



The passenger car sales in Turkey decreased by 32% y-o-y in 1Q'07, although there was high demand in first 5 months in 2006. The positive atmosphere in 1H'06 was in question in terms of economic data at the beginning of 2007. The year 2007 also politically a challenging period, which has an impact on the demand.

While VW PCs achieved a wholesale of 6,397 units in 1Q'06, a regression of 31.7% was experienced in 1Q'07 with 4,371 units sold. In spite of this regression in quantity, Volkswagen's market share in 1Q'07 showed a slight increase compared to 1Q'06.

In 1H'07, "Goal" packs of Polo and Golf models will be replaced by the "Tour" packs. Equipped Touran and Phaeton is planned to take place in the market in the coming days.

Segment share of Golf model, 2nd in its segment, increases in 1Q'07 compared to 1Q'06. Moreover, Passat, the leader of its segment since its launch in April 2005, increased its segment share considerably in comparison to 1Q'06. Passat's SW model, Passat Variant, on the other hand, outstands as the best selling model among its competitors. Eos, a Coupe Cabrio car, is the model with the highest sale units in 1Q'07 among its competitors.



#### Commercial Vehicles

4,775 units of VW LCVs were sold during 1Q'07 maintaining its position as the third with a market share of 12.25% of the total market and its leadership for the imported commercial vehicles market with a market share of 27%. As of 1Q'07 VW LCV is the market leader in import and 3rd in total market.

VW LCVs pursue the strategy of offering unique engine and equipment options that cannot be offered by other brands in LCV segment and intends to widen its product range within this context. The new Crafter Volt launched in February 07 has taken its place in the market with two different levels of equipment, different engine options for the needs of every customer, and a wide range of products with different carriage and seating capacities meeting the needs of different sectors. The consumers can customize their vehicles according to their needs through different superstructure attempts developed specially for the Turkish market for the new Crafter Volt.



A total of 1,016 cars have been sold. Audi increased its market share in the total PC sector to 1.84% in 1Q'07 as compared to 0.98% in 1Q'06. With a considerable increase in Audi's share in the premium market, Audi raised its 33% market share in 1Q'06 to 45.8% in 1Q'07.

Audi's new thrilling models are to take place in the product range in 2007.

Audi A5 Coupé, which will change the perspectives of car design, and R8, the super sport car with breath-taking racing technology, shall be offered for sale in Turkey starting with September 07.



#### PORSCHE

Porsche racked up the greatest number of sales ever in 2006. While 25 sports cars were sold in 1Q'06, it turned out to be 24 in 1Q'07. Though the luxury segment contracts in parallel to the market, Porsche could maintain its sale figures in sport automobiles. Porsche is the best selling brand of the E6 – sport segment with a market share of 58% and of F6 – luxury sport segment with a 43% market share compared to its competitors.

The new Cayenne continued to be the best selling gas premium SUV model in 07 just as in 06. Of total 61 luxurious gas SUV items sold during the first quarter, Cayenne constitutes 23 of them; whereas last year 37 of them were Cayenne. The main reason lying behind this 38% decrease is Porsche AG's not giving permission throughout the world before February 24, 2007.

Finally the new Cayenne was launched nationally in March 2007 at Istanbul Park.



#### BENTLEY

4 Bentley brand automobiles were sold in January-April 07 following their first launch in January in Turkey. Three out of these four automobiles being Continental GT is the sign of Bentley being perceived not only as a prestigious brand but also sportive.

After the initial launch, Bentley accelerated its marketing activities. To reinforce close relations with the press by providing a constant information flow and the creation of the new website started. Carrying all privileged features of Bentley brand, only 550 of this sportive Bentley Brooklands model of Bentley Arnage series automobile will be manufactured worldwide.



In 1Q'07 SEAT sales reached to 517 showing a 53% y-o-y decrease in terms of units sales. SEAT ranked 22 in wholesales in 1Q'07 with a 0.94% market share whereas it ranked as the eighteenth with a 1.37% market share in 1Q'06 in PC market.

Leon, constituting 37% of the SEAT retail sales, became the best selling model for the first time followed by Cordoba with 33%. and Ibiza ranked third with 19%.

In 1Q'07, 200 hp Leon FR model was tested by the press and positive feedback was received in terms of PR coverage.



HCV market in 1Q'07 experiencing a

35% contraction compared to 1Q'06, Scania increased its total market share by 2.75% and by 5% in imported HCV market. In 1Q'07, Scania reached a market share of 31% with a sales of 469 units sustaining its position as the leader of the import market.

Scania's network of authorized dealers and services continues to grow with the opening of a modern facility of "Ankara Heavy Vehicles" of 2,750 square meters that took place on February, 2007. The "Young European Truck Driver" (GATS 2007) competition organized to enhance the awareness of the drivers of the heavy commercial vehicles about road safety starts with the Ankara round.



Krone reached a sale total of 178 units in 1Q'07 becoming the best selling trailer share of 15% in total trailer market and 43% in import market.

At the Bursa Auto Show 2007 in April, Krone presented its Mega Liner trailer to its customers.

The joint investment of trailer production between Krone and Doğuş Otomotiv has been decided and feasibility studies are going on.



A distributorship agreement was signed on February, 2007 between Doğuş Otomotiv and F. X. Meiller which is a specialized organization in damper products in Europe. With this agreement sales and aftersales services will be provided to customers under Doğuş Otomotiv, a trustworthy organization. Meiller, exhibited in Bursa Fair on April for the first time, was presented to the visitors at the Nevsehir Roadshow on April 2007.



Doğuş Otomotiv is the exclusive distributor of the Lamborghini brand providing the marketing, sales and aftersales services in Turkey. Lamborghini showroom will be opening in 2007.



Trust in used cars

Despite the 29% contraction in the automotive sector in 1Q'07; DOD doubled its sales compared to 1Q'06 owing this success to its 88 authorized DOD dealers throughout Turkey. Being the pioneer of the second-hand market, DOD intends to reach out to its customers in concept plazas with complemented corporate structuring within the framework of its own brand standards.

DOD website is currently being renewed and, DOD brand will keep in touch nationally and locally with its network of authorized dealers throughout Turkey and will continue its efforts supporting the theme of "confidence", the greatest value suggestion of the brand.



vdf Automotive Financing maintained its market leadership in 1Q'07 and achieved a market share of 14% among all financial institutions.

vdf Automotive Financing, with a penetration rate of 26% among the 22 brands served during the first quarter, made available 7,500 loans totaled to € 103 Million as of March.

571 items of KomboPlan products, combining car loan and long-term car insurance, were used during the first quarter of 2007.

vdf Insurance Services, on the other hand, generated 5,967 policies in 1Q'07.



#### DOĞUŞ OTO

Doğuş Oto Maslak Service started its operations in 1Q'07 and new located in the Doğuş Power Center is giving service to VW PCs, VW LCVs, Audi, Porsche, Bentley, Lamborghini, SEAT and Skoda brands under one single roof. Doğuş Oto Maslak Service also outstands as the one serving a great number of brands on the widest area within a shopping center. Doğuş Oto Maslak Service marks a first in the world with this feature.

Doğuş Oto serves within a 100 square meters with 6 brands in 31 showrooms and 31 service points. Doğuş Oto has served 57,769 vehicles in during the 1Q of 2007.

#### News



Quick fit type service outlets of Multi-brands focusing on fast and economic service is launched. The range of services will include tire, oil and filter replacement, brakes, suspension, headlamps, battery and muffler changes. In addition, exhaust emission and brake inspection services will also be offered.

#### vdf/Leaseplan

LeasePlan consists of a growing international network of companies engaged in fleet and vehicle management, mainly through operating leasing. LeasePlan Corporation signed a joint venture agreement with Doğuş Otomotiv. With the acquisition of a majority share in a professional multi-brand company and the cooperation with an experienced local partner, LeasePlan is expanding its worldwide network from 28 to 29 countries.

**Porsche in Lousanne in Switzerland**  
Doğuş Otomotiv will assume marketing, sales and after-sales retail operations of Porsche brand in Lausanne and its surrounding region in Switzerland. Switzerland is an important market for Porsche. 1,692 units of Porsche cars are sold in 2006 and Doğuş Otomotiv will establish a new showroom in the city. The showroom is targeted to be one of Switzerland's largest Porsche outlet. Operation will start in the 2nd Half of 2008.

**New website for Doğuş Otomotiv**  
Doğuş Otomotiv website was renewed to give a better service to its customers and shareholders.

For further information please contact Investor Relations Department.

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## MACROECONOMIC OVERVIEW

Despite global financial volatility in late February and early March, the nominal appreciation in YTL against USD continued in 1Q 2007 by 1.8%. The Central Bank kept the overnight rate constant at 17.5%, while the benchmark bond rate declined by almost 1.5 points to below 20%.

4Q 2006 GDP growth rate was 5.2%, 1 point above the market expectation while overall 2006 growth rate surpassed expectations by 0.8 points as Turkstat revised the first three quarter realizations. GDP growth rate was 6.1% in 2006. GNP growth was 4.6% in the last quarter of 2006 and 6.0% in 2006. Nominal GDP reached USD 400 billion in 2006, bringing the GDP per capita up to around USD 5,500.

The breakdown of GDP figures indicated that cooling down in economic activity persisted in 4Q 2006 with private consumption and investment expenditures increasing by only 0.1% and 4.4%, respectively. On the production side, the highest growth in 4Q was in the construction sector with 16.1%. The agriculture sector also recorded a significant growth of 9.7%. The ratio of total external debt of Turkey to GNP increased to 51.6% in 2006 from 46.7% in 2005. Despite the fall in the ratio of public sector external debt to GNP, the rise in private sector debt caused total external debt to increase. The medium and long term external debt of private sector rose by USD 36 billion in 2006. As of end 2006, total medium and long term external debt stock reached USD 164.5 billion and contributes 79.7% of the total external debt stock. Total short term external debt was USD 42 billion, up slightly by a slight rise of USD 0.2 billion from last quarter.

In 1Q 2007, CPI increased by 2.36%, mainly on the back of tobacco price hikes and significant rise in food prices. The rise in tobacco and alcoholic beverage prices was 9.9% in the January-March period, while food prices increased by 6.8%. On the other hand, 14.6% fall in clothing prices due to favorable seasonal factors brought overall inflation down. On the PPI side, the increase was 1.88% in 1Q 2007. The major inflationary items were agriculture (4%) and energy (5.5%) while prices in the manufacturing sector increased by 1.1%.

## NOTES ON THE AUTOMOTIVE SECTOR

Since the turmoil in May-June period, demand in Turkish Automotive Sector sharply decreased closing 2006 with 15% yoy contraction. Due to the politically challenging period in 2007, total car sales including PC, LCV, HCV decreased by 29% in 1Q'07. Total Passenger Car Market reached to 55,134 units showing a 32% fall compared to 1Q'06. The correlation between macroeconomic variables and politics had the biggest effect on the shrinkage of the sector. The demand is low and customers are delaying their purchases till the elections.

ended up at 38,974 units at the end of 1Q'07 according to the Automotive Distributors' Association. In 1Q'07 the contraction in LCV market was lesser than the contraction in PC market. LCV sales declined 23% yoy. The share of imports at 60% in PC and LCV sales in 1Q'07 was still significantly lower than the 64% reached in 2006. Production volume continued to increase, albeit at a slower pace due to tougher comparisons from 1Q'06, driven by strong export sales performance. Total exports increased by 16% yoy in March. Export growth was led by growth in all major segments.

Turkish Heavy Commercial Vehicle market was almost stable in 2006 compared to 2005; although total market decreased by 15% in 2006. Yet in 1Q'07 it wasn't so easy to keep the sales volume; total HCV sales with 4,969 units declined by 35% yoy. Total market including PC, LCV, HCV ended up in 1Q'07 with a sales of 99,077 units.

## COMPANY SPECIFIC FINANCIAL DISCLOSURES

According to the Capital Market Board Reporting standards (CMB) based on International Financial Reporting Standards (IFRS), Doğu Otomotiv announced net sales of TRY 469 mn (USD 334 mn) for 1Q'07 with a 11% decrease in TRY terms compared to the same period of the previous year.

Doğu Otomotiv maintained its total market share at 12% including PV, LCV, HCV, in wholesale in line with expectations, which was also 12% prior year. Despite the 29% contraction in Turkish Automotive Sector, the Company was able to sustain its market share in the worsening market conditions because of its strong product portfolio. In 1Q'07 gross profit margin increased to 15.2% with a 0.2% yoy increase.

The EBIT reached TRY 11 mn (USD 8 mn) as of 1Q'07.

Doğu Otomotiv achieved TRY 4 mn net profit (USD 3 mn) in the first quarter of 2007. As in 1Q'06 before the turmoil, the Company announced a better level for net profit, whereas 1Q'07 net profit declined by 81% yoy.

## BALANCE SHEET

Doğu Otomotiv has TRY 29 mn (USD 21 mn) net cash position as of March 31th, 2007. Net working capital is TRY 128 mn (USD 93 mn), which was TRY 141 mn (USD 100 mn) at the end of year 2006.

The capital expenditures, realized to the existing businesses and to the new business lines in 1Q'07, reached to TRY 30 mn (USD 21 mn), which is already higher than the full year's capital expenditure.

## DIVIDEND POLICY

As promised during IPO, the Company will pay out at least 50% of its distributable profit as dividend to its shareholders in 2007. Accordingly, the Company declared to distribute dividends amounting to TRY 6,787 thousand to shareholders out of net profit of 2006.

## SELECTED ISE-STOCK MARKET STATISTICS

As of May 17, 2007					
	MCAP (US\$ M)	% in sector	% in ISE	Weight in ISE 100*	Weight in ISE 30*
DOAS.IS	535	6.5%	0.3%	0.31%	0.43%
ASUZU.IS	183	2.2%	0.1%	0.11%	0.15%
FROTO.IS	3,225	39.2%	1.5%	1.86%	2.58%
KARSN.IS	192	2.3%	0.1%	0.11%	0.15%
TOASO.IS	2,279	27.7%	1.1%	1.32%	1.82%
5 Large Automotive Sector	6,413	78.0%	3.0%		
ISE	8,225	100.0%	3.9%		
	211,971				
* As of 17 May 2007					

  

	Close price (US\$)	YTD Return	Avg. Daily Trading Volume (US\$M)	
			Last 1 Month	Last 3 Months
DOAS.IS	4.86	21.06%	4.1	3.9
ISE 100	34,832	25.16%	942.6	883.1
Dividend Yield	1.0%			
Free Float	34.5%			

DOAS.Is Price and Volume (US\$ million)



## DOAS Sales and Market Progress (in units)\*

MODEL	1Q' 07	1Q' 06	% Chg	1Q' 06	1Q' 05	% Chg	2006	2005	% Chng from 2006-2005
<b>VOLKSWAGEN</b>	9.146	13.455	-32%	13.455	9.789	37%	59.566	65.212	-9%
VW PC	4.371	6.397	-32%	6.397	3.945	62%	27.619	32.049	-14%
VW LCV	4.775	7.058	-32%	7.058	5.844	21%	31.947	33.163	-4%
<b>AUDI</b>	1.016	796	28%	796	496	60%	4.956	4.705	5%
<b>PORSCHE</b>	47	62	-24%	62	19	226%	220	153	44%
<b>SEAT</b>	517	1.107	-53%	1.107	734	51%	4.572	6.570	-30%
<b>SKODA</b>	510	1.502	-66%	1.502	771	95%	5.489	8.026	-32%
<b>SCANIA *</b>	469	509	-8%	509	364	40%	2.099	2.073	1%
<b>Total</b>	<b>11.705</b>	<b>17.431</b>	<b>-33%</b>	<b>17.431</b>	<b>12.173</b>	<b>43%</b>	<b>76.902</b>	<b>86.739</b>	<b>-11%</b>
<b>KRONE *</b>	178	138	29%	138	34	306%	809	402	101%
<b>Market Size</b>									
PC	55.134	81.056	-32%	81.056	71.775	13%	371.325	442.836	-16%
LCV	38.974	50.879	-23%	50.879	50.140	1%	248.159	291.302	-15%
HCV	4.969	7.610	-35%	7.610	5.607	36%	33.393	33.305	0%
<b>Total</b>	<b>99.077</b>	<b>139.545</b>	<b>-29%</b>	<b>139.545</b>	<b>127.522</b>	<b>9%</b>	<b>652.877</b>	<b>767.443</b>	<b>-15%</b>
<b>Market Shares</b>									
PC	11,7%	12,2%	-4%	12,2%	8,3%	46%	11,5%	11,6%	-1%
LCV	12,3%	13,9%	-12%	13,9%	11,7%	19%	12,9%	11,4%	13%
HCV	9,4%	6,7%	41%	6,7%	6,5%	3%	6,3%	6,2%	1%
<b>Total</b>	<b>11,8%</b>	<b>12,5%</b>	<b>-5%</b>	<b>12,5%</b>	<b>9,5%</b>	<b>31%</b>	<b>11,8%</b>	<b>11,3%</b>	<b>4%</b>

4 units of Bentley were sold in January - April 07 period.

Source: ADA wholesale  
\* Doguş Otomotiv