

**BRİSA BRIDGESTONE SABANCI
LASTİK
SANAYİ VE TİCARET A.Ş.**



01.01.2017 – 31.12.2017

ANNUAL REPORT



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
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CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITOR'S REPORT RELATED TO ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Board of Directors and Shareholders of Brisa Bridgestone Sabancı Lastik
Sanayi ve Ticaret Anonim Şirketi

Report on the Audit of Board of Directors' Annual Report Based on Standards on
Auditing

Opinion

We have audited the accompanying annual report of Brisa Bridgestone Sabancı
Lastik Sanayi ve Ticaret Anonim Şirketi (the "The Company"), for the period 1
January 2017 to 31 December 2017.

In our opinion, the financial information included in the annual report and the
analysis of the Board of Directors about the financial position of the Company are
consistent, in all material respects, with the audited complete set of financial
statements and information obtained during the audit and provides a fair
presentation.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by
the Capital Markets Board of Turkey and Standards on Auditing which is a
component of the Turkish Auditing Standards ("TAS") issued by the Public
Oversight, Accounting and Auditing Standards Authority ("POA") ("Standards on
Auditing issued by POA"). Our responsibilities under those standards are further
described in the Auditor's Responsibilities for the Annual Report section of our
report. We declare that we are independent of the Company in accordance with
the Code of Ethics for Auditors issued by POA (POA's Code of Ethics) and the
ethical requirements in the regulations issued by POA that are relevant to audit of
financial statements, and we have fulfilled our other ethical responsibilities in
accordance with the POA's Code of Ethics and regulations. We believe that the
audit evidence we have obtained is sufficient and appropriate to provide a basis
for our opinion.



Other matter

The annual report of the Company for the period 1 January 2016 -31 December 2016 was audited by an another auditor who expressed an unmodified opinion on this report on 23 February 2017 regarding the appropriateness of this annual report.

Auditor's Opinion on Complete Set of Financial Statements

We have expressed an unqualified opinion on the complete set of financial statements of the Company for the period 1 January 2017 to 31 December 2017 on 21 February 2018.

Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code Numbered. 6102 ("TCC") and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Company "Regulation" published in the Official Journal dated 1 November 2006 and No. 26333, the Company's management is responsible for the following regarding the annual report:

- a) The Company's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general meeting.
- b) The Company's management prepares its annual report in such a way that it presents accurately, completely, directly, true and fairly the flow of annual operations and financial position of the Company. In this report, the financial position of the Company is assessed in accordance with the Company's financial statements. The annual report shall also clearly state the details about the Company's development and risks that might be encountered. The assessment of the board of directors on these matters is included in the report.
- c) The annual report also includes:
 - Significant events after the reporting period,
 - The Company's research and development activities.
 - Employee benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, cash and cash facilities, insurance and similar guarantees.

When preparing the annual report, the board of directors also consider the related regulations issued by the Ministry of Customs and Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the financial information included in the annual report and analysis of the Board of Directors in relation to the financial position of the Company are consistent with the audited financial statements of the Company and the information obtained during the audit and give a true and fair view and form a report that include this opinion in accordance with the TCC and the Regulation.



We conducted our audit in accordance with Standards on Auditing issued by POA. Those standards are required that compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the financial information included in the annual report and analysis of the Board of Directors for the financial position of the Company are consistent with the financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

A member firm of KPMG International Cooperative



Ruşen Fikret Selamet
Partner

21 February 2018
İstanbul, Türkiye

GENERAL DESCRIPTION

Reporting Period

January 1, 2017 - December 31, 2017

Name of Partnership / Commercial Registry No.

Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. / 126429 – 73647

Head Office / Marketing and Sales Office

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Izmit Plant

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Merkez/Aksaray

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Web Address

www.brisa.com.tr

Corporate e-mail Address

brisa.info@brisa.com.tr

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II.14.1 SAYILI TEBLİĞE İSTİNADEN HAZIRLANMIŞ
YÖNETİM KURULU FAALİYET RAPORU

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Chairman's Message

“Global economy is going through a rapid improvement and growth process. Turkish industry is taking up an important role in this improvement process; how ever, the sustainability of this improvement is only possible with persistent and powerful projects in technology, digitalization and investment in human resources. With rapidly increasing investments in this direction, Brisa is progressing to become the innovation leader of Turkey. Brisa is leading the path in our industry and in the business world with successful developments in R&D, digitalization, customer orientedness and sustainability axes.”

Dear Shareholders,

As Turkey’s pioneering corporation, Brisa is taking deliberate steps forward in order to become the innovation leader of Turkey, and is further continuing to deepen its presence in the international arena with the strong support of Sabancı Holding and Bridgestone Corporation. Adding onto its experiences nearing up to 45 years, Brisa is continuing its journey with the visionary, innovative, and strategically decisive Sabancı Holding and Japanese Bridgestone Corporation partnership that has been progressing for 29 years and completed 2017 with new investments and successful operations. Our company put its mark to 2017 with the opening of its new R&D center, the completion of the set – up phase of the second manufacturing plant investments and with innovative products and services and strengthened its leadership in Turkey and in international markets by breaking an export record.

While Brisa was putting its signature on these development - focused advancements, we experienced encouraging developments in economy both globally and locally. Globally, the most important development of the year was the recovery of the global economy that has shifted into a positive growth trend. After many years, for the first time, IMF made an upward revision for its economic growths expectations.

It is very satisfying to note the important role of our country in this new global growth scenario. In the third quarter of the year Turkish economy grew 11,1 % compared to the same period of the previous year and recorded the best growth performance of the last 6 years. This growth ratio has been recorded as the highest amongst the OECD member states. It should be everyone’s priority to base this encouraging growth on sustainable grounds and reflect it on all economic indicators as this is the only way that our country may own unto its deserved role and standing in global competition.

In this respect, we believe that we are getting into a phase in which technology; digitalization, industry 4.0 concept and education play a critical role. As two intertwining layers, technology

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and digitalization are changing business models in the world and are forming the driving forces of economy. Tomorrow's strong economies and standing tall on this intertwined layers. The key to having a say in this area, which is new to humanity, is through investing into human resources and education.

Sabancı Holding has been playing an important role in the economic and sociologic development of Turkey for more than 90 years and owns up to its leadership role in this new period as well. In this respect, as we are building the "Sabancı of the New Generation", we aim to support the digitalization processes of our companies and transform each of them into innovation companies. Brisa is putting its signature on one of the most important examples of this transformation and is pioneering both the industry and the business world.

When we analyze the global tyre industry, we can see that the change and transformation that is coming with technology, digitalization, and education has already started. We can observe that the driving forces of the 3,1 % growth of the global tyre market in 2017 are innovative and technology developing companies. We foresee stable growth in the next three years to come in our industry, in which value added production is becoming crucially important each and every passing day. In this respect global players are increasing their paces to add to their current capacities and to plan new production facilities.

Turkish tyre market has high potential and therefore takes an important role in global competition. Our industry left 2017 behind with double digit growth percentages in certain segments, yet the ability to show strong presence in the international arena depends on the advancements we generate in value added production, differentiating products and innovative services.

Brisa embraces this as its mission to be the leader of this development for the welfare of our industry and country, and focuses its corporate power with new investments into innovation, technology, digitalization and human resources, which will add value to the industry.

We have been investing into research and development since 1985 and as a result Brisa in amongst the top ten Turkish companies who have been investing into R&D. The Brisa R&D Center has been certified with the incentives of the Turkish Ministry of Science, Industry, and Technology. We aim to bring products faster into production phase, follow and reflect newest technological developments onto our products, approve raw material resources in shorter time spans to provide production cost reductions and take advantage of many other benefits with our R&D Center. As a result, our R&D Center will become the headquarters of new generation transportation and production technologies and offer high value added products to the international arena that are developed 100 % by Turkish engineers.

Brisa invests heavily into production capacity as well as it makes investments into product and service development. In that respect, Brisa increased its investment pace for its second factory focusing on high technology, innovation and sustainability located in Aksaray Organized Industrial Zone. The set – up phase of this new factory is completed and it will become a reference center of R&D and innovation where firsts and innovations will be produced,

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therefore our new factory will not only be an asset for Brisa but for Turkey as well.

Our İzmit factory is empowered with continuous investments. Brisa invested 17 million USD into a specific mixing technology that no other manufacturer in Turkey possesses and therefore started the development of tires with high performance results in compliance with world standards for automotive manufacturing companies.

In 2017 we prioritized the development and production phases for our Lassa brand's nationally and internationally awaited product. Our company offered the Driveways products simultaneously to the domestic and international markets. At the same time, under Bridgestone Corporation roof we started the local production of Dayton branded tires in our İzmit factory, which were imported since 2014 to be offered to the Turkish market.

Our company's partner, and global tyre and rubber products leader Bridgestone signed off a first in the industry and developed a technology that enables run flat tyres, which were previously only compatible with few brands, to be compatible with all vehicles that possess a tyre pressure monitoring system (TPMS). Brisa offered this technology to the market under the Driveguard brand and announced its local production in 2018.

Our company continued to add value to the industry and offer advanced services to its customers with innovative business models. We continued our efforts to expand the Otopratik points, offering new generation opportunities in the field of fast fit services, nation wide. The number of Otopratik points reached 45 in 2017 and we aim to increase the number of these points to 200 in order to continue to offer the newest and the best products both to our business partners and to our customers.

As a result of all these developments Brisa consolidated its strong presence both in national and international markets. Our company's yearly total sales revenue reached 2.294 million TL. In the same period Brisa realized a total of 154 million USD investments. In the mean time, Brisa once again proved that it is one of main driving forces of Turkish economy by breaking a new export shipment record. Brisa continued to own up to its role as the leader of our industry by providing products, services and business models as the innovation leader of Turkey.

Brisa has been devotedly continuing its economic, social and environmental projects with the help of its work force for more than 40 years. In 2017, Brisa was deemed worthy of many awards both by national and international in these fields. Our company was amongst the CDP Turkey Climate Leaders as well as being one of the leaders in the CDP Water Program, in which there are only 5 Turkish companies. Brisa successfully took place in Istanbul Stock Exchange's Sustainability Index for the third time. Brisa was also placed amongst the top 10% of global companies by French based Ecovadis Sustainability Platform, which reviews the sustainability performances of automotive industry companies, and was awarded the Golden Statue. Brisa was included in the "Extraordinary" statue in the environmental category. The Accenture Digitalization Index once again rewarded Brisa as the Digitalization Pioneer and the Industry Leader in its own industry due its successful projects in the field of digitalization.

2018 will be a year in which Brisa will be collecting the rewards of its previous investments.

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Our company will reiterate its leadership in the domestic market, where it has been the leader for many years, with the power it will derive from the certified R&D center and our new Aksaray manufacturing plant. In the global arena, we will break new export records with our competitive new generation products and services. Brisa will continue its leadership and add value to its shareholders with modernist business models, service innovations and its human resources, which are closely bonded with the field and the customer.

Our goal is to continue uniting our vision and strength with Brisa, which is taking an important role in building the Sabancı of the New Generation. We believe that we will continue to create further value for all our shareholders just as we did until today. I would like to offer my gratitude to all Brisa employees, business partners and shareholders who have trusted us in this transformation journey.

Respectfully,

Cenk Alper

Chairman of The Board

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1. Briefly Brisa

1.1 Transformation Journey

From a powerful industrial company to an innovation company that inovates your journey ...

With our strategy based on sustainability and innovation, we have been pushing sectorial firsts for 29 years and developing products and services that make a difference. We are strengthening our position as Turkey's tyre industry leader with our mission of becoming a company that provides 360 degrees value to our stakeholders.

The foundations of our company, which is the leader of the Turkish tyre industry, were laid with our Lassa brand in 1974 by the initiative of Sabancı Holding and its partners. The start of Brisa's establishment and the journey of the Lassa and Bridgestone brands are based on the partnership of Sabancı Holding and the world tyre industry leader Bridgestone Corporation in 1988...

Having won the first National Quality Award in 1993, we became the first Turkish company to win the European Quality Grand Prize in 1996, which was the result of its outstanding performance in business excellence.

We strengthen our sector leadership by adding value to our business partners and customers with our product and service brands

We are pioneering the industry and adding value to our customers with our main tyre brands Bridgestone, Lassa, Dayton, Kinesis, Firestone, and with our main retreading brand Bandag along with Lastiğim, Lastik Vs and Speedy sales points, OtoPratik and Propratik service points, Lastik.com.tr online sales web site, Profleet fleet services, Mobilfix which provides on site mobile maintenance services for commercial vehicle fleets, Probe and Bridgestone Box mobile sales and services points, Road Assistance (Bridgestone Aloe Yol Dostu, Lassa Yol Yardımı, Filofix) and Lastik Oteli (tyre storing services) services and with our education platform Brisa Academy.

Bridgestone and Lassa have a total of 1,800 types of tyres on the market, including automobile, light commercial vehicle, bus, truck, agriculture, and construction equipment tyres. We also import our brand Kinesis' tyres, which meet international industrial machinery safety and quality standards, Firestone agricultural tyres, Dayton automobile tyres and Bridgestone motorcycle tyres.

We aim to offer balanced products to vehicle owners through both our brands. While our Bridgestone brand stands out in terms of performance and safety criteria, Lassa stands out in terms of economy, comfort and durability.

Our products and services are sold across almost 1,400 sales points in Turkey. Through the support of our Brisa workers, Brisa tyres produced under our Lassa brand are sold across 6000 sales points, out of almost 600 is Lassa branded, in over 60 countries.

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At the same time; Automotive manufacturers such as Anadolu Isuzu, BMC, Ford Otosan, Honda, Karsan, Koluman Treyler, Krone, MAN, Mercedes Benz Türk, Otokar, Oyak Renault, Özünlü Damper, Tafe, Temsa, Tırsan, Tofaş, Toyota, Türk Traktör, John Deere, Erkunt Traktör use either Lassa or Bridgestone products

Our second manufacturing plant, which is set up in Aksaray, is ready for production

Our Kocaeli production facilities are among Bridgestone’s most important production bases in the world. Spanning an area of 361,000 m2, it is one of the world’s biggest tyre factories under one roof and one of Bridgestone’s most important production facilities.

The preparations for our second manufacturing plant built in Aksaray Organized Industrial Site on an area of 950.000 m2 with an initial investment of 300 million USD are nearing to their final stage. The second manufacturing plant is empowered with our investments and is the product of Brisa’s experiences exceeding 40 years in the industry along with Bridgestone’s global accumulation. Our new manufacturing plant is equipped with Brisa’s production capabilities and Bridgestone’s newest production technologies. As a result, we are putting our signature on a pioneering investment in our industry with its productivity, environmentalism, product quality and performance. Amongst our facilities, we have environmentally friendly / full automatic raw material feeding systems, fully automatic raw tyre transfer systems, solar panels, LED lightening systems and environmentally friendly buildings.

We are aiming to complete the investments for the second manufacturing plant and start production in 2018 in order to strengthen Brisa’s production, employment and export capabilities so that we will be able to consolidate our industrial leadership position in Turkey and our presence in the international arena.

Brisa is cultivating technology in Turkish lands

We are aware that just selling a product is not enough. We have to be pioneers of innovation in order to differentiate. We need to be in touch with vehicle owners and business partners to be nourished from their needs and opinions in order to differentiate with our innovative ideas. We aim to sustain the perfect customer experience by always being together and in the service of our customers thorough our innovative services and solutions that are considered pioneers in the industry.

With the Brisa R&D Center that has been certified with the incentives of the Turkish Ministry of Science, Industry, and Technology in 2017, we aim to produce value added products and bring products faster into production phase in order to accelerate our production capabilities, follow and reflect newest technological developments onto our products, approve raw material resources in shorter time spans to provide production cost reductions and take advantage of many other benefits. Nearly 100 Turkish engineers will be employed in the Brisa R&D Center. Every year we will develop 30 projects and produce value added products. Therefore we will cultivate technology in Turkish lands and offer products to the international arena that are developed 100 % by Turkish engineers.

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Lassa, the best road companion for a sport and the athlete

We are FC Barcelona's "Global Official Tyre' Partner", a giant step that will strengthen our Lassa brand on its global journey. The FC Barcelona Lassa teams, which carry our logo on their uniform, completed the 2016-2017 season with great success.

We continue our operations at the highest level with an understanding of sustainability

In order to be able to respond to the needs of our customers in different geographical regions and different roads and climates of the world, we are producing high quality products with a sense of sustainability, and also taking responsibility for the social development of our country and our economy.

On the one hand, we are reducing our CO₂ emissions and carrying out our operations in a way that fits into the balance of nature. On the other hand, we have the "Brisa Members Educational Support Association" in the field of education, "Brisaspor Club" Lassa Cycling Team in the sports field, Bridgestone's "2 Minutes for Our Safety" in the field of traffic safety, "Sevdamız Toprak, Yarınlarımız Ortak" (soil is our passion, our future is joint) in the field of agriculture, the "Brisa Museum" which is a cultural merit, and with the "Let the Cranes Fly Forever" project that we carry out together with WWF-Turkey (World Wildlife Foundation) to contribute to biodiversity, we are trying to collect and contribute to the community and the environment in the field of sustainability.

In addition to the sustainability work we have been involved in, we have signed the Global Compact in 2013.

As the Brisa family, we provide a Green Office program diploma that we have presented together with WWF-Turkey as a demonstration of our contribution to the environment.

The Brisa Academy and Museum building, which received the "LEED Gold" sustainable building certificate, inspires us on our sustainability journey. Brisa Academy hosts our guests as well as the Kocaeli community and students from the age of kinder garden to university.

Brisa is amongst the Turkey Climate Leaders determined by the CDP Turkey Climate Change Program. Brisa is one of the global pioneer companies with respect to water consumption savings and reporting and is the first European company that has been certified with the ISO 14046 Water Foot Print Standard. Brisa was also placed amongst the top 10% of global companies by French based Ecovadis Sustainability Platform, which reviews the sustainability performances of automotive industry companies, and was awarded the Golden Statue and was included in the "Extraordinary" statue in the environmental category. More over, Brisa is also taking its place in the BIST Sustainability Index, which provides a benchmark for companies that are part of the Istanbul Stock Exchange with a high sustainability performance, since 2015.

Since the publication of our 2012 report including our previous five years' sustainability work in the GRI (Global Reporting Initiative) system, we have been publicly sharing our understanding and determination annually. In 2014, we were deemed worthy of the "Best B2B Sustainability Report" awarded by the Ethical Corporation.

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We Are the Leader of Innovations

Today, we know that it is not enough to only sell products. We have to pioneer innovations to differentiate ourselves. We need to be in touch with vehicle owners and business partners to be nourished from their needs and opinions in order to differentiate with our innovative ideas. We aim to sustain the perfect customer experience by always being together and in the service of our customers through our innovative services and solutions that are considered pioneers in the industry.

We are aware that we need to be using technology at the top level and be equipped with top equipment while executing our operations. As our company is going through a digital transformation, we were named Pioneers of Digitalization and took our place in the Accenture Digitalization Index as Industry Leader in our own operation field.

Today, we are a family of 2.700 people. A family making a great effort for a better tomorrow in Turkey...

Drawing inspiration from our vision, we strive to design the journeys in the future that people have not even dreamed of and make the customer's experience different by customizing it into a unique shape while displaying out our best performance for today. For this reason, the Brisa Innovation Team thinks of tomorrow, anticipates tomorrow's needs, dreams of tomorrow and designs for tomorrow.

1.2. Capital and Shareholding Structure

We gathered speed from our reliable shareholders and our giant capital strengthened through the years. Now we continue to progress on our way, further increasing the momentum of our success.

Authorized Capital : 400.000.000.-TL

Paid-in Capital : 305.116.875.-TL

Shareholders Holding More Than 10% of the Capital

Shareholder	Share Amount (TL)	Capital Ratio (%)	Voting Right	Voting Right Ratio (%)
Hacı Ömer Sabancı Holding A.Ş.	133.111.388	%43,63	13.311.138.806	%43,63
Bridgestone Corporation	133.111.388	%43,63	13.311.138.806	%43,63
Other	38.894.099	%12,74	3.889.409.888	%12,74
Total	305.116.875	%100,00	30.511.687.500	%100,00

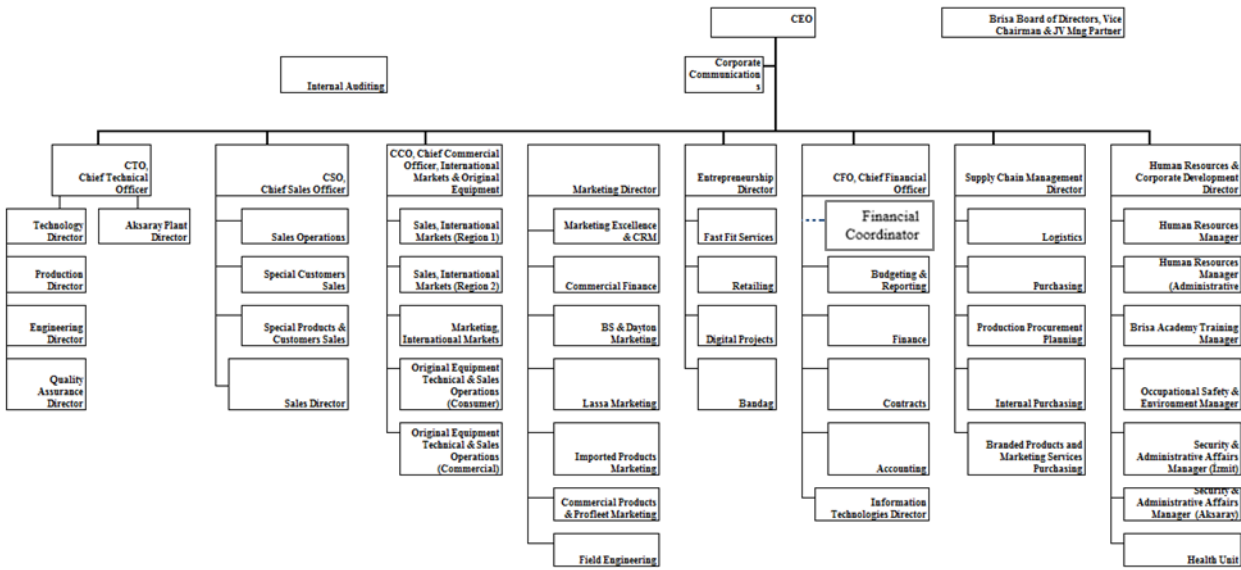
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There has not been any change during the financial period regarding shareholder and capital structure.

Disclosure on privileged shares adnt the voting rights of shares

In accordance with the Articles of Association, each share holds one voting right at the General Assembly. There are no privileged voting rights.

1.3. Organizational Chart



1.4 Mission, Vision and Corporate Values

Our values and ethics constitute the basis of our strong stance.

Our Mission

To provide superior values to society through sustainable growth.

Our Motto

“Change to Change”.

Our Vision

We innovate your journey.

Brisa Values

Safety, Innovation, Customer Focus, Team Work, Business Excellence, Sustainability

Our Ethics

▪ **Integrity**

We base relationships with our employees and stakeholders on the principles of transparency and integrity.

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▪ **Confidentiality**

We protect the confidentiality of our customers, employees and other parties in association.

▪ **Conflict of Interest**

We use our Sabancı identity not for our personal interests, but for exalting our corporate spirit.

▪ **Responsibility**

Our responsibility is not only to our own business and partners, but also for the benefit of the society and humanity at large.

1.5. Steps to Add Value to Our Journey

From our first day of service up until today, our vision and our brave steps towards the future have always shed light on our path. We wish to be able to inspire all of our stakeholders in this direction and to be able to finish all of our years with the confidence success brings

▪ **1970'S**

1974

Incorporation of Lassa Lastik Sanayi ve Ticaret A.Ş.

Lassa and the BF Goodrich Company sign “Technical Know-How” and “Engineering Services” agreements.

1975

Selection of the first “Lassa” logo via a design competition.

The establishment of a dealer network in Turkey, granting dealership authorizations to 186 dealers across 60 provinces.

Undersigning an agency agreement with BF Goodrich. LİSA Lastik İthalat ve Satış A.Ş. starts to import tyres under the same brand.

1977

Test production starts at the manufacturing plant.

The first comprehensive TV and press promotional campaigns.

1978

Lassa Lastik Sanayi ve Ticaret A.Ş. commences mass production.

Organization of the First Lassa Dealers Convention.

1979

The company turns a profit for the first time.

Turkey’s first steel-belted radial passenger tyre enters production.

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One-millionth Lassa tyre produced.

Establishment of Lassaspor (currently known as Brisaspor).

▪ **1980s**

1980

Turkey's first radial snow tyre.

Production of the Loder, Turkey's largest local off-road tyre, commences.

1983

Turkey's first steel-belted van/ light truck tyre enters production.

1985

Turkey's first wide tread tyre enters production.

Turkey's first ECE (Economic Commission for Europe) certified tyre enters production.

1986

Number of dealers reaches 550.

1987

Lassa's total exports grow to five million tyres, and the number of export countries reaches 32

1988

Signing of the joint venture agreement between Bridgestone Corporation and Sabancı Holding. The name of the company changes to BRISA Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.

ARGESA production plant starts to operate at full capacity.

1989

Groundbreaking for the construction of an additional production plant following the Bridgestone Corporation/Sabancı Holding partnership.

Start of test-production of radial passenger and radial bus/truck tyres at the new plant.

Establishment of the Bridgestone dealership network.

▪ **1990s**

1990

New production plant begins mass production.

Brisa adopts Total Quality Management.

1991

Turkey's first 60-series tyre (RE 88) enters production.

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Celebration of the First National Quality Day.

With Turkey's first Bridgestone tyre export, Brisa becomes one of the global production hubs for Bridgestone products.

Turkey's first H-rated (210 km/h) high performance passenger tyre enters production.

Bus/truck steel-belted radial tyres introduced.

1992

Turkey's first V-rated (240 km/h) high performance passenger tyre enters production.

ISO 9001 Quality Assurance Standards certification.

1993

Brisa receives Turkey's first National Quality Award granted jointly by the Turkish Industrialists' and Businessmen's Association (TÜSİAD) and the Quality Association (KALDER).

Brisa Suppliers Convention organized.

1995

First tyre sale to the European automotive industry.

Establishment of Turkey's first Online Dealer Information System.

Tyre Service Center commences operations at the Istanbul Grand Terminal.

Total annual tyre production exceeds four million, exports exceed two million units.

Brisa becomes a member of the European Foundation for Quality Management (EFQM) Board of Directors.

BS 7750 Environmental Management Systems certification.

1996

Brisa wins the "European Quality Award" presented by the European Foundation for Quality Management (EFQM).

Brisa granted the "Best Managed Plant" award by the Bridgestone Corporation.

Brisa receives the "Green Chimney Award" from the Kocaeli Chamber of Industry and the "Environment Award" from Istanbul Chamber of Industry.

The Istanbul Chamber of Commerce's first "Technology Development Award" goes to Brisa.

Brisa becomes the first company in Turkey and the second in Europe to obtain ISO 14001 Environment Management Systems certification.

The Automotive Industrialists Association grants Brisa the "Best Performing Supplier Award"

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1997

Brisa shares its business excellence journey that led to the European Quality Award in the European Foundation for Quality Management (EFQM) Winners' Conference held in 20 countries.

1998

Realization of 21 training programs under the title “Brisa Shares Quality.”

Corporate website established in Turkish and English.

1999

Brisa obtains QS 9000 Automotive Sector Quality Systems certification.

Brisa’s Tyre Testing Laboratory becomes Turkey's first Turkish Standards Institute (TSE) accredited laboratory within the framework of the EU Directives.

Brisa receives Toyota’s “Top Scoring Supplier Award.”

▪ **2000s**

2000

Launch of the Road Assistance Service, a milestone for the tyre industry.

2001

Turkey’s first 4x4 tyre (Lassa Competus) launched.

Establishment of the Brisaspor Women’s Cycling Team.

2002

Introduction of the Enterprise Resource Planning System (SAP) and the Dealer Information System, a B2B project, another pioneering achievement in the tyre industry.

2003

Brisa obtains ISO/TS 16949: 2002 Automotive Sector Quality Systems certification.

Turkey’s first asphalt rally tyre enters production.

Brisa obtains TS-ISO 9001: 2000 Quality Management Systems certification.

2004

Brisa receives Toyota’s “Best Scoring Supplier 2003” award.

Brisa wins MAN’s “Top Scoring Supplier” award.

Turkey’s first gravel rally tyre enters production.

Turkey’s first W-rated (270 km/h) ultra-high performance passenger tyre (Lassa Impetus Sport).

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Brisa Tyre Testing Laboratory obtains TS EN ISO/EC 17025 General Requirements for the Competence of Testing and Calibration Laboratories certification.

Brisa receives Turkish Standards Institute's "Quality Award".

Brisa obtains the Product and System Certification (CCC) by the Chinese Quality Center (CQC).

2005

Turkey's first W-rated (18-inch diameter) ultra-high performance passenger tyre (Lassa Impetus Sport).

Turkey's leading tyre manufacturer Brisa launches a USD 168-million capital investment program for the construction of new facilities. The company's total production area reaches 300,000 m² with a 50% growth.

Brisa obtains ISO 14001:2004 certification, the latest version of Environment Management Systems standards.

Brisa organizes a press conference with Michael Schumacher, the Formula 1 champion, at the first Formula 1TM Turkish Grand Prix.

2006

Lassa Atracta, the first passenger radial with an asymmetric tread pattern, is introduced.

Filofix Road Assistance Service launched for commercial vehicle fleets.

2007

Bridgestone becomes the exclusive tyre supplier of Formula 1TM.

Ahead of the Turkish Grand Prix Formula 1TM, drivers meet the fans at Dolmabahçe Palace, Istanbul.

The Lassa Rally Team wins the Turkish Rally Teams Championship.

2008

Lassa changes its 30-year logo.

Celebration of the 20th Anniversary of the partnership between Bridgestone Corporation and Sabancı Holding.

The Lassa Rally Team wins the Teams' Cup, Drivers' Cup, Co-drivers' Cup and Group N Cup titles at the Turkish Rally Championship.

Lassa's overseas customer base expands to include 55 countries throughout the world.

Bridgestone receives an award for the "Trafikte Dikkat On Bin Hayat (Caution on Traffic Saves Thousands)" Road Safety Platform with the campaign "Farım da Açık, Yolum da" (My Headlights Are On, My Road Is Open).

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2009

Lassa commences production and sales of the AGRI 1 Radial Agricultural Tyre.

With a long list of achievements in the Turkish Rally Championship since its establishment in 2007, the Lassa Rally Team begins representing Turkey in the Italian Gravel Rally Championship.

Brisa wins first prize in the “Individual Performance Management” category at the Sabancı Golden Collar Awards.

▪ **2010s**

2010

Launch of the “Yola Güvenli Çık, Yolun Hep Açık (Set Off Safely for A Clear Road Ahead)” campaign as a part of the social responsibility and road safety campaign “Think Before You Drive” endorsed globally by Bridgestone.

Brisa assumes Turkish operations of Bandag, an American-based tyre retreading company, from the European subsidiary of Bridgestone Corporation (Bandag AG) for a fee of USD 3.6 million.

Lassa’s website is published in eight foreign languages.

Foundation of the Brisa Academy.

Brisa wins first prize in the “Individual Performance Management” category of the Sabancı Golden Collar Awards for the second consecutive year.

The company wins the Grand Prize in the “Excellence” category at the Sabancı Golden Collar Awards.

2011

Launch of Brisa’s “Lastiğim” (My Tyre) project, which unites independent sales points under Brisa’s umbrella.

Launch of “lastik.com.tr”, Turkey’s first web-based at-home tyre replacement and maintenance service.

The Antenna Shop opens in Maslak, Istanbul featuring state-of-the-art technology and innovative services, also designed as a training center for Brisa personnel and dealers.

Lassa brand strikes sponsorship deal with Bolton Wanderers (English Premier League), Espanyol (Spanish Liga de Fútbol Profesional) and Borussia Mönchengladbach (German Bundesliga) football clubs.

Brisa wins first prize in the “Market Orientation” and “Investment in People” categories of the Sabancı Golden Collar Awards.

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2012

Bridgestone passenger car winter tyre (Blizzak LM32) enters production in Turkey.

Implementation of the I-CAT application to provide business partners with swift, efficient access to information, and to develop new channels of communication with Brisa.

Insurance plans begin for tyres stored by customers at the Tyre Hotel.

Grand opening of the largest Lassa signboarded store in Milan, Italy. The number of international Lassa signboarded stores reaches 39.

“Sustainability” is the theme of the traditional 24th Brisa Improvement Conference.

Lassa tyres ship to Australia, Hong Kong, Venezuela, Tunisia, Albania, Serbia and Sierra Leone for the first time.

2013

Celebration of the 25th Anniversary of the partnership between Bridgestone Corporation and Sabancı Holding.

Decision for a USD 300-million investment in a second production plant to be constructed in Aksaray Organized Industrial Zone.

Opening of the first Propratik store.

Construction of the Brisa Academy and the Brisa Museum on the basis of sustainability.

The Brisa Museum opens its doors.

Issuance of the first Sustainability Report at A level

United Nations Global Compact signed.

Start of the “Let the Cranes Fly Forever” project in cooperation with World Wildlife Fund (WWF) Turkey.

Launch of the road safety project, “Güvenli Yolculuk İçin Lastik Başına (Take Care of Your Tyres For A Safe Journey)” in Otopratik stores.

“Corporate Traffic Safety Declaration” signed.

The road safety project “Yola Sağlam Çık (Take Off Strongly),” which focuses on the importance of healthy nutrition, living and road safety for long haul drivers, receives the “Public Health Award.

The world’s first mobile truck maintenance and repair service Mobilfix receives the “Customer Oriented Service Innovation” award.

Turkey’s biggest tyre ever brought in from Bridgestone Corporation Japan.

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2014

We have been awarded with the “Most Successful Subsidiary Industry of the Year” award by the Automotive Manufacturers Association (AMA)

Release of the Dayton brand.

The number of overseas stores reaches 122.

Cooperation begins with the Authority Group, offering brands on the market through Lastik Vs. and Speedy stores.

The newly redesigned Otopratik store opens its doors in Ankara with the aim of enhanced customer satisfaction.

Manufacture and roll-out of the first Y speed class Lassa tyre.

Introduction of the environmentally friendly automobile tyre Lassa Greenways and new generation snow tyre Snoways 3.

The first supplier evaluation system in place, high-performing companies awarded.

Public exposure of our 2013 sustainability initiatives at the GRI A+ level

Green Office Program launched in collaboration with WWF-Turkey

Brisa Academy and Museum obtain LEED Gold sustainable building certification.

Number of trainees at the Brisa Academy reaches 3,592 through 24 programs.

ISO 27001:2013 Information Security Management System certification.

Brisa's Greenhouse Gas Emissions from business operations verified within the scope of ISO 14064: Verification of Greenhouse Gas Emissions.

Brisa named National Champion in the European Business Awards.

2015

The company is listed on the Borsa Istanbul Sustainability Index for the period between November 2015 and October 2016.

Lassa brand becomes the Global Official Tyre Partner for FC Barcelona.

National football player Arda Turan becomes Lassa's brand ambassador.

Brisa becomes the Official Partner in Turkey for the around-the-globe journey of Solar Impulse, an aircraft working solely on solar power without the use of any fossil fuels.

Brisa wins the ”Digital Sector Leader” and ”Pioneers of Digitization” awards in Accenture Digitization Index and the ”Database Transformation Project of the Year” award in the SAP Forum Awards.

2014 Sustainability Report named the ”Best B2B Sustainability Report” by the Ethical Corporation.

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Brisa is included in the Climate Disclosure Leadership Index, ranking among the top five companies in Turkey in terms of carbon reporting, and is placed in the best performance band in Turkey thanks to the B+ grade earned for maintaining a small water footprint.

Brisa is qualified for EN 15838:2009 Customer Contact Centers Service certification, indicating that its services are in accordance with European Union standards.

Brisa is ranked second in the Innovation Strategy category in the Innova-League Awards of the Turkish Exporters' Assembly.

Brisa receives grand prize in the "Business Continuity/Resilience Strategy of the Year" category of the CIR Business Continuity Awards.

2016

Brisa's water footprint verified within the scope of ISO 14046: Verification of Water Footprint standards

Bridgestone Potenza S001 Run-Flat tyres, which can drive even if the wheels go flat, have started to be produced in our Izmit factory.

We agreed with the e-platforms AutoPratik and ProPratik service points for the procurement of spare parts.

In order to strengthen women in business, we launched "Heroines of the Customer- Customer Service Expert Certificate Program" with the Brisa Academy.

We were the first company in Turkey and Europe to be awarded the ISO14046 Water Footprint Standard.

We have been awarded Green Office diplomas for our Izmit Administrative Building and Altunizade Offices with works that have been passed through with the cooperation with WWF-Turkey.

2017

Brisa R&D Center has been certified with the incentives of the Turkish Ministry of Science, Industry, and Technology.

We created a new category helping to expand the Run Flat Tyre (RFT) technology in our industry by offering the Bridgestone Driveguard tyres.

We started the domestic production of Dayton branded tyres.

Bandag introduced its new slogan "BUILT FOR BETTER" and introduced its new logo at its 60th foundation year.

We started the "Pioneers of the Journey" innovation competition amongst our business partners.

Brisa received the Golden Statue by the French based Ecovadis Sustainability Platform, and was included in the "Extraordinary" statue in the environmental category.

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1.6. Our Awards

Any person that we can reach and any person to whose life we can add value is a reward for us

Innovation, R&D and Digitalization Awards

- **We are amongst Turkey’s Digitalization Pioneers**

We were once again enlisted in Accenture’s Digitalization Index as the Digitalization Pioneer and Industrial Leader in our own industry. Scoring 83 % in the index, Brisa owns up an important role in Turkey’s digitalization journey with its strategic approach in the field combined with innovative services and operational capabilities.

- **An R&D Prize for Brisa**

The Koala Science, Industry and Technology provincial directorate honored Brisa with an R&D Success Prize.

Our projects in the field of sustainability were crowned with rewards

- **Brisa was deemed worthy of two awards by the CDP Program**

As a result of our pioneering projects in sustainability we have been rated with the grade “A” in the CDP Climate Change program and we received the “Leadership” award for the third time. We have also been graded with an “A-” in the CDP Water Program and have been classified in the “Leadership” category in Turkey in this field.

- **We received the Golden Statue award in Ecovadis’ Sustainability Platform**

As part of our sustainability projects we have been awarded the Golden Statue by French based Ecovadis Sustainability Platform, which rates the sustainability performances of companies in the automotive industry. Our company was placed amongst the top 10 % of global companies and was rated “Extraordinary” in the environment category with the 80/100 grade it received.

- **We took our place in the BIST Sustainability Index for the third time**

BIST Sustainability Index aims to provide a benchmark for Borsa İstanbul companies with high performance on corporate sustainability. Brisa has been placed amongst the companies that made up the index of November 2017 – October 2018 period and took its place in the index for the third time.

- **We came back with two awards from the Bridgestone Regional Awards Ceremony**

Bridgestone awarded the projects realized within the EMEA region in 2016. There were a total of 83 applications for the awards. We have been awarded the Golden Prize in the “Education” category for the programs we have built in the Brisa Academy towards the education of our business partners. We have also been awarded with the Silver Prize in the “Social Contribution” category with our “#2minutesforoursafety” project, which we carried on with our Bridgestone brand in order to grab attention to save driving in traffic.

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- **Brisa Received a Waste Management Award**

Brisa has been awarded for its successful practices for waste management targets by the Ministry of the Environment and Urban Planning at the “2017 Waste Management Symposium” that took place with the attendances of private sector representatives, non – governmental organizations, various chambers, universities and municipality representatives.

- **Brisa is awarded with a “Work Health and Safety” plaque by Aksaray İşkur organization**

As we swiftly continue for the development of our second manufacturing plant in Aksaray, we have been awarded with a plaque by Aksaray İşkur organization due to our performances in work health and safety.

Awards for our Publicity and Marketing Projects

- **Awards for Lassa Tyres and Bridgestone at the Social Media Awards**

The results of the first and only challenge that rates brands’ and agencies’ social media performances based on objective date with the cooperation of Marketing Turkey and Boomsonar was announced. Lassa was awarded the Golden Prize and Bridgestone Turkey was awarded the Silver Prize at the Social Media Awards.

- **Lassa Tyres’ advertisement spot is among the best of 2016**

Marketing Turkey has chosen “Sen Bizim Ardamızsın” advertisement spot by Lassa, which was aired before the first game that Arda Turan wore the FC Barcelone jersey, amongst the best campaigns of 2016.

- **Lassa Tyres’ advertisement spot was chosen the 7th most liked spot**

According to the advertisement ratings conducted with the Mediacat and IPSOS partnership, Lassa Tyres’ “Arda Turan is the secret of Barcelona” advertisement spot was chosen the 7th most liked advertisement of the year.

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1.7. Board Member

The names of the members of the Board of Directors and their curriculum vitae as of December 31, 2017, are provided below:

Board Member's Name - Surname	Executive or Non-Executive	Duty
Cenk Alper	Executive	Chairman of the Board
Makoto Hashimoto	Executive	Vice-Chairman of the Board
Mustafa Bayraktar	Non - Executive	Board Member
Barış Oran	Non - Executive	Board Member
Frederic Jean Hubert Cecile Hendrickx	Non - Executive	Board Member
Mete Ekin	Non - Executive	Board Member
Laurent Dartoux	Non - Executive	Board Member
Ahmed Cevdet Alemdar	Executive İcracı/CEO	Board Member
Gökhan Eyigün	Non - Executive	Board Member
Hasan Cihat Erbaşol	Non - Executive	Independent Member of the Board
Hüsnü Paçacıoğlu	Non - Executive	Independent Member of the Board

Changes in the Board of Directors during the Period

In accordance with Board of Directors resolution No. 2017/01 dated January 02, 2017, Laurent Dartoux was appointed as member of the Board of Directors in lieu of Mitsuhiro Shimazaki who resigned from his positions, and Makoto Hashimoto was appointed as Vice-Chairman and member of the Board of Directors in lieu of Kazuto Sembu who resigned from his positions, to serve for the remaining term, starting from January 01, 2017 as per Article 12 of the Articles of Association and this change would be submitted to the approval of the Shareholders Board in the first General Assembly Meeting. Makoto Hashimoto was also appointed as member of Corporate Governance Committee and the Early Identification of Risk Committee in lieu of Kazuto Sembu.

In accordance with Board of Directors resolution No. 2017/10 dated March 31, 2017, Cenk Alper was assigned to the vacant position of the membership of Board in replacement of Zafer Kurtul, who resigned from his positions "Chairman" and "Member of Board", to serve for the remaining term, effective the same date as per Article 12 of the Articles of Association and this change would be submitted to the approval of the Shareholders Board in the first General

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Assembly Meeting. Again with the same resolution, assignment of duties was carried out as per the Article 366 of the Turkish Commercial Code and as a result, Cenk Alper was elected as the Chairman of Board and Makoto Hashimoto as Vice-Chairman.

In accordance with Board of Directors resolution No. 2017/13 dated May 02, 2017, Ahmed Cevdet Alemdar was appointed as General Manager and member of the Board of Directors in lieu of Ahmet Yiğit Gürçay, who resigned from his positions to serve for the remaining term, starting from May 15, 2017 as per Article 12 of the Articles of Association and this change would be submitted to the approval of the Shareholders Board in the first General Assembly Meeting.

In accordance with Board of Directors resolution No. 2017/19 dated July 03, 2017, Mete Ekin was appointed as member of the Board of Directors in lieu of Mübin Hakan Bayman, to serve for the remaining term, starting from the same date as per Article 12 of the Articles of Association and this change would be submitted to the approval of the Shareholders Board in the first General Assembly Meeting.

Cenk Alper / Chairman of the Board

Assignment Period: 01.04.2017 – until the Ordinary General Meeting of the year 2017.

Cenk Alper graduated from Middle East Technical University in Mechanical Engineering Department in 1991 and completed his graduate degree again at the same Department in 1994. In 2002, Alper completed his MBA studies at the Sabancı University.

Alper started his career as a process engineer at Beksa in 1996 and assumed several different managerial positions at the company's international positions abroad between the years 2002 – 2007. He joined Kordsa Global in 2007 and assumed the positions of Global Technology Director, Technology and Market Development Vice President, Operations Vice President before being appointed as the Kordsa Global CEO in June 17, 2013. Alper has been assuming the role of the Industry Group President of Sabancı Holding since April 1, 2017.

In-Group:

H.Ö. Sabancı Holding A.Ş. Industry Group President

Directly Associated Partnership / Kordsa Inc. (United States of America) President

Directly Associated Partnership / Kordsa Inc. United States of America) Chairman of the Board

Directly Associated Partnership / Kordsa Brasil S.A. Chairman of the Board

Directly Associated Partnership / PT Indo Kordsa Tbk (Indonesia) Chairman of the Executive Board

Directly Associated Partnership / PT Indo Kordsa Polyester (Indonesia) Member of the Executive Board

Indirectly Associated Partnership / Thai Indo Kordsa CO. LTD. (Thailand) Member of the Executive Board

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Non-Company Positions

FERB (Foreign Economic Relations Board) Member

Turkey – United States Business Council (TUBC) Member of the Board

İSO-Istanbul Chamber of Industry Member

Alder – Turkey Quality Association Member

TÜSİAD-Turkish Industry and Business Association Member

Makoto Hashimoto / Vice President of the Board

Assignment Period: 01.01.2017 – until the Ordinary General Meeting of the year 2017.

After graduating from the Keio University Management Engineering Department, Makoto Hashimoto, joined Bridgestone Corporation in April 1985.

Hashimoto has been appointed as the General Manager of the Bridgestone Corporation Production Engineering Department in April 2005. After assuming the Plant Manager roles of Amagi Manufacturing Plant in January 2009 and Hikone Manufacturing Plant in March 2010, Hashimoto has been appointed as the Mid – Japan Tyre Production Department Director in January 2011. Hashimoto became the Global Production Management and Logistics Department Director in April 2012, Global Supply and Logistics Department Director in July 2013, Internal Production Management, GLC Planning and Management Associate Vice President in March 2015, and Senior Vice President of the same position in January 2016 and finally the GLC Supply Senior Vice President in July 2016.

Hashimoto has been appointed as the Bridgestone Corporation Vice President as of January 2017 along with being appointed as the Brisa Vice President of the Board and Joint Venture Managing Partner in January 2017.

Non-Company Positions:

In-Group:

Bridgestone Europe, Middle East, Africa Operations (BSEMMEA) Member of the Board

Bridgestone Corporation Vice President

Mustafa Bayraktar / Board Member

Assignment Period: 04.19.2004 - until the Ordinary General Meeting of the year 2017.

Mustafa Bayraktar graduated from the Finance Department of Alabama University and graduated from Boston College in the same field. Since 2002, he has been serving as the Chairman of the Board of Directors of H. Bayraktar Yatırım Holding A.Ş.

Non-Company Positions:

Non-Group:

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Baylas Otomotiv A.Ş. Chairman of the Board
Baytur Motorlu Vasıtalar Tic. Chairman of the Board
Bayraktar Otomotiv A.Ş. Chairman of the Board
Bayraktar Holding A.Ş. Chairman of the Board
Ege Fren Sanayi ve Ticaret A.Ş. Chairman of the Board
Ege Industry and Trade Inc. Chairman of the Board
ODD (Automobile Distributors Association) Chairman

Bariş Oran / Board Member

Assignment Period: 04.30.2012 - until the Ordinary General Meeting of the year 2017.

Bariş Oran graduated from Boğaziçi University Business Administration Department and completed his MBA at The University of Georgia.

Mr. Oran started his business life as an auditor at Price-Waterhouse Coopers in 1995. He worked as a supervisor at Sara Lee Corp. in 1998-2003. He first worked in auditing in Chicago IL, then on finance and treasury/capital markets. Between 2003 and 2006, he worked for Ernst and Young first in Minneapolis MN, then as Senior Manager in charge of Europe, Middle East, Africa and India.

In 2006, he started to work at Kordsa Global as Internal Audit Director, Global Finance Director and CFO respectively. In 2011, he worked as the H.Ö. Sabancı Holding Finance Director, and in 2012 was appointed as the Head of Planning, Reporting and Finance Department. Mr. Oran is the Chairman of the Sabancı Holding Finance Group. He is a member of the Brisa, Enerjisa, Teknosa, Carrefoursa, Yünsa, Avivasa, Çimsa, Akçansa and Temsa Global Boards of Directors.

Non-Company Positions:

In-Group:

TEMSA Global Industry and Trade Inc. board member
Enerjisa Enerji Üretim A.Ş. board member
Enerjisa Electric Enerjisi Toptan Satış A.Ş. board member
Enerjisa Doğalgaz Wholesale Sales Co. board member
Enerjisa Electricity Distribution Inc. board member
Enerjisa Electric Retail Sales Co. board member
Enerjisa Anadolu Yakası Electricity Retail Sales Co. board member
Enerjisa Toroslar Electricity Retail Sales Co. board member
Yünsa Yünlü Sanayi ve Ticaret AS board member

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H.Ö. Sabancı Holding A.Ş. Head of Finance Group

Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. board member

Teknosa Domestic and Foreign Trade Board Member

Avivasa Emeklilik ve Hayat A.Ş. board member

Çimsa Cement Industry and Trade Inc. board member

Akçansa Cement Industry and Trade Inc. board member

Frederic Jean Hubert Cecile Hendrickx / Board Member

Assignment period: From September 18, 2015 to the Ordinary General Assembly Meeting in 2017.

Frederic Jean Hubert Cecile Hendrickx graduated from the University of Leuven Law School in Belgium in 1991. In addition, he studied Environmental Management at University of Antwerp (Belgium) and Energy Law at University of Copenhagen (Denmark).

He started his career at the headquarters of United Nations Environment Program in Nairobi, Kenya, and worked for a year in the International Agreements Section of the Danish Ministry of Environment.

In 1993, Mr. Hendrickx joined the Bar Association of Brussels and worked at American law firm Hunton Williams until 1999. He then joined General Electric, assuming various legal leadership roles as the Global General Advisor for the GE Plastics Division in the Netherlands, Water Processing Technologies Division in Belgium and, until recently, for the Life Sciences Division in Stockholm and London offices. He audited all legal, compliance and intellectual property activities in relation to the biotechnology field, which operates with 4,000 employees in more than 30 countries around the world with a turnover of USD 2 billion.

Starting from mid-2015, he has been acting as Legal and Compliance Vice-President, General Advisor and Secretary of the Board of Directors at Bridgestone Europe. Frederic Hendrickx also acts as a visiting professor of International Business Law in the Advanced Business Management program at UC Leuven Limburg in Belgium.

Non-Company Positions:

In-Group:

Legal and Compliance Vice-President, General Advisor and Secretary of the Board of Directors at Bridgestone Europe

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Mete Ekin / Board Member

Assignment Period: 03.07.2017 – until the Ordinary General Meeting of the year 2017.

Mete Ekin graduated from İstanbul Technical University Chemical Engineering Department in 1993. He then completed his graduate degree in Hartford University Connecticut in 1995. Mete Ekin is a fluent user of English, Italian and German languages.

In March 2016, Mete Ekin joined Bridgestone as the Regional Manager of Bridgestone Middle East Africa FZE responsible from the MEA markets (50 countries).

Mete Ekin took several different managerial positions in Turkey, Italy, Egypt and MENA region and has more than 21 years of experience in the tyre industry. Erkin started his career in Turk Pirelli. During his last five years in the company, until 2015, he held General Manager and CEO positions. Before his appointment to this position, Ekin assumed several managerial positions such as the Sales and Marketing Assistant General Manager of Pirelli Egypt and as the Global Commercial Business Unit Marketing Manager of Pirelli Italy's General Management Quarters.

Non-Company Positions:

In-Group:

Bridgestone Middle East Africa FZE (MEA) Regional Manager

Laurent Detox / Board Member

Assignment Period: 01.01.2017 – until the Ordinary General Meeting of the year 2017.

Attended the Audencia Business School in France and then took his MBA degree from the Ohio State University in 1988.

Laurent Dartoux joined Bridgestone at the beginning of 2014 as the Sales and Marketing Senior Vice President.

Dartoux started his career at Procter & Gamble in 1989 as a Marketing and Brand Manager and assumed this position for 4 years. He moved from his home in Paris to Milano in 1992 to join Reckitt Benckiser and in 1996 he became the Marketing Director of the company. Between the years 2000 – 2010, he continued his career first in Geneva and then in Atlanta Eastman Kodak assuming the positions of Capture Business Unit General Manager, Europe & Middle East Entertainment Imaging Vice President and Eastman Kodak Chairman of the Board. Just before joining Bridgestone, Dartoux served as the Hertz European Vice President for a period of 4 years and assumed the leadership of a transformation program and its related operations that helped to improve profitability in less than 24 months.

Non-Company Positions:

In-Group:

Bridgestone Europe Sales and Marketing Senior Vice President

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Ahmed Cevdet Alemdar/ Board Member

Assignment Period: 15.05.2017 – until the Ordinary General Meeting of the year 2017.

Cevdet Alemdar graduated from the Industrial Engineering Department of Boğaziçi University in 1992 and received his Business Graduate Degree (MBA) from Sabancı University in 2000. Cevdet Alemdar first worked as a Product Manager in Beaks, a Sabancı Holding and Bekaert joint venture, and then became the Cord Products Director between the years 1993 – 2002. During the 1998 – 2002 period, parallel to his position in Beksa, he also assumed Bekaert's Middle East Region Construction Materials Sales Management position. Then, during the 2002 – 2005 period, Cevdet Alemdar worked as the Commercial Director at Sakosa.

Alemdar joined Kordsa Global in 2005 and became the Kordsa Brazil General Manager in Salvador de Baiha Brazil and simultaneously assumed the South American Region Sales & Marketing Director position. Between the years of 2007 – 2009 he assumed the General Manager positions in Thai Indo Korda (Bangkok, Thailand) and Kordsa Qingdao Nylon Enterprises while also serving as the Asian – Pacific Region Sales and Marketing Director. Between the years of 2009 – 2010 while continuing his posts at the Kordsa Qingdao Nylon Enterprises in Shanghai China and at the Asian – Pacific Sales and Marketing Directorate he also assumed the position of Global Business Development Director. Alemdar took the Kordsa Global Technology and Market Development Vice President position from October 2010 to May 2013.

As of May 15 2013, Cevdet Alemdar was appointed as the General Manager of the Temsa İş Makinaları A.Ş.

Non-Company Positions:

In-Group:

LASDER (Tyre Manufacturers Association) Chairman of the Board

LASİD (Tyre Manufacturers and Importers Association) Chairman of the Board

Gökhan Eyigün / Board Member

Assignment Period: 01.04.2017 – until the Ordinary General Meeting of the year 2017.

Gökhan Eyigün graduated from Istanbul Technical University's Business Engineering Department in 1998 with an Honors Degree. Eyigün completed his MBA degree at the Rotterdam School of Management between the years 2002 – 2004, and attended several management training programs at the Harvard Business School.

In his career, which is almost 20 years, Gökhan Eyigün assumed management positions in projects and operations covering many different industries especially in corporate finance, strategy and corporate business development fields.

Eyigün started his career in Arthur Andersen and mostly took consulting projects in Corporate Finance. Following this position, he assumed the establishment and management of the

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Corporate Finance and M&A Consultancy at Pricewaterhouse Coopers. Assuming several different managerial positions at different levels since 2007 at the Sabancı Holding, Eyigün currently holds the Strategy and Business Development Director position at the Sabancı Holding. Eyigün also assumed several board membership positions in various Sabancı Holding Group companies since 2010.

Non-Company Positions:

In-Group:

H.Ö. Sabancı Holding A.Ş. Strategy and Business Development Director

Afyon Çimento T.A.Ş. Board Member

Bimsa Uluslararası İş. Bilgi ve Yönetim Sistemleri A.Ş. Board Member

Çimsa Çimento Sanayi ve Ticaret A.Ş. Board Member

Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş. Board Member

Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş. Board Member

Yünsa Yünlü Sanayi ve Ticaret A.Ş. Board Member

Hasan Cihat Erbaşol / Independent Member

Assignment Period: From 04.27.2012 until the Ordinary General Meeting of the year 2017.

Born in Istanbul in 1944, Hasan Cihat Erbaşol graduated from Darüşşafaka High School in 1962, from Washington Park High School in 1963, and from the Istanbul University Faculty of Law in 1967.

In 1975, he started working as Legal Counselor for a number of Sabancı Holding group companies. In 1994, he was appointed Sabancı Holding's Head of Legal Office, a post he held until January 1, 2001.

Following his retirement from the Group, he has worked as a freelance lawyer and legal advisor. Mr. Erbaşol has completed various studies in the areas of commercial law, private law arbitration, mergers and acquisitions, as well as technology and transfer agreements, contracts, and partnership agreements, having resolved numerous legal disputes. He has also participated in many seminars, conferences and group activities of the ICC (International Chamber of Commerce) and Management Center Europe.

Non-Company Positions: None

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Hüsnü Paçacıoğlu / Independent Member

Assignment Period: From 04.27.2012 until the Ordinary General Meeting of the year 2017.

Hüsnü Paçacıoğlu graduated from Tarsus American College and then from the Middle East Technical University Department of Industrial Management in 1963.

Between 1964 and 1968, he served as Investment Specialist at Karabük Demir ve Çelik İşletmeleri A.Ş. From 1968 to 1996, he worked as Public Relations and Ankara Regional Director, Public Sector Sales Manager, Professional and Technical Services Director, and Assistant General Manager responsible for Marketing, Sales, Product and Services, respectively, at IBM Türk.

Between 1996 and 2005, Mr. Paçacıoğlu served as Secretary General at Sabancı University. Between 2006 and 2011 he was on the Board of Trustees and served as Vice-President of the Executive Committee and General Manager of Hacı Ömer Sabancı Foundation (SABANCI FOUNDATION). As of July 1, 2011, excluding his responsibility as General Manager, he has been on the Board of Trustees and the Executive Committee of Sabancı Foundation. Mr. Paçacıoğlu is a founding member of Safranbolu Culture and Tourism Foundation and a member of Hisar Educational Foundation and Turkish Informatics Foundation.

Non-Company Positions:

In-Group:

Hacı Ömer Sabancı Foundation, Board of Trustees and Executive Committee Vice-Chairman

Yünsa Yünlü Sanayi ve Ticaret A.Ş. Board Member

Afyon Çimento Sanayi T.A.Ş. Board Member

Non-Group:

Turkey Spastic Children Foundation Chairman of the Board / Board of Trustees / Chairman of the Board of Economic Business

Hisar Educational Foundation, Member of the Board of Trustees

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1.8. Executive Committee

Ahmed Cevdet Alemdar

General Manager (3)

Born in 1970, Ahmed Cevdet Alemdar graduated from the Industrial Engineering at Boğaziçi University, and finished his MBA at Sabanci University. On May 15, 2017, he became CEO.

Makoto Hashimoto

Joint Venture Managing Partner

Born in 1960, Mr. Hashimoto graduated from Keio University Department of Engineering Management (Japan). He has been working at Bridgestone Corporation since 1985 and at Brisa since January 1, 2017.

Kazuto Sembu

Executive Coordinator (4)

Born in 1960, Mr. Sembu graduated from Osaka University Department of Business Administration (Japan). He has been working at Bridgestone Corporation since 1983 and at Brisa since May 6, 2014.

Seiichiro Tokunaga

Technical Groups Director (2)

Seiichiro Tokunaga was born in 1958 and graduated from the Engineering Department of Waseda University(Japan). He joined Bridgestone Corporation in 1980 and began his duties at Brisa on 12.20.2010.

Non-corporate responsibilities: none.

Resat Oruç

Assistant General Manager of Finance (1)

Born in 1977, he is a graduate of Marmara University, Department of Economics. He studied Economics at the University of Guelph (Canada) and has been working at Brisa since 01.06.2010.

Non-corporate responsibilities: none.

Yakup Demir

Assistant General Manager, Sales

Born in 1972, he is a graduate of Yildiz Technical University, Department of Naval Architecture and Marine Engineering. He has been working at Brisa since 07.04.1997.

Non-corporate responsibilities: none.

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(*) Egemen Atış

Assistant General Manager, Commercial Products Marketing and Sales (5)

Born in 1977, Egemen Atış graduated from the Middle East Technical University, Department of Mechanical Engineering and has a Master of Business Administration degree from Boğaziçi University. He has been working at Brisa since 08.01.2002.

Non-corporate responsibilities: none.

Ahmet Halit Şensoy

Assistant General Manager, International Markets and OE

Born in 1960, he is a graduate of Middle East Technical University, Department of Industrial Engineering. He has been working at Brisa since 06.04.1988.

Non-corporate responsibilities: none.

() İbrahim Korhan Korel**

Assistant General Manager, Consumer Products Marketing and Sales (6)

Born in 1978, İbrahim Korhan Korel graduated from the Boğaziçi University Department of Chemical Engineering and has been working in Brisa since 05.01.2016.

Non-corporate responsibilities: none.

(*) As of 03.07.2017; Egemen ATIŞ resigned from the post of Commercial Products Marketing and Sales Associate General Manager and Yakup DEMİR has been appointed as the Sales Associate General Manager and Ahmet Halit ŞENSOY has been appointed as the International Markets and OE Associate General Manager and both became Members of the Executive Board.

(**) As of 19.08.2017; İbrahim Korhan KOREL resigned from the post of the Marketing and Entrepreneurship Associate General Manager.

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1.9. Investor Relations

We are grateful to our valuable investors who have supported and encouraged Brisa to become an international scale leader.

We thank the valuable investors who have displayed their confidence in the vision and steps taken by Brisa and encouraged us with their trust and support to embark on new steps ahead

Amendments to the Articles of Association within the Period

No amendments were made to the Articles of Association in 2017.

Selection of Independent Auditing Company

At the Ordinary General Assembly Meeting dated 28 March 2017, shareholders approved the appointment of KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to audit financial reports pertaining to the 2016 accounting period and carry out other activities within the scope of relevant legal provisions in compliance with principles according to Turkish Commercial Code No. 6102 and Capital Market Law No 6362. An independent auditing agreement was signed with KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. on April 10, 2017.

Dividend Distribution Policy

As stated on KAP (Public Disclosure Platform) and the website, the dividend distribution policy of the company is as follows:

“The Dividend Distribution Policy of Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (BRISA) is determined within the framework of the provisions of the Turkish Commercial Code, the Capital Markets Legislation, the article on dividend distribution in our Articles of Association and in line with BRISA’s medium- and long-term strategies, investment and financial plans. The policy is formulated in such a way that considers the national economy and that of the sector while maintaining a balance between shareholder expectations and the needs of BRISA.

BRISA does not distribute advance dividends.

The dividend distribution policy shall be submitted to the approval of shareholders during the General Assembly Meeting. This policy shall be reviewed every year by the Board of Directors in the event that a negative development takes place in national and global economic conditions and in line with the status of the projects and funds on the agenda. The amendments to this policy shall be submitted to the approval of shareholders during the first general assembly meeting following the amendment and be publicly disclosed on the website.”

The Profit Distribution Policy and proposal for distribution of annual profit are available in the annual report, shared with shareholders at the General Assembly meeting, and publicly announced via the “Investor Relations” page on our website.

At the 2016 Ordinary General Assembly Meeting, the Board of Directors’ proposal (dated March 6, 2017) for distribution of profit was accepted, and it was resolved that to strengthen

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financial structure of the company and to create funds for financing of investments, net profit of the company is not distributed to Shareholders and reserved as extraordinary reserves.

Stocks and Bonds Issued

No stocks and bonds were issued in the first nine months of 2017.

2. 2017 Annual Developments and Activities

2.1. Developments in the Sector

In 2017, we observed the continuation of the growth of passenger and commercial tyre segments in China market, while we saw that the demand grew by double-digit numbers both in Brazil and Russian Federation. In the heavy commercial tyre segment, the developing countries' markets recorded growth while the saturated and developed countries' markets experienced a slow down in demand. When we take a closer look at the replacement and original equipment sales in the last 5 years we can see that the market grew by 3,3 %. From a quantity perspective, we can see that the market grew by an estimated 3,1% compared to the previous year and the market reached a total of 3,7 billion tyres. Sustainable growth is expected to continue until 2020 in the global tyre market; therefore global players are accelerating their plans for capacity increase and for building new manufacturing plants.

The demand for passenger vehicle tyres gained momentum in Europe. In European Union countries vehicle sales increased by 3,4 % and for the first time since 2007 more than 15 million new vehicles made an entry to the market. In addition to the growth observed in big markets such as Germany, Italy, France, and Spain new member states of the European Union performed very well and a total growth of 12,8 % was recorded in the new member states' markets. In the European light commercial vehicle market nearly 2 million vehicles were sold and a 3,9 % growth was recorded compared to the same period of 2016. In the same period, the demand for commercial vehicles also increased and recorded an increase of 3,2 % compared to the same period of the previous year with 2,4 million commercial vehicles sold.

By the end of 2017, in the saturated European markets the replacement channel passenger vehicle tyre market shrank by 1 % and the market decreased to 2045 million tyres. When we take a look at the balance between the summer and winter segments despite the mild winter season winter tyres market grew by 1 % while the summer tyres market shrank by 4 %. In the commercial vehicles tyres segment a total of 9,7 million tyres were sold and the market stood at the same level compared to the previous year.

In 2017, compared to the previous year, Lassa Tyres grew more than the market average in markets like Poland, Czech Republic, Bosnia & Herzegovina and Croatia as well as in many big European markets such as Spain, Austria, France, United Kingdom and Portugal and increased its market share. As we enter into the winter tyres period, we can see that the European winter tyres market grew approximately by 1% while Lassa Tyres grew more than the market average and gained market share.

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If we take a look at other markets, we can see that the Egyptian and Iranian markets shrank significantly at the beginning of the year, however these markets showed signs of recovery with the effect of sales campaigns realized towards the end of the year. At the end of 2017, while the Egyptian tyre market shrank, the Iranian tyre market positively recovered and recorded 13 % growth amongst ETRMA member countries. Following the economic embargos, foreign joint ventures regained momentum in the Iranian market and while the number of big tyre brands available in the market were only 20 in 2016 this number increased to 71 in 2017.

When we take a look at Lassa Tyres' performance in non – European markets, we can see that Lassa Tyres grew 5 times in Russian Federation, 2 times in Moldavian market, 50 % in Ukrainian market compared to the previous year. Lassa Tyres performed well above the market average growth in these markets. In Tunisia, where as a means of protecting the domestic production many popular tyre sizes are facing an import prohibition, Lassa Tyres grew its sales by 7 %. In 2017, for the first time, Lassa Tyres were sold in Thailand and Costa Rica.

Lassa Tires' international sales reached an all time high sales quantity during September 2017, and broke an export shipment record to prove once again that it is one of the driving forces of our economy. In 2017, compared to the same period of the previous year, Lassa Tyres' total international sales increased by 25 % in terms of sales revenue. Total Brisa export sales increased by 8 % in terms of quantity and by 33 % in terms of sales revenue.

If we take a look at the Turkish automobile industry, we will see that in 2017 the total passenger vehicle and light commercial vehicle market shrank by 2,8 % and reached a quantity of 956.194 vehicles sold. While the passenger car sales shrank by 4,52 %, the light commercial vehicle segment grew by 2,93 %.

In terms of vehicle production in 2017, compared to the same period of the previous year, total vehicle production increased by 14 % and total quantity of vehicles produced reached to 1 million 696 thousand. The increase in vehicle manufacturers capacity and the growing momentum in exports helped higher capacity utilization thus resulting in a 20% expansion in passenger vehicles production to reach 1 million 143 thousand units. Light commercial vehicle production ended the year with 2 % increase and reached approximately to 517 thousand units. Despite the heavy commercial vehicle segment recording an increase of 23 %, compared to the same period of 2015 the production is still down by 32 %.

Total automotive exports rose by 17 % in 2017 compared to the same period of the previous year. While total exports reached 1 million 333 thousand units, passenger vehicle exports increased by 24 % and approximately 921 thousand vehicles were sold.

The Turkish tyre market achieved two digit growths in certain segments in 2017 and left behind a year focused on development and kept its potential for the years to come. Turkey's tyre industry leader Brisa determinedly continued to realize its investments to pioneer this growth.

The Turkish replacement tyre market recorded double - digit growths in terms of both the passenger vehicle segment and the light commercial vehicle segment. In the passenger vehicle

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winter segment the market grew by 33 % and with the support of this segment the passenger vehicle segment in general expanded by 16 %.

In 2017, compared to the same period of the previous year, domestic replacement market sales of Brisa increased by 6 % in terms of quantity and in the passenger vehicle segment Brisa sales increased more than the market average and gained market share. While Brisa sales increased by 19 % in the developing and high value added tyre segment, in the economy segment, where there is intense competition despite the growing market, Brisa performed better than the market average with its Dayton brand both in the consumer and in the commercial segments by including winter tyres to its product portfolio and increased its market share.

In the domestic replacement agricultural segment where Lassa's implementations differentiate its agricultural tyres, Lassa realized a higher growth than the segment average and gained market share.

In 2017, Brisa put forth its determination in terms of retailing and entrepreneurship and increased the pace of its projects. Brisa switched to a franchise business model in the Otopratik Service Concept, which offers a profitable business opportunity, and continued to invest in swiftly setting up a sales network in the Turkish after sales market. Today, the number of Otopratik sales points reaches 45 points nation wide and Brisa aims to increase this number to 200 in the next 5 years to come.

As a result of all these developments, Brisa realized 6% growth in terms of quantity in the domestic market and 29 % increase in terms of net sales revenue during the January 1st – December 31st 2017 period.

Brisa continued to own up a pioneering role with the products, services and business models that it provides as the innovation leader of Turkey.

2.2. An Overview of 2017

We cultivate technology in the lands of Turkey

Our R&D Center located inside our İzmit manufacturing plant has been certified by the incentives of the Ministry of Science, Industry and Technology in order to accelerate our value added product development and production operations. Taking end user experience as our priority, we aim to develop our products parallel to the needs of the market with our technology generation capability and increase our current domestic production ratio of 94 % thorough Turkish engineering and workmanship. The Kocaeli Science, Industry and Technology provincial directorate honored Brisa with an R&D Success Prize in 2017.

Counting down to start production in our Aksaray manufacturing plant

We have increased the pace of production projects in our Aksaray manufacturing plant. We plan to start production in our plant, which is nearing to the end of its set – up phase.

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We Increased the Pace of Our Retailing & Entrepreneurship Projects

- **Brisa included its business partners to its innovation projects**
Brisa started the “Pioneers of the Journey” challenge in order to extend and award customer oriented and innovative projects that are carried on in cooperation with Brisa business partners and sales teams. Brisa awarded 3 projects that were implemented amongst all the participating projects.
- **We are expanding the fast fit franchise chain Otopratik nation - wide**
We have increased the pace of projects geared towards potential investors with the aim of expanding the innovative Otopratik sales point chain. We plan to increase the number of Otopratik sales points to 200 from 45 in 5 years. In that manner, in 2017, we opened 7 Otopratik points in Bursa, Kocaeli, Malatya, Zonguldak, Kars, Konya and İzmir and we opened 2 new Propratik points in Istanbul.
- **We enriched the service experience in our Otopratik and Propratik points with an innovative software that provides technical support**
We started to provide online support especially for the personnel working at Otopratik and Propratik points with the system that is developed by HaynesPro B.V, who is the leader of the online technical data market leader of the European automotive industry. The software developed by the Dutch based technical software company HaynesPro B.V offers instant support to the mechanics and technicians who are working for the maintenance and repair of passenger, light commercial and heavy commercial vehicles.
- **Otopratik enriches the vehicle service and maintenance experience with Castrol partnership**
Our vehicle maintenance center offering 360 degrees service, Otopratik, signed of a strategic partnership with Castrol, which is one of the biggest brands of the lubricants market. With in the scope of this agreement, Otopratik points will help consumers to meet with the lubricants developed and produced by Castrol’s high technology.
- **The Otopratik web site is renewed!**
The Otopratik web site, which we set – up with the fast and trustworthy vehicle maintenance concept, has been renewed in order to offer customers the most ideal experience
- **Our online sales channels are diversifying with in our digital transformation process**
As part of its digital transformation journey, following the first steps of its multi - layered sales channel strategy, Lastik.com.tr, which is in line with Brisa’s mission to add 360 degrees value to its customers, Brisa started to work directly with the biggest players of the online sales industry Hepsiburada, Gittigidiyor, N11. Analyzing the changing purchasing habits of customers with the Digital Customer Footprint project, we supported Brisa’s multi layered channel (Omni channel) approach.

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We Strengthened Our Brand Promotion And Sales Activities In Order To Become The First Choice Of Passenger And Light Commercial Vehicles Owners

- **Bridgestone Driveguard Run flat Tyres Are Available In Turkey**

We have presented Bridgestone’s run flat tyre Driveguard that can travel for 80 kilometers at a speed of 80 kilometers per hour to the market. We have promoted Bridgestone’s Driveguard, which created a new category in the tyre industry, with an extraordinary advertisement spot. We invited Lars Andersen, who is the fastest arrow shooter of the world, to Istanbul to feature in our advertisement spot. In the spot, despite being shot by Andersen’s arrow, Driveguard successfully continued travelling. We also held a promotion activity in Adana with our business partner geared towards female associations.

- **100% Locally Produced Lassa Driveways and Driveways Sport put their marks on 2017**

We presented the 100% domestically produced 16” and above segment tyres Lassa Driveways and Driveways Sport for comfort and sports oriented customers in domestic and international markets. Lassa Driveways steps forward with efficient fuel consumption and durability features and is targeting a wide segment of vehicles from middle class sedan vehicles to upper class comfort vehicles. Lassa Driveways Sport is developed for drivers who enjoy a sportive drive and targets compact, middle and luxurious sports and high performance segment vehicles. With these new products, Lassa Tyres increased its product coverage to 90% levels for the Turkish replacement market.

- **Lassa Greenways proven to be the best of its segment**

According to the field tests Lassa Greenways can travel up to 3 times more compared to its most favorably priced competitor and provides vehicle owners a savings ratio of 45%. Turkey’s most durable tyre Lassa proved that it is the most economic and sustainable choice in the long run by covering more than 3 times the distance compared to its most favorably priced competitor according to the field tests held by Lassa.

- **The domestic production of Dayton has started**

We started the domestic production of Dayton branded tyres, which are presented to the market by Bridgestone worldwide and which Brisa has been presenting to the market since 2014 as an import product, in our İzmit manufacturing plant

- **Bandag, with aim of being “Built For Better”, celebrated its 60th birthday**

Brisa’s tyre retreading brand Bandag celebrated its 60th birthday worldwide with the introduction of its new logo and its new slogan “Built For Better”. As Brisa, during Bandag’s 60th birthday, we focused on strengthening the presence of tyre retreading segment in the industry as a sustainable business solution.

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- **Lassa.com.tr has been renewed**

Lassa renewed its web site considering the consumer needs during the winter period. Lassa gave coverage to beneficial information about tyres and to its tyre models in the renewed web site and brought forward the online sales channels focusing on tyre and dealer locator feature.

- **Lassa and Massey Ferguson Joined Their Powers For Promoting Substantial Agriculture**

Lassa partnered with AGCO's Massey Ferguson brand, which is one of the most important brands of one of the biggest tractor and agricultural vehicles groups worldwide. With the partnership, Lassa agricultural tyres are made available to Turkish farmers with a 5-year product guarantee at Massey Ferguson's nation – wide dealers.

- **#BabamlaOmuzOmuza (#Standingshouldertoshoulderwithmyfather) with Lassa**

For a Father's Day campaign, Lassa offered participants the chance to take their father to Barcelona who shared their pictures taken together with their fathers wearing a jersey or a scarf with the #BabamlaOmuzOmuza (#Standingshouldertoshoulderwithmyfather) tag.

We Are Working Towards Being The First Choice Of Our Heavy Commercial Vehicle Customers

- **World's first and only mobile lorry service vehicle Mobilfix is offering fleets the chance of accessing its services at their own garages during its Anatolia Tour**

Our Mobile Lorry maintenance service Mobilfix visited 11 cities during its Anatolia Tour and offered 21 fleets a wheelbase adjustment service at their own garages. Fleets visited by Mobilfix were offered a report on expected good life and fuel waste according to their wheelbase easements. Mobilfix aims to increase service consciousness with these activities and owns up a very important role in terms of bringing in new customers.

- **We started new partnerships with Fleets**

We have expanded the scope of our Profleet fleet management solutions partnership with Kâmil Koç with whom we have commercial relations since 2008. Murat Lojistik, which is one of the biggest Turkish cold chain fleets, started using the Profleet consultancy and services pack as part of our Profleet fleet solutions partnership agreement we developed specifically for fleets.

- **A new partnership from Brisa and Karsan**

We carried our long term OEM partnership with Karsan, which is one of the most important players of the Minibus category, one step forward with Lassa brand's leadership. With this new agreement between Karsan and Brisa, consumers who buy a new model of Karsan Jest+ minibus series can be reached following their initial purchases to be offered a wide variety of benefits.

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- **We offered our commercial products segment clients a chance to enjoy a game at Camp Nou**

As part of our commercial products segment campaign, we offered our customers who bought 2 bus / truck tyres from Lassa or 4 steel midibus / van tyres or 2 backhoe loader tyres the chance to attend the FC Barcelona - Sporting Gijon at Camp Nou.

- **The web site for our service chain Propratik designed for commercial vehicles is online**

The pioneering brand of the commercial vehicles service industry Propratik is now operating in the digital world. Propratik.com.tr is brought online in order to introduce customers and dealer prospects with the Propratik World and to provide easy access to information about commercial services and advantages.

- **With the Brisa and Turkcell partnership truck drivers can reach the end of their journeys but not the end of their broadband data packages!**

Brisa started a new special broadband data package campaign designed for truck and bus drivers with its Turkcell partnership. Within the scope of this campaign drivers who chose Brisa products in the truck, bus, and light commercial tyres segment were entitled to win broadband data packages from Turkcell up to 12 GB.

Lassa Tyres' Journey To Become An International Brand Continues

- **We came together with our British and Austrian business partners**

Our Brisa International Markets team carried out “Austria Business Partners Meeting” and “United Kingdom Distributors Meeting”. In these meeting we shared with our partners our operations, our International Markets vision and Lassa Tyres’ new product range.

- **Lassa Tyres carried out a special activity for FC Barcelona employees**

Lassa Tyres measured the tyre tread depths and air pressure of more than 50 vehicles belonging to FC Barcelona employees at the car park of Camp Nou Stadium as part of the “Your Safety Is Our Priority” campaign. With this campaign, FC Barcelona employees participating in the activity were offered a special discounts and were directed to Lassa Tyres’ sales points

- **We are reaching to consumers with field activities in international markets**

We increased the pace of our field activities abroad in order to strengthen Lassa Tyres’ brand awareness in the global markets. As part of these activities we provided fans that attended the FCB Lassa vs. Kiel handball game with a tyre check – up at the Camp Noun Stadium car parks.

In the activities carried on under the “Your Safety is Our Priority” slogan, we measured the tyre tread depths and tyre pressures of 467 vehicles and informed consumers about the results.

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- **We introduced the new Lassa Tyres products at the Autopromotec Trade Fair in Bologna**

Lassa Tyres team introduced the newly developed Driveways family to the Italian consumers at the 27th Autopromotec fair in Bologna.

- **Brisa International Markets renewed the CIS (Customer Information Systems) infrastructure considering the changing needs of our customers**

Brisa International Markets renewed the infrastructure and contents of the CIS network in order to enable our customers with easy digital reach to the marketing documents they may require. With this renovation, we aim to be closer to our customers and be able to respond their needs as swiftly as possible.

We Are Aware Of Our Responsibilities, We Are Working To Add Value To Our Shareholders

- **Brisa employees and business partners were in Adana for the “Turnalar Hep Uçsun” (Let The Cranes Fly) project**

As part of the Let The Cranes Fly project Brisa and WWF – Turkey visited a village school in Adana to give information about cranes, analyze books and make origami with the attendances of Brisa employees and their families. Our business partners in Adana and their families joined us at another event we held in Yumurtalik province of Adana where we observed cranes.

- **Lassa Tyres is on the roads with the “Sevdamız Ortak, Yarınlarımız Ortak” (soil is our passion, our future is joint) slogan**

Starting from 2017 Lassa Tyres revised the name of its prior project “Tarım Sağlamsa Gelecek Sağlam” (Our Future Is Strong As Long As Agriculture Is Strong) that continued for 3 years to “Sevdamız Toprak, Yarınlarımız Ortak” (soil is our passion, our future is joint). With this project we visited 609 villages, reached approximately 23.000 farmers, offered 722 hours of training sessions and mounted more than 17.000 reflectors to tractor trailers free of charge. In 2017, Lassa Tyres spent 65 days on the field and visited 158 villages in 23 cities, mounted 4.650 reflectors and offered consultancy to 3.250 farmers about sustainable agriculture. Lassa Tyres celebrated the World Farmers Day together with farmers of Bursa at the Yamani village. Lassa Tyres Agriculture Consultant presented information about good agricultural practices to 365 farmers, who attended the celebrations with their families.

- **Bridgestone developed artificial muscle for robots to be used at disaster zones**

Our partner Bridgestone developed a special artificial muscle for robots to be used in disaster zones. The project was carried on with the Technology Institute of Tokyo partnership, and a high performance artificial muscle of rubber with hydraulic propulsion, which can move like a human muscle, was developed.

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- **Bridgestone organized the Pike Şenoğlu Cup Tennis Tournament for the 5th time**
The İpek Şenoğlu Cup Tennis Tournament open to all tennis players over 18 years old was organized for the 5th time with the main partnership of Bridgestone. The tournament took place between 30.March.2017 – 9.April.2017 at the Antuka Tennis Academy in Istanbul with the attendance of 518 players and all the revenue made from the tournament was donated to The Hope Foundation for Children with Cancer.
- **Lastik.com.tr promoted a special social responsibility campaign on Valentines Day**
During Valentines Day, Lastik.com.tr communicated the slogan “Bir kuşu, kelebeği, bir taşını sevin yeter!” (It is enough to love a bird, a butterfly or a pebble). With this campaign, visitors of the website was directed to Darüşşafaka Foundation, Turkey Seed and Early Diagnosis of Autism Education Foundation, and other non – governmental organizations’ donations pages located on the acikacik.org website through visuals.
- **We provide value to the environment with the leadership of females through our Sustainable Retail Point project**
As part of our Sustainable Retail Point project, we started a certificate program geared towards the female employees working in our partners’ retail points under the name “Heroes of Customers”. Betül Demirel from İzmir Dalita Otopratik retail point became the hero of our project with her “Bir Fidan, Bir Nefes” (One Sapling, One Breath) sub – project targeting to provide value to the environment with forestation.
- **With our coaching and mentoring processes we are marking our foot prints into the future**
Our company is making investments with many projects that it is realizing for talent and leadership development and it is further differentiating itself under the leadership of our Human Resources Department with the coaching and mentoring processes. This process by Brisa took its place in literature as an exemplary implementation with the “Building and Sustaining a Coaching Culture” book.
- **The solar powered vehicle developed by Istanbul Technical University (ITU) students is in Australia with the support of Bridgestone!**
Bridgestone is supporting the World Solar Challenge, which has been a competition platform for solar powered vehicles developed by engineering students for the past 30 years, as the challenge’s naming partner. This year, the vehicles competing in the challenge used Bridgestone’s ECOPIA Logic tyres. This year ITU GAE teams’ students formed the only Turkish team attending the Challenge and were supported by Bridgestone.

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- **Otopratik attended the Castrol Road Safety Festival**

Castrol organized an activity in Istanbul Park in order to remind the importance of safe driving to its employees and to their families. Our company participated to the activity with its Otopratik brand in order to explain the contributions of vehicle maintenance and right tyre choice to the attendants.

- **Brisa's new graduates of the Heroes of Customers program**

The second program of the Heroes of Customers project, which we organize for the female employees of our business partners, was completed with a certificate ceremony. With this project we aim to empower the female employees with professional information and experience so that customers visiting the retail points of our business partners will not only buy tyres but will also be entitled to reach to an environment where they can find detailed and trustworthy information about tyres and their vehicles.

2.3. Manufacturing and Products

In 2017, we operated at a high capacity utilization ratio, manufacturing 10,6 million units.

Being one of Europe's largest tyre manufacturers, our company conducts its manufacturing operations in İzmit at facilities built on a closed area of 361,000 square meters. The factory, which is a major base in the global manufacturing infrastructure of the Bridgestone Corporation, has important competitive superiorities within the sector thanks to its manufacturing planning flexibility, capacity to produce products that meet the needs of the market and customers, and its capability to manufacture import products at the local level.

Our New Products and our Growing Portfolio

We manufacture tires under the Bridgestone, Lassa and Dayton brands that comply with international safety and quality standards for automobiles, light commercial vehicles, buses, trucks, agricultural machinery and heavy-duty vehicles.

Besides our manufacturing operations, we offer to the market a variety of 1,800 types of tyres by importing Firestone brand agricultural tires, Bridgestone brand motorcycle tires and Kinesis brand forklift tyres.

We also provide tire retreading services under the Bandag brand.

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While aiming to provide a well-balanced product portfolio to vehicle owners by offering them the criteria of Bridgestone brand performance, environment and safety, we also offer a concept of “Balanced Performance” that prioritizes economy, comfort and sturdiness with our Lassa brand products.

The new products in 2017 were;

- Lassa Driveways and Lassa Driveways Sport
- Lassa Energia 520D
- Lassa Competus A/T 2
- Lassa Iceways 2
- Bridgestone Driveguard ve Driveguard Winter
- Bridgestone Turanza T001 EVO
- Bridgestone Dueler A/T001
- Bridgestone M749 Ecopia,
- Bridgestone Ecopia H-Trailer
- Bridgestone M-Steer 001
- Bridgestone M-Drive 001
- Bridgestone M-Trailer 001 (M Series)
- Bridgestone L355 EVO
- Bridgestone L317 EVO
- Kinesis Standart Line
- Dayton D500S, D600D, D400T
- We started the local production of Dayton branded products

	1 January- 31 December 2017	1 January- 31 December 2016	Change %
Production Quantity (Unit)	10.638.228	9.641.140	10
Capacity Utilization Ratio	89.2%	83.1%	7

2.4 Domestic distribution and channel management

Our customers are at the focal point of our business. With this understanding, we continue to broaden the reach of our stores every day to make them easily accessible to our customers. We are also constantly improving our stores in order to be able to meet our customers' expectations and to give them the experience of excellent tire purchasing.

Through our sales and service network, we aim to establish expert and reliable points easily accessible by vehicle owners and to offer the most effective sales and after-sales service organization within the sector.

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Our target is to develop and expand our sales network together with our business partners, who share the same business culture that we enjoy. We focus on each one of the retail, wholesale and fleet distribution channels in order to make our business processes more effective.

Besides our Bridgestone, Lassa and Lastiğim (My Tire) sign boarded sales points, we provide our passenger and light commercial vehicles easy, quality, economical and fast vehicle maintenance service at our OtoPratik stores. We continue to grow, adding new stores every day to the sum of our 45 OtoPratik stores all around Turkey.

Meanwhile, our ProPratik stores, where we provide sales and services to heavy commercial vehicle drivers, offer Bridgestone and Lassa brand products for the bus-truck segment, Bandag tire retreading, and basic vehicle and tire maintenance services, all under one roof.

We are also widening the reach of our Speedy, Lastik V points and the Bridgestone Box to provide the accessibility to our products and services that vehicle owners need. We convey our service concept to our customers with Mobilfix and Probox

Besides conducting national and international campaigns to increase the desirability and customer traffic of our sales points, we run Customer Relations Management (CRM) activities on a regular basis. We give weight to “Customer Relations Management and Guarantee Practices” training in order to increase the competence of our business partners.

Just as we pay a great deal of attention to the enrichment of the products and services we provide to our customers at our sales points, we implement a trustworthy education and controlling system in order not to make any concessions from standards. We frequently get together with our business partners who score below the Customer Satisfaction Evaluation average score in order to increase their awareness about customer satisfaction.

Developing relations with our business partners matters to us to ensure long-term collaborations based on a strong foundation and mutual trust and to contribute to the sustainability of their businesses. With the growth vision cultivated together with Brisa's business partners, we offer a "New Generation On-the-Job" certification program that aims to broaden the vision of family firms that are enriched and diversified by the transition of ownership from father to son, to brother, to nephew or the participation in the firm of these persons.

The number of OtoPratik stores reaches 45

The stores of OtoPratik, which were initiated to fulfill the vehicle owners' needs such as tire and vehicle maintenance service at the same place, reached 45 in 26 cities by the end of 2017

ProPratik continues to serve especially for fleets

ProPratik stores, the sales and service chain targeting heavy commercial vehicle drivers, reach drivers at 6 points throughout Turkey. Our stores fulfill the sales and service needs for tire, battery, spare parts and accessories with innovative solutions and supports drivers for an efficient and safe drive.

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- Our new Bridgestone and Lassa stores: Adana, Adıyaman, Afyon, Amasya, Ankara, Balıkesir, Çorum, Denizli, Diyarbakır, Erzincan, Eskişehir, İstanbul, Kocaeli, Mersin, Sakarya, Sivas, Tokat, Van
- Our new OtoPratik stores: Bursa, İzmir, Kars, Konya, Malatya, Siirt, Zonguldak
- Bridgestone Box: Our mobile sales point awarded with an innovation prize is in the service of customers in Antalya, Bursa, Düzce, Gölcük, İstanbul, Konya, Sakarya and Yalova.
- New ProPratik stores: İstanbul
- This year, we served 1.013 vehicles of 42 mega fleets in their garages with Mobilfix, which present service to big fleets all over Turkey.
- Probox: Used for 5 big infrastructure projects in Istanbul.
- Bandag stores: Adana, Ankara, Antakya, Antalya, Batman, Bursa, Denizli, Gaziantep, İstanbul, İzmir, Kastamonu, Kayseri, Kocaeli, Konya, Malatya, Mersin, Samsun, Trabzon

2.5 Domestic Market Marketing and Sales

The effective management of the digitalization process we are conducting in our company enables the enrichment of the value we offer to our customers with our marketing and sales projects. We are working to structure an unparalleled customer experience by putting together new combinations of information, organizational resources and digital technologies and by developing new business models. We are striving to be the first choice of our customers for their tyre changing and vehicle maintenance preferences.

We are positioning Brisa not just as a tyre producer but also as a “value provider”. As we are preserving our leader position in the Turkish market with our powerful brands, we are offering value - providing services meeting the expectations and needs of our customers. Our aim is to carry further the customer satisfaction levels while also compounding the brand related experiences of all our customers and shareholders whose lives we are interacting with.

We are conducting frequent meetings with randomly selected customers of our business partners in order to measure customer satisfaction and our performance in our services. We are taking necessary actions at required points together with our business partners by regularly measuring our satisfaction and advisability levels. By doing so, we are always approaching our customers with a focus on increasing the quality of our products and services.

More over, we are carrying on special projects with our business partners who are assuming a key role in terms of customer satisfaction. We are conducting a coaching program to strengthen our relations with our business partners and to swiftly adapt those who have recently joined to the Brisa family. With in the scope of this coaching program we are aiming to popularize the good implementation examples by informing our business partners about our customer approach, customer satisfaction standards, and good implementations. Further more, we are organizing our monthly operational agenda according to the expectations of our business

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partners by regularly following their views of the future conducting a “confidence Index” every month.

In addition to the investments we are making into our business partners and customers network, we are further diversifying the communication channels with which we reach them. We are executing campaigns to reinforce the image and brand awareness of our Bridgestone and Lassa Tyres brands, which are amongst the most sincere brands of Turkey.

As part of our mission to offer innovative and value adding experiences to our customers and as a first in our industry, we started a project so that our customers can reach us over the Whatsapp application between 08:00 – 20:00 during the weekdays and 09:00 – 18:00 during the weekends. We also collaborated with Webhelp to develop “Sor’un” application to offer our customers live help so that we continuously keep communicating with them.

Our "Profleet" services strive to offer fleet customers the perfect Brisa experience

- We recycle 20% of the tires that our customers set aside as scrap, adding value both to the environment as well as to our customers.
- With Filofix, we continue to provide Turkey's first and only road assistance service in the 12th year of its existence. In 2017, we gave road assistance service to yılında toplam 830 vehicles in total.
- We have examined more than 1 million tires to gather the experience to advise our customers about their needs.
- We focused on creating savings over total costs and started a Mobilfix Turkey Tour. With this organization we reached a total of 42 fleets consisting of 1.013 vehicles and offered them our services on how to save on fuel costs at their own garages. We were able to save a total of 7 million TL through savings on tyre wear life and fuel consumption.
- We are developing our product performance and service quality by investing in new covering technologies equipment (Shearography).

We got together with our business partners

- Brisa Dealers Meeting with the participation of top executives from Sabanci Holding, Bridgestone and Brisa and “We Are Listening To You” dialogue sessions.
- Aksaray manufacturing plant tour for Brisa retail and commercial business partners and Business Partners Council meeting.
- Pratik Family Business Partners Council meeting held together with business partners carrying Otopratik and Propratik signs in their sales points.
- Youplay activity meeting organized by FC Barcelona in Spain for our business partners who successfully fulfilled the requirements of national and international sales campaigns.
- “Competus Discovery Convoy” adventure with our business partners at the Likya Road.
- Trips held abroad for our business partners who successfully fulfilled the requirements of yearly sales campaigns.

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- “Welcome Meetings” for business partners who recently joined the Brisa family at the İzmit manufacturing plant.
- “Sahadabiriz” (“Weareoneinthefield”) activities which are sales points visits allowing one on one sales experience held with groups consisting of our top executives, employees and sales teams.
- “My Business Partner is Digitalizing” meeting.
- “Service Technician Development Certificate Program” developed for our business partners’ service employees.
- “Heroes of Customers – Customer Experience Expert Certificate Program” developed for our business partners’ female employees.
- “Customer Experience and Work Safety” training seminar held for our business partners and their employees serving under İzmir District Management team.
- “New Generation at Work” program conducted with Akbank Family Companies Academy and Sabancı University Management Development Unit EDU partnership for the 2nd and 3rd generation family members of our business partners.
- Customer Experience Development and Implementation training sessions developed for Otopratik employees.

In order to promote our brands, we participated in the 27th Autopromotec Fair held in Italy, Bologna and we also joined the 15th International Construction Machinery, Technology and Equipment Trade Fair, Transist 2017 International İstanbul Transport Congress and Exhibition, Big Boyz Festival, and agriculture fairs in Burdur and Samsun.

Promotion activities for Bridgestone brand

- Bridgestone Driveguard advertisement spot shot with the Lars Andersen, who is the fastest arrow shooter of the world.
- Winter tyre advertisement spot shot to promote that safe driving is also possible under heavy winter conditions.
- “#emniyetimiziçin2dakika” (“2minutesforoursafety”) project to inform end users and increase awareness.
- Sponsorship of the Sales and Communication Awards Night of the Automotive Distributors Association.
- Sponsorship of the “Car of the Year” awards ceremony of the Automotive Journalists Association.
- Sponsorship of the General Asseby Meeting of International Freight Forwarders Association.
- Sponsorship and communication activities of “Bridgestone İpek Şenoğlu Cup – Tennis Tournament.
- Tyre Sponsorship of ITU GAE teams competing in the 2017 World Solar.
- Participation to the biggest motorcycle festival of Turkey held in Manavgat with Bridgestone Motorsport team.

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Promotion activities for Lassa Tyres brand

- FC Barcelona ‘Official Global Tyre Partner’ advertisement spot.
- Promotion activities in FC Barcelona games.
- Communication activities of “Turkey’s Leader Tyre Lassa” concept.
- The new advertisement spot with which Lassa Tyres announced its leadership.
- “Biz Korkmayız Kardan Kıştan” (“We are not afraid of snow and winter”) advertisement spot.
- Product integration project for the most liked TV series of Turkey, “Çukur”.
- Radio spots targeting light commercial vehicle drivers.
- “Sevdamız Toprak, Yarınlarımız Ortak” (“soil is our passion, our future is joint”) project.
- “World Farmers Day” celebrations.
- “World Female Farmers Day” celebrations.
- “Lassa Ramadan Festivities” project.
- Tractor Challenges Sponsorship.
- Performance videos especially shot for the Lassa Competus Family.

In addition to the projects of our brands designed end users, we also carried on projects such as industrial press conferences and several other sales campaigns for commercial products. Through our partnership with Turkcell, we offered up to 12 GB broadband data packages in return for bus and truck tyre purchases, and we also carried on summer tyre campaigns offering discounts. Through another partnership with Garanti Bank, we offered special campaigns for payments of Motorized Vehicles Taxes.

Retailing Projects:

- Through our online sales channel, Lastik.com.tr, we offered campaigns to Sabancı Holding and Renault employees. We carried on channelless customer experience projects with the Touch & Buy sales point.
- We participated in Customer Services and Experiences Summit and Big Boys Festival with Lastik.com.tr and conducted promotion projects.
- We conducted the social responsibility campaign “Bir kuşu, kelebeği, bir taşı sevin yeter!” (It is enough to love a bird, a butterfly or a pebble) with Lastik.com.tr on Valentine’s Day.
- We conducted promotion campaigns with Lastik.com.tr & Otopratik at Otosan Technology Days.
- Our brand Propratik, which is developed to serve the commercial vehicle service industry, opened its new website Propratik.com.tr.
- We renewed the Otopratik web site.
- We organized an industrial press meeting.
- We conducted promotion campaigns with Otopratik brand developed for Castrol employees and for their families at the safety driving organization.

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- Otopratik winter maintenance campaign and several other bank partnerships for Motorized Vehicles Tax payments.
- We held an Otopratik training session for senior class students at the Samandıra Vocational and Technical Anatolian College Education Fair.

2.6 International Marketing and Sales

With close to 600 stores abroad, new sales channels and effective marketing activities, Lassa continues to grow with giant strides, as it continues along its international journey.

Besides being a sector leader in Turkey, our goal is also to be an arbiter that adds value to business partners and end users in the international arena. With this in mind, we are making progress in international markets, working to increase Lassa-labeled sales points and engaging in efforts to improve brand awareness as we capture the loyalty of our business partners.

Lassa-brand tires, made in Turkey and manufactured through the hard work of Brisa employees, are now available in more than 60 countries.

Afghanistan	China	Guinea-Bissau	Lithuania	Russia
Albania	Croatia	Hong Kong	Macedonia	Serbia
Algeria	Cyprus	Iran	Malezya	South Korea
Austria	Czech Rep	Iraq	Malta	Spain
Azerbaijan	Denmark	Israel	Moldova	Sweden
Belarus	Ecuador	Italy	Morocco	Syria
Benelux	Egypt	Jordan	Pakistan	Thailand
Bosnia	Finland	Kosovo	Panama	Tunisia
Bulgaria	France	Kyrgystan	Peru	UK
Cameroon	Georgia	Latvia	Poland	Ukraine
Capo Verde	Germany	Lebanon	Portugal	Uzbekhistan
Chile	Greece	Libya	Romania	Singapur

We continue with our strategy of deepening involvement in existing markets and entering new markets with Lassa.

The stores not only constitute a significant part of our vision of enriching our business and providing added value to our customers, but also reflect the trust and faith the sector has in the Lassa brand. The number of sales points that wished to maintain their sales and services under the Lassa sign reached almost 600 in 2017.

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Turkey's leading brand Lassa is moving forward to make its name heard in international markets. 2017 became a year that Lassa pursued devoted efforts for international recognition.

We kept on our international promotion events in context of "Official Global Tire Partner" agreement with FC Barcelona, which is Lassa's biggest step to becoming a global brand so far.

We participated in the 27th Autopromotec Fair in Bologna, Italy during 24 – 28 May 2017, and presented the high performance, safety, and comfort our 16 inch and above Lassa Driveways and Driveways Sport tyres provide to the views of the international industry representatives.

2.7 Investments & R&D Operations

With its strong faith in the potential progress of the tire industry and in an effort to supply the foreseen demand for passenger and light commercial vehicle tires, our Management Board decided at its Board Meeting number 2013/18 on October 4, 2013 to invest in a second factory that would cost around USD 300 million and be located in Aksaray Province Organized Industrial Zone (OIZ). The factory was commissioned in 2014 with our aim to establish it initially on 135,000 m² out of a total area of 952,903 m² in 2018.

We conduct our operations with the "adding value to the journey" philosophy. In 2017, we made a total investment of 41.3 million USD into the modernization and capacity increase process of our İzmit Manufacturing Plant along with our investments into other business units.

In 2017, we invested a total of 33,8 million USD, of which 28,1 million USD is covered by the Incentive Certificate, for the renovation, modernization, and capacity increasing processes to our manufacturing plant located in İzmit. Additional 7,5 million USD invested in other business units. We invested a further 112,7 million USD into the construction of our second manufacturing plant located on the Aksaray Organized Industrial zone. The total investment spent for our Aksaray Manufacturing Plant until today is 296,2 million USD.

Brisa possesses important competitive advantages in terms of R&D operations and houses a product test center under its manufacturing plant structure, which is recognized by the Turkish Standards Institute. Brisa İzmit Manufacturing Plant is one of the pioneering facilities of Brisa's main partner Bridgestone Corporation and Brisa works in coordination with the technical centers of Bridgestone Corporation located in Rome and Tokyo.

Brisa applied to the Ministry of Science, Industry and Technology of Turkey to take advantage of and be recognized as an R&D Center under the incentives and exemptions offered within the scope of the decree no: 5746 about Supporting the Research and Development Operations, and received the right be named an R&D center as of 27.04.2017.

	2017	2016	2015	2014	2013
Izmit Plant Investment (Million US dollar)	33,8	47,5	48,3	59,7	52,4

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Our company, which holds important competitive superiority in the area of R&D, hosts a product testing center recognized by the Turkish Standards Institute.

Brisa Izmit Factory, which works in coordination with Bridgestone Corporation technical centers in Rome and Tokyo, is one of its major facilities.

2.8 Financial Results & Ratios

Brisa continued its leadership of the domestic market while continuing its investments

The increase in raw materials prices, especially in rubber prices, experienced in the first half of the year reversed into a declining trend in the third and fourth quarters of the year. The pressures resulting from exchange rates started to decline with the decrease in parities and with this positive effect we were able to provide a substantial increase in our net profitability. The significant increase in commodity prices compared to the same period of the previous year has been compensated with effective pricing strategies, increasing the sales of higher value added products and growing the volume of export sales. With all these developments, the 2017 total sales performance of Brisa increased 29,9 % in terms of sales revenue and 26,6% in terms of gross profit margin compared to the same period of the previous year. This considerable increase in terms of sales revenue reflected on the EBITDA performance and Brisa achieved a 35% increase in terms of EBITDA and reached 325 million TL.

In return, due to increasing loan use, the financing expenses reached to the level of TL 160 million which represents an increase of 15% over the last year.

In consequence of all such developments, an increase of 19% in net profit occurred in compare to the last year and reached to TL 95.2 million.

Sales Quantity	1 January- 31 December 2017	1 January- 31 December 2016	Change %
Domestic	6.619.053	6.273.962	6
Export	4.731.656	4.395.608	8
Total	11.350.709	10.669.570	6

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Sales Quantity (Channel Based)	1 January- 31 December 2017	1 January- 31 December 2016	Change %
Replacement	5.141.739	4.837.568	6
OE	1.477.314	1.436.394	3
Domestic Total	6.619.053	6.273.962	6
Lassa Export	3.504.425	3.473.311	1
Bridgestone Export	1.227.231	922.297	33
Export Total	4.731.656	4.395.608	8
General Total	11.350.709	10.669.570	6

(Million TL)

Net Sales	1 January- 31 December 2017	1 January- 31 December 2016	Change %
Domestic Sales	1.664,6	1.292,2	29
Export Sales	629,6	474,3	33
Total Net Sales	2.294,1	1.766,5	30

(Million US Dollar)

Gross Export	1 January- 31 December 2017	1 January- 31 December 2016	Change %
Export Sales	184,3	168,1	10

(Million TL)

Summarized Income Statement	1 January- 31 December 2017	1 January- 31 December 2016	Change %
Net Sales	2,294.1	1.766,5	30
Gross Profit	611,1	518,6	18
Operating Profit	257,4	218,6	18
Net Profit	95,2	80,1	19

EBITDA	325,4	241,7	35
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* EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses.

Operation and Profitability Ratios	31 December 2017	31 December 2016
Gross Profit Margin (Gross Profit/Net Sales)	%26,64	%29,36
EBITDA Margin (EBITDA/Net Sales)	%14,18	%13,68
Net Profit Margin (Net Profit/Net Sales)	%4,15	%4,54
Return on Asset (Net Profit/Assets)	%2,94	%3,23
Return on Equity (Net Profit/Equity)	%15,41	%15,65

Liquidity Ratios	31 December 2017	31 December 2016
Current Ratio (Current Assets/Current Liabilities)	1,30	1,15
Acid-Test Ratio (Current Assets-Stocks / Current Liabilities)	0,94	0,84

Financial Growth Ratios	31 December 2017	31 December 2016
Total Liabilities/Equity	4,05	3,97
Total Liabilities/Total Assets	0,80	0,80
Equity/Total Assets	0,20	0,20

2.9. Internal Auditing and Internal Control

Internal auditing and controls are executed for the purpose of ensuring that the company's operations and services are conducted effectively, reliably and uninterruptedly; that the company's risk management, control systems and corporate governance practices are improved and a contribution is made to having the company reach its corporate and economic goals and the integrity, consistency and reliability of the data obtained from the accounting and financial reporting system.

The existence, operation and effectiveness of internal auditing and controls are a matter conducted under the supervision of a Committee Responsible for Auditing, formed within the body of the Board of Directors. The Committee Responsible for Auditing presents the facts

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related to its activities, duties and responsibilities, along with its recommendations, to the Chairman of the Board of Directors.

Furthermore, in order to ensure the robust condition of internal auditing and control mechanisms, an Internal Auditing Directorship operates under the Board of Directors. The Auditing Committee holds regular meetings with the Internal Auditing Department to discuss the adequacy of the internal auditing system, informing the Board of Directors of what has been discussed. The Internal Auditing Department Regulations, in which are contained the position of the Internal Auditing Department within the organization and matters of autonomy, have been prepared, approved by the Auditing Committee and put into force. At the same time, an Auditing Guidebook, in which the operations of the Auditing Department are described, has been prepared and applied.

Every year, risks related to all processes are reviewed, and the processes to be audited are determined. The Auditing Universe formed within the company determines the processes that may be audited and ascertains risk score balances depending upon natural risk factors and internal control system conditions. Accordingly, in 2017, eight business processes were audited and the results were presented in a report to the Committee Responsible for Auditing.

To broaden the scope of knowledge and experience of internal auditing among the two Internal Auditing Team members, one of them is a member of the Internal Auditing Institute of Turkey and holds a CFE (Certification Fraud Examiner).

In connection with internal control deficiencies spotted within the framework of Auditing Reports, actions taken by company officials are followed up and the adequacy of those decisions is questioned in the light of risk levels, with results reported to the Committee Responsible for Auditing.

2.10. Other Explanations

Affiliates and Share Ratios

Our company has no direct or indirect affiliates.

Information on Company Shares Acquired by Company

The company has no shares of its own that it has acquired between January 1, 2017 and December 31, 2017.

Information on Private and Public Audits

Independent audits are carried out on our Company's annual and semi-annual financial statements within the framework of the mandatory regulations issued by the Capital Markets Board with respect to financial reporting and independent audits.

In 2017, there was no private or public audit conducted of the Company.

There is no case that has been filed against our Company and may have an impact on our Company's financial situation and activities.

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Information on Administrative or Judicial Sanctions Imposed on the company and the Board Members due to Practices in violation of Legislative Provisions

There is no administrative or judicial sanction imposed on the company and the Board Members.

Information on General Assemblies

Information on the General Assemblies held in 2017 is provided in Article 2.3 of the Corporate Governance Principles Compliance Report.

The targets set in the previous periods have been achieved. The requirements of the resolutions that were taken at our company's Ordinary General Assembly Meeting held on March 28, 2017 were fulfilled.

No Extraordinary General Assembly Meeting has been held within the year.

Donations Granted

In 2017, the total amount of donations granted in line with the company's Donation and Charity Policy was TL 623.955,42.

Information on the Report Describing the Relationships with Controlling Shareholders and Subsidiaries within the scope of Article 199 of the Turkish Commercial Code

The report describing our relationships with our controlling shareholders within the scope of Article 199 of the Turkish Commercial Code was approved by our company's Board of Directors at the Board of Directors' meeting dated February 21, 2018. The report concludes as follows:

The conditions of merchandise of BRISA Bridgestone Sabancı Tire Industry and Trade Inc., which are common and continuous as regards Hacı Ömer Sabancı Holding A.S., Bridgestone Corporation and affiliated companies as well as related companies, price determination method and reasons are explained and information is given on the status of the transactions against the market conditions, based on the Article No: 199 of Turkish Commercial Code No: 6102. The transactions carried out comply with its comparables in accordance with the holding company explanations in the relevant articles of TTK (TCC) No: 6102 and no incurred loss is in question as it is included in the enterprise system.

It has been observed in this report prepared by the Board of Directors of BRISA Bridgestone Sabancı Tire Industry and Trade Inc., dated 21 February 2018 that all necessary transactions have been carried out and necessary measures have been taken in accordance with the responsibilities provided for in the Article No: 199 of TTK (TCC) No: 6102 and assigned to the board of directors in all transactions that BRISA Bridgestone Sabancı Tire Industry and Trade Inc. has carried out with its controlling shareholders and the affiliated shareholders of the controlling shareholders in 2017.

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Financial Rights Provided to Board Members and Senior Management

The company's senior management team comprises the members of the Board of Directors and the Executive Board.

Remunerations and dividends to be paid to the Board Members are determined under relevant resolutions of the General Assembly. Remunerations of the members of the Executive Board are comprised of two components, with one being fixed and the other performance-based.

In compliance with international standards and statutory obligations, the fixed remunerations for the members of the Executive Board are determined by taking into consideration the macroeconomic data in the market, current wage policies in the market, the size and long-term goals of the company, and individual positions as well. Premia for Executive Board members are calculated in accordance with the performance of both the company and individuals.

In addition, the financial rights provided to the Board Members and the Senior Management are mentioned in Article 5.6 of the Corporate Governance Principles Compliance Report and in Footnote 24 of the Financial Statements.

3. Sustainability

We placed sustainability at the base of our business manner. We feel rightful pride in continuing to be one of the leading organizations en route to sustainable development, together with all of our stakeholders and, notably, our employees, customers and business partners, who join us on this ethical journey.

In Turkey and in all regions where we are active, we make an effort to be more successful every day with our awareness of our social and environmental responsibilities. Being conscious of our responsibilities involving the benefits and interests of all our stakeholders, we conduct research, develop innovations, invest, work and produce.

We believe that continuing to serve as a leading company in the area of sustainability may only be possible together with our stakeholders. Our Brisa Approach to Sustainability relies on the global know-how of the Bridgestone Corporation and national experience of Sabancı Holding. We base our efforts on such international standards as the European Foundation for Quality Management (EFQM) or the Global Reporting Initiative (GRI) by combining the Bridgestone CSR-22 approach and the sustainability understanding of Sabancı Holding with our own corporate policies, strategies, processes and projects.

We plan improvements focusing on strengthening the in-house integration of our sustainability approach. It is this structure that supports us in our journey to achieve our mission of "Offering the community outstanding values through sustainable growth." To this end, we constantly update our sustainability strategies, set up action plans and, with the participation of all our employees, continue to ensure the integration of all processes.

In order to make sustainability a part of our daily life, we are aware that we need to act together with all our employees comprehensively in an effort to raise awareness. We have designed a training program to orient new recruits and familiarize them with our "Sustainability Journey."

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Our Approach to Sustainability

We are leaving our imprint on life by adopting sustainable growth strategies in an effort to leave a better world to future generations. For us, social matters and topics of the environment and economy are intertwined, interdependent. Sustainability is the first thing we think about when we conduct any kind of business. We expand our foremost responsibilities related to social, environmental and economic issues with our sustainability policy that we published in 2015.

Our approach to social topics involves our perspective on; human rights, occupational health and safety, and customer health and safety over the entire life cycle of products and services; anti-corruption and anti-bribery; business manner beyond legal regulations; information security; employees' rights, our growth journey and relationships with our stakeholders and the community.

Conservation encompasses the effective use of natural resources as well as the management of wastes, energy and carbon; producing environment-friendly products and services; and respecting biodiversity. In the area of the economy, we prioritize responsible value chain applications, innovation, and our approach to corporate entrepreneurship.

Brisa is now a part of the Borsa Istanbul Sustainability Index

We share all economic, environmental and social aspects of our sustainability efforts with the public in a transparent manner. In 2016, we became eligible to take our place in the ranks of the Borsa Istanbul Sustainability Index. Having successfully fulfilled the index criteria, we take rightful pride in our presence in the November 2017 - October 2018 listings.

Sustainability projects from Brisa business partners

As part of our Sustainable Retail Point project, we started a certificate program geared towards the female employees working in our partners' retail points under the name "Heroes of Customers". Betül Demirel from İzmir Dalita Otopratik retail point became the hero of our project with her "Bir Fidan, Bir Nefes" (One Sapling, One Breath) sub – project targeting to provide value to the environment with forestation.

3.1 Environmental Sustainability

We design every step of our business manner starting from the supply chain and manufacturing to be in line with sustainability. By this means, we reduce our environmental effects and create benefit with high work efficiency. We lead the business world with our ethical works and responsibilities for climate change and usage of natural sources.

We undertake significant efforts to minimize the impact of our manufacturing processes on natural resources and climate change in accordance with our understanding of environmental sustainability. Setting off from this point and acting with a high level of responsibility, we monitor our environmental performance periodically and undertake improvements in conjunction with environmental management systems.

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The standardization of our efforts was certified for the first time in 1995, when we were awarded the BS7750 Environmental Management System standard. In line with our ISO 14001:2004 Environmental Management System certification, we continue to regularly renew our benchmarking, evaluation, improvement and training processes.

Relying on the support of our top management, we are generating new projects for a better world, complying with environmental regulations in full, and carrying out improvements that go well beyond legal mandates.

We became one of the five companies in Turkey who started a regular reporting process as part of the “Carbon Disclosure Project” (CDP) starting from 2011 and we started to make our reports publicly available starting from 2015. In 2017, we were awarded the “Turkey Climate Disclosure Leadership Prize” award for the third time and at the same time with an “A-“ grade in the CDP Water Program we were categorized in the Leadership category in Turkey.

We are proud to be the first company to receive the ISO 14046 Water Footprint Standard in Europe with our pioneering projects in water savings and reporting projects.

We are preserving our “Zero Landfill” status since 2016 by continuing to send the domestic wastes resulting from organizational processes to recycling facilities.

Environmental Implementations

Efficient Use of Natural Resources and Less Waste

We are calculating the environmental interference of product use and consumption already at the design phase and we pay a great deal of attention to not using raw materials that can cause pollution and health hazards.

We created long-term business plans for the efficient management of water resources, which is expected to decrease in terms of reserves in the coming years. As we come to the year 2020 we are targeting to decrease our water consumption by 61% compared to our consumption levels in 2008. With our projects to decrease water consumption and recover used water we decreased our water consumption by 49% and nearly reached our 2020 targets.

We are targeting to decrease waste disposal levels and improve our waste disposal management by continually controlling possible waste sources in our production process. As we continue our projects, we primarily target to prevent waste creation at the source. We then make an effort for the reuse of waste within the production process or the regaining or recycling of the waste that results from production process. We withhold potentially high pollutants like dust and gas that are by products of the production process at our treatment units in order to protect air quality. We are working very hard to minimize waste and within that scope we improved 31% compared to our waste levels in 2010.

Energy and Carbon Management

The efficient use of energy or the elimination of unnecessarily used energy or inefficient use of energy is one of the cornerstones of how we do our business. We made serious achievements as part of our systematic studies to improve efficiency in energy consumption.

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At our Brisa Museum and Academy building, which owns a LEED Gold Certificate given to sustainable buildings worldwide, we generated 42% of our lightening through solar panels. As a result, we were able to prevent greenhouse gas emissions equal to 17.742 kWh energy.

We are continuing our efforts decrease carbon emissions since 2005. In 2020, we hope to reduce carbon emissions per 1 unit rubber production by 25% compared to our levels in 2005. In 2016, we already reached 21% and approached very close to our target.

In order to reduce the emission levels resulting from our logistic operations, we prioritize maritime transport, which has less environmental effects, and we plan our routes to reduce emissions further.

Environmentally Friendly Products

We make efforts to produce products and services that are environmentally friendly considering their effects on the environment during and after their uses. We are working on new concept products, which have lower rolling resistance and weight and which cause lower carbon emissions and noise. We own a rich portfolio of products consisting of environmentally friendly tyres like the Ecopia and Greenways series as part of our environmentally friendly product manufacturing approach.

Through our tyre retreading services we offer with our Bandag brand we help decreasing waste caused by commercial tyre and therefore help protect the environment.

As one of the founding memebers of the Tyre Manufacturers Association (LASDER), we are also supporting the collection of tyres, which have completed their life cycles, by LASDER according to the regulations in order to environmentally and economically regain these products.

We are reviewing our “increasing environmentally friendly products portfolio to enable continuous mobility” strategy with “the weighted rolling resistance of the products that we sell” and “environmentally friendly product portfolio ratio” parameters and we develop projects in that perspective.

Respect To Biodiversity

We are furthering our “Turnalar Hep Uçsun” (“Let The Cranes Fly”) project we started in 2013 with the partnership of WWF-Turkey (World Wide Fund for Nature). We are preceding the project, which we developed for the sustainability of the crane breed in Anatolia, in the Çukurova Delta region where 95% of the cranes spending the winter in Turkey rest. In 2017, as WWF-Turkey continues its observations in the region, we carried on informative sessions in the schools, hunting associations and village coffee houses. As part of our project, researchers travelled 21 thousand kilometers and observed that approximately 10 thousand cranes spend the winter resting in the Çukurova Delta region. In addition to carrying on informative sessions in the schools, hunting associations and village coffee houses, we also visited 30 villages and shared 2 thousand educational booklets about cranes with primary education students.

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Forestation Projects:

With the forestation projects we conducted in 2017 in our İzmit and Aksaray manufacturing plants, we are continuing our efforts to create “sink areas” for the elimination of carbon emissions and preservation of bio-diversity. In that regard, we planted 2.000 trees in our İzmit manufacturing plant and 3.000 trees in our Aksaray manufacturing plant in 2017 to increase the area of our green zones. We also grew 16.000 tree saplings from seed in our greenhouse located in our İzmit manufacturing plant in 2017. These trees play an important role in the elimination process of the carbon emissions that we create. As a result, we are targeting to reach our goal of becoming a manufacturing plant with “Zero Carbon Release” in the mid-term.

Brisa employees contribute to preservation of the environment with office projects

With the “Yeşil Ofis” (“Green Office”) program that started in 2014 and is run by Brisa employees, we continued our efforts for the efficient use of resources and for promoting awareness. With the support of the Green Office team, both our İzmit and Altunizade offices received the Green Office Certificate within the scope of the Green Office program that is developed by WWF Turkey.

3.2 Occupational health and safety

We continue to work to provide a comfortable and safe working environment for our employees, constantly improving our conditions and investing in innovation.

Within the scope of Occupational Health and Safety, a cornerstone in our corporate values and our most important priority, our facilities have qualified for OHSAS 18001:2007 Occupational Health and Safety Management certification. Moreover, we endeavor to do even more by complying with the relevant legislation and standards regarding Occupational Health and Safety risks in all our activities.

Within the scope of the Bridgestone Safety Mission Statement, we at Brisa undertake efforts to prevent occupational accidents through awareness-raising activities, systematic approaches, and engineering approaches.

We believe in the immense importance of Occupational Safety training in enabling employees to adopt habits of safe behavior and transform these into a lifestyle.

We utilize the Occupational Safety Simulation Center as an active training ground to ensure "Zero Occupational Accident" at our facilities. We have made it a requirement to have every new employee in our manufacturing areas complete this training. With a view to planning and implementing the training sessions in a more effective manner, we provide our employees with Disaster Prevention (Fire and Earthquake) and Occupational Health and Safety training, within the scope of the activities of BRISA-MEC (Manufacturing Education Center). We are also launching “Basic Occupational Safety Activities.”

Accident management issues are constantly on our agenda for such stakeholders as dealers and providers, too.

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To prevent the recurrence of any occupational accident, we analyze every accident and prepare action plans to address the findings. We prioritize practical exercises and preventive actions with the aim of being continuously alert in emergency prevention and emergency management.

Our ultimate goal is to create an on-going Occupational Safety culture and turn it into a lifestyle.

Our target is "Zero Accidents!"

We left behind 1.203 days in the Brisa Experiment Center, 3.716 days in the Associate Operations Department, 3.407 days in Product Control-1 Unit, 578 days in the Mixer Unit, 764 days in the Technology Group without experiencing any accidents.

3.3 Human Resources

Administrative Operations

In line with our main strategy of becoming a choice of employee, we continue to add value to professional life. We leave our mark for the future by leveraging our employees' Brisa journey with development and leadership programs.

Personnel and Worker Activities

As of December 31, 2017, the number of personnel employed in our company with contracts of indefinite duration is 2.726; 1,962 of these are subject to the Collective Labor Contract provisions, while 751 are outside its scope. Twelve employees are foreign nationals. In addition, 52 people are employed on a fixed-term contract.

Collective Labor Agreement Implementation

The negotiations of the 19th Term of the Collective Labor Agreement negotiations between the Company and the Turkish Petroleum, Chemicals, and Tyre Industry Laborers Syndicate (Lastik-İş) covering the term between January 1st 2016 – December 31st 2017 started on November 24th 2015 and ended in January 7th 2016 with the parties agreeing on the terms of increasing the wages and social rights of employees in line with the increase in inflation and the agreement between the parties was signed.

Employee Benefits and Rights

In relation to the Collective Labor Contract, employees working under and outside its scope are paid, in addition to salary, a bonus worth four months gross salary, Personal Retirement Insurance and health insurance. Those covered by the contract furthermore benefit from fuel, holiday, annual leave, maternity, death, marriage, educational, family-food, and child allowances. All employees receive meal and transportation allowances.

As part of our Brisa Talent Management Approach, we believe that every Brisa employee has potential to add value to the company, shareholders, processes, teams, and to him/her self starting from the moment he/she is first employed. In this perspective, every Brisa employee is accepted as a talent, and we expect every Brisa leader to create value by improving him/her self, his/her work, his/her team and the Brisa climate. We are reviewing our high potential and

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high performing employees within our Organizational Success Plan process together with all our managers and plan their development. We support the Brisa lives of our employees with the 360 Degree Competence Review, Development Center and other differentiating educational processes. We get together 2 times with our employees with 0 – 1 years of experience to explain them our processes, celebrate their 2 months at work with a warm party, explain our values in an adventurous educational manner with team games in the Pit-Stop workshop, and evaluate together their first year in the company at the end of their 1st year with our program under the name “Warm-Up” developed for new employees to get acquainted with our company.

In order to evaluate high performance and high potential together, we review our loyalty processes with our mid-level management within the scope of our “Sahadabiriz” (“Weareoneinthefield”) discussion sessions and we create the action plans of the future terms.

Our priority is to create the appropriate climate so that our employees at Brisa are able to make the best contribution possible as we strengthen through a process of change.

Brisa is awarded with a “Work Health and Safety” plaque by Aksaray İşkur organization

We participated in the Aksaray Career and Profession Promotion Days and came together with Aksaray University students. We were awarded with a “Work Health and Safety” plaque by Aksaray İşkur organization.

Brisa Employees came together during the 2017 Yearly Sharing Meeting

We organized our Yearly Sharing Meeting with which we shared our company targets and strategies of 2017 at Sheraton Ataşehir with the participation of approximately 450 Brisa employees. The meeting started with the presentations of the Brisa top management and continued with a Q&A panel. The “Firsts” and “Mosts” of 2016 were honored with a ceremony during the meeting. Alametifarika Advertisement Agency President Serdar Erener and artist Nil Karabrahimgil attended the meeting as guest speakers and livened up the meeting.

We Organized "Sizi Dinliyoruz" (“We Are Listening To You”) Employee Meetings

The Brisa CEO Cevdet Alemdar came together with Brisa employees at our İzmit facilities, Altunizade office and Aksaray manufacturing plant where the set – up process is continuing. In the meetings that proceeded under the name of "Sizi Dinliyoruz" (We Are listening To You), Mr. Alemdar answered the questions of our employees, interactively shared ideas and communicated his priorities concerning the future.

Brisa Employees Came Together at the 13th Suru-Raku Conference

The 13th traditional Suru-Raku Conference with which we call for attention to the standardization of our company processes and to continuous development took place at the İzmit conference room with the participation of Brisa employees and managers.

Those who are “İz Bırakanlar” (“Leaving a Mark”) at Brisa are awarded

Taking an action from the importance of learning together and being inspired in order to put forth new success stories, we started a new intercompany implementation. This implementation

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aims to share the best practices and intercompany success stories with one another. Brisa employees are able make an application every month with their projects “Leaving a Mark” and get the chance to share their projects with all their colleagues. 16 projects were presented within the scope of this implementation in 2017, and Brisa employees got to share their ideas with our CEO Mr. Cevdet Alemdar along with the members of the Brisa Executive Committee as well as winning various prizes.

“Fakirabad” (“Idea Creator”) awards were presented

11 business models and prototypes amongst the 50 ideas that were shared through the Brisa Innovation Portal were chosen by the Brisa Innovation Team and were presented to the Brisa Innovation Execution Board. The creators of the 5 ideas were awarded with the “Idea Creator” award following the review of the committee to materialize the ideas.

The intercompany social communication platform “BİRİZ” (“We Are One”) is online

We brought our intercompany social communication network “We Are One” online to increase communication among Brisa employees and to create a dynamic communication platform.

Brisa employees came together at the Traditional Family Day

We organized the 11th Traditional Brisa Family Day on May 1st 2017 at the Lastik-İş Social Facilities. 7.500 participants consisting of Brisa employees and their families attended the day where children of our employees had fun hours with the special activities prepared for them.

Families get together at our Aksaray manufacturing plant

The invisible heroes of our Aksaray manufacturing plant, “Families of Brisa Employees”, got together to have a tour of the manufacturing plant that was organized for them.

Office yoga activity on the International Women’s Day

As part of the International Women’s Day on March 8th, we organized yoga sessions at our Altunizade office building and the İzmit manufacturing plant. Brisa employees were invited to take a 20-minute break in a relaxing environment enriched with music and lavender scents and afterwards experienced together simple but effective exercises that can be practiced during the day in their chairs to help them keep physically keep healthy during office hours.

Applied Safety-Driving Techniques Training for our female employees

We organize events related with our safety driving in traffic responsibility in line with our company occupational health and safety strategy. In this context, we offer safety-driving trainings approved by the Ministry of Education and in partnership with Intercity Park Istanbul to our employees. In the third year of the project in 2017 we organized a “Safety-Driving Techniques” theoretical presentation prepared by the Brisa Academy followed by a practical applied driving session for our female employees so that they could reinforce their experiences.

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Children of Brisa employees got together on April 23rd

We organized an event for the children of Brisa employees as part of the April 23rd National Sovereignty and Children's Day at our İzmit manufacturing plant. The event took place with the “Haydi Çocuklar Brisa’ya” (“Let’s Go to Brisa”) slogan, and our employees together with their children experienced an innovation event followed by a tour of the Brisa Museum and the Brisa R&D Center labs.

Father’s Day messages from the children of our employees

Children of Brisa employees sent their pictures taken together with their fathers and their special messages to their fathers on the Father’s Day. The video made up of these messages was then broadcasted on Brisa social media accounts as part of our Father’s Day event.

Brisa employees visited the field as part of our #SAHADABİRİZ (“#Weareoneinthefield”) program

We know that “being on the field” is important both in terms of better analyzing the market and observing customer expectations at the originating point, that is why we started the #sahadabiriz (“#Weareoneinthefield”) internal communication project.

Brisa employees challenged each others’ creativity with the “Yaz Lastiğine Geçerken Biz” (“As We Switch To Summer Tyres”) Script Competition

We started “Yaz Lastiğine Geçerken Biz” (“As We Switch To Summer Tyres”) script competition to gather attention to the summer tyres season. Scripts taking inspiration from the transition into the summer season habits we presented through the Brisa Innovation Portal for all of our employees’ evaluation.

"Boost" Sales Training Program Started

The “Boost” sales training program is a sales development program, which is especially developed for the requirements of the sales team in line with Brisa’s strategies. The program including internal training practices as well as carefully selected external practices that offer special solutions started with the participation of the first group consisting of 22 people.

Brisa Tennis Team Finished the DEİK (FERB – Foreign Economic Relations Board) Business Cup Tennis Tournament in 2nd Place

2017 was the 6th year of the DEİK (FERB – Foreign Economic Relations Board) Business Cup Tennis Tournament. 240 players from 20 companies participated to the tournament and Brisa Tennis Team took the 2nd place in the general category.

A special working program for Brisa Technology Directorate interns

We prepared a special working program for the interns coming to work in the Brisa Technology Directorate so that they make the best out of the time they spend during their internship and learn technical information. As part of the program, interns are assigned an additional subject other than their internship subjects and are expected to make a presentation about this additional subject afterwards.

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3.4 Social Sustainability

We believe in the importance of social development and welfare. With this belief, for many years until now, we developed many valuable projects.

As a manufacturer and a company with 30 years of history, we realized many social contribution projects until today. We especially perceive contributions about safety driving in traffic as our priority responsibility as it directly matches with our products. It is also one of our priorities to reach every social cluster of the society with a wide range of subjects from education to culture and from sports to sharing of our accumulated experiences besides our manufacturing and products in order to value in many different fields.

We are organizing projects in different segments in order to contribute to Security and Safety Driving in Traffic Awareness

We are one of the pioneering organizations of the industry to sign the “Responsibility in Traffic Movement Declaration”. We are working towards increasing safety-driving awareness for passenger vehicle and light commercial vehicle owners with our “Bridgestone Safety Tyre – tyre tread depth and tyre pressure measurement and disclosure” project and towards farmers with our Lassa “Sevdamız Toprak, Yarınlarımız Ortak” (soil is our passion, our future is joint) project by mounting reflectors on their agricultural vehicles.

- **Bridgestone’s “Emniyetimiz İçin 2 Dakika” (“2 Minutes For Our Safety”) campaign is going on**

As part of Bridgestone’s “#emniyetimiziçin2dakika” (“#2minutesforoursafety”) campaign we continued to inform drivers about safety driving during 2017 as well. We measured the tyre tread depths and air pressures of vehicles and informed drivers about the issues that they should pay attention to for a safe journey. With its societal contribution our project was awarded the Silver Award in the contribution to society category of Bridgestone’s EMEA Regional Awards.

- **Strong support for farmers from Lassa Tyres**

The project that we started as “Tarım Sağlamsa Gelecek Sağlam” (Our Future Is Strong As Long As Agriculture Is Strong) in 2013 is continuing to strengthen under its revised name “Sevdamız Toprak, Yarınlarımız Ortak” (soil is our passion, our future is joint). Since the start of our revised project we visited 609 villages, reached approximately 23.000 farmers, and offered 722 hours of training sessions. At the same time in order to increase the visibility of the vehicles, we mounted more than 20.000 reflectors to tractor-trailers free of charge.

- **Brisa supports the Kamil Koç Bus Captain Academy**

In order to increase long road bus captains’ knowledge levels about tyre safety, we offered the bus captains of Kamil Koç company trainings about basic tyre knowledge and maintenance, mechanical layout and balance and basic safety driving knowledge and reached 400 bus captains with Brisa Academy.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş.
BOARD OF DIRECTORS ANNUAL REPORT PREPARED AS PER THE CAPITAL
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Contribution to education and culture

We are supporting students' education with the fund that we put together with the revenues coming from Brisa Academy's online education sessions and support of the Brisa Members' Educational Support Association.

- **Brisa Members' Educational Support Association**

Brisa Members' Educational Support Association (BMÖDD) is found on a volunteering basis by Brisa employees to support the continued education of students who are in need. The association supported more than 430 students with scholarship funds until today and in 2017 supported 82 students. We are proud to see the contributions of more than 320 previous students as today's profession owners.

- **Being a first in our industry, Brisa Museum continues to attract the attention of visitors**

At our Brisa Museum, as the first example of its kind in our industry with the main theme of "Journey", we are telling Lassa Tyres' / Brisa's history of transformation from an industrial company into an innovation company offering a total experience of services and products. At our museum we are giving the visitors information about the yearly history of Brisa as well as information about construction and anatomy of a tyre, importance of rolling resistance, pressure, balance, weight, and softness in a tyre, differences between summer and winter tyres, and importance of water evacuation. Brisa museum also attracts attention due to the smart and environmentalist complex that it is built in as the complex produces 20% of the energy that it requires from the solar panels located at the roof of the building, that there are more than 90 different plant species inside its garden which is watered totally with purified water and that the complex is one of the very few buildings in Turkey which holds a Led Gold certificate. We hosted more than 6.000 guests in our museum including not only business partners but also public and students from Kocaeli region.

Contribution to Sport

We are supporting the spread of sports with our Lassa Cycling Team under our sports club Brisaspor structure, which are very proud to support.

In addition to the successful results they attained in Turkish Championships in 2017, our athletes also successfully represented our country in the Balkan Region and European Championships.

Sharing Accumulated Experiences

Our managers attend to conferences and university activities as guest speakers in order to share their experiences and accumulations. In 2017, our top managers shared their own career journeys with students who want to shape their own careers at the Koç University, Engineering Case Camp, Yıldız Technical University, Sabancı University, MEF University, Turkey Engineering Careers Fair, and Samandıra Vocational and Technical Anatolian College Education Fair.