



Corporate Governance Compliance Rating Report



*Doğuş Otomotiv
Servis ve Ticaret A.Ş.*

31 December 2012

Validity Period : 31.12.2012-31.12.2013

LIMITATIONS

This Corporate Governance Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc (herein after called "KOBIRATE") for Doğuş Otomotiv Servis ve Ticaret A.Ş. (herein after called "Company") is compiled in accordance with the Corporate Governance Principles Compliance Rating Methodology prepared by Kobirate on the basis of the Corporate Governance Principles issued by the CMB in 2005 and modified with a communique on Dec.2011, Series:IV,No:56 and on Feb.2012, Series IV, No: 57, which are revised by the CMB.

The Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc is based on 67 copies of documents, data, files transmitted by the concerned firm electronically, including data open to general public and examinations made by our rating experts on site.

Kobirate has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Firms, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website (www.kobirate.com.tr)

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose any kind of borrowing instrument. KOBIRATE may not be held liable for any losses incurred or investments made to the company referring to this report.

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TABLE OF CONTENT

1. Rating Result and Summary of Rating Process	3
2. Company Profile	5
3. Rating Methodology	11
4. Corporate Governance Compliance Grades and Descriptions	13



**DOĞUŞ OTOMOTİV
SERVİS VE TİCARET A.Ş.**

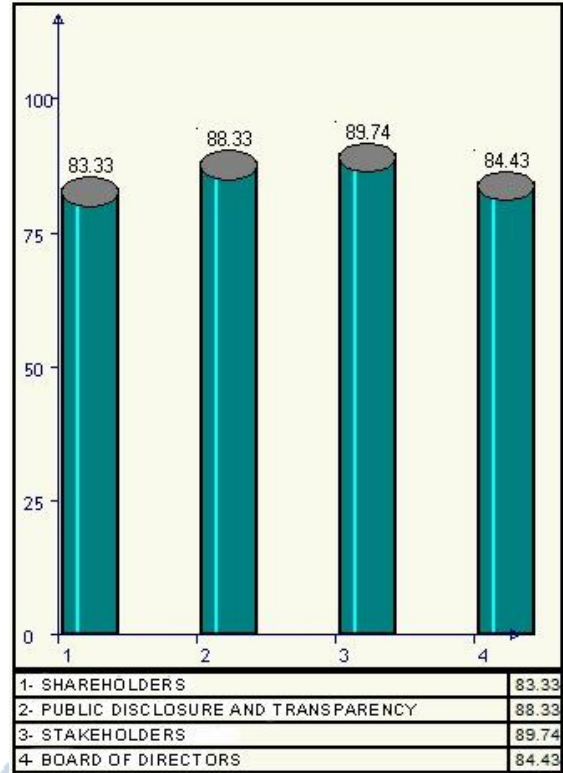
**CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE**

8.63

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1. RATING RESULT AND SUMMARY OF RATING PROCESS

At the end of on site examinations of the documents, interviews held with executives and persons involved, and of other reviews, the process of rating of compliance of **DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.** with the Corporate Governance Principles is concluded in accordance with the Corporate Governance Principles Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş. according to the Corporate Governance Principles issued and approved by the R.T.Prime Ministry, Capital Market Board of Turkey. Examinations were based on the modifications made on the Capital Market Board's Corporate Governance Principles by the Communiqué Series IV, No:56 in December 2011 and revised regulations.

At the end of examination of 293 criteria under the headings of Shareholders,

Public Disclosure and Transparency, the Stakeholders and the Board of Directors as specified in the CMB's Corporate Governance Principles and the methodology of Kobirate A.Ş., developed for "Third Group Companies of the ISE" the Corporate Governance Compliance Rating Grade of **DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.** is determined as **8,63**. This result signifies that the company has achieved a considerable compliance with the CMB's Corporate Governance Principles and it expresses a need for some improvements while it doesn't pose major risks. The company deserves to be included in the ISE Corporate Governance Index at high level.

In view of rating process under main headings in brief;

It is observed that **DOĞUŞ OTOMOTİV** has obtained a grade of **83,33** in respect of Shareholders' Section.

In this section, it is confirmed that the company in general has achieved quite a good level of compliance with the CMB Corporate Governance Principles. The salient positive achievements are; the existence of Shareholders Relation Department, properly held general assembly including its invitation, income appropriation policy being submitted to the approval of general assembly and disclosed to public via corporate website and being no restriction in transfer of shares. It has been observed that relevant items required to be complied with the CMB Communique Series:IV, No. 56 have been respected and necessary amendments are made to the Articles at the general meeting held on March 30, 2012.

It has been appreciated that the company gained **88,33** for Public Disclosure and Transparency has developed its disclosure policy and shared with public, have access to several current data on the Internet website, which are specified in the principles and might be needed by the investors. The company's corporate website and annual reports largely meets the corporate governance principles.

It's observed that the company reached the grade of **89,74** for the Stakeholders' Section.

The Company has achieved considerable compliance with the CMB's Corporate Governance Principles in respect to this section. An extremely comprehensive Human resources policy has been developed, recruitment, performance appraisal, promotion, awarding, leave and social benefits has been set forth by means of internal arrangements and disclosed to the employees.

Necessary information has been given on Ethical Codes to all the employees to obey with and behave accordingly.

The company has set forth corporate social responsibility policies and disclosed to public.

As for the Board of Directors Section, it is found that the Company's grade amounts to **84,43**, representing a considerable compliance with the CMB's Corporate Governance Principles.

It is confirmed that the Board has set company's strategic targets, audited the management performance of the company management, attention is paid to the company affairs to be in compliance with the legislation, the Articles and internal regulations.

The posts of Chairman of the Board and Chief Executive Officer are held by different individuals.

It has been observed that the Audit and Corporate Governance Committees referred to in the Principles have been formed, whose working principles appear in written documents.

On the other hand, it appears as important indications of compliance with the Principles such as the Board comprises adequate non-executives members as well as independent members, guidelines for remuneration of Board Members and top executives are set forth and have been presented to the attention of the shareholders at the general assembly as a separate item.

2. COMPANY PROFILE



Company Title	: Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi
Company Address	: Legal Head Office Maslak Mahallesi, G-45 Ahi Evran Polaris Cad. Ayazağa – Maslak, Şişli/ İSTANBUL Management Center Şekerpınar Mahallesi Anadolu Caddesi No: 22 41490 Şekerpınar - Çayırova / Kocaeli
Company Phone	: (0262) 6769090
Company Facsimile	: (0262) 6769096
Company website	: www.dogusotomotiv.com.tr
Date of Incorporation	: 19/11/1999
Register Number	: 429183 / 376765
Paid-Up Capital	: 220.000.000.-TL
Line of Business	: Automotive and spare parts imports, sales- Marketing and services
Sector in which it operates	: Automotive sector

Company Representative for Rating:

Verda Beste Taşar

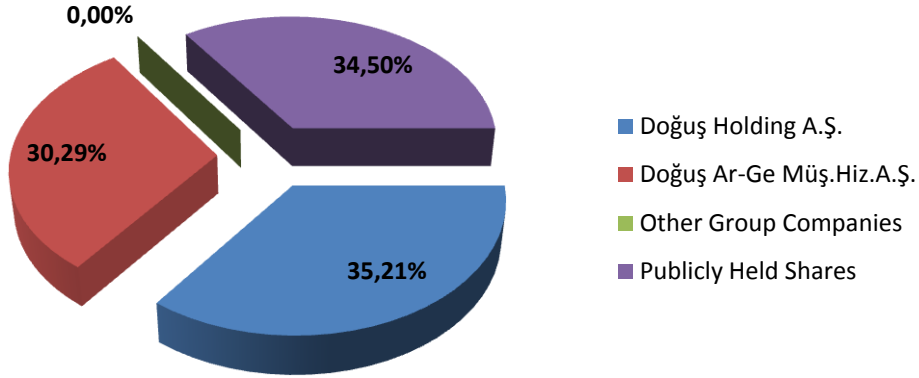
Investor Relations Manager

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0 262 6769090

Shareholders' Structure (As of Report Date)

Doğuş Otomotiv Servis ve Ticaret A.Ş.



Shareholder	Share(TL)
Doğuş Holding A.Ş.	77.461.218
Doğuş Ar. Ge. ve Müş. Hiz. A.Ş.	66.638.086
Publicly Held	75.900.000
Other Group Companies	696
Total	220.000.000

Ultimate Individual Shareholders (As of report Date)

Shareholder	Share
Şahenk Family	73,45 %
Other	26,55 %
Total	100,00%

Kaynak: www.kap.gov.tr

Board of Directors

Name/Surname	Title	Executive/Non Executive
Aclan ACAR	Chairman	Non Executive
Süleyman Kadir Tuğtekin	Deputy Chairman	Non Executive
H.Murat Aka	Member/Head of Audit Comm.	Non Executive
Emir Ali Bilaloğlu	Member / CEO	Executive
Özlem Denizmen Kocatepe	Member	Non Executive
Hasan Hüsnü Güzelöz	Member	Non Executive
E.Nevzat Öztangut	Member	Non Executive
O.Cem Yurtbay	Member	Non Executive
Yılmaz Argüden	Independent Member	Non Executive
Ferruh Eker	Independent Member	Non Executive

Tasks of the Board of Directors

- Industrial Investments and Construction Operations : Süleyman Kadir Tuğtekin
- Financial Investments: H. Murat Aka
- Legal Issues : Hasan Hüsnü Güzelöz
- Shareholders Relations : Hasan Hüsnü Güzelöz (ISE)
- Relations with Dealers: Cem Yurtbay

Top Management

Name/Surname	Title
Emir Ali Bilaloğlu	General Manager / CEO
Dr. Berk Çağdaş	Financial and Administrative Operations General Manager & Executive Board Member
Giovanni Gino Bottaro	Audi, Bentley, Lamborghini Brand General Manager & Executive Board Member
İlhami Eksin	DOD, Scania Marine and Industrial Engines Thermo King Brand General Manager & Executive Board Member
Anıl Gürsoy	Seat, Porsche Brand General Manager & Executive Board Member
Tolga Senyücel	Scania Krone Meiller Brand General Manager & Executive Board Member
Mustafa Karabayır	Logistics General Manager & Quality Management Representative & Executive Board Member
Vedat Uygun	VW Passenger Vehicle Brand General Manager & Executive Board Member
Kerem Galip Güven	VW Commercial Vehicle Brand Manager & Executive Board Member
Kerem Talih	Finance and Administrations Director
Yeşim Yalçın	Finance Director
Ela Kulunyar	Human Resources & Process Management Director
Koray Bebekoğlu	Strategic Marketing and Corporate Communications Director
Okan Özkaynak	Overseas Investments & VW Commercial SSH Director

COMMITTEES WITHIN THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Ferruh Eker
Yılmaz Argüden

CORPORATE GOVERNANCE COMMITTEE

Yılmaz Argüden (Head)
Aclan Acar
Hasan Hüsnü GÜZELÖZ

DEALERS COMMITTEE

Cem Yurtbay
Emir Ali Bilaloğlu

STRATEGIC PLANNING AND BUSINESS DEVELOPMENT COMMITTEE

Özlem Denizmen Kocatepe
Emir Ali Bilaloğlu
Süleyman Kadir Tuğtekin

DISCIPLINE COMMITTEE

Hasan Hüsnü Güzelöz
Emir Ali Bilaloğlu

Balance Sheet Comparison of the Company's Certain Selected Items as of Year End of the last Two Years

	2010/12(000)	2011/12(000)	Change %
Current Assets	712.515	1.004.334	40,96
Trade Receivables	242.765	349.213	40,51
Inventories	402.562	549.234	36,43
Fixed Assets	786.854	900.758	14,48
Total Assets	1.499.369	1.905.092	27,06
Short Term Liabilities	667.262	899.461	34,80
Long Term Liabilities	94.655	133.158	40,68
Paid in Capital	220.000	220.000	-
Equity	737.452	872.473	18,31

Source: www.kap.gov.tr

Income Statement Comparison of the Company's Certain Items as of Year End of the last Two Years

	2010/12(000)	2011/12(000)	Change %
Sales Income	3.428.300	4.808.253	40,25
Cost of Sales (-)	(2.943.411)	(4.211.309)	43,08
Operational Income/Expense	201.780	240.302	19,09
Financial Expenses	(39.212)	(71.703)	82,86
Pre-Tax Profit/Loss	192.680	180.011	-6,58
Profit/Loss of the Period	149.549	142.231	-4,89

Source: www.kap.gov.tr

Company's Brief History

The company started to operate in 1994 with "Doğuş Otomotiv Sanayi ve Ticaret A.Ş." title as a distributor of VW AG. In 1999 it restructured with a new title and in 2004 it gathered all brands on automotive activities with the current title under one roof.

While increasing the number of distribution of brands, new representative and production agreements were made in order to vary in complementary activity areas. Being a leader distributor of wholesale import market, Doğuş Otomotiv is the representative of 14 international brand which are the leaders of their own sectors operating in passenger cars, light commercial vehicles, heavy vehicles, industrial and marine engines, cooling systems. These are; Volkswagen Passenger Car, Volkswagen Commercial Vehicle, Audi, Porsche, Bentley, Lamborghini, Bugatti, Seat, Skoda, Scania, Krone and Meiller. In addition, Scania Engines in marine engines market, Thermo King in cooling systems market and also takes place in 2nd hand market with Dod brand which has been created within its own structure.

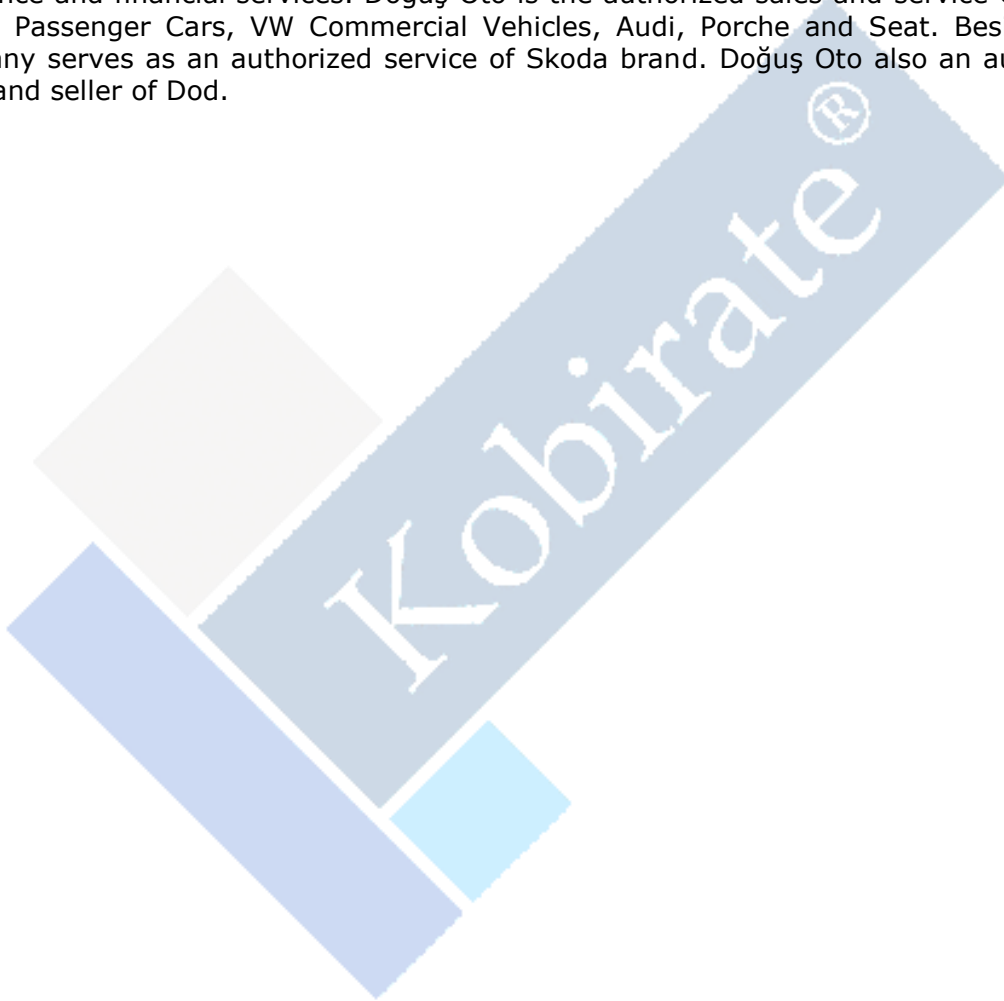
Doğuş Otomotiv which has offered 34,50 % of its capital through public offering via ISE in 2004, has shown a high speed performance in terms of institutionalization and recognition on brand / company basis. The company has published Corporate Reputation Survey results in 2008 and Corporate Social Responsibility reports, being first in the sector, in 2009 and 2010. Doğuş Otomotiv operates with the concept of corporate social responsibility and aims to add value to public via social stakeholders with spreading this consciousness of doing business models. In this direction, the company has signed "United Nations Global Principles Contract". With this contract, Doğuş Otomotiv has declared that they are going to provide a common struggle developed within the framework of 10 basic principles on human rights, working conditions, environmental protection and anti corruption.

Information on Company Activities

Doğuş Otomotiv is the member of Doğuş Group which operates in financial services, automotive, construction, media, tourism, real estate and energy sectors.

Being a leader in automotive imports in Turkey and one of the largest automotive distributor, the company has 560 employees and more than 500 dealer sales and service network. Doğuş Otomotiv determining the principle of unconditional customer satisfaction as priority, with authorized dealer network supplies fast and competent service of maintenance and spare parts throughout Turkey.

Doğuş Oto being a subsidiary of Doğuş Otomotiv, has been serving since 2004. Doğuş Oto serves on new and 2nd hand vehicles, spare parts, accessories sales and after sales services to customers in İstanbul, Ankara and Bursa representing 6 brands including insurance and financial services. Doğuş Oto is the authorized sales and service Company of VW Passenger Cars, VW Commercial Vehicles, Audi, Porche and Seat. Besides, the company serves as an authorized service of Skoda brand. Doğuş Oto also an authorized 2nd hand seller of Dod.



3. THE RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

In 1999, the Economic Cooperation and Development Organization (OECD) approved at the Meeting of Ministers and published the Corporate Governance Principles. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders and companies throughout the world. In 2002, these principles were revised and accommodated to the present situation.

As for Turkey, the Capital Market Board (CMB) has undertaken the duties for the Corporate Governance. The CMB established the Corporate Governance Principles first in 2003, later in 2005, it revised and published the principles. The last revisal is done on Dec. 2011 and Feb. 2012 with Communiqué Serial: IV, No: 56 and Serial: IV No: 57 respectively by the Board. The principles are grouped under four main headings namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

Besides the CMB, by the Directive on Bank's Corporate Governance Principles, promulgated in Official Gazette of 01.11.2006, No: 26333, the BRSA introduced the rules required to be complied with by Banks.

Kobirate International Credit Rating and Corporate Governance Services Inc (Kobirate Inc) achieves the Corporate Governance Compliance Rating by a system identically based on the

Corporate Governance Principles of the Capital Market Board (SPKKYI - CGPCMB). Through this system, the firms are analyzed under four main headings of the Public Disclosure and Transparency, Shareholders, Stakeholders and the Board of Directors in accordance with the CGPCMB).

Kobirate achieves the Corporate Governance Rating of the Banks by a system based on CGPCMB as well as on the BRSA's Regulations Relating to Corporate Governance Principles for Banks. In this analysis, the full compliance of work flow and analysis technique with Kobirate Inc's Ethical Rules is considered.

In this analysis, 293 different criteria are considered to measure the compliance of firms whose shares are traded on ISE with the corporate governance principles. Such criteria are translated into the Kobirate A.S.'s unique Corporate Governance Rating Questionnaire and the firms' and banks' responses to which are received electronically. The responses are analyzed and reexamined by the rating experts and analysts, reexamined and turned into a reported with results which is submitted to Kobirate Corporate Governance Rating Committee for final decision.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is unsatisfactory compliance with CMB's Corporate Governance Principles in the existing structure.

On this context, in order to reach the total grade, the following rates as adopted from the Corporate Governance Principles of the Capital Market Board are applied;

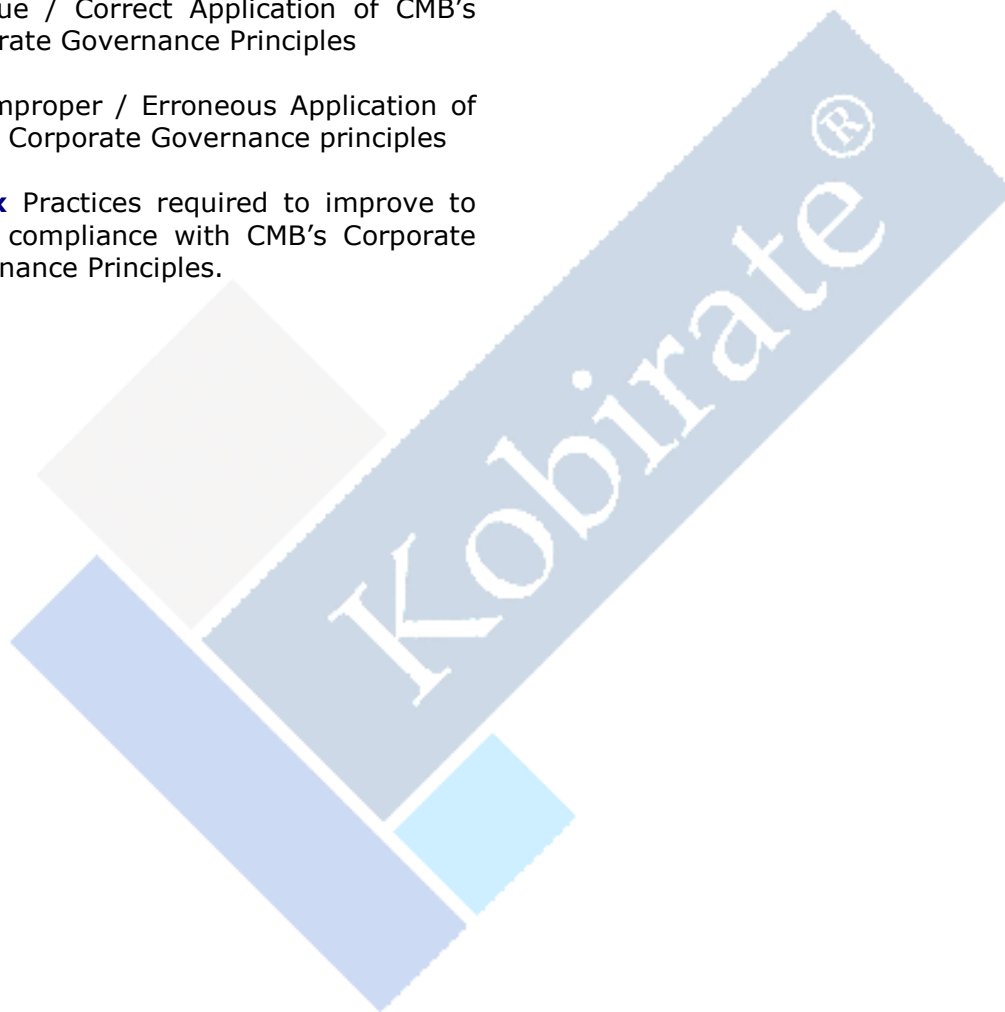
- Shareholders 25%
- Public Disclosure and Transparency 35%
- Stakeholders 15%
- Board of Directors 25%.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB's Corporate Governance Principles

✗ Improper / Erroneous Application of CMB's Corporate Governance principles

✓ / ✗ Practices required to improve to be in compliance with CMB's Corporate Governance Principles.



4. KOBIRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ A.Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

GRADE	DESCRIPTION
9-10	The Company has achieved a substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and operate. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are equitably considered. Disclosure and transparency are at high level. Interests of the stakeholders are fairly considered. The composition and conduct conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the ISE corporate governance index.
7-8,9	The Company has complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established, and operate despite need for some improvements. Any risks to which the Company might be exposed are rather identified which are under control. Benefits of the shareholders are fairly considered. Disclosure and transparency are at high level. Interests of the stakeholders are equitably considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not pose serious risks. The company is obviously eligible for inclusion in the ISE corporate governance index.
6-6,9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established, and operate, however, improvement is required. Risks to which the Company might be exposed are recognized and controllable. The interests of the shareholders are considered though need for improvement. Although disclosure and transparency are considered, there is need for improvement. It requires improving the benefits of stakeholders being considered. Some improvement is required in composition and function conditions of the Board. Under these conditions, the Company is eligible for inclusion in the ISE Corporate Governance index.

GRADE	DESCRIPTION
4-5,9	<p>The Company has ensured a minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems of minimum level are established, however, they are not complete and effective. Any Risks that might arise against the company have not been properly identified and are not under control yet. Concrete improvements are required in compliance with the Corporate Governance Principles in terms of the interests of the shareholders and the stakeholders, disclosure, transparency, the composition and operating conditions of the Board. Under the foregoing conditions, the Company is ineligible for incorporation in the ISE Corporate governance index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also has failed to establish its internal control systems. Any risks to which the company might be exposed could not have been recognized, which risks can not be managed. The company is indifferent to the Corporate Governance Principles at every level. Major weaknesses are suffered in respect of interest of both the shareholders and the stakeholders, Public Disclosure, Transparency and Composition and operation conditions of the Board and appears at a level that might cause the investor to incur material losses.</p>