

A strong business model,
Excellence in customer experience...

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A strong business model, excellence in customer experience...

DRD is backed by experienced and specialized professionals, an infrastructure reflecting all benefits of technology to its services, competency in providing tailor made solutions to corporate and retail customers and a vehicle portfolio of new models.

This is DRD... a well-established, perfectly functioning system... Targeting a unique customer experience...

DRD in Brief

DRD has ascended on strong fundamentals by combining the knowledge and vision of its professional team with the extensive experience of the Derindere Group in the automotive industry.

Strong brand equity, high service standards and raising the bar of customer experience

DRD started its operations in 1998, as the pioneer of the operational fleet leasing sector. DRD has ascended on strong fundamentals by combining the knowledge and vision of its professional team with the extensive experience of the Derindere Group in the automotive industry.

As "Turkey's largest operational fleet leasing company established with 100% domestic capital", DRD represented 9.3% of the market as of the end of 2014.

With its operational fleet, DRD entered the daily rental and long-term individual leasing business in 2014.

As of the end of 2014, the company had an active fleet of 22,127 vehicles and 3,757 customers in its portfolio. Additionally, DRD is perceived as a reputable brand by its stakeholders thanks to its service infrastructure that meets international quality standards.

In addition to its new headquarters located in Kağıthane, Istanbul, DRD operates through regional offices in 12 different locations. The company is also proud to support its customers through a widespread operational network of more than 1,200 service stations.

DRD also makes a difference with its perception of sustainability, offering a tangible contribution to the future by taking part in projects which contribute to the environment and society.

Making a difference in the industry

- As the most transparent company in the sector, DRD discloses all financial information through its annual report and website. At the same time, it is the first and only company in the sector to publish an annual report.
- The only company in its sector to issue the first unsecured bond,
- The only company to have been evaluated by two credit rating agencies in the sector,
- A pioneer of long-term rental for individual customers,
- Ranked first in terms of vehicle worthiness in the sector,
- Has the largest customer base in the market.

Sectoral position

2014



9.3%

DRD represented 9.3% of the market as of the end of 2014.

DRD in 2014

We raised the bar in 2014 with our innovations.

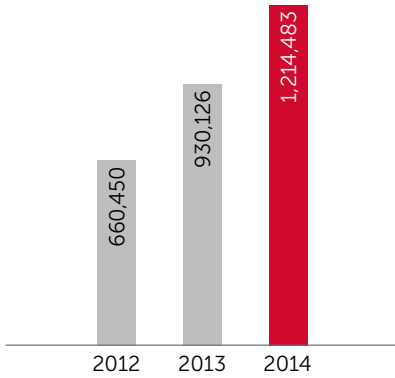
DRD completed 2014 as a year of technological restructuring and performed many “firsts” in Turkey with its pioneering and innovative identity.

- The initiation of individual long-term operating leasing has also given rise to a new business line. All the advantages of operational leasing are offered to individuals through the HemenGazla.com digital platform.
- Rapidly entering the market for daily rental and short-term rentals of up to 1 year, DRD also added a new dimension to its customer experience with its professional team and wide range of vehicle options.
- DRD implemented the industry’s most comprehensive mobile application, DRDrive, have provided easy access of customers to many services especially through smart phones for assistance in emergency and accident situations.
- The industry’s most comprehensive online reporting module was brought into operation and fleet managers were provided with the opportunity to track all details of their fleet.
- DRD is determined to implement the best practices in the corporate and individual rental industry and deliver the best customer experience backed by the leadership of knowledge, technology and vision.

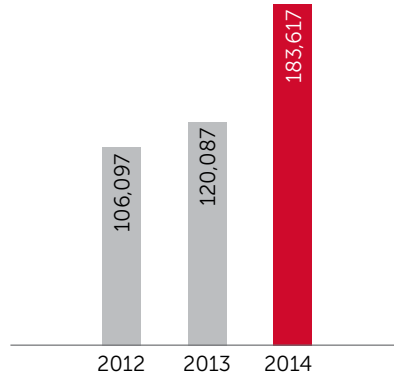


Key Indicators

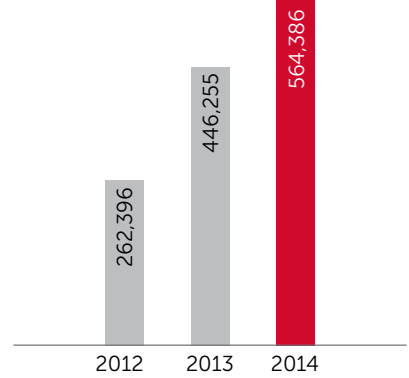
Total Assets (TL thousand)



Shareholders' Equity (TL thousand)



Sales (TL thousand)



Number of Vehicles in the Fleet

2014
22,127 vehicles
Growth rate
12.1%

Value of the Fleet

2014
1,335 million TL
Growth rate
27.4%

Vehicle Investments

2014
10,627 vehicles
Growth rate
21.5%

Vehicle Investments

2014
710 million TL
Growth rate
43.6%

High Efficiency	2012	2013	2014
OPERATIONAL LEASING BUSINESS (TL thousand)			
Total Assets	660,450	930,126	1,214,483
Sales	262,396	446,255	564,386
Operating Profit	91,203	109,071	145,626
AUTOMOTIVE BUSINESS (TL thousand)			
Total Assets	55,070	83,318	81,074
Sales	70,583	92,806	125,476
Operating Profit	-1,443	1,755	-3,084
TOTAL COMPANY (TL thousand)			
Total Assets	745,862	1,052,816	1,317,772
Sales	332,979	539,061	689,862
Shareholders' Equity	106,097	120,087	183,617
Operating Profit	89,760	110,826	142,542
Net Profit	42,494	16,341	65,927

High Performance	2012	2013	2014
OPERATIONAL HIGHLIGHTS			
Number of Vehicles in the Fleet	17,501	19,731	22,127
Total Investments (TL thousand)	821,047	1,048,050	1,334,710
Vehicle Investments (units)	5,885	8,750	10,627
Vehicle Investments (TL thousand)	326,536	494,779	710,447
Age of the Fleet (month)	18	17	17
Number of Customers	2,611	3,199	3,757

Board of Directors



Özkan Derindere
Chairman of the Board

Born in 1963 in Samsun, Özkan Derindere has actively participated in the management of the company since he graduated from university. As a company partner, Mr. Derindere has also served as the Chairman of the Board of Derindere Group of Companies since 1979.



Aytekinhan Yıldırıçı
Vice Chairman of the Board

Born in 1957 in Istanbul, Aytekinhan Yıldırıçı began his professional career in 1975 at Mobil Oil Türk A.Ş. He worked at Europcar between 1976 and 1998 and after serving as the General Manager, Mr. Yıldırıçı joined the Derindere Group of Companies. With his 35 years of experience in the automotive industry, Mr. Yıldırıçı is one of the pioneers of institutionalizing fleet leasing sector in Turkey. He is currently serving as the Vice Chairman of the Board.



Harun Çay
Board Member

Born in 1963 in Samsun, Harun Çay has been with the Derindere Group of Companies since 1987. After serving for many years as the Financial Affairs Coordinator, Mr. Çay is still a Board Member at DRD.

Message from the Board

The Derindere Group undertook strong investments in 2014 at a time of declining private sector investment in our country.

The pieces of the puzzle have not yet fallen into place in the global economy.

In an evaluation of 2014, the global economic conjuncture needs to be evaluated in general first of all.

While the economic contraction in 2008 still has a significant impact worldwide, 2014 has emerged as a challenging year given the economic and political developments in different geographical areas.

The Fed is on the verge of a change of direction as a result of declining unemployment and growth gaining pace, along with increased stability in the USA. After its gradual tapering process started at the beginning of 2014, the Fed ended its QE3 program in October.

Having stated its intention to move forward in its process of normalization in monetary policy in parallel with the continuation of the recovery in the US economy, in its last meeting of 2014 in December, the Fed signaled a cautious and gradual increase in interest rates in view of the subdued levels of growth in countries like China and Japan. This will reinforce expectations that the volatility in capital flows to developing countries will be milder.

Concerns related to inflation and economic activity continued in the Eurozone. The debt problem, the threat of deflation and high unemployment rates - the main issues threatening the Eurozone - led to an appreciation of the US dollar against Euro. The asset purchase program, announced by the European Central Bank (ECB) in January 2015, is expected to be a positive development for the coming period.

2015 to offer significant opportunities for our country

Despite these important developments on a global scale, and the process of two important elections, our country underwent a stable economic period in 2014. Our country's economy, which had demonstrated a largely positive performance during the global crisis, completed 2014 with a growth rate of 2.9% despite some slowdown due to global negativities during the year.

Our country was under the influence of regional political tensions and exchange rate volatility during 2014. The CBT's high interest rates and tight liquidity policy, together with restrictive regulations by the BRSA on credit, precipitated a decline in consumption due to the macro-prudential measures applied to narrow down the current account deficit and achieve a stabilization in domestic and foreign demand, thus leading to a decline in the foreign trade deficit and the current account deficit. The record decline of almost 50% in oil prices realized at the end of 2014 supported the decline in the current account deficit, having a positive impact on energy imports.

Message from the Board

Operating in many new service stations spread throughout the country, our company has maintained pioneering identity by breaking new ground in an impressive range of innovative projects.

Fitch Ratings evaluated the outlook for Turkey in 2015 as “stable”, while warning that although stability had been observed in developed countries’ credit ratings, the credit ratings of developing countries were under pressure. On the other hand, Fitch Ratings noted that the fall in oil prices would ease pressure on the current account deficit in emerging markets. Fitch Ratings announced that it had raised forecast for Turkey’s economic growth in 2015 to 3.3%.

Despite the difficulties, we believe Turkey has significant opportunities ahead, with the presidency of the G20 that it has taken over and with the work to be carried out in 2015.

At this point, we believe the coming period will on one hand help our country stand out in international markets, while on the other hand providing considerable opportunities for pioneering companies with domestic capital in its industry like DRD.

We maintain our steady progress.

Our company runs its operations with the responsibility of being Turkey’s largest fleet leasing company established with domestic capital. As a result of its financial and operational success, DRD maintains a place in both the Capital 500 and the Fortune Turkey 500 lists, compiled by the Capital and Fortune magazines to determine the 500 largest companies in Turkey, and further maintained its high credibility in the eyes of international credit rating agencies.

500 largest companies in Turkey
2014



top 500

DRD maintains a place in both the Capital 500 and the Fortune Turkey 500 lists, compiled by the Capital and Fortune magazines.

Our company was assigned an “investment grade” rating by international rating agencies Fitch Ratings and JCR Eurasia Rating, as a result of performing above the industry average with steady growth over the years.

2014 has been a year of significant investment and growth for our group. Our company, which has been active in the operational leasing business for many years and built up extensive know-how has demonstrated significant improvement in the individual leasing business. Operating in many new service stations spread throughout the country, our company has maintained pioneering identity by breaking new ground in an impressive range of innovative projects. The international referral of our brand's performance in different business lines is a source of pride for us.

DMA - Derindere Motor Vehicles

With our brand, DRD Fleet Leasing, we maintained the strong position we command in the leasing business in 2014 as a result of the Derindere Group's investment and development in different business lines.

Our 100% electric vehicle brand DMA, which is accepted as a reference with its technology worldwide, with its new electric car with a 400 km driving range, also represented an important step in the automotive sector with the technology of its charging unit integrated into the vehicle.

Our brand completed the ITU Technopark R&D Center investments and Zeytinburnu electrical vehicle concept showroom in 2014, after its production facilities located in Gürpınar, Istanbul, it realized production of first 100% commercial vehicle for passenger transport; introduced its products in the field of energy storage to the market.

Derindere Used Car

Our company realized another important investment in the used car sector; along with the open auction center located in Kuyumcukent, Istanbul, DRD opened a new used car buy & sell center located in Zeytinburnu, built on a 20,000 m² area under the roof of Derindere Used Car.

Derindere Hospital

Having provided significant contributions through various projects and activities in a social context, the Derindere Group undertook a significant investment in the health sector in 2014 with the Derindere Hospital.

With 150 beds and an advanced diagnostic treatment unit equipped with advanced technology in all branches and a modern facility, the Derindere Hospital will open in Kağıthane, Istanbul, in 2015, aiming to bring a new dimension to the health sector with its digital hospital model.

Looking to the future with confidence at DRD

In what is the most important investment, we provide every support to our employees in the field of human resources in managing their careers and supporting their continuous improvement, so we can look to the future of the Derindere Group with confidence. As a strongly motivated organization which is open to learning, we work for our brands, each of which will be stronger players tomorrow in their sectors.

We are proud of DRD, the driving force of our group, together with our new investments, and the performance picture realized under the guidance of our professional management team. Each DRD employee meets all requirements for being a member of this team in terms of their success in teamwork as well as in terms of individual dimension.

DRD will continue to develop with new steps forward and the new targets in 2015 and beyond. With our faith in reaching the targets together, we offer our heartfelt thanks to our team, our business partners and our customers.

With kind regards,

Board of Directors

Message from the General Manager

As of 2014, DRD is a strong player which takes steps to shape the present and future of the sector.



İlkyay Ersoy
General Manager

Born in 1969 in Kayseri, İlkyay Ersoy began his professional career in 1991 at Garanti Bank. After serving in various fields in Garanti Bank until 2007, he joined DRD Fleet Leasing company.

Mr. Ersoy who is serving as the General Manager at DRD Fleet Leasing since 2010, served as TOKKDER Chairman of Board between 2012-2015, and at present serves as Board Member at Intermak Auto Leasing Company operating in Russia simultaneously with his position in DRD.

DRD: Rising value

DRD has successfully represented the Derindere Group, which maintains its presence in the automotive industry since the 1970s, for 16 years in operational leasing and has pioneered the development of the sector in our country. During this process, while we have brought business principles to our company that has to exist in a global environment and which has to be transparent at an international level, we consistently continued our investments in technology, innovative projects and qualified human resources. We reinforced our reputation and trust with our corporate values and business principles. We managed our relationships very well, strengthened our service base with our widespread service network - which has always been close to customers, and raised our service standards.

As of 2014, DRD is a strong player which takes steps to shape the present and future of the sector. The combination of our know-how and vision in addition to our pioneering and innovative identity allows us to implement our industry-leading services in the nature of benchmarks. By advancing our customer focus forward, the steps we take in daily rental and long-term individual vehicle leasing - in addition to operational fleet leasing - bring a new dimension to the sector. Reaching customers through a strong mixed service of operational leasing, long-term individual vehicle leasing and daily rental, DRD achieved a 31% YoY increase in its asset size to TL 1.2 billion, and a 53% YoY increase in total equity to TL 183 million.

Having realized a turnover of TL 564 million in 2014, DRD continued to improve its efficiency and operational profitability during the year, raising its pre-tax profit to TL 84 million, and was one of the most profitable companies in the sector.

Our company reinforced its credibility and ability to access funding in 2014, having maintained its solid financial structure. DRD issued the first unsecured bond in the sector, which was 40% oversubscribed. This step, which we have taken in line with our vision, has given us confidence for the coming period in terms of raising funding from the capital markets.

Individual long-term leasing bringing a revolution to the industry

Regardless of where in Turkey, our brand strives to ensure that customers are never behind their targets, and does not limit its operational competence to commercial corporations and institutions; it has also achieved a major breakthrough in providing service to individual users.

Looking at the world in general, the number of corporations in the sector is limited; however, we find that the number of individuals creates more volume. In order to benefit from this potential and manage the future by creating a new business line, we have started individual long-term leasing.

Our innovative and providing ease to use service channel, "HemenGazla.com", which was prepared to meet the needs of individual customers in the leasing sector, was designed as a digital platform that provides individual, medium and long-term solutions in the automotive world. With its scope and technological infrastructure, our platform, "HemenGazla.com", is a first in the sector creating an important alternative channel for individuals to access the cars of their dreams while at the same time providing comprehensive operational services to individuals, together with the vehicles.

Message from the General Manager

Maintaining the strength of our financial structure, further strengthening our service infrastructure and distribution channels, developing different products with our innovation capability, improving customer loyalty by virtue of our service quality are the most fundamental constituents of our vision.

We are at every point in Turkey - not only in major cities.

The operational results of our first year of daily rental operations with the DRD Car Rental brand, like in fleet leasing, reveal that we operate on a nationwide basis, not only in Istanbul but all around in Turkey and address a wide customer base.

In 2014, DRD began to serve at 13 points in major resorts such as Çeşme, Bodrum, Dalaman, Marmaris, in addition to large cities such as Istanbul, Ankara, Izmir, Bursa, Konya, Kayseri.

DRD reached a significant volume in the market through our website, our social media channels and our call center as well as service points.

The increasing interest in renting and potential customer groups that we have in the individual sense will provide significant benefits to the rapid development of daily rental by our brand and the industry.

We use technology for excellent customer experience.

We aim to build on the high level of customer satisfaction on speed and quality as a result of our investments, as being a company that attaches importance to customer satisfaction with our technological infrastructure investments. Therefore, we actively use all social networks and provide solutions which customers can easily access. We communicate through social networks like Facebook, Twitter, LinkedIn, YouTube and Instagram. By performing special campaigns, sweepstakes and announcements in such social media, we can reach a higher number of users in the vehicle leasing market.

Target
5-year-strategic plan



50 thousand

In its 5-year-strategic plan, DRD sets out its target of being a company of European caliber with a fleet size of 50,000 vehicles, total assets of TL 3 billion.

As well as totally renewing the service infrastructure of our website, we also undertook a major reform in after-sales services with the online reporting module that provides fleet managers access to all data and reports, whenever they wish and wherever they are, with DRDrive, covering iOS/Android based road assistance, accident and service mobile applications, which offer considerable benefits to vehicle users.

We aim to bring ease to the lives of ultimate users, in addition to fleet managers with the applications that we realized within the scope of our principle of maximizing customer satisfaction. In order to move customer satisfaction to higher levels, we continue to undertake major CRM projects in this area.

Going further with the sector...

The operational leasing sector is growing rapidly in our country and offers high potential. DRD will maintain its characteristic of being a company which grows and develops more rapidly than the sector with its position of being a leading and standard bearing pioneer in the coming periods.

Maintaining the strength of our financial structure, further strengthening our service infrastructure and distribution channels, developing different products with our innovation capability, improving customer loyalty by virtue of our service quality are the most fundamental constituents of our vision.

In its 5-year-strategic plan, DRD sets out its target of being a company of European caliber with a fleet size of 50,000 vehicles, total assets of TL 3 billion and a long-term corporate and individual customer portfolio of 15,000.

We are determined to remain a company that adds value both to our industry and our country, by competing within the rules and always advancing further with the importance we attach to technology and people.

As the DRD family, what we will do brings us more excitement than what we did; and more importantly, we believe in it. Sharing new achievements and enthusiasm, I would like to extend my thanks to our team, business partners and customers for standing with us every inch of the way.

With kind regards,



İlkay Ersoy
General Manager

Sectoral Outlook

In 2014, 103,444 vehicles were purchased in the fleet leasing sector, creating a high level of demand in the Turkish automotive sector.

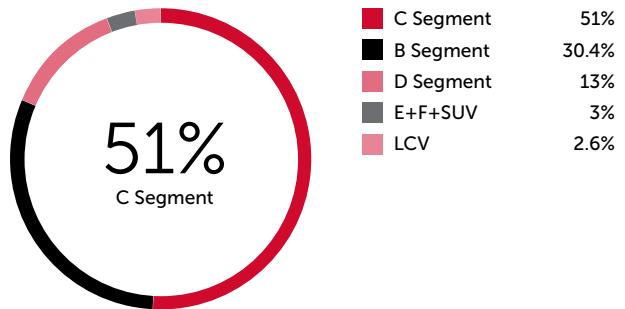
According to studies conducted into the operational fleet leasing sector announced by TOKKDER, our country's operational fleet leasing sector grew by 14.3% to reach a size of 237,000 vehicles by the end of 2014.

The decline in the growth rate when compared to the previous year was a reflection of the higher interest rates and contraction in domestic demand as a result of the pressure from the restrictions imposed on loans in the automotive sector.

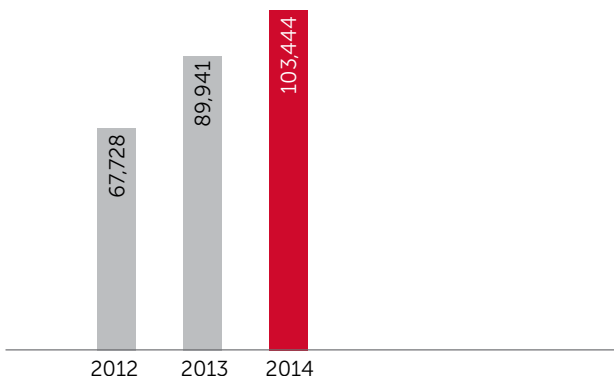
By the end of 2014, the sector had reached a customer portfolio of 33,116 units (2013: 26,189), marking a near trebling since 2011. This data indicates that small and medium-sized enterprises - as well as multinational and large local companies in our country - prefer operational leasing when establishing their fleets.

In 2014, 103,444 vehicles were purchased in the fleet leasing sector, creating a high level of demand in the Turkish automotive sector. Investment in brand new zero mileage vehicles in the sector reached TL 7 billion in 2014, while its share of purchases in the passenger car market increased from 13.5% to 16.4%.

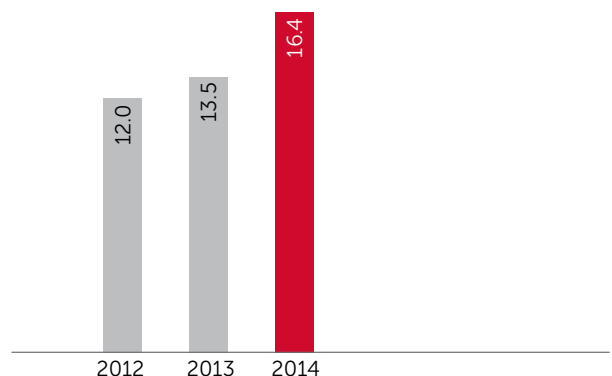
Fleet Leasing Sector - Breakdown of the Fleet by Segments



Total 0-km Vehicle Purchases in the Sector (units)



Market Share in 0-km Vehicle Purchases (%)



In 2014 a total of 73,735 used cars were sold within operational leasing (2013: 55,050).

The operational leasing sector, which has grown at an increasing pace and at a higher rate than the country's economic growth, when analyzed in terms of the value added tax, motor vehicle tax and special consumption tax that were paid, provided a tax contribution of TL 3.3 billion.

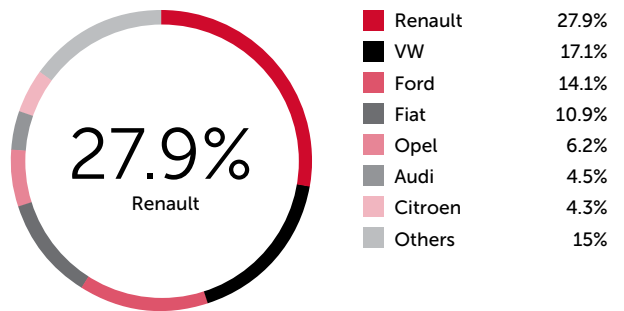
As a result of the development of the operational leasing sector in Turkey, awareness that the operational leasing sector is a service package, rather than the vehicle, is increasing rapidly in the eyes of the customers. Customers may select vehicle alternatives which are the most appropriate to their business models through the consultancy of operational leasing companies specialized in their fields, and maintain the continuity of their business by receiving an effective and professional after-sales service.

Despite this positive development, when compared to data from various other countries, Turkey lags far behind in terms of number of vehicles per capita. In our country, the number of vehicles per 1,000 capita is still at most 150-200, with the operational leasing sector

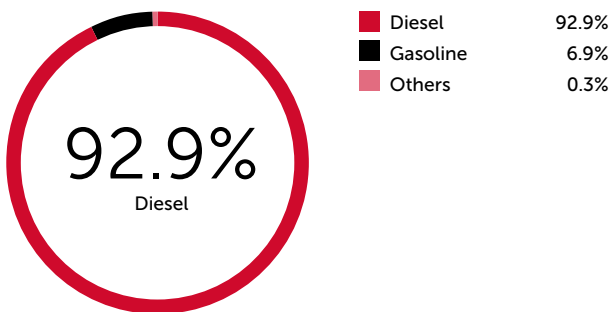
only representing one eighth of the corporate car park, which amounts to around 2 million vehicles.

In developed European nations such as Germany, the UK, France and Italy, the number of vehicles in the operational fleet leasing market per 1,000 population is above 500. At this point, considering our country's economic and geographical conditions and the demographic characteristics of our population, the immense developmental potential of the sector in our country is easily apparent.

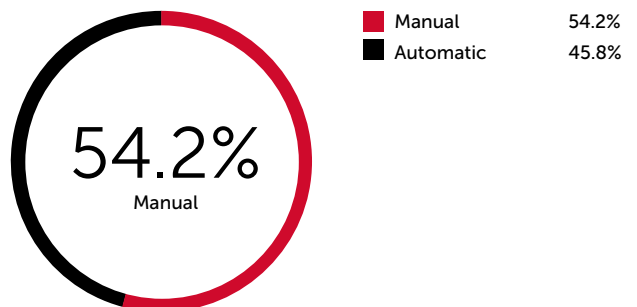
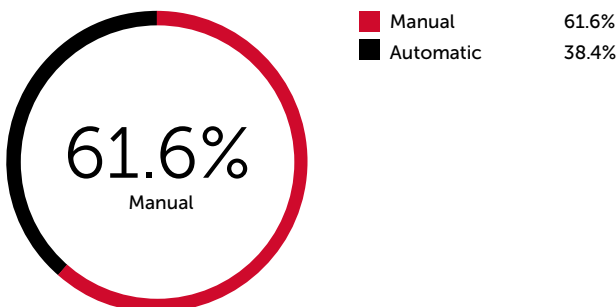
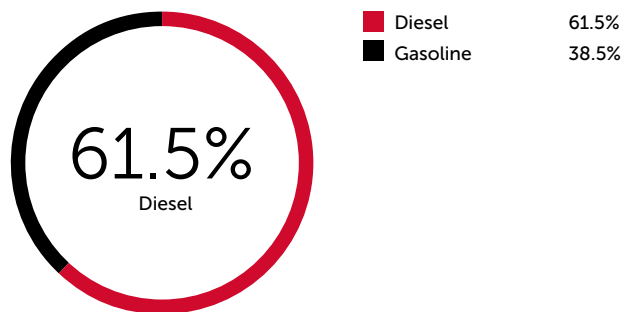
Fleet Leasing Sector - Breakdown of the Fleet by Brands



Fleet Leasing Sector - Vehicle Features



Automotive Sector - Vehicle Features



564

DRD'S TOTAL SALES REACHED TL 564 MILLION WITH A STRONG 26% YoY GROWTH IN 2014.

Ratings from 2 agencies

DRD IS THE ONLY COMPANY TO HAVE BEEN ASSIGNED A RATING IN ITS SECTOR FROM TWO DIFFERENT INTERNATIONAL CREDIT RATING AGENCIES (JCR AND FITCH).

First in the sector

DRD REALIZED THE FIRST UNSECURED BOND ISSUANCE IN TURKEY'S FLEET LEASING SECTOR.

24%

DRD INCREASED ITS EBITDA BY 24% YoY TO TL 182 MILLION IN 2014 ON THE BACK OF AN IMPROVEMENT IN ITS BUSINESS EFFICIENCY AND STEADY RISE IN ITS OPERATING PROFITABILITY.



An Assessment of Activities in 2014

DRD became stronger and increased its volume of transactions in 2014 through its three tier service offering of operational leasing, long-term individual leasing and daily rental.



Increase in equity
2014



53%

DRD's total equity amounted to TL 183 million at the end of 2014, with an increase of 53% YoY.

DRD met its targets with another successful performance in 2014.

DRD became stronger and increased its volume of transactions in 2014 through its three tier service offering of operational leasing, long-term individual leasing and daily rental. DRD's total assets amounted to TL 1.2 billion at the end of 2014, an increase of 31% YoY, with total equity of TL 183 million, up by 53%.

DRD conducted sales of TL 564 million during 2014. It improved its business efficiency and operational profitability in a stable manner, achieving an increase in EBITDA from TL 147 million to TL 182 million. DRD reached a fleet size of more than 22,000 vehicles by the end of 2014, having undertaken TL 710 million in investments in vehicles in 2014 alone.

The first unsecured international bond issuance in the Turkish fleet leasing sector

DRD is a company with high credibility in national and international markets due to its strong capital base and financial structure and stands out with its capability of reaching fund resources.

DRD, which works on the development of foreign resources that are allocated by existing creditors and structured finance models conducted its first unsecured bond issuance in the Turkish fleet leasing sector. DRD received issuance approval worth TL 250 million from the Capital Markets Board. The first transaction, planned at TL 30 million, was vastly oversubscribed and consequently, its issuance of unsecured bonds amounted to TL 42 million. It also realized 19 month term issuances. In 2015, issuance continuity is planned and necessary work is being carried out in this matter.

Realizing private sector bond issuance and stepping into the capital markets by diversifying financing methods demonstrates DRD’s pioneering role in its sector.

DRD is Turkey’s first and biggest operational fleet leasing company established with 100% domestic capital to be given an “investment” grade by JCR Eurasia Rating.

DRD’s credibility confirmed with its credit rating.

DRD has been undergoing independent audits for many years to demonstrate its financial credibility to its business partners in an entirely transparent manner. DRD was Turkey’s first and biggest operational fleet leasing company established with 100% domestic capital to be assessed as having an “investment” grade by JCR Eurasia Rating.

DRD has maintained its stable growth over the years. In 2014, it also maintained the success it enjoyed in the previous year, being assigned the “investment grade” rating by JCR Eurasia Rating. The company sustained its short and long-term national outlook as well.

It was stated that DRD’s grades reflect its asset quality according to the assessment undertaken by Fitch Ratings in 2014, and its credit rating was assigned as “BBB” and outlook as “stable”.

JCR EURASIA RATING	
CREDIT RATINGS	
Short-Term	A-2
Long-Term	BBB+
Outlook	Stable

FITCH RATINGS		
CREDIT RATINGS		
	Local Currency	Outlook
Long-Term	BBB	Stable



3,757

DRD HAS ONE OF THE LARGEST CUSTOMER PORTFOLIOS, INCLUDING 3,757 CORPORATE CUSTOMERS FROM 44 DIFFERENT SECTORS AS OF THE END OF 2014.



42

WORKING TO SERVE ALL OF TURKEY, DRD HAS A WIDE CUSTOMER BASE IN 42 DIFFERENT CITIES.



11,000

DRD CONDUCTED 11,000 CORPORATE CUSTOMER VISITS WITHIN THE SCOPE OF EFFECTIVE FIELD ACTIVITIES DURING 2014.



Cansu Gngr
Assistant Sales Specialist

An Assessment of Activities in 2014

DRD strives to diversify its customer portfolio on a segmental basis, and maintains its profitability by minimizing its financial and operational risks.

Vehicle based innovative budgeting

DRD developed a different vehicle based budgeting process in which all parameters are calculated and followed up systematically in addition to the standard budgeting methodology. Benefit/cost analysis conducted during the budgeting process and expenditures and income arising from investments are evaluated in detail, and accordingly, the right brand, model and customer portfolio are chosen. Outstanding results were achieved for the determination of the long-term strategic plans and road map.

Areas for focus are identified in accordance with the key performance indicators defined in the budget, ensuring efficiency and effective cost management. Taking these studies as a base, DRD also analyses CRM data and reaches its targets as well as analyzing the statistical data it has accumulated from its experience and knowledge in the leasing sector over many years.

Working with Customer-Based Pricing infrastructure for pricing

DRD adapted its flexible budget system to the pricing module, thereby completing the "Customer-Based Pricing" infrastructure, which functions independently using parameters. Thus, the company is able to monitor its profitability instantaneously through the effective reporting system while also updating the pricing system continuously with new data. DRD has an exemplary and dynamic pricing competency due to the pricing infrastructure that generates statistical data that will create value for the company and the customer. DRD achieves price optimization by working on damage frequencies and preventive measures.

Due to this sophisticated Customer-Based Pricing infrastructure, important studies are carried out to develop different products in addition to leasing service and also sales arguments are created.

DRD established its own infrastructure for corporate risk management.

DRD's wide customer base is also diversified by sector. DRD strives to diversify its customer portfolio on a segmental basis. DRD maintains its profitability by minimizing its financial and operational risks. On the other hand, analyzing leased assets according to their brand concentration, DRD strives to maintain the highest revenues from used car sales.

Customer credibility
Scoring system



analysis

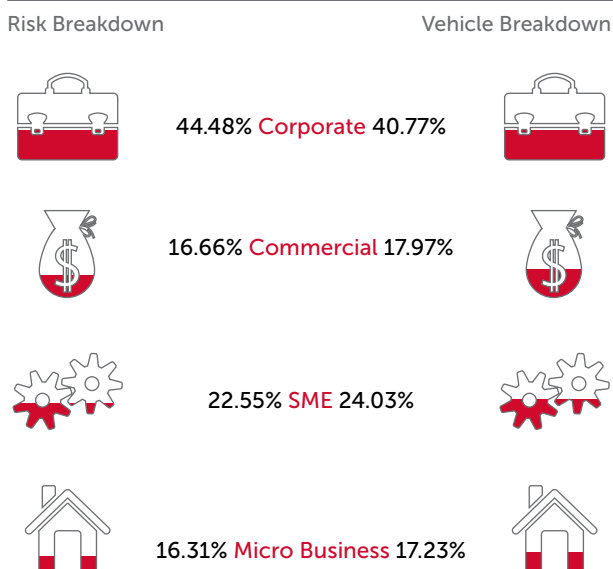
The financial structure and credibility of DRD's customers are evaluated comprehensively in terms of various criteria, and detailed financial analysis is carried out and followed up.

In the operational leasing sector, it is crucial that the customer credibility is correctly assessed to minimize the potential risks that may arise during the leasing process. Based on this argument, DRD developed its own scoring system. Its customers' financial structure and credibility are evaluated comprehensively in terms of current market movements in addition to past data and sector developments, and detailed financial analysis is carried out and followed up.

DRD meticulously implements credit assessment and risk management in order to establish a strong customer portfolio which will support sustainable growth, and to ensure the healthy management of the portfolio. In this context, DRD carries out the following:

- Identifying the customer evaluation criteria in coordination with "Credit Practices and Procedures/ Credit Allocation Committee",
- Conducting credit analyses in compliance with international standards through the "Scoring" system,
- Monitoring early warning signals regarding existing risks through the "Risk Monitoring" system and taking the necessary actions.

BREAKDOWN OF CUSTOMER PORTFOLIO BY SEGMENTS



DRD's success in keeping third party risk to a minimum is based on its ability to take measurable and well distributed risks as well as its effective risk management. DRD has a minimal number of doubtful receivables.

One of the largest customer portfolios in the sector

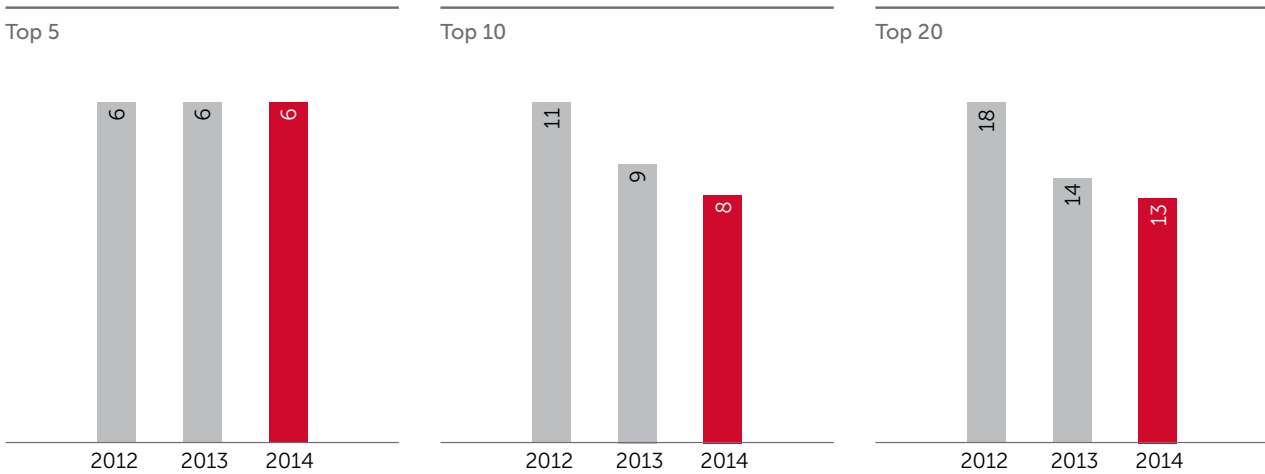
DRD has the largest portfolio in the sector with its customers of different sizes ranging from individuals and small enterprises to multi-national companies. DRD had a customer portfolio consisting of 3,757 corporate customers from 44 different sectors as of the end of 2014.

Sector	2013	2014
SECTORAL DISTRIBUTION OF CUSTOMER PORTFOLIO (%)		
Medicine and Medical Devices	10.92	7.59
Machinery and Spare Parts	6.24	6.11
Information Technologies	6.16	5.98
Finance-Insurance	5.81	5.61
Food, Soft Drinks and Tobacco Products	4.92	5.28
Apparel and Garment	4.94	5.01
Agriculture-Livestock Breeding	4.14	4.21
Chemical Substances	2.95	4.11
Metal Industry	4.03	3.77
Cosmetics and Cleaning	3.28	2.99
Plastic and Rubber	2.75	2.84
Electric and Electronic	2.41	2.65
Construction-Contracting	2.07	2.61
Transportation-Logistics	2.01	2.44
Business Support Services	2.08	2.42
Architecture and Engineering	2.42	2.10
Land Vehicles, Spare Parts and Manufacturing	2.72	2.06
Technical Fittings	1.93	1.82
Gas and Fuel Oil	2.07	1.72
Retail Trading	1.65	1.29
Others	24.52	27.38
Total	100.00	100.00

An Assessment of Activities in 2014

DRD developed a customer relations policy that is focused on creating solutions to meet the demands of its customers from different sectors as well as informing customers through regular visits and taking the pulse of the market.

CUSTOMER PENETRATION



Number of vehicles leased to corporate customers
2014

7,500

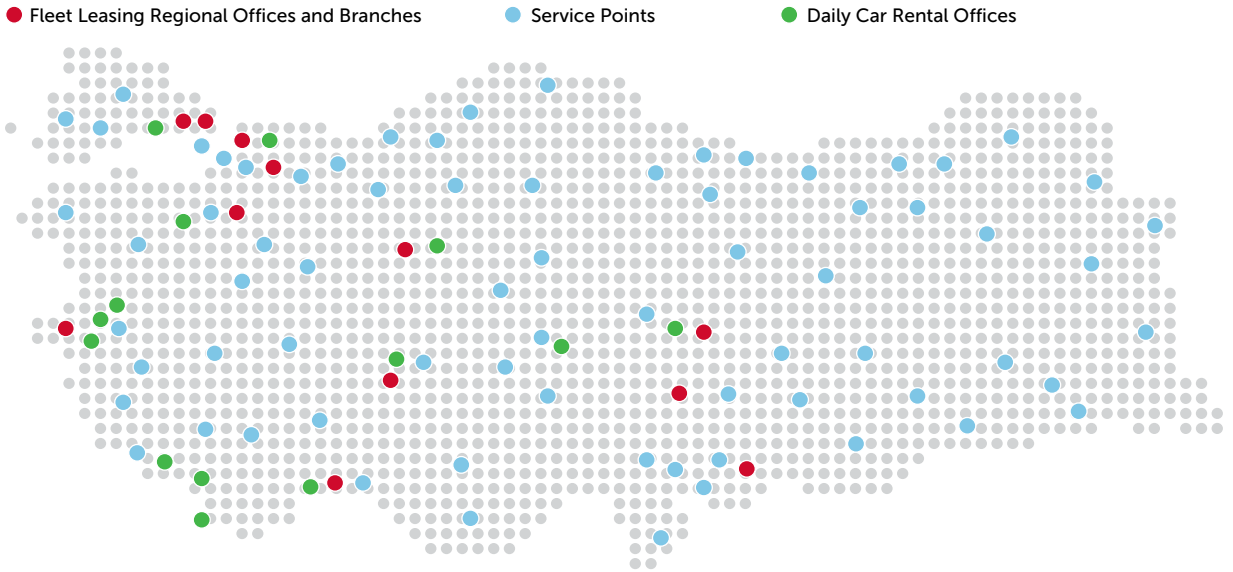
A total of 7,500 vehicles were leased to corporate customers and TL 480 million in investment was undertaken in 2014.



We care about maintaining our existing customer base as well as gaining new customers.

DRD developed a customer relations policy that is focused on creating solutions to meet the demands of its customers from different sectors as well as informing customers through regular visits and taking the pulse of the market. Customer demands are evaluated and renewal activities are carried out through the right planning before the contract expiry date. On the other hand, target sector and companies are determined and field teams visit those companies to gain new customers. To grow the sector, the advantages of leasing are explained to the customers who have not had previous operational leasing experience and potential customers are informed of the difference DRD brings to the service.

SERVICE NETWORK



In 2014, a total of 11,000 visits were carried out to the customers.

A total of 7,500 vehicles were leased to corporate customers and TL 480 million in investment was undertaken in 2014. More than 1,000 new customers were added to the portfolio. Long-term leaseings are carried out in 24-36-48 monthly periods, with 85% of these being over the 36 month term, 10% being of 24 month terms and 5% being for 48 month terms. 90% of leaseings are Euro based and 10% of leaseings are in TL terms.

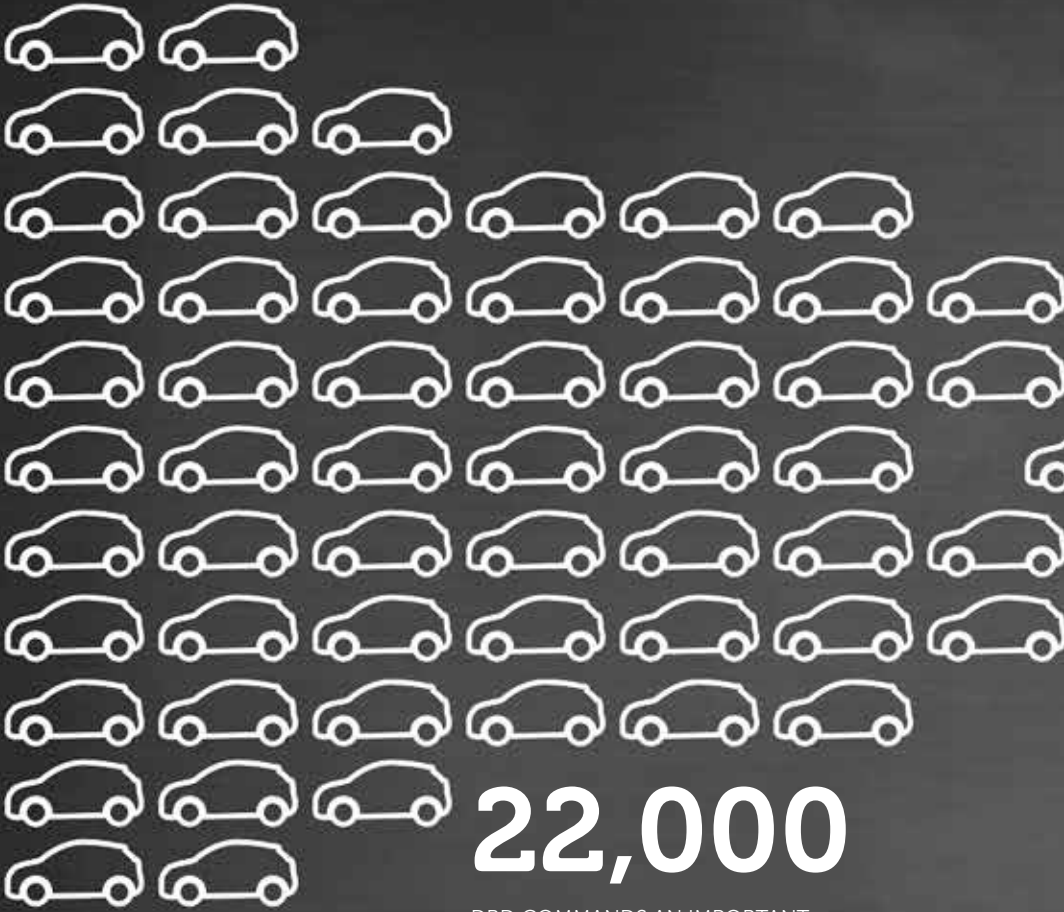
Our target is to spread long-term fleet leasing throughout the country.

One of DRD's strengths is its extensive service organization in areas where economic activity is concentrated in Turkey. DRD operates with its regional offices and branches in a structure that carries out extensive sales activities in 12 different locations throughout Turkey. DRD has regional offices and branches located in Istanbul, Ankara, Adana, Ankara, Bursa, Izmir, Gaziantep, Konya, Antalya and Kayseri. DRD is planning to launch its Samsun Regional office in 2015 following the entry of its Thrace Regional Directorate into service at the end of 2014.

Regional field teams are working to create awareness of operational leasing, despite the ongoing tendency to own cars, especially in the Anatolian province. In leasing, the creation of alternative markets by spreading customer penetration over the base with the lowest number of vehicles is an important way of spreading risk and expanding the size of the sector. The most appropriate service packages are determined to offer the best solution alternatives for the customer by analyzing the customers' needs most accurately, taking into account their location and the sectors in which the customers are active.

DRD has also been operating in the 100%-electric car rental sector. The lease of around 100 electric vehicles, which attract the attention of many companies with their environmentally friendly and economical features provided support to the corporate social responsibility approach in terms of increasing the tendency towards vehicles in this segment.

Years	Units	Amount (TL thousand)
NEW VEHICLE INVESTMENTS		
2011	5,820	279,670
2012	5,885	326,536
2013	8,750	494,779
2014	10,627	710,447



DRD COMMANDS AN IMPORTANT POSITION IN THE SECTOR WITH A FLEET OF MORE THAN 22,000 VEHICLES AS OF THE END OF 2014.

Young

DRD OWNS A VEHICLE PARK THAT CONSISTS OF YOUNG MODELS. ITS VEHICLE PARK, ESPECIALLY IN THE DAILY RENTAL BUSINESS SEGMENT, CONSISTS OF VEHICLES THAT ARE LESS THAN ONE YEAR OLD.

50,000

DRD WILL HAVE ADDED 50,000 VEHICLES TO ITS FLEET THROUGH TL 3 BILLION OF INVESTMENTS BETWEEN 2010 AND 2015.

710

DRD INVESTED TL 710 MILLION IN ITS
VEHICLES IN 2014 ALONE.



An Assessment of Activities in 2014

DRD employs strong sector analysis and has an extensive database; accordingly it acts with the vision of achieving strategic vehicle investments. DRD has a significant volume of transactions for daily use and individual long-term leases as well as fleet leasing.

A higher rate of customer satisfaction

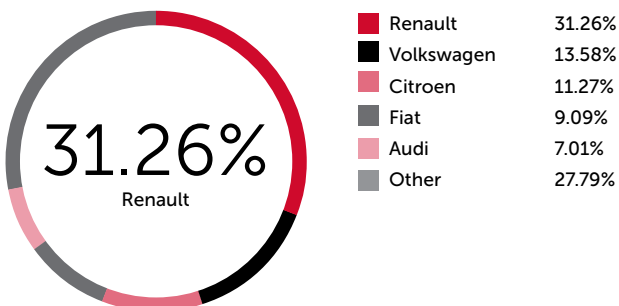
In 2014, the results of surveys and studies that measure customer satisfaction and loyalty found that DRD achieved a customer satisfaction in excess of the industry average. A very high proportion of customers were found to choose DRD again and with a very high level of confidence in the company.

DRD vehicle purchases conducted on a project basis.

97% of DRD vehicle purchases are carried out on a project basis. Expert DRD staff informs their customers of the segment, the brand and model options in a comprehensive manner during vehicle preference stage before preparing the optimum operational fleet management service packages by evaluating details of the business model.

Having developed good relations with many brands, DRD has also strengthened its business partnerships. Vehicles are purchased from local dealers by carrying out regional visits during the year, therefore helping the corporate sales teams widen their portfolios, while also targeting the establishment of a sustainable relationship with the authorized dealers. DRD organizes visits to dealers, from whom purchases are made twice a year throughout Turkey.

DRD Car Park - Breakdown by Brands



Brands	%
Brand Mix of the DRD Fleet	
Renault	31.26
Volkswagen	13.58
Citroen	11.27
Fiat	9.09
Audi	7.01
Toyota	6.44
Ford	5.93
Opel	4.51
Mercedes	2.92
Dacia	1.89
BMW	1.79
Peugeot	1.30
Hyundai	1.04
Volvo	0.71
Nissan	0.25
Seat	0.19
Others	0.81
Total	100

We continue to strengthen our car park.

DRD employs strong sector analysis and has an extensive database; accordingly it acts with the vision of achieving strategic vehicle investments. DRD has a significant volume of transactions for daily use and individual long-term leases as well as fleet leasing.

DRD delivers different brand and model vehicle alternatives included in a wide range in a complete and rapid manner to its customers. It is consistently enlarging its vehicle fleet through investments undertaken by considering its long-term goals, and meets the demands and needs of its customers at the highest level.

In 2014, DRD purchased in total 10,627 vehicles, of which 8,019 were used in long-term leasing with the rest being used in daily rentals. A total of TL 710 million was invested in the purchased vehicles.

DRD aims to develop its fleet in a balanced way through detailed analysis and budgeting work. In line with this objective, the brand with the largest share accounted for 31% of the DRD fleet as of 2014, due to the segment and brand based diversification strategies implemented.

In terms of the cumulative vehicle purchases in 2014, DRD bought two of every 100 passenger vehicle sold in Turkey.

DRD goes to great lengths to include new brands in its fleet, in order to create a variety for customers in the fleet market.

A rapidly increasing share of the vehicles in the higher segments of the fleet

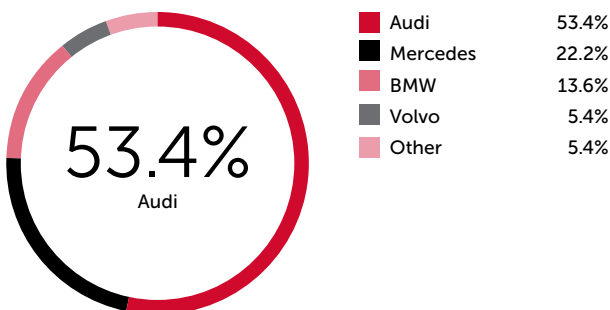
In 2014, the number of vehicles in DRD’s fleet increased by 14% YoY. DRD also attaches importance to the development of vehicles in its fleet from a quality point of view as well as their growth in terms of quantity.

In the last few years, it is clearly seen that the share of higher segment vehicles in the fleet has rapidly increased, and the average value of each vehicle rose. Basing its car investment decisions on many years of industry and market experience as well as strong statistical data and long-term business plans, evaluates such decisions according to criteria such as the breakdown of each brand and model, the market price, performance, quality, supply power and availability of servicing.

Car park reflects customer preferences.

DRD examines the expectations and demands of the customer portfolio on a regional basis. In recent years, there has been an increase in demand for diesel powered vehicles which use automatic transmission in Turkey’s large cities of Istanbul, Ankara, Izmir and Bursa. In addition, in recent years, many brands have introduced gasoline-powered models with engines of less than 1,600 cc in order to offer a combination of economic consumption and satisfactory driving performance. The vast majority of DRD’s vehicle purchases are for diesel-powered cars. There has been an increase in purchases of small-engine gasoline-powered cars. Together with the growth strategy for executive vehicles, the development of vehicles with automatic transmission in the fleet has increased.

DRD Car Park - Breakdown by Luxury Segment Brands



In 2014, the number of vehicles in DRD’s fleet increased by 14% YoY. DRD also attaches importance to the development of the vehicles in its fleet from a quality point of view as well as their growth in terms of quantity.



High satisfaction

THE RESULTS OF SURVEYS AND STUDIES CONDUCTED DURING 2014 WHICH MEASURE CUSTOMER SATISFACTION AND LOYALTY FOUND THAT DRD ACHIEVED CUSTOMER SATISFACTION IN EXCESS OF THE INDUSTRY AVERAGE.

1,200

DRD ALWAYS STANDS WITH ITS CUSTOMERS WITH MORE THAN 1,200 SERVICE POINTS.





Fast and flawless

DRD PROVIDES AFTER-SALES SERVICES TO ITS CUSTOMERS IN A WIDE RANGE OF AREAS INCLUDING PERIODIC MAINTENANCE, TIRE MANAGEMENT, DAMAGE HANDLING, SPARE PARTS SERVICES, RESPONDING RAPIDLY AND FLAWLESSLY.

Zekeriya Gecenođlu
After-Sales Services Assistant Manager

An Assessment of Activities in 2014

Operating in the individual business branch as well as being active in corporate and long-term car rentals, DRD increased the penetration of vehicles in the D, E and F segments in the fleet.

Fuel Type	2012	2013	2014
DRD FLEET FUEL TYPE DISTRIBUTION (%)			
Diesel	93.00	94.00	92.34
Gasoline	6.50	5.50	7.20
Electric	0.50	0.50	0.46

Gear Type	2012	2013	2014
DRD FLEET GEAR TYPE DISTRIBUTION (%)			
Automatic	33.00	39.10	43.64
Manual	67.00	60.90	56.36

Service entries
2014



49 thousand

In 2014, DRD provided its customers with services meeting high quality standards in a total of 49,000 service entries nationwide for periodic maintenance and mechanical services.

Statistical data based on information obtained from DRD's regional activities shows that manual transmission vehicles are highly popular especially in Anatolian provinces where the traffic is still not as intense as in major cities.

Operating in the individual business branch as well as being active in corporate and long-term car rentals, DRD increased the penetration of vehicles in the D, E and F segments in the fleet.

Buyback still one of our purchasing methods

DRD implemented the buyback program as a result of its strategic alliances with the companies from whom DRD purchases vehicles. Within the scope of the program aimed at the retail and short-term car park, the re-purchases of vehicles are carried out based on the Residual Value determined at the maturity of the vehicles within the framework of mutually specified terms.

Continued expansion of our fleet...

In view of the growth trend of our sector in recent years, targets are set in parallel with the prediction that the sector will register annual growth of around 15%. In 2015, a budget has been set aside for about 8,500 vehicles for long-term lease and about 3,000 vehicles for short-term lease.

With the inclusion of the target set for 2015, the actual vehicle investments carried out since 2010 will have reached 50,000 vehicles joining the DRD fleet, corresponding to TL 3 billion in vehicle investment. This threshold reveals the potential of the sector and the position that DRD has reached.

Further strengthening our after-sales services

DRD works with the objective of providing a level of service which exceeds expectations through the combination of optimal cost - high quality service in after-sales. DRD restructured its after-sales service processes with its strong operational infrastructure in order to provide a maximum benefit to all service providers, thus raising the bar for its service quality and customer satisfaction.

With the new system introduced in damage services, damage processes are integrated with the spare parts supply process. Therefore, the risk of false and erroneous transactions has been reduced, while the processing speed has been further increased.

DRD has an extensive nationwide service network for both periodic and mechanical maintenance as well as damage management. In 2014, the number of authorized mechanical services amounted to 800 with the new agreements. Meanwhile the company has sustained its efforts to improve the quality of service. In 2014, DRD provided its customers with services meeting high quality standards in a total of 49,000 service entries nationwide for periodic maintenance and mechanical services.

In the damage repair branch, a total of 20,315 damage operations were resolved quickly and seamlessly during 2014.

As for the coordination of service network in 2014 reinforcing its modern technological infrastructure, DRD can realize 95% of the total volume of transactions itself by providing connection to service points through its software.

Another stronghold of DRD's after-sales services is tire management with which it provides a complete array of services including tire supply, replacement and storage through a network of 300 service points.

We only work with authorized service providers for mechanical repair and periodic maintenance during the contract period.

One of the most important practices employed by DRD is to only receive services from authorized service providers for repair and maintenance, regardless of the warranty period. DRD continues to carry out mechanical repair and periodic maintenance of vehicles at authorized workshops, even when their warranty has expired. This creates a sense of trust among customers while also providing an opportunity to sell used cars at better prices.

Within the scope of after-sales services, DRD offers its customers a complete range of end to end services, which will meet their needs during the leasing period.

DRD Operational Fleet Management Pack



Toll Management



Car Pick-up Services



iOS/Android Based Mobile Apps



7/24 DRD Road Assistance



Online Reporting Services



Fuel Management



Tire Replacement Services



Periodical Maintenance Services



Safe Drive Training



Replacement Car Management



Claims Management



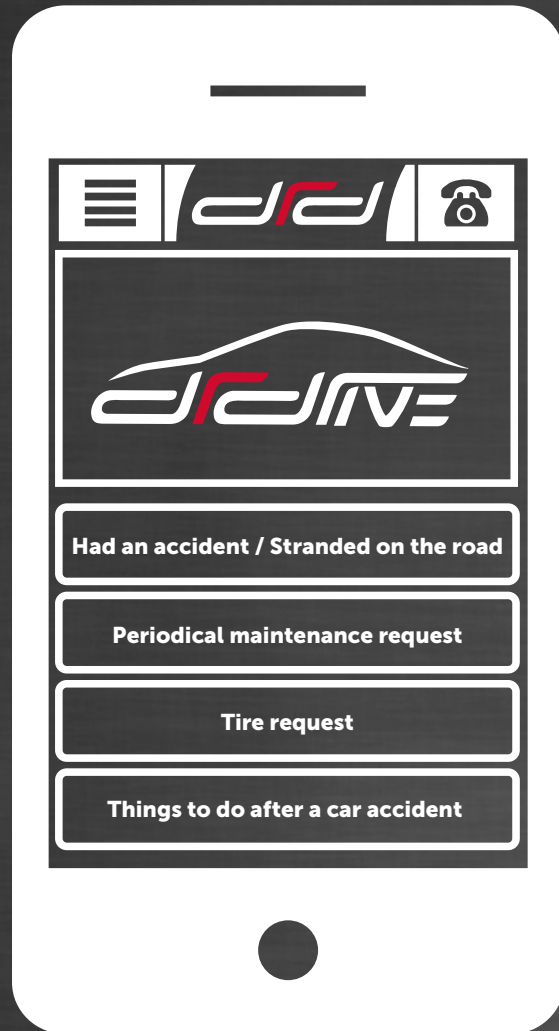
Fleet Telematics

Strong brand perception

IN ITS MARKET SURVEY CARRIED OUT IN 2014, THE TNS GLOBAL INDEPENDENT RESEARCH COMPANY, CERTIFIED DRD'S IMPORTANT DEVELOPMENT IN BRAND PERCEPTION AND RECOGNITION ACHIEVED THROUGH THE STRATEGIC MARKETING ACTIVITIES UNDERTAKEN BY DRD SINCE 2011.

125,000 followers

DRD REACHED 125,000 FOLLOWERS IN SOCIAL MEDIA CHANNELS IN 2014 BY TAKING ADVANTAGE OF STRONG POTENTIAL IN THE OPERATIONAL LEASING BUSINESS SEGMENT THROUGH EFFECTIVE MARKETING STRATEGIES.



DRDrive

DRDRIVE, THE MOST COMPREHENSIVE MOBILE APPLICATION IN THE SECTOR, FACILITATES EASY ACCESS TO VARIOUS SERVICES, ESPECIALLY HELP DURING EMERGENCY AND ACCIDENT SITUATIONS THROUGH SMART PHONES.

Online

DRD ACTIVATED THE MOST COMPREHENSIVE REPORTING MODULE IN THE SECTOR AND PROVIDED FLEET MANAGERS THE OPPORTUNITY TO TRACK ALL DETAILS REGARDING THEIR FLEETS.



Nihan Yalçın
Corporate Communications Specialist

An Assessment of Activities in 2014

DRD reached a competitive level in customer experience due to the mobile applications it has brought into operation during 2014 with the benefits of the latest developments in mobile technology.

More advanced technology - a better customer experience

DRDrive: The industry's most comprehensive mobile application

DRD reached a competitive level in customer experience due to the mobile applications it has brought into operation during 2014 with the benefits of the latest developments in mobile technology.

DRD stands out with the investments it has undertaken in IT and customer-oriented new marketing applications. The DRDrive mobile road assistance application, which is the sector's most comprehensive mobile application and which was brought into service in 2014, offers a high level of convenience and speed in situations that require immediate intervention, such as break down and an accident. DRD customers may download the application from the Appstore or the Google Play Store from their iOS or Android based smart phones. Customers may reach DRD Assistance road assistance services at the press of a button. The application, which is a leading benchmark in the sector, is designed to meet the driver's limited and

potential immediate needs during an emergency situation. The application stands out with its feature of specifying the position over the GPS and enables each demand to be resolved within approximately 5 seconds.

DRD customers may also use this channel for periodic maintenance requests, tire replacement, tow truck or replacement car supply after a breakdown and to receive services for declaration based damages. Meanwhile, all data such as photographs needed to be included in statements to DRD Customer Services after the accident and details of the accident scene may be conveyed through the mobile device where the application is installed.

DRDrive

Specifying the position over the GPS



5 seconds

DRDrive application stands out with its feature of specifying the position over the GPS and enables each demand to be resolved within approximately 5 seconds.

DRD
Filo Kiralama

DRD'den Bir Yenilik Daha!

Operasyonel Kiralama Hizmetleri Artık Elinizin Altında!

DRD'nin yeni mobil yol yardım uygulaması DRDrive* ile anıza ya da kaza gibi acil durumlarda tek bir tuş yardımıyla hizmet alabilir; yedek araç, lastik, periyodik bakım, günlük araç kiralama gibi taleplerinizi kolaylıkla gerçekleştirebilirsiniz.

The DRDrive Mobile Road Assistance Application also provides information of various subjects in addition to offering road assistance and vehicle maintenance services. DRD customers who have download the free application to their telephones may access information regarding the DRD User Guide which includes information on the procedures and operations that should be followed during emergency situations, first aid or first interventions that should be carried out and the measures to be taken during accidents and breakdowns, and information on the closest contracted service point. Customers may access accident reports to be filled in, as well as a sample filled-in report. Emergency telephones and communication information concerning the police, ambulance, fire fighters and gendarmerie are also included in the application.

Online reporting module

All fleet managers who receive operational fleet leasing services from the company may easily access all data necessary to manage their fleets more effectively and efficiently, and to checking track expenses through the DRD online reporting module, which is the most comprehensive application in the sector. Fleet managers may monitor all details about vehicle parking, reports on damages, mechanical repairs and traffic tickets and OGS/HGS (electronic toll collection systems) violations.

Online tire demand module

Within the framework of customer contracts, DRD has enabled its customers to submit their orders for winter or all-season tires through a new application it has launched on its new website, www.drd.com.tr.

Alternative applications regarding obtaining periodic maintenance password

Alternative applications were put into service for the customers to obtain their passwords for periodic maintenance services.

DRD customers may effortlessly obtain periodic maintenance passwords via

- telephones or SMS
- www.drd.com.tr web site
- iOS and Android-based smart phones thanks to mobile applications

Speeding up call center operations

In the management of call center services, 80% of all calls were responded to in the first 20 seconds and the maximum waiting time was reduced to less than 2 minutes. This new system, which brought the lost call rate down to less than 1%, is expected to help further increase efficiency.

In the management of call center services, 80% of all calls were responded to in the first 20 seconds and the maximum waiting time was reduced to less than 2 minutes.



For your all needs beside you

COMPLETE RANGE OF COMPREHENSIVE SERVICES OFFERED WITH DRD'S ASSURANCE AIM TO BRING EASE TO THE LIVES OF ITS CUSTOMERS.



Long-term individual leasing

IN LINE WITH ITS VISION, DRD INITIATED A NEW PROJECT THAT IS DEEMED TO BE A BENCHMARK WORLDWIDE, AND DEVELOPED THE PRACTICE OF "LONG-TERM VEHICLE RENTAL SERVICES FOR INDIVIDUAL CUSTOMERS".

Daily rental

DRD COMMENCED OPERATIONS IN 13 DIFFERENT LOCATIONS TO COVER 80% OF THE REGION WHERE THERE IS A NEED FOR DAILY CAR RENTAL BY ADDING ANOTHER TO ITS BREAKTHROUGHS IN THE "DAILY RENTAL" BUSINESS SEGMENT.



Bariş Örer
Operations Assistant Manager

An Assessment of Activities in 2014

DRD completed work for functions such as the website and, accordingly, the online booking module, call center and reservation line and the car tracking system in the daily rental business segment.

New operations center

Work on the new operations center located in Kuyumcukent, Istanbul which will be the main management unit for DRD's operational fleet management service package, and which includes a mix of services, was completed in 2014. This modern center, that has approximately 500 m² of enclosed office space, and an indoor car-park for 600 vehicles, continues its activities to raise the quality of after-sales services offered to customers to higher levels.

"The important thing is not to have a car, but to be able to access one"

DRD that acts on the motto of "The important thing is not to have a car, to be able to access one" to spread individual leasing, to diversify the methods available for individuals to access a car and enable this to be implemented after operational leasing, brought new services to the market that fit its pioneering identity. In this context, DRD also started to offer long-term leasing services to individuals. Individual customers may also choose from a wide range of vehicles, with more than 40 models in all segments.

Operations center investment 2014



new

Work on the new operations center located in Kuyumcukent, Istanbul which will be the main management unit for DRD's operational fleet management service package, and which includes a mix of services, was completed in 2014.

DRD also active in daily car rental

Offering services in the "operational leasing" field with the DRD Fleet Leasing brand since 1998, DRD added a new dimension to its innovative breakthroughs and started to operate in the "daily car rental" business branch by.

In this aspect, 2014 was a year when DRD completed its corporate and technological infrastructure.

DRD completed work for functions such as the website and, accordingly, the online booking module, call center and reservation line and the car tracking system in the daily rental business segment.

In 2014, DRD improved its physical organization by assigning competent business partners as representatives throughout Turkey. DRD commenced operations starting from the Aegean and Mediterranean coastline before expanding to 13 different locations to cover 80% of Turkey's largest cities where there is a need for daily car rental. In 2014, the size of daily car rental park exceeded 2,000 vehicles and employees of DRD's corporate customers were the main customers. Visits were conducted to the corporations to which DRD provides services and fleet leasing customers' employees on a payroll were also informed of DRD's advantages regarding individual rentals, and special discounts were extended. Within the scope of expanding the customer base, there are plans to enter cooperation with airlines, banks and tourism agencies.

Intense campaign management was carried out in 2014, with support extended to campaigns over the internet and social media and on a national and local basis in order to support dealers during official holiday periods when there is increased demand for daily car rental, as well as during important days and weeks.

Long-term leasing aimed at individuals

In line with its vision, DRD initiated a new project that has a quality of being a benchmark worldwide, and developed the practice of "long-term vehicle rental services for individual customers" and which was put it into service in 2014. This service was launched under the brand name "HemenGazla.com" and devised as an online project. The service transfers all the advantages of operational leasing to individual leasing and is a breakthrough in the long-term vehicle leasing market.

This product allows individual customers to rent a vehicle for a price much more reasonable than purchasing a vehicle by taking advantage of DRD's comprehensive service package. Following the rental, DRD provides services such as maintenance/repair, road assistance, tire management and consultancy.

The long-term individual leasing which provides individuals the advantage to use 0-km vehicles without paying any down payments, eliminates all risks and obligations arising from vehicle ownership. On the other hand, individuals with this method does not have to deal with tiring processes and risks such as motor insurance, traffic insurance, motor vehicle tax, maintenance, finance expenses, loss of value between the vehicle's purchase and sales. In addition to risks such as claims/premium, second-hand; needs such as replacement vehicle and tire does no longer be a problem for users.

The www.hemengazla.com website was designed as a digital platform with a comprehensive decision tree. The transfer of information through online applications submitted from the web site allows a positive/negative result to be received within 25 seconds. DRD created a new business segment in Turkey with its new brand. Following its launch in May 2014, a total of 300,000 people have visited the website and 5,000 individual applications were submitted through the site. Vehicles were delivered to more than 200 individuals in the long-term individual leasing business segment.



Marketing oriented branding activities

Within the framework of marketing and corporate communications activities that DRD has been carrying out increasingly since 2011, the company unwaveringly maintained its efforts to properly position the brand in the market in 2014, which it achieved by building new channels, improving brand awareness and perception, increasing customer loyalty and satisfaction, strengthening the sense of belonging among internal customers, and thus supporting the company's performance objectives.

In addition to the work mentioned above, within the scope of targets to position the brand and also strengthen it in the individual business segment - which is the company's new operational area - additional efforts were undertaken in 2014 such as the launch of individual long-term leasing and related marketing activities, and the planning of the marketing and communication activities for the daily car rental business through various channels such as dealers, the internet and social media platforms and the establishment of powerful communication activities oriented to the market. In 2015, the company will continue to move forward steadily towards its target of being the leading brand which creates a difference in the field of marketing and corporate communications in the sector.

An Assessment of Activities in 2014

Within the framework of marketing and corporate communications activities that DRD has been carrying out increasingly since 2011, the company unwaveringly maintained its efforts to properly position the brand in the market in 2014.

A web site was established in 2014 and the related online reservation module was implemented by aiming to respond in the easiest and fastest way to daily car rental demands, which have been growing every year in Turkey. The company's new technological products, developed in the marketing field with the aim at providing its customers with a unique experience, were a prominent development in 2014. In this context, the iOS and Android operation system based DRDrive mobile road assistance applications that allow drivers to effortlessly access emergency road assistance services such as breakdown and accident assistance at the touch of a button and an online reporting module that provides fleet managers with access to all kinds of data and to uninterrupted reporting related to their fleets, independent of time or location, attracted attention within the sector due to the unique customer experience that they provide.

To ensure that DRD's brand recognition and its leading position in the sector became well-known outside Turkey, a survey study was prepared in conjunction with Global Fleet in relation to the car rental and automotive market in Turkey. This survey was published in both Turkish and English in Turkey and around the world.

Marketing and corporate communications

Supporting the performance objectives 

leading

In 2015, the company will continue to move forward steadily towards its target of being the leading brand which creates a difference in the field of marketing and corporate communications in the sector.

As a result of consistent communication activities and marketing campaigns carried out throughout the year within the framework of the marketing plan through separately managed social media accounts of the DRD and HemenGazla.com brands as part of the marketing communication strategy, a performance which was much higher than the industry average was achieved, reaching 125,000 followers.

"Global Fleet" Platinum Partnership

Activities carried out with Global Fleet continued as part of the Platinum business partnership in 2014.

DRD continues to undertake its marketing projects with a vision of becoming an important player not only in Turkey but also in surrounding countries in Turkey's sphere of influence.

The sponsor of the TED American Express Istanbul Challenger Tennis Tournament

The American Express Istanbul Challenger Cup, one of the largest Turkish tennis tournaments, was organized for the 66th time in the Istanbul Tennis Fencing Mountaineering Club (TED) court between 6-14 September 2014. The tournament for male athletes was organized by the "Association of Tennis Professionals ATP Tour", of which DRD is one of the sponsors and is deemed to be one of the world's most important authorities in the field of tennis. The tournament is accepted as "Turkey's Wimbledon".



Vodafone Istanbul Marathon vehicle sponsor
DRD undertook the vehicle sponsorship of the Vodafone Istanbul Marathon, formerly known as the Eurasia Marathon, organized for the 36th time on 16 November 2014. The marathon was deemed worthy of the "Gold Label" for the third time by the International Association of Athletics Federations (IAAF) and became the 22nd best in the world and the 11th best in Europe.

Corporate Social Responsibility projects which demonstrate our sustainability approach
As one of the prominent companies in its sector, DRD positions itself as an exemplary corporate brand whose its contribution to society and the environment manifests itself through social responsibility projects that reflect DRD's responsibilities to society and the environment.

Support for education
For more than 25 years, the Derindere Group has carried out important social responsibility activities in the field of education which contribute to Turkey's economic and socio-cultural development, while also raising stronger future generations. DRD supports the youth's education, whom DRD sees as Turkey's

future, through regular education bursaries. DRD also invests in school and student dormitories. Ömer Derindere, the Founder Member of the Derindere Group of Companies and its Honorary President, was granted the Honor Medal by the Turkish Parliament in 2009 for his services in the field of education. This is one of the most important indicators of the support that the Derindere Group of Companies extends to education. The Derindere Group aims to continue to provide bursaries in the coming periods in line with its social responsibilities. It also aims to contribute to development in the field of education.

WWF (the World Wildlife Fund) – Corporate support for the "Soul of Turkey" campaign
WWF is the world's most prestigious and largest environmental establishment. DRD has been supporting the "Soul of Turkey" campaign carried out under the leadership of WWF Turkey "to protect endangered species" since 2012 and continued its contributions in 2014. DRD organized various communication campaigns in order to spread the above mentioned campaign to a wider audience, also by utilizing its extensive service network throughout Turkey and the capabilities of its strong business partners.

Contribution to sustainability through electric cars
Electric cars that undertake an important role for a cleaner future offer functionality not just limited to being economical and are intended to limit greenhouse gas emissions, which are an important cause of global warming and climate change. The DMA (Derindere Motor Vehicles) brand is a subsidiary of the Derindere Group, and is a manufacturer of 100% electric cars. DRD actively maintained its partnership with the DMA brand in 2014, which it had entered into in 2013. DRD presented its customers the electric cars, which have zero emissions by virtue of their environmental technology.

3,308

DRD PROVIDED A TOTAL OF 3,308 HOURS TRAINING TO ITS EMPLOYEES UNDER 20 DIFFERENT HEADINGS IN 2014.

Sales Academy

DRD AIMS TO IMPLEMENT THE SALES ACADEMY PROJECT IN 2015 TO PROVIDE QUALIFIED EMPLOYMENT FOR THE SECTOR.

Favorite

OFFERING ITS EMPLOYEES THE OPPORTUNITY AND PRIVILEGE OF BEING ABLE TO PLAN THEIR FUTURES ON THE AXES OF THE COMPANY'S ROAD MAP BASED ON EQUAL OPPORTUNITIES PRINCIPLE AND TO RECEIVE ALL KINDS OF SUPPORT TO DIRECT AND TO CONTINUOUSLY DEVELOP THEIR CAREERS DRD IS A PREFERRED EMPLOYER TO WORK FOR IN ITS SECTOR.

Competent

DRD HAS HUMAN RESOURCES OF IN TOTAL 244 PEOPLE WHO ARE SPECIALIST, EXPERIENCED AND COMPETENT IN THEIR FIELDS.

35%

35% OF TOTAL HUMAN RESOURCES OF DRD THAT BELIEVES IN THE IMPORTANCE OF WOMEN'S POSITION IN THE SOCIETY IS COMPRISED OF WOMEN.

Fulden Öztemir
Human Resources Specialist

An Assessment of Activities in 2014

As the fastest growing company in a growing sector, DRD commands strong human resources which adapt to this pace.



DRD: A Favorite Company

Total number of applications in 2014

37,444

DRD that is a favorite employer of its sector with the career opportunities and continual development environment that it provides to its employees received in total 37,444 job applications in 2014.



Our competent human resources represent the guarantee of our future.

DRD's human resource policy is based on the principles of putting corporate and ethical values at the forefront of what it does, enabling the development of the personal and professional competencies of its personnel, employing human resources who are highly loyal to the company by adopting the corporate identity, and therefore sustaining the company's leading corporate identity that sets itself apart in the operational area.

As the fastest growing company in a growing sector, DRD commands strong human resources which adapt to this pace. DRD's personnel receive extensive support to direct and continuously develop their careers. DRD personnel have the opportunity and privilege of being able to plan their future on the axes set out in the company's road map based on the principle of equal opportunities.

Performance Evaluation and Development System

The DRD Performance Evaluation System aims for all organizations to work in collaboration, and for their continuous development. Because of this system, business goals determined in parallel with the corporate goals are followed up on an individual basis; and at the same time, each employee's contribution to the corporate goals can be measured.

During the implementation process of the Performance Evaluation System, all managers follow the special training they have received to act as leaders to their staff, for assist them in achieving pre-determined targets by personally helping them focus.

The DRD Performance Evaluation System enables the identification of employees' necessary areas for improvement and provides support through training. Likewise, the system allows career planning that is consistent, fair and effective by following a performance based career process.

Remuneration Management System

The DRD Remuneration Management System consists of parameters such as market and sector research, the company's existing remuneration structure and policy, individual performance and the job level. The implementation of a competitive and fair remuneration policy is targeted through regular market research.

Education Management

DRD considers human resource competency as one of the most important factors to sustain a competitive advantage. Training requirements are identified from performance evaluation and career planning data and, accordingly, DRD organizes professional development programs for its employees. In addition to being "a learning organization", DRD aims to maximize its employee's awareness, productivity, performance and motivation.

DRD provided a total of 3,308 hours of training to its employees under 20 different headings in 2014.

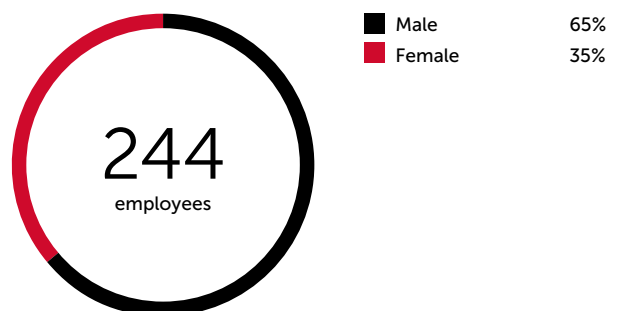
Sales Academy Project

DRD aims to implement the sales academy project with the support of its business partners in 2015 acting on the principle of offering the most appropriate solution alternatives in accordance with the customer business module by correctly analyzing customer needs in the operational leasing sector.

Career Day Activities

DRD places the utmost importance on recruiting graduates who are creative, talented, visionary and foresighted to its organization and preparing them for DRD's future. DRD plans Career Day Activities to improve its new graduate recruitment process soundly by reaching the potential workforce in various universities. DRD also offers university students part-time employment opportunities in line with periodic needs. These students, who work part-time, are offered professional career opportunities after their graduation in accordance with the company needs and work based performance criteria.

DRD's HR Profile



An Assessment of Activities in 2014

DRD ensures that transparency and trustworthiness are reflected to corporate activities at the top level, in parallel with the effectiveness of its risk management, internal control and management processes.

Occupational Health, Safety, Environment and Quality Policy in DRD

DRD supports its social and economic corporate sustainability focused approach by taking necessary measures to reduce the environmental impact of its operations and to protect natural resources.

DRD takes deterrent measures and puts in place various arrangements to minimize risks regarding occupational health and safety and ensures that all employees actively participate in these precautionary measures. DRD implements effective policy and practices regarding people, quality, the environment and occupational health and safety and has carried out its operations in accordance with ISO 9001 certification since 2007.

We operate according to certified quality standards.

DRD undertakes its operations in accordance with ISO 9001-2008 standards at superior quality standards, meeting the needs and expectations of its internal and external customers at the highest level. DRD regularly follows up and updates its written procedures and instructions that explain the processes in detail throughout the company.

We bring technological opportunities to our business processes.

DRD took important steps to reflect technological advances to its business processes and services in 2014.

Damage management was shifted to the tender system, and suppliers were accordingly provided with technology services and internal customers were also provided with a more transparent infrastructure with which they can manage their processes more effectively.

People, quality, the environment and OHS

Policy and practices



effective

DRD implements effective policy and practices regarding people, quality, the environment and occupational health and safety and has carried out its operations in accordance with ISO 9001 certification since 2007.



All communication infrastructures shifted to the IP Platform. Agreement processes carried out with customers and suppliers were transferred to digital media. A new technological infrastructure system was provided to internal and external customers and suppliers to rapidly conduct agreements and to quickly resolve any potential discrepancies.

The future is invested in by renewing ERP system and deploying new technologies.

Web site investments continue with a customer focus. The aim is to make the lives of our customers easier by allowing them to convey their demands, obtain up-to-date reports regarding the fleet, access data rapidly and to carry out reservations for vehicles via the web site. This goal is carried ahead with mobile applications, which allows the end-users to access the information they need without making phone calls or transmit demands online.

The aim is to be able to work on a cloud application and therefore provide an impeccable service to customers by speeding up employees' work processes as a result of implementing the Office 365 project in cooperation with Microsoft by moving documents to a digital environment.

DRD cares greatly about complying with legislation in terms of work processes. DRD established e-invoicing infrastructure that acts in accordance with the ERP system already implemented, and shifted to the e-invoicing application in January 2014. Work will continue in 2015 to keep accountancy records in digital media by shifting to the e-book project following the implementation of e-invoicing. On the other hand, the e-archive project aims to keep all invoices in a digital media format.

Identifying the risks correctly and managing them effectively

DRD conducts auditing activities in compliance with the International Standards for the Professional Practice of Internal Auditing and Code of Ethics. DRD maintains auditing activities and formulates auditing plans with a "risk-oriented" approach. The company establishes risk control process and systems that will increase effectiveness of following up and managing operational risks.

The fact that DRD was one of the first companies in the sector to be a member of Ethics and Reputation Society (TEID) is the clearest indicator of the importance that the company attaches to ethical values.

DRD ensures that transparency and trustworthiness are reflected to corporate activities at the top level, in parallel with the effectiveness of its risk management, internal control and management processes.

Corporate Risk Management and Internal Control
DRD has structured its risk models for the purposes of Corporate Risk Management System and Management of Financial Risks. It has been collaborating with Ernst & Young, an international independent auditing and consulting firm, and completed infrastructure work in 2013. Within the scope of this work, the Early Detection of Risk Committee was established internally in order to carry out a more effective risk management and risk management policy, and risk models were created accordingly.

DRD's Corporate Risk Management policy covers the management of risks in the financial, operational, strategic and compliance areas. The company has developed risk models to measure credit, liquidity and market risks in order to effectively manage overall financial risks and their effect on the company's capital.

The Early Detection of Risk Committee is responsible for identifying, assessing and reporting all kinds of risks as well as forming a common risk perception within the company.

Within the scope of internal audit and process improvement activities, risk based annual internal audit plans are formed in DRD. Risk management, internal control system and corporate management processes' effectiveness are periodically audited.

DRD also carries out independent audit and tax audits every quarter through independent audit bodies to disclose its financial and operational activities transparently and accurately.

Subsidiaries

DMA, to which the Derindere Group transferred its long years of automotive and technological experience, achieved successful results as a reference for high quality worldwide by taking a leading role in electric car manufacturing in our country.

DMA - Derindere Motor Vehicles

Derindere Motor Vehicles (DMA) is a strong brand that has invested heavily in the field of electric vehicles and achieved successful results in Turkey, and seeks to have a stake in the electric vehicles industry which is accepted as the indisputable future of the automotive sector. The company was founded by Özkan Derindere and Önder Yol in 2007. Derindere Motor Vehicles (DMA) took a leading role in electric car manufacturing in our country by closely following trends in this field. The brand applies the DMA technology which it developed through R&D activities and 100% proprietary for the vehicles; meanwhile it continuously builds on its activities in this area. DMA carries out the manufacture, import, export and sale of all kinds of spare parts and final products that may be needed for electric vehicles, and has now reached a stage where it is able to manufacture a high performance electric vehicle, designed completely by DMA. The vehicles using DMA technology are manufactured at the company's



Electric car

DMA



100%

DMA is Turkey's first "100% electric car" with a Type Approval Certificate from TSE (Turkish Standards Institution).

**DMA İLE GELECEĞE
KOŞMAYA VAR MISIN?**

100% elektrikli araç teknolojisi R&D'ye
yatırılarak geliştirilen DMA, dünyaya ilk kez
mükemmel performans, yüksek hız ve uzun menzilleriyle
100% elektrikli araç teknolojisiyle bir adım ileriye
giden bir teknolojiye ulaşmıştır.

www.dmaotomoto.com

facilities located in Beylikdüzü, Istanbul. Providing service through two showrooms located in Bursa and Istanbul Zeytinburnu, DMA commands an important position in the electric vehicle industry globally.

Revolutionary new technology investments

DMA's vehicles with a 280 km driving range were launched to the market in 2013. Following continued R&D investments, DMA launched new vehicles in 2014, which have a driving range of over 400 km and are a product of new technology. As being 100% electric cars, these vehicles serve as a benchmark, not only in Turkey but in the world.

DMA does not limit its technological investments to the driving range, and achieved a revolutionary innovation in the automotive sector in the same year. A brand new system, in which the charger units are integrated into the vehicle, was brought to the market and DMA vehicles were thus enabled with the feature of being chargeable everywhere easily.

The first DMA vehicle in commercial passenger transport

Having stepped up its studies to bring its technology to vehicles with different frame types, DMA completed the manufacture of the first electric vehicle in commercial passenger transport in 2014. The vehicle, with a 22+1 carrier capacity and weighing 5.5 tons, was manufactured in collaboration with ITU (Istanbul Technical University) and has a driving range of more than 350 km on a 115 kW battery.

DMA R&D Center enters service at ITU Technocity (Teknokent).

To set itself apart in the electric vehicle manufacturing field, DMA aims to deploy new technologies in the automotive sector together with the software developed entirely by Turkish engineers in DMA vehicles. DMA stepped up its R&D activities by opening a center in the ITU Technocity which is one of the most developed centers in this area in Turkey. DMA has captured significant synergies with both academics and students in this campus, at the same time as developing joint project definitions with regard to electric vehicle components, smart control systems and advanced technologies. DMA continues its studies on a domestic platform on which auto/robotic driving techniques are applied, maintaining its R&D studies successfully to advance electric vehicle technology through its center in the ITU Technocity.

Intercontinental Eurasia Marathon sponsorship

DMA achieved a first in Turkey as the official vehicle sponsor of the 36th Vodafone Istanbul Marathon in 2014. Within the scope of "Green Marathon", four 100%-electric powered vehicles were provided for participants to track time and the participants could therefore enjoy a healthy running atmosphere away from emissions. The sponsorship created a strong mass awareness drawing attention to the environmentalist mission of electric vehicles for the first time in a sporting activity with broad participation.

Strong steps into the taxi sector

Turkey's first electric taxi developed and manufactured by DMA engineers started to offer services in Istanbul in 2014. The DMA taxi stands out as an economical option for the taxi sector. The taxi offers a 420 km driving range with electricity consumption of around TL 12 per day. The DMA taxi vehicles aim to capture a higher share of the taxi market in the coming periods with their technology that almost eliminates the need for maintenance, as well as their fuel economy.

The coming period

The stable investments realized within the scope of the DMA brand and continuing comprehensive studies have contributed considerably to our country's economy and automotive sector. With its know-how and the high level of its technology, DMA's technological breakthroughs are seen as an important opportunity to bring our country's automotive sector into a stronger position and to gain recognition in the world. DMA technology offers us excitement concerning the future, as well as the present.



Subsidiaries

The Derindere Group undertakes significant investments in the health sector.

Derindere Hospital

The Derindere Group has set itself apart with its corporate and trustworthy service understanding approach in every area that it has operated in since the 1970s. The Derindere Group's new investment in the health sector, Derindere Hospital, determines its long-term targets clearly and effectively implements the strategies and investments to reach these targets.

Derindere Hospital adopts the principle of transferring the trust placed in the Derindere Group to the health sector. Derindere Hospital aims to provide services which meet international quality standards in the health sector by respecting patients' rights with its superior health technology, without sacrificing the medical ethical principles.



Derindere Hospital

Bed capacity



150

Derindere Hospital operates with a bed capacity of 150, with 50 of the beds allocated to intensive care.



The region's largest and best equipped private health enterprise

Derindere Hospital stands out as "the region's largest and equipped private health enterprise" in the Kağıthane District, which is rapidly developing due to its proximity to Istanbul's main business hubs such as Maslak, Levent and Mecidiyeköy. The hospital aims to provide services which meet world standards with its patient oriented service approach.

Derindere Hospital operates with a bed capacity of 150, with 50 of the beds allocated to intensive care. The hospital brings a new dimension to the concept of modern health provision with its specialized doctors, advanced diagnosis treatment units equipped with the latest technology and modern facilities, in addition to departments such as adult and maternal intensive care units, a well-equipped radiology unit, comprehensive biochemistry and microbiology laboratories, a dentist clinic, a gastroenterology unit, an audiology laboratory, EEG, EMG and sleep laboratory, along with all general branches.

Strong investments aimed at technology and human resources

The "digital hospital" concept is something which is being widely discussed in the world. In a sense, Derindere Hospital brings the future's health services to the current day with its digital hospital infrastructure built through important investments. All hospital services will be conducted in a computerized environment in Derindere Hospital thanks to its technology, which minimizes the use of paper. All imaging information such as X-ray, ultrasound, tomography, MR and the diagnosis and treatment information for all patients may be tracked in a computerized environment. Doctors have the privilege of tracking their patients' information paperlessly and in confidence in a computerized environment, and may also access necessary information through a secure network connection over the internet when they are out of hospital, in case the need arises.

Derindere Hospital will be operational in 2015, with the determination of making a difference in the health sector as in the other sectors in which the Derindere Group operates with its specialized professional staff, patient oriented service approach, quality policy, diagnosis and treatment units equipped with the latest technology and modern facilities.



Subsidiaries

Thanks to its strong investments in 2014, Derindere Used Car increased its competitive strength in the market.



Derindere **2.el**

New used car center

Total area



20,000 m²

Derindere Used Car started providing services in the new used car center in Zeytinburnu - Istanbul, located on an area of 20,000 m² where more than 200 vehicles can be displayed at the same time.

Derindere Used Car

Derindere has been providing used car buying and selling services under a corporate roof with the Derindere assurance since 1998. Derindere Used Car, where all transactions regarding used cars are provided from a single point with specialized personnel, stands out with its extensive range of brands and models.

New investments

Following the restructuring activities which started in the last quarter of 2014, Derindere Used Car started providing services in the new used car center with its team who have automotive experience built up over many years. The forecourt for used cars is set up over in total 20,000 m² area, where more than 200 vehicles can be displayed at the same time. In the same period, the brand's corporate brand standards were developed for the used car market and a new web site was prepared and put into service for Derindere Used Car.

Open auction system

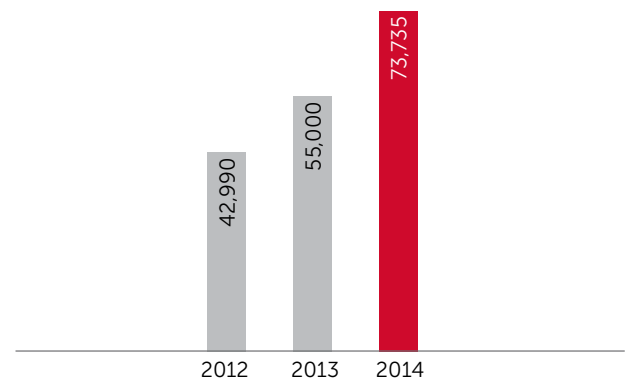
There is a second selling point where regularly open auctions are carried out in Kuyumcukent, Istanbul, in addition to the Derindere Used Car's retail center located in Zeytinburnu, Istanbul. DRD has a fleet consisting of used cars of high value. Within the framework of the system in which DRD's vehicles are brought to sale, the company renovated auction hall, where used car sales were carried out in 2014, added value to the used car auction processes. At the end of the lease contract, the company re-evaluates majority of the vehicles in seasonal open bidding organizations. At the same time, the company also re-uses their vehicles rapidly by cooperating with corporate used car solution partners. The company is able to re-use their used cars within a maximum of two weeks through their database and market research dating back many years, and achieves the necessary cash flow accordingly.

Strong supply resources

With its long standing strong position in the used car sector, Derindere Used Car has an important supply network in the used car market due to the vehicles returning from the retail market and vehicles returning from DRD leasing. A significant proportion of the vehicles, especially vehicles supplied from the DRD fleet, are diesel motor vehicles that enjoy a high level of popularity in the market. Also, their periodical maintenance activities are regularly carried out in accordance with the manufacturer's instructions by authorized service providers. These two factors ensure that DRD vehicles are much sought after in the used car market. Accordingly, this strong demand was reflected on the increasing sales of used cars that are supplied from the DRD fleet at the end of their leasing period. In total 8,105 vehicles were sold in the used car segment in 2014, taking DRD's total sales in the used car segment in the last three years to 17,149. In the operational leasing sector, on the other hand, the total number of vehicles sold in the used car segment amounted to 171,725 in the same period.



Overall Sector - Used Car Sales (units)



Years	Sales (units)	Income from used car sales (TL thousand)	Average Vehicle Age (month)	Sales/Purchases (%)
2012	2,627	78,442	38	79
2013	6,417	238,656	33	86
2014	8,105	384,572	30	92

Our Collaborations

BOARD OF DIRECTOR'S ADVISOR

CAN KARAŞIKLI

Having worked in various financial corporations until 1994, Mr. Karaşıklı assumed senior positions at Toprak Leasing and Toprak Faktoring between 1994 and 1999. While serving as the Chairman of Toprak Sigorta (Toprak Insurance) and Toprak Hayat Sigorta (Toprak Life Insurance) between 1999 and 2006, Mr. Karaşıklı was also the General Manager of Toprak Yatırım Bankası (Toprak Investment Bank), which was subsequently renamed as Bank Pozitif. He later served as Board Member in charge of Internal Control and Risk Management at the same bank. Can Karaşıklı is advisor to DRD's Board of Directors since 2007.



NPS/CRM SERVICES



ASKBMM Consulting

DRD started to work with the ASKBMM Consultancy in 2013 in order to measure customer satisfaction and further improve its service standards. ASKBMM provides consulting services to various industries in Turkey, the Middle East and the Commonwealth of Independent States. Within the framework of this collaboration, the company implemented the "Net Promoter Score" methodology, which was developed by Fred Reichheld, a best-selling author and management consultant.



ERP SYSTEM



Bilge Adam

DRD has worked in collaboration with Bilge Adam Bilişim Hizmetleri to revamp its ERP system in order to keep up with the latest technology since 2012. Within the framework of this collaboration, the company has been carrying out work to integrate business processes such as customer services, sales, finance, procurement, sales support, after-sales services, CRM and used car management.



DAILY RENTAL SOFTWARE



Koç Sistem

DRD is fulfilling the system requirements in the daily rental business branch, which the company launched in 2013, under the guidance of Koç Sistem, a consulting firm that has been offering its customers IT solutions since 1945.



INDEPENDENT AUDIT



PwC

In accordance with the principles of corporate governance and transparency, DRD has been undergoing independent audits since 2003, and on a quarterly basis for the last 8 years. These audits are performed by PricewaterhouseCoopers (PwC), an international company providing audit, tax and consulting services in 157 countries. The audit reports show that accounting records are kept accurately and the correct results are generated through the company's internal accounting systems; they also illustrate the degree of improvement in the company's operational results as well as its financial results.

LEGAL SERVICES



Egemenoğlu Law Firm

Expanding steadily since its inception in 1968, Egemenoğlu Law Firm currently provides expert legal services with over 60 attorneys. Considered among the leading Turkish law firms by international law publications, Egemenoğlu has been providing legal consulting services to DRD since 2013.

CORPORATE COMMUNICATIONS



Soylu and Cengiz Consulting

Since 2011, DRD has been receiving corporate communications consulting from Soylu and Cengiz Consulting, a company which has been providing communication and management consulting to numerous clients in the automotive sector and its supply industry for many years, as well as the oil, food and technology industries.

SECTORAL ACTIVITIES



TOKKDER

Founded in 1996 to bring all vehicle leasing companies under one roof, TOKKDER (Auto Leasing and Rental Companies Association) is an important sectoral organization with 90 members, who are the leading vehicle leasing companies in Turkey. DRD cooperates with TOKKDER in various areas including professional training programs, sectoral activities and ethical principles.

Independent Auditor's Report

To the Board of Directors of Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş. (the "Company"), which comprise the statement of balance sheet as at 31 December 2014 and statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkish Accounting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with Independent Auditing Standards that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the professional judgment of the independent auditor, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the independent audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our audit opinion.

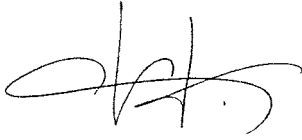
Opinion

4. In our opinion, the financial statements present fairly, in all material respects, the financial position of Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş. as at 31 December 2014 and its financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

Other Responsibilities Arising From Regulatory Requirements

5. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code No. 6102 ("TCC"); auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 25 March 2015.
6. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
7. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers



Haluk Yalçın, SMMM
Partner

Istanbul, 25 March 2015

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Balance Sheet at 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

ASSETS	31 December 2014	31 December 2013
Current assets	166,678,219	150,178,285
Cash and due from banks	27,908,674	12,425,982
Trade receivables	88,300,134	49,194,884
- <i>Trade receivables from related parties</i>	64,952,809	30,827,761
- <i>Trade receivables from third parties</i>	23,347,325	18,367,123
Other receivables	3,146,702	12,395,360
- <i>Other receivables from related parties</i>	244,215	10,014,656
- <i>Other receivables from third parties</i>	2,902,487	2,380,704
Inventories	22,368,898	15,681,337
Prepaid expenses	14,169,409	7,798,388
Firm commitment hedge account/fair value hedge	7,176,635	41,542,422
Other current assets	3,607,767	11,139,912
Non-current assets	1,151,094,098	902,637,287
Assets used in operational lease	1,048,710,167	810,941,003
Firm commitment hedge account/fair value hedge	9,201,633	37,145,707
Financial investments	-	3,000
Investment property	54,425,519	8,296,000
Property and equipment	34,272,811	37,074,103
Intangible assets	3,193,261	1,141,764
- <i>Other intangible assets</i>	3,193,261	1,141,764
Prepaid expenses	1,085,894	-
Other receivables	204,813	8,035,710
- <i>Other receivables from related parties</i>	163,042	8,013,510
- <i>Other receivables from third parties</i>	41,771	22,200
TOTAL ASSETS	1,317,772,317	1,052,815,572

Financial statements as at and for the period ended 1 January - 31 December 2014 is approved on 25 March 2015 in the Board of Directors meeting and on behalf of the board of directors, General Manager İlkay Ersoy and Financial Management Director M. Fatih Kazdal signed the financial statements. These financial statements will be authorized following their approval at the General Assembly.

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Balance Sheet at 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

LIABILITIES	31 December 2014	31 December 2013
Current liabilities	585,594,047	484,547,042
Funds borrowed	239,463,705	172,814,957
Short term parts of the long term borrowings	222,230,626	229,024,770
Trade payables	89,880,897	57,889,672
- <i>Due to related parties</i>	5,139	2,495,973
- <i>Due to third parties</i>	89,875,758	55,393,699
Payables for employee benefits	533,189	469,109
Other payables	1,395,742	3,593,337
- <i>Due to related parties</i>	244,855	2,387,458
- <i>Other payables to third parties</i>	1,150,887	1,205,879
Deferred income	27,163,236	19,141,228
Short term provisions	2,917,233	1,050,844
- <i>Short term provision for employee benefits</i>	2,917,233	1,050,844
Other current liabilities	2,009,419	563,125
Non-current liabilities	548,560,924	448,181,047
Funds borrowed	511,792,037	429,319,243
Long term provisions	5,852,682	2,205,147
- <i>Long term provision for employee benefits</i>	5,852,682	2,205,147
Deferred tax liability	30,916,205	16,656,657
Equity	183,617,346	120,087,483
Paid capital	24,200,000	24,200,000
Business combination effects subject to mutual control	3,317,311	3,317,311
Adjustments to share capital	1,693,875	1,693,875
Other comprehensive income/expense not to be reclassified to profit or loss		
- Actuarial losses	(2,863,436)	(465,903)
Restricted reserves appropriated from profits	3,145,135	1,589,182
Retained earnings	88,197,065	73,411,630
Net profit	65,927,396	16,341,388
TOTAL LIABILITIES AND EQUITY	1,317,772,317	1,052,815,572

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

	1 January - 31 December 2014	1 January - 31 December 2013
Continuing operations:		
Net sales	564,386,410	446,255,062
Cost of sales	(391,234,115)	(319,027,875)
Gross profit	173,152,295	127,227,187
Marketing and selling expenses	(11,383,346)	(7,657,999)
General and administrative expenses	(15,092,497)	(11,982,584)
Other operating (expenses)/income, net	(1,050,718)	1,484,535
Operating profit	145,625,734	109,071,139
Investment income/(expense)	6,787,722	-
Operating profit before financial expenses	152,413,456	109,071,139
Financial expenses, net	(68,286,340)	(94,548,509)
Income before taxation	84,127,116	14,522,630
- Taxation	(14,858,931)	(1,850,721)
Net income for the period from continuing operations	69,268,185	12,671,909
Discontinued operations:		
(Loss)/profit for the year from discontinued operations	(3,340,789)	3,669,977
Profit for the period	65,927,396	16,341,886

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

	1 January - 31 December 2014	1 January - 31 December 2013
Profit from continuing operations	69,268,185	12,671,909
Profit from discontinued operations	(3,340,789)	3,669,977
Net profit for the period	65,927,396	16,341,886
Earnings per share	2.72	0.68
Items not to be reclassified under profit and loss	(2,397,533)	(465,903)
- Actuarial gains/ losses	(2,996,916)	(582,379)
- Deferred tax income	599,383	116,476
Total comprehensive income for the period	63,529,863	15,875,983

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.
Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

	Share capital	Inflation adjustments to share capital	Defined benefit plans actuarial losses	Retained earnings
PRIOR YEAR				
1 January 2013	24,200,000	1,693,875	(466,779)	33,405,155
Transfers	-	-	-	40,006,475
Business combinations effects subject to mutual control (Note 21)	-	-	-	-
Total comprehensive income	-	-	-	-
Defined benefit plans actuarial losses	-	-	876	-
31 December 2013	24,200,000	1,693,875	(465,903)	73,411,630
CURRENT YEAR				
1 January 2014	24,200,000	1,693,875	(465,903)	73,411,630
Transfers	-	-	-	14,785,435
Total comprehensive income	-	-	-	-
Defined benefit plans actuarial losses	-	-	(2,397,533)	-
31 December 2014	24,200,000	1,693,875	(2,863,436)	88,197,065

Restricted reserves appropriate from profit	Net profit	Business combinations effects subject to mutual control	Total Equity
1,589,182	40,006,475	5,669,531	106,097,439
-	(40,006,475)	-	-
-	-	(2,352,718)	(2,352,718)
-	16,341,388	498	16,341,886
-	-	-	876
<u>1,589,182</u>	<u>16,341,388</u>	<u>3,317,311</u>	<u>120,087,483</u>
1,589,182	16,341,388	3,317,311	120,087,483
1,555,953	(16,341,388)	-	-
-	65,927,396	-	65,927,396
-	-	-	(2,397,533)
<u>3,145,135</u>	<u>65,927,396</u>	<u>3,317,311</u>	<u>183,617,346</u>

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Statements of Cash Flows For the Year Ended 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

	31 December 2014	31 December 2013
A. Cash flows from operating activities:		
Net income/(loss) for the period from continuing operations	69,268,185	12,671,909
Net (loss)/income for the period from discontinued operations	(3,340,789)	3,669,977
Adjustments to reconcile net income/(loss) for the period to net cash provided by/(used in) operating/ discontinued activities:		
Taxation	14,858,931	2,768,215
Depreciation and amortisation	1,153,614	2,056,295
Operational lease depreciation	36,128,762	37,594,945
Interest expense	67,289,420	45,862,471
Foreign exchange (gains)/ losses, net	(27,186,795)	132,173,338
Firm commitment, hedge account/fair value hedge	62,309,861	(63,758,605)
Reversal for doubtful receivables	1,057,443	2,017,435
Reserve for employment termination benefits	1,018,653	517,971
Reserve for unused vacation and bonus provision	1,866,389	225,085
Reversal of provision for impairment on inventories	(309,265)	309,265
Unincurred interest expense	84,681	220,221
Unincurred interest income	(656,992)	(317,968)
Proceeds from sales of assets used in operational lease	21,178,518	(13,038,045)
Effect of changes in foreign currency exchange rate on cash and cash equivalents	329,727	10,195
Net cash provided by operating/ discontinued activities before changes in operating assets and liabilities		
Net (increase) in blocked bank deposits	(25,167)	(8,217)
Net (increase) in trade receivables	(6,122,325)	(5,564,114)
Net (increase) in due from related parties	(16,504,139)	(37,282,675)
Net (increase) in other receivables from non related parties	(541,354)	-
Net (increase) in inventories	(6,378,296)	(1,221,218)
Net decrease/ (increase) in other current assets	8,287,612	(698,579)
Net (increase) in prepaid expenses	(7,456,915)	(2,081,612)
Net increase in trade payables	35,139,051	9,717,251
Net (increase) in due to related parties	(4,633,437)	(2,916,830)
Net (increase) in due to non related parties	(54,992)	-
Net decrease/ (increase) in other current liabilities	1,510,374	(470,276)
Net decrease in deferred income	8,022,008	4,943,128

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

Statements of Cash Flows

For the Year Ended 31 December 2014

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

	31 December 2014	31 December 2013
Employee termination benefits payments	(368,034)	(480,928)
Cash inflows from the sales of the operational lease assets	319,807,788	234,636,963
Capital expenditures from operational leases	(615,639,700)	(450,619,994)
Net cash used in operating/ discontinued activities	(39,907,183)	(89,064,397)
B. Cash flows from investing activities:		
Cash outflows from purchase of tangible assets	(76,935,408)	(23,833,569)
Cash inflows from the sale of tangible assets	30,402,070	14,206,856
Net cash used in investing activities	(46,533,338)	(9,626,713)
C. Cash flows from financing activities:		
Increase in funds borrowed	141,071,696	146,564,776
Interest paid	(38,843,923)	(45,862,471)
Net cash provided by financing activities	102,227,773	100,702,305
Effect of changes in foreign currency exchange rate on cash and cash equivalents	(329,727)	(10,195)
Net increase in cash and cash equivalents	15,457,525	2,001,000
Cash and cash equivalents at the beginning of the period	12,323,649	10,322,649
Cash and cash equivalents at the end of the period	27,781,174	12,323,649

Directory

Headquarters

Merkez Mah. Ayazma Cad. No: 37 Kat: 2 Papyrus Plaza 34410 Kağıthane / İSTANBUL

Phone: +90 212 911 15 00

Fax: +90 212 911 15 19

