

Investor Relations Presentation

Q3 2014 Results

Updated: December 2014

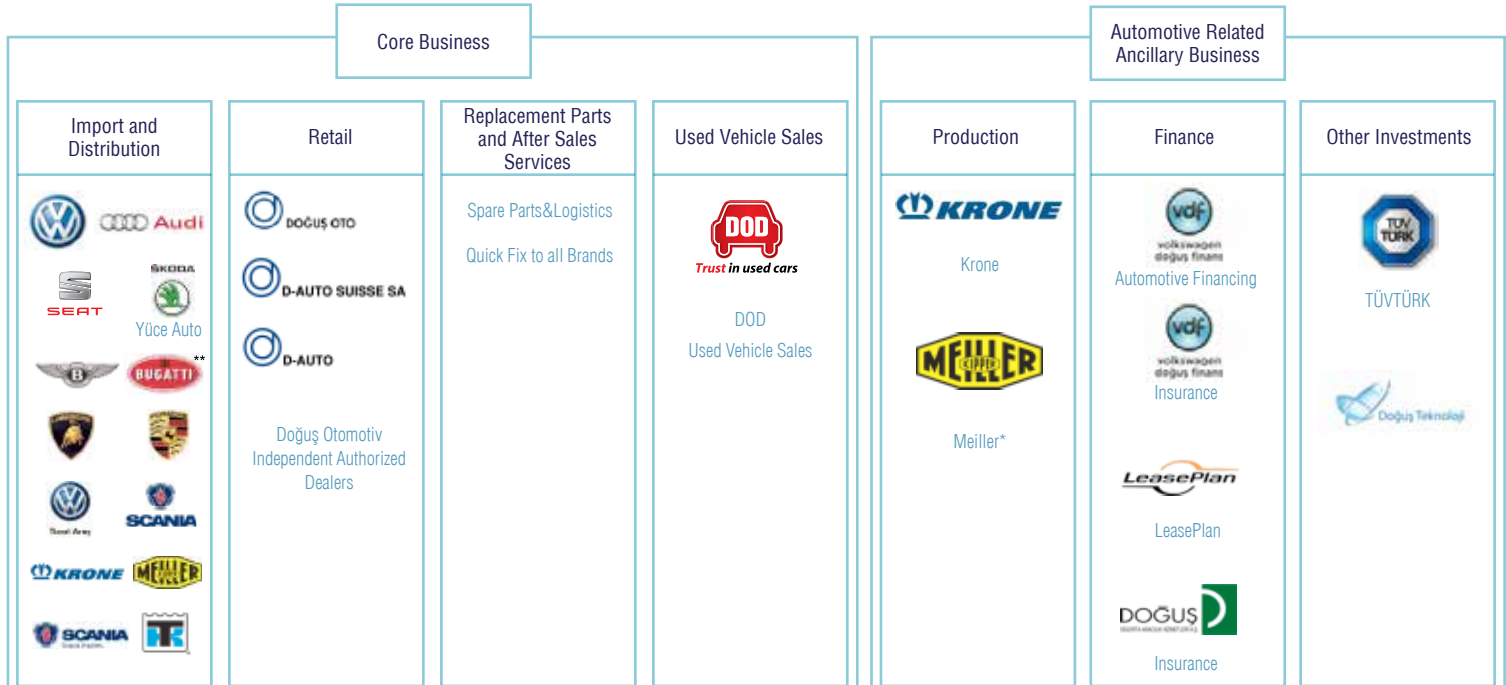


Agenda

- 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

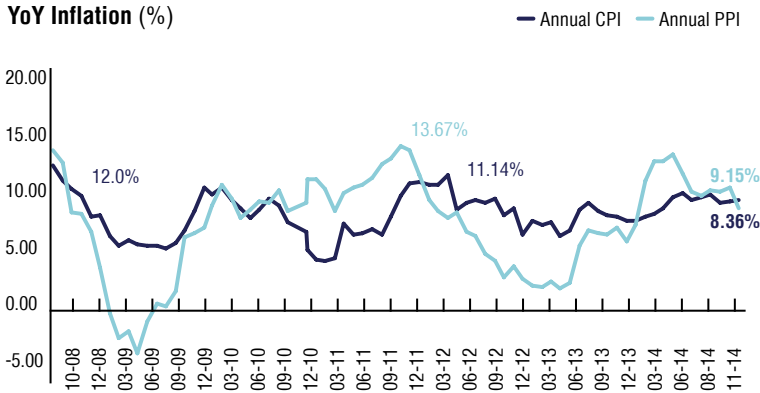
**Representative Offices

Macroeconomic Outlook

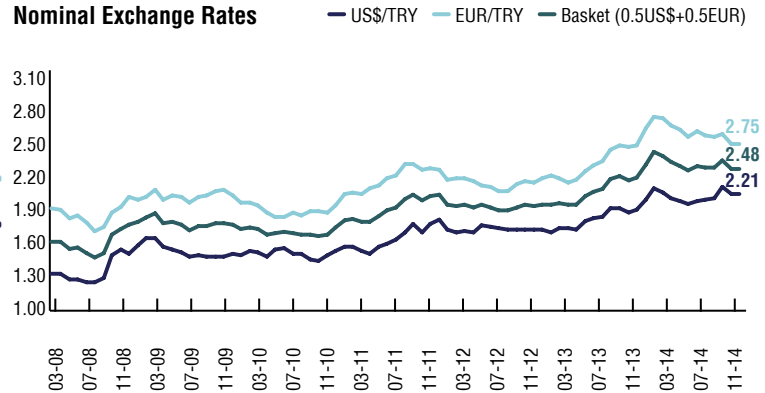


Macroeconomic Indicators

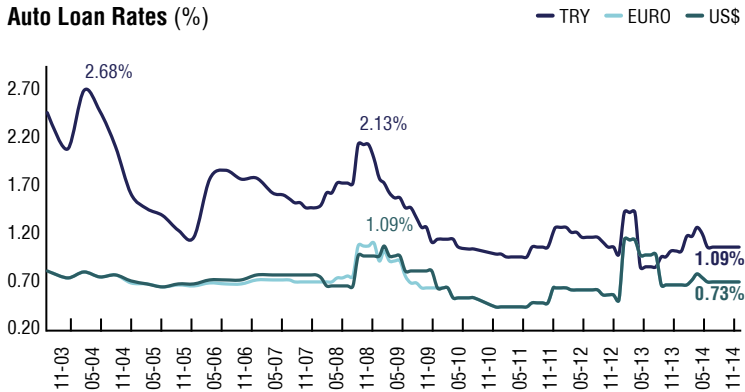
YoY Inflation (%)



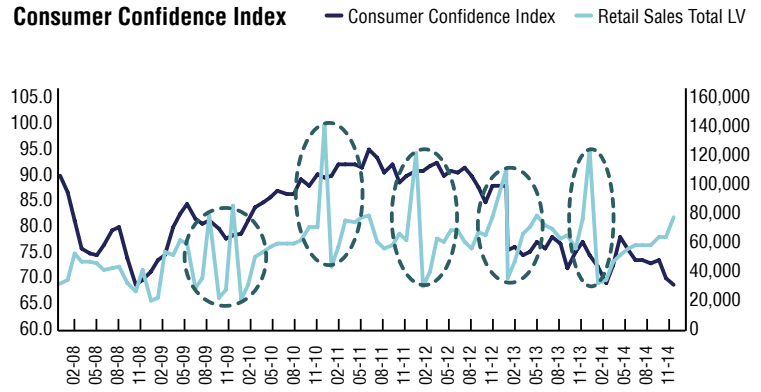
Nominal Exchange Rates



Auto Loan Rates (%)

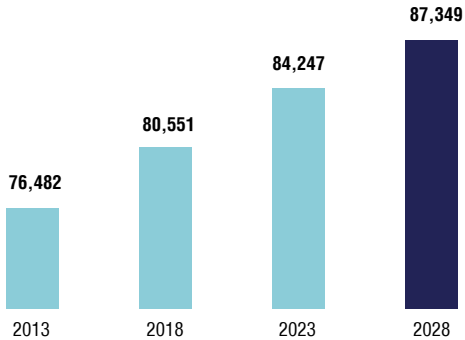


Consumer Confidence Index

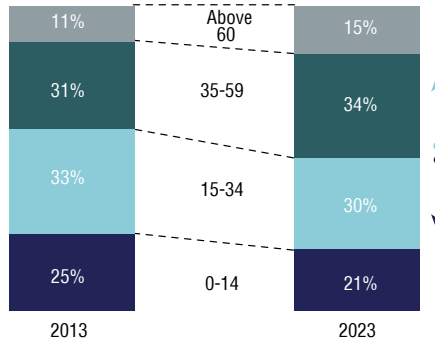


Population & Demography

Population Statistics

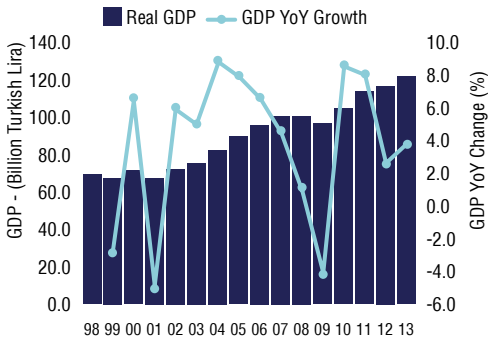


Age Demography

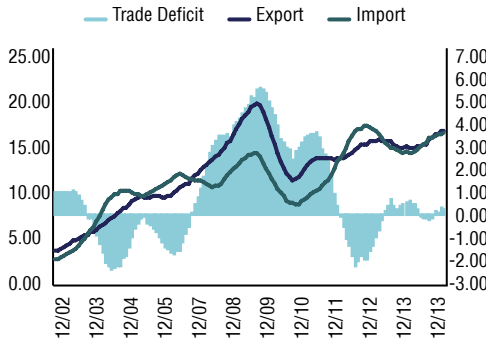


- Young population and fiscal reforms push the country towards stable and sustainable growth.
- Population is increasing on an average 1.5% each year.
- 64% of population will be between the age group 15 to 59 years.
- Share of people in the age group between 35 to 59 will increase by 3%.

Economy



Auto Industry Trade Balance (US\$ bn)



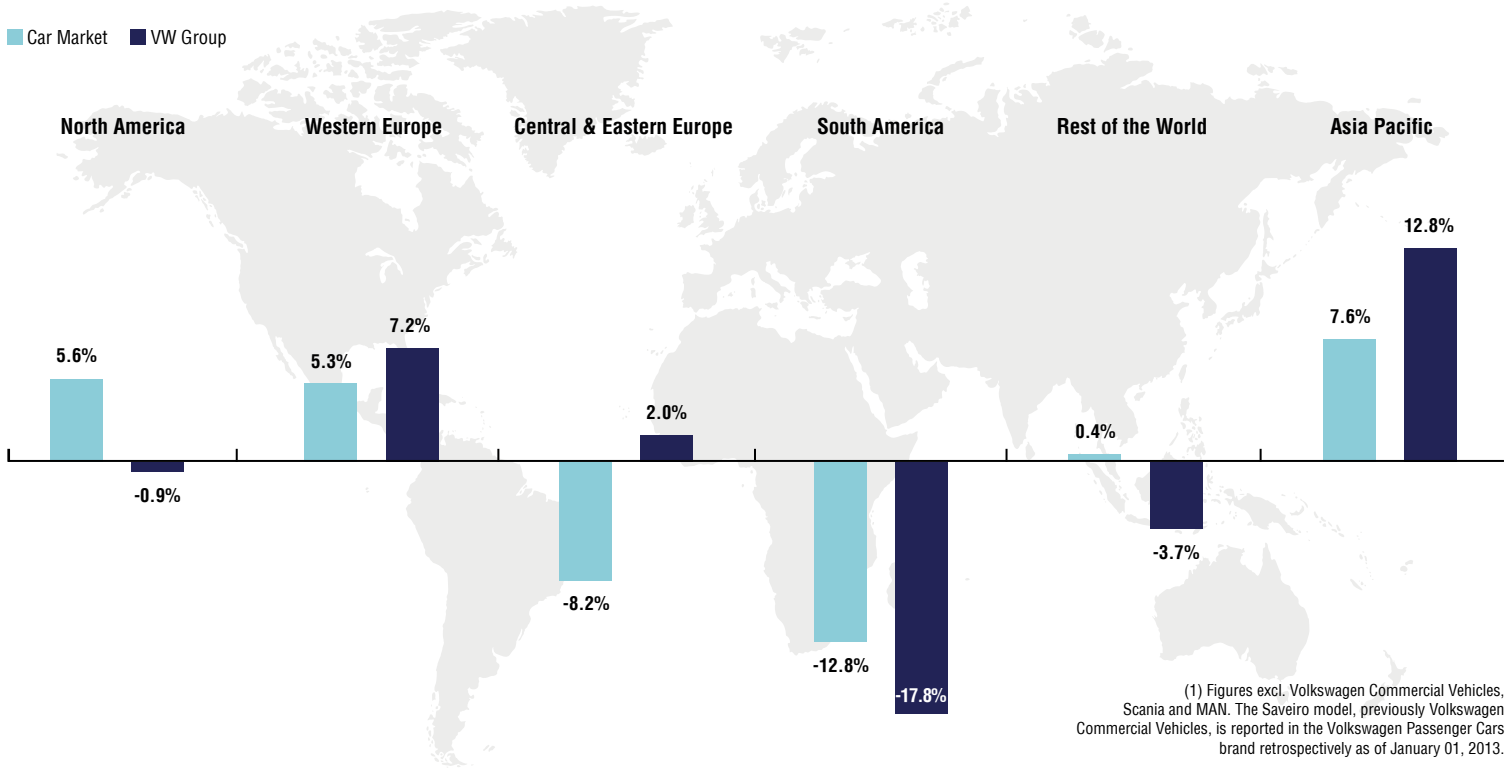
Note: All figures are rounded; the base years is 2009.
Source: IMF, TurkStat, Frost Sullivan

Automotive Market



Development world car market vs. Volkswagen Group Car Deliveries to Customers⁽¹⁾ (Growth y-o-y in deliveries to customers, January to October 2014 vs. 2013)

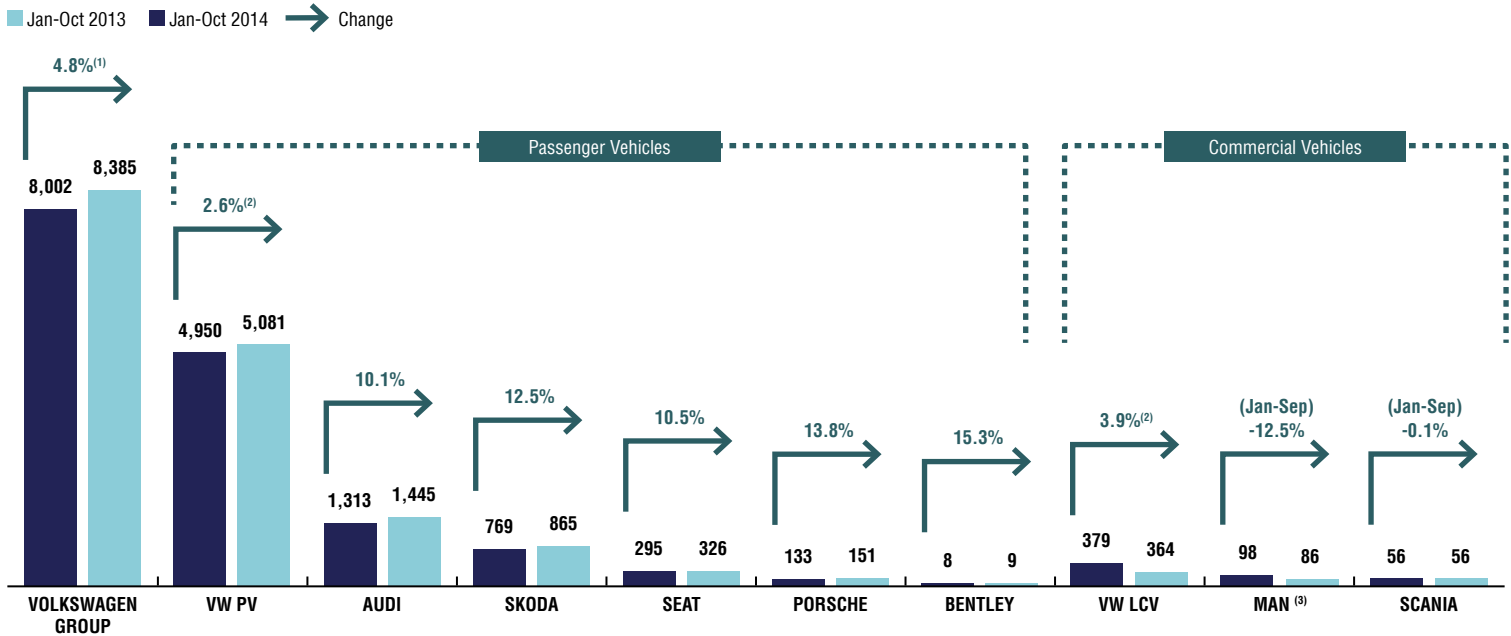
World Car Market: 4.1% VW Group: 5.5%



(1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN. The Saveiro model, previously Volkswagen Commercial Vehicles, is reported in the Volkswagen Passenger Cars brand retrospectively as of January 01, 2013.

Volkswagen Group

DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)



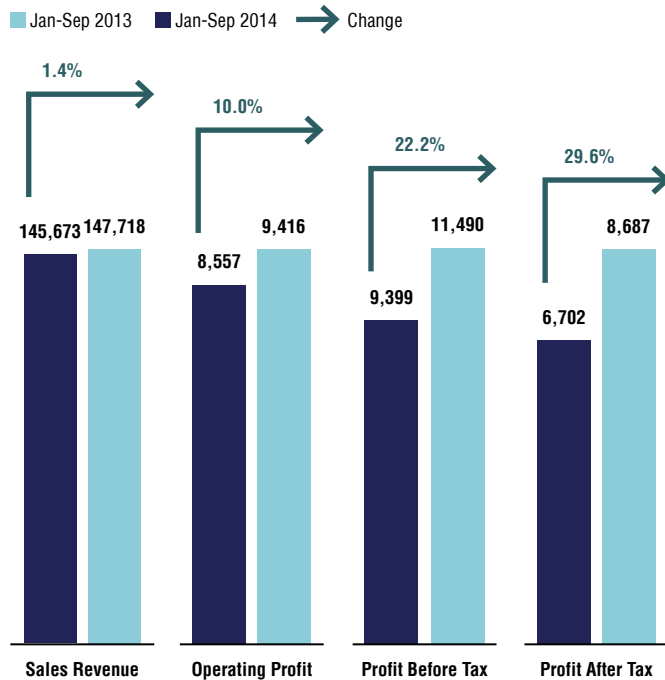
(1) Incl. Volkswagen Commercial Vehicles, Scania and MAN (Jan-Sep); 5.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.

(2) The Saveiro model, previously Volkswagen Commercial Vehicles, is reported in the Volkswagen Passenger Cars brand retrospectively as of January 01, 2013.

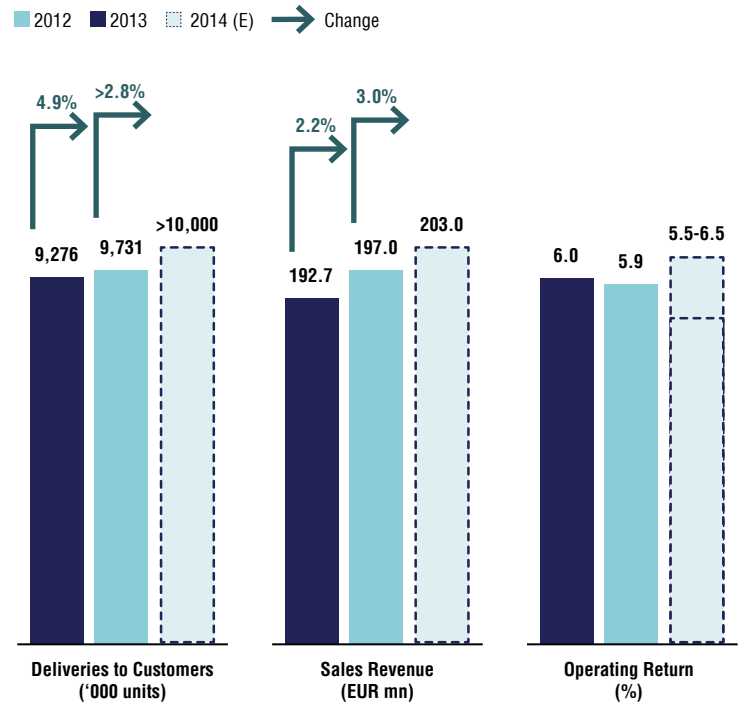
(3) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Volkswagen Group

FINANCIAL HIGHLIGHTS (EUR mn)

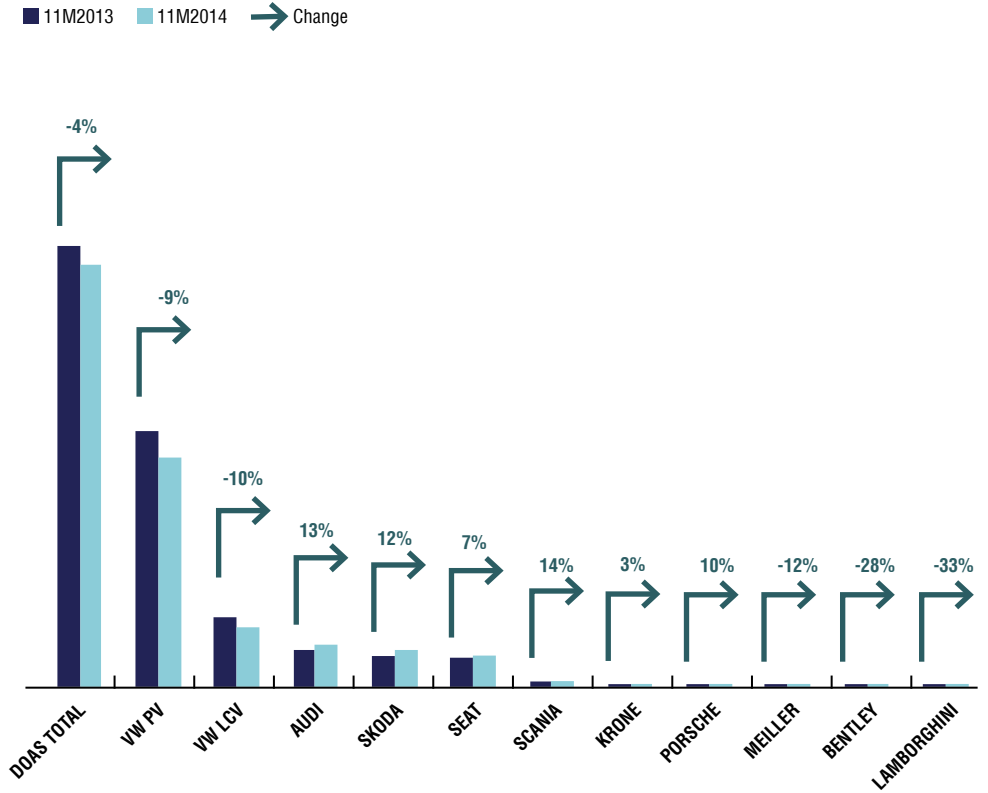


OUTLOOK FOR 2014 (EUR mn)



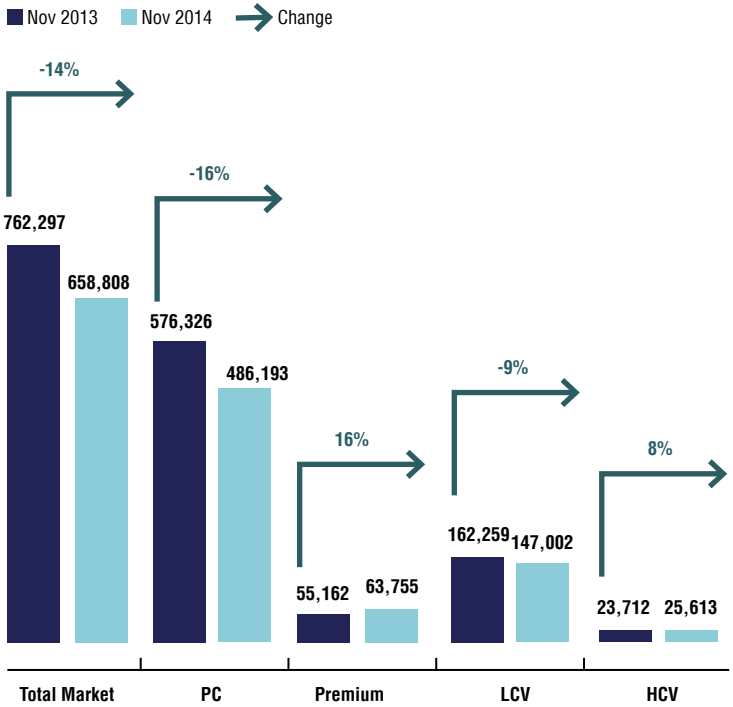
DOAS Wholesales Performance

	11M2013	11M2014	Change
DOAS TOTAL	140,853	134,992	-4%
VW PV	81,799	74,168	-9%
VW LCV	22,316	20,113	-10%
AUDI	12,446	14,120	13%
SKODA	10,998	12,325	12%
SEAT	10,312	11,049	7%
SCANIA	1,520	1,735	14%
KRONE	659	678	3%
PORSCHE	452	497	10%
MEILLER	330	292	-12%
BENTLEY	18	13	-28%
LAMBORGHINI	3	2	-33%

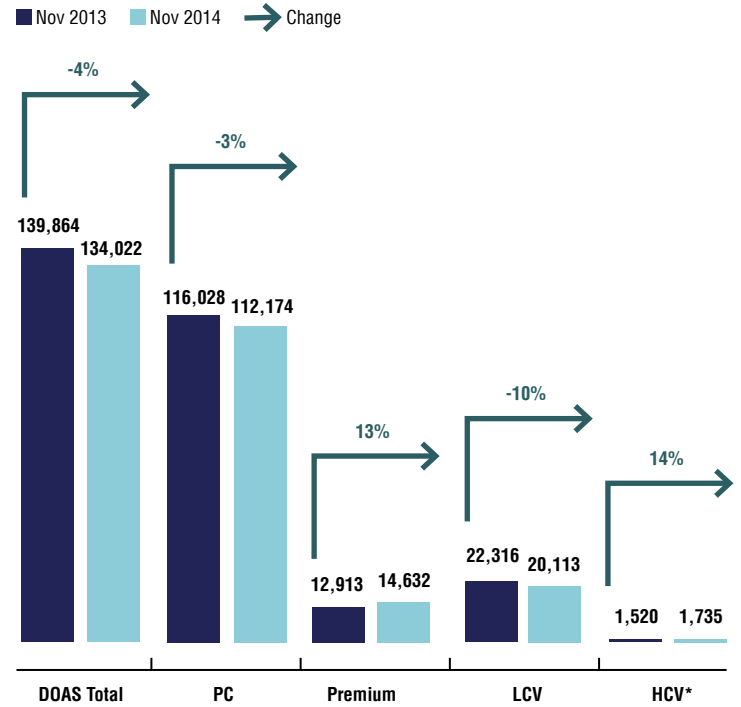


Market Review - Wholesale

MARKET



DOAS

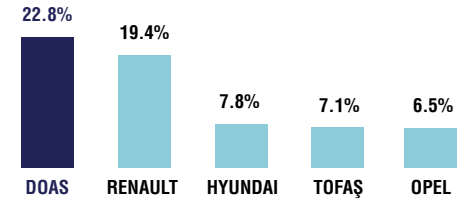


*Excluding Krone and Meiller

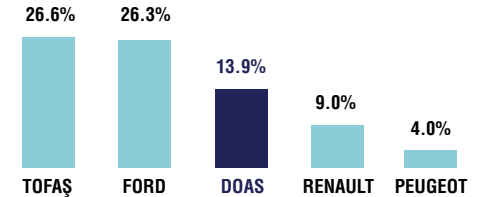
Market Share - Retail

RETAIL MARKET	2012 YEAR END	2013 YEAR END	YTD NOV 13	YTD NOV 14	13/14 CHANGE	YTD NOV 2013/2014 CHANGE
PASSENGER VEHICLE %						
DOAS	17.4	19.3	19.9	22.8	3.5	2.9
RENAULT	18.1	18.9	18.8	19.4	0.5	0.6
HYUNDAI	7.8	7.2	7.4	7.8	0.6	0.4
TOFAŞ	8.2	7.8	8.0	7.1	-0.7	-1.0
FORD	8.5	8.8	8.1	6.5	-2.3	-1.6
OPEL	8.8	8.4	8.4	6.4	-2.0	-1.9
TOYOTA	5.7	5.4	5.3	5.6	0.2	0.4
PEUGEOT	2.6	3.5	3.2	2.9	-0.6	-0.4
OTHER	22.9	20.7	20.9	21.5	0.8	0.6
LIGHT COMMERCIAL VEHICLE %						
TOFAŞ	26.2	25.1	24.4	26.6	1.5	2.2
FORD	26.7	26.4	26.4	26.3	-0.1	-0.1
DOAS	11.8	12.6	13.3	13.9	1.3	0.6
RENAULT	7.4	10.1	10.0	9.0	-1.1	-1.0
PEUGEOT	6.8	5.8	5.5	4.0	-1.9	-1.6
TOYOTA	1.1	1.3	1.3	1.0	-0.3	-0.3
HYUNDAI	1.2	0.8	0.8	0.9	0.1	0.1
OPEL	0.3	0.1	0.2	0.0	-0.1	-0.2
OTHER	18.5	17.8	18.1	18.4	0.6	0.3
LIGHT VEHICLE %						
DOAS	15.8	17.8	18.4	20.7	2.9	2.3
RENAULT	15.2	17.0	16.9	17.0	0.0	0.1
TOFAŞ	13.3	11.5	11.7	11.6	0.1	-0.1
FORD	13.7	12.7	12.4	11.0	-1.7	-1.3
HYUNDAI	5.9	5.8	5.9	6.2	0.4	0.3
OPEL	6.4	6.6	6.3	5.0	-1.6	-1.4
TOYOTA	4.4	4.5	4.4	4.6	0.0	0.2
PEUGEOT	3.8	4.0	3.8	3.1	-0.9	-0.6
OTHER	21.5	20.1	20.3	20.8	0.7	0.5

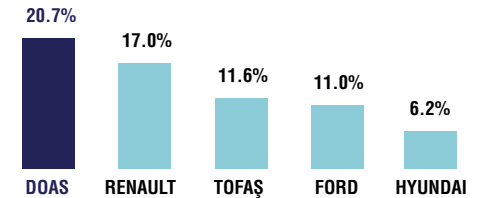
PV TOP 5 NOVEMBER 14



LCV TOP 5 NOVEMBER 14



LV TOP 5 NOVEMBER 14



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30 Sep 14	30 Sep 13	Change (%)
Revenue	5,040	4,605	9%
Gross Profit	595	560	6%
Operational Expenses	-371	-314	18%
Selling and Marketing Expenses	-156	-140	11%
General Administrative Expenses	-182	-150	21%
Warranty Expenses, net	-38	-51	-26%
Other Operating Expenses, net	5	27	-82%
EBITDA	251	269	-7%
EBIT	224	246	-9%

Margins	30 Sep 14	30 Sep 13	Change (%)
Gross Margin	11.8%	12.2%	-3%
Opex/Sales	7.4%	6.8%	8%
EBITDA Margin	5.0%	5.8%	-15%
EBIT Margin	4.4%	5.4%	-17%
Net Profit Margin	3.6%	3.8%	-7%

Consolidated Income Statement

(TL '000)	30 Sep 14	Vertical Analysis	30 Sep 13	Vertical Analysis	Change (%) 2014/2013
Revenue	5,040,484		4,605,068		9%
Direct cost of revenue	-4,445,094	-88%	-4,044,725	-88%	10%
Gross profit	595,390	12%	560,343	12%	6%
Selling, marketing and distribution expenses	-156,237	-3%	-140,260	-3%	11%
SG&A Expenses	-181,823	-4%	-149,651	-3%	21%
Warranty expenses	-38,229	-1%	-51,431	-1%	-26%
Other operating incomes/losses, net	4,900	0%	27,452	1%	-82%
Results from operating activities	224,001	4%	246,453	5%	-9%
Income from Investing Activities	10,698		7,219		
Income Loss from Associates	66,945		16,559		304%
Financial incomes/costs, net	-93,735		-51,572		82%
Profit before income tax	207,909	4%	218,659	5%	-5%
Tax expense	-28,582		-42,710		-33%
Profit for the year	179,327	4%	175,949	4%	2%

Income/Loss from Associates

	30 Sep 14 Cumulative	30 Sep 13 Cumulative
VDTF	19,720	16,601
Doğuş Sigorta	1,106	860
SKODA (Yüce Oto)	8,627	992
VDF Servis Holding	4,467	3,841
Leaseplan	21,630	-7,885
TÜVTURK Group	14,743	8,506
Meiller-Doğuş	-1,587	-1,419
Krone-Doğuş	-3,719	-5,472
Doğuş Technology	1,957	535
Grand Total	66,945	16,559

→ Direct cost of revenue

- The major impacts on the Gross Profit compared to same period last year are as follows:
 - OEM sales price increases
 - Increase in cost of transportation
 - Adverse impact of FX parity rise
 - Negative impacts of increase in SCT on the market
 - BRSA's restrictive regulations imposed upon auto loans.
 - Political and environmental impacts (election period, bad weather conditions)
 - Sales Campaigns and Dealer Support

→ Selling, marketing and distribution expenses

- 21% Increase in Distribution Expense
- 11% Increase in Personnel Expenses

→ General Administration Expenses

- Increase in personnel by 4% and increase in wages by 14%

Financing Costs

(TL mn, CMB)	30 Sep 14	30 Sep 13	Change (%)
Financing Costs	-93.74	-51.57	82%
Finance expenses. net	-92.62	-48.79	90%
Interest expense on borrowings	-85.0	-40.8	108%
Commission expenses on letters of guarantee	-4.2	-4.4	-4%
Other financial expenses	-3.4	-3.6	-5%
Foreign Exchange gain/loss. net	-1.1	-2.8	-60%

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	30 Sep 14	31 Dec 13
ASSETS	2,983,501	2,464,346
Cash and cash equivalents	36,956	82,246
Trade receivables	719,491	618,939
Inventories	813,843	520,176
Tangible and intangible non-current assets	552,801	510,705
Financial Investments	492,560	450,579
Investments in equity accounted investees	273,353	206,219
Other	94,497	75,482
LIABILITIES	1,862,686	1,346,282
Financial liabilities	1,249,907	897,254
Trade payables	467,428	323,233
Provisions	63,586	59,992
Liabilities from investments in equity accounted investees	498	-
Other	81,267	65,803
EQUITY	1,120,815	1,118,064

Investments in Equity Accounted Investees	30 Sep 14	31 Dec 13
Associates		
VDTF	89,929	70,209
Doğuş Sigorta	30,398	27,966
Yüce Auto (SKODA)	16,447	10,220
VDF Servis	18,930	14,463
LPD Holding- Leaseplan	35,647	17,180
Doğuş Bilgi İşlem	6,180	1,601
Joint Ventures		
Krone-Doğuş	21,767	25,486
TÜVTURK North - South (Consolidated)	54,055	38,005
Meiller-Doğuş	-	1,089
Total	273,353	206,219

Other	30 Sep 14	31 Dec 13
VAT payable	31,882	42,820
Income tax payable	20,217	-
Advances taken	17,787	7,674
Payables related to employee benefits	7,125	8,121
Deferred tax liabilities	1,048	-
Other	3,208	7,188

→ Inventories

- Increase in goods in transit (vehicle)
 - 30 September 2014: 813,843 thousand TL
 - 31 December 2013: 520,176 thousand TL
- 9M2014 vehicle units was realized as 13,214 units which increased by 56% compared to 2013 year end.

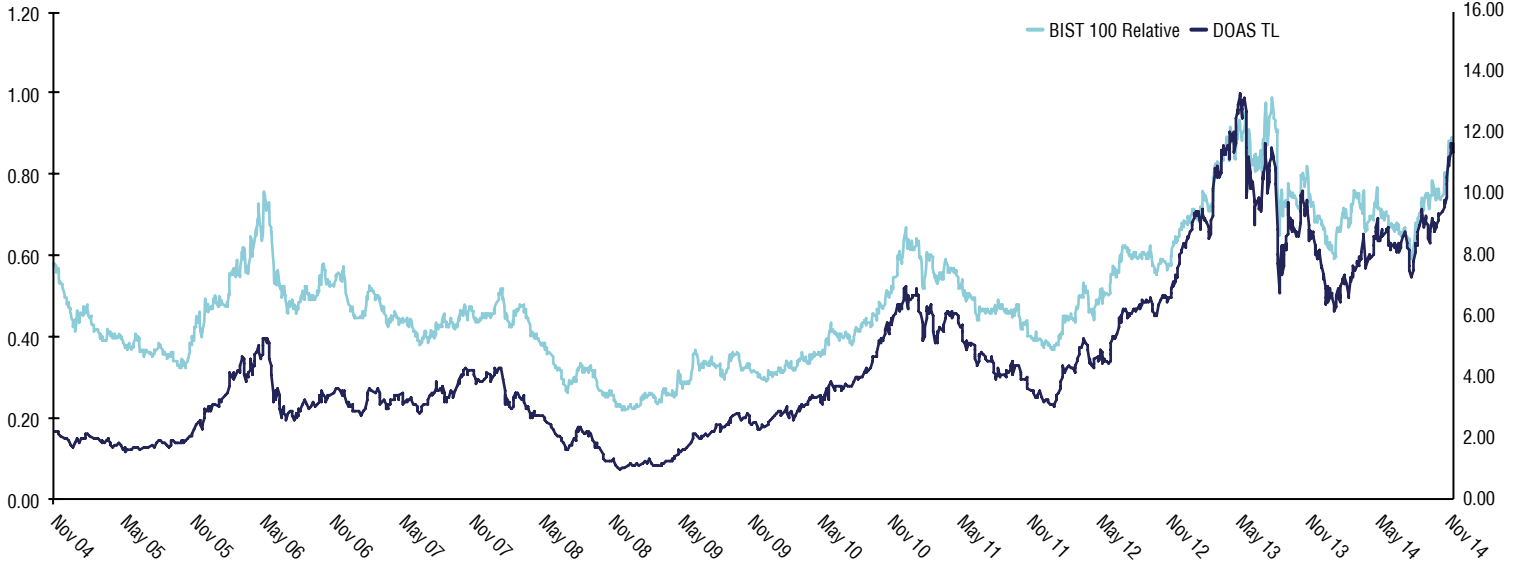
Other	30 Sep 14	31 Dec 13
Warranty claims and price difference receivables	22,433	27,874
Prepaid Expenses short-term	20,100	7,599
Advances Given	11,719	6,855
Receivables due to insurance claims	9,264	6,153
Deferred tax assets	14,354	6,576
Advances given for property and equipment purchases	8,802	2,553
Prepaid Expenses long-term	2,885	5,793
Other current assets	-	7,009
Other	4,940	5,070

Provisions	30 Sep 14	31 Dec 13
Warranty Provisions	31,517	33,980
Legal Provisions	13,938	11,978
Provision for unused vacation	4,303	2,482
Long-term provisions related to employee benefits	13,828	11,552

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Sep 14	31 December 13	Change (%)
Total Assets	2,984	2,464	21%
Total Equity	1,116	1,115	0%
Net working capital	-95	260	-137%
Net cash position	-1,238	-837	48%
CAPEX	73	108	-32%
Receivable Turnover (day)	39	34	16%
Inventory Turnover (day)	50	32	55%
Payable Turnover (day)	29	20	43%
ROA	6.0%	7.1%	-16%
ROE	16.1%	15.8%	2%

Stock Price History



Shareholders Structure

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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