

Stock Watch

Doğuş Otomotiv

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Pent-up demand in automotive sector due to double elections caused the PV market to fall by 17% YoY with 227,309 sales volumes in 9M07. Contrary to the southern trend in 1H07; domestic market recovery was apparent in 3Q07 and VW PVs sales increased to 6,373 units with 19% QoQ and 7% YoY growths. VW PVs attained 13% market share in 3Q07 with its successful sales strategy, which declines slightly to 12% in cumulative nine-month terms.

"Goal" packs of Polo and Golf models were finally replaced by "Tour" packs offering high equipment level in 3Q07. Moreover, modified Touran has met its fans with its new face. Renewal of new Touran is appreciated by the customers, which is proved by the expansion in sales. In addition New Touran offers the new technology 1.4 lt 140 hp TSI motor and ESP with its park assistance.

In the beginning of 3Q07; VW PVs presented high quality "Exclusive" equipment choice and 2.0 lt TDI 170hp diesel motor in Passat and Passat Variant. These models outstand as the best selling models among their competitors with the high comfort they offer and differentiate themselves as vital cars of both family and business lives.



Commercial Vehicles

Contrary to the positive growth in the last few years, automotive sector in Turkey contracted by 17% YoY in 9M'07 as it had gone through two important domestic events; general and presidential elections.

After the general elections in July, the sector started to recover with full throttle especially in August achieving the highest sales of the year thanks to the stability given the continuation of single party government.

18,183 units of VW LCVs were sold in 9M07 maintaining its third ranking in domestic LCV market with 12% market share. With 7,203 units sales in 3Q07; VW LCVs are still the leader of the imported LCV market.

VW LCVs continued its marketing activities in accordance with its direct communication and one-on-one marketing strategy via Transporter Pickup Roadshow, participation in domestic and sectoral exhibitions and sponsorships. These activities had provided the VW LCV team with the chance to make face to face meetings with 27,607 customers in 134 different areas in 3Q07.

VW LCVs will continue to pursue the strategy of offering unique services to its customers and plans to capture 12% market share at the end of 2007.



Audi became the market leader of the premium PV segment, including Audi, BMW, Mercedes, Jaguar, Volvo, Saab, in 9M07 with 30.8% market share. Total Audi sales reached 3,793 units in the first nine months of the year, up 30% YoY compared to the same period

previous year.

In 3Q07, on the other hand, the brand's sales were 1,521 units which is 21% higher YoY and QoQ.

Audi continually adds new models to its portfolio in order to keep the interest alive to the brand. Following the launch of R8, which has breathtaking race technology, A5 Coupe, which will totally alter the customer perception of automotive design, have taken its place in the market in 3Q07.



PORSCHE

Porsche has broken its sales record in Turkey with 220 units in 2006. The uncertainty in domestic market that prevailed in the first half of the year due to elections left its place to a recovery starting from July 2007. Yet, the possible Iraq operation overshadows a significant turnaround in domestic automotive sector.

Porsche sales rose to 55 units in 3Q07, up by 10% YoY, bringing 9M07 cumulative sales volumes to 158 units, still lower 9% YoY, due to the lackluster volumes in 1H07. Porsche became the most selling brand of E6 segment (sport cars segment) with a share of 28% and F6 segment (luxury sport segment) with a share of 36%.

New Cayenne continued its leadership in gas-powered premium SUV model in 9M07 similar to 9M06. 87 out of 161 gas-powered luxury SUVs sold in 9M07 were Cayenne model which was 96 in 9M06. Despite the sales embargo on new Cayenne models imposed by Porsche AG until 24th February 2007, the sales of Cayenne models only decreased by 9 units in 9M07.

Porsche is expanding its product portfolio through launch of new 911 Turbo Cabriolet and 911 G2 models in 3Q07. The initiation of 911 Turbo Cabriolet took place in Antalya Autoshow in September. Moreover, 2008 model sales started at the end of 3Q07 and the attractive campaigns in 2007 model cars are likely to increase Porsche sales in the coming days.



BENTLEY

In 3Q07 total Bentley sales of DOAS realized at 4 units, carrying the total to 14 units for the first nine months of the year with just one showroom, that became operational in May 2007 in Istanbul. This way, Bentley attained 8.5% market share in high luxury segment which had a total size of 165 units in 9M07. With one-on-one sales and marketing activities the brand's sales are projected to reach 18 units in FY07. The basic marketing principle of Bentley is being very close to every potential and existing customer with distinctive and customized services.



Seat- brand PV sales reached 975 units in 3Q07, advancing by 56% QoQ and 11% YoY, and bringing 9M07 sales

figures to 2,117 units, which is still down 43% YoY.

Leon has got the lion's share in total Seat sales with 55%, which is followed by Cordoba with 31% share. Ibiza ranked third in total with 13% share in total sales volume of Seat.

Test sales of Leon FR model is continuing with favorable feedback both from the press and automotive fans.

Seat Tribu was initiated internationally in Frankfurt Fair as the concept car model of Seat. Ibiza Ecomotive Model, which is "environmentally conscious", was also launched in the said fair.

In 4Q07 the brand will first launch 2.0 lt TFSI 240 hp Cupra; which is the best equipped and highest performing Leon model and then commence the sales of Altea XL with 1.6 lt 102 hp, 2.0 lt FSI 150 hp tiptronic, 1.9 lt TDI 105 hp diesel and 2.0 lt FSI 150 hp tiptronic DSG diesel. Finally 1.4 lt 125 hp Altea XL will be shown up in December 2007.



Scania continued to be the leader of import HCV market in 3Q07 with 571 sales volume, that brought cumulative nine months sales volume to 1,591, and left the brand with 28% market share.

With new showroom and service points additions total number of sales outlet of the brand reached 15 and service points reached 20.

The brand met with over 800 customers in the third quarter of the year via the roadshows arranged in certain regions of Turkey.

In September, Scania G series, which will be in Turkish markets in 2008, were launched in Brazil. With the G series model, Scania will both diversify its product portfolio and meet customer demand.



Total Krone sales reached 191 units in 3Q07, bringing total sales for January-September 2007 period to 589 units, which provided the brand with 15% market share in total domestic market (ranking 3rd) and 40% in imports side (ranking 1st).

Number of Krone sales and service points are increasing day by day with new showroom openings by authorised third party dealers.

The brand met with over 800 customers in the third quarter of the year via the roadshows arranged in certain regions of Turkey.

The Krone production investment which is expected to be operational by 2009 with EUR35mn was announced to the public in November 2007.



Meiller brand that was initiated to Turkish customers in February 2007 sold 10 units tippers in 3Q07, aggregating at 40 units for 9M07.

Number of Meiller sales and service points are increasing day by day with

new showroom openings by authorised third party dealers.

The brand met with over 800 customers in the third quarter of the year via the roadshows arranged in certain regions of Turkey.

The Meiller production investment which is expected to be operational by early 2008 with EUR4mn was declared to the public in October 2007.



Although the first outlet of Lamborghini has not started its operations yet, 1 Gallardo Spyder model and 1 Murcielago LP 640 were sold in the first nine months of the year. Thanks to unique characteristics, demand for Lamborghini brand has an upward momentum globally, that after the completion of the showroom construction the same trend is forecasted to be seen in Turkey.



Trust in used cars

DOD, the leader brand of the organized used car market, sold 3,031 vehicles in 3Q07, dramatically outpacing the 1,614 vehicles sold at the same period last year. With its 83 authorized dealers throughout Turkey second hand car sales of the brand realized at 9,223 units in 9M07, implying 74% YoY increase over 9M06 sales volume of 5,308. DOD had the chance to meet more than 250,000 potential and existing customers thanks to the "DOD Opportunity Days" in September. Furthermore, DOD started publishing its new national monthly magazine "Evo" consisting of news about cars and dealers.



Vdf Consumer Finance preserved its leadership among consumer finance companies with 45% market share in January-September 2007 period. The company also had 14% market share among all financial institutions, including banks, in terms of retail loans.

The Company captured a penetration rate of 24% within the 27 brands it serves. As of September 2007, Vdf Consumer Finance supplied 26,080 new contracts to its clients worth of TRY655mn.

Vdf Insurance Services, on the other hand, produced 17,260 new policies in the first nine months of the year.

Through providing consumer finance and insurance to its clients as a package with minimum client effort, Vdf Insurance Services differentiates itself from other financial institutions.

VDF Fleet Services

VDF Fleet Services executes the operational fleet leasing activities in Turkey through partnership of Leaseplan (51%) and Doguş Otomotiv by (49%). VDF Fleet Services is among the top three brands in Turkish operational fleet rental market with 9% market share. The company increased the total number of vehicles in its portfolio to 5,982 units in January-September 2007 period through adding 1,898 new contracts.

For further information please contact Investor Relations Department.

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MACROECONOMIC OVERVIEW

Prudent implementation of fiscal and monetary policies has allowed Turkish economy to achieve above-average growth rates in the last seventeen quarters. In its monthly meeting in September 14, the Central Bank of Turkey cut the overnight rates by 25bps to 17.25%, surprising the markets, as the benchmark bond rates declined by almost 1.4pps to 16.9%.

Turkey's GDP growth performance persists. The GDP growth for the 2Q07 was realized at 3.9%, which was in-line with the market consensus, carrying 1H07 GDP growth figure to 5.3%. The breakdown of GDP figures pointed out that private sector expenditures declined by 0.3% YoY in 2Q07, for the first time since 1Q02. The investment expenditures accelerated 33.9% YoY in 2Q07 and became the leading contributor of the growth in the said period.

Exports were up by 24% YoY and imports increased by 22% YoY in 3Q07 resulting in a foreign trade deficit of US\$18bn, up 20% YoY. In 3Q07, car exports surged by 14% YoY, as car imports added up 11% YoY.

Annual CPI inflation went down to 7.1% in September 2007 from 7.4% in August while annual WPI jumped to 5.02% from 3.7% at the same time frame.

In 3Q07, 12-month trailing current account deficit rose by 5.4% QoQ to US\$34.4bn. The government forecasts a US\$36.4bn current account deficit for FY07 and US\$39.2bn for FY2008. On the financing side 12-month rolling foreign direct investment (FDI) came in at US\$19.8bn in September. As the deals already closed in 2007 are taken into account, FDI for FY07 is expected to exceed US\$20bn levels, which is a good balance in terms of current account deficit financing side.

NOTES ON THE AUTOMOTIVE SECTOR

Suffering from the lackluster demand in domestic automotive market since 2H06, as a result of the uncertainties in political arena and turbulence in global financial markets, domestic market recovery kicked off in 3Q07 following the general and presidential elections.

In 3Q07, domestic automotive sales increased by 11% YoY to 147K vehicles. While passenger vehicle (PV) sales were up by 15% YoY to 82K units in 3Q07, light commercial vehicle (LCV) sales increased 9% YoY to 59K vehicles.

In nine-month cumulative terms, the contraction in domestic automotive market recovered to 17% YoY from 28% YoY in 1H07. Total sales of the market were realized at 399K vehicles in 9M07, down from 482K vehicles at the same period previous year. On the LCV side, picture was slightly brighter than PV and HCV sides with 16% YoY decrease to 154K units. PV and HCV sales fell 17% and 24% YoY to 227K and 18K units in the first nine months of the year, respectively.

Imports constituted 58% of the total light vehicle sales in 9M07, which was 61% at the same period a year ago. As PV imports made up 66% of the total PV market, LCV imports composed 47% of the market in the first nine months of 2007 versus 69% and 48% in 9M06, respectively.

COMPANY SPECIFIC FINANCIAL DISCLOSURES

Dogus Otomotiv announced TRY1,711mn in revenues in 9M07, down by 9% YoY. Although sales volume declined by 23% YoY, in-line with the decline in total importers' sales volumes, revenues did not fall as much as the volumes due to higher prices and increased after sales services revenues at the current period compared with the same period of last year.

Profitability of DOAS was eye-catching, with strong Turkish lira against hard currencies that EBITDA came in at TRY83mn in 9M 07, which is substantially higher 33% YoY and implying an EBITDA margin of 4.8% for the period versus 3.3% in 9M 06.

Gross profit jumped 17% YoY to TRY253mn in January-September 2007 period, which yielded a gross margin of 14.8% compared to 11.6% in 9M06.

DOAS disclosed TRY57mn net profit in its 9M07 financials, more than tripling its TRY18mn net earnings figure at the same period previous year, which resulted in a net margin of 3.3% versus 1.0% in 9M06.

DOAS has made TRY79mn capex in the first nine months of the year, which is 243% above the TRY23mn capex made at the same period a year ago. Accordingly TRY58mn net cash position at the end of 3Q06 turned into TRY34mn net debt position at end-3Q07.

Total asset size of the company advanced 9% YoY to TRY1,233mn, while shareholders' equity increased a whopping 32% YoY to TRY631mn at 3Q07 balance sheet.

DIVIDEND POLICY

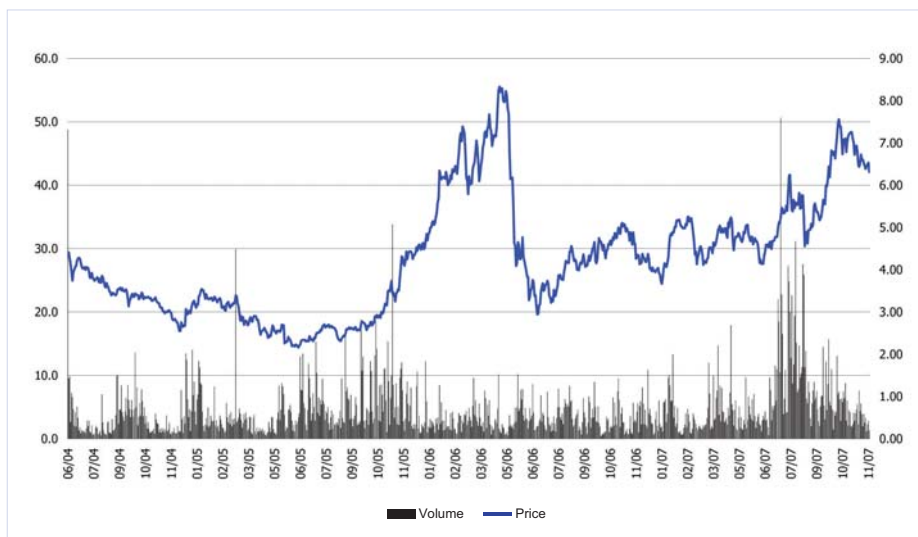
According to its Articles of Association, the Company will pay out at least 50% of its distributable profit as dividends to its shareholders until 2009. Accordingly, the Company distributed TRY7mn cash dividends to its shareholders from its 2006 earnings in 2007.

SELECTED ISE-STOCK MARKET STATISTICS

As of November 27, 2007	Mcap (US\$m)	Free Float	% in sector	% in ISE 100
DOAS.IS	694	34%	9.0%	0.3%
ASUZU.IS	172	16%	2.2%	0.1%
FROTO.IS	3,185	18%	41.3%	1.2%
KARSN.IS	279	31%	3.6%	0.1%
TOASO.IS	2,207	24%	28.6%	0.9%
5 large automotive stocks	6,537	-	84.7%	2.6%
Sector	7,715	-	-	3.0%
ISE	256,092	32%	-	-

Source: ISE

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



MODEL	1Q07	1Q 06	YoY	2Q07	2Q06	YoY	3Q07	3Q06	YoY	9M07	9M06	YoY
VOLKSWAGEN	9,146	13,455	-32%	11,574	19,312	-40%	13,576	12,880	5%	34,296	45,647	-25%
VW PV	4,371	6,397	-32%	5,369	8,306	-35%	6,373	5,976	7%	16,113	20,679	-22%
VW LCV	4,775	7,058	-32%	6,205	11,006	-44%	7,203	6,904	4%	18,183	24,968	-27%
AUDI	1,016	796	28%	1,256	869	45%	1,521	1,256	21%	3,793	2,921	30%
PORSCHE	47	62	-24%	56	62	-10%	55	50	10%	158	174	-9%
BENTLEY	-	-	-	10	-	-	4	-	-	14	-	100%
LAMBORGHINI	-	-	-	1	-	-	0	-	-	1	-	100%
SEAT	517	1,107	-53%	625	1,726	-64%	975	879	11%	2,117	3,712	-43%
SKODA	510	1,502	-66%	1,138	1,610	-29%	1,533	1,168	31%	3,181	4,280	-26%
SCANIA *	469	509	-8%	543	469	16%	571	544	5%	1,583	1,522	4%
Total	11,705	17,431	-33%	15,203	24,048	-37%	18,235	16,777	9%	45,143	58,256	-23%
KRONE *	177	138	28%	220	257	-14%	191	230	-17%	588	625	-6%
Market Size												
PV	55,134	81,056	-32%	90,556	123,279	-27%	81,619	71,123	15%	227,309	275,458	-17%
LCV	38,974	50,879	-23%	55,898	77,273	-28%	58,904	54,211	9%	153,776	182,363	-16%
HCV	4,972	7,610	-35%	6,679	9,545	-30%	6,513	6,817	-4%	18,164	23,972	-24%
Total	99,080	139,545	-29%	153,133	210,097	-27%	147,036	132,151	11%	399,249	481,793	-17%
Market Shares												
PV	12%	12%	-4%	9%	10%	-8%	13%	13%	-2%	11%	12%	-3%
LCV	12%	14%	-12%	11%	14%	-22%	12%	13%	-4%	12%	14%	-14%
HCV	9%	7%	41%	8%	5%	65%	9%	8%	10%	9%	6%	37%
Total	12%	12%	-5%	10%	11%	-13%	12%	13%	-2%	11%	12%	-6%

Source: ADA, Dogus Otomotiv