100,00	60,00
Related Digital Marketing BV <sup>(1)</sup>	100,00	100,00	--	--	100,00	100,00	100,00	60,00
Related Digital Marketing Limited <sup>(1)</sup>	100,00	100,00	--	--	100,00	100,00	100,00	60,00
Ruya London	100,00	--	--	--	100,00	--	67,00	--
Salt	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Saltpazarı	81,00	81,00	--	--	81,00	81,00	81,00	81,00
Saltbae Restoran İşletmeciliği	74,83	--	--	--	74,83	--	40,00	--
Sekiz Prodüksiyon	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Semanticum <sup>(1)</sup>	60,00	60,00	--	--	60,00	60,00	60,00	36,00
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	100,00	100,00
Spor TV Medya Hizmetleri	100,00	--	--	--	100,00	--	99,96	--
Star Avrupa	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Star TV	100,00	100,00	--	--	100,00	100,00	99,96	99,96
Şahintur	100,00	100,00	--	--	100,00	100,00	100,00	100,00

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(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 Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
Toms Kitchen Restaurant Holdings Limited	74,00	74,00	--	--	74,00	74,00	58,46	58,46
Tansaş Gıda	99,87	99,87	--	--	99,87	99,87	99,87	99,87
Teknik Mühendislik	100,00	99,90	--	--	100,00	99,90	100,00	99,90
The Tom Aikens Group Ltd	100,00	100,00	--	--	100,00	100,00	58,46	58,46
Tom Aikens Ltd	100,00	100,00	--	--	100,00	100,00	58,46	58,46
Tiendes	75,00	75,00	--	--	75,00	75,00	52,50	52,50
Tom's Deli	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Tom's Kitchen Ltd	100,00	100,00	--	--	100,00	100,00	58,46	58,46
Vieznada S.L.U	--	100,00	--	--	--	100,00	--	99,99
Villa Dubrovnik	89,60	89,60	--	--	89,60	89,60	89,60	89,60
Vitapark	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	99,99
Yonca Radyo	--	100,00	--	--	--	100,00	--	99,96
Zadar	100,00	100,00	--	--	100,00	100,00	100,00	100,00
Zea Marina S.A. <sup>(1)</sup>	75,00	75,00	--	--	75,00	75,00	74,26	74,25
Zeytin Dallas	100,00	--	--	--	100,00	--	100,00	--
Zuma Turizm	90,00	90,00	--	--	90,00	90,00	70,00	70,00

(1) Consolidated under Hedef Medya.

(2) Consolidated under MK Holding.

(3) Consolidated under K&amp;C Medmarinas Management S.A.

(4) Consolidated under Marina Barcelona 92

**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 Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
Adelia Ltd	100,00	100,00	--	--	100,00	100,00	33,33	33,33
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	29,49
Astir Palace	100,00	88,50	--	--	100,00	88,50	33,33	29,49
Central Asturcova	100,00	100,00	--	--	100,00	100,00	40,00	40,00
DG Holdings Limited	25,00	--	--	--	25,00	--	25,00	--
DG Limited	100,00	--	--	--	100,00	--	25,00	--
DÓA Miami	32,50	32,50	--	--	32,50	32,50	32,50	32,50
El Gourmet	100,00	100,00	--	--	100,00	100,00	40,00	40,00
Garanti Bank <sup>(1)</sup>	--	10,00	--	--	--	10,00	--	9,72
Garanti Bank SA <sup>(2)</sup>	--	100,00	--	--	--	100,00	--	9,72

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

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

## 34 Group enterprises (continued)

## 34.2 List of associates (continued)

	Direct and indirect ownership interest held by Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
Garanti Bilişim <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Faktoring <sup>(1)</sup>	--	81,84	--	--	--	81,84	--	7,96
Garanti Filo <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Filo Sigorta <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Holding B.V. <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Hizmet <sup>(1)</sup>	--	99,40	--	--	--	99,40	--	9,67
Garanti Konut <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Kültür <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Leasing <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Portföy <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Yatırım <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Garanti Yatırım Ortaklığı <sup>(1)</sup>	--	3,30	--	--	--	3,30	--	0,32
G Netherlands <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
GBI <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
GEHAŞ <sup>(1)</sup>	--	84,91	--	--	--	84,91	--	8,26
GÖSAŞ <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
HD Yayıncılık	--	100,00	--	--	--	100,00	--	29,99
Icons and Styles	55,00	--	--	--	55,00	--	34,97	--
Il Riccio Miami LLC	59,76	--	--	--	59,67	--	59,67	--
IPE Velázquez	100,00	100,00	--	--	100,00	100,00	40,00	40,00
İstinye Yönetim 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	32,83	32,83
LPM Miami	5,00	5,00	--	--	5,00	5,00	5,00	5,00
MNC Medya	100,00	100,00	--	--	100,00	100,00	29,99	29,99
MNC Reklam	100,00	100,00	--	--	100,00	100,00	29,99	29,99
MNC TV	100,00	100,00	--	--	100,00	100,00	29,99	29,99
Mosela Investments	40,00	40,00	--	--	40,00	40,00	40,00	40,00
Onsekiz Reklam	100,00	100,00	--	--	100,00	100,00	29,99	29,99
Para Picchu Limited	40,00	40,00	--	--	40,00	40,00	40,00	40,00
Paraguas	100,00	100,00	--	--	100,00	100,00	40,00	40,00
Puerta de Alcalá 10	100,00	100,00	--	--	100,00	100,00	40,00	40,00
Ralfi <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Reidin	51,00	51,00	--	--	51,00	51,00	51,00	51,00
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	100,00	100,00	--	--	100,00	100,00	40,00	40,00
Sekiz Televizyon	22,22	22,22	--	--	22,22	22,22	22,21	22,21
Solid Rock Property SAS	33,33	33,33	--	--	33,33	33,33	33,33	33,33
Trifol Real Estate Company <sup>(1)</sup>	--	100,00	--	--	--	100,00	--	9,72
Ultramarinos Quintín	100,00	100,00	--	--	100,00	100,00	40,00	40,00
VDF Faktoring <sup>(2)</sup>	100,00	100,00	--	--	100,00	100,00	38,71	38,71
VDF Filo Kiralama <sup>(2)</sup>	100,00	100,00	--	--	100,00	100,00	38,71	38,71

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***34 Group enterprises (continued)****34.2 List of associates (continued)**

	Direct and indirect ownership Interest held by Doğuř Holding and its subsidiaries		Ownership Interest through shares held by řahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuř Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
VDF Tüketici	49,00	49,00	--	--	49,00	49,00	36,07	36,07
VDF Servis	49,00	49,00	--	--	49,00	49,00	38,71	38,71
VDF Sigorta <sup>(2)</sup>	100,00	100,00	--	--	100,00	100,00	38,71	38,71
World Wide	--	30,00	--	--	--	30,00	--	29,99
Yüce Auto	50,00	50,00	--	--	50,00	50,00	36,53	36,53
Zingat	51,00	100,00	--	--	51,00	100,00	51,00	51,00

(1) The Group has reached an agreement with BBVA in relation to the transfer of its shares held in T.Garanti Bankası A.ř. ("Garanti Bank") representing 9,95% of the total issued share capital of Garanti Bank to BBVA (the "Transaction"). Transaction has been completed on 22 March 2017. Following the transaction, Doğuř holds 0,05% of the total issued share capital of Garanti Bank which is classified under financial investments.

(2) Consolidated under VDF Servis Holding.

**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 Doğuř Holding and its subsidiaries		Ownership Interest through shares held by řahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuř Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
Abu Dhabi <sup>(4)</sup>	95,00	95,00	--	--	95,00	95,00	50,01	50,01
Argos Baęcılık	100,00	100,00	--	--	100,00	100,00	50,00	50,00
Argos Kùltür	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	50,01	50,01
Azumi LLC <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Bahia (UK) Limited	100,00	100,00	--	--	100,00	100,00	60,00	60,00
Beach-Chu Hallandale <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Beach-Chu Inc. <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Beach-Chu Las Olas LLC <sup>(4)</sup>	100,00	--	--	--	100,00	--	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	33,97	33,97
Chenot Cosmetic S.R.L. <sup>(3)</sup>	100,00	100,00	--	--	100,00	100,00	50,99	50,99
Chenot Cosmétique S.a.g.l. <sup>(1)</sup>	100,00	100,00	--	--	100,00	100,00	50,99	50,99
Chenot Dubai	33,33	33,33	--	--	33,33	33,33	33,33	33,33
Corpera	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğus - Soma	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuř - Tekfen <sup>(2)</sup>	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğuř - ViA - Ultrastroy <sup>(2)</sup>	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Doğuř-Yapı Merkezi-Özaltın	60,00	--	--	--	60,00	--	60,00	--
Doğuř Alarko <sup>(2)</sup>	37,50	37,50	--	--	37,50	37,50	37,50	37,50
Doğuř ES <sup>(2)</sup>	50,00	50,00	--	--	50,00	50,00	50,00	50,00

## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## Notes to Consolidated Financial Statements

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## 34 Group enterprises (continued)

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

	Direct and indirect ownership Interest held by Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective Interest of Doğu Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
Doğu Planet	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğu SK Girişim	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğu YDA <sup>(2)</sup>	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Doğu- DUSA	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	50,01
Elmira Miami Mezz	100,00	100,00	--	--	100,00	100,00	61,47	50,01
Elmira Miami Partners	100,00	100,00	--	--	100,00	100,00	61,47	50,01
Gestin Turizm	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Gülermak Doğu <sup>(2)</sup>	50,00	50,00	--	--	50,00	50,00	50,00	50,00
HC Biontis S.R.L. <sup>(3)</sup>	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 <sup>(4)</sup>	100,00	100,00	--	--	100,00	100,00	50,99	50,99
Home Holdings	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Inko Nito Garey St LLC <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Inko Nito Inc. <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Inko Nito West 3rd Street LLC <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Inko Nito Broadwick Street <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Inko Nito Limited <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Ioniki	100,00	97,27	--	--	100,00	97,27	50,00	48,63
Kanlıca Turizm	49,00	49,00	--	--	49,00	49,00	49,00	49,00
Kazakistan	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Kömrhan	50,00	50,00	--	--	50,00	50,00	50,00	50,00
L'atelier	100,00	100,00	--	--	100,00	100,00	60,00	60,00
Lamda Dogus	50,00	50,00	--	--	50,00	50,00	50,00	50,00
Lamda Flisvos <sup>(3)</sup>	83,39	83,39	--	--	83,39	83,39	41,69	41,69
Lamda Marina <sup>(3)</sup>	77,23	77,23	--	--	77,23	77,23	32,20	32,20
Mad Atelier	60,00	60,00	--	--	60,00	60,00	60,00	60,00
Meiller Doğu	49,00	49,00	--	--	49,00	49,00	35,80	35,80
Ortakonak Gayrimenkul	50,00	50,00	--	--	50,00	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	50,01	--	--	61,47	50,01	61,47	50,01
RH Miami Employees	100,00	100,00	--	--	100,00	100,00	61,47	50,01
Robata Holdings USA <sup>(4)</sup>	80,00	--	--	--	80,00	--	40,01	--
Robata Rest <sup>(4)</sup>	100,00	90,00	--	--	100,00	90,00	50,01	50,01
Roka Mayfair Ltd <sup>(4)</sup>	100,00	85,00	--	--	100,00	85,00	50,01	42,51
Roka Aldwych Ltd <sup>(4)</sup>	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Roka Chelsea Ltd <sup>(4)</sup>	100,00	--	--	--	100,00	--	50,01	--
Roka Dubai <sup>(4)</sup>	95,00	--	--	--	95,00	--	47,51	--
Taddeo Trading Ltd <sup>(4)</sup>	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Taraneete International Ltd <sup>(4)</sup>	72,80	73,76	--	--	72,80	73,76	50,00	50,01
TDB Kalibrasyon	33,33	33,33	--	--	33,33	33,33	33,33	33,33
TDB Sigorta	33,33	33,33	--	--	33,33	33,33	33,33	33,33
TH Hospitality Management	61,47	50,01	--	--	61,47	50,01	61,47	50,01
THRH	61,47	50,01	--	--	61,47	50,01	61,47	50,01

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	Direct and indirect ownership interest held by Doğuř Holding and its subsidiaries		Ownership interest through shares held by řahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuř Holding and its subsidiaries	
	2017	2016	2017	2016	2017	2016	2017	2016
TÜVTURK Güney	33,33	33,33	--	--	33,33	33,33	24,35	24,35
TÜVTURK İstanbul	100,00	100,00	--	--	100,00	100,00	24,35	24,35
TÜVTURK Kuzey	33,33	33,33	--	--	33,33	33,33	24,35	24,35
Tüv Süd Doğuř 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. <sup>(1)</sup>	40,00	40,00	--	--	40,00	40,00	20,00	20,00
YMDYYB <sup>(2)</sup>	26,00	26,00	--	--	26,00	26,00	26,00	26,00
Zuma Abu Dhabi Ltd. <sup>(4)</sup>	90,00	90,00	--	--	90,00	90,00	45,01	45,01
Zuma Bangkok Ltd <sup>(4)</sup>	49,00	49,00	--	--	49,00	49,00	24,50	24,50
Zuma Club LLC <sup>(4)</sup>	95,00	75,01	--	--	95,00	75,01	50,01	50,01
Zuma Japanese Restaurant INC. <sup>(4)</sup>	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Zuma Japanese Restaurant Miami LLC <sup>(4)</sup>	90,00	90,00	--	--	90,00	90,00	50,01	50,01
Zuma Las Vegas LLC <sup>(4)</sup>	90,00	100,00	--	--	90,00	100,00	45,01	50,01
Zuma NY LLC <sup>(4)</sup>	100,00	100,00	--	--	100,00	100,00	45,01	45,01
Zuma Rome <sup>(4)</sup>	100,00	100,00	--	--	100,00	100,00	50,01	50,01
Zuma USA LLC <sup>(4)</sup>	90,00	90,00	--	--	90,00	90,00	45,01	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 2017 are summarised in the following paragraphs:

**34.4 Establishment of new entities**

- On 7 January 2017, Bangalore S.L has been established. The area of operation of the entity is investment.
- On 18 January 2017, Marinas TR BV, D Marinas BV and D Marinas Management BV have been established. D Marinas Management is a management company; Marinas TR BV and D Marinas BV are investment companies.
- On January 2017, Nusret US Inc., Nusret Holdings USA LLC and Nusret New York LLC has ben established. The area of operation of Nusret New York LLC is restaurant management; Nusret US Inc. and Nusret Holdings USA LLC are investment.
- On 5 May 2017, Doğuř Health and Wellness has been established. The area of operation of the entity is hotel management.
- On 12 June 2017, Nahita Dallas LLC has been established. The area of operation of the entity is restaurant management.
- On 16 June 2017, Nusret Miami LLC has been established. The area of operation of the entity is restaurant management.
- Doğuř - Dusa Adi Ortaklıđı and Doğuř-Yapı Merkezi-Özaltın Adi Ortaklıđı have been established. The area of operation of the entities are construction.
- Il Riccio Dubai has been established. The area of operation of the entity is hospitality.
- Spor TV Medya Hizmetleri A.ř. has been established. The area of operation of the entity is media.
- In 2017, Zeytin Dallas LLC, Dogus Mercado, Luxury Food Restaurants LLC, Nusret Miami South Beach LLC have established. The are of operation of the entities are food and beverage.
- On 4 July 2017, Saltbae Restoran řİşletmeciliđı Turizm Perakende Tekstil ve Yat. A.ř. has been established. The area of operation of the entity is retail service.
- In 2017, Roka Chelsea Limited, Roka Limited, Azumi LLC, Inko Nito Inc. , Inko Nito Garey ST LLC, Beach Chu Inc, Beach Chu Hallandale LLC, Beach Chu Las Olas LLC, Inko Nito Limited, Inko Nito Broadwick Street LTD, Inko Nito West 3rd Street LLC, Robata Holdings USA LLC and Robata Holdings USA LLC have been established under Azumi Limited. The area of operation of the entities are food and beverage.
- On 27 September 2017, Doğuř Yeni Giriřimler ve Projeler A.ř. has been established.

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- On 7 July 2017, HD Yayıncılık ve Medya Hizmetleri A.Ş. shares was transferred to Güç Radyo Reklam ve Yayıncılık Ticaret A.Ş..

**34.6 Liquidation / merger of entities**

- Doğuş Finance Ukraine, Meiller Doğuş Damper Sanayi ve Ticaret Ltd Şti, Doğuş Prestige and Kanlıca Turizm Sanayi A.Ş. are under liquidation.
- On 9 February 2017, Nusret Limited has been liquidated.
- On 7 March 2017, Doğuş Telekomünikasyon Hizmetleri A.Ş., on 30 June 2017, Ana Mühendislik ve İnşaat Hizmetleri A.Ş., İstinye Park Gayrimenkul Yatırım ve İşletme A.Ş. and D Koruma Güvenlik Hizmetleri A.Ş. have merged with Doğuş Holding A.Ş. under Doğuş Holding A.Ş.
- On 31 May 2017, Günaydın İdealtepe Gurme Gıda Sanayi ve Ticaret A.Ş. and Günaydın Et Şarküteri Ürünleri Gıda Sanayi ve Ticaret A.Ş. have merged under Günaydın Et Sanayi ve Ticaret A.Ş.
- In 2017, Doğuş Oto Mısır LLC and Doğuş Oto Mısır JS have been liquidated.
- On 26 December 2017, Yonca Radyo ve TV Yayıncılık A.Ş. has merged with NTV Radyo ve Televizyon Yayıncılığı A.Ş. under NTV Radyo ve Televizyon Yayıncılığı A.Ş.
- In 2017, World Wide Entertainment Medya Ticaret A.Ş. has been liquidated.
- 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.
- In 2017, Doors Uluslararası Yönetim Danışmanlığı Ticaret A.Ş. has merged with Doors Holding A.Ş. under Doors Holding A.Ş.
- In 2017, Havana Doors Restaurants Management Limited, Havana International BV and Havana International Kooperatif UA have been liquidated.
- In 2017, Viecznada S.L.U. has merged with Villa Magna S.L.U. under Villa Magna S.L.U.

**34.7 Change in structure/title**

- HC International SA changed its legal name as HC International AG.
- HC Trademarks SARL changed its legal name as HC Trademarks GmbH.

**35 Significant events**

- On 2 January 2017, Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Ticaret A.Ş. has purchased an additional 20% shares of MK Holding A.Ş., increasing its shareholding to 90%.
- On 7 January 2017, Bangalore, S.L. has been established as investment company.
- On 31 January 2017, Dogus TRG Inc. (subsidiary of D-Marine Investments Holding B.V.) and D-Marine Investments Holding B.V. have purchased additional 11.46% shares of THRH LLC, Raleigh Club Management LLC, TH Hospitality Management LLC, TRG US IP Co Limited ve TRG International IP Co Limited, increasing its shareholding to 61.47%.
- On February 2017, MB92 has acquired 49% shares of Blohm+ Voss La Ciotat by participating in the capital increase.
- Dream International BV has signed a share purchase and sale agreement with Azumi Limited for Zuma Club LLC (20%), Time Result Investments Limited (38.13%) and Robata Restaurants Limited (10%) total of approximately EUR 30 million. Share transfers were completed on 22 February 2017.
- Doğuş Holding A.Ş. has issued a bond with a starting date of 3 March 2017 and maturity date of 1 March 2019, with a nominal value of TL 350 million to be sold only to qualified investors without being offered to the public.
- Dogus Group has reached an agreement with Banco Bilbao Vizcaya Argentaria, S.A. in relation to the transfer of its shares held in T.Garanti Bankası A.Ş. ("Garanti Bank") having a nominal value of TL 417,900,000 and representing 9.95% of the total issued share capital of Garanti Bank to BBVA (the "Transaction"). As per the agreement between the parties, BBVA shall pay TL 7.95 for each share acquired and the total purchase price shall be TL 3,322,305,000. The payment of the purchase price made in USD based on the exchange rates for the last three business days ending on the business day prior to the completion date. Transaction has been completed on 22 March 2017. The Shareholders' Agreement dated 19 November 2014 has been terminated upon completion of the Transaction.

**35 Significant events (continued)**

- On 27 October 2016, Apollo Investment Holdco SARL ("Apollo", a subsidiary of Jermyn Street Real Estate Fund IV.L.P.) had purchased 88,46% shares of Astir Palace Vouliagmenis S.A. ("Astir"). Apollo submitted a mandatory tender offer on 16 November 2016 for the acquisition of the remaining 11,54% shares which were held by minority shareholders. By the completion of mandatory tender offer and squeeze-out processes, as the date of report, Apollo holds a total of 81.122.516 shares of Astir, which represent 100% of the total paid-up share capital. Further the decision of the Extraordinary General Meeting and upon the approval of the Hellenic Capital Market Commission, Astir has been delisted from the Athens Stock Exchange on 5 July 2017.
- On 16 December 2016, Home Holdings S.A. which is owned by Tourism Enterprises of Messinia S.A. and D-Marine Investments Holdings B.V. had purchased 97,3% shares of Ionian Hotel Enterprises S.A. , the owning Company of Hilton Athens. Following the completion of the mandatory tender offer and squeeze-out processes for the acquisition of minority shares, as the date of report, Home Holdings SA holds a total of 13.404.440 shares which represent 100% of the total paid-up share capital of Ionian Hotel Enterprises S.A. Further to the decision of the Extraordinary General Meeting and upon the approval of the Hellenic Capital Market Commission, Ionian Hotel Enterprises has been delisted from the Athens Stock Exchange on 24 July 2017.
- On 20 April 2017, Doğuş Holding has purchased remaining shares of Hedef Medya Tanıtım ve Interaktif Medya Pazarlama A.Ş. and increased its shareholdings to 100%.
- On May 2017, Boğaziçi Borsa Lokantacılık İşl. San. ve Tic. A.Ş. has purchased Restaurant Craft Ltd., UK based company.
- On 17 July 2017, D Et ve Et Ürünleri Gıda Pazarlama Ticaret A.Ş. has purchased 100% shares of MENG Unlu Mamüller Gıda Sanayi ve Ticaret A.Ş.
- Doğuş Holding A.Ş. issued a bond with a starting date of 31 July 2017 and maturity date of 26 July 2021, with a nominal value of TL 350 million to be sold only to qualified investors without offered to the public.
- On 31 October 2017, Marina Barcelona 92 has purchased 75% shares of CW Finance SAS.
- On 13 September 2017, Nahita Restoran İşletmeciliği ve Yatırım A.Ş. has purchased an additional 40% shares of Aresta Gıda Ticaret ve Sanayi A.Ş. and increased its shareholding to 95%.
- On 18 July 2017, Nahita International Inc. has purchased 80% shares of Liquid Art Boston LLC.
- On 5 May 2017, Doğuş Health and Wellness AG has been established and has purchased Park Weggis in Switzerland. The area of operation of the entity is accommodation.
- On 7 August 2017, Hedef Medya Tanıtım Interaktif Medya Pazarlama A.Ş. has purchased remaining shares of Portakal Yazılım Danışmanlık Reklamcılık ve Yayıncılık Sanayi ve Ticaret A.Ş. and increased its shareholding to 100%.
- Doğuş İnşaat has signed or in the process of signing contracts for the construction of the following projects:

**Başakşehir Kuru Gıda Toptancı Halli Projesi**

Customer	: Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.
Contract Value	: TL 340 million
Contract Date	: 30 January 2017
Doğuş Share	: 60 %
Type	: Başakşehir District Dry Food Wholesaler Site and Construction of Social Facilities, Infrastructure and Environmental Regulation.
Duration	: 800 days

**Çekmeköy – Sancaktepe Metro Project Line**

Customer	: İstanbul Büyükşehir Belediyesi Raylı Sistemler Daire Başkanlığı Anadolu Yakası Raylı Sistem Müdürlüğü
Contract Value	: TL 2.342 million
Contract Date	: 14 April 2017
Doğuş Share	: 60 %
Type	: 10,9 + 6,95 km tunnel construction and 14 stations
Duration	: 1020 days

**Kaynarca – Karasu – Kocaeli Border**

Customer	: Karayolları Genel Müdürlüğü
Contract Value	: TL 371 million
Contract Date	: 12 July 2017
Doğuş Share	: 100 %
Type	: Soil, bridge,tunnel and superstructure construction
Duration	: 750 days

**35 Significant events (continued)****Kayaş Yerköy High Speed Train Project**

Customer	: T.C. Devlet Demir Yolları İşletmesi Genel Müdürlüğü
Contract Value	: TL 779 million
Contract Date	: 20 November 2017
Doğuş Share	: 100 %
Type	: Km: 12 + 263 Km: 184 + 400 superstructure and electromechanical works
Duration	: 540 days

**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. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values and have been determined on a provisional basis.

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	<u>132.511</u>

**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	<u>25.218</u>

**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)
<b>Goodwill</b>	<u><b>107.293</b></u>
Cash consideration transferred	78.452
Cash and cash equivalents acquired	(11.424)
Net cash outflow arising on acquisition	<u>67.028</u>

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.

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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".

The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values and have been determined on a provisional basis.

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
<b>Total</b>	<b>147.632</b>
<b>Identifiable assets acquired and liabilities assumed</b>	
Property and equipment	15.563
Intangible assets	25.030
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	(26.861)
Total net identifiable assets	32.362

**Goodwill**

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)
<b>Goodwill</b>	<b>124.562</b>

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.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***36 Acquisition of subsidiaries and non-controlling interests (continued)****Acquisition in 2016****36.3 Acquisition of Vieznada, S.L.U and Hotel Villa Magna S.L.U**

With the share transfer agreement dated 1 March 2016, the Group purchased 100 percent of shares of Vieznada, S.L.U. and Hotel Villa Magna, S.L.U. and on 1 March 2016 the Group obtained the control and 100 percent voting rights in Vieznada, S.L.U. and Hotel Villa Magna, S.L.U.

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

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

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	579.327
Total purchase consideration	<u>579.327</u>

**Identifiable assets acquired and liabilities assumed**

Property and equipment	606.455
Intangible assets	43.221
Trade receivables	2.068
Other non current assets	2.910
Other current assets	1.142
Inventories	1.679
Deferred tax assets	12.046
Cash and cash equivalents	9.708
Other current liabilities	(9.731)
Other non-current liabilities	(16.018)
Deferred tax liability	(104.400)
Total net identifiable assets	<u>549.080</u>

**Goodwill**

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

Total consideration transferred	579.327
Less: Value of net identifiable assets	(549.080)
<b>Goodwill</b>	<u><b>30.247</b></u>

Cash consideration transferred	579.327
Cash and cash equivalents acquired	(9.708)
Net cash outflow arising on acquisition	<u>569.619</u>

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

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***36 Acquisition of subsidiaries and non-controlling interests (continued)****Acquisition in 2016 (continued)****36.4 Acquisition of Mercati S.p.A**

The Group signed a share purchased agreement on 30 December 2015 to acquire 100 percent of shares of Mercati S.p.A. and on 18 January 2016, the Group obtained the control and 100 percent voting rights in Mercati S.p.A. which own and operate the Aldrovandi Hotel in Rome, Italy.

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

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	270.659
Total purchase consideration	<u>270.659</u>

**Identifiable assets acquired and liabilities assumed**

Property and equipment	329.576
Intangible assets	17.812
Trade receivables	8.573
Deferred tax assets	1.204
Other non-current assets	296
Other current assets	1.545
Cash and cash equivalents	316
Inventories	687
Short term portion of long term borrowings	(7.010)
Due to related parties	(620)
Other current liabilities	(34.123)
Long term borrowings	(13.868)
Other non-current liabilities	(13.729)
Deferred tax liabilities	(81.068)
Total net identifiable assets	<u>209.591</u>

**Goodwill**

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

Total consideration transferred	270.659
Less: Value of net identifiable assets	<u>(209.591)</u>
<b>Goodwill</b>	<b><u>61.068</u></b>

Cash consideration transferred	270.659
Cash and cash equivalents acquired	<u>(316)</u>
Net cash outflow arising on acquisition	<u>270.343</u>

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

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On 23 May 2016, the Group has purchased an additional 49 percent of shares of Acropolis S.p.A. for TL 151.053 thousand. Following the completion of the additional share purchases, Acropolis S.p.A. was considered as a "Subsidiary" with 100% of the voting rights held by the Group and was included by using the full consolidation method in the consolidated financial statements of the Group dated 31 December 2016.

The additional share purchase transaction was considered as "change of control" within the framework of the provisions of IFRS 3 "Business Combinations". Accordingly, a goodwill amounting to TL 28.234 thousand resulting from the purchase of additional 49% of shares was recognised and the difference amounting to TL 1.069 thousand resulting from the recognition of the existing 51% shares at their fair value, profit or loss in the "gains and losses from investment activities" account.

The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

The calculation of profit/loss resulting from the change of control and information regarding the net assets controlled are as follows:

Consideration paid for additional share purchase (49%)	151.053
Consideration payable	3.340
Fair value of shares held before purchase (51%)	131.308
<b>Total</b>	<b>285.701</b>
Fair value of net assets controlled (100%)	(257.467)
<b>Goodwill</b>	<b>28.234</b>
Carrying value of shares held before purchase (51%) (Note 16)	130.239
Fair value of shares held before purchase (51%)	131.308
<b>Gain</b>	<b>1.069</b>

The fair values (100%) of controlled identifiable assets and liabilities following the additional share purchase in accordance with IFRS 3 are as follows:

**Identifiable assets acquired and liabilities assumed**

Property and equipment	367.280
Intangible assets	15.542
Other non-current assets	2.787
Cash and cash equivalents	131
Trade receivables	622
Due from related parties	12.565
Inventories	7.951
Other current assets	1.748
Long term bank borrowings	(28.942)
Other non-current liabilities	(1.810)
Due to related parties	(8.791)
Trade payables	(5.358)
Short term bank borrowings	(21.597)
Short term portion of long term bank borrowings	(10.385)
Other current liabilities	(8.440)
Deferred tax liabilities	(65.836)
<b>Total net identifiable assets</b>	<b>257.467</b>

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***36 Acquisition of subsidiaries and non-controlling interests (continued)****Acquisition in 2016 (continued)****36.5 Acquisition of additional interests of Acropolis S.p.A (continued)**

Cash consideration transferred	151.053
Cash and cash equivalents acquired	(131)
Net cash outflow arising on acquisition	<u>150.922</u>

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

**36.6 Acquisition of Semanticum Bilişim San. ve Tic. A.Ş.**

With the share transfer agreement dated 18 February 2016, Hedef Medya Tanıtım İnteraktif Medya Pazarlama A.Ş. purchased 60 percent of shares of Semanticum Bilişim San. ve Tic. A.Ş. and on 18 February 2016, Hedef Medya Tanıtım İnteraktif Medya Pazarlama A.Ş. obtained the control and 60 percent voting rights in Semanticum Bilişim San. ve Tic. A.Ş.

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

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

**Consideration transferred**

Cash paid	1.649
Total purchase consideration	<u>1.649</u>

**Identifiable assets acquired and liabilities assumed**

Property and equipment	98
Trade receivables	436
Other current assets	19
Cash and cash equivalents	110
Other current liabilities	(35)
Short term bank borrowings	(1)
Trade payables	(18)
Total net identifiable assets	<u>609</u>

**Goodwill**

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

Total consideration transferred	1.649
Non-controlling interest based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquire	244
Less: Value of net identifiable assets	(609)
<b>Goodwill</b>	<u><b>1.284</b></u>
Cash consideration transferred	1.649
Cash and cash equivalents acquired	(110)
Net cash outflow arising on acquisition	<u>1.539</u>

The goodwill is mainly attributable to the deal rationale of the Group's ambition to acquire a strong growing brand which is engaged in social media informatics.

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

<b>Subsidiary</b>	<b>Non-controlling interest</b>	<b>Net profit attributable to non-controlling interests</b>	<b>Accumulated non-controlling interests</b>	<b>Dividend paid to non-controlling interests</b>
31 December 2017	26,94%	61.328	368.202	--
31 December 2016	26,94%	74.071	267.066	74.393

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

<b>Assets</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
Cash and cash equivalents	156.266	89.098
Current trade receivables	1.375.334	1.213.786
Other current assets	1.662.667	1.837.514
Non-current assets	1.972.615	1.711.456
<b>Total assets</b>	<b>5.166.882</b>	<b>4.851.854</b>
Short-term loans and borrowings	2.959.896	2.446.084
Current trade payables	633.545	770.675
Other current liabilities	198.621	468.487
Long-term loans and borrowings	11.106	28.172
Other non-current liabilities	36.269	19.723
<b>Total liabilities</b>	<b>3.839.437</b>	<b>3.733.141</b>
<b>Total equity</b>	<b>1.327.445</b>	<b>1.118.713</b>
<b>Total liabilities and equity</b>	<b>5.166.882</b>	<b>4.851.854</b>
Revenue	13.220.361	11.925.176
Cost of sales	(11.919.377)	(10.772.300)
Operating profit	474.034	425.956
Profit before tax	226.129	275.132
<b>Profit for the year</b>	<b>183.719</b>	<b>237.943</b>

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**Notes to Consolidated Financial Statements**  
**As at and for the Year Ended 31 December 2017***(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. As at 31 December 2016, cash and cash equivalents and borrowings from related parties are comprised of Garanti Bank's subsidiaries of the Group's Subsidiaries.

**38.1 Related party balances**

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

	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 current assets	4.516	--	4.516
Other current liabilities	--	25.750	25.750

	2016		
	Joint Ventures	Other (*)	Total
Trade receivables - due from related parties	43.764	842.058	885.822
Cash and cash equivalents	--	319.818	319.818
Long-term loans and borrowings	--	1.633.550	1.633.550
Trade payables - due to related parties	20.092	32.388	52.480
Other current liabilities	22	--	22
Short-term loans and borrowings	67.155	--	67.155
Letters of guarantees	--	388.860	388.860
Letters of credit	--	2.564	2.564
Other guarantees	--	324.778	324.778
Nominal value related with derivative transactions	--	843.120	843.120

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

As at 31 December 2017, TL 1.106.520 thousand of trade receivables (31 December 2016: TL 723.684 thousand) is composed of balances due to the factoring receivables of DOAŞ from VDF Factoring, TL 89 thousand of trade receivables from VDF Filo Kiralama A.Ş.; TL 23.434 thousand of trade payables (31 December 2016: TL 28.254 thousand) is composed of balances due to vehicle purchases of Yüce Oto from DOAŞ.

No impairment losses have been recognised against balances outstanding as at 31 December 2017 (31 December 2016: None) and no specific allowance has been made for impairment losses on balances with the related parties.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***38 Related party disclosures (continued)****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:

	2017		
	<i>Joint Ventures</i>	<i>Other (*)</i>	<i>Total</i>
Revenue	12.167	162.606	174.773
Sales discount	--	(47.955)	(47.955)
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)

	2016		
	<i>Joint Ventures</i>	<i>Other (*)</i>	<i>Total</i>
Revenue	5.739	67.715	73.454
Sales discount	--	(73.117)	(73.117)
Cost of sales	(21)	(2)	(23)
Administrative expenses	(63)	(257)	(320)
Selling, marketing and distribution expenses	(261)	(4.295)	(4.556)
Net finance income / (expenses)	3.198	(64.004)	(60.806)
Other operating income	46.264	30.464	76.728
Other operating expenses	(31.708)	(16.174)	(47.882)

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

For the years ended 31 December, majority transactions of the Group with its related parties comprises electricity sales income and expenses, and product sales of VDF Filo.

**38.3 Transactions with key management personnel**

On a consolidated basis, key management costs included in administrative expenses for the year ended 31 December 2017 amounted to TL 302,436 thousand (31 December 2016: TL 288,554 thousand).

### 39 Subsequent events

**39.1** On 2 March 2018, share sale agreement was signed with Discovery Medya Hizmetleri Limited Şirketi for the sale of the terrestrial broadcast frequency which is broadcasting on the Ntvspor logo.

**39.2** On 28 February 2018, Günaydın Et Sanayi ve Ticaret A.Ş. and Günaydın İstanbul Merkez Gıda Turizm Ticaret A.Ş. have merged under Günaydın Et Sanayi ve Ticaret A.Ş.

**39.3** Doğuş S.A. has been liquidated.

**39.4** D.ream International Coop., 99,9% owned subsidiary of Nahita Restoran İşletmeciliği ve Yatırım A.Ş. sold 17,34% shares of it's wholly owned subsidiary D.ream International B.V for USD 200 million to Singapore based investment company Temasek and United Kingdom based private equity firm Metric Capital Partners LLP in accordance with the Share Purchase Agreement dated 13 March 2018. D.ream International B.V has Azumi Group (Zuma, Roka, Oblix, Inko Nito), Nusr-Et, Coya and Paraguas under its portfolio.

### 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

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its 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 2017 comparatively with the consolidated statement of financial position as at 31 December 2016, and the consolidated profit or loss statement, the consolidated statement of other comprehensive income, the consolidated statements of cash flows and changes in equity for the year ended 31 December 2017 comparative to the year ended 31 December 2016.

#### **Reclassifications to the consolidated financial statements as at and for the year ended 31 December 2016:**

- Derivative financial instruments, previously presented in short term derivative financial instruments amounting to TL 91.987 thousand has been presented as long term derivative financial instruments.
- Financial investments, previously presented in long term financial investments amounting to TL 192.725 thousand has been presented as short term financial investments.
- OEM price difference accruals, previously presented in account receivables amounting to TL 85.176 thousand has been presented as other current assets.

During the preparation of the consolidated statement of cash flows, reclassifications which are explained above were taken into consideration. In addition, own shares reacquired by DOAŞ and Doğuş GYO from stock exchange market, which are shown in the consolidated statement of cash flows table year ended 31 December 2016, has been classified in payments to acquire entity's shares or other equity instruments.

## 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.

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.

### ***(ii) 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.

### ***(vi) Associates (Equity-accounted investees)***

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.

**42 Significant accounting policies (continued)****(a) Basis of consolidation (continued)****(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.

**(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 and US Dollar / TL, GBP/TL, AED/TL as of the related periods are as follows:

	31 December 2017	31 December 2016
EURO / TL	4,5155	3,7099
US Dollar / TL	3,7719	3,5192
GBP / TL	5,0803	4,3189
AED / TL	1,0278	0,8068

## 42 Significant accounting policies (continued)

### (b) Foreign currency (continued)

#### (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.

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

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

#### (i) Non-derivative financial assets and financial liabilities - Recognition and derecognition

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 42 Significant accounting policies (continued)

### (c) Financial Instruments (continued)

#### (ii) Non-derivative financial assets- measurement

##### *Financial assets at fair value through profit or loss*

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

##### *Held to maturity financial assets*

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method less and impairment losses. The Company and its subsidiaries do not have any held to maturity financial assets as at 31 December 2017 and 2016.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables, including service concession receivables, and due from related parties.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, bank deposits and other liquid assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories of financial assets. The Group's investments in certain debt and equity instruments are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 42(i)) and foreign currency differences on available-for-sale equity instruments (see note 42(b)(i)), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an instrument is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Accounting for interest income and expenses is discussed in note 42 (o).

##### *Service concession arrangements*

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition the financial assets are measured at amortised cost.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration received or receivable is accounted for separately and is recognised initially at the fair value of the consideration received or receivable (see also note 42(e) (ii)).

##### *Other*

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses (see accounting policy 42(i)).

#### (iii) Non-derivative financial liabilities-measurement

The Group classifies its non-derivative financial liabilities into other financial liabilities which comprise loans and borrowings, trade and other payables, and due to related parties. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

## 42 Significant accounting policies (continued)

### (c) Financial instruments (continued)

#### (iv) Derivative financial instruments including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

#### Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in profit or loss and other comprehensive income.

#### Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

### (v) Share capital

#### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### Repurchase, disposal and reissue of share capital (Treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

### (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.

**42 Significant accounting policies (continued)****(d) Property and equipment (continued)****(I) Recognition and measurement (continued)**

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.

**(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, useful lives are reviewed at each reporting date and adjusted if appropriate.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Notes to Consolidated Financial Statements****As at and for the Year Ended 31 December 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***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. 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 Işıl Televizyon Yayıncılık Anonim Şirketi 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 Villa Magna, Aldrovandi and Coya in 2017, Capri in 2016, Masa, Mora, Darphane in 2015, Argos in Cappadocia, Villa Dubrovnik and Günaydın in 2014, Mezzaluna, Lacivert, Ulus 29, Çubuklu 29, Maki 29, Alaçatı 29, Babylon, Maçakızı and Sait acquired in 2013, Da Mario, Gina, Go Mongo, Kivahan, Kitchenette, Nusr-et, Tom's Kitchen 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.

**(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.

## 42 Significant accounting policies (continued)

### (e) Intangible assets and goodwill (continued)

#### (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.

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 (I)(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.

## 42 Significant accounting policies (continued)

### (h) Construction contracts in progress (continued)

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.

### (i) Impairment

#### (i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

#### Available-for sale financial assets

Impairment losses on available-for-sale investment securities are recognised by reclassifying the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

For an investment in unquoted equity instruments carried at cost because their fair value cannot be measured reliably, impairment losses is not reversed.

#### Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (Loans and receivables and held to maturity investments) at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

**42 Significant accounting policies (continued)****(I) Impairment (continued)****(ii) 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 recognised.

**(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:

	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>
Discount rate	3,95	4,30
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.

**(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.

**42 Significant accounting policies (continued)****(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.

**(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****(i) Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

**(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)

### (I) 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.

#### (viii) Revenue from sales of cars and spare parts

Revenue from the sales of cars, 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 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. Significant risks and rewards are transferred to the buyer when the goods or ownership of goods passed to the buyer.

When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between nominal value and fair value of sales amount is recognised in other operating income.

**42 Significant accounting policies (continued)****(I) Revenue and cost recognition (continued)****(ix) 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.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. Revenue from services rendered is recognised in profit or loss on an accrual basis at the reporting date.

**(x) Research and development costs**

Expenditure on research activities is recognised in profit or loss when incurred.

**(xi) 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 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.

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.

## 42 Significant accounting policies (continued)

### (p) Income tax (continued)

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 foreseeable 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.

### (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.

**42 Significant accounting policies (continued)****(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) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2017, and have not been applied in preparing these consolidated financial statements.

**IFRS 9 Financial Instruments**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 "Financial Instruments: Recognition and Measurement". It also carries forward the guidance on recognition, classification, measurement and derecognition of financial instruments from IAS 39 to IFRS 9. The last version of IFRS 9 includes a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements and also includes guidance issued in previous versions of IFRS 9. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

**IFRS 15 Revenue from Contracts with customers**

The new standard replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating performance obligations for goods and services in a contract and recognition of revenue over time. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

**Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions**

IFRS 2 Share-Based Payment has been amended by IASB to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted. The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.

**Annual Improvements to IFRSs 2014-2016 Cycle****IFRS 1 "First Time Adoption of International Financial Reporting Standards"**

IFRS 1 is amended to the outdated short-term exemptions for first-time adopters are removed within the context of 'Annual Improvements to IFRSs 2012-2014 Cycle' related to disclosures for financial instruments, employee benefits and consolidation of investment entities.

**IAS 28 "Investments in Associates and Joint Ventures"**

The amendment enable when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9.

## 42 Significant accounting policies (continued)

### (u) New standards and interpretations not yet adopted (continued)

#### 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 in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

#### 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 in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

#### IFRIC 22 - Foreign Currency Transactions and Advance Consideration

On 8 December 2016, IASB issued IFRIC 22 Foreign Currency Transactions and Advance Consideration to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

#### 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 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 in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

#### IAS 40 - Transfers of Investment Property

Amendments to IAS 40 - Transfers of Investment Property issued by IASB have been made to clarify uncertainty about that provide evidence of transfer of /from investment property to other asset groups. A change in management's intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognised (eliminated from the statement of consolidated financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

## 42 Significant accounting policies (continued)

### (u) New standards and interpretations not yet adopted (continued)

#### IFRIC 23 –Uncertainty over Income Tax Treatments<sup>7</sup> Statement of Cash Flows – Disclosure Initiative

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 in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group

#### Annual Improvements to IFRSs 2015-2017 Cycle

##### Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2015-2017 Cycle for applicable standards. 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.

##### 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.

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 3,7719 TL/USD prevailing on 31 December 2017. For the prior year's consolidated financial statements, USD amounts are translated from TL consolidated financial statements using the official TL exchange rate of 3,5192 TL/USD prevailing on 31 December 2016.

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.

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**As at 31 December 2017 Consolidated Statement of Financial**  
**Position** *(Amounts expressed in thousands of USD)*

Appendix I.1

	31 December 2017	31 December 2016
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	548.647	400.188
Other investments, including derivatives	70.016	54.788
Trade receivables	971.753	873.364
- Due from related parties	321.640	251.711
- Due from third parties	650.113	621.653
Inventories	487.939	570.096
Prepayments	55.276	55.331
Other current assets	294.126	236.322
<b>Subtotal</b>	<b>2.427.757</b>	<b>2.190.089</b>
Assets held for sale	29.173	18.637
<b>Total current assets</b>	<b>2.456.930</b>	<b>2.208.726</b>
<b>Non-Current Assets:</b>		
Trade receivables	73.414	67.536
- Due from related parties	73.414	67.536
Investments in equity accounted investees	958.075	2.030.054
Investment property	2.034.801	1.806.747
Property and equipment	2.844.947	2.647.243
Intangible assets	815.569	776.408
- Goodwill	349.146	304.712
- Intangible assets	466.423	471.696
Prepayments	49.263	49.121
Deferred tax assets	260.136	179.600
Other non-current assets	194.958	171.798
<b>Total non-current assets</b>	<b>7.231.163</b>	<b>7.728.507</b>
<b>TOTAL ASSETS</b>	<b>9.688.093</b>	<b>9.937.233</b>

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**As at 31 December 2017 Consolidated Statement of Financial**  
**Position (continued)** (Amounts expressed in thousands of USD)

Appendix I.1

	31 December 2017	31 December 2016
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Short term loans and borrowings	1.213.238	994.269
Short term portion of long term loans and borrowings	822.430	992.016
Trade payables	533.430	556.747
- Due to related parties	11.470	14.912
- Due to third parties	521.960	541.835
Current tax liabilities	10.871	3.384
Provisions	42.921	43.909
- Employee benefits	12.435	14.180
- Other provisions	30.486	29.729
Other current liabilities	167.088	163.126
<b>Total current liabilities</b>	<b>2.790.008</b>	<b>2.753.451</b>
<b>Non-Current Liabilities:</b>		
Loans and borrowings	4.420.619	4.058.652
Derivative instruments	73.962	26.139
Trade payables	--	166
- Due to related parties	--	166
Provisions	39.058	33.371
- Employee benefits	35.056	29.783
- Other provisions	4.002	3.588
Deferred tax liabilities	237.392	211.806
Other non-current liabilities	300.817	239.665
<b>Total non-current liabilities</b>	<b>5.071.848</b>	<b>4.569.799</b>
<b>TOTAL LIABILITIES</b>	<b>7.861.856</b>	<b>7.323.250</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company:</b>		
Share capital	226.948	243.245
Adjustments to share capital	400.884	429.670
Capital stock held by subsidiaries (-)	(25.062)	(26.862)
Share premium	44.377	47.563
Other comprehensive income items that will never be classified to profit or loss	645.230	650.286
Other comprehensive income items that are or may be classified to profit or loss	60.893	87.560
Restricted reserves	1.130.203	1.242.882
Retained earnings	(238.166)	333.490
Loss for the year	(637.573)	(604.138)
<b>Total equity attributable to owners of the Company</b>	<b>1.607.734</b>	<b>2.403.696</b>
<b>Non-controlling interests</b>		
Şahenk family	23.228	51.180
Other	195.275	159.107
<b>Total non-controlling interests</b>	<b>218.503</b>	<b>210.287</b>
<b>TOTAL EQUITY</b>	<b>1.826.237</b>	<b>2.613.983</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9.688.093</b>	<b>9.937.233</b>

**DOĞUŞ HOLDING ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**Consolidated Statement of Profit or**  
**Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2017** *(Amounts expressed in thousands of USD)*  
*Appendix I.2*

	<u>2017</u>	<u>2016</u>
<b>PROFIT OR LOSS</b>		
Revenue	5.403.943	4.989.720
Cost of sales (-)	(4.757.935)	(4.508.273)
<b>Gross profit</b>	<b>646.008</b>	<b>481.447</b>
Administrative expenses (-)	(445.902)	(443.903)
Selling, marketing and distribution expenses (-)	(209.370)	(196.332)
Other operating income	141.597	140.703
Other operating expenses (-)	(64.106)	(64.924)
Share of profit of equity accounted investees, net of tax	1.120	119.496
<b>Operating profit</b>	<b>69.347</b>	<b>36.487</b>
Gains from investing activities	32.312	7.586
Losses from investing activities (-)	(100.234)	(3.108)
<b>Profit before net finance cost</b>	<b>1.425</b>	<b>40.965</b>
Finance income	346.533	307.892
Finance cost (-)	(998.713)	(978.487)
<b>Loss before tax</b>	<b>(650.755)</b>	<b>(629.630)</b>
Tax income / (expense) from continuing operations		
- Current tax expense	(55.380)	(33.755)
- Deferred tax income	99.340	86.867
<b>Loss for the year</b>	<b>(606.795)</b>	<b>(576.518)</b>
<b>Profit attributable to:</b>		
Non-controlling interests	30.778	27.620
- Şahenk family	1.132	8.232
- Other	29.646	19.388
Owners of the Company	(637.573)	(604.138)
	<b>(606.795)</b>	<b>(576.518)</b>
<b>Loss per share (full USD)</b>	<b>(0,74)</b>	<b>(0,71)</b>

**DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**Consolidated Statement of Profit or**  
**Loss and Other Comprehensive Income (continued)**  
**For the Year Ended 31 December 2017** (Amounts expressed in thousands of USD)  
*Appendix I.2*

	<u>2017</u>	<u>2016</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to profit or loss:</b>	<b>94.350</b>	<b>16.172</b>
Revaluation of property and equipment	130.313	14.076
Remeasurements of defined benefit liability	(5.135)	(2.621)
Tax on items that will not be reclassified to profit or loss:		
- <i>Deferred tax</i>	(39.065)	(180)
Other comprehensive income from equity accounted investees, net of tax	8.237	4.897
<b>Items that are or may be reclassified to profit or loss:</b>	<b>(13.362)</b>	<b>20.733</b>
Foreign currency translation differences for foreign operations	9.775	44.596
Changes in fair value of available for sale financial assets	41	(162)
Net investment hedge for foreign operations	(102.164)	(78.266)
Tax on items that are or may be reclassified to profit or loss:		
- <i>Current tax</i>	20.433	15.653
- <i>Deferred tax</i>	(62)	--
Other comprehensive income from equity accounted investees, net of tax	58.615	38.912
<b>OTHER COMPREHENSIVE INCOME</b>	<b>80.988</b>	<b>36.905</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(525.807)</b>	<b>(539.613)</b>
<b>Total comprehensive income attributable to:</b>		
Non-controlling interests	45.965	31.824
- <i>Şahenk Family</i>	2.134	8.317
- <i>Other</i>	43.831	23.507
Owners of the Company	(571.772)	(571.437)
	<b>(525.807)</b>	<b>(539.613)</b>