

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THREE MONTH PERIODS ENDED 31 MARCH
(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 20 – EARNINGS PER SHARE

Earnings per share, is calculated by dividing net income attributable to equity holders of the Company for the period by the weighted average number of shares of the Company available during the period. For the three month period ended 31 March, earnings per share are calculated as follows:

| | <u>31 March 2013</u> | <u>31 March 2012(*)</u> |
|--|----------------------|-------------------------|
| Net profit attributable to the equity holders of the Company | 63,814 | 72,705 |
| Number of basic shares | 220,000,000 | 220,000,000 |
| Basic/diluted earnings per share (in full TL) | 0.2901 | 0.3305 |

(*) For restatement please see note 2.7.

NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

21.1 Cash and Cash Equivalents

As at 31 March 2013 and 31 December 2012, Group's cash balances at related party banks are as follows:

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|---|----------------------|-------------------------|
| Garanti Bankası – credit card receivables | 16,705 | 18,799 |
| Garanti Bankası – demand deposits | 8,810 | 5,052 |
| Garanti Bankası – time deposits | 720 | - |
| Total | <u>26,235</u> | <u>23,851</u> |

As at 31 March 2013, effective interest rate on TL denominated time deposits at Garanti Bankası is 0.5% (31 December 2012: nil).

21.2 Financial Liabilities

As at 31 March 2013 and 31 December 2012, Group's borrowing from related parties are as follows:

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|-----------------|----------------------|-------------------------|
| Garanti Bankası | 55,415 | 53,817 |
| Total | <u>55,415</u> | <u>53,817</u> |

As at 31 March 2013, effective interest rate on TL denominated borrowings at Garanti Bankası is 12.175 % (31 Aralık 2012: 12.175%)

21.3 Due from Related Parties

As at 31 March 2013 and 31 December 2012, receivables from and payables to related parties comprise the following:

21.3.1 Due from associates

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|--------------|----------------------|-------------------------|
| LPD Holding | 11,160 | 6,588 |
| Yüce Auto | 763 | 689 |
| VDTF | 103 | 568 |
| Other | 1 | 2 |
| Total | <u>12,027</u> | <u>7,847</u> |

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NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.3 Due from Related Parties (Continued)

21.3.2 Due from joint ventures

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|---------------|----------------------|-------------------------|
| TÜVTURK Kuzey | 3 | 3 |
| Krone-Doğuş | - | 2 |
| Total | <u>3</u> | <u>5</u> |

21.3.3 Due from other related parties

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|---|-----------------------|-------------------------|
| VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring") | 381,503 | 326,605 |
| Garanti Filo Yönetim Hizmetleri A.Ş. ("Garanti Filo Yönetim") | 3,410 | 3,003 |
| VDF Sigorta Aracılık Hizmetleri A.Ş. ("VDF Sigorta") | 424 | 511 |
| Other | 73 | 104 |
| Total | <u>385,410</u> | <u>330,223</u> |

Grand total

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|--|-----------------------|-------------------------|
| | <u>397,440</u> | <u>338,075</u> |

As at 31 March 2013, the Group charges monthly 4% overdue interest to related parties (31 December 2012: 4% per month).

21.4 Due to Related Parties

21.4.1 Due to associates

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|-----------------|----------------------|-------------------------|
| Doğuş Teknoloji | 800 | 1,118 |
| Yüce Auto | 31 | - |
| LPD Holding | 3 | 274 |
| Other | - | 31 |
| Total | <u>834</u> | <u>1,423</u> |

21.4.2 Due to joint ventures

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|---------------|----------------------|-------------------------|
| Meiller-Doğuş | 674 | 1,279 |
| Krone-Doğuş | 23 | - |
| Other | 3 | - |
| Total | <u>700</u> | <u>1,279</u> |

21.4.3 Due to other related parties

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|--|----------------------|-------------------------|
| VDF Sigorta Aracılık Hizmetleri A.Ş. | 704 | 1,239 |
| Antur Turizm A.Ş. | 526 | 1,573 |
| Krone Trailer International Tic. Ltd. Şti. | - | 665 |
| Other | 54 | 243 |
| Total | <u>1,284</u> | <u>3,720</u> |

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NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.4 Due to Related Parties (Continued)

21.4.4 Due to shareholders

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|--------------------|----------------------|-------------------------|
| Doğuş Holding | 441 | 186 |
| Total | 441 | 186 |
| Grand total | 3,259 | 6,608 |

21.5 Due to Related Parties - Other

| | <u>31 March 2013</u> | <u>31 December 2012</u> |
|-----------------------------------|----------------------|-------------------------|
| Dividend payables to shareholders | 220,000 | - |
| Total | 220,000 | - |

21.6 Related Party Transactions

Related party transactions for the three month period ended 31 March are as follows:

21.6.1 Associates

| | <u>2013</u> | <u>2012</u> |
|--|---------------|---------------|
| Sales and other income generating transactions: | | |
| Sale of products and returns, net | 18,091 | 9,038 |
| Sale of services, net | 998 | 802 |
| Other income | 1,717 | 1,588 |
| Total | 20,806 | 11,428 |
| Purchases and expense creating transactions: | | |
| Incentives for consumer loans | 5,414 | 3,773 |
| Fixed asset purchases | 1,840 | - |
| Services rendered | 1,401 | 1,131 |
| Inventory purchases | 1,423 | 192 |
| Other purchases | 330 | 319 |
| Total | 10,408 | 5,415 |

21.6.2 Joint ventures

| | <u>2013</u> | <u>2012</u> |
|--|--------------|-------------|
| Sales and other income generating transactions: | | |
| Other sales | 5 | - |
| Sale of products and returns, net | 2 | 14 |
| Sale of services, net | 2 | 7 |
| Total | 9 | 21 |
| Purchases and expense creating transactions: | | |
| Inventory purchases | 4,391 | 10 |
| Cost of sales | 66 | - |
| Other purchases | 23 | - |
| Services rendered | 1 | 34 |
| Total | 4,481 | 44 |

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NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.6 Related Party Transactions (Continued)

21.6.3 Other related parties

a) Income generated from other related parties

| | 31 March 2013 | | | | | |
|----------------------|------------------|------------------|----------------|--------------|----------------------|---------------|
| | Sale of products | Sale of services | Finance income | Other income | Sale of fixed assets | Total |
| Garanti Filo Yönetim | 21,406 | 532 | 19 | - | - | 21,957 |
| VDF Sigorta | 25 | - | - | 800 | - | 825 |
| Garanti Bankası | 232 | 35 | - | - | - | 267 |
| Other | 206 | 26 | - | 19 | 4 | 255 |
| | 21,869 | 593 | 19 | 819 | 4 | 23,304 |

| | 31 March 2012 | | | | |
|---------------------------|------------------|------------------|----------------|--------------|--------------|
| | Sale of products | Sale of services | Finance income | Other income | Total |
| Garanti Filo Yönetim | 4,312 | 415 | - | - | 4,727 |
| Garanti Bankası | 31 | 18 | - | - | 49 |
| Garanti Finansal Kiralama | 2 | - | - | - | 2 |
| Other | 60 | 31 | 2 | 68 | 161 |
| | 4,405 | 464 | 2 | 68 | 4,939 |

b) Expenses arising from transactions with other related parties

| | 31 March 2013 | | | | | |
|-------------------------------------|-------------------|----------------|-------------------------|--------------------|-----------------|--------------|
| | Services rendered | Other expenses | Purchase of inventories | Financial expenses | Other purchases | Total |
| Antur Turizm | 2,714 | 10 | - | - | 3 | 2,727 |
| Doğuş Gayrimenkul Yatırım Ortaklığı | 1,251 | - | - | - | - | 1,251 |
| VDF Faktoring | - | - | - | 460 | - | 460 |
| Garanti Filo Yönetim | - | - | 277 | - | - | 277 |
| Other | 604 | 56 | 1 | - | 6 | 667 |
| | 4,569 | 66 | 278 | 460 | 9 | 5,382 |

| | 31 March 2012 | | | | |
|-------------------|-------------------|--------------------------|-------------------------|----------------|--------------|
| | Services rendered | Purchase of fixed assets | Purchase of inventories | Other expenses | Total |
| Antur Turizm | 1,396 | - | - | - | 1,396 |
| Doğuş Yayın Grubu | 1,178 | - | - | - | 1,178 |
| Other | 2,022 | 3 | - | 688 | 2,713 |
| | 4,596 | 3 | - | 688 | 5,287 |

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NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.6 Related Party Transactions (Continued)

21.6.4 Transactions with shareholders

a) Income generated from shareholders

| | | 2013 | | | | | |
|---------------|--|------------------|------------------|----------------|-----------------|--------------|-------|
| | | Sale of products | Sale of services | Finance income | Dividend income | Other income | Total |
| Doğuş Holding | | 43 | 3 | - | - | 2 | 48 |
| | | 43 | 3 | - | - | 2 | 48 |
| | | | | | | | |

| | | 2012 | | | | | |
|---------------|--|------------------|------------------|----------------|-----------------|--------------|-------|
| | | Sale of products | Sale of services | Finance income | Dividend income | Other income | Total |
| Doğuş Holding | | 5 | 1 | - | 46 | 3 | 55 |
| | | 5 | 1 | - | 46 | 3 | 55 |
| | | | | | | | |

b) Expenses arising from transactions with shareholders

| | | 2013 | | | |
|---------------|--|-------------------|--------------------------|---------------|-------|
| | | Services rendered | Purchase of fixed assets | Finance costs | Total |
| Doğuş Holding | | 1,841 | - | - | 1,841 |
| | | 1,841 | - | - | 1,841 |
| | | | | | |

| | | 2012 | | | |
|---------------|--|-------------------|--------------------------|---------------|-------|
| | | Services rendered | Purchase of fixed assets | Finance costs | Total |
| Doğuş Holding | | 1,845 | - | 2 | 1,847 |
| | | 1,845 | - | 2 | 1,847 |
| | | | | | |

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NOT 21 – İLİŞKİLİ TARAFLARLA İLGİLİ İŞLEMLER VE BAKİYELER (Devamı)

21.7 Key Management Personnel Compensation

| | 2013 | 2012 |
|---|---------------|---------------|
| Salaries and other short-term employee benefits | 19,818 | 15,845 |
| Employee termination benefits | - | - |
| Total | 19,818 | 15,845 |

The Group classifies the brand general managers, members of the Board of Directors and Executive Committee as key management personnel, since they are responsible for the planning, management and control of the Group's operations.

Remuneration of Board of Directors and Executive Management for the three month periods ended 31 March 2013 and 2012 includes salaries, health insurance and employer shares of Social Security Institution.

NOTE 22 – FINANCIAL INSTRUMENTS

Financial instruments and capital risk management

Financial risk factors

The Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital structure includes payables including loans, and respectively cash and cash equivalents, paid-in capital, reserves and retained earnings.

The Board of Directors monitors the return on capital and the level of dividends to ordinary shareholders.

Group monitors its share capital by using financial liability to equity ratio. The ratio is calculated by dividing financial liabilities to equity. Total of financial liabilities comprise entire current and non-current financial liabilities whereas total equity comprise each equity item on the table of financial statements.

The following table sets out the Group's financial liability to equity ratio as at 31 March 2013 and 31 December 2012:

| | 31 March 2013 | 31 December 2012 |
|---|---------------|------------------|
| Total financial liabilities | 627,451 | 591,762 |
| Total equity | 1,033,147 | 1,186,893 |
| Financial liabilities/equity ratio | 0.61 | 0.50 |