

Investor Relations Presentation

Q3 2016 Results

Updated: November 2016

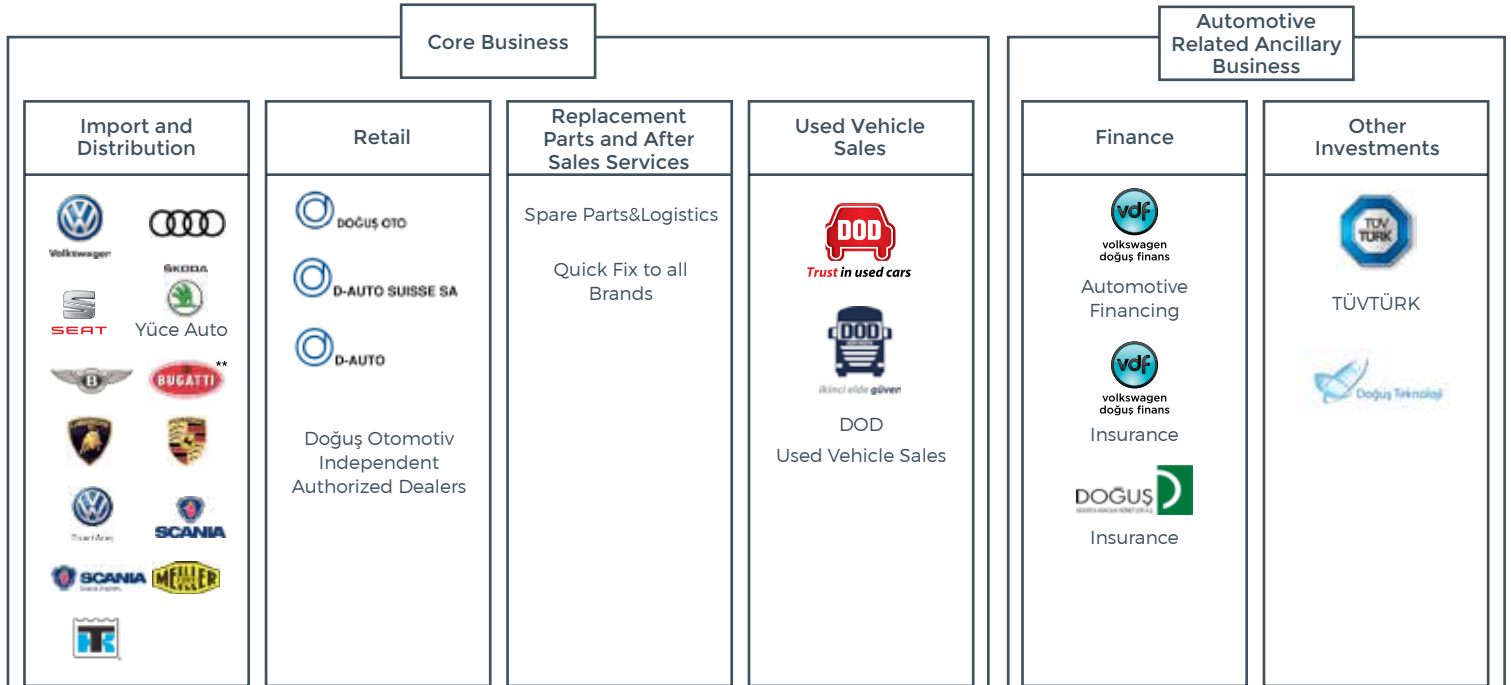


Agenda

- Doğu Otomotiv / Value Chain 2016
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

Doğuş Otomotiv / Value Chain 2016

Presence in Every Link of The Automotive Value Chain



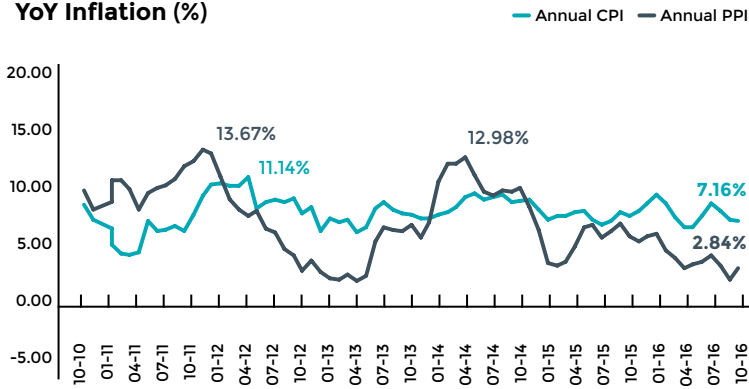
*Subsidiaries
**Representative Offices

Macroeconomic Outlook

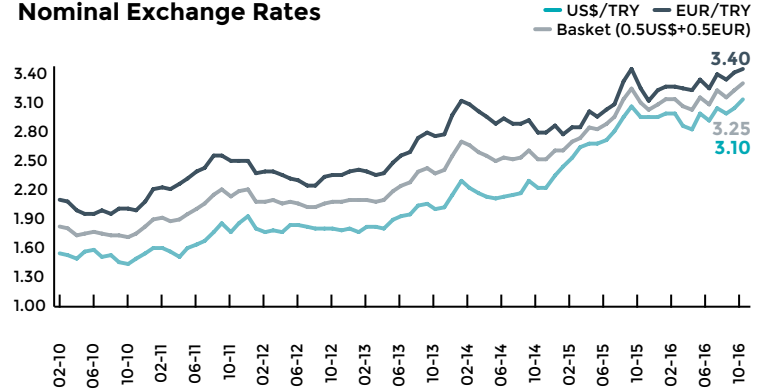


Macroeconomic Indicators

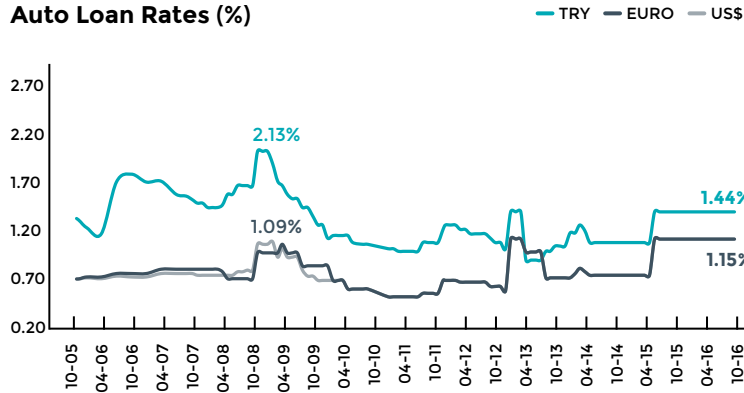
YoY Inflation (%)



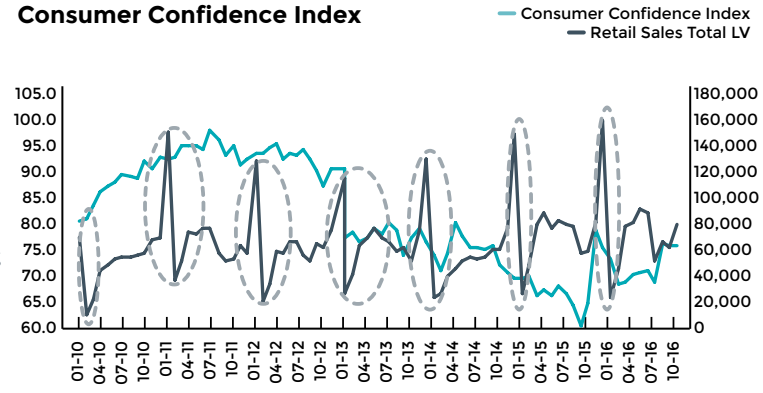
Nominal Exchange Rates



Auto Loan Rates (%)

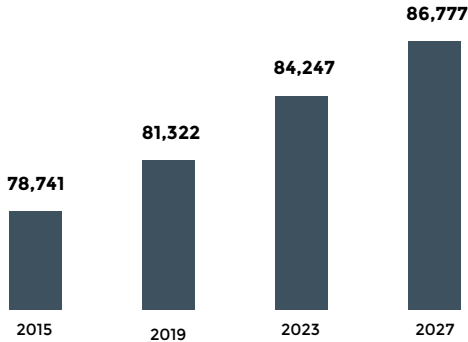


Consumer Confidence Index

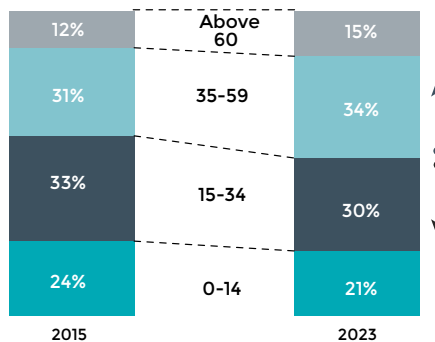


Population & Demography

Population Statistics ('000)



Age Demography

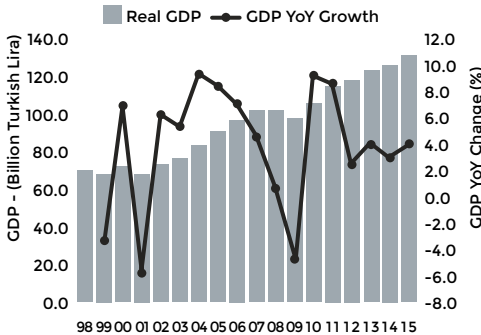


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

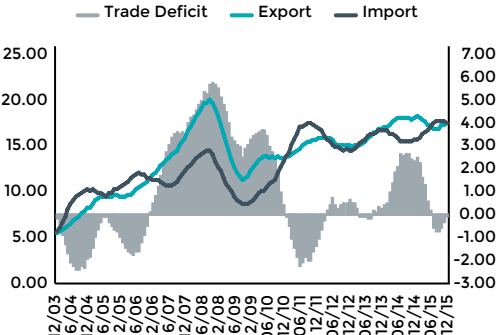
→ Population is increasing on an average 1.5% each year.

→ 64% of population will be between the age group 15 to 59 years.

Economy



Auto Industry Trade Balance (US\$ bn)



→ Share of people in the age group between 35 to 59 will increase by 3%.

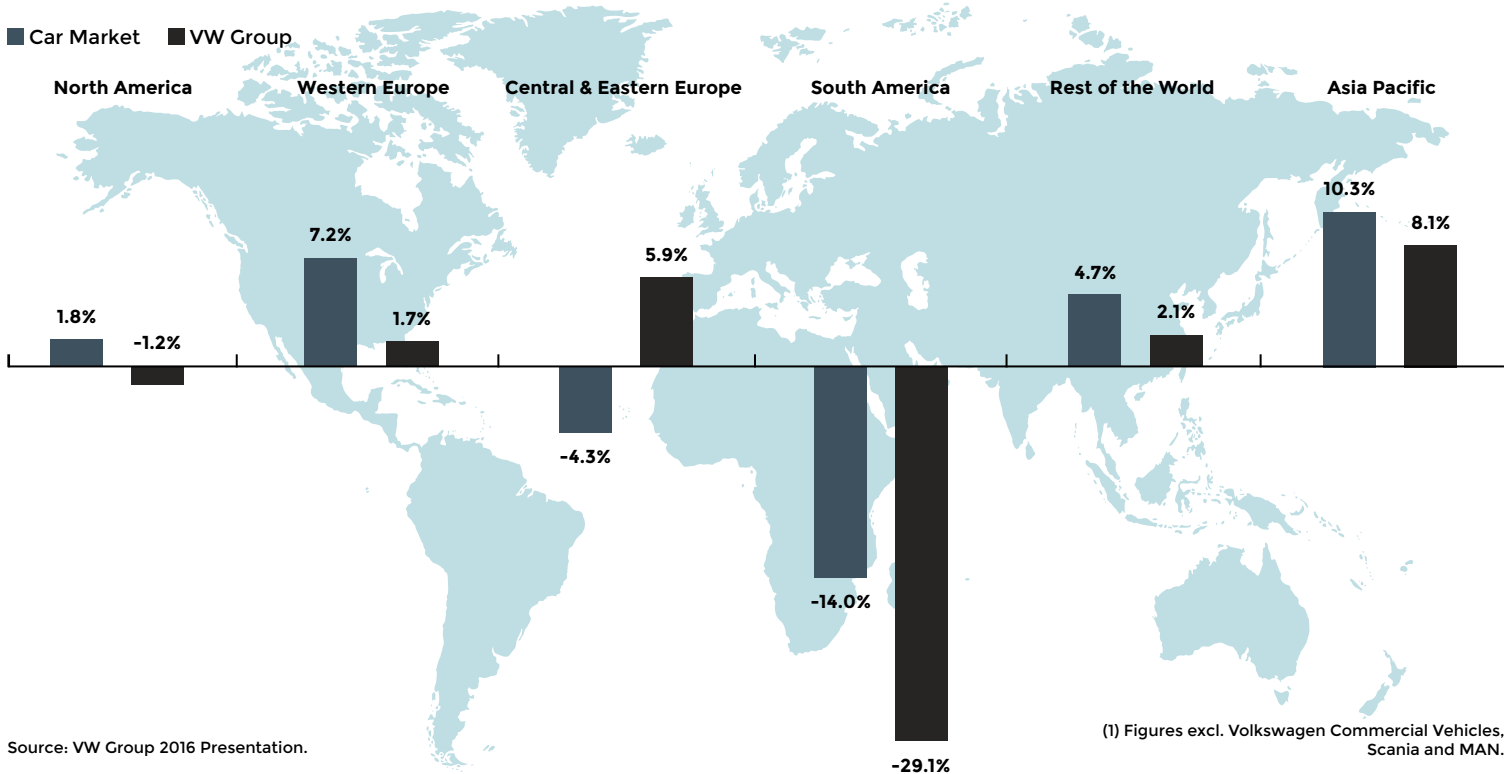
Note: All figures are rounded; the base years is 2009.
Source: IMF, TurkStat, Frost Sullivan

Automotive Market



Development world car market vs. Volkswagen Group Car Deliveries to Customers ⁽¹⁾

(Growth y-o-y in deliveries to customers, January to September 2016 vs. 2015)



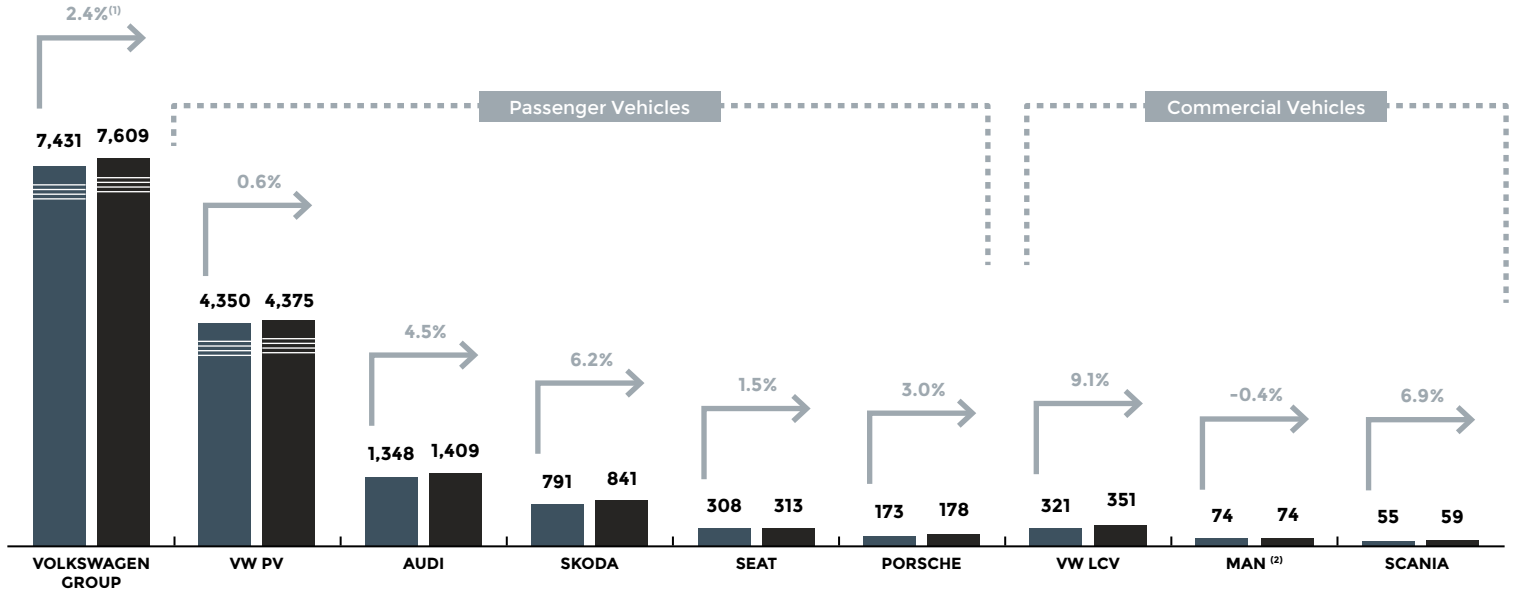
Source: VW Group 2016 Presentation.

(1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group

DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)

■ Jan-Sep 2015 ■ Jan-Sep 2016 → Change



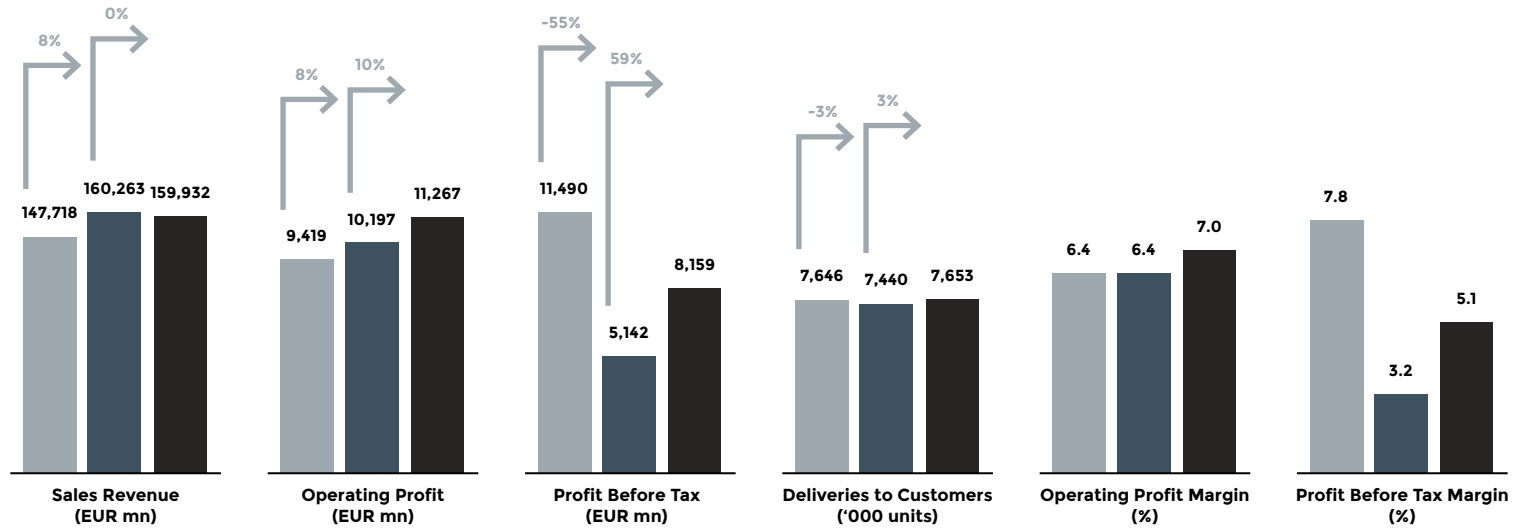
(1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +2.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.
 (2) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Source: VW Group 2016 Presentation.

Volkswagen Group

FINANCIAL AND SALES PERFORMANCE (EUR mn)

■ 3Q2014 ■ 3Q2015 ■ 3Q2016 → Change



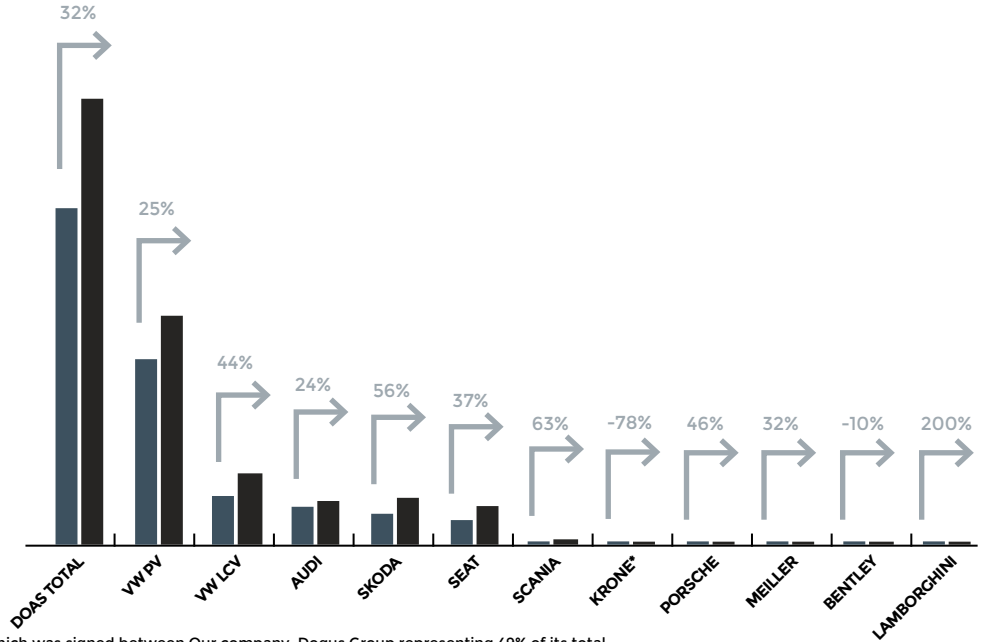
Source: VW Group 2Q2016 Annual Report.

DOAS Wholesales Performance - 2015

	12M2014	12M2015	Change
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DOAS TOTAL	155,995	205,593	32%
VW PV	85,134	106,677	25%
VW LCV	23,191	33,411	44%
AUDI	17,070	21,100	24%
SKODA	14,397	22,435	56%
SEAT	12,540	17,212	37%
SCANIA	2,014	3,291	63%
KRONE	716	158	-78%
PORSCHE	601	877	46%
MEILLER	309	407	32%
BENTLEY	21	19	-10%
LAMBORGHINI	2	6	200%

■ 12M2014 ■ 12M2015 → Change

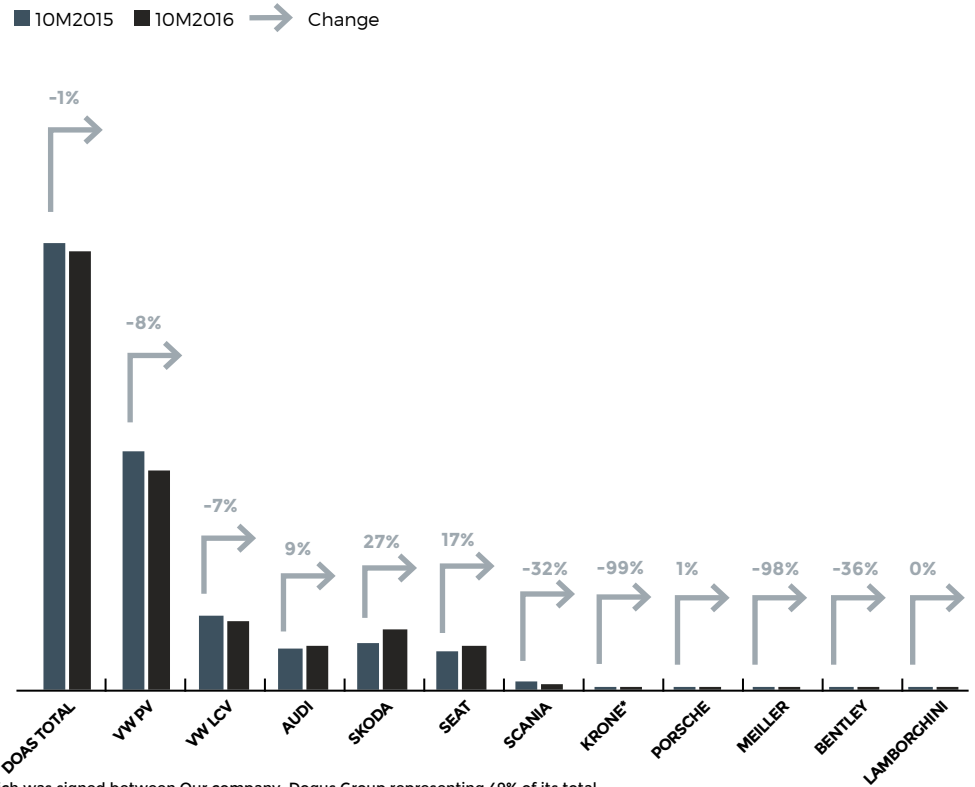


*The sales agreement of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized after all permissions were received.

DOAS Wholesales Performance - October 2016

	10M2015	10M2016	Change
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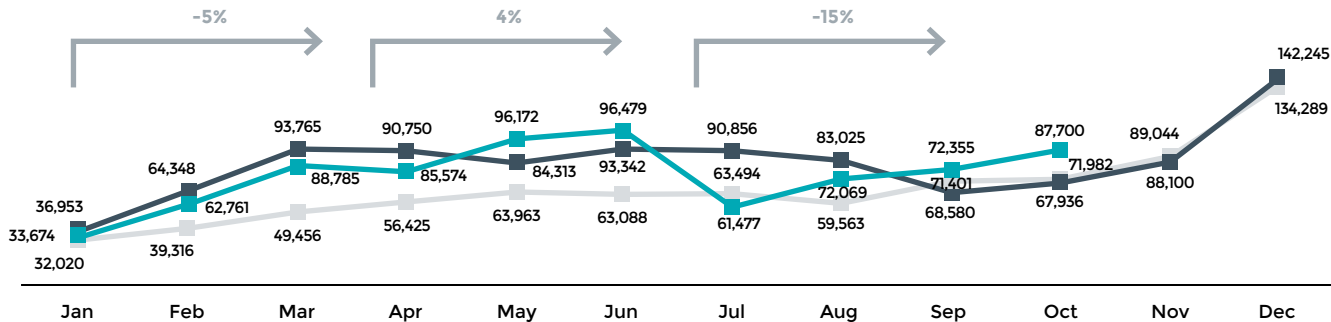
DOAS TOTAL	169,932	167,801	-1%
VW PV	91,103	83,474	-8%
VW LCV	27,917	25,946	-7%
AUDI	15,190	16,606	9%
SKODA	17,696	22,547	27%
SEAT	14,403	16,895	17%
SCANIA	2,447	1,660	-32%
KRONE	151	2	-99%
PORSCHE	646	650	1%
MEILLER	362	8	-98%
BENTLEY	11	7	-36%
LAMBORGHINI	6	6	0%



*The sales agreement of Krone Doğuş Treylar Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized after all permissions were received.

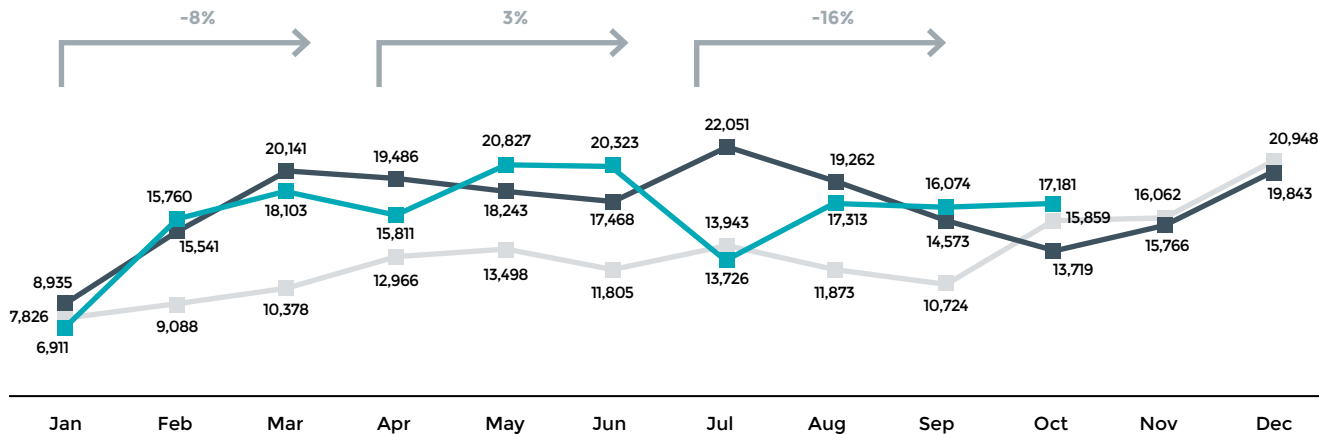
Wholesale Market Monthly Sales

■ 2014 ■ 2015 ■ 2016 → Change (Quarterly Δ16/15)



DOAS Monthly Sales

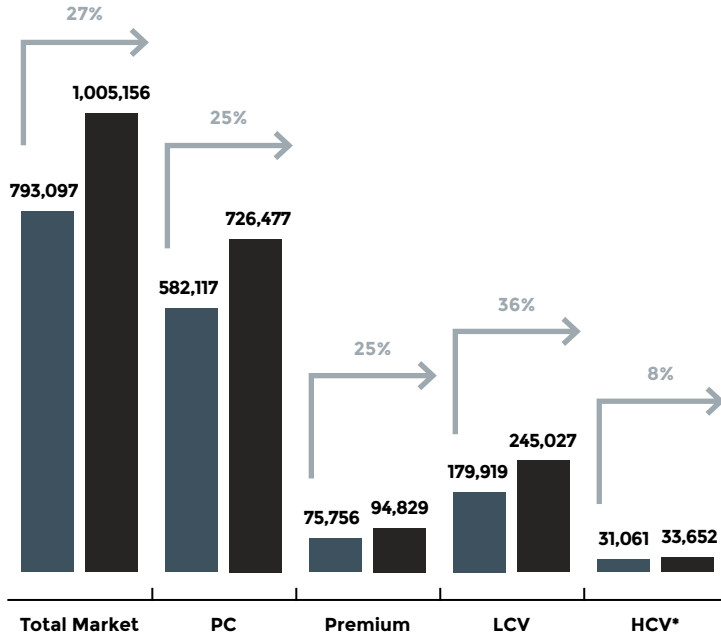
■ 2014 ■ 2015 ■ 2016 → Change (Quarterly Δ16/15)



Market Review - Wholesale - 2015

MARKET

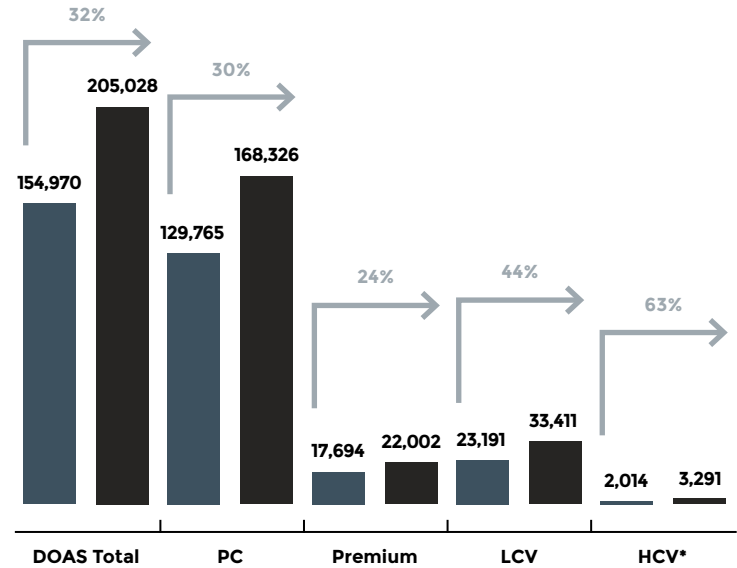
■ December 2014 ■ December 2015 → Change



*Excluding Krone and Meiller

DOAS

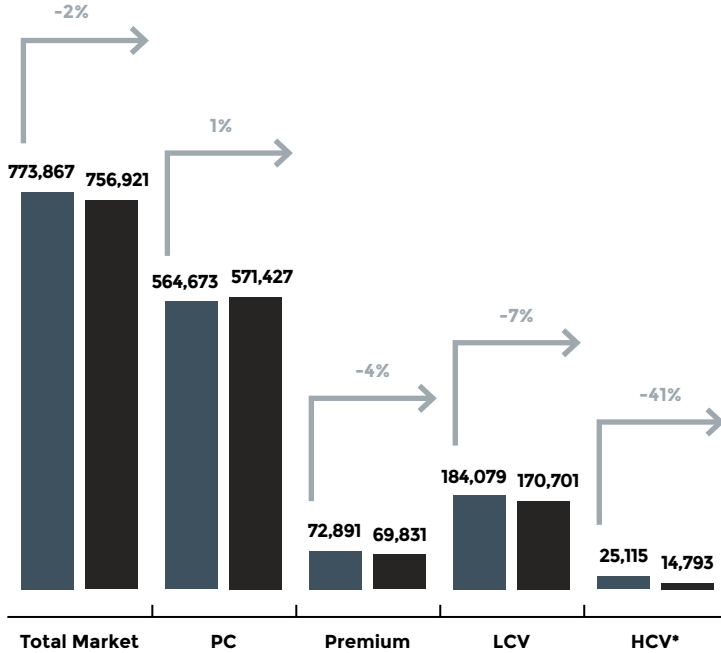
■ December 2014 ■ December 2015 → Change



Market Review - Wholesale - October 2016

MARKET

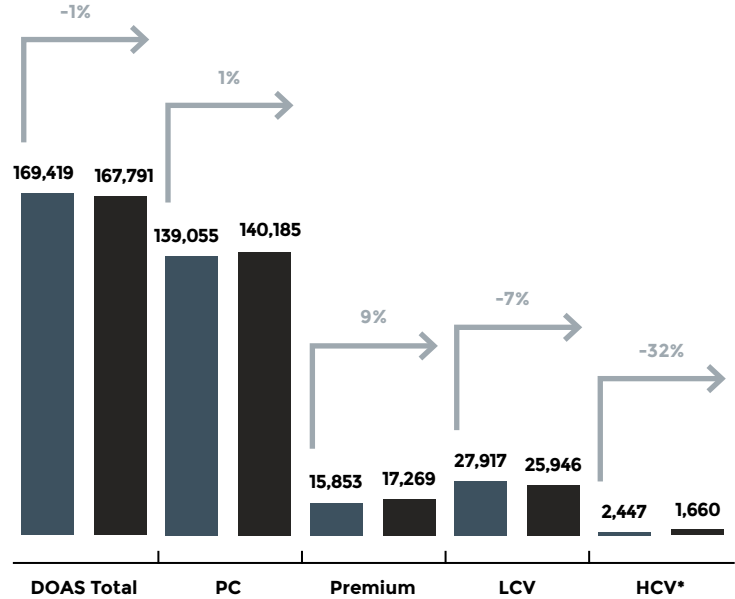
■ October 2015 ■ October 2016 → Change



*Oct 2016 HCV market is an expected sales number.

DOAS

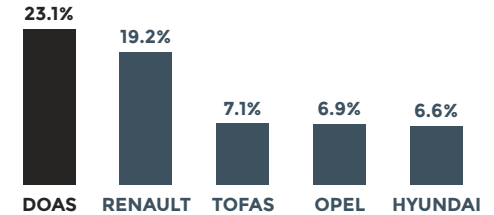
■ October 2015 ■ October 2016 → Change



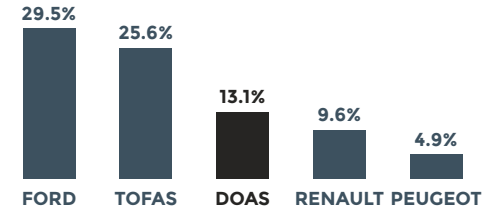
Market Share - Retail - 2015

RETAIL MARKET	2013 YEAR END	2014 YEAR END	2015 YEAR END	2013 YEAR END/ 2014 YEAR END CHANGE	2014 YEAR END/ 2015 YEAR END CHANGE
PASSENGER VEHICLE %					
DOAS	19.3	22.2	23.1	2.9	0.9
RENAULT	18.9	20.1	19.2	1.2	-0.9
TOFAS	7.8	6.9	7.1	-0.9	0.3
OPEL	8.4	6.7	6.5	-1.7	-0.2
HYUNDAI	7.2	7.7	6.9	0.5	-0.8
FORD	8.8	6.4	6.5	-2.5	0.2
TOYOTA	5.4	5.8	6.6	0.4	0.8
MERCEDES-BENZ	3.1	3.9	4.2	0.8	0.3
OTHER	21.1	19.9	19.8	-1.2	-0.1
LIGHT COMMERCIAL VEHICLE %					
FORD	26.4	27.5	29.5	1.1	2.0
TOFAŞ	25.1	27.5	25.6	2.4	-1.9
DOAS	12.6	13.3	13.1	0.7	-0.3
RENAULT	10.1	8.5	9.6	-1.6	1.1
PEUGEOT	5.8	3.9	4.8	-1.9	0.9
MERCEDES-BENZ	5.5	4.5	3.5	-1.1	-1.0
CITROEN	5.5	4.5	4.9	-1.0	0.4
MITSUBISHI	2.0	2.4	1.9	0.4	-0.6
OTHER	7.0	8.0	7.3	1.0	-0.7
LIGHT VEHICLE %					
DOAS	17.8	20.1	20.6	2.3	0.5
RENAULT	17.0	17.4	16.8	0.4	-0.6
FORD	12.7	11.3	12.3	-1.4	0.9
TOFAŞ	11.5	12.0	11.8	0.5	-0.2
OPEL	6.6	5.1	4.9	-1.5	-0.2
HYUNDAI	5.8	6.1	5.4	0.3	-0.7
TOYOTA	4.5	4.7	5.3	0.2	0.6
MERCEDES-BENZ	3.6	4.1	4.0	0.5	0.0
OTHER	20.5	19.6	19.2	-0.9	-0.4

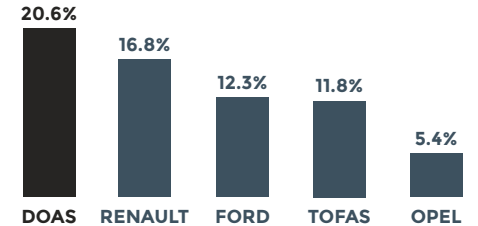
PV TOP 5 DECEMBER 15



LCV TOP 5 DECEMBER 15



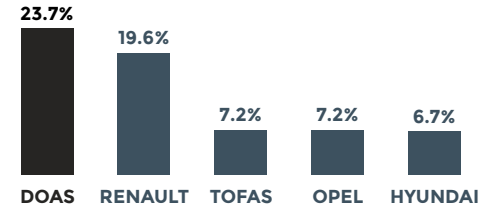
LV TOP 5 DECEMBER 15



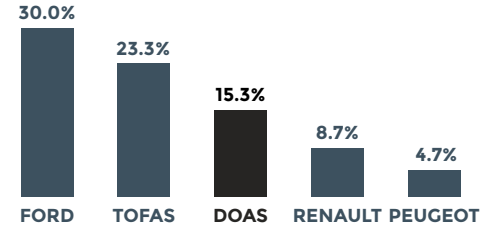
Market Share - Retail - October 2016

RETAIL MARKET	2014 YEAR END	2015 YEAR END	YTD OCT 15	YTD OCT 16	2015YE/YTD OCT 2016 CHANGE	YTD OCT 2015/ YTD OCT 2016 CHANGE
PASSENGER VEHICLE %						
DOAS	22.2	23.1	24.1	23.7	0.6	-0.4
RENAULT	20.1	19.2	18.8	19.6	0.4	0.8
TOFAS	7.2	7.1	7.0	7.2	0.0	0.1
OPEL	6.7	6.48	6.0	7.2	0.7	1.2
HYUNDAI	7.7	6.9	7.0	6.7	-0.2	-0.2
TOYOTA	5.8	6.6	6.5	5.9	-0.7	-0.5
FORD	6.4	6.5	6.8	5.7	-0.8	-1.1
MERCEDES-BENZ	3.9	4.2	4.2	4.3	0.1	0.1
OTHER	20.1	19.9	19.7	19.8	-0.1	0.1
LIGHT COMMERCIAL VEHICLE %						
FORD	27.5	29.5	29.4	30.0	0.5	0.6
TOFAŞ	27.5	25.6	23.9	23.3	-2.4	-0.7
DOAS	13.3	13.1	14.3	15.3	2.3	1.0
RENAULT	8.5	9.6	8.9	8.7	-0.9	-0.2
PEUGEOT	3.9	4.8	4.8	4.7	-0.1	-0.1
CITROEN	4.5	4.9	5.3	3.7	-1.2	-1.6
MERCEDES-BENZ	4.5	3.5	3.8	3.5	0.0	-0.2
TOYOTA	0.9	1.2	1.1	2.4	1.2	1.3
OTHER	9.5	7.9	8.6	8.5	0.6	-0.1
LIGHT VEHICLE %						
DOAS	20.1	20.6	21.7	21.7	1.1	0.0
RENAULT	17.4	16.8	16.4	17.1	0.3	0.7
FORD	11.3	12.3	12.3	11.3	-1.0	-1.0
TOFAŞ	12.0	11.8	11.2	10.9	-0.9	-0.3
OPEL	5.1	4.9	4.5	5.5	0.6	1.0
HYUNDAI	6.1	5.4	5.4	5.4	0.0	0.0
TOYOTA	4.7	5.3	5.1	5.1	-0.2	0.0
MERCEDES-BENZ	4.1	4.0	4.1	4.1	0.1	0.0
OTHER	19.3	19.2	19.3	18.9	-0.3	-0.4

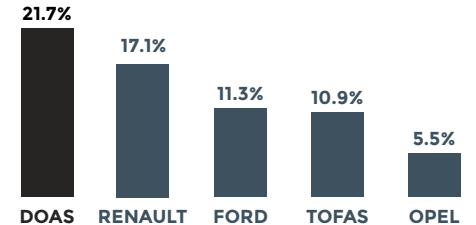
PV TOP 5 OCTOBER 16



LCV TOP 5 OCTOBER 16



LV TOP 5 OCTOBER 16



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30 Sep 16	30 Sep 15	Change (%)
Revenue	7,961	7,958	0%
Gross Profit	810	824	-2%
Operational Expenses	-536	-435	23%
Selling and Marketing Expenses	-232	-202	15%
General Administrative Expenses	-279	-213	31%
Warranty Expenses, net	-61	-51	21%
Other Operating Expenses, net	36	31	17%
EBITDA	321	424	-24%
EBIT	274	390	-30%

Margins	30 Sep 16	30 Sep 15	Change (%)
Gross Margin	10.2%	10.4%	-2%
Opex/Sales	6.7%	5.5%	23%
EBITDA Margin	4.0%	5.3%	-24%
EBIT Margin	3.4%	4.9%	-30%
Net Profit Margin	1.8%	3.7%	-52%

Consolidated Income Statement

(TL '000)	30 Sep 16	Vertical Analysis	30 Sep 15	Vertical Analysis	Change (%)
Revenue	7,961,137		7,958,385		0%
Direct cost of revenue	-7,151,472	-90%	-7,133,976	-90%	0%
Gross profit	809,665	10%	824,409	10%	-2%
Selling, marketing and distribution expenses	-231,546	-3%	-201,996	-3%	15%
SG&A Expenses	-279,492	-4%	-212,770	-3%	31%
Warranty expenses	-60,875	-1%	-50,513	-1%	21%
Other operating incomes/losses, net	35,754	0%	30,601	0%	17%
Results from operating activities	273,506	3%	389,731	5%	-30%
Income from Investing Activities	9,259		37,324		
Income Loss from Associates	74,549		54,638		36%
Financial incomes/costs, net	-196,018		-124,680		57%
Profit before income tax	161,296	2%	357,013	4%	-55%
Tax expense	-18,737		-59,677		-69%
Profit for the year	142,559	2%	297,336	4%	-52%

→ Impacts on revenue and direct cost of revenue:

- *Increased EUR/TL volatility in 9M16.
- FOB prices increased in some PC models.
- Suspension of sales of Jetta and Caddy models in October 2015 affected due to "Dieselgate".
- OEM related production limitation and model mix constraints

→ Selling, marketing and distribution expenses

- 13% Increase in Advertisement Expenses

→ General Administration Expenses

- Increase in personnel expenses by 27%

Income/Loss from Associates 30 Sep 16 Cumulative 30 Sep 15 Cumulative

VDF	34,615	11,834
Doğuş Sigorta	911	1,686
SKODA (Yüce Oto)	7,901	6,328
VDF Servis Holding	9,393	9,048
TÜVTURK Group	22,332	26,100
Meiller-Doğuş	-767	-731
Doğuş Technology	164	373
Grand Total	74,549	54,638

Financing Costs

(TL mn, CMB)	30 Sep 2016	30 Sep 2015	Change (%)
Financing Costs	-196.01	-124.68	57%
Finance expenses, net	-195.67	-120.34	63%
Interest expense on borrowings	-191.30	-117.25	63%
Commission expenses on letters of guarantee	-2.55	-2.27	13%
Other financial expenses	-1.82	-0.83	120%
Foreign Exchange gain/loss, net*	-0.34	-4.34	-92%

*arising from credit loans

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	30 Sep 16	31 Dec 15
ASSETS	4,958,553	3,979,903
Cash and cash equivalents	60,724	71,870
Trade receivables	758,397	1,103,939
Inventories	2,414,148	1,214,122
Tangible and intangible non-current assets	764,522	684,891
Financial Investments	517,333	511,815
Investments in equity accounted investees	279,836	239,010
Other	163,593	154,256
LIABILITIES	3,877,050	2,617,020
Financial liabilities	2,709,309	1,941,124
Trade payables	1,027,108	509,411
Provisions	75,965	68,920
Other	64,668	97,565
EQUITY	1,081,503	1,362,883

Investments in Equity Accounted Investees	30 Sep 16	31 Dec 15
Associates		
VDF	119,896	85,281
Doğuş Sigorta	32,780	32,709
Yüce Auto (SKODA)	22,002	17,298
VDF Servis	42,245	32,852
Doğuş Teknoloji	6,067	4,523
Joint Ventures		
TÜVTURK North - South (Consolidated)	51,620	60,354
Meiller-Doğuş	5,226	5,993
Total	279,836	239,010

Other	30 Sep 16	31 Dec 15
VAT payable	16,779	61,501
Income tax payable	16,213	3,166
Deferred income	20,596	13,604
Payables related to employee benefits	8,172	13,894
Deferred tax liabilities	214	2,625
Other	2,694	2,775

Provisions	30 Sep 16	31 Dec 15
Warranty Provisions	39,478	35,617
Legal Provisions	15,826	14,173
Provision for unused vacation	5,714	5,193
Long-term provisions related to employee benefits	14,947	13,937

Inventories:

- Increase in goods in transit (vehicle)
- 30 September 2016: 2.414.148K TL
- 31 December 2015: 1.214.122K TL
- Number of vehicles increased from 14.426 units to 35.105 units as of 30.09.2016.

Trade Payables:

Trade Payables; of the company increased by 102% compared to 31.12.2015. The main reason for the rise is the increase in payables to OEM due to the increase in the amount of inventory in 9M16.

Financial liabilities:

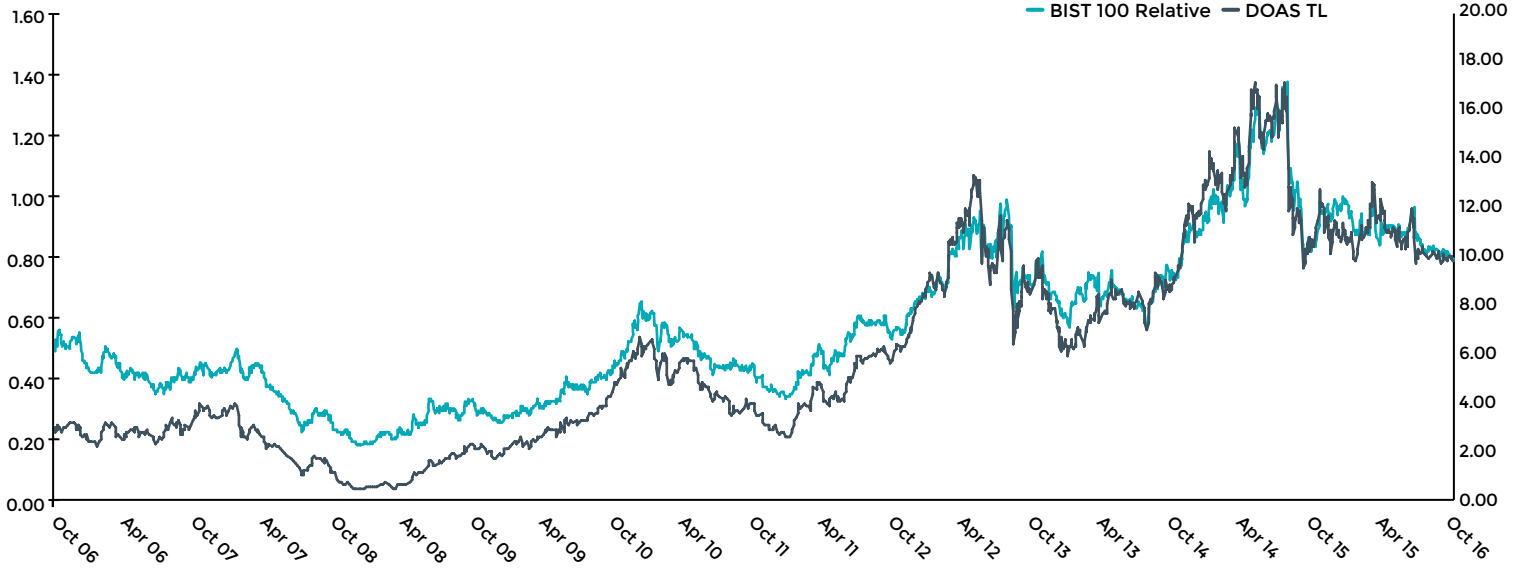
Cost of debt for the short term loans increased by 1 basis points in 9M16 compared to 9M15.

Other	30 Sep 16	31 Dec 15
Investment property	19,912	20,222
Warranty claims and price difference receivables	32,337	28,072
Prepaid Expenses short-term	36,197	15,749
Advances Given	6,327	3,449
Receivables due to insurance claims	10,057	9,459
Deferred tax assets	21,328	5,662
Advances given for property and equipment purchases	18,181	28,090
Prepaid Expenses long-term	5,841	721
Deferred tax	339	20,403
Current income tax assets	528	15,984
Other	12,546	6,445

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Sep 16	31 Dec 15	Change (%)
Total Assets	4,959	3,980	25%
Total Equity	1,082	1,363	-21%
Net working capital	-489	236	-308%
Net cash position	-2,677	-1,902	-41%
CAPEX	147	169	-13%
Receivable Turnover (day)	26	37	-30%
Inventory Turnover (day)	92	45	104%
Payable Turnover (day)	39	19	107%
Net Debt/EBITDA	6.2	3.7	68%
ROA	2.9%	7.6%	-62%
ROE	13.2%	22.2%	-41%

Stock Price History



Shareholders Structure

	% Share	Amount (TL)
DOĞUŞ HOLDİNG AŞ.	35.21%	77,461,218
DOĞUŞ ARAŞTIRMA GEL. VE MÜŞ. HİZM.A.Ş.	30.29%	66,638,086
OTHER DOĞUŞ GROUP COMPANIES	0.00%	696
PUBLICLY TRADED	34.50%	75,900,000
TOTAL	100.00%	220,000,000

Disclaimer

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