DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013 WITH INDEPENDENT AUDITOR'S REVIEW REPORT THEREON

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
14 May 2013
This report is consisted of 1 page of independent auditor's review report and 51 pages condensed consolidated financial statements with accompanying notes.

Convenience Translation of the Independent Auditor's Review Report Originally Prepared and Issued in Turkish

To the Board of Directors of
Doğuş Otomotiv Servis ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Doğuş Otomotiv Servis ve Ticaret A.Ş. and its subsidiaries (the "Group") as at 31 March 2013 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, and the condensed consolidated interim statements of changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Financial Reporting Standards issued by Capital Markets Board ("CMB"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We have conducted our review in accordance with standards on auditing issued by CMB. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards promulgated by CMB and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements have not been prepared, in all material respects, in conformity with the Financial Reporting Standards issued by CMB (Note 2).

İstanbul, 14 May 2013

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ruşen Fikret Selamet, Partner

İstanbul, Turkey

Additional paragraph for convenience translation to English

As explained in note 2.1, the accompanying condensed consolidated interim financial statements are not intended to present the consolidated financial position and the consolidated results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

INDEX **PAGE**

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 AND 31 DECEMBER 2012

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

	Notes	Reviewed 31 March 2013	Audited (Restated) 31 December 2012(*)
ASSETS			
Current assets		**1,260,739**	**1,019,903**
Cash and cash equivalents	5	41,720	37,225
Trade receivables		456,728	433,089
Due from related parties	21.3	397,440	338,075
Other trade receivables		59,288	95,014
Other receivables	9	56,735	31,537
Inventories	10	648,161	483,841
Other current assets	14	57,395	34,211
Non-current assets		**1,217,729**	**1,202,949**
Available-for-sale financial assets	6	533,090	531,048
Investments in equity accounted investees	11	231,367	218,896
Property and equipment	12	436,562	436,583
Intangible assets		8,308	7,368
Deferred tax assets	19	4,719	4,849
Other non-current assets	14	3,683	4,205
TOTAL ASSETS		**2,478,468**	**2,222,852**

(*) For restatement please see note 2.7.

Accompanying notes are an integral part of these condensed consolidated financial statements.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

	Notes	Reviewed 31 March 2013	Audited (Restated) 31 December 2012(*)
LIABILITIES			
Current liabilities		**1,330,201**	**920,118**
Financial liabilities	7	529,479	495,424
Trade payables		445,440	325,632
Due to related parties	21.4	3,259	6,608
Other trade payables	8	442,181	319,024
Other payables		220,000	-
Due to related parties	21.5	220,000	-
Income tax payable	19	20,007	7,311
Provisions	13	40,437	37,880
Other current liabilities	14	74,838	53,871
Non-current liabilities		**115,120**	**115,841**
Financial liabilities	7	97,972	96,338
Employee benefits		13,145	9,948
Deferred tax liabilities	19	4,003	9,555
TOTAL LIABILITIES		**1,445,321**	**1,035,959**
EQUITY			
Equity attributable to equity holders of the Company		**1,029,981**	**1,184,272**
Share capital	15	220,000	220,000
Inflation adjustment to share capital	15	23,115	23,115
Value increase reserves		454,196	451,546
Fair value reserve	15	452,387	450,331
Hedge reserve	15	1,809	1,215
Legal reserves	15	86,311	54,374
Translation reserve	15	(921)	(1,088)
Retained earnings	15	183,466	178,108
Profit for the period		63,814	258,217
Non-controlling interests		**3,166**	**2,621**
TOTAL EQUITY		**1,033,147**	**1,186,893**
TOTAL EQUITY AND LIABILITIES		**2,478,468**	**2,222,852**

(*) For restatement please see note 2.7.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

		Reviewed	Reviewed
			(Restated)
OPERATING ACTIVITIES	**Notes**	**31 March 2013**	**31 March 2012(*)**
Revenue		1,291,949	980,321
Direct cost of revenue (-)		(1,109,688)	(825,495)
GROSS PROFIT		**182,261**	**154,826**
General administration expenses (-)	16	(49,015)	(40,685)
Selling, marketing and distribution expenses (-)	16	(38,586)	(31,050)
Warranty expenses (-)	16	(17,251)	(11,264)
Other operating income		10,002	7,739
Other operating expenses (-)		(4,015)	(4,507)
RESULTS FROM OPERATING ACTIVITIES		**83,396**	**75,059**
Share of profit of equity accounted investees	11	10,748	20,367
Finance income	17	302	9,179
Finance costs (-)	18	(15,373)	(19,880)
PROFIT BEFORE INCOME TAX		**79,073**	**84,725**
Tax expense		**(14,714)**	**(11,974)**
Income tax expense	19	(20,007)	(15,965)
Deferred tax income	19	5,293	3,991
PROFIT FOR THE PERIOD		**64,359**	**72,751**
Attributable to:			
Non-controlling interests		**545**	**46**
Equity holders of the Company		**63,814**	**72,705**
Basic/diluted earnings per share (in full TL)	20	**0.2901**	**0.3305**

(*) For restatement please see note 2.7.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

	Notes	Reviewed 31 March 2013	Reviewed (Restated) 31 March 2012(*)
PROFIT FOR THE PERIOD		**64,359**	**72,751**
Other comprehensive income/(loss):			
Change in fair value of available-for-sale financial assets	6	2,042	45,499
Change in fair value of available-for-sale financial assets and hedge reserves held by associates and joint ventures	11	710	2,972
Foreign currency translation differences		167	(315)
Actuarial losses on employee benefits		(1,153)	(425)
Income tax (expense)/benefit on other comprehensive income	19	129	(2,190)
OTHER COMPREHENSIVE INCOME		**1,895**	**45,541**
TOTAL COMPREHENSIVE INCOME		**66,254**	**118,292**
Non-controlling interests		545	46
Equity holders of the Company		65,709	118,246

(*) For restatement please see note 2.7.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED 31 MARCH

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

	Attributable to equity holders of the Company									
	Share capital (Note 15)	**Inflation adjustment to share capital (Note 15)**	**Reserves (Note 15)**	**Fair value reserve (Note 15)**	**Hedge reserve (Note 15)**	**Translation reserve (Note 15)**	**Retained earnings (Note 15)**	**Total**	**Non-controlling interests (Note 15)**	**Total equity**
Balance at 1 January 2012 (Restated)*	**220,000**	**23,115**	**38,782**	**293,501**	**(119)**	**(913)**	**295,997**	**870,363**	**2,110**	**872,473**
Profit for the period	-	-	-	-	-	-	72,705	72,705	46	72,751
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	43,224	-	-	-	43,224	-	43,224
Change in hedge reserve of joint ventures	-	-	-	-	361	-	-	361	-	361
Change in fair value of available-for-sale assets held by associates, net of tax	-	-	-	2,611	-	-	-	2,611	-	2,611
Foreign currency translation differences	-	-	-	-	-	(315)	-	(315)	-	(315)
Actuarial losses on employee benefits (*)	-	-	-	-	-	-	(340)	(340)	-	(340)
Total comprehensive income for the period	**-**	**-**	**-**	**45,835**	**361**	**(315)**	**72,365**	**118,246**	**46**	**118,292**
Dividend distribution	-	-	15,592	-	-	-	(115,604)	(100,012)	-	(100,012)
Transactions with owners of the Company, recognized directly in equity	**-**	**-**	**15,592**	**-**	**-**	**-**	**(115,604)**	**(100,012)**	**-**	**(100,012)**
Balance at 31 March 2012 (Reviewed)	**220,000**	**23,115**	**54,374**	**339,336**	**242**	**(1,228)**	**252,758**	**888,597**	**2,156**	**890,753**
Balance at 1 April 2012	**220,000**	**23,115**	**54,374**	**339,336**	**242**	**(1,228)**	**252,758**	**888,597**	**2,156**	**890,753**
Profit for the period	-	-	-	-	-	-	185,512	185,512	465	185,977
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	104,850	-	-	-	104,850	-	104,850
Change in hedge reserve of joint ventures	-	-	-	-	973	-	-	973	-	973
Change in fair value of available-for-sale assets held by associates, net of tax	-	-	-	6,145	-	-	-	6,145	-	6,145
Transfer to legal reserves	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	-	140	-	140	-	140
Actuarial losses on employee benefits (*)	-	-	-	-	-	-	(1,945)	(1,945)	-	(1,945)
Total comprehensive income for the period	**-**	**-**	**-**	**110,995**	**973**	**140**	**183,567**	**295,675**	**465**	**296,140**
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2012 (Audited)	**220,000**	**23,115**	**54,374**	**450,331**	**1,215**	**(1,088)**	**436,325**	**1,184,272**	**2,621**	**1,186,893**
Balance at 1 January 2013	**220,000**	**23,115**	**54,374**	**450,331**	**1,215**	**(1,088)**	**436,325**	**1,184,272**	**2,621**	**1,186,893**
Profit for the period	-	-	-	-	-	-	63,814	63,814	545	64,359
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	1,940	-	-	-	1,940	-	1,940
Change in hedge reserve of joint ventures	-	-	-	-	594	-	-	594	-	594
Change in fair value of available-for-sale assets held by associates, net of tax	-	-	-	116	-	-	-	116	-	116
Transfer to legal reserves	-	-	31,937	-	-	-	(31,937)	-	-	
Foreign currency translation differences	-	-	-	-	-	167	-	167	-	167
Actuarial losses on employee benefits (*)	-	-	-	-	-	-	(922)	(922)	-	(922)
Total comprehensive income for the period	**-**	**-**	**31,937**	**2,056**	**594**	**167**	**30,955**	**65,709**	**545**	**66,254**
Dividend distribution	-	-	-	-	-	-	(220,000)	(220,000)	-	(220,000)
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	**(220,000)**	**(220,000)**	-	**(220,000)**
Balance at 31 March 2013 (Reviewed)	**220,000**	**23,115**	**86,311**	**452,387**	**1,809**	**(921)**	**247,280**	**1,029,981**	**3,166**	**1,033,147**

(*) For restatement please see note 2.7.

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

	Notes	Reviewed 31 March 2013	Reviewed (Restated) 31 March 2012(*)
Cash flows from operating activities:			
Net profit for the period		64,359	72,751
Adjustments for net income:			
Gain on sales of property and equipment		(2,016)	(723)
Income tax expense	19	14,714	11,974
Depreciation and amortization	16	6,775	6,085
Share of profit of equity accounted investees	11	(11,761)	(20,172)
Interest income	17	(302)	(11)
Interest expense	18	12,460	11,960
Unrealized foreign exchange losses/(gains)		156	(3,251)
Warranty provision expense		17,251	11,264
Provision for dealer premium accrual	14	28,050	17,607
Provision for unused vacation		188	182
Provision for employee benefits		2,236	107
Legal provision expenses		1,432	922
Provision for doubtful receivables		589	(17)
Dividend income		--	(5,486)
Provision for diminution in the value of inventories	10	148	(1,163)
Changes in operating assets and liabilities			
Trade receivables		35,137	16,738
Due to/due from related parties		(62,714)	(40,343)
Inventories		(164,468)	(230,485)
Trade payables		128,740	261,995
Other assets/liabilities, net		(54,935)	(9,434)
Legal penalties paid		(514)	(480)
Employee termination benefits paid		(192)	(280)
Warranty claims paid		(15,710)	(10,771)
Unused vacation paid		(90)	(193)
Income tax paid		(7,311)	(5,663)
Net cash provided by/(used in) operating activities		**(7,778)**	**83,113**
Investing activities:			
Acquisition of property and equipment		(219)	(20,946)
Proceeds from sales of property and equipment		6,922	2,402
Acquisition of intangible assets		(2,060)	(280)
Contribution to increase in share capital of associates		-	(235)
Dividend received		-	6,064
Net cash used in investing activities		**4,643**	**(12,995)**
Financing activities:			
Interest received		302	11
Interest paid		(25,997)	(9,177)
Repayment of loans and borrowings		(126,759)	(108,389)
Proceeds from issuance of loans and borrowings		159,071	31,781
Net cash provided by/(used in) financing activities		**6,617**	**(85,774)**
Effects of foreign exchange rate fluctuations on cash and cash equivalents		**1,013**	**171**
Net increase/(decrease) in cash and cash equivalents		**4,495**	**(15,485)**
Cash and cash equivalents at 1 January		37,225	47,829
Cash and cash equivalents at 31 March	5	**41,720**	**32,344**

(*) For restatement please see note 2.7.

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

Doğuş Otomotiv Servis ve Ticaret A.Ş. (“Doğuş Otomotiv” or the “Company”) was established on 24 November 1999 as a distributor of Volkswagen AG, and its activities include importing, marketing and selling automobiles, commercial vehicles and spare parts of Volkswagen Group brands (VW, Audi, Seat, Porsche, Bentley, Lamborghini, Bugatti, Scania, Krone and Meiller), Scania Engines industrial and marine engine and Thermoking climate control systems. The Company started its used car operations via its dealer network under the brand name “DOD” since 2005.

The Company’s shares have been listed at the İstanbul Stock Exchange Market since 17 June 2004.

The Company’s subsidiaries as at 31 March 2013 are as follows:

- Doğuş Oto Pazarlama ve Ticaret A.Ş. (“Doğuş Oto Pazarlama”): Automobile dealer for group brands distributed by Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş. (“Yüce Auto”).

- Doğuş Auto Misr for Trading and Manufacturing Vehicles Joint Stock Company (“Doğuş Auto Mısır JS”) has been founded to execute distribution and after sales services of commercial vehicles of Volkswagen brand (*).

- Doğuş Automotive Limited Liability Company (“Doğuş Auto Mısır LLC”) has been founded as the authorized dealer for brands distributed by Doğuş Auto Mısır JS (*).

- D-Auto Suisse SA (“Doğuş Auto Swiss”) has been founded in Lausanne, Switzerland as authorized dealer and service provider for Porsche. The company has been established at 16 July 2007, and started its vehicle sales and after sales services operations on 10 March 2009.

  (*) It has been decided for cessation of activities and liquidation of these subsidiaries, but the process of liquidation is still ongoing.

The Company and its subsidiaries (together referred to as the “Group”) operate in a single business segment.

The Company and Doğuş Oto Pazarlama are registered in Turkey at the following address:

Şişli Ayazağa Maslak Mah.
G-45 Ahi Evren Polaris Cad. No.4 -İstanbul-Türkiye.

Doğuş Auto Mısır JS and Doğuş Auto Mısır LLC are registered in Egypt and located in the address below:

3/4 Anwar El - mofty St. Abbas El akkad St. Nasr City
Cairo, Egypt.

Doğuş Auto Swiss is registered in Switzerland and located at the address below:

Avenue Gabriel-de-Rumine 37, c/o Lausanne.

The average number of blue-collar employees of the Group for the three month period ended 31 March 2013 is 724 (31 December 2012: 717) whereas the average number of white-collar employees of the Group for the three month period ended 31 March 2013 is 1,346 (31 December 2012: 1,339).

NOTE 2 – BASIS OF PREPARATION

2.1 Statement of Compliance

The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with the accounting and reporting principles issued by CMB ("CMB Financial Reporting Standards"). CMB issued Communiqué No:XI-29 "Basis for Financial Reporting in the Capital Markets" ("Communiqué No:XI-29") published in the official gazette on 9 April 2008 with 26842 number. According to fifth article of the Communiqué, the Companies should apply International Accounting/Reporting Standards ("IAS/IFRS") as accepted by European Union.

However, in the application of Temporary Article 5 of Communiqué No:XI-29, until Turkish Accounting Standards Board ("TASB") publishes the differences between the European Union accepted IAS/IFRS and International Accounting Standards("IAS"), International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB"), IAS/IFRS has to be applied by the companies. Within the above-mentioned scope, the Group has prepared the accompanying condensed consolidated interim finacial statements as at 31 March 2013 in accordance with "Turkish Financial Reporting Standards" ("TAS"/"TFRS") issued by TASB which are identical to IAS and IFRS.

With the governing decree law numbered 660 published in official gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency ("Oversight Agency"). In accordance with the transitional article number one of the governing decree law, until the date of the issuing of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as of reporting date, the Basis of Presentation has not been changed.

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" issued by TASB is no longer required for companies operating in Turkey and accordingly effective from 1 January 2005, TAS 29 has not been applied in preparing the Group's condensed consolidated financial statements in accordance with CMB Financial Reporting Standards.

In accordance with the Communiqué No:XI-29 the companies are required to prepare their interim financial statements full set or condensed level in accordance with IAS 34 "Interim Financial Reporting". The Group has preferred to present its financial statements on a condensed level in accordance with the CMB Financial Reporting Standards. The condensed consolidated interim financial statements of the Company as at and for the three month period ended 31 March 2013 have been approved for issue by the Board of Directors on 14 May 2013. The accompanying condensed consolidated interim financial statements are not intended to present the financial position and the consolidated financial performance in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

2.2 Basis of Presentation

Basis of presentation of consolidated financial statements

The Company and its affiliates registered in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The affiliates in Egypt maintain their books of account and prepare their statutory financial statements in Egypt Pound ("EGP") in accordance with the laws and regulations in force in Egypt; and the affiliate in Switzerland maintains its books of account and prepares its statutory financial statements in Swiss Franc ("CHF") in accordance with the laws and regulations in force in Switzerland.

NOTE 2 – BASIS OF PREPARATION (Continued)

2.2 Basis of Presentation (Continued)

Basis of presentation of consolidated financial statements (Continued)

The accompanying condensed consolidated interim financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with CMB Financial Reporting Standards.

Basis of measurement

The condensed consolidated interim financial statements have been prepared based on the historical cost, except for the available-for-sale financial assets which are measured at fair value.

2.3 Changes in TFRS

New standards, amendments and interpretations effective as at 1 January 2013 or for the fiscal periods starting subsequent to 1 January 2013 are presented below:

(a) New standards, amendments and interpretations adopted in 2013 that have no significant effect on Group's financial statements:

TFRS 12 "Disclosure of Interest in Other Entities"
TFRS 12 Disclosure of Interests in Other Entities contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities and becomes effective for annual periods beginning on or after 1 January 2013.

TFRS 13, "Fair Value Measurement"
TFRS 13 Fair Value Measurement replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance and becomes effective for annual periods beginning on or after 1 January 2013.

TFRS 10, "Consolidated Financial Statements"
TFRS 10 Consolidated Financial Statements supersedes TAS 27 (2007) and SIC-12 Consolidation– Special Purpose Entities and becomes effective for annual periods beginning on or after 1 January 2013.

TFRS 11, "Joint Arrangements"
TFRS 11 Joint Arrangements supersedes TAS 31 and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Ventures and becomes effective for annual periods beginning on or after 1 January 2013.

TAS 27, "Separate Financial Statements (2011)"
TAS 27 Separate Financial Statements (2011) supersedes TAS 27 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.

TAS 28, "Investments in Associates and Joint Ventures (2011)"
TAS 28 Investments in Associates and Joint Ventures (2011) supersedes TAS 28 (2008) and becomes effective for annual periods beginning on or after 1 January 2013.

NOTE 2 – BASIS OF PREPARATION (Continued)

2.3 Changes in TFRS (Continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective in 2012 and have not been early adopted by the Group:

TFRS 9, "Financial Instruments: Classification and Measurement"
TFRS 9 Financial Instruments becomes effective for annual periods beginning on or after 1 January 2015.

TAS 32, "*Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)*"
The amendments clarify the meaning of —currently has a legally enforceable right to set-off and also clarify the application of the TAS 32 offsetting criteria to settlement systems whichapply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined yet.

2.4 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements starting from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 2 – BASIS OF PREPARATION (Continued)

2.4 Basis of Consolidation (Continued)

(i) Subsidiaries (Continued)

The table below sets out all the subsidiaries included in the scope of consolidation and, shows the Group's share of control as at 31 March 2013 and 31 December 2012:

	31 March 2013	**31 December 2012**
Doğuş Oto Pazarlama	96.20%	96.20%
Doğuş Auto Mısır JS (*)	99.97%	99.97%
Doğuş Auto Mısır LLC (*)	98.97%	98.97%
Doğuş Auto Swiss	99.95%	99.95%

(*) It has been decided for cessation of activities and liquidation of these subsidiaries, but the process of liquidation is still ongoing.

(ii) Joint Ventures

Joint ventures are companies for which an economic activity is undertaken through contractual arrangements and subject to joint control by the Group and one or more other parties. The Group accounts for its interest in joint ventures through equity method. The table below sets out all joint ventures and the Group's share of control as at 31 March 2013 and 31 December 2012:

	31 March 2013	**31 December 2012**
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	33.33%	33.33%
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	33.33%	33.33%
TÜVTURK İstanbul Taşıt Muayene İstasyonları İşletim Anonim Şirketi ("TÜVTURK İstanbul")	33.33%	33.33%
Meiller Doğuş Damper Sanayi ve Ticaret Ltd. Şti. ("Meiller-Doğuş")	49.00%	49.00%
Krone Doğuş Treyler Sanayi ve Ticaret A.Ş. ("Krone-Doğuş")	48.00%	48.00%

(iii) Associates

Associates are those enterprises in which the Group has significant influence, but does not have control, over the financial and operating policies. The condensed consolidated interim financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 2 – BASIS OF PREPARATION (Continued)

2.4 Basis of Consolidation (Continued)

(iii) Associates (Continued)

The table below sets out all the associates included in the scope of consolidation, and shows the Group's share of control as at 31 March 2013 and 31 December 2012:

	31 March 2013	**31 December 2012**
Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto") (*)	50.00%	50.00%
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	42.00%	42.00%
LPD Holding A.Ş. ("LPD Holding")	38.22%	38.22%
Volkswagen Doğuş Tüketici Finansmanı A.Ş. ("VDTF")	48.00%	48.00%
VDF Servis ve Ticaret A.Ş. ("VDF Servis")	38.22%	38.22%
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. ("Doğuş Teknoloji")	46.00%	46.00%

(*) Even though the Group has 50% interest in Yüce Auto (Distributor of Skoda), the Group only exercises a significant influence rather than joint control on the operations of Yüce Auto.

(iv) Transactions Eliminated in Consolidation

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the condensed consolidated interim financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The carrying amount of Doğuş Otomotiv's investment in each subsidiary, and dividend income from these subsidiaries are eliminated from the related equity and income statement accounts.

(v) Functional and Presentation Currency

Items included in the financial statements of Subsidiaries, Joint Ventures and Associates are presented in the functional currencies in their primary economic environments in which they maintain their operations. The condensed consolidated interim financial statements are presented in TL, which is Doğuş Otomotiv's functional and presentation currency.

2.5 Offsetting

Financial assets and financial liabilities should be offset and are reported net only when the entity has a legally enforceable right to offset, and it intends to settle the asset and the liability either simultaneously or on a net basis.

NOTE 2 – BASIS OF PREPARATION (Continued)

2.6 Comparative Information

The Group has prepared the condensed consolidated interim statement of financial position as at 31 March 2013 comparatively with the consolidated statement of financial position as at 31 December 2012, and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statements of cash flows and changes in equity in the three month period ended 31 March 2013 comparative to the three month period ended 31 March 2012.

2.7 Significant Accounting Policies

The significant accounting policies have been applied consistently by the Group to the condensed consolidated interim financial statements as at and for the three months period ended 31 March 2013 and to the consolidated financial statements for the year ended 31 December 2012

The Group adopted TAS 19 Employee Benefits (2011) with a date of initial application of 1 January 2012 and changed its basis for determining the expense related to defined benefit obligations.

i) Defined benefit obligation:

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

Actuarial differences were recognised in profit or loss before the change in the accounting standard. The change in accounting standard has been applied retrospectively. It reduced the employee severance indemnity expense recognised in profit or loss and correspondingly increased the defined benefit obligation actuarial differences recognised in other comprehensive income by TL 340 thousand for the three-month period ended 31 March 2012 (31 December 2012: TL 2,285 thousand).

NOTE 3 – JOINT VENTURES

The Group accounts for its interests in joint ventures indicated in Note 2.4 through equity method. Therefore, financial information regarding to aforementioned joint ventures are presented in Note 11 “Investments in Equity Accounted Investees”.

NOTE 4 – OPERATING SEGMENTS

Operating segments has been determined based on the reports reviewed by the steering committee that make strategic decisions.

Group management believes that risk and rewards of the Group is strictly related with the changes in automotive sector and determined the Group's primary segments according to product types. Group's operating activities include importing, marketing and selling passenger and commercial vehicles, spare parts of Volkswagen Group brands (VW, Audi, Seat, Porsche, Bentley, Lamborghini, Bugatti, Scania, Krone, Meiller) and Thermoking climate control systems and used car operations in Turkey via its dealer network under the brand name "DOD". Group's operating segments are identified based on the product groups. Considering the nature of the products, operating segments are identified as commercial vehicles, passenger vehicles and other segments.

Other segments comprise used cars, spare parts and central office functions.

Segment assets and liabilities are not reported since the management reports do not include such information.

Accounting policies for certain types of transactions differ for management reporting from those used in preparation of the condensed consolidated interim financial statements.

Warranty expenses and provision for legal matters have been included in the operating results when they are realized. Provisions for employee termination benefits expenses represent the undiscounted estimated future obligation of the Group arising from the retirement of the employees. Inventories are carried at cost. Depreciation and amortization which is not computed on a pro-rata basis is recognized in profit or loss on a straight-line method over the estimated useful lives of tangible and intangible assets.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 4 – OPERATING SEGMENTS (Continued)

Segment information presented to the Group management for the three month periods ended 31 March 2013 and 2012 are as follows:

For the three month period ended 31 March 2013	Passenger segment	Commercial segment	Other segments	Total
Revenue from external customers	866,314	277,445	148,190	1,291,949
Cost of sales (-)	(767,456)	(244,639)	(97,445)	(1,109,540)
Gross profit	**98,858**	**32,806**	**50,745**	**182,409**
General administration expenses (-)	(16,196)	(3,764)	(25,434)	(45,394)
Selling, marketing and distribution expenses (-)	(21,461)	(7,967)	(9,158)	(38,586)
Warranty income/(expense), net	(12,088)	(3,640)	19	(15,709)
Other operating income/(expense), net	2,822	528	2,660	6,010
Operating income	**51,935**	**17,963**	**18,832**	**88,730**

For the three month period ended 31 March 2012	Passenger segment	Commercial segment	Other segments	Total
Revenue from external customers	585,026	267,660	127,635	980,321
Cost of sales (-)	(509,007)	(232,148)	(84,491)	(825,646)
Gross profit	**76,019**	**35,512**	**43,144**	**154,675**
General administration expenses (-)	(14,071)	(3,913)	(23,193)	(41,177)
Selling, marketing and distribution expenses (-)	(16,225)	(6,401)	(8,424)	(31,050)
Warranty expenses (-)	(7,035)	(3,712)	(24)	(10,771)
Other operating income/(expense), net	1,467	167	1,648	3,282
Operating income	**40,155**	**21,653**	**13,151**	**74,959**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 4 – OPERATING SEGMENTS (Continued)

The Group management assesses the performance of the operating segments based on the measure of operating income. The measurement basis excludes the effects of non-recurring expenses (i.e. restructuring expenses and one-offs) from the operating income. The measurement basis also excludes the share of profit of equity accounted investees. Finance income and costs are not allocated to segments, as this type of activity is driven by the central finance function of the Group.

The reconciliation of operating income to profit before tax is as follows:

	31 March 2013	31 March 2012
Operating profit for reportable segments	88,730	74,959
Provision for legal exposures and indemnities, net	(1,351)	(441)
Provision for employee termination benefits, net	(2,615)	885
Provision for unused vacation	(97)	12
Provision for diminution in value of inventories, net	(148)	157
Warranty provision expense, net	(1,542)	(493)
Depreciation and amortization	442	36
Share of profit of equity accounted investees	10,748	20,367
Finance costs, net	(15,071)	(10,701)
Other	(23)	(56)
Profit before tax	**79,073**	**84,725**

NOTE 5 – CASH AND CASH EQUIVALENTS

As at 31 March 2013 and 31 December 2012, cash and cash equivalents comprise the following:

	31 March 2013	31 December 2012
Cash on hand	41	34
Cash at banks	41,679	37,191
- Demand deposits	16,334	9,877
- Time deposits/reverse repo	720	-
- Credit card receivables	24,625	27,314
Total	**41,720**	**37,225**

As at 31 March 2013 effective interest rate on TL denominated time deposits is 0,50%. (December 2012: nil)

There is no blocked deposit as at 31 March 2013 and 31 December 2012.

Foreign currency risk exposure of cash and cash equivalents are presented under Note 22.

Credit card receivables' due date is less than three months.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 6 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 31 March 2013 and 31 December 2012, available-for-sale financial assets comprise of the following:

	31 March 2013		31 December 2012	
	Ownership interest (%)	Carrying amount	Ownership interest (%)	Carrying amount
Doğuş Holding A.Ş. ("Doğuş Holding")	3.75	533,081	3.75	531,039
Garanti Yatırım Ortaklığı A.Ş. ("Garanti Yatırım")	0.03	9	0.03	9
		533,090		**531,048**

Fair value of Doğuş Holding shares, which do not have a quoted market price, is estimated by the Group using available market information and appropriate valuation methodologies. Since Garanti Yatırım is quoted in the stock exchange, fair value of the Company is calculated by considering the closing price at the reporting date. The movements in available-for-sale financial assets within the period are as follows:

	31 March 2013	31 March 2012
Balance at 1 January	531,048	375,181
Change in fair value of available-for-sale financial assets	2,042	45,499
Total	**533,090**	**420,680**

NOTE 7 – FINANCIAL LIABILITIES

As at 31 March 2013 and 31 December 2012, financial liabilities comprise the following:

	31 March 2013		31 December 2012	
	Interest rate	Amount	Interest rate	Amount
Short-term borrowings:				
TL denominated interest bearing borrowings	5.25–13.95%	468,008	5.25–13.95%	428,265
TL denominated non-interest bearing borrowings (*)	-	22,557	-	28,325
CHF denominated interest bearing borrowings	6%	1,403	6%	1,943
Finance lease liabilities:				
CHF denominated finance lease liabilities	4.50%	381	4.50%	385
Short-term portion of long-term borrowings:				
Euro denominated borrowings	EURIBOR+0.13%	11,198	EURIBOR+0.13%	11,279
CHF denominated borrowings	2.73–4.30%	10,278	2.73–4.30%	14,833
TL denominated borrowings	13.5%	7,160	-	-
TL denominated borrowings	TRLIBOR+1.75%	3,449	TRLIBOR+1.75%	5,556
USD denominated borrowings	LIBOR+1.95%	5,045	LIBOR+1.95%	4,838
Total short-term financial liabilities		**529,479**		**495,424**

(*) As at 31 March 2013, the Group has non-interest bearing TL denominated loans from various financial institutions amounting to TL 22,557 thousand, which have been obtained to pay value added taxes, custom taxes and special consumption taxes (31 December 2012: TL 28,325 thousand).

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 7 – FINANCIAL LIABILITIES (Continued)

	31 March 2013		31 December 2012	
	Interest rate	**Amount**	**Interest rate**	**Amount**
Long-term borrowings:				
TL denominated borrowings	TRLIBOR+1.75%	28,333	TRLIBOR+1.75%	30,000
TL denominated borrowings	13.5%	35,000	13.5%	37,320
USD denominated borrowings	LIBOR+1.95%	17,014	LIBOR+1.95%	16,768
CHF denominated borrowings	2.73–4.30%	16,905	2.73–4.30%	11,414
Finance lease liabilities:				
CHF denominated finance lease liabilities	4.50%	720	4.50%	836
Total long-term financial liabilities		**97,972**		**96,338**

As at 31 March 2013, the repayment schedule of long-term borrowings including their short-term portions is as follows:

Payment period	Original amount (TL thousand)	Original amount (USD thousand)	Original amount (Euro thousand)	Original amount (CHF thousand)	TL equivalent
2013	8,942	2,789	4,829	8,369	41,095
2014	41,667	2,688	-	238	46,981
2015	6,667	2,688	-	2,949	17,133
2016 and onwards	16,668	4,031	-	2,742	29,173
Total	**73,944**	**12,196**	**4,829**	**14,298**	**134,382**

As at 31 December 2012, the repayment schedule of long-term borrowings including their short-term portions is as follows:

Payment period	Original amount (TL thousand)	Original amount (USD thousand)	Original amount (Euro thousand)	Original amount (CHF thousand)	TL equivalent
2013	5,556	2,713	4,796	7,635	36,506
2014	43,986	2,688	-	236	49,236
2015	6,667	2,688	-	2,921	17,134
2016 and onwards	16,667	4,031	-	2,717	29,132
Total	**72,876**	**12,120**	**4,796**	**13,509**	**132,008**

Foreign currency and liquidity risk exposure of financial liabilities are presented under Note 22.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

8.1 Trade Receivables

Guarantees received for other trade receivables

Significant portion of the other trade receivables is consisted of receivables from the dealers. The Group's management established an effective control system over the dealers and monitors the credit risk of the dealers arising from the transactions. The Group requests letters of guarantee for vehicle and spare parts sales from authorized dealers. TL 23,579 thousand of total trade receivables are covered via letters of guarantee (31 December 2012: TL 23,484 thousand).

As at 31 March 2013, overdue trade receivables that are not impaired amount to TL 4,427 thousand (31 December 2012: TL 2,931 thousand). TL 3,538 thousand of such overdue receivables are covered via guarantee letters (31 December 2012: TL 2,482 thousand).

8.2 Trade Payables

As at 31 March 2013 and 31 December 2012, trade payables are consisted of the following:

	31 March 2013	31 December 2012
Payables to OEM companies	403,217	219,598
Payables to dealers	-	40,243
Other trade payables	38,964	59,183
Total	**442,181**	**319,024**

OEM's provide a credit option to the Group up to 1 year, which is free from interest for 10 days. The OEM's charge the Group an interest of 2.50% per annum for trade payables not settled within 10 days (31 December 2012: 2.50% per annum).

Group's payables to dealers consisted of bonus payables paid on periodical basis.

Other trade payables include Group's payables to service and material suppliers.

Foreign currency and liquidity risk exposure of trade payables are presented under Note 22.

NOTE 9 – OTHER RECEIVABLES

As at 31 March 2013 and 31 December 2012, other receivables comprise of the following:

	31 March 2013	31 December 2012
Warranty claims and price difference receivables (*)	46,978	24,335
Receivables due to insurance claims	6,305	5,332
Other	3,452	1,870
Total	**56,735**	**31,537**

(*) Warranty claims comprise the amounts to be paid by the suppliers in regards to the portion of warranty expenses of the vehicles imported by the Group, OEM's are responsible for.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 10 – INVENTORIES

As at 31 March 2013 and 31 December 2012, inventories comprise of the following:

	31 March 2013	31 December 2012
Goods in transit (*)	429,572	239,998
Merchandise stocks – vehicles	144,384	175,408
Merchandise stocks – spare parts	77,005	71,087
	650,961	**486,493**
Provision for diminution in the value of inventories (-)	(2,800)	(2,652)
Total	**648,161**	**483,841**

(*) Goods in transit comprise of vehicles and spare parts, custom transactions of which have not been completed yet, but risks and rewards of which have been transferred to the Group.

The cost of inventories recognized as expense and included in cost of sales amounted to TL 1,101,383 thousand for the period ended 31 March 2013 (31 March 2012: TL 814,902 thousand).

The Group has provided provision for damaged and slow-moving items in inventories. The current year stock provision is included in cost of sales. The movement of provision for diminution in the carrying value of inventories is provided below:

	2013	2012
Balance at 1 January	2,652	3,190
Additions/provisions released during the period (-)	148	(1,163)
Balance at 31 March	**2,800**	**2,027**

As at 31 March 2013, total carrying value of the damaged and slow-moving inventories, entirely spare parts, measured at net realizable value is TL 144 thousand (31 December 2012: TL 372 thousand).

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 11 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

As at 31 March 2013 and 31 December 2012, investment in associates, joint ventures and the Group's share of control are as follows:

	31 March 2013		31 December 2012	
	Share %	Carrying amount	Share %	Carrying amount
Associates				
VDTF	48	50,412	48	44,427
Doğuş Sigorta	42	32,713	42	32,433
Yüce Auto	50	8,120	50	8,541
VDF Servis	38.22	9,604	38.22	8,695
LPD Holding	38.22	31,543	38.22	25,835
Doğuş Teknoloji	46	974	46	915
Total		**133,366**		**120,846**
Joint ventures				
Krone-Doğuş	48	28,837	48	31,922
TÜVTURK Kuzey	33.33	28,977	33.33	27,056
TÜVTURK Güney	33.33	25,767	33.33	24,744
TÜVTURK İstanbul	33.33	11,363	33.33	11,158
Meiller-Doğuş	49	3,057	49	3,170
Total		**98,001**		**98,050**
Grand total		**231,367**		**218,896**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 11 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (Continued)

The movements in investments in associates and jointly ventures during the periods are as follows:

	2013	**2012**
Balance at 1 January	218,896	143,078
Shares in profit of associates and joint ventures, net (*)	11,761	20,172
Change in hedge reserves of joint ventures	594	361
Change in fair value of available-for-sale financial assets held by associates	122	2,748
Dividend income from associates	-	(578)
Contribution to the share capital of the associate	-	235
Deferred tax effect in relation to change in fair value of available-for-sale financial assets held by associates	(6)	(137)
Balance at 31 March	**231,367**	**165,879**

(*) For the three month period ended 31 March 2013, unrealized gains amount to TL 1,013 thousand from transactions with equity accounted investees to the extent of Group's interest in investee eliminated against the investment in preparing the condensed consolidated interim financial statements (For the three month period ended 31 March 2012: TL 195 thousand was eliminated).

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 11 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (Continued)

As at 31 March 2013 and 31 December 2012, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	31 March 2013						31 March 2013		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	2,726,053	403,508	3,129,561	2,541,707	431,602	2,973,309	166,946	(133,754)	33,192
Joint ventures	309,971	1,260,988	1,570,959	100,371	987,571	1,087,942	320,467	(319,352)	1,115

	31 December 2012						31 March 2012		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	2,638,594	391,763	3,030,357	2,457,463	432,652	2,890,115	124,266	(128,600)	(4,334)
Joint ventures	255,597	1,284,985	1,540,582	99,051	1,054,196	1,153,247	256,596	(234,632)	21,964

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 12 – PROPERTY AND EQUIPMENT

The movements in property and equipment and related accumulated depreciation for the period ended 31 March 2013 are as follows:

	1 January 2013	Additions	Disposals	Transfers	Foreign currency translation difference	31 March 2013
Cost:						
Land	165,592	1,964	-	-	(85)	167,471
Land improvements	13,992	64	-	-		14,056
Buildings	167,781	847	-	-	(734)	167,894
Machinery and equipments	30,071	560	-	-	(273)	30,358
Motor vehicles	65,361	2,158	(6,692)	-	219	61,046
Furniture and fixtures	25,822	938	(30)		-	26,730
Leasehold improvements	39,320	23	-	25	-	39,368
Constructions in progress	36,627	4,838	-	(25)	-	41,440
	544,566	**11,392**	**(6,722)**	**-**	**(873)**	**548,363**
Accumulated depreciation:						
Land improvements	(9,693)	(98)	-	-	-	(9,791)
Buildings	(20,278)	(766)	-	-	45	(20,999)
Machinery and equipments	(16,646)	(785)	-	-	19	(17,412)
Motor vehicles	(17,320)	(2,929)	1,791	-	(42)	(18,500)
Furniture and fixtures	(16,819)	(621)	24	-	-	(17,416)
Leasehold improvements	(27,227)	(456)	-	-	-	(27,683)
	(107,983)	**(5,655)**	**1,815**	**-**	**22**	**(111,801)**
Carrying amount	**436,583**					**436,562**

Total depreciation expense amounting to TL 5,655 thousand has been allocated to general administrative expenses in the condensed consolidated income statement for the three months period ended 31 March 2013 (31 March 2012: TL 5,318 thousand).

Construction in progress comprise of expenditures incurred for the showroom and service area in Ankara and for the logistics and spare parts center in Şekerpınar.

As at 31 March 2013 there is a lien on land owned by the Group amounting to TL 70,000 thousand and on buildings amounting to USD 21,500 thousand equivalent to TL 38,887 thousand (31 December 2012: TL 70,000 and USD 21,500 thousand equivalent to TL 38,326 thousand).

Net book value of machinery and equipments acquired through finance lease is TL 410 thousand as at 31 March 2013 (31 December 2012: TL 433 thousand).

As at 31 March 2013, borrowing cost amounting to TL 16,757 thousand is capitalized on fixed assets (31 December 2012: TL 14,793).

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 12 – PROPERTY AND EQUIPMENT (Continued)

The movements in property and equipment and related accumulated depreciation for the period ended 31 March 2012 are as follows:

	1 January 2012	Additions	Disposals	Transfers	Foreign currency translation difference	31 March 2012
Cost:						
Land	156,380	2,410	-	-	(82)	158,708
Land improvements	11,434	-	-	-	-	11,434
Buildings	137,311	15	-	-	(693)	136,633
Machinery and equipments	27,507	619	(26)	-	(87)	28,013
Motor vehicles	44,488	5,454	(2,401)	-	412	47,953
Furniture and fixtures	23,649	326	(120)	-	-	23,855
Leasehold improvements	37,083	-	(23)	8	-	37,068
Constructions in progress	29,246	635	-	(8)	-	29,873
	467,098	**9,459**	**(2,570)**	**-**	**(450)**	**473,537**
Accumulated depreciation:						
Land improvements	(9,530)	(35)	-	-	-	(9,565)
Buildings	(17,826)	(1,314)	-	-	27	(19,113)
Machinery and equipments	(13,535)	(811)	26	-	35	(14,285)
Motor vehicles	(12,613)	(2,061)	755	-	(98)	(14,017)
Furniture and fixtures	(16,132)	(571)	103	-	-	(16,600)
Leasehold improvements	(25,345)	(526)	7	-	-	(25,864)
	(94,981)	**(5,318)**	**891**	**-**	**(36)**	**(99,444)**
Carrying amount	**372,117**					**374,093**

NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

13.1 Provisions

The breakdown of provisions as at 31 March 2013 and 31 December 2012 is presented below:

	31 March 2013	31 December 2012
Warranty provisions	27,392	25,851
Legal provisions	10,883	9,964
Provision for unused vacation	2,162	2,065
Total	**40,437**	**37,880**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.2 Letter of Guarantees Given, Pledges and Mortgages

As at 31 March 2013, the Group's position related to letters of guarantee given, pledges and mortgages ("GPM") are as follows:

	31 March 2013				
		Original balances			
	Total TL equivalent	Full TL	Full USD	Full Euro	Full CHF
A. Total amount of GPM given on behalf of own legal personality	782,917	92,380,566	21,500,000	276,917,087	5,000,000
B. Total amount of GPM given in favor of partnerships which is consolidated	255,650	66,400,000	-	67,675,000	17,000,000
C. Total amount of GPM given for assurance of third parties debts in order to conduct of usual business activities	-	-	-	-	-
D. Total amount of other GPM					
i. Total amount of GPM given in favor of parent company	-	-	-	-	-
ii. The amount of GPM given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of GPM given in favor of 3rd parties which C doesn't comprise	-	-	-	-	-
Total GPM	**1,038,567**	**158,780,566**	**21,500,000**	**344,592,087**	**22,000,000**

Other GPMs given by the Group as at 31 March 2013 are equivalent to 0% of the Company's equity (31 December 2012: 0%).

GPM amounted to TL 66,000 thousand given in favor of companies which are consolidated is related to general loan agreements. As at 31 March 2013, GPM amounted TL 46,643 thousands of such GPMs is not utilized (GPM amounted TL 85,609 thousands is not utilized as at 31 December 2012).

As at 31 December 2012, the Group's position related to letters of guarantee given, pledges and mortgages ("GPM") are as follows:

	31 December 2012				
		Original balances			
	Total TL equivalent	Full TL	Full USD	Full Euro	Full CHF
A. Total amount of GPM given on behalf of own legal personality	790,860	91,604,941	21,500,000	276,911,787	5,000,000
B. Total amount of GPM given in favor of partnerships which is consolidated	285,196	96,900,000	-	67,675,000	15,000,000
C. Total amount of GPM given for assurance of third parties debts in order to conduct of usual business activities	-	-	-	-	-
D. Total amount of other GPM					
i. Total amount of GPM given in favor of parent company	-	-	-	-	-
ii. The amount of GPM given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of GPM given in favor of 3rd parties which C doesn't comprise	-	-	-	-	-
Total GPM	**1,076,056**	**188,504,941**	**21,500,000**	**344,586,787**	**20,000,000**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.3 Letter of Guarantees and Sureties Received

Letter of Guarantees Received

	31 March 2013	31 December 2012
Letter of guarantees received from fleet customers	22,050	26,750
Letters of guarantees received from fixed asset and service suppliers	17,358	24,785
Letters of guarantees received from dealers	15,362	16,539
Total	**54,770**	**68,074**

As at 31 March 2013, TL 2,078 thousand out of the total of TL 54,770 thousand (31 December 2012: TL 68,074 thousand), of the letters of guarantee received, were given by the Group's related party Türkiye Garanti Bankası A.Ş. ("Garanti Bankası") (31 December 2012: TL 5,066 thousand).

13.4 Operating Leases

	31 March 2013	31 December 2012
2013	14,830	18,880
2014	13,698	12,017
2015 and onwards	14,399	11,768
	42,927	**42,665**

The operational lease liability amounting to TL 25,998 thousand is related to operational lease contracts signed with Group's related parties (31 December 2012: TL 34,743 thousand).

NOTE 14 – OTHER ASSETS AND LIABILITIES

14.1 Other Current Assets

As at 31 March 2013 and 31 December 2012, other current assets comprise of the following:

	31 March 2013	31 December 2012
Prepaid expenses	36,853	4,483
Income accruals	12,992	12,579
Advances Given	6,643	1,710
Value Added Tax ("VAT") receivable	907	15,439
Total	**57,395**	**34,211**

Income accruals comprise of OEM support and warranty income accruals.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 14 – OTHER ASSETS AND LIABILITIES (Continued)

14.2 Other Non-current Assets

As at 31 March 2013 and 31 December 2012, other non-current assets comprise of the following:

	31 March 2013	31 December 2012
Prepaid expenses	3,286	3,774
Deposit and guarantees given	214	192
Advances given for property and equipment purchases	183	239
Total	**3,683**	**4,205**

14.3 Other Current Liabilities

As at 31 March 2013 and 31 December 2012, other current liabilities comprise of the following:

	31 March 2013	31 December 2012
Dealer premium expense accrual	28,050	-
VAT payable	23,498	31,687
Taxes and withholdings payable	16,851	7,515
Expense accruals	5,012	3,403
Advances taken	1,427	7,039
Other	-	4,227
Total	**74,838**	**53,871**

NOTE 15 – CAPITAL AND RESERVES

Capital

As at 31 March 2013, the registered capital of the Company is TL 220,000 thousand (31 December 2012: TL 220,000 thousand). The paid-in share capital of the Company comprises of 220,000,000 units of registered shares with a nominal value of TL 1 each. There is no different type of share and no privilege given to specific shareholders.

As at 31 March 2013 and 31 December 2012, the composition of the Company's shareholding structure is as follows:

	31 March 2013		31 December 2012	
Shareholders	**TL**	**Shareholding (%)**	**TL**	**Shareholding (%)**
Doğuş Holding	77,462	35.21	77,462	35.21
Publicly held	75,900	34.50	75,900	34.50
Doğuş Araşırma Geliştirme ve Müşavirlik A.Ş.	66,638	30.29	66,638	30.29
Paid-in capital	**220,000**	**100.00**	**220,000**	**100.00**
Inflation adjustment difference	23,115		23,115	
Total	**243,115**		**243,115**	

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 15 – CAPITAL AND RESERVES (Continued)

Restricted reserves

The breakdown of restricted reserves is presented below:

	31 March 2013	31 December 2012
Legal reserves	85,853	53,916
Special reserves	458	458
Total	**86,311**	**54,374**

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-in share capital. In case of a profit distribution in accordance with CMB regulations, second level legal reserves are set aside by rate of 1/10 for all cash distribution exceeding 5% of the share capital. In case of a profit distribution in accordance with statutory records, second level legal reserves are set aside by rate of 1/11 for all cash distribution exceeding 5% of the share capital. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can solely be used for offsetting the losses in case of running out of arbitrary reserves. As at 31 March 2013, the legal reserves of the Group amounted to TL 85,853 thousand (31 December 2012: TL 53,916 thousand).

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 was transferred to "Special reserves". As at 31 March 2013, special reserves of the Company amounted to TL 458 thousand (31 December 2012: TL 458 thousand).

Fair value reserves

Available-for-sale financial assets are recognized in condensed consolidated interim financial statements at their fair values. The valuation differences realized at the reporting date in carrying amount of the available-for-sale financial assets is recognized in "Fair value reserves" account under equity in the condensed consolidated interim financial statements. As at 31 March 2013, the fair value reserves of the Group amounted to TL 452,387 thousand (31 December 2012: TL 450,331 thousand).

Hedge reserves

Hedge reserve of the Group's joint ventures comprise the effective portion of the cumulative net change in the fair value of derivative transactions that are defined as risk hedging of cash flows. As at 31 March 2013, the hedge reserves of the Group amounted to TL 1,809 thousand (31 December 2012: TL 1,215 thousand).

Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 31 March 2013, the foreign currency translation differences of the Group amounted to TL (921) thousand (31 December 2012: TL (1,088) thousand).

NOTE 15 – CAPITAL AND RESERVES (Continued)

Retained earnings

Accumulated profits other than net current year profit and extraordinary reserves are classified under retained earnings. As at 31 March 2013, retained earnings and extraordinary reserves are TL 77,219 thousand and TL 106,247 thousand respectively (31 December 2012: TL 75,856 thousand and TL 102,252 thousand).

Dividend

In accordance with the CMB Decision numbered 02/51 dated 27 January 2010, concerning allocation basis of profit from operations of 2009, minimum profit distribution obligation will not be applied for the publicly own companies. According to the Board's decision and Communiqué No:IV-27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realized as cash, as bonus shares, partly as cash and bonus shares or the relevant amount can be retained within the company.

In addition, according to aforementioned Board Decision, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the year stated in the consolidated financial statements that will be prepared and announced to the public according to Communiqué Serial:XI, No:29, "Principles of Financial Reporting in Capital Markets" providing the profits can be met by the sources in their statutory records.

In this regard, when profit to be distributed calculated over net distributable profit obtained in accordance with CMB regulations can completely met by the sources in their statutory records, entire net distributable profit will be distributed otherwise net distributable profit based on statutory records will be distributed.

In the General Assembly Meeting which was held on 29 March 2013, it is decided to distribute dividends to shareholders on the previous year's distributable profit which is obtained by deducting legal reserves from period income. The Company has decided to pay an amount of TL 220,000 thousand and retain the remaining distributable profit amounting to TL 31,937 as "Legal reserve" within the Company.

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "Non-controlling interests" in the consolidated financial statements. As at 31 March 2013 and 31 December 2012, the related amounts in the "Non-controlling interest" in the condensed consolidated interim financial statements are respectively TL 3,166 thousand and TL 2,621 thousand. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "Non-controlling interests" in the condensed consolidated interim income statement.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 16 – SELLING, MARKETING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES AND WARRANTY EXPENSES

The breakdown of operating expenses for the three month periods ended 31 March is presented below:

	2013	2012
General administration expenses	49,015	40,685
Selling, marketing and distribution expenses	38,586	31,050
Warranty expenses, net	17,251	11,264
Total	**104,852**	**82,999**

16.1 Selling, Marketing and Distribution Expenses

The breakdown of selling, marketing and distribution expenses for the three month periods ended 31 March is presented below:

	2013	2012
Advertising expenses	12,046	8,964
Distribution expenses	11,712	8,745
Personnel expenses	8,732	7,424
Rent expense	3,324	3,218
Customer service expenses	1,988	1,887
Support expenses	784	812
Total	**38,586**	**31,050**

16.2 General Administration Expenses

The breakdown of general administration expenses for the three month periods ended 31 March is presented below:

	2013	2012
Personnel expenses	25,069	20,248
Depreciation and amortization expenses	6,775	6,085
Building expenses	4,420	3,912
Vehicle expenses	2,351	2,283
Consultancy expense	1,814	1,577
Litigation expenses	1,364	757
Traveling expenses	1,274	1,186
Maintenance expenses	1,113	881
Insurance expenses	814	613
Rent expenses	584	356
Communication expenses	476	546
Other	2,961	2,241
Total	**49,015**	**40,685**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 17 – FINANCE INCOME

The breakdown of finance income for the three month periods ended 31 March is as follows:

	2013	2012
Interest income charge on credit sales	285	-
Interest income	17	11
Dividend income	-	5,486
Foreign exchange gains on borrowings, net	-	3,682
Total	**302**	**9,179**

NOTE 18 – FINANCE COSTS

The breakdown of finance costs for the three month periods ended 31 March is as follows:

	2013	2012
Interest expense on borrowings	11,682	10,286
Other foreign exchange losses, net	-	5,365
Commission expenses on letters of guarantee	1,463	1,683
Interest charge on credit purchases	778	1,674
Other financial costs	1,094	872
Foreign exchange losses on borrowings, net	356	-
Total	**15,373**	**19,880**

NOTE 19 – TAX ASSET AND LIABILITIES

Turkish tax legislation does not allow for the submission of tax returns over consolidated financial statements prepared by the parent company, which include its subsidiaries and affiliates. Accordingly tax considerations reflected in these condensed consolidated interim financial statements have been calculated separately for each of the companies in the scope of the consolidation.

The Corporate Tax Law was amended by Law No. 5520 dated 13 September 2006. Most of the articles of the new Corporate Tax Law in question, No. 5520, have come into force effective from 1 January 2006. Corporation Tax is payable at a rate of 20% (31 December 2012: 20%) on the total income of the Company and its subsidiaries registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19.8%, calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

As at 31 March 2013, enacted Corporation Tax rate is 22.8% for the subsidiary registered in Switzerland according to local tax law (31 December 2012: 22.8%).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 19 – TAX ASSET AND LIABILITIES (Continued)

Corporations are required to pay Advance Corporation Tax quarterly at the rate of 20% on their corporate income. Advance Tax is declared by the 14th and paid by the 17th of the second month following each calendar quarter end. Advance Tax paid during the year is offset against the annual Corporation Tax payable, which is calculated over the Corporate Tax return declared in the following year. If, despite offsetting, there remains an amount for Advance Tax amount paid, it may be refunded or offset against other liabilities to the government. Dividend income of a resident arising from the investments in another resident is not subject to Corporate Tax.

Accordingly, income items complying with the abovementioned rules and included in accounting profit or loss are taken into account in Corporate Tax computation.

In determining the tax base, in addition to abovementioned exceptions, exceptions indicated in article 8 of Corporate Tax Law and Article 40 of Income Tax Law are also taken into account.

There is no such application for the reconciliation of payable taxes with the tax authority. Corporate Tax Returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends.

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.

Losses can be carried forward for offsetting against future taxable income for up to 5 years.

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years, are exempt from Corporate Tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account and it must not be withdrawn from the entity for a period of 5 years. The cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realized.

For the three month periods ended 31 March, taxation charge comprise of the following:

	2013	**2012**
Deferred tax income	5,293	3,991
Current tax expense	(20,007)	(15,965)
Total tax expense	**(14,714)**	**(11,974)**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 19 – TAX ASSET AND LIABILITIES (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

		2013		2012
Profit before tax		79,073		84,725
Income tax using the Company's domestic tax rate	(20%)	(15,815)	(20%)	(16,945)
Disallowable expenses	-	(164)	-	(156)
Share of profit in equity accounted investees exempt from deferred tax calculation	3%	2,150	5%	4,073
Tax exempt income	-	-	1%	1,034
Other	(1%)	(885)	-	20
Total tax expense	**(19%)**	**(14,714)**	**(14%)**	**(11,974)**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and Tax Purposes. Tax rate is 20% for deferred tax assets and liabilities on temporary differences (31 December 2012: 20%).

Deferred taxes

As at 31 March 2013 and 31 December 2012, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	Deferred tax asset		**Deferred tax liabilities**		**Net deferred tax asset/(liabilities)**	
	31 March 2013	**31 December 2012**	**31 March 2013**	**31 December 2012**	**31 March 2013**	**31 December 2012**
Fair value change of available-for-sale financial assets		-	(20,149)	(20,048)	(20,149)	(20,048)
Land		-	(1,135)	(1,050)	(1,135)	(1,050)
Carry forward tax losses	4,414	4,008	-	-	4,414	4,008
Other tangible and intangible assets	1,479	1,218	-	-	1,479	1,218
Warranty provision, net	5,478	5,170	-	-	5,478	5,170
Legal provision	2,176	1,993	-	-	2,176	1,993
Provision for diminution in value of inventories	560	531	-	-	560	531
Employee termination benefit	2,629	1,989	-	-	2,629	1,989
Unused vacation liability	433	413	-	-	433	413
Sales Premium	4,466	-	-	-	4,466	-
Other	365	1,070	-	-	365	1,070
Total deferred tax asset/(liabilities)	22,000	16,392	(21,284)	(21,098)	716	(4,706)
Net off of tax	(17,281)	(11,543)	17,281	11,543	-	-
Total deferred tax assets/(liabilities)	**4,719**	**4,849**	**(4,003)**	**(9,555)**	**716**	**(4,706)**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 19 – TAX ASSET AND LIABILITIES (Continued)

Deferred taxes (Continued)

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is considered highly probable by the Group Management.

The movements in temporary differences as at 31 March 2013 are as follows:

	1 January 2013	Recognized in the profit or loss	Recognized in other comprehensive income	31 March 2013
Fair value change of available-for-sale financial assets	(20,047)	-	(102)	(20,149)
Land	(1,050)	(85)	-	(1,135)
Carry forward tax losses	4,008	406	-	4,414
Other tangible and intangible assets	1,218	261	-	1,479
Warranty provision, net	5,169	309	-	5,478
Legal provision	1,993	183	-	2,176
Provision for diminution in value of inventories	531	29	-	560
Employee termination benefit	1,989	409	231	2,629
Unused vacation liability	413	20	-	433
Dealer premium accrual	-	4,466	-	4,466
Other	1,070	(705)	-	365
	(4,706)	**5,293**	**129**	**716**

The movements in temporary differences as at 31 March 2012 are as follows:

	1 January 2012	Recognized in the profit or loss	Recognized in other comprehensive income	31 March 2012
Fair value change of available-for-sale financial assets	(12,253)	-	(2,275)	(14,528)
Land	(1,187)	(68)	-	(1,255)
Carry forward tax losses	2,736	690	-	3,426
Other tangible and intangible assets	3,201	(2)	-	3,199
Warranty provision, net	4,157	98	-	4,255
Legal provision	1,649	88	-	1,737
Provision for diminution in value of inventories	638	(31)	-	607
Employee termination benefit	1,290	(35)	85	1,340
Unused vacation liability	352	(2)	-	350
Dealer premium accrual	-	3,521	-	3,521
Other	496	(268)	-	228
	1,079	**3,991**	**(2,190)**	**2,880**

As at 31 March 2013, income tax payable amounting to TL 20,007 thousand (31 December 2012: TL 7,311 thousand), is comprised by total of current period tax provision.

(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:

	31 March 2013	(Restated) 31 March 2012(*)
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:

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

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:

	31 March 2013	31 December 2012
Garanti Bankası	55,415	53,817
Total	**55,415**	**53,817**

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

	31 March 2013	31 December 2012
LPD Holding	11,160	6,588
Yüce Auto	763	689
VDTF	103	568
Other	1	2
Total	**12,027**	**7,847**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

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

21.3 Due from Related Parties (Continued)

21.3.2 Due from joint ventures

	31 March 2013	31 December 2012
TÜVTURK Kuzey	3	3
Krone-Doğuş	-	2
Total	**3**	**5**

21.3.3 Due from other related parties

	31 March 2013	31 December 2012
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	**385,410**	**330,223**
Grand total	**397,440**	**338,075**

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

	31 March 2013	31 December 2012
Doğuş Teknoloji	800	1,118
Yüce Auto	31	-
LPD Holding	3	274
Other	-	31
Total	**834**	**1,423**

21.4.2 Due to joint ventures

	31 March 2013	31 December 2012
Meiller-Doğuş	674	1,279
Krone-Doğuş	23	-
Other	3	-
Total	**700**	**1,279**

21.4.3 Due to other related parties

	31 March 2013	31 December 2012
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	**1,284**	**3,720**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

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

21.4 Due to Related Parties (Continued)

21.4.4 Due to shareholders

	31 March 2013	31 December 2012
Doğuş Holding	441	186
Total	**441**	**186**
Grand total	**3,259**	**6,608**

21.5 Due to Related Parties - Other

	31 March 2013	31 December 2012
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

	2013	2012
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

	2013	2012
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**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

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**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

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**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

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**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The risk management program is applied by the Company and its Subsidiaries, Joint Ventures and Associates in line with the policies set by the Board of Directors.

(a) Credit risk

The Group's significant portions of receivables from dealers are collected through VDF Faktoring. The receivables from dealers through VDF Faktoring are collected when they are due and these are irrevocable transactions.

An effective control system is established for receivables from dealers and customers. The credit risk arising from these transactions are followed by the management and these risks are limited for each debtor. These risks arising from relevant receivables are guaranteed with proper instruments (Note 8).

	Receivables						
	Trade receivables		**Other receivables**		**Bank**	**Derivative**	
31 March 2013	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**deposits**	**instruments**	**Other**
Exposure to maximum credit risk as at reporting date (A+B+C+D+E) (*)	397,440	59,288	40,987	56,735	41,679	-	10,440
- Guaranteed portion of the maximum exposure	-	23,579	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	397,440	54,861	-	56,735	41,679	-	10,440
B. Net carrying amount of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (**)	-	-	-	-	-	-	-
- Guaranteed portion (A+B)	-	20,041	-	-	-	-	-
C. Net carrying amount of financial assets which are overdue but not impaired (***)	-	4,427	-	-	-	-	-
- Guaranteed portion	-	3,538	-	-	-	-	-
D. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	1,100	-	-	-	-	-
- Impairment (-)	-	(1,100)	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks (****)	-	-	40,987	-	-	-	-

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(a) Credit risk (Continued)

	Receivables						
	Trade receivables		Other receivables		Bank	Derivative	
31 December 2012	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**deposits**	**instruments**	**Other**
Exposure to maximum credit risk as at reporting date (A+B+C+D+E) (*)	338,075	95,014	41,566	31,537	37,191	-	12,579
- Guaranteed portion of the maximum exposure	-	23,484	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	338,075	92,083	-	31,537	37,191	-	12,579
B. Net carrying amount of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (**)	-	-	-	-	-	-	-
- Guaranteed portion (A+B)	-	21,002	-	-	-	-	-
C. Net carrying amount of financial assets which are overdue but not impaired (***)	-	2,931	-	-	-	-	-
- Guaranteed portion	-	2,482	-	-	-	-	-
D. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	1,629	-	-	-	-	-
- Impairment (-)	-	(1,629)	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks (****)	-	-	41,566	-	-	-	-

(*) This area indicates the total of the figures placed in A, B, C, D and E lines. In determination of aforementioned figures, items increasing credit reliability such as guarantees received are not considered.

(**) As at 31 March 2013 and 31 December 2012, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 31 March 2013 and 31 December 2012, 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.

(****) As at 31 March 2013 and 31 December 2012, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(a) Credit risk (Continued)

Aging of past due receivables that are not impaired

As at 31 March 2013 and 31 December 2012, the aging of past due receivables that are not impaired are as follows:

	Receivables		Deposits on banks	Derivative instruments	Other
31 March 2013	**Trade receivables**	**Other receivables**			
Past due 1-30 days	4,411	-	-	-	-
Past due 1-3 months	16	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	3,538	-	-	-	-

	Receivables		Deposits on banks	Derivative instruments	Other
31 December 2012	**Trade receivables**	**Other receivables**			
Past due 1-30 days	2,911	-	-	-	-
Past due 1-3 months	10	-	-	-	-
Past due 3-12 months	10	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	2,482	-	-	-	-

(b) Liquidity risk

Liquidity risk management refers to capacity of holding adequate amount of cash and marketable securities, adequate credit lines and ability to close out market position.

Risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group, in order to minimize liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regard, as at 31 March 2013, the Group have lines of credit amounting to Euro 702,795 thousand, USD 306,167 thousand, CHF 5,000 thousand and TL 1,616,772 thousand (31 December 2012: lines of credit amounting to Euro 648,605 thousand, USD 321,333 thousand, CHF 5,000 thousand and TL 1,317,772 thousand). The utilized portions of the aforementioned total credit lines are disclosed in Note 7.

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to Euro 276,000 thousand, and CHF 5,000 thousand equivalent to TL 646,016 thousand (31 December 2012: Euro 276,000 thousand and CHF 5,000 thousand equivalent to TL 658,784 thousand) that enables the Group to perform credit purchases from Original Equipment Manufacturers with an option to pay in 12 months. The Group's credit purchase limit based on the letters of guarantee given to the main foreign suppliers of which Euro 143,447 thousand and CHF 4,518 thousand equivalent to TL 341,229 thousand is not used as at 31 March 2013 (31 December 2012: Euro 183,036 thousand and CHF 3,932 thousand equivalent to TL 438,085 thousand).

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(b) Liquidity risk (Continued)

The below tables show the financial liabilities of the Company according to their remaining maturities as at 31 March 2013 and 31 December 2012:

	31 March 2013					
Contractual maturities	**Carrying amount**	**Total contractual cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial Liabilities						
Loans and borrowings	626,349	629,511	510,030	30,012	87,766	1,703
Finance lease liabilities	1,102	1,274	105	316	853	-
Trade payables due to related parties	3,259	3,259	3,259	-	-	-
Other trade payables	442,181	442,181	224,400	217,781	-	-
Other payables due to related parties	220.000	220.000	220.000			
Other short-term liabilities (*)	32,744	32,744	32,744	-	-	-
Total non-derivative financial liabilities	**1,325,635**	**1,328,969**	**990,538**	**248,109**	**88,619**	**1,703**

	31 December 2012					
Contractual maturities	**Carrying amount**	**Total contractual cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial Liabilities						
Loans and borrowings	590,541	621,237	43,189	468,192	106,415	3,441
Finance lease liabilities	1,221	1,301	108	323	870	-
Trade payables due to related parties	6,608	6,608	6,608	-	-	-
Other trade payables	319,024	319,024	123,164	195,860	-	-
Other short-term liabilities (*)	7,630	7,630	7,630	-	-	-
Total non-derivative financial liabilities	**925,024**	**955,800**	**180,699**	**664,375**	**107,285**	**3,441**

(*) Non-financial items such as VAT payable, taxes, withholdings payable and advances taken are excluded from other short-term liabilities.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(c) Currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency denominated payables to Original Equipment Manufacturers and borrowings from financial institutions. This risk is monitored by the Board of Directors and limited through taking positions within approved limits as well using derivative instruments where necessary.

To minimize the risk arising from foreign currency denominated balance sheet items, the Group utilizes derivative instruments as well as keeping part of its idle cash in foreign currencies. In addition, translation of cost of goods-in-transit until completion of the customs transactions, in accordance with the customs law provides a natural hedge.

Currency sensitivity analysis		
31 March 2013		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(2,909)	2,909
2- USD risk averse portion (-)		
3- Net USD effect (1+2)	(2,909)	2,909
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	7,133	(7,133)
5- Euro risk averse portion (-)		
6- Net Euro effect (4+5)	7,133	(7,133)
TOTAL (3+6)	**4,224**	**(4,224)**

Currency sensitivity analysis		
31 December 2012		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(2,404)	2,404
2- USD risk averse portion (-)		
3- Net USD effect (1+2)	(2,404)	2,404
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	3,283	(3,283)
5- Euro risk averse portion (-)		
6- Net Euro effect (4+5)	3,283	(3,283)
TOTAL (3+6)	**879**	**(879)**

Currency sensitivity analysis		
31 March 2012		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(3,242)	3,242
2- USD risk averse portion (-)		
3- Net USD effect (1+2)	(3,242)	3,242
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	2,623	(2,623)
5- Euro risk averse portion (-)		
6- Net Euro effect (4+5)	2,623	(2,623)
TOTAL (3+6)	**(619)**	**619**

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(c) Currency risk (Continued)

Foreign exchange rates for USD and Euro as at 31 March 2013 and 31 December 2012 are as follows:

	31 March 2013	31 December 2012
USD	1.8087	1.7826
Euro	2.3189	2.3517

As at 31 March 2013, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	31 March 2013				
		Original amounts			
	Total TL equivalent	Full USD	Full Euro	Full CHF	Other
Assets:					
Trade receivables	392	-	169,068	-	-
Monetary financial assets	3,379	177,390	1,080,796	258,012	53,006
Other monetary assets	482,057	1,762,464	205,609,990	1,094,274	-
Total assets	**485,828**	**1,939,854**	**206,859,854**	**1,352,286**	**53,006**
Trade payables	405,501	133,067	174,763,823	-	-
Financial liabilities	18,445	8,486,607	1,334,787	-	-
Current liabilities	**423,946**	**8,619,674**	**176,098,610**	**-**	**-**
Financial liabilities	17,013	9,406,250	-	-	-
Non-current liabilities	**17,013**	**9,406,250**	**-**	**-**	**-**
Total liabilities	**440,959**	**18,025,924**	**176,098,610**	**-**	**-**
Net foreign currency liability position of derivative financial liabilities off statement of financial position	-	-	-	-	-
Net foreign currency (liability)/ asset position	**44,869**	**(16,086,070)**	**30,761,244**	**1,352,286**	**53,006**
Monetary items net foreign currency (liability)/asset position					
Sureties and letters of guarantee taken	3,385	301,632	1,224,379	-	-
Sureties and letters of guarantee given	731,522	21,500,000	294,592,087	5,000,000	-
Import	917,766	-	395,776,587	-	-

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(c) Currency risk (Continued)

As at 31 December 2012, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	31 December 2012				
		Original amounts			
	Total TL equivalent	Full USD	Full Euro	Full CHF	Other
Assets:					
Trade receivables	3	-	-	1,560	-
Monetary financial assets	4,055	50,744	1,642,684	3,311	71,863
Other monetary assets	263,641	20,182	112,062,366	35,052	-
Total assets	**267,699**	**70,926**	**113,705,050**	**39,923**	**71,863**
Trade payables	224,810	1,433,956	94,506,689	-	1,000
Financial liabilities	16,117	2,713,836	4,796,133	-	-
Current liabilities	**240,927**	**4,147,792**	**99,302,822**	**-**	**1,000**
Financial liabilities	16,768	9,406,250	-	-	-
Non-current liabilities	**16,768**	**9,406,250**	**-**	**-**	**-**
Total liabilities	**257,695**	**13,554,042**	**99,302,822**	**-**	**1,000**
Net foreign currency liability position of derivative financial liabilities off statement of financial position	**1,037**	**-**	**441,000**	**-**	**-**
Net foreign currency (liability)/ asset position	**8,967**	**(13,483,116)**	**13,961,228**	**39,923**	**70,863**
Monetary items net foreign currency (liability)/asset position					
Sureties and letters of guarantee taken	4,233	300,000	1,572,516	-	-
Sureties and letters of guarantee given	877,835	21,500,000	344,586,787	15,000,000	-
Import	4,296,710	-	1,827,065,694	-	-

As at 31 March 2013, goods in transit of the Group amount to Euro 181,419 thousand equivalent to TL 420,692 thousand (31 December 2012: Euro 101,444 thousand equivalent to TL 238,566 thousand).

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(d) Market risk

The Group is exposed to market risk through holding shares of Doğuş Holding and Garanti Yatırım.

Even though the shares of Doğuş Holding are not quoted in the capital market, fair value of the Doğuş Holding's shares is determined by using market information of publicly held Doğuş Holding Group companies and other valuation methodologies are used for remaining Doğuş Holding Group companies. Therefore, value of Doğuş Holding recognized in the financial statements is affected by price fluctuations in the shares of publicly held Doğuş Holding Group companies.

Since Garanti Yatırım is a publicly held company, share price fluctuations are directly recognized in the financial statements.

Under the assumption of 10% increase/decrease in share prices as at 31 March 2013, all other variables held constant, the Group's equity would have been increased/decreased by TL 3,894 thousand (31 December 2012: TL 27,249 thousand).

(e) Interest rate risk

At 31 March 2013, if market interest rates on Euro denominated borrowings at variable rates were higher/lower by 100 basis (1%) point where all other variables held constant, higher/lower interest expense on borrowings at variable rates would cause net income for the year to be lower/higher by TL 111 thousand (31 December 2012: TL 18 thousand). At 31 March 2013, if market interest rates on USD denominated borrowings at variable rates were higher/lower by 100 basis (1%) point where all other variables held constant, higher/lower interest expense on borrowings at variable rates would cause net income for the year to be lower/higher by TL 74 thousand (31 December 2012: TL 19 thousand). At 31 March 2013, if market interest rates on TL denominated borrowings at variable rates were higher/lower by 100 basis (1%) point where all other variables held constant, higher/lower interest expense on borrowings at variable rates would cause net income for the year to be lower/higher by TL 64 thousand (31 December 2012: TL 65 thousand).

(f) Fair value

The fair value of financial instruments is based on their quoted market price at the reporting date without any deductions for transaction costs. If a quoted market price is not available, the Group using available market information and appropriate valuation methodologies estimates the fair value of the instrument. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates made are not necessarily indicative of the amounts that could be realized in current market exchange.

The principles used in determining the fair values of financial assets and liabilities are as follows:

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(f) Fair value (Continued)

Financial assets

Cash and cash equivalents are presented on cost basis and are assumed to reflect their fair values as they are liquid and classified as current assets.

Trade receivables are presented netted of related doubtful portion of the receivable and are assumed to reflect their fair value.

Fair value of Doğuş Holding shares, which do not have a quoted market price, is estimated by the Group using available market information and appropriate valuation methodologies. Since Garanti Yatırım is quoted in the stock exchange, fair value of the company is calculated by considering the closing price at the balance sheet date.

Financial liabilities

Short-term TL denominated bank borrowings are assumed to converge to its fair value, as the payment dates get closer to the balance sheet date. Floating rate long term borrowings denominated in foreign currency and TL which has floating rate are assumed to reflect their fair value

Since trade payables are short-term and foreign currency denominated, they are assumed to reflect their fair values.

Fair value hierarchy

"IFRS 7 – Financial Instruments: Disclosure" requires the Companies to disclose the classification and hierarchy of the data used in determining the fair values of the financial assets. The basis for the hierarchy is dependent on the conformity of the data used in fair value calculation. The independency of the source of the data, the assumptions used in calculation of the fair value effects the level of hierarchy.

The different levels have been identified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market.

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts.)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(f) Fair value (Continued)

Fair value hierarchy (Continued)

The table below analyses financial instruments carried at fair value by valuation method:

	31 March 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Available-for-sale financial assets (Note 6)	9	533,081	-	533,090
Total financial assets	**9**	**533,081**	**-**	**533,090**

	31 December 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Available-for-sale financial assets (Note 6)	9	531,039	-	531,048
Total financial assets	**9**	**531,039**	**-**	**531,048**
Financial liabilities				
Accrued losses on derivatives (Note 16)	-	4	-	4
Total financial liabilities	**-**	**4**	**-**	**4**

NOTE 23 – SUBSEQUENT EVENTS

In the General Assembly Meeting which was held on 29 March 2013, it is decided to distribute dividends to shareholders on the previous year's distributable profit which is obtained by deducting legal reserves from period income amounting to TL 220,000 thousand which were paid in cash in 30 April 2013 and 3 May 2013.