

# Investor Relations Presentation

Q1 2014 Results

Updated: May 2014

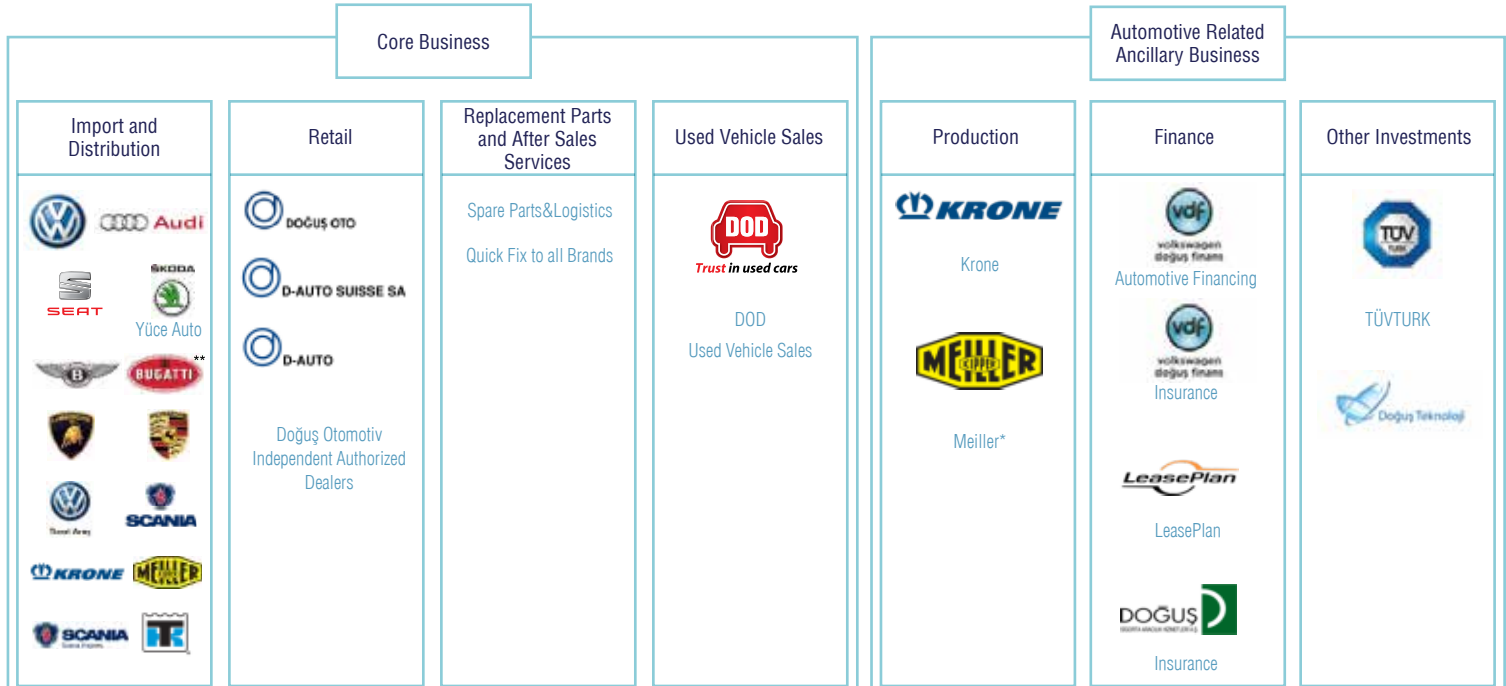


# Agenda

- 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

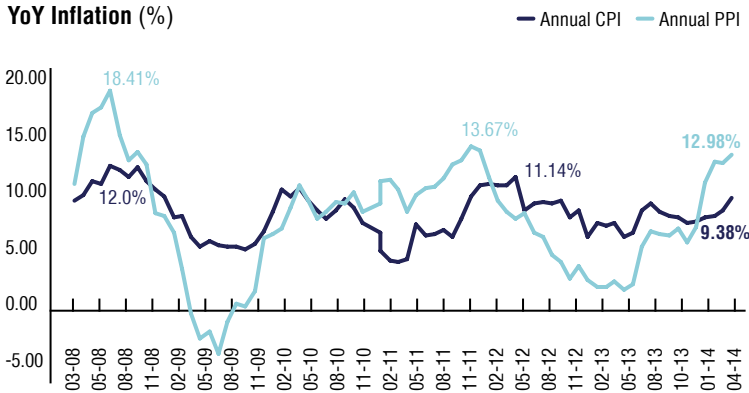
\*\*Representative Offices

# Macroeconomic Outlook

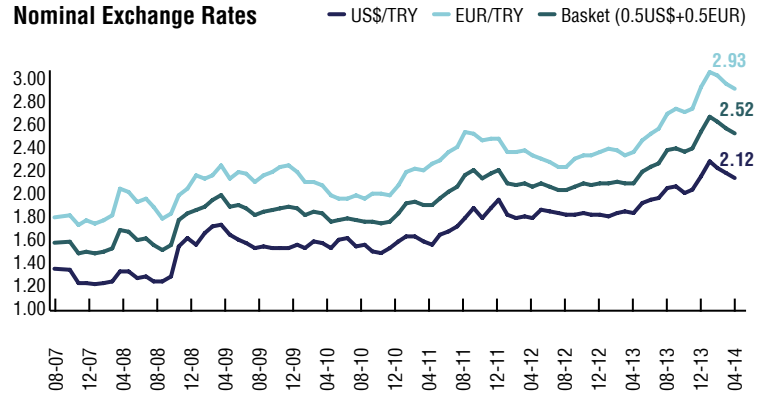


# Macroeconomic Indicators

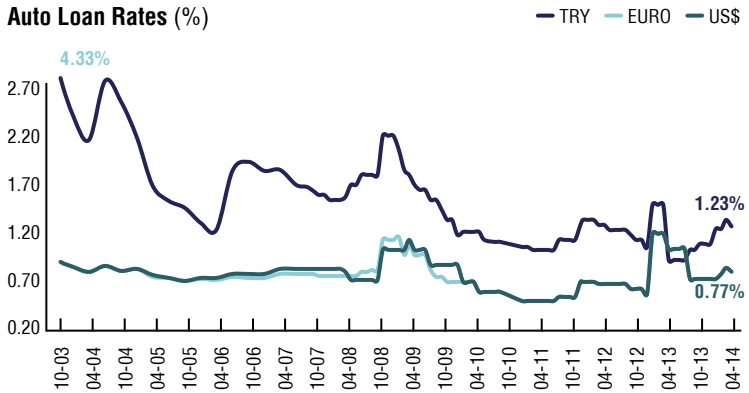
## YoY Inflation (%)



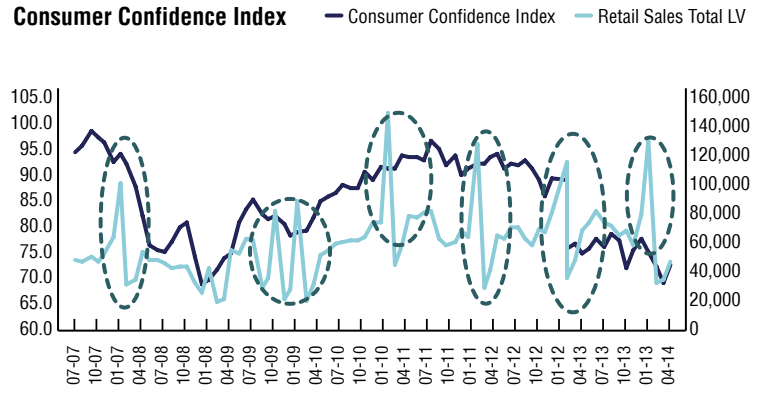
## Nominal Exchange Rates



## Auto Loan Rates (%)

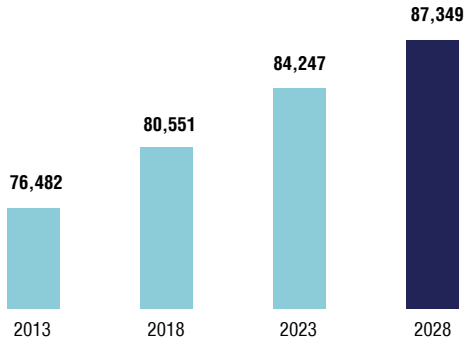


## Consumer Confidence Index

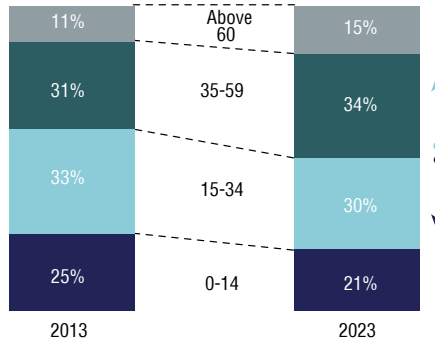


# Population & Demography

## Population Statistics

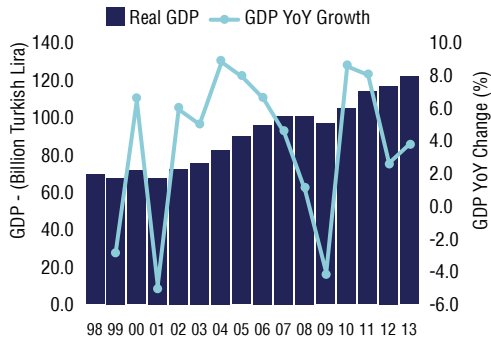


## Age Demography

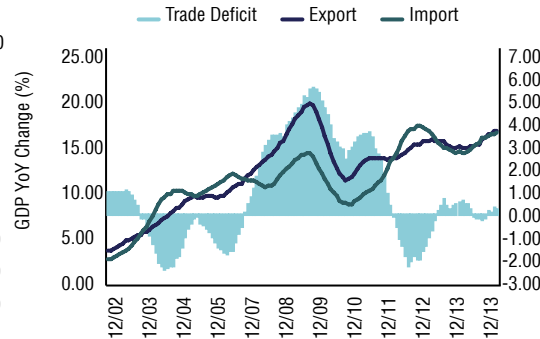


- Young population and fiscal reforms push the country towards stable and sustainable growth.
- Population is increasing on an average 1.5% each year.
- 64% of population will be between the age group 15 to 59 years.
- Share of people in the age group between 35 to 59 will increase by 3%.

## Economy



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



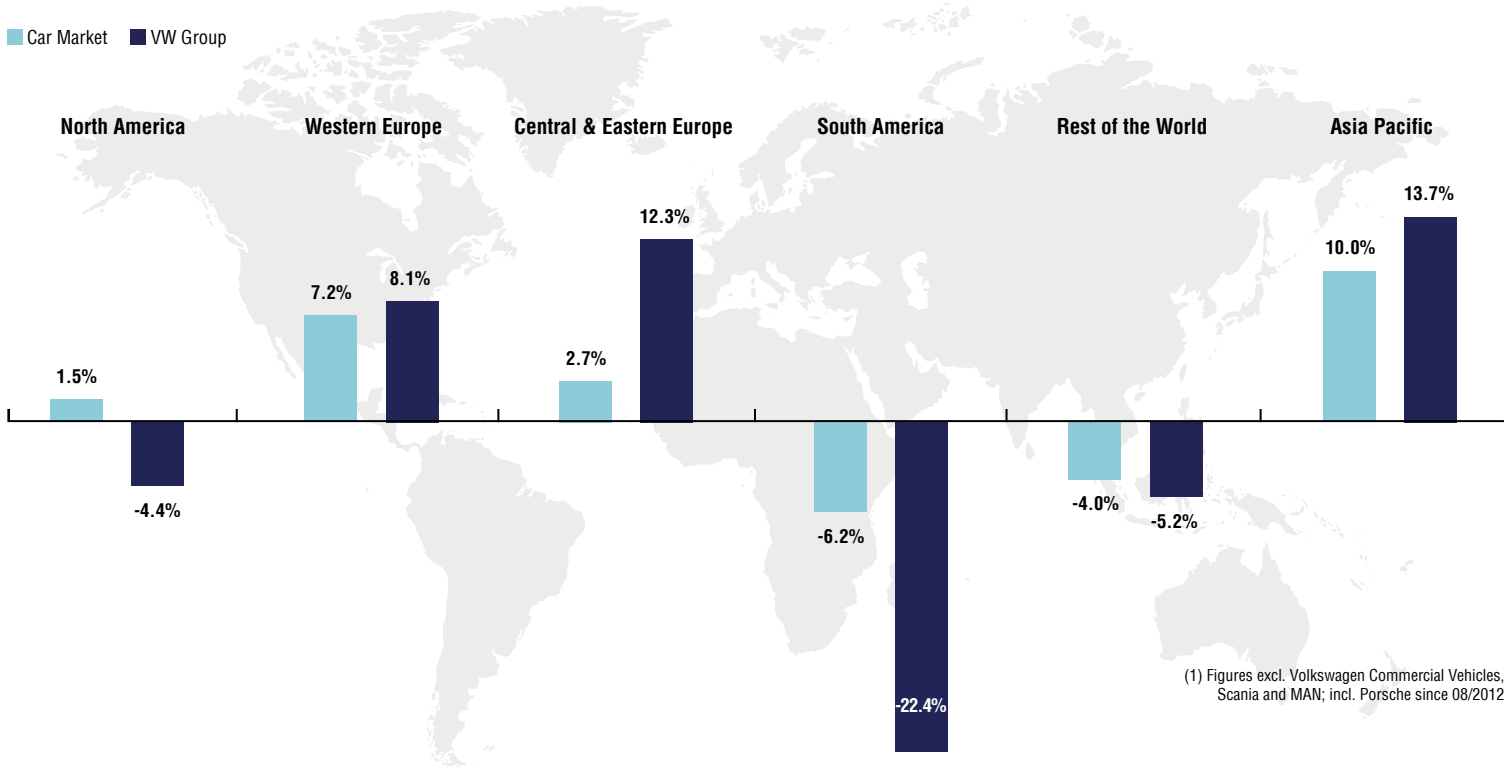
Note: All figures are rounded; the base years is 2009.  
Source: IMF, TurkStat, Frost Sullivan

# 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 March 2014 vs. 2013)

World Car Market: 5.2% VW Group: 6.2%

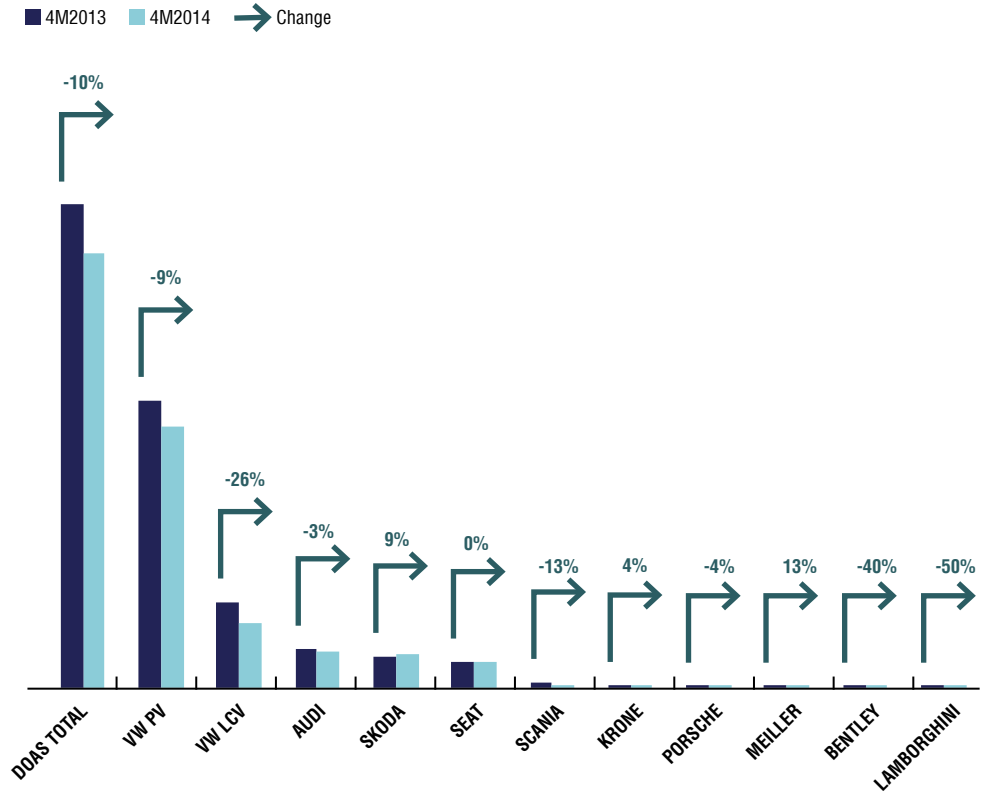


(1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN; incl. Porsche since 08/2012



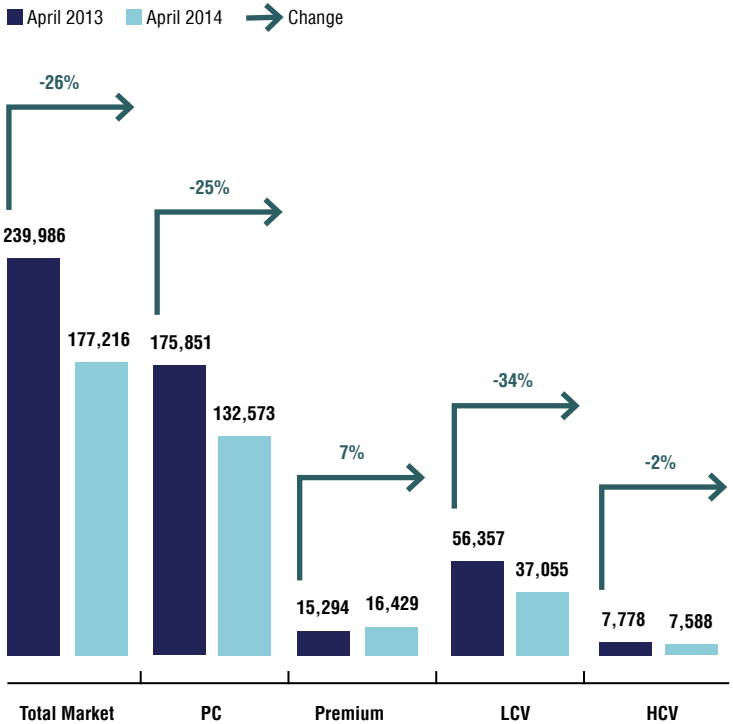
# DOAS Wholesales Performance

	4M2013	4M2014	Change
<b>DOAS TOTAL</b>	<b>45,016</b>	<b>40,582</b>	<b>-10%</b>
VW PV	26,846	24,345	-9%
VW LCV	8,089	6,026	-26%
AUDI	3,675	3,569	-3%
SKODA	2,985	3,267	9%
SEAT	2,468	2,472	0%
SCANIA	481	419	-13%
KRONE	196	204	4%
PORSCHE	163	156	-4%
MEILLER	106	120	13%
BENTLEY	5	3	-40%
LAMBORGHINI	2	1	-50%

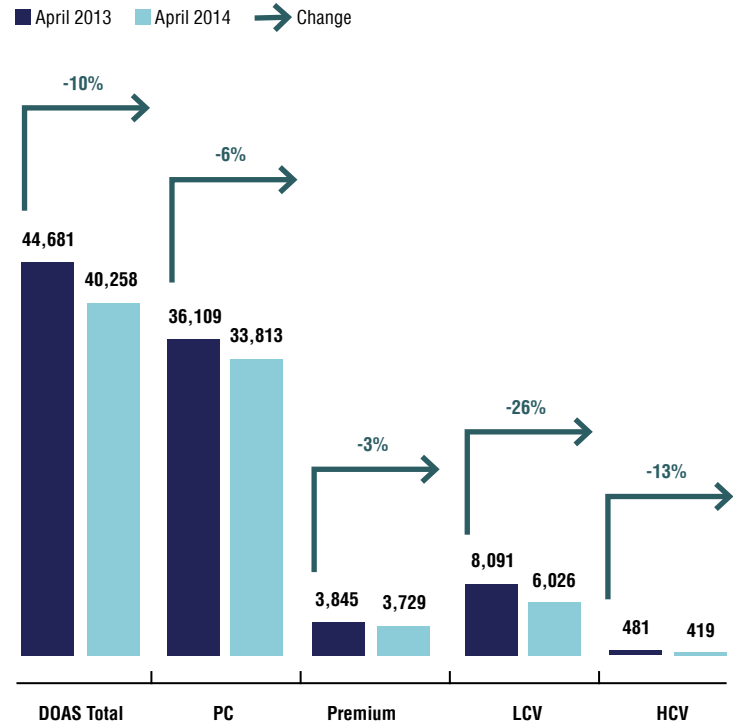


# Market Review - Wholesale

## MARKET



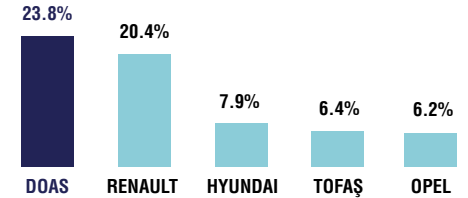
## DOAS



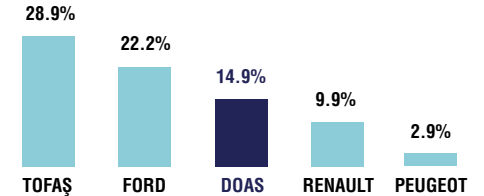
# Market Share - Retail

RETAIL MARKET	2012 YEAR END	2013 YEAR END	YTD APR 13	YTD APR 14	13/14 CHANGE	APR 2013/2014 CHANGE
<b>PASSENGER VEHICLE %</b>						
DOAS	17.4	19.3	19.8	23.8	4.5	4.0
RENAULT	18.1	18.9	19.8	20.4	1.5	0.7
HYUNDAI	7.8	7.2	7.5	7.9	0.7	0.4
TOFAŞ	8.2	7.8	7.7	6.4	-1.4	-1.2
OPEL	8.8	8.4	8.2	6.2	-2.2	-2.0
FORD	8.5	8.8	7.5	5.0	-3.8	-2.5
TOYOTA	5.7	5.4	4.3	4.6	-0.8	0.3
PEUGEOT	2.6	3.5	3.8	3.0	-0.5	-0.8
OTHER	22.9	20.7	21.4	22.6	1.9	1.1
<b>LIGHT COMMERCIAL VEHICLE %</b>						
TOFAŞ	26.2	25.1	25.1	28.9	3.8	3.8
FORD	26.7	26.4	26.4	22.2	-4.2	-4.2
DOAS	11.8	12.6	13.3	14.9	2.3	1.6
RENAULT	7.4	10.1	9.6	9.9	-0.2	0.2
PEUGEOT	6.8	5.8	4.8	2.9	-2.9	-1.9
TOYOTA	1.1	1.3	1.1	1.9	0.6	0.8
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	18.5	18.2	0.4	-0.4
<b>LIGHT VEHICLE %</b>						
DOAS	15.8	17.8	18.2	21.9	4.1	3.7
RENAULT	15.2	17.0	17.3	18.2	1.2	0.8
TOFAŞ	13.3	11.5	11.9	11.3	-0.2	-0.6
FORD	13.7	12.7	12.1	8.7	-4.0	-3.3
HYUNDAI	5.9	5.8	5.9	6.4	0.6	0.5
OPEL	6.4	6.6	6.3	4.9	-1.7	-1.4
TOYOTA	4.4	4.5	3.5	4.0	-0.5	0.5
PEUGEOT	3.8	4.0	4.0	3.0	-1.0	-1.1
OTHER	21.5	20.1	20.7	21.6	1.5	0.9

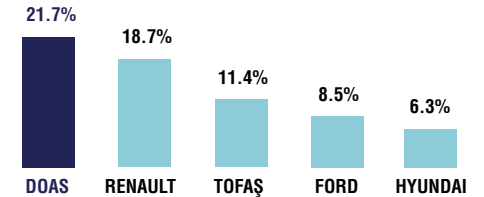
## PV TOP 5 MAY 14



## LCV TOP 5 MAY 14



## LV TOP 5 MAY 14



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	31 March 14	31 March 13	Change (%)
Revenue	1,354	1,292	5%
Gross Profit	144	182	-21%
Operational Expenses	-105	-99	6%
Selling and Marketing Expenses	-46	-39	20%
General Administrative Expenses	-57	-49	17%
Warranty Expenses, net	-5	-17	-69%
Other Operating Expenses, net	4	6	-27%
EBITDA	48	90	-46%
EBIT	40	83	-52%

Margins	31 March 14	31 March 13	Change (%)
Gross Margin	10.7%	14.1%	-24%
Opex/Sales	7.7%	7.7%	1%
EBITDA Margin	3.6%	7.0%	-49%
EBIT Margin	2.9%	6.5%	-55%
Net Profit Margin	2.0%	5.0%	-59%

# Consolidated Income Statement

(TL '000)	31 Mar 14	Vertical Analysis	31 Mar 13	Vertical Analysis	Change (%) 2014/2013
Revenue	1,354,163		1,291,949		5%
Direct cost of revenue	-1,209,872	-89%	-1,109,688	-86%	9%
<b>Gross profit</b>	<b>144,291</b>	<b>11%</b>	<b>182,261</b>	<b>14%</b>	<b>-21%</b>
Selling, marketing and distribution expenses	-46,220	-3%	-38,586	-3%	20%
SG&A Expenses	-57,387	-4%	-49,015	-4%	17%
Warranty expenses	-5,388	0%	-17,251	-1%	-69%
Other operating incomes/losses, net	4,363	0%	5,313	0%	-18%
<b>Results from operating activities</b>	<b>39,659</b>	<b>3%</b>	<b>82,722</b>	<b>6%</b>	<b>-52%</b>
Income from Investing Activities	-		-		
<b>Income Loss from Associates</b>	<b>13,225</b>		<b>10,748</b>		<b>23%</b>
Financial incomes/costs, net	-20,176		-14,397		40%
<b>Profit before income tax</b>	<b>32,708</b>	<b>2%</b>	<b>79,073</b>	<b>6%</b>	<b>-59%</b>
Tax expense	-5,352		-14,714		-64%
<b>Profit for the year</b>	<b>27,356</b>	<b>2%</b>	<b>64,359</b>	<b>5%</b>	<b>-57%</b>

Income/Loss from Associates	31 Mar 14 Cumulative	31 Mar 13 Cumulative
VDTF	-188	5,985
Doğuş Sigorta	649	165
SKODA (Yüce Oto)	2,818	-421
VDF Servis Holding	1,074	909
Leaseplan	4,974	4,718
TÜVTURK Group	4,725	2,555
Meiller-Doğuş	-929	-113
Krone-Doğuş	-592	-3,085
Doğuş Teknoloji	694	35
<b>Grand Total</b>	<b>13,225</b>	<b>10,748</b>

## → Direct cost of revenue

- Gross Profit and Operating Results decreased by 3% compared to same period last year.
- The major reasons of the Gross Profit and Operating Results reduction are as follows:
  - OEM sales price increases
  - Adverse impact of FX parity rise
  - Negative impacts of increase in SCT on the market
  - Shifting of vehicle sales to April caused by local elections
  - BRSA's restrictive regulations imposed upon auto loans.

## → Selling, marketing and distribution expenses

- 29% Increase in Distribution Expense
- 13% Increase in Personnel Expenses

## → General Administration Expenses

- Increase in personnel by 6% and increase in wages by 4%

# Financing Costs

(TL mn, CMB)	31 March 14	31 March 13	Change (%)
Financing Costs	-20.18	-14.40	40%
Finance expenses. net	-19.65	-14.24	38%
Interest expense on borrowings	-17.5	-11.7	50%
Commission expenses on letters of guarantee	-1.7	-1.5	13%
Other financial expenses	-0.5	-1.1	-57%
Foreign Exchange gain/loss. net	-0.5	-0.2	232%

CMB: Capital Market Boards of Turkey

# Consolidated Balance Sheet

(TL '000)	31 Mar 14	31 Dec 13
<b>ASSETS</b>	<b>3,295,470</b>	<b>2,464,346</b>
Cash and cash equivalents	296,978	82,246
Trade receivables	573,968	618,939
Inventories	1,096,368	520,176
Tangible and intangible non-current assets	515,072	510,705
Financial Investments	467,274	450,579
Investments in equity accounted investees	219,560	206,219
Other	126,250	75,482
<b>LIABILITIES</b>	<b>2,353,882</b>	<b>1,346,282</b>
Financial liabilities	1,243,626	897,254
Trade payables	765,426	323,233
Provisions	47,226	48,440
Other	297,604	77,355
<b>EQUITY</b>	<b>941,588</b>	<b>1,118,064</b>
<b>Investments in Equity Accounted Investees</b>	<b>31 Mar 14</b>	<b>31 Dec 13</b>
<b>Associates</b>		
VDTF	70,156	70,209
Doğuş Sigorta	29,431	27,966
Yüce Auto (SKODA)	11,538	10,220
VDF Servis	15,537	14,463
LPD Holding- Leaseplan	22,999	17,180
Doğuş Teknoloji	2,318	1,601
<b>Joint Ventures</b>		
Krone-Doğuş	24,894	25,486
TÜVTURK North - South (Consolidated)	42,526	38,005
TÜVTURK İstanbul	-	-
Meiller-Doğuş	160	1,089
<b>Total</b>	<b>219,560</b>	<b>206,219</b>
<b>Other</b>	<b>31 Mar 14</b>	<b>31 Dec 13</b>
Due to related parties	220,000	-
VAT payable	21,490	42,820
Long term provisions related to employee benefits	14,098	11,552
Income tax payable	9,020	-
Advances taken	8,323	7,674
Payables related to employee benefits	18,378	8,121
Deferred tax liabilities	247	-
Other	6,048	7,188

## → Inventories

- Increase in goods in transit (vehicle)
  - 31 March 2014: 757,665 thousand TL
  - 31 December 2013: 218,723 thousand TL
- 1Q2014 vehicle units was realized as 18.587 units which increased by 121% compared to 2013 year end. 3% increase in exchange rates and changes in product mix led to increase in inventory.

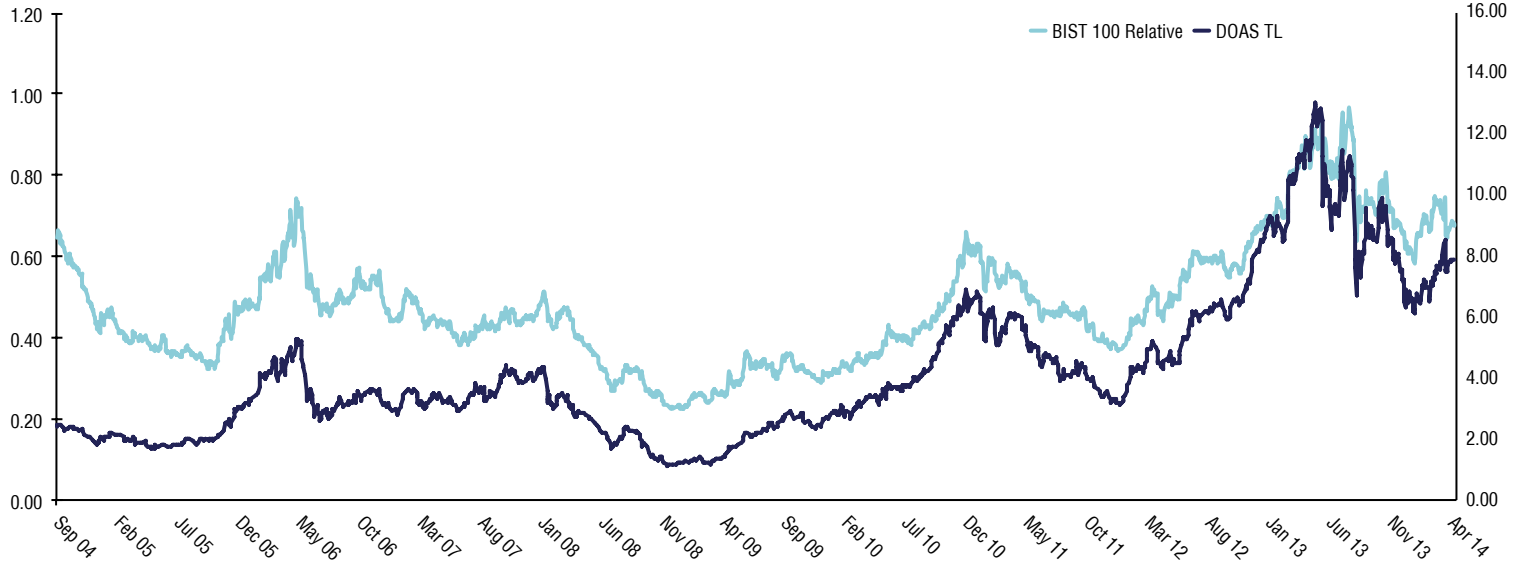
Other	31 Mar 14	31 Dec 13
Warranty claims and price difference receivables	24,390	27,874
Prepaid Expenses short-term	46,282	7,599
Advances Given	4,156	6,855
Receivables due to insurance claims	5,236	6,153
Deferred tax assets	10,099	6,576
Advances given for property and equipment purchases	13,494	2,553
Prepaid Expenses long-term	14,545	5,793
Other current assets	1,863	7,009
Other	6,185	5,070
<b>Provisions</b>	<b>31 Mar 14</b>	<b>31 Dec 13</b>
Warranty provisions	31,404	33,980
Legal provisions	11,664	11,978
Provision for unused vacation	4,158	2,482



# Consolidated Balance Sheet

(Balance Sheet mn,TL)	31 March 14	31 December 13	Change (%)
Total Assets	3,295	2.464	34%
Total Equity	942	1.118	-16%
Net working capital	210	260	-19%
Net cash position	-983	-837	-17%
CAPEX	13	93	-86%
Receivable Turnover (day)	39	32	22%
Inventory Turnover (day)	83	40	107%
Payable Turnover (day)	58	27	113%
ROA	0.8%	2.6%	-68%
ROE	2.9%	5.8%	-49%

# 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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