



**CARING
VALUES.
ADDING
VALUES.**

DOĞAN HOLDING
ANNUAL REPORT 2018

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MESSAGE FROM THE HONORARY CHAIRMAN

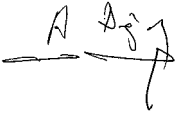
Esteemed Stakeholders,

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

VALUE



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

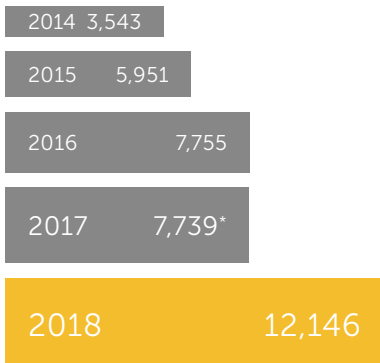
AN INNOVATIVE AND PIONEERING ROLE – FROM ENERGY TO INDUSTRY, FINANCE TO TOURISM...

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,

REVENUES (TL MILLION)

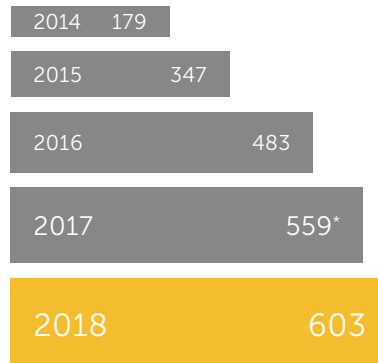
+57% ↑



* The year 2017 has been restated.

EBITDA (TL MILLION)

+8% ↑



* The year 2017 has been restated.



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.



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.

INCREASE IN SHAREHOLDERS' EQUITY

109%

FINANCIAL INDICATORS

Summary Financial Position Statement - TL Million

	Audited	Restated	Restated
	31.12.2018	Previous Period	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

EBITDA
MARGIN

5.0%

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

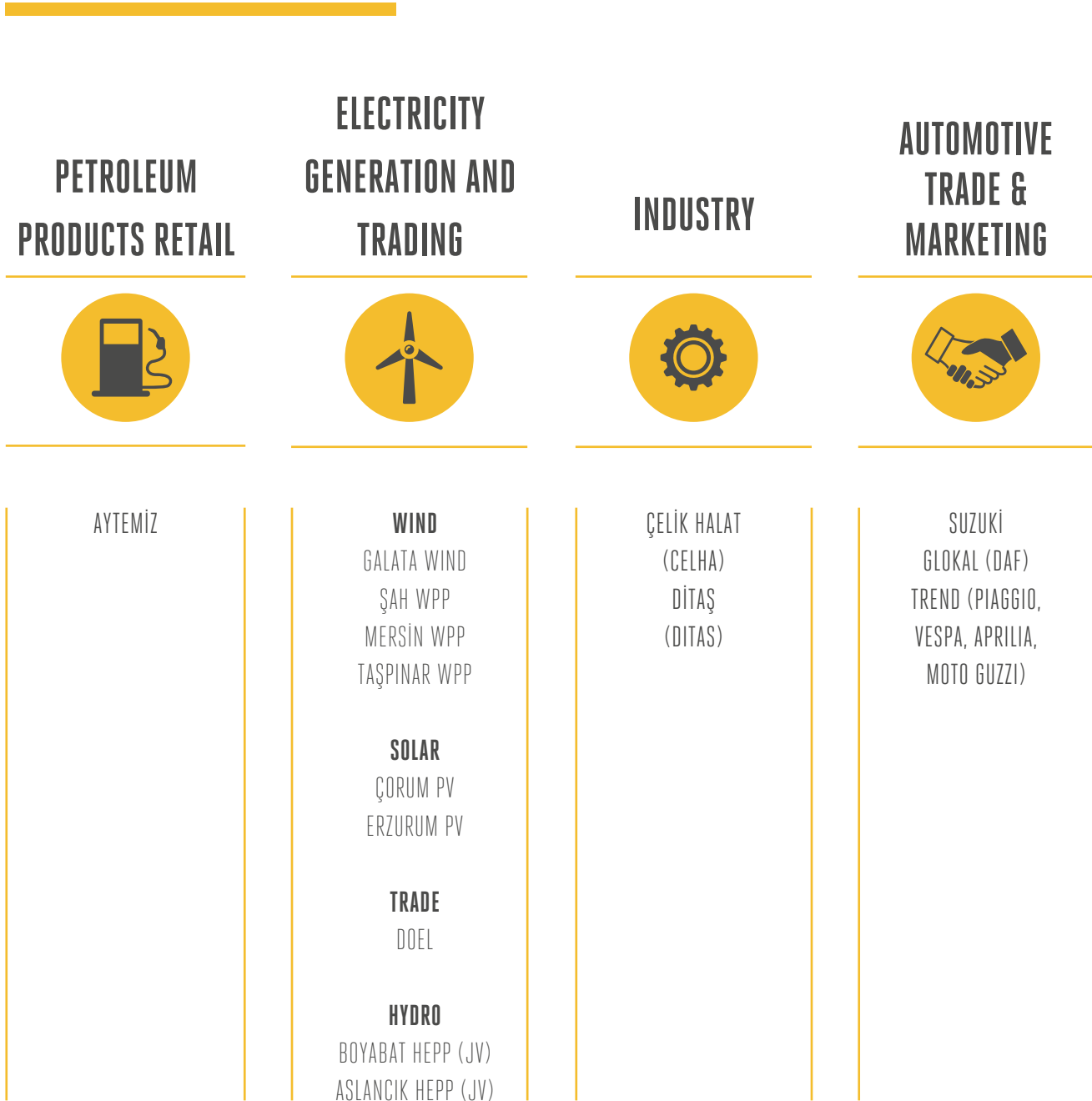
TL Million	2018		2017	
	Net Sales	EBITDA	Net Sales	EBITDA
Petroleum Products Retail	8,107	229	5,436	187
Electricity Generation & Trading	2,194	169	1,054	89
Industry	427	60	312	37
Automotive Trade & Marketing	285	21	307	18
Finance & Investment	276	8	105	-7
Internet & Entertainment	317	52	185	54
Real Estate 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.

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.



FINANCE & INVESTMENT



DORUK FAC.
DORUK FİN.
ÖNCÜ VCİT

REAL ESTATE INVESTMENTS



D GAYRİMENKUL
(TRUMP)
MİLPA
(MİPAZ)

INTERNET, ENTERTAINMENT & MEDIA



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

OTHER



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

FOREIGN TRADE
DOĞAN DIŞ TİC.

HUSBANDRY
KELKİT DOĞAN BEŞİ

“ 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 Faralyalı

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

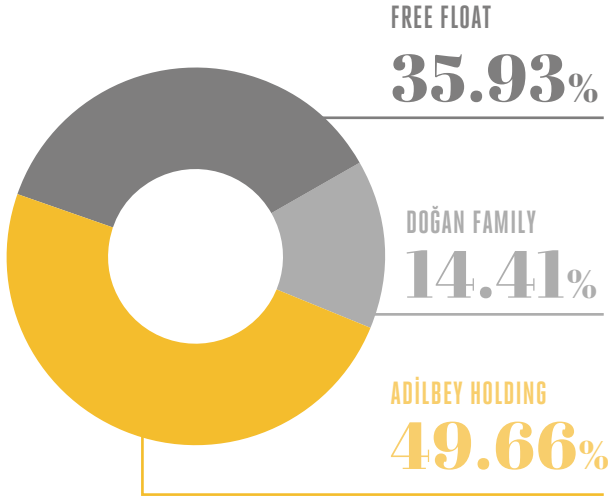


Hacı Ahmet KILIÇOĞLU
Independent Board Member

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

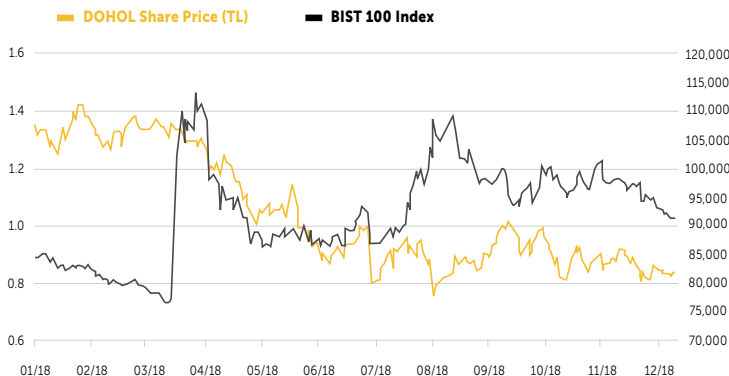
STOCK PERFORMANCE

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 DOĐAN HOLDING,
WE ARE PROUD TO
ONCE AGAIN POST
SUCCESSFUL FINANCIAL
AND OPERATIONAL
RESULTS IN FISCAL
YEAR 2018. ”

ĐAĐLAR GÖĐÜŐ
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.

MESSAGE FROM THE CEO

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 m³ 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 Dita '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 Do an 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 m² construction area, Trump Towers includes 34,674 m² of leasable office space (86 independent units) and a shopping mall with 42,554 m² 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 Kirtasiye 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 Kirtasiye 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 Kirtasiye 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 PETROLUUM PRODUCTS RETAIL SEGMENT'S NET CONSOLIDATED REVENUES WAS UP BY 49.0% TO TL 8,116 MILLION.

PETROLUUM 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.



PETROLEUM 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

HIGHLIGHTS OF 2018

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).

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.*

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

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

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.

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%).



THE SHARE OF DITAŞ'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).

HIGHLIGHTS OF 2018

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.

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.

AUTOMOTIVE SEGMENT EBITDA (TL MILLION)

21

HIGHLIGHTS OF 2018

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

HIGHLIGHTS OF 2018

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 Platform 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



AYTEMİZ NUMBER OF ACTIVE USERS

+300 THOUSAND



PETROLEUM PRODUCTS RETAIL CONSOLIDATED REVENUES

TL 8,115,911
THOUSAND



PETROLEUM PRODUCTS RETAIL GROSS PROFIT

TL 323,951
THOUSAND



NUMBER OF AYTEMİZ STATIONS

575
STATIONS





Aytemiz

Optimum

Optimum

Optimum

Optimum

HOSGELDİBİZ

Optimum

PETROLEUM PRODUCTS RETAIL

AYTEMİZ 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 Izmit, 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**

 **doğan
enerji**

 **doğan
enerji**

 **doğan
enerji**

 **doğan
enerji**

ELECTRICITY GENERATION AND TRADING

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 be 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 Doğu 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 Doğu 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.





Board, since the company's shares have been listed on Borsa İstanbul (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.

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

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

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.

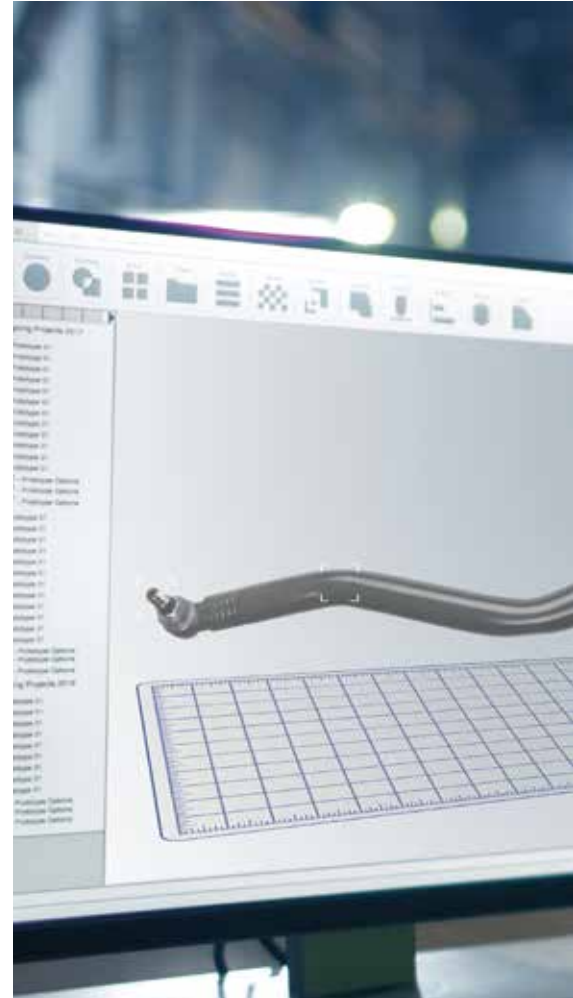
INDUSTRY

IN THE MEDIUM TERM, DITAŞ 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.

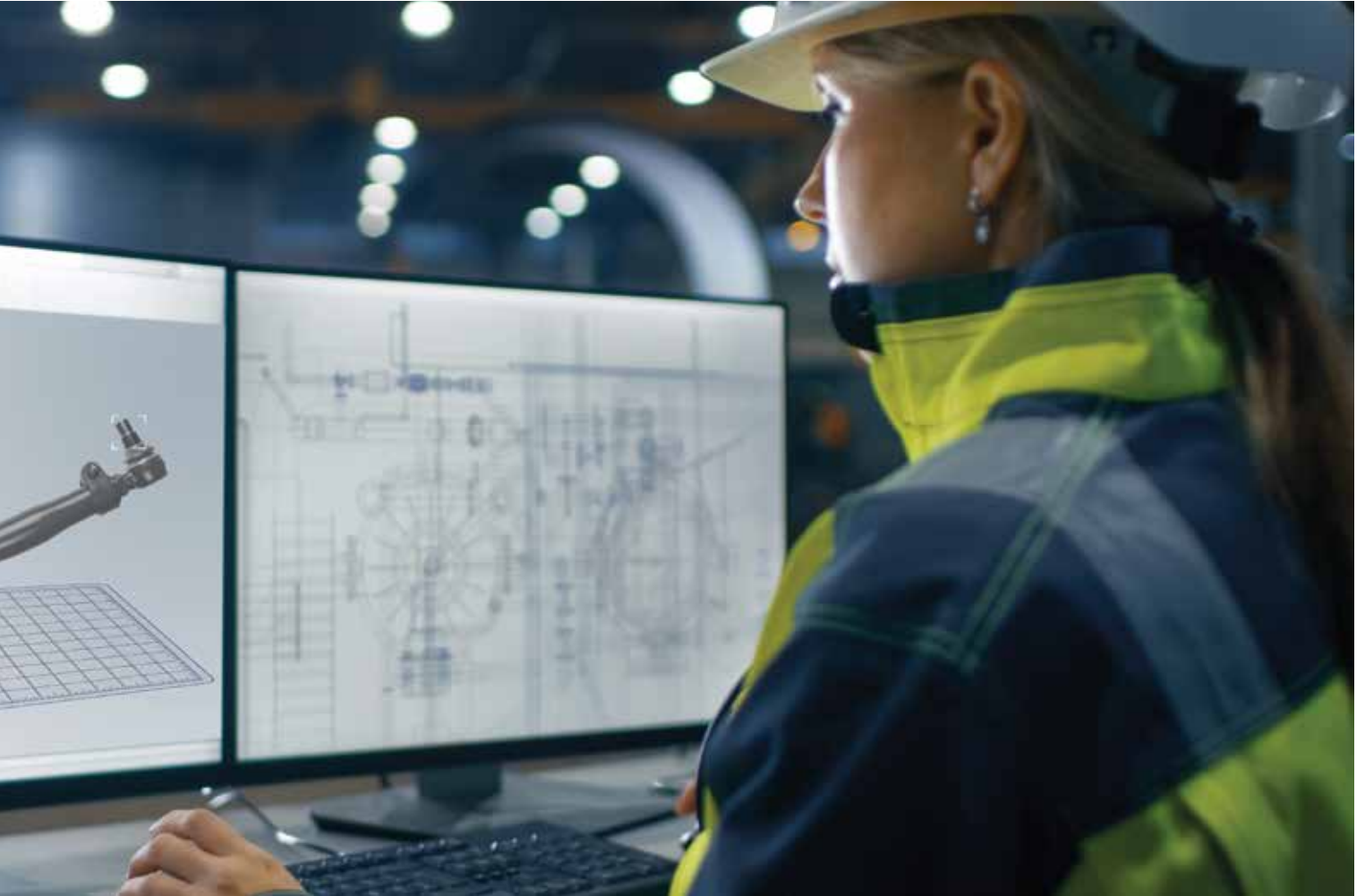
In 2015, Ditaş was admitted to the state-sponsored Turquality program, which is designed to help companies that sell products in which Turkey holds a competitive advantage and where branding potential exists. The program aims to support companies in their efforts to become global market players with 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, İNOVALİG, 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

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



CONSOLIDATED REVENUES
TL 284,901
THOUSAND



GROSS PROFIT
TL 47,533
THOUSAND



EBITDA
TL 21,072
THOUSAND



SUZUKI VITARA TOTAL SALES (UNITS)
2,361





SUZUKI 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.





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

POSTERİNE KATIL

TRUMP

POSTERİNE KATIL

REAL ESTATE INVESTMENTS

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 m² and boasts 34,674 m² of leasable office space (86 independent units) in addition to Trump Shopping Center with 42,554 m² 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 m² 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 m² 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 m², located in Istanbul province, Pendik district, Kurtdoğan 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 m² (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
MILLION**



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





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

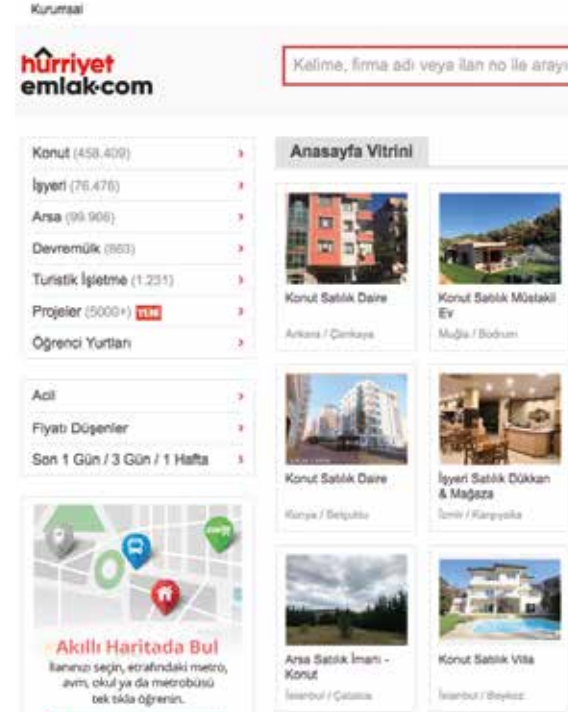
Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. - hurriyetemlak.com

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 Dünyası 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 as increased home sales to foreigners and mandatory appraisals in home sales. Hürriyet Emlak



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

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).

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.

⁽⁶⁾ <https://socialblade.com/youtube/top/100/mostviewed>

⁽⁷⁾ <https://www.youtube.com/user/netdmuzikk>

⁽⁸⁾ YouTube Analytics interface

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 izlesene 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.

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 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.

DOĞAN EGMONT NUMBER OF CHILDREN'S BOOKS

+1,000



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 VISTA CUSTOMER
LOYALTY RATIO

40%





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

MILTA BODRUM MARINA MARKET SHARE

20%

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.

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.

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

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%



OTHER

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 m² 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 M²
LAND IN ÜMRANIYE, 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.



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.

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 CO₂ 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 CO₂ 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

SUSTAINABLE GROWTH AND THE ENVIRONMENT

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

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 CO₂ 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 CO₂ 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.

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



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 CO₂ 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 CO₂ 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.

- 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 m³ 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 m³. 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 m³ water in 2018, totaling 60,176 m³ of water over the last 5 years.

In 2018, Ditaş consumed 56,340 m³ 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.



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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 m³ 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 m³. 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 m³ 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, İstanbul
- 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, İstanbul
- TEGV Sema and Aydın Doğan Educational Park, İstanbul
- 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





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.

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

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. Hüsametdin 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.

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 école 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 Ghodrati-pour (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



CORPORATE SOCIAL RESPONSIBILITY

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 Faralyali, 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

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

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.



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

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.

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

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 IKSVM 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, Istanbul 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.

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

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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.

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, İŞİL 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

İşil Club Holiday Village

İşil 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.

İşil 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 PALMIYE 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.

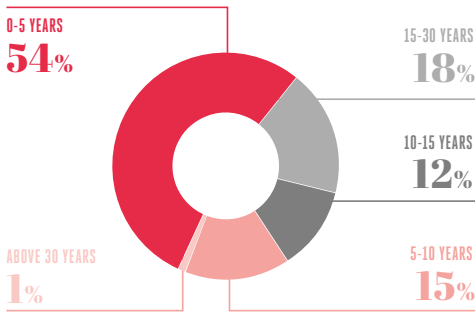
Performance Management System

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.

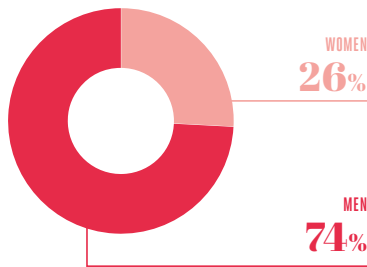
Doğan Group established the Performance Management System in 2018 with a view towards creating a Human Resources Management Function compatible with its visions and strategies. The objective of the Performance Management System is to encourage employees at all levels to embrace a high performance culture,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

HUMAN RESOURCES

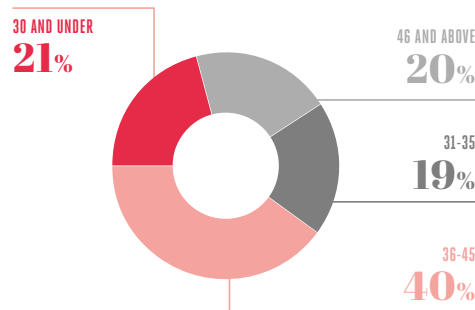
DOĞAN HOLDING AND GROUP COMPANIES' EMPLOYEE SENIORITY



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

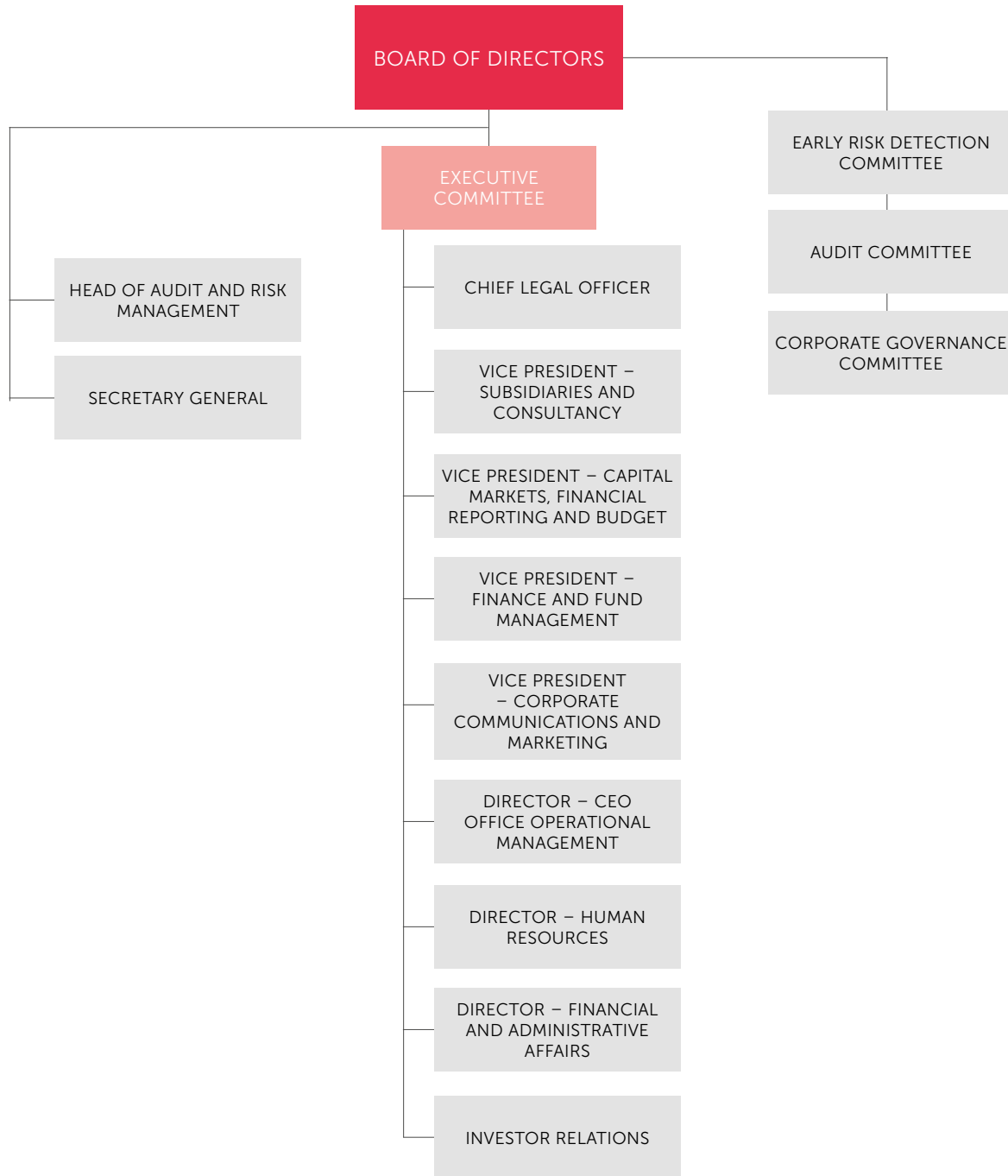
In order to help employees enjoy healthy and continuous communication both with the Company and among themselves, Doğan Holding places great importance on the development of internal communication activities. Doğan Group's web site www.doganbiz.net is an intranet site where employees can share their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



A blue-tinted landscape featuring rolling hills and mountains in the background, with a field of tall grass in the foreground. The sky is filled with soft, white clouds. The entire image has a monochromatic blue color scheme.

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 Gögüş 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 Gögüş 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 Communiqué 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
İşin 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 Çamlitepe resigned from the posts she held with our Company as of 31.07.2018.

⁽¹⁵⁾ İşin 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 Sirtıkara	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:



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



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



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

MANAGEMENT STRUCTURE

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.

MANAGEMENT STRUCTURE

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 complied 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.

MANAGEMENT STRUCTURE

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 İstanbul A.Ş. ("Borsa İstanbul") 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	June 21, 1993
Address	Burhaniye Mahallesi, Kısıklı Caddesi, No: 65 34676 Üsküdar/İstanbul
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
Yenibirış 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
Yörüngen 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 Dijital 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

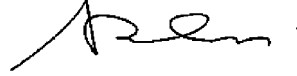
SUBJECT: Negotiation and Evaluation of the Consolidated Financial Report for the Accounting Period 01.01.2018-31.12.2018

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
President



Hacı Ahmet KILIÇOĞLU
Member

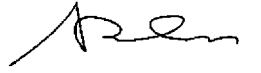
CORPORATE GOVERNANCE COMMITTEE RESOLUTION

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. CORPORATE GOVERNANCE COMMITTEE RESOLUTION

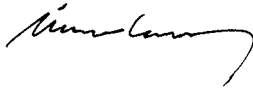
DATE and NUMBER: 22.02.2019/2019 - 1

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 COMMUNIQUE II -14.1 OF THE CAPITAL MARKETS BOARD

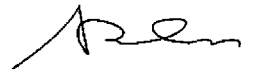
We have reviewed Doğan Şirketler Grubu Holding A.Ş.'s independently audited Consolidated Financial Report and Annual Report pertaining to the accounting period 01.01.2017-31.12.2017, issued in compliance with the Capital Markets Board's Communiqué No. II-14.1 on "The Principles of Financial Reporting 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, Communiqué 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;

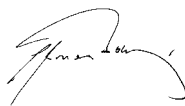
- Our opinion is that; the Consolidated Financial Report, the Annual Report, Corporate Governance Compliance Report and Corporate Governance Information Form do not have any significantly inaccurate explanation, or any omission which can result as being misleading, as of the date the explanations are 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



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:

- to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- 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.
- 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



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