

Corporate Governance Principles Compliance Report
Information on the Capital Structure and Stocks
Dividend Distribution Proposal
Dividend Distribution Table
Audit Report

Corporate Governance Principles Compliance Report

The Corporate Governance Principles as published by the Capital Markets Board of Turkey have been implemented in parallel with the explanations provided hereinbelow at 'Doğu Otomotiv Servis ve Ticaret Anonim Şirketi' (Doğu Otomotiv Service and Trade Corporation) in the fiscal year ended December 31, 2007.

1. SHAREHOLDERS

1.1. Shareholders Relations Unit

Relations with shareholders are carried out by the Investor Relations Department in our Company.

Investor Relations Department
Department Director
Dr. İ. Berk Çağdaş

Investor Relations Manager
Nur Atasoy

Phone : +90 212 335 37 22
Fax : +90 212 285 40 31
E-mail : investorrelations@dogusotomotiv.com.tr
natasoy@dogusotomotiv.com.tr

1.2. Shareholders' Exercising Their Right to Obtain Information

All queries and applications received from shareholders during the reporting period have been responded to by phone, e-mail or one-to-one meetings without any discrimination. Phone calls were received from over 100 different individuals to whom information was provided upon their request at various times during the reporting period. In addition, more than 200 written applications (by e-mail and fax) were received, upon which the requested information was provided to related parties. During the reporting period, a total of 238 one-to-one meetings, 8 teleconferences with multiple participants and 3 analyst meetings were held to provide information to 246 individual and corporate investors and shareholders. All information deemed necessary for shareholders is made available on the Doğu Otomotiv website and regularly updated. The Company's articles of association contain no provisions stipulating the appointment of a Special Auditor as an individual right. Shareholders did not request appointment of a Special Auditor in 2007.

1.3. Information on General Assembly Meetings

During the 2007 fiscal year, our Company held two Ordinary General Assembly Meetings, one of which was concerning the activities in 2006 and the other was the Ordinary General Assembly Meeting where the decision to merge with Katalonya Oto Servis ve Ticaret A.Ş. through a share transfer was taken.

A meeting was held on March 29, 2007 at 11:00 a.m. at the Hyatt Regency Hotel (address of Taşkılla Caddesi No: 1 Taksim, İstanbul). From out of the total of 110,000,000 shares, corresponding to a total share capital of TRY 110,000,000.00, none of the shareholders were represented personally in the meeting, and 72,845,179 shares, corresponding to a share capital of TRY 72,845,179.00, were represented in proxy. Stakeholders and media representatives participated at the said General Assembly Meeting. Invitations for the meeting, in the manner set forth by the Law and the Articles of Association and including the timetable, were completed on time with announcements published in the Turkish Trade Registry Gazette dated March 9, 2007 and no. 6762, and in national editions of the Sabah and Radikal newspapers dated March 12, 2007.

Corporate Governance Principles Compliance Report

At the meeting held on September 25, 2007 at 3:00 p.m. in Doğuş Grubu Binaları, Büyükdere Caddesi, No: 65, Maslak, Şişli, İstanbul, of the total of 110,000,000 shares, corresponding to a total share capital of TRY 110,000,000.00, none of the shareholders were represented personally, although shareholders owning 72,379,904 shares, corresponding to a share capital of TRY 72,379,904.00 were represented in proxy. Stakeholders and media representatives participated at the said General Assembly Meeting. Invitations for the meeting, in the manner set forth by the Law and the Articles of Association and including the timetable, were completed on time with announcements published in the Turkish Trade Registry Gazette dated September 10, 2007 and issue no. 6891, and in national editions of the Sabah and Radikal newspapers dated September 6, 2007.

In order to facilitate participation at the General Assembly Meeting, the invitation was announced in national newspapers.

Minutes of the General Assembly Meeting are accessible at all times by our shareholders on our website and are also made available for examination at the Company headquarters.

1.4. Voting Rights and Minority Rights

All of the Company's share certificates are bearer certificates and grant no rights for participating in the Company profit or voting privilege.

1.5. Dividend Distribution Policy and Timing

Our Company publicly disclosed its dividend distribution policy, explained hereinbelow and covered in our articles of association, via the Public Offering Circular and Prospectus. Based on this policy:

Net Profit of the Company

The net profit of the Company is calculated according to the Company's revenues generated from ordinary activities and extraordinary revenues and profits, less those expenses incurred in relation to such activities, depreciation and extraordinary expenses, less corporate tax and similar compulsory taxes and fund payments. Net profit, less previous years' losses, if any, is distributed in the order and manner set out below:

First Legal Reserves

Pursuant to Article 466 of the Turkish Commercial Code, 5% of the net profit shall be set aside as first legal reserve until it reaches 1/5th of the paid-in capital of the Company.

First Dividend

A first dividend shall be set aside in the ratio and in the amount taking into consideration Article 15 of the Capital Market Law and in accordance with the relevant Capital Markets Board (CMB) regulations.

However, a minimum of 50% of the distributable profit that might arise in the financial statements pertaining to the years 2004, 2005, 2006, 2007 and 2008 shall be distributed in cash or in share certificates added to the share capital pursuant to applicable legislation.

Dividends to be Distributed to Board Members

After the completion of the above mentioned deductions, the General Assembly may distribute an amount up to 4% of the distributable profit to the chairman and the members of the Board of Directors, without prejudice to the amount of first dividend.

Dividends to be Distributed to the Personnel

After the aforementioned deductions have been completed, the General Assembly may distribute an amount up to 4% of the distributable profit to personnel, without prejudice to the amount of first dividend.

Corporate Governance Principles Compliance Report

Second Dividend

After the amounts mentioned above shall have been deducted from the net profit, the remaining portion may either be distributed, in part or in whole, as a second dividend, or may be set aside as extraordinary reserves.

Second Legal Reserve

The second legal reserve shall be set aside pursuant to Article 466, paragraph 3 of the Turkish Commercial Code.

Principles Related to Distribution

i. Unless the legal reserves have been set aside as legally stipulated and unless the first dividend determined for shareholders in the articles of associations has been distributed in cash and/or in share certificates, in accordance with the means allowed and requirements imposed by the Capital Market regulations, the provisions of the applicable legislation shall be fully adhered to. These stipulate that no decision may be taken to set aside further reserves, to carry over profit to the following year or to distribute dividends to privileged shareholders, holders of participating shares, founder's shares and ordinary bonus certificates to members of the board of directors or to officers, janitors and workers, to foundations established for various purposes and to such persons and/or establishments.

ii. Dividends are distributed equally to all shares existing as of the fiscal year, irrespective of their dates of issue and acquisition.

iii. Regulations that are already or will in the future be issued by the Capital Markets Board of Turkey in relation to dividend distribution shall be abided by.

1.6. Transfer of Shares

The Company's articles of association contain no provisions restricting the transfer of shareholding interests.

2. PUBLIC DISCLOSURE AND TRANSPARENCY

2.1. Doğu Otomotiv Disclosure Policy

The Company formulated a disclosure policy as stated in Section II, Article 1.2.2 of the Corporate Governance Principles. The aim of the policy is to ensure necessary information flow in line with public disclosure and transparency criteria in a timely, accurate, complete, intelligible, interpretable, and easily accessible manner. The disclosure policy is carried out and coordinated to cover organization of meetings open to public, execution of relations with investors and shareholders and to keep customers informed. The Company's disclosure policy is executed by the Chairman, Mr. Aclan Acar, or person(s) to be authorized thereby.

The Company regards implementations oriented towards individual, corporate investors and shareholders, in addition to those geared towards its principal shareholders as a whole. In keeping with Corporate Governance Principles, the disclosure policy of the Company is established on the foundations of adherence to capital market regulations and sound relations with capital market institutions, responding to queries for information from shareholders and investors, ensuring exercise of shareholding rights as well as providing information flow, particularly in relation to General Assembly matters employing various means including the website and ensuring necessary coordination related thereto.

The Company holds biannual meetings for the purpose of keeping investors informed. Performance of the market in sectors where we operate, the Company's market share, sales figures and revenues and periodic and cumulative profit/loss data are disclosed to our investors during these meetings. In a bid to provide in-depth knowledge of the Company's activities to both individual and corporate investors and shareholders, information is also offered during visits to the showroom and logistics center. In addition, the Company shares details of major projects and other information which is required to be disclosed to our investors through the mass media. All kinds of information relating to meetings are also made accessible on our website.

Corporate Governance Principles Compliance Report

The Ordinary General Assembly Meeting is convened every year in March, with full efforts expended to facilitate participation of our shareholders at the General Assembly. The Company's annual reports are prepared in a form and content in compliance with legal regulations and made available in printed form, as well as on the Internet. Periodic financial statements and reports, drawn up in accordance with the CMB legislation and IFRS regulations, are first submitted to the Istanbul Stock Exchange (ISE), published and then made available on the Internet. Financial reports are also delivered to establishments, enterprises or persons upon their request. The Company operates an active and up-to-date website accessible at www.dogusotomotiv.com.tr.

2.2. Disclosure of Material Events

In 2007, the Company made 43 material event disclosures. Additional information was provided on two occasions during the reporting period. The Company shares are not quoted on international stock markets.

2.3. Company Website and Its Content

Within the scope of public disclosure, the Company posts trade register information, the latest shareholding structure, the board of directors, privileged shares, the latest version of the articles of association, annual reports, material event disclosures, informative presentations for investors, periodical financial statements and reports, prospectuses and public offering circulars, agendas, lists of participants and minutes of general assembly meetings, and form for proxy voting on its website accessible at www.dogusotomotiv.com.tr.

2.4. Disclosure of Non-corporate Ultimate Shareholder(s) Having a Controlling Interest

There are no non-corporate shareholders of the Company. However, non-corporate shareholders, after eliminating the effects of indirect ownership, were disclosed in the public offering prospectus issued in 2004, and the level of public awareness was deemed to be such that further disclosures on this matter were not necessary.

2.5. Public Disclosure of Those Who May Have Access to Insider Information

The list of those who may have access to insider information is publicly disclosed in the organization chart contained under the organization chart heading in the annual report.

3. STAKEHOLDERS

3.1. Keeping Stakeholders Informed

Doğuş Otomotiv Group stakeholders, namely the customers, shareholders, employees, suppliers, governmental and social milieu, are informed on topics that are of relevance to them. The process of informing takes place through presenting disclosures of Material Events made to the ISE, the minutes of general assemblies convened, reports of independent auditors and financial statements, presentations made to individual and corporate investors and reports drawn up about the company by third parties through press releases and posting them on our website. Employees are informed of company-related issues via the intranet developed specifically for them. In addition, queries or requests received by phone are taken into consideration and relevant information is provided accordingly.

3.2. Stakeholder Participation in Management

Work on terms of addressing the Corporate Governance Principles with regard to stakeholder participation in management is ongoing. Employees are involved in the decision-making mechanisms within the frame of their powers and responsibilities; in addition, online platforms are established through which they are able to share their suggestions and opinions. Meetings are held at certain periods with our authorized dealers and suppliers, who are our stakeholders. These meetings serve as a tool to hear their demands, suggestions and opinions first-hand. Our shareholders other than our controlling shareholders who directly participate in management take part in the management via the General Assembly Meetings convened.

Corporate Governance Principles Compliance Report

3.3. Human Resources Policy

Doğu Otomotiv's strength originates from its most valuable institutional asset – human resources. Within this context, all our institutional culture and strategies focus on human-oriented management and Human Resources policies designed with this approach. As Doğu Otomotiv, the target of our Human Resources policy is to hire employees possessing the following attributes and support their professional and personal development, as well as enabling them to use their own potential the most effective manner possible:

- Possessing talents required by the company dynamism,
 - Placing emphasis on productivity in the organization the employee is working for,
 - Adopting Doğu Group values,
 - Demonstrating a local and foreign customer-oriented approach within the framework of Doğu Otomotiv's vision, mission and strategies,
 - Demonstrating the capacity to work to a high level of performance and with the necessary ability.
- **“We”**, as Doğu Otomotiv Human Resources Department,
 - **“Sincerely”**, starting off the principles of transparency and publicity,
 - We inform all our colleagues and publish on the Company's intranet; our ethical principles and rules, fundamental rights and responsibilities, and procedures and regulations including Human Resources business flows and processes.
 - We provide an opportunity for all our employees to forward us their opinions through a joint sharing platform (the intranet), and evaluate the responses accordingly;
 - We inform our employees of all organizational and professional changes within our organizations;
 - We evaluate our employees' opinions through regular Employee Satisfaction Surveys and realize necessary developmental activities, accordingly;
 - We first share career opportunities within our organization with our employees.
 - **“Solve”** problems Human Resources Portal **Dinamik**; a dynamic communication media, through which all HR processes are conducted, while reducing operational workload, saving time and allowing our managers to directly access information on employees;
 - **“Apply”** human resources functions such as selection and arrangement process of all the brands under the roof of Doğu Otomotiv, career planning, performance management, training and development, pricing and vested rights, payroll and personal processes, promotion and appointment, resignation, etc.;
 - **“Develop”** all our colleagues with the **D-İnsan** management system, which we initiated based on our philosophy of “leaders raising leaders” and all forms of training sessions we regularly hold.

3.4. Information on Relations with Customers and Suppliers

CRM – Customer Relations Management Unit

A CRM (Customer Relations Management Unit) was set up in our Company under the Strategic Marketing and Corporate Communications Department, to direct customer satisfaction, develop initiatives that will enhance customer loyalty/profitability, ensure close communication with our customers and monitor and record our relations with customers.

The principal responsibilities of the CRM Unit include;

- Taking all necessary steps to ensure that customer data are accurately maintained, up-to-date and accessible;
- Ensuring the adoption of the concept of working with a customer-focus as a corporate culture across the entire organization;
- Conducting and reporting of Customer Satisfaction Market Research (CSS, CSI, DSS), NPS and Secret Customer research to improve processes; meeting research demands for brands; measurement, evaluation and reporting of results;

Corporate Governance Principles Compliance Report

- Managing Lost Customer Research, performing benefit analysis at regular intervals, taking necessary steps to promote customer satisfaction in parallel with the results and managing potential customers;
- Planning and implementing customer contact and communication models on the basis of CLC (Customer Life Cycle);
- Execution, measurement and reporting of direct marketing activities (e-mail, sms, mms, direct mailing and the web) providing their optimization within the scope of permitted marketing, in parallel with demands of Authorized Dealers and Brands;
- Categorizing customers according to their value and requirements, drawing up investment plans in accord with different value segments, and designing different service models suiting different needs;
- Presenting analysis required for structuring Brands' marketing and sales activities in accordance with the target audience;
- Managing "CRM Scorecard" designed for the purpose of measuring the effect of CRM studies on the brand performance.

Customer Complaint Management

There Company has a Customer Relations and Operations Department which is responsible for assuring customer satisfaction. In addition to that, the Department also seeks to enhance customer retention and loyalty, records and analyzes customer complaints/requests regarding our products and services received by phone, fax, e-mail or post, and returns immediately to relevant customers with necessary responses. All efforts are taken to ensure these tasks are performed promptly and with utmost care and attention, with a view to providing customers with a service that is beyond their expectations. In addition, our call center offers emailing, telemarketing and launch services along with all of the services mentioned above. On the other hand, Customer Relations and Operations Department make optimum use of relevant tools to train, guide and constantly motivate our dealers so as to prevent customer complaints from coming into existence. The Department also supervises and provides guidance to supplier firms, providing our customers with on-the-road assistance.

Relations with Suppliers

By virtue of Doğuş Otomotiv's organization structure, which covers all links in the automotive value chain, the company works with a wide social stakeholder network. Doğuş Otomotiv, the leading company in the Turkish import automobile market, is in transparent and close relations with international brands for which it is a distributor, as well as its employees, investors, authorized dealers, authorized service stations, the media, public authorities and business partners. These relations, which date back to the time the Company became the distributor of the Volkswagen and Audi brands in 1994, have been improvingly steadily for the last 14 years. Today, Doğuş Otomotiv is the only company in the world whose activities encompass all brands bound to the Volkswagen Group.

Doğuş Otomotiv acts with the principle of establishing transparent and efficient relations with all its business partners, suppliers and manufacturers. As such, it develops long-term relations with all suppliers and business partners, as it does with manufacturers.

Supplier companies are assessed based on a scoring system built upon objective and measurable criteria. Supplier companies are selected based on documentary evidence supporting their capability to fulfill purchasing terms and product/service specifications and their adequacy to sustain the same in a consistent and reliable manner. We strive to adopt an efficient and sustainable relationship in our relations with suppliers, which are shaped in accordance with our quality policies.

3.5. Social Responsibility

Traffic is Life

Doğuş Otomotiv initiated a series of social responsibility activities in 2004 with a view to promote a higher level of overall responsibility, awareness and perception about traffic among the Turkish general public, and the young generation in particular. Gathered under a single banner of "Traffic is Life", these social responsibility activities give a new dimension to traffic education.

Corporate Governance Principles Compliance Report

Attracting attention by successfully directly reaching 1.5 million children through advertising campaigns such as “Trafik Temalı Müzik Yarışması”, “Arka Koltuk Benim” and “Kırmızı Işıқта Dur”, Doğu Otomotiv aims to reach a large audience and improve public awareness through its advertising campaign. Doğu Otomotiv plans a more integrated communication plan in 2008 through a more positive advertisement campaign and training projects to be carried out in coordination with brands.

Doğu Otomotiv-Volkswagen Training Lab, Samandıra

Doğu Otomotiv started to establish Training Laboratories to support education in industrial and vocational colleges, as well as provide education and job opportunities to more students.

Opening the first laboratory in the “Şişli Industrial and Vocational College” and the second in the “Kartal Samandıra Industrial and Vocational College”, Doğu Otomotiv provides training and employment opportunities to 18 students at the Doğu Otomotiv Volkswagen Training Laboratory each year. The educational topics taught at the laboratory include safety at work, gasoline engines, diesel engines, basic electrical and current diagrams, heating/AC and brake systems, etc.

4. BOARD OF DIRECTORS

4.1. Structure and Formation of the Board of Directors, Independent Board Members

The members of the Board of Directors are Aclan Acar, Tanju Özenç, Hayrullah Murat Aka, Hasan Hüsnu Güzelöz, Özlem Denizmen Kocatepe, Süleyman Kadir Tuğtekin and Osman Cem Yurtbay. Aclan Acar serves as the Chairman of the Board. Although there are no independent members on our Company's Board of Directors, the Board is constituted by individuals possessing the required qualifications in line with the legal regulations.

The Company's strategic goals, operational results and performance indicators are monitored by the Board of Directors in regular monthly meetings.

4.2. Qualifications of Board Members

In the election of our Company's Board members, the qualifications set forth in Section IV, Articles 3.1.1, 3.1.2 and 3.1.5 of the IFRS Corporate Governance Principles are observed and the members are elected in accordance with the relevant provisions of the Turkish Commercial Code.

4.3. Vision, Mission and Strategic Goals of the Company

Doğu Otomotiv undertook detailed work in 2006 to create its vision, mission and corporate strategies. The strategies that will guide Doğu Otomotiv's activities in the coming years have been set by carefully blending international comparative analyses and local experiences with an extensive participation across the organization.

During 2007, extensive meetings were held periodically with participation of company employees, as well as meetings organized with the managers, to communicate and inculcate the vision, mission and strategies defined across the company, while internal communication tools were also used to convey the same. In this frame, the strategies defined are started to be implemented.

Our Vision:

To provide innovative service beyond expectations.

Corporate Governance Principles Compliance Report

Our Mission:

Doğuş Otomotiv is a reliable automotive company operating with a customer-focus, having an insight into its sector and the expectations of its shareholders, defining new expectations and aiming to satisfy them at the highest level, possessing creative manpower and using technology in the most optimal manner in this direction, aiming to offer an efficient and profitable service throughout the automotive value chain.

Our Strategy:

BE SIZABLE – BE CLOSE – BE CREATIVE

Our fundamental corporate strategies are spelled out as follows:

BE SIZABLE;

- As Doğuş Otomotiv, achieving systematic, productive and profitable expansion in its field of activity and growth in added value in every aspect of the value chain in Turkey and in international markets.
- Ensuring career development of its human resource to ensure, and at the same time as a result of, fast and systematic evolution of this growth.

BE CLOSE;

- Acquiring an insight into our customers' expectations in the first place and of all our shareholders in general, ensuring close and flawless relations with them and exceeding their expectations in a timely manner.
- Establishing efficient systems that will enable Doğuş Otomotiv to attain operational excellence in terms of productivity and profitability and as such, closely monitoring and analyzing the financial and operational status of the company.

BE CREATIVE;

- Creating differentiation and a competitive edge through constant innovations based on a participative approach to product development, customer service and business concept
- Developing actions and methods that will render the business "leaner, faster, cheaper", again with participation and teamwork in process improvement.

4.4. Risk Management and Internal Control Mechanism

Formulating internal audit and risk management policies and strategies ultimately fall under the responsibility of the Board of Directors. Financial risks are monitored by the Finance, Budget Planning, Risk Management, Strategy and Business Development, Internal Audit and Investor Relations Department. Operational risks are monitored by the respective departments. Information in respect to risk management is reported to the Board of Directors and the Audit Committee by Executive Board Presidency.

The Internal Audit Division was established under the Finance, Budget Planning, Risk Management, Strategy and Business Development, Internal Audit and Investor Relations Department in August, 2007 in order to monitor and develop internal audit system.

The Internal Audit Division is principally responsible for specifying policies that are deemed to strengthen the corporate auditing environment, as well as closely monitoring all operations binding the company which are also reflected in the financial results. It is also responsible for overseeing the results and efficiency, the targets of which are set out in parallel with our strategy on the basis of performance criteria. The division also, if necessary, takes measures before/during process by specifying potential risks and the operating proactive decision making mechanism to the management authorities.

Corporate Governance Principles Compliance Report

The Internal Audit Division aims to increase the reliability of the financial results, financial reports and budgets before shareholders, independent auditors, public institutes and other related authorities, as well as ensuring that they comply with procedures and regulations, as well as legislation and various legal arrangements.

The Board of Directors has assigned the Audit Committee, consisting of Board members, with the execution of the auditing function. The Audit Committee performs its activities under the Audit Committee Guidelines. There is an Internal Audit Department bound to the Audit Committee which audits internal control mechanisms and operates under the DOAŞ Audit Department Regulation, drawn up in line with International Internal Audit Standards. Accordingly, the Internal Audit Department examines issues in respect to the efficiency and competence in the operation of the internal audit system of companies within the Doğu Otomotiv Group, the compliance of operations with procedures and regulations, as well as legislation and various legal arrangements, and organizational management. The Internal Audit Department reports the findings from the audits and matters requiring action to the Audit Committee, at least on a monthly basis and as and when necessary. In addition, the internal audit reports issued are kept in an environment that can be readily accessed by the Board of Directors at all times and the Internal Audit Department informs board members at meetings of the Board of Directors on the audit plan and important findings on a quarterly basis.

4.5. Authority and Responsibilities of Board Members and Executives

The duties and powers of the Company's Board Members and executives are spelled out in articles 9, 12 and 13 of the articles of association.

4.6. Operating Principles of the Board of Directors

Board of Directors meetings are set at the start of each year and communicated to participants. The Board meets at least monthly and the meeting dates are circulated to all members in advance of such meetings.

The Board secretariat prepares a draft agenda based on input from the Chairman and sends it to other Board members. Upon consideration by the Chairman of Board members' suggestions to add or change agenda items, the agenda is finalized.

The issues discussed in the Board meeting are entered into minutes and kept on file.

Board members may express opposing views on any issue and enter their commentaries in related resolutions.

There are no independent members on the Company's Board of Directors.

4.7. Prohibition on Carrying Out Business or Competing with the Company

The Company adopted the arrangements to be drawn up in parallel with Articles 334 and 335 of the Turkish Commercial Code and based on the relevant General Assembly resolution with regard to whether or not to implement the prohibition on doing business or competing with the Company for the Company's Board of Directors during the reporting period, and regarding the issues relating to conflicts of interest that may result from the Board members' carrying out business and competing with the Company.

Corporate Governance Principles Compliance Report

4.8. Code of Ethics

As Doğuş Otomotiv Group Human Resources Department, we have established an “Ethical Principles Procedure” which;

- Sets forth the codes of conduct regulating Doğuş Otomotiv employees’ relations with customers, suppliers and other firms and individuals with commercial relations with the Company and the media within the frame of Doğuş Group values, corporate culture and strategies;
- Sets forth applicable ethical principles and values on time and resource utilization, privacy and safety of information belonging to the company, and activities that would lead to clash of interests.

The Disciplinary Regulation spells out in writing the behavior conflicting with the ethical principles covered in the Procedure, contradicting with the laws, the value judgments of the society and of our Company, as well as those infringing the rights of employees or customers, and hurting the Company and/or individuals. The disciplinary actions applicable in the event of such misconduct are also described therein. The relevant Regulation prepared by the Human Resources Department was published with an announcement and made available on the intranet and accessible by all employees.

4.9. Number, Structures and Independence of the Committees under the Board of Directors

The Committees, their members and presidents set by the Board of Directors are presented below:

- Audit and Risk Committee: Murat Aka (President), Süleyman Tuğtekin (Member)
- Dealer Development Committee: Cem Yurtbay (President)
- Logistics Committee: Süleyman Tuğtekin (President)
- Human Resources Committee: Tanju Özenç (President)
- Strategic Planning, Business Development and Investor Relations Committee: Özlem Denizmen Kocatepe (President)
- Legal Committee: Hasan Güzelöz (President), Murat Aka (Member)
- Corporate Governance Committee: Aclan Acar (President)
- Overseas Brand Communication and Management of Governmental Relations: Aclan Acar (President), Tanju Özenç (Member)

4.10. Remuneration of the Board of Directors

Dividend payments can be made to the Company’s Board of Directors in accordance with the relevant provisions of the articles of association, if and to the extent approved by the General Assembly.

Information on the Capital Structure and Stocks

1. INFORMATION ON THE CAPITAL STRUCTURE AND SHAREHOLDING

No changes occurred in the Company's issued share capital during the reporting period.

Doğu İnşaat A.Ş. which is a shareholder of Doğu Otomotiv, sold 15,198,432 of its shares (corresponding to 13.82% the Company's capital) to Doğu Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. in compliance with Articles 19 and 20 of the Corporate Tax Law and in accordance with the conditions set forth in the "Communiqué on the Procedures and Principles of Partial Dividing Processes in respect to Joint Stock and Limited Companies" jointly released by the Ministry of Finance and Ministry of Industry and Trade on September 16, 2003. The transaction took place outside the Stock Exchange, and shares subject to transfer are not shares in circulation. As a result of this transaction, Doğu Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. increased its stake in Doğu Otomotiv from 16.47% to 30.29%. The transaction took place within the group, and would thus not lead to any change in the managerial control of Doğu Otomotiv.

The Company's most recent shareholding structure, after these changes is presented below.

Shareholding structure	Nominal Value (TRY)	Shareholding (%)
Doğu Holding A.Ş.	38,730,604	35.21
Publicly Held	37,950,000	34.50
Doğu Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş.	33,319,041	30.29
Other Doğu Group companies	355	0.00
Total	110,000,000	100.00

The Company did not distribute any profits in 2001, 2002 and 2003. However, on March 19, 2004, the Company merged with Doğu Otomotiv Holding A.Ş., Doğu Motor Servis ve Ticaret A.Ş., Doğu Ağır Vasıta Servis Ticaret A.Ş. and Genpar Otomotiv Ticaret A.Ş., upon which dividend payments were distributed from extraordinary reserves. In the Extraordinary General Assembly held on March 23, 2004, a decision was taken to distribute a dividend amounting to TRL 53,000,000,000,000 (TRY 53,000,000) and prior to the public offering of the Company's shares. The distribution took place on March 31, 2004; as there were no non-corporate shareholders at that date, a net dividend of TRL 481.80 was paid for each TRL 1,000 nominally valued share (the distribution was not subject to withholding tax; therefore, the gross and net dividends were equal to one another). The Company distributed dividends totaling TRY 0.3168 per TRY1.00 nominally valued share to legal entities and TRY 0.2851 per TRY1.00 nominally valued share to real persons (after a 10% Income Tax deduction) out of the company's year-end 2004 profit. Dividends distributed from the 2005 profit amounted to TRY 0.4113 per TRY 1.00 nominally valued share for legal entities and TRY 0.3702 per TRY1.00 nominally valued share for real persons (after the 10% Income Tax deduction). A dividend of TRY 0.0617 per TRY 1.00 nominally valued share was distributed to legal entities and TRY 0.0555 per TRY 1.00 nominally valued share was distributed to real persons (after the deduction of 10% Income Tax) from the company's 2006 profit.

Information on the Capital Structure and Stocks

2. INFORMATION ON DOĞUŞ OTOMOTİV STOCKS

Reuters symbol: DOAS.IS

Bloomberg symbol: DOAS

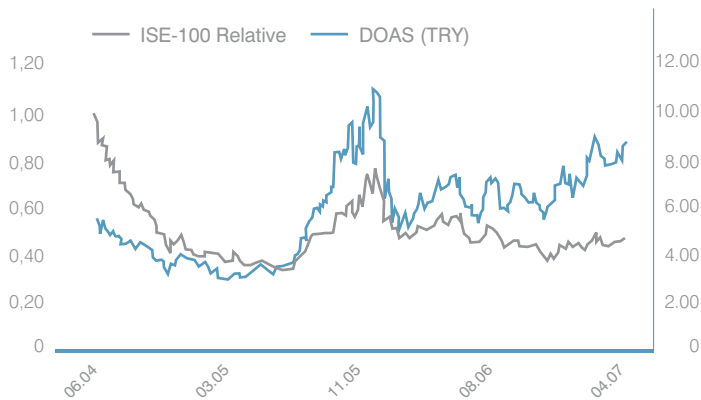
The initial public offering of Doğuş Otomotiv shares took place on June 17, 2004 and the Company's shares are traded on the Istanbul Stock Exchange Market (ISE) under the "DOAS.IS" ticker.

Performance *

Closing Price (TRY)	8.75
52 weeks – Highest (TRY) (October 9, 2007)	8.95
52 weeks – Lowest (TRY) (January 10, 2007)	5.30
Monthly % change	10.76
Quarterly % change	7.36
Semiannual % change	43.44
Annual % change	54.87

* Figures as at December 31, 2007.

Source: Reuters



GENERAL AND ADMINISTRATIVE ACTIVITIES

1. OPERATIONAL HIGHLIGHTS

Our company's realized operational highlights are as follows:

	2005	2006	2007	Change from 2006 to 2007 (%)
Sales Units	87,141	77,711	71,690	(7.7)
Import (Excluding Skoda, Million Euros)	1,239	1,219	1,167	(4.3)
Number of Personnel	1,565	1,694	1,951	15.2

Information on the Capital Structure and Stocks

2. INFORMATION ON SENIOR EXECUTIVES, 2007

2.1. Board Members

Name & Surname	Function
Aclan Acar	Chairman
Tanju Özenç	Vice Chairman
Cem Yurtbay	Member
Hasan Hüsnü Güzelöz	Member
Murat Aka	Member & Member of Audit Committee
Özlem Denizmen Kocatepe	Member
Süleyman K. Tuğtekin	Member & Member of Audit Committee

2.2. Employees Involved in the Management

Name & Surname	Position	Academic Background
Emir Ali Bilaloğlu	Doğu Otomotiv General Manager – CEO	MSc
Tolga Senyücel	Scania, Krone and Meiller Brand General Manager	Business Administration / MBA
Dr. İ. Berk Çağdaş	Finance, Budget Planning, Risk Management, Investor Relations, Strategy and Business Development, Internal Audit General Manager - CFO	Engineering of Business Administration / Business Administration MBA, PhD
Kerem Galip Güven	VW Commercial Vehicles Brand General Manager	Tourism & Hotel Management
Vedat Uygun	VW Passenger Cars Brand General Manager	Mechanical Engineering / MBA
Mustafa Ali Barut	General Manager, Operations - COO	Business Administration
Mustafa Karabayır	General Manager, Logistics Services	Civil Engineering / Geological Engineering
Giovanni Atilla Gino Bottaro	Audi & Bentley & Lamborghini Brand General Manager	International Trade / Mechanical Engineering
Mustafa Tuğrul Denizaşan	VW & Scania Industrial and Marine Engines Brand General Manager	Economics (in English)
Deniz Güven	Strategic Marketing and Corporate Communications General Manager - CCO	Graphic Arts
Anıl Gürsoy	Porsche & SEAT Brand General Manager	Business Administration
İlhami Eksin	DOD & Oto-Fix Brand General Manager	Economics
Bekir Sedat Yavuz	Dogus Auto MISR General Manager	Civil Engineering / MSc
Zafer Başar	Doğu Oto Pazarlama ve Ticaret A.Ş. General Manager	Business Administration

Information on the Capital Structure and Stocks

2.3. Employees Involved in the Management

Name & Surname	Former Position	Academic Background	Functions in the Partnership in the Past 5 Years	New Position	Reason for Change
Emir Ali Bilaloğlu	Audi & Porsche Brand General Manager	Mechanical Engineering (MSc)	General Manager	Doğuş Otomotiv General Manager – CEO	Appointment as CEO
Dr. İ. Berk Çağdaş	Finance & Budget Planning & Risk Management and Investor Relations Coordinator	Industrial Engineering of Business Administration/ Business Administration MBA, Phd	Coordinator	Finance, Budget Planning, Risk Management, Investor Relations, Strategy and Business Development, Internal Audit General Manager - CFO	Appointment as General Manager - CFO
Tuba Köseoğlu Okçu	Human Resources and Training Coordinator	Translation & Interpretation	Coordinator		Left the Group
Birgül Ak Karacahisarlı	VW Passenger Cars Brand General Manager	Business Administration - Economics / MBA	General Manager		Left the Group
Vedat Uygun	VW Commercial Vehicles Brand General Manager	Mechanical Engineering / MBA	General Manager	VW Passenger Cars Brand General Manager	Change of Duty
Bahadır İsmail Gören	Katalonya Oto General Manager	Business Administration	General Manager	LeasePlan General Manager	Transfer within the Group
Giovanni Atilla Gino Bottaro	Bentley & Lamborghini Brand General Manager	International Trade / Mechanical Engineering	General Manager	Audi & Bentley & Lamborghini Brand General Manager	Change of Duty
M. Tuğrul Denizaşan	DOD Brand General Manager	Economics (in English)	General Manager	VW & Scania Industrial and Marine Engines Brand General Manager	Change of Duty
Osman Mehmet Sindel	Strategic Marketing and Corporate Communication Coordinator	Business Administration	Coordinator		Left the Group
Kerem Galip Güven	Doğuş Oto Ankara Regional Director	Tourism & Hotel Management	Director	VW Commercial Vehicles Brand General Manager	Appointment as Brand General Manager
Deniz Güven	Board Chairman Advisor	Graphic Arts	Advisor	Strategic Marketing and Corporate Communications General Manager - CCO	Appointment as General Manager - CCO
Anıl Gürsoy	Audi Sales Manager	Business Administration	Manager	Porsche & SEAT Brand General Manager	Appointment as Brand General Manager
İlhami Eksin	VW & Scania Industrial and Marine Engines Brand General Manager	Economics	General Manager	DOD & Oto-Fix Brand General Manager	Change of Duty

Dividend Distribution Proposal

DOĞUŞ OTOMOTİV SERVİS VE TİCARET ANONİM ŞİRKETİ BOARD OF DIRECTORS RESOLUTION

Meeting No: 2008/12
Meeting Date: 24 March 2008
Meeting Place: Company Headquarters

The Board of Directors held a meeting chaired by Aclan Acar and discussed the following issues:

It has been unanimously resolved to propose that the year 2007 profit, which is computed within the scope of the balance sheet and income statement drawn up in accord with International Reporting Standards as per the Capital Markets Board of Turkey communiqué, Serial: XI No: 25, be allocated as follows in line with the distribution of profit principle set forth in Article 24 of the Company's articles of association, pursuant to the CMB legislation and Turkish Commercial Code (TCC) provisions, and that the remaining profit be transferred to the extraordinary reserves account and retained, and that the date of profit distribution be set by the Board of Directors, provided that such date shall not be any later than 30 May 2008.

Net Profit for the Period		64,327,000.00
I. Legal Reserve (-)		2,495,781.00
Profit from Affiliates, Subsidiaries and Partnership under Joint Management whose General Assemblies did not decide to distribute profit (-)		18,176,189.00
Donations in the Period (+)		1,392,600.00
Attributable Net Profit for the Period		45,047,630.00
Dividends to Shareholders (Cash)	50%	22,528,000.00
(TRY 0.2048 Gross / TRY 0.1741 Net per each share in the amount of TRY 1.00)		
II. Legal Reserves		1,702,800.00

Chairman of the Board of Directors
Aclan Acar

Vice Chairman of the Board of Directors
Tanju Özenç

Member of the Board of Directors
Hayrullah Murat Aka

Member of the Board of Directors
Hasan Hüsnü Güzelöz

Member of the Board of Directors
Özlem Denizmen Kocatepe

Member of the Board of Directors
Süleyman Kadir Tuğtekin

Member of the Board of Directors
Osman Cem Yurtbay

Dividend Distribution Table

2007 DIVIDEND DISTRIBUTION TABLE (TRY)

1-	Paid-in/Issued Capital	110,000,000.00
2-	Total Legal Reserves (According to Legal Records)	33,947,838.60
	Information on privilege, if granted for profit distribution by the articles of association	-

	According to CMB	According to Legal Records
3-	Current Period Profit	76,103,000.00
4-	Taxes Payable (-)	(11,776,000.00)
5-	Net Profit for the Period	64,327,000.00
6-	Losses in Prior Years (-)	-
7-	First Legal Reserves (-)	(2,495,781.00)
8-	Distributable Profit of the Investment Subject to Consolidation for which Profit Distribution Decision is not Made	(18,176,189.00)
9-	NET DISTRIBUTABLE PROFIT FOR THE PERIOD	43,655,030.00
10-	Donations during the Fiscal Year	1,392,600.00
11-	Net Distributable Profit for the Period including Donations, based on which First Dividend will be Computed	45,047,630.00
12-	First Dividend to Shareholders	9,009,526.00
	- Cash	9,009,526.00
	- Bonus Shares	-
	- Total	9,009,526.00
13-	Dividends Distributed to Owners of Privileged Shares	-
14-	Dividends Distributed to Board of Directors Members, Employees etc.	-
15-	Dividends Distributed to Owners of Redeemed Shares	-
16-	Second Dividend to Shareholders	13,518,474.00
17-	Second Legal Reserves	1,702,800.00
18-	Statutory Reserves	-
19-	Special Reserves	-
20-	EXTRAORDINARY RESERVES	37,600,419.00
21-	Other Resources to be Distributed	-
	- Previous Year Profit	-
	- Extraordinary Reserves	-
	- Other Distributable Reserves as per the Law and the Articles of Association	-

INFORMATION ON DISTRIBUTED PROFIT

DIVIDEND PER SHARE	TOTAL AMOUNT OF DIVIDENDS (TRY)	DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF TRY 1	
		AMOUNT (TRY)	%
- GROSS	22,528,000.00	0.2048	20.48
- NET	19,148,800.00	0.1741	17.41

RATIO OF DISTRIBUTED DIVIDENDS TO NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS

AMOUNT OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS (TRY)	RATIO OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS(%)
22,528,000.00	50.01

Audit Report

To the General Assembly of
DOĞU OTOMOTIV SERVİS VE TİCARET A.Ş.

Company Name : Doğu Otomotiv Servis ve Ticaret A.Ş.
Headquarters : Büyükdere Caddesi Doğu Grubu Binaları No: 65 Maslak / İSTANBUL
Registered Capital : TRY 110,000,000,-
Paid-up Capital : TRY 110,000,000,-
Field of Activity : Automotive Imports and Sales

Statutory Auditors' names, surnames and terms of office, and whether they are shareholders or employees of the Company : Murat İNAN
Alp KINAY
Appointed for three years by General Assembly on 27.03.2006.
They are not shareholders or employees of the Company.

Number of Board of Directors meetings participated in, and number of Board of Auditors meetings held : 3 Board of Directors meetings were participated in.
4 Board of Auditors meetings were held.

Scope, dates and conclusion of the examination made on the accounts, books and documents of the Company : In the audits performed on biannual basis, it was established that the transactions are duly carried out in compliance with the Turkish Commercial Code, the provisions of applicable legislation, the Company's articles of association, and the resolutions of the General Assembly and the Board of Directors.

Number and results of the cash counts held in the Company's pay desk pursuant to Article 353, paragraph 1, subparagraph 3 of the Turkish Commercial Code : The pay desk of the Company was checked and counted four times and it was established that the cash holdings conformed to the records.

Dates and results of the examinations made pursuant to Article 353, paragraph 1, subparagraph 4 of the Turkish Commercial Code : Assets of the Company were audited each month and it was established that they conformed to the records.

Complaints and irregularities received and the actions taken in relation thereto : We have received no irregularities or complaints since the date we were appointed as statutory auditors on 27 March 2006.

We have examined the accounts and transactions of Doğu Otomotiv Servis ve Ticaret A.Ş. for the period 01 January 2007 – 31 December 2007 with respect to their compliance with the Turkish Commercial Code, the Company's articles of association, and other applicable legislation, as well as generally accepted accounting principles and standards.

In our opinion, the attached balance sheet drawn up on 31 December 2007, the contents of which we acknowledge, fairly and accurately presents the Company's financial status on the date and the income statement for the period 01 January 2007 – 31 December 2007 fairly and accurately presents the operating results for the period. The suggestion on profit distribution is found to be in compliance with the laws and the Company's articles of association.

We hereby submit the balance sheet and income statement for your approval and the acquittal of the Board of Directors for your voting.

Respectfully yours,


Murat İNAN


Alp KINAY