Dogan

CARING VALUES. ADDING VALUES.

DOĞAN HOLDING

ANNUAL REPORT 2018

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MESSAGE FROM THE HONORARY CHAIRMAN

Esteemed Stakeholders,

It has been 59 years since I registered at Mecidiyeköy Tax Office and entered the business world. Next year will be the 60th year of my business career.

Over this long period, we have operated in various sectors – such as industry, retail, energy and tourism – and forged the Doğan Holding culture. In 2018, we sold off our media assets, which we had either acquired or built from scratch, and ensured a successful exit from this industry. Since exiting the media industry, we have stepped up efforts to restructure Doğan Holding and its subsidiaries. In line with our new strategy, we plan to boost the productivity and profitability of our existing companies, while also investing in new business areas with high technological input considering global competition.

The major reason we have successfully completed these processes is our adherence to the values crafted by Doğan Holding. The culture that we have jointly developed and our unwavering belief in the future of our country will continue to move our Group and its subsidiaries forward in the coming period.

With this belief and confidence, I would like to thank all my colleagues for their valuable services and contributions, while embracing all of you with genuine affection.

Aydın Doğan
Doğan Holding Honorary Chairman

"IN LINE WITH OUR NEW STRATEGY, WE PLAN TO BOOST THE PRODUCTIVITY AND PROFITABILITY OF OUR EXISTING COMPANIES, WHILE ALSO INVESTING IN NEW BUSINESS AREAS WITH HIGH TECHNOLOGICAL INPUT CONSIDERING GLOBAL COMPETITION."


CARING
VALUES
ADDING
VALUES

WE CARE AND WE VALUE

THE RIGHT TO LIFE,

HEALTH AND SAFETY,

TRUST AND APPRECIATION,

RESPECT FOR HONOR, CHOICES

AND SERVING

PEOPLE.

DOĞAN HOLDING IN BRIEF

AN INNOVATIVE AND PIONEERING ROLE – FROM ENERGY TO INDUSTRY, FINANCE TO TOURISM...

Doğan Group has been adding significant value to the Turkish economy for 60 years. The foundation of Doğan Holding was laid when Honorary Chairman Aydın Doğan registered with the Mecidiyeköy Tax Office in 1959 and established his first company in the automotive sector in 1961. Today Doğan Group companies, with their innovative approach, play a pioneering role in a wide range of sectors such as energy, petroleum products retail, finance, internet and entertainment, industry, automotive, tourism and real estate.

Each boasting a flexible management structure, Group companies embrace a quality- and customer-focused management approach that is open to change. These companies successfully couple this approach with the other integral components of our corporate culture, namely, transparent communications and effective teamwork. Doğan Holding and all Group companies put into practice corporate and ethical values, which set an example for other companies in the business world.

Aiming for global success in all its industrial and trading activities, Doğan Group keeps abreast of domestic and international developments in every business line in which it conducts operations. With its high-quality products and services, the Group operates across a wide geographic region through strategic partnerships with leading multinational groups.

The well-qualified and highly competent workforce of Doğan Group has been the key factor underlying this success. The Group, together with its subsidiaries, run as joint ventures, directly offers employment to approximately 3,232 people as of end-2018 and is an important figure in national employment.

REVENUES
(TL MILLION)

+57%

2014	3,543
2015	5,951
2016	7,755
2017	7,739*
2018	12,146

The year 2017 has been restated.

EBITDA
(TL MILLION)

+8%

2014	179
2015	347
2016	483
2017	559*
2018	603

The year 2017 has been restated.


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FINANCIAL INDICATORS

Doğan Holding posted successful financial results in the operating period of 2018 in line with its new focus strategy.

DOĞAN HOLDING'S CONSOLIDATED TOTAL ASSETS INCREASED 3.5% OVER THE PRIOR YEAR TO REACH TL 11 BILLION.

FINANCIAL INDICATORS

Summary Financial Position Statement - TL Million	Audited	Restated Previous Period	Restated Previous Period
	31.12.2018	31.12.2017	31.12.2016
Total Assets	**10,950**	**10,578**	**9,401**
Current Assets	7,018	4,899	3,918
Non-current Assets	3,932	5,679	5,483
Total Liabilities	**10,950**	**10,578**	**9,401**
Short-Term Liabilities	2,988	5,165	2,795
Long-Term Liabilities	960	2,060	2,935
Shareholders' Equity	7,002	3,353	3,671

	Audited	
Summary Profit or Loss Statement - TL Million	31.12.2018	31.12.2017
Revenue	12,146	7,739
Gross Profit	1,015	507
Operating Profit/(Loss)	1,265	73
EBITDA	603	559
EBITDA Margin	5.0%	7.2%
Net Profit/(Loss) Attributable to Equity Holders of the Parent Company	3,633	-323

INCREASE IN SHAREHOLDERS' EQUITY

109%

FINANCIAL INDICATORS

Ratios	2018	2017
Gross Profit Margin	8.4%	6.6%
Operating Profit Margin	10.4%	0.9%
EBITDA Margin	5.0%	7.2%

Ratios	2018	2017
Current Ratio	2.35	0.95
Liquidity Ratio	2.13	0.83
Debt/Equity Ratio	0.56	2.15

SEGMENT ANALYSIS

	2018		2017	
TL Million	**Net Sales**	**EBITDA**	**Net Sales**	**EBITDA**
Petroleum Products Retail	8,107	229	5,436	187
Electricity Generation & Trading	2,194	169	1,054	89
Industry	427	60	312	37
Automotive Trade & Marketing	285	21	307	18
Finance & Investment	276	8	105	-7
Internet & Entertainment	317	52	185	54
Real Estate Investment	75	15	58	27
Other	466	103	282	144
Total	**12,146**	**603**	**7,739**	**559**

* *Since the figures in the table are rounded, there may be negligible differences in sum totals and change rates.*
* *In the calculation of EBITDA for 2017, the losses before tax from discontinued operations have not been taken into account.*

EBITDA MARGIN

5.0%

STRUCTURE OF DOĞAN HOLDING

Doğan Holding continues its activities with a sustainability strategy focused on creating value by assuming an innovative and pioneering role in all business lines-from finance to energy, real estate to industry.

PETROLEUM PRODUCTS RETAIL

AYTEMİZ

ELECTRICITY GENERATION AND TRADING

WIND
GALATA WIND
ŞAH WPP
MERSİN WPP
TAŞPINAR WPP

SOLAR
ÇORUM PV
ERZURUM PV

TRADE
DOEL

HYDRO
BOYABAT HEPP (JV)
ASLANCIK HEPP (JV)

INDUSTRY

ÇELİK HALAT (CELHA)
DİTAŞ (DITAS)

AUTOMOTIVE TRADE & MARKETING

SUZUKİ
GLOKAL (DAF)
TREND (PIAGGIO, VESPA, APRILIA, MOTO GUZZI)

FINANCE & INVESTMENT

DORUK FAC.
DORUK FİN.
ÖNCÜ VCIT

REAL ESTATE INVESTMENTS

D GAYRİMENKUL
(TRUMP)
MİLPA
(MIPAZ)

INTERNET, ENTERTAINMENT & MEDIA

GLOKAL DİJİTAL
(HURRIYETEMLAK.COM)
KANAL D ROMANIA
D YAPIM
DOĞAN MÜZİK YAPIM
(DMC)
NETD
RAPSODİ RADYO
(SLOWTURK)
DOĞAN BURDA (JV)
DOĞAN EGMONT (JV)

OTHER

TOURISM
MILTA
(BODRUM MARINA)
MARLIN OTELCİLİK
(IŞIL CLUB
MARİNA VİSTA
HOTEL)
NETA

FOREIGN TRADE
DOĞAN DIŞ TİC.

HUSBANDRY
KELKİT DOĞAN BESİ

"AS DOĞAN GROUP FOCUSED ON EFFICIENCY IN 2018 AND EXITED THE SECTORS WHERE IT DID NOT ACHIEVE THE DESIRED LEVEL OF ADDED VALUE. TO THIS END, WE SOLD OFF OUR MEDIA ASSETS DURING THE YEAR."

Y. BEGÜMHAN DOĞAN FARALYALI
CHAIRWOMAN

MESSAGE FROM THE CHAIRWOMAN

Esteemed Shareholders, Business Partners and Employees,

2018 was a year when global turmoil increased and power struggles intensified. The Brexit agenda in the UK, trade wars between the US and China, and Russia's closure of the straits in the Azov Sea have affected the entire world as outcomes of this growing turbulence. As a result of the prevailing atmosphere of crisis, racist incidents in Europe have become a source of concern. Meanwhile, intractable problems in the Middle East and armed conflicts in that region continue apace. In 2019, trade wars in particular are expected to have an impact on global growth with an environment of uncertainty persisting across the world.

The Turkish economy was inevitably affected by these developments, the Fed's interest rate decisions and fluctuations in the foreign exchange rate. Turkey's growth rate dropped from 7.4% in the first quarter to as low as 1.6%.

We know that 2019 will not be an easy year either. With this awareness, we are focused on maintaining controlled growth during this challenging period for the world and our country. We believe and trust that our country will successfully overcome this difficult time – as it has done time and again in the past.

We meticulously evaluate market opportunities

As Doğan Group we focused on efficiency in 2018 and exited the sectors where it did not achieve the desired level of added value. To this end, we sold off our media assets during the year.

In 2018, Doğan Holding's consolidated total assets rose to TL 10,950 million, up 3.5% year-on-year. During the year, JCR Eurasia Rating assigned Doğan Holding an investment grade category at both the national and international levels, and determined its Long-Term National Rating as 'AA- (Trk)' with a 'positive' outlook.

At the end of 2018, Goldman Sachs, one of the world's largest investment banks, became an investment partner to Hürriyet Emlak, a subsidiary of our Group. Hürriyet Emlak has launched many firsts in Turkey's property and real estate sector. The company offers practical solutions to real estate agents as well as individual members and users. This important partnership news, coming at the end of the year, showed once again that Turkey is a country that harbors enormous opportunities in many respects.

We hope to receive even more good news in 2019.

Production, cooperation and values

Doğan Group operates in energy, petroleum products retail, finance, internet-entertainment, media, industry, automotive, tourism and real estate sectors. We think that our companies are correctly positioned in their sectors and that we have good opportunities ahead. In 2019, we plan to focus on achieving organic and inorganic growth as well as enhancing productivity in our current businesses. 2019 will also be a year when we will closely monitor and seize the right investment and acquisition opportunities in different business areas.

At Doğan Group, our guiding compass has always been the shared values that strengthen us. We believe that values and culture are even more important than strategy. For 60 years, we have worked together to add value to people, our country and humanity. We conduct our business operations with passion, learning continuously, placing importance on development, embracing the principles of transparency, innovation and focus on performance, and most importantly, trusting each other. In 2019, we will take the same approach toward all our stakeholders.

Continuing to add value to society

For Doğan Group, giving back to society and adding value to it are a key component of our business philosophy. Accordingly, we continued to implement our corporate social responsibility projects in 2018. Under the ''Empowered Girls, Empowered Future'' initiative, organized by Aydın Doğan Foundation and established in 1996, we undertake efforts to empower girls by means of education. We also add value to society with Aydın Doğan International Cartoon Competition, which in its 35th year has become a truly international platform widely known as the "Cartoon Oscars." Meanwhile, Aydın Doğan Awards has honored individuals for their excellence, achievements and work in science, culture and the arts for 22 years.

We consider the rising polarization across the world as one of the major problems facing humanity today. We also see that the situation is no different in Turkey. We believe that common values are the antidote to polarization. With this understanding, we are working to move values to the center of everyday life, through the Common Values Movement, which we launched in 2016. In 2018, we reached out to over 10 thousand persons under this effort. With nearly 5 thousand people, we played our game "Carry Value." This specially designed game reminds us our commonly held values, helps us recognize that we are not as different from each other as we might think, and points to our individual values. We also continued to hold our project competition and conduct value meetings. In 2019, we plan to continue fostering an environment of good faith and trust in society with the Common Values Movement.

Focus on sustainability

One of the most important challenges awaiting the world is to achieve the United Nations Sustainable Development Goals by 2030. These goals are vital for sustainable life, while also presenting great opportunities to the business world. We are currently in a period that companies which embrace sustainability as a principle will rise to prominence.

At Doğan Holding, we take "sustainability" as the focal point of all our growth and business plans. We know that these goals – which are key to saving our world from the climate crisis, poverty and inequality – cannot be achieved without the contributions of the business community.

In the coming period, we will continue to build our core growth strategies and supply chains in line with these targets.

And we shall continue to add value to our country and our people, as we have done for the past 60 years.

Y. BEGÜMHAN DOĞAN FARALYALI
Chairwoman

BOARD OF DIRECTORS[1]

Y. Begümhan DOĞAN FARALYALI
Chairwoman

Hanzade V. DOĞAN BOYNER
Vice-Chairwoman

Arzuhan DOĞAN YALÇINDAĞ
Board Member

Vuslat DOĞAN SABANCI
Board Member

Çağlar GÖĞÜŞ[2]
Executive Director

İmre BARMANBEK
Board Member

H. Faik AÇIKALIN
Independent Board Member

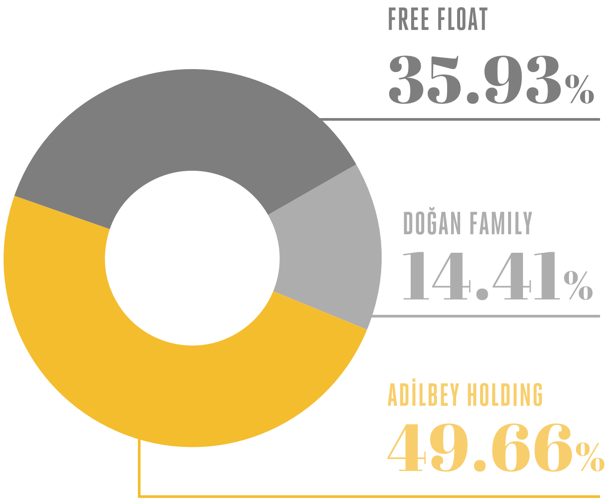
Dr. A. Vural AKIŞIK
Independent Board Member

Hacı Ahmet KILIÇOĞLU
Independent Board Member

[1] *Board Members were elected at the Ordinary General Assembly Meeting for the 2017 accounting period held on 30.03.2018, to serve until the Ordinary General Assembly Meeting for the 2018 accounting period. The resumes of the members elected to the Board of Directors are available on the Company's Corporate Web Site (www.doganholding.com.tr).*

[2] *Upon the decision of the Board of Directors dated December 12, 2018 and numbered 2018/55, Çağlar Göğüş was appointed Chief Executive Officer and Executive Director. Çağlar Göğüş assumed office as Chief Executive Officer and Executive Director as of January 15, 2019.*

OUR SHAREHOLDING STRUCTURE



Doğan Holding's shareholders and the historical values of shares in equity as of December 31, 2018 and December 31, 2017 are as follows:

Shareholders	Share (%)	December 31, 2018 (TL Thousand)	Share (%)	December 31, 2017 (TL Thousand)
Adilbey Holding A.Ş.[3]	49.66	1,299,679	49.32	1,290,679
Doğan Family	14.41	377,126	14.41	377,126
Publicly traded on Borsa Istanbul[4]	35.93	940,133	36.27	949,133
Issued Capital	100.00	2,616,938	100.00	2,616,938

(3) *On October 16, 2018 and December 31, 2018, Adilbey Holding A.Ş. acquired 9,000,000 shares traded on Borsa Istanbul, thus increasing its stake in the issued capital to 49.66%.*

(4) *As per the Resolution No. 21/655 dated July 23, 2010 of the CMB amended with its Resolution No. 31/1059 dated October 30, 2014, according to the records of the Central Registry Agency ("CRA"), 35.93% shares of Doğan Holding are to be considered "in circulation" as of December 31, 2018 (December 31, 2017: 35.95%).*

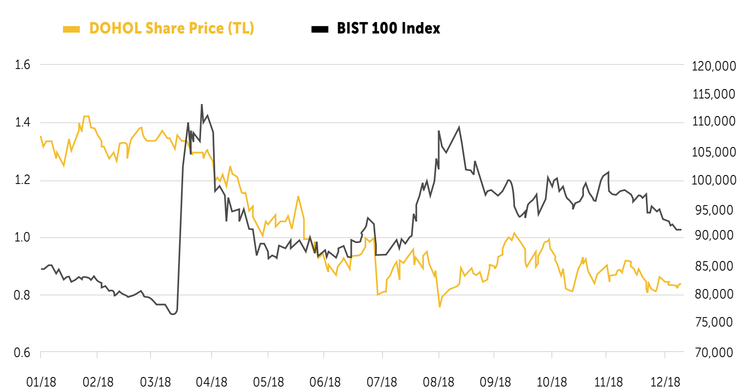
STOCK PERFORMANCE

The shares of Doğan Holding and its subsidiaries presented below are listed on the Istanbul Stock Exchange (BIST). The closing prices of these shares as of December 31, 2018 are presented in the table below.

Doğan Group Companies Listed in BIST	BIST Ticker	Share Price* (TL)	Share Amount* (Million)	M-Cap (TL Million)
Doğan Şirketler Grubu Holding A.Ş.	DOHOL	1.02	2,617	2,669
Milpa Ticari ve Sınai Ürünler Paz. San. ve Tic. A.Ş.	MIPAZ	1.49	178	265
Çelik Halat ve Tel Sanayii A.Ş.	CELHA	6.00	17	102
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	DOBUR	3.01	20	60
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.	DITAS	5.48	10	55

* *BIST closing values as of December 31, 2018.*

DOĞAN HOLDING SHARE PRICE VS BIST 100 INDEX (JANUARY 1, 2018 - DECEMBER 31, 2018)



The share price of Doğan Holding, traded on the stock exchange under the ticker "DOHOL," varied between a low of TL 0.72 and a high of TL 1.46 in 2018. At year-end 2018, the stock price increased 17% year-on-year, reaching TL 1.02. The BIST-100 Index dropped by 21% in 2018.

Doğan Holding was included in the BIST Sustainability Index, consisting of companies with a high corporate sustainability performance in the period from November 2017 to October 2018. Doğan Holding will remain in the same index in the November 2018 to October 2019 period.

Indexes Participated by Doğan Holding:
BIST CORPORATE GOVERNANCE/BIST Istanbul/BIST 30/ BIST HOLDING AND INVESTMENT/BIST XUTUM/BIST 50/BIST FINANCIAL/BIST YILDIZ/BIST SUSTAINABILITY INDEX/BIST 100

"AT DOĞAN HOLDING, WE ARE PROUD TO ONCE AGAIN POST SUCCESSFUL FINANCIAL AND OPERATIONAL RESULTS IN FISCAL YEAR 2018."

ÇAĞLAR GÖĞÜŞ
CEO

MESSAGE FROM THE CEO[5]

Esteemed Stakeholders,

The world economy maintained its strong growth trend in 2018 despite the global economic and political tendency to erect trade barriers. According to the IMF's World Economic Outlook Report dated October 2018, the global economy is expected to grow 3.7% in 2018 with growth remaining flat in 2019. The tendency to impose barriers to trade, as seen in the ongoing commercial conflict between China and the US, is expected to significantly impact all domestic markets in the coming year.

A new growth strategy for Turkey: New Economic Program (NEP)
After managing to repeat its strong growth performance of 2017 in the first quarter of 2018, the Turkish economy faced a sharp depreciation of the Turkish lira in August, owing to interest rate hikes in the global economy and the ensuing liquidity crunch. Foreign exchange rate volatility roiled confidence in the markets. Meanwhile, deterioration in the prices of goods pushed up the inflation rate, especially consumer inflation. Faced with this worsening market climate, our government took stock of emerging trends in the global economy and announced the New Economic Program. This new approach, which is focused on export-oriented growth and savings, stabilized the markets in a short span of time. As of the end of third quarter, the depreciation of the TL against foreign currencies was compensated to a great extent. In addition, the country's public finances maintained its budget discipline and the banking system retained its solid capital structure. Turkey's economy, which follows a revised road map in line with the New Economic Program, is expected to demonstrate well-balanced growth and expand 2.6% in 2018.

Our focus and efficiency strategy continues with success...
With its well-developed sense of corporate responsibility and extensive know-how as one of the most deep-rooted private sector companies in Turkey, Doğan Holding is proud to report successful financial and operational results in 2018. In keeping with our focus and efficiency strategy, in place since 2017, we continued to enhance our consolidated profitability and asset quality. We achieved this by implementing successful projects in the energy, petroleum products retail, finance, internet- entertainment, media, industry, automotive, tourism and real estate sectors.

Consolidated financial results bolstering sustainable profitability
In 2018, Doğan Holding's total consolidated assets increased 3.5% over the prior year to TL 10,950 million. Meanwhile, our consolidated net debt (included short and long-term debt and other financial liabilities), which stood at TL 2,251 million as of end-2017, turned into a net cash position of TL 1,753 million by the end of 2018 upon the completion of subsidiary sales. Doğan Holding, which had TL 175 million net debt as of year-end 2017, turned into a solo net cash position of TL 3,185 million as of year-end 2018.

During the year, the Holding sold off its stakes in direct or indirect subsidiaries operating in publishing, broadcasting and retail. The share sales and transfer procedures were completed in early 2018 with success. Details of the sales and transfer transactions were disclosed to the public via Public Disclosure Platform on May 16, 2018 and May 30, 2018. As a result of these deals, the said subsidiaries' activities for the accounting period of January 1, 2018 – December 31, 2018 were classified under discontinued operations as of the third quarter of 2018. These activities were presented as discontinued operations in the consolidated profit or loss statement and its footnotes as well as the consolidated cash flow statement, in order to be compatible with the presentation of the consolidated financial statement for the current reporting period.

57% growth in total revenues
As of end-2018, Doğan Holding's consolidated revenues from continuing operations climbed 57% year-over-year and reached TL 12,146 million. Aytemiz made the largest contribution to this revenue growth by significantly expanding its dealer network. In addition, after selling off media assets, the share of petroleum products retail and electricity generation and trading segments in total consolidated revenues rose to 85%. As of year-end 2018, the Holding's consolidated gross profit increased 100% to TL 1,014 million. The increase in the gross profits across all segments brought Doğan Holding's gross profit margin to 8.4%. Meanwhile, our EBITDA went up 7.9% to TL 603 million. Our operating profit jumped from TL 73 million in 2017 to TL 1,265 million in 2018. As of end-2018, our net other income from operating activities came in at TL 1,084 million due to the rise in foreign exchange gains. Net losses of Boyabat Elektrik and Aslancık Elektrik, investments valued by the equity method, resulted in a loss of TL 193 million.

Net finance expenses went up from TL 266 million as of end-2017 to TL 643 million as of end-2018, due to the rise in interest expenses from bank loans and foreign exchange losses. Net income from investment activities rose to TL 3,015 million as of year-end due to the profit from subsidiary sales.

TL 3,633 million of net profit attributable to the parent company...
As disclosed to the public via a material event disclosure dated April 6, 2018, Doğan Holding amended its payment plan as regards its purchase commitment of the liability registered as long-term other financial liability worth TL 666,291 thousand related to its share purchase commitment, on the basis of the discounted value of future cash outflow as seen in the consolidated financial statements dated December 31, 2017. The Holding completed the payment of the

[5] *Upon a decision of the Board of Directors dated December 12, 2018 and numbered 2018/55, Çağlar Göğüş was appointed Chief Executive Officer and Executive Director. Çağlar Göğüş assumed office as Chief Executive Officer and Executive Director and as of January 15, 2019.*

referenced financial liability on May 16, 2018, which totaled TL 838,592 thousand including TL 60,566 thousand in accumulated discount and TL 111,734 thousand in foreign exchange difference effect. It was determined that the oil fields operated by Gas Plus Erbil will not provide the target yield as the oil in the wells can be extracted only by means of heavy petroleum production techniques. As a result, these wells cannot provide commercial gain. Therefore, Doğan Holding decided to discontinue its investment in Gas Plus Erbil and to set aside a reserve for the entirety of its previous investments in line with the prudence principle in accounting. Following this decision, which was also made in light of ongoing political uncertainty in the region, TL 302 million impairment for Gas Plus Erbil and TL 172 million of costs from the share purchase commitment brought up the total costs of investment operations to TL 948 million in 2018.

Media and retail assets that Doğan Holding sold off were classified under discontinued operations. Loss for the period from discontinued operations came in at TL 71 million as of end-2018. The Holding posted profit for the period of TL 3,567 million due to profit from the sale of subsidiaries in line with its focus and efficiency strategy, and foreign exchange gains. Net profit for the period attributable to the parent company came in at TL 3,633 million for the year.

Our conversion process focused on sustainability

In fiscal year 2018, Doğan Holding successfully continued efforts to internalize a culture of sustainability across all components of the organization. Thanks to our systematic work in this key area, Doğan Holding was included in the BIST Sustainability Index – which features companies with a superior corporate sustainability performance listed on Borsa Istanbul – for the period November 2018 – October 2019. Working toward the goal of attaining full compliance with the Corporate Governance Principles, Doğan Holding was assigned a score of 9.42 by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. on November 5, 2018. In addition, the Holding figured in the First Group of the World Corporate Governance Index (WCGI). On December 18, 2018, the international credit rating agency Moody's assigned Doğan Holding a corporate family rating of 'Ba3', and a ‘negative’ outlook. On August 18, 2018, Japan Credit Rating Agency, Ltd. (JCR) affirmed Doğan Holding's Long-Term National Rating as 'AA- (Trk)', Short-Term National Rating as 'A-1 (Trk)' and Long-Term International Foreign Currency and Long-Term International Domestic Currency Ratings as ‘BBB-'. JCR revised the Holding’s outlook downward, from ‘Stable’ to ‘Negative’.

Aytemiz expands dealer network to 575

At Doğan Holding, we were proud not only to achieve successful financial and operational results but also to implement innovative projects across our business lines in 2018. In the petroleum products retail business, which made the biggest contribution to our consolidated revenues, our total dealership network went up year-on-year from 537 to 575 as of end-2018. According to EMRA's November 2018 report, Aytemiz's total petroleum products sales jumped 15% to 1,086 thousand tons. In addition, the company’s market share rose from 4.0% to 4.5% in petroleum products, while total LPG sales increased 29% to 155 thousand tons, translating into total market share of LPG sales to 5.1%. As of year-end 2018, Aytemiz has a total storage capacity of 250 thousand m^3 at the İzmit, Kırıkkale, Trabzon, Mersin and Alanya terminals, which it owns.

During the year, Doğan Holding continued to make significant strides in its electricity generation and trading business. On March 15, 2018, all the shares of Çorum Photovoltaic Power Plant were acquired for EUR 1.4 million, further bolstering our generation capacity. As of end-2018, Boyabat Elektrik, where Doğan Enerji holds a 33% share, has an installed capacity of 513 MW; Aslancık Elektrik, where Doğan Holding has a 25% share and Doğan Enerji holds an 8.33% share, has an installed capacity of 120 MW; Şah WPP and Mersin WPP (“Galata Wind”), which joined Doğan Enerji’s portfolio in 2012, have an installed capacity of 167.7 MW. At Mersin WPP, six Vestas V112 turbines, each with a capacity of 3.45 MW, became operational in 2018. Doğan Enerji's wind power plants reached a capacity utilization rate which exceeds the Turkish average of 32.2%. Şah WPP, Mersin WPP and Aslancık HEPP were included in the feed-in tariff list in 2018; it was announced that the plants will be included in the feed-in tariff list in 2019 as well. Committed to achieving resource diversity in renewable energy, Galata Wind acquired 100% of the shares of FB Güneş Enerjisi Yatırımları A.Ş. The company also purchased a non-licensed photovoltaic power plant with a 9.36 MW installed capacity in Çorum. Furthermore, Doğan Holding continues the license process for the Taşpınar WPP project with an installed capacity of 60 MW in Bursa. The Holding plans to receive the license in the first half of 2019 and initiate the construction operations in the last quarter of 2019. Although the project does not include any state contribution, Taşpınar WPP is expected to play a major role in the Doğan Enerji portfolio thanks to the feed-in tariff support and the domestic contribution, which will be available due to the use of domestically made parts.

International sales accounted for 62% of Ditaş's total sales

In the 2018 operating period, Doğan Holding recorded successful financial and operational results in the industry business line with its Çelik Halat and Ditaş brands. Producing steel ropes and wires for a diverse range of sectors, Çelik Halat was accredited on March 26, 2018 for its R&D Center, making it eligible for state subsidies and exemptions. On September 27, 2018, Çelik Halat Netherlands B.V. was established in the Netherlands in order to conduct the company's sales, marketing and distribution of all kinds of steel rope and wire products. Fluctuations in the foreign exchange rate and the surge in commodity prices during the year drove up inflation, increasing Çelik Halat's unit costs and sales prices. However, rising demand due to public infrastructure investments in domestic and international markets allowed the company to boost its unit sales prices prior to stock cost rises, resulting in higher gross profitability.

Çelik Halat raised the share of international sales in total sales from 33% in 2017 to 39% in 2018. The company realized 59% of its international sales in Europe, 36% in America and the remaining 5% in Asia and Africa. Ditaş, operating in the automotive supply industry, was accredited on July 25, 2017 for its R&D Center, making it eligible for state subsidies and exemptions. International sales accounted for 62% of Ditaş's total sales in 2018. Since the sales prices of the goods in its business line are denominated in Euro, Ditaş maintained its financial and operational strength in the face of foreign exchange rate volatility.

Doruk Faktoring issued TL 55 million worth of bonds

Doruk Faktoring operates in financial services, a business line where Doğan Holding is on the rise. The company successfully issued 176-day financing bonds with a nominal value of TL 55 million, variable interest rate and three-monthly coupon payments for qualified investors on September 6, 2018. The maturity date of the financing bond was March 1, 2019.

Suzuki sells 2,878 vehicles

2018 was a challenging year for the automotive trade & marketing sector, one of the Doğan Holding's major business lines. Although the automotive market shrank 35.1% in 2018 according to data from Automotive Distributors Association (ADA), the Suzuki brand under the umbrella of the Holding sold 2,878 vehicles.

Trump Towers acquired by Doğan Holding

Doğan Holding boasts extensive corporate experience and expertise in real estate project development. The Holding's indirect subsidiary Orta Anadolu Otomotiv ve Ticaret A.Ş. acquired Trump Towers in Şişli, Istanbul for TL 850 million excluded VAT in cash from Ortadoğu Otomotiv Ticaret A.Ş. Built over a 182,000 m^2 construction area, Trump Towers includes 34,674 m^2 of leasable office space (86 independent units) and a shopping mall with 42,554 m^2 of leasable area (214 independent units). The sales transaction was announced on the Public Disclosure Platform on September 26, 2018. Transfer procedures for this purchase were completed in the title deed and registered on October 3, 2018.

World's fourth most-watched YouTube channel: NetD Music

The NetD Music brand is active in the internet and entertainment sector, one of the new business development areas of Doğan Holding. In 2018, NetD Music became the fourth most-watched YouTube channel with 12.6 million subscribers. During the year, NetD Music passed the 10 million subscriber threshold – a first in Turkey – and received the Diamond Play Button award. From its continuously updated catalogue, the popular channel streamed over 10 thousand official videos from 120 producers a monthly average of 600 million times in 2018.

Sales transactions in media and retail reinforced our solid financial position...

During the reporting year, Doğan Holding bolstered its solid financial position by selling off its assets in the media and retail business lines. With these asset sales, the Holding moved on to a new stage in its focus and efficiency strategy In the media business, as announced on the Public Disclosure Platform as of March 22, 2018, Doğan Holding started talks with Demirören Holding concerning the sales and transfer of all shares in its direct and indirect subsidiaries in printing and broadcasting. These direct and indirect subsidiaries included Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. ("Yaysat"); Doğan Gazetecilik A.Ş. ("Posta," "Fanatik"); Doğan Haber Ajansı A.Ş.; Doğan TV Holding A.Ş.; DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D TV"); Doruk Televizyon ve Radyo Yayıncılık A.Ş. ("CNN Türk TV"); Hürriyet Gazetecilik ve Matbaacılık A.Ş. ve Mozaik İletişim Hizmetleri A.Ş. ("D Smart") in exchanged for a share price of USD 890 million, after deducting their financial debt from the enterprise value of USD 1.1 billion. As announced on the Public Disclosure Platform as of April 6, 2018, the talks with Demirören Medya Yatırımları Ticaret A.Ş. yielded the following outcomes:

- All shares in Doğan Gazetecilik A.Ş. were sold for USD 132 million,
- All shares in Hürriyet Gazetecilik ve Matbaacılık A.Ş. were sold for USD 155 million,
- All shares in Doğan TV Holding were sold for USD 600 million,
- All shares in Doğan Haber Ajansı A.Ş. were sold for USD 5 million,
- All shares in Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. were sold for USD 7 million,
- All shares in Doğan İnternet Yayıncılığı ve Yatırım A.Ş. were sold for USD 12.7 million,
- All shares in Doğan Media International GmbH were sold for USD 4 million,
- All shares in Mozaik İletişim Hizmetleri A.Ş. were sold for USD 533 thousand, Totaling USD 916 million paid in cash. To this end, the share sales agreement was signed, and the USD 50 million down payment transferred previously to Doğan Holding was deducted from the above sum. Simultaneously with the signing of the contract, USD 228 million of the sales amount was paid in cash, 138,999,811 shares representing a 6.68% stake in Doğan TV Holding A.Ş., owned by Commerz Film GmbH and not providing any additional control, were transferred to Demirören Medya Yatırımları Ticaret A.Ş. for USD 26 million. The remaining USD 612 million was decided to be paid to Doğan Holding in cash and/or advance once unblocked following the completion of the closing conditions. In addition, a purchase option was defined for Demirören Medya Yatırımları Ticaret A.Ş. and a sales option was defined for Doğan Holding as regards the sale and transfer of the broadcasting license rights of Radio D and CNN Türk Radio to Demirören Medya Yatırımları Ticaret A.Ş. for USD 3 million.

MESSAGE FROM THE CEO

The total sales amount was set at USD 916 million (TL 3,712,273,200, according to the CBRT Currency Purchase Rate for USD/TRY of 4.0527 at 15:30 on April 6, 2018). As announced on the Public Disclosure Platform on April 6, 2018, all our shares in the direct subsidiaries Doğan Gazetecilik A.Ş., Hürriyet Gazetecilik ve Matbaacılık A.Ş., Doğan TV Holding A.Ş., Doğan Haber Ajansı A.Ş., Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş., Doğan İnternet Yayıncılığı ve Yatırım A.Ş. and Doğan Media International, and in the indirect subsidiary Mozaik İletişim Hizmetleri A.Ş., and as a result of the exercise of the purchase option, the license rights of "Radio D" and "CNN Türk" Radio were sold to Demirören Medya Yatırımları Ticaret A.Ş. for USD 893 million in cash. Upon completion of the "closing requirements", the sales and transfer of the shares were finalized on May 16, 2018. The said amount was transferred in full and in cash to Doğan Holding's bank account.

Transfer process has been completed for D&R

As announced on the Public Disclosure Platform on April 13, 2018, as of the same date, a preliminary binding letter was signed with Turkuvaz TK Kitap ve Kırtasiye A.Ş. regarding the sale and transfer of Doğan Holding's entire stake in its retail brand D&R for USD 440 million to be paid in cash and in single payment, once the “Share Transfer Agreement” will be signed. As announced on the Public Disclosure Platform on May 11, 2018, all the shares representing the capital of Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. were sold to Turkuvaz TK Kitap ve Kırtasiye A.Ş. for USD 440 million in cash as a result of negotiations; a Share Transfer Agreement was signed to this end. Simultaneously with the signing of the agreement, TL 80 million of the sales amount was paid in cash. The remaining TL 360 million was decided to be paid to Doğan Holding in cash and/or advance once unblocked following the completion of the closing conditions.

As a result of the Share Transfer Agreement signed by Doğan Holding and Turkuvaz TK Kitap ve Kırtasiye A.Ş., as announced on the Public Disclosure Platform on May 30, 2018, all the shares representing the capital of Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. were sold for a sales amount of USD 440 million in cash. The sale and transfer of the shares were completed on May 16, 2018 upon completing the closing requirements and obtaining legal permissions. The said amount was transferred in full and in cash to Doğan Holding's bank account.

Goldman Sachs, one of the world’s largest investment banks, became a partner to Hürriyet Emlak

2018 was a milestone year for Hürriyet Emlak (Real Estate). Not only did we achieve our goals, we also exceeded our targets. Since 2006, we have successfully kept our finger on the pulse of the real estate sector thanks to innovative products designed by our team of dedicated professionals. Every year, we conduct research studies to understand the expectations of our users and corporate business partners. We continuously improve our products based on the outcomes of these studies. At the end of 2018, Goldman Sachs, one of the world's largest investment banks, became an investment partner to Hürriyet Emlak. Bolstered by this development, Hürriyet Emlak plans to continue providing more benefits to both the real estate industry and its clients, by further enhancing its innovative, forward-looking, data-based and customer-oriented services.

Öncü VCIT continues to invest in areas which has strategic importance

Öncü Girişim Sermayesi Yatırım Ortaklığı (Öncü Venture Capital Investment Trust or Öncü VCIT) was established in 2014 in order to invest in areas which has strategic importance for Doğan Group. The company aims to capitalize on ideas formulated by our entrepreneurial personnel and identify new business lines in parallel with our areas of activity. Öncü VCIT’s portfolio includes the technology firm Insider (Sosyo Plus Bilgi Bilişim Teknolojileri Danışmanlık Hizmetleri Ticaret A.Ş.), which enables companies to enhance their customer engagement and digital growth by means of predictive segmentation and real-time personalization technologies over a single platform; Düşyeri Animation Studio, an edutainment company that excels in the mother and children segment; Hürriyet Emlak, the specialized online portal of the real estate sector; and Mediterra Capital, a leading venture capital trust that invests in medium-sized companies and SMEs in Turkey. More recently, Öncü VCIT added to its portfolio Tavuk Dünyası, one of the top 20 fastest growing companies in Turkey, recording 532% growth between 2012-2015 according to a survey made by TEPAV done for TOBB in 2018. At Doğan Group, we are currently in a period when we are evaluating investment opportunities in different business areas. We are interested in both traditional and innovative businesses in a range of sectors. The investments we will undertake as a Group also drive Öncü VCIT’s investment criteria.

We will continue to grow with our focus and efficiency strategy

At Doğan Holding we made significant strides in 2018 guided by our focus and efficiency strategy. During the year, our investments in petroleum products retail and energy recorded increased sales volume while the sell-offs in media and retail significantly bolstered our cash assets and new focus strategy. In 2018, we continued to implement digital transformation across our companies. Digitalization will remain a key focus area in 2019 and beyond.

I would like to extend my gratitude to all our stakeholders that supported Doğan Holding's operations in 2018. May we achieve even greater accomplishments in the future with our new growth strategy.

Best regards,

Çağlar Göğüş
CEO

DOĞAN HOLDING EXECUTIVE COMMITTEE


Çağlar GÖĞÜŞ
President (CEO)


Ahmet TOKSOY
Executive Committee Member, Chief Financial Officer - CFO


Tolga BABALI
Executive Committee Member, Financial and Operational Management


Vedat MUNGAN
Executive Committee Member, Strategic Planning and Business Management

DOĞAN HOLDING MANAGEMENT TEAM


Kemal SERTKAYA
Head of Audit and Risk Management


Erem Turgut YÜCEL
Chief Legal Officer


Ayhan SIRTIKARA
Secretary General


Mehmet YÖRÜK
Vice President, Finance and Portfolio Management


Dr. Murat DOĞU
Vice President Capital Markets, Financial Reporting and Budget


Neslihan SADIKOĞLU
Vice President, Corporate Communication and Marketing


Selma UYGUÇ
Vice President, Law-Associates and Consulting Services

HIGHLIGHTS OF 2018

IN 2018, DOĞAN HOLDING'S GROSS PROFIT WAS UP BY 100% TO TL 1,015 MILLION YEAR-ON-YEAR. THIS SIGNIFICANT JUMP IN GROSS PROFIT WAS DUE TO IMPROVED OPERATIONS ACROSS ALL BUSINESS SEGMENTS.

TOTAL ASSETS
(TL BILLION)

11.0

FINANCIAL PERFORMANCE

In 2018, Doğan Holding's consolidated total assets increased by 4% over the previous year to TL 10,950 million. While the Company's consolidated short-term liabilities amounted to TL 2,988 million (31.12.2017: TL 5,165 million) and long-term liabilities stood at TL 960 million (31.12.2017: TL 2,060 million).

As of December 31, 2018, Doğan Holding's consolidated cash and cash equivalents and financial investments amounted to TL 4,242 million. The Company's consolidated net cash, which takes into account the short- and long-term liabilities and other long-term financial liabilities, totaled TL 1,753 million (31.12.2017: TL 2,251 million net debt), while stand-alone net cash stood at TL 3,185 million (31.12.2017: TL 175 million stand-alone net debt).

Doğan Holding's consolidated revenues increased by 57% in 2018 to TL 12,146 million. As a result of new investments in recent years, Doğan Holding has increased the share of its energy segment in total revenues. With the positive contribution of energy investments, Doğan Holding's **Consolidated Revenues** attained a 36% compounded annual growth rate between 2014-2018. The biggest contribution to this increase in Doğan Holding's revenues came from Aytemiz, in which the Holding acquired a 50% share in 2015. The increase in the number of Aytemiz stations boosted the increase in fuel oil & LPG sales revenues.

In 2018, petroleum products retail segment revenues increased by 49.0% over the previous year, while the electricity generation and trading revenues surged 108.2% in the same period. While the industry revenues, which have an important place within Doğan Group's segment revenues, increased 36.9% over the previous year, finance and investment segment revenues climbed by 161.7%. Doğan Holding's internet and entertainment segment revenues, which include those of Glokal Dijital (Hürriyet Emlak), a highly successful company that got into a partnership deal with Goldman Sachs at the end of 2018, grew 71.7% year-on-year. The real estate investment revenues, which includes the revenues of D Gayrimenkul that joined Doğan Holding's portfolio in the fourth quarter, increased 30.3% in 2018.

Doğan Holding's **Consolidated Gross Profit** rose 100% over the previous year and reached TL 1,015 million. This improvement in gross profit was due to the increase in activities of all segments. Doğan Holding's **Consolidated Earnings before Interest, Depreciation and Amortization (EBITDA)** increased by 7.9% and reached TL 603 million (2017: TL 559 million). The increase in the EBITDA figures of the electricity generation and trading segment and industry segment were crucial in this overall growth.

Net Other Operating Income surged nearly 6 times and realized TL 1,084 million in 2018, due to the increase in foreign exchange gains, vs TL 160 million in 2017.

Due to the net losses of Boyabat Elektrik a joint venture of Doğan Holding, Losses from **Investments Accounted for by the Equity Method** rose to TL 192.5 million

CONSOLIDATED REVENUES
(TL BILLION)

12.2

IN 2018, PETROLEUM PRODUCTS RETAIL SEGMENT'S REVENUES INCREASED 49.0% OVER THE PREVIOUS YEAR.

in 2018, up from TL 74.8 million a year earlier. The net amount of the liabilities to the Group for the provision for additional loss and the recognition of the liability amount, even after the net assets of Boyabat Elektrik have fallen to zero or below, with reference to the application of the 39th item of TAS 28, has been limit subject to the collateral amount given by Doğan Holding to the long-term project financing loan amount USD 18,406 thousand (TL 96,830 thousand) (31 December 2017: USD 78,732 thousand (TL 296,969 thousand). It is known that the companies operating under energy sector have commenced negotiations with the banks in order to restructure their financial liabilities due to the fact that the price for 1 MWh electricity decreased to 49 dollars in 2017 whereas it was 78 dollars in 2013, accompanied by depreciation of TL. Boyabat Elektrik was also significantly affected both by the decrease in electricity prices and the depreciation of the Turkish Lira and as of 31 December 2018, it went into default of its loans and started to negotiate with financial institutions as of the end of 2017. In this context, a letter of bid was signed with the banks in December 2018. Accordingly, negotiations on the completion of the loan agreement to be re-structured are ongoing and it is expected that the loan agreement will be signed in 2019. Details on this matter are available in **Footnote 4 – Investments Accounted for by the Equity Method** of the consolidated financial statements for the period ended December 31, 2018.

Net Income from Investment Activities increased to TL 3,015 million in 2018 due to the sale of subsidiary shares during the year (2017: TL 45 million net income). Net Finance Expenses, rose to TL 643 million in 2018 due to the increase in interest expenses of bank loans' and foreign exchange losses (2017: TL 266 million in finance expenses).

Doğan Holding's "Loss for the Period from Discontinued Operations" stood at TL 71 million in 2018 (2017: TL 142 million loss). On May 16, 2018, as per the share sales agreement signed with Demirören Medya Yatırımları Ticaret A.Ş., upon fulfillment of the closing requirements indicated in the share sales agreement and completion of the sales process pursuant to applicable legal requirements, Doğan Holding completed the sale and transfer of its shares in the capital of its direct and indirect subsidiaries active in publishing and broadcasting for a sales amount of USD 919,000 thousand (TL 4,033,102 thousand), including the repurchased shares of the Doğan Family. Furthermore, Doğan Holding completed the sale and transfer of its shares representing the entire capital of Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş., a direct subsidiary, to Turkuvaz TK Kitap ve Kırtasiye A.Ş. on May 30, 2018, for a sales amount of TL 440,000 thousand, upon fulfillment of the closing requirements in the share sales agreement and completion of the sales process in accordance with the applicable law. The operations of the referenced subsidiaries for the January 1 – December 31, 2018 accounting period was classified under discontinued operations. These activities were presented as discontinued operations in the consolidated profit or loss statement and its footnotes as well as the consolidated cash flow statement for the January 1 – December 31, 2017 accounting period, in order to be compatible with the presentation of the consolidated financial statement.

Doğan Holding's net profit for the period attributable to the parent company came in at TL 3,633 million (2017: TL 323 million loss) due to the subsidiary share sales profits from the media and retail assets sales, foreign exchange gains, in addition to the successful performance of our companies in 2018.

HIGHLIGHTS OF 2018

IN 2018, DOĞAN HOLDING'S PETROLUEM PRODUCTS RETAIL SEGMENT'S NET CONSOLIDATED REVENUES WAS UP BY 49.0% TO TL 8,116 MILLION.

PETROLUEM PRODUCTS RETAIL SEGMENT GROSS PROFIT
(TL MILLION)

324

SEGMENT ANALYSIS

Petroleum Products Retail

Developments in the Turkish Petroleum Products and LPG Distribution Sector
The petroleum products retail segment consists of the operations of our subsidiary Aytemiz Akaryakıt Dağıtım A.Ş. ("Aytemiz").

Doğan Holding's subsidiary Doğan Enerji acquired a 50% stake in Aytemiz in March 2015 in cash heralding the Group's return to the petroleum products and LPG distribution sector.

Station Handovers: With a decision reached in 2009 and implemented in 2010, the Competition Authority limited the duration of dealership agreements to five years; as a result, Aytemiz managed to become the fastest growing brand in the sector over the last three years. In 2018, Aytemiz increased the number of its stations (dealers) to 575 (a total of 598 stations either licensed or pending license) (2017: 537 stations).

Oil Prices: The price per barrel for Brent oil, which was USD 67 at the beginning of 2018, closed the year at USD 54 following the decision by OPEC and affiliated countries to slash production by 1.2 million barrels per day on December 7, 2018. Brent oil, whose price had followed an upward trend over the last two years, fell nearly 20% over the course of 2018. Concerns about slowing economic growth in countries impacted by trade wars led to this decline in oil prices during the year.

Petroleum Product and LPG Sales in Turkey and Aytemiz: According to the November 2018 sector report published by the Energy Market Regulatory Authority (EMRA), total petroleum product sales by distributors in the sector rose 3.6% over November 2017 to reach 27.1 million tons, while total LPG sales increased 2.0% to 3.8 million tons. As of November 2018, Aytemiz's total petroleum product sales increased 14.8% to 1,085,604 tons (November 2017: 945,862 tons), while its total LPG sales increased 28.5% to 154,607 tons (November 2017: 120,291 tons).

Financial Review of the Petroleum Products Retail Segment
In 2018, Doğan Holding's petroleum products retail segment's consolidated revenues was up by 49% year-on-year to TL 8,116 million.

Aytemiz's licensed station network expanded from 537 on December 31, 2017 to 575 on December 31, 2018. This increase in the number of stations drove up petroleum product retail revenues. Fuel oil revenues jumped 50.0% in 2018 while auto gas revenues rose 46.8%. EBITDA of the petroleum products retail segment increased 22.6% to TL 229 million.

Aytemiz's financial expenses increased due to its dealership investments, working capital requirements, and the fact that debt is mainly denominated in EUR and USD in petroleum products retail segment, which appreciated against the TL during the year. As a result, financial expenses increased to TL 291 million.

PETROLUEM PRODUCTS RETAIL SEGMENT EBITDA
(TL MILLION)

229

The petroleum products retail segment's loss before taxes amounted to TL 507 million in 2018 (2017: TL 23 million profit) due to TL 302 million provisions for the impairment of Gas Plus Erbil, which was classified under expenses from investment activities.

PETROLEUM PRODUCTS RETAIL

TL thousand	2018/12	2017/12	YoY Change (%)
Consolidated Revenues (*)	8,115,911	5,447,719	49.0
Gross Profit	323,951	304,738	6.3
EBITDA(*)	229,187	186,940	22.6
EBITDA Margin	2.8%	3.4%	
Profit (Loss) Before Tax	-506,849	23,449	-

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

REVENUE BY SEGMENT

TL thousand	2018/12	2017/12	YoY Change (%)
Non-Group Revenues	**8,106,761**	**5,435,818**	**49.1**
Fuel Oil Revenues	6,992,614	4,660,209	50.0
Autogas Sales	1,051,426	716,342	46.8
Other	62,721	59,267	5.8

AT YEAR-END 2018, DOĞAN GROUP'S ŞAH WPP AND MERSIN WPP ACCOUNTED FOR 2.4% OF TURKEY'S TOTAL WIND POWER INSTALLED CAPACITY AND 2.5% OF ITS TOTAL ELECTRICITY GENERATION FROM WIND.

GROSS PROFIT INCREASE IN THE ELECTRICITY GENERATION AND TRADING SEGMENT

97%

Electricity Generation and Trading

Electricity Generation and Trading Developments in Turkey

In 2018, Turkey's total installed capacity increased 3.9% year-on-year to 88,551 MW. Hydroelectric resources account for the highest share in terms of installed capacity in Turkey at 32%, while all wind power plants account for 7.9% of total installed capacity and solar power plants for 5.7%.

In 2018, electricity generation in Turkey increased by 0.8% over the previous year to 292,779 GWh. Some 52.0% of this came from natural gas and imported coal; meanwhile, domestic coal generation accounted for 17.0%, hydraulic power generation for 20.4%, wind power generation for 6.7% and geothermal and biomass power generation for 3.4%. During 2018, Turkey's total electricity consumption went up 0.8% over the prior year to 292,172 GWh. Some 48% of the country's demand was met by using domestic and native resources.

Applications to join the feed-in tariff (YEKDEM) for 2019 were even higher than the previous year with 777 power plants applying. According to the final feed-in tariff list issued by the Energy Market Regulatory Authority (EMRA), the total installed capacity of these applications surpassed the previous year and amounted to 21,000 MW. Since feed-in tariff support is paid in US dollars and cents, and as the Turkish lira depreciated against the USD in 2018, the revenue differential between the spot price and feed-in tariff widened significantly; therefore, applications have increased. Pursuant to the law on feed-in tariff incentive prices, the scheme covers plants that will become operational latest by 2020. Although the extension of this deadline is within the authority of the Council of Ministers, it has been officially announced that such an extension will not take place. For this reason, investors are expected to bring dynamism to the market as they attempt to put their licenses into operation before that date.

The Ministry of Energy designated its motto for 2018 as 'national and domestic energy generation', and solar and wind YEKA tenders were organized within this scope; however, the YEKA tenders for solar power were later cancelled. The YEKA tenders for wind power were announced as 250 MW each for Balıkesir, Çanakkale, Aydın and Muğla, including on-sea and land investments. In these reverse auction tenders, the ceiling price has been announced as USD 5.50 cent/kWh, and the application deadline as April 18, 2019.

Electricity prices increased by 41.2% in 2018 over the previous year. Transition to cost-based pricing, the liberalization of natural gas pricing, seasonal effects and severe drought throughout the country led to a lack of supply, which pushed prices up.

Doğan Group's Şah WPP and Mersin WPP account for 2.4% of Turkey's total wind power installed capacity and 2.5% of its total electricity generation from wind as of end-2018. Of the joint ventures in which the Holding has a stake, Boyabat HEPP and Aslancık HEPP accounted for 2.2% of Turkey's total installed hydroelectric power capacity, and 1.3% of total electricity generation from hydroelectric power as of end-2018. In 2019, Şah WEPP, Mersin WEPP and Aslancık HEPP will be on the feed-in tariff list as in 2018.

With the publication by EMRA of the 'Regulation Amending the Regulation on Electricity Market Capacity Mechanism', Boyabat became eligible for the Capacity Mechanism, and then joined the Capacity Mechanism in 2019.

EBITDA OF THE ELECTRICITY GENERATION AND TRADING SEGMENT
(TL MILLION)

169

Financial Review of the Electricity Generation and Trading Segment
Doğan Holding's electricity generation and trading segment includes its subsidiaries namely Doel Elektrik Enerjisi Toptan Satış A.Ş. ("Doel"), Galata Wind Enerji A.Ş. ("Galata Wind") and Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A.Ş. ("Sunflower").

In 2018, consolidated revenues of electricity generation and trading segment climbed to TL 2,202 million, up by 104.7% over the previous year. Meanwhile, gross profit increased 96.8% to TL 175 million. EBITDA rose 90.7% to TL 169 million due to the increase in gross profit (2017: TL 89 million). Due to the hike in foreign exchange rates, the financial expenses of the electricity generation and trading segment totaled TL 161 million for the year. Some TL 41 million loss of our subsidiary Aslancık Elektrik is classified under the loss from investments accounted for by the equity method (2017: TL 13 million loss). In 2018, the electricity generation and trading segment reported TL 71 million profit before tax with an increase of 236.1% (2017: TL 21 million).

IN 2018, THE ELECTRICITY GENERATION AND TRADING SEGMENT REVENUES UP BY 104.7% TO TL 2,202 MILLION

ELECTRICITY GENERATION AND TRADING

TL thousand	2018/12	2017/12	YoY Change (%)
Consolidated Revenues(*)	2,201,806	1,075,822	104.7
Gross Profit	175,048	88,939	96.8
EBITDA(*)	169,418	88,858	90.7
EBITDA Margin	7.7%	8.3%	
Profit (Loss) Before Tax	70,718	21,043	236.1

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

HIGHLIGHTS OF 2018

STEEL ROPES AND WIRES MANUFACTURED BY ÇELİK HALAT ARE USED IN CRANES, CONSTRUCTION, OIL & MINING, SHIPS, ELEVATORS, TRANSPORTATION VEHICLES, AGRICULTURAL VEHICLES AND MANY OTHER AREAS.

Industry

Developments in Industry Sector
Doğan Holding's industry segment consists of the consolidated activities of its subsidiaries Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat") and Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş").

Steel ropes and wires manufactured by Çelik Halat are used in cranes, construction, oil & mining, ships, elevators, transportation vehicles, agricultural vehicles and many other areas. Çelik Halat became a certified R&D Center on March 26, 2018 and is now eligible for state incentives and exemptions. On September 27, 2018, Çelik Halat established Çelik Halat Netherlands B.V. headquartered in the Netherlands to engage in sales, marketing and distribution activities for all kinds of steel wire and ropes.

Inflation surged due to foreign exchange rate fluctuations and commodity price hikes in 2018, pushing up Çelik Halat's unit costs and sales prices. During the year, international and domestic demand expanded due to public infrastructure investments, allowing for unit sales prices to increase before inventory cost hikes. As a result, the company's gross profit went up in the accounting period. International sales increased by 62% year-on-year. In 2018, Çelik Halat realized 59% of its international sales in Europe (2017: 61%), 36% in America (2017: 34%), 3% in Asia (2017: 3%), and 2% in Africa (2017: 2%).

INDUSTRY

TL thousand	2018/12	2017/12	YoY Change (%)
Consolidated Revenues	427,460	312,344	36.9
Gross Profit	98,186	62,564	56.9
EBITDA(*)	60,348	36,671	64.6
EBITDA Margin	14.1%	11.7%	
Profit (Loss) Before Tax	30,893	18,237	69.4

* *Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

THE SHARE OF DİTAŞ'S INTERNATIONAL SALES OF ITS TOTAL REVENUES

62%

Ditaş, operating in the automotive supplier industry, manufactures steering and suspension systems parts for all types of land vehicles. Ditaş became a certified R&D Center on July 25, 2017 and is eligible for state incentives and exemptions.

Ditaş's international sales accounted for 62% of its total revenues in 2018 (2017: 58%). The company's sales prices are mainly denominated in EUR. The company recorded net sales of TL 115.6 million, up by 33% in 2018. EBITDA rose from TL 11.3 million in 2017 to TL 16.9 million in 2018. With the positive impact of these developments on revenues and profitability, Ditaş closed the year with net profit of TL 7.6 million (2017: TL 4.8 million).

A large part of Ditaş's cost of goods sold is raw material costs. As most of the raw materials are purchased in foreign currency, Ditaş hedges itself against foreign exchange rate fluctuations.

Financial Review of Industry Segment
In 2018, Doğan Holding's industry segment consolidated revenues was TL 427 million, up by 36.9% year-on-year. Meanwhile, gross profit increased 56.9% to TL 98 million. The industry segment's EBITDA jumped 64.6% to TL 60 million, in parallel with the increase in gross profit. Çelik Halat and Ditaş's successful performance in 2018 and the policies they implemented against exchange rate fluctuations boosted their profit before tax by 69.4% to TL 31 million (2017: TL 18 million profit).

SUZUKI SOLD A TOTAL OF 2,878 VEHICLES IN 2018.

Automotive Trade and Marketing

Developments in Automotive Trade and Marketing Sector
Doğan Holding's automotive trade and marketing segment consists of the operations of its subsidiaries Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki"), Trend Motosiklet Pazarlama A.Ş. ("Piaggio") and Glokal Motorlu Araçlar Pazarlama A.Ş. ("DAF").

According to Automotive Distributors Association ("ADA") data, Turkey's automotive market (automobile + light commercial vehicle) contracted 35.1% in 2018 (2017: 2.8% contraction) to 620,937 units (2017: 956,194 units). Automobile sales dropped 32.7% year-on-year (2017: 4.5% contraction) to 486,321 units (2017: 722,759 units).

A month-by-month analysis reveals that the downtrend starting in April continued until year-end, with the automotive market contracting 43,0% in December (December 2017: 4,0% contraction). Operating under the umbrella of Doğan Holding, Suzuki started sales activities in the motorcycle and marine product ranges in the second half of 2015, and in the automobile product range in March 2016. During the reporting year, the Suzuki brand realized 2,878 vehicle sales (2017: 4,316 vehicles).

In 2018, 83.4% of the automobile market segment was composed of vehicles in the A, B and C segments, which have low tax rates (2017: 82.7%). An analysis by segment shows that the C segment (275,576 units) reached the highest sales figure with a share of 56.7% (2017: 52.3% – 377,935 units). The B segment ranked second with a share of 26.4% (128,592 units) (2017: 30.1% – 217,319 units).

Evaluating the automobile market by car body, the most popular body is sedan with a 50.7% share and 246,414 units (2017: 49.4% share – 356,852 units), followed by H/B with a 23.5% share (114,388 units) (2017: 28.0% share – 202,069 units), and SUV with a 21.9% share (106,672 units) (2017: 17.9% share – 129,304 units).

A breakdown of the automobile market by engine volume shows that automobiles equipped with engines under 1600cc account for the largest share: 96.2% (467,693 units) (2017: 96.1% - 694,464 units). Cars in the 1600-2000cc range took 2.7% (2017: 3.0%) of the market with those above 2000cc accounting for 0.3% (2017: 0.3%). Compared to 2017, sales of automobiles under 1600cc dropped 32.7%, sales of cars in the 1600-2000cc range declined 38.5%, and sales of autos above 2000cc decreased 34.6%. In 2018, a total of 155 electric cars were sold, 80 of which were below 85kW and 75 over 121kW (2017: total of 76 sold, with 55 under 85 kW, and 21 over 121 kW.) In 2018, a total of 3,899 hybrid cars were also sold in the market.

AUTOMOTIVE SALES IN TURKEY
(THOUSAND UNITS)

486

IN 2018, DOĞAN HOLDING'S AUTOMOTIVE TRADE AND MARKETING SEGMENT CONSOLIDATED REVENUE WAS TL 285 MILLION.

Suzuki sees the SUV segment as a separate category of competition. According to calculations made by Suzuki for the SUV segment based on ADA data;

In 2018, 65.5% of the automobile market segment (excluding SUV models) was composed of vehicles in the A, B and C segments, which have low tax rates (2017: 69.6%). Suzuki, which considers the SUV segment a separate category of competition, recorded the highest sales in the C segment with a 41.8% share and 203,268 units (2017: 42.1% – 304,613 units). The B segment was the second most popular with a 23.4% share and 113,836 units (2017: 27.2% – 196,387 units).The SUV segment was the third most popular with a 21.9% share and 106,672 units (2017: 17.9% – 129,304 units).

Financial Review of the Automotive Trade and Marketing Segment
In 2018, Doğan Holding's automotive trade and marketing segment consolidated revenues stood at TL 285 million and down by 8.6% from the previous year due to the 35.1% contraction in the automotive sector during the year. EBITDA went up 16.8% to TL 21 million as a result of the 8.0% increase in gross profit. Due to the financial expenses increasing from TL 7 million in 2017 to TL 49 million in 2018, loss before tax amounted to TL 35.3 million (2017: TL 7 million profit).

AUTOMOTIVE TRADE AND MARKETING

TL thousand	2018/12	2017/12	YoY Change (%)
Consolidated Revenues	284,901	311,847	-8.6
Gross Profit	47,533	44,001	8.0
EBITDA(*)	21,072	18,038	16.8
EBITDA Margin	7.4%	5.8%	
Profit (Loss) Before Tax	-35,312	7,374	-

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

AUTOMOTIVE SEGMENT EBITDA (TL MILLION)

21

Finance and Investment

Changes in the Finance and Investment Sector
Doğan Holding's finance and investment segment consists of the operations of its subsidiaries Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü"), Doruk Faktoring A.Ş. ("Doruk Faktoring"), Doruk Finansman A.Ş. ("Doruk Finansman") and Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding").

According to Association of Financial Institutions ("AFI") data, Turkey had 60 companies operating in the factoring sector in the first nine months of 2018. In the same period, the factoring sector recorded total turnover of TL 112,475 million; of this total, TL 92,767 million was generated in Turkey and TL 19,708 million was originated overseas. According to BRSA data for the first nine months of 2018, the factoring sector reported total receivables of TL 34,920 million, total assets of TL 38,467 million and profit before tax of TL 1,368 million.

IN 2018, FACTORING REVENUES SURGED TO TL 233 MILLION, UP BY 142.6%; MEANWHILE, FINANCE REVENUES REACHED TL 24 MILLION.

Data from the Association of Financial Institutions (AFI) for the first nine months of 2018 showed that AFI-member financing companies recorded total assets of TL 43,710 million and net profit before tax of TL 607 million. In the same period, total financing receivables (principal + rediscounts and accruals) for 7,091,225 outstanding loans was TL 34,378 million.

On September 6, 2018, Doruk Faktoring issued a 176-day floating-rate bond with a nominal value of TL 55 million and quarterly coupon payments to qualified investors. The maturity date of the bond was March 1, 2019.

Financial Review of the Finance and Investment Segment
In 2018, Doğan Holding's finance and investment segment consolidated revenues was up by 119.0% year-on-year to TL 280 million. Gross profit increased 54.0% to TL 109 million while EBITDA rose to TL 8 million. Some TL 158.7 million loss from our subsidiary Boyabat Elektrik is classified under the loss from investments accounted for by the equity method. Other income from operating activities includes foreign exchange gains due to the cash inflows resulting from the sale of subsidiary shares. Profit before tax climbed to TL 4,499 million (2017: TL 172 million in losses) due to the gain on sale of subsidiary shares and foreign exchange gains, which are classified under income from investment activities.

In 2018, factoring revenues increased 142.6% to TL 233 million, while finance revenues amounted to TL 24 million.

FINANCE AND INVESTMENT

TL thousand	2018/12	2017/12	Yoy Change (%)
Consolidated Revenues	279,972	127,856	119.0
Gross Profit	109,443	71,071	54.0
EBITDA(*)	8,343	-7,477	-
EBITDA Margin	3.0%	-5.8%	
Profit (Loss) Before Tax	4,499,406	-172,127	-

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

FINANCE SEGMENT CONSOLIDATED REVENUES (TL MILLION)

280

REVENUE BY SEGMENT

TL thousand	2018/12	2017/12	Yoy Change (%)
Non-Group Revenues	**275,717**	**105,343**	**161.7**
Factoring Revenues	232,904	96,022	142.6
Finance Revenues	24,097	1,707	1311.7
Investment Revenues	18,716	7,315	155.9
Other	0	299	-100.0

IN 2018, DOĞAN HOLDING'S REAL ESTATE SEGMENT CONSOLIDATED REVENUES UP BY 34.2% TO TL 77 MILLION.

Real Estate Investments

Developments in the Turkish Real Estate Investment Sector
Doğan Holding's real estate investment segment consists of the operations of its subsidiaries Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa") and D Gayrimenkul Yatırımları ve Ticaret A.Ş. ("Trump Towers").

According to home sales statistics issued by Turkish Statistical Institute, home sales across Turkey dropped 2.4% year-over-year to 1,375,398 units (2017: 5.1% increase – 1,409,314 units). Istanbul accounts for the highest share of Turkey's total home sales at 17.0% with 234,055 homes sold (2017: 16.9% – 238,383 units). For the first time, the number of homes sold nationwide dipped 1.2% year-on-year to 651,572 units (2017: 4.4% increase – 659,698 units). First home sales accounted for 47.4% of total housing sales in 2018 (2017: 46.8%). Across Turkey, second hand home sales decreased 3.4% year-on-year to 723,826 units sold (2017: 5.6% increase – 749,616 units). Istanbul ranked first in second hand home sales with 122,825 units sold and accounted for 17.0% of the nation's total (2017: 123,651 units – 16.5% share).
The share of second hand home sales in total home sales in Istanbul was 52.5% (2017: 51.9%).

In December 2018, home sales in Turkey increased 2.9% year-on-year to 136,845 units (2017: 6.8% decrease – 132,972 units).

A quarterly analysis of 2018 shows that home sales decreased 7% year-on-year in the first quarter, increased 4% in the second quarter, decreased 5% in the third quarter, and decreased 1% in the fourth quarter. The 27% contraction in November sales drove this decline (1Q2017: 7% increase; 2Q2017: 0.4% increase; 3Q2017: 23% increase; 4Q2017: 7% decrease).

Financial Review of the Real Estate Investments Segment
In 2018, Doğan Holding's real estate investments segment consolidated revenues was up by 34.2% year-over-year to TL 77 million. Gross profit increased 8.2% to TL 49 million, while EBITDA rose to TL 15 million. Loss before tax totaled TL 429 million due to TL 463 million set aside as impairment for investment property (2017: TL 163 million). Some TL 438,020 thousand of this impairment is related to the acquisition of the real estate (Trump Towers Istanbul) as a result of the merger of business subject to joint control. Detailed information on the impairment of the investment property is available in Footnote 13 – Investment Properties.

In 2018, rent income went up 18.1% to TL 63 million. Real estate sales revenues jumped 237.8% to TL 10.8 million as a result of the sale of 19 real estate belonging to Milpa under the Veneris Project for TL 10 million excluding VAT.

REAL ESTATE INVESTMENTS

TL thousand	2018/12	2017/12	Yoy Change (%)
Consolidated Revenues	77,514	57,763	34.2
Gross Profit	48,926	45,232	8.2
EBITDA(*)	14,941	26,632	-43.9
EBITDA Margin	19.3%	46.1%	
Profit (Loss) Before Tax	-429,449	163,390	-

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

REVENUE BY SEGMENT

TL thousand	2018/12	2017/12	Yoy Change (%)
Non-Group Revenues	**75,252**	**57,748**	**30.3**
Rent Income	63,474	53,750	18.1
Rea Estate Sales Revenues	10,805	3,199	237.8
Other	973	799	21.8

CONSOLIDATED REVENUES OF THE INTERNET, ENTERTAINMENT AND MEDIA SEGMENT

(TL MILLION)

337

Internet, Entertainment and Media

Developments in the Turkish Internet, Entertainment and Media Sector
Doğan Holding's internet, entertainment and media segment subsidiaries consist of Net D Müzik Video Dijital Paltform ve Ticaret A.Ş. ("Net D Müzik"), Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC"), Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Hürriyet Emlak"), Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Radyonom") and Doğan Media International S.A. ("Kanal D Romania").

Financial Review of Internet, Entertainment and Media Segment
In 2018, Doğan Holding's internet, entertainment and media segment consolidated revenues increased by 27.0% and reached TL 337 million. Gross profit increased by 28.9% to TL 153 million, while EBITDA remained at the same levels of last year and realized TL 52 million. The profit before tax was TL 3 million (2017: TL 35 million profit). In 2018, advertising revenues increased by 89.5% to reach TL 190 million, while subscription revenues increased by 33.6% to TL 68 million.

INTERNET, ENTERTAINMENT AND MEDIA

TL thousand	2018/12	2017/12	YoY Change (%)
Consolidated Revenues	337,415	265,697	27.0
Gross Profit	152,676	118,440	28.9
EBITDA(*)	52,430	54,279	-3.4
EBITDA Margin	15.5%	20.4%	
Profit (Loss) Before Tax	2,919	35,110	-91.7

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding.*

REVENUE BY SEGMENT

TL thousand	2018/12	2017/12	YoY Change (%)
Non-Group Revenues	**316,936**	**184,611**	**71.7**
Advertisement revenues	190,195	100,377	89.5
Subscription revenues	68,464	51,242	33.6
Other	58,277	32,992	76.6

CONSOLIDATED REVENUES OF THE OTHER SEGMENT CAME IN AT TL 537 MILLION, REMAINED AT THE SAME LEVELS OF THE PREVIOUS YEAR.

Other Activities

"Other" activities comprise subsidiaries active in the animal husbandry, tourism and foreign trade sectors. Consolidated revenues of the other segment came in at TL 537 million, remained at the same levels of the previous year. Foreign trade revenues, which constitute a significant part of the other segment revenues, increased 155.4% to TL 347 million, whereas tourism revenues rose 28.9% to TL 74.5 million.

In 2018, EBITDA came in at TL 103 million (2017: TL 144 million). Profit before tax was TL 62 million (2017: TL 114 million profit).

Presented under the "Other" segment, Doğan Holding's subsidiary Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. established in 2002 to engage in organic dairy production and livestock husbandry decided to change its objective and business line to meat production at its extraordinary general assembly meeting held on January 11, 2018. The trade name of the company was changed to Kelkit Doğan Besi İşletmeleri A.Ş. on February 1, 2018.

OTHER

TL thousand	2018/12	2017/12	YoY Change (%)
Consolidated Revenues	536,614	539,905	-0.6
Gross Profit	160,568	155,389	3.3
EBITDA(*)	102,924	143,878	-28.5
EBITDA Margin	19.2%	26.6%	
Profit (Loss) Before Tax	62,073	113,654	-45.4

** Segment revenues and EBITDA figures are provided before inter-segment elimination. EBITDA has been calculated by Doğan Holding. The EBITDA figure for the "Other" segment includes the adjustments for eliminations.*

REVENUE BY SEGMENT

TL thousand	2018/12	2017/12	YoY Change (%)
Non-Group Revenues	**465,566**	**281,554**	**65.4**
Foreign Trade Revenues	347,224	135,941	155.4
Tourism Revenues	74,540	57,828	28.9
Other	43,802	87,785	-50.1

INCREASE IN TOURISM REVENUES

29%


CARING
VALUES
ADDING
VALUES

WE CARE AND WE VALUE

NATURAL RESOURCES AND CULTURAL HERITAGE,

THE REPUBLIC AND DEMOCRACY,

RULE OF LAW AND JUSTICE,

SOCIAL PEACE AND HARMONY,

ECONOMIC AND PRODUCTIVE EFFICIENCY OF

OUR COUNTRY.

PETROLEUM PRODUCTS RETAIL

AYTEMİZ, RANKING AMONG THE LARGEST MAIN DISTRIBUTION COMPANIES IN THE PETROLEUM PRODUCTS RETAIL SECTOR, BOASTS A STATION NETWORK ACROSS TURKEY.

AYTEMİZ STORAGE AREA
250
THOUSAND M³

PETROLEUM PRODUCTS RETAIL GROSS PROFIT
TL 323,951
THOUSAND

AYTEMİZ NUMBER OF ACTIVE USERS
+300 THOUSAND

NUMBER OF AYTEMİZ STATIONS
575
STATIONS

PETROLEUM PRODUCTS RETAIL CONSOLIDATED REVENUES
TL 8,115,911
THOUSAND


Aytemiz

AYTEMIZ HAS A TOTAL STORAGE CAPACITY OF 250 THOUSAND M³ IN İZMİT, KIRIKKALE, TRABZON, MERSİN AND ALANYA TERMINALS, WHICH IT OWNS.

NUMBER OF AYTEMİZ STATIONS

575

Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş.

With nearly 20 years of experience in the energy industry, Doğan Holding sees energy investments as one of its core business lines. To this end, Doğan Enerji was established in 2000 to engage in the generation, distribution, domestic and international wholesale and retail trade of energy from any source and to realize investments in Turkey and the region. As such, Doğan Holding's energy investments were all gathered under a single umbrella.

PETROLEUM PRODUCTS RETAIL

Aytemiz Akaryakıt Dağıtım A.Ş.

Aytemiz Akaryakıt Dağıtım A.Ş. ("Aytemiz") was established in 2009 by the Aytemiz Family, who has been active in the petroleum products sector since 1963. The same year, it received petroleum products distribution license from the Energy Market Regulatory Authority (EMRA) and began conducting activities in this field. Aytemiz operates in the distribution and marketing of petroleum products.

Doğan Enerji, a direct subsidiary of Doğan Holding, entered into a share purchase and shareholder agreement on January 29, 2015 with Aytemiz, and the process regarding purchasing and transferring 50% of Aytemiz's shares in cash and in a single payment was completed on March 11, 2015. As of December 31, 2018, Aytemiz is active in fuel oil and LP storage and distribution with 575 stations (a total of 598 that are licensed or pending license), 11 refilling points and 5 storage facilities (December 31, 2017: 537 stations).

Aytemiz has a total storage capacity of 250 thousand m³ in İzmit, Kırıkkale, Trabzon, Mersin and Alanya terminals, which the company owns.

According to the November 2018 report issued by EMRA, Aytemiz's total petroleum product sales increased 15% to 1,085,604 tons (1,084,088 tons of white products and 1,515 tons of black products), representing a market share of 4.5% (November 2018: 4.0%); while total LPG sales amounted to 154,607 tons in an increase of 29%, and the share in the autogas market stood at 5.1% (November 2017: 4,2%).

Due to its strong customer focus, Aytemiz is not content with positioning its stations as simply energy delivery points. The company strives to offer practical solutions to customers' lives by making a difference in the market. As of end-2018, Aytemiz delivers a range of services at 575 stations. The company serves customers with stations located at strategic hubs while investing in new stations to reach out to more consumers. In 2018, Aytemiz conducted marketing activities to enhance the loyalty of its existing customer base and attract new customers. With these efforts, the company bolsters its image as an innovator that delivers services that go the extra mile. Thanks to its diverse array of communication and marketing activities, Aytemiz's total brand awareness jumped 8% to 85% in 2018. Aytemiz is the clear brand of choice for dealers. The company also expends significant efforts to achieve a similar position among consumers. Aytemiz conducts its business operations as an innovative and creative service provider that closely monitors technological advancements and adapts rapidly to a changing market environment.

Embracing a strategy of continuous and sustainable customer communication, Aytemiz worked to boost the satisfaction of both existing and potential customers in 2018.

Establishing continuous and effective communication over social media, Aytemiz based its marketing strategy on prevailing trends in 2018. The company

NUMBER OF TIMES AYTEMİZ VIDEOS WERE VIEWED ON THE SOCIAL MEDIA (MILLION)

10

WITH ITS ROBUST CUSTOMER RELATIONS MANAGEMENT (CRM) PLATFORM, AYTEMİZ TRACKS CUSTOMER BEHAVIOR AND SHAPES ITS CAMPAIGNS AROUND PURCHASING PATTERNS.

positioned itself as a brand that delivers information, benefits and entertainment to boost customer acquisition. Thanks to the Aytemiz Chatbot application – a first in the sector – Facebook users now can access information about products and services 24/7. As a result, Aytemiz's video content recorded more than 10 million views on Facebook, Instagram, Twitter and YouTube in 2018.

With its robust customer relationship management (CRM) platform, Aytemiz tracks customer behavior and shapes its campaigns around purchasing patterns. Customers can communicate all types of feedback via the call center, contact email address (info@aytemiz.com.tr), mobile application and social media. In addition, every step and result in the solution process can be tracked via the CRM system.

Aytemiz's loyalty card initiative – Aytemiz Card – reached more than 300 thousand active card users as of year-end 2018. Aytemiz Card's brand recognition and card activations increased with special campaigns conducted during the year. Aytemiz Card reached out to a wider customer base by means of collective agreements with national and local civil society organizations, federations, cooperatives and other groups. In 2018, different customer groups, especially motorcyclists, were offered additional benefits via segment promotional campaigns focused on user behavior.

PETROLEUM PRODUCTS RETAIL

IN 2018, AYTEMİZ DEVELOPED NEW, HIGHLY PROFITABLE SALES CHANNELS FOR ITS STATIONS.

Aytemiz successfully completed BKM Express integration for the digital wallet solution within its mobile app in 2018. This effort enabled customers to purchase fuel oil at the pump by using the app only, without the need for any other payment method. The company is committed to developing modern and innovative solutions to bring digitization to the petroleum products retail sector. Aytemiz encourages new customers to visit its service stations with various efforts, establishes partnerships with retail brands to enhance customer loyalty, and regularly adds new features to Aytemiz Card.

Aytemiz has implemented the Pay On Board system to boost the added value that technology provides to the petroleum products retail industry. Thanks to Pay On Board, Aytemiz customers can now pair their Aytemiz Card with any bank credit card of their choosing and thus purchase fuel oil or LPG without having to leave their vehicles.

The company aims to boost the training standards of its staff by making the online training module compulsory for dealers in 2019. In first quarter 2019, the new training hall, which is part of the reconfigured building layout, will be used for Aytemiz Academy.

Aytemiz provided affordable products and sustainable services at its station markets and new dealer portal in 2018. The e-wholesale shopping website serves as a platform where Aytemiz dealers can buy food and non-food products in 14 categories at compelling prices based on the central agreements made with corporate firms. This way, Aytemiz gathered a whole product range and suppliers in a single platform and offered dealers the opportunity to make secure payments and do shopping in installments, through a zero-risk payment system utilizing end-to-end encryption.

Acting as a giant retailer in parallel with its 2021 vision, Aytemiz adopted a customer-centered approach and positioned its stations beyond a mere fuel oil sales point, while developing numerous projects in retail.

In 2017, Aytemiz broke new ground in the industry by implementing the Motorcycle-Friendly Station project. This effort was designed to raise traffic awareness of motorcyclists, contribute to their road safety and make their lives easier. The number of Motorcycle-Friendly Stations reached 150 in 2018. These stations feature designated parking areas for motorcyclists; personal lockers where they can store their helmets, coats and gloves; and special products in the market for this segment.

NUMBER OF MOTORCYCLE-FRIENDLY STATIONS

150

NUMBER OF DO-CO STATIONS

30

With the slogan "All the energy you need is at Aytemiz," the company started to deliver Turkey's first fast electric charging unit at the Aytemiz station in the Bursa section of the İstanbul–İzmir Motorway. The fast charging unit is capable of charging three electric cars at the same time. Aytemiz inaugurated six more stations in five provinces in 2018 and thus extended its e-charging station network.

As part of the bathroom and supermarket transformation project, the supermarkets and bathrooms of 138 stations were renovated in 2018.

DO-CO stations, which embody the mission and vision of the Aytemiz brand, constitute an example in every sense, showcase the brand, and always prioritize service quality and customer satisfaction. Numbering 30 at the moment, DO-CO stations undergo detailed audits in order to create an environment where Aytemiz customers can feel that they get a special service there. DO-CO stations feature services such as supermarkets with hundreds of products, free-of-charge Wi-Fi, 'Pay on Board' systems, e-car fast charging stations and motorcycle friendly stations.

Aytemiz aims to continue its innovative, dynamic, high-tech and consumer-focused projects in 2019.

Aytemiz, boasting a station network across Turkey, has achieved a high market share and occupies a strong, market leading position. Aytemiz ranks among the largest main distribution companies in the petroleum products retail sector. With the growth targets it aims to meet in 2019, the company is committed to capturing more market share steadily.

IN 2019, AYTEMİZ AIMS TO LAUNCH INNOVATIVE, DYNAMIC, HIGH-TECH AND CONSUMER-FOCUSED PROJECTS.

ELECTRICITY GENERATION AND TRADING

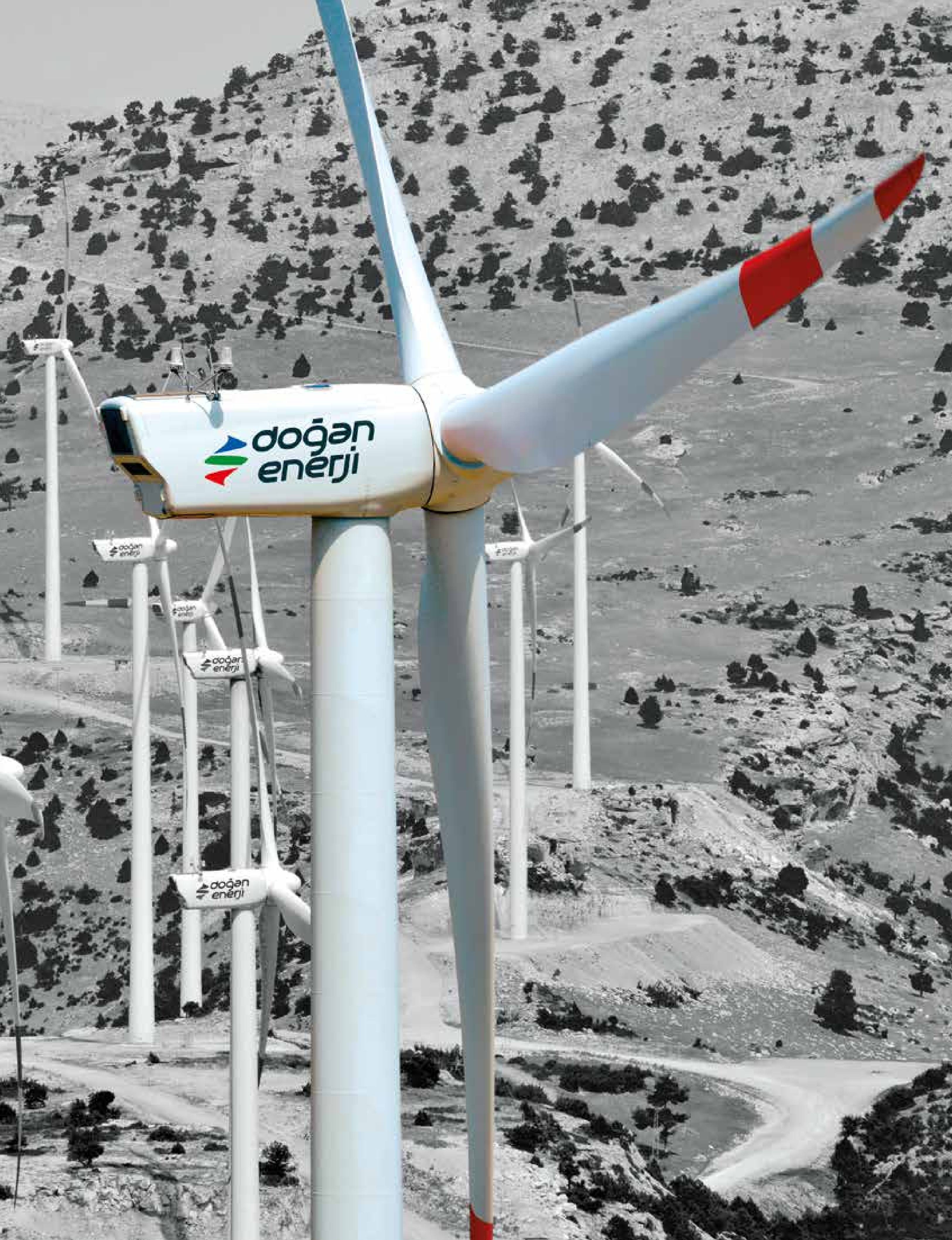
DOĞAN HOLDING CONTINUES ITS ELECTRICITY GENERATION AND TRADING OPERATIONS IN ENERGY SECTOR FOR NEARLY 20 YEARS.

BOYABAT DAM INSTALLED CAPACITY

513 MW

MERSİN WPP AND ŞAH WPP ELECTRICITY GENERATION CAPACITY

520 MILLION kWh


doğan
enerji

MERSİN WPP HAS AN INSTALLED CAPACITY OF 62.7 MW AND ŞAH WPP HAS AN INSTALLED CAPACITY OF 105 MW.

ASLANCIK HEPP INSTALLED CAPACITY (MW)

120

Wind Power Plants ("WPP")

ŞAH WPP & MERSIN WPP

Keen to grow in the field of renewable energy, Doğan Enerji entered the wind power generation sector in 2012. At that time, the company added Mersin WPP and Şah WPP, which operate under the name Galata Wind Enerji A.Ş., to its power plant portfolio. As Doğan Enerji's fully owned subsidiaries, Mersin WPP operates in Mersin province, Mut district, and Şah WPP in Balıkesir province, Bandırma district. Following the takeover procedures, the installed capacity of Mersin WPP was increased from 33 MW to 42 MW in 2013, and Şah WPP went up from 93 MW to 105 MW. After the investment decision in 2016, the extension project of Mersin WPP began in 2017. Six Vestas V112 turbines each with a capacity of 3.45 MW were added to the power plant to bring its installed capacity to 62.7 MW. The capacity extension of Mersin WPP was finalized on December 20, 2017. Mersin WPP and Şah WPP, whose licenses were obtained in 2007 and 2008 and which have a total installed capacity of 167.7 MW, are expected to generate an annual 520 million kWh of electricity in total. In particular, Mersin WPP is one of the most efficient wind plants in Turkey due to its location and generation data, and therefore contributes significantly to the Doğan Enerji portfolio.

TAŞPINAR WPP

Doğan Enerji wants to grow in the field of wind power, and has in its portfolio the 60 MW Taşpınar WPP project, which is currently in the pre-license stage. Permission procedures continue for the Taşpınar WPP project, which is located in the Bursa-Mustafakemalpaşa region. It is expected to receive the license in the first half of 2019, and initiate construction activities by the last quarter of 2019. Since the project does not include any royalty fee, Taşpınar WPP is expected to have an important place in the Doğan Energy portfolio because of the YEKDEM subsidy and the additional local content which will available due to employment of locally manufactured parts.

Hydro Power Plants ("HEPP")

ASLANCIK DAM AND HEPP

Aslancık Dam and Hydroelectric Power Plant is situated on Harşit Brook within the town limits of Doğankent and Tirebolu in Giresun province. The project's construction began in the fourth quarter of 2010 and the first 60 MW unit was commissioned in March 2014. With the commissioning of the second 60 MW unit in September 2014, the power plant started full capacity generation.

Doğan Holding has a 25% share in the project while Doğan Enerji holds an 8.33% share in the 120 MW Aslancık Dam and HEPP Project. The other partners of the project are Anadolu Group and Doğuş Enerji. The project's electricity generation license was received from EMRA on March 20, 2008; the power plant is expected to generate 350 million kWh of energy annually. Aslancık HEPP is the second HEPP project commissioned by Doğan Enerji. The power plant has reinforced the Group's investment vision in the energy sector, while providing 100% domestic contribution to the national energy supply.

BOYABAT DAM AND HEPP

The 513 MW Boyabat Dam and HEPP is located in northern Turkey, on the Kızılırmak River. Doğan Enerji owns 33% of Boyabat Elektrik Üretim ve Ticaret A.Ş. The other partners of the project are Unit Elektrik and Doğuş Enerji. The license of the Boyabat Dam and HEPP project was obtained from the Energy Market Regulatory Authority (EMRA) on November 13, 2007. The project became fully operational in 2012. The Boyabat project is expected to generate about 1 billion kWh electricity per year.

WITH THE ÇORUM PV PROJECT IT ACQUIRED IN THE FIRST QUARTER OF 2018, DOĞAN ENERJİ HAS STRENGTHENED ITS POSITION IN THE SECTOR BY ADDING SOLAR ENERGY TO ITS RENEWABLE POWER GENERATION PORTFOLIO.

Solar PV Plants ("PV")

ÇORUM PV

Thanks to the Çorum PV project it acquired in first quarter 2018, Doğan Enerji bolstered its position in the industry by adding solar energy to its renewable power generation portfolio. The PV plant in central Çorum is unlicensed and has an installed capacity of 9.4 MW. The facility, which was commissioned in 2017, is subject to the Distribution System Usage price dated before January 1, 2018. The project has nearly 30 thousand photovoltaic solar panels and is expected to generate an average of 14 million kWh per year.

Wholesale and Retail Electricity Trade

DOEL

In September 2017, Doğan Enerji restructured its wholesale and retail operations, which were launched in 2013, and paved the way towards entering new business lines aside from the increasingly limited retail sales, with a new vision. The trade company has started operating under the name DOEL in 2018. On top of its eligible consumer portfolio, it stands out with the Imbalancing Group under its umbrella and controls a roughly 5,000 MW energy generation portfolio. DOEL manages all of its portfolio round-the-clock with intra-day trading and strives to minimize the imbalances.

With a legislative amendment effected in 2018, the Final Resource Procurement Plan was introduced for industrial customers with high consumption volumes. Seeing a significant opportunity in this segment, DOEL shaped its strategy accordingly and added to its portfolio the organized industrial zones in many regions across Turkey as of April 2018. Selling a monthly average of 650 million kWh to its customers, DOEL recorded 6.5 billion kWh of total electricity sales in 2018 and outperformed many of the Authorized Supply Companies operating in this area.

INDUSTRY

ÇELİK HALAT'S TOP QUALITY PRODUCTS AND SERVICES YIELD HIGH SALES VOLUMES IN EVERY AREA THAT IT OPERATES IN.

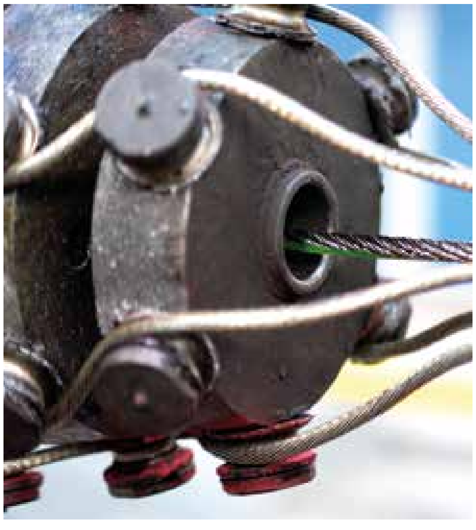
CONSOLIDATED REVENUES
TL 427,460 THOUSAND

EBITDA MARGIN
14.1%

GROSS PROFIT
TL 98,186 THOUSAND

EBITDA
TL 60,348 THOUSAND

AS THE FIRST TURKISH INDUSTRIAL MANUFACTURER IN THE SECTOR, ÇELİK HALAT IS POSITIONED AS A STRONG AND LEADING BRAND WITH ITS INDUSTRY KNOW-HOW, SOLID CORPORATE STRUCTURE AND HIGH SALES VOLUME.



Çelik Halat ve Tel Sanayii A.Ş.

As one of Doğan Group's oldest industrial investments, Çelik Halat was founded in 1962 in order to meet the high demand for carbon steel wire and rope in Turkey; the company became operational in 1968. Çelik Halat is subject to the Capital Markets Law, and the company's shares have been listed on Borsa Istanbul (BIST) since January 10, 1986.

Continuously improving and growing since the day it was founded, Çelik Halat manufactures steel wire ropes, industrial galvanized wires, industrial spring wires, bead wires and concrete strands. The ropes and wires produced by Çelik Halat have been used securely in cranes, construction, oil and mining, ships, elevators, transportation vehicles, agricultural vehicles and many other areas for many years.

Çelik Halat is positioned as a strong and leading brand. It is the number one manufacturer in the industry in terms of industrial know-how, organizational structure and sales. Çelik Halat achieves a high sales volume in every operating region thanks to its quality-oriented products and services.

The company formulates strategies to transfer its domestic market success to the international arena in order to increase its exports. Since its establishment, Çelik Halat has increased its brand value thanks to its high-quality products portfolio. Today, the company continues to build on its solid domestic and international reputation and makes a difference with its success.

The company has had TSE EN ISO 9001 Quality Management System and environmental safety certifications such as ISO 14001 and OHSAS 18001 for many years. In addition, Çelik Halat holds API logo usage permission (API 9A License No:9A-056) with its quality approved by the American Petroleum Institute along with "Red Vein" Trademark Registration Certification, Lloyd's Register quality certification, and Turkak 17025 Accreditation. Çelik Halat is also the only Turkish company that is a member of EWRIS (European Steel Wire Ropes Manufacturers Federation), CET (European Wire Manufacturers Committee) and ESIS (European Concrete Strand Manufacturers Association) organizations. In order to establish the 5S Management System (Classification, Regulation, Cleaning, Standardization and Discipline) which forms the basis of all quality management systems, and foster a continuous improvement culture by reducing waste in systems and processes and boosting productivity, Çelik Halat launched lean production activities on the basis of Kaizen and continues its corporate development in an efficient manner.

Çelik Halat Academy Project, which will boost occupational safety in production, as well as productivity, quality and sustainability, continued successfully in 2018. This training set provided to every newly recruited employee elevates quality standards ever higher, helps them adapt to the job, and raises their occupational safety and environmental protection awareness from the very beginning. The joint projects with universities also continue as another scheme that bolsters the development and sustainable quality approach.

In 2018, Çelik Halat launched a structured onboarding process and orientation program for new employees. The company also initiated a performance evaluation system covering all employees. In addition, Çelik Halat rolled out the "I Have a Suggestion and Idea" platform, which facilitates employee participation.

During the year, Çelik Halat introduced the "Steel Step" initiative. This effort offers third and fourth grade university students project-based long-term internship opportunities at the factory. Project studies at the company continue under the framework of university-industry cooperation.

DİTAŞ HAS TAKEN IMPORTANT STEPS TO BECOME A REPUTABLE BRAND AS AN ORIGINAL EQUIPMENT SUPPLIER IN THE GLOBAL AUTOMOTIVE MARKET AND IN THE AUTOMOTIVE AFTERMARKET.

On March 26, 2018, Çelik Halat established the first R&D center of the steel rope sector, and Turkey's 846th R&D center, upon the approval of the Ministry of Science, Industry and Technology. The R&D center commenced systematic research studies to provide innovative and niche products to customers.

Inflation surged due to foreign exchange rate fluctuations and commodity price hikes in the last four months of 2018, pushing up Çelik Halat's unit costs and sales prices. However, demand increased due to rising public sector investments in both domestic and international markets, allowing Çelik Halat to raise its unit prices before the significant inventory cost increase.

In line with its with export-oriented growth perspective, Çelik Halat prioritized growing in new markets in 2018. To this end, the company established Çelik Halat Netherlands B.V. to widen its sales and distribution networks.

During the year, Çelik Halat completed the investment project for 11 rope machines acquired from Romania and established the rope production lines.

Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.

Founded in 1972 to operate in the automotive supplier industry, Ditaş manufactures steering and suspension systems parts for all types of vehicles. Ditaş is subject to the Capital Markets Law and the regulations of the Capital Markets Board, since the company's shares have been listed on Borsa Istanbul (BIST) since May 21, 1991.

With over 46 years of experience, Ditaş is one of the biggest steering and suspension systems manufacturers in Turkey. The most important factors behind the company's sustainable success include: the strong brand reputation resulting from operating under the umbrella of Doğan Holding; closely monitoring technological trends and developments of the industry; and using state-of-the-art IT systems in the plants, highly skilled human resources, modern engineering systems and advanced integrated manufacturing facilities.

Ditaş has taken important steps to become a reputable brand as an original equipment supplier in the global automotive market and in the automotive aftermarket. The company has decided to further carry out sales and marketing for its products with three separate local companies that respectively serve the Commonwealth of Independent States including Russia; Asia Pacific countries; North and South America. For this reason, the company established three companies in the Russian Federation, People's Republic of China and the USA. 100% of the capital of these companies belongs to Ditaş. D-Stroy LTD was established in 2015 in Moscow to carry out business development and sales functions for the Russia and CIS markets. Ditaş America LLC runs sales and marketing operations with logistic support received from Ditaş. Ditaş Trading Shanghai Co. Ltd.'s liquidation process started on January 20, 2017. Since this date, activities in China have been carried out as before, via outsourcing.

Having received ISO/TS 16949:2009 Automotive Suppliers Quality System Certification, ISO 14001:2015 Environmental Management System Certification and the FORD Q1 award, Ditaş is also a class "A" supplier of Turkey's biggest vehicle manufacturers.

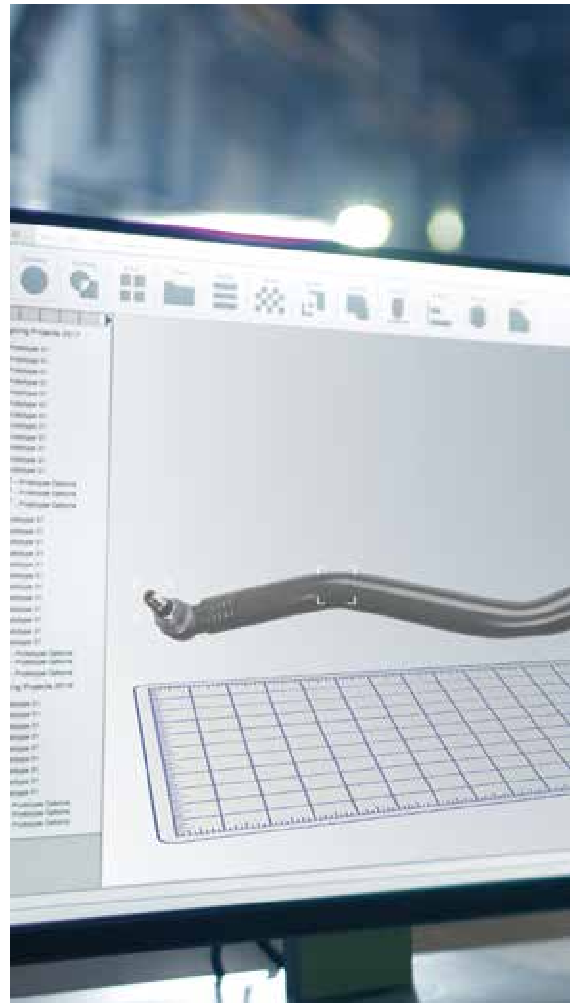
At Ditaş, 2018 was a year when new projects were launched, studies commenced towards new customers, and the serial production of numerous new products began. In 2018, product range was increased through analysis, field

IN THE MEDIUM TERM, DİTAŞ WILL FOCUS ON AUTOMATION AND INDUSTRY 4.0 INITIATIVES. THE COMPANY PLANS TO SHIFT TO LINE PRODUCTION SINCE ITS MANUFACTURING STRUCTURE ALLOWS FOR HIGH VOLUME ORDERS WITH LIMITED PRODUCT DIVERSITY.

research and feasibility studies towards different sectors such as railways, aerospace and defense industry, besides the existing automotive product range. The Product Lifecycle Management (PLM) program was put in place to manage the diversity of products on offer in order to meet the demands of the sector.

In 2015, Ditaş was admitted to the state-sponsored Turquality program, which is designed to help companies that sell products in which Turkey holds a competitive advantage and where branding potential exists. The program aims to support companies in their efforts to become global market players with their products so that over the long run the image of the “Made in Turkey” label can be positively consolidated. Government incentives are received for expenditures on increasing international brand value and the relevant applications are still in progress.

Having gradually commissioned Industry 4.0 applications, Ditaş has executed all its investments in compliance with I4.0 infrastructure since 2017. The first phase of Industry 4.0 implementation is creating an automation infrastructure for instantaneous collection of quality and production monitoring data from the field, and integrating data exchange into the existing digital infrastructure. To this end, firstly, Ditaş digitized quality data for the Treatment Plant, Dyehouse, Heat Treatment Improvement, Heat Treatment Normalization, Induction Hardening, Hot Forging and Induction Annealing. The company also digitized production monitoring data for sawdust manufacturing. With these efforts, Ditaş created automated systems that can be tracked continuously. The R&D and Mechatronics Team, which is highly competent in this key area, conducts all these efforts in coordination with various automation firms.



In the second phase of Industry 4.0 applications, Ditaş launched a pilot project for data flow via wireless sensors within the compressors, fretwork and cold forging sections, in harmony with the existing digital infrastructure. At this stage, the company plans to use wireless sensors and data collection systems obtained from outsourcing companies.

Ditaş's short-term strategic priorities include boosting production efficiency by adding innovative products to the existing product line and keeping production costs under control by making various upgrades and optimizing the use of materials. The company aims to achieve production flexibility by producing small

IN 2018, DİTAŞ COMPETED IN THE INNOVATION RESOURCES CATEGORY OF TURKEY'S FIRST INNOVATION DEVELOPMENT PROGRAM, INOVALİG, AND BECAME ONE OF THE 5 FINALISTS AMONG 1,216 PARTICIPATING COMPANIES.

quantities of a wide variety of products. Ditaş works to improve its brand recognition within the main industry and on the spare parts side with new R&D projects.

In the medium term, Ditaş aims to move to line production and conduct Industry 4.0 studies. The company also plans to focus on automation by producing large quantities of a small variety of products. Ditaş has taken steps toward becoming a spare parts supplier for the defense industry and the railway sector.

Over the long-term, Ditaş aims to become a system manufacturer, key player and solution partner in the transportation industry. The company is committed to achieving sustainable profitability by using high technology products. Ditaş sees its primary target as formulating modular solutions to meet the needs of the automotive sector.

In 2018, Ditaş competed in the "Innovation Resources" category of Turkey's first innovation development program organized by Turkish Exporters' Assembly (TEA) – inovalig. Ditaş was one of the five finalists among 1,216 competing companies. Understanding that innovation and associated added value will play a key role in helping Turkey achieve its 2023 targets, Ditaş aims to transform Turkey's creativity potential into added value by using the right innovation management competencies.

AUTOMOTIVE TRADE AND MARKETING

SUZUKİ VITARA BECAME TURKEY'S MOST PREFERRED SUV MODEL IN ITS CLASS IN 2018.

CONSOLIDATED REVENUES

TL 284,901 THOUSAND

EBITDA

TL 21,072 THOUSAND

GROSS PROFIT

TL 47,533 THOUSAND

SUZUKİ VITARA TOTAL SALES (UNITS)

2,361


Yeni Jimny

SUZUKİ IS FOCUSED ON BOOSTING ITS SHARE IN THE AUTOMOBILE MARKET WITH THE NEW JIMNY AND NEW SWIFT LAUNCHED IN DECEMBER 2018.

Suzuki Motorlu Araçlar Pazarlama A.Ş.

Suzuki Motorlu Araçlar Pazarlama A.Ş., which started operating under Doğan Holding as of the second half of 2015, rapidly restructured. The priority of the company is to continue the satisfaction of existing and prospective customers of Suzuki brand automobiles, motorcycles, and marine motors, and to ensure their loyalty to the Suzuki brand. To this end, Suzuki's objective is to ensure continuity in sales and after sales services.

Suzuki's SUV model Suzuki Vitara, which made its mark in the automotive world, became Turkey's most preferred SUV model in its class in 2018 with 2,361 units sold, as was the case in 2017.

Suzuki Vitara, which generated great interest among automobile fanatics, is expected to continue this success in 2019. With the new Jimny and new Swift launched in December 2018, Suzuki is focused on boosting its share in the automobile market, which is expected contract in 2019.

Despite the 20% countervailing duty placed on motorcycle sales in 2017, Suzuki completed the year with success.

The marine motors market contracted by around 12% year-over-year in 2018. In this period, Suzuki sold 628 marine motors in the form of wholesales.

Piaggio - Trend Motosiklet Pazarlama A.Ş

Doğan Holding subsidiary Trend Motosiklet Pazarlama A.Ş. ("Trend") reached an "Exclusive Distributorship Agreement for Turkey" with Piaggio & C. SpA ("Piaggio Group"), the manufacturer of Europe's leading and the world's major motorcycle brands (Piaggio, Vespa, Aprilia and MotoGuzzi) in November 2016. In March 2017, Trend began sales & marketing, and after-sales service and quickly reached an important position in the Turkish market. In its sales points across Turkey, Trend markets different models appealing to the different needs of motorcycling enthusiasts and the latest models of its brands. In 2019, Trend aims to continue to grow in the motorcycle market with its all other models, particularly Vespa.

On the Asian side of Istanbul, Trend established the authorized dealer Motoplex in order to sell various models and accessories as well as deliver aftersales services with a special focus on customer satisfaction.

DAF - Glokal Motorlu Araçlar Pazarlama A.Ş.

In line with its sectoral growth plans, Doğan Holding executed an agreement with PACCAR Group – the largest heavy vehicle company in the United States and one of the top three in Europe. With this agreement, Glokal Motorlu Araçlar Pazarlama A.Ş. ("Glokal") was established for the sales and after sales operations of DAF-branded heavy commercial vehicles.

After officially launching its operations in October 2016, Glokal started to provide sales services at its center in Koşuyolu. From November 2017 onwards, Glokal commenced delivering services to DAF-branded tow trucks and trucks in İkitelli on the European side of Istanbul. Continuing to conduct sales and aftersales services for DAF-branded tow trucks and trucks, Glokal closed 2018 fiscal year with 78 tow trucks sold (2017: 98 trucks) due to the 36% contraction in the heavy commercial vehicle market.

The heavy commercial vehicle market is expected to contract further in 2019. Glokal plans to continue its efficiency boosting and downsizing efforts to reduce costs in parallel with market conditions.


SUZUKI
350
350


VITARA

FINANCE AND INVESTMENT

DORUK FAKTORİNG CONDUCTS ITS BUSINESS OPERATIONS BY BOOSTING ITS PROFITABILITY AND EFFICIENCY IN A CONSISTENT MANNER.

CONSOLIDATED REVENUES
TL 279,972 THOUSAND

GROSS PROFIT
TL 109,443 THOUSAND

EBITDA MARGIN
3%

DORUK FİNANSMAN'S TOTAL FUND ALLOCATION
TL 188.5 MILLION

PRODUCTS AND SERVICES COVERED BY THE LOANS OF DORUK FİNANSMAN (AS OF 31.12.2018)
233

DORUK FAKTORİNG SPECIALIZES IN DEBT COLLECTION WITH THE SERVICES IT PROVIDES TO DOĞAN GROUP AND THE MEDIA SECTOR.

Doruk Faktoring A.Ş.

Established in 1999 and restructured in 2001, Doruk Faktoring A.Ş. ("Doruk Faktoring;" formerly named Doğan Faktoring A.Ş.) provides services including the taking over and collection of billed receivables arising from the sale of goods or services and of receivables arising from the sale of goods and services in accordance with BRSA's regulatory framework; the keeping of debtor and customer accounts; and performing financing and factoring guarantee functions.

To perform all types of factoring transactions, including debt collection, financing, intelligence, accounting and other related services, Doruk Faktoring specializes in debt collection and provides service to Doğan Group and the media sector.

In addition to debt collection, Doruk Faktoring also provides other services such as accounting, reconciliation, legal services and financing. The company allocates to non-group companies nearly all of the funds it generates through its own equity, and the loans it takes out.

Having increased its profitability since its inception, Doruk Faktoring grew further in 2018 with its new organization structure and new location at Trump Towers, to achieve a unique position in the sector and to initiate branching activities.

In May 2017, JCR Eurasia assigned Doruk Faktoring an investment grade and designated its Long-Term National Rating as A+(Trk) and its outlook as 'positive'; in May 2018, it upgraded the company's Long-Term National Rating to AA-(Trk) and assigned it a 'stable' outlook.

As a member of the Credit Registration Bureau (CRB) of Turkey, Doğan Faktoring can make inquiries regarding bounced checks, risk reports and check reports, and provide information on loan customers' consolidated credit and risk limits. With its skilled workforce, the company also carries out comprehensive risk analyses for trade receivables, thereby minimizing the collection problems customers could encounter and ensuring that customers can manage their receivables in a much more healthy manner.

Doruk Faktoring uses the Central Invoice Registration System (MFKS), which allows central registration of information and/or documentation of receivables transferred to factoring companies and banks, established pursuant to Article 43 of Law No. 6361 on Financial Leasing, Factoring and Financial Companies. This system also makes aggregation, as well as the control and reporting of duplications easier.

Doruk Faktoring is a mandatory member of the Financial Leasing, Factoring and Financial Companies Union established under Law No. 6361. Doruk Faktoring continues its activities by increasing its profitability and efficiency in a consistent manner.

Doruk Finansman A.Ş.

Doğan Holding founded Doruk Finansman A.Ş. ("Doruk Finansman;" formerly named as DD Finansman A.Ş.) in 2006 as the first mortgage company in Turkey established under the framework of the Mortgage Law.

With the entry into force of Mortgage Law No. 5582 in 2007, Doruk Finansman filed a license application with the Banking Regulation and Supervision Agency (BRSA). Doruk Finansman has operated in the area of mortgage finance since 2008, when it was granted an operating permit from BRSA. Doruk Finansman is a member of Association of Financial Institutions (FKB) and has received the approval of BRSA for insurance dealership.

DORUK FİNANSMAN'S PORTFOLIO INCLUDES MISCELLANEOUS SECTORS SUCH AS TEXTILES, CONSTRUCTION, TRAINING, ADVERTISING, CONSULTANCY, MACHINE INDUSTRY AND AUTOMOTIVES.

With a decision of the Board of Directors dated August 25, 2017, the company's 49% share held by Deutsche Bank AG was sold and transferred to Doğan Holding. The aim is to increase the operation volume of certain products by means of intra-group synergy.

The company amended the Articles of Association at the Extraordinary General Assembly Meeting held on November 15, 2017, changed its title to Doruk Finansman A.Ş. and increased its paid-in capital to TL 30 million.

Doruk Finansman extended its first commercial credit facility in fourth quarter 2017. As of December 31, 2018, the company has provided loans for a total of 233 products or services.
In 2018, Doruk Finansman extended TL 188.5 million in financing for 215 loans.

Doruk Finansman's portfolio includes a wide range of sectors such as textiles, construction, training, advertising, consultancy, machine industry and automotive.

In 2019, the company plans to expand its balance sheet by means of sector- and firm-wide risks, increase its market share, expand its customer base with the acquisition of new firms as customers, develop and use new products, and provide high quality and swift services to boost customer loyalty.

In line with its corporate targets, Doruk Finansman plans to remain among the major firms in the sector that offer funds to the market in 2019.

Doruk Finansman is authorized to extend loans such as vehicle loans, loans for the procurement of consumer durables, mortgage loans, mortgage-backed individual financing loans, service sector loans and stock financing loans.

Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş.

Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Öncü Venture Capital Investment Trust or Öncü VCIT) was established on December 18, 2014 by Doğan Holding. Öncü VCIT's vision is to put smart money in and provide financing to companies which generate revenues, have designed their product/service, are actively engaged in commerce, boast a strong team, enjoy product-market harmony, have passed to the growth stage, and are currently seeking investments for the next stage (product, production, market, and the like). Öncü VCIT's mission is to become the growth engine of Doğan Group, evaluate start-ups with potential for Turkey, assess areas for new investments by Doğan Group, and work for synergy.

The company aims to invest venture capital in diverse business lines in accordance with its investment policy. ÖNCÜ VCIT is especially focused on:

- New economy, technology/software firms in need of financial and strategic restructuring,
- Innovative enterprises that target a growth and development drive in their business area,
- Companies with highly competitive potential that aim to expand their operations in Turkish and global markets and generate high returns,
- Companies with high export potential and/or foreign currency generation potential,
- Emerging entrepreneurial enterprises and SMEs.

ÖNCÜ VCIT's investments include Insider, which focuses on digital technologies, personalization and forecasting analytics; Düşyeri, which produces cartoons, animations, licensed products and digital investments; Hürriyet Emlak, a residential and office rental and sales platform; and the food retail chain Tavuk Dünyası.

REAL ESTATE INVESTMENTS

TRUMP OFFICE TOWER PROVIDES EMPLOYEES WITH A UNIQUE, DYNAMIC AND ELITE WORKING ENVIRONMENT MARKEDLY DIFFERENT FROM TRADITIONAL OFFICE SPACE.

CONSOLIDATED REVENUES
TL 77 MILLION

TRUMP TOWERS CONSTRUCTION AREA
182,000 M²

EBITDA
TL 15 MILLION


TRUMP
TRUMP'TA BULUŞALIM
TRUMP

AT THE TRUMP OFFICE TOWER, EVERYTHING FROM INTERIOR DECOR TO TECHNOLOGICAL HARDWARE HAS BEEN DESIGNED FOR THE COMFORT OF EMPLOYEES.

TRUMP TOWER OFFICE NUMBER OF FLOORS

36

D Gayrimenkul Yatırımları ve Ticaret A.Ş.

D Gayrimenkul was established in 2004 to carry out direct marketing of motor vehicles. In 2018, D Gayrimenkul changed its field of business activity and entered the real estate sector. Currently, the company engages in the rental, purchase and sale of all types of real estate in Turkey and abroad.

Trump Towers Istanbul comprises a 36-floor office tower and the 5-floor Trump Shopping Center. D Gayrimenkul acquired Trump Towers Istanbul, which is built over a construction area of 182,000 m^2 and boasts 34,674 m^2 of leasable office space (86 independent units) in addition to Trump Shopping Center with 42,554 m^2 of leasable area (214 independent units).

Trump Towers Istanbul, the first Trump-branded project in Europe, offers a whole new living experience and life style with its iconic architecture, original interior decor and sophisticated advanced technology features, designed by world-famous architect Brigitte Weber.

Trump Office Tower

Blending business with social life, Trump Office Tower provides employees with a unique, dynamic and elite environment that is markedly different from traditional office space.

At Trump Office Tower, everything from interior decor to technology hardware has been designed for the comfort and convenience of employees. Offering a range of office usage alternatives up to 1,000 m^2 on a single floor, Trump Office Tower delivers a pleasant and privileged working environment with management services that make life easier – such as private reception, service and valet parking.

The 36-floor Trump Office Tower features private terrace areas. One can take a dedicated elevator to descend from the office floors directly to Trump Shopping Center.

A standout with its privileged position in the heart of Istanbul, Trump Office Tower provides practical transport solutions with direct access to the metro and metrobus, proximity to airport and bridge connections, and central location along the Taksim-Levent axis.

Trump Shopping Center

Trump Shopping Center figures among the favorite malls of Istanbul residents thanks to its shopping ease and pleasure as well as its diverse event and activity program. Trump Shopping Center provides a wide range of shopping options in addition to entertainment alternatives, food and beverage areas, cinemas, theaters, exhibition hall and special features such as the dedicated children's floor.

The 5-floor Trump Shopping Center is home to customers' top preferred brands in addition to a sports complex, electronics superstore and food supermarket.

Trump Shopping Center has designed an entire floor covering 9,000 m^2 exclusively for children. This floor hosts fun events every day and is home to Turkey's first children's city – KidzMondo.

Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş.

Milpa was established in 1980 to carry out direct marketing of motor vehicles, consumer durables and consumer products. Throughout the years, the company has diversified its business activities into many sectors ranging from electronics to automobiles, computers to real estate. Milpa demonstrates stable and balanced growth in the highly competitive marketing arena thanks to over 38 years of experience across a diverse range of sectors, a management approach that is open to change, and a highly skilled workforce.

From 2007 onwards, Milpa has focused mainly on real estate construction and sales operations. Thereafter, Milpa ramped up its real estate investments and increased its activities in this business line. Construction of the first phase of the Milpark Konutları development was completed, and the units were delivered to the homeowners.

Currently, Milpa is marketing real estate in the Automall and Veneris (previously known as Taksitcenter) projects that it has completed. In 2018, the company recorded sales of a significant portion of real estate in the Automall project and all the real estate in the Veneris project (19 units).

Milpa also owns real estate zoned as farm land in a tract totaling 2,093,940.67 m^2, located in Istanbul province, Pendik district, Kurtdoğmuş village, parcel 1154. The tract is registered among the company's assets and is highly valued for its investment potential. In a report prepared by a real estate valuation company, parcel 1154 was assigned a value of TL 219,864,000 (exclusive of VAT) by using the comparative valuation method. Milpa's share of the referenced parcel measures 1,720,521 m^2 (82.17%), which corresponds to a value of TL 180,654,739.

MİLPA DEMONSTRATES STABLE AND WELL-BALANCED GROWTH IN THE HIGHLY COMPETITIVE MARKETING ARENA, THANKS TO ITS 38 YEARS OF EXPERIENCE ACROSS A DIVERSE RANGE OF SECTORS AND A HIGHLY SKILLED WORKFORCE.

INTERNET, ENTERTAINMENT & MEDIA

DOĞAN HOLDING MAINTAINED ITS STRONG POSITION IN THE INTERNET, ENTERTAINMENT AND MEDIA SECTORS IN 2018.

CONSOLIDATED REVENUES
TL 337 MILLION

EBITDA
TL 52 MILLION

HURRIYETEMLAK.COM MONTHLY AVERAGE UNIQUE VISITORS
6 MILLON

NETD MÜZİK NUMBER OF SUBSCRIBERS
12.6 MILLION

NETD INFLUENCER AVERAGE MONTHLY VIEWS
100 MILLION

DMC MARKET SHARE OF DIGITAL SALES
48%

TOTAL NUMBER OF PUBLICATIONS
85

TOTAL NUMBER OF MAGAZINES
22

DOĞAN EGMONT NUMBER OF BOOKS
+1,000


WORLD
MEDIA
Thursday
27
WORLD

BRINGING TOGETHER THE REAL ESTATE SECTOR UNDER A SINGLE ROOF, HURRIYETEMLAK.COM KEEPS A FINGER ON THE PULSE OF THE SECTOR WITH ITS LARGE AD PORTFOLIO, UP-TO-DATE NEWS, AND INNOVATIVE PRODUCTS AND PROJECTS.

HURRIYETEMLAK.COM'S MONTHLY TRAFFIC DATA (MILLION)

19

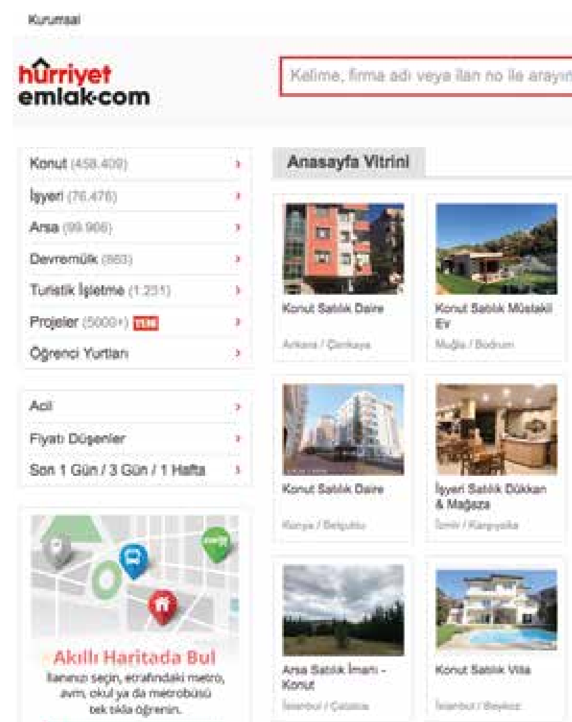
Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. - hurriyetemlak.com

Operating under the umbrella of Doğan Holding with the trade name Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş., Hürriyet Emlak was launched in 2006 in order to deliver the most convenient and cleanest ads to those searching for real estate, in a practical and swift manner. Bringing together the entire sector under a single roof, hurriyetemlak.com keeps a finger on the pulse of the sector with its extensive ad portfolio, up-to-date news, innovative products and projects. As of end-2018, hurriyetemlak.com recorded over 6 million unique visitors and 19 million page views monthly on average (Google Analytics, 2018).

Although home sales in Turkey fell 2.4% in 2018 over the prior year, and the increase in housing prices remained below the inflation rate, Hürriyet Emlak boosted the sales of its core product, real estate office membership packages, by 15%. Continuing to invest despite the contracting market, Hürriyet Emlak partnered with Homsters International Ltd to establish Proje Land Dijital Hizmetler Pazarlama ve Ticaret A.Ş. in January 2018. Hürriyet Emlak owns an 86% stake in the new venture, which aims to identify potential buyers for new home builders.

Hürriyet Emlak believes that change adds speed and dynamism on the way toward reaching performance targets. In March 2018, the company completely revamped its brand image. As a result, Hürriyet Emlak started delivering improved, top quality and independent services with a bolder, more social, more dynamic identity than ever before. In June 2018, the company launched a new more robust mobile site which was developed in light of users' experience.

In 2018, Hürriyet Emlak also rolled out the Kazanç Dünyası platform. A first in



Turkey, the platform is an ecosystem that includes Turkey's most prestigious property brands, real estate firms, users seeking ads and Hürriyet Emlak. Thanks to this ecosystem, Hürriyet Emlak provides users with unprecedented discounts and offers from brands on Kazanç Dünasyı to help meet their home moving requirements, while also granting real estate firms with lucrative business opportunities.

Hürriyet Emlak's financial strength, innovative product and service approach, nationwide service network, advanced technology infrastructure, and reliability formed the basis of the partnership deal reached in December 2018 with Goldman Sachs, the world's leading investment bank. In the coming year, Hürriyet Emlak aims to launch new revenue models designed with its partner Goldman Sachs, and to boost its focus on high technology data analytics. New business models are planned by closely monitoring key market developments, such increased home sales to foreigners and mandatory appraisals in home sales. Hürriyet Emlak

recruits new talent from the sector and continues to invest in innovative products and services. Hürriyet Emlak is focused on utilizing data analytics far more to provide customers the most swift, transparent and practical search experience in accordance with their specific budget and needs, as well as individual preferences.

With its innovative cat houses project, Hürriyet Emlak won a Silver Certificate in the "Social Responsibility Project" category at Social Media Awards Turkey 2018. In a ranking by Digitalage, Projeland and Kazanç Dünyası received awards in the "Gamechangers in the Digital World" category, and Hürriyet Emlak received award in the "Online Real Estate" category. To support the burgeoning real estate ecosystem by bringing together sector players, Hürriyet Emlak held the third edition of the Best of Real Estate awards in 2018 – the only award ceremony for stakeholders of the real estate industry. In addition, the company organized traditional iftar dinners bringing together real estate firms. During the year, Hürriyet Emlak also conducted the Digitalent camp for media planning enterprises.

Kanal D Romania

Serving as the face of Kanal D in Romania, Kanal D Romania started broadcasting in 2007 with a national broadcast license. The channel received widespread acclaim with its original broadcasting approach and became one of Romania's most watched television channels shortly after launch. After starting to broadcast some of its programming in full high-definition in 2014, Kanal D Romania began broadcasting all its content as full HD in 2016. Kanal D Romania is one of two corporations broadcasting full HD programming in Romania. One of the top three TV channels in the country, Kanal D Romania closed fiscal year 2018 ranked second in terms of viewer performance. It was also the channel increasing its viewership numbers by the largest margin. The channel enjoys a rating of 14.9% in prime time (20:00 – 24:00).

KANAL D ROMANIA IS ONE OF TWO CORPORATIONS BROADCASTING FULL HD PROGRAMMING IN ROMANIA.

INTERNET, ENTERTAINMENT & MEDIA

DMC MAINTAINED ITS LEADING POSITION IN THE SECTOR WITH 29% MARKET SHARE IN CD SALES, 44% IN RADIO & TV PLAYLISTS AND 48% IN DIGITAL SALES AS OF END-2018.

Radio Impuls

In February 2018, Doğan Group launched its new radio investment in Romania – Radio Impuls. Operating in the radio market for over two decades as the broadcaster of contemporary hit music and holding 10 radio broadcast licenses, Radio Impuls reaches out to one-third of the urban population in the top 10 cities of the country, including the capital city Bucharest.

Slow Türk

Turkey's first nationwide Turkish slow music radio, Slow Türk aims to make the best love songs accessible to a broad radio audience under the slogan "The Frequency for Love." With the beautiful, romantic love songs it airs during the day, Slow Türk has become one of the most popular radio channels of its category in Turkey in 2018. Slow Türk reaches audiences via digital platforms, the Türksat satellite, the terrestrial broadcasting network and internet broadcasts, in addition to applications for tablets and other mobile devices.

In 2018, Slow Türk commenced terrestrial broadcasting in the cities of Kocaeli, Gebze, Kayseri and Trabzon. Slow Türk plans to further expand its terrestrial network in 2019 to become one of Turkey's top five radio stations.

Doğan Music Company (DMC)

DMC maintained its leading position in the sector with 29% market share in CD sales, 44% in radio & TV playlists and 48% in digital sales as of end-2018. At end 2016, DMC entered into actor management and casting agency services with Glamorous Celebrity Management Agency (GCMA), and started to gain a place in the sector.

NUMBER OF NETD SUBSCRIBERS (MILLION)

12.6

NETD NUMBER OF VIEWS IN 2018 (BILLION)

16

NETD INFLUENCER MANAGES ACCOUNTS/CHANNELS THAT PRODUCE CONTENT ON YOUTUBE OR INSTAGRAM.

NetD

netd.com, which went on air in 2012 and changed its design and content structure in September 2017, continues to operate as a "Premium Video Content Platform." In order to deliver users a 360°-screen experience, netd.com is available on all platforms including Smart TV, applications and the web. Capitalizing on the synergy of the "Net" brand, netd.com operates as the broadcasting platform for the NetD music catalogue, influencer videos and special content.

NetD Müzik

NetD Müzik is the official broadcast platform for music clips in various genres – ranging from Turkish pop music to alternative music. It is also the fourth most popular YouTube channel[6] globally with 12.6 million subscribers[7]. Having exceeded 26.5 billion views since its launch in January 2014[8], NetD Müzik has been the second fastest-growing channel in the world over the last three years. In 2018, NetD Müzik passed the 10 million subscriber threshold for the first time in Turkey and received the Diamond Play Button award.

The highly successful channel streams over 10 thousand official videos from 120 producers in its continuously updated catalogue a monthly average of 600 million times to its subscribers.

In 2018, NetD Müzik became the most-watched YouTube channel in Turkey by a wide margin, with over 46 billion minutes of viewing time, 16 billion views, 6.6 million likes and 150 thousand comments.

NetD Müzik delivers Turkish music to the entire world in a free and easily accessible manner. NetD Müzik broadcasts via music channels on YouTube and İzlesene together with netd.com.

NetD Influencer

Established in 2016, NetD Influencer is a multi-channel network that collaborates with channels broadcasting over the YouTube platform. As a YouTube-approved company, it obtains the digital advertising sales rights of content producers in Turkey and sells sponsored content. NetD Influencer functions as a video production and consulting network that also delivers production and content consultancy to channels.

With its rich experience in digital marketing, video content production, entertainment and music culture, NetD Influencer manages YouTube and Instagram accounts or channels that generate content.

With 100 million monthly views on average and a total of 10 million subscribers, NetD Influencer serves over 50 YouTube channels in the most watched categories. NetD Influencer plans to boost access to its channels in the network in the short-term and become Turkey's largest and highest quality multi-channel network over the long-term.

(6) https://socialblade.com/youtube/top/100/mostviewed
(7) https://www.youtube.com/user/netdmuzikk
(8) YouTube Analytics interface

IN 2018, DOĞAN BURDA CONTINUED TO INVEST IN MAGAZINE PUBLISHING WHILE DELIVERING ITS WELL-ESTABLISHED BRANDS, IN ADDITION TO NEW TITLES, TO READERS BOTH IN PRINT AND ONLINE.

DOĞAN EGMONT NUMBER OF CHILDREN'S BOOKS

+1,000

Doğan Burda Dergi

Featuring magazines that have original and creative content, Doğan Burda is the leader of the magazine publishing sector in Turkey. With two weekly magazines, 15 monthly magazines, and five magazines with special periods, Doğan Burda boasts a portfolio of 85 publications and continues to be a successful player in the sector. As of end-2018, Doğan Burda published a total of 22 magazines (2017: 24); 10 (2017: 12) of these magazines are published under license agreements with international companies.

In 2018, Doğan Burda continued to invest in magazine publishing. The company publishes its well-established brands and new magazines both in print and online. While adhering to its approach of being a responsible publisher, Doğan Burda – the sector leader – aims to further boost the quality and efficiency of its well-known brands. The company remains committed to introducing innovations to readers in 2019.

Doğan Egmont

Doğan Egmont, a leading book and magazine publisher that attracts a broad readership of all ages and interests, was founded in 1996 with the partnership of Doğan Group and Scandinavia's well-established media group Egmont.

Closely monitoring developments in the sector, Doğan Egmont established the sub-brands DEX in 2011; DEX Plus in 2013; CEO Plus and Doğan Novus in 2014; and Doğan Akademi in 2018. With these efforts, the company is able to reach out to a diverse readership and establish targeted communications with different reader groups.

Doğan Egmont, embracing the philosophy that "Reading is the future" and featuring more than 1,000 children's books and 20 magazines in its portfolio, plays an important role in the personal development of youth and children. The company, which is the leader in the Turkish children's book and magazine market, publishes branded books and magazines – such as Disney, Mattel, Hasbro, Universal – in addition to other significant publications for youth from Turkey and around the world.

Doğan Egmont is committed to maintaining its leadership position in children's books and going beyond conventional sales channels with its Doğan Egmont-branded licenses and leading authors. The company makes efficient use of the school channel by enhancing its presence there via special events and partnerships.

Doğan Kitap publishes select works of Turkish literature and also translates into Turkish the very best examples of literature from around the world. Maintaining its robust position in literature publishing, Doğan Kitap is a market standout with its many books ranking a top bestseller lists and high sales figures.

In recent years, Doğan Novus has become widely known in the areas of personal development, health, diet and astrology. DEX is a popular brand in fantastic, science-fiction and romantic fiction while CEO Plus is a well-recognized name in business books.

In 2019, Doğan Egmont aims to create new bestsellers in all its brands and boost sales of current books by promoting them further. In the coming period, Doğan Egmont plans to expand in university preparation books and digital books, where it already has over 800 titles. The company also aims to undertake pioneering initiatives in the audio book market.


Auto Show
Teknoloji şovu
ÖZEL
20. YIL ÖZEL İKON SAYISI
MERAKLI ZİHİNLERİN EFSANE DERGİSİ
MAISON FRANÇAISE
EVA HERZIGOVA
%100 FİLTRESİZ
KUTUP YILDIZI BURCU BİRİCİK
BAHAR HEYECANI
LEVEL
formsanté
50 Poster
200 Sticker
blue jean
JONAS BROTHERS YENİDEN...
BTS
Herkes onların Peşinde
BLACKPINK
AMERİKA'YI SALLADILAR
REDD
HOZIER
CAN COX
NOVA NORDA
K-POP DOSYASI
SUSSEX DÜK VE DÜŞESİ PRENS HARRY & MEGHAN MARKLE
MİNİK ARCHIE HARRISON'A KAVUŞTU
SAMUEL WEST
"KÜÇÜK HATALARDAN DERS ÇIKARIN"
Business Leaders
Start Up
İLK 100'ÜN YENİ HEDEFİ
HANDE ENES "En iyileri arıyorum"
Bölgenin yıldızları
REKOR BAŞVURU
TOHUM
arya

TOURISM

MILTA BODRUM MARINA – ONE OF THE TOP 10 MARINAS IN EUROPE – PROVIDES A PRIVILEGED LIFESTYLE TO CUSTOMERS AND EMPLOYEES ALIKE.

MILTA BODRUM MARINA MARKET SHARE

2%

MARINA VİSTA CUSTOMER LOYALTY RATIO

40%

HAVING RECEIVED THE "5 GOLDEN ANCHOR" INTERNATIONAL QUALITY AWARD FROM THE YACHT HARBOUR ASSOCIATION, MİLTA BODRUM MARINA IS A MARINA OF CHOICE AMONG YACHTING ENTHUSIASTS.

MILTA BODRUM MARINA MARKET SHARE

2%

Milta Bodrum Marina

Marinas are of great importance in Turkey, which is surrounded by sea on three sides, due to the tourism and employment opportunities these facilities provide to their environs. Our country obtains 25% of its total tourism revenue from marine tourism, and at least 80% of this figure comes from marinas and yachting.

Turkey has a nice location for marina tourism and it is currently home to 38 officially licensed marinas along the country's more than 8 thousand kilometer long coast. The number of marinas are rapidly rising as occupancy rates reach upwards of 80%. In recent years, the majority of yachters at Turkish marinas were from the United Kingdom and Germany; the number of Turkish yachters is also increasing day by day.

With its world-class service quality, convenient location in the city center and close-range to the airport, customer-oriented professional staff and customer specific service diversification, Milta Bodrum Marina ranks among the top five marinas in the Mediterranean basin.

Milta Bodrum Marina has a market share of 2% among the Tourism Establishment Certified marinas with a client portfolio that includes sailboat, catamaran and motor-yacht owners, charter companies and boating agencies.

Milta Bodrum Marina, one of the outstanding marinas of the Aegean and Mediterranean coast, is situated at the heart of Bodrum's city center. Thanks to its ever-improving infrastructure and world-class service, the marina makes a difference in the sector.

Milta Bodrum Marina provides customers and staff alike with an exclusive experience, and ranks among Europe's top 10 marinas. The Marina initiated Turkey's first and only around-the-clock sea and land marine rescue service. Every year, the company expands its social responsibility efforts.

Ranking in the top 50 marinas among 25 countries in terms of service quality, Milta Bodrum Marina every year receives awards from various institutions that recognize excellence in this arena. The Marina also received the "5 Golden Anchors" international quality award from the European Yachting Association, entitling the marina to be recommended to yacht owners around the world. Milta Bodrum Marina further bolsters its prestigious market position, both nationally and internationally, with the "National Blue Flag" award it has received each year since 1997. Milta Bodrum Marina won the Best Environmental Awareness Raising Activity Award in 2018, for broadening children's awareness on the environment and nature with the social responsibility projects it has developed.

Marlin Otelcilik (Marlin Hotel Management)

Işıl Club Bodrum

Isil Club Bodrum is one of the top five institutional facilities delivering excellent hospitality services in Bodrum. Işıl Club Bodrum's main competitive advantages include its strong brand recognition due to its association with the Doğan brand and tour operators' perception of the facility as a high quality service provider.

Over the years, Işıl Club Bodrum has won the loyalty of both domestic and international guests with its top-notch service and high level of guest satisfaction. In 2018, Işıl Club Bodrum was once again deemed worthy of awards in the area of guest satisfaction by well-respected survey sites of the tourism sector. During the year, Işıl Club Bodrum was the Turkish hotel for which TUI recorded the highest sales in Belgium.

Işıl Club Bodrum is keenly aware of the significant value of guests' satisfaction and comments in shaping its facilities and services. The company continues working with TrustYou, which facilitates the instant online visualization and management of guest comments.

Işıl Club Bodrum received Golden HACCP quality certification in recognition of its success in the annual audits. In 2018, Işıl Club Bodrum was once again granted the "National Blue Flag" award, as in previous years. Işıl Club Bodrum also obtained the "Clean Pool Certificate." from the Ministry of Health, Muğla Public Health Directorate's.

IŞIL CLUB BODRUM CONTINUED TO COLLABORATE WITH THE COMPANY TRUSTYOU, WHICH ALLOWS IT TO INSTANTANEOUSLY VISUALIZE AND MANAGE ALL CUSTOMER COMMENTS ONLINE.

Marina Vista

Marina Vista, which serves customers throughout the year, is located directly across from Milta Bodrum Marina. Due to its location, it is one of the highly preferred hotels in the area. Marina Vista Hotel gets high marks from guests with its peaceful environment and boutique service approach. It is the perfect locale for an extraordinary, unforgettable holiday experience with its elegantly designed rooms, fine restaurant, swimming pool, botanical garden and friendly staff. Marina Vista Hotel aims to further boost its service quality with the professionally trained team it employs.

In 2018, Marina Vista was once again awarded with certificates of excellence in guest satisfaction by prestigious international survey sites of the tourism industry, including "tripadvisor.com," "holidaycheck.com," "booking.com," "hotels.com" and "expedia.com."

Some 65% of Marina Vista's hotel guests are Turkish and 40% of guests are repeater customers. The company aims to keep the occupancy rate high via close cooperation with agencies in the domestic segment.

OTHER

DOĞAN DIŞ TİCARET IS RECEIVING NEW DISTRIBUTORSHIPS IN THE PACKAGING AND CARDBOARD SECTOR; AS A RESULT, THE COMPANY IS EXPANDING ITS PRODUCT PORTFOLIO IN THESE AREAS.

CONSOLIDATED REVENUES
TL 536,614 THOUSAND

GROSS PROFIT
TL 160,568 THOUSAND

EBITDA MARGIN
19.2%


1187
1165
1169
1171
1167
1288
1205
1204

DOĞAN DIŞ TİCARET INCREASED ITS BUSINESS VOLUME IN 2018, ESPECIALLY IN THE SUPPLY OF RAW MATERIALS TO THE PACKAGING SECTOR AND THE GLOBAL SUPPLY OF VARIOUS PRODUCTS SOLD IN THE RETAIL SECTOR.

Doğan Dış Ticaret

Doğan Dış Ticaret mainly operates in the import of paper and printing blocks. The company also functions as an agent in the trade of paper, cardboard, packaging products; an importer of digital products (satellite receiver systems); and a global supplier focused on the retail market. Doğan Dış Ticaret's operations are predominantly targeted at publishing – newspapers, magazines and books. The company is currently working on new agency operations in the packaging and cardboard sector, to expand its products portfolio in these growing areas.

2018 was marked by an increase in paper prices. Paper procurement became quite limited especially in the first half of the year. Despite such challenging conditions, Doğan Dış Ticaret provided uninterrupted service to its stakeholders and ensured that the period passed smoothly.

Doğan Dış Ticaret expanded its business volume in 2018, especially in the supply of raw materials to the packaging sector and the global supply of various products sold in the retail sector. The company plans to further boost its business volume in these areas in 2019.

Kelkit Besi

Established in 2002 to create a sustainable agricultural model in Gümüşhane's Kelkit basin and support regional development, Doğan Organik Süt Sığırcılığı (Doğan Organic Dairy Cattle Farm) initially produced organic milk. In 2018, the company changed its field of business activity to raising cattle.

Attaching immense importance to the economic, social and cultural advancement of Kelkit, Kelkit Besi, a Doğan Holding subsidiary, was established to encourage the local farming population not to opt for the most practical product under given market conditions, but instead to choose higher added value products. The overarching goal is to have local farmers contribute to their own growth and the development of Kelkit's economy.

Another objective of Kelkit Besi is to meet the red meat deficit in Turkey.

Kelkit Besi aims to raise a total of 8 thousand heads of cattle in 2018 and 2019. During this period, the company will purchase 12 thousand tons of feed from local farmers, thus contributing to the region's economic development.

DOĞAN ORGANİK SÜT SIĞIRCILIĞI (DOĞAN ORGANIC DAIRY CATTLE FARM) INITIALLY PRODUCED ORGANIC MILK. IN 2018, THE COMPANY CHANGED ITS FIELD OF BUSINESS ACTIVITY TO RAISING CATTLE.

Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş.

Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. was founded on November 02, 2012 as a joint venture company with Milta Turizm İşletmeleri A.Ş. and Rönesans Gayrimenkul Yatırım A.Ş., with each holding a 50% share. Kandilli Gayrimenkul purchased a 23,685 m^2 land in Ümraniye, Istanbul to develop real estate projects.

M-Investment 1 LLC

On April 14, 2014, Milta Turizm İşletmeleri A.Ş. established M-Investment 1 LLC in the United States to invest in real estate projects. As of December 31, 2018, M-Investment 1 LLC's capital totaled USD 16,100,000. M-Investment 1 LLC's long-term investments include Lexin Nassau L.P. The said investment is accounted as a financial asset held-for-sale; as of December 31, 2018, its fair value is recorded as TL 142,165 thousand (USD 27,023 thousand).

KANDİLLİ GAYRİMENKUL PURCHASED A 23,685 M^2 LAND IN ÜMRANİYE, ISTANBUL TO DEVELOP REAL ESTATE PROJECTS.

SUSTAINABLE GROWTH AND THE ENVIRONMENT

DOĞAN HOLDING DEEMS THE PROTECTION OF THE ENVIRONMENT AS ONE OF ITS KEY RESPONSIBILITIES FOR THE SAKE OF HUMANITY AND WILDLIFE.

DOĞAN GROUP'S ENVIRONMENTAL POLICY STARTS FROM THE HOLDING AND SPREADS OUT TOWARD ALL GROUP COMPANIES.

DOĞAN GROUP'S ENVIRONMENTAL POLICY

Providing products and services in a wide range of sectors, Doğan Group companies devise policies and strategies to protect and improve the environment, prevent pollution, preserve and foster biodiversity, wildlife, ecology, flora and fauna, waterways and natural resources.

Doğan Holding deems the protection of the environment as one of its key responsibilities for the sake of humanity and wildlife.

Doğan Holding's environmental management policy focuses on the following five areas:

- Energy,
- Waste Management, Disposal and Recycling,
- Water Usage,
- Transport,
- Air Emissions.

Doğan Group is committed to:

- Complying with international legal regulations approved by national public agencies, environmental laws, regulations and other obligations,
- Pursuing international best practices, including those not demanded by public authorities, so as to internalize those that could contribute to our business,
- Raising the environmental awareness of the citizens of Turkey and the citizens of other countries where our publications and broadcasts are available,
- Preferring and utilizing eco-friendly technologies,
- Developing eco-friendly products and services,
- Reusing raw materials and equipment or increasing the usage of recycled raw materials and equipment in order to save natural resources,
- Increasing energy efficiency and prioritizing renewable energies in all our operations to ensure responsible energy consumption,
- Taking action to measure and improve the environmental footprint of our Group activities,
- Improving the efficiency of the Doğan Environmental Management System on an ongoing basis, and disclosing it to the public,
- Ensuring that the environmental management systems of Group companies are in line with the accepted standards, certified and periodically audited by authorized firms,
- Reviewing the environmental policy of the Company regularly and monitoring the compliance of the Holding and Group companies with this policy,
- Communicating and developing joint projects about the environment with NGOs,
- Training all employees about the natural environment and encouraging them to participate in ecological activities;
- Communicating with all stakeholders regarding protection of the natural environment, administering training seminars, and expending efforts to diminish our environmental footprint and to protect biodiversity in all our areas of operation.

Doğan Group's Environmental Policy is followed by the Holding and all Group companies. Group companies participate in the determination of environmental objectives. The Early Risk Detection Committee is charged with implementing the Environmental Policy. The Early Risk Detection Committee is responsible for setting environmental objectives, establishing the environmental management system, determining performance criteria, and creating action plans. The efficiency of the environmental management system is audited by the audit departments of the Holding and Group companies, and the results are submitted for the assessment of the Audit Committee and the Board of Directors.

ENVIRONMENTAL PROJECTS

Doğan Holding

Doğan Holding closely monitors and implements practices and current technological developments that ensure environmental sustainability in its administrative buildings. The Holding's head office, in use since 2011, is equipped with new generation cooling devices in line with EU norms; these devices use the eco-friendly gases R 410 and R 132. State-of-the-art, eco-friendly fire-extinguishing systems are also equipped at the headquarters building. In addition, fire extinguishers' weight in the system has been reduced, since these are replaced with eco- and people-friendly systems deploying FM 200 and Novac 1230 gases in accordance with EU standards. The insulation technology used in the building has led to a decline in natural gas consumption for heating purposes and a drop in electricity consumption for cooling, resulting in a reduction in overall CO_2 emissions.

ENERGY

Doğan Enerji

Doğan Enerji conducts operations at the power plants in its portfolio in compliance with all applicable legislation. The company is also committed to eco-friendly principles in its business activities. For all its power plants, Doğan Enerji has obtained the official authorization certificates and documents stipulated by the Law on Forests No. 6831, Regulation on the Licenses and Permits Required by the Law on Forests; Environmental Law No. 2872, Regulation on Permits and Licenses Required by the Environmental Law; Regulation No. 29274 on Procedures and Principles Governing the Signing of Water Consumption Rights Agreements for Generating Power in the Electricity Market; and Regulation No. 29865 on Electricity Market Licenses.

Şah WPP: As part of efforts to reduce carbon emissions, the Gold Standard application process was completed at Şah WPP, and as a result of the second verification in 2018, it was confirmed that the company mitigated 901,912 tons of CO_2 emissions in 2011-2018. Şah WPP also undertook other various environmental initiatives, such as planting 1,000 trees and providing vehicles, personnel and required materials to the

DOĞAN ENERJİ CONDUCTS OPERATIONS AT THE POWER PLANTS IN ITS PORTFOLIO IN COMPLIANCE WITH ALL APPLICABLE LEGISLATION, AND IS COMMITTED TO ECO-FRIENDLY PRINCIPLES IN ITS BUSINESS ACTIVITIES.

AS PART OF EFFORTS TO REDUCE CARBON EMISSIONS, THE GOLD STANDARD APPLICATION PROCESS WAS COMPLETED WITH SUCCESS AT MERSİN WPP.

THE POWER PROVIDED BY ALL THE PLANTS IN DOĞAN ENERJİ'S PORTFOLIO ARE ECO-FRIENDLY, CLEAN, GREEN AND BASED ON RENEWABLE SOURCES.

Bursa Directorate of National Parks and Wildlife Protection. In addition, feedboxes were installed to provide food for birds during winter months, and food was placed in suitable locations for deer. Utmost attention is paid to protection of the natural environment since the turbines are located in a forest and wildlife area. Management is in constant interaction with the authorized bodies in running the operations and ensures the protection of nature in all the company's business activities.

Quality certification in environmental activities was completed, and Şah WPP received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the plant undergoes regular audits. Other quality certification efforts in pursuit of sustainability have allowed the plant to obtain ISO 9001 Quality Management System, ISO 10002 Customer Complaint Management System, OHSAS 18001 Occupational Health and Safety Management System, and ISO 27001 Information Security Management System certificates.

Mersin WPP: As part of efforts to reduce carbon emissions, the Gold Standard application process was completed at Mersin WPP, and as a result of the second verification in 2018, it was confirmed that the company mitigated 530,586 tons of CO_2 emissions in 2011-2018. Committed to improving the environmental conditions of the surrounding region, Mersin WPP planted saplings in various locations within the operating area. Since the power plant is situated in proximity to birds' migration routes, bird observation activities are organized every six months; the findings are reported to the relevant institutions. To avoid creating any disturbance for the nearby villages, noise levels are measured and reported as well. As part of additional capacity increase efforts, the company received a positive Environmental Impact Assessment (EIA) report and ensured that the necessary activities were done in such a way that they would not harm the environment. Company officials heard the complaints and recommendations of the locals at the Public Information Meetings held in neighboring villages during the EIA process. A great deal of effort is made to meet the environmental sensitivities and social needs of the villagers.

Quality certification in environmental activities was completed, and Mersin WPP received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the plant undergoes regular audits. Other quality certification efforts in pursuit of sustainability have allowed the plant to obtain ISO 9001 Quality Management System, ISO 10002 Customer Complaint Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certificates.

Çorum PV: Within the scope of carbon emission reduction efforts, the Gold Standard application process has been started in Çorum SPP. It is expected that Çorum PV will mitigate 7,880 tons of CO_2 emissions annually thanks to this process, which will be completed in 2019.

DOEL: While engaging only in electricity sales and trading and not generation, DOEL places a special emphasis on issues related to environmental protection and sustainability. The electricity that Doğan Enerji sells from any of the power plants in its portfolio is harmless for the environment, clean, green and renewable.

Quality certification in environmental activities was completed, and DOEL received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the company undergoes regular audits. Other quality certification efforts in pursuit of sustainability have allowed the plant to obtain ISO 9001 Quality Management System, ISO 10002 Customer Complaint Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certificates.

ÇELİK HALAT OBTAINS THE WATER IT USES EXTENSIVELY IN ITS BUSINESS PROCESSES FROM TWO MAIN SOURCES: WELL WATER AND RECYCLED WATER.

Aslancık Elektrik: Carbon emission validation at Aslancık HEPP is now complete, but the verification process is still underway. Once the verification process is complete, 678,074 tons of CO_2 emission reduction is expected to have been achieved at Aslancık HEPP between 2014-2018. Environmental quality certification activities were completed in 2015 and 2016 when Aslancık HEPP received the ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates.

Boyabat Elektrik: Under the VCS carbon verification efforts completed at Boyabat HEPP, 1,885,282 tons of net CO_2 emission reduction were achieved between 2012-2018. Having completed its quality certification activities between 2014 and 2016, Boyabat Electricity received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates for Boyabat HEPP. Thanks to further quality certification efforts for sustainability purposes, the plant obtained the ISO 9001 Quality Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certificates.

INDUSTRY

Çelik Halat

Çelik Halat meticulously complies with the Environmental Law and is working consistently to ensure that its operations have the minimum possible negative impact on the environment. In this respect, the environmental permit that is required as per the Environmental Law No. 2872 covers the years 2015-2020.

Çelik Halat obtains the water it uses extensively in its business processes through two main sources: well water and recycled water. The company has installed the advanced purification system in order to use natural resources more efficiently and cut costs. Waste water produced in this process is discharged in a controlled manner into the ISU channel while water quality is also periodically audited by ISU. Water samples in all periodic checks came out positive, with all indicators matching the overall standard.

To that end, authorized independent firms carry out emission measurements to ensure that the air emissions generated by production processes are kept within prescribed limits. Çelik Halat strictly complies with all applicable legislation on waste management and fulfilling all necessary requirements.
In order to decrease the volume of waste resulting from its activities and ensure that well-functioning waste management systems are in place, Çelik Halat systematically undertakes the following efforts:

- Sewage sludge classified as non-hazardous is sent to licensed firms in safe waste containers and under suitable conditions.
- All packaging waste related activities are conducted in cooperation with the Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO).
- Hazardous waste is stored in specially designed temporary containers in areas granted a temporary waste storage permit, and then sent to licensed disposal firms.
- Collection units for waste batteries are placed at company offices and specific locations in production areas. Batteries which were collected in these units are sent to organizations that are authorized by the Portable Battery Producers' and Importers' Association (TAP).
- Waste oil (after its beyond-use date has passed) is classified as hazardous waste in the 1st Category Waste Oil. Waste oil is either reused in the system or/and is sent to licensed recycling facilities.

ÇELİK HALAT EXPENDS EFFORTS TO USE ENERGY AND NATURAL RESOURCES IN THE MOST EFFICIENT MANNER POSSIBLE.

IN 2018, DİTAŞ PROVIDED A TOTAL 2,523 HOURS OF OCCUPATIONAL HEALTH AND SAFETY TRAINING TO 397 PEOPLE.

- Assembly units for materials contaminated during the production process have been put in place. Materials collected from these areas are sent to licensed organizations.
- The collection of all waste in the facility, their classification in line with applicable legislation and their elimination are all undertaken in the most meticulous way possible.

Çelik Halat expends efforts to use energy and natural resources in the most efficient manner possible. To this end, use of electricity, natural gas and water are closely monitored while redundant use is prevented. Further, Çelik Halat makes continuous efforts on technical improvements to ensure the efficiency of its business processes.

Making sure that the company's approach to the environment is embraced by the management team and employees, Çelik Halat provides on-the-job training on environment management systems to newly hired operators and white-collar employees. Additionally, each employee is required to participate in "Environmental Awareness-Raising" training programs at least once a year.

On issues related to environmental regulations, Çelik Halat is supported by the authorized expert personnel of an environmental consultancy firm the company retains. This consulting firm is also responsible for regular internal audits at Çelik Halat.

The amount of water recycled by Çelik Halat increased by 10.3% to 77,376 m^3 in 2018, compared to the previous year; in parallel to the rise in production, the total amount of water consumed increased 26.2% to 101,779 m^3. The total amount of electricity consumed by Çelik Halat stood at 29,218 MWh in 2018, maintaining similar levels with the previous year. The amount of electricity recycled by the cogeneration unit decreased by 19.6% compared to the previous year and reached 9,611 MWh in 2018. In 2018, Çelik Halat sent 15 tons of paper to recycling.

Ditaş

Ditaş carries out its production processes with a strong sense of environmental sensitivity and conscientiously fulfills its obligations in this area. Ditaş, aiming to protect natural resources, recycled 14,950 m^3 water in 2018, totaling 60,176 m^3 of water over the last 5 years.

In 2018, Ditaş consumed 56,340 m^3 of water, reducing its water consumption by 1% over the previous year. The ratio of recycled water to total consumption was 27% in 2018 (2017: 27%). The total amount of electricity consumed by the company decreased 3.6% year-on-year to 9,779 MWh.

In 2018, a total of 38,024 kg of paper, cardboard and plastic waste generated at the factory was sent to recycling companies, thus saving approximately 647 trees.

With over 20 years of experience working with quality and environmental management certifications, Ditaş successfully passed its ISO/TS 16949: 2009 Quality Management Certificate audit in 2017 and extended its ISO certificate for 3 years. Following the audit in May 2018, the ISO Certificate has been transformed into IATF 16949: 2016 Quality Management Certificate. Ditaş extended its existing ISO 14001: 2004 Environmental Management System Certificate in 2017, and qualified to receive the ISO 14001: 2015 Environmental Management System Certificate. The ISO: 14001: 2015 Environmental Management System interim audit, which was held on November 15, 2018, was successfully completed and the certificate was extended. The company also holds a FORD Q1 quality certification.

In 2016, Ditaş started to conduct its internal and external process audits in line with the German VDA 6.3 standard, and passed the audits successfully, especially for Volkswagen Group. In addition, Ditaş successfully passed MAN's VDA 6.3 audit and earned the right to become a global supplier of MAN in 2017.

In 2018, Ditaş provided a total 2,523 hours of occupational health and safety training to 397 people.

THE MEDIA

Doğan Burda

In line with its eco-friendly approach, Doğan Burda reduced its total electricity consumption by 12.0% to 160,826 kWh and sent 964 tons of paper to recycling in 2018. During the year, topics covered by Doğan Burda magazines included sustainability, environment, nature and fashion related issues.

TOURISM

Milta Bodrum Marina

Milta Bodrum Marina is an international marina that has received the "Blue Flag" award every year since 1997 thanks to its high quality standards, modern infrastructure and in-demand services. Recipient of the "Five Gold Anchors" award presented by the European Union, Milta Bodrum Marina also won the "Turkey's Best Environmental Awareness and Training Activities Award" from TURÇEV (Foundation for Environmental Education) in 2018 as it does last year. Milta Bodrum Marina recycled 10,799 m^3 of used water (amounting to 43.8% of its total water consumption) in 2018. In 2018, Milta Bodrum Marina reduced its total electricity consumption by 1.5% over the prior year, and reduced its water consumption by 13.7% to 24,670 m^3. Milta Bodrum Marina sent 23.7 kg of waste paper to recycling in 2018.

The total waste including waste water, solid waste, bilge and mineral oil was 6,196 tons, while the total amount sent to disposal was 5.5 tons.

Işıl Club Bodrum

In 2018, Işıl Club Bodrum once again received the prestigious "Blue Flag" award, an international indicator of environmental awareness with great significance in the tourism industry. The holiday resort also expanded the scope of its environment friendly practices with the use of solar energy, solar water heating systems and environmentally friendly cleaning materials. In 2018, Işıl Club Bodrum recycled 73.5% of its water consumption, amounting to a total of 33,150 m^3 and used it in watering the gardens. Işıl Club Bodrum sent 2.4 tons of paper to recycling in 2018. Some 1.7 tons of vegetable oil waste used in food production was sent to a licensed disposal company, along with the national waste collection form. In 2018, the total amount of electricity consumed by Işıl Club Bodrum decreased 1.3% compared to the previous year.

Marina Vista

From 2016, Marina Vista added more collectors to its solar power system and started to employ a heating pump, thereby eliminating the consumption of diesel fuel. Marina Vista collects waste batteries in special containers and delivers these to the Association of Portable Battery Manufacturers (TAP) and environmental units of the municipality for proper disposal.

At Marina Vista, 3,764 kg of paper was sent to recycling, while the total amount of water consumed in the facility was 1,253 tons in 2018.

IN 2018, DOĞAN BURDA REDUCED ITS TOTAL ELECTRICITY CONSUMPTION BY 12.0% TO 160,826 KWH AND SENT 964 TONS OF PAPER TO RECYCLING.

CORPORATE SOCIAL RESPONSIBILITY

AYDIN DOĞAN FOUNDATION ENJOYS A WELL-RESPECTED POSITION IN TURKEY AND ABROAD THANKS TO ITS SUCCESSFUL AND ONGOING ACTIVITIES.

Doğan Holding contributes to Turkey's journey of modernization with its mission of creating sustainable value. The Holding has designed its corporate social responsibility approach around the continuous value creation principle. For this mission, Doğan Holding not only expends efforts via Aydın Doğan Foundation but also establishes effective partnerships, thereby launching long-running social responsibility projects in education, culture and arts, health care and the environment. Doğan Holding encourages its employees to participate in social responsibility projects and regularly increases the social benefit created by its social responsibility projects.

AYDIN DOĞAN FOUNDATION

Aydın Doğan Foundation was established on April 15, 1996 to contribute to the economic and social development of Turkey. The Foundation provides support to education with the teaching facilities and dormitories it has built for young generations; it also encourages success in fields such as healthcare, culture, arts and sports through a number of national and international competitions.

Keen on embodying Doğan Group's strong social awareness since its establishment, the Foundation enjoys a well-respected position in Turkey and abroad thanks to its constant presence and successful operations.

EDUCATION

Since its establishment, Aydın Doğan Foundation has launched many projects that have helped to enhance the quality of and improve conditions in the Turkish educational system. The educational and other facilities constructed by the Foundation and donated to the Ministry of National Education are listed below:

- Işıl Sema Doğan Elementary School, Gümüşhane
- Atatürk University Aydın Doğan Private Elementary School, Erzurum
- Yaşar and İrfani Doğan Vocational and Technical High School, Gümüşhane
- Aydın Doğan Fine Arts High School, Istanbul
- Erzincan Social Sciences High School, Erzincan
- Hürriyet Vocational and Technical Anatolian High School, Erzincan
- Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School for Communications
- Bağcılar Aydın Doğan Vocational and Technical Anatolian High School for Health
- Gümüşhane University Kelkit Aydın Doğan Vocational School, Gümüşhane
- Galatasaray University Aydın Doğan Auditorium, Istanbul
- TEGV Sema and Aydın Doğan Educational Park, Istanbul
- Sema Doğan Park, Gümüşhane
- Aydın Doğan Center for Science and Arts, Afyon
- Aydın Doğan Sports Complex, Gümüşhane
- Nene Hatun High School Aydın Doğan Dormitory for Girls, Erzurum
- Erzincan University Aydın Doğan Dormitory for Girls, Erzincan
- Hacı Hüsrev Doğan Dormitory for Girls, Kelkit-Gümüşhane
- Aydın Doğan Dormitory for Girls, Şiran-Gümüşhane
- Aydın Doğan Dormitory for Girls, Kürtün-Gümüşhane
- Aydın Doğan Dormitory for Girls, Köse-Gümüşhane

IN THE 2017-2018 ACADEMIC YEAR, 237 STUDENTS GRADUATED FROM KELKİT AYDIN DOĞAN VOCATIONAL SCHOOL.

Kelkit Aydın Doğan Vocational High School in Kelkit

Kelkit Aydın Doğan Vocational School, which is a part of Gümüşhane University, opened its doors with 90 students on September 28, 2003. 237 students graduated from the Vocational School during the 2017-2018 academic year. The associate programs at Kelkit Aydın Doğan Vocational School include: Computer Technologies, Electricity and Energy, Accounting and Taxation, Electronics and Automation, Plant and Livestock Production, Transportation Services and Veterinary Medicine.

To further improve the school's English language quality, the Foundation once again provided students with foreign language training support during the 2018 academic year. Furthermore, in order to boost student motivation, at the end of each academic year, the Foundation gives various awards to the graduates.

Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School (Communications)

Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School was built by Aydın Doğan Foundation 20 years ago, and was donated to the Ministry of National Education. Specializing in journalism, radio and TV broadcasting, graphic design and photography, Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School held its 17th graduation ceremony in 2018. The High School was once again one of the most preferred educational institutions in its field, accepting students with the highest scores. The school graduated 237 students in 2018.

To boost student motivation, at the end of each academic year, the Foundation gives various awards to the graduates. To further improve the school's English language quality, the Foundation once again provided students with foreign language training support during the 2018 academic year.

During the year, the necessary support for technical work, cleaning and security services within the school was provided by Aydın Doğan Foundation.

AYDIN DOĞAN FOUNDATION BELIEVES THAT IN ORDER FOR TURKEY TO HAVE A BRIGHT FUTURE, GIRLS AND BOYS SHOULD BE PROVIDED WITH EQUAL OPPORTUNITIES IN EDUCATION.

Bağcılar Aydın Doğan Vocational and Technical Anatolian High School (Health)

Inaugurated on April 24, 2013 by the Minister of National Education Prof. Dr. Nabi Avcı, Bağcılar Aydın Doğan Vocational and Technical Anatolian High School represents a significant step forward in training the healthcare personnel of the future. Boasting modern classrooms, an advanced technology infrastructure in addition to social and educational spaces that meet every need, the High School fulfills all requirements to provide a state-of-the art educational experience.

The 24-classroom school has a 940-student capacity and trains Healthcare Maintenance Technicians, Assistant Nurses, and Assistant Midwives. Bağcılar Aydın Doğan Vocational and Technical Anatolian High School graduated its fourth cohort in 2018.

To boost student motivation, at the end of each academic year, the Foundation gives various awards to the graduates. To ensure the English language skills of the students at Bağcılar Aydın Doğan Vocational and Technical Anatolian High School that 266 students were graduated this year are top notch, Aydın Doğan Foundation provided the school with foreign language support during the 2018 academic year.

During the year, the necessary support for technical work, cleaning and security services within the school was provided by Aydın Doğan Foundation.

Ataşehir Aydın Doğan Fine Arts High School

Initially founded as Aydın Doğan Elementary School in 2005, the school was transformed into Aydın Doğan Fine Arts High School with the status of a "Project School" during the 2015-2016 academic year after transition to the so-called 4+4+4 education system and the change in student numbers, upon a protocol signed between Aydın Doğan Foundation and the Governorship of Istanbul. The school building, originally constructed for an elementary school setting, was completely renovated by Aydın Doğan Foundation with a project donated by the architect Nevzat Sayın.

58 students graduated from Aydın Doğan Fine Arts High School in the 2017-2018 academic year. To boost student motivation, the Foundation grants various awards to graduates at the end of each academic year.

During the year, the necessary support for technical work, cleaning and security services within the school was provided by Aydın Doğan Foundation.

The Science and Arts Committee, which was established in line with the agreement signed with the Provincial Directorate of National Education after Aydın Doğan Fine Arts High School became a Project School, held its first meeting in 2018 under the coordination of the Foundation. Aydın Doğan Fine Arts High School decided that students should attend more exhibitions and concerts. The Foundation provided the necessary support for students to access such exhibitions and concerts.

Gümüşhane Işıl Sema Doğan Primary School

Located in the center of Gümüşhane, Işıl Sema Doğan Primary School was built by Aydın Doğan in 1994 and dedicated to his wife Işıl Sema Doğan. The school was handed over to the Ministry of National Education by Aydın Doğan Foundation, and opened its doors on September 9, 1994 with a ceremony attended by the then-president Süleyman Demirel, Minister of National Education Nevzat Ayaz, Aydın Doğan and Işıl Sema Doğan. Işıl Sema Doğan Primary School became one of the top schools of the province with its successful initiatives, and continued to receive support from Aydın Doğan Foundation in 2018. At the computer lab established in 2017 by Aydın Doğan Foundation to foster technology training and instruction among students, STEM instruction started to be delivered in line with the agreement reached with Bilişim Garaj Akademi. Students were also provided with reference books in order to boost their success in various classroom subjects.

Educated Girls for a Brighter Future

The factors that keep Turkey from achieving full gender equality are varied and interconnected. The daily problems women face in their families, social lives, in education, their professional lives, and in politics are closely related to the fact that equality between men and women is simply not accepted and embraced by different segments of society. Against this backdrop, women need to receive high quality education starting from a young age, so that they can freely and individually realize their potential and aspirations as active individuals in the family, social, professional and political spheres. High quality education is also key for Turkey's women to feel empowered to struggle against gender inequality.

To ensure a brighter future for our country, Aydın Doğan Foundation believes that girls should be given equal educational opportunities as boys. With this conviction, the Foundation attaches top priority to supporting girls on their educational path and lifting the obstacles they may face.

Gümüşhane Işıl Sema Doğan Primary School

Dormitories for Girls

In 2018, Aydın Doğan Foundation continued to provide support to the girls' dormitories built under the "Daddy, Send Me to School" initiative – an effort that generated much positive public attention. Post-construction, these dormitories were donated to the Ministry of National Education. Dormitories established under this initiative include Nene Hatun High School Aydın Doğan Dormitory for Girls (Erzurum); Aydın Doğan Dormitory for Girls (Erzincan); Hacı Hüsrev Doğan Dormitory for Girls (Kelkit); Aydın Doğan Dormitory for Girls (Kürtün); Aydın Doğan Dormitory for Girls (Köse); and Aydın Doğan Dormitory for Girls (Şiran).

a. Success Takes Me to Istanbul Program

On May 5-9, 2018, 36 students residing in 12 dormitories built by Aydın Doğan Foundation under the "Daddy, Send Me to School" campaign who ranked in the top three of their classes were taken on a trip to Istanbul with their teachers. The trip aimed to reward their academic achievements and support their social and cultural advancement. During the Success Takes Me to Istanbul Program, students had the chance to visit the city's historical and tourist sites as well as universities.

b. Girls' Dormitories Project Support Fund

In response to numerous requests, Aydın Doğan Foundation established a support fund for the use of the girls' dormitory managers, teachers, personnel and students. The support fund aims to enhance the living standards of girls staying at dormitories built under the "Daddy, Send Me To School" campaign, and to help them become empowered individuals who contribute to social advancement. 14 project applications came from the Daddy, Send Me to School dormitories and Aydın Doğan Foundation Girls' Dormitories Support Fund was shared among nine projects. The projects selected included the establishment of a girls' curling team, organization of various competitions and events, creation of a gym and movie theater.

c. Training Seminar for Dormitory Managers

In collaboration with the Ministry of National Education, Aydın Doğan Foundation conducted the seminar "Management of Adolescence and Development Processes and the Importance of Technology Instruction" for managers and teachers at the 33 girls' dormitories established under the ''Daddy, Send Me to School'' campaign. The seminar was held at Kozyatağı Hilton Hotel between November 25-30, 2018. For five days, 70 dorm managers and teachers were given training on various subjects, including understanding adolescent traits and needs, outlining technology and action plans. Teachers and administrators were also presented with the opportunity to visit historical sites during their stay in Istanbul.

d. University Entrance Exam Preparation Sets

Aydın Doğan Foundation encourages girls who stay at the girls' dormitories established under the ''Daddy, Send Me to School'' campaign to go on to university. It is widely-known that the girls residing at the dormitories are in need of exam sets during their preparation for university entrance examinations. Accordingly, Aydın Doğan Foundation delivers free-of-charge exam preparation books to senior high school students residing in dormitories for their university entrance exams. In 2018, around 700 students were offered such university preparation sets.

EVERY YEAR, IN ORDER TO SUPPORT THE PREPARATION OF FEMALE UNIVERSITY STUDENTS FOR PROFESSIONAL LIFE AND TO HELP THEM BECOME THE STRONG LEADERS OF THE FUTURE, AYDIN DOĞAN FOUNDATION ORGANIZES THE YOUNG LEADERS SUMMER CAMP.

Education Scholarship for University Students and Young Leaders Summer Camp

Aydın Doğan Foundation initiated a scholarship program in 2015-2016 to support the education of girls who are successful but who demonstrate financial need. The Foundation started to provide scholarships to girls enrolled at Boğaziçi University, Faculty of Engineering who ranked in the top 101 to 500 in the university entrance examination and girls enrolled at Istanbul University, Faculty of Law who ranked in the top 1,000 in the university entrance examination. In addition, girls who resided at “Daddy, Send Me to School” dormitories during high school and whose university entrance exam scores allowed them to enter an undergraduate program in a state university were also provided scholarship opportunities. The Foundation carried out the necessary assessments to identify the girls who qualify for educational scholarships in the 2018-2019 academic year. The Foundation gave scholarship to 105 students under this effort.

a. Mentorship Program
In addition to education scholarship support, Aydın Doğan Foundation also launched a mentorship program to foster students’ professional and individual development. This effort aims to ensure that the scholarship students become sophisticated, open-minded and successful adults who are capable of standing on their own feet. Under the program, which Doğan Group executives contribute to as mentors, students and executives come together at regular intervals.

b. Young Leaders Summer Camp
Every year, in order to support the preparation of female university students for professional life and to help them become the strong leaders of the future, Aydın Doğan Foundation organizes the Young Leaders Summer Camp. This year, the Young Leaders Summer Camp was held at the International Knidos Academy of Culture and Arts in Datça on August 12-19, 2018. For six days, the youth participating in the camp had a chance to attend various artistic and sports activities, starting the day with yoga.

At the camp, there were various workshops such as 'Leadership' where the students discovered their strengths and weaknesses and discussed methods for dealing with problems; 'Project Development' which focused on gender equality in Turkey; and 'Personal Development' which centered on the various topics demanded by the youth. These successful girls participated in trainings on efficient use of digital instruments, effective communication and presentation techniques, played the Value Stone game, and took part in a ceramics workshop.

c. “You Can Do It, Too!” Project
University students who joined the summer camp devised a project named "You Can Do It, Too!" to support their younger friends. University students arrived at the Gümüşhane Şiran Aydın Doğan Girls' Dormitory to contact high school students staying there, carried out joint activities with them and became their role models to boost their educational motivation. Two visits were organized to the Şiran Aydın Doğan Girls' Dormitory during the year 2018. Together with the new students joining the project team, the dormitory in Mardin Midyat was included in the project and the event was held in both of the dormitories on November 9-11,2018.

International Day of the Girl Child Conference

The international conference held on October 11 – declared International Day of the Girl Child by the United Nations – focuses on empowering girls, eradicating the barriers they face, and ensuring that they can fully exercise their human rights. The fourth edition of the International UN Women Conference was organized on

ORGANIZED TO DRAW ATTENTION TO THE IMPORTANCE OF GENDER EQUALITY AND EDUCATION, THE INTERNATIONAL DAY OF THE GIRL CHILD CONFERENCE HAS BECOME AN IMPORTANT PLATFORM FOR DEBATE ON THE ISSUE OF GIRLS' EMPOWERMENT, THANKS TO THE PARTICIPATION OF SPEAKERS FROM TURKEY AND AROUND THE WORLD.

October 11, 2018 around the theme "Empowered Girls, Empowered Future: Empowering Girls via Science, Arts and Sports" by Aydın Doğan Foundation with the collaboration of UN Women, UNICEF and UNFPA. Organized to draw attention to the importance of gender equality and education, the International Day of the Girl Child Conference became an important platform for debate on the issue of girls' empowerment, thanks to the participation of speakers from Turkey and around the world. The opening speech of the International Day of the Girl Child Conference was delivered by Aydın Doğan Foundation's Vice Chairwoman Vuslat Doğan Sabancı. The conference keynote speaker was Zainab Salbi, founder of the Women for Women organization. Women for Women organizes activities supporting and empowering women in social and economic terms in 10 countries with 420 thousand female members. In recognition of her extraordinary efforts, Ms. Salbi was recently included in Foreign Policy magazine's Top 100 Global Thinkers list. In her speech titled "Representatives of Change for a Better World: Boys and Girls," she related very important messages to conference participants.

UNICEF Representative in Turkey Phillippe Duamell, UNFPA Turkey's Gender Equality Program Coordinator Meltem Ağduk, and UN Women Turkey Office Deputy Director Dr. Sabine Freizer also contributed to the conference by delivering speeches. The conference focused on removing barriers that prevent girls from becoming individuals who can shape the future and transform societies, revealing girls' true potential and raising awareness on gender equality. In panel discussions during the day, notable speakers who have achieved national and international success in science, art and sports, and who set an example for girls, shared their own success stories and opinions. The common theme of the discussions in the panels was how blending science, arts and sports with education can contribute to the development of girls and communities. The conference, featuring such prominent names, also included science booths by high school students and performances by students from the Mardin Circus and the Music for Peace Foundation. National and international news coverage of the conference made a major impact in raising awareness on the issue.

UNDERSTANDING THAT CULTURE AND ARTS PLAY A CENTRAL ROLE IN ALLOWING INDIVIDUALS TO EXPRESS THEMSELVES, AYDIN DOĞAN FOUNDATION EXPENDS EFFORTS TO EMPOWER GIRLS VIA THE ARTS AS WELL.

PISA and TIMSS Research Report and Education Policy Seminar

Aydın Doğan Foundation has commissioned the Education Reform Initiative (ERI) a comprehensive report on gender equality in basic education indicators based on the findings of PISA (Program for International Student Assessment) and TIMSS (Trends in International Mathematics and Science Study). A seminar was organized jointly with ERG in order to share the report with all stakeholders on February 19, 2018.

Aydın Doğan Foundation, which expends efforts in order to empower girls in Turkey and to offer them better educational and social conditions, and shares the results of its studies in this field with the general public at seminars, hosted the seminar, where ADV Chairwoman Candan Fetvacı delivered the keynote speech. ERG Researcher Ertuğrul Polat made a detailed presentation on the study at the seminar, where Batuhan Aydagül was the facilitator. Ministry of National Education's General Director of Measurement, Assessment and Exams, Associate Prof. Dr. Bayram Çetin; Associate Prof. Dr. Serra Müderrisoğlu from Boğaziçi University's Department of Psychology; and Associate Prof. Dr. Yasemin Esen from Ankara University, Department of Primary Education participated as speakers in order to analyze the findings based on their expertise and experience.

Supporting Malatya Girls' Football Club

Malatya Girls’ Football Team attended the International Day of the Girl Child Conference on October 8, 2015 to demonstrate to participants that sports is an effective way to overcome obstacles facing girls’ pursuit of education. At the conference, the team members explained how sports and football allow them to continue their education, impressing everyone participating in the conference. During the event, as the girls shared their passion for football as well as some challenges they face, Aydın Doğan Foundation decided to support the club. Scholarships were provided by the Foundation to the girls who study at universities and financial support was offered to the team. In this way, girls who are licensed football players at the club had the chance to continue their university education.

Baksı Student Art Festival

Recognizing the pivotal role played by culture and arts so that individuals can express themselves in the best way, Aydın Doğan Foundation conducts various efforts in line with the goal of empowering girls through art. The Foundation decided to support Baksı Student Art Festival organized annually at the Baksı Museum established by Prof. Dr. Hüsamettin Koçan in Bayburt. The sixth edition of the festival was organized with the collaboration of Karadeniz Technical University Faculty of Fine Arts, Erzurum University Faculty of Fine Arts and Baksı Culture and Art Foundation. At the event, primary, junior high and high school students had the opportunity to learn more about the arts via painting contests and arts workshops for kids. In addition, a workshop titled “Education of Talent’ was conducted as part of the festival. Successful students designated at the event were presented with a one-year scholarship. Aydın Doğan Foundation provided scholarships to all girls at the festival, which was attended by 90 youth from three cities. The Foundation also extended financial support to the workshop.

TO ENSURE THAT STUDENTS ARE BETTER INFORMED AND EDUCATED IN THE FIELD OF TECHNOLOGY, AYDIN DOĞAN FOUNDATION STARTED PROVIDING INSTRUCTIONAL TRAINING ON TECHNOLOGY AT SCHOOLS AND GIRLS' DORMITORIES.

If I Want

Aydın Doğan Foundation aims to help spur economic development and form a qualified labor force by providing support and incentives to education while ensuring that young girls participate in society as productive individuals. To this end, through a collaboration with Doğan Egmont Publications for the conference, the Foundation brought together celebrated women authors of Turkish literature and pioneered the creation of the book "Inspiring Stories for Empowered Girls, Empowered Future: If I Want."

The collection of short stories featured inspiring contributions by Canan Tan, Deniz Erbulak, Feyza Hepçilingirler, Gülten Dayıoğlu, İpek Ongun, Karin Karakaşlı, Nermin Bezmen, Şebnem İşigüzel and Şermin Yaşar. The compilation was presented to the conference attendees with the participation of the authors at the October 11 International Day of the Girl Child Conference.

Women Leaders of Technology Competition

The second edition of the "Women Leaders of Technology" Competition was organized jointly by Aydın Doğan Foundation, Microsoft Turkey and KAGİDER in order to inspire female technology professionals in Turkey to make even greater achievements. The Foundation believes that gender equality will play a key role in helping the technology industry, which will invariably shape our shared future, develop innovations that will strengthen our world. Microsoft Turkey, KAGİDER and Aydın Doğan Foundation held the awards ceremony for the "Women Leaders of Technology" Competition on June 6, 2018 in order to recognize those women who create success stories in the field of technology.

STEM Education

To ensure that students are better informed and educated in the field of technology, Aydın Doğan Foundation started providing instructional training on technology at schools and girls' dormitories. In accordance with the agreement signed with Bilişim Garaj Akademi for the technology instruction of students, trainings have started at Işıl Sema Doğan Elementary School and Şiran Aydın Doğan Girls' Dormitory. All teachers at the two schools have received training for trainers from Bilişim Garaj Akademi and have started to deliver instruction in line with the curriculum. A computer laboratory was established at Şiran Aydın Doğan Dormitory for Girls to serve as a platform for the STEM trainings.

YOUNG COMMUNICATORS COMPETITION

Aydın Doğan Foundation organizes the Young Communicators Competition, each year for students in universities faculty of communication to encourage continuous development from among prospective media employees and to increase the number of qualified professionals in the industry. The competition is conducted each year to cultivate communication faculty students as the innovative, inquisitive and inspiring media leaders of the future. The 29th edition of the event ended with an awards ceremony held at Yeditepe University, August 26th Campus.

Some 1,087 students from the communication faculties of 42 universities participated in the competition with 917 works in the categories of print, visual, audiovisual media, advertising, public relations and internet broadcasting. The selection committee granted awards to 59 projects by 102 students from 25 universities.

CORPORATE SOCIAL RESPONSIBILITY

EVERY YEAR, AYDIN DOĞAN FOUNDATION REWARDS INDIVIDUALS OR GROUPS WHO HAVE MADE SIGNIFICANT CONTRIBUTIONS TO THE COUNTRY, WORLD AND HUMANITY AND WHO HAVE RECORDED GREAT ACHIEVEMENTS IN A DIVERSE RANGE OF FIELDS – SUCH AS CULTURE, THE ARTS, LITERATURE AND SCIENCE.

NUMBER OF CARTOONS TO THE AYDIN DOĞAN INTERNATIONAL CARTOON COMPETITION

2,143

THE AYDIN DOĞAN AWARD

Every year, Aydın Doğan Foundation rewards individuals or groups who have made significant contributions to the country, the world and humanity and who have reached great achievements in different fields, such as culture, the arts, literature and science.

With the Aydın Doğan Award, Aydın Doğan Foundation's Board of Directors aims to move society to a more advanced level and give its support to education for this purpose. In 2018, the Board of Directors unanimously decided to give the Aydın Doğan Award 2018 to the musician Arif Sağ, who conducts original artistic exploration through Turkish folk music and baglama. With his work, Mr. Sağ promotes Anatolian music across the world, contributes to the formation of new generations as an educator. In effect, Arif Sağ has created a veritable ecole through his music.

The Aydın Doğan Prize was presented to Arif Sağ by Aydın Doğan Foundation's Founder and Honorary Chairman Aydın Doğan, at a ceremony held on April 4, 2018 at Istanbul Hilton Hotel.

THE CARTOON COMPETITION

Aydın Doğan International Cartoon Competition

Widely considered to be one of the most prestigious competitions of its kind in the world, Aydın Doğan International Cartoon Competition celebrated its 35th anniversary in 2017. 623 artists from 64 countries participated in the event with 2,143 cartoons, and the Selection Committee awarded the first prize to two works. Dokhshid Ghodratipour (Iran) and Jugoslav Vlahovic (Serbia) shared the first place, while Shahrokh Heidari (Iran) placed second and Krzysztof Grzondziel (Poland) came in third.

In all its activities, Aydın Doğan Foundation places a special emphasis on girls' development, female empowerment and gender equality. In 2018, once again, a special award entitled "Empowered Girls, Empowered Future" was presented by the Foundation. Bernard Bouton (France) was deemed worthy of this special award.

Widely considered to be the world's "Cartoon Oscars," Aydın Doğan International Cartoon Competition has become a truly international platform.

AYDIN DOĞAN FOUNDATION CONTRIBUTES TO NUMEROUS PROJECTS IN TURKEY IN ORDER TO ESTABLISH EQUAL OPPORTUNITIES IN EDUCATION AND IMPROVE THE EDUCATIONAL ENVIRONMENT.

Each year, numerous cartoon artists from different countries participate with their valuable drawings. The awards ceremony of the event was held on November 27, 2018 at Mimar Sinan Fine Arts University.

Aydın Doğan International Cartoon Competition was free of any subject matter limitations in its 35th edition, and drew the participation of professional and amateur artists from across the world. Since its inception, the organization has welcomed around 85 thousand cartoons by 8,800 artists hailing from 137 countries.

Exhibitions

In 2018, as in every year of the Aydın Doğan International Cartoon Competition, award-winning cartoons together with shortlisted entries were presented to art lovers at exhibitions in Adana, Ankara, Balıkesir, Eskişehir, Istanbul and Muğla. In addition, in 2018, a selection of cartoons around the theme "Empowered Girls, Empowered Future," chosen from among the 85 thousand cartoons in Aydın Doğan Foundation's cartoon collection, was exhibited in Istanbul.

OTHER ACTIVITIES

Education Reform Initiative (ERI)

Abiding by the slogan “Quality education for all,” Aydın Doğan Foundation supports numerous projects that are designed to improve the conditions of educational instruction and uphold equality of opportunities in Turkey. With this approach, the Foundation collaborates with other leading foundations in Turkey to support the Education Reform Initiative (ERI).

Teachers' Network

Supported by Aydın Doğan Foundation and coordinated by the Education Reform Initiative, Teachers' Network aims to create a continuous interactive environment where teachers can achieve change and transformation, in order to improve education quality and student success in Turkey. With a view to empowering teachers, Teachers' Network offers them resources and peer solidarity opportunities, and strives to become a platform for popularizing the teachers' classroom solutions and success stories.

The foundations of Teachers’ Network were laid as a result of the Teachers' Survey conducted jointly by Vehbi Koç Foundation, Workshop, and Education Reform Initiative. Teachers' Network is supported by six prominent Turkish foundations, namely Aydın Doğan Foundation, Mother & Children Education Foundation, ENKA Foundation, Mehmet Zorlu Foundation, Sabancı Foundation and Vehbi Koç Foundation.

The Third Sector Foundation of Turkey

The Third Sector Foundation of Turkey (TÜSEV) was established in 1993 by 23 NGOs, including Aydın Doğan Foundation, to develop the legal, fiscal and operational infrastructure of the third (non-profit) sector. As a founder and board member of TÜSEV, Aydın Doğan Foundation is an active supporter of the organization and its activities. More than 100 members of the Board of Trustees are undertaking activities to promote civil society initiatives in Turkey.

Gümüşhane Sema Doğan Park

Established to develop cultural and social life in Gümüşhane, Sema Doğan Park was inaugurated on July 24, 2008 with the contributions of Aydın

THE COMMON VALUES MOVEMENT IS A SOCIAL RESPONSIBILITY INITIATIVE THAT STRIVES TO BRING PEOPLE TOGETHER AROUND SHARED BELIEFS BY HELPING DISCOVER OUR INDIVIDUAL VALUES. THE OBJECTIVE IS TO ELIMINATE THE TENDENCY TOWARD POLARIZATION AND STRIFE ACROSS SOCIETY TODAY.

Doğan Foundation. Designed as a recreational area that can host a range of activities, the park features a picnic area, children's playground, basketball field and tennis court. The open area includes an amphitheater, which can host movie screenings, theater performances and shows. An enclosed hall on the grounds can accommodate receptions, concerts, conferences and other cultural activities.

European Foundation Center (EFC)

European Foundation Center (EFC), which Aydın Doğan Foundation is member of, organized the exhibition "Preserving Heritage and Transforming Spaces" in Brussels, which featured Sema Doğan Park, a social and cultural project by the Foundation.

At the exhibition, held in European Foundation Center's exhibition hall in Brussel in order to show how foundations utilize their spaces for the public good, Aydın Doğan Foundation was the only institution invited from Turkey. Sema Doğan Park project was featured as an outstanding initiative at the event.

COMMON VALUES MOVEMENT

Common Values Movement's mission is to put values at the center of life. This innovative effort aims to bring us together around our shared humanity by helping us discover our individual values. As a result, it is a social responsibility project that tries to eliminate today's growing social tendencies of separation and polarization. Common Values Movement conducts research on this topic and supports value-oriented projects that are focused on joint development.

Common Values Movement was launched in September 2016 by Begüm Dogan Faralyalı, Doğan Holding's Vice Chairwoman, to remind us of our commons, and to uphold the dream of a shared Turkey and reduce polarization in society.

The initiative started with a series of articles published in Hürriyet newspaper in September 2016, and launched a conversation with the general public by asking widely known persons the question "What are our common denominators?" Subsequently, Turkey Values Survey was conducted among 2 thousand people. The most striking result of the survey in Turkey was the society-wide consensus about the values necessary for the community. Justice, respect, morality, and trust stood out as values that all segments of society long for and uphold as greatly important. In line with these results, projects were developed and "Value Workshops" were conducted with youth and women from various social groups in different provinces across the

AS PART OF THE COMMON VALUES MOVEMENT, THE COMMON VALUES PROJECT COMPETITION WAS HELD IN 2018 TO SUPPORT PROJECTS THAT EMPHASIZE THE COMMON POINTS OF DIVERSE SOCIAL SECTORS.

country. The workshops focused on the common values revealed by these studies, their impact on our lives, and the continuation of the desired values. In addition, the workshops emphasized the importance of personal values and universal values in our lives.

A first in the world, the "Value Stone" game was also designed under the Common Values Movement effort. The game is centered around the belief that the path leading to individual and social happiness passes through the discovery of our values and opting for a life in accordance with these values. "Value Stone" is shared with academics from various universities and high school teachers who want to play the game with their students, as well as NGOs and companies. It is also available for purchase at D&R stores and hepsiburada.com. For each game sold, one additional game is sent free-of-charge to various destinations across Turkey according to the Needs Map.

As part of Common Values Movement activities in 2018, the Common Values Project Competition was organized to support creative, innovative projects bringing together different social sectors for remembering, understanding, caring for, protecting and promoting common values. Seven projects selected among dozens of projects submitted from across Turkey were provided with funding support. The projects started to be implemented in 2018 and are still ongoing.

To date, the Common Values Movement has reached out to approximately 5 thousand persons in workshops, and at conferences either organized or attended by Movement representatives. The Value Stone game has been played by nearly 5 thousand people in 19 different provinces across Turkey. One project provided with funding was the "Fairy Tale Box," a musical shadow play under the "Our Values from Shadow to Life" initiative, which was seen by a total of 7 thousand primary school students. The awareness campaigns conducted in the media and on social media, have reached out to millions since the Movement's launch.

In 2019, Common Values Movement will continue its value-centered efforts extending from the individual to society.

SOCIAL RESPONSIBILITY OF GROUP COMPANIES AND ACTIVITIES

ENERGY

Doğan Enerji Projects

Educational Activities

Doğan Enerji stands out with its social responsibility projects towards the local communities where it runs operations. The company attaches special importance to education activities and provides scholarships to university students in the regions of Mut and Bandırma, where its wind power plants are located. The company aims to provide such a support at the beginning of each academic year. Furthermore, the company met with the local mukhtars, district governors and school teachers in order to identify and meet the needs of nearby primary schools.

Sunflower Projects

Solar Roof Projects: Sunflower, which pursues an innovative, sustainable and forward-looking vision in energy, executes commercial and industrial solar roof projects with the aim of energy efficiency and energy saving. In addition to its main line of business, Sunflower strives to design and develop projects on any idea that may help build the energy vision of the future.

Aytemiz Projects

HSE-S and Human Resources Practices

Aytemiz conducts all its business activities efficiently, in accordance with the criteria of health, safety, environment and security (HSE-S). In all company operations, occupational health and safety, security, respect for the environment, and customer satisfaction figure among its top priorities. Since Aytemiz's activities are classified in the category of 'highly hazardous,' HSE-S is considered a top priority and full compliance with applicable legislation is essential.

Aytemiz's HSE-S management system is specially designed for ensuring the safety of people; protecting the environment; using natural resources efficiently; developing services, products and energy resources in accordance with the stated purposes; providing top quality services and products to customers; rendering the management's HSE-S and quality performance visible; managing emergency situations and reporting these in a transparent fashion; pioneering the implementation and development of the most accurate and efficient methods in management's fields of activity; keeping the HSE-S management system active; and contributing to its continuous development.

In addition to placing a high priority on HSE-S practices, Aytemiz makes use of national/international systems and standards in the fields of quality, environment, safety management and occupational health and safety. The company also implements all audit and communication practices stipulated by these widely recognized standards. Aytemiz's terminals, which are certified under the ISO 9001 Quality Management System, are audited every year.

Aytemiz has established the minimum standards to maintain the safety of the employees and working spaces in line with its golden rules. Activities are undertaken in accordance with the rules determined, in the field of road safety, as well as performing indoor works for isolating the electrical systems; forklift works at height; works involving flame; and excavations. Each and every subcontractor that works under Aytemiz observes such rules as well.

AYTEMİZ CONDUCTS ALL ITS BUSINESS OPERATIONS IN AN EFFICIENT MANNER IN LINE WITH HEALTH, SAFETY, ENVIRONMENT AND SECURITY ("HSE-S") CRITERIA.

THE ELECTRICAL CHARGING STATIONS PROJECT IS OF GREAT IMPORTANCE FOR DOĞAN ENERJİ, WHICH HAS ONLY RENEWABLE ENERGY SOURCES IN ITS ENERGY GENERATION PORTFOLIO.

During business operations, Aytemiz uses the risk method approach to prevent accidents, identify priorities and take all types of risk-reducing measures. Furthermore, in order to understand the reasons that problematic events occur, the company conducts root cause analyses to identify human-induced causes and prevent the repetition of such problems. Employee training plays an important role in accident prevention at Aytemiz. Training programs cover defensive driving, overcoming fatigue, first aid, fire, road safety, basic OHS and working in high places.

Emergency and firefighting drills are carried out periodically at Aytemiz facilities. Emergency response preparations at facilities with connections to the sea are performed by accredited companies and also, drills are conducted.

In 2018, Aytemiz recorded no fatal accidents and only five accidents that resulted in days lost.

In addition to OHS training, employees are provided with career and self-development training. Training seminar topics include Excel, finance for non-finance professionals, competition law, effective communication and field orientation.

As part of human resources practices, Aytemiz aims to implement projects that boost women's employment in 2019.

An Exemplary Project for Stations by Aytemiz: Aytemiz, as part of its restroom/WC & market transformation project, launched a pilot initiative to raise the service standards of its stations. In order to increase the hygiene standards at the stations included in the project, special cleaning packages were sent to these locations and the frequency of hygiene standard control visits was increased.

Aytemiz-Doğan Enerji Electrical Charging Stations: In a first in Turkey, Aytemiz, which is Doğan Enerji's subsidiary and leader of this project, installed a fast charging unit at its fuel oil station in Bursa, one of the most critical locations along the Istanbul – Izmir Motorway, compatible with both electric and hybrid vehicles. The unit was created in collaboration with Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş., the Turkish leader in this area, and is capable of charging all the electric vehicles being used in Turkey at the moment. (AC and DC). The unit utilizes the latest technologies and can serve three cars at the same time. Aytemiz serves drivers of electric cars at 7 stations across Turkey.

The electrical charging stations project is of great importance for Doğan Enerji, which has only renewable energy sources in its energy generation portfolio. Electrical charging stations are of huge importance since they allow for integration with other fields under the umbrella of the Holding, and render a non-renewable business line such as petroleum products retail more eco-friendly. In order to ensure sustainability in the energy sector, such horizontal integration in different sectors of the industry is essential. After evaluation, the project was also deemed worthy of the "Customer Value Leadership" award by US market research and consulting company Frost & Sullivan.

Motorcycle-Friendly Stations: In 2017, Aytemiz broke fresh ground in the sector by realizing the "Motorcycle-Friendly Station" project, with the aim of raising traffic awareness of motorcyclists, contributing to their safety, and making their lives easier. Motorcycle-Friendly Aytemiz stations feature special parking areas for

SOCIAL RESPONSIBILITY OF GROUP COMPANIES AND ACTIVITIES

AS A RESULT OF THE COLLABORATION BETWEEN ÇELİK HALAT AND KOCAELİ ANIMAL RIGHTS ADVOCATES ASSOCIATION, THE WASTE FOOD FROM THE COMPANY KITCHEN IS SENT TO THE ASSOCIATION TO BE FED TO STRAY ANIMALS.

motorcyclists, personal lockers where they can keep their helmets, coats and gloves, as well as special products in the market for this segment.

In line with its goal of becoming a motorcycle-friendly petroleum products retail company, Aytemiz launched the corporate responsibility initiative “Motorcycle-Friendly Traffic” as a way to foster “empathy on the road.” Awareness-raising and training activities are conducted to ensure that car and motorcycle drivers understand each other better in traffic, thus securing a safer driving environment. The project also aims to raise motorcycle drivers' awareness about the proper use of safety equipment.

Aytemiz Stations Solar Roof Panels:
The idea of establishing solar panels on the roofs of Aytemiz fuel stations in line with the new regulation entitled "Electricity Generation from Roof-Type Solar Panels" is on the agenda of both Doğan Enerji and Aytemiz. The project development process for initiating pilot studies at eligible stations continues.

Self Service: Aytemiz deployed Self Service simultaneously at 30 stations for the first time in Turkey with an aim to offer a new alternative for fuel shopping. This way, customers are able to buy fuel at friendly rates, by themselves, while they can also continue to access services provided by the gas bump attendants depending on their choice. Self Service sparked deep interest especially across the young adult segment. This tech-savvy segment is competent and interested in areas such as online transactions or taking care of things on their own, rather than getting someone else's help. They enjoy handling all of the stages by themselves, including approaching the gas bump with their vehicle, fueling it up and the payments. On the other hand, stations where Self-Service is available do not undergo retrenchment. On the contrary, the workforce here is utilized in the fields aiming higher quality service, such as non-fuel revenue, product marketing, front office organization and hygiene. Aytemiz is the first ever brand to apply Self Service so extensively and will significantly change the customer habits in our country.

OP-EX (Operational Excellence Project):
Under the project, a sustainable and standard service approach will be adopted at all Aytemiz stations aiming to ensure that each customer leaves Aytemiz stations with the same level of satisfaction. Reducing costs, enhancing profitability, focusing on non-oil revenues, respecting the environment, doing healthy and secure business, keeping work areas in order, abiding by company and ethical rules, being loyal to the elements of corporate identity and absolute customer-focus are issues tackled under Opex.

OP-EX project was born out of the perfectionist approach of DOCO. The project was based on the questions, "Can we create standardized stations by working systematically and regularly, if customer satisfaction and brand reputation can be provenly improved, can these positive experiences at the stations be transferred to dealers, if they can be, how?". When issues such as corporate culture, culture transfer, change, transformation, change management tackled for a while were combined; a sustainable, traceable and target-focused system was developed. This structure defined as Operational Excellence was named as Aytemiz OP-EX Project. The project, in short, aims for all Aytemiz dealers to become excellent businesses offering maximum customer satisfaction from the front office to the market, from the toilets to service equipment, to know their targets, to track and achieve such targets. Cost is a crucial element in the fuel oil sector, which faces intense competition, high costs and low profitability. In this respect, as long as the stations included in the system reach their targets, they will receive support at the determined rates for meeting their operating costs. At the same time, various success premiums will be granted quarterly and annually.

Other Corporate Social Responsibility Projects: Aytemiz undertakes social responsibility investments by taking into consideration the social needs of the society, especially education. The company strives to raise awareness of society and provide social benefits. To this end, Aytemiz has opened schools, student dormitories, sports and exhibition halls.

INDUSTRY

Çelik Halat

Agile Projects for University-Industry Partnership: Çelik Halat, one of Doğan Holding's pioneering companies, once again realized groundbreaking corporate social responsibility projects in 2018.

Çelik Halat representatives visited Gölcük Tersane Primary School on November 1, 2018 and presented gifts to students aged between 7-10 chosen by the school administration.

As a result of the collaboration between Çelik Halat and Kocaeli Animal Rights Advocates Association, waste food from the company kitchen is sent to the association to be fed to stray animals.

To help children, who represent the future of Turkey, internalize environmental awareness, June 5 World Environment Day was celebrated at Dürdane Özdilek Primary School.

"Steel Step" Project for Collaboration with Universities: Çelik Halat, which attaches great importance to university-industry cooperation, launched the Steel Step Long-Term Internship Program in 2018.

Activities on National Holidays: Çelik Halat celebrated April 23rd, National Sovereignty and Children's Day together with youth. The company also organized the annual Çelik Halat Family Picnic on August 30th, Victory Day. As such, Çelik Halat marked national festivals of great importance for Turkish society during the year.

Doğan Dış Ticaret

Doğan Dış Ticaret conducted social responsibility efforts in 2018 in light of Doğan Holding's "Knows Value, Adds Value" principle. The company became a "Dream Partner" to Young Guru Academy (YGA)'s Scientific Mobilization across Anatolia scheme, providing support for procurement of science sets and for logistical operations. Under the Scientific Mobilization across Anatolia scheme launched with the approval of Ministry of National Education in order to stimulate children's interest in science, science sets featuring the latest technologies were sent to village schools in need across Anatolia to raise the new generation's awareness of science.

Understanding the key role played by sports in bringing people closer, Doğan Dış Ticaret supported the participation of two employees in the International Thessaloniki Marathon. In addition, one company staff member took part in the IRONMAN triathlon race series organized in Antalya. The Doğan Dış Ticaret employee who participated in the IRONMAN race completed the 113-km course in 5 hours 17 minutes to place first in their age category among Turkish athletes.

Ditaş

Agreement with Ömer Halisdemir University: In July 2018, an agreement was signed between Ditaş and Ömer Halisdemir University and a productive project was conducted under the scope of university-industry cooperation. This initiative is designed to contribute to joint theses and project-based academic theses by undergraduate and graduate students.

InoSuit Program for Accelerating Innovation: Assigning great importance to innovation related efforts, Ditaş completed the InoSuit program jointly coordinated by Turkey Exporters' Assembly and Sabancı University. The program was designed to foster a culture of innovation while integrating it with Ditaş's corporate culture. To this end, Innovation Working Groups were created in 2018. The innovative ideas formulated by these groups were successfully integrated into Ditaş's business processes.

Sponsorship Support to Bor Anatolian High School: In November 2018, Ditaş became the EU Erasmus Project Sponsor for Bor Anatolian High School and continued its support to education.

Attendance at Scientific Congresses: In October 2018, Ditaş participated in the third edition of the International Mediterranean Science and Engineering Congress (IMSEC '18) held at Adana Çukurova University. The company provided sponsorship support to the event.

SOCIAL RESPONSIBILITY OF GROUP COMPANIES AND ACTIVITIES

TRUMP AVENUE, THE OPEN-AIR SOCIAL HUB OF THE TRUMP SHOPPING CENTER, HOSTS FREE-OF-CHARGE CONCERTS BY FAMOUS MUSICIANS.

AUTOMOTIVE TRADE AND MARKETING

Suzuki

Free-of-Charge Safe Driving Training: Since August 2018, Suzuki Motorcycle has provided training for motorcycle users to drive more safely. Delivered at Suzuki Koşuyolu facilities free-of-charge by professional trainers, Safe Driving 1-2 and 3 training are designed to help motorcycle drivers enhance their basic balancing skills at lower speeds, understand static and dynamic driving techniques, and embrace the principle of maximum safety. Offered to about 200 persons to foster and spread safe driving awareness, the training program will continue in 2019 with a view toward creating a safer environment for drivers on the road.

REAL ESTATE INVESTMENTS

D Gayrimenkul

Free-of-Charge Theater Performances: In 2018, more than 400 children attended the educational and entertaining theatrical plays staged at Trumpland, the kids' floor at Trump Shopping Center. Throughout the year, children were entertained by 12 different plays performed by the group Tiyatro Yeniden, thus discovering one of the most important artistic disciplines.

Exhibitions, and Artists & Children Workshops at Trump Art Gallery: Painting, sculpture and photography exhibitions organized at Trump Art Gallery, which opened its doors in September 2017, gave visitors of all ages an opportunity to appreciate art. Each artist who opened an exhibition conducted special workshops for youth.

Trump Art Gallery Exhibitions in 2018;
- Metalist Manifesto Collective Metal Sculpture Exhibition – December 2018
- Pera Sanat Sculpture Exhibition – November 2018
- Gamze Lim "Red Reflections" Exhibition – October 2018
- "Charms of Istanbul, Reflections from Masters" Painting Exhibition – September 2018
- "Exactly the Same" Original Print Works Exhibition – August 2018
- Collection Exhibition – June & July 2018
- The Enchanting City of Istanbul Exhibition – May 2018
- Alfonso Ruiz Felipe Mareas/Tide Ceramics Exhibition – April 2018
- "Not Me" Collective Sculpture Exhibition – February & March 2018
- Selma Hekim Ağ Exhibition – January 2018

Trump Avenue Free-of-Charge Concerts: Trump Avenue, the open-air social hub of Trump Shopping Center, hosts free-of-charge concerts by famous musicians.

2018 Concerts;
- Yeni Türkü – April 2018
- Halil Sezai – November 2018
- Bülent Ortaçgil and Pera – December 2018

MEDIA

Doğan Burda

Doğan Burda Magazine continued to execute its corporate social responsibilities via its publications in 2018. Throughout the year, Doğan Burda not only developed new social responsibility projects in culture, art, history, nature, the environment and health, but also supported existing projects in these focus areas.

Istanbul Aydın University (IAU) Communication Awards: Atlas magazine was named “Magazine of the Year” at the 14th Communication Awards organized by Istanbul Aydın University (IAU). The award winners were selected based on survey results of 41 thousand students. Furthermore, Atlas magazine also donated saplings to Istanbul Aydın University's TEMA memorial forest in Aydın province.

Atlas Walks for Water: Atlas magazine is committed to drawing attention to the threat of drought, one of the world's top climate change agenda items. To this end, Atlas has organized the "We Are Walking for Water" event for three years. The walk for 2018 took place on March 11 in Çatalca's Binkılıç neighborhood. The event was attended by a total of 140 persons from Atlas magazine, sponsor companies and readers. The trail followed the Binkılıç streams around Istranca forestland. Atlas’s "We Are Walking for Water" event aims to better promote and protect our nation's valuable water resources.

Elle Turkey Supports UNICEF: At the UNICEF Ball for Hope, organized to secure financial support for UNICEF’s activities in Turkey, Elle Turkey purchased the jacket donated by Zeynep Tosun to provide hope to children in need.

Hello! Magazine Collaborates with NGOs: A part of Doğan Burda’s portfolio, Hello magazine conducted the following social responsibility projects in 2018;

- Hello! magazine became the press sponsor of TOG BAZAR, which has been organized for six years by the Community Volunteers Foundation.

AT THE UNICEF BALL FOR HOPE ORGANIZED TO SECURE FINANCIAL SUPPORT FOR UNICEF'S ACTIVITIES IN TURKEY, ELLE TURKEY BOUGHT THE JACKET DONATED BY ZEYNEP TOSUN TO PROVIDE HOPE TO CHILDREN.

At the event, donations collected with the support of 3,809 guests enabled the participation of 1,980 young people in social responsibility trainings and projects.

- On September 15, Waste Collection Day, when people from all ages race to collect waste in every corner of the country in order to highlight the importance of environmental protection and raise awareness, Hello! Magazine Family participated in the effort. At the Hello! Giving Day organized in Kanyon shopping center, personal objects belonging to celebrities were offered at auction. The auction proceeds were used to facilitate 108 young persons’ participation in social responsibility training.
- At the Social Benefit Summit organized jointly by UNDP and TBWA for Good, under the platinum sponsorship of Doğan Holding, Hello! magazine participated by publishing a special issue.
- With the support of Hello! magazine, Kaan Sekban met with fans via a mobile application, in order to encourage young girls to continue their education. Thanks to Hello! and the sponsor mobile application, Kaan Sekban called on his social media followers to support the Turkish Education Foundation. As a result of the donation campaign, which lasted nearly 20 days, Turkish Education Foundation collected funds to support the education of 31 girls.

Popular Science Panel Discussions: The Popular Science Turkey Team organized panel discussions at Haliç University, Dokuz Eylül University and Cerrahpaşa Faculty of Medicine in 2018. These discussion events served to encourage young people in varied areas, such as science, technology and reading.

SOCIAL RESPONSIBILITY OF GROUP COMPANIES AND ACTIVITIES

REALIZED FOR THE FIRST TIME IN TURKEY BY CAPITAL MAGAZINE, THE SURVEY "RICH IN HEART" LISTS BUSINESSPERSONS WHO MAKE SIGNIFICANT DONATIONS FOR PHILANTHROPIC PURPOSES: THE SIXTH EDITION OF THE SURVEY WAS CONDUCTED IN 2018.

Capital Magazine's Social Responsibility Projects for the Business World: Realized for the first time in Turkey by Capital magazine, the survey “Rich in Heart” lists businesspersons who make significant donations for philanthropic purposes. The sixth edition of the survey was conducted in 2018. Based on business people’s donations in 2017, the survey encourages companies and individuals to make donations to worthwhile causes.

Social Responsibility Leaders: Companies implement social responsibility projects to raise awareness among the wider population. CSR efforts help companies maintain communication with consumers and "touch" their lives. Capital magazine conducted its annual Corporate Social Responsibility survey in 2018. Highlighting Turkey's social responsibility leaders and underscoring the importance of social responsibility, the Social Responsibility Leaders survey was published in March 2018.

Women-Friendly Companies: Capital magazine conducted "Turkey's Women-Friendly Companies" survey in order to draw attention to the importance of women's participation in business and promote female employment.

Support for the Business World and Entrepreneurship: Capital’s “Most Popular Companies” and “Capital 500” surveys and Ekonomist magazine’s “Women Entrepreneurs,” and “Business People of the Year” surveys continued to extend support to the business world and entrepreneurs in 2018. As part of the Women Entrepreneurs Project, awards were presented to "Turkey's Woman Entrepreneur," "Promising Woman Entrepreneur" and "Women Entrepreneurs Making a Difference in their Community" during the year. Meanwhile, the "Turkey's Woman Entrepreneur" competition has revealed that women's entrepreneurial success stories are increasing in number.

Doğan Burda's Media Sponsorship Support to Culture and Arts: Atlas, Istanbul Life, Hello!, Popular Science, Maison Française and Evim magazines provided media sponsorship to IKSV during the year. Meanwhile, Elle, Istanbul Life, Ekonomist and Hello! magazines provided media sponsorship to Contemporary Istanbul in order to foster cultural awareness in our country.

Doğan Burda's Media Sponsorship for the Conservation of Nature: Atlas magazine supported the 2018 donation campaign of WWF-Turkey, which conducts vital efforts to professionalize nature conservation and civil society activities in Turkey.

Doğan Burda Magazine Defends Life: Doğan Burda Magazine supported a campaign to inform society about bone marrow disease. The campaign was organized by LÖSEV, which has established Turkey's best-equipped oncology hospital. The special campaign was covered in the magazines Elele, İstanbul Life, Atlas and Ekonomist. During the year, Atlas, Popular Science, Capital, Ekonomist, Elle, Formsante and Hello! magazines lent their support to the NGOs TEGV and TEV, which campaign for high quality education for primary school children. Atlas and Ekonomist magazines supported the donation campaign by AKUT, an organization that conducts research and rescue operations on mountains and in other challenging areas.

Doğan Burda Defends Life: Doğan Burda Magazine supported a campaign to inform society about bone marrow disease. The campaign was organized by LÖSEV, which has established Turkey's best-equipped oncology hospital. The special campaign was covered in the magazines Elele, İstanbul Life, Atlas and Ekonomist. During the year, Atlas, Popular Science, Capital, Ekonomist, Elle, Formsante and Hello! magazines lent their support

to the NGOs TEGV and TEV, which campaign for high quality education for primary school children. Atlas and Ekonomist magazines supported the donation campaign by AKUT, an organization that conducts research and rescue operations on mountains and in other challenging areas.

Doğan Egmont

Duygu Asena Novel Award: Inspired by Duygu Asena's groundbreaking book "Women Have No Name," an awards program was developed to highlight the continuing problems of women in our country and raise public awareness. The "Women Have No Name" Awards Program has been held since 2007 to recognize exceptional works of literature in honor of the celebrated author Duygu Asena, who has truly blazed a trail in Turkey in terms of women's rights, freedom and equality.

IN THREE YEARS, DOĞAN EGMONT HAS CREATED A STRONG PORTFOLIO FOR SCHOOLS, WITH MORE THAN 40 AUTHORS.

DEX First Novel Award: The DEX First Novel Award is presented to writer candidates of all ages, especially young writers, who have not yet had a book published. This effort aims to encourage new writers to think and write on a particular subject in the novel genre, and to attract new, skillful authors and introduce sophisticated works to the literary scene.

Fairs and Events: Dogan Egmont participated in book fairs in nearly 80 provinces and districts across Turkey, bringing together authors with their readership. During the year, authors participated in some 350 events and book signing sessions for their readers.

Doğan Egmont at School: Over a three year period, Doğan Egmont has created a strong portfolio for schools with more than 40 authors. At more than 400 events featuring these authors, one-to-one relationships were established with both students and educators. The brand was included on the suggested books lists at nearly 250 schools.

Hürriyet Emlak

Hürriyet Emlak, one of the most important channels in Turkey's real estate market, conducted the following social responsibility projects during 2018:

Iftar Dinners: During Ramadan, Hürriyet Emlak organized the Traditional Iftar Dinners attended by more than 1,500 real estate consultants in 14 provinces in total. The company also held meetings with a total of 100 members of the media in three provinces under this effort.

Best of Real Estate

In the third edition of the "Best of Real Estate" Awards Ceremony, the only awards event for stakeholders in the sector, the most successful real estate firms were presented with awards. A total of 150 participants attended the ceremony, where 28 awards in 14 categories were distributed.

SOCIAL RESPONSIBILITY OF GROUP COMPANIES AND ACTIVITIES

KANAL D ROMANIA FOCUSES ON ADDING POSITIVE VALUE TO THE LIVES OF PEOPLE WITH ITS ROBUST SOCIAL RESPONSIBILITY APPROACH.

Dijitalent

The Digitalent event, cohosted by Hürriyet Emlak and Projeland, welcomed representatives of the media planning and purchasing sectors. This third edition of Digitalent was held in September 2018 with the participation of 100 guests, at the HappyMag Hotel in Bodrum.

Kanal D Romania

Kanal D Romania focuses on adding positive value to people's lives with its robust social responsibility approach toward society. Kanal D Romania aims to encourage viewers to adopt its corporate values – including integrity, fair play, friendship, empathy, dedication to improvement –¬ by means of its social responsibility approach. In addition to its corporate social responsibility activities, Kanal D Romania exerts a strong influence on TV audiences with its responsible broadcasting perspective. In recognition of its exceptional efforts in this area, Kanal D Romania once again received many awards in 2018. Programs implemented by Kanal D Romania under its social responsibility approach include the following:

Another Kind of Education: Kanal D Romania's Another Kind of Education program is designed to introduce children and teachers to the world of television. Under this initiative, more than 1,000 students from the capital city Bucharest and other major cities across the country visited Kanal D Romania studios from March to May, and met with the channel’s television stars. Highly popular among the country’s schools, Another Kind of Education aims to create a positive impact on students' lives.

Exathlon Sports Time in Schools: The Exathlon Sports Time in Schools campaign, launched by Kanal D Romania, encourages children to fully enjoy the pleasure of exercising, spend time away from computer screens and become acquainted with team sports and a healthier life style. The campaign aims to foster youth’s interest in and embrace of sports by making a difference in their lives. By means of the Exathlon Sports Track, the company hopes to improve the balance, speed, agility and self-management skills of children.

Childhood in the Family: In December 2018, the Childhood in the Family awareness campaign was organized in cooperation with Kanal D Romania and UNICEF. This effort aims to find solutions to problems that children separated from their families experience in social life, health and education. Kanal D Romania has supported the campaign with television ads, special features in the main news program, in addition to online and social media broadcasts featuring TV stars publicizing the campaign.

Women on Banknotes: Kanal D Romania, together with Janine Nectara, organized a campaign called Women on Banknotes to highlight women's contributions to the history of Romania. This campaign, which took place on the 100th anniversary of Romania's national unification, aimed to remind society once again of the powerful Romanian women that appear on the nation’s banknotes.

Bucharest Marathon: Kanal D Romania has given support to Bucharest Marathon, one of the most important marathons in the country.

TOURISM

Bodrum Marina Vista Hotel

Bodrum Marina Vista Hotel continued to make a difference in 2018 with its exemplary corporate social responsibility projects. The hotel was among the sponsors of the 2018 BodRun Ultra Marathon Bodrum, and organized a special event for its guests on March 8 World Women's Day. The company aimed to keep employee motivation high with birthday organizations and 'personnel nights'.

IN 2018, IŞIL CLUB HOLIDAY VILLAGE REALIZED ITS SOCIAL RESPONSIBILITY PROJECTS FOCUSING ON THE ENVIRONMENT WITH THE PARTICIPATION OF ITS EMPLOYEES.

Bodrum Marina Vista won the following awards in 2018:

- Certificate from Holidaycheck, one of Germany's Largest Travel Portals
- Tripadvisor Excellence Certificate Award
- BAYK Trophies "Contribution Appreciation Plaques"
- Bodrum Ultra Marathon "Contribution Appreciation Plaque"
- Booking.com Customer Satisfaction Award
- Hotels.com Excellence Award
- Expedia.com Excellence Award
- First Place in Big Chef's Bar Success Rankings for Turkey, First Place in the Aegean Region
- Third Place in Big Chef's Bar Success Rankings for Turkey, First Place in the Aegean Region

Işıl Club Holiday Village

Işıl Club Holiday Village realized its social responsibility projects in 2018 with the participation of its employees. A Kızılay (Turkish Red Crescent) Blood Donation Campaign was organized in 2018 with the participation of employees.

The company participated in the Tourism Week events, which are held every year by Bodrum Municipality. Due to the sensibility towards environmental protection, the promotional pens to be distributed in tourism fairs were produced from 100% recycled material and promotional documents were not printed but distributed in the form of USB sticks.

Işıl Club Holiday Village won the following awards in 2018:

- Blue Flag Award
- Food and Water Security GOLD Certificate
- Turkish Ministry of Health, Directorate of Public Health, Clean Pool Certificate

SOCIAL RESPONSIBILITY OF GROUP COMPANIES AND ACTIVITIES

AYDIN DOĞAN FOUNDATION INTERNATIONAL CARTOON WORKSHOP WAS HELD AT MİLTA BODRUM MARINA PALMİYE SQUARE WITH THE PARTICIPATION OF STUDENTS.

Milta Bodrum Marina

In 2018, Milta Bodrum Marina continued its support to navigators who are committed to the protecting the sea and the natural environment. To this end, the Milta Bodrum Marina Team was formed to participate in sea races.
Milta Bodrum Marina won the following awards in 2018:

- Blue Flag Award 2018
- 5 Gold Anchor International Quality Award
- Best Environmental Awareness Activities Award
- LÖSEV's Social Responsibility Support Acknowledgment Plaque 2018
- Bodrum International Fishing Tournament 2018 – BIFT 2018 Acknowledgment Plaques
- Navigating the Sea with Passion Social Responsibility Support and Acknowledgment Plaque – 2018
- Muğla Metropolitan Municipality Cabotage Festival Plaque 2018
- Acknowledgment Certificates for Environmental Activities

Milta Bodrum Marina has always prioritized the motivation of its workforce, and thus continued its now annual activities for the staff during the year.

Under this effort, Milta Bodrum Marina conducted the following activities in 2018:

- Sustainable Staff Activities 2018
- Women's Day Celebration in Milta Bodrum Marina – March
- Milta Bodrum Marina Bowling Tournament – February to April
- Milta Bodrum Marina Father's Day Event – June
- Milta Bodrum Marina Staff New Year's Celebration – December
- Milta Bodrum Marina Staff Birthday Celebrations – Year-round

Ottoman Shipyard District Governorship Arts Gallery
At the Ottoman Shipyard, Milta Bodrum Marina hosted nine exhibitions featuring works by numerous national and international artists from the worlds of painting, sculpture, ceramics and photography.

Aydın Doğan Foundation Cartoon Workshop 2018
Aydın Doğan Foundation International Cartoon Workshop was held at Milta Bodrum Marina Palmiye Square with the participation of students. The works were exhibited at the Ottoman Shipyard District Governorship Art Gallery June 28 – July 6, 2018.

OTHER

Kelkit Doğan Besi

To contribute to sustainable agricultural policies and Turkey's efforts to become a self-sufficient country in terms of food supply, Kelkit Doğan Besi launched the Livestock Feed Project in 2018.
The company initiated Contracted Agriculture in the Kelkit district of Gümüşhane, where the farmers are located. Under the project, farmers are given the chance to choose the crop they will grow, receive technical support, and sell their harvested crops at predetermined prices. In addition, farmers are able to benefit from all state subsidies (diesel, seeds, fertilizer) available to them.

In this two-stage project, farmers can grow two crops in one season if s/he chooses. This opportunity was granted only to farmers who want to grow fodder crops for this project.

OCCUPATIONAL HEALTH AND SAFETY

RESTRUCTURING OF THE OHS ORGANIZATION WAS COMPLETED IN 2018. AS A RESULT, THE OHS FUNCTION HAS ACHIEVED CENTRALIZED, EFFECTIVE AND SYNERGISTIC MANAGEMENT ACROSS THE GROUP.

At Doğan Group, in the context of Occupational Health and Safety (OHS) measures, the Holding and its subsidiaries aim to achieve zero work accidents and zero occupational diseases, in line with applicable legislation. The OHS function is managed in light of Law no. 6331 on OHS, as well as current OHS policies, regulations and procedures. Furthermore, all companies under Doğan Holding are committed to the International Labor Organization (ILO) principles and universal standards such as human rights.

Reorganization of the OHS function, initiated in 2017, was completed in 2018. As a result, the OHS function has achieved central, effective and synergistic management across the Group. Pursuant to Article 27 of Law No. 6331, OHS software was adopted to enable effective monitoring, reporting and management of OHS processes across Group companies.

In line with applicable legislation, the Group's OHS experts perform emergency action plans/drills, training programs, health checks upon recruitment, health checks and scans for special duties, hygiene checks, environment measurements, construction equipment controls and surveillance of subcontracting firms. In line with the annual business audit plan, the Holding carries out the necessary checks for compliance and internal control.

The surveillance of OHS activities are under the responsibility of OHS Boards created at Group companies depending on the number of employees, which report to the Holding's management bodies in periodic fashion. Furthermore, OHS risks are discussed at Group companies' Early Risk Detection Committees and actions taken are monitored accordingly.

OHS RISKS ARE DISCUSSED AT DOĞAN GROUP COMPANIES' "EARLY RISK DETECTION COMMITTEES," WHICH ALSO TAKE AND MONITOR THE NECESSARY MEASURES.

HUMAN RESOURCES

DOĞAN HOLDING EMBRACES THE PRINCIPLE OF EQUAL PAY FOR EQUAL WORK.

Human Resources Policy

Viewing its human resource as its most important asset, Doğan Holding is proud to be a corporation that all employees are pleased to work in. Cognizant that sustainable growth can only be achieved with the participation of employees, Doğan Holding has continued to grow with its human resources composed of responsible employees who can think strategically, formulate rapid and efficient solutions to problems and embrace the corporate values. This year, as in every year, the Holding aimed to deliver competent services at high standards and extended swift, efficient and fair support to all stakeholders thanks to its top caliber workforce.

To this end, Doğan Holding is committed to:

- Creating a suitable environment for employees that supports their personal and professional development,
- Providing a working environment to ensure sustainable development,
- Regarding personal differences as enrichment in terms of human resources and taking a fair approach in line with ethical values,
- Assessing employees' performance by applying objective criteria,
- Providing equal opportunities to employees in terms of training and development,
- Strengthening the team spirit and expanding teamwork to achieve better business results,
- Offering assignment, promotion, transfer and rotation opportunities within the Group in order to enable employee development as well as organizational development,
- Creating a working environment in which ethical values and general rules of conduct are implemented and the balance between business and private life is observed,
- Rewarding high performance, providing appropriate and constructive feedback to those who have lower than expected performance and supporting them to improve their skills and abilities,
- Developing approaches to enhance employees' motivation and loyalty,
- Making improvements in technology and procedures to shorten the business processes of stakeholders and help them operate in a more efficient and productive manner.

The Holding's human resources policy is designed around its congruence with company and employee targets. Therefore, keeping employee loyalty at high levels and ensuring that corporate culture elements are accepted and adopted by all employees are critical.

We give great importance to internalizing the Code of Ethics among our employees. We facilitate this process via in-house communication channels and training

DOĞAN GROUP HAS ADOPTED THE PRINCIPLE OF TREATING ALL POTENTIAL CANDIDATES EQUALLY, WITH NO DISCRIMINATION DURING THE SELECTION AND RECRUITMENT PROCESS, AND LOOKING ONLY AT THE CANDIDATE'S SUITABILITY FOR THE JOB.

programs. We actively encourage employees to conduct themselves with this awareness.

Recruiting Well-Qualified Personnel

Doğan Group has adopted the principle of treating all potential candidates equally, with no discrimination during the selection and recruitment process, and looking only at the candidate's suitability for the job. As our Group adopts the belief that corporate success resides in practicing a successful recruitment strategy, our recruitment policy is based on the educational background, experience, competencies, career goals and expectations of candidates, in compliance with requirements of each position. We aim to acquire for the Group individuals who are disposed toward teamwork, who keep a close watch on national and global developments, who are open to innovation and who are suitable for our corporate culture. In job applications, the Holding utilizes interviews focused on competence as well as various inventories to assess the candidates' personal traits, in order to establish a transparent and fair recruitment process.

Investing in the Training and Development of Employees

Creating and maintaining appropriate opportunities with the purpose of maximizing employee potential and ensuring the continuous development of personnel is a primary responsibility of Doğan Holding. In order to facilitate employee development, a great emphasis is placed on training at each level and stage. The Holding has adopted a corporate culture that encourages learning and development in order to cultivate well-qualified and professional employees. To ensure the success and efficiency of the Holding, training programs are designed to support employees' personal skills and their daily work.

Training programs in areas such as personal development, improvement of technical, managerial skills, in addition to laws and regulations, digital marketing and social media are provided. Solutions specifically designed for certain companies also enrich the training programs.

In addition to aiming to foster a sustained learning and development environment that constantly supports the improvement of senior management, Doğan Holding also targets training strong, and solid executive candidates. With this aim, newly recruited executives and/or executive candidates are provided orientation to quickly adapt to the corporate culture. They are also provided with a number of training opportunities that are designed to develop their competence. Further, thanks to discount agreements between private universities and Doğan Holding, employees have the opportunity to pursue master's level studies while they are working.

All these applications aim to bolster Doğan Holding's capacity in using technology, developing new business processes and assuming a leadership role in new markets.

Remuneration and Reward Management

Doğan Holding has adopted the principle of "equal pay for equal work" in its remuneration policy, which is shaped and updated according to wage categories, recent market trends and performance evaluations.

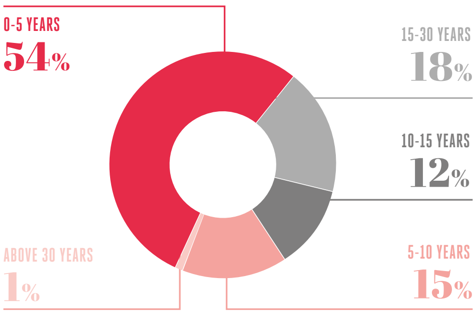
Performance Management System

In order to recruit well-qualified individuals and enhance current employees' loyalty to the Company, Doğan Holding has adopted a policy of rewarding successful performance. The Holding believes that employees who perform above expectations and achieve exceptional successes and/or undertake activities beyond their responsibilities should be appreciated and rewarded. The Holding thinks that these types of rewards will encourage employees to perform above the expected standards.

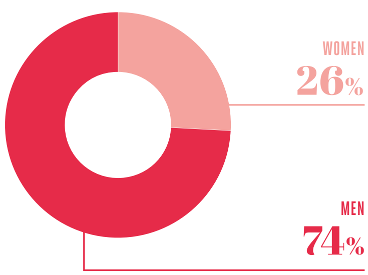
Doğan Group established the Performance Management System in 2018 with a view towards creating a Human Resources Management Function compatible with its visions and strategies. The objective of the Performance Management System is to encourage employees at all levels to embrace a high performance culture, and thus ultimately create value for all stakeholders.

HUMAN RESOURCES

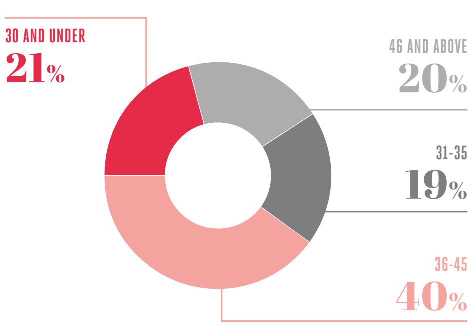
DOĞAN HOLDING AND GROUP COMPANIES' EMPLOYEE SENIORITY



GENDER BREAKDOWN OF DOĞAN HOLDING AND GROUP COMPANIES' EMPLOYEES



AGE GROUPS OF DOĞAN HOLDING AND GROUP COMPANIES' EMPLOYEES



In order to meet the goals, the performance evaluation system is designed to ensure the necessary active follow-up and regular orientation of employees, to support successful employees, and to realize career and success planning and granting awards to employees.

Human Resources Practices

Our Human Capital is Our Most Valuable Asset!

Doğan Holding aims to maintain its current achievements while reaching new accomplishments. The Company is powered by its highly competent and well-equipped employees that have embraced the Group's business targets. Fully aware that employees are its most valuable asset, the Holding aims to become a well-established employer brand by adopting contemporary human resources policies that will maintain employee satisfaction at the highest level.

The Holding's human resource policies and applications aim to foster its corporate culture across the workforce, boost efficiency, and strengthen employee loyalty. Human resources activities undertaken within Doğan Holding and Group companies are designed around a common corporate culture. These activities are conducted on the basis of sectoral and local factors and can be categorized under four main headings: human resources planning; business analyses based on roles and responsibilities; training and performance; and remuneration management.

A Peaceful Working Environment, High Employee Satisfaction

Different personal attributes such as nationality, belief, ethnic origin, language, gender, disability, political views and age are regarded by Doğan Holding as characteristics that strengthen the Company's corporate structure. As a result, every Doğan Holding employee has equal rights.

All Doğan Holding employees have private health insurance. Occupational physicians and assistant health personnel employed at the Holding's Group companies – in coordination with the human resources department – closely monitor employees' health conditions.

Internal Communication Efforts and New Applications to Bolster a "We" Feeling

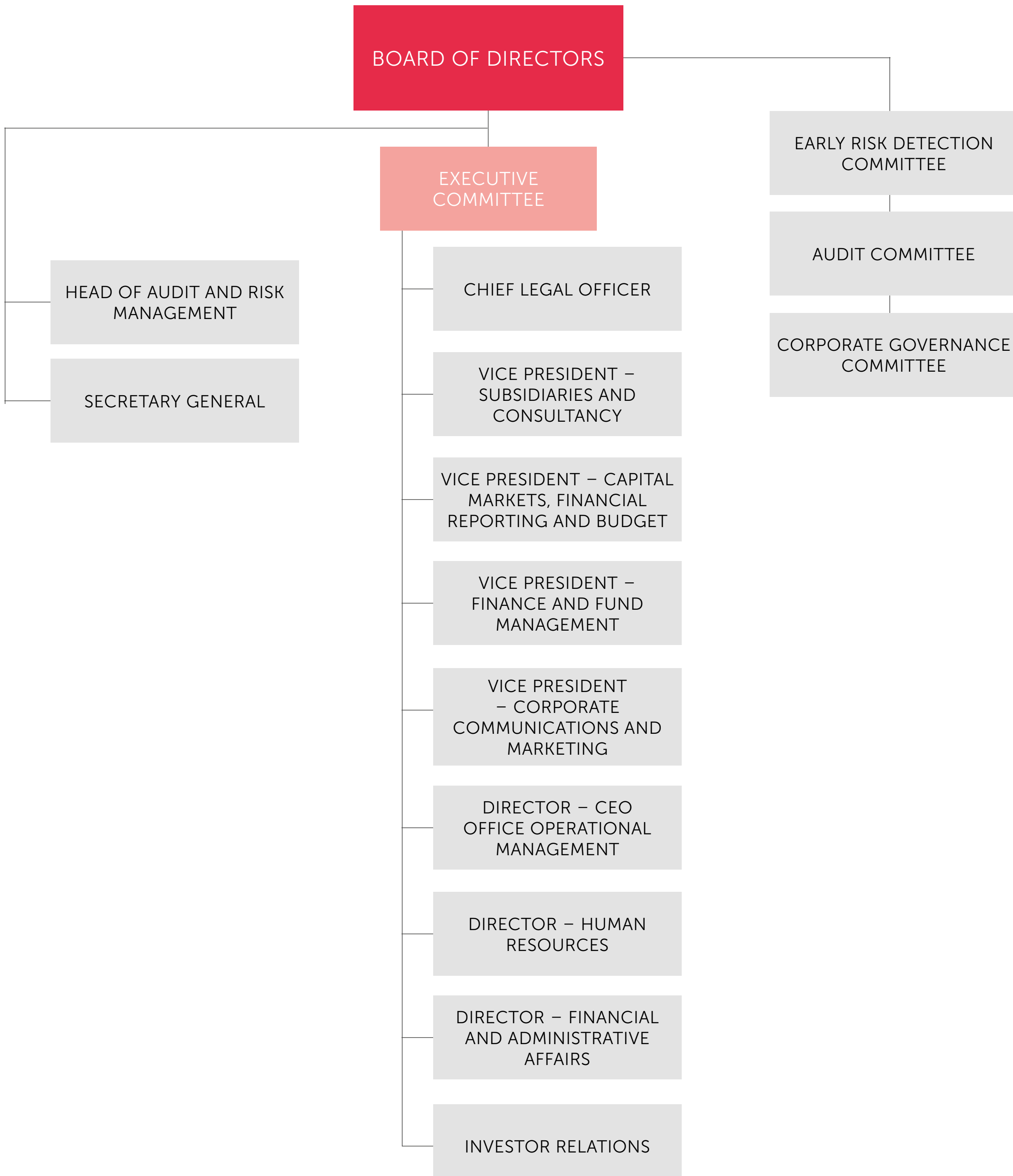
In order to help employees enjoy healthy and continuous communication both with the Company and among themselves, Doğan Holding places great importance on the development of internal communication activities. Doğan Group's web site www.doganbiz.net is an intranet site where employees can share their announcements and notifications.

Doğan Holding's Human Resources Profile

As of December 31, 2018, the Group employed 3,232 personnel in Turkey and overseas (2,952 in Turkey). This figure includes the total personnel of the subsidiaries and joint ventures consolidated with the full consolidation method (December 31, 2017: a total of 8,247 employees; 7,715 in Turkey). Some 26% of the personnel employed in Turkey are women. Personnel employed for over five years in the Group represent 46% of the total workforce.

As of December 31, 2018, 40% of Doğan Holding personnel employed in Turkey are in the 18-35 age group, giving the Company a young employee profile. The average age of the Group's workforce is 34.

DOĞAN HOLDING ORGANIZATIONAL CHART




CARING
VALUES
ADDING
VALUES

WE CARE AND VALUE

THE EARTH AND THE ENVIRONMENT,

CULTURAL EXCHANGE AND PLURALISM,

SCIENTIFIC AND TECHNOLOGICAL PROGRESS,

BUSINESS ETHICS AND QUALITY STANDARDS,

AND INTERNATIONAL COLLABORATION FOR

HUMANITY.

MANAGEMENT STRUCTURE

Sustainable and profitable growth strategy

Doğan Group Companies adopt a management approach based on the Holding's sustainable and profitable growth strategy. Group companies also create a transparent, consistent, flexible and entrepreneurial working environment centered on teamwork and communication.

As a driving force for the Turkish economy, Doğan Holding remains the pioneer of change and development in all sectors it operates in while maintaining an innovative vision.

Corporate Governance Rating

Doğan Holding fully embraces the concepts of equality, transparency, accountability and responsibility set forth in the Capital Markets Board's Corporate Governance Principles as an integral part of its corporate culture. Doğan Holding has been included in the BIST Corporate Governance Index since November 4, 2009. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA") is a rating agency licensed to issue ratings pursuant to the Capital Markets Board's ("CMB") Corporate Governance Principles. SAHA raised our corporate governance rating to 9.42 (94.18%), over 10. As per CMB's relevant resolution, the final rating is determined by assigning different weights to four subcategories. The distribution of our corporate governance rating by subcategory is presented below:

Subcategories	Weight (%)	Rating November 2018	Rating November 2017
Shareholders	25	94.88	94.88
Public Disclosure and Transparency	25	96.99	96.50
Stakeholders	15	93.92	93.92
Board of Directors	35	91.79	91.79
Total		**94.18**	**94.06**

In the Global Corporate Governance Index (GCGI) that was announced by SAHA on September 3, 2018, Doğan Holding is included in Group 1.

The Corporate Governance Principles Rating Report published by SAHA is available on Doğan Holding's corporate website (www.doganholding.com.tr).

BIST Sustainability Index Member

The BIST Sustainability Index ("Index") features the stocks of those companies listed on Borsa İstanbul demonstrating a high corporate sustainability performance. As a result of assessments to determine the companies to be included in the index for the period November 2018 – October 2019, Doğan Holding was added to the index as of 01.11.2018.

Board of Directors

The Chairperson and members of the Board of Directors hold the powers granted to them by the relevant articles of the Turkish Commercial Code and the Articles of Association. Board Members are elected to serve for a maximum of three years according to Article 12 of the Articles of Association. Unless it is decided otherwise by the General Assembly, their term of office is deemed to be one year. The Board Members selected at the Ordinary General Assembly Meeting on March 30, 2018, where the activities and accounts for fiscal year 2017 were discussed, will be in office until the next Ordinary General Assembly Meeting at which the activities and accounts of fiscal year 2018 will be evaluated. In 2018, 58 Board of Directors meetings/decisions were held/made (2017: 30)

5 of the Board Meetings held in 2018 were held by means of physical gathering. Attendance rate to the board meetings has been approximately 80%.

Board of Directors[9]

Name Surname	Title	Executive/Non-executive
Y. Begümhan DOĞAN FARALYALI	Chairwoman	Non-executive
Hanzade V. DOĞAN BOYNER	Vice-Chairwoman	Non-executive
Arzuhan DOĞAN YALÇINDAĞ	Member	Non-executive
Vuslat DOĞAN SABANCI	Member	Non-executive
Çağlar GÖĞÜŞ[10]	Executive Director	Board Member/CEO/Executive
İmre BARMANBEK	Member	Non-executive
Dr. A. Vural AKIŞIK	Member	Independent board member
Hacı Ahmet KILIÇOĞLU	Member	Independent board member
Hüseyin Faik AÇIKALIN	Member	Independent board member

[9] *Detailed information on the Board of Directors and Committees as well as member resumes are presented on the corporate website (www.doganholding.com.tr).*

Board Members hold the following positions outside the Company:

Name-Surname	Duties Outside the Company
Y. Begümhan DOĞAN FARALYALI	Several Chairwoman Positions at Group Companies and Board Membership at the Parent Company
Hanzade V. DOĞAN BOYNER	Honorary Chairwoman and Chairwoman Positions at Group Companies, and Board Membership Positions at the Parent Company and its Affiliated Companies
Arzuhan DOĞAN YALÇINDAĞ	Board Membership at the Parent Company
Vuslat DOĞAN SABANCI	Several Chairwoman Positions at Group Companies and Board Membership at the Parent Company
Çağlar GÖĞÜŞ[10]	Several Chairman and Vice Chairman Positions at Group Companies and Board Member and Shareholder Positions at Companies Outside the Group
İmre BARMANBEK	Several Board Member Positions at Group Companies and Board Membership at the Parent Company
Dr. A. Vural AKIŞIK	Several Independent Board Member Positions at Group Companies
Hacı Ahmet KILIÇOĞLU	Several Independent Board Member Positions at Group Companies, and Board Membership at Companies Outside the Group
Hüseyin Faik AÇIKALIN	Board Membership at Companies Outside the Group

[10] *Upon a decision of the Board of Directors dated 12.12.2018 and numbered 2018/55, Çağlar Göğüş has been appointed as Chief Executive Officer and Executive Director, to be submitted to the approval of the shareholders at the first general assembly meeting to follow. Çağlar Göğüş has taken office as Executive Director and Chief Executive Officer as of 15.01.2019.*

Board of Directors Committees

According to the Resolution of the Board of Directors dated 13.04.2018,

The Executive Committee, Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee have been established until the next Ordinary General Assembly for the period between 01.01.2018 and 31.12.2018, at which the activity results of fiscal year 2018 will be evaluated, excluding the Corporate Governance Committee. The Corporate Governance Committee will continue its duties until the first Board of Directors' Meeting to be held after the General Assembly Meeting to be held to discuss 2018 activity results. With the same decision, it was stipulated that the Corporate Governance Committee would also take on the duties of the Nomination Committee and the Remuneration Committee as per II-17.1 Corporate Governance Communique issued by the Capital Markets Board (CMB).

MANAGEMENT STRUCTURE

Executive Committee[11]

Name Surname	Title
Çağlar GÖĞÜŞ[12]	President (CEO)
Ahmet TOKSOY	Member (Chief Financial Officer - CFO)
Tolga BABALI	Member (Financial and Operational Management)
Vedat MUNGAN	Member (Strategic Planning and Business Management)

Audit Committee[11]

Name Surname	Title
Hüseyin Faik AÇIKALIN	Chairman (Independent Board Member)
Hacı Ahmet KILIÇOĞLU	Member (Independent Board Member)

The Audit Committee convened 4 times in the accounting period 01.01.2018-31.12.2018, took 5 resolutions, and presented these resolutions in writing to the Board of Directors. The working principles of the Audit Committee are available on the corporate website (www.doganholding.com.tr).

Corporate Governance Committee[13]

Name Surname	Title
Hacı Ahmet KILIÇOĞLU	President (Independent Board Member)
İmre BARMANBEK	Member
Dr. Murat Doğu	Member
Banu ÇAMLITEPE[14]	Member

The Corporate Governance Committee convened five times in the accounting period 01.01.2018-31.12.2018, took six resolutions, and presented these resolutions in writing to the Board of Directors. The working principles of the Corporate Governance Committee are available on the corporate website (www.doganholding.com.tr).

Early Detection of Risk Committee

Name Surname	Title
Hüseyin Faik AÇIKALIN	President (Independent Board Member)
Selma UYGUÇ	Member
Tolga BABALI	Member
Işın Gencer ÇETİN[15]	Member

In the accounting period 01.01.2018 – 31.12.2018, the Early Detection of Risk Committee convened six times and presented the decisions taken during these meetings to the Board of Directors in writing. The working principles of the Early Detection of Risk Committee are available on the corporate website (www.doganholding.com.tr).

(11) Detailed information on the Board of Directors and Committees as well as member resumes are presented on the corporate website (www.doganholding.com.tr).
(12) Upon a decision of the Board of Directors dated 12.12.2018 and numbered 2018/55, Çağlar Göğüş has been appointed as Chief Executive Officer and Executive Director, to be submitted to the approval of the shareholders at the first general assembly meeting to follow. Çağlar Göğüş has taken office as Executive Director and Chief Executive Officer as of 15.01.2019.
(13) With the Resolution of the Board of Directors dated 13.04.2018, Corporate Governance Committee is elected to serve until the first Board of Directors Meeting to follow the Ordinary General Assembly Meeting in which the activities of 2018 will be discussed.
(14) Banu Çamlıtepe resigned from the posts she held with our Company as of 31.07.2018.
(15) Işın Gencer Çetin resigned from the posts she held with our Company as of 01.10.2018.

Additional Explanations on the Board of Directors and the Committees

The Board of Directors reviews the effectiveness of risk management and internal control systems at least once a year. The Board also carries out the necessary reviews for the functioning and effectiveness of the internal audit system.

If they require so, the Committees of the Board of Directors consult independent experts about certain issues related to their activities. The Company covers the expenses of the advisory services required by the Committees. These advisor entities and persons do not have any relationship with the Company.

The Board of Directors is responsible for ensuring that the Company reaches its operational and financial performance objectives that are previously specified and publicly disclosed. The Board of Directors conducts a self-criticism and performance evaluation, for both its members and managers holding executive responsibilities. Considering these evaluations, Board Members and managers holding executive responsibilities are rewarded or dismissed.

Board of Directors assessment on the Working Principles and Efficiency of Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee:

Upon a Board of Directors resolution dated 13.04.2018, the following appointments were made to the committees in order to assist the Board in its activities, as per the relevant provisions of the Turkish Commercial Code, Capital Markets Law, and Capital Markets Board ("CMB")Regulations and Resolutions and the Articles of Association;

Hüseyin Faik Açıkalın, Independent Board Member was appointed as the President of the Audit Committee, and Hacı Ahmet Kılıçoğlu, Independent Board Member was appointed as the member of this Committee,

Hacı Ahmet Kılıçoğlu, Independent Board Member, was appointed as the President of the Corporate Governance Committee, and İmre Barmanbek, Board Member, Dr. Murat Doğu, Vice President of Financial Affairs and Investor Relations, and Banu Çamlıtepe(16), Investor Relations Director, were appointed as Members,

Hüseyin Faik Açıkalın, Independent Board Member, was appointed as the President of the Early Detection of Risk Committee, and Selma Uyguç, Vice President of Legal Affairs, Tolga Babalı, Executive Committee Member in charge of Financial and Operational Management, and Işın Gencer Çetin(17), Internal Audit Manager, were appointed as Members.

The regulations governing the areas of duty and working principles of the aforementioned committees have been put into force upon a resolution of the Board of Directors and disclosed to the public via our Company's website (www.doganholding.com.tr).

During the accounting period of 01.01.2018-31.12.2018, all the Board of Directors committees fulfilled their duties and responsibilities in accordance with the Corporate Governance Principles and their own regulations and operated in an efficient manner.

(16) Banu Çamlıtepe resigned from the posts she held with our Company as of 31.07.2018.
(17) Işın Gencer Çetin resigned from the posts she held with our Company as of 01.10.2018.

MANAGEMENT STRUCTURE

In the accounting period 01.01.2018-31.12.2018, in line with an annual meeting schedule as required for the effectiveness of their work, and in accordance with their own Regulations:

- The Audit Committee convened four times on 08.03.2018, 08.05.2018, 17.08.2018 and 07.11.2018, and took five decisions.
- The Corporate Governance Committee convened five times on 28.02.2018, 08.03.2018, 08.05.2018, 17.08.2018 and 07.11.2018 and took six decisions.
- The Early Detection of Risk Committee convened six times on 15.02.2018, 20.04.2018, 15.06.2018, 09.08.2018, 08.10.2018 and 17.12.2018 and took six decisions.

The committees presented their reports on their activities and the results of their meetings held during the year to the Board of Directors. Accordingly:

The Audit Committee is responsible for taking all the necessary measures for the sufficient and transparent implementation of all kinds of internal control and independent audit activities, and for ensuring that the internal control systems function efficiently. The Audit Committee presented its opinions and suggestions on the internal audit and internal control systems and on the other issues under its responsibility to the Board of Directors.

Set up to monitor the Company's compliance with the Corporate Governance Principles, realize improvements in this area and make suggestions to the Board of Directors, the Corporate Governance Committee identified the best management practices concerning the implementation of the Corporate Governance Principles at the Company, presented the Board of Directors its suggestions on improving corporate governance practices, and supervised the functioning of the Investor Relations Department.

Established to detect possible risks towards the Company's existence, development and continuity at an early stage, take the necessary measures and manage these risks, the Early Detection of Risk Committee revised the Company's risk management systems within the scope of its duties and working principles. The Committee also informed the Board of Directors by means of the two-monthly reports, which are required as per article 378 of the Turkish Commercial Code (no. 6102).

Doğan Holding Management Team

Doğan Holding Management Team	Duty
Çağlar Göğüş[18]	CEO and Executive Director
Ahmet Toksoy	Executive Committee Member, Chief Financial Officer (CFO)
Tolga Babalı	Executive Committee Member, Financial and Operational Management
Vedat Mungan	Executive Committee Member, Strategic Planning and Business Management
Kemal Sertkaya	Head of Audit and Risk Management
Erem Turgut Yücel	Chief Legal Officer
Ayhan Sırtıkara	Secretary General
Mehmet Yörük	Vice President, Finance and Portfolio Management
Dr. Murat Doğu	Vice President, Capital Markets, Financial Reporting and Budget
Neslihan Sadıkoğlu	Vice President, Corporate Communication and Marketing
Selma Uyguç	Vice President, Law-Affiliates and Consulting Services

[18] *Upon a decision of the Board of Directors dated 12.12.2018 and numbered 2018/55, Çağlar Göğüş has been appointed as Chief Executive Officer and Executive Director, to be submitted to the approval of the shareholders at the first general assembly meeting to follow. Çağlar Göğüş has taken office as Executive Director and Chief Executive Officer as of 15.01.2019.*

The statements of independence of Independent Board Members are presented below:

Dogan

STATEMENT OF INDEPENDENCE

DATE: 08.03.2018

TO THE CHAIRMANSHIP OF DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an "independent board member" stipulated in the Capital Markets Law, Capital Markets Board's Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board's Decision and thus will resign if deemed necessary.

Sincerely,

Ahmet Vural AKIŞIK

Dogan

STATEMENT OF INDEPENDENCE

DATE: 07.03.2018

TO THE CHAIRMANSHIP OF DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an "independent board member" stipulated in the Capital Markets Law, Capital Markets Board's Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board's Decision and thus will resign if deemed necessary.

Sincerely,

Hacı Ahmet KILIÇOĞLU

Dogan

STATEMENT OF INDEPENDENCE

DATE: 16.02.2018

TO THE CHAIRMANSHIP OF DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an "independent board member" stipulated in the Capital Markets Law, Capital Markets Board's Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board's Decision and thus will resign if deemed necessary.

Sincerely,

Hüseyin Faik AÇIKALIN

Rules of Procedures for the Committees of the Board of Directors

WORKING REGULATION OF AUDIT COMMITTEE

1. GROUNDS

This regulation is issued to define working rules and principles of the Audit Committee ("Committee") established as per Article 25 titled "Committees Responsible for Audits" of the Communiqué Regarding Independent Audit Standards in Capital Markets (Series: X, No: 22) of the Capital Markets Board of Turkey ("CMB") and Corporate Governance Principles issued by the CMB.

2. PURPOSE

Purpose of the Audit Committee is to assist the Board of Directors to ensure the efficient monitoring of financial and operational activities of the Corporation.

3. ORGANIZATION

Membership

3.1. Members of the Audit Committee are elected by the Board of Directors' resolution and carry out their activities under the Board of Directors.
3.2. The Audit Committee is composed of minimum two members of the Board of Directors. If the Committee has only two members, both members and if there are more than two members, the majority of the members must be among non-executive members of the Board of Directors and have no managing capacity.
3.3. The Committee elects its chairperson among the independent members of the Board of Directors.
3.4. When required, the Committee may delegate tasks to non-members of the Board of Directors who are experts in their subjects in addition to the existing members.
3.5. Chairperson of Executive Board and finance directors cannot be elected as members of the Committee.
3.6. The term of office for the Committee shall be in parallel with the term of office for the Board of Directors.
3.7. Any amendment regarding the Audit Committee members, and numbers and term of office of such members shall be made by the Board of Directors' resolution.
3.8. Any member who desires to resign from membership of the Audit Committee shall declare this intent to the Board of Directors in writing. The termination of membership of the Board of Directors shall automatically lead to the termination of membership of the Audit Committee.
3.9. The Committee performs its secretarial procedures through the Secretariat of the Board of Directors.

Meetings

3.10. The Committee convenes at least four times a year and meeting minutes are submitted to the Board of Directors.
3.11. Meetings shall be held with the attendance of minimum two members, one of which shall be the Chairperson of the Committee, and meeting resolutions are taken by majority of votes.
3.12. The Committee shall immediately submit in writing its determinations and recommendations on its line of work and responsibility to the Board of Directors.
3.13. The timing of the committee meetings shall be in accordance with the board meetings to the extent possible.

4. AUTHORITIES AND RESPONSIBILITIES

4.1. The Committee may consult independent expert views regarding its activities, when required. Cost of consulting services of the Committee shall be paid by the company.
4.2. The Committee may invite relevant managers, internal and independent auditors to meetings for consultation, when required. It can hold meetings as per requests by internal and independent auditors.
4.3. Duties and responsibilities of the Audit Committee shall by no means rule out its responsibilities arising from the Turkish Commercial Code.

5. DUTIES

Accounting, Internal Control System and Risk Management

5.1. The Committee monitors the accounting system of the corporation, the disclosure of financial information to the public and the operation and efficiency of the internal control system.
5.2. The Committee, together with auditors, provides measures to reveal misconduct, legal and procedural noncompliance or failure regarding internal control or similar cases.
5.3. The Committee examines and resolves complaints submitted to the shareholders regarding the accounting and internal control system of the corporation.

5.4. The Committee ensures compliance with company procedures and policies which prevent clash of interest between members of the Board of Directors, managers and other employees and abuse of confidential information regarded as business secret.
5.5. The Committee evaluates criticisms and recommendations of authorized signatories regarding the internal control system and their access to information.
5.6. The Committee takes necessary measures to conduct internal audit activities adequately and transparently.
5.7. The Committee evaluates reports submitted by the internal auditor.
5.8. The Committee specifies the financial risks of the current and potential risks of the company and monitors risk management processes.
5.9. The Committee reviews crisis plans for the accountability of the management in terms of computer system security and operation of the company as well as for recording and protection of computer operations in case of breakdown of the computer system.

Independent Audit

5.10. The Committee monitors selection of independent audit companies, preparation of independent audit contracts and launch of the independent audit process and all activities of independent audit companies at any phase.
5.11. The Committee prepares and submits to the Board of Directors a report indicating if there are any matters that may vitiate the independence of independent audit companies before selection of audit companies.
5.12. The Committee determines independent audit companies and services which are to be delivered to the company and submits the same for the Board of Directors' approval.
5.13. The Committee takes necessary measures to conduct internal audits adequately and transparently.
5.14. The Committee examines and resolves complaints submitted to the shareholders regarding independent audit of the corporation.
5.15. The Committee examines and resolves important points submitted by independent audit companies about accounting policies and practices of the shareholder structure, alternative accounting and disclosure options within the framework of CMB's accounting standards and accounting principles previously delivered to the corporation, possible outcomes of these options and suggestions of practice and significant correspondence with the shareholding management.

Legal Compliance and Disclosure to Public

5.16. The Committee reviews activity reports to be disclosed to the public and checks if the data in these reports are correct and consistent with the data it has.
5.17. The Committee supervises if public disclosures on financial information are made in compliance with the Disclosure Policy and with the laws and regulations in particular.
5.18. The Committee sets the methods and criteria to evaluate accounting and independent audit declarations of the corporation within the framework of the principle of confidentiality.
5.19. The Committee receives opinions of authorized managers and independent auditors on compliance of annual and interim financial statements, which are to be announced to the public, with corporate accounting principles and their authenticity and accuracy, and submits these opinions with its own considerations to the Board of Directors in writing.
5.20. The Committee invites independent audit companies to financial statement evaluation meetings when required and gets information regarding works of these companies.

6. EFFECTIVENESS

6.1. This regulation has entered into effect on 16.06.2009 by the resolution no 24 of the Board of Directors.
6.2. Articles of this regulation can be amended by the resolution of the Board of Directors.

DUTIES AND WORKING PRINCIPLES OF CORPORATE GOVERNANCE COMMITTEE

1. PURPOSE

Doğan Şirketler Grubu Holding A.Ş. ("Company" or "Doğan Holding") Corporate Governance Committee (Committee) shall provide support and assistance to the board of directors by working in relation with adaptation of the Company to principles of corporate governance; determination of members of the board of directors and senior managers, assessment of salary, reward and performance as well as career planning; investor relations and informing the public.

The Committee, shall review, assess and make recommendations on the systems and processes formed or to be formed by the Company for accomplishment of management implementations to increase performance of the Company.

2. LEGAL BASIS

This document has been formed within the framework of Regulations of the Capital Market Legislation, Articles of Association of the Company as well as the regulations, provisions and principles of Corporate Governance Principles of the Capital Market Board.

3. AUTHORITY and SCOPE

The Committee shall be formed and authorized by the Board of Directors. The Committee shall be authorized to invite Company employees or representatives of persons and organizations related with the Company including the group companies, internal and external auditors ("Auditors") and individuals specialized in their subjects to its meetings and receive information and to receive external legal and professional consultancy services when needed.

The Committee shall act within the scope of its authority and responsibility and make recommendations to the Board of Directors; however the responsibility for ultimate decision shall belong to the Board of Directors at all times.

4. ORGANIZATION

Membership

4.1. Chairman of the Committee shall be elected from among independent members of the Board of Directors. In cases where this is not possible the Chairman of the Committee may be elected from among third persons specialized in their subjects.
4.2. Persons with expertise and having a minimum working experience of eight years in the subjects of accounting, finance, audit, law, management etc. can be appointed to the Committee.
4.3. The Committee shall consist of minimum two members.
4.4. To the extent possible, Members of the Committee shall be appointed from among people that do not have executive duties. Chairman of the Executive Committee, Vice Chairman of the Board of Directors and Vice President of Financial Affairs cannot take part in the Committee.
4.5. Upon need, persons who are not members of the Board of Directors, have expertise in their subjects and have the qualifications referred to in article 4.1 can also be appointed to the Committee.
4.6. Each year, members of the Committee shall be determined again in the first meeting of the Board of Directors to be held after the ordinary general assembly meeting.
4.7. The Committee shall meet with the participation one more than half the number of its members and adopt resolutions by majority of votes.
4.8. The secretariat duties of the Committee shall be performed by the unit / personnel to be appointed by the Management in order to carry out the secretarial duties of the Board of Directors.
4.9. Members of the Committee can also become members of the Corporate Governance Committees of group companies if deemed necessary.

Attendance to Meetings

4.10. In principle, the Committee shall meet once every three months and when it is deemed necessary and meetings shall be held at the Company headquarters upon invitation of the Chairman of the Committee though the Secretariat of the Board of Directors. The Chairman of the Committee can change the day, time and place of meeting on condition that members of the Committee are informed priorly.
4.11. Resolutions adopted in Committee meetings shall be recorded in writing. Resolution shall be signed by Committee members and will be filed regularly.

5. RESPONSIBILITY

Conformity to the Principles of Corporate Governance

5.1. The Committee shall assess whether or not the importance and benefits of having good management practices are shared with the employees of the Company and whether or not an efficient and effective “corporate governance culture” has been established in the Company.
5.2. The Committee shall make suggestions to the Board of Directors about matters such as implementation of the infrastructure of management practices aiming to improve the performance of the Company in an effective manner in all affiliates of the Company, its comprehension and adoption by employees and support by the management.
5.3. The Committee shall determine whether or not corporate governance principles are compiled to and the reasons of noncompliance if there is any and the conflicts of interest arising as a consequence of failure to fully conform to these principles, and makes recommendations to the Board of Directors to improve the practices.

Managerial Control

5.4. The Committee shall seek the opinion of the management and related parties about determination of areas that could cause management risks and weaknesses and plans about elimination of missing points.
5.5. The Committee shall review the significant complaints about management reported to the company; conclude the matters and communicate the notifications of the employees in this respect to the management within the framework of principle of confidentiality.

Announcements to be made to the Public

5.6. The Committee shall review the annual report to be disclosed to the public and review whether or not the information in the report are true and consistent as per the information held by the Committee.
5.7. The Committee shall develops recommendations to ensure that public announcements and investor presentations are made in conformity with the “Information Policy” of the Company with the laws and regulations in the first instance.

Conformance to Internal Regulations

5.8. The Committee shall ensure that internal regulations are in writing and are received by all employees.
5.9. The Committee shall assess whether or not internal regulations and the code of ethical conduct have been shared with the employees by the company management by a suitable communication method.
5.10. The Committee shall assess the efforts by the Company management regarding the monitoring of conformance to internal regulations.
5.11. The Committee shall oversee conformance to internal regulations preventing conflicts of interest that could arise between members of the board of directors, managers and other employees and misuse of confidential information that include trade secrets.

Determination of Nominees to be Appointed to the Board of Directors

5.12. The Committee shall work for establishment of a transparent system and development of policies and strategies about determination of suitable nominees for the board of directors and senior management.

Performance Appraisals of Members of the Board of Directors and Managers, Remuneration and Rewarding Policy and Career Planning

5.13. The Committee shall work for determination of approaches, principles and practices about performance appraisal, remuneration and rewarding policy and career planning for members of the board of directors and senior executives.
5.14. The Committee shall develop recommendations about the number of members of the board of directors and managers.
5.15. In the event that the Committee deems it necessary, it shall seek opinions and recommendations from the Human Resources Committee and/or unit.

6. Investor Relations

6.1. The "Shareholders Relations Unit" ("Unit"), within the structure of the Committee and under chairmanship of the Chairman of the Committee, has been established with the purpose of monitoring all relations between partners and investors and ensure that they are able to exercise their right to be informed.
6.2. The Unit shall consist of a sufficient number of qualified personnel.
6.3. The Unit;

- Shall respond to the request of information of shareholders and investors within the framework of regulations, the articles of association, principles of corporate governance and information policy;
- Shall, within the framework of regulations, articles of association, principles of corporate governance and information policy, organize periodical investor notification meetings or attend the meetings organized,
- Shall carry out the necessary activities to transform the website into an active communication platform for domestic and foreign investors,
- Shall supervise and monitor implementation of the process of informing the public in a manner that conforms to the regulations in effect,
- Shall ensure that records of shareholders are kept in a healthy, safe and up to date manner,
- Shall ensure that annual reports are prepared within the regulations and the Corporate Governance Principles of the Capital Markets Board,
- Shall monitor that General Assembly meetings are conducted in due diligence,
- Shall prepare documents to be submitted to the shareholders in the General Assembly meetings,
- Shall performs the necessary works for issuance of the minutes of meetings in due diligence.

7. Secretariat of the Board of Directors

7.1. The "Secretariat of the Board of Directors" (Secretariat) shall be responsible for planning, implementing and monitoring of the meetings before, during and after meetings of the Board of Directors so that they are held with optimum efficiency.
7.2. The Secretariat shall principally provide communication between the members of the board of directors; carry out preparations for meetings of the board of directors and committees; keep minutes of the meetings and regularly archive all correspondence including announcements of the board of directors.
7.3. Access of the members of the board of directors to all kinds of information on a timely basis shall be provided under coordination of the Secretariat.
7.4. Records kept by the Secretariat shall be kept open at all times for the examination of the members of the board of directors.
7.5. The Secretariat shall provide the communication between the Board of Directors and committees of Group Companies, on condition that they are limited with their area of duty.
7.6. The Secretariat shall comprise of a specialist lawyer and secretary to be appointed within the structure of Vice Chairman's Office of Doğan Şirketler Grubu Holding A.Ş.

8. Responsibility of Reporting

8.1. The Committee shall ensure notification of the board of directors about matters in its area of authority and responsibility.
8.2. The Committee shall keep the records of all its activities written.
8.3. The Committees shall prepare a report for its operations and recommendations and submit it to the board of directors.
8.4. The Committee shall prepare the Corporate Governance Compliance Report of the Company.

Other Responsibilities

8.5. The Committee shall follow up the developments in literature about corporate governance and investigate their effects on the Company management.
8.6. The Committee shall carry out other activities to be requested by the board of directors within the scope of corporate governance.
8.7. If the Committee deems it necessary, it can initiate special investigations and appoint persons specialized in their subjects as consultants to get assistance during such investigations.
8.8. The Committee shall review its own performance on a regular basis.

9. BUDGET

The Committee shall have an annual budget to be approved by the Board of Directors in order to be able to carry out its activities in the most effective and efficient manner.

10. VALIDITY

Duties and working principles of the Committee and the amendments herein shall come into effect by a resolution of the Board of Directors.

DUTIES AND WORKING PRINCIPLES OF EARLY RISK DETECTION COMMITTEE

1. PURPOSE

The purpose of the Committee operating within the body of the Board of Directors is to detect early the operational, strategic, financial and adaptation risks which may endanger the existence, development and continuity of the Company; to take and implement the necessary measures in relation to the detected risks; to develop the necessary policies required to administer the risk management processes; and to manage and report the risks in accordance with the risk taking profile of the Company.

2. GROUNDS

These principles in relation to the duties and working principles of the Early Risk Detection Committee have been set out by the resolution no 2012/22 of the Board of Directors of 15/08/2012 pursuant to the Company's Articles of Association, Article 378 of the Turkish Commercial Code No 6102 and the Communiqué Serial: IV No: 56 Regarding Determination and Implementation of the Principles of Corporate Governance published by the Capital Markets Board.

3. STRUCTURE and MEMBERS OF THE COMMITTEE

The Committee is set up and empowered by the Board of Directors in accordance with the Company's Articles of Association and the relevant legislation. The Committee assesses the circumstances, indicates the risks, if any, and offers solutions in a bimonthly report submitted to the Board of Directors.

It carries out activities in order to detect early the risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures in relation to the detected risks and to manage the risks.

It reviews the risk management systems at least once a year.

It is elaborated that members of the Board of Directors who are Committee members are not members to other committees. The Committee is formed of members who are competent in assessing operational, financial, adaptation and strategic risks. Guest participants among the relevant employees may be invited to the committee meetings according to the articles of the agenda. The Committee may also capitalize on independent experts' opinions for required issues concerning its activities. Cost for the consultancy services required by the Committee shall be paid by the Company.

4. SUB-COMMITTEES

Early Risk Detection Committee may institute sub-committees comprising of its members and/or people to be elected from outside, who have sufficient experience and knowledge with regards to Corporate Risk Management for the purpose of increasing the effectiveness of its activities.

5. MEETING and REPORTING

The Committee meets bimonthly prior to the Board meetings. The Committee can meet when deemed necessary in the sense of the effectiveness of its activities. All activities of the Committee are put in writing by means of minutes; such minutes are signed and kept by the Committee members.

Committee Chairperson reports in writing to the Board of Directors regarding the activities of the Committee subsequent to the Committee meeting and notifies the members of the Board of Directors and the auditor of the summary records of the Committee meeting in writing or ensures that they are notified of the same.

6. DUTIES and RESPONSIBILITIES

Duties and responsibilities of Early Risk Detection Committee are,

6.1 To carry out activities in order to early detect the risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures in relation to the detected risks and to manage the risks,

6.2 To determine Risk Management policies, implementation methods and systems on the basis of the risk management strategies and in line with the views of the Board of Directors and to design internal control systems in order to implement and follow the same,

6.3 To design necessary measures and actions in relation to detected risks and to follow up the implementation thereof,

6.4 To monitor corporate risk management practices in order to ensure effective risk determination and management,

6.5 To request information, comments and reports from relevant departments, if deemed necessary, in order to perform risk monitoring function effectively,

6.6 To review the risk management system at least once a year,

6.7 To inform the Board of Directors of the risk management practices periodically (bimonthly),

6.8 To perform other duties assigned/to be assigned to the Committee by the relevant legislation. Duties and Working Principles of Early Risk Detection Committee.

7. EFFECTIVENESS

This regulation in relation to the duties and working principles of the Committee and amendments thereof become effective by the resolution of the Board of Directors.

INTERNAL AUDIT AND CONTROL

From profitability and sustainability perspectives, Audit and Risk Management Group of Doğan Holding reviewed internal control systems related to risk management processes, considering the year 2018 in general, and the developments in Turkish and global economy. Reporting processes were activated, together with regular risk monitoring.

The "assurance" duty was fulfilled, with regular activities carried out for protection of assets and the effectiveness of internal control. A number of projects were carried out under the "advisory" duty, such as; saving/efficiency projects aiming to increase the Group's synergy and profitability, due diligence activities, operational management of information systems, and supporting the executive bodies in the discovery of the need for new investments. With respect to the Law on Protection of Personal Data ("KVKK") and to information security issues; processes were analyzed, and compliance activities were carried out. Audit staff attended internal and external training programs in 2018, with the purpose to increase their functional and industry specific competencies.

Beside the regular auditing activities, focus areas of the year 2019 will be; information security and the related compliance audits, finalizing projects aiming to provide systematic supervision of risk control processes, evaluating the need to update the Company's policies, internal regulations and procedures within Doğan Internal Control Framework, and increasing the employees' competencies to keep up with changing technology and business practices.

RISK MANAGEMENT

Doğan Holding internally monitors financial, operational and compliance risks, in addition to designating and measuring financial risks. The Holding advises Group companies based on the business risk information gathered.

Financial, Compliance and Operational Risk Management

Risks related to compliance with tax laws, commercial law and the capital markets law, operational and compliance risks are managed by the Group Presidency of Financial Affairs, and Group Presidency of Audit and Risk Management. When required, audit companies and certified public accountant companies also contribute to these risk management processes.

“Group Presidency of Audit and Risk Management”" performs risk based audits and risk assessment activities. Potential operational risks and the suggested mitigation methods are evaluated by the Holding's Executive Committee, these evaluations are shared with the senior managements of Group Companies, and necessary actions are specified.

In addition, the Doğan Internal Control Framework Booklet-based on the COSO 2013 Internal Control Integrated Framework-was put into use of employees at all levels of the Holding and to the subsidiaries, in order to provide a guiding perspective on the closely related issues of Corporate Risk Management and internal control. The Framework is designed to create added value by helping the subsidiaries to attain their targets in line with their strategies, and to manage their risks in the fields of operations, internal/external financial reporting, and compliance.

Additionally, pursuant to Article 378 of the Turkish Commercial Code (Law No. 6102), Doğan Holding’s Board of Directors has set up an Early Detection of Risk Committee. The Committee is charged with early detecting of risks; taking necessary action against such risks; managing risks; and reviewing the risk management systems at least once every year. At Group companies listed on the stock exchange, Early Detection of Risk Committees convene bimonthly to assess risks of the Group companies and submit a report to the Board of Directors.

RISK MANAGEMENT

Financial Risk Management

Financial risk management aims to minimize the adverse effects caused by the volatility of the financial markets on the financial results.

With the purpose to prevent various financial risks, Doğan Holding uses various derivative products as they are appropriate. The Group considers foreign currency liabilities of Group Companies, and monitors foreign currency positions both at the Group and at the company level. Foreign currency positions of Group Companies are changed depending on their liquidity positions, using derivative products. Additionally, foreign currency positions of the companies within the Group are checked separately and hedging instruments are used where necessary. The purpose here is to align the main operating currency of the companies with the currency of their payables.

Financial risk management is conducted by all subsidiaries, within the general framework set by the Board of Directors.

A central treasury system is being applied. With this method, daily market values of all financial instruments (including options and forward contracts) can be calculated, and asset/liability management is handled centrally. Positions of Doğan Holding and group companies are calculated and reported using daily market data.

Benefits obtained through the use of the Central Treasury System and transaction volumes are also monitored and reported.

In 2018, two projects were finalized. One of them enables to monitor the Group's liquidity real time instead of the previous daily monitoring, using the SWIFT system. The other one improved payment systems, and moved them to a digital platform. 2019 will be a year during which policies and procedures of Treasury Management will be updated, and the existing internal control structure will be improved.

Credit Risk

Credit risk is the risk of the other party's non-fulfillment of its contractual obligations, in those contracts signed by the Group. Credit risk also covers the all receivables of Group companies.

Doğan Holding controls its credit risk primarily by credit assessment through the factoring firm within the Group and by assigning credit limits to counter parties, in effect creating a data center. Credit risk is distributed due to the high number of organizations in the client-base and their distribution among diverse business areas. Additionally, these risks are controlled by limiting the average risk for the other party (except related parties) in each contract, and by demanding collaterals when required.

Receivables Risk

Doğan Group companies are exposed to receivables risk due to trade receivables from their credit sales. Therefore, the Group companies' management tries to minimize their accounts receivable risks by setting credit limits for each customer and obtaining collateral when necessary, or by executing sales transactions in cash only when working with high-risk customers.

The Financial Risk Committee regularly evaluates the commercial receivables at its regular meetings, based on past experience and the current economic situation. The Committee ensures coordination with the companies, conducts studies on the situation and collection of the receivables; when deemed necessary, the Committee sets aside provisions for doubtful receivables.

Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities and by limited use of derivative instruments.

Liquidity Risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

For each segment under the Group's umbrella, the risk related to the funding of current and future borrowing requirements is managed by ensuring the continuous availability of a sufficient number of high quality credit providers. Under this effort, studies are conducted to designate annual limits based on the operational expectations of the companies with banks.

Foreign Currency (Exchange) Risk

Doğan Group is subject to foreign currency risks due to changes in exchange rates as a result of conversions of foreign currency debt amounts into the functional currency. These risks are monitored and limited through foreign currency position analyses. Scenario analyses and stress tests are also used to analyze foreign exchange positions.

The currencies for which the Group is exposed to exchange rate risk are US Dollar and Euro. The impact of other currencies is insignificant. TL equivalents of foreign currency denominated monetary assets and liabilities as of 31 December 2018 and 31 December 2017 before consolidation adjustments and reclassifications are provided in Note 34 – Financial Risk Management Objectives and Policies of the consolidated financial statements pertaining to the accounting period ending on December 31, 2018.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or re-adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

To maintain or re-adjust its capital structure, the Group can change the dividend amount to be paid to shareholders, return capital to the shareholders, issue new shares or sell assets to decrease borrowing levels.

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated statement of the financial position.

Legal Risk

There are no outstanding lawsuits filed against Group companies that could jeopardize the continuity of their operations or damage their financial structure. The legal disputes and cases related to the business activities of Group companies are monitored centrally by the attorneys in the Legal Affairs Department under the umbrella of Doğan Group. As such, attorneys specialized in various areas of law can offer their services to all the subsidiaries of the Group. In addition, this centralized legal structure also provides consultancy services to the Group and its subsidiaries, and coordinates the purchase of consultancy services from legal experts.

Information Technology Risk

SAP system is where the main activities of Group companies are carried out. Therefore, information security risks of this system are very important, together with risks associated with other applications, software and hardware. The objectives related to information security are; information to meet the requirements, information to be continuous, information to be sufficient, effective, accessible and secure, in all conditions. Information security policies, internal regulations and procedures have been created at the Holding level, and are being applied across the Group Companies. Information technology investments are made after the annual reviews carried out to specify information technology requirements with respect to hardware, products and services. The Holding's Information Security Committee has been established, with the purpose to assess and manage information security risks. Internal and external resources are being utilized for information security requirements of the Holding and the subsidiaries. Information security audits are being carried out.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART I - Declaration of Compliance with Corporate Governance Principles

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding" or "Company") has adopted the universal values of Corporate Governance Principles such as fairness, transparency, accountability and responsibility. Up to the maximum extent possible, the Company aims to comply with the Capital Markets Law, CMB Regulations and Resolutions, CMB's Communiqué on Corporate Governance (No.II-17.1) ("Communiqué") and CMB Corporate Governance Principles.

To this end, Doğan Şirketler Grubu Holding A.Ş. has been included in the Borsa Istanbul A.Ş. ("Borsa Istanbul") Corporate Governance Index ("XKURY") since November 4, 2009. The Company is given an annual corporate governance rating every year by SAHA Corporate Governance Rating Company ("SAHA") licensed by the Capital Markets Board, in line with the rating methodology outlined by the CMB. The Company's Corporate Governance Rating and Corporate Governance Principles Compliance Reports are available on the Company's website at ("www.doganholding.com.tr").

The Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2018-31.12.2018 are prepared in line with the CMB's Resolution dated 10.01.2019 and numbered 2/49, with the presentation rules announced in the CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, and with the CMB's Communiqué on Corporate Governance numbered II-17.1. The Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2018-31.12.2018 can be reached at the Company's website (www.doganholding.com.tr), at the section of "Corporate Governance"/"Corporate Governance Principles Compliance Reports," and also at the website of Public Disclosure Platform ("KAP") (www.kap.org.tr).

Corporate Governance Committee continues to work on improving the Company's corporate governance practices. As of the accounting period ending on 31.12.2018, the Company complies with all of the principles that are mandatory as per the Capital Markets Law, CMB Regulations and Resolutions, and the CMB Communiqué. The Company tries to comply with the voluntary principles to the extent possible, and in our opinion, as of the current situation, a significant conflict of interest will not arise related with non-compliance.

Sincerely,

Çağlar Göğüş[19]
Executive Director and
Chief Executive Officer

Yaşar Begümhan Doğan Faralyalı
Chairwoman

Access Links

1) Corporate Governance Compliance Report ("URF") https://www.kap.org.tr/tr/Bildirim/741805
2) Corporate Governance Information Form ("KYBF") https://www.kap.org.tr/tr/Bildirim/741806

[19] *Upon a decision of the Board of Directors dated 12.12.2018 and numbered 2018/55, Çağlar Göğüş has been appointed as Chief Executive Officer and Executive Director, to be submitted to the approval of the shareholders at the first general assembly meeting to follow. Çağlar Göğüş has taken office as Executive Director and Chief Executive Officer as of 15.01.2019.*

OTHER OBLIGATORY DISCLOSURES

A. GENERAL INFORMATION

Accounting period of the report:

This annual report covers the accounting period from January 1, 2018 to December 31, 2018.

Company's trade name, trade registry number, contact details of headquarters and branches, and website if any:

Trade Name	Doğan Şirketler Grubu Holding A.Ş.
Date of Establishment	September 22, 1980
Trade Registry Number	175444
Central Registration System (MERSIS) No	0306005092400010
Tax Office	Büyük Mükellefler Vergi Dairesi
Tax Number	3060050924
Issued Capital	TL 2,616,938,288
Registered Capital Ceiling	TL 4,000,000,000
Stock Exchange	Borsa İstanbul A.Ş.
Ticker	DOHOL
Public Offering Date	June21, 1993
Address	Burhaniye Mahallesi, Kısıklı Caddesi, No: 65 34676 Üsküdar/Istanbul
Website	www.doganholding.com.tr
E-mail	ir@doganholding.com.tr
Telephone	+90 216 556 90 00
Fax	+90 216 556 92 00

Explanations about privileged shares and shareholders' right to vote, if any:

There are no privileged shares in Doğan Holding.

Personnel movements, their rights and benefits:

As of December 31, 2018, the Company has 43 employees (December 31, 2017: 118 employees).

Doğan Holding determines and regularly revises its remuneration policy based on the performance evaluation system results and current market trends. Doğan Holding has adopted the principle of "equal pay for equal work" in its approach. The Holding applies a remuneration policy based not on the individual but the job definition across all Group companies. The annual salary raises of employees are reflected in their wages with the approval of Doğan Holding Chief Executive Officer at the dates that the employer deems convenient. All employees benefit from benefit packages that depend on their work level. Our remuneration policy is available on the corporate website (www.doganholding.com.tr).

The General Assembly of the Company decides on the remuneration, rights and benefits of the Board Members every year. In addition to the attendance fee received by all Board Members, members holding executive positions may also be paid a monthly salary and benefits for their duties in the Company. Additionally, senior executives and other employees who have a significant effect on the management of the Company can be entitled to a "bonus" or "reward." In Note 33 to the consolidated financial statements for the accounting period ending on 31 December 2018 provides information on the payments made to the key management personnel.

Company executives' transactions with the Company on their own behalf or on behalf of third parties, or their activities falling under a non-compete clause within the scope of the permission by the General Assembly:

Except for those transactions banned by the Turkish Commercial Code, Board Members receive the permission of the General Assembly to conduct the transactions outlined in the Turkish Commercial Code's Articles 395 and 396. According to the information available on Doğan Holding, Board Members did not conduct any commercial activities on their own behalf or on behalf of third parties falling into the Company's business line in the period 01.01.2018-31.12.2018.

OTHER OBLIGATORY DISCLOSURES

Amendments to the Articles of Association within the period and their reasons:

No amendments were made to the Articles of Association in the accounting period 01.01.2018-31.12.2018.

B. REMUNERATION OF THE MEMBERS OF MANAGING BODIES AND OF SENIOR EXECUTIVES

Remuneration of the members of managing bodies and of senior executives:

The Group determined Members of the Board of the Directors, Consultants of the Board, Group Presidents and Vice Presidents, Chief Legal Counsel, and Director's as Key Management Personnel. The total compensation amount of key management personnel (which includes salaries, bonus, health insurance, communication and transportation benefits) is provided in ***Note 33 – Related Party Disclosures*** in the consolidated financial statements for the accounting period 01.01.2018-31.12.2018.

Senior executives:

Information on Doğan Holding's senior executives is available on the corporate website (www.doganholding.com.tr).

C. COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES

In the accounting period 01.01.2018-31.12.2018, Doğan Holding did not engage in any research and development activity or incur related costs. However, two of Doğan Holding's direct subsidiaries earned the right to become R&D Centers, Ditaş in 2017, and Çelik Halat in 2018.

D. COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS CONCERNING THE COMPANY'S ACTIVITIES

Company's area of activity and sectors where it operates:

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding," "Holding" or "Group") was established on September 22, 1980 and is registered in Turkey. The main operating activity of the Holding is to invest in various sectors via associates, to provide all necessary support to its subsidiaries and joint ventures in order to develop their activities.

Information on the Company's investments made in the accounting period:

In the accounting period 01.01.2018-31.12.2018, Doğan Holding's tangible and intangible assets and investment properties totaled 551,418 thousand Turkish Lira (31.12.2017: 1,012,446 thousand Turkish Lira).

Information regarding the Company's internal control system and internal audit activities, and the Board of Directors' assessments on this issue:

At Doğan Holding, utmost attention is paid to ensure that the internal audit and internal control mechanisms work effectively; thus, the internal audit unit reports directly to the Chairperson of the Board of Directors. Internal audit and internal control activities within the Holding are coordinated by the Audit Committee and carried out under the supervision of the Chairperson of the Board of Directors.

Company's shares in direct or indirect subsidiaries:

The Company has direct or indirect subsidiaries. The relevant information and shareholding ratios are presented in the footnotes of the consolidated financial statements for the accounting period 01.01.2018 - 31.12.2018. This information is disclosed at Doğan Holding's corporate website (www.doganholding.com.tr), Public Disclosure Platform ("KAP") (www.kap.org.tr), and footnotes to the financial statements.

Information about the Company's acquisition of its own shares:

In the accounting period 01.01.2018-31.12.2018, the Company did not acquire any of its own shares.

With the decision dated 1 December 2016, the Board of Directors of the Group has authorized the Company management for the repurchasing of Company shares by taking into consideration the announcements made by the CMB on 21 July 2016 and 25 July 2016, taking into account the fourth, fifth and sixth paragraphs of the fifth article of the CMB's Communique on Share Buybacks (II-22.1) and the eighth sentence of the twelfth article. In this context, it has been decided that the maximum amount of fund allocated for buybacks shall be TL 5,200,000 and the maximum number of shares to be repurchased will not exceed this amount.

In this context, 3,200,000 Company shares were purchased by the Company at TL 0,65 per share, from Borsa Istanbul.

Information regarding any private or public audit during the accounting period:

Within the January 1, 2018 - December 31, 2018 accounting period, Doğan Holding was not subject to any private or public audit.

Lawsuits against the Company, which could affect its financial situation and activities, and their possible outcomes:

Provisions allocated for lawsuits filed against the Group and other related indemnities are indicated in the footnotes to consolidated financial statements for the accounting period ending on 31 December 2018 (Footnote 17 – Provisions, Contingent Assets and Obligations/(a) Lawsuits). As of 31 December 2018, the monetary amount of the lawsuits filed against the Group is 30,868 thousand Turkish Lira (31 December 2017: 82,044 thousand Turkish Lira).

Administrative or legal sanctions imposed on the Company, or its executives due to actions in violation of law:

During the period, no administrative or legal sanction was imposed on the Company or its executives due to actions in violation of law.

Attainment of targets set in previous periods, implementation of General Assembly resolutions, and any reasons for failure to attain targets or implement resolutions, and assessments:

Within the January 1, 2018 - December 31, 2018 accounting period, our Company implemented all General Assembly resolutions.

If an Extraordinary General Assembly was held during the year, information on the assembly inclusive of the date of the meeting, decisions reached at the meeting, and any action duly taken:

On 6 April 2018, a "Share Transfer Agreement" was signed between Doğan Şirketler Grubu Holding A.Ş. and Demirören Medya Yatırımları Ticaret A.Ş. The contents of this agreement, sale and transfer of shares were discussed at the Extraordinary General Assembly Meeting held on 11 May 2018. This sale and transfer of shares was a transaction of significance, and it was approved at the Extraordinary General Assembly Meeting.

Information regarding the aids and donations made by the Company within the year, and spending on social responsibility projects during the year:

In the accounting period 01.01.2018-31.12.2018, the Company made such expenditures totaling TL 11,195 thousand.

Aids and Donations (Turkish Lira)	
Education	11,016,810.00
Environment and Other	177,700.00
Total	**11,194,510.00**

OTHER OBLIGATORY DISCLOSURES

If the Company is a subsidiary in the Group companies, legal transactions that were made with the parent company, with the associates of the parent company, upon the instruction of the parent company for the benefit of the parent company or its subsidiary; and all other measures that were taken or that were avoided for the benefit of the parent company or its subsidiary in the previous operating year:

In the reporting period, the Company carried out no legal action in favor of the parent company or any subsidiary thereof, with instructions by the parent company. The Company did not take or avoid taking any measures, or carry out any transaction which needs to be redressed in favor of the parent company or its subsidiaries.

If the Company is a subsidiary in the Group companies, in case the legal transaction mentioned above is made or in case the measure is taken or avoided, whether or not appropriate consideration is obtained for each of the legal transactions and, whether or not the measure that was taken or that was avoided inflicted any losses on the Company; and, if it did, whether this loss was compensated or not according to the circumstances within their knowledge:

Since the Company did not take any action falling under the scope of the previous paragraph; there are no damages to be redressed.

Information regarding the Ordinary General Assembly meeting:

The Company's Ordinary General Assembly Meeting for the year 2017 was held on 30 March 2018 at the Company Headquarters. Attendance rate to this meeting was 73.23%, where 1,916,370,049.408 shares were represented, out of 2,616,938,288 shares comprising the Company's capital. As per the Articles of Association, the invitation to the meeting was published in the Turkish Trade Registry Gazette and placed on the corporate web site (www.doganholding.com.tr), CRA's Electronic General Assembly System (e-GKS) and Public Disclosure Platform (www.kap.org.tr) three weeks prior to the meeting date. In order to facilitate the attendance of the shareholders, General Assembly meetings are held in Istanbul where the Company Headquarters is located.

With respect to the call and announcement regarding the General Assembly Meeting, our Company complies with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Law, Capital Markets Board Regulations/Decisions, and the Articles of Association. Prior to General Assembly meetings, the "Proxy Voting Form" and the detailed "General Assembly Information Document" specifying the agenda items and the reasons adding these items on the agenda of the General Assembly were presented, within the legal timeframe before the meeting, for the shareholders' information and review in conformity with the Turkish Commercial Code and Communiqué. With the change made in the Articles of Association, TCC regulations were complied with, and it was enabled to hold the general assembly by electronic means. General Assembly Meetings are carried out with the simplest possible procedures, at the lowest possible cost for the shareholders and in a manner that does not create any inequality among shareholders. General Assembly meeting minutes, including previous years, are available on the Company's corporate website at www.doganholding.com.tr.

Subsequent Events:

Subsequent events are available in the financial statements' Note 37 – Subsequent Events.

E. FINANCIAL SITUATION

Board of Directors' evaluations regarding loss of Company capital or deep-in-debt situation:

As of December 31, 2018, shareholders' equity amounted to Turkish Lira 7,001,891 thousand, and was 167.6% higher than the issued capital, which stands at TL 2,616,938 thousand. This ratio is an indicator of the strong equity structure of the Company.

Measures planned to be taken to improve the financial structure of the Company, if any:

As of December 31, 2018, consolidated net debt, calculated as the sum of the consolidated financial debt, other financial long-term liabilities and other debt amounted to Turkish Lira 1,753,007 thousand, while total debt decreased by 38.3% year-on-year to Turkish Lira 2,488,641 thousand (31.12.2017: Turkish Lira 4,031,109 thousand). The share of bank loans in foreign currency in total short and long-term bank loans increased to 42.6% as of December 31, 2018 from 38.9% as of December 31, 2017. The maturity structure of the cash and financial debt of the Group are continuously monitored in terms of the financial risk management factors such as interest risks and FX risks.

Information on the Dividend Distribution Policy, and if no dividend distribution is to take place, proposal on the use of the undistributed profit:

Doğan Holding's Dividend Distribution Policy is available on the corporate website (www.doganholding.com.tr). The Board of Directors' dividend distribution proposal and dividend distribution table for the independently audited accounting period of 01.01.2018-31.12.2018 which will be submitted to the approval of shareholders at the General Assembly can be accessed at the Public Disclosure Platform (KAP) and the corporate website (www.doganholding.com.tr).

Information on the quality and quantity of any capital market instruments issued, if any:

No capital market instrument was issued in the accounting period 01.01.2018-31.12.2018.

F. RISKS AND ASSESSMENT OF THE BOARD OF DIRECTORS

Information, if any, on the risk management policies that the Company will employ against possible risks:

In the framework of its risk management policies, Doğan Holding defines and measures operational, IT, legal, compliance, fiscal and financial risks, and makes suggestions to Group companies in light of available information. The referenced risks are monitored and managed by the Company's relevant vice presidents.

Information regarding the activities and reports of the Early Detection of Risk Committee, if established:

Within the framework of Article 378 of the Turkish Commercial Code, and Capital Markets Board Corporate Governance Communiqué No. II-17.1, the Early Detection of Risk Committee was established with the Board of Directors' decision taken on April 13, 2018. In 2018, the Early Detection of Risk Committee held six meetings. Decisions taken at these meetings were recorded in the minutes and reported to the Board of Directors. The working principles of the Early Detection of Risk Committee are available on the corporate website (www.doganholding.com.tr).

Name-Surname	Title
Hüseyin Faik AÇIKALIN	President (Independent Board Member)
Selma UYGUÇ	Member
Tolga BABALI	Member
Işın Gencer ÇETİN[20]	Member

[20] *Işın Gencer Çetin resigned from the posts she held with our Company as of 01.10.2018.*

OTHER OBLIGATORY DISCLOSURES

G. OTHER ISSUES

In case the ratio of our shares in our subsidiaries where we directly or indirectly own five, ten, twenty, twenty-five, thirty-three, fifty, sixty-seven, or hundred percent of the capital goes below/above these ratios, information on such situation and the underlying reasons:

Company Title	31.12.2018 Effective Shareholding Rate (%)	31.12.2017 Effective Shareholding Rate (%)	Change %	31.12.2018 Explanation
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş.	83.04	86.27	-3.23	Share sale
Çelik Halat ve Tel Sanayii A.Ş.	77.65	78.85	-1.20	Share sale
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.	72.62	73.59	-0.97	Share sale
D Stroy Limited	72.62	73.59	-0.97	Indirect share sale
Ditaş Trading Co. LTD	72.62	73.59	-0.97	Indirect share sale
Ditaş Amerika LLC	72.62	73.59	-0.97	Indirect share sale
Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş.	100.00	98.20	1.80	Share acquisition
Doğan Müzik Yapım ve Ticaret A.Ş.	100.00	93.22	6.78	Share acquisition
Dogan Media International S.A.	99.99	93.22	6.77	Share acquisition
Doruk Faktoring A.Ş.	100.00	98.86	1.14	Share acquisition
D Yapım Reklamcılık ve Dağıtım A.Ş.	100.00	93.22	6.78	Share acquisition
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş.	100.00	93.22	6.78	Share acquisition
Blutv İletişim ve Dijital Yayın Hizmetler A.Ş.	0.00	90.96	-90.96	Sale of financial fixed assets
Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş.	100.00	79.29	20.71	Share acquisition
Doğan Gazetecilik A.Ş.	0.00	92.81	-92.81	Sale of financial fixed assets
Doğan İnternet Yayıncılığı ve Yatırım A.Ş.	0.00	99.73	-99.73	Sale of financial fixed assets
Fun Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Hürriyet Gazetecilik ve Matbaacılık A.Ş.	0.00	77.65	-77.65	Sale of financial fixed assets
Trader Media East Limited	0.00	75.54	-75.54	Sale of financial fixed assets
A.G.T. Tanıtım Kağıt Ürünleri Sanayi ve Ticaret A.Ş.	0.00	90.00	-90.00	Sale of financial fixed assets
Dogan Media International GmbH	0.00	90.52	-90.52	Sale of financial fixed assets
Hurriyet Zweigniederlassung GmbH	0.00	77.65	-77.65	Sale of financial fixed assets
Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sis. A.Ş.	0.00	100.00	-100.00	Sale of financial fixed assets
Dergi Pazarlama Planlama ve Ticaret A.Ş.	0.00	56.00	-56.00	Sale of financial fixed assets
Doğan TV Holding A.Ş	0.00	93.22	-93.22	Sale of financial fixed assets
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş.	0.00	100.00	-100.00	Sale of financial fixed assets
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş.	0.00	77.65	-77.65	Sale of financial fixed assets
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş.	0.00	100.0	-100.00	Sale of financial fixed assets
Hurriyet Invest B.V.	0.00	77.65	-77.65	Sale of financial fixed assets
Primeturk GmbH	0.00	93.30	-93.30	Sale of financial fixed assets
Osmose Media S.A.	0.00	93.22	-93.22	Sale of financial fixed assets
Doğan Uydu Haberleşme Hizmetleri ve Telekomünikasyon Ticaret A.Ş.	0.00	93.22	-93.22	Sale of financial fixed assets
Doğan Haber Ajansı A.Ş.	0.00	99.99	-99.99	Sale of financial fixed assets
DTV Haber ve Görsel Yayıncılık A.Ş.	0.00	88.53	-88.53	Sale of financial fixed assets
Eko TV Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.22	-93.22	Sale of financial fixed assets
Doruk Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.22	-93.22	Sale of financial fixed assets

Company Title	31.12.2018 Effective Shareholding Rate (%)	31.12.2017 Effective Shareholding Rate (%)	Change %	31.12.2018 Explanation
Tematik Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.22	-93.22	Sale of financial fixed assets
Uydu İletişim Basın Yayın A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş.	0.00	93.22	-93.22	Sale of financial fixed assets
Popüler Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Fleks Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Doğa Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Galaksi Radyo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Yörünge Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Stil Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Süper Kanal Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.22	-93.22	Sale of financial fixed assets
Kutup Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Doğan TV Digital Platform İşletmeciliği A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Selenit Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Mozaik İletişim Hizmetleri A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş.	0.00	93.30	-93.30	Sale of financial fixed assets
Mavi Digital Teknoloji Hizmetleri ve Ticaret A.Ş.	0.00	88.53	-88.53	Sale of financial fixed assets
Dark Yapımcılık ve Ticaret A.Ş.	0.00	88.53	-88.53	Sale of financial fixed assets
Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş.	0.00	77.65	-77.65	Sale of financial fixed assets
Proje Land Dijital Hizmetler Pazarlama ve Ticaret A.Ş.	86.00	0.00	86.00	Incorporation
Doğan Media Invest B.V.	100.00	0.00	100.00	New establishment
Glocal Invest B.V.	100.00	0.00	100.00	New establishment
Net D Müzik Video Dijital Platform ve Ticaret A.Ş.	100.00	0.00	100.00	New establishment
DH Upside Invest B.V.	100.00	0.00	100.00	New establishment
DMC Invest B.V.	100.00	0.00	100.00	New establishment
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A.Ş.	55.00	0.00	55.00	Share acquisition
D & A Energy B.V.	50.00	0.00	50.00	New establishment
Çelik Halat Netherlands B.V.	77.65	0.00	77.65	New establishment
Etkin Gayrimenkul Geliştirme Yönetim ve Danışmanlık A.Ş.	100.00	0.00	100.00	Share acquisition
Trend Motosiklet Pazarlama A.Ş.	100.00	99.84	0.16	Share acquisition

Information regarding the Group companies' shares in the capital of the parent company:

Group companies do not have shares in the capital of the parent company.

Explanations regarding the internal audit and risk management systems of the corporation within the preparation process of the consolidated financial statements and tables:

Consolidated financial statements were issued in compliance with the Capital Markets Board's Communiqué No. II-14.1 on "The Principles of Financial Reporting in Capital Markets" according to Turkish Financial Reporting Standards (TFRS) published by the Public Oversight, Accounting and Auditing Standards Authority (POA), and in accordance with the presentation principles outlined in Decree Law No. 660, Article 9, paragraph (b) by POA, and procedures announced to the public in POA's Resolution dated June 2, 2016 and numbered 30, later approved by CMB's Resolution dated July 15, 2016 and numbered 22/805, and disclosed to the public via CMB's Weekly Bulletin dated July 15, 2016 and numbered 2016/22, in keeping with the 2016 TAS Taxonomy.

OTHER OBLIGATORY DISCLOSURES

Information regarding the reports stipulated in Article 199 of the Turkish Commercial Code:

The Company's annual report and affiliation report are issued in line with the provisions of the Turkish Commercial Code. The Board Members made no claims falling under the scope of the Turkish Commercial Code, Article 199/4.

Affiliate report:

As per the 199th Article of the Turkish Commercial Code n.6102 issued on July 1, 2012, in the first three months of the activity period, the Board of Directors of Doğan Holding is responsible for issuing a report about the relations with the parent company and the affiliates of the parent company, and to include the conclusion of this report in the Annual Report.

At our Company, there were no: i) legal transactions made with the parent company, and/or affiliates of the parent company, made for the benefit of the parent company, and/or for the benefit of the affiliates of the parent company as a consequence of the directions given by the parent company, and ii) measures taken or avoided to be taken in the previous activity period for the benefit of the parent company, and/or for the benefit of the affiliates of the parent company. Thus, there was no loss that would require offsetting.

Related party transactions:

For the purpose of the accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint control over the Company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family members (immediate family members); and real persons and/or legal entities that are directly or indirectly controlled individually or jointly. Related party transactions are available in Note 33 - Related Party Disclosures of the financial statements for the accounting period ending on 31.12.2018.

The issue that must be presented to the shareholders about whether the shareholders (who control the management of the Company), Board of Directors' members, executive managers who have administrative responsibilities, and their spouses and blood relatives and relatives by marriage up to second-degree make any important transaction with the Company or its subsidiaries which may lead to conflicts of interest, or whether the aforementioned persons make any transaction, related to a commercial business that is within the scope of the Company or its subsidiaries' field of activity, for their own account or for the account of others or whether they become unlimited partners in other companies carrying out similar commercial businesses:

The shareholders (who control the management of the Company), Board of Directors' members, executive managers who have administrative responsibilities, and their spouses and blood relatives and relatives by marriage up to second-degree did not make any important transaction with the Company or its subsidiaries which may lead to conflicts of interest, or the aforementioned persons did not make any transaction, related to a commercial business that is within the scope of the Company or its subsidiaries' field of activity, for their own account or for the account of others or they did not become unlimited partners in other companies carrying out similar commercial businesses.

Information on changes in regulations which can have a significant impact on the Company's activities:

The main operating activity of Doğan Holding is to invest in various sectors through subsidiaries, to provide all necessary support to its subsidiaries and joint ventures in order to enable them develop their activities. Doğan Holding's shares are traded on Borsa İstanbul, therefore it is subject to Capital Market Legislation and the regulations of the Capital Markets Board ("CMB").

Information on the conflicts of interest of the Company with the service providers such as investment advisors and rating agencies, and the precautions taken by the Company to prevent these conflicts of interest:

There is no conflict of interest of Doğan Holding with service providers such as investment advisors and rating agencies. Utmost care is taken to run the relationships with these service providers in a healthy and regular manner.

Information on subsidiaries where there is a reciprocal direct shareholding above 5%:

There are no subsidiaries where there is a reciprocal direct shareholding above 5%.

AUDIT COMMITTEE RESOLUTION

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
AUDIT COMMITTEE RESOLUTION

DATE: 22.02.2019/2019 - 1
SUBJECT: Negotiation and Evaluation of the Consolidated Financial Report for the Accounting Period 01.01.2018-31.12.2018

The independently audited Consolidated Financial Report pertaining to the accounting period 01.01.2018-31.12.2018, issued in compliance with the Capital Markets Board's Communiqué No. II-14.1 on "The Principles of Financial Reporting in Capital Markets" according to the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) published by the Public Oversight, Accounting and Auditing Standards Authority (POA), and in accordance with the presentation principles outlined in Decree Law No. 660, Article 9, paragraph (b) by POA, and procedures announced to the public in POA's Resolution dated June 2, 2016 and numbered 30, later approved by CMB's Resolution dated July 15, 2016 and numbered 22/805, and disclosed to the public via CMB's Weekly Bulletin dated July 15, 2016 and numbered 2016/22 in keeping with the 2016 TAS Taxonomy, and in comparison with the previous period's financials, was audited by soliciting the opinions of the executives who are responsible for the preparation of the Company's financial reports.

Being limited to the information we have and that we have been given, our opinion relating to this consolidated financial report was presented to the executives who have responsibility for the preparation of the financial statements. Within the framework of this opinion, we have reached a conclusion that this financial report truly reflects the facts regarding the Company's activity results and does not contain any significant deficiency that may cause misleading results, and complies with CMB and POA regulations.

Hüseyin Faik AÇIKALIN	**Hacı Ahmet KILIÇOĞLU**
President	*Member*

CORPORATE GOVERNANCE COMMITTEE RESOLUTION

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
CORPORATE GOVERNANCE COMMITTEE RESOLUTION

DATE and NUMBER: 22.02.2019/2019 - 1
SUBJECT: Negotiation and Evaluation of the Annual Report and Corporate Governance Principles Compliance Report for the accounting period 01.01.2018-31.12.2018.

We have reviewed the Company's Annual Report which was prepared in accordance with Turkish Code of Commerce ("TCC"), the Ministry of Customs and Trade's Regulation on "Determining the Minimum Content of the Annual Reports of the Companies," and the Capital Markets Board ("CMB")'s Communiqué No. II-14.1 on "Principles Regarding Financial Reporting in the Capital Markets," whose conformity with financial statements and their footnotes for the accounting period of 01.01.2018-31.12.2018 that will be submitted to the General Assembly for approval. We saw that the Annual Report was independently audited. We have also reviewed the Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2018-31.12.2018, which was prepared in accordance with the presentation rules stated in the CMB resolution dated 10.01.2019 and numbered 2/49 and that was announced in CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, Communiqué by the CMB on Corporate Governance (No.II-17.1). In due course, we have also consulted with the executives who had roles in preparation of the aforementioned documents, and advised them of our opinion. As the result, to the extent of the information that we have and we have been given, our opinion is that the Annual Report, URF and KYBF are a fair presentation of the results of the Company's activities, they do not have significant omissions which can result as being misleading, and that they comply with the regulations of TCC, the Ministry and the CMB.

Hacı Ahmet KILIÇOĞLU
President

İmre BARMANBEK
Member

Dr. Murat DOĞU
Member

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE APPROVAL OF THE REPORTS

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS; REGARDING THE APPROVAL OF THE FINANCIAL REPORT AND THE ANNUAL REPORT OF DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

RESOLUTION DATE: 22.02.2019
RESOLUTION NUMBER: 2019/9

STATEMENT OF RESPONSIBILITY AS PER THE 9th ARTICLE OF THE SECOND SECTION OF COMMUNIQUÉ II -14.1 OF THE CAPITAL MARKETS BOARD

We have reviewed Doğan Şirketler Grubu Holding A.Ş.'s independently audited Consolidated Financial Report and Annual Report pertaining to the accounting period 01.01.2017-31.12.2017, issued in compliance with the Capital Markets Board's Communiqué No. II-14.1 on "The Principles of Financial Reporting in the Capital Markets" according to the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) published by the Public Oversight, Accounting and Auditing Standards Authority (POA), and in accordance with the presentation principles outlined in Decree Law No. 660, Article 9, paragraph (b) by POA, and procedures announced to the public in POA's Resolution dated June 2, 2016 and numbered 30, later approved by CMB's Resolution dated July 15, 2016 and numbered 22/805, and disclosed to the public via CMB's Weekly Bulletin dated July 15, 2016 and numbered 2016/22 in keeping with the 2016 TAS Taxonomy, and in comparison with the previous period's financials We have also reviewed the Company's Annual Report which was prepared in accordance with: Turkish Code of Commerce ("TCC"), the Ministry of Customs and Trade's Regulation on "Determining the Minimum Content of the Annual Reports of the Companies," and the Capital Markets Board ("CMB")'s Communiqué No. II-14.1 on "Principles Regarding Financial Reporting in the Capital Markets" whose conformity with financial statements and their footnotes for the accounting period of 01.01.2018-31.12.2018 that will be submitted to the General Assembly for approval. We saw that the Annual Report was independently audited. We have also reviewed the Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2018-31.12.2018, which was prepared in accordance with: Presentation rules stated in the CMB resolution dated 10.01.2019 and numbered 2/49 and that was announced in CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, Communique by the CMB on Corporate Governance (No.II-17.1).

As the result, to the extent of the information that we have in the capacity of our duties and responsibilities;

- Our opinion is that; the Consolidated Financial Report, the Annual Report, Corporate Governance Compliance Report and Corporate Governance Information Form do not have any significantly inaccurate explanation, or any omission which can result as being misleading, as of the date the explanations are presented,

- The Consolidated Financial Report, prepared in accordance with the financial reporting standards in force, truly reflects the facts regarding the assets, liabilities, financial situation and profit & loss of the Company, and the annual report honestly reflects the progress and the performance of the business and the financial situation of the Company, together with the important risks and uncertainties.

Hüseyin Faik AÇIKALIN
President of the Audit Committee

Hacı Ahmet KILIÇOĞLU
Audit Committee Member

Ahmet TOKSOY
Chief Financial Officer

Tolga BABALI
Executive Committee Member for Financial and Operational Management

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE REPORTS

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
RESOLUTION OF THE BOARD OF DIRECTORS

Date of Meeting: 22.02.2019
Resolution No.: 2019/9

In order to resolve the issues that were on its agenda, the Company's Board of Directors convened at the Company's Headquarters with the attendance of the members whose signatures are given below.
Agenda: The approval of the Company's Financial Report, Annual Report, Corporate Governance Compliance Report and Corporate Governance Information Form pertaining to the accounting period of 01.01.2018-31.12.2018.
Resolution:

As a result of discussions:

- The attached Consolidated Financial Report for the accounting period of 01.01.2018 – 31.12.2018, which was prepared in accordance with; the Communiqué by the Capital Markets Board ("CMB") on "The Principles of Financial Reporting in the Capital Markets" (No:II-14.1), Turkish Accounting Standards ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"), Turkish Financial Reporting Standards ("TFRS"), Resolution of POA dated 02.06.2016 and numbered 30, which is based on article 9, paragraph (b) of the Executive Order ("KHK") numbered 660, Resolution of the CMB dated 15.07.2016 and numbered 22/805 that was announced in the CMB Weekly Bulletin dated 15.07.2016 and numbered 2016/22, and 2016 TAS Taxonomy; which was independently audited and presented to the Board of Directors in comparison with the previous period, together with the affirmative opinion of the Audit Committee and the related executives, including their improvement suggestions; is accepted.
- The Annual Report for the accounting period of 01.01.2018 – 31.12.2018, which was prepared in accordance with; the Turkish Code of Commerce ("TCC"), Regulation by the Ministry of Customs and Trade ("Ministry") on "Determining the Minimum Content of the Annual Reports of the Companies," the Communiqué by the Capital Markets Board ("CMB") (No.II-14.1) on "The Principles of Financial Reporting in the Capital Markets;" which was independently audited and that will be presented to the approval of the General Assembly, which complies with the financial statements and their footnotes, which is submitted to the approval of the Board of Directors together with the affirmative opinion of the Corporate Governance Committee and the related executives including their improvement suggestions; is accepted.
- Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2018 – 31.12.2018, which was prepared in accordance with: Presentation rules stated in the CMB Resolution dated 10.01.2019 and numbered 2/49 and that was announced in CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, and the Communiqué by the Capital Markets Board on Corporate Governance (No:II-17.1); which is submitted to the approval of the Board of Directors together with the affirmative opinion of the Corporate Governance Committee and the related executives including their improvement suggestions; is accepted.

Decided unanimously by the attendees.

Chairwoman **Yaşar Begümhan DOĞAN FARALYALI**	*Vice-Chairwoman* **Hanzade Vasfiye DOĞAN BOYNER**	*Member* **Arzuhan YALÇINDAĞ**
Member **Vuslat SABANCI**	*Member* **İmre BARMANBEK**	*Member* **Çağlar GÖĞÜŞ**
Independent Board Member **Ahmet Vural AKIŞIK**	*Independent Board Member* **Hüseyin Faik AÇIKALIN**	*Independent Board Member* **Hacı Ahmet KILIÇOĞLU**

DIVIDEND DISTRIBUTION POLICY

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.
DIVIDEND DISTRIBUTION POLICY

Doğan Şirketler Grubu Holding A.Ş. ("Company" or "Doğan Holding") makes dividend distribution decisions, and discloses it to the public, in line with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions, tax laws, provisions of other applicable legislation, as well as the Articles of Association, and resolutions of the General Assembly.

Accordingly:

1- As a principle, the portion "net distributable profit for the period" corresponding to at least 5% of the issued capital calculated as per Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions is to be distributed, taking into account the financial statements issued in compliance with the Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions.

2- In case a dividend distribution exceeding 5% of the issued capital is wished to be made from the "net distributable profit per the period" calculated within the scope of Article 1, the financial statements, the financial status, and the investment plans of our Company are taken into consideration as well as the general economic outlook and the market conditions.

3- The dividend distribution proposal is disclosed to the public as per Capital Markets Legislation, Capital Markets Law, and CMB regulations and resolutions, within the legal deadlines.

4- In case the "net distributable profit" calculated in line with the legal records kept within the scope of the Turkish Commercial Code and the tax laws is;

a. lower than the amount calculated as per Article 1, the "net distributable profit" calculated as per the legal records kept within the scope of this article hereby is taken into account and is distributed in its entirety,
b. higher than the amount calculated as per Article 1, action is taken as per Article 2.

5- In case there is no "net distributable profit" as per the legal accounting records kept within the scope of the Uniform Account Plan ("Accounting System Practices General Communiqué); dividend distribution might not be made even as per the Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions.

6- In case the calculated "net distributable profit" is below 5% of the issued capital, it is possible that no dividend be distributed.

7- The upper limit of the aid and donations that will be made by the Company within the accounting period in compliance with the Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, and as per the principles set forth in the Articles of Association shall be determined by the General Assembly. No donations may be made in amounts exceeding the limit set forth by the General Assembly, and the donations made shall be added to the "net distributable profit" base.

8- The dividend distribution shall start at the periods permitted by the Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, and in any case, as of the end of the accounting period.

9- In line with the Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions, and the provisions of the Articles of Association, and as per the resolutions of the General Assembly, the Company may distribute the dividend in cash and/or "bonus shares," or may pay it in installments.

10- The Company may also pay dividends to individuals who are not shareholders, in line with resolutions by the General Assembly. In such a case, action shall be taken in compliance with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, and the provisions of the Articles of Association.

11- The Company may decide to distribute, and may distribute, advance dividend in line with the Turkish Commercial Code; Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, Tax Laws, the provisions of other relevant legislation, the Articles of Association, and the General Assembly Resolution.

12- Investments requiring significant amounts of cash outflow to increase the share value, significant issues affecting the financial structure, important economic, market or other uncertainties and problems outside the control of the Company shall be taken into account in making dividend distribution decisions, and determining the dividend distribution amount and percentage. In that case, even if there is a "net distributable period profit" base, it is possible not to make a dividend distribution, or to propose a dividend distribution at a lower amount and a percentage than those calculated as per the above criteria.

DIVIDEND DISTRIBUTION PROPOSAL AND DIVIDEND DISTRIBUTION STATEMENT

The Board of Directors' dividend distribution proposal and dividend distribution table for the accounting period of 01.01.2018 – 31.12.2018 of Doğan Holding which will be submitted to the approval of shareholders at the General Assembly can be accessed on the Public Disclosure Platform (KAP) and the corporate website (www.doganholding.com.tr).

OPINION LETTER OF THE INDEPENDENT AUDIT COMPANY ON THE ANNUAL REPORT

pwc

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Doğan Şirketler Grubu Holding A.Ş.

1. Opinion

We have audited the annual report of ABC A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2018 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 22 February 2019 on the full set consolidated financial statements for the 1 January - 31 December 2018 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:

– events of particular importance that occurred in the Company after the operating year,
– the Group's research and development activities,
– financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökhan Yüksel, SMMM
Partner

Istanbul, 22 February 2019

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AT 1 JANUARY- 31 DECEMBER 2018

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Doğan Şirketler Grubu Holding A.Ş.

Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
BJK Plaza, Süleyman Seba Caddesi No:48 B Blok Kat:9 Akaretler Beşiktaş 34357 İstanbul-Turkey
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015

3. Key Audit Matters (Continued)

Key audit matters	*Audit procedures implemented for the key audit matters*
Disposal of subsidiaries The Group's shares in the capital of its directly and indirectly controlled subsidiaries operating in the broadcasting and publishing segment, the details of which are explained in Note 1 of the consolidated financial statements, were sold on 16 May 2018. As a result of the re-purchase of the shares held by members of the Doğan family, the total consideration obtained from the transaction was USD919,000 (equivalent to TRY4,033,102). Additionally, transactions respecting the sale and transfer of equity shares that represent the entire share capital of Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş., one the Group's subsidiaries, were completed on 30 May 2018. As a result of these transactions, a gain for the sale of subsidiary shares amounting to TRY3,892,962 has been accounted for on the consolidated statement of profit or loss for the year ending on 31 December 2018. In order to ensure consistency with the presentation of the current period's consolidated financial statements, the Group has presented the related activities as discontinued operations in the consolidated statement of profit or loss, related notes and the consolidated statement of cash flows for the 1 January-31 December 2017 period, as per TFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("TFRS 5"). The explanations respecting the disposal of subsidiaries have been disclosed in Note 30 of the consolidated financial statements. The reasons for our focus on this area: • the quantitative materiality of the disposal of subsidiaries on the consolidated financial statements, • the complicated accounting applications and explanatory notes in TFRS 5, including segment reporting.	• We obtained the signed agreements related to sales transactions and appendices to these agreements, and we tested the number of shares of subsidiaries disposed of, their nominal value and the consistency of sales amounts to related accounting entries. • Share sales agreements were obtained to assess whether there is any liability it is required to account for under the consolidated financial statements. • We assessed the consistency of accounting applications and related explanatory notes with the said sales transactions with regard to the principles determined in TFRS 5. • We audited the statements of financial position of the subsidiaries that are subject to sales transactions, which were prepared in accordance with the TFRS issued by the POA as of the date of the transactions, with respect to the quantitative materiality determined for the Group's consolidated financial statements. • The bank statements that determine the transfer of considerations were obtained and the consistency of the relevant amounts with the accounting entries related to the gain for the sale of subsidiaries was tested. We had no material findings in our audit procedures related to the disposal of subsidiaries.

3. Key Audit Matters (Continued)

Key audit matters	*Audit procedures implemented for the key audit matters*
Investment properties are measured by using the fair value method As explained in Note 13, as of 31 December 2018, the Group's investment properties, which have a carrying amount of TRY 1,214,680 thousand and represent a significant share of total assets, comprise of land and buildings. The accounting policy for investment properties used by the Group management is the "fair value method", as described in Note 2.2. The fair values of these assets are determined by independent valuation experts authorised by the Capital Markets Board ("CMB") and are recognised in the consolidated financial statements after being assessed by the Group management. Fair values of the investment properties depend on the valuation method used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property. The reasoning of our focus in this area: • The quantitative materiality of the investment properties in the consolidated financial statements, • When determining the fair values of the investment properties, methods such as the benchmarking analysis approach, cost approach and direct capitalisation approach are used, and these methods include variables that may lead to changes in the fair values.	• Valuation reports prepared by the independent property valuation institutions assigned by the Group are obtained and the property valuation accreditations and licences of these institutions granted by the Capital Markets Board are checked based on Independent Audit Standards. • Deeds and ownership ratios of investment properties were tested on a sample basis. • We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, such as unit sales value, against observable market prices, and then tested whether the appraised values are within an acceptable range. • Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS. We had no material findings in our audit procedures related to the investment properties accounted for using the fair value method.

3. Key Audit Matters (Continued)

Key audit matters	*Audit procedures implemented for the key audit matters*

Accounting for business combinations under common control

As explained in detail in Note 3 of the consolidated financial statements, D Gayrimenkul Yatırımları ve Ticaret A.Ş., a subsidiary of the Group, acquired an investment property from its related party, Ortadoğu Otomotiv Ticaret A.Ş., on 3 October 2018 for a total consideration of TRY850,000 thousand.

Group management considered the assets acquired and liabilities incurred as a whole, and defined this transaction as a business combination since related assets and liabilities comprise inputs and the processes applied to these inputs are capable of generating outputs. In addition, the business combination representing the above-mentioned assets acquired and liabilities incurred was considered to be a business combination that includes a business subject to common control because a business combined is controlled by the same party or parties both before and after the business combination, and that control is not transitory. As per the principle decision related to "Accounting for business combinations under common control", which the Public Oversight Accounting and Auditing Standards Authority ("POA") issued in the Official Gazette dated 21 July 2013 and 17 October 2018, the said purchase transaction was accounted for by restating the previous periods' consolidated financial statements using the "pooling of interest" method of business combinations under common control. The principles related to this accounting have been disclosed in Note 2.1.5 of the consolidated financial statements.

The reasons for our focus on this area:

- the quantitative materiality of this purchase on the consolidated financial statements,
- the existence of retrospective applications and restatements in the consolidated financial statements.

- We were provided with Group management's assessment of the assets that are the subject of a purchase transaction and liabilities incurred in the business combination, and we evaluated the compliance of this assessment with the judgement principles defined in TFRS 3 Business Combinations. We assessed the compliance of this recognition with the principle decision announced by the KGK with the participation of our expert teams.
- The 2018 valuation report of the property acquired, and the valuation reports for 2016 and 2017 prepared by independent valuers due to their impact on the consolidated financial statements of the previous years, were provided. As of the relevant years, the audit procedures which were applied to the key audit matter titled "Investment properties recognised using the fair value method" in the key audit matters of the independent auditor report were applied to the said valuation reports.
- Audit evidence such as bank statements and deeds supporting the purchase transaction were provided, and they were reconciled with the related accounting entries.

We had no material findings in our audit procedures related to the accounting for business combinations under common control.

3. Key Audit Matters (Continued)

Key audit matters	*Audit procedures implemented for the key audit matters*

Investment properties are measured by using the fair value method

As explained in Note 13, as of 31 December 2018, the Group's investment properties, which have a carrying amount of TRY 1,214,680 thousand and represent a significant share of total assets, comprise of land and buildings.

The accounting policy for investment properties used by the Group management is the "fair value method", as described in Note 2.2. The fair values of these assets are determined by independent valuation experts authorised by the Capital Markets Board ("CMB") and are recognised in the consolidated financial statements after being assessed by the Group management. Fair values of the investment properties depend on the valuation method used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property.

The reasoning of our focus in this area:

- The quantitative materiality of the investment properties in the consolidated financial statements,
- When determining the fair values of the investment properties, methods such as the benchmarking analysis approach, cost approach and direct capitalisation approach are used, and these methods include variables that may lead to changes in the fair values.

- Valuation reports prepared by the independent property valuation institutions assigned by the Group are obtained and the property valuation accreditations and licences of these institutions granted by the Capital Markets Board are checked based on Independent Audit Standards.
- Deeds and ownership ratios of investment properties were tested on a sample basis.
- We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, such as unit sales value, against observable market prices, and then tested whether the appraised values are within an acceptable range.
- Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS.

We had no material findings in our audit procedures related to the investment properties accounted for using the fair value method.

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4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2018 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 22 February 2019.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökhan Yüksel, SMMM
Partner

Istanbul, 22 February 2019

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

ASSETS	Notes	*USD Unaudited Current Period* 31 December 2018	*Audited Current Period* 31 December 2018	*Restated Audited Prior Period* 31 December 2017	*Restated Audited Prior Period* 31 December 2016
Current assets		1,333,915	7,017,592	4,898,719	3,918,293
Cash and cash equivalents	6	725,725	3,817,966	1,708,658	1,512,345
Financial investments	7	80,534	423,682	71,743	288,752
Trade receivables					
- Due from related parties	33	1,293	6,800	10,227	9,573
- Due from non-related parties	9	345,822	1,819,334	2,227,655	1,489,323
Other receivables					
- Due from related parties	33	3,904	20,536	9,750	10,726
- Due from non-related parties	10	2,100	11,048	28,770	17,046
Inventories	11	122,649	645,246	601,962	441,350
Prepaid expenses	20	15,355	80,783	118,460	82,927
Derivative instruments	21	9,853	51,834	83	551
Biological assets	12	4,025	21,174	-	215
Other current assets	19	22,656	119,189	121,411	65,485
Non-current assets		747,442	3,932,218	5,679,133	5,483,156
Trade receivables					
- Due from non-related parties	9	8,564	45,055	21,783	25,258
Other receivables					
- Due from non-related parties	10	-	-	19,679	29,207
Financial investments	7	37,272	196,084	125,137	76,716
Investments accounted for by the equity method	4	23,054	121,287	358,415	323,471
Investment properties	13	230,888	1,214,680	1,852,967	1,705,594
Property, plant and equipment	14	196,436	1,033,430	1,323,287	1,172,601
Intangible assets					
- Other intangible assets	15	129,870	683,234	947,695	1,116,948
- Goodwill	15	6,553	34,476	403,713	403,713
Prepaid expenses	20	25,896	136,235	40,079	53,169
Deferred tax asset	31	12,794	67,306	53,103	42,533
Other non-current assets	19	76,115	400,431	533,275	533,946
Total assets		2,081,357	10,949,810	10,577,852	9,401,449

The consolidated financial statements as of and for the period ended 31 December 2018 have been approved by the Board of Directors on 22 February 2019.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

LIABILITIES	Notes	*USD Unaudited Current Period* 31 December 2018	*Audited Current Period* 31 December 2018	*Restated Audited Prior Period* 31 December 2017	*Restated Audited Prior Period* 31 December 2016
Current liabilities		567,947	2,987,910	5,165,049	2,794,799
Short-term borrowings	8	287,816	1,514,169	1,558,223	1,088,428
Short-term portion of long-term borrowings	8	66,274	348,659	1,059,380	305,409
Trade payables					
- Due to related parties	33	59	308	26,143	25,411
- Due to non-related parties	9	155,753	819,403	1,283,471	943,534
Payables related to employee benefits	22	3,138	16,510	36,559	37,111
Deferred income	20	11,991	63,084	93,080	57,101
Derivative instruments	21	13,132	69,084	1,098	-
Other payables					
- Due to related parties	33	-	-	850,000	-
- Due to non-related parties	10	23,789	125,157	149,057	232,246
Current income tax liability	31	1,462	7,692	14,110	13,457
Short-term provisions					
- Short-term provisions for employment benefits	22	3,014	15,855	56,794	51,378
- Other short-term provisions	17	1,519	7,989	36,724	40,498
Other short-term liabilities		-	-	410	226
Non-current liabilities		182,480	960,009	2,059,934	2,935,209
Long-term borrowings	8	118,956	625,813	747,215	895,383
Investments accounted for by the equity method	4	28,723	151,108	310,342	227,293
Other financial liabilities	8	-	-	666,291	519,829
Other payables					
- Due to related parties	33	-	-	-	850,000
- Due to non-related parties	10	10,672	56,145	15,012	120,789
Deferred income	20	1,149	6,047	5,919	7,830
Long-term provisions					
- Long-term provisions for employment benefits	22	6,476	34,071	123,015	119,430
- Other long term provisions		243	1,277	-	-
Deferred tax liability	31	16,261	85,548	192,140	194,655
EQUITY		1,330,930	7,001,891	3,352,869	3,671,441
Equity attributable to equity holders of the parent company		1,266,262	6,661,678	2,961,166	3,232,623
Share capital	23	497,432	2,616,938	2,616,938	2,616,938
Adjustments to share capital	23	27,282	143,526	143,526	143,526
Repurchased shares (-)	23	(395)	(2,080)	(2,080)	(2,080)
Share premiums (discounts)	23	6,683	35,159	35,159	35,159
Other comprehensive income (losses) that will not be reclassified in profit or loss					
- Gain (loss) on revaluation of property plant and equipment	23	-	-	34,820	48,007
- Actuarial gains (losses) on defined benefit plans	23	(1,616)	(8,502)	(41,613)	(37,810)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	4	(170)	(892)	(626)	-
Other comprehensive income (losses) that will be reclassified in profit or loss					
- Change in currency translation reserves	23	78,793	414,530	295,272	221,961
- Gain (loss) on revaluation and reclassification of financial assets held for sale	23	(4)	(20)	32,196	15,602
- Gain (losses) from hedge reserve	23	-	-	(665)	-
Restricted reserves	23	46,934	246,914	312,427	314,979
Retained earnings or accumulated losses		(79,262)	(416,991)	(140,989)	95,564
Net profit or loss for the period		690,585	3,633,096	(323,199)	(219,223)
Non-controlling interests		64,668	340,213	391,703	438,818
Total liabilities		2,081,357	10,949,810	10,577,852	9,401,449

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

	Notes	*USD Unaudited Current Period 1 January- 31 December 2018*	*Audited Current Period 1 January - 31 December 2018*	*Restated Audited Prior Period 1 January - 31 December 2017*
Profit or Loss				
Revenue	24	2,308,814	12,146,438	7,738,622
Cost of Sales (-)	24	(2,115,971)	(11,131,912)	(7,231,320)
Gross Profit (Loss)	24	192,843	1,014,526	507,302
General Administrative Expenses (-)	25	(52,967)	(278,656)	(191,181)
Marketing Expenses (-)	25	(69,056)	(363,295)	(328,105)
Other Income From Operating Activities	27	264,221	1,390,038	363,997
Other Expenses From Operating Activities (-)	27	(58,078)	(305,540)	(203,986)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	4	(36,597)	(192,532)	(74,840)
Operating Profit/(Loss)		240,366	1,264,541	73,187
Income from Investment Activities	28	753,216	3,962,592	197,925
Expenses from Investment Activities (-)	28	(180,136)	(947,674)	(153,274)
Operating Profit (Loss) Before Finance (Expense)/Income		813,446	4,279,459	117,838
Finance Income	29	10,018	52,704	218
Finance Expenses (-)	29	(132,197)	(695,474)	(266,246)
Profit (Loss) Before Taxation From Continued Operations		691,267	3,636,689	(148,190)
Tax (Expense)/Income From Continued Operations	31	336	1,768	(85,876)
Tax Income/(Expense) for the Period		(23,475)	(123,498)	(178,466)
Deferred Tax Income/ (Expense)		23,811	125,266	92,590
Profit/(Loss) For The Period From Continued Operations		691,603	3,638,457	(234,066)
Profit/(Loss) For The Period From Discontinued Operations	30	(13,559)	(71,333)	(142,480)
Profit/(Loss) For The Period		678,044	3,567,124	(376,546)
Allocation of Profit (Loss) For The Period				
Attributable to Non-Controlling Interests		(12,541)	(65,972)	(53,347)
Attributable to Equity Holders of the Parent Company		690,585	3,633,096	(323,199)
Gain/(Loss) Per Share Attributable to Equity				
Holders of the Parent Company	32	0.264	1.390	(0.124)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

	Notes	*USD(*) Unaudited Current Period 1 January - 31 December 2018*	*Audited Current Period 1 January - 31 December 2018*	*Restated Audited Prior Period 1 January - 31 December 2017*
Profit/(Loss) For The Period		678,044	3,567,124	(376,546)
OTHER COMPREHENSIVE INCOME				
That will not be reclassified as profit or loss				
Gains (losses) on revaluation of property plant and equipments		-	-	-
Actuarial gains (losses) on defined benefit plans	22	(524)	(2,759)	(5,498)
Defined benefit plans remeasurement gains (losses) of investments accounted for by equity method		(51)	(266)	(626)
Taxes related to other comprehensive income that will not be reclassified as profit or loss				
Tax effect of gains (losses) on revaluation of property plant and equipments		*-*	*-*	*(2,527)*
Tax effect of actuarial gains (losses) on defined benefit plans		*105*	*552*	*1,100*
That will be reclassified as profit or loss				
Currency translation differences		22,648	119,153	80,175
Gain (losses) on revaluation and/or reclassification of financial assets available for sale		(7,987)	(42,020)	25,036
Other comprehensive income (loss) related with cash flow hedges		158	831	(1,098)
Taxes related to other comprehensive income that will be reclassified as profit or loss				
Tax effect of comprehensive income (loss) related with cash flow hedges		*(32)*	*(166)*	*242*
Tax effect on revaluation and/or reclassification of financial assets available for sale		*1,864*	*9,804*	*(8,442)*
OTHER COMPREHENSIVE INCOME /(LOSS)		16,181	85,129	88,362
TOTAL COMPREHENSIVE INCOME /(LOSS)		694,225	3,652,253	(288,184)
Allocation of Total Comprehensive Income/(Loss)				
Attributable to Non-Controlling Interests		(12,612)	(66,348)	(47,169)
Attributable to Equity Holders of the Parent Company		706,837	3,718,601	(241,015)

(*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts presented in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as of 31 December 2018.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

					Accumulated other comprehensive income or loss that will not be reclassified to profit or loss				Accumulated other comprehensive income or loss that will be reclassified to profit or loss				Retained earnings				
	Notes	Share Capital	Adjustments to share capital	Repurchased shares	Gain/loss on revaluation of property plant and equipment	Actuarial gains/(losses) on defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	Share premiums/ (discounts)	Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	Currency translation differences	Gain/(losses) from hedge reserves	Restricted reserves	Retained earnings/ accumulated losses	Net profit (loss) for the period	Equity attributable to equity holders of the parent company	Non-controlling interests	Equity
Balances at 1 January 2018	23	2,616,938	143,526	(2,080)	34,820	(41,613)	(626)	35,159	32,196	295,272	(665)	312,427	(345,446)	(471,545)	2,608,363	391,703	3,000,066
Effects of mergers of entities under common control	-		-	-	-	-	-	-	-	-	-	-	204,457	148,346	352,803	-	352,803
Restated Balances at 1 January 2018	23	2,616,938	143,526	(2,080)	34,820	(41,613)	(626)	35,159	32,196	295,272	(665)	312,427	(140,989)	(323,199)	2,961,166	391,703	3,352,869
Adjustments related to mandatory changes in accounting policies																	
Effect on changing policy of TFRS 9, net		-	-	-	-	-	-	-	-	-	-		*(765)*	-	*(765)*	-	*(765)*
Transfers		-	-	-	-	-	-	-	-	-	-	(65,513)	(257,686)	323,199	-	-	-
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,648	38,648
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-			
- Dividend payment of subsidiaries to non-group companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	*(224)*	*(224)*
Acquisition or disposal of subsidiary					(34,820)	35,047						-	(45)	-	182	(28,641)	(28,459)
- Effect of sale of subsidiary (Note 30)		-	-	-	*(34,820)*	*35,047*	-	-	-	-	-	-	*(227)*	-	-	*(28,657)*	*(28,657)*
- Transactions with subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Effects of ownership rate change of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	*182*	-	*182*	*(182)*	-
- Acquisition or disposal of a subsidiary		-	-	-	-	-	-	-	-	-	-	-		-	-	*198*	*198*
Transactions with non-controlling interest shareholders		-	-	-	-	-	-	-	-	-	-	-	(3,340)	-	(3,340)	16,078	12,738
Effects of mergers of entities under common control		-	-	-	-	-	-	-	-	-	-	-	(25,169)	-	(25,169)	-	(25,169)
Increase / decrease due to changes in shareholding ratio which do not result in loss of control in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	11,003	-	11,003	(11,003)	-
Total comprehensive income/(loss)		-	-	-	-	(1,936)	(266)	-	(32,216)	119,258	665	-	-	3,633,096	3,718,601	(66,348)	3,652,253
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	-	-	3,633,096	3,633,096	(65,972)	3,567,124
Other comprehensive income (loss)		-	-	-	-	*(1,936)*	*(266)*	-	*(32,216)*	*119,258*	*665*	-	-		*85,505*	*(376)*	*85,129*
- Currency translation differences		-	-	-	-	-	-	-	-	*119,258*	-	-	-	-	*119,258*	*(105)*	*119,153*
-Actuarial gains (losses) on defined benefit plans		-	-	-	-	*(1,936)*	*(266)*	-	-	-	-	-	-	-	*(2,202)*	*(271)*	*(2,473)*
- Change in cash flow hedge reserve		-	-	-	-	-	-	-	-	-	*665*	-	-	-	*665*	-	*665*
- Change in financial asset revaluation fund		-	-	-	-	-	-	-	*(32,216)*	-	-	-	-	-	*(32,216)*	-	*(32,216)*
Balance at 31 December 2018		2,616,938	143,526	(2,080)	-	(8,502)	(892)	35,159	(20)	414,530	-	246,914	(416,991)	3,633,096	6,661,678	340,213	7,001,891

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

					Accumulated other comprehensive income or loss that will not be reclassified to profit or loss				Accumulated other comprehensive income or loss that will be reclassified to profit or loss				Retained earnings				
	Notes	Share Capital	Adjustments to share capital	Repurchased shares	Gain/loss on revaluation of property plant and equipment	Actuarial gains/losses on defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for under equity method	Share premiums/ (discounts)	Gain/(loss) on revaluation and/or reclassification of financial assets availa ble for sale	Currency translation differences	Gain/(losses) from hedge reserves	Restricted reserves	Retained earnings/ accumulated losses	Net profit/ loss for the period	Equity attributable to equity holders of the parent company	Non controlling interests	Equity
Balances at 1 January 2017	23	2,616,938	143,526	(2,080)	48,007	(37,810)	-	35,159	15,602	221,961	-	314,979	(137,831)	(219,223)	2,999,228	438,818	3,438,046
Effects of mergers of entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	233,395	-	233,395	-	233,395
Restated Balances at 1 January 2017	23	2,616,938	143,526	(2,080)	48,007	(37,810)	-	35,159	15,602	221,961	-	314,979	95,564	(219,223)	3,232,623	438,818	3,671,441
Transfers	-	-	-	-	(10,660)	-	-	-	-	-	-	(2,552)	(206,011)	219,223	-	-	-
Dividends																	
- Dividend payment of subsidiaries to non-group companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,912)	(1,912)
Acquisition or disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	262	262
-Effect of acquisition of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	262	262
-Effect of disposal of subsidiaries (Note 30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interest shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200
Effects of mergers of entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	(28,938)	-	(28,938)	-	(28,938)
Increase / decrease due to changes in shareholding ratio which do not result in loss of control in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,504)	-	(1,504)	1,504	-
Total comprehensive income/(loss)	-	-	-	-	(2,527)	(3,803)	(626)	-	16,594	73,311	(665)	-	(100)	(323,199)	(241,015)	(47,169)	(288,184)
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(323,199)	(323,199)	(53,347)	(376,546)
Other comprehensive income (loss)	-	-	-	-	*(2,527)*	*(3,803)*	*(626)*	-	*16,594*	*73,311*	*(665)*	-	*(100)*	-	*82,184*	*6,178*	*88,362*
- Effect of changes in shareholding ratio in subsidiaries	-	-	-	-	-	*100*	-	-	-	-	-	-	*(100)*	-	-	-	-
- Currency translation differences	-	-	-	-	-	-	-	-	-	*73,311*	-	-	-	-	*73,311*	*6,864*	*80,175*
- Change in revaluation funds of investment properties	-	-	-	-	*(2,527)*	-	-	-	-	-	-	-	-	-	*(2,527)*	-	*(2,527)*
- Actuarial gains (losses) on defined benefit plans		-	-	-	-	*(3,903)*	*(626)*	-	-	-	-	-	-	-	*(4,529)*	*(495)*	*(5,024)*
- Change in cash flow hedge reserve	-	-	-	-	-	-	-	-	-	-	*(665)*	-	-	-	*(665)*	*(191)*	*(856)*
- Change in financial asset revaluation fund	-	-	-	-	-	-	-	-	*16,594*	-	-	-	-	-	*16,594*	-	*16,594*
Balance at 31 December 2017	23	2,616,938	143,526	(2,080)	34,820	(41,613)	(626)	35,159	32,196	295,272	(665)	312,427	(140,989)	(323,199)	2,961,166	391,703	3,352,869

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

	Notes	*USD Current Period 1 January - 31 December 2018*	*Audited Current Period 1 January - 31 December 2018*	*Restated Audited Prior Period 1 January - 31 December 2017*
A. Net Cash From Operating Activities		(238,245)	(1,253,381)	15,068
Profit/(loss) for the period		678,044	3,567,124	(376,546)
Profit/(Loss) for the period from continued operations		691,603	3,638,457	(234,066)
Profit/(Loss) for the period from discontinued operations		(13,559)	(71,333)	(142,480)
Adjustments regarding reconciliation of net profit (loss) for the period		(561,810)	(2,955,625)	1,150,513
Adjustments related to depreciation and amortization	11, 14, 15	66,312	348,862	614,613
Adjustments related to provision (reversal) of impairment				
Adjustments related to other provisions (reversals) of impairment		*57,476*	*302,376*	*278,073*
Adjustments related to impairment of goodwill	*28*	*1,520*	*7,996*	*-*
Adjustments related to provisions				
- Adjustments related to provisions for (reversal of) employee benefits		*1,838*	*9,668*	*35,332*
- Adjustments related to provisions (reversal) for lawsuits and/or penalty	*17*	*704*	*3,706*	*40*
- Adjustments related to other provisions (reversals)	*9, 11*	*6,192*	*32,575*	*45,862*
Adjustments related to interest (income) and expenses				
- Adjustments related to interest income	*27, 28*	*(41,587)*	*(218,787)*	*(72,725)*
- Adjustments related to interest expenses	*28, 29*	*51,608*	*271,504*	*262,938*
- Deferred financial expense due to purchases with maturity	*27*	*15,768*	*82,956*	*50,756*
Unearned financial income due from sales with maturity	*27*	*(25,113)*	*(132,117)*	*(83,041)*
Adjustments related to changes in unrealised foreign exchange differences		(81,228)	(427,328)	130,676
Adjustments related to fair value (gains) losses	13, 21	89,812	472,492	(153,707)
Adjustments related to losses (gains) on disposal of non-current assets	28	(1,393)	(7,330)	(4,146)
Adjustments related to undistributed profits of investments accounted for by the equity method	4	36,597	192,532	74,840
Adjustments related to tax income (expense)	31	(336)	(1,768)	19,734
Adjustments related to losses (gains) on disposal of subsidiaries or joint operations	28	(739,980)	(3,892,962)	(800)
Adjustments related to losses (gains) on disposal of associates, joint ventures and financial investments or changes in their shares	28	-	-	(18,994)
Other adjustments related to reconciliation of profit (loss)		-	-	(28,938)
Changes in working capital		(396,300)	(2,084,895)	(865,948)
Adjustments for (increase)/decrease in inventories		(57,856)	(304,375)	(155,039)
Adjustments for (increase)/decrease in trade receivables				
- (Increase)/decrease in trade receivables from related parties		*651*	*3,427*	*(654)*
- (Increase)/ decrease in trade receivables from non-related parties		*(36,730)*	*(193,233)*	*(811,064)*
Increase (decrease) in payables due to employee benefits		758	3,990	(552)
Adjustments regarding decrease/(increase) in other receivables on operations				
- (Increase)/decrease in other receivables regarding operations with related parties		*(2,050)*	*(10,786)*	*(1,220)*
- (Increase)/decrease in other receivables regarding operations with non-related parties		*2,325*	*12,233*	*-*
Adjustments regarding increase (decrease) in trade payables				
- Increase/(decrease) in trade payables to related parties		*(4,911)*	*(25,835)*	*732*
- Increase/(decrease) in trade payables to non-related parties		*49,094*	*258,278*	*328,824*
Adjustments regarding increase (decrease) in other payables on operations				
- Increase/(decrease) in other payables regarding operations with-related parties		*(161,569)*	*(850,000)*	*-*
- Increase/(decrease) in other payables regarding operations with non-related parties		*21,553*	*113,389*	*(190,674)*
Adjustments for other increase (decrease) in working capital				
- (Increase)/decrease in other assets regarding operations		*(49,566)*	*(260,760)*	*(80,123)*
- Increase/(decrease) in other liabilities regarding operations		*(157,999)*	*(831,223)*	*43,822*
Net Cash From Operating Activities		(280,066)	(1,473,396)	(91,981)
Employee termination benefits paid	22	(1,698)	(8,934)	(31,569)
Income tax refunds (payments)		(24,695)	(129,916)	(38,137)
Other provisions paid	17	-	-	(8,013)
Other cash inflow/(outflow)	9	-	-	26,357
Interest received		68,214	358,865	158,411

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

	Notes	USD Current Period 1 January - 31 December 2018	Audited Current Period 1 January - 31 December 2018	Restated Audited Prior Period 1 January - 31 December 2017
B. Net Cash From Investing Activities		554,699	2,918,216	(660,725)
Cash outflows regarding capital increase and / or share increase of associates and/or joint ventures	4	(1,016)	(5,346)	(14,482)
Cash inflows from sale of property, plant, equipment and intangible assets		16,431	86,441	126,687
Cash outflows from purchase of property, plant, equipment and intangible assets	14, 15	(102,393)	(538,681)	(964,265)
Cash outflows regarding acquisition of investment properties	13	(2,421)	(12,737)	(33,129)
Cash inflows regarding sale of share and / or debt instruments of other entities or funds		-	-	203,961
Cash outflows regarding purchase of share and / or debt instruments of other entities or funds		(74,460)	(391,725)	(19,332)
Cash inflows regarding sale of the subsidiaries resulting in loss of control	30	779,520	4,100,976	2,486
Cash inflows regarding sale of the subsidiaries not resulting in loss of control		7,291	38,356	(686)
Other cash inflows/(outflows)		(68,253)	(359,068)	38,035
C. Net Cash from Financing Activities		(112,079)	(589,634)	721,761
Proceeds from borrowings				
Cash inflows from borrowings		*593,340*	*3,121,509*	*2,420,611*
Cash inflows from issued debt instruments		*9,132*	*48,041*	*67,270*
Cash outflows on debt payments				
Cash outflows due to payments of bank borrowings		*(658,687)*	*(3,465,289)*	*(1,536,451)*
Interest paid		(55,864)	(293,895)	(229,669)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)		204,375	1,075,201	76,104
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS		195,052	1,026,146	122,854
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		399,427	2,101,347	198,958
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	324,663	1,708,017	1,509,059
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	6	724,090	3,809,364	1,708,017

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

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding", "Holding" or the "Group") was established on 22 September 1980 and is registered in Turkey. Main operating activity of the Holding is to invest in various sectors via associates, to provide all necessary support to its subsidiaries and joint ventures in order to develop their activities.

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("Borsa İstanbul") since 21 June 1993. Within the frame of Resolution No, 21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency("CRA"), 35.93% shares of Doğan Holding are to be considered in circulation as of 31 December 2018 (31 December 2017: 35.95%). As of 22 February 2019, circulation rate of shares are 35.83%.

The address of Holding is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34676 İstanbul

As of 31 December 2018, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 3,232 (domestic 2,952) (31 December 2017: 8,247; domestic 7,715). Holding has 43 employees (31 December 2017: 118 employees).

The Board of Directors of the Group have signed the Share Sales Agreement for the sales and transfer of its shares in the capitals of its direct or indirect subsidiaries, which operate in publishing, broadcasting and retail segment and the details of which are explained in Note 30, and to authorize the management for this purpose. The details on such transactions for the sales and transfer of shares are presented in Note 2.1.3.

The natures of the business, segment and countries of the subsidiaries ("Subsidiaries") and joint ventures ("Joint Ventures") of Doğan Holding are as follows:

Fuel Retail

Subsidiaries	Nature of business	Country
Aytemiz Akaryakıt Dağıtım A.Ş. ("Aytemiz Akaryakıt")	Energy	Turkey
Aytemiz Petrolcülük Ticaret Limited Şirketi ("Aytemiz Petrolcülük")	Energy	Turkey
İstasyon Petrol Ticaret Limited Şirketi ("İstasyon Petrolcülük")	Energy	Turkey
D&A Energy B.V. ("D&A Energy") (1)	Energy	Holland

Joint Ventures	Nature of business	Country
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Energy	Jersey

(1) The establishment of related subsidiary was realized on 18 May 2018.

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Electricity Production and Trade

Subsidiaries	Nature of business	Country
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji")	Energy	Turkey
Galata Wind Enerji A.Ş. ("Galata Wind")	Energy	Turkey
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A.Ş. ("Sunflower")[2]	Energy	Turkey
Doel Elektrik Enerjisi Toptan Satış A.Ş. ("Doel Elektrik")	Energy	Turkey

Joint Ventures	Nature of business	Country
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Energy	Turkey
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Energy	Turkey

Industry

Subsidiaries	Nature of business	Country
Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat")	Production	Turkey
Celik Halat Netherlands B.V. ("Celik Halat Netherlands")[3]	Trade	Holland
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Production	Turkey
Ditas America LLC ("Ditas America")	Trade	USA
Ditas Trading (Shanghai) Co. Ltd. ("Ditas Trading")[4]	Trade	China
D Stroy Limited ("D Stroy")	Trade	Russia

Automotive Trade and Marketing

Subsidiaries	Nature of business	Country
Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki")	Trade	Turkey
Glokal Motorlu Araçlar Pazarlama A.Ş. ("DAF")	Trade	Turkey
Trend Motosiklet Pazarlama A.Ş. ("Trend Motosiklet")	Trade	Turkey

Financing and Investment

Subsidiaries	Nature of business	Country
Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü Girişim")	Investment	Turkey
Doruk Faktoring A.Ş. ("Doruk Faktoring")	Factoring	Turkey
Doruk Finansman A.Ş. ("Doruk Finansman")	Finance	Turkey
İlke Turistik Yatırımları A.Ş. ("İlke Turistik")	Tourism	Turkey
DHI Investment B.V. ("DHI Investment")	Investment	Holland
DH Upside Invest B.V. ("DH Upside")[5]	Investment	Holland

(2) The share purchase and transfer of related subsidiary was realized on 18 July 2018.
(3) The establishment of related subsidiary was realized on 27 September 2018.
(4) The related subsidiary entered into liquidation process as of 20 January 2017.
(5) The establishment of related subsidiary was realized on 11May 2018.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Internet and Entertainment

Subsidiaries	Nature of business	Country
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Tv publishing	Turkey
Dogan Media International S.A. ("Kanal D Romanya")	Tv publishing	Romania
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Rapsodi Radyo")	Radio publishing	Turkey
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Music and entertainment	Turkey
Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Glokal")	Internet services	Turkey
Proje Land Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Proje Land")(5)	Internet services	Turkey
DMC Invest B.V. ("DMC Invest")(6)	Investment	Holland
Dogan Media Invest B.V. ("Dogan Media Invest")(6)	Investment	Holland
Glocal Invest B.V. ("Glocal Invest")(6)	Investment	Holland
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik")(7)	Internet services	Turkey

Real Estate Investments

Subsidiaries	Nature of business	Country
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Trade	Turkey
D Gayrimenkul Yatırımları ve Ticaret A.Ş. ("D Gayrimenkul")(8)	Real estate management	Turkey
Etkin Gayrimenkul Geliştirme Yönetim ve Danışmanlık A.Ş. ("Etkin Gayrimenkul")(9)	Real estate management	Turkey
SC D-Yapı Real Estate, Investment and Construction S.A. ("D Yapı Romanya")	Real estate	Romania

Other

Subsidiaries	Nature of business	Country
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	Tourism	Turkey
Marlin Otelcilik ve Turizm A.Ş. ("Marlin Otelcilik")	Tourism	Turkey
Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş. ("Neta Yönetim")	Tourism	Turkey
M Investment 1 LLC ("M Investment")	Real estate management	USA
Kelkit Doğan Besi İşletmeleri A.Ş. ("Kelkit Doğan Besi")(10)	Husbandry	Turkey
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. ("Değer Merkezi")	Management consultancy	Turkey
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Import and export	Turkey
Falcon Purchasing Services Ltd. ("Falcon")	Foreign trade	England

Joint Ventures	Nature of business	Country
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul")	Real estate	Turkey
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	Telecommunication	Turkey
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Magazine publishing	Turkey
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	Magazine publishing	Turkey

(5) The establishment of the related subsidiary was registered on 26 January 2018..
(6) The establishment of the related subsidiary was registered on 11 May 2018.
(7) The establishment of the related subsidiary was registered on 14 May 2018.
(8) The commercial title of Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. was changed to D Gayrimenkul Yatırımları ve Ticaret A.Ş. on 20 November 2018.
(9) Purchase and share transfer of related subsidiary was registered on 3 October 2018.
(10) The commercial title of Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. was changed to Kelkit Doğan Besi İşletmeleri A.Ş. on 1 February 2018.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Preparation and Presentation of Financial Statements

Adopted Financial Reporting Standarts

The accompanying consolidated financial statements are prepared in accordance with 2016 TAS Taxonomy based on the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets" and Turkish Financial Reporting Standarts ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"), which is developed by POA in accordance with paragraph 9(b) of Decree Law No,660 and announced to the public with Decree No: 30 dated 2 June 2016, subsequently further binded to CMB Decree No: 22/805 dated 15 July 2016 and announced to the public by CMB weekly bulletin No: 2016/22 dated 15 July 2016.

The Group maintains their legal books of accounts in Turkish Lira in accordance with the Tax Legislation, and the Uniform Chart of Accounts (General Communiqué on Accounting System Implementation) issued by the Ministry of Finance.

These consolidated financial statements, except for the financial assets and investment properties that are presented at fair value, are prepared on the basis of historical cost.

Adjustment to the financial statements in hyperinflationary periods

In accordance with the decision of CMB dated as 17 March 2005 and numbered 11/367, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with TFRS. Accordingly, No: 29, "Financial Reporting in Hyperinflationary Economies" ("TAS 29"), has not been applied commencing from 1 January 2005.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Turkish Lira, which is the functional and presentation currency of Doğan Holding.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries

Financial statements of subsidiaries and joint ventures operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group's accounting policies.

If the group entities' functional currency is different from the presentation currency; it is translated into the presentation currency as below:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss are translated at average exchange rates in the accounting period; and all resulting exchange differences are recognised as a separate component of equity and statements of other comprehensive income (currency translation differences).

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.1.3 Consolidation and equity method accounting principles

The consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures (collectively referred as the "Group") on the basis set out in sections (a) to (c) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications. Financial statements of consolidated entities are restated in accordance with the TAS considering the accounting policies and presentation requirements applied by the Group.

(a) Subsidiaries

Subsidiaries comprise of the companies directly or indirectly controlled by Doğan Holding.

Control is achieved when the Group:

- has power over the company/asset;
- is exposed, or has rights, to variable returns from its involvement with the company/asset; and
- has the ability to use its power to affect its returns.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are indicators of a situation or an event that may cause any changes to at least one of the elements of control listed above.

When the Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the relevant investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders' meetings).

Subsidiaries are consolidated by the date the Group takes the control and from the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and/or indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

Intercompany transactions and balances are eliminated on consolidation. The dividends arising from shares held by Doğan Holding in its subsidiaries are eliminated from equity and income for the period.

Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group and excluded from the consolidation when the control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

Income and expenses of a subsidiary, acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in ownership interests

The group assesses transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their indirect interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity of Doğan Holding.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

The table below sets out the proportion of voting power held by Doğan Holding, Doğan Family and its subsidiaries and effective ownership interests as of 31 December 2018 and 31 December 2017:

Fuel Retail

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Aytemiz Akaryakıt	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Aytemiz Petrolcülük	100.00	100.00	-	-	100.00	100.00	50.00	50.00
İstasyon Petrolcülük	100.00	100.00	-	-	100.00	100.00	50.00	50.00
D&A Energy[1]	100.00	-	-	-	100.00	-	50.00	-

Electricity Production and Trade

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Doğan Enerji	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Galata Wind	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Sunflower[2]	55.00	-	-	-	55.00	-	55.00	-
FB Güneş Enerjisi Yatırımları A.Ş.[3]	-	-	-	-	-	-	-	-
Doel Elektrik	100.00	100.00	-	-	100.00	100.00	100.00	100.00

Industry

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Çelik Halat	77.65	78.85	-	-	77.65	78.85	77.65	78.85
Celik Halat Netherlands[4]	100.00	-	-	-	100.00	-	77.65	-
Ditaş Doğan	72.62	73.59	-	-	72.62	73.59	72.62	73.59
Ditas America	100.00	100.00	-	-	100.00	100.00	72.62	73.59
Ditas Trading[5]	100.00	100.00	-	-	100.00	100.00	72.62	73.59
D Stroy	100.00	100.00	-	-	100.00	100.00	72.62	73.59

(1) The establishment of the related subsidiary was realized on 18 May 2018.
(2) The share transfer of the related subsidiary was realized on 18 July 2018.
(3) The transfer of shareholding of the related subsidiary was registered on 4 April 2018 and merged under Galata Wind on 6 July 2018.
(4) The establishment of related subsidiary was realized on 27 September 2018.
(5) The related subsidiary entered into liquidation process as of 20 January 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Automotive Trade and Marketing

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Suzuki	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Trend Motosiklet(6)	100.00	99.84	-	-	100.00	99.84	100.00	99.84
DAF	100.00	100.00	-	-	100.00	100.00	100.00	100.00

Financing and Investment

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Öncü Girişim	100.00	100.00	-	-	100.00	100.00	100.00	98.20
Doruk Faktoring	100.00	100.00	-	-	100.00	100.00	100.00	98.86
Doruk Finansman	97.02	97.02	2.98	2.98	100.00	100.00	97.02	97.02
İlke Turistik	100.00	100.00	-	-	100.00	100.00	100.00	100.00
DHI Investment	100.00	100.00	-	-	100.00	100.00	100.00	100.00
DH Upside(7)	100.00	-	-	-	100.00	-	100.00	-

Internet and Entertainment

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Glokal	100.00	100.00	-	-	100.00	100.00	100.00	79.29
Proje Land (8)	86.00	-	-	-	86.00	-	86.00	-
D Yapım Reklamcılık	100.00	100.00	-	-	100.00	100.00	100.00	93.22
Kanal D Romanya	99.99	99.99	-	-	99.99	99.99	99.99	93.22
Rapsodi Radyo	100.00	100.00	-	-	100.00	100.00	100.00	93.22
DMC	100.00	100.00	-	-	100.00	100.00	100.00	93.22
Blutv İletişim(9)	-	100.00	-	-	-	100.00	-	90.96
DMC Invest(7)	100.00	-	-	-	100.00	-	100.00	-
Dogan Media Invest(7)	100.00	-	-	-	100.00	-	100.00	-
Glocal Invest(7)	100.00	-	-	-	100.00	-	100.00	-
NetD Müzik(10)	100.00	-	-	-	100.00	-	100.00	-

Real Estate Investments

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Milpa	83.04	86.27	0.16	0.16	83.19	86.43	83.04	86.27
D Gayrimenkul(11)	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Etkin Gayrimenkul(12)	100.00	-	-	100.00	100.00	100.00	100.00	-
D-Yapı Romanya	100.00	100.00	-	-	100.00	100.00	100.00	100.00

(6) The purchase and share transfer of the related subsidiary was realized on 9 November 2018.
(7) The establishment of the related subsidiary was realized on 11 May 2018.
(8) The establishment of the related subsidiary was realized on 26 January 2018.
(9) The related subsidiary was sold on 17 August 2018.
(10) The establishment of the related subsidiary was registered on 14 May 2018.
(11) The commercial title of Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. was changed to D Gayrimenkul Yatırımları ve Ticaret A.Ş. on 20 November 2018.
(12) The share transfer of the related subsidiary was realized on 3 October 2018.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Other

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Milta Turizm	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Marlin Otelcilik	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Neta Yönetim	100.00	100.00	-	-	100.00	100.00	100.00	100.00
M Investment	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Kelkit Doğan Besi(13)	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Değer Merkezi	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Doğan Dış Ticaret	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Falcon	100.00	100.00	-	-	100.00	100.00	100.00	100.00

Publishing(14)

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Hürriyet Gazetecilik ve Matbaacılık A.Ş.	-	77.65	-	-	-	77.65	-	77.65
Doğan Gazetecilik A.Ş.	-	92.81	-	0.52	-	93.33	-	92.81
Hürriyet Zweigniederlassung GmbH	-	100.00	-	-	-	100.00	-	77.65
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	77.65
Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	77.65
Doğan İnternet Yayıncılığı ve Yatırım A.Ş.	-	100.00	-	-	-	100.00	-	99.73
Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş.	-	100.00	-	-	-	100.00	-	100.00
Doğan Haber Ajansı A.Ş.	-	99.99	-	-	-	99.99	-	99.99
Doğan Media International GmbH	-	100.00	-	-	-	100.00	-	90.52
Hürriyet Invest B.V.	-	100.00	-	-	-	100.00	-	77.65
Trader Media East Ltd.	-	97.29	-	-	-	97.29	-	75.54
TCM Adria d.o.o.	-	100.00	-	-	-	100.00	-	75.54
Mirabridge International B.V.	-	100.00	-	-	-	100.00	-	75.54
Publishing International Holding B.V.	-	100.00	-	-	-	100.00	-	75.54
OOO RUKOM	-	100.00	-	-	-	100.00	-	75.54
OOO Pronto Samara	-	100.00	-	-	-	100.00	-	75.54
OOO Pronto Media Holding Ltd.	-	100.00	-	-	-	100.00	-	75.54
OOO SP Belpronto	-	60.00	-	-	-	60.00	-	45.32
ZAO Pronto Akzhol	-	80.00	-	-	-	80.00	-	60.43
TOO Pronto Akmola	-	100.00	-	-	-	100.00	-	75.54
ID Impress Media LLC	-	91.00	-	-	-	91.00	-	68.74
OOO Rektcentr	-	100.00	-	-	-	100.00	-	75.54
Publishing House Pennsylvania Inc.	-	100.00	-	-	-	100.00	-	75.54

(13) The commercial title of Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. was changed to Kelkit Doğan Besi İşletmeleri A.Ş. on 1 February 2018.
(14) Disclosed in Note 2.1.5.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Broadcasting [14]

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Doğan TV Holding A.Ş.	-	93.22	-	0.10	-	93.32	-	93.22
DTV Haber ve Görsel Yayıncılık A.Ş.	-	94.97	-	5.03	-	100.00	-	88.53
Mozaik İletişim Hizmetleri A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Doğan TV Digital Platform İşletmeciliği A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Osmose Media S.A.	-	100.00	-	-	-	100.00	-	93.22
Doğan Uydu Haberleşme Hizmetleri ve Telekomünikasyon Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	93.22
Uydu İletişim Basın Yayın A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Doruk Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.22
Doğa Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Dark Yapımcılık ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	88.53
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Stil Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Selenit Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Fleks Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Kutup Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Galaksi Radyo ve Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Yörünge Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Tematik Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.22
Süper Kanal Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.22
Eko TV Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.22
Primeturk GmbH	-	100.00	-	-	-	100.00	-	93.30
Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	93.22
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
TV2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Tic. A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Popüler Televizyon ve Radyo Yayıncılık A.Ş.	-	100.00	-	-	-	100.00	-	93.30
Mavi Digital Teknoloji Hizmetleri ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	88.53

[14] Disclosed in Note 2.1.5.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Retail[14]

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş.	-	100.00	-	-	-	100.00	-	100.00
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş.	-	100.00	-	-	-	100.00	-	100.00
A.G.T. Tanıtım Kağıt Ürünleri Sanayi ve Ticaret A.Ş.	-	90.00	-	-	-	90.00	-	90.00

(14) Disclosed in Note 2.1.5.

(b) Non-Controlling Interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest and non-controlling profit/loss in the consolidated statement of financial position and consolidated statement of income.

(c) Joint Ventures

According to TFRS-11 Joint Agreements, investments under joint agreements are classified as joint activities or joint ventures. The classification is based on contractual rights and obligations of all investors, rather than the legal structure of the joint agreement.

Joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

2.1.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.1.5 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group presents comparatively its consolidated statement of financial position as of 31 December 2018 with 31 December 2017. Consolidated statement of profit or loss and consolidated other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity for the period ended 1 January - 31 December 2018, are presented comparatively with the consolidated financial statements as of the period 1 January – 31 December 2017.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

Group completed the sales and transfer of shares in the period following the signing of the share sale contracts related to the sale and transfer of shares in the capitals of the direct and indirect subsidiaries operating in the publishing ,broadcasting and retail segments disclosed in Note 1. Details of share sales and transfer transactions are disclosed in Public Disclosure Platform as of 6 April 2018, 16 May 2018 and 29 May 2018. As of 31 December 2018, these transactions of the related subsidiaries, realized in 1 January – 31 December 2018 period were reclassified as discontinued operations. In this context, Group has presented the related activities as discontinued operations in order to ensure consistency with the consolidated statement of profit or loss and related notes and statement of cash flows for the period 1 January - 31 December 2017.

The Group determines whether there is a business combination or not by taking into account definitions in TFRS 3 Business Combinations standard.

According to this, the assets and the assumed liabilities, subject to the transaction described in Note 3, are considered as a whole and evaluated as "Transactions Between Entities Under Common Control" ("TBEUCC").

TBEUCC; in line with the International Accounting Standards (IAS) and related interpretations, can be accounted by restating the prior period financial statements with "Pooling of Interest" ("Option A") or recognized prospectively from the date of purchase (" Option B").

In the Official Gazette dated July 21, 2013, the POA issued a "Resolution" regarding the "Recognition of TBEUCC" and stated that only application of "Option A" is mandatory. Based on this Resolution, after 1 January 2016 the consolidated financial statements have been prepared by the "Pooling of Interest" method.

If "Option B" has been applied, the impact of abovementioned requirements presumed by the application of "Option A", accounted after tax effect in profit or loss statement amounting to TRY 327,953 would not be presented in consolidated profit or loss statement for period 1 January 2018 - 31 December 2018, and net profit after tax would be TRY 3,961,049 (31 December 2017: TRY 471,545 net loss for the period after tax). The comparative information related to the acquisition and the effects of restating the prior period financial statements are presented in the tables below:

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

The effects of the relevant regulations and classifications described above are presented below.

ASSETS	Notes	*Reported Prior Period 31 December 2017*	*Restatement effects including elimination impacts*	*Restated Prior Period 31 December 2017*
Current assets		4,892,249	6,470	4,898,719
Cash and cash equivalents	6	1,708,467	191	1,708,658
Financial investments	7	71,743	-	71,743
Trade receivables from related parties	33	8,588	1,639	10,227
Trade receivables from non-related parties	9	2,224,546	3,109	2,227,655
Other receivables from related parties	33	9,750	-	9,750
Other receivables from non-related parties	10	28,770	-	28,770
Inventories	11	601,962	-	601,962
Prepaid expenses	20	117,180	1,280	118,460
Derivative instruments	21	83	-	83
Biological assets	12	-	-	-
Other current assets	19	121,160	251	121,411
Non-current assets		4,386,262	1,292,871	5,679,133
Trade receivables due from non-related parties	9	21,783	-	21,783
Other receivables from non-related parties	10	19,554	125	19,679
Financial investments	7	125,137	-	125,137
Investments accounted for by the equity method	4	358,415	-	358,415
Investment properties	13	564,947	1,288,020	1,852,967
Property, plant and equipment	14	1,319,438	3,849	1,323,287
Other intangible assets	15	947,596	99	947,695
Goodwill	15	403,713	-	403,713
Prepaid expenses	20	39,340	739	40,079
Deferred tax asset	31	53,064	39	53,103
Other non-current assets	19	533,275	-	533,275
Total assets		9,278,511	1,299,341	10,577,852

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

LIABILITIES	Notes	*Reported Prior Period 31 December 2017*	*Restatement effects including elimination impacts*	*Restated Prior Period 31 December 2017*
Current liabilities		4,308,169	856,880	5,165,049
Short-term borrowings	8	1,558,223	-	1,558,223
Short-term portion of long-term borrowings	8	1,059,380	-	1,059,380
Trade payables due to related parties	33	26,143	-	26,143
Trade payables due to non-related parties	9	1,278,158	5,313	1,283,471
Payables related to employee benefits	22	36,307	252	36,559
Deferred income	20	92,326	754	93,080
Derivative instruments	21	1,098	-	1,098
Other payables due to related parties	33	-	850,000	850,000
Other payables due to non-related parties	10	148,955	102	149,057
Current income tax liability	31	14,110	-	14,110
Short-term provisions for employment benefits	22	56,745	49	56,794
Other short-term provisions	17	36,724	-	36,724
Other short-term liabilities		-	410	410
Non-current liabilities		1,970,276	89,658	2,059,934
Long-term borrowings	8	747,215	-	747,215
Investments accounted for by the equity method	4	310,342	-	310,342
Other financial liabilities	8	666,291	-	666,291
Other payables due to non-related parties	10	13,710	1,302	15,012
Deferred income	20	5,626	293	5,919
Long-term provisions for employment benefits	22	122,556	459	123,015
Deferred tax liability	31	104,536	87,604	192,140
EQUITY		3,000,066	352,803	3,352,869
Equity attributable to equity holders of the parent company		2,608,363	352,803	2,961,166
Share capital	23	2,616,938	-	2,616,938
Adjustments to share capital	23	143,526	-	143,526
Repurchased shares (-)	23	(2,080)	-	(2,080)
Share premiums (discounts)	23	35,159	-	35,159
Other comprehensive income (losses) that will not be reclassified in profit or loss				
- Gain (loss) on revaluation of property, plant and equipment	23	34,820	-	34,820
- Actuarial gains (losses) on defined benefit plans	23	(41,613)	-	(41,613)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	4	(626)	-	(626)
Other comprehensive income (losses) that will be reclassified in profit or loss)				
- Change in currency translation reserves	23	295,272	-	295,272
- Gain (loss) on revaluation and reclassification of financial assets for sale	23	32,196	-	32,196
- Gain (losses) from hedge reserve	23	(665)	-	(665)
Restricted reserves	23	312,427	-	312,427
Retained earnings or accumulated losses		(345,446)	204,457	(140,989)
Net profit or loss for the period		(471,545)	148,346	(323,199)
Non-controlling interests		391,703	-	391,703
Total liabilities		9,278,511	1,299,341	10,577,852

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

	Reported Prior Period 1 January - 31 December 2017	*Classification effects of discontinued operations*	*Restatement effects including elimination impacts*	*Restated Prior Period 1 January - 31 December 2017*
Profit or Loss				
Revenue	10,478,354	(2,794,280)	54,548	7,738,622
Cost of Sales (-)	(9,045,189)	1,823,950	(10,081)	(7,231,320)
Gross Profit (Loss)	1,433,165	(970,330)	44,467	507,302
General Administrative Expenses (-)	(391,838)	212,043	(11,386)	(191,181)
Marketing Expenses (-)	(795,743)	474,086	(6,448)	(328,105)
Other Income From Operating Activities	489,799	(125,946)	144	363,997
Other Expenses From Operating Activities (-)	(307,991)	104,154	(149)	(203,986)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	(74,840)	-	-	(74,840)
Operating Profit/(Loss)	352,552	(305,993)	26,628	73,187
Income from Investment Activities	92,435	(46,806)	152,296	197,925
Expenses from Investment Activities (-)	(177,018)	23,744	-	(153,274)
Operating Profit (Loss) Before Finance (Expense)/Income	267,969	(329,055)	178,924	117,838
Finance Income	565	(388)	41	218
Finance Expenses (-)	(497,821)	231,575	-	(266,246)
Profit (Loss) Before Taxation From Continued Operations	(229,287)	(97,868)	178,965	(148,190)
Tax (Expense)/Income From Continued Operations	(43,245)	(12,012)	(30,619)	(85,876)
Tax Income/(Expense) for the Period	(38,821)	(139,645)	-	(178,466)
Deferred Tax Income/ (Expense)	(4,424)	127,633	(30,619)	92,590
Profit/(Loss) For The Period From Continued Operations	(272,532)	(109,880)	148,346	(234,066)
Profit/(Loss) For The Period From Discontinued Operations	(252,360)	109,880	-	(142,480)
Profit/(Loss) For The Period	(524,892)	-	148,346	(376,546)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

	Reported Prior Period *1 January - 31 December 2017*	*Restatement effects including elimination impacts*	Restated Prior Period *1 January - 31 December 2017*
Profit/(Loss) For The Period	(524,892)	148,346	(376,546)
OTHER COMPREHENSIVE INCOME			
That will not be reclassified as profit or loss			
Gains (losses) on revaluation of property plant and equipments	-	-	-
Actuarial gains (losses) on defined benefit plans	(5,498)	-	(5,498)
Defined benefit plans remeasurement gains (losses) of investments accounted for by equity method	(626)	-	(626)
Taxes related to other comprehensive income that will not be reclassified as profit or loss			
Tax effect of gains (losses) on revaluation of property plant and equipments	(2,527)	-	(2,527)
Tax effect of actuarial gains (losses) on defined benefit plans	1,100	-	1,100
That will be reclassified as profit or loss			
Currency translation differences	80,175	-	80,175
Gain (losses) on revaluation and/or reclassification of financial assets available for sale	25,036	-	25,036
Other comprehensive income (loss) related with cash flow hedges	(1,098)	-	(1,098)
Taxes related to other comprehensive income that will be reclassified as profit or loss			
Tax effect of comprehensive income (loss) related with cash flow hedges	242	-	242
Tax effect on revaluation and/or reclassification of financial assets available for sale	(8,442)	-	(8,442)
OTHER COMPREHENSIVE INCOME /(LOSS)	88,362	-	88,362
TOTAL COMPREHENSIVE INCOME /(LOSS)	(436,530)	148,346	(288,184)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

ASSETS	Notes	*Reported Prior Period* 31 December 2016	*Restatement effects including elimination impacts*	*Restated Prior Period* 31 December 2016
Current assets		3,912,023	6,270	3,918,293
Cash and cash equivalents	6	1,512,163	182	1,512,345
Financial investments	7	288,752	-	288,752
Trade receivables from related parties	33	8,523	1,050	9,573
Trade receivables from non-related parties	9	1,485,674	3,649	.1,489,323
Other receivables from related parties	33	10,726	-	10,726
Other receivables from non-related parties	10	17,046	-	17,046
Inventories	11	441,350	-	441,350
Prepaid expenses	20	81,583	1,344	82,927
Derivative instruments	21	551	-	551
Biological assets	12	215	-	215
Other current assets	19	65,440	45	65,485
Non-current assets		4,340,755	1,142,401	5,483,156
Trade receivables due from non-related parties	9	25,258	-	25,258
Other receivables from non-related parties	10	29,082	125	29,207
Financial investments	7	76,716	-	76,716
Investments accounted for by the equity method	4	323,471	-	323,471
Investment properties	13	569,870	1,135,724	1,705,594
Property, plant and equipment	14	1,167,901	4,700	1,172,601
Other intangible assets	15	1,116,872	76	1,116,948
Goodwill	15	403,713	-	403,713
Prepaid expenses	20	51,623	1,546	53,169
Deferred tax asset	31	42,303	230	42,533
Other non-current assets	19	533,946	-	533,946
Total assets		8,252,778	1,148,671	9,401,449

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

LIABILITIES	Notes	*Reported Prior Period 31 December 2016*	*Restatement effects including elimination impacts*	*Restated Prior Period 31 December 2016*
Current liabilities		2,788,691	6,108	2,794,799
Short-term borrowings	8	1,088,428	-	1,088,428
Short-term portion of long-term borrowings	8	305,409	-	305,409
Trade payables due to related parties	33	25,403	8	25,411
Trade payables due to non-related parties	9	939,110	4,424	943,534
Payables related to employee benefits	22	36,796	315	37,111
Deferred income	20	56,243	858	57,101
Other payables due to non-related parties	10	232,115	131	232,246
Current income tax liability	31	13,426	31	13,457
Short-term provisions for employment benefits	22	51,263	115	51,378
Other short-term provisions	17	40,498	-	40,498
Other short-term liabilities		-	226	226
Non-current liabilities		2,026,041	909,168	2,935,209
Long-term borrowings	8	895,383	-	895,383
Investments accounted for by the equity method	4	227,293	-	227,293
Other financial liabilities	8	519,829	-	519,829
Other payables due to-related parties	33	-	850,000	850,000
Other payables due to non-related parties	10	119,449	1,340	120,789
Deferred income	20	7,457	373	7,830
Long-term provisions for employment benefits	22	119,120	310	119,430
Deferred tax liability	31	137,510	57,145	194,655
EQUITY		3,438,046	233,395	3,671,441
Equity attributable to equity holders of the parent company		2,999,228	233,395	3,232,623
Share capital	23	2,616,938	-	2,616,938
Adjustments to share capital	23	143,526	-	143,526
Repurchased shares (-)	23	(2,080)	-	(2,080)
Share premiums (discounts)	23	35,159	-	35,159
Other comprehensive income (losses) that will not be reclassified in profit or loss				
- Gain (loss) on revaluation of property, plant and equipment	23	48,007	-	48,007
- Actuarial gains (losses) on defined benefit plans	23	(37,810)	-	(37,810)
Other comprehensive income (losses) that will be reclassified in profit or loss)				
- Change in currency translation reserves	23	221,961	-	221,961
- Gain (loss) on revaluation and reclassification of financial assets available for sale	23	15,602	-	15,602
Restricted reserves	23	314,979	-	314,979
Retained earnings or accumulated losses		(137,831)	233,395	95,564
Net profit or loss for the period		(219,223)	-	(219,223)
Non-controlling interests		438,818	-	438,818
Total liabilities		8,252,778	1,148,671	9,401,449

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

Transition to TFRS 9 "Financial instruments

Group has applied TFRS 9 "Financial instruments", which has replaced TMS 39 on the transition date, 1 January 2018. The amendments include the classification and measurement of financial assets and liabilities and the expected credit risk model which will replace incurred credit risk model. Effect of transition is accounted based on the simplified approach. In accordance with this method, Group recorded the cumulative effect related to the transition of TFRS 9 in retained earnings on the first application date. Therefore, prior year consolidated financial statements are not restated.

Changes related to the classification of TFRS 9, financial assets and liabilities are as follows and these changes in the classification do not result in changes in measurement of assets except for financial investments:

Financial assets	Original classification under TAS 39	New classification under TFRS 9
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade receivables/other	Loans and receivables	Amortized cost
Derivative instruments	Fair value through statement of profit or loss/ other comprehensive income	Fair value through statement of profit or loss/ other comprehensive income
Financial invesments	Available for sale financial assets	Fair value through statement of profit or loss/ other comprehensive income

Financial liabilities	Original classification under TAS 39	New classification under TFRS 9
Derivative financial liabilities	Fair value through statement of profit or loss/ other comprehensive income	Fair value through statement of profit or loss/ other comprehensive income
Borrowings	Amortized cost	Amortized cost
Trade payables/other	Amortized cost	Amortized cost
Financial Leasing	Amortized cost	Amortized cost

Explanations related to the effects of TFRS 9 and TFRS 15 on the consolidated financial statements as of 1 January 2018 are as follows:

Retained earnings as of 1 January	2018
Prior period	-
Pre-tax effects of amendments related to implementation of TFRS 9 standard	981
Tax effects of amendments related to implementation of TFRS 9 standard	(216)
Effects of amendments related to implementation of TFRS 15 standard	-
	765

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

First transition to TFRS 15 "Revenue from contracts with customers"

The Group, evaluated in detail the cumulative impact of TFRS 15 "Revenue from Contracts with Customers"standard which the first application date of is January 1, 2018, and accordingly the cumulative effect of the first transition to TFRS 15 has not been accounted for by considering the materiality level. Therefore, there is no need to revise the consolidated financial statements of previous years. In accordance with this transition method, the Group has started to apply this standard in the reporting period starting from 1 January 2018.

2.1.6 Significant accounting policies and changes in accounting estimates and errors and restatement of prior period financial statements

Changes of accounting policies resulting from the first time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS")

In the current period there is no such standard or interpretation affecting the Group's financial performance, statement of financial position, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no effect on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

a) Amendments and interpretations to existing standards and prior year standards published as of 31 December 2018

- TFRS 9, "Financial instruments"; effective from periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards (“TFRS”) (Continued)

a) Amendments and interpretations to existing standards and prior year standards published as of 31 December 2018

- Amendment to TFRS 15, “Revenue from contracts with customers”, effective from annual periods beginning on or after 1 January 2018. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The Group started to apply the standard in the reporting period starting from 1 January 2018. If the Group had applied transition to TFRS 15 retrospectively, the amount of TRY 46,591 which was related to intangible rights, advance sales support premiums, etc. provided to dealers and accounted for under marketing expenses for the period ended at 1 January - 31 December 2017, would be accounted for under sales returns by offsetting from revenue.

- Amendments to TFRS 4, “Insurance contracts” regarding the implementation of TFRS 9, ‘Financial Instruments’; effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach. Aforementioned amendment does not have significant impact on Group’s financial position and performance. The amended standard will:

  - give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when TFRS 9 is applied before the new insurance contracts standard is issued; and

  - give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying TFRS 9 until 2021. The entities that defer the application of TFRS 9 will continue to apply the existing financial instruments standard TAS 39, “Financial Instruments.

- Amendment to TAS 40, “Investment property” relating to transfers of investment property; effective from annual periods beginning on or after 1 January 2018. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence. Aforementioned amendment does not have significant impact on Group’s financial position and performance.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS") (Continued)

a) Amendments and interpretations to existing standards and prior year standards published as of 31 December 2018(Continued)

- Amendments to TFRS 2, "Share based payments" on clarifying how to account for certain types of share-based payment transactions; effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in TFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. Aforementioned amendment does not have significant impact on Group's financial position and performance.

- Annual improvements 2014-2016; effective from annual periods beginning on or after 1 January 2018. These amendments impact 2 standards:

  - TFRS 1, "First time adoption of TFRS", regarding the deletion of short-term exemptions for first-time adopters regarding TFRS 7, TAS 19 and TFRS 10.
  - TAS 28, "Investments in associates and joint venture" regarding measuring an associate or joint venture at fair value.

- TFRS Interpretation 22, "Foreign currency transactions and advance consideration"; effective from annual periods beginning on or after 1 January 2018. This TFRS addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. Aforementioned amendment does not have significant impact on Group's financial position and performance.

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2018:

- Amendment to IFRS 9, 'Financial instruments'; effective from annual periods beginning on or after 1 January 2019. This amendment confirm that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from TAS 39. The Group has completed detailed assessment related with the effects of aforementioned change on Group's financial position and performance and it has been announced in Note 2.1.5.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS") (Continued)

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2018 (Continued):

- Amendment to TAS 28, "Investments in associates and joint venture"; effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using TFRS 9.

- TFRS 16, "Leases"; effective from periods beginning on or after 1 January 2019, with earlier application permitted if TFRS 15'Revenue from Contracts with Customers' is also applied. This standard replaces the current guidance in TAS 17 and brings a far-reaching change in accounting of lessees in particular. Under TAS 17, lessees were required to make a distinction between a financial lease (on balance sheet) or an operating lease (off balance sheet). TFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' in the financial statements for all lease contracts that meet the conditions. For lessors, the accounting stays almost the same. However, as the definition of a lease (as well as the guidance on the combination and separation of contracts) is amended, lessors may also need to reassess their situation against the new standard. As of application of TFRS 16, existing or new lease contracts may also need to be reassessed against the new standard. Under TFRS 16, a contract is a lease or contains a lease transaction, if the contract conveys the right to control and the use of control of an identified asset for a period of time in exchange of a specified amount. The Group is planning to use the simplified transition application and not to restate comparable amounts for the year prior to the first implementation. In this way, all use right assets will be measured in terms of leasing liabilities at the transition time (adjusted according to rental costs paid in advance or accrued). As of the date of this report, impacts of the new standard on the consolidated financial positon of the Group is being assessed with including all subsidiaries of the Group.

- TFRS Interpretation 23, "Uncertainty over income tax treatments"; effective from periods beginning on or after 1 January 2019. This TFRS clarifies how the recognition and measurement requirements of TAS 12, "Income taxes" are applied where there is uncertainty over income tax treatments. When there is an uncertainty in tax practices, the TFRS Interpretation Committee previously clarified that the uncertainty should be evaluated according to TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" standard, not according to TAS 12. TFRS 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. TFRS 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

- TFRS 17, "Insurance contracts"; effective from annual periods beginning on or after 1 January 2021. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1. Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS") (Continued)

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2018 (Continued)

- Annual improvements 2015-2017; effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

  - TFRS 3, 'Business combinations', - a company remeasures its previously held interest in a joint operation when it obtains control of the business.
  - TFRS 11, 'Joint arrangements', - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - TAS 12, 'Income taxes' - a company accounts for all income tax consequences of dividend payments in the same way.
  - TAS 23, 'Borrowing costs' - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

- Amendments to TAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'; effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

  - use updated assumptions to determine current service cost and net interest for the reminder of the period after a plan amendment, curtailment or settlement; and;
  - recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

- Changes in materiality definition of TAS 1 "Presentation of Financial Statements" and TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" are valid for reporting periods beginning on or after 1 January 2020. Amendments in TAS 1 "Presentation of Financial Statements" and TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and other amendments in TFRS are as follows:

  i) Use of the definition of materiality consistent with IFRS and financial reporting framework
  ii) clarification on explanation of the definition of materiality, and
  iii) inclusion of some guidance in TAS 1 on non-essential information

- Amendments in TFRS 3, 'Business combinations', definition of entity; are valid for reporting periods beginning on or after 1 January 2020. With this amendment, the definition of entity is revised. According to feedbacks received by the IASB, it is generally considered that the practice guidance available is very complex, and the definition of these business combinations results in a lot of processing.

The Group has not yet determined the possible effects on its consolidated financial statements in consequence of applying such standards, other than the abovementioned effects, and does not expect these differences to have a significant effect on its consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1. Basis of Presentation (Continued)

2.1.8 US Dollar convenience translation

US Dollar ("USD") amounts presented in the consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish Lira ("TRY"), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate of TRY 5,2609 = USD 1,00 as of 31 December 2018. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with the generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TRY amounts have been or could be converted into USD at this or any other rate.

2.2 Summary of Significant Accounting Policies

Related parties

Related parties are people or entities that are related to the entity (reporting entity) that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity; or,
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions apply:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Under the guidance of the explanations mentioned above and also in compliance with TAS 24, Doğan Şirketler Grubu Holding A.Ş. directly or indirectly has participation, including any entities under common control; real persons and/or legal entities that have direct or indirect individual or joint control over the company and their close family members (relatives up to second-degree) and legal entities having direct or indirect individual or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's subsidiaries and members of the Board of Directors, key management personnel and their close family members (relatives up to second-degree) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 33).

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 6).

Sales and repurchase agreements

Funds given in return for financial assets purchase with the requirement of selling back ("Reverse repo") are recognized as reverse repurchase agreements at consolidated financial statements (Note 6). Income discount is calculated for the difference between the buying and selling prices, determined with aforementioned reverse repo agreements, accrued for the period according to internal discount rate method and recognized by the adding to the cost of reverse repos. Funds provided in return for financial assets reverse repurchase are recognized under cash and cash equivalents in the consolidated financial statements.

Trade receivables and provision for doubtful receivables

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income ("unearned financial income due to sales with maturity"). Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named "effective interest rate". Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 9).

When calculating the impairment of trade receivables, which are recognised based on the cost amortised in financial statements and do not include an important financing component, Group preferred to adopt "simplified approach" in TFRS 9 standard.

According to "simplified approach" of TFRS 9 Standard, loss provisions concerning trade receivables are calculated equal to "lifetime expected credit loss" if trade receivables are not impaired due to valid reasons as stated in TFRS 9.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

TAS 39, "Financial Instruments" valid before 1 January 2018: Instead of "realised credit losses model" in Accounting and Measurement Standard, "expected credit loss model" was defined in TFRS 9 "Financial Instruments" Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of the Company are considered.

The Group decides to allocate provision for doubtful receivables, whose payment was not made within the ordinary commercial activity cycle of the Group, considering whether the trade receivable is subject to administrative and/or legal proceeding, whether or not they have a guarantee and there is an objective finding. The amount of such provision is the difference between the book value of the receivable and the collectible amount. The collectible amount is the current value of the expected cash flow, including the amounts to be collected from guarantees and collaterals, which is discounted based on the original effective interest rate of the initial receivable.

When trade receivables are not impaired for certain reasons along with realised impairment losses, Group recognises expected credit loss provision equal to lifetime expected credit loss for trade receivables as per TFRS 9. Expected credit loss is calculated by expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from operating activities (Note 27).

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognized as other income from operating activities following the write-down of the total provision amount (Note 9, 27).

Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale (net realizable value). Cost elements included in inventory are purchasing costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 11).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the consolidated statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changing economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment.

Financial Assets

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

(a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "other receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision is not provided to the trade receivables as a result of a specific event, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the statement of consolidated financial position, they are classified as non-current assets. Group makes a choice that cannot be changed later for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of "derivative instruments" in consolidated statement of financial position and "financial asset", which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short-run, irrespective of the reason of acquisition, and kept for trading purposes. Derivative instruments are recognised as asset if their fair value is positive and as liability if their fair value is negative. Group's derivative instruments consist of transactions concerning future contracts. Financial assets that are measured by their fair value and associated with the profit or loss statement are initially reflected on the consolidated statement of financial position with their costs including the transaction cost. These financial assets are valued based on their fair value after they are recognised. Realised or unrealised profit and losses are recognised under "financing income/(expense)". Dividends are recognised as dividend income in consolidated profit or loss statement. Financial assets including the derivative products not determined as hedging instruments are classified as financial assets whose fair value difference is reflected as profit or loss (Note 21).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Financial Assets(Continued)

ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist of equities and certain debt securities held by the Group and listed in a stock exchange of an active market and they are recognised under "financial investments" in consolidated statement of financial position. Impairment in these assets, which are recognised with their fair value, and unrealised profit or loss, which arise from changes other than changes in profit or loss concerning exchange rate differences in interest and monetary assets calculated by efficient interest method are tracked under consolidated other comprehensive income statement and under financial asset shall be recognized in equity, through the investment revaluation reserve until the financial asset is removed from consolidated financial statements. If the assets whose fair value difference is recognised under consolidated other comprehensive income statement are sold, valuation differences classified under consolidated other comprehensive income statement are classified under "Retained Earnings/(Losses)"

Derivative financial instruments and hedge accounting

Derivative financial instruments, predominantly foreign currency and interest swap agreements, commodity exchange contracts and foreign currency forward agreements are comprised. Derivative financial instruments are subsequently remeasured at their fair value. Fair values of derivative financial instruments are obtained from quoted market prices or discounted cash flow models as appropriate. Based on positive or negative fair value, derivative financial instruments are carried as assets or liabilities in the statement of financial position respectively (Note 21).

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss.

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives is included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or a liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item has an effect on profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

The Group utilizes foreign exchange derivatives and commodity derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts and option contracts regarding the management of fluctuations in exchange rates and fuel prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in equity remains in equity until the forecast transaction or firm commitment affects profit or loss. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognized in equity are transferred to the profit/(loss) statement.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions as of the statement of financial position date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated profit or loss in the period in which they arise. Deferred tax (liability)/asset has been calculated from all the temporary differences from investment properties.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in consolidated profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognized as revaluation fund in consolidated statement of other comprehensive income (Note 13).

Property, plant and equipment

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses (Note 14). Depreciation is provided on property, plant and equipment on a straight-line basis (except land). Lands are not subject to depreciation due to their unlimited useful life. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Land improvements	5 - 50
Buildings	10 - 50
Machinery and equipment	2 - 28
Motor vehicles	2 - 20
Furniture and fixtures	2 - 15
Development costs of leased tangible assets	2 - 39
Other tangible assets	2 - 50
Leasehold improvements	2 - 25

Expected useful life, residual value and depreciation method are reviewed annually for possible effects of changes in estimates and are recognized prospectively if there is a change in estimates.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognized in the consolidated statement of financial position upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as income or expenses from investing activities in consolidated profit or loss.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount provided to allocate provision. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets as of the consolidated statement of financial position date.

Repair and maintenance expenses are charged to the consolidated statement of profit or loss as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

Gain and losses regarding sale of property, plant and equipment are accounted as other income and expenses from investing activities.

Financial leases

Leases are classified as “finance leases” (for example machinery and equipment leases) by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with TFRS on borrowing costs (Note 8).

Operating lease

An operating lease is a lease that does not substantially all the risks and rewards incidental to ownership of an asset (for example, vehicle and building rentals). For operating leases, lease payments (net of any incentives received from the lessor) are recognized as an expense on a straight line basis over the lease term under the consolidated statement of profit or loss.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Intangible assets and related amortization

Intangible assets excluding goodwill and assets with infinite useful lives comprise brand names, customer lists, terrestrial broadcasting permissions and licenses (frequency rights), other identified rights, computer software and television programme rights which are further discussed in Note 2.2. Brand names, customer lists and domain names are determined based on the independent valuation on business combinations. Useful lives of certain brand names are determined to be infinite. Assets that have infinite useful life are not subject to amortization and are tested for impairment at least once a year (Note 15).

Related accounting policy has been applied from 1 January 2018 to the date of completion of subsidiary sale transactions detailed in Note 30.

Prepaid dealer agreement amounts have been recognized under intangible assets within the context of usufruct agreements made with certain fuel oil and LPG dealers to guarantee product sales by Aytemiz Akaryakıt and the duration of these dealer agreements is 5 years.

Intangible assets with estimated useful life are accounted for at acquisition costs and amortized on a straight-line method (Note 15).

Estimated useful lives of intangible assets are as follows:

	Years
Electricity production licences	45 - 47
Trademark	20 - 25
Customer lists	9 - 25
Domain names	3 - 20
Computer software and rights	3 - 15
Dealer agreements	5
Subscriber acquisition costs	3
Other intangible rights	5 - 49

Intangible assets with estimated useful lives are tested to determine whether there is an indication that the intangible assets may be impaired and if the carrying value of the intangible asset is higher than the recoverable amount, the carrying value of the intangible asset is written down to its recoverable amount provided to allocate provision. The amount recoverable from an intangible asset is either the discounted net cash flows generated from the use of that intangible asset or the net sales value of that intangible asset depending whether the former or the latter being higher. Provision for impairment is recognised under the statement of profit or loss in the related period.

Marina utilization right which is held by the Group's subsidiary Milta Turizm and classified in other intangible rights, is being amortized for a period of 49 years regarding the transfer agreement on 13 November 1997 with the Privatization Administration (Note 15).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Development costs

Development costs for the design and testing of detectable and unique products controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete the product to be ready for use;
- Management intends to complete and use or sell the product;
- Possibility to use and sell the product;
- Certainty on how the product is likely to provide future economic benefits;
- Availability of sufficient technical, financial and other resources to complete the development phase and to use or sell the product; and
- Reliable measurement of expenses related to the product during the development process.

Capitalized development costs are recognized as intangible assets and are amortized beginning from the date the asset is ready for use.

Broadcasting programme rights

Television programme rights (foreign series, foreign films and Turkish films) are initially recognised at acquisition cost of the license when the Group controls, in substance, the respective assets and the risks and rewards attached to them. Television programme rights are evaluated to determine if expected revenue is sufficient to cover the unconsumed portion of the program. To the extent that expected revenue is insufficient, the programme rights are written down to their net realizable value.

Consumption is based on the transmission of the expected number of runs (vary from two to unlimited) purchased. Amortization of these rights is determined according to release order and number of runs. The appropriateness of the consumption profiles is reviewed regularly by the management. A maximum of 5 runs is applied for the unlimited run purchases. License periods, remaining run rights, sector dynamics and sales forecasts are taken into consideration when determining impairment of programme rights. (Note 15).

The Group has decided to recognize Turkish Series, which were evaluated as program stocks in the previous periods, as program rights starting from1 January 2016 according to which does not have any limitation about the right to sell, have been broadcasted at least six episodes or committed to be broadcasted at least six episodes and have potential to be sold to overseas. Turkish Series classified as program rights are amortized within 5 years (2017: 5 years) The related accounting policy has been applied from 1 January 2018 to the date of completion of subsidiary sale transactions explained in detail on Note 30.

Impairment of assets excluding goodwill and intangible assets with infinite useful lives

At each statement of financial position date, the Group evaluates whether there are any indications that an asset other than goodwill or infinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognized in the consolidated statement of profit or loss (Note 15).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Taxation

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of statement of financial position date and includes adjustments related to the previous year's tax liabilities. Turkish tax legislation does not permit a parent company to file a consolidated tax return for its subsidiary and its joint venture. Therefore, tax provisions, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Deferred income tax is provided, using the liability method, on temporary differences arising between the statutory tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities (Note 31).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority (Note 31).

Current and deferred tax

Tax is included in the statement of profit or loss, unless it is related to an operation that is accounted directly under equity. Otherwise, tax is accounted under equity as well as the related transaction (Note 31).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Financial borrowings and borrowing costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the profit or loss as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset. The Group pays some of its trade payables through the letter of credit agreements signed with the banks. Accordingly, such letters of credit are recognized in financial liabilities in exchange for the payment of trade payables.

Financial liabilities regarding to put options of non-controlling interests

Under the terms of certain share purchase agreements, the Group may commit to acquire the interests owned by non-controlling shareholders in subsidiaries, upon the request of non-controlling interest holders. TAS 32, “Financial Instruments: Disclosure and Presentation” requires the value of such put option to be presented as a financial liability on the statement of financial position for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of non-controlling shareholders in the net asset of the company subject to the put option is presented in “other financial liabilities” instead of “non-controlling interests” in the consolidated statement of financial position. The Group presents, at initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests first as a reduction of non-controlling interest and then as addition to the Group’s equity. The discount amount and any subsequent change in the fair value of the commitment are recognized in profit or loss as finance income or expense in subsequent periods (Note 8).

Employment termination benefits

The provision for employment termination benefit represents the present value of the estimated total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 22).

According to the amendment in TAS 19, the Group calculated employment benefit in accordance with the report prepared by the actuarial firm and recognised all actuarial loss and gains in the other comprehensive statement of profit or loss as of the statement of financial position date.

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Provisions, contingent assets and liabilities (Continued)

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously treated as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised by the Group in the financial statements of the period in which the change occurs.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 17).

Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognized as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the General Assembly (Note 23).

Revenue recognition

When the Group meets its performance obligation by transferring a product or service that is committed before, the revenue is recognised in consolidated financial statements. When the the client takes over the control of an asset, the asset is deemed transferred.

The Company transfers the revenue to the financial statements based on the following five principles:

- Determining client agreements,
- Determining performance obligations in agreements,
- Determining transaction price in agreements,
- Distributing transaction price to performance obligations in agreements,
- Recognising the revenue as each performance obligation is met.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

If all the below-mentioned conditions are met, Group recognises an agreement made with the client as revenue:

- Parties to the agreement approved the agreement (in writing, orally or in other means in line with commercial practices) and committed to meet their respective obligations,
- Group can define the rights of each party concerning the goods or services to be transferred,
- Group can define payment conditions concerning the goods or services to be transferred,
- The agreement is commercial in essence.
- It is possible that the Group will collect money in return for goods and services to be transferred to the client.

When determining whether the money can be collected, Group only considers its client's ability and intention to pay the money in time.

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation.

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation as follows:

a) different goods or service (goods or service packages) or
b) a group of different goods or services which are similar in a great extent and transferred to the client with the same method.

A group of different goods or services are subject to the same transfer method if the below conditions are met:

a) Each different product or service that the Group committed to transfer to the client must meet required conditions and constitute a performance obligation to be met in time and
b) As per the relevant paragraph of the standard, using the same method to measure the progress of the Group in meeting its obligation to transfer each product or service included in the group to the client.

Group sells different products and services as a package and also can sell them separately. Each product and service which are determined through agreement and Group transferred to its clients in a package are described as different goods and services. Additionally, because clients can benefit from these services separately, these services can be described independently from other commitments in the agreement. Based on this, each service in a package is recognised as a separate performance.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

If a third party is involved in the process where goods or services are provided to client, when the Group determines its performance liability it assess whether its commitment is about providing (primary) the good or service by itself or mediating (agent) the sale of the goods or services provided by other parties According to this, if the Group checks the goods or services before delivering them to client, the Group is in the primary position related to sale of good or services. When (or as long as) the Group meets it performance liability, it recognises the revenue equal to gross amount of price, which it expects to earn in return for transferred goods or services, in the consolidated financial statements. If the Group mediates the process where other parties provide the goods and services, it is in the agent position and cannot include the revenue for the performance liability in the consolidated financial statements.

Group acts as a representative with a framework in accordance with the convenient time period between 1 January 2018 and the completion of the sale of its subsidiary stated on Note 30, on “Yakala.co” agreements and where it brings together the firms with which it has agreements in line with its clients’ digital marketing strategies, and in some products and services it offers in “Hürriyetemlak.com” agreements which provide digital classified advertisement service. When Group meets its performance liability for these agreements where it is determined as an agent, it includes the price or revenue equal to commission, which it expects to earn, in the consolidated financial statements. Group’s price or commission is the remaining net amount after paying the price it collects in return for goods and services provided to portals. For cinema tickets only sold on “Yakala.co” website operating in e-trade field, Group acts as primary because it bears inventory risk and has discretionary power for determining price for this service. Income from tickets sales is not a commission income and is recognised as gross amount in financial statements.

Group takes into account agreement provisions and commercial customs in order to determine transaction price. Transaction price is the price, which the Group expects to deserve in return for goods and services Group committed to provide to client, excluding amounts (e.g. some sales taxes) collected on behalf of third parties. A committed price in an agreement with a client can include both the fixed amounts and variable amounts. There are variable amounts because the agreements Group made with clients have scores from turnover-based discounts, returns and customer loyalty programs. If the price the Group commits in the agreement is variable, the Group determines the price it deserves in return for goods and services committed to client through estimation. For the Group to include some or all of cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated. When assessing whether or not there will be an important cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated, the Group must take into account both realisation possibility and impact of revenue cancellation.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Turnover-based premiums the Group provided to vendors and other clients for retrospective service purchase represent variable prices. Turnover-based discount amounts the Group determined through estimation are accounted as “agreement liability” in the statement of financial position

Group provides advertisement services with respect to the time period between 1 January 2018 and the completion of the sale of its subsidiary stated on Note 30, in return for advertisement and other product and services. While exchanging services or goods with similar features and value are not described as income-generating transactions, exchanging services or goods with different features and value are described as income-generating transactions. The Group measures non-cash price (or non-cash price commitment) using fair value in order to determine transaction price related to agreements which include client’s commitment to pay price except for cash. In the cases where provided goods or services’ fair value cannot be determined fairly, income is valued as reasonable value of goods or services by taking into account transferred cash and cash equivalents

If a company offers its client in an agreement a choice to receive additional good or services, this choice leads to a performance liability if the choice gives the client a tangible right that client cannot use as long as the client does not sign the agreement as a party. If the choice gives client a tangible right, the client makes prepayment to the company for the goods and service it will receive in the future. The company includes this revenue in the financial statements when these future goods and services are transferred or this choice expires.

If independent sale price related to client’s choice to receive additional good or service cannot be observed, the company determines this through estimation. If client chooses to receive good or service, this estimation reflects the discount the client will get based on the followings:

(a) discount if the client does not choose to receive good or service
(b) possibility of using the choice.

After receiving pre-payment from client, the company includes an agreement liability equal to pre-payment in return for performance liability related to transferring goods or services in the future or making them ready to be transferred. When the company completes transfer of goods or services and therefore meets its performance liability, it removes this agreement liability from financial statements (and the revenue is included in the financial statements).

Because the awards related to “Vendor Loyalty Project”, which the Group applies for sales transactions with vendors and end-sellers, and card loyalty programs (Aytemiz card etc.) the Group provides to its clients give clients a tangible right that client cannot use as long as it does not sign the agreement as a party, the amounts the relevant client earns are recognised as agreement liability in the consolidated financial statements. When these awards from “Vendor Loyalty Project” are used, they are recognised by deducting from gross revenue in the financial statement by deducting from agreement liability.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

When the Group expects to collect a price and accepts to pay some or all of this price back to client, it includes the return liability in the financial statements. Return liability is measured based on the collected (or receivable) price (in other words, amounts which are not included in the transaction price) the company does not expect to deserve. Return liability (change in the transaction price and agreement liability) is updated at the end of every reporting period by considering the changes in the conditions.

The Group includes the following things in the financial statement in order to recognise the transfer transaction of products which can be returned (along with some delivered services, on condition with being subject to return):

(a) revenue in return for products transferred at the value which the company expects to deserve (therefore the revenue related to product that are expected to be returned is not included in the financial statements)
(b) a return liability and
(c) an asset in return for a right to get the products back from client after the company meets its return liability (based on this, an adjustment in sales cost).

An asset, recorded in financial statements in scope of the right to take the products back from the client to carry out refund liability, should be evaluated considering the resulting amount after the costs (including the potential decrease of value of the returned product from the perspective of the business) to be made in scope of taking back these products at previous book value (if available). The group updates its refund liability measure in a manner that it reflects the changes in the expected refund amounts and reflects the necessary adjustments in consolidated financial statements as revenue (or discounts from revenue).

A good or service's contractually specified price is its independent sale price. If there is more than one good or service to transfer in the contract, the Group allocates the transaction price to each performance liability (or different good or service) in an amount that shows the amount which the client expects to have a right to in return for transfer of the goods or services committed to the client. To reach its distribution target, the Group allocates the transaction price to each performance liability specified in the contract at a proportional independent sale price. To allocate the transaction price to each performance liability on a basis of a proportionate individual sale price, the Group determines the individual sale price of different goods or services that make up the basis of each performance liability in the contract at the beginning date of the contract and allocates transaction price in proportion to these individual sale prices.

When a party carries out the contract, the Group reflects the contract as a contract asset or contractual liability in the statement of financial position, depending on the relationship between the business performance and client payment. The Group records its unconditional rights related to the price as a receivable.

If the sum of sale prices of the individual goods and services committed in the contract exceeds the amount committed for them in the contract, it means that the client received a discount in return for purchasing goods or a service package. Except for the cases where there are observable indications that the discount is related to one or a few of the performance liabilities regulated in the contract and not all of them, the Group allocates the discount directly proportional to all performance liabilities.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Advertisement revenue

The Group's advertisement income is made up of income gained from the advertisements that were published on written, visual and digital media. If the client simultaneously gets the benefits of performance as the advertisement is published and consumes it, that means the Group has transferred the service's control over time. Therefore, as performance liability is carried out (as the advertisement is published), revenue is recognised over time and depending on the output method. The unpublished portion of the ads are recognised in the financial statement as contractual liability. The aforementioned accounting principles have been applied with respect to the time period between 1 January 2018 and the completion of the sale of its subsidiary as stated on Note 30.

Revenues from circulation, magazine sales, distribution and press income

Circulation income includes income earned by the distribution company and, wholesale and newspaper sales. The income generated in scope of this service is recognised when the newspapers are shipped "at a specific time.

Contract press income includes press services provided to group companies and other companies through the use of the Group's press facility. The income generated in scope of this service is recognised when the newspaper is delivered to be distributed "at a specific time". The aforementioned accounting principles have been applied with respect to the time period between 1 January 2018 and the completion of the sale of its subsidiary as stated on Note 30.

Subscription and membership income

Subscription and membership income includes revenues from real estate site, digital platform and internet subscriptions. The Group monitors the membership of real estate sites individually and institutionally. As explained in Note 30, the activities of digital platform and internet subscriptions are classified into discontinued operations within the period 1 January – 31 December 2018.

The Group may sell subscriptions and memberships by combining sold products and services in packages. (Example: Publishing a listing through a real estate site, highlighting service and mobile phone may be sold as a package.) Each product and service included in the package is recognised as a separate performance. For each performance, independent sale price is determined considering observable prices. When the control of the performance is passed over to the client, it is recorded as income. The clients can benefit from publishing listings and highlighting service simultaneously, so it is recognised "over time" and through output method. When the physical ownership of packaged products is transferred to the client, the income is recognised.

Fuel sale income

Fuel sale income is the amount remaining when the Group has deducted estimated client refunds, discounts and provisions from fuel sales that it has carried out through dealerships or from its own stations. The revenue gained through fuel sales is recognised at a specific point in time in case control concerning the property is transferred to the client, the income amount is reliably calculated, it is possible that economic benefits concerning the transaction flows to the business and the costs arising out of the transaction may be reliably calculated.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Electricity sale revenues

The group earns electric sales income through generating electricity from hydroelectric plants, solar energy plants and wind energy plants and selling it. Since electricity is a service provided as a series that the client gets and consumes simultaneously, it is recognised as one performance, over time and through output method.

Retail sale revenues

Book, music, film, electronics and souvenir products sale income is recorded at a specific point in time in line with periodicity principle after the refunds and discounts are deducted from the invoiced value at the date the said goods are delivered to the client (considering material rights provided in scope of loyalty card program) As explained in Note 30, retail sales activities are classified into discontinued operations within the period 1 January – 31 December 2018.

Industry income

The Group's industrial income is made up of income that the Group gets through the activities of its subsidiaries Çelik Halat and Ditaş. This income gained through product sales is recognised when the client takes over the control of the committed asset, "at a specific point in time.

Real estate sales income: The revenue gained from Milpa's (a subsidiary of the group) residence construction projects is realized "at a specific point in time" after the Group carries out all duties specified in the contract fully and the buyer confirms the delivery report and control arising from owning legally an asset are transferred to the buyer of the property.

Rent income: The rent income gained from real estates is recognised throughout the relevant rent agreement, over time and with output method.

Factoring income: Interest and commissions arising from factoring transactions are reflected to the statement of profit or loss on an accrual basis depending on the duration of the factoring contracts.

Financial income: Interest income and expenses are recognized on an accrual basis. Interest income is deducted from the records as soon as the management decides that the loans and advances given to customers cannot be repaid, and the accruals recorded until that date are cancelled and not recorded as revenue until the collection is made.

Other income

The Group's other income includes tourism income, vehicle sales income and other income. These incomes are explained below:

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Tourism income: Consisted of hotel accommodation, agency, and marina income. The hotel accommodation and agency income are recognised once the service is provided to the client, “at a specific point in time”. Marina income is consisted of accommodation of sea vehicles and store rent incomes. The said rent income is recorded during the rent contracts over time and based on the output method.

Vehicle sales income: The control after paying special consumption tax and issuing a registration for the sold vehicles is accepted to have been transferred to the client. It is recognised as income “at a specified moment in time” through reliable calculation of income amount.

Before the group transfers a good or a service to the client, if the said client pays the price or the business has an unconditional receivable on the price, it reflects the contract as a contractual liability on the date the payment is made or when the payment is due (whichever is earlier). Contract liability is the liability of the business to transfer goods or services to the client in return for the amount it has collected (or earned the right to collect). In cases where the customer does not pay the cost or the performance obligation is met by transferring the goods or services to the customer before the due date, the Group presents the contract as a contract asset except the amounts presented as receivable.

Business combinations

The acquisition of businesses is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquire. Acquisition-related costs are generally recognised as cost as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with TFRS 2 Share-based Payment at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Business combinations(Contiuned)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after revaluation, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with if it is found to be within the standart of TFRS 9 Financial Instruments: Recognition and Measurement, the mentioned conditional price is measured at its fair value and the gain or loss arising out of the change is recognised under profits, losses or other comprehensive income. Those not covered under the scope of TFRS 9, is recognized in profit or loss as per TAS 37 Provisions or other suitable "TAS"

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date (Note 3).

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3 "Business Combinations". Therefore, goodwill is not calculated in such mergers. Besides, transactions occurring between the parties in legal mergers are subject to amendments during the preparation of the consolidated financial statements. In the accounting of share transfers under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with their carrying values. Mergers between entities under common control are recognized by "Pooling of Interests" method. In applying the "Pooling of Interests" method, the consolidated financial statements are adjusted as if the acquisition was performed as of the beginning at the relevant reporting period in which the common control is carried out and they are presented comperatively as of the beginning of the relevant reporting period. As a result of these transactions, no goodwill or negotiable purchase effect is calculated (Note 3). Business combinations subject under common control are not within the scope of TFRS 3 "Business Combinations" and the Group does not recognize any goodwill with respect to such transactions. If the carrying amount of the acquired net assets on the date of the merger exceeds the transferred value, the difference is considered as the additional capital contributions of the shareholders and reflected to the Share Premiums. On the contrary, namely as a difference that occurs when the net value of the transferred assets exceeds the carrying amount of the net assets of the Company, on the date of the merger, the difference is reflected in the section "Effects of Mergers of Entities Under Common Control".

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

The cash-generating unit, where the goodwill is allocated, is tested for impairment annually. If there is any indication that the unit is impaired, the impairment test is performed more frequently.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Goodwill (Continued)

Gains or losses resulting from the sale or purchase of subsidiaries under the control of Doğan Holding (transactions that do not result in a change in control) are recognised under equity. TAS 27 (Revised) requires ownership decreases or increases which do not result in a change in control to be recorded under equity for accounting periods beginning on or after 1 July 2009. For accounting periods beginning prior to 1 July 2009, the difference resulted in favor of acquisition value in connection with sale or purchase of subsidiaries under the control of the Group which does not result in a change in control was recognised as goodwill.

Foreign currency transactions

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, under finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis under other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised under other comprehensive income.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each income statement are translated at average exchange rates unless this average is not reasonable approximate of the cumulative effect of the prevailing on the transaction dates in which case income and expenses are translated at the rate on the dates of the transactions, and
- All resulting exchange differences are recognized in other comprehensive income.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Foreign currency transactions (Continued)

A significant portion of the Group’s foreign operations is performed in Russia, Europe and Slovenia (“Russia and Eastern Europe (“EE”)). Foreign currencies and exchange rates at 31 December 2018 and 31 December 2017 are summarized below. The Group's foreign operations in Russia and Slovenia are classified as discontinued operations for the period 1 January- 31 December 2018, as explained in Note 30.

Country	Currency	31 December 2018	31 December 2017
Eurozone	EUR	6,0280	4,5155
Russia	Ruble	0,0753	0,0651
USA	Dollar	5,2609	3,7719
Romania	New Lei	1,2866	0,9637

Assets Held for Sale

Fixed assets (or groups of assets to be disposed of) are classified as held for sale because their book values can be regained through sale rather than ongoing use, and when it’s accepted that the possibility for sale is high. Deferred tax assets, assets gained as a result of employee benefits, financial assets, investment properties moved at their fair value and those rights other than the rights arising out of the contracts on insurance policies have been specifically excluded. Assets such as these held for sale are measured with whatever is lower, the book value or the sales-cost-deducted fair value.

If the value of an impairment of an asset (or group of assets to be disposed of) is lowered to its sales-cost-deducted fair value at the beginning or later, the impairment loss is recognised. If it does not exceed the accumulated impairment losses recognised beforehand, any increase to the sales-cost-deducted value of an asset (or group of assets to be disposed of) is recognised as income. Income or loss of an asset (or group of assets to be disposed of) that was not recognised before the day it was sold is recognised as of the day when the said asset is left out of the statement of financial position.

Fixed assets classified as held for sale (a fixed asset which is part of an asset group to be disposed of) cannot be depreciated or amortised. Interest or other expenses of debts related to the asset group classified as held for sale or to be disposed of continue to be recognised.

A fixed asset recognised as held for sale, and assets in a group of assets to be disposed of classified as held for sale, are shown separately from other assets in the statement of financial position. Debts related to an asset group classified as held for sale are shown separately from other debts in the statement of financial position.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Segment Reporting

Industrial segment which is an asset and operation group producing goods and services is exposed to different risks and rewards from other industrial segments. The Group operations were monitored and reported as eight main segments, "Fuel Retail", "Electricity Production and Trade", "Industry", "Automotive Sales and Marketing" "Financing and Investment", "Internet and Entertainment", "Real Estate Investment" and "Other" by the management. The Group management may change the structure of segment reporting, if they reach the conclusion that new structure may affect financial statement users' decisions and/or it will be useful during the review of financial statements. As the sales and the purchases of the Group are made and the assets of the Group are located mainly in Turkey, no geographic segmental information is considered necessary (Note 5).

In segment reporting, intra-segmental operations are recognised at segment level and inter-segmental operations are recognised as eliminations at consolidation level.

Earnings/(loss) per share

Earnings/(loss) per share is determined by dividing net income/(loss) by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their issued capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares for all of the periods presented in the financial statements. Therefore, the weighted average number of shares used in earnings per share computations are made with regards to the distribution of shares occurred in the prior years (Note 32).

Government grants

Government grants are not recognized in the financial statements until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants which are financial assets, should be recognized as deferred revenue in the consolidated statement of financial position rather than recognised in the statement of profit or loss to clarify the expenditure item that is financed and transferred to profit or loss on a systematic and rational basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates (Note 16).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Subsequent events

In the case that events requiring a correction to be made occur subsequent, the Group makes the necessary corrections to the consolidated financial statements.

In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 37).

Statement of cash flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's activities.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with three months or less to maturity

2.3 Critical Accounting Estimates, Assumptions and Decisions

2.3.1 Critical accounting estimates and assumptions

a) VAT amount subject to discount within the scope of law no: 6111

As of November 2011, the Group management considered the VAT principle amounting to TRY 454,281 imposed as a consequence of share exchanges and transfers recognised in the statutory accounts of Doğan TV Holding, D Yapım, Doğan Prodüksiyon (the related subsidiary merged with D Yapım in 2013 and dissolve without liquidation) and Alp Görsel (the related subsidiary merged with Doğan TV in 2014 and dissolved without liquidation) and restructured within the scope of Law no: 6111 in the year 2011 as input VAT through issuance of "recourse VAT invoice" by each entity who transfers the shares to the respective entity, sequentially with the amount of corresponding VAT imposed. In this context, input VAT amounting to TRY 367,990 and TRY 86,291 have been recognised in the statutory records of D Yapım and Doğan TV Holding respectively. Due to the specific nature of the transaction and considering precautionary principle, the Group management adopted the policy that such "Deductible VAT" should not be recorded as an asset in the consolidated financial statements based on its actual utilization in subsequent taxation periods. However, the Group management revised the issue at this point, in line with the opinion it formed considering the previous actual utilization performance of such "Deductible VAT" asset as per the applicable legislation and relevant declaration and audit applications, and recognized TRY 5,971 of the related "deductible VAT" asset in "other current assets" and TRY 338,269 in "other non-current assets.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)

2.3.1 Critical accounting estimates and assumptions (Continued)

b) Deferred tax assets

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS published by POAASA and their statutory financial statements. The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations. The Group, considering the future income projections, recognized deferred tax assets amounting to TRY 50,460 (31 December 2017: TRY 32,579 and 31 December 2016: TRY 19,583) arising from carry forward tax losses amounting to TRY 231,598 as of 31 December 2018 (31 December 2017: TRY 162,895 and 31 December 2016:TRY 99,266). (Note 31)

c) Provision for doubtful trade receivables

When there is an indicator that the collection of receivables will be impossible, provision is provided for the receivables. The amount of the provision is determined based on the assessment of the Group based on the aging of receivables and the payment performance of the customers. The provision for doubtful receivables is an accounting estimate determined based on the past payment performance and financial situations of the customers. Considering the ordinary course of trade cycle of the Group, provision for doubtful receivables for the trade receivables is considered for the trade receivables for which the collection period is over the ordinary course of trade cycle considering the fact that trade receivable is in the administrative and/or legal proceedings, with or without guarantee, objective evidence etc. When trade receivables are not impaired along with realised impairment losses for certain reasons, the Group recognises an expected credit loss provision equal to the expected lifetime credit loss for these trade receivables as per TFRS 9. Expected credit loss is calculated using expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from main activities. As of 31 December 2018, doubtful provision is TRY 92,574 (31 December 2017: TRY 257,243) (Note 9)

d) Investment properties

Important assumptions of the Group Management regarding investment properties are disclosed in Note 13.

e) Impairment of subsidiaries

The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. (Note 4)

NOTE 3 - BUSINESS COMBINATIONS

Business combinations as of 31 December 2017:

Acquisition of Doruk Finansman's shares

49% of the shares of Doruk Finansman, of which the Group was holding 48% of the voting rights, was transferred to the Group, and TRY16,408 was paid to the Group as the share transfer of Doruk Finansman is also considered to be a transfer of financial liability within the scope of prospective capital and operational cash requirements.

As at the acquisition date, considering acquisition in business combinations gradually, total amount of Group's portion corresponding to net cash inflows and net assets were recognised under income from investing activities (Note 28). The mentioned net assets were recognized based on the reasonable values, which were determined by distributing the purchase price to related financial statement items, in consequence of the evaluation study for determining identifiable assets and obligations necessary for recognition by using the purchase method in accordance with TFRS 3 Business Combinations.

Business combinations as of 31 December 2018:

Acquisition of the shares of FB Güneş Enerji Company

The Group took over all share certificates representing 100% of FB Güneş Enerjisi Yatırımları A.Ş. on 15 March 2018 in exchange for €1,360. The difference between net cash inflow and net liabilities corresponding to the Group's share was recognized as goodwill amounting to TRY 7,212 in the consolidated financial statement as of the acquisition date. FB Güneş Enerji Şirketi A.Ş. merged with Galata Wind on 6 July 2018.

Transaction including entities under common control

On 3 October 2018, D Gayrimenkul, a subsidiary of the Group, acquired the real estate on the parcel no. 3 2524 Island, Mecidiyeköy Mahallesi, Istanbul, Şişli, for a consideration of 850,000,000 (exact) Turkish Liras, excluding VAT. This acquisition is considered as "transactions including entities under common control" as explained detailed in Note 2.1.5 and the difference between the purchase price and the net assets at the date of purchase is accounted for under the "Effect of Mergers of Entities under Common Control" under "Retained earnings". The reconciliation table of this amount classified under shareholders' equity is presented in Note 2.1.5.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Joint ventures of Doğan Holding are presented below. Joint venture's nature of businesses, segments, registered countries and entrepreneurial partners are summarized as following:

Joint venture	Country	Nature of business	Entrepreneurial partner
Aslancık Elektrik Üretim A.Ş ("Aslancık Elektrik")	Turkey	Energy	Doğuş Holding A.Ş. and Anadolu Endüstri Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Turkey	Energy	Unit Investment N.V. Doğuş Holding A.Ş.
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Turkey	Magazine publishing	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	Turkey	Magazine publishing	Egmont
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Jersey	Energy	Newage Alzarooni Limited
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul)	Turkey	Real Estate	Rönesans Gayrimenkul Yatırım A.Ş.
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	Turkey	Telecommunication	Koç Holding A.Ş.

The table below sets out the Joint Ventures, Doğan Holding and its subsidiaries and Doğan family voting power and effective ownership interests at 31 December 2018 and 31 December 2017:

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Joint Ventures	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Aslancık Elektrik	33.33	33.33	-	-	33.33	33.33	33.33	33.33
Boyabat Elektrik	33.00	33.00	-	-	33.00	33.00	33.00	33.00
Doğan Burda	45.02	45.02	0.27	0.27	45.29	45.29	45.02	45.02
Doğan Egmont	50.00	50.00	-	-	50.00	50.00	50.00	50.00
DPP [1]	-	56.00	-	-	-	56.00	-	56.00
Gas Plus Erbil	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Kandilli Gayrimenkul	50.00	50.00	-	-	50.00	50.00	50.00	50.00
SP Pronto Kiev [1]	-	50.00	-	-	-	50.00	-	37.77
TOV E-Prostir [1]	-	50.00	-	-	-	50.00	-	37.77
Ultra Kablolu[2]	50.00	50.00	-	-	50.00	50.00	50.00	50.00

(1) Sold out within the context of share sale transactions explained in Note 30.
(2) The related joint venture has ceased its operations as of November 2006.

Profit and loss arising from the transactions between the Group's subsidiaries and its joint ventures are eliminated in accordance with the Group's share in its related subsidiary or its joint venture. The summary of the Group's share of the financial statements of the investments accounted for by the equity method as of 31 December 2018 and 31 December 2017 are as follows:

31 December 2018	Total assets	Total liabilities	Net assets	Group's share on net assets/ liabilities	Net sales	Profit/(loss) for the period	Group's share on net profit/(loss)
Gas Plus Erbil [1]	795,706	1,629	794,077	-	-	(850)	-
Kandilli Gayrimenkul	188,867	12,510	176,357	88,178	-	14,285	7,143
Doğan Burda	52,090	27,071	25,019	11,264	86,519	2,480	1,116
Doğan Egmont	68,734	32,236	36,498	18,249	59,187	(1,932)	(966)
Ultra Kablolu	7,216	25	7,191	3,596	-	(430)	(215)
Total	1,112,613	73,471	1,039,142	121,287	145,706	13,553	7,078
Boyabat Elektrik [2]	1,785,930	4,503,120	(2,717,190)	(96,830)	141,509	(1,386,940)	(158,705)
Aslancık Elektrik	462,768	625,619	(162,851)	(54,278)	113,984	(122,727)	(40,905)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

31 December 2017	Total assets	Total liabilities	Net assets	Group's share on net assets/ liabilities	Net sales	Profit/(loss) for the period	Group's share on net profit loss
Doruk Finansman[3]	-	-	-	-	3,132	(4,404)	(2,114)
Gas Plus Erbil[1]	494,374	1,768	492,606	246,303	-	(769)	(385)
Kandilli Gayrimenkul	171,036	8,964	162,072	81,036	-	18,741	9,371
Doğan Burda	51,220	28,090	23,130	10,413	80,437	(3,079)	(1,386)
Doğan Egmont	65,616	27,186	38,430	19,216	70,804	6,142	3,071
Ultra Kablolu	7,052	4,549	2,503	1,252	-	(212)	(106)
DPP	2,526	2,177	349	195	4,587	(430)	(241)
Total	791,824	72,734	719,090	358,415	158,960	15,989	8,210
Boyabat Elektrik[2]	1,896,790	3,223,328	(1,326,538)	(296,969)	285,528	(514,327)	(70,369)
Aslancık Elektrik	450,455	490,579	(40,124)	(13,373)	82,612	(38,048)	(12,681)

(1) The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management.

(2) Although there is considerable uncertainty regarding whether the credit will or will not be paid, in the context of possible evaluations on the existence of bail of the Group to the amount equal to one year principal installment and the amount of interest arising from 50% of the Group's shares and the evaluation of the information regarding the liquidation of the loan by the banks, a provision has been booked within the principle of "prudence" of the accounting for the above mentioned bail. In this framework, the net amount of the liabilities to the Group for the provision for additional loss and the recognition of the liability amount, even after the net assets of Boyabat Elektrik have fallen to zero or below, with reference to the application of the 39th item of TAS 28, has been limit subject to the collateral amount given by Doğan Holding to the long-term project financing loan amount USD18,406 (TRY96,830) (31 December 2017: USD78,732 (TRY296,969). It is known that the companies operating under energy sector have commenced negotiations with the banks in order to restructure their financial liabilities due to the fact that the price for 1 MWh electricity decreased to 49 (exact) dollars in 2017 whereas it was 78 (exact) dollars in 2013, accompanied by depreciation of TL. Boyabat Elektrik was also significantly affected both by the decrease in electricity prices and the depreciation of the Turkish Lira and as of 31 December 2018, it went into default of its loans and started to negotiate with financial institutions as of the end of 2017. In this context, a letter of bid was signed with the banks in December 2018. Accordingly, negotiations on the completion of the loan agreement to be re-structured are ongoing and it is expected that the loan agreement will be signed in 2019.

(3) Explained in Note 3. It comprise of the Group's share until the acquisition date.

The movements of investments accounted for by the equity method for the related period are as follows

	2018	2017
1 January	48,073	96,178
Dividend income from joint ventures	-	(298)
Currency translation differences	53,090	14,987
Share of gain (loss) on investments accounted for by the equity method	(192,532)	(74,840)
Capital increase	5,346	14,482
Actuarial gains (losses) on defined benefit plans	(266)	(626)
Guarantee payment[1]	358,844	-
Impairment of joint ventures[2]	(302,376)	-
Disposal	-	(1,810)
31 December	(29,821)	48,073

(1) As a result of repayment failure of the installment payments of the long term project loan that should be made by Boyabat Elektrik on 29 December 2017 and 29 June 2018, Group has paid its own portion of the loan within the scope of guarantee. In addition, as a result of recall of the Consecutive Loan Agreement with Akbank TAŞ, Group has paid its own portion of the loan. As a result of the payments made within the scope of the guarantee, the Group became a creditor of Boyabat Elektrik regarding the related amounts and the impairment was recognized in the consolidated financial statements for the aforementioned receivable.

(2) The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed financial information after consolidation adjustments of Joint Ventures is as follows:

Condensed statement of financial position information:

31 December 2018	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Gas Plus Erbil	Doğan Burda	Ultra Kablolu	Doğan Egmont	Total
Cash and cash equivalents	6,275	8,278	392	7,365	21,803	207	2,061	46,381
Other current assets	49,323	5,705	1,554	-	25,481	6,922	60,031	149,016
Other non-current assets	1,730,332	448,785	186,921	788,341	4,806	87	6,642	3,165,914
Total assets	1,785,930	462,768	188,867	795,706	52,090	7,216	68,734	3,361,311
Short-term borrowings	4,276,713	240,784	-	-	-	-	3,000	4,520,497
Other short-term liabilities	31,562	103,856	103	360	18,761	8	29,236	183,886
Long-term borrowings	-	280,581	-	-	-	-	-	280,581
Other long-term liabilities	194,845	398	12,407	1,269	8,310	17	-	217,246
Total liabilities	4,503,120	625,619	12,510	1,629	27,071	25	32,236	5,202,210
Net assets:	(2,717,190)	(162,851)	176,357	794,077	25,019	7,191	36,498	(1,840,899)
Group's share	0.33	0.33	0.50	0.50	0.45	0.50	0.50	
Group's net asset share	(96,830)	(54,278)	88,178	-	11,264	3,596	18,249	(29,821)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed statement of financial position information (Continued):

31 December 2017	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Gas Plus Erbil	Doğan Burda	Ultra Kablolu	Doğan Egmont	DPP	Total
Cash and cash equivalents	1,049	17,611	1,641	482	13,259	20	549	479	35,090
Other current assets	52,075	8,317	8	-	31,832	6,919	58,524	1,510	159,185
Other non-current assets	1,843,666	424,527	169,387	493,892	6,129	113	6,543	537	2,944,794
Total assets	1,896,790	450,455	171,036	494,374	51,220	7,052	65,616	2,526	3,139,069
Short-term borrowings	417,596	110,647	-	-	-	4,523	1,500	-	534,266
Other short-term liabilities	64,921	33,363	23	968	20,280	9	25,685	375	145,624
Liabilities regarding finance sector	-	-	-	-	-	-	-	-	-
Long-term borrowings	2,574,502	346,214	-	-	-	-	-	-	2,920,716
Other long-term liabilities	166,309	355	8,941	800	7,810	16	-	1,804	186,035
Total liabilities	3,223,328	490,579	8,964	1,768	28,090	4,548	27,185	2,179	3,786,641
Net assets:	(1,326,538)	(40,124)	162,072	492,606	23,130	2,504	38,431	347	(647,572)
Group's share	*0.33*	*0.33*	*0.50*	*0.50*	*0.45*	*0.50*	*0.50*	*0.56*	
Group's net asset share	(296,969)	(13,373)	81,036	246,303	10,413	1,252	19,216	195	48,073

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

1 January -31 December 2018	Boyabat Elektrik	Aslancık Elektrik	Doruk Finansman[1]	Kandilli Gayrimenkul	Gas Plus Erbil	Doğan Burda	Ultra Kablolu	Doğan Egmont
Revenue	141,509	113,984	-	-	-	86,519	-	59,187
Operating profit/(loss)	7,351	44,585	-	17,257	(812)	3,658	(90)	(3,509)
Net financial (expense)/income	(1,369,174)	(205,689)	-	601	(38)	(224)	(364)	(599)
Profit/(loss) before income tax	(1,361,823)	(161,104)	-	17,858	(850)	3,443	(430)	(4,107)
Currency translation differences	-	-	-	-	94,826	-	-	-
Total comprehensive income/(loss)	(1,386,940)	(122,727)		14,285	93,977	2,480	(430)	(1,932)
Group's share	*0.33*	*0.33*	*0.48*	*0.50*	*0.50*	*0.45*	*0.50*	*0.50*
Group's net share on profit/(loss)	(158,705)	(40,905)	-	7,143	-	1,116	(215)	(966)

1 January - 31 December 2017	Boyabat Elektrik	Aslancık Elektrik	Doruk Finansman[1]	Kandilli Gayrimenkul	Gas Plus Erbil	Doğan Burda	Ultra Kablolu	Doğan Egmont	DPP
Revenue	285,528	82,612	3,132	-	-	80,437	-	70,804	4,587
Operating profit/(loss)	6,121	24,728	(5,032)	20,930	(706)	(3,860)	(424)	8,884	(403)
Net financial (expense)/income	(512,736)	(66,096)	-	151	(37)	(192)	212	1,208	-
Profit/(loss) before income tax	(506,615)	(41,368)	(4,882)	21,082	(769)	(3,971)	(212)	3,896	(403)
Currency translation differences	-	-	-	-	29,974	-	-	-	-
Total comprehensive income/(loss)	(514,327)	(38,048)	(4,404)	18,741	29,205	(3,079)	(212)	6,142	(430)
Group's share	*0.33*	*0.33*	*0.48*	*0.50*	*0.50*	*0.45*	*0.50*	*0.50*	*0.56*
Group's net share on profit/(loss)	(70,369)	(12,681)	(2,114)	9,371	(385)	(1,386)	(106)	3,071	(241)

[1] Explained in Note 3

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 5 - SEGMENT REPORTING

a) External revenue

	1 January - 31 December 2018	1 January - 31 December 2017
Fuel retail	8,106,761	5,435,818
Electricity production and trade	2,194,063	1,053,912
Industry	427,460	312,344
Automotive trade and marketing	284,683	307,292
Financing and investment	275,717	105,343
Internet and entertainment	316,936	184,611
Real estate investments	75,252	57,748
Other	465,566	281,554
	12,146,438	7,738,622

b) Profit/(loss) before income tax

	1 January - 31 December 2018	1 January - 31 December 2017
Fuel retail	(506,849)	23,449
Electricity production and trade	70,718	21,043
Industry	30,893	18,237
Automotive trade and marketing	(35,312)	7,374
Financing and investment	4,499,406	(172,127)
Internet and entertainment	2,919	35,110
Real estate investments [1]	(429,449)	163,390
Other	62,073	113,654
	3,694,399	210,130
Profit/(Loss) of discontinued operations before income taxes	(57,710)	(358,320)
	3,636,689	(148,190)

[1] As explained in detail in Note 2.1.5, part of the pre-tax loss amounting to TRY 438,020 is resulted from netting off the increase in the retained earnings account due to the retroactive correction of the consolidated financial statements of profit or loss for the last quarter, in accordance with the principle resolution of the POA in the Official Gazette dated 21 July 2013 and 17 October 2018 "The Accounting of Business Combinations Subject to Common Control" and does not have any direct relationship with the acquisition of real estate and / or real estate activities.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the year ended 1 January - 31 December 2018:

	Fuel Retail [1]	Electricity Production and Trade	Industry	Automotive Trade and Marketing	Financing and Investment	Internet and Entertainment	Real Estate Investments	Other	Inter Segment Elimination	Total
External revenue	8,106,761	2,194,063	427,460	284,683	275,717	316,936	75,252	465,566	-	12,146,438
Inter segment revenue	9,150	7,743	-	218	4,255	20,479	2,262	71,048	(115,155)	-
Total revenue	8,115,911	2,201,806	427,460	284,901	279,972	337,415	77,514	536,614	(115,155)	12,146,438
Revenue	8,115,911	2,201,806	427,460	284,901	279,972	337,415	77,514	536,614	(115,155)	12,146,438
Cost of sales	(7,791,960)	(2,026,758)	(329,274)	(237,368)	(170,529)	(184,739)	(28,588)	(376,046)	13,350	(11,131,912)
Gross profit/(loss)	323,951	175,048	98,186	47,533	109,443	152,676	48,926	160,568	(101,805)	1,014,526
General administrative expenses	(23,084)	(14,698)	(25,707)	(17,087)	(103,111)	(46,082)	(30,827)	(56,621)	38,561	(278,656)
Marketing expenses	(209,684)	(21,513)	(23,624)	(16,968)	-	(83,532)	(4,768)	(11,148)	7,942	(363,295)
Share of gain/(loss) on investments accounted for by the equity method	-	(40,905)	-	-	(158,705)	-	-	7,078	-	(192,532)
Other income/(expenses) from operating activities, net	(11,329)	97,313	1,070	(47)	1,010,088	(6,554)	961	(204)	(6,800)	1,084,498
Income/(expenses) from investment activities, net	(296,043)	36,327	920	320	3,716,916	(7,475)	(439,146)	3,099	-	3,014,918
Financial income/(expense), net	(290,660)	(160,854)	(19,952)	(49,063)	(75,225)	(6,114)	(4,595)	(40,699)	4,392	(642,770)
Profit/(loss) before taxation from continued operations	(506,849)	70,718	30,893	(35,312)	4,499,406	2,919	(429,449)	62,073	(57,710)	3,636,689
Loss before taxation from discontinued operations									57,710	

[1] The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following fact: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management.

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the year ended 1 January - 31 December 2017:

	Fuel Retail [1]	Electricity Production and Trade	Industry	Automotive Trade and Marketing	Financing and Investment	Internet and Entertainment	Real Estate Investments	Other	Inter Segment Elimination	Total
External revenue	5,435,818	1,053,912	312,344	307,292	105,343	184,611	57,748	281,554	-	7,738,622
Inter segment revenue	11,901	21,910	-	4,555	22,513	81,086	15	258,351	(400,331)	-
Total revenue	5,447,719	1,075,822	312,344	311,847	127,856	265,697	57,763	539,905	(400,331)	7,738,622
Revenue	5,447,719	1,075,822	312,344	311,847	127,856	265,697	57,763	539,905	(400,331)	7,738,622
Cost of sales	(5,142,981)	(986,883)	(249,780)	(267,846)	(56,785)	(147,257)	(12,531)	(384,516)	17,259	(7,231,320)
Gross profit/(loss)	304,738	88,939	62,564	44,001	71,071	118,440	45,232	155,389	(383,072)	507,302
General administrative expenses	(25,805)	(7,441)	(17,552)	(11,625)	(78,800)	(29,094)	(13,834)	(30,537)	23,507	(191,181)
Marketing expenses	(195,462)	(21,195)	(17,769)	(25,471)	(1,736)	(62,258)	(6,448)	(10,631)	12,865	(328,105)
Share of gain/(loss) on investments accounted for by the equity method	(385)	(12,681)	-	-	(72,483)	-	-	10,709	-	(74,840)
Other income/(expenses) from operating activities, net	12,289	73,569	841	7,025	57,740	12,652	(13,625)	21,415	(11,895)	160,011
Income/(expenses) from investing activities, net	884	(182)	(13)	152	(113,292)	665	154,271	2,166	-	44,651
Financial income/(expenses), net	(72,810)	(99,966)	(9,834)	(6,708)	(34,627)	(5,295)	(2,206)	(34,857)	275	(266,028)
Profit/(loss) before taxation from continued operations	23,449	21,043	18,237	7,374	(172,127)	35,110	163,390	113,654	(358,320)	(148,190)
Loss before taxation from discontinued operations[1]									358,320	

[1] As explained in Note 30, after the sale and transfer of the shares of the direct or indirect subsidiaries operating in the broadcasting, publishing and retail segments, the Group's segment reporting structure is revised. Accordingly, the related amount represents the inter-segment elimination amount as a result of the classification of the results of the operations for these companies to the discontinued operations.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 5 - SEGMENT REPORTING (Continued)

d) Segment assets

	31 December 2018	31 December 2017	31 December 2016
Total assets			
Fuel retail	1,805,448	1,776,542	1,524,486
Electricity production and trade	1,257,741	1,192,803	731,784
Industry	293,455	228,372	193,283
Automotive trade and marketing	289,287	172,014	118,980
Financing and investment	8,670,647	8,850,506	8,149,331
Internet and entertainment(1)	665,262	576,622	167,905
Real estate investments	1,270,852	1,610,200	1,440,167
Other (1)	743,539	3,002,334	3,297,314
Total	14,996,231	17,409,393	15,623,250
Less: Segment elimination(2)	(4,046,421)	(6,831,541)	(6,221,801)
Total assets per consolidated financial statements	10,949,810	10,577,852	9,401,449

Equity	31 December 2018	31 December 2017	31 December 2016
Fuel retail	(99,454)	67,654	(1,068)
Electricity production and trade	177,466	112,155	28,859
Industry	58,372	41,309	27,236
Automotive trade and marketing	(30,203)	3,463	(2,575)
Financing and investment	11,556,844	7,637,560	7,439,279
Internet and entertainment(1)	(285,588)	(294,204)	(697,978)
Real estate investments	(39,491)	305,407	185,936
Other(1)	238,093	(26,948)	(1,509,431)
Total	11,576,039	7,846,396	5,470,258
Less: Segment elimination(3)	(4,914,361)	(4,885,230)	(2,237,635)
Total shareholders' equity per consolidated financial statements	7,001,891	3,352,869	3,671,441
Non-controlling interests	340,213	391,703	438,818
Equity attributable to equity holders of the parent company	6,661,678	2,961,166	3,232,623

(1) As explained in Note 30, after the sale and transfer of the shares of the direct or indirect subsidiaries operating in the broadcasting, publishing and retail segments, the Group's segment reporting structure is revised. As of 31 December 2017 and 2016, the financial statements of the companies subject to sale are presented under the segment "Other". As of 31 December 2018, 2017 and 2016, information on the statement of financial position of subsidiaries, whose main activities are "Internet and Entertainment", as explained in detail in Note 1, are disclosed under this segment.
(2) Segment elimination amount consists of the elimination of mutual payables and receivables balances between the Group's operating segments.
(3) Segment elimination amount represents the reciprocal elimination of the adjusted capital amounts in each segment's total equity amount with participation amounts.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 5 - SEGMENT REPORTING (Continued)

e) Purchase of property, plant and equipment, intangible assets and investment properties and depreciation and amortization charge

	1 January - 31 December 2018	1 January - 31 December 2017
Purchases		
Fuel retail	218,428	192,384
Electricity production and trade	6,508	195,588
Industry	38,517	24,320
Automotive trade and marketing	2,745	21,245
Financing and investment	7,394	2,914
Internet and entertainment	48,870	17,155
Real estate investments	4,809	27,921
Other	40,564	22,363
Purchases related to sold companies	183,583	508,556
Total	551,418	1,012,446

	1 January - 31 December 2018	1 January - 31 December 2017
Depreciation and amortization[1]		
Fuel retail	138,004	103,469
Electricity production and trade	30,581	28,555
Industry	11,493	9,428
Automotive trade and marketing	7,594	11,133
Financing and investment	2,011	1,988
Internet and entertainment	29,368	27,191
Real estate investments	1,610	1,682
Other	10,125	29,657
Depreciation and amortization related to sold companies	118,076	401,510
Total	348,862	614,613

(1) Depreciation expense related to other segment amounting to TRY 284 has been recognised under inventory account (31 December 2017: TRY 138).

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2018, 31 December 2017 and 31 December 2016 are as follows:

	31 December 2018	31 December 2017	31 December 2016
Cash	7,184	9,243	7,484
Banks			
- Demand deposits	276,370	215,442	173,937
- Time deposits	3,524,297	1,379,444	1,226,385
Other liquid assets	10,115	104,529	104,539
	3,817,966	1,708,658	1,512,345

As of 31 December 2018 the gross effective interest rates of USD, EUR and TRY denominated time deposits of the Group are between gross 2.00% and 5.80% (31 December 2017: 1.00% and 4.00% and 31 December 2016: 0.35% and 3.59%), 1.10% and 3.40% (31 December 2017: 0.01% and 1.85%, 31 December 2016: 0.01% and 2.00%) and 14% and 27.00% (31 December 2017: 1.00% and 15.00% and 31 December 2016: 2.00% and 11.60%) and the maturity of the time deposits is shorter than 3 months.

As of 31 December 2018 other liquid assets consist of credit card slip receivables amounting to TRY 10,115 (31 December 2017: TRY 104,529 31 December 2016: TRY 104,539). As of 31 December 2018, there are blocked deposits amounting to TRY 18,518 (31 December 2017: None, 31 December 2016: TRY 31).

Cash and cash equivalents disclosed in the consolidated statements of cash flows as of 31 December 2018, 31 December 2017 and 31 December 2016 are as follows:

	31 December 2018	31 December 2017	31 December 2016
Cash and cash equivalents	3,817,966	1,708,658	1,512,345
Accrued interest (-)	(8,602)	(641)	(3,286)
Cash and cash equivalents	3,809,364	1,708,017	1,509,059

As explained in Note 30, Group provided TRY 4,100,976 cash inflow due to asset sales in the period.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 7 - FINANCIAL INVESTMENTS

a) Short-term financial investments

The Group's financial assets classified as short term financial investments are as follows:

	31 December 2018	31 December 2017
Private sector bonds and bills		
Financial assets carried at fair value through other comprehensive income	*422,962*	*70,808*
Financial assets carried at fair value through profit or loss	*720*	*933*
Blocked deposits[1]	-	2
	423,682	71,743

[1] As of 31 December 2018 Doğan Holding has no blocked bank deposits for its subsidiaries. (31 December 2017:TRY 2).

Private sector bonds and bills are dominated in TRY, USD and EUR and their interest rates range are annually 3.92% - 20.50%, 4.00% - 8.75% and 5.20%, respectively (31 December 2017: TRY 15.68% and USD 5.36%).

b) Long-term financial investments

The Group's financial assets classified as long term financial investments are as follows:

	31 December 2018		31 December 2017	
	TRY	(%)	TRY	(%)
Financial assets carried at fair value through other comprehensive income[1]				
Lexin Nassau L.P.[2][3]	*142,165*	*22.15*	*96,080*	*22.15*
Anten Teknik Hizmetler ve Verici Tesis İşletme A.Ş.[4]	-	-	*2,700*	*<1*
Other [4]	-	-	*4,098*	*<1*
Financial assets carried at fair value through profit or loss				
GRI Gıda Sanayi ve Ticaret A.Ş.[5]	*20,813*	*5.79*	-	-
Mediterra Capital Partners I LP	*9,419*	*1.88*	*10,665*	*1.88*
Mediterra Capital Partners II LP	*7,095*	*2.23*	*3,750*	*2.23*
Insider SG PTE Limited[6]	*8,718*	*3.28*	*5,191*	*3.28*
Düş Yeri Bilişim Teknolojileri ve Animasyon A.Ş.	*7,874*	*3.75*	*2,653*	*3.75*
	196,084		125,137	

[1] The explanations of accounting policy changes have been disclosed in Note 2.1.3
[2] Nassau L.P. is included in the long-term investments of M Investment, a subsidiary of the Group.The related investment is accounted for as an available-for-sale financial asset and the fair value of the asset according to valuation report is TRY 142,165 (equivalent of USD 27,023) as of 31 December 2018.Accordingly, increase in value amounting to TRY 8,157 and the foreign currency translation difference amounting to TRY 30,700 have been accounted in the other comprehensive income statement for the year ended 31 December 2018. The Group has participated in Lexin Nassau L.P.'s capital increase on 26 June 2018 by TRY 7,227 (equivalent to USD 1,520) and on 11 April 2017 by TRY 2,208 (equivalent to USD 600) in the ratio of its share.
[3] As the following situations are not present, the Group does not carry out any significant activities on the subsidiary:
- Being represented by the board of directors or similar executive body of the invested entity,
- Participating in the entity's policy determination processes including dividends or other distribution decisions,
- Carrying out important transactions between the investor and invested entities,
- Providing know-how required for business operations or administrative officer exchange between entities

[4] As explained in note 30, sales of related financial assets have been realized within the context of share sale and transfer transactions.
[5] On 16 November 2018, the Group has participated in Gri Gıda Sanayi ve Ticaret A.Ş., which was established to invest in Tavuk Dünyası and only has Tavuk Dünyası's shares in its assets, through its subsidiary Öncü Girişim.
[6] Shares of Sosyo Plus Bilgi Bilişim Teknolojileri Danışmanlık Hizmetleri Ticaret A.Ş. have been transferred to Insider SG PTE Limited on 19 January 2018.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

b) Long-term financial investments (Continued)

The movements of long-term financial investments for the related period are as follows:

	2018	2017
1 January	125,137	76,716
Purchase of available for sale financial assets	26,670	16,124
Change in fair value		
Recognized in equity	*8,157*	*22,565*
Recognized in the statement of income	*4,991*	*3,784*
Currency translation differences	30,700	2,740
Capital increases	7,227	3,208
Subsidiary disposal	(6,798)	-
31 December	196,084	125,137

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS

a) Financial borrowings

The details of financial borrowings at 31 December 2018 and 31 December 2017 are as follows:

Short-term borrowings:	31 December 2018	31 December 2017
Short-term bank borrowings	1,437,919	1,491,156
Financing bond (*)	57,541	66,916
Factoring borrowings	14,745	-
Finance lease borrowings	3,964	151
Total	1,514,169	1,558,223

Short-term portions of long-term borrowings:	31 December 2018	31 December 2017
Short-term portions of long-term bank borrowings	348,659	1,059,380
Total	348,659	1,059,380

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

a) Financial borrowings (Continued)

Long-term borrowings:	31 December 2018	31 December 2017
Long-term bank borrowings	622,216	747,215
Finance lease borrowings	3,597	-
Total	625,813	747,215

(*) The Group's subsidiary, Doruk Faktoring, issued and sold bonds to qualified investors, without a public offering , on 6 September 2018. The nominal value of the bonds amounts to TRY 55,000,000 (exact) with the maturity of 176 days. The bonds are issued with floating rate coupons and simple interest rate until the first coupon payment term is 6,6152% and the annual interest rate is 27,4380%. The first coupon payment of TRY 55,000,000 (exact) nominally was made on 3 December 2018 and the second coupon and principal payment term is 1 March 2019. Additionally, The Group's subsidiary, Suzuki, issued and sold discounted bonds to qualified investors, without a public offering, on 14 November 2018. The nominal value of the bonds amounts to TRY40,000,000 (exact) with the maturity of 179 days. The simple interest rate is 31.50% annually and the compound interest rate is 34.03% and the maturity date is 14 May 2019. Nominal amounts of TRY35,216,433.64 (exact) of aforementioned bonds that are purchased by Doğan Holding, is eliminated from the consolidation with the interest acquired and accrued.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

a) Financial borrowings (Continued)

Details of the bank borrowings and financing bonds as of 31 December 2018 and 31 December 2017 are as follows:

	31 December 2018			31 December 2017		
	Interest rate per annum (%)	Original currency	TRY	Interest rate per annum (%)	Original currency	TRY
Short-term bank borrowings:						
TRY denominated bank borrowings	15.40 - 37.45	1,095,303	1,095,303	4.30 - 19.00	1,209,567	1,209,567
USD denominated bank borrowings	5.00 - 5.90	29,627	155,867	2.48 - 2.97	13,521	50,999
EUR denominated bank borrowings	1.00 - 4.25	30,980	186,749	0.75 - 3.75	48,956	221,062
Other bank borrowings		-	-	12.51 - 12.51	145,500	9,528
Subtotal			1,437,919			1,491,156
Short-term financing bonds:						
TRY denominated financing bonds			57,541	-		66,916
Subtotal			57,541			66,916
Short-term portion of long-term bank borrowings:						
TRY denominated bank borrowings	15.69 - 32,5	76,658	76,658	5.50 - 17.33	445,856	445,856
USD denominated bank borrowings	5.98 - 6.40	6,683	35,158	3.7 - 5.34	32,304	121,848
EUR denominated bank borrowings	0.65 - 4.69	39,290	236,843	2 - 5.71	108,886	491,676
Subtotal			348,659			1,059,380
Total short-term bank borrowings and financing bonds			1,844,119			2,617,452
Long term bank borrowings:						
TRY denominated bank borrowings	5.00 - 17.75	210,117	210,117	5.5 – 16.5	360,863	360,863
USD denominated bank borrowings	5.98 - 6.00	20,070	105,586	-	-	-
EUR denominated bank borrowings	0.65 - 4.69	50,848	306,513	2.15 - 4.67	79,180	357,539
Other bank borrowings	-	-	-	12.33 - 12.33	440,000	28,813
Total long-term bank borrowings			622,216			747,215

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NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

a) Financial borrowings (Continued)

The reconciliation of the net financial borrowings as of 31 December 2018 and 31 December 2017 are as follows:

	31 December 2018	31 December 2017
Cash and cash equivalents (Note 6)	3,817,966	1,708,658
Short term borrowings	(1,862,828)	(2,617,603)
Long term borrowings	(625,813)	(747,215)
Other financial liabilities	-	(666,291)
Net financial assets/(liabilities)	1,329,325	(2,322,451)

	Short and long term borrowings	Cash and cash equivalents	Net financial liability
Balances as of 1 January 2018	4,031,109	(1,708,658)	2,322,451
Cash flow effect	(295,741)	(1,067,379)	(1,363,120)
Effect of acquisition of subsidiary	20,032	735	20,767
Currency translation adjustments	(276,700)	(1,321,251)	(1,597,951)
Interest accrual, net	116,880	8,602	125,482
Effect of disposal of subsidiary (Note 30)	(1,106,939)	269,985	(836,954)
Balances as of 31 December 2018	2,488,641	(3,817,966)	(1,329,325)

The redemption schedule of long-term bank borrowings as of 31 December 2018 and 31 December 2017 is as follows:

	31 December 2018	31 December 2017
2018	-	61,851
2019	4,397	459,607
2020	418,093	134,179
2021 and after	199,726	91,578
	622,216	747,215

The floating rate short and long term bank borrowings of the Group denominated in EUR have interest rates fluctuating between Euribor + 0.65% and Euribor + 4.69% (31 December 2017: USD; Libor +3.80% EUR; Euribor +2.60% and Euribor+5.00%).

Carrying value of the financial liabilities is considered to be same with the fair value since discount effect is not material. The Group borrows loans on fixed and floating interest rates.

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NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

a) Financial borrowings (Continued)

Finance lease liabilities:

The Group acquired property, plant and equipment and intangible assets through financial leasing agreements. As of 31 December 2018, total lease payment commitments of the Group relating to such short and long term lease agreements are TRY 7,561 (31 December 2017: TRY 151).

Repayment schedule of long term financial leases as of 31 December 2018 and 31 December 2017 are as follows:

	31 December 2018	31 December 2017
2019 and after	3,597	-
Total	3,597	-

Allocation of borrowings with fixed and floating interest rates of the Group excluding financial liabilities to be paid to the suppliers as of 31 December 2018 and 31 December 2017 are as follows:

	31 December 2018	31 December 2017
Financial borrowings with fixed interest rates (Note 34)	2,027,495	2,798,258
Financial borrowings with floating interest rates (Note 34)	461,146	566,560
Total	2,488,641	3,364,818

b) Other financial liabilities

As of 31 December 2018 and 31 December 2017, details of other financial liabilities are presented below.

Other long term financial liabilities:	31 December 2018	31 December 2017
Sales and purchase options of shares (Note 17)	-	666,291
	-	666,291

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables from non- related parties	31 December 2018	31 December 2017	31 December 2016
Trade receivables	1,644,711	2,200,309	1,546,364
Notes and cheques receivable	280,408	278,457	221,861
Income accruals	2,436	15,639	6,209
Total	1,927,555	2,494,405	1,774,434
Less: Unearned financial income due to sales with maturity	(14,281)	(9,507)	(11,907)
Less: Provision for expected credit losses (-)	(1,366)	-	-
Less: Provision for doubtful receivables (-)	(92,574)	(257,243)	(273,204)
Total	1,819,334	2,227,655	1,489,323

The average maturity of not overdue trade receivables of the Group that are followed up by Doruk Faktoring is between 76 to 85 days as of the statement of financial position date (31 December 2017: 72 - 104 days). The maturity of the trade receivables of the Group varies and the effective interest rate applied for trade receivables is TRY 23.59%, USD 4.82%, EUR 2.92% (31 December 2017: TRY 15.38%, USD 3.75%, EUR 2.41%). The rate used in this method is determined on the basis of compound interest called "effective interest rate"; which has been determined taking into consideration the data of the Central Bank of the Republic of Turkey.

Long-term trade receivables from non- related parties	31 December 2018	31 December 2017
Notes and cheques receivable[1]	60,106	30,380
Unearned financial income due to sales with maturity	(15,051)	(8,597)
	45,055	21,783

(1) The net amount consists of long term notes receivable due to the fuel sales amounting to gross TRY 42,458 (31 December 2017: TRY 30,120) and other trade activities of TRY 17,648 (31 December 2017: TRY 260) with a discounted amount of TRY 27,406 (31 December 2017: TRY 21,604) and other activities of TRY 17,649 (31 December 2017: TRY 179).

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

The movements of provisions for doubtful receivables for the related period are as follows:

	2018	2017
1 January	(257,243)	(273,204)
Opening effect of TFRS 9 (Note 2)	(981)	-
Reported	(258,224)	(273,204)
Provision from continued operations in the current period (Note 27)	(41,593)	(9,274)
Expected credit loss	(1,366)	-
Written off uncollectible receivables[1]	1,965	42,642
Currency translation differences	(778)	(1,180)
Collection and provision related to discontinued operations	-	(42,798)
Collections and reversal of provisions	-	26,357
Disposal of subsidiary	207,422	214
31 December	(92,574)	(257,243)

[1] The Group has decided to derecognise the receivables recorded as doubtful within prior periods, in accordance with the provisional article 7 of TCC, which are from the companies extracted from trade registry and the companies that have completed ordinary liquidation process and the companies dissolved by commercial courts' decision and the companies dissolved by bankruptcy estate and also determined as bad debts, from the statement of financial position.

Guarantees for trade receivables

As of 31 December 2018, although trade receivables amounting to TRY 119,977 (31 December 2017:TRY 281,864 31 December 2016: TRY 221,016), were overdue, they were not assessed as doubtful receivable (Note 34). The Group does not foresee any collection risk regarding to overdue receivables by considering sector dynamics and circumstances as of the reporting date (Note 2).

As of 31 December 2018, the Group has collateral, pledge, mortgage and surety amounting to TRY 1,074,084 (31 December 2017: TRY 539,298, 31 December 2016: TRY 375,476) for trade receivables amounting to TRY 1,864,389 (31 December 2017: TRY 2,249,438, 31 December 2016: TRY 1,514,581) from non-related parties (Note 34).

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Short-term trade payables to non-related parties

	31 December 2018	31 December 2017	31 December 2016
Trade payables	791,423	1,199,449	912,298
Provision for liabilities and expenses	20,649	68,999	32,298
Other payables	12,128	23,311	4,778
Less: Unrealized finance expense due to purchases with maturity	(4,797)	(8,288)	(5,840)
Total	819,403	1,283,471	943,534

The average maturity of trade payables is between 40 to 104 days as of 31 December 2018 (31 December 2017: 36 to 113 days, 31 December 2016: 34 to 192 days). The maturity of the trade payables of the Group varies and the effective interest rate applied for trade payables is TRY 23.59%, USD 4.82%, EUR 2.92% (31 December 2017: TRY 15.38%, USD 3.75%, EUR 2.41%). The rate used in this method is determined on the basis of compound interest called "effective interest rate"; which has been determined taking into consideration the data of the Central Bank of the Republic of Turkey.

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

	31 December 2018	31 December 2017
Other short-term receivables from non-related parties		
TEİAŞ power transmission line receivables	5,990	7,259
Notes receivables	3,750	13,412
Other miscellaneous receivables	1,308	8,099
Total	11,048	28,770

Other long-term receivables from non-related parties	31 December 2018	31 December 2017	31 December 2016
Notes receivables	-	16,156	24,080
Deposits and guarantees given	-	3,401	3,000
Receivables from the sale of investment property	-	122	1,878
TEİAŞ power transmission line receivables	-	-	249
Total	-	19,679	29,207

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other short-term payables to non-related parties	31 December 2018	31 December 2017	31 December 2016
Taxes and funds payable	105,875	120,597	88,813
Tax base increase payables	1,591	2,913	2,331
Deposits and guarantees received	36	1,622	1,162
Other short-term payables[1]	17,655	23,925	139,940
Total	125,157	149,057	232,246

Other long-term payables to non-related parties	31 December 2018	31 December 2017	31 December 2016
Tax base increase payables	-	932	2,431
Deposits and guarantees received	1,566	12,778	13,346
Other long-term payables[1]	54,579	1,302	105,012
Total	56,145	15,012	120,789

[1] Other short-term other payables consist of the payables of the Group's subsidiaries related to dealer transfer contracts and the debt arising from the transactions other than the other commercial activities.However, other long-term liabilities consist of the non-financial liabilities of Aytemiz Akaryakıt, one of the Group's subsidiaries.

NOTE 11 - INVENTORIES

	31 December 2018	31 December 2017
Finished goods and merchandise	459,342	444,973
Raw materials and supplies	171,043	122,700
Semi-finished goods	15,308	10,376
Other inventories	1,545	29,861
Provision for impairment of inventory (-)	(1,992)	(5,948)
Total	645,246	601,962

Depreciation and amortization expenses amounting to TRY 284 have been included in cost of inventories as of 31 December 2018 (31 December 2017: TRY 138).

The movement of the provision for impairment of inventories for the periods ended 31 December 2018 and 2017 are as follows:

	2018	2017
1 January	(5,948)	(11,158)
Reversal of provision for impairment of inventories	11	384
Provision booked in the current period (Note 27)	(330)	(167)
Disposals from sale of subsidiary	4,275	4,993
31 December	(1,992)	(5,948)

NOTE 12 - BIOLOGICAL ASSETS

As of 31 December 2018, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY 21,174 (31 December 2017: None).

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 13 - INVESTMENT PROPERTIES

The movements of investment properties for the periods ended 31 December 2018 and 2017 are as follows:

	1 January 2018	Additions	Disposals	Disposal of subsidiary	Currency translation differences	Fair value adjustment[1]	31 December 2018
Land	411,250	-	-	(137,053)	-	(22,095)	252,102
Buildings	1,441,717	12,737	(24,473)	(54,439)	28,030	(440,994)	962,578
Net book value	1,852,967	12,737	(24,473)	(191,492)	28,030	(463,089)	1,214,680

	1 January 2017	Additions	Disposals	Transfers	Currency translation differences	Fair value adjustment[1]	31 December 2017
Land	428,092	28,148	(24,337)	(24,250)	(223)	3,820	411,250
Buildings	1,277,502	20,033	(23,813)	-	12,826	155,169	1,441,717
Net book value	1,705,594	48,181	(48,150)	(24,250)	12,603	158,989	1,852,967

[1] The Group has accounted for a fair value correction of TRY 463,089 (31 December 2017: TRY 158,989), in the purchase and sale transactions in the current period regarding the land and buildings considering the appraisal value in the real estate appraisal report.Adjustment amounting to TRY 438,020 results from the restatement of the consolidated financial statements in accordance with the principle resolution of the POA published in the Official Gazette dated 21 July 2013 and 17 October 2018 "The Accounting of Business Combinations Subject to Common Control" as explained in detail in Note 2.1.5 and Note 3.

There is no collateral or mortgage on investment properties of the Group.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 13 - INVESTMENT PROPERTIES (Continued)

As of 31 December 2018, the investment properties of the Group comprise of parts of buildings held to earn rentals, lands and properties.

Level reclassification of financial assets and liabilities measured at fair value

Investment properties of the Group, has been valued by the CMB licensed real estate valuation establishments using the market comparison analysis approach, cost approach and direct capitalisation approach methods. As a result, it was determined that the values calculated from different approaches is similar and consistent with the market comparison method and value has been determined according to the market comparison method. Real estate valuation establishments are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in related regions.

Some of the financial assets and financial liabilities of the Group are reflected at their fair values to the financial statements at every statement of financial position date. According to the accounting policies stated in Note 2.2, The Group's investment properties were valued as of 31 December 2018. The following table gives information on how the fair values of the related financial asset and liabilities were determined:

				Fair value level as of the reporting date		
	Fair Value			Level 1	Level 2	Level 3
	31 December 2018	31 December 2017(*)	31 December 2016(*)			
Investment properties	1,214,680	1,852,967	1,705,594	850,000	364,680	-

(*) As of 31 December 2017 and 2016, the fair value of investment properties is Level 2.

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the periods ended 31 December 2018 and 2017 are as follows:

	1 January 2018	Additions	Disposals	Transfer (Note 15)	Acquisition of subsidiary	Currency translation differences	Disposal of subsidiary[2]	31 December 2018
Cost:								
Land and land improvements	201,879	244	(234)	1,256	130	1,619	(31,753)	173,141
Buildings	126,411	21,271	(47)	1,875	-	7,713	(72,094)	85,129
Machinery and equipment	1,430,139	21,144	(9,283)	78,899	25,928	8,205	(750,540)	804,492
Motor vehicles	144,403	14,774	(14,875)	-	-	686	(9,068)	135,920
Furniture and fixtures	519,146	23,693	(3,821)	3,057	5,941	413	(446,613)	101,816
Development costs of leased tangible assets	141,537	5,447	(14)	-	-	1,635	(71,402)	77,203
Other tangible assets	164,081	30,318	(2,156)	98	-	238	(46,698)	145,881
Construction in progress	116,389	99,053	(41,134)	(87,690)	-	44	(46,166)	40,496
	2,843,985	215,944	(71,564)	(2,505)	31,999	20,553	(1,474,334)	1,564,078
Accumulated depreciation:								
Land and land improvements	4,974	453	(11)	-	-	-	(405)	5,011
Buildings	62,432	5,275	(23)	-	-	6,882	(8,496)	66,070
Machinery and equipment	941,701	44,711	(8,169)	-	371	6,506	(696,771)	288,349
Motor vehicle	39,439	13,013	(8,233)	-	-	541	(4,383)	40,377
Furniture and fixtures	323,833	15,815	(2,359)	-	157	359	(289,562)	48,243
Development costs of leased tangible assets	84,305	5,733	(7)	-	-	1,002	(61,425)	29,608
Other tangible assets	64,014	19,913	(1,305)	(88)	-	138	(29,682)	52,990
	1,520,698	104,913	(20,107)	(88)	528	15,428	(1,090,724)	530,648
Net book value	1,323,287							1,033,430

(1) Explained in Note 3.
(2) Explained in Note 30.

As of 31 December 2018, there is no mortgage on property, plant and equipment. (31 December 2017: TRY 22,578). As of 31 December 2018, the Group has tangible fixed assets acquired by financial leasing amounting to TRY 7,561 (31 December 2017: TRY 151).

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2017	Additions	Disposals	Transfer	Provision/reversal for impairment	Disposal of subsidiary	Acquisition of subsidiary	Currency translation differences	Provision for impairment classified to discontinued operations	31 December 2017
Cost:										
Land and land improvements	182,821	24,748	(12,725)	228	4,118	-	128	2,561	-	201,879
Buildings	130,169	25,593	(413)	(28,223)	(2,834)	-	-	2,912	(793)	126,411
Machinery and equipment	1,228,635	102,479	(4,331)	82,199	-	(216)	5	21,368	-	1,430,139
Motor vehicles	206,997	18,499	(81,439)	-	-	-	-	346	-	144,403
Furniture and fixtures	506,879	43,634	(31,398)	2,093	-	(44)	313	1,034	(3,365)	519,146
Development costs of leased tangible assets	121,640	17,145	(4,939)	6,394	-	(2)	785	754	(240)	141,537
Other tangible assets	125,314	39,208	(987)	-	-	-	-	546	-	164,081
Construction in progress	121,153	176,008	(2,710)	(178,073)	-	-	-	19	(8)	116,389
	2,623,608	447,314	(138,942)	(115,382)	1,284	(262)	1,231	29,540	(4,406)	2,843,985
Accumulated depreciation:										
Land and land improvements	5,549	448	(527)	(575)	-	-	79	-	-	4,974
Buildings	84,630	28,228	(133)	(51,956)	-	-	-	2,287	(624)	62,432
Machinery and equipment	882,114	42,200	(3,063)	2	-	(216)	4	20,660	-	941,701
Motor vehicles	57,401	16,972	(35,225)	-	-	-	-	291	-	39,439
Furniture and fixtures	299,874	45,032	(18,827)	10	-	(42)	199	864	(3,277)	323,833
Development costs of leased tangible assets	73,685	12,265	(2,531)	-	-	(2)	748	380	(240)	84,305
Other tangible assets	47,754	16,486	(512)	-	-	-	-	286	-	64,014
	1,451,007	161,631	(60,818)	(52,519)	-	(260)	1,030	24,768	(4,141)	1,520,698
Net book value	1,172,601									1,323,287

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NOTE 15 - INTANGIBLE ASSETS

Other intangible assets:

Movements of the intangible assets for the periods ended 31 December 2018 and 2017 are as follows:

	1 January 2018	Additions	Disposals	Currency translation differences	Transfer (Note 14)	Disposal of subsidiary [1]	31 December 2018
Cost							
Customer list	260,234	-	-	8,110	-	(268,344)	-
Trade names	7,876	-	-	-	-	-	7,876
Trade names related to Media segment	44,156	-	-	986	-	(45,142)	-
Electricity production license	354,644	-	-	-	-	-	354,644
Other	625,503	30,291	(12,888)	3,972	2,503	(453,928)	195,453
	1,292,413	30,291	(12,888)	13,068	2,503	(767,414)	557,973
Accumulated amortization:							
Customer list	260,234	-	-	8,110	-	(268,344)	-
Trade names	4,331	1,575	-	-	-	-	5,906
Trade names related to Media segment	38,832	4	-	747	-	(39,583)	-
Electricity production license	29,741	7,647	-	-	-	-	37,388
Other	472,574	20,837	(9,707)	4,245	88	(358,211)	129,826
	805,712	30,063	(9,707)	13,102	88	(666,138)	173,120
Dealer agreements	235,117						265,970
Television programme rights	225,877						32,411
	947,695						683,234

Movement of television programme rights and dealer agreements for the period ended 31 December 2018 is as follows:

	1 January 2018	Additions	Depreciation	Currency translation differences	Disposal of subsidiary[1]	31 December 2018
Dealer agreements	235,117	130,022	(99,169)	-	-	265,970
Television programme rights	225,877	162,424	(115,001)	4,832	(245,721)	32,411

(1) Explained in Note 30.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 15 - INTANGIBLE ASSETS (Continued)

Other intangible assets:

	1 January 2017	Additions	Disposals	Currency translation differences	Acquisition of subsidiary	Disposal of subsidiary	Discontinued operations	Transfer	31 December 2017
Cost									
Customer list	289,292	-	(4,184)	13,551	-	-	(38,425)	-	260,234
Trade names	7,876	-	-	-	-	-	-	-	7,876
Trade names related to media segment	222,805	228	-	56,157	-	-	(235,034)	-	44,156
Electricity production license	354,644	-	-	-	-	-	-	-	354,644
Other	584,868	59,933	(4,064)	(5,710)	4,084	(1,443)	(13,098)	933	625,503
	1,459,485	60,161	(8,248)	63,998	4,084	(1,443)	(286,557)	933	1,292,413
Accumulated amortization:									
Customer list	233,574	2,320	(4,180)	28,520	-	-	-	-	260,234
Trade names	2,756	1,575	-	-	-	-	-	-	4,331
Trade names related to media segment	34,934	320	-	3,578	-	-	-	-	38,832
Electricity production license	22,094	7,647	-	-	-	-	-	-	29,741
Other	434,124	57,410	(7,801)	(5,198)	2,377	(978)	(7,465)	105	472,574
	727,482	69,272	(11,981)	26,900	2,377	(978)	(7,465)	105	805,712
Dealer agreements	225,467								235,117
Television programme rights	159,478								225,877
	1,116,948								947,695

Movement of television programme rights and dealer agreements in 2017 is as follows

	1 January 2017	Additions	Depreciation	Currency translation differences	Disposal of subsidiary	31 December 2017
Dealer agreements	225,467	86,571	(76,921)	-	-	235,117
Television programme rights	159,478	370,219	(306,927)	3,143	(36)	225,877

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 15 - INTANGIBLE ASSETS (Continued)

Other intangible assets (Continued):

Goodwill

As of 31 December 2017 TRY 368,453 of the total goodwill amounting to TRY 403,713 in the consolidated statement of financial position has been derecognized from the consolidated statement of financial position due to disposal of subsidiaries, an impairment of TRY 7,996 was accounted for and as of 31 December 2018, a goodwill amounting to TRY 7,212 was recognised in the consolidated statement of financial position due to the business combination the details of which were disclosed in Note 3 to the consolidated financial statements. As of 31 December 2018 and 31 December 2017, goodwill movement is as follows:

	2018	2017
1 January	403,713	403,713
Additions (Note 3)	7,212	-
Impairment	(7,996)	-
Subsidiary sales effect	(368,453)	-
31 December	34,476	403,713

NOTE 16 - GOVERNMENT GRANTS

Ditaş, a subsidiary of the Group, benefits from the insurance premium incentive, regional incentive (Law no: 56486), incentive of the social security institution and minimum wage (Law no: 56645) under the scope of Social Security and General Health Insurance Law (Law no: 5510) and (Law no: 5746) R&D incentive. In this context, the incentive of the insurance premium amounting to TRY 886 (31 December 2017: TRY 792) is recorded against the labor expense under cost of goods sold in the financial statements as of 31 December 2018. These incentives are valid until 31 December 2020.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions	31 December 2018	31 December 2017
Provision for lawsuits and indemnity	6,440	29,001
Other	1,549	7,723
	7,989	36,724

Movement of lawsuit provisions for the periods ended 31 December 2018 and 2017 is as follows:

	2018	2017
1 January	29,001	36,459
Additions in the current period (Note 27)	4,683	1,292
Currency translation differences	-	(34)
Payments of provisions	-	(8,013)
Disposal of subsidiary	(26,267)	549
Collection and provision related to discontinued operations	-	8,824
Reversal of provisions booked in prior periods	(977)	(10,076)
31 December	6,440	29,001

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The Group reserved provisions of TRY 6,440 considering the legal opinions on ongoing lawsuits and similar lawsuits finalized in the past, which were brought against it and the details of which are given below (31 December 2017: TRY 29,001).

(a) Lawsuits

The amount of lawsuits filed against the Group is TRY 30,868 as of 31 December 2018 (31 December 2017: TRY 82,044).

	31 December 2018	31 December 2017
Legal cases	16,423	55,054
Commercial cases	9,395	16,336
Business cases	2,977	10,066
Other	2,073	588
Total [1]	30,868	82,044

[1] The amounts of the lawsuits decreased due to the disposal of the subsidiaries explained in Note 30.

(b) Share Purchase and the Shareholder Agreements

According to the details disclosed to public periodically in the consolidated financial statements and footnotes prepared as of 31 December 2017 and published on 8 March 2018, as it was disclosed to public periodically in our financial statement footnotes; per the Agreements between the parties, "in case an initial public offering was not made for the DTV shares of the Axel Springer Group ("Axel Shares") until 30 June 2017, in addition to re-adjusting the price, and a payment accordingly, the Axel Springer Group had a "put option" for all or a part of the Axel Shares to Doğan Holding, and Doğan Holding had a "commitment to buy" (DTV Put Option II). With the Agreement amended on 2 October 2014, unconditional "put option" was given to Axel Springer Group. Regarding Doğan Holding's unconditional "commitment to purchase," the remaining liability, which was recorded as long-term "other financial liability" of TRY 666,291 in total based on the discounted value of cash outflows to be realized in the future in the consolidated financial statements as of 31 December 2017, has been amended the payment schedule for the "commitment to purchase," as disclosed to the public with a special circumstances disclosure on 06 April 2018. Financial liabilities amounting to TRY 838,591 comprise of accumulated discount amounting to TRY 60,566 and exchange rate effect amounting to TRY 111,734 has been paid on 16 May 2018 (Note 28).

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(c) Other

Milpa:

The Land of Ömerli

Shares acquired step by step with the agreement "Building Construction Shared Floor/Revenue in Return Arrangement Form Land Share and Real Estate Promise to Sell Agreement" ("Agreement") signed between March 2000 - October 2003 and recognised under "investment properties" by the Group, and in addition to these shares, the balance of the shares acquired from the result of the tender in relation to the lawsuit opened by one of the shareholders corresponding to his/her share in the real estate, located at Istanbul Province, Pendik District, Kurtdoğmuş Village with an area of m^2 2,238,207 which consist of two separate parcels with no:1154 and 1155, have been recognised at fair value which has been appreciated in the Real Estate Valuation Report dated 13 February 2019 prepared by the Real Estate Appraisal Company on the list of CMB. Because of the qualifications of farm land due to the legal uncertainties stated below, Ömerli land hasn't been recognised under normal business operations of Milpa (project development, construction and sale etc.), and has been recognised as "investment properties" in accordance with TAS 40 ("Investment Properties"), in the context of Paragraph 8/(b).

Milpa, has commitment to pay 25% of the revenue generated from the real estate project (the "Project") by considering the share of the land owners who have assigned shares within the scope of revenue sharing constructions and/or flat for land basis contracts in accordance with the Contract verdicts that has been signed with the first acquisition of Ömerli Land which cannot be implemented due to the administrative and legal processes as described in detail below (Note 18).

According to the İstanbul Environmental Recreation Plan, scale of 1/100,000 and dated 15 June 2009, a significant part of the land of which parcel no is 1154, is located partially within the borders of "Habitat Park Area". The report on the Basin Location Information of the Istanbul Water Supply and Sanitation Administrative General Directory dated 3 January 2019 states that 2,586 m^2 of parcel no 1154 and 142,012 m^2 of parcel no 1155 are parts of the Forest Area. The related parcels are located in both the medium range(1000 m. - 2000 m.) protected area and the long range (2000 m. - 5000 m.) protected area of Ömerli Reservoir Basin.

144,266 m^2 of the land parcel no: 1155 has been removed from the forest area with the court decision in year 2005. To this The Forestry Directorate appealed the decision at the Supreme Court of law No: 20 and the objection was accepted on 24 June 2008 and these decisions (removal from forest area) are sent to the Pendik First Civil Court for re-evaluation. The Court has reiterated its initial decision being right on 8 October 2009 in terms of content. The General Directorate of Forestry appealed the Court's decision again and the related file was re-sent to the Supreme Court of law No: 20. The related office has resent the file to Pendik First Civil Court by disrupting the court decision The Court for which the lawsuit is held, has been divided into two and the lawsuit has been heard at 29th. Civil Court. The aforementioned court has decided to cancel the land register of the aforementioned 144,266 m^2 and parcel No: 1155 of land belonging to Milpa and registered the land as forest title in the name of the treasury at 23 December 2014. In accordance with the decision for parcel No:1155 being registered as forestry land, it has been excluded from the financial statements as at 31 December 2014. Following the notification of the decision no 2013/320 at 9 January 2015, appeal to a superior court on 13 February 2015 has been made, Aforementioned appeal has not been accepted and the Company has been notified that Supreme Court No: 20 upheld the decision of 29th. Civil Court on 13 July 2017. On 20 July 2017, compensation lawsuit was opened due to civil wrong. At the hearing on 12 February 2019 for the annulment of the title of parcel no 1155, the court decided to defer the hearing to 18 April 2019 due to the continuation of the correspondence related to the case.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(c) Other (Continued)

Milpa: (Continued)

The Land of Ömerli (Continued)

With the 1/100,000 scale environmental plan released on 17 July 2009, the related land was classified as a habitat and recreation area and Milpa appealed to this plan within the legal deadline. As of the date of the preparation of these financial statements, no response was received regarding the change in land development plan and the appeal to this change regarding the land in Pendik, Kurtdoğmuş Village. It is also known that there have been objections to the relevant construction plan from third parties as well. After the appeals to the development plan, no information has been received from the relevant authorities regarding the evaluations by Milpa. During the 9 years, no lower scale plans have been made and the zoning status of the land has not been identified yet. Construction and expropriation works for North Marmara Highway Project are continuing close to the land in Ömerli, and it was stated in the letter dated 28 January 2019 by General Directorate of Highways that the related parcels remain outside the expropriation area, and are not subject to any expropriation works. Since the planning process is conducted by multiple government agencies, only monitoring of the processes is performed. Based on the appeal from the real estate appraisal company, letter communicated from Istanbul Metropolitan Municipality dated 30 November 2016, development plan proposal and report of a part of Yenişehir neighborhood of Pendik district numbered NİP-22054 Pin Number 1/5000 Scale including Pendik district Kurtdoğmuş neighborhood 1154 and 1155 parcels and Ballıca, Emirli, Kurna and Kurtdoğmuş neighborhoods were referred to Istanbul Metropolitan Municipality Assembly to be evaluated and decided within the scope of 3194 and 5216 law and related regulations, and also is has been learnt that the mentioned plan has been scaled on 6 December 2017. When the mentioned "Master Development Plan" is analyzed, it is seen that 30% of the land in Ömerli is allocated as "Municipal Service Area," and a large part of the remaining land is defined in the legend as "Sustainable Protection and Controlled Use Area," and a relatively smaller part as "Areas Requiring Special Measures Geologically." It is understood from the mentioned "Master Development Plan" that the part allocated as the sub-function of "Sustainable Protection and Controlled Use Area" legend was planned to be 23% "Arboretum," 25% "Recreational Area," 10% "Area to Be Protected through Forestation,"2% "Fairground," 5% "Hobby Gardens," and 5% "Camping Areas," and permission for maximum 1-floor prefabricated structuring with an average rate of 0.04 was granted for these areas. On the grounds that the legends and functions specified in the "Master Development Plan" include contradictions to law as well as planning and urban development procedures and principles, and that they violate the right of ownership, and with the request that "housing zone" legend is also accepted for the mentioned "Immovable," necessary legal and formal objections to the "Master Development Plan" were raised on 2 January 2018 within the allowed period. The objections of Milpa were rejected by İstanbul Municipality Parliamentary Commission. Milpa filed an action of nullity regarding modification of the plan note and the expert examining is under review. The case file is of administrative nature and there is no hearing date.

In this context, the uncertainty in the development plan due to the appeal, will be continued to be assessed in subsequent periods in the legal process.

The updated revaluation reports are obtained from CMB licensed real estate companies every year for the "investment properties" of Milpa that comprises of TRY 180,655 (31 December 2017:TRY 180,655) of Ömerli Land.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(c) Other (Continued)

Milpa: (Continued)

The Land of Ömerli (Continued)

143,086 m^2 part that corresponds to 164/2400 share of parcel no: 1154 of Ömerli Land has been purchased from the landowners for a cash consideration of a total of USD7,154 (TRY equivalent 23,609) in accordance with the "assignment agreement" made in exchange for the waiving from all legal claims against Milpa and all rights arising from the building construction shared floor/revenue in return arrangement form land share for the period ending on 31 December 2017. With this purchase, Milpa's share of the land is 1,720,521 m2 and 82.17%. As a result of purchase made by Milpa which is 143,086 m2 a decrease in value amounting to TRY 11,765 is accounted in profit or loss table.

As per the information above, we have assessed Parcel No. 1154's fair value determined as TRY 219,864 (without VAT) based on the Valuation Report dated 13 February 2019 of a real estate company, considering the reasons laid out in the landscape plan announced on 17 July 2009 with a scale of 1/100,000, such as the land being allocated as "habitat" and "recreational" areas, the parcel's topography being very steep and bumpy, the parcel being outside the central settlement areas but there being no other parcel of the same size in the region where the land is located, the land being located close to the TEM highway, the fact that the structuring conditions stated in the scale of 1/5000 Master Plan of the region where the land is located are low, on the other hand, the stages of the plan suspension and appeal process of the Master Plan are incomplete, should the said plan be completed the function and construction rights of Ömerli Land will gain certainty only with plans having a scale of 1/1000, and the Northern Marmara motorway route having become clear and the Yavuz Sultan Selim Bridge (3rd bridge) which is connected to the motorway having started to provide service. On the other hand, this amount is the evaluation for the whole of the land Parcel No 1154. The share of Milpa in the Parcel No 1154 is 1,720,521 m^2 and 82.17% and the amount is TRY 180,655 as of 31 December 2018. (As of 31 December 2017, the share of Milpa is 1,720,521 m^2 and 82.17% and the share amount of Milpa is TRY 180,655). As mentioned above, lawsuit decision regarding the record decision on the Forest Land for parcel no: 1155 was approved by Court of Appeals for the 20th circuit. There is no fair value determined for the parcel no 1155 which was priorly derecognized from the statements of financial position through full amount of provision as of 31 December 2014. For Ömerli Land, security expenses amounting to TRY 456 has been recognised under operational expenses (31 December 2017: TRY 388). Additionally, no rental income has been recognised from the related property (31 December 2017: None).

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 18 - COMMITMENTS

(a) Letters of guarantee and guarantee notes given

	31 December 2018					31 December 2017					31 December 2016				
	TRY Equivalent	TRY	USD	EUR	Other	TRY Equivalent	TRY	USD	EUR	Other	TRY Equivalent	TRY	USD	EUR	Other
A. CPM's given in the name of its own legal personality															
Collaterals[1]	1,074,082	633,369	60,877	19,981	-	1,602,231	597,007	53,550	177,885	-	1,553,739	619,910	82,413	173,536	-
Pledge [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage[4]	-	-	-	-	-	22,578	-	-	5,000	-	24,114	-	-	6,500	-
B. CPM's given on behalf of the fully consolidated companies															
Collaterals [1][2]	370,702	5,764	23,704	39,853	-	228,000	40,851	34,781	-	860,000	35,022	1,377	8,176	-	85,000
Pledge[3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage[4]	-	-	-	-		415,940	3,256	109,410	-	-	357,056	1,598	99,949	1,002	-
C.CPM's given on behalf of 3rd parties for ordinary course of business	524,788	78,348	84,860	-	-	30,765	25,107	1,500	-	-	54,548	-	15,500	-	-
D.Total amount of other CPM's given															
i) Total amount of CPM's given on behalf of the majority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Total amount of CPM's given on behalf of 3rd parties which are not in scope of C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,969,572					2,299,514					2,024,479	-	-	-	-

[1] The collaterals of the Group consist of letter of guarantees, guarantee notes and bails and the details are explained below.

[2] Within the scope of the project of Aslancık Elektrik's hydroelectric power plant, Doğan Holding has given collateral to the credit institutions amounting to USD 23,704 and EUR 23,364 (31 December 2017: USD 29,630). There is a bail amounting to EUR 16,489 given for Galata Wind.

[3] 33.33% shares of Aslancık Elektrik, 33% shares of Boyabat Elektrik and 100% shares of Doel were given as pledges to financial institutions due to the Group's long term borrowings and are not included in the table above.

[4] Bails of the Group has been presented in mortgages in the above table.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 18 - COMMITMENTS (Continued)

(a) Letters of guarantee and guarantee notes given (Continued)

Other CPM's given by the Group to equity ratio is 0% as of 31 December 2018
(31 December 2017 and 2016: %0). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	31 December 2018		31 December 2017		31 December 2016	
	Original currency	TRY equivalent	Original currency	TRY equivalent	Original currency	TRY equivalent
Letters of guarantees - TRY	664,519	664,519	661,954	661,954	619,910	619,910
Letters of guarantees - USD	100,448	528,447	88,982	335,632	97,913	344,576
Letters of guarantees - EUR	19,650	118,450	176,273	795,962	173,536	643,801
Letters of guarantees - Other	-	-	860,000	55,960	85,000	4,872
Guarantee notes - USD	45,289	238,261	849	3,204	8,176	28,773
Guarantee notes - TRY	47,198	47,198	1,006	1,006	1,377	1,377
Guarantee notes - EUR	331	1,995	1,612	7,278	-	-
Total		1,598,870		1,860,996		1,643,309

(b) Bails and mortgages given

The details of guarantees given by the Group for the financial liabilities and trade payables of the Group companies and related parties as of 31 December 2018, 31 December 2017 and 31 December 2016 are as follows:

	31 December 2018		31 December 2017		31 December 2016	
	Original currency	TRY equivalent	Original currency	TRY equivalent	Original currency	TRY equivalent
Bails - EUR	39,853	240,234	-	-	1,002	3,717
Bails - USD	23,704	124,704	109,410	412,684	99,949	351,741
Bails - TRY	5,764	5,764	3,256	3,256	1,598	1,598
Mortgages - EUR	-	-	5,000	22,578	6,500	24,114
Total		370,702		438,518		381,170

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 19 - OTHER ASSETS

Other current assets	31 December 2018	31 December 2017	31 December 2016
Value added tax ("VAT") receivables	61,268	77,200	33,563
Prepaid tax and funds[1]	55,863	12,621	6,675
Personnel advances	1,098	5,998	7,674
Job advances	789	1,381	2,325
Programme stocks[2]	-	27,810	20,354
Other	592	3,318	1,811
	119,610	128,328	72,402
Provision for impairment on programme stocks (-)	-	(6,496)	(6,496)
Provision for other doubtful receivables (-)	(421)	(421)	(421)
	119,189	121,411	65,485

[1] Prepaid tax and funds amounting to TRY 49,666 (31 December 2017: TRY 5,566) are related to Holding; the remaining amount consists of prepaid tax and funds of the Group's subsidiaries.
[2] Programme stocks have been disposed as a result of the subsidiary sale described in Note 30.

Other non-current assets	31 December 2018	31 December 2017
Value added tax ("VAT") receivables[1]	398,758	531,725
Other	1,673	1,550
	400,431	533,275

[1] Explained in Note 2.3.1.

NOTE 20 - PREPAID EXPENSES AND DEFERRED INCOME

The details of prepaid expenses and deferred income at 31 December 2018, 31 December 2017 and 31 December 2016 are as follows:

Short term prepaid expenses	31 December 2018	31 December 2017	31 December 2016
Advances given[1]	45,770	87,923	34,734
Prepaid expenses[2]	35,013	30,537	48,193
	80,783	118,460	82,927

[1] The majority of the advances given consist of advances given for electricity production and trade segment operations and other operations. The advances given decreased due to the sale of the subsidiaries as explained in detail in Note 30.
[2] A significant portion of prepaid expenses consist of prepaid rent, insurance, program rights and subscription expenses.

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NOTE 20 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Long term prepaid expenses	31 December 2018	31 December 2017	31 December 2016
Advances given and prepayments[3][4][5][6]	126,385	36,915	38,859
Prepaid expenses for future years	9,850	3,164	14,310
	136,235	40,079	53,169

[3] Advances given and prepayments amounting to TRY 122,126 (31 December 2017: TRY 8,718 and 31 December 2016: None) comprise of advances given regarding purchase of board of solar energy system, by Galata Wind, one of the subsidiaries of Group.

[4] Advances given and prepayments amounting to TRY 4,259 consists of Doğan Holding and Group's other subsidiaries (31 December 2017: TRY 11,718, 31 December 2016:TRY 9,582).

[5] As of 31 December 2017, long-term advances given amounting to TRY 8,747 consist of prepayments made by Doğan TV Holding, for programme rights of UEFA (Union Européenne de Football Association or Union of European Football Associations) Champions League qualifying games and UEFA Cup qualifying games of certain Spor Toto Super League teams between 2008 and 2020. In accordance with the agreements, prepayments made for the related games are refunded to Doğan TV Holding in the case of cancellation of games. Doğan TV Holding is no longer a subsidiary of the Group as of 31 December 2018 within the subsidiary sales transactions detailed in Note 30. (31 December 2016: TRY 18,761)

[6] As of 31 December 2017, TRY 7,732 of advance payments and prepayments consists of the advances paid by the Group's subsidiary Aytemiz to dealers. (31 December 2016:TRY 10,516)

Short-term deferred income	31 December 2018	31 December 2017	31 December 2016
Deferred income[1]	46,984	76,148	41,167
Advances received[2]	16,100	16,932	15,934
	63,084	93,080	57,101

Long-term deferred income	31 December 2018	31 December 2017	31 December 2016
Deferred income[1]	6,047	5,919	7,830
	6,047	5,919	7,830

[1] A significant portion of deferred income consists of deferred income arising from contracts with respect to the digital broadcasting rights of DMC, a subsidiary of the Group, and deferred income related to Milta Turizm's yacht tying income. The balance has decreased as a result of the sale of subsidiaries as explained in Note 30.

[2] Significant amount of advances received consist of Milta Turizm, Marlin Otelcilik and D Yapım.

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NOTE 21 - DERIVATIVE INSTRUMENTS

Currency derivative transactions

The Group utilizes foreign exchange derivatives and commodity derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts and option contracts regarding the management of fluctuations in exchange rates and metal prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

As of the statement of financial position date, the total amount of the Group's foreign currency and option contracts with maturity that are not due and the Group is obliged to carry are as follows:

	31 December 2018		31 December 2017	
	Asset	Liability	Asset	Liability
Currency derivative transactions with maturity[1]	47,516	69,084	83	1,098
Commodity agreements[2]	4,318	-	-	-
Total	51,834	69,084	83	1,098

[1] Suzuki, Galata Wind and Aytemiz Akaryakıt, the subsidiaries of the Group, make forward foreign exchange contracts with the banks in order to hedge their foreign exchange risk; on the date of the deal sells TRY and buys US Dollars and Euros at the agreed date.
[2] Consists of commodity contracts signed by Aytemiz Akaryakıt, a subsidiary of the Group, to reduce the risk of fluctuation in fuel prices.

NOTE 22 - PROVISION FOR EMPLOYMENT BENEFITS

(a) Payables related to employee benefits

The details of payables related to employee benefits as of 31 December 2018, 31 December 2017 and 31 December 2016 are as follows. Amounts have decreased due to subsidiary sales explained in Note 30.

	31 December 2018	31 December 2017	31 December 2016
Payables to personnel	11,768	14,353	18,026
Social security payables	4,742	22,206	19,085
	16,510	36,559	37,111

(b) Short term provisions for employment benefits

The details of short term provisions for employment benefits as of 31 December 2018, 31 December 2017 and 31 December 2016 are as follows:

	31 December 2018	31 December 2017	31 December 2016
Provision for unused vacation	15,855	56,528	51,378
Personnel premium provision	-	266	-
	15,855	56,794	51,378

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NOTE 22 - PROVISION FOR EMPLOYMENT BENEFITS (Continued)

c) Long term provisions for employment benefit

Details of long term provisions for employment benefits as of 31 December 2018 , 31 December 2017 and 31 December 2016 are as follows:

	31 December 2018	31 December 2017	31 December 2016
Provision for employment termination benefits	34,071	123,015	119,430
	34,071	123,015	119,430

Except from the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. As of 31 December 2018, the maximum amount payable equivalent to one month of salary is TRY 5,434.42 (exact) (31 December 2017: TRY 4,732.48 (exact), 31 December 2016: TRY 4,297.21 (exact)) for each year of service. The retirement pay provision ceiling TRY 6,017.60 (exact) which is effective from 1 January 2019, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2017: TRY 5,001.76 (exact) effective from 1 January 2018, 31 December 2016: TRY 4,426.16 (exact) effective from 1 January 2017).

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group.

The standard TAS 19 “Employee Benefits” envisages the development of actuarial valuation methods in order to estimate the provision of severance pay. According to this, following assumptions were used in the calculation of total liability based on the report prepared by the actuarial firm.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2018, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

Discount rate applied as 16.00%(1) (31 December 2017: 11.50%, 31 December 2016:11.20%), inflation rate applied as 11,30% (31 December 2017: 7.00%, 31 December 2016: 6.50%) and increase in wages applied as 11.30% (31 December 2017: 7.00%, 31 December 2016: 6.50%) in the calculation(2).

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NOTE 22 - PROVISION FOR EMPLOYMENT BENEFITS (Continued)

c) Long term provisions for employment benefit (Continued)

Age of retirement is based on considering the Company's historical operating data and taken as the average age of retirement from the Group.

(1) Discount rate used for calculating the severance payment liability is determined as the 10 years of Government Bond compound interest of 16.00%.
(2) In the calculation of employment termination benefits, the effective returns of the longest-term inflation-indexed government bonds in TRY terms as of 31 December 2018 have been used.

The movement of provision for employment termination benefits within the period is as follows:

	2018	2017
1 January	123,015	119,430
Current period service cost and net interest expense from continued operations	5,599	22,042
Payments during the period due to continued operations	(8,934)	(31,569)
Disposal of subsidiaries	(92,154)	(259)
Loss due to payment/reducing benefits/ dismissal	3,786	7,873
Actuarial gain/(loss)	2,759	5,498
31 December	34,071	123,015

Total costs other than actuarial loss related to severance pay are included in the consolidated statement of profit or loss table. Actuarial gains / losses for the period ended as of 31 December 2018 amount to TRY 2,759 (31 December 2017: TRY 5,498, 31 December 2016:TRY 8,473).

NOTE 23 - EQUITY

Doğan Holding adopted the registered paid-in capital system and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TRY 1.

Doğan Holding's registered capital ceiling and issued capital at 31 December 2018 and 31 December 2017 are as follows:

	31 December 2018	31 December 2017
Registered authorized capital ceiling	4,000,000	4,000,000
Issued capital	2,616,938	2,616,938

There are no privileged shares of Doğan Holding.

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NOTE 23 - EQUITY (Continued)

The ultimate shareholders of Doğan Holding are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity as of 31 December 2018 and 31 December 2017 are as follows:

Shareholder	Share (%)	31 December 2018	Share (%)	31 December 2017
Adilbey Holding A.Ş.[1]	49.66	1,299,679	49.32	1,290,679
Doğan Family	14.41	377,126	14.41	377,126
Publicly traded on Borsa İstanbul[2]	35.93	940,133	36.27	949,133
Issued capital	100.00	2,616,938	100.00	2,616,938
Adjustment to issued capital		143,526		143,526
Repurchased shares (-)		(2,080)		(2,080)
Total		2,758,384		2,758,384

(1) On 16 October 2018 and 31 December 2018, Adilbey Holding A.Ş. acquired 9,000,000 (exact) shares in total, traded at Borsa İstanbul, and increased its share in issued capital to 49.66%.

(2) In accordance with the "CMB" Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 35.93% of the shares (31 December 2017: 35.95%) are outstanding as of 31 December 2018 based on the Central Registry Agency's ("CRA") records.

Adjustment to share capital represents the difference between cash and cash equivalent contributions to the total amounts adjusted for inflation added to issued share capital and amounts before inflation adjustment.

Repurchased shares

With the decision dated 1 December 2016, the Board of Directors of the Group has authorized Company management for the repurchasing of Company shares by taking into consideration the announcements made by the CMB on 21 July 2016 and 25 July 2016, taking into account the fourth, fifth and sixth paragraphs of the fifth article of the CMB's Repurchase Share Notifications (II-22.1) and the eighth sentence of the twelfth article and the CMB's announcements. In this context, it has been decided that the maximum amount of fund allocated for redemption shall be TRY 5,200 and the maximum number of shares to be repurchased will not exceed this amount.

In this context, 3,200,000 (exact) number of Company shares were purchased by the Company, TRY 0.65 per share, from Istanbul Stock Exchange.

Share premiums (discounts)

Share premiums/discounts represent the positive or negative differences resulting from the nominal value and sales value of public shares.

	31 December 2018	31 December 2017
Share premiums	163,724	163,724
Share discounts (-)	(128,565)	(128,565)
Total	35,159	35,159

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NOTE 23 - EQUITY (Continued)

Restricted reserves

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with TCC and TPL.

General Statutory Legal Reserves are reserved in accordance with the article 519 of Turkish Commercial Code and used in accordance with the principles set out in this article. The afore-mentioned amounts should be classified in “Restricted Reserves” in accordance with the TAS.

The details of restricted reserves as of 31 December 2018 and 31 December 2017 are as follows:

Restricted reserves	31 December 2018	31 December 2017
General legal reserves	189,808	187,342
Gain on sale of subsidiary’s shares	-	67,979
Venture capital investment fund	57,106	57,106
Total	246,914	312,427

Accumulated Other Comprehensive Income and Losses that will not be Reclassified in Profit or Loss

The Company’s investment property revaluation reserves and actuarial losses of defined benefit plans that aren’t reclassified in accumulated other comprehensive income and expenses are summarized below:

i. Gain/(loss) on revaluation of property, plant and equipment

Real estates recognised as property, plant and equipment in prior periods, can be transferred to investment property due to changes in use. The Group has reclassified some of its properties as investment property and has chosen to account such investment properties at fair value. As of 31 December 2018, revaluation increase accounted under shareholders’ equity is reclassified under retained earnings or accumulated losses as a result of the subsidiary sales which is described in Note 30 (31 December 2017: TRY 34,820).

ii. Actuarial gains (losses) on defined benefit plans

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group recognised all actuarial gains and losses in other comprehensive income. Remeasurement loss on defined benefit plans amounting to TRY 8,502 is accounted under shareholders’ equity and TRY 35,047 of this amount is reclassified under retained earnings or accumulated losses as a result of the subsidiary sales which is described in Note 30 (31 December 2017: TRY 41,613).

NOTE 23 - EQUITY (Continued)

Accumulated Other Comprehensive Income and losses that will be Reclassified in Profit or Loss

i. Revaluation and reclassification gains (losses)

Financial assets revaluation reserves are calculated by accounting on net book values after reflecting deferred tax impact of unearned gains and losses composed of changes of fair values of assets held for sale. The amount of revaluation losses of assets held for sale presented under equity in the statement of financial position is TRY 20 in the current period (31 December 2017: TRY 32,196 gain).

ii. Gain/(losses) from hedge reserve

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss. There is no gain or losses from cash flow hedge for the period ended in 31 December 2018. (31 December 2017: TRY 665 loss).

iii. Currency translation differences

Currency translation differences consist of currency translation differences of the Group's subsidiaries and joint ventures financial statements located out of Turkey using a measurement currency other than TRY and classified under equity. The increase in the currency translation difference reserve attributable to parent is TRY 119,258 and decrease amounting to TRY 105 is attributable to non-controlling interest (31 December 2017: TRY 73,311 is attributable to parent and TRY 6,864 is attributable to non-controlling interest).

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, General Statutory Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the statement of financial position and their adjusted values based on inflation are collectively presented in equity accounts group.

In accordance with the CMB regulations, "Issued capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences resulted due to the inflation adjustment shall be disclosed as follows:

- If the difference is due to the "Issued Capital" and not yet been transferred to capital, it should be classified under "Capital adjustment difference";

- If the difference is due to "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under "Retained Earnings/ (Losses)".

Other equity items are carried at the amounts valued in accordance with TAS.

Capital adjustment differences have no other use than to be included to the share capital.

NOTE 23 - EQUITY (Continued)

Dividend Distribution

The Company decides to distribute profit and makes profit distribution in accordance with the Turkish Commercial Code ("TCC"), Capital Market Law ("CML"), Capital Market Board ("CMB") Regulations and Laws; Tax Legislations; other related statutory legislation and Articles of Association and Resolutions of General Assembly. Profit distribution is determined by Profit Distribution Policy.

On the other hand,

a) Retained earnings derived from the repreparation of comparative financial statements based on the first time adoption of TAS,
b) "Equity inflation adjustment differences" derived from resources that do not have any restriction regarding profit distribution,
c) Retained earnings derived from the first time inflation adjustment of financial statements, can be distributed to shareholders as cash dividends.

In addition, if the consolidated financial statements include the "Purchasing Impact on Equity" item under equity, the related item is not considered as a deductible or additional item when presenting net distributable profit for the period.

At the general shareholders meeting of the Company as of 30 March 2018;

The following legislations have been taken into consideration; Turkish Commercial Code ("TCC"), Capital Market Legislation and Capital Market Law ("CMB") Regulations, Corporate Tax, Income Tax and other relevant legal legislations and the relevant legislations of the Main Agreement of the Company and "Dividend Distribution Policy";

- Under the legislation of "Communique on Financial Reporting in Capital Markets" (II-14.1) of CMB , according to the audited consolidated financial statements for the period 1 January 2017 - 31 December 2017 that are prepared in accordance with the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") published by Public Oversight, Accounting and Auditing Standards Board for which the presentation principles have been determined as per the relevant resolutions of the CMB; when "Deferred Tax Income", "Tax Expense for the Period", "Discontinued Operations Period Loss" and "Non-controlling Interests" are taken into consideration together, "Net Loss for the Period" amounting to Turkish Lira 471,545,000 (exact) has been observed, and after "Accumulated Losses" amounting to Turkish Lira 122,945,957.65 (exact) which has been calculated based on the Dividend Guide announced at 27 January 2014 and numbered 2014/2 in CMB Weekly Announcement and "Donation" amounting to Turkish Lira 2,279,168.25 (exact) in 2017 have been added to this amount, Turkish Lira 594,677,523.81 (exact) of "Net Loss for the Period" has been calculated and no dividend distribution has been made for the period 1 January - 31 December 2017 within the CMB regulations on profit distribution,

- In the financial records for the period 1 January 2017 - 31 December 2017 under the tax legislation and held by the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Finance, "Net Profit for the Period" amounting to Turkish Lira 49,314,688.18 (exact) has been observed; but "Tax Expense for the Period" did not occur, out of the remaining Turkish Lira 49,314,688.18 (exact) "General Legal Reserve Funds" of Turkish Lira 2,465,734.41 (exact) has been reserved, and the remaining part of Turkish Lira 46,848,953.77 (exact) will be transferred to the account of "Extraordinary Reserves",

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NOTE 23 - EQUITY (Continued)

Dividend Distribution (Continued)

- In the financial records prepared in accordance with the Tax Legislation, and the Uniform Accounting Plan published by the Republic of Turkey Ministry of Finance, the "Sales Profit Participation Share" (DMK) of Turkish Lira 67,978,860.95 (exact) accounted under "Special Funds" as the 5-year period specified in accordance with the Tax Legislation has been completed accounted under "Extraordinary Reserves",and accordingly, the suggestion of not distributing profit for the accounting period of 1 January 2017 - 31 December 2017 was submitted for the General Assembly's approval and accepted by majority of votes.

The CMB's requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to distribution. As of the statement of financial position date, the Company's gross amount of resources that may be subject to the profit distribution based on the statutory records, excluding share premiums / discounts, amounts to TRY 3,854,961 (31 December 2017: TRY 3,776,355).

NOTE 24 - REVENUE AND COST OF SALES

	1 January - 31 December 2018	1 January - 31 December 2017
Domestic sales	12,044,837	7,666,097
Foreign sales	247,207	140,968
Sales return and discounts (-)	(145,606)	(68,443)
Net sales	12,146,438	7,738,622
Cost of sales (-)	(11,131,912)	(7,231,320)
Gross profit	1,014,526	507,302

Sales details of fuel retail segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Fuel sales income	6,992,614	4,660,209
LPG sales income	1,051,426	716,342
Other	62,721	59,267
Total	8,106,761	5,435,818

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 24 - REVENUE AND COST OF SALES (Continued)

Sales details of electricity production and trade segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Electricity sales income	2,194,063	1,053,912
Total	2,194,063	1,053,912

Sales details of industry segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Industrial income	427,460	312,344
Total	427,460	312,344

Sales details of automotive trade and marketing segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Vehicle sales income	284,683	307,292
Total	284,683	307,292

Sales details of financing and investment segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Factoring income	232,904	96,022
Investment income	18,716	7,315
Financing income	24,097	1,707
Other	-	299
Total	275,717	105,343

Sales details of internet and entertainment segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Advertisement income	190,195	100,377
Subscription income	68,464	51,242
Other	58,277	32,992
Total	316,936	184,611

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 24 - REVENUE AND COST OF SALES (Continued)

Sales details of real estate investments segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Rent income	63,474	53,750
Real estate sales income	10,805	3,199
Other	973	799
Total	75,252	57,748

Sales details of other segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
External trade income	347,224	135,941
Tourism income	74,540	57,828
Other[1]	43,802	87,785
Total	465,566	281,554

[1] Other sales income consist of total sales of husbandry and other activities.

Details of the cost of sales for the periods ended at 31 December 2018 and 2017 are as follows:

	1 January - 31 December 2018	1 January - 31 December 2017
Fuel retail	(7,791,582)	(5,142,796)
Electricity production and trade	(2,026,579)	(983,647)
Industry	(326,761)	(246,879)
Automotive trade and marketing	(237,283)	(267,846)
Financing and investment	(170,529)	(56,785)
Internet and entertainment	(183,108)	(142,484)
Real estate investments	(28,487)	(12,531)
Other	(367,583)	(378,352)
Total	(11,131,912)	(7,231,320)

Details of the cost of sales of fuel retail segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Fuel and LPG sales cost	(7,739,232)	(5,108,847)
Other	(52,350)	(33,949)
Total	(7,791,582)	(5,142,796)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 24 - REVENUE AND COST OF SALES (Continued)

Details of the cost of sales of electricity production and trade segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Electricity costs	(1,971,917)	(948,954)
Amortization and depreciation	(31,723)	(15,226)
Personnel expenses	(2,124)	(3,068)
General production expenses	(2,487)	(1,741)
Other	(18,328)	(14,658)
Total	(2,026,579)	(983,647)

Cost of sales details of industry segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Raw material cost	(247,662)	(173,547)
Personnel expenses	(43,173)	(35,523)
General production expenses	(26,077)	(29,913)
Amortization and depreciation	(9,849)	(7,896)
Total	(326,761)	(246,879)

Cost of sales details of automotive trade and marketing segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Cost of trade goods sold	(235,614)	(266,807)
Personnel expenses	(1,279)	(692)
Internet advertisement service cost	(390)	(347)
Total	(237,283)	(267,846)

Cost of sales details of financing and investment segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Cost of services sold	(170,529)	(56,785)
Total	(170,529)	(56,785)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 24 - REVENUE AND COST OF SALES (Continued)

Cost of sales details of internet and entertainment segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Cost of trade goods sold	(61,156)	(53,924)
Amortization and depreciation	(25,696)	(27,157)
Personnel expenses	(43,059)	(33,078)
Other	(53,197)	(28,325)
Total	(183,108)	(142,484)

Cost of sales details of real estate investments segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Cost of goods sold and services	(28,487)	(12,531)
Total	(28,487)	(12,531)

Cost of sales details of other segment are presented below:

	1 January - 31 December 2018	1 January - 31 December 2017
Cost of trade goods sold	(285,671)	(316,211)
Personnel expenses	(18,245)	(17,250)
Amortization and depreciation	(9,182)	(22,335)
Other	(54,485)	(22,556)
Total	(367,583)	(378,352)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 25 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2018	1 January - 31 December 2017
General administrative expenses	(278,656)	(191,181)
Marketing expenses	(363,295)	(328,105)
Operating expenses	(641,951)	(519,286)

Marketing expenses:

	1 January - 31 December 2018	1 January - 31 December 2017
Personnel expenses	(75,169)	(57,148)
Transportation, storage and travel expenses	(52,123)	(46,758)
Advertisement expenses	(47,535)	(40,599)
Amortization and depreciation	(43,901)	(26,285)
Amortization shares of dealer agreements	(40,286)	(76,921)
Royalty expenses	(24,388)	(15,104)
Electricity distribution expenses	(17,894)	(19,354)
Consulting expenses	(14,574)	(9,032)
Rent expenses	(12,168)	(6,043)
Outsourced service expenses	(5,680)	(6,742)
Other	(29,577)	(24,119)
Total	(363,295)	(328,105)

General administrative expenses:

	1 January - 31 December 2018	1 January - 31 December 2017
Personnel expenses	(139,851)	(108,013)
Various taxes	(24,250)	(3,160)
Consulting expenses	(23,938)	(12,913)
Outsourced service expenses	(15,807)	(7,656)
Amortization and depreciation	(15,472)	(19,497)
Rent expenses	(13,153)	(11,923)
Transportation, storage and travel expenses	(7,220)	(3,343)
Other	(38,965)	(24,676)
Total	(278,656)	(191,181)

NOTE 26 - EXPENSES BY NATURE

Expenses are presented functionally for the periods ended 31 December 2018 and 2017 and the details are given in Note 24 and Note 25.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities

	1 January - 31 December 2018	1 January - 31 December 2017
Foreign exchange gains	1,022,126	207,802
Interest income on bank deposit	193,099	47,711
Finance income due from sales with maturity	132,117	62,026
Unrecognized provisions	10,714	8,013
Utilization of VAT discount	-	4,458
Property, plant and equipment sales income	-	9,517
Other	31,982	24,470
Total	1,390,038	363,997

Other expenses from operating activities

	1 January - 31 December 2018	1 January - 31 December 2017
Foreign exchange losses	(101,987)	(105,922)
Finance expense due to purchases with maturity	(82,956)	(44,320)
Provision for doubtful receivables (Note 9)	(42,959)	(9,274)
Impairment on fair value of investment properties (Note 13)	-	(11,765)
Contractual expenses	(26,843)	-
Provision for lawsuits (Note 17)	(4,683)	(1,292)
Other penalties and compensations paid	(4,278)	(636)
Provision for impairment on inventory (Note 11)	(330)	(167)
Other	(41,504)	(30,610)
	(305,540)	(203,986)

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NOTE 28 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities

	1 January - 31 December 2018	1 January - 31 December 2017
Gain on sale of subsidiary shares	3,892,962	800
Fair value increase of financial investments	25,842	-
Interest income of marketable securities	25,688	9,659
Gain on sale of property plant and equipment and intangible assets	8,741	5,307
Foreign exchange gains	4,107	4,780
Fair value increase of investment properties (Note 13)	-	155,882
Gain on purchase of subsidiary shares	-	18,994
Other	5,252	2,503
	3,962,592	197,925

Expenses from investment activities

	1 January - 31 December 2018	1 January - 31 December 2017
Expense of fair value adjustment of investment properties (Note 13) [1]	(463,089)	(2,466)
Impairment of joint ventures	(302,376)	-
Foreign exchange loss related to share purchase commitment	(111,734)	(112,880)
Interest expense related to share purchase commitment	(60,566)	(33,583)
Expense related to impairment of goodwill	(7,996)	-
Loss on sales of property, plant and equipment	(1,411)	(2,599)
Other	(502)	(1,746)
	(947,674)	(153,274)

[1] The Group has accounted for a fair value adjustment of TRY 463,089 (31 December 2017: TRY 158,989), in the purchase and sale transactions in the current period regarding the land and buildings considering the appraisal value in the real estate appraisal report.Adjustment amounting to TRY 438,020 results from the retroactive correction of the consolidated financial statements in accordance with the principle resolution of the POA published in the Official Gazette dated 21 July 2013 and 17 October 2018 "The Accounting of Business Combinations Subject to Common Control" as explained in detail in Note 2.1.5 and Note 3.

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NOTE 29 - FINANCE INCOME AND EXPENSES

Finance income

	1 January - 31 December 2018	1 January - 31 December 2017
Income from derivative instruments	52,510	109
Other	194	109
	52,704	218

Finance expenses

	1 January - 31 December 2018	1 January - 31 December 2017
Foreign exchange loss	(354,533)	(172,096)
Interest expense on bank borrowings	(210,938)	(67,411)
Expense from derivative instruments	(69,167)	-
Bank commission expenses	(58,678)	(23,519)
Other	(2,158)	(3,220)
	(695,474)	(266,246)

NOTE 30 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) For the period ended at 31 December 2017, the Group's subsidiaries Bravo TV and Trend TV, whose area of activity were broadcasting, were sold. As a result of this sale transaction, TRY 1,488 cash has been received and the gain amounting to TRY 800 has been accounted under income from investment activities in the consolidated income statement for the period ended 31 December 2017 (Note 28) (31 December 2016: None).

With the decision of the Board of Directors of Pronto Media Holding, resident in Russia on 22 November 2017, which is an indirect subsidiary of Trader Media East Ltd. ("TME"), owned by the Group which holds 97.29% of the shares, digital platform operations within the company were decided to cease due to the intensity of the competition in the markets where the company operates and insufficient operational performance. Digital operations were ceased with this decision and they are classified as discontinued operations.

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NOTE 30 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

	1 January- 31 December 2017
Revenue	15,997
Cost of sales (-)	(10,763)
General administrative and marketing expenses	(28,192)
Other income/(expense) from operating activities, net[1]	(974)
Financial expenses, net	(3,375)
Expense from investment activities, net[2]	(279,183)
Discontinued operations loss before taxation	**(306,490)**
Tax income/(expense) for the period	-
Deferred tax income	54,130
Discontinued operations period loss	**(252,360)**

(1) As of 31 December 2017, there are doubtful receivable expenses amounting to TRY 990.
(2) Regarding to discontinued operations provision for impairment amounting to TRY 279,361 has been accounted in the consolidated financial statements for the year ended 31 December 2017.

b) Based on the share purchase agreement signed between the Group and Demirören Medya Yatırımları Ticaret A.Ş. and as a result of the meeting of closing provisions defined in the agreement and finalization of transaction in compliance with the legal requirements, the Group completed the sale of its own shares in the capitals of its directly and indirectly controlled subsidiaries operating in broadcasting and publishing segment, the details of which are explained in Note 1, on 16 May 2018. As a results of re-purchase of the shares held by Doğan Family members, the total consideration obtained from the transaction is USD 919,000 (equivalent of TRY 4,033,102).

The Group also completed the share sales in its subsidiary, Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. to Turkuvaz TK Kitap ve Kırtasiye A.Ş. in return of consideration by TRY 440,000 on 30 May 2018, as a result of the meeting of closing provisions defined in the agreement and finalization of transaction in compliance with the legal requirements.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 30 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

The carrying amounts of the assets and liabilities as of the aforementioned transaction dates are as follows:

	Registered value
Cash and cash equivalents	269,985
Financial investments	6,798
Trade receivables	515,224
Other receivables	25,168
Derivative instruments	1,841
Inventories	239,871
Prepaid expenses	65,958
Other current assets	160,664
Investment properties	191,492
Property, plant and equipment	383,093
Intangible assets	703,810
Deferred tax asset	15,668
Other non-current assets	110,725
Total assets	2,690,297
Borrowings	1,106,939
Trade payables	722,395
Payables related to employee benefits	18,048
Deferred income	39,009
Other payables	43,244
Current income tax liability	2,912
Provisions	200,414
Total liabilities	2,132,961
Net assets	557,336

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NOTE 30 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

As of 31 December 2018, these transactions of the related subsidiaries, realized in 1 January - 31 December 2018 period were reclassified as discontinued operations. In this context, Group has presented the related activities as discontinued operations in order to ensure consistency with the consolidated statement of profit or loss and related notes and statement of cash flows in the financial statements for the period 1 January - 31 December 2017.

	2018	2017
Revenue	718,059	2,794,280
Cost of sales (-)	(537,287)	(1,823,950)
General administrative and marketing expenses	(177,850)	(686,129)
Other income/(expense) from operating activities, net	(1,142)	21,792
Income/(expense) from investment activities, net	(618)	23,062
Finance income/(expense), net	(64,221)	(231,187)
Discontinued operations profit (loss) before taxation	(63,059)	97,868
Tax income/(expense) for the period	(3,403)	139,645
Deferred tax income/(expense)	(4,871)	(127,633)
Discontinued operations profit (loss) for the period	(71,333)	109,880

	2018
Cash flows from operating activities	26,688
Cash flows from investing activities	(84,556)
Cash flows from financing activities	49,390
Net cash flow generated by subsidiary	(8,478)

Details of subsidiary sales transactions are as follows:

	2018
Total sales price	4,473,102
Registered value of net assets sold	(557,336)
Non-controlling interest	28,567
	3,944,333
Reclassification of currency translation difference	(56,463)
Sales profit after tax	3,887,870

	2018
Total sales revenue	4,473,102
Notes receivable	(99,725)
Cash held by the sold companies	(269,985)
Net cash inflow	4,103,392

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NOTE 30 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

c) The Group has sold Blu TV İletişim, one of the Group's subsidiaries, on 17 August 2018.

The registered value of the assets and liabilities whose sales details are given above as of the date of sales transaction are as follows:

	Registered value
Cash and cash equivalents	2,416
Financial investments	-
Trade receivables	4,472
Other receivables	-
Derivative instruments	-
Inventories	87
Prepaid expenses	821
Other current assets	3,603
Investment properties	-
Property, plant and equipment	516
Intangible assets	11,639
Total assets	**23,554**
Borrowings	-
Trade payables	22,097
Payables related to employee benefits	436
Deferred income	68
Other payables	5,079
Current income tax liability	-
Provisions	840
Deferred tax liabilities	126
Total liabilities	**28,646**
Net assets	**(5,092)**

Details of subsidiary sales transactions are as follows:

	2018
Total sales price	-
Registered value of net assets sold	(5,092)
Sales profit after tax	**5,092**

	2018
Total sales price	-
Cash held by the sold companies	(2,416)
Net cash outflow	**(2,416)**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 31 - INCOME TAXES

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis for all the subsidiaries consolidated on a line-by-line basis.

Corporate tax

Corporate tax liabilities as of 31 December 2018, 31 December 2017 and 31 December 2016 are as follows:

	31 December 2018	31 December 2017	31 December 2016
Provision for current income tax	123,498	38,821	48,999
Prepaid corporate taxes	(115,806)	(24,711)	(35,542)
Taxes payable for the period	7,692	14,110	13,457

	31 December 2018	31 December 2017	31 December 2016
Corporate and income taxes payable	7,692	14,110	13,457
Deferred tax (asset)/liabilities, net	18,242	139,037	152,122
Total taxes	25,934	153,147	165,579

Turkey

The Corporate Tax Law has been amended as of 13 June 2006 by Law No: 5520. The majority of the clauses of Law No: 5520 are effective as of 1 January 2006. Corporate tax rate for the fiscal year 2018 is 22% (2017: 20%, 2016: 20%) for Turkey. Corporate tax is payable at a rate of 20% on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (exemption for participation in subsidiaries, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

Companies calculate corporate tax quarterly at the rate of 22% over their corporate income and these amounts are disclosed by the end of 14th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period’s corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

Within the scope of the "Law on the Amendment of Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Turkish Trade Registry Gazette dated 5 December 2017, the corporate tax rate for the years 2018, 2019 and 2020 was increased from 20% to 22%. As per this law, deferred tax assets and obligations were calculated in the financial statements dated 31 December 2018, applying a tax rate of 22% for temporary differences’ portion to lead to tax effects in 2018, 2019 and 2020, and at 20% for the portion to lead to tax effects in 2021 and subsequent periods.

NOTE 31 - INCOME TAXES (Continued)

Turkey (Continued)

According to, Amendments in Tax Procedural Law, Income Tax Law and Corporate Tax Law ("Law No. 5024") published in the Official Gazette on December 30, 2003 and the income or corporations taxpayers whose determine their profits on the basis of the statement of financial position, the financial statements are subject to inflation adjustment starting from 1 January 2004. The merger premiums which occurred as a result of the related subsidiary mergers, were classified as an equalizing account, which is neither an asset nor a liability, by the Group, in its financial statements and applied an inflation adjustment for the calculation of the corporate tax in 2004, due to the related regulations and Tax Procedural Law, titled "Inflation Adjustment Application" with number 17 and dated 24 March 2005.

In accordance with the related law, the cumulative inflation of last 36 months inflation rate (PPI) must exceed 100% and the inflation rate (PPI) of last 12 months must exceed 10% in order to adjust inflation. There has not been any inflation adjustment after 2005 due to the absence of conditions required.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed as a result of another tax assessment.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

Issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company,(except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

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NOTE 31 - INCOME TAXES (Continued)

Turkey (Continued)

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. For exemption, the relevant gain is required to be held in a fund account in liabilities for at least five years. The cost of the sale should be collected until the end of the second calendar year following the year of the sale.

Russian Federation

The corporate tax rate effective in the Russian Federation is 20% (2017: 20%).

The Russian tax year is the calendar year and fiscal year ends other than the calendar year end are not applicable in the Russian Federation. The income taxes over gains are calculated annually. Tax payments are made monthly or depending on tax payer's discretion, it can be made monthly or quarterly by using different calculation methods. Corporate tax declarations are given until 28th of March following the fiscal year end.

According to the Russian Federation's tax legislation, financial losses can be carried forward indefinitely to be deducted from future taxable income.

Tax can be refunded in practice; however, refund is generally available following the outcome of legal procedures. Consolidated tax reporting or tax payment of parent companies or subsidiaries is not allowed. In general, dividend payments that are paid to foreign shareholders are subject to 15% withholding tax. Based on bilateral tax agreements, withholding tax rate can be decreased.

In accordance with the new tax amendment in Russian Federation, the Companies can reduce 50% of the profit occurred between 2017-2020 and total accumulated losses as of 2021. Besides, the limitation of carried forward tax losses due to accumulated losses after 2007 for up to 10 years has been removed. The Group assesses the possible effects of the new tax amendmends.

The tax rates at 31 December 2018 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

Country	Tax rates (%)
Germany	28.0
Belarus	18.0
Russia	20.0
Netherland	25.0

Belarus

Corporate tax rate effective in Belarus is 18% (2017: 18%). Tax year is the calendar year in Belarus. Profit tax is calculated as progressive total. Payments regarding tax are made quarterly from the prior year results or expected current year profit. Corporate tax declarations should be given at 20 March following the financial year financial losses are not allowed to be deducted from the period corporate income. Tax refund option is available. Consolidated tax reporting or payment isn't allowed for parent company and its subsidiaries. In general, dividends paid to foreign shareholders are subject to 12% withholding tax rate. This rate might decrease in bilateral tax agreements. Tax legislations in Belarus is subject to frequent changes.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 31 - INCOME TAXES (Continued)

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA's Financial Reporting Standards. The temporary differences arise due to accounting treatments made in different reporting periods based on the applicable tax laws and the transfer of financial losses.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the statement of financial position dates which are disclosed in the table and explanations above.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences, deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2018,31 December 2017 and 31 December 2016 using the enacted tax rates are as follows:

	Cumulative temporary differences			Deferred tax assets/(liabilities)		
	31 December 2018	31 December 2017	31 December 2016	31 December 2018	31 December 2017	31 December 2016
Deductible tax losses	231,598	162,895	99,266	50,460	32,579	19,853
Provision for employment termination and unused vacation benefits	49,926	179,809	170,808	10,302	35,962	34,162
Deferred financial income of trade receivables	27,427	5,418	17,093	6,034	1,192	3,419
Provision for doubtful receivables	19,920	167,900	128,949	3,984	36,938	25,790
Other	226,390	104,716	74,169	47,542	17,502	14,499
Deferred tax assets	555,261	620,738	490,285	118,322	124,173	97,723
Net differences between fair and tax values of investment properties	(107,343)	(647,524)	(538,834)	(19,130)	(118,229)	(70,404)
Net differences between the tax and registered value of property, plant and equipment, inventories and intangible assets	(387,714)	(930,285)	(785,907)	(85,297)	(120,815)	(166,757)
Other	(160,685)	(101,513)	(62,901)	(32,137)	(24,166)	(12,684)
Deferred tax liabilities	(655,742)	(1,679,322)	(1,387,642)	(136,564)	(263,210)	(249,845)
Deferred tax assets/ (liabilities) ,net	(100,481)	(1,058,584)	(897,357)	(18,242)	(139,037)	(152,122)

Conclusions of netting has been reflected to consolidated statement of financial position of the Group, since Doğan Holding, subsidiaries and joint ventures, which are separate taxpayer companies, have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS. Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 31 - INCOME TAXES (Continued)

Deferred tax (Continued)

The Group recognized deferred tax assets over TRY 231,598 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 31 December 2018 (31 December 2017: TRY 162,895, 31 December 2016: TRY 99,266). As of 31 December 2018, 31 December 2017 and 31 December 2016, the maturity analysis of carry forward tax losses is as follows:

	31 December 2018	31 December 2017	31 December 2016
2018	-	(13,117)	-
2019	-	(44,217)	-
2020 and after	(231,598)	(105,561)	(99,266)
	(231,598)	(162,895)	(99,266)

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Movements for net deferred taxes for the periods ended at 31 December 2018 and 2017 are as follows:

	2018	2017
1 January	(139,037)	(152,122)
Current period income (expense)	125,266	92,590
Tax recognized under equity	10,190	(9,626)
Disposal of subsidiary	(15,668)	(73,534)
Currency translation differences	1,007	3,297
Acquisition of subsidiary	-	478
Sales of subsidiary	-	(120)
31 December	(18,242)	(139,037)

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended 31 December 2018 and 2017 are summarized below:

	1 January - 31 December 2018	1 January - 31 December 2017
Tax expense for the period	(123,498)	(178,466)
Deferred tax income/(expense)	125,266	92,590
Total tax (expense)/income	1,768	(85,876)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 31 - INCOME TAXES (Continued)

Deferred tax (Continued)

The reconciliation of the taxation on income in the consolidated statement of profit or loss for periods ended 31 December 2018 and 2017 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	2018	2017
Income/(Loss) before tax and non-controlling interests(*)	3,573,630	(356,812)
Current period tax income/(expense) calculated at 22% (2017: 20%) effective tax rate	(786,199)	71,362
Discontinued operations tax effect	(13,873)	(66,142)
Effect of carryforward tax losses not subject to deferred tax asset	(6,902)	(45,857)
Tax effect of adjustments related to share purchase commitments	(37,906)	(29,293)
Effect of investments accounted for by the equity method	(42,357)	(14,968)
Effect of expenses non- deductible / not subject to tax	(53,190)	(13,891)
Effect of change in statutory tax rate on deferred tax	(174)	(4,806)
Exceptions	74,618	7,756
Subsidiary sales gain effect	974,101	-
Current period portion of carryforward tax losses used subject to deferred tax calculation in prior periods	(45,267)	6,308
Incomes not subject to tax	(66,523)	10,822
Other	5,440	(7,167)
31 December	1,768	(85,876)

(*) Includes pre-tax income/(loss) of continued and discontinued operations.

NOTE 32 - EARNING/LOSS PER SHARE

Gain/(loss) per share for each class of shares is disclosed below:

	1 January - 31 December 2018	1 January - 31 December 2017
Net profit/(loss) for the period attributable to equity holders of the Parent Company	3,633,096	(323,199)
Weighted average number of shares with face value of TRY1 each(1)	2,613,738	2,613,738
Earning/(loss) per share	1,390	(0,124)

(1) As explained in detail in Note 23, repurchased shares are excluded.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 33 - RELATED PARTY DISCLOSURES

As of the statement of financial position date, due from and to related parties and related party transactions for the periods ending 31 December 2018, 31 December 2017 and 31 December 2016 are disclosed below:

i) Transactions with related parties:

Short term trade receivables from related parties:

	31 December 2018	31 December 2017	31 December 2016
Doğan Egmont [1] [2]	3,080	1,412	974
Doğan Burda[1] [2]	1,297	245	513
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”) [1]	574	3,557	3,338
D Elektronik Şans Oyunları Yayıncılık A.Ş. (“D Elektronik”) [1]	98	693	381
Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”) [3]	93	2,154	932
Other	1,658	2,166	3,435
Total	6,800	10,227	9,573

[1] Related to the Group’s financial, legal, information processing and other areas of service sales.
[2] Receivables related to raw material sales of the Group.
[3] Receivables related to electricity, water and dues sales of the Group.

Other short term receivables from related parties:

	31 December 2018	31 December 2017
Aslancık Elektrik [1]	20,536	-
Boyabat Elektrik	-	9,750
Total	20,536	9,750

[1] Related to receivable balances for financing of the Group’s joint venture Aslancık Elektrik.

Short term trade payables to related parties

	31 December 2018	31 December 2017	31 December 2016
Ortadoğu Otomotiv [1]	152	-	515
Doğan Burda [2]	92	9,595	12,933
Doğan Egmont [2]	-	15,788	10,015
Boyabat Elektrik [3]	-	-	1,336
Other	64	760	612
Total	308	26,143	25,411

[1] Comprises of the rent expenses of the Group.
[2] Comprises of the magazines purchases of the Group.
[3] Comprises of the electricity purchases of the Group.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

i) Transactions with related parties (Continued):

Short term trade payables to related parties:

	31 December 2018	31 December 2017	31 December 2016
Ortadoğu Otomotiv [1]	-	850,000	-
Total	-	850,000	-

Long term trade payables to related parties:

	31 December 2018	31 December 2017	31 December 2016
Ortadoğu Otomotiv [1]	-	-	850,000
Total	-	-	850,000

[1] Related to real estate acquired and resulted in the restatement of the consolidated financial statements in accordance with the principle resolution of the POA published in the Official Gazette dated 21 July 2013 and 17 October 2018 "The Accounting of Business Combinations Subject to Common Control" as explained in detail in Note 2.1.5 and Note 3.

ii) Transactions with related parties:

Product and service purchases from related parties

	1 January - 31 December 2018	1 January - 31 December 2017
Boyabat Elektrik [1]	8,886	68,139
Ortadoğu Otomotiv [2][4]	8,551	7,187
Adilbey Holding A.Ş.[2]	2,985	2,676
Doğan Burda [3]	906	603
Doğan Egmont [3]	160	16
Other	3,408	4,134
Total	24,896	82,755

[1] Comprises of the electricity purchases of the Group.
[2] Comprises of the office rental services purchases of the Group.
[3] Comprises of the magazines purchases of the Group.
[4] The amounts of Ortadoğu Otomotiv in the consolidated statement of profit or loss for the period 1 January 2017 – 31 December 2017 have been restated as a result of the restatement of the consolidated financial statements in accordance with the principle resolution of the POA published in the Official Gazette dated 21 July 2013 and 17 October 2018 "The Accounting of Business Combinations Subject to Common Control" as explained in detail in Note 2.1.5 and Note3.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties (Continued):

Product and service sales to related parties

	1 January - 31 December 2018	1 January - 31 December 2017
Doğan Burda [(1)]	11,839	12,341
D-Market [(2)]	11,660	9,988
Doğan Egmont [(1)]	11,318	11,581
Gümüştaş Madencilik [(3)(4)]	4,067	8,043
D Elektronik [(2)]	1,570	212
Ortadoğu Otomotiv [(2)(3)(6)]	1,364	724
Adilbey Holding A.Ş. [(3) (5)]	1,187	1,268
Boyabat Elektrik [(3)]	1,007	14,265
Other	4,475	6,070
	48,487	64,492

(1) The balance consists of raw material sales of the Group.
(2) The balance consists of financial, legal, data processing and other consultancy services sales of the Group.
(3) The balance consists of electricity sales of the Group.
(4) The balance consists of fuel oil sales of the Group.
(5) The balance consists of general administrative services provided by the Group.
(6) The amounts of Ortadoğu Otomotiv in the consolidated statement of profit or loss for the period 1 January 2017 – 31 December 2017 have been restated as a result of the restatement of the consolidated financial statements in accordance with the principle resolution of the POA published in the Official Gazette dated 21 July 2013 and 17 October 2018 "The Accounting of Business Combinations Subject to Common Control" as explained in detail in Note 2.1.5 and Note3.

Remuneration of the members of the Board of Directors and key management personnel:

Group determined member of the Board of the Directors, Consultants of the Board, Group Presidents and Vice Presidents, Chief Legal Counsel, and Director's as Key Management Personnel. The compensation of board members and key management personnel includes salaries, bonus, health insurance, communication and transportation benefits and total amount of compensation is explained below:

	1 January - 31 December 2018	1 January - 31 December 2017
Salaries and other short term benefits	18,155	20,393
Post-employment benefits	-	-
Termination benefits	-	-
Other long maturity benefits	-	-
Share based payments	-	-
Total	18,155	20,393

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Instruments and Financial Risk Management

The Group's activities expose it to a variety of financial risks; these risks are credit risk, market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments in a limited manner to hedge these exposures.

Financial risk management is carried out by individual subsidiaries and joint ventures under the policies, which are approved by their Board of Directors within the limits of general principles set out by the Group.

a) Market risk

a.1) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. TRY equivalents of foreign currency denominated monetary assets and liabilities as of 31 December 2018, 31 December 2017 and 31 December 2016 before consolidation adjustments and reclassifications are as follows:

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR, the other currencies have no material impact.

	31 December 2018	31 December 2017	31 December 2016
Foreign currency assets	5,817,331	1,519,992	1,348,198
Foreign currency liabilities	(1,202,235)	(2,583,954)	(2,111,951)
Net foreign currency position	4,615,096	(1,063,962)	(763,753)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.1) Foreign currency risk (Continued)

Sensitivity analysis of foreign currency risk as of 31 December 2018, 31 December 2017 and 31 December 2016 and foreign currency denominated asset and liability balances are summarized below. The recorded amounts of foreign currency assets and liabilities held by the Group are as follows, in terms of foreign currency:

31 December 2018	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	116,816	5,553	9,372	31,108
2a. Monetary Financial Assets (Cash, banks included)	5,270,313	592,137	351,373	37,063
2b. Non-Monetary Financial Assets	428,444	81,209	201	-
3. Other	1,758	28	267	-
4. Current Assets (1+2+3)	5,817,331	678,927	361,213	68,171
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	5,817,331	678,927	361,213	68,171
10. Trade Payables	59,942	971	8,219	5,290
11. Financial Liabilities	614,611	36,310	70,270	-
12a. Other Monetary Liabilities	18,693	39	3,065	15
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short Term Liabilities (10+11+12)	693,246	37,320	81,554	5,305
14. Trade Payables	-	-	-	-
15. Financial Liabilities	412,097	20,070	50,848	-
16a. Other Monetary Liabilities	96,892	18,421	4	43
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	509,989	38,491	50,852	43
18. Total Liabilities (13+17)	1,202,235	75,811	132,406	5,348
19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)	-	-	-	-
19a. Off Statement of Financial Position Foreign Currency Derivative Assets	-	-	-	-
19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	4,615,096	603,116	228,807	62,823
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	4,184,894	521,879	228,339	62,823

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.1) Foreign currency risk (Continued)

31 December 2017	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	129,976	18,819	12,975	404
2a. Monetary Financial Assets (Cash, banks included)	1,338,079	217,575	114,521	288
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	25,144	6,640	22	-
4. Current Assets (1+2+3)	1,493,199	243,034	127,518	692
5. Trade Receivables	268	-	57	11
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	26,525	6,857	146	-
8. Non-Current Assets (5+6+7)	26,793	6,857	203	11
9. Total Assets (4+8)	1,519,992	249,891	127,721	703
10. Trade Payables	331,925	67,030	17,358	714
11. Financial Liabilities	895,264	45,825	157,876	9,528
12a. Other Monetary Liabilities	3,005	404	328	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short Term Liabilities (10+11+12)	1,230,194	113,259	175,562	10,242
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1,052,643	-	226,737	28,813
16a. Other Monetary Liabilities	301,117	79,831	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	1,353,760	79,831	226,737	28,813
18. Total Liabilities (13+17)	2,583,954	193,090	402,299	39,055
19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)	-	-	-	-
19a. Off Statement of Financial Position Foreign Currency Derivative Assets	-	-	-	-
19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(1,063,962)	56,801	(274,578)	(38,352)
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	(1,115,631)	43,304	(274,746)	(38,352)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.1) Foreign currency risk (Continued)

31 December 2016	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	171,280	23,998	12,277	41,280
2a. Monetary Financial Assets (Cash, banks included)	1,149,854	225,488	95,527	1,921
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	17,801	954	2,571	4,905
4. Current Assets (1+2+3)	1,338,935	250,440	110,375	48,106
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	9,263	1,618	782	667
8. Non-Current Assets (5+6+7)	9,263	1,618	782	667
9. Total Assets (4+8)	1,348,198	252,058	111,157	48,773
10. Trade Payables	242,793	41,474	21,186	18,240
11. Financial Liabilities	600,419	37,222	122,438	15,195
12a. Other Monetary Liabilities	113,386	32,018	191	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short Term Liabilities (10+11+12)	956,598	110,714	143,815	33,435
14. Trade Payables	283	-	-	283
15. Financial Liabilities	1,044,871	25,000	257,929	-
16a. Other Monetary Liabilities	110,199	31,280	32	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	1,155,353	56,280	257,961	283
18. Total Liabilities (13+17)	2,111,951	166,994	401,776	33,718
19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)	-	-	-	-
19a. Off Statement of Financial Position Foreign Currency Derivative Assets	-	-	-	-
19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(763,753)	85,064	(290,619)	15,055
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	(790,817)	82,492	(293,972)	9,483

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.1) Foreign currency risk (Continued)

As of 31 December 2018, 31 December 2017 and 31 December 2016, foreign currency denominated asset and liability balances were converted by the following exchange rates: TRY 5.2609 = 1 USD and TRY 6.0280 = 1 EUR (31 December 2017: TRY 3.7719 = 1 USD and TRY 4.5155 = 1 EUR, 31 December 2016: TRY 3.5192 = 1 USD and TRY 3.7099 = 1 EUR).

31 December 2018	Income/(Loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	634,587	(634,587)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	634,587	(634,587)
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	275,850	(275,850)
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income) (4+5)	275,850	(275,850)
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	12,564	(12,564)
8- Hedging amount of other currency (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	12,564	(12,564)
TOTAL (3+6+9)	923,001	(923,001)

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.1) Foreign currency risk (Continued)

31 December 2017	Income/(loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	42,850	(42,850)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	42,850	(42,850)
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	(247,971)	247,971
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income) (4+5)	(247,971)	247,971
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	(7,670)	7,670
8- Hedging amount of other currency (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	(7,670)	7,670
TOTAL (3+6+9)	(212,791)	212,791

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.1) Foreign currency risk (Continued)

31 December 2016	Income/(loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	59,871	(59,871)
2- Hedging amount of USD (-)	-	
3- USD net effect on (loss)/income (1+2)	59,871	(59,871)
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	(215,633)	215,633
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income) (4+5)	(215,633)	215,633
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	3,012	(3,012)
8- Hedging amount of other currency (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	3,012	(3,012)
TOTAL (3+6+9)	(152,750)	152,750

a.2) Interest rate risk

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

As of 31 December 2018, there is no floating interest rate loan in US Dollars (If the interest rate was 100 basis points higher / lower on 31 December 2017 and 31 December 2016 and all other variables were constant as a result of the additional interest expense arising from loans with floating interest rate, profit before tax would be lower / higher by TRY 943 and TRY 958 respectively).

As of 31 December 2018, if interest rates on Euro denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, profit before income taxes would have been TRY 4,628 (31 December 2017: TRY 4,551, 31 December 2016: TRY 4,747) higher/lower, mainly as a result of additional interest expense on floating rate borrowings.

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.2) Interest rate risk (Continued)

The table presenting Group's fixed and floating rate financial instruments is shown below:

	31 December 2018	31 December 2017	31 December 2016
Financial instruments with fixed rate			
Financial assets			
- Banks (Note 6)	3,524,297	1,379,444	1,226,385
- Financial investments (Note 7)	619,766	196,880	365,468
Financial liabilities (Note 8)	2,027,495	2,798,258	1,718,751
Financial instruments with floating rate			
Financial liabilities (Note 8)	461,146	566,560	570,469

The analysis of average annual interest rate (%) of financial assets and liabilities of the Group is as follows:

	31 December 2018			31 December 2017			31 December 2016		
	USD	EUR	TRY	USD	EUR	TRY	USD	EUR	TRY
Assets									
Cash and cash equivalents (Note 6)	2.00 - 5.80	1.10 - 3.40	14.00 - 27.00	1.00 - 4.00	0.01 - 1.85	1.00 - 15.00	0.35-3.59	0.01-2.00	2.00-11.60
Financial investments	3.75 - 8.75	-	3.92- 20.50	5.36	-	15.68	4.41	-	5.96
Liabilities									
Financial liabilities	5.00 - 6.40	0.65 - 4.69	5.00 - 37.45	2.48-2.97	0.75 - 5.71	4.30-19.00	3,5-4.58	0.75-4,7	3-14.20

The distribution of interest rate sensitivity regarding the remaining period for repricing of financial assets and liabilities is as follows:

31 December 2018	Up to-1 year	1-5 years	Over 5 years	Free of Interest	Total
Assets					
Cash and cash equivalents (Note 6)	3,524,297	-	-	293,669	3,817,966
Financial investments (Note 7)	423,682	-	-	-	423,682
Total	3,947,979	-	-	293,669	4,241,648
Short and long term financial liabilities (Note 8) (1)	1,862,828	582,123	43,690		2,488,641
Total	1,862,828	582,123	43,690		2,488,641

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NOTE 34 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

a.2) Interest rate risk (Continued)

31 December 2017	Up to-1 year	1-5 years	Over 5 years	Free of Interest	Total
Assets					
Cash and cash equivalents (Note 6)	1,379,444	-	-	329,214	1,708,658
Financial investments (Note 7)	71,743	-	-	-	71,743
Total	1,451,187	-	-	329,214	1,780,401
Short and long term financial liabilities (Note 8) [1]	2,617,603	698,527	48,688	-	3,364,818
Other financial liabilities (Note 8)	-	666,291	-	-	666,291
Total	2,617,603	1,364,818	48,688	-	4,031,109

31 December 2016	Up to-1 year	1-5 years	Over 5 years	Free of Interest	Total
Assets					
Cash and cash equivalents (Note 6)	1,226,385	-	-	285,960	1,512,345
Financial investments (Note 7)	288,752	-	-	-	288,752
Total	1,515,137	-	-	285,960	1,801,097
Short and long term financial liabilities (Note 8) [1]	1,393,837	871,427	23,956	-	2,289,220
Other financial liabilities (Note 8)	-	519,829	-	-	519,829
Total	1,393,837	1,391,256	23,956	-	2,809,049

[1] Bank borrowings and financial leasing amounts are included in the distribution of interest rate sensitivity regarding the remaining time to repricing of financial borrowings.

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NOTE 34 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by setting credit limits to individual counterparties. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

The table representing the Group's credit risk of financial instruments as of 31 December 2018 is as follows:

	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	Cash on deposit
Maximum net credit risk as of the reporting date	6,800	1,864,389	20,536	11,048	3,810,782
- The part of maximum risk under guarantee with collateral	-	1,074,084	-	-	-
A. Net book value of neither past due nor impaired financial assets	6,800	1,744,412	20,536	11,048	3,810,782
- Guaranteed amount by collateral	-	995,990	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	119,977	-	-	-
- Guaranteed amount by collateral (Note 9)	-	78,094	-	-	-
D. Impaired asset net book value					
- Past due (gross amount) (Note 9, 19)	-	92,574	-	421	-
- Impairment (-) (Note 9, 19)	-	(92,574)	-	(421)	-
- Net value collateralized or guaranteed	-	-	-	-	-

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(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk (Continued)

The table representing the Group's credit risk of financial instruments as of 31 December 2017 is as follows:

	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	Cash on deposit
Maximum net credit risk as of the reporting date	10,227	2,249,438	9,750	48,449	1,699,415
- The part of maximum risk under guarantee with collateral	-	539,298	-	-	-
A. Net book value of neither past due nor impaired financial assets	10,227	1,967,574	9,750	48,449	1,699,415
- Guaranteed amount by collateral	-	475,044	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	281,864	-	-	-
- Guaranteed amount by collateral (Note 9)	-	64,254	-	-	-
D. Impaired asset net book value					
- Past due (gross amount) (Note 9, 19)	-	257,243	-	421	-
- Impairment (-) (Note 9, 19)	-	(257,243)	-	(421)	-
- Net value collateralized or guaranteed	-	-	-	-	-

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NOTE 34 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk (Continued)

The table representing the Group's credit risk of financial instruments as of 31 December 2016 is as follows:

	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	Cash on deposit
Maximum net credit risk as of the reporting date	9,573	1,514,581	10,726	46,253	1,504,861
- The part of maximum risk under guarantee with collateral	-	375,476	-	-	-
A. Net book value of neither past due nor impaired financial assets	9,573	1,293,565	10,726	46,253	1,504,861
- Guaranteed amount by collateral	-	326,575	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	221,016	-	-	-
- Guaranteed amount by collateral (Note 9)	-	48,901	-	-	-
D. Impaired asset net book value					
- Past due (gross amount) (Note 9, 19)	-	273,204	-	421	-
- Impairment (-) (Note 9, 19)	-	(273,204)	-	(421)	-
- Net value collateralized or guaranteed	-	-	-	-	-

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk (Continued)

The aging of the receivables of the Group, which are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

	31 December 2018		31 December 2017		31 December 2016	
	Related party	Other receivables	Related party	Other receivables	Related party	Other receivables
Maturity						
1-30 days overdue	-	64,767	-	103,081	-	94,076
1-3 months overdue	-	15,849	-	74,902	-	52,125
3-12 months overdue	-	27,372	-	59,945	-	59,369
1-5 years overdue	-	11,989	-	43,936	-	15,446
More than 5 years overdue	-	-	-	-	-	
Total	-	119,977	-	281,864	-	221,016
Guaranteed amount by collateral						
Fuel retail	-	42,369	-	29,462	-	22,388
Industry	-	12,253	-	6,868	-	5,323
Automotive trade and marketing	-	2,229	-	11	-	-
Other	-	21,243	-	27,913	-	21,190
Total	-	78,094	-	64,254	-	48,901

	31 December 2018			31 December 2017		
	Trade receivable	Credit loss ratio	Expected credit loss (*)	Trade receivable	Credit loss ratio	Expected credit loss (*)
Not overdue	3,846	3.04%	117	27,550	2.65%	730
1-30 days overdue	383	7.31%	28	7,439	8.27%	615
1-3 months overdue	2,580	9.03%	233	1,910	11.06%	211
3-12 months overdue	6,454	15.30%	988	880	14.56%	128
More than 1 year overdue	-	-	-	1,741	19.13%	334
Total	13,263	-	1,366	39,520		2,018

(*) The balance consists of trade receivables of the companies for which the credit loss is calculated.

c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

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NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Liquidity risk (Continued)

As of 31 December 2018, 31 December 2017 and 31 December 2016, undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

31 December 2018	Book value	Contractual undiscounted cash flow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non-derivative financial liabilities						
Short term and long term financial liabilities (Note 8)	2,488,641	2,793,212	1,027,671	1,069,871	651,979	43,691
Trade payables (Note 9)	819,403	824,200	792,675	31,525	-	-
Other payables (Note 10)	181,302	194,215	125,157	-	69,058	-
Trade payables to related parties (Note 33)	308	308	308	-	-	-
Payables related to employee benefits (Note 22)	16,510	16,510	-	16,510	-	-
Deferred income (Note 20)	69,131	69,131	63,084	-	6,047	-
Other short-term provisions (Note 17)	7,989	7,989	-	7,989	-	-
Total	3,583,284	3,905,565	2,008,895	1,125,895	727,084	43,691

31 December 2017	Book value	Contractual undiscounted cash flow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non-derivative financial liabilities						
Short term and long term financial liabilities (Note 8)	3,364,818	3,684,427	1,025,156	1,762,701	793,345	103,225
Trade payables (Note 9)	1,283,471	1,291,760	882,002	409,758	-	-
Other financial liabilities (Note 8)	666,291	666,291	-	-	666,291	-
Other payables (Note 10)	164,069	172,203	52,251	104,940	15,012	-
Trade payables to related parties (Note 33)	26,143	26,143	-	26,143	-	-
Other payables to related parties (Note 33)	850,000	850,000	-	850,000	-	-
Payables related to employee benefits (Note 22)	36,559	36,559	-	36,559	-	-
Deferred income (Note 20)	98,999	98,999	93,080	-	5,919	-
Other short-term provisions (Note 17)	36,724	36,724	-	36,724	-	-
Total	6,527,074	6,863,106	2,052,489	3,226,825	1,480,567	103,225

31 December 2016	Book value	Contractual undiscounted cash flow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non-derivative financial liabilities						
Short term and long term financial liabilities (Note 8)	2,289,220	2,417,348	468,313	1,012,791	902,005	34,239
Trade payables (Note 9)	943,534	949,374	687,847	261,527	-	-
Other financial liabilities (Note 8)	519,829	636,046	-	-	496,309	139,737
Other payables (Note 10)	353,035	369,776	138,758	111,569	119,449	-
Trade payables to related parties (Note 33)	25,411	25,411	-	25,411	-	-
Other payables to related parties (Note 33)	850,000	850,000	-	-	850,000	-
Payables related to employee benefits (Note 22)	37,111	37,111	-	37,111	-	-
Deferred income (Note 20)	64,931	64,931	57,101	-	7,830	-
Other short-term provisions (Note 17)	40,498	40,498	-	40,498	-	-
Total	5,123,569	5,390,495	1,352,019	1,488,907	2,375,593	173,976

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used in the estimation of the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at the period end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature and immateriality of losses on collectibility. The fair value of investment securities has been estimated based on the market prices at the statement of financial position dates.

Trade receivables are disclosed at their amortized cost using the effective interest rate method and the carrying values of trade receivables along with the related allowances for collectability are estimated to be at their fair values.

Monetary liabilities

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their amortized cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

e) Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Capital risk management (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated statement of financial position.

The net liability/total equity ratio as of 31 December 2018, 31 December 2017 and 31 December 2016 is summarized below:

	31 December 2018	31 December 2017	31 December 2016
Total liability[1]	3,785,595	7,017,635	5,521,896
Less: Cash and cash equivalents (Note 6)	(3,817,966)	(1,708,658)	(1,512,345)
Net liabilities	(32,371)	5,308,977	4,009,551
Equity attributable to equity holders of the parent company	6,661,678	2,961,166	3,232,623
Total equity	6,629,307	8,270,143	7,242,174
Net liability/Total equity ratio	(0%)	64%	55%

[1] The amounts are calculated by deducting income tax payable, derivative financial instruments and deferred tax liability accounts from total liability.

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NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2018 Financial assets	Note	Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities amortised cost	Instruments designated as hedges of at financial risk	Instruments at fair value through profit or loss	Carrying value
Cash and cash equivalents	6	3,817,966	-	-	-	-	3,817,966
Trade receivables from non-related parties	9	1,864,389	-	-	-	-	1,864,389
Trade receivables from related parties	33	6,800	-	-	-	-	6,800
Other receivables from non-related parties	10	11,048	-	-	-	-	11,048
Other receivables from related parties	33	20,536	-	-	-	-	20,536
Derivative instruments	21	-	-	-	51,834	-	51,834
Financial investments	7	-	619,766	-	-	-	619,766
Financial liabilities							
Short and long term financial liabilities	8	-	-	2,488,641	-	-	2,488,641
Trade payables to non-related parties	9	-	-	819,403	-	-	819,403
Trade payables to related parties	33	-	-	308	-	-	308
Other payables to non-related parties	10	-	-	181,302	-	-	181,302
Payables related to employee benefits	22	-	-	16,510	-	-	16,510
Derivative instruments	21	-	-	-	69,084	-	69,084

The Group management believes that the carrying value of the financial instruments reflect the fair value.

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NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2017 Financial assets	Note	Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities amortised cost	Instruments designated as hedges of at financial risk	Instruments at fair value through profit or loss	Carrying value
Cash and cash equivalents	6	1,708,658	-	-	-	-	1,708,658
Trade receivables from non-related parties	9	2,249,438	-	-	-	-	2,249,438
Trade receivables from related parties	33	10,227	-	-	-	-	10,227
Other receivables from non-related parties	10	48,449	-	-	-	-	48,449
Other receivables from related parties	33	9,750	-	-	-	-	9,750
Derivative instruments	21	-	-	-	83	-	83
Financial investments	7	-	196,880	-	-	-	196,880
Financial liabilities							
Short and long term financial liabilities	8	-	-	3,364,818	-	-	3,364,818
Trade payables to non-related parties	9	-	-	1,283,471	-	-	1,283,471
Trade payables to related parties	33	-	-	26,143	-	-	26,143
Other payables to non-related parties	10	-	-	164,069	-	-	164,069
Other payables to related parties	33	-	-	850,000	-	-	850,000
Payables related to employee benefits	22	-	-	36,559	-	-	36,559
Derivative instruments	21	-	-	-	1,098	-	1,098
Other financial liabilities	8	-	-	666,291	-	-	666,291

The Group management believes that the carrying value of the financial instruments reflect the fair value.

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NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2016 Financial assets	Note	Loans and receivables (including cash and cash equivalents)	Financial assets available forsale	Financial liabilities amortised cost	Instruments designated as hedges of at financial risk	Instruments at fair value through profit or loss	Carrying value
Cash and cash equivalents	6	1,512,345	-	-	-	-	1,512,345
Trade receivables from non-related parties	9	1,514,581	-	-	-	-	1,514,581
Trade receivables from related parties	33	9,573	-	-	-	-	9,573
Other receivables from non-related parties	10	46,253	-	-	-	-	46,253
Other receivables from related parties	33	10,726	-	-	-	-	10,726
Derivative instruments	21	-	-	-	551	-	551
Financial investments	7	-	365,468	-	-	-	365,468
Financial liabilities							
Short and long term financial liabilities	8	-	-	2,289,220	-	-	2,289,220
Trade payables to non-related parties	9	-	-	943,534	-	-	943,534
Trade payables to related parties	33	-	-	25,411	-	-	25,411
Other receivables from related parties	33	-	-	850,000	-	-	850,000
Other payables to non-related parties	10	-	-	353,035	-	-	353,035
Payables related to employee benefits	22	-	-	37,111	-	-	37,111
Other financial liabilities	8	-	-	519,829	-	-	519,829

The Group management believes that the carrying value of the financial instruments reflect the fair value.

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NOTE 35 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- First Level: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Second Level: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on prices from observable current market transactions.
- Third Level: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

		Fair value level as of reporting date		
Financial assets	31 December 2018	Level 1 TRY	Level 2 TRY	Level 3 TRY
Derivative instruments held for sale at fair value through profit or loss (Note 21)	51,834	-	-	51,834
Available-for-sale financial assets held at fair value through other comprehensive income statement (Note 7)	196,084	-	196,084	-
Bonds and bills (Note 7)	423,682	423,682	-	-
Total	671,600	423,682	196,084	51,834
Financial liabilities				
Derivative instruments held for sale at fair value through profit or loss (Note 21)	69,084	-	-	69,084
Total	69,084	-	-	69,084

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE INDICATED. CURRENCIES OTHER THAN TRY, EXPRESSED IN THOUSANDS UNLESS OTHERWISE INDICATED.)

NOTE 35 - FINANCIAL INSTRUMENTS (Continued)

		Fair value level as of reporting date		
Financial assets	31 December 2017	Level 1 TRY	Level 2 TRY	Level 3 TRY
Derivative instruments held for sale at fair value through profit or loss (Note 21)	83	-	-	83
Available-for-sale financial assets held at fair value through other comprehensive income statement (Note 7)	125,137	-	125,137	-
Bonds and bills (Note 7)	71,743	71,743	-	-
Total	196,963	71,743	125,137	83
Financial liabilities				
Derivative instruments held for sale at fair value through profit or loss (Note 21)	1,098	-	-	1,098
Total	1,098	-	-	1,098

NOTE 36 - SHARES IN OTHER OPERATIONS

Financial information of Aytemiz which is a subsidiary not wholly-owned but controlled by the Group and having significant non-controlling interest for the Group's consolidated financial statements, is presented below in accordance with TFRS 12. These financial information represent the consolidated financial amounts of Aytemiz Akaryakıt.

AYTEMİZ	31 December 2018	31 December 2017
Current assets	1,027,536	889,972
Non-current assets	750,900	639,677
Short-term liabilities	1,153,673	799,718
Long-term liabilities	160,284	207,041
Total equity	464,479	522,890

	1 January - 31 December 2018	1 January - 31 December 2017
Revenue	8,116,981	5,500,291
Cost of sales	(7,790,681)	(5,193,727)
Gross profit/(loss)	326,300	306,564
Profit/(loss) for the period	(133,869)	25,474

NOTE 37 – SUBSEQUENT EVENTS

In the meeting of Doğan Holding's Board of Directors dated 7 January 2019, it has been decided to increase the capital of İlke Turistik Yatırımlar A.Ş, which is a direct subsidiary of the Group and the Group owns 100% of share in its paid-in capital of TRY 650,000,000 (exact), by TRY 449,632,000 (exact) to TRY 1,099,632,000 (exact). The increase was completed from the internal resources. And due to the completion, Doğan Holding has decided to transfer the receivable amounting to TRY 449,632,000 (exact) from İlke Turistik Yatırımlar A.Ş., which is followed under "Receivables from Subsidiaries" to the related sub-account in the "Subsidiaries", by making the necessary accounting records.

Capital Markets Board of Turkey (CMB) approved the increase of total issued share capital of Milpa, which is a subsidiary of the Group, from TRY 178,354,952 (exact) to TRY 208,000,000 (exact) with a nominal value of TRY 29,645,048 (exact) shares, all in cash, and notified Milpa with the letter dated 14 February 2019 and numbered 29833736-105.01.01.01-E,2364. The right to buy new shares, in accordance with the principles specified in the prospectus started to be used between the dates of 15 February 2019 and 1 March 2019, 15 days period.

At the meeting of Doğan Holding's Board of Directors dated 12 February 2019, it has been decided to determine the amount of participation by TRY 15,900,000 (exact) in capital increase of Aslancık Elektrik, that is approved by Aslancık Elektrik's extraordinary general assembly meeting on 30 January 2019. Participation to be made through Doğan Enerji, a subsidiary of the Group, that has a 25% stake in the paid-in capital of TRY 165,000,000 (exact) in Aslancık Elektrik. In addition, Doğan Enerji, that has a share of 8.33% in the share capital of Aslancık Elektrik, has decided to use all of its right to buy new shares in the capital increase and the amount of participation was determined as TRY 5,300,000 (exact).

The Goldman Sachs Group, Inc. (GLQ Holdings Ltd.) has acquired non-controlling shares by participating in the capital increase of Glokal, a subsidiary of the Group.

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Doğan Şirketler Grubu Holding A.Ş.
Burhaniye Mahallesi Kısıklı Caddesi No: 65
34676 Üsküdar/Istanbul, Turkey
Tel : +90 216 556 90 00
Fax : +90 216 556 92 00
www.doganholding.com.tr