



# DOĞUŞ OTOMOTİV

**9M05 RESULTS**

**NOVEMBER 2005**

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- » **Sector Review**
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- » **Appendix**



# SECTOR REVIEW

# SECTOR REVIEW



Recovery in the automotive market has kicked in on the back of:

- ✓ Bright expectations associated with the EU
- ✓ Less volatile macroeconomic environment with declining interest rates
- ✓ Improving consumer sentiment, enabling consumers to plan their spending budgets with higher visibility

MODEL	1Q' 05	1Q' 04	% Chg	2Q' 05	2Q' 04	% Chg	3Q' 05	3Q' 04	% Chg	9M' 05 TOTAL	9M' 04 TOTAL	% Chg
PV MARKET	71.804	96.606	-26%	119.733	147.976	-19%	114.974	99.007	16%	306.511	343.589	-11%
LCV MARKET	47.805	46.384	3%	69.834	73.024	-4%	74.187	60.663	22%	191.826	180.071	7%
HCV MARKET	5.607	6.050	-7%	8.176	8.037	2%	8.356	6.295	33%	22.139	20.382	9%
<b>TOTAL MARKET</b>	<b>125.216</b>	<b>149.040</b>	<b>-16%</b>	<b>197.743</b>	<b>229.037</b>	<b>-14%</b>	<b>197.517</b>	<b>165.965</b>	<b>19%</b>	<b>520.476</b>	<b>544.042</b>	<b>-4%</b>
VW PV	3.945	8.115	-51%	8.443	12.577	-33%	7.783	6.781	15%	20.171	27.473	-27%
AUDI	497	818	-39%	1.041	1.307	-20%	1.168	904	29%	2.706	3.029	-11%
PORSCHE	19	25	-24%	25	26	-4%	33	54	-39%	77	105	-27%
SEAT	734	1.831	-60%	1.802	2.139	-16%	2.084	1.008	107%	4.620	4.978	-7%
SKODA	771	1.738	-56%	2.154	2.282	-6%	2.322	1.526	52%	5.247	5.546	-5%
<b>DOAS PV SALES</b>	<b>5.966</b>	<b>12.527</b>	<b>-52%</b>	<b>13.465</b>	<b>18.331</b>	<b>-27%</b>	<b>13.390</b>	<b>10.273</b>	<b>30%</b>	<b>32.821</b>	<b>41.131</b>	<b>-20%</b>
<b>VW LCV</b>	<b>5.843</b>	<b>4.406</b>	<b>33%</b>	<b>7.017</b>	<b>9.346</b>	<b>-25%</b>	<b>9.643</b>	<b>6.690</b>	<b>44%</b>	<b>22.503</b>	<b>20.442</b>	<b>10%</b>
<b>DOAS HCV* SALES</b>	<b>398</b>	<b>489</b>	<b>-19%</b>	<b>551</b>	<b>506</b>	<b>9%</b>	<b>580</b>	<b>486</b>	<b>19%</b>	<b>1.529</b>	<b>1.481</b>	<b>3%</b>
<b>TOTAL DOAS SALES</b>	<b>12.207</b>	<b>17.422</b>	<b>-30%</b>	<b>21.033</b>	<b>28.183</b>	<b>-25%</b>	<b>23.613</b>	<b>17.449</b>	<b>35%</b>	<b>56.853</b>	<b>63.054</b>	<b>-10%</b>

\* Scania and Krone Sales

**DOAS Market Share: 9.7% 11.7% 10.6% 12.3% 11.9% 10.5% 10.9% 11.5%**

# SECTOR REVIEW



## – Oct'05 results

- ✓ Mainly attributable to the Ramadan Effect, automotive sales contracted by 4% mom in Oct'05. Passenger car sales declined by 4% mom, while LCV sales declined by 3% mom.
- ✓ Sales volume of DOAS grew by 18% mom, and gained market share
- ✓ Strong market share is mainly attributable to the well positioned brand portfolio and the contribution of recently launched products, namely, VW Passat, Jetta, Polo, Golf Plus and Leon.

	<i>July</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>% (mom)</i>
<b>AUDI</b>	307	470	391	472	21%
<b>PORSCHE</b>	10	13	10	12	20%
<b>SEAT</b>	703	510	871	836	-4%
<b>SKODA</b>	804	805	713	901	26%
<b>VOLKSWAGEN</b>	5,012	6,855	5,559	6,660	20%
Passenger Car	2,104	3,173	2,506	3,223	29%
LCV	2,908	3,682	3,053	3,437	13%
<b>SCANIA</b>	<b>150</b>	<b>140</b>	<b>196</b>	<b>186</b>	<b>-5%</b>
<b>Market Shares</b>					
Passenger Car	10.3%	13.4%	11.3%	14.2%	3.0%
LCV	12.1%	14.3%	12.4%	14.5%	2.1%

**10M05 DOAS Market share:**

} DOAS PV: 11%  
} DOAS LCV: 12%

# SECTOR REVIEW

## – Oct' 05 results



Despite contraction in the market, DOAS secured its market share...

	10M' 05	10M' 04	2005 - 2004 % Change
Passanger Vehicle	344,952	378,651	↓ -8.9%
Light Commercial Vehicle	215,595	198,916	8.4%
Heavy Commercial Vehicle	25,057	22,536	11.2%
<b>TOTAL MARKET</b>	<b>585,604</b>	<b>600,103</b>	<b>-2.4%</b>
<b>DOAS SALES</b>	<b>65,607</b>	<b>67,404</b>	<b>-2.7%</b>
<b>Market Share</b>	<b>11.2%</b>	<b>11.2%</b>	

### 1) Aggressive competition in PC market:

Increasing demand for:

- ✓ Diesel cars (35%)
- ✓ A segment (entrance to market – low price)
- ✓ SUV
- ✓ Aggressive campaigns by Korean brands

### 2) Competition in LCV Market continues:

- ✓ Just started campaigns



Turkey is the largest import market for VW LCVs in the world

3) Increasing demand in construction has positively impacted HCVs





# SECTOR REVIEW



## – Market Expectations

Recovery in the automotive market to accelerate in 4Q05...

MODEL	% Chg 04 - 05	2005E	2004	2003	2002	2001
PV MARKET	-3%	440.000	452.292	240.941	96.283	122.300
LCV MARKET	-2%	240.000	244.551	135.196	67.315	52.411
HCV MARKET	-13%	25.000	28.829	17.751	8.444	5.111
<b>TOTAL MARKET</b>	<b>-3%</b>	<b>705.000</b>	<b>725.672</b>	<b>393.888</b>	<b>172.042</b>	<b>179.822</b>

### ... and for 2006

- ✓ Market is expected to grow by 5-10% YoY.
- ✓ Capitalizing on its well-positioned brand portfolio with the youngest fleet in the market, DOAS will improve its market share to 11.5-12% from 11-11.5% in 2005.



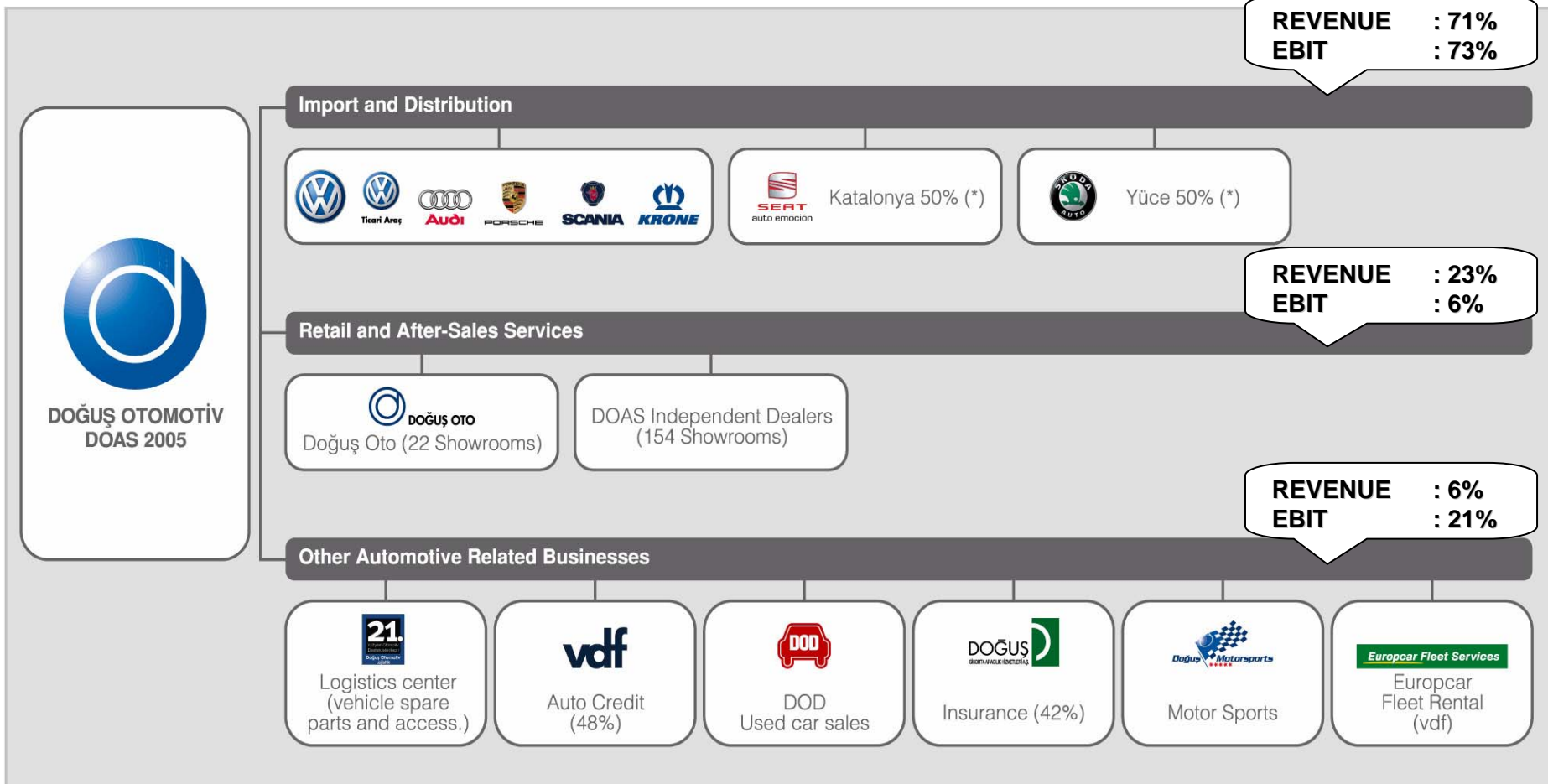


# DOAS 9M05 FINANCIAL PERFORMANCE

# DOAS IN BRIEF



## - EFFICIENCY OF BUSINESS LINES



# Financial Performance

## - 9M05 Highlights (IFRS)



	<u>9M05</u>	<u>9M04</u>	<u>Δ (%)</u>
➤ Total Market (unit)	520.563	544.042	-4
➤ Sales units (unit)	56.589	63.054	-10
➤ Revenues (mn US\$)	1.254	1.173	7
➤ Operating Profit (mn US\$)	79	74	7
➤ Net profit for the period (mn US\$)	57	38	47
➤ Net Working Capital (mn US\$)	93	53	75
➤ Net cash position (mn US\$)	30	-26	214

**Despite the anticipated contraction, DOAS delivered strong IFRS results with improved operating margins and its cash position**

# Financial Performance

## - Net Working Capital (IFRS)



(Thousand USD)	9M05	2004	9M04
Working Capital	368	385	336
Net Working Capital	93	74	53
NWC / Sales (%)	5.6	4.3	3.4
Receivable Turnover (day)	14	12	12
Inventory Turnover (day)	49	44	41
Payable Turnover (day)	56	61	57

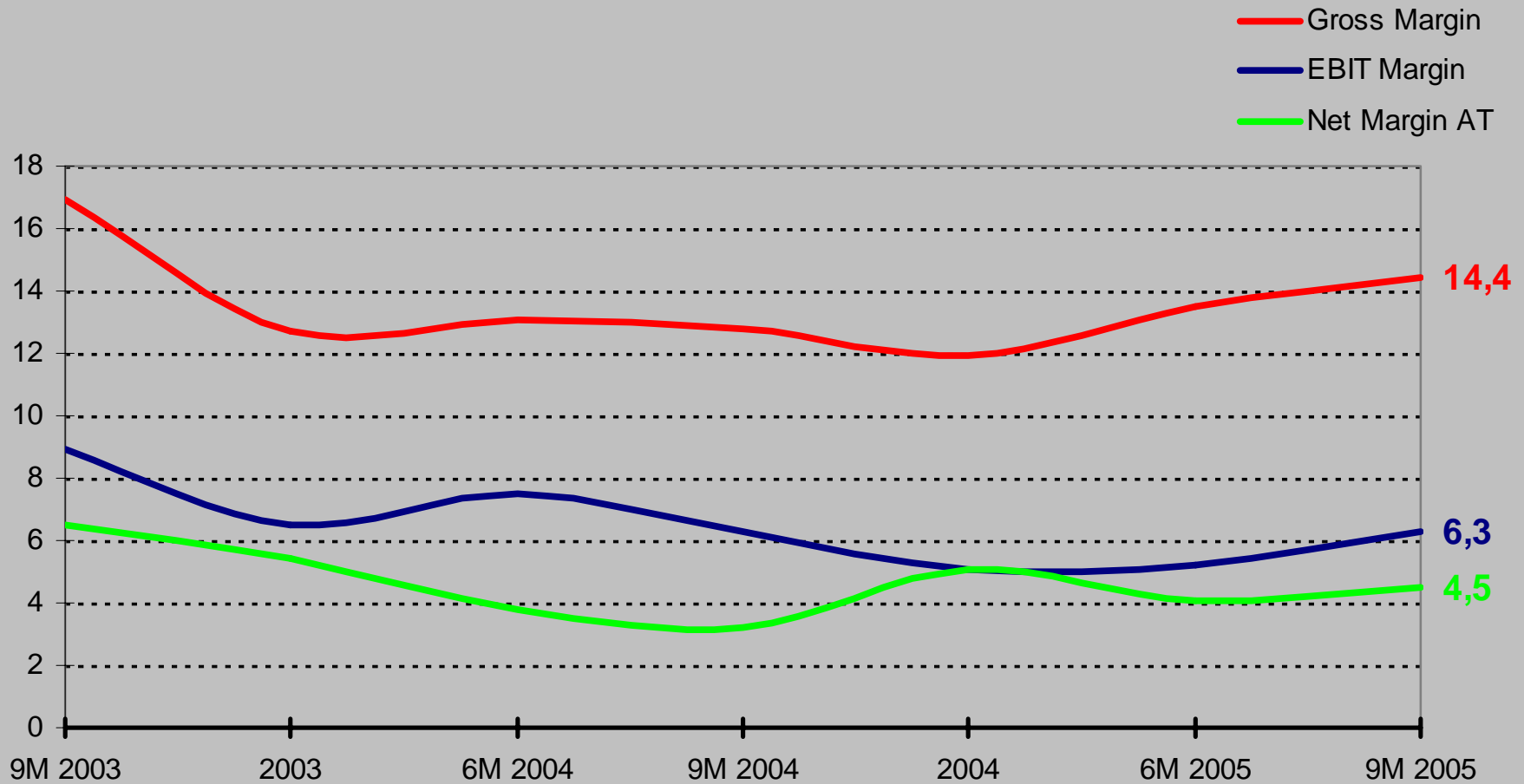
Stability in NWC figures..

Note:

Receivable turnover (day): Trade receivables/ Net sales \* # of days  
Stock turnover (day): Average stocks/ Cost of goods sold\* # of days  
Payable turnover (day): Trade payables/ Net sales\* # of days

# Financial Performance

## - Margins





# DOĞUŞ OTOMOTİV

For further information please contact DOAS Investor Relations

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# APPENDIX



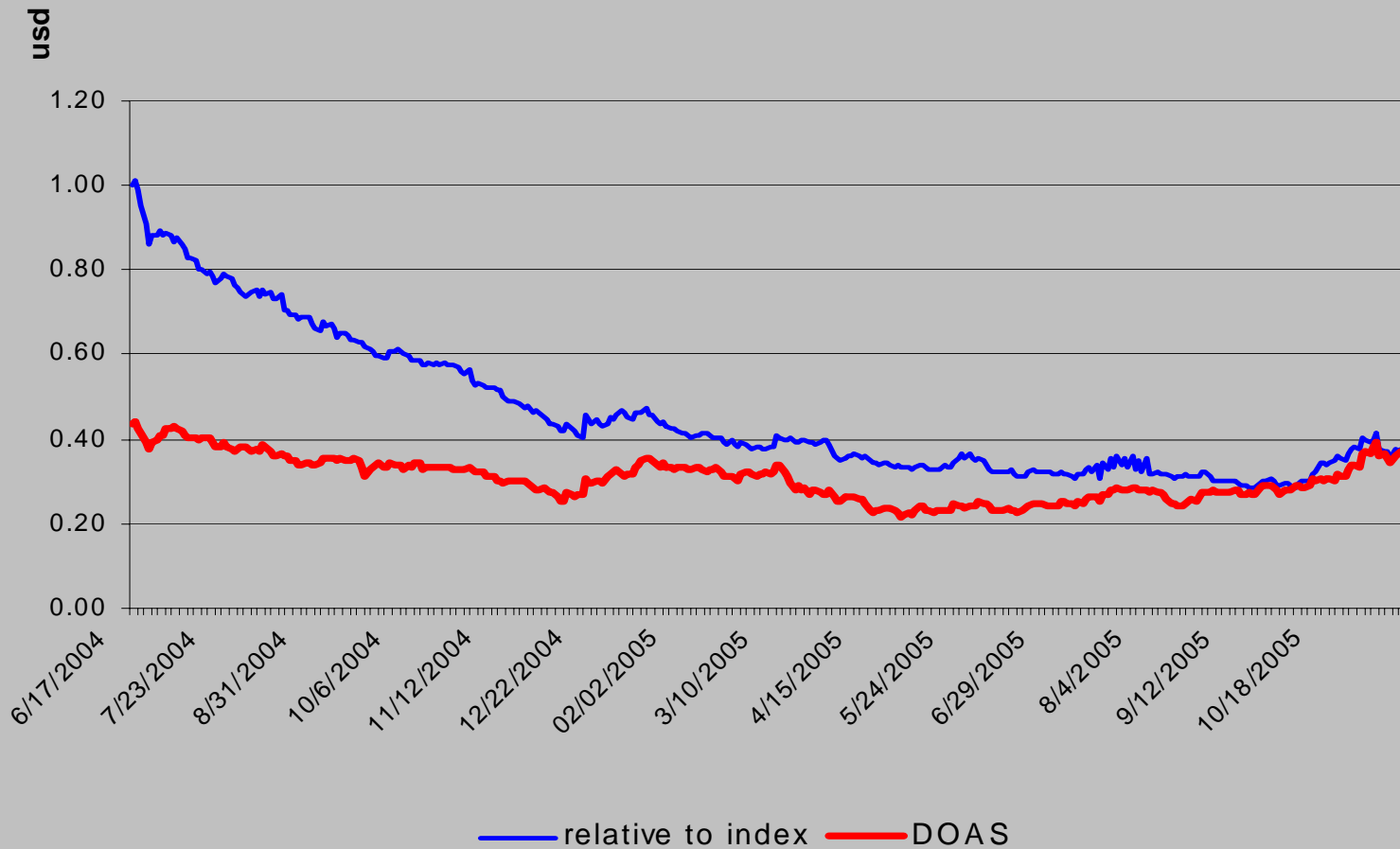
# DOAS ESTIMATES



	<u>2004</u>	<u>2005E</u>	<u>2006E</u>
Unit Sales	78.889	74.000	80.000
Sales Points	174	185	190-200
Turnover (mn USD)	1,719	1,550 – 1,600	1,900 - 2,100
EBIT (mn USD)	88	90-96	112-130
<i>Gross Margin</i>	<i>11.9 %</i>	<i>12.5 - 13.0 %</i>	<i>13.0 - 13.5 %</i>
<i>EBIT Margin</i>	<i>5.1%</i>	<i>5.8 - 6.1 %</i>	<i>5.9 – 6.2 %</i>
<i>Net Margin</i>	<i>2.5 %</i>	<i>3.5 - 4.0 %</i>	<i>4.0 - 4.5 %</i>

**DIVIDEND POLICY:** According to the Company's Articles of Association, a minimum 50% of distributable profit will be distributed until the year 2009 as dividends to shareholders.

# DOAS STOCK PERFORMANCE



# Financial Performance

## - 9M05 Foreign Currency Results



(million USD, EUR)

	3Q05						3Q04		
	CMB*			IFRS			IFRS		
	YTL	US\$	EUR	YTL	US\$	EUR	YTL	US\$	EUR
Net sales	1,628	1,217	963	1,680	1,253	1,040	1,948	1,173	952
Gross Profit	240	179	142	242	180	149	250	151	122
EBITDA	115	86	68	116	86	72	136	82	66
Operational profit (EBIT)	106	79	62	105	79	65	123	74	60
Profit before taxation	117	87	69	111	82	68	106	64	52
Net profit	81	60	48	76	57	47	50	38	31

Note:

- ✓ 9M05 financials are translated into FX amounts from TRY using the 30 September 2005 FX rate, since TRY figures are adjusted for the effects of inflation and restated as of 30 September 2005. Similarly, prior period figures are translated from TRY figures as adjusted for the effects of inflation in TRY units current as at 30 September 2004, and using the 30 September 2004 FX rate.
- ✓ FX rates:  
 30 September 2005 USD: TRY 1.3406, EUR: TRY 1.6161  
 30 September 2004 USD: TRY 1.4977, EUR: TRY 1.8452  
 2005 average USD; TRY 1.3377, EUR: TRY 1.6907

# ONE KEY



## UNLIMITED SERVICE