

**DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL**  
**STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE**

(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 six and three month periods ended 30 June, earnings per share are calculated as follows:

	For the six month period ended 30 June 2012	For the three month period ended 30 June 2012	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011
Net profit attributable to the equity holders of the Company	152,840	80,475	75,381	58,274
Number of basic shares	220,000,000	220,000,000	220,000,000	220,000,000
Basic/diluted earnings per share (Full TL)	0.6947	0.3658	0.3426	0.2649

**NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

**21.1 Cash and Cash Equivalents**

As at 30 June 2012 and 31 December 2011, Group's cash balances at related party banks are as follows:

	30 June 2012	31 December 2011
Garanti Bankası – time deposits	3,104	5,890
Garanti Bankası – demand deposits	7,110	9,698
Garanti Bankası – credit card receivables	14,261	17,083
<b>Total</b>	<b>24,475</b>	<b>32,671</b>

As at 30 June 2012, effective interest rates on Euro, USD and TL denominated time deposits at Garanti Bankası are 0.5%, 0.5% and 8.0% respectively (31 December 2011: Euro denominated time deposits: 1.0% and TL denominated time deposits: 8.0%).

**21.2 Due from Related Parties**

As at 30 June 2012 and 31 December 2011, receivables from and payables to related parties comprise the following:

**21.2.1 Due from associates**

	30 June 2012	31 December 2011
LPD Holding	10,797	8,610
Yüce Auto	645	650
Other	29	567
<b>Total</b>	<b>11,471</b>	<b>9,827</b>

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

**21.2 Due from Related Parties (Continued)**

*21.2.2 Due from other related parties*

	<u>30 June 2012</u>	<u>31 December 2011</u>
VDF Faktoring Hizmetleri A.Ş. (“VDF Faktoring”)	301,742	242,334
Garanti Filo Yönetim Hizmetleri A.Ş. (“Garanti Filo Yönetim”)	2,728	3,242
Other	427	404
<b>Total</b>	<u><b>304,897</b></u>	<u><b>245,980</b></u>
<b>Grand Total</b>	<u><b>316,368</b></u>	<u><b>255,807</b></u>

As at 30 June 2012, the Group charges monthly 4% overdue interest to related parties (31 December 2011: 4% per month).

**21.3 Due to Related Parties**

*21.3.1 Due to associates*

	<u>30 June 2012</u>	<u>31 December 2011</u>
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	305	-
LPD Holding	136	606
Yüce Auto	100	63
<b>Total</b>	<u><b>541</b></u>	<u><b>669</b></u>

*21.3.2 Due to joint ventures*

	<u>30 June 2012</u>	<u>31 December 2011</u>
TÜVTURK İstanbul	77	-
Meiller-Doğuş	-	2,693
<b>Total</b>	<u><b>77</b></u>	<u><b>2,693</b></u>

*21.3.3 Due to other related parties*

	<u>30 June 2012</u>	<u>31 December 2011</u>
VDF Sigorta Aracılık Hizmetleri A.Ş.	578	828
Other	235	677
<b>Total</b>	<u><b>813</b></u>	<u><b>1,505</b></u>

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

**21.3 Due to Related Parties (Continued)**

*21.3.4 Due to shareholders*

	<b>30 June 2012</b>	<b>31 December 2011</b>
Doğuş Holding	563	444
<b>Total</b>	<b>563</b>	<b>444</b>
<b>Grand Total</b>	<b>1,994</b>	<b>5,311</b>

**21.4 Related Party Transactions**

Related party transactions for the six and three month periods ended 30 June are as follows:

*21.4.1 Associates*

	For the six month period ended 30 June 2012	For the three month period ended 30 June 2012	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011
<b>Sales and other income generating transactions:</b>				
Sale of products and returns, net	30,377	21,339	18,861	7,246
Other income	3,626	2,038	3,901	2,129
Sale of services, net	1,806	1,004	1,955	955
<b>Total</b>	<b>35,809</b>	<b>24,381</b>	<b>24,717</b>	<b>10,330</b>
<b>Purchases and expense creating transactions:</b>				
Incentives for consumer loans	9,130	5,357	7,639	4,418
Services rendered	2,198	1,067	2,173	1,151
Other purchases	679	360	621	330
Inventory purchases	321	129	2,660	1,681
<b>Total</b>	<b>12,328</b>	<b>6,913</b>	<b>13,093</b>	<b>7,580</b>

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

21.4 Related Party Transactions (Continued)

21.4.2 Joint ventures

	For the six month period ended 30 June 2012	For the three month period ended 30 June 2012	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011
<b>Sales and other income generating transactions:</b>				
Sale of products and returns, net	103	89	191	108
Other sales	85	85	-	-
Sale of services, net	10	3	1	-
<b>Total</b>	<b>198</b>	<b>177</b>	<b>192</b>	<b>108</b>
<b>Purchases and expense creating transactions:</b>				
Cost of sales	106	106	-	-
Purchase of services	89	55	21	14
Inventory purchases	48	38	-	-
Other purchases	-	-	59	55
<b>Total</b>	<b>243</b>	<b>199</b>	<b>80</b>	<b>69</b>

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

**21.4 Related Party Transactions (Continued)**

**21.4.3 Other related parties**

**a) Income generated from other related parties**

	For the six month period ended 30 June 2012					Total
	Sale of products	Sale of services	Finance income	Dividend income	Other income	
Garanti Filo Yönetim	15,120	847	17	-	-	15,984
Doğuş Holding A.Ş.	109	8	2	5,486	49	5,654
VDF Sigorta	-	-	-	-	1,253	1,253
Other	366	105	-	-	905	1,376
	<u>15,595</u>	<u>960</u>	<u>19</u>	<u>5,486</u>	<u>2,207</u>	<u>24,267</u>

	For the six month period ended 30 June 2011					Total
	Sale of products	Sale of services	Finance income	Dividend income	Other income	
Garanti Filo Yönetim	14,661	990	1	-	-	15,652
Doğuş Holding A.Ş.	20	7	1	3,163	-	3,191
Eureko Sigorta	99	-	-	-	317	416
Other	458	136	63	-	11	668
	<u>15,238</u>	<u>1,133</u>	<u>65</u>	<u>3,163</u>	<u>328</u>	<u>19,927</u>

	For the three month period ended 30 June 2012				Total
	Sale of products	Sale of services	Finance income	Other income	
Garanti Filo Yönetim	10,808	432	17	-	11,257
Doğuş Holding A.Ş.	105	8	-	49	162
VDF Sigorta	-	-	-	690	690
Other	277	56	-	837	1,170
	<u>11,190</u>	<u>496</u>	<u>17</u>	<u>1,576</u>	<u>13,279</u>

	For the three month period ended 30 June 2011					Total
	Sale of products	Sale of services	Finance income	Dividend income	Other income	
Garanti Filo Yönetim	11,918	497	-	-	-	12,415
Doğuş Holding A.Ş.	16	4	1	3,163	-	3,184
Eureko Sigorta	95	-	-	-	190	285
Other	165	42	63	-	10	280
	<u>12,194</u>	<u>543</u>	<u>64</u>	<u>3,163</u>	<u>200</u>	<u>16,164</u>

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

**21.4 Related Party Transactions (Continued)**

**21.4.3 Other related parties (Continued)**

**b) Expenses arising from transactions with other related parties**

	For the six month period ended 30 June 2012					
	Services rendered	Purchase of fixed assets	Purchase of inventories	Finance costs	Other expenses	Total
Antur Turizm A.Ş.	4,526	-	-	-	-	4,526
Doğuş Holding A.Ş.	3,412	197	-	2	-	3,611
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	2,552	-	-	-	-	2,552
Doğuş Yayın Grubu A.Ş.	1,216	-	-	-	-	1,216
VDF Faktoring	-	-	-	1,474	-	1,474
Türkiye Garanti Bankası A.Ş.	137	-	-	868	-	1,005
Other	1,802	104	2,550	129	680	5,265
	<b>13,645</b>	<b>301</b>	<b>2,550</b>	<b>2,473</b>	<b>680</b>	<b>19,649</b>

	For the six month period ended 30 June 2011					
	Services rendered	Purchase of fixed assets	Purchase of inventories	Finance costs	Other expenses	Total
Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	274	68,054	-	-	-	68,328
Eureko Sigorta (*)	903	-	2,670	-	1,186	4,759
Antur Turizm A.Ş.	3,763	-	-	-	-	3,763
Doğuş Holding A.Ş.	2,887	-	-	-	-	2,887
Doğuş Yayın Grubu A.Ş.	2,136	-	-	-	-	2,136
VDF Faktoring	-	-	-	933	-	933
Other	659	1,240	-	-	-	1,899
	<b>10,622</b>	<b>69,294</b>	<b>2,670</b>	<b>933</b>	<b>1,186</b>	<b>84,705</b>

	For the three month period ended 30 June 2012					
	Services rendered	Purchase of fixed assets	Purchase of inventories	Finance costs	Other expenses	Total
Antur Turizm A.Ş.	3,130	-	-	-	-	3,130
Doğuş Holding A.Ş.	1,567	198	-	-	-	1,765
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	2,552	-	-	-	-	2,552
Doğuş Yayın Grubu A.Ş.	38	-	-	-	-	38
VDF Faktoring	-	-	-	557	-	557
Türkiye Garanti Bankası A.Ş.	70	-	-	313	-	383
Other	1,692	101	2,550	129	680	5,152
	<b>9,049</b>	<b>299</b>	<b>2,550</b>	<b>999</b>	<b>680</b>	<b>13,577</b>

	For the three month period ended 30 June 2011					
	Services rendered	Purchase of fixed assets	Purchase of inventories	Finance costs	Other expenses	Total
Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	-	68,054	-	-	-	68,054
Eureko Sigorta (*)	452	-	1,242	-	1,186	2,880
Antur Turizm A.Ş.	2,294	-	-	-	-	2,294
Doğuş Holding A.Ş.	1,466	-	-	-	-	1,466
Doğuş Yayın Grubu A.Ş.	1,149	-	-	-	-	1,149
VDF Faktoring	-	-	-	501	-	501
Other	345	998	-	-	-	1,343
	<b>5,706</b>	<b>69,052</b>	<b>1,242</b>	<b>501</b>	<b>1,186</b>	<b>77,687</b>

(\*) On 1 May 2011, Doğuş Holding sold its shares in Eureko Sigorta which is equivalent to 20% of total shares. As a result, Eureko Sigorta is not listed as related party of the Group anymore. In this context, the amounts presented above comprise of transactions realized before 1 May 2011.

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

**21.5 Key Management Personnel Compensation**

	For the six month period ended 30 June 2012	For the three month period ended 30 June 2012	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011
Salaries and other short term employee benefits	18,352	2,507	13,784	1,952
Employee termination benefits	-	-	11	-
<b>Total</b>	<b>18,352</b>	<b>2,507</b>	<b>13,795</b>	<b>1,952</b>

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 six and three month periods ended 30 June 2012 and 2011 includes salaries and similar payments with 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 30 June 2012 and 31 December 2011:

	30 June 2012	31 December 2011
Total financial liabilities	626,976	591,029
Total equity	973,655	872,473
<b>Financial liabilities/equity ratio</b>	<b>0.64</b>	<b>0.68</b>