

# Investor Relations Presentation

2013 FY Results

Updated: April 2014

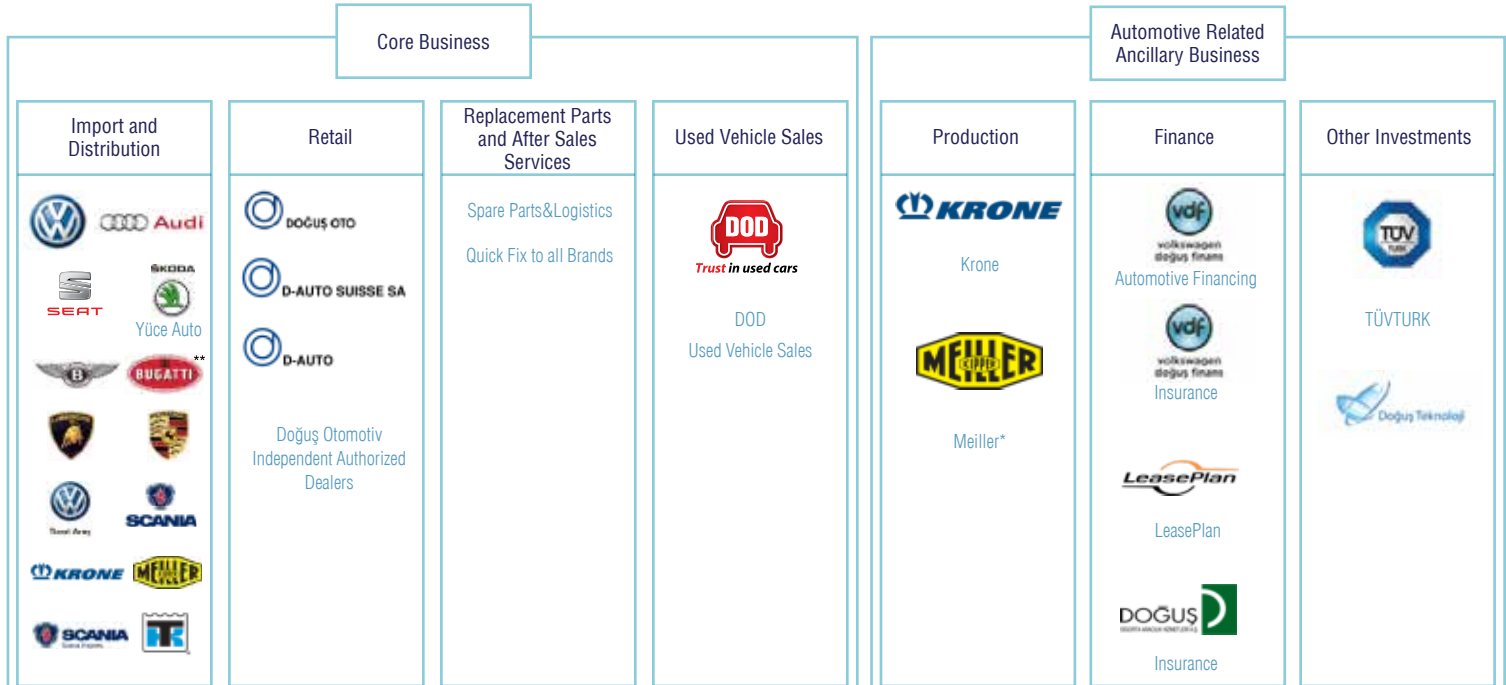


# Agenda

- Dođuş Otomotiv / Value Chain 2014
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

# Doğuş Otomotiv / Value Chain 2014

## Presence in Every Link of Automotive Value Chain



\*Subsidiaries

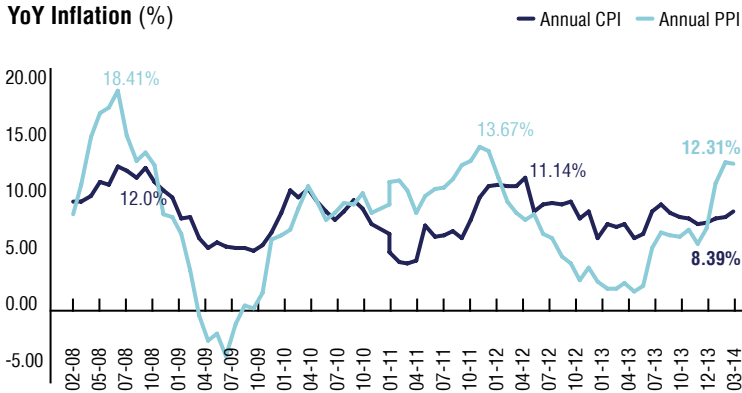
\*\*Representative Offices

# Macroeconomic Outlook

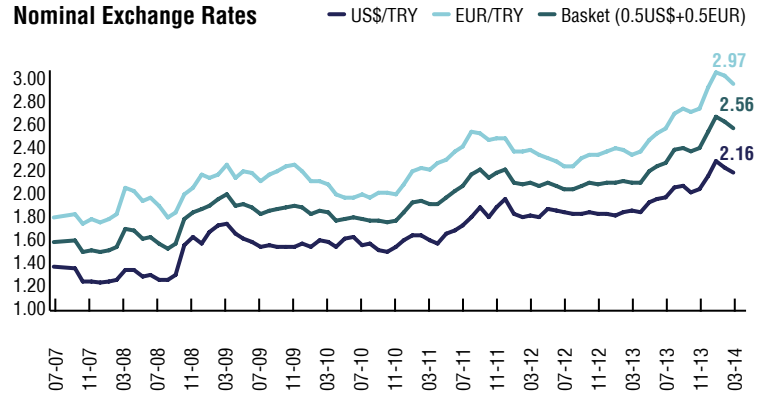


# Macroeconomic Indicators

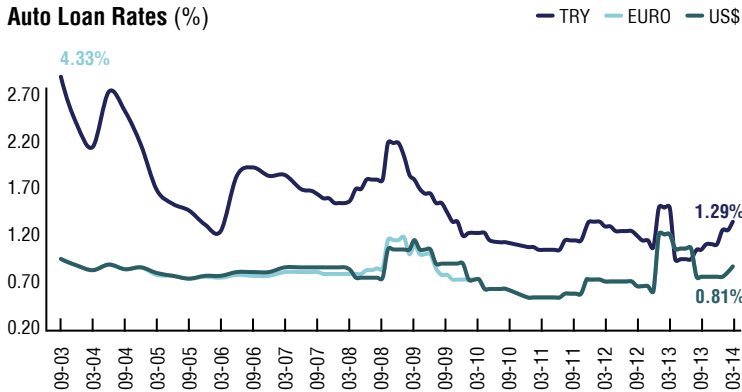
## YoY Inflation (%)



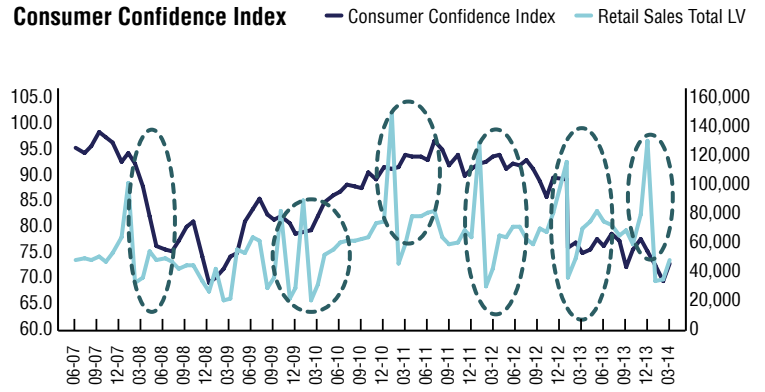
## Nominal Exchange Rates



## Auto Loan Rates (%)

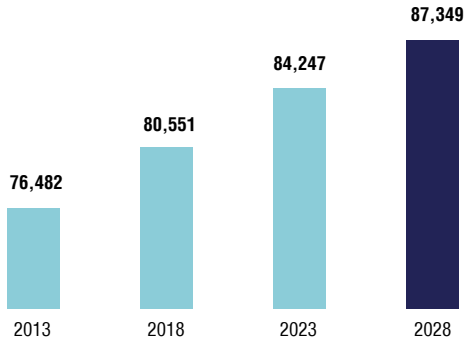


## Consumer Confidence Index

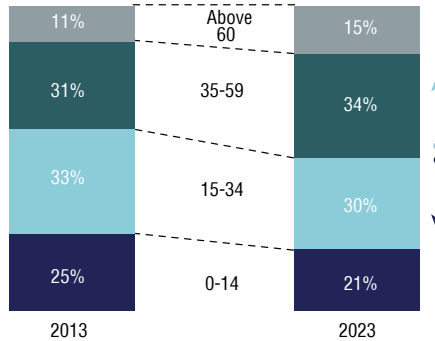


# Population & Demography

## Population Statistics

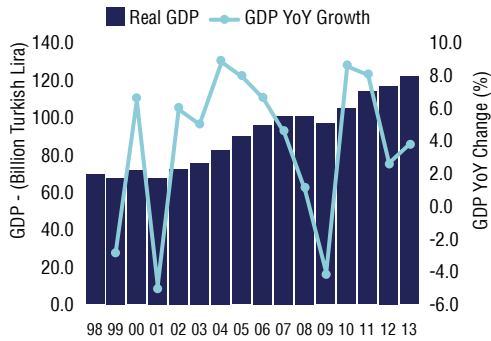


## Age Demography

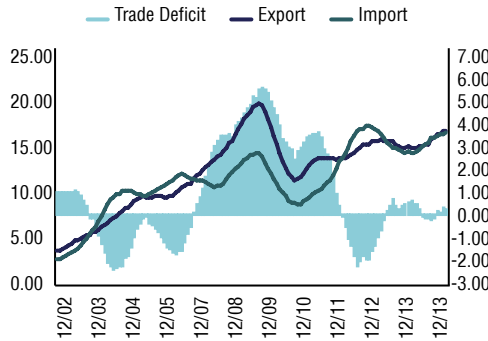


- Young population and fiscal reforms push the country towards stable and sustainable growth.
- Population is increasing on an average 1.5% each year.
- 64% of population will be between the age group 15 to 59 years.
- Share of people in the age group between 35 to 59 will increase by 3%.

## Economy



## Auto Industry Trade Balance (US\$ bn)



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

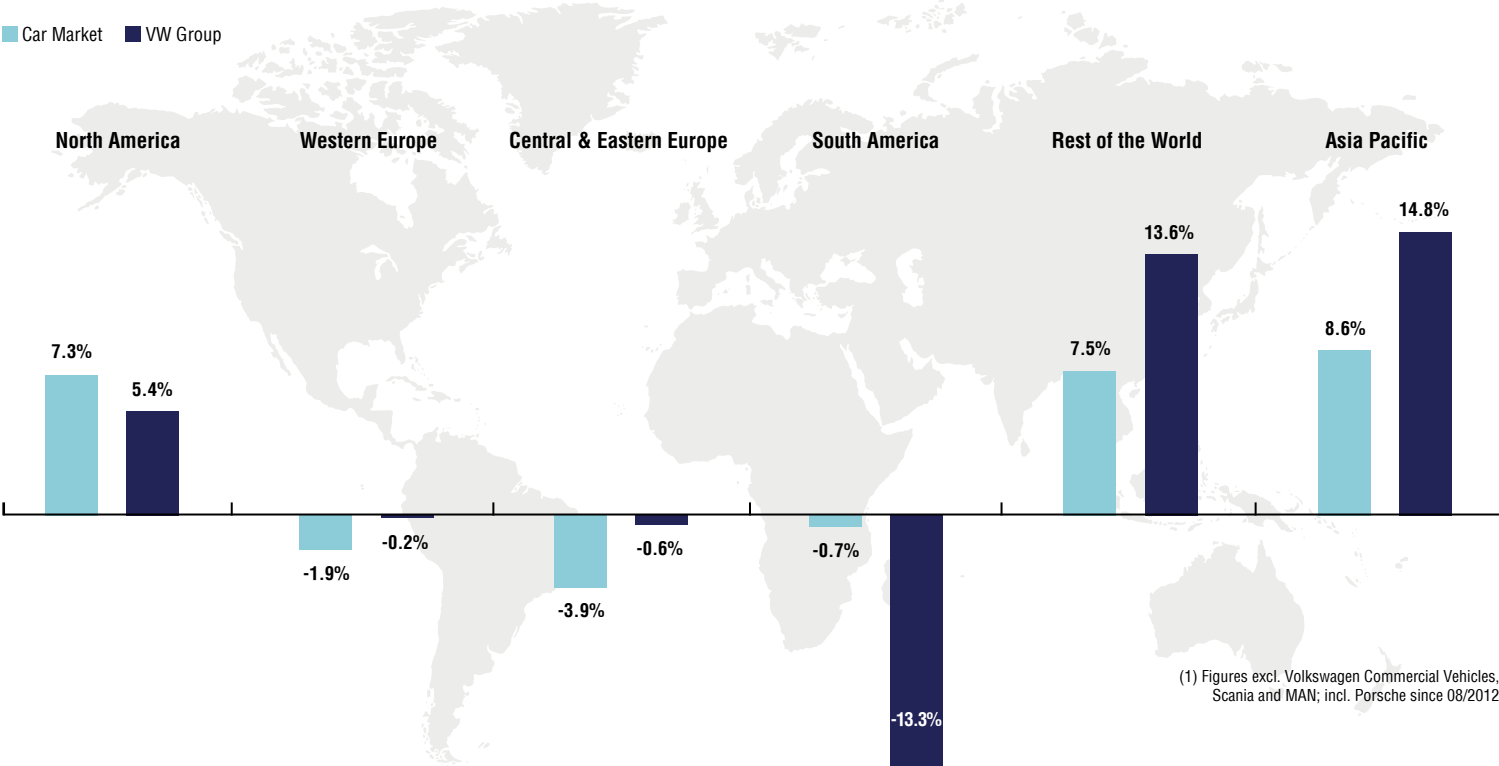
# Automotive Market



# Development world car market vs. Volkswagen Group Passenger Car Deliveries<sup>(1)</sup>

(Growth y-o-y in deliveries to customers, January to December 2013 vs. 2012)

World Car Market: 5.0% VW Group: 5.1%

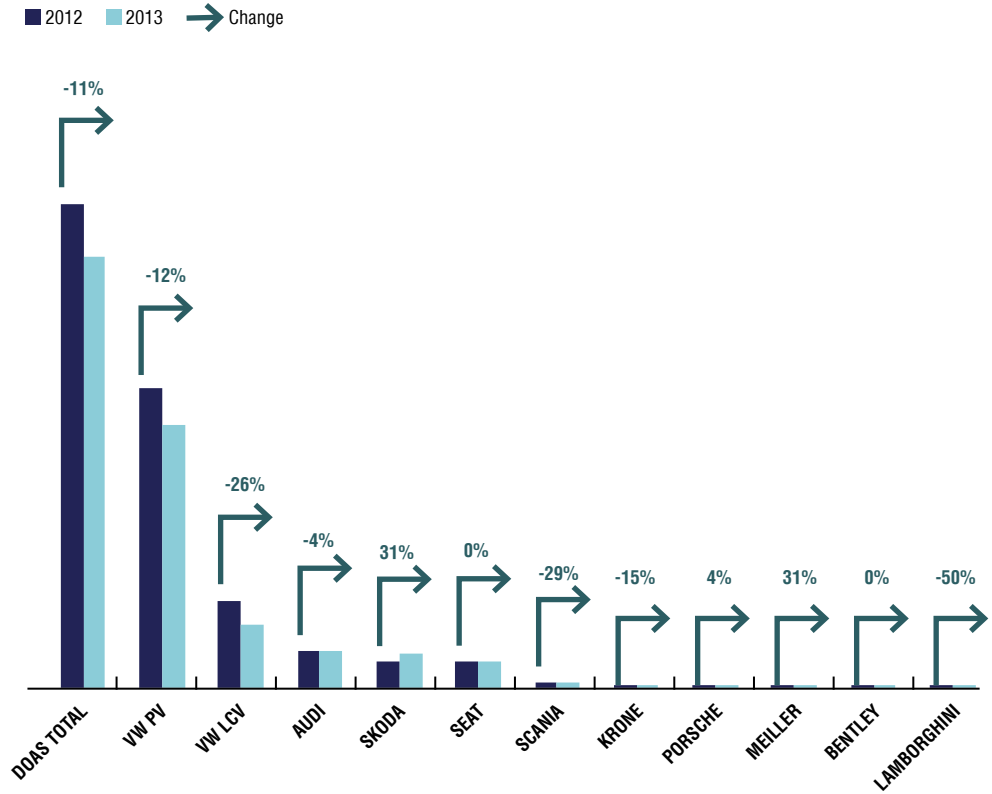


(1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN; incl. Porsche since 08/2012



# DOAS Wholesales Performance

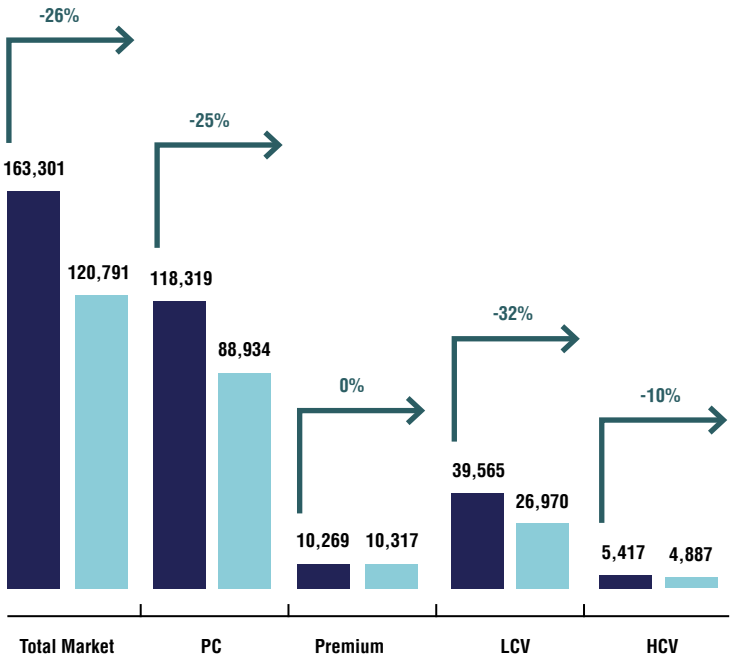
	3M2013	3M2014	Change
VW PV	19,079	16,831	-12%
VW LCV	5,463	4,038	-26%
AUDI	2,325	2,223	-4%
SKODA	1,689	2,206	31%
SEAT	1,664	1,665	0%
SCANIA	300	214	-29%
KRONE	130	111	-15%
PORSCHE	107	111	4%
MEILLER	72	94	31%
BENTLEY	3	3	0%
LAMBORGHINI	2	1	-50%
<b>DOAS TOTAL</b>	<b>30,834</b>	<b>27,497</b>	<b>-11%</b>



# Market Review - Wholesale

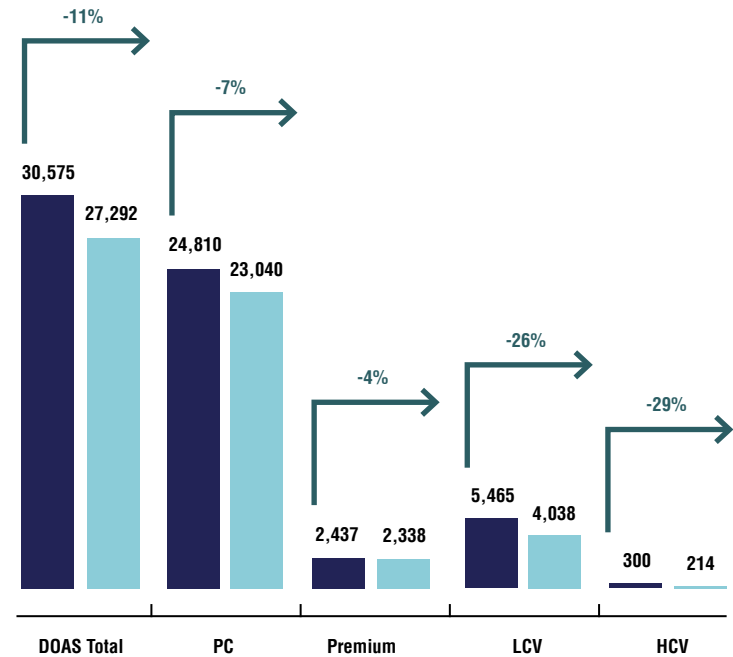
## MARKET

■ Mar 2013 ■ Mar 2014 → Change



## DOAS

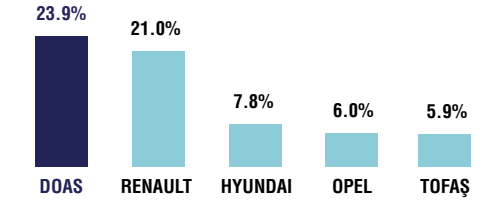
■ Mar 2013 ■ Mar 2014 → Change



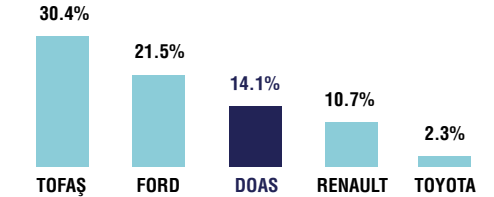
# Market Share - Retail

RETAIL MARKET	2012 YEAR END	2013 YEAR END	YTD MAR 13	YTD MAR 14	13/14 CHANGE	MAR 2013/2014 CHANGE
<b>PASSENGER VEHICLE %</b>						
DOGUS OTOMOTIV	17.4	19.3	19.9	23.9	4.6	4.0
RENAULT	18.1	18.9	20.0	21.0	2.1	1.0
HYUNDAI	7.8	7.2	7.7	7.8	0.6	0.1
OPEL	8.8	8.4	8.2	6.0	-2.4	-2.2
TOFAS	8.2	7.8	7.3	5.9	-1.9	-1.4
FORD	8.5	8.8	6.8	4.8	-4.0	-2.0
TOYOTA	5.7	5.4	4.2	4.3	-1.1	0.1
PEUGEOT	2.6	3.5	4.0	3.1	-0.4	-0.9
OTHER	22.9	20.7	21.9	23.2	2.5	1.3
<b>LIGHT COMMERCIAL VEHICLE %</b>						
TOFAŞ	26.2	25.1	25.1	30.4	5.3	5.3
FORD	26.7	26.4	27.7	21.5	-4.9	-6.2
DOGUS OTOMOTIV	11.8	12.6	12.8	14.1	1.5	1.3
RENAULT	7.4	10.1	9.1	10.7	0.6	1.6
TOYOTA	1.1	1.3	1.2	2.3	1.0	1.1
PEUGEOT	6.8	5.8	4.7	2.0	-3.8	-2.7
HYUNDAI	1.2	0.8	0.9	1.1	0.3	0.2
OPEL	0.3	0.1	0.2	0.0	-0.1	-0.2
OTHER	18.5	17.8	18.3	17.9	0.1	-0.4
<b>LIGHT VEHICLE %</b>						
DOGUS OTOMOTIV	15.8	17.8	18.2	21.7	3.9	3.5
RENAULT	15.2	17.0	17.3	18.7	1.7	1.4
TOFAŞ	13.3	11.5	11.7	11.4	-0.1	-0.3
FORD	13.7	12.7	12.0	8.5	-4.2	-3.5
HYUNDAI	5.9	5.8	6.0	6.3	0.5	0.3
OPEL	6.4	6.6	6.2	4.7	-1.9	-1.5
TOYOTA	4.4	4.5	3.4	3.9	-0.6	0.5
PEUGEOT	3.8	4.0	4.1	2.8	-1.2	-1.3
OTHER	21.5	20.1	21.1	22.0	1.9	0.9

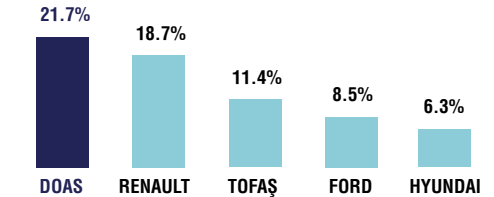
PV TOP 5 MARCH 14



LCV TOP 5 MARCH 14



LV TOP 5 MARCH 14



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	31 December 13	31 December 12	Change (%)
Revenue	6,603	5,132	29%
Gross Profit	750	713	5%
Operational Expenses	-443	-407	9%
Selling and Marketing Expenses	-201	-177	13%
General Administrative Expenses	-204	-176	16%
Warranty Expenses, net	-68	-57	21%
Other Operating Expenses, net	31	3	1069%
EBITDA	337	331	2%
EBIT	307	306	0%

Margins	31 December 13	31 December 12	Change (%)
Gross Margin	11.4%	13.9%	-18%
Opex/Sales	6.7%	7.9%	-15%
EBITDA Margin	5.1%	6.4%	-21%
EBIT Margin	4.6%	6.0%	-22%
Net Profit Margin	3.4%	5.0%	-32%

# Consolidated Income Statement

(TL '000)	31 Dec 13	Vertical Analysis	31 Dec 12	Vertical Analysis	Change (%) 2013/2012
Revenue	6,602,663		5,132,341		29%
Direct cost of revenue (-)	-5,853,047	-89%	-4,418,927	-86%	32%
<b>Gross profit</b>	<b>749,616</b>	<b>11%</b>	<b>713,414</b>	<b>14%</b>	<b>5%</b>
Selling, marketing and distribution expenses	-200,901	-3%	-177,115	-3%	13%
SG&A Expenses	-204,480	-3%	-176,021	-3%	16%
Warranty expenses	-68,323	-1%	-56,600	-1%	21%
Other operating incomes/losses, net	30,962	0%	2,648	0%	1069%
<b>Results from operating activities</b>	<b>306,874</b>	<b>5%</b>	<b>306,326</b>	<b>6%</b>	<b>0%</b>
Income from Investing Activities	7,940		5,923		
Income Loss from Associates	28,888		57,144		-49%
Financial incomes/costs, net	-67,822		-58,964		15%
<b>Profit before income tax</b>	<b>275,880</b>	<b>4%</b>	<b>310,429</b>	<b>6%</b>	<b>-11%</b>
Tax expense	-51,152		-51,701		-1%
<b>Profit for the year</b>	<b>224,728</b>	<b>3%</b>	<b>258,728</b>	<b>5%</b>	<b>-13%</b>

## Income/Loss from Associates

	31 Dec 13 Cumulative	31 dec 12 Cumulative
VDTF	25,782	14,054
Doğuş Sigorta	1,112	685
SKODA (Yüce Oto)	3,179	1,348
VDF Servis Holding	5,768	3,398
Leaseplan	-7,586	23,009
TÜVTURK Group	8,464	18,669
Meiller-Doğuş	-2,081	-2,808
Krone-Doğuş	-6,436	-1,643
Doğuş Technology	686	432
<b>Grand Total</b>	<b>28,888</b>	<b>57,144</b>

### → Direct cost of revenue

- Gross Profit and Operating Results decreased by 3% compared to same period last year.
- Increase in cost of cars by OEM by 2.2% and the impact of currency volatility under competitive market conditions were not reflected in the sales prices, resulting in a negatively impacted profit margin.

### → Selling, marketing and distribution expenses

- 24% Increase in rental expense
- 23% Increase in distribution expense
- 20% Increase in personnel expenses

### → General Administration Expenses

- Increase in personnel by 1% and increase in wages by 8%

### → Warranty expenses

- Average number of cars in the scope of warranty period for 2013: 351,833 and 2012: 291,048
- Increase in Sales will increase warranty expense

# Financing Costs

(TL mn, CMB)	31 December 13	31 December 12	Change (%)
Financing Costs	-67.82	-58.96	15%
Finance expenses, net	-64.13	-55.41	16%
Interest expense on borrowings	-57.0	-48.8	17%
Commission expenses on letters of guarantee	-5.9	-6.6	-10%
Other financial expenses	-1.2	-	-
Foreign Exchange gain/loss, net	-3.7	-3.6	4%

CMB: Capital Market Boards of Turkey

# Consolidated Balance Sheet

(TL '000)	31 Dec 13	31 Dec 12
<b>ASSETS</b>	<b>2,464,346</b>	<b>2,222,852</b>
Cash and cash equivalents	82,246	37,225
Trade receivables	618,939	445,668
Inventories	520,176	483,841
Tangible and intangible non-current assets	510,705	443,951
Financial Investments	450,579	531,048
Investments in equity accounted investees	206,219	218,896
Other	74,080	62,223
<b>LIABILITIES</b>	<b>1,346,282</b>	<b>1,035,959</b>
Financial liabilities	897,254	591,762
Trade payables	323,233	328,101
Provisions	48,440	37,880
Other	77,355	78,216
<b>EQUITY</b>	<b>1,118,064</b>	<b>1,186,893</b>

Investments in Equity Accounted Investees	31 Dec 13	31 Dec 12
<b>Associates</b>		
VDTF	70,209	44,427
Doğuş Sigorta	27,966	32,433
Yüce Auto (SKODA)	10,220	8,541
VDF Servis	14,463	8,695
LPD Holding- Leaseplan	17,180	25,835
Doğuş Bilgi İşlem	1,601	915
<b>Joint Ventures</b>		
Krone-Doğuş	25,486	31,922
TÜVTURK North - South (Consolidated)	38,005	51,800
TÜVTURK İstanbul	-	11,158
Meiller-Doğuş	1,089	3,170
<b>Total</b>	<b>206,219</b>	<b>218,896</b>

Other	31 Dec 13	31 Dec 12
VAT payable	34,795	31,687
Long term provisions related to employee benefits	11,552	9,948
Income tax payable	-	7,311
Advances taken	7,674	7,039
Payables related to employee benefits	8,121	5,609
Deferred tax liabilities	-	9,555
Taxes and withholdings payable	8,025	1,906
Other	7,188	5,161

## → Inventories

- Decrease in goods in transit (vehicle)
  - 31 December 2013: TL 218,723 thousand
  - 31 December 2012: TL 239,998 thousand
- 2013 year end vehicle units was realized as 8,419 units which decreased by 10% compared to 2012 year end. Despite of the decline, 17% increase in exchange rates led to increase in inventory.

Other	31 Dec 13	31 Dec 12
Warranty claims and price difference receivables	27,874	24,335
Prepaid expenses short-term	7,599	4,483
Advances given	6,855	1,710
Receivables due to insurance claims	6,153	5,332
Deferred tax assets	6,576	4,849
Advances given for property and equipment purchases	2,553	239
Prepaid expenses long-term	5,793	3,774
Other current assets	7,009	15,439
Other	3,668	2,062

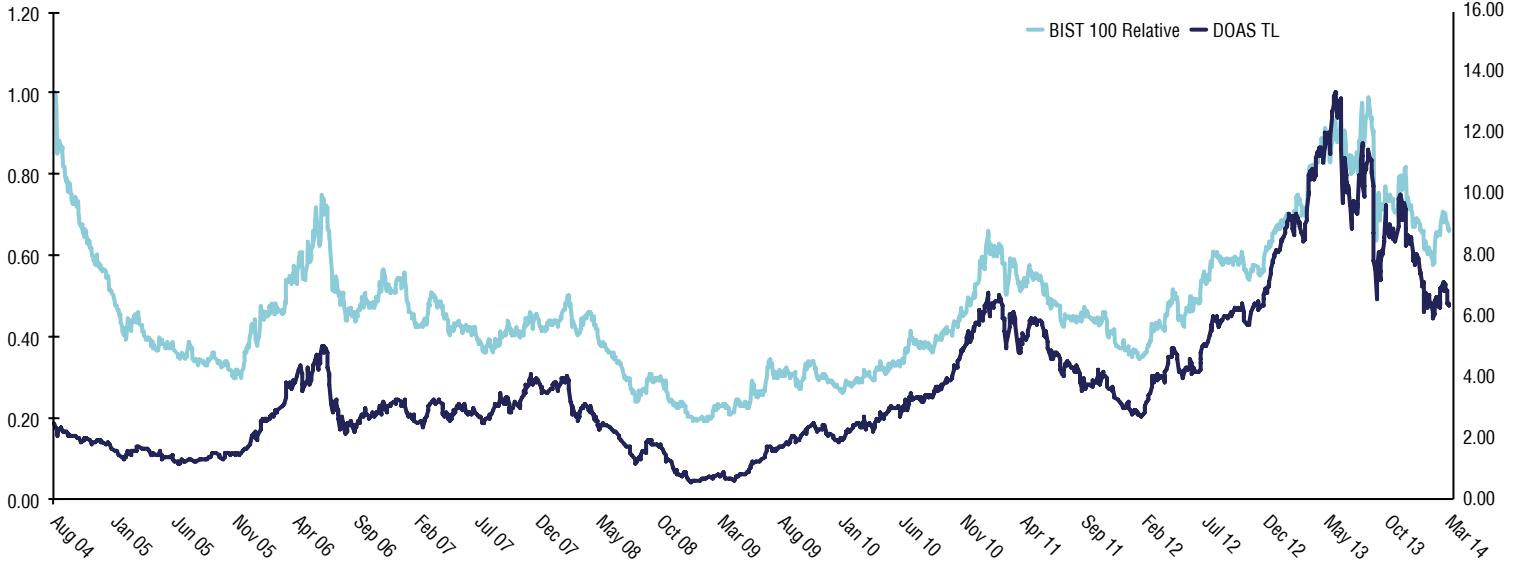
Provisions	31 Dec 13	31 Dec 12
Warranty provisions	33,980	25,851
Legal provisions	11,978	9,964
Provision for unused vacation	2,482	2,065



# Consolidated Balance Sheet

(Balance Sheet mn,TL)	31 December 13	31 December 12	Change (%)
Total Assets	2,464	2,223	11%
Total Equity	1,115	1,184	-6%
Net working capital	260	143	82%
Net cash position	-837	-572	46%
CAPEX	93	108	-14%
Receivable Turnover (day)	34	32	8%
Inventory Turnover (day)	32	40	-19%
Payable Turnover (day)	20	27	-26%
ROA	9.1%	11.6%	-22%
ROE	20.2%	21.8%	-8%

# 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

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