

# Investor Relations Presentation

## Q1 2015 Results

Updated: May 2015

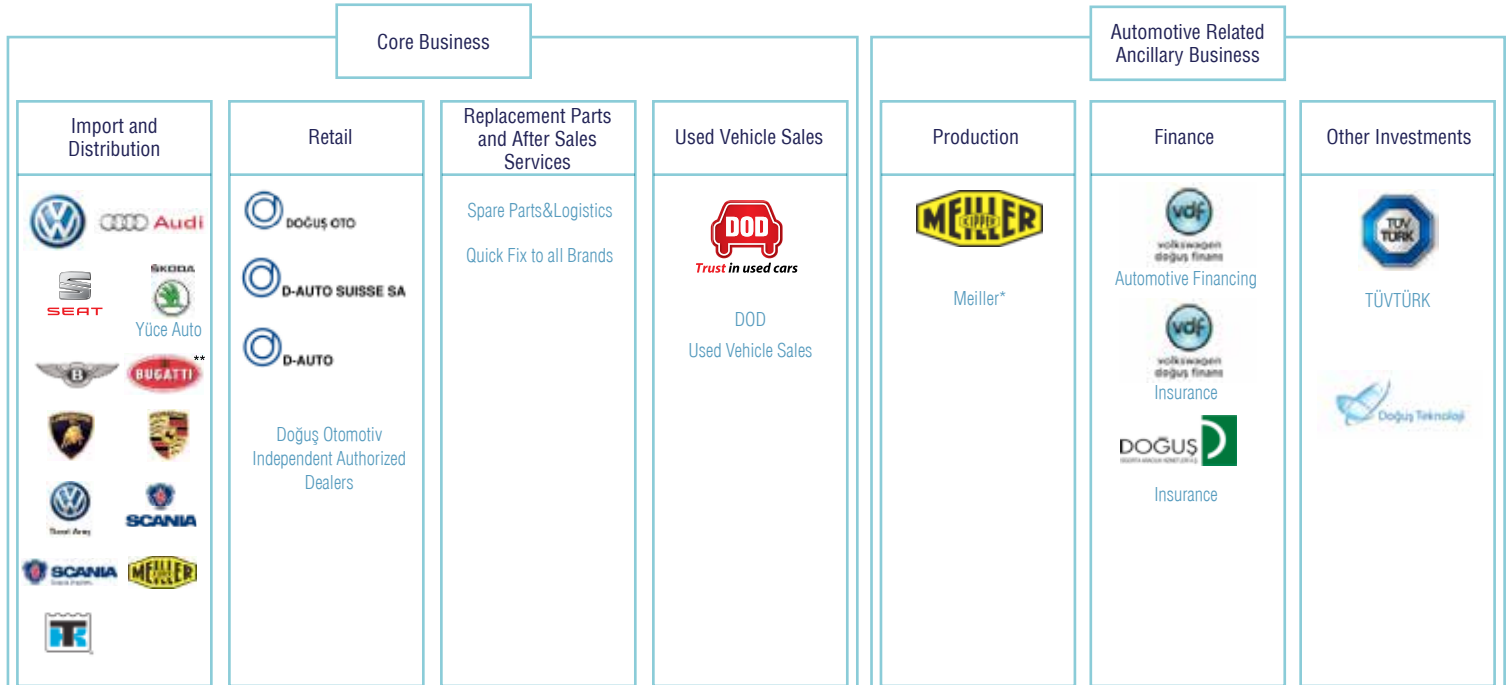


# Agenda

- Dođuş Otomotiv / Value Chain 2015
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

# Doğuş Otomotiv / Value Chain 2015

## Presence in Every Link of Automotive Value Chain



\*Subsidiaries

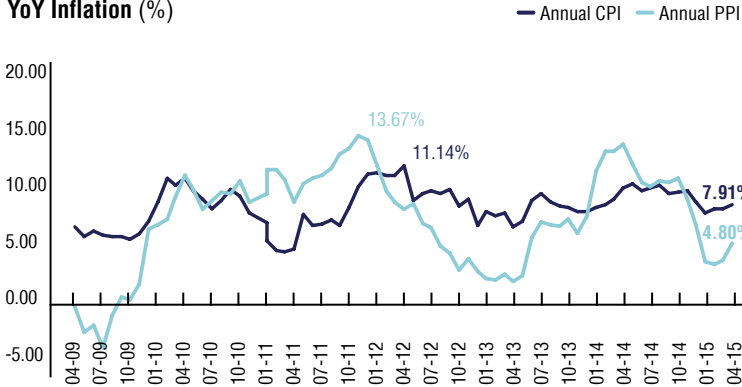
\*\*Representative Offices

# Macroeconomic Outlook

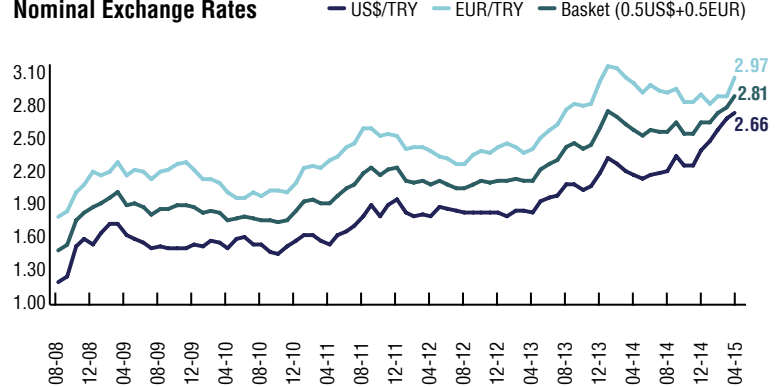


# Macroeconomic Indicators

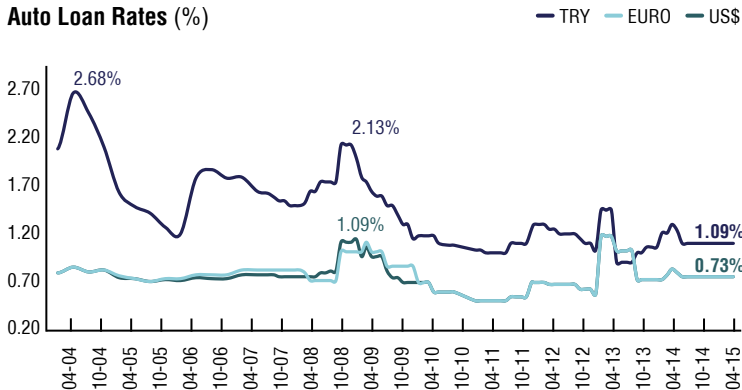
## YoY Inflation (%)



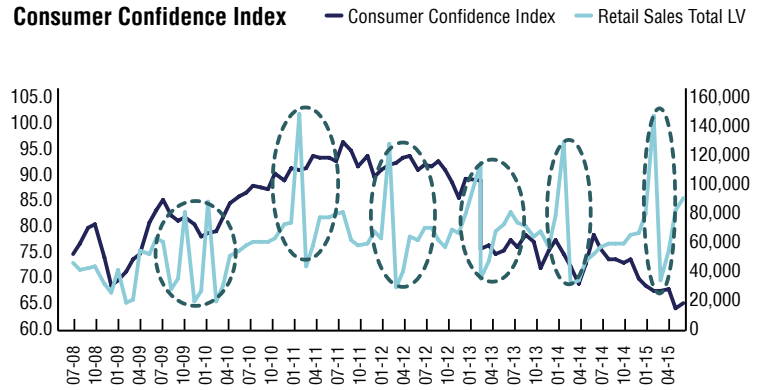
## Nominal Exchange Rates



## Auto Loan Rates (%)

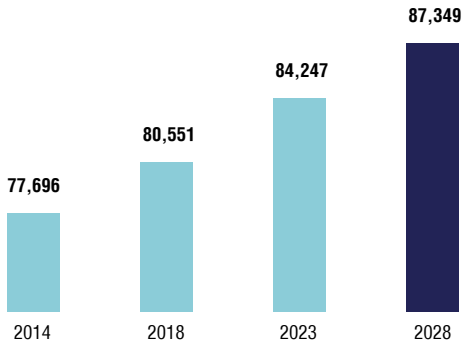


## Consumer Confidence Index

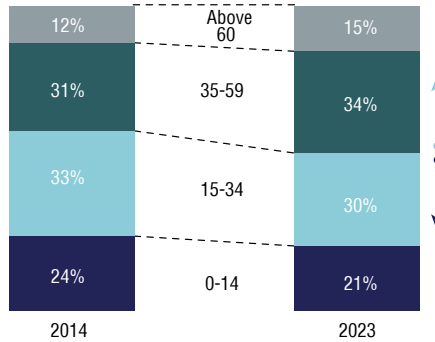


# Population & Demography

## Population Statistics ('000)

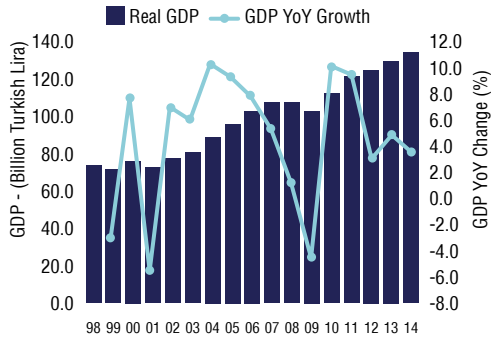


## Age Demography

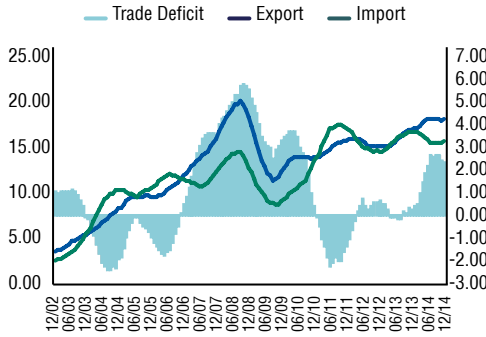


- Young population and fiscal reforms push the country towards stable and sustainable growth.
- Population is increasing on an average 1.5% each year.
- 64% of population will be between the age group 15 to 59 years.
- Share of people in the age group between 35 to 59 will increase by 3%.

## Economy



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



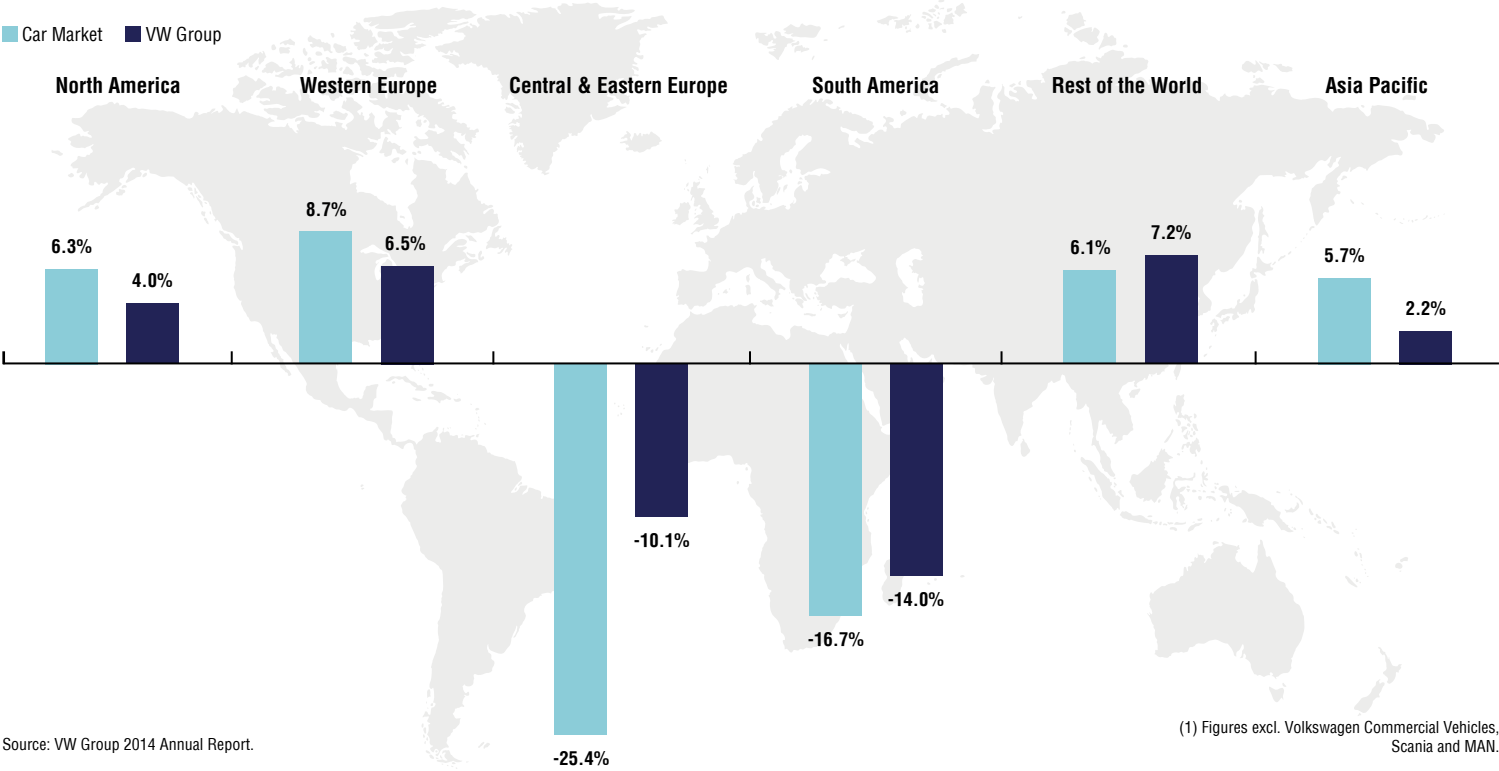
Note: All figures are rounded; the base years is 2009.  
Source: IMF, TurkStat, Frost Sullivan

# Automotive Market



# Development world car market vs. Volkswagen Group Car Deliveries to Customers<sup>(1)</sup> (Growth y-o-y in deliveries to customers, January to March 2015 vs. 2014)

World Car Market: 3.7% VW Group: 2.0%



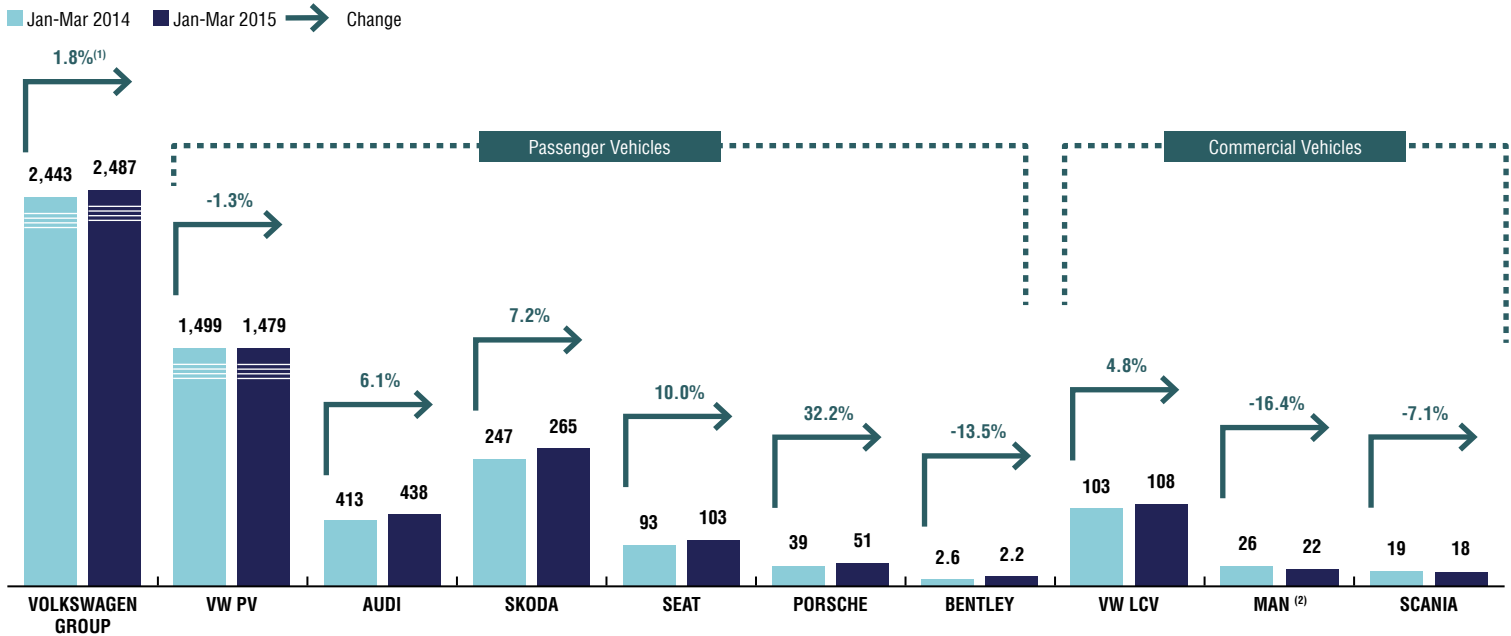
Source: VW Group 2014 Annual Report.

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



# Volkswagen Group

## DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)



(1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 2.0% excl. Volkswagen Commercial Vehicles, Scania and MAN.

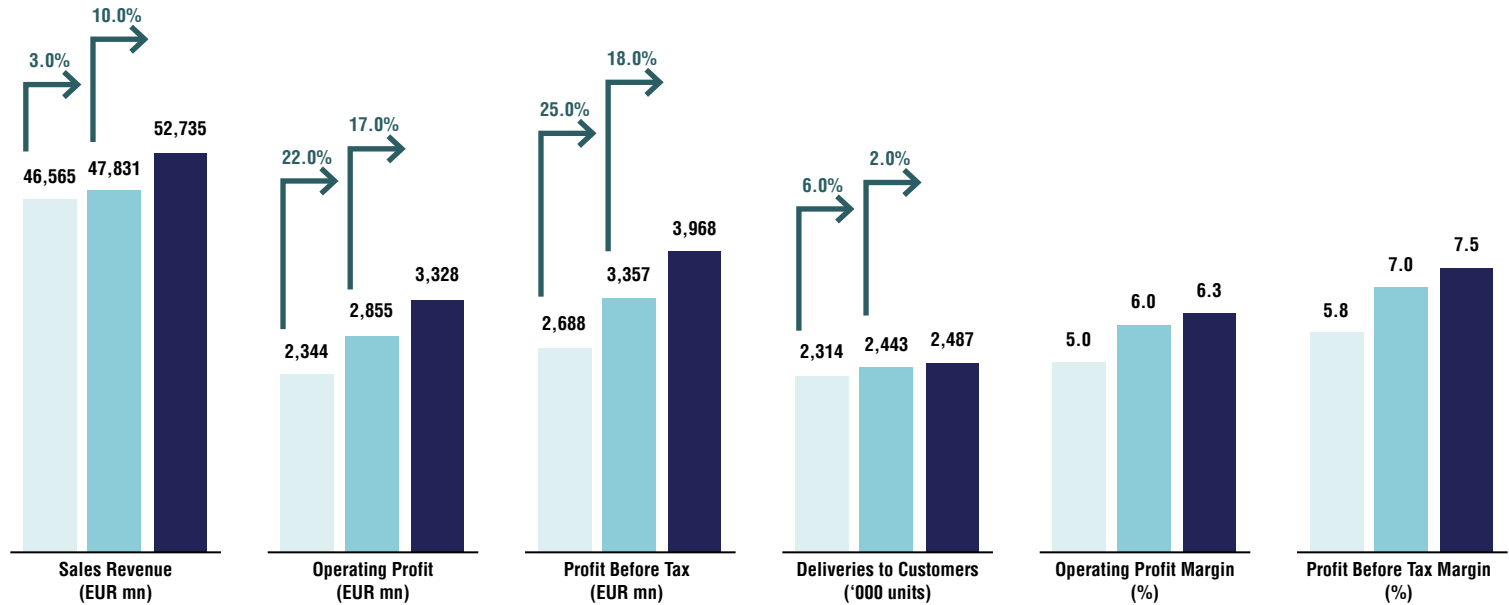
(2) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Source: VW Group 2014 Annual Report.

# Volkswagen Group

## FINANCIAL AND SALES PERFORMANCE (EUR mn)

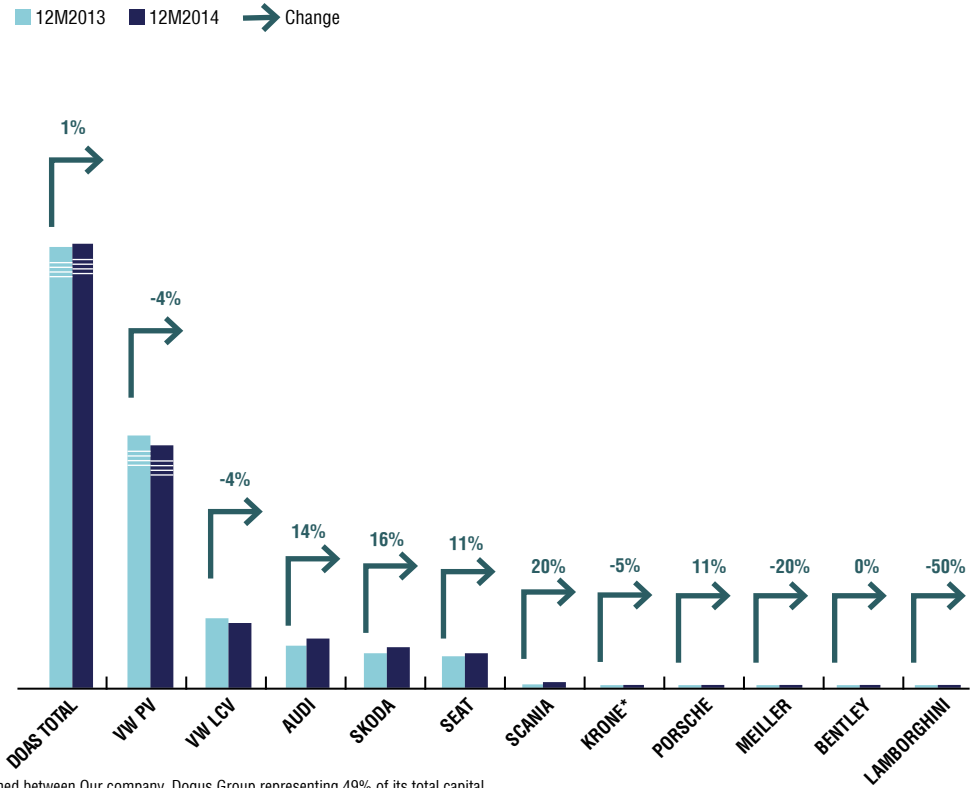
1Ç2013 1Ç2014 1Ç2015 → Change



Source: VW Group 2014 Annual Report.

# DOAS Wholesales Performance - 2014

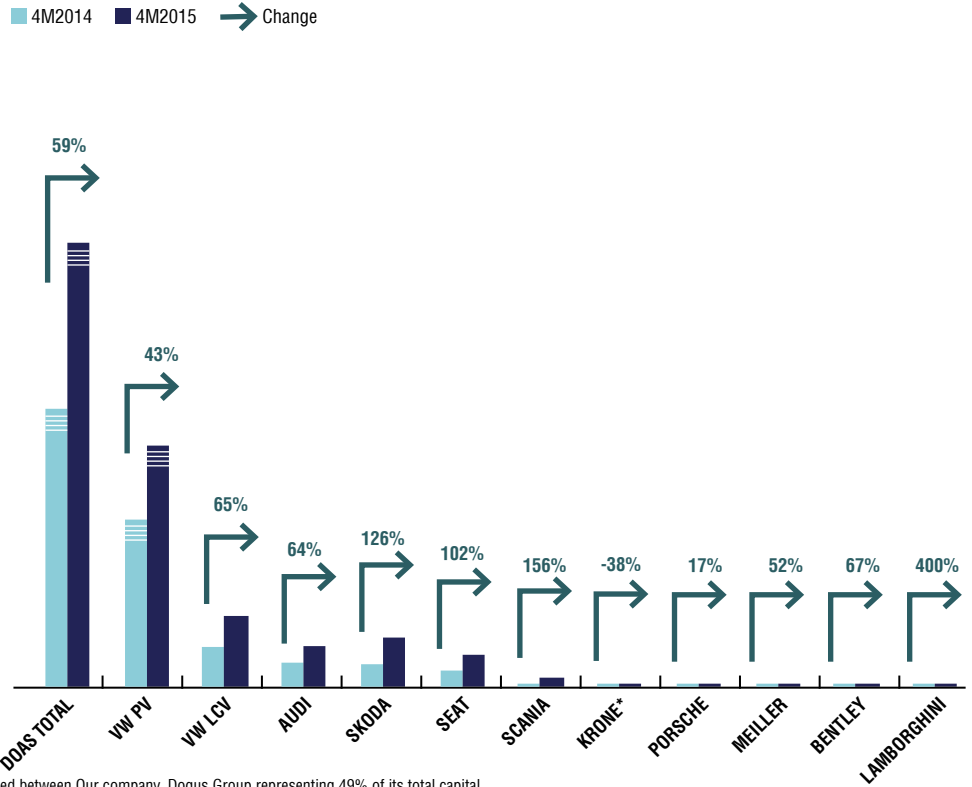
|                   | 12M2013        | 12M2014        | Change    |
|-------------------|----------------|----------------|-----------|
| <b>DOAS TOTAL</b> | <b>155,056</b> | <b>155,995</b> | <b>1%</b> |
| VW PV             | 88,890         | 85,134         | -4%       |
| VW LCV            | 24,068         | 23,191         | -4%       |
| AUDI              | 15,025         | 17,070         | 14%       |
| SKODA             | 12,362         | 14,397         | 16%       |
| SEAT              | 11,334         | 12,540         | 11%       |
| SCANIA            | 1,672          | 2,014          | 20%       |
| KRONE             | 752            | 716            | -5%       |
| PORSCHE           | 542            | 601            | 11%       |
| MEILLER           | 386            | 309            | -20%      |
| BENTLEY           | 21             | 21             | 0%        |
| LAMBORGHINI       | 4              | 2              | -50%      |



\*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 on 08.04.2015, after all permissions were received.

# DOAS Wholesales Performance - April 2015

|                   | 4M2014        | 4M2015        | Change     |
|-------------------|---------------|---------------|------------|
| <b>DOAS TOTAL</b> | <b>40,582</b> | <b>64,501</b> | <b>59%</b> |
| VW PV             | 24,345        | 34,780        | 43%        |
| VW LCV            | 6,026         | 9,938         | 65%        |
| AUDI              | 3,569         | 5,843         | 64%        |
| SKODA             | 3,267         | 7,378         | 126%       |
| SEAT              | 2,472         | 4,988         | 102%       |
| SCANIA            | 419           | 1,073         | 156%       |
| KRONE             | 204           | 126           | -38%       |
| PORSCHE           | 156           | 183           | 17%        |
| MEILLER           | 120           | 182           | 52%        |
| BENTLEY           | 3             | 5             | 67%        |
| LAMBORGHINI       | 1             | 5             | 400%       |

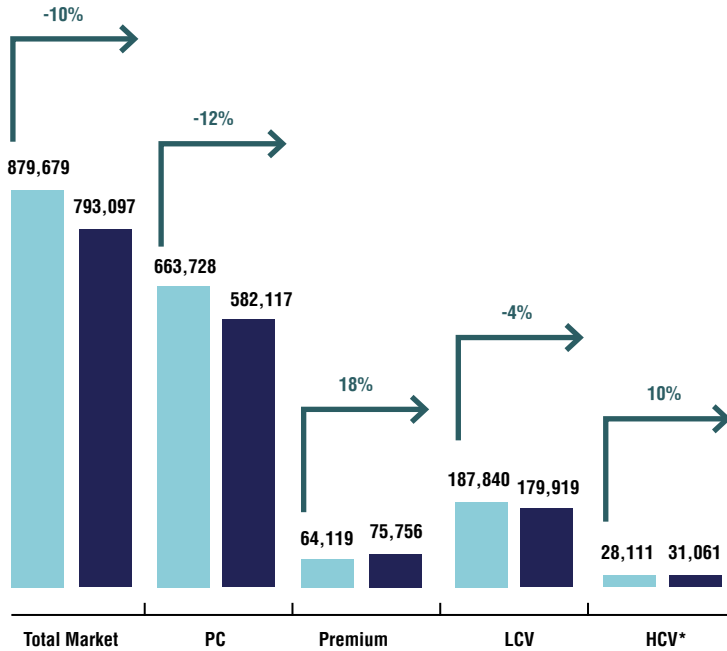


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# Market Review - Wholesale - 2014

## MARKET

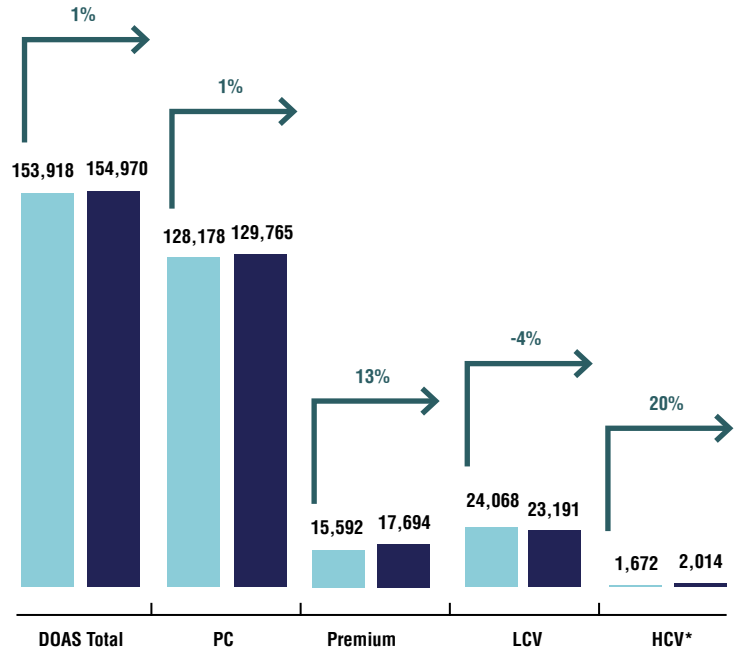
■ Dec 2013 ■ Dec 2014 → Change



\*Excluding Krone and Meiller

## DOAS

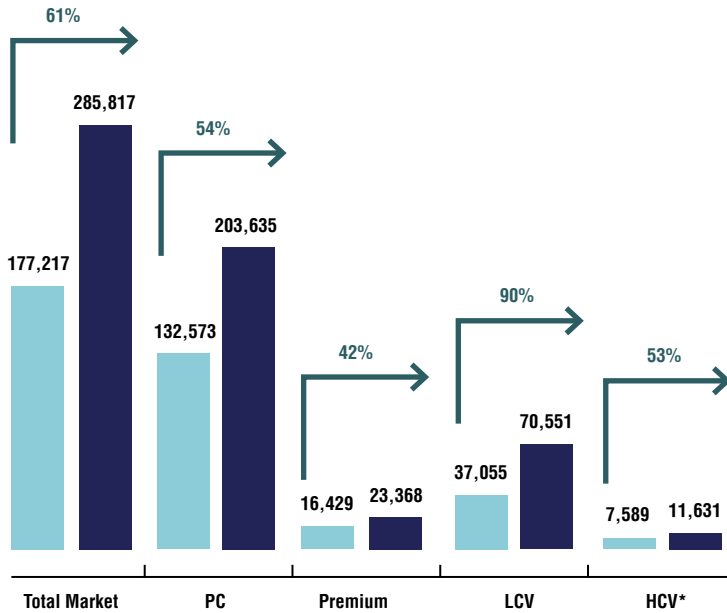
■ Dec 2013 ■ Dec 2014 → Change



# Market Review - Wholesale - April 2015

## MARKET

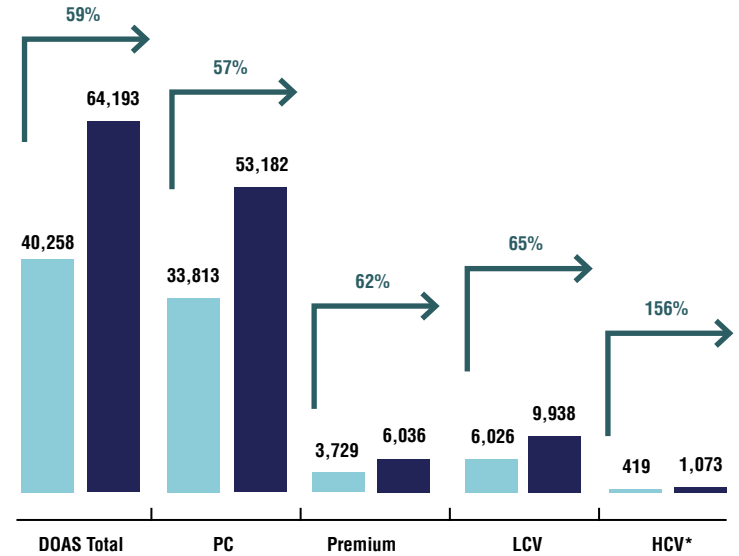
■ Apr 2014 ■ Apr 2015 → Change



\*Excluding Krone and Meiller

## DOAS

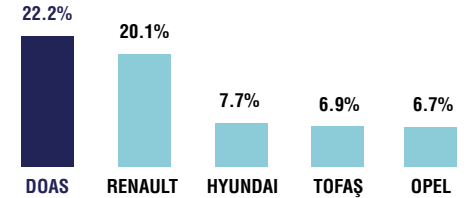
■ Apr 2014 ■ Apr 2015 → Change



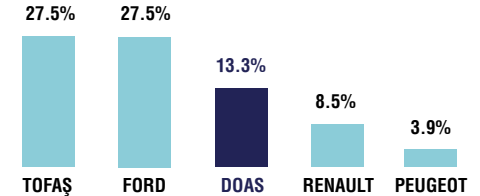
# Market Share - Retail - 2014

| RETAIL MARKET                     | 2012 YEAR END | 2013 YEAR END | YTD DEC 13 | YTD DEC 14 | 13/14 CHANGE | YTD DEC 2013/2014 CHANGE |
|-----------------------------------|---------------|---------------|------------|------------|--------------|--------------------------|
| <b>PASSENGER VEHICLE %</b>        |               |               |            |            |              |                          |
| DOAS                              | 17.4          | 19.3          | 19.2       | 22.2       | 2.9          | 3.0                      |
| RENAULT                           | 18.1          | 18.9          | 18.9       | 20.1       | 1.2          | 1.2                      |
| HYUNDAI                           | 7.8           | 7.2           | 7.2        | 7.7        | 0.5          | 0.4                      |
| TOFAŞ                             | 8.2           | 7.8           | 7.7        | 6.9        | -0.9         | -0.8                     |
| FORD                              | 8.5           | 8.8           | 8.4        | 6.7        | -2.1         | -1.7                     |
| OPEL                              | 8.8           | 8.4           | 8.8        | 6.4        | -2.1         | -2.4                     |
| TOYOTA                            | 5.7           | 5.4           | 5.4        | 5.8        | 0.4          | 0.4                      |
| PEUGEOT                           | 2.6           | 3.5           | 3.5        | 2.9        | -0.6         | -0.6                     |
| OTHER                             | 22.9          | 20.7          | 20.9       | 21.4       | 0.7          | 0.6                      |
| <b>LIGHT COMMERCIAL VEHICLE %</b> |               |               |            |            |              |                          |
| TOFAŞ                             | 26.2          | 25.1          | 25.1       | 27.5       | 2.4          | 2.4                      |
| FORD                              | 26.7          | 26.4          | 26.4       | 27.5       | 1.1          | 1.1                      |
| DOAS                              | 11.8          | 12.6          | 12.6       | 13.3       | 0.7          | 0.7                      |
| RENAULT                           | 7.4           | 10.1          | 10.1       | 8.5        | -1.6         | -1.6                     |
| PEUGEOT                           | 6.8           | 5.8           | 5.8        | 3.9        | -1.9         | -1.9                     |
| TOYOTA                            | 1.1           | 1.3           | 1.3        | 0.9        | -0.4         | -0.4                     |
| 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          | 17.9       | 17.5       | -0.3         | -0.3                     |
| <b>LIGHT VEHICLE %</b>            |               |               |            |            |              |                          |
| DOAS                              | 15.8          | 17.8          | 17.8       | 20.1       | 2.3          | 2.3                      |
| RENAULT                           | 15.2          | 17.0          | 17.0       | 17.4       | 0.4          | 0.4                      |
| TOFAŞ                             | 13.3          | 11.5          | 11.6       | 11.7       | 0.2          | 0.2                      |
| FORD                              | 13.7          | 12.7          | 12.7       | 11.3       | -1.4         | -1.4                     |
| HYUNDAI                           | 5.9           | 5.8           | 5.8        | 6.1        | 0.3          | 0.2                      |
| OPEL                              | 6.4           | 6.6           | 6.6        | 5.1        | -1.5         | -1.5                     |
| TOYOTA                            | 4.4           | 4.5           | 4.5        | 4.7        | 0.2          | 0.2                      |
| PEUGEOT                           | 3.8           | 4.0           | 4.0        | 3.1        | -0.9         | -0.9                     |
| OTHER                             | 21.5          | 20.1          | 20.2       | 20.5       | 0.4          | 0.3                      |

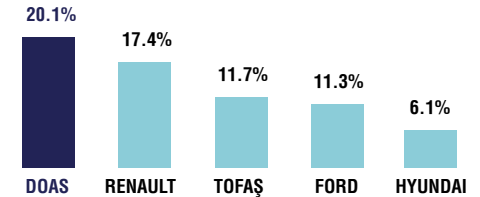
## PV TOP 5 DECEMBER 14



## LCV TOP 5 DECEMBER 14



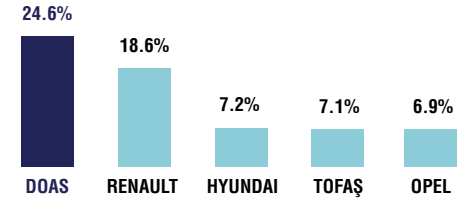
## LV TOP 5 DECEMBER 14



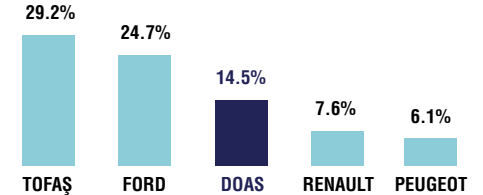
# Market Share - Retail - April 2015

| RETAIL MARKET                     | 2013 YEAR END | 2014 YEAR END | YTD APR 14 | YTD APR 15 | 14/15 CHANGE | YTD APR 2014/2015 CHANGE |
|-----------------------------------|---------------|---------------|------------|------------|--------------|--------------------------|
| <b>PASSENGER VEHICLE %</b>        |               |               |            |            |              |                          |
| DOAS                              | 19.3          | 22.2          | 23.8       | 24.6       | 2.4          | 0.8                      |
| RENAULT                           | 18.9          | 20.1          | 20.4       | 18.6       | -1.5         | -1.8                     |
| HYUNDAI                           | 7.2           | 7.7           | 7.9        | 7.2        | -0.4         | -0.7                     |
| TOFAŞ                             | 7.8           | 6.89          | 6.4        | 7.1        | 0.2          | 0.6                      |
| FORD                              | 5.4           | 5.8           | 4.6        | 6.9        | 1.1          | 2.3                      |
| OPEL                              | 8.8           | 6.4           | 5.0        | 6.6        | 0.2          | 1.5                      |
| TOYOTA                            | 8.4           | 6.7           | 6.2        | 6.0        | -0.6         | -0.2                     |
| PEUGEOT                           | 3.1           | 4.5           | 3.5        | 4.0        | -0.5         | 0.4                      |
| OTHER                             | 21.1          | 19.9          | 22.0       | 19.0       | -0.8         | -3.0                     |
| <b>LIGHT COMMERCIAL VEHICLE %</b> |               |               |            |            |              |                          |
| TOFAŞ                             | 26.4          | 27.47         | 22.2       | 29.2       | 1.7          | 7.0                      |
| FORD                              | 25.1          | 27.5          | 28.9       | 24.7       | -2.8         | -4.2                     |
| DOAS                              | 12.6          | 13.3          | 14.9       | 14.5       | 1.1          | -0.5                     |
| RENAULT                           | 10.1          | 8.5           | 9.9        | 7.6        | -0.9         | -2.3                     |
| PEUGEOT                           | 5.5           | 4.5           | 4.0        | 6.1        | 1.7          | 2.1                      |
| TOYOTA                            | 5.8           | 3.9           | 2.9        | 4.5        | 0.6          | 1.6                      |
| HYUNDAI                           | 5.5           | 4.5           | 5.6        | 3.7        | -0.8         | -2.0                     |
| OPEL                              | 2.0           | 2.4           | 2.5        | 2.3        | -0.1         | -0.2                     |
| OTHER                             | 7.0           | 8.0           | 9.1        | 7.5        | -0.5         | -1.7                     |
| <b>LIGHT VEHICLE %</b>            |               |               |            |            |              |                          |
| DOAS                              | 17.8          | 20.1          | 21.9       | 22.0       | 1.9          | 0.1                      |
| RENAULT                           | 17.0          | 17.4          | 18.2       | 15.8       | -1.6         | -2.4                     |
| TOFAŞ                             | 12.7          | 11.3          | 8.7        | 12.3       | 1.0          | 3.6                      |
| FORD                              | 11.5          | 11.7          | 11.3       | 11.6       | -0.2         | 0.3                      |
| HYUNDAI                           | 5.8           | 6.1           | 6.4        | 5.6        | -0.5         | -0.8                     |
| OPEL                              | 4.5           | 4.7           | 4.0        | 5.4        | 0.7          | 1.4                      |
| TOYOTA                            | 6.6           | 5.1           | 4.9        | 4.5        | -0.6         | -0.4                     |
| PEUGEOT                           | 4.0           | 3.1           | 3.0        | 3.7        | 0.5          | 0.7                      |
| OTHER                             | 20.1          | 20.5          | 21.6       | 19.2       | -1.3         | -2.4                     |

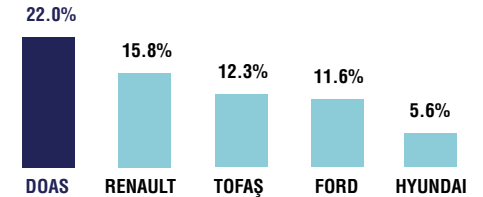
## PV TOP 5 APRIL 15



## LCV TOP 5 APRIL 15



## LV TOP 5 APRIL 15





# Financial Performance



# Consolidated Income Statement

| (TL mn, CMB)                    | 31 Mar 15 | 31 Mar 14 | Change (%) |
|---------------------------------|-----------|-----------|------------|
| Revenue                         | 2,175     | 1,354     | 61%        |
| Gross Profit                    | 267       | 144       | 85%        |
| Operational Expenses            | -124      | -105      | 19%        |
| Selling and Marketing Expenses  | -57       | -46       | 23%        |
| General Administrative Expenses | -65       | -57       | 14%        |
| Warranty Expenses, net          | -10       | -5        | 83%        |
| Other Operating Expenses, net   | 8         | 4         | 80%        |
| EBITDA                          | 155       | 48        | 220%       |
| EBIT                            | 143       | 40        | 261%       |

| Margins           | 31 Mar 15 | 31 Mar 14 | Change (%) |
|-------------------|-----------|-----------|------------|
| Gross Margin      | 12.3%     | 10.7%     | 15%        |
| Opex/Sales        | 5.7%      | 7.7%      | -26%       |
| EBITDA Margin     | 7.1%      | 3.6%      | 99%        |
| EBIT Margin       | 6.6%      | 2.9%      | 125%       |
| Net Profit Margin | 6.1%      | 2.0%      | 202%       |

# Consolidated Income Statement

| (TL '000)                                    | 31 Mar 15      | Vertical Analysis | 31 Mar 14      | Vertical Analysis | Change (%) 2015/2014 |
|--|----------------|-------------------|----------------|-------------------|----------------------|
| Revenue                                      | 2,175,042      |                   | 1,354,163      |                   | 61%                  |
| Direct cost of revenue                       | -1,907,684     | -88%              | -1,209,872     | -89%              | 58%                  |
| <b>Gross profit</b>                          | <b>267,358</b> | <b>12%</b>        | <b>144,291</b> | <b>11%</b>        | <b>85%</b>           |
| Selling, marketing and distribution expenses | -56,647        | -3%               | -46,220        | -3%               | 23%                  |
| SG&A Expenses                                | -65,423        | -3%               | -57,387        | -4%               | 14%                  |
| Warranty expenses                            | -9,872         | 0%                | -5,388         | 0%                | 83%                  |
| Other operating incomes/losses, net          | 7,836          | 0%                | 4,363          | 0%                | 80%                  |
| <b>Results from operating activities</b>     | <b>143,252</b> | <b>7%</b>         | <b>39,659</b>  | <b>3%</b>         | <b>261%</b>          |
| Income from Investing Activities             | 33,441         |                   | -              |                   |                      |
| Income Loss from Associates                  | 12,634         |                   | 13,225         |                   | -4%                  |
| Financial incomes/costs, net                 | -28,273        |                   | -20,176        |                   | 40%                  |
| <b>Profit before income tax</b>              | <b>161,054</b> | <b>7%</b>         | <b>32,708</b>  | <b>2%</b>         | <b>392%</b>          |
| Tax expense                                  | -28,529        |                   | -5,352         |                   | 433%                 |
| <b>Profit for the year</b>                   | <b>132,525</b> | <b>6%</b>         | <b>27,356</b>  | <b>2%</b>         | <b>384%</b>          |

## → Direct cost of revenue

- The major positive impacts on Gross Profit and Operational Profit compared to same period last year are as follows:
  - Positive impact of decrease in EUR/TL parity on direct cost of revenue.
  - Higher sales prices increases than purchasing prices.
  - High demand from customers for new model and facelift vehicles.

## → Selling, marketing and distribution expenses

- 39% Increase in Distribution Expense
- 13% Increase in Advertisement Expenses

## → General Administration Expenses

- Increase in personnel expenses by 14%

| Income/Loss from Associates | 31 Mar 15 Cumulative | 31 Mar 14 Cumulative |
|-----------------------------|----------------------|----------------------|
| VDTF                        | 3,799                | -188                 |
| Doğuş Sigorta               | 1,227                | 649                  |
| SKODA (Yüce Oto)            | 2,986                | 2,818                |
| VDF Servis Holding          | 3,180                | 1,074                |
| Leaseplan                   | -                    | 4,974                |
| TÜVTURK Group               | 3,114                | 4,725                |
| Meiller-Doğuş               | -243                 | -929                 |
| Krone-Doğuş                 | -1,567               | -592                 |
| Doğuş Technology            | 138                  | 694                  |
| <b>Grand Total</b>          | <b>12,634</b>        | <b>13,225</b>        |

# Financing Costs

| (TL mn, CMB)                                | 31 Mar 2015 | 31 Mar 2014 | (% Change) |
|---|-------------|-------------|------------|
| Financing Costs                             | -28.27      | -20.18      | 40%        |
| Finance expenses, net                       | -26.32      | -19.65      | 34%        |
| Interest expense on borrowings              | -25.4       | -17.5       | 45%        |
| Commission expenses on letters of guarantee | -0.7        | -1.7        | -58%       |
| Other financial expenses                    | -0.2        | -0.5        | -48%       |
| Foreign Exchange gain/loss, net*            | -2.0        | -0.5        | 275%       |

\*arising from credit loans

CMB: Capital Market Boards of Turkey

# Consolidated Balance Sheet

| (TL '000)  | 31 Mar 15        | 31 Dec 14        |
|--|------------------|------------------|
| <b>ASSETS</b>                                    | <b>3,439,396</b> | <b>2,827,257</b> |
| Cash and cash equivalents                        | 48,711           | 40,621           |
| Trade receivables                                | 792,360          | 744,731          |
| Inventories                                      | 1,082,326        | 569,259          |
| Tangible and intangible non-current assets       | 569,035          | 558,170          |
| Financial Investments                            | 528,940          | 531,181          |
| Investments in equity accounted investees        | 245,609          | 251,701          |
| Other  | 172,415          | 131,594          |
| <b>LIABILITIES</b>                               | <b>2,221,233</b> | <b>1,590,922</b> |
| Financial liabilities                            | 1,151,731        | 1,075,943        |
| Trade payables                                   | 739,178          | 357,159          |
| Provisions                                       | 60,002           | 64,535           |
| Other  | 270,322          | 93,285           |
| <b>EQUITY</b>                                    | <b>1,218,163</b> | <b>1,236,335</b> |
| <b>Investments in Equity Accounted Investees</b> | <b>31 Mar 15</b> | <b>31 Dec 14</b> |
| <b>Associates</b>                                |                  |                  |
| VDF  | 96,702           | 92,904           |
| Doğuş Sigorta                                    | 33,904           | 32,805           |
| Yüce Auto (SKODA)                                | 18,662           | 15,676           |
| VDF Servis                                       | 23,768           | 20,589           |
| Doğuş Teknoloji                                  | 4,489            | 4,351            |
| <b>Joint Ventures</b>                            |                  |                  |
| Krone-Doğuş                                      | -                | 19,876           |
| TÜVTURK North - South (Consolidated)             | 63,291           | 60,464           |
| Meiller-Doğuş                                    | 4,793            | 5,036            |
| <b>Total</b>                                     | <b>245,609</b>   | <b>251,701</b>   |
| <b>Other</b>                                     | <b>31 Mar 15</b> | <b>31 Dec 14</b> |
| Dividend payable                                 | 150,000          | -                |
| VAT payable                                      | 41,348           | 64,365           |
| Income tax payable                               | 36,812           | 5,312            |
| Advances taken                                   | 15,826           | 7,300            |
| Payables related to employee benefits            | 21,902           | 8,049            |
| Deferred tax liabilities                         | 2,210            | 3,691            |
| Other  | 2,224            | 4,568            |

## → Inventories

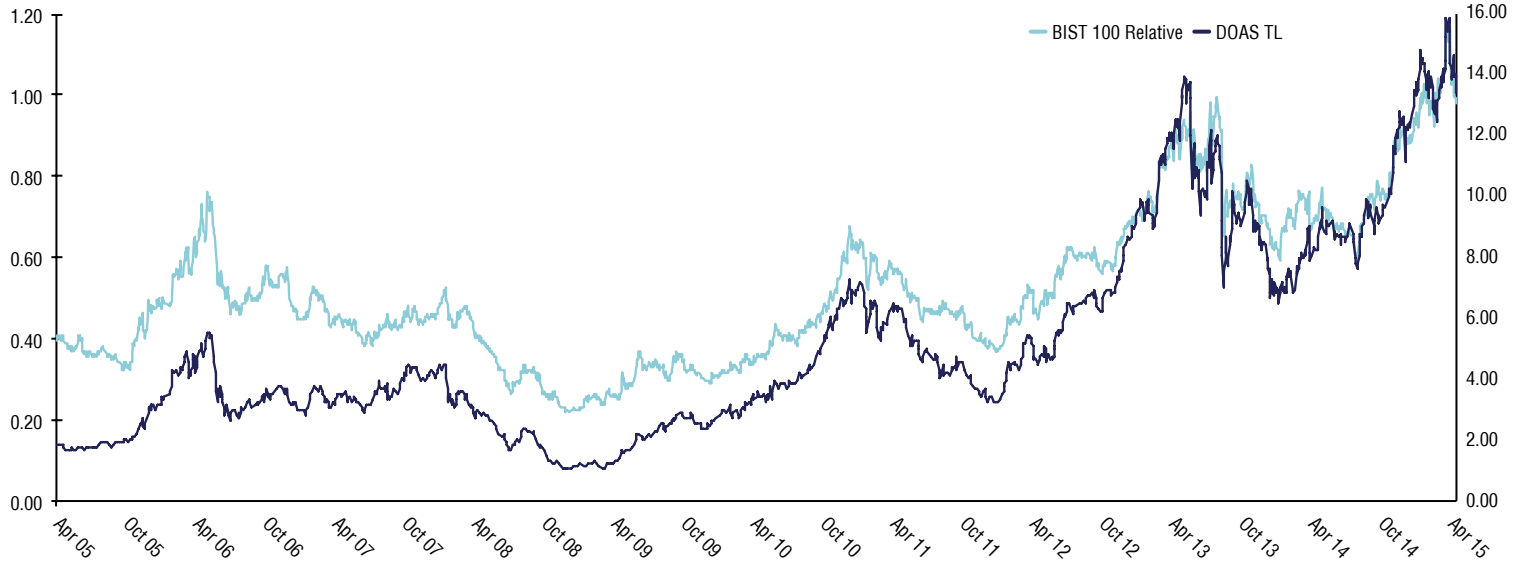
- Increase in goods in transit (vehicle)
  - 31 March 2015: 1.082.326 thousand TL
  - 31 December 2014: 569.259 thousand TL
- 1Q2015 vehicle units was realized as 18.517 units which increased by 247% compared to 2014 year end. As 2015 model vehicles usually were purchased in February, inventory increased by 90%.

| Other   | 31 Dec 15        | 31 Dec 14        |
|---|------------------|------------------|
| Non-current assets held for sale                    | 18,309           | 45,489           |
| Investment property                                 | 20,567           | 20,636           |
| Warranty claims and price difference receivables    | 20,950           | 18,749           |
| Prepaid Expenses short-term                         | 59,065           | 9,895            |
| Advances Given                                      | 11,488           | 1,307            |
| Receivables due to insurance claims                 | 10,433           | 8,359            |
| Deferred tax assets                                 | 13,634           | 6,287            |
| Prepaid Expenses long-term                          | 10,963           | 14,594           |
| Advances given for property and equipment purchases | 1,347            | 2,283            |
| Other   | 5,659            | 3,995            |
| <b>Provisions</b>                                   | <b>31 Mar 14</b> | <b>31 Dec 14</b> |
| Warranty Provisions                                 | 27,470           | 33,541           |
| Legal Provisions                                    | 14,231           | 14,614           |
| Provision for unused vacation                       | 4,515            | 4,576            |
| Long-term provisions related to employee benefits   | 13,786           | 11,804           |

# Consolidated Balance Sheet

| (Balance Sheet mn,TL)     | 31 Mar 15 | 31 Dec 14 | (% Change) |
|---------------------------|-----------|-----------|------------|
| Total Assets              | 3,439     | 2,827     | 22%        |
| Total Equity              | 1,218     | 1,236     | -1%        |
| Net working capital       | 86        | -32       | -370%      |
| Net cash position         | -1,143    | -1,060    | 8%         |
| CAPEX                     | 14        | 115       | -88%       |
| Receivable Turnover (day) | 33        | 35        | -6%        |
| Inventory Turnover (day)  | 52        | 30        | 70%        |
| Payable Turnover (day)    | 35        | 19        | 85%        |
| Net Debt/EBITDA           | 1.8       | 2.8       | -37%       |
| ROA                       | 3.9%      | 9.0%      | -57%       |
| ROE                       | 10.9%     | 20.5%     | -47%       |

# 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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