

Investor Relations Presentation

Q4 2016 Results

Updated: March 2017

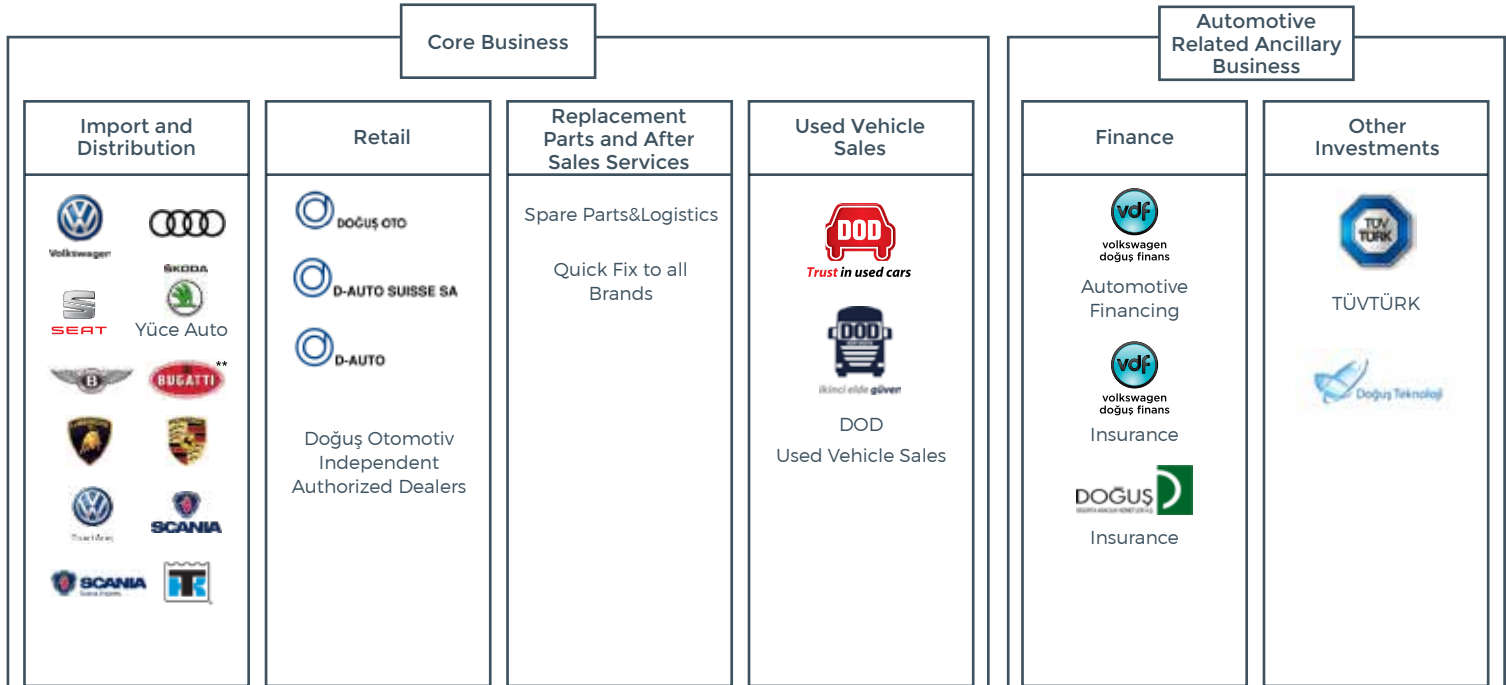


Agenda

- Doğu Otomotiv / Value Chain 2017
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

Doğuş Otomotiv / Value Chain 2017

Presence in Every Link of The Automotive Value Chain



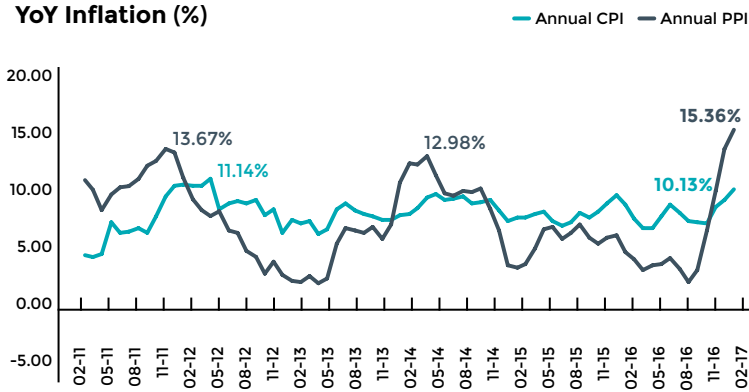
*Subsidiaries
**Representative Offices

Macroeconomic Outlook

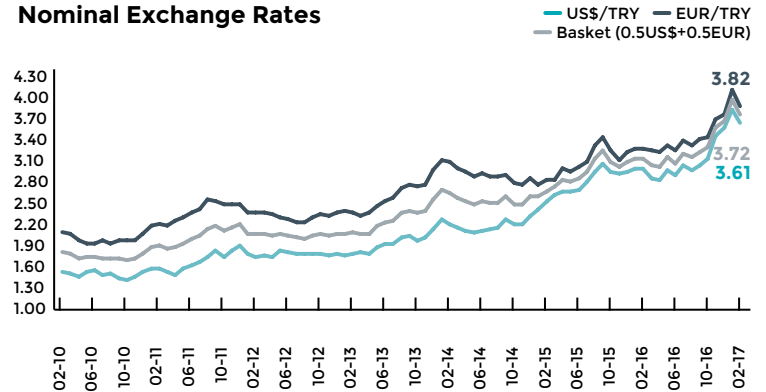


Macroeconomic Indicators

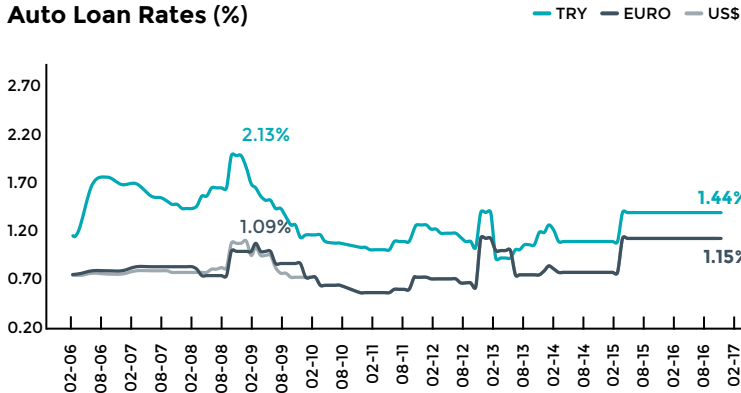
YoY Inflation (%)



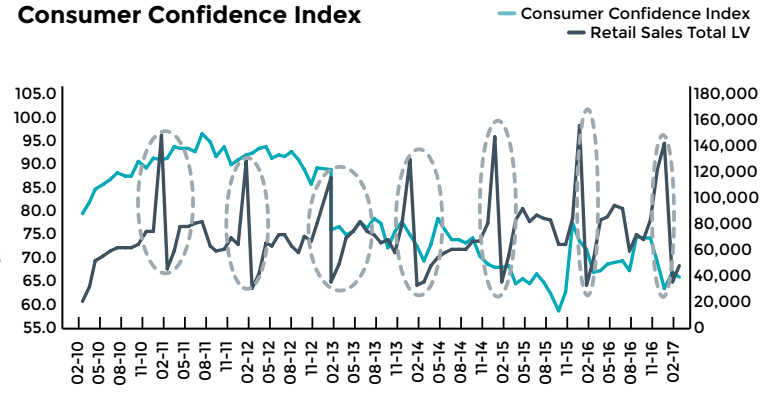
Nominal Exchange Rates



Auto Loan Rates (%)

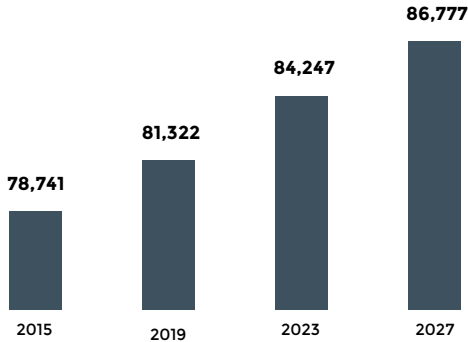


Consumer Confidence Index

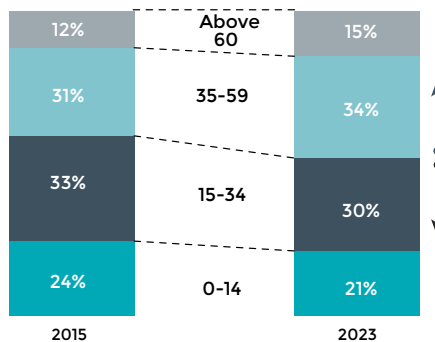


Population & Demography

Population Statistics ('000)



Age Demography

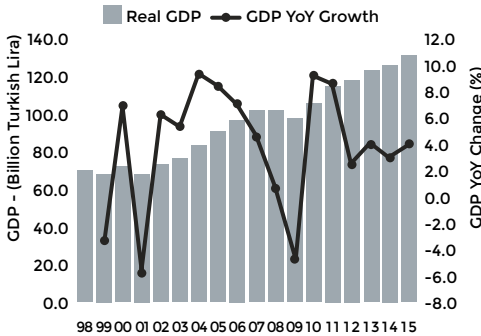


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

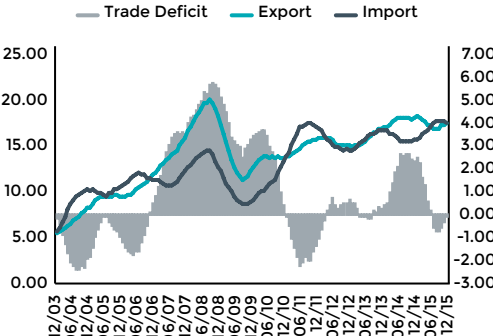
→ Population is increasing on an average 1.5% each year.

→ 64% of population will be between the age group 15 to 59 years.

Economy



Auto Industry Trade Balance (US\$ bn)



→ Share of people in the age group between 35 to 59 will increase by 3%.

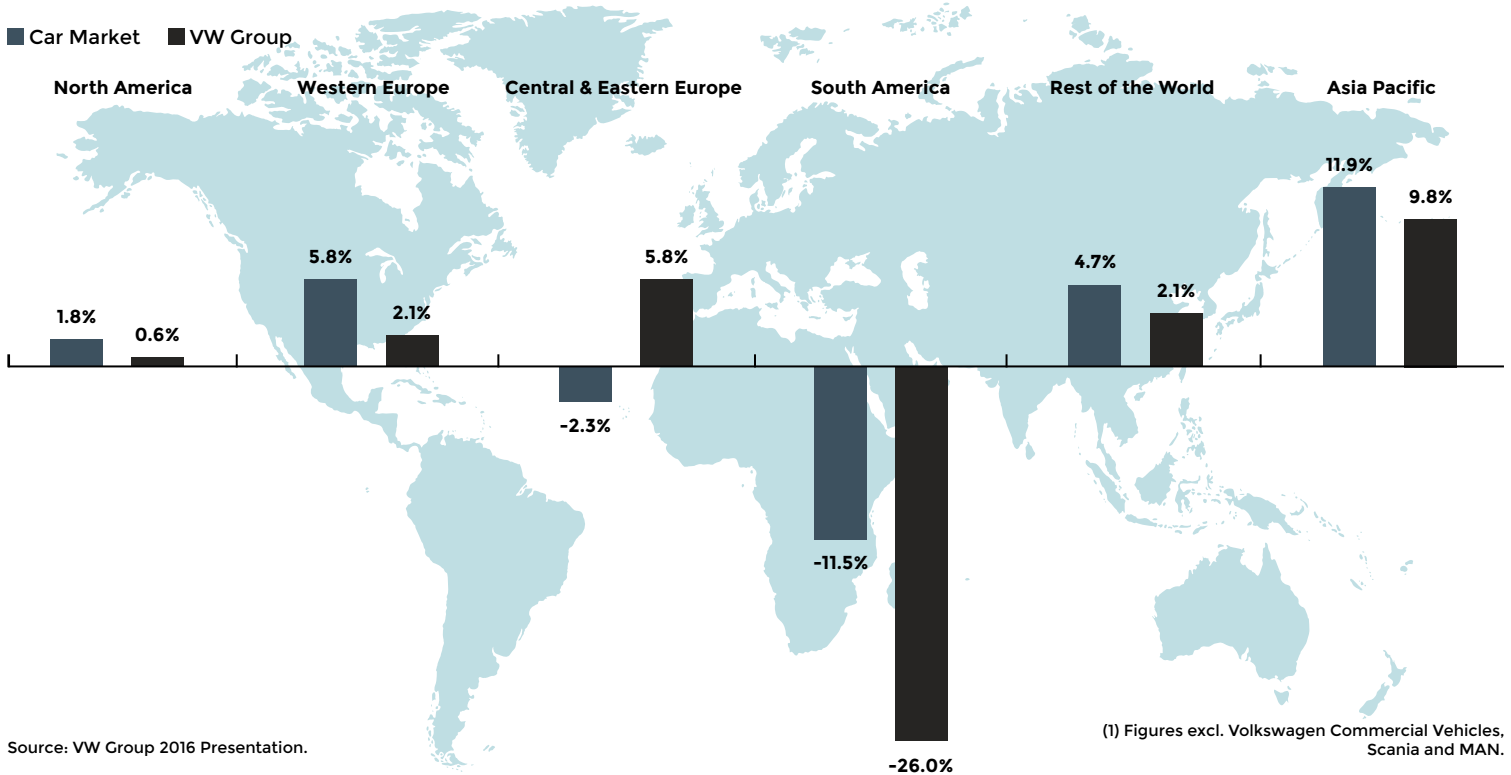
Note: All figures are rounded; the base years is 2009.
Source: IMF, TurkStat, Frost Sullivan

Automotive Market



Development world car market vs. Volkswagen Group Car Deliveries to Customers ⁽¹⁾

(Growth y-o-y in deliveries to customers, January to December 2016 vs. 2015)



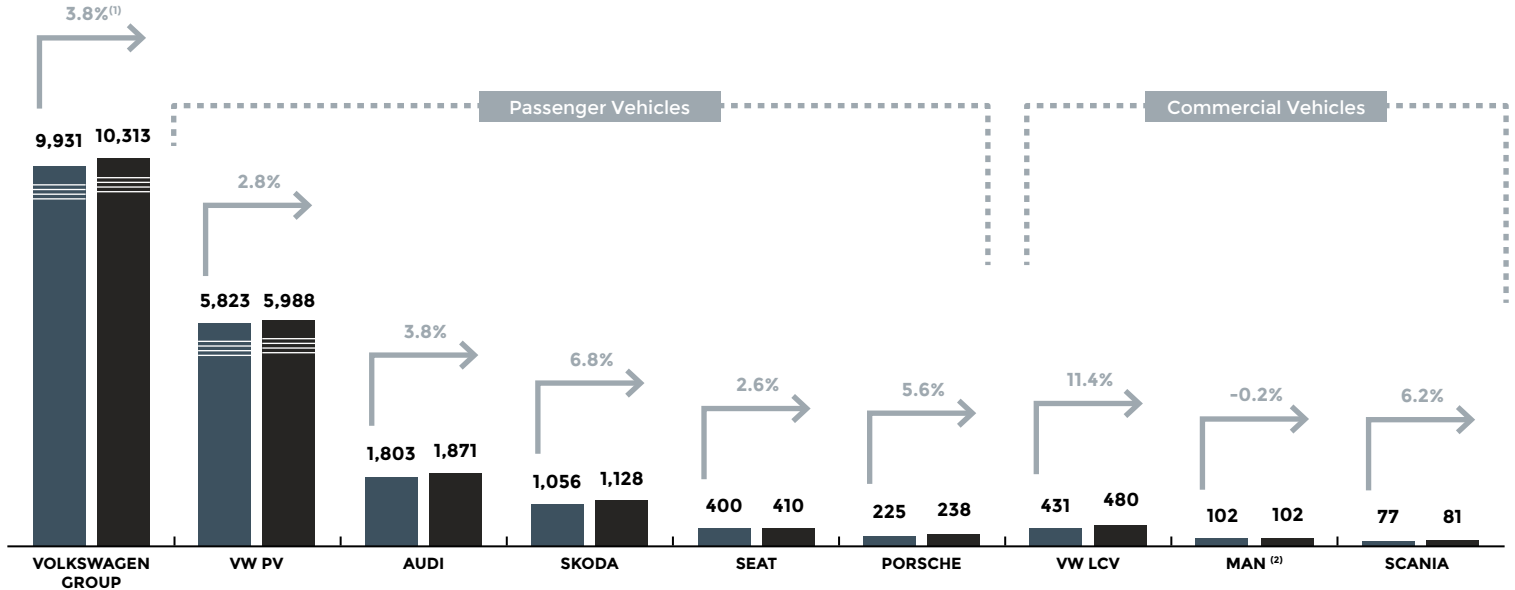
Source: VW Group 2016 Presentation.

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

Volkswagen Group

DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)

■ Jan-Dec 2015 ■ Jan-Dec 2016 → Change



(1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +3.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.

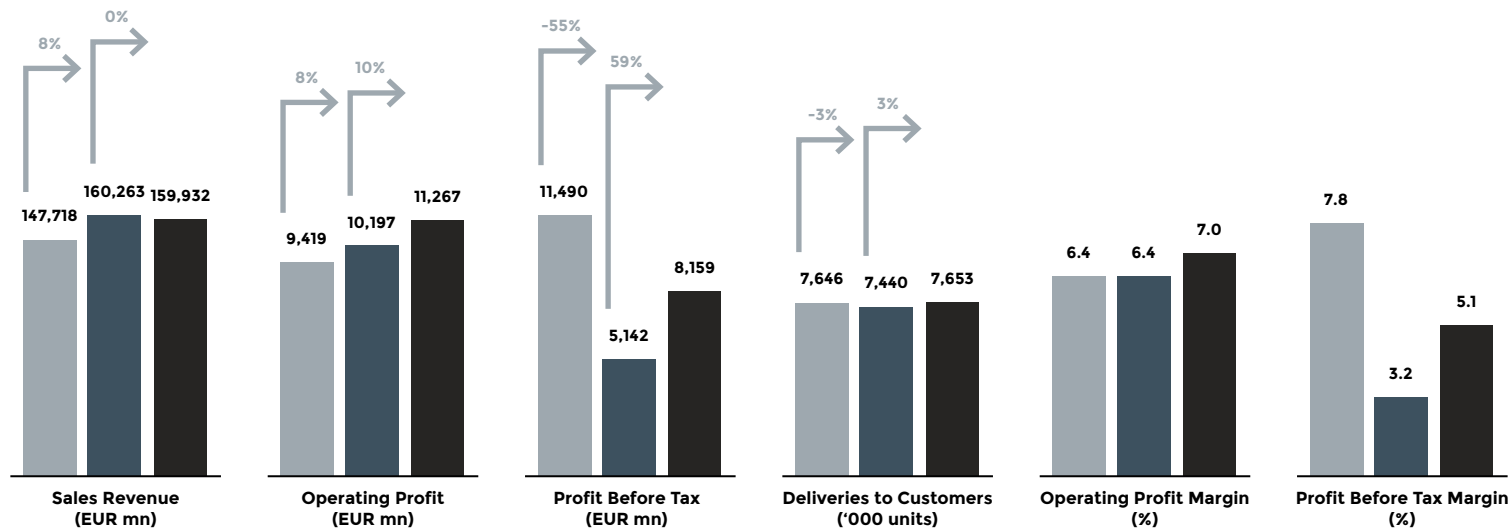
(2) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Source: VW Group 2016 Presentation.

Volkswagen Group

FINANCIAL AND SALES PERFORMANCE (EUR mn)

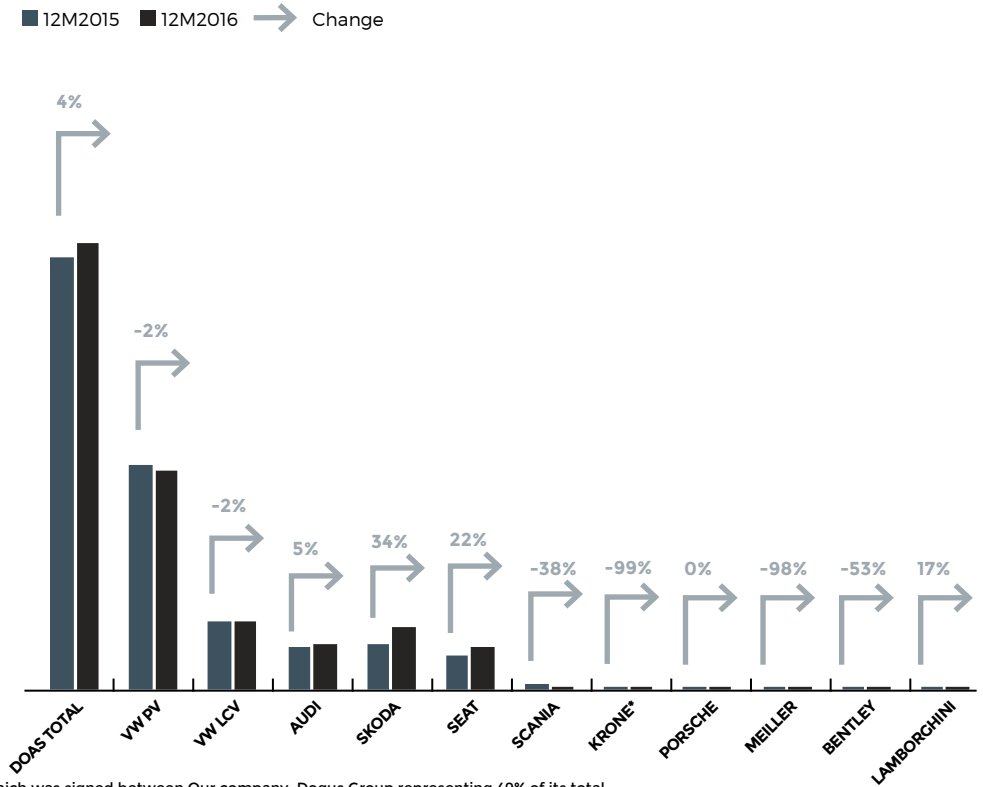
■ 3Q2014 ■ 3Q2015 ■ 3Q2016 → Change



Source: VW Group 2Q2016 Annual Report.

DOAS Wholesales Performance - 2016

	12M2015	12M2016	Change
DOAS TOTAL	205,593	213,185	4%
VW PV	106,677	104,410	-2%
VW LCV	33,411	32,733	-2%
AUDI	21,100	22,105	5%
SKODA	22,435	30,004	34%
SEAT	17,212	20,976	22%
SCANIA	3,291	2,050	-38%
KRONE	158	2	-99%
PORSCHE	877	881	0%
MEILLER	407	8	-98%
BENTLEY	19	9	-53%
LAMBORGHINI	6	7	17%

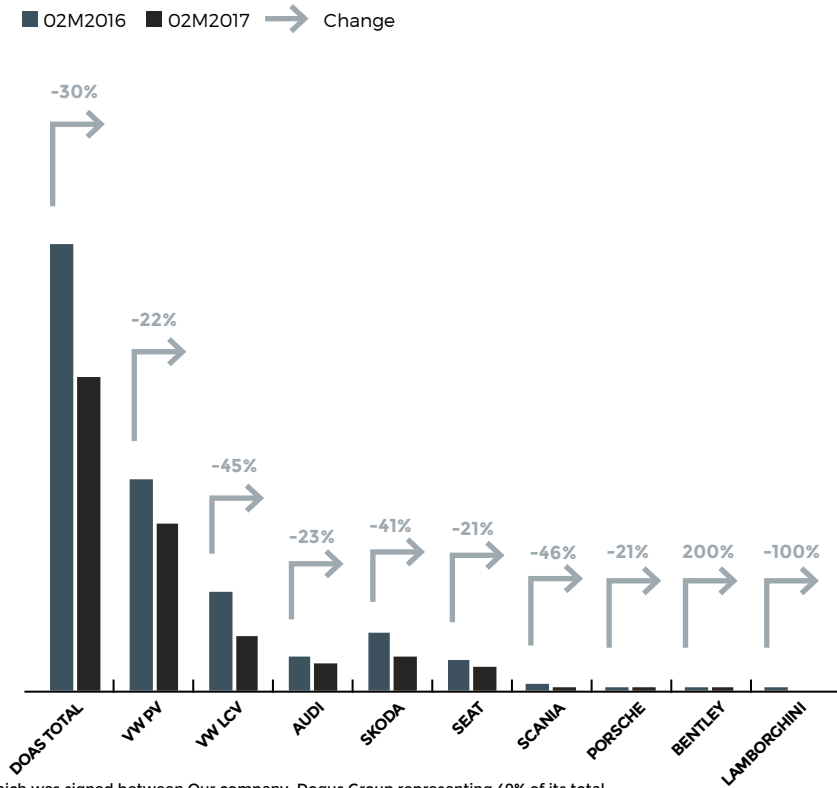


*The sales agreement of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized after all permissions were received.

DOAS Wholesales Performance - February 2017

	02M2016	02M2017	Change
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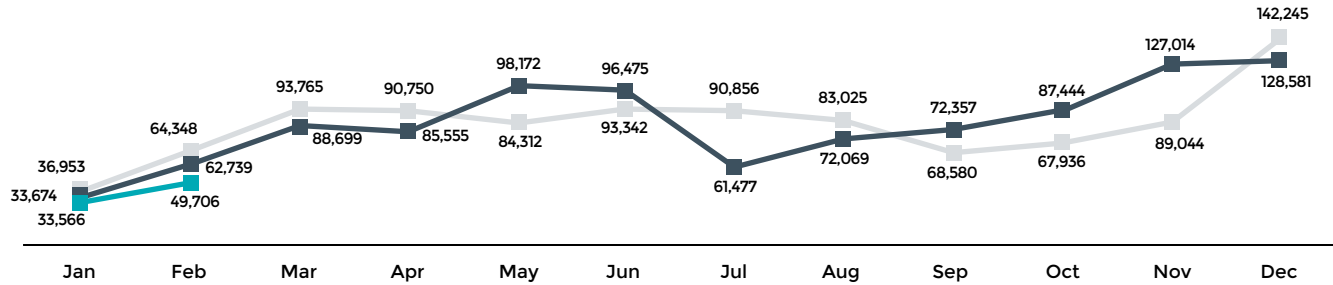
DOAS TOTAL	22,671	15,941	-30%
VW PV	10,846	8,486	-22%
VW LCV	5,080	2,808	-45%
AUDI	1,783	1,381	-23%
SKODA	2,928	1,742	-41%
SEAT	1,554	1,235	-21%
SCANIA	369	200	-46%
PORSCHE	109	86	-21%
BENTLEY	1	3	200%
LAMBORGHINI	1	0	-100%



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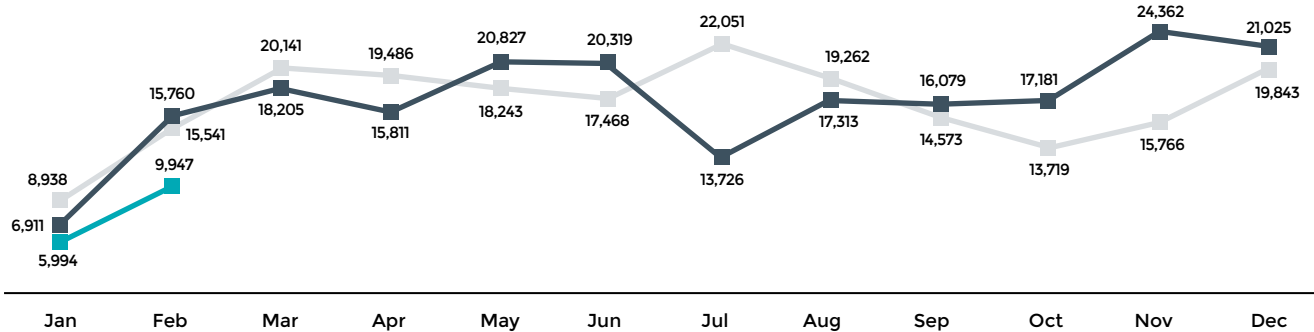
Wholesale Market Monthly Sales

2015 2016 2017



DOAS Monthly Sales

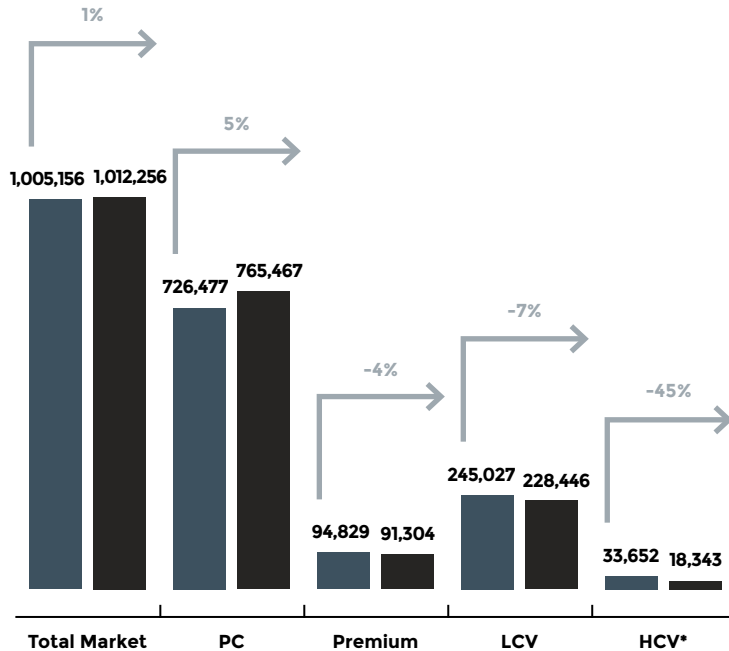
2015 2016 2017



Market Review - Wholesale - 2016

MARKET

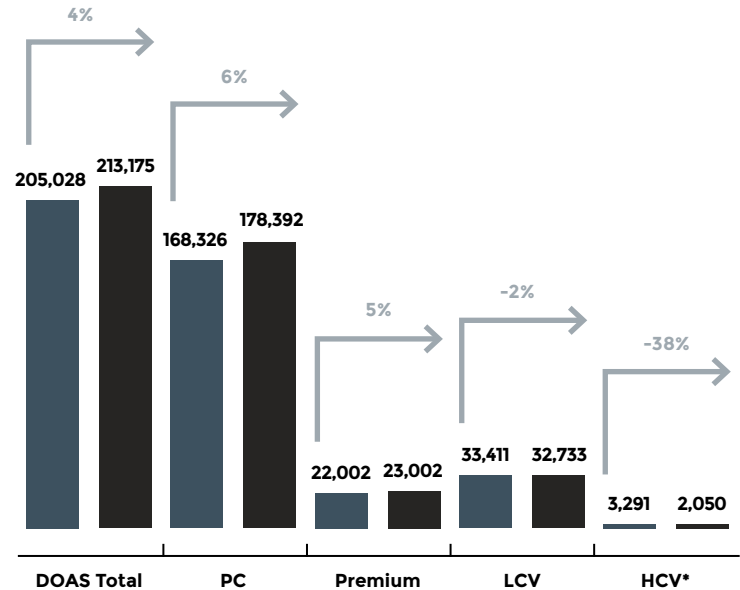
■ December 2015 ■ December 2016 → Change



*Excluding Krone and Meiller

DOAS

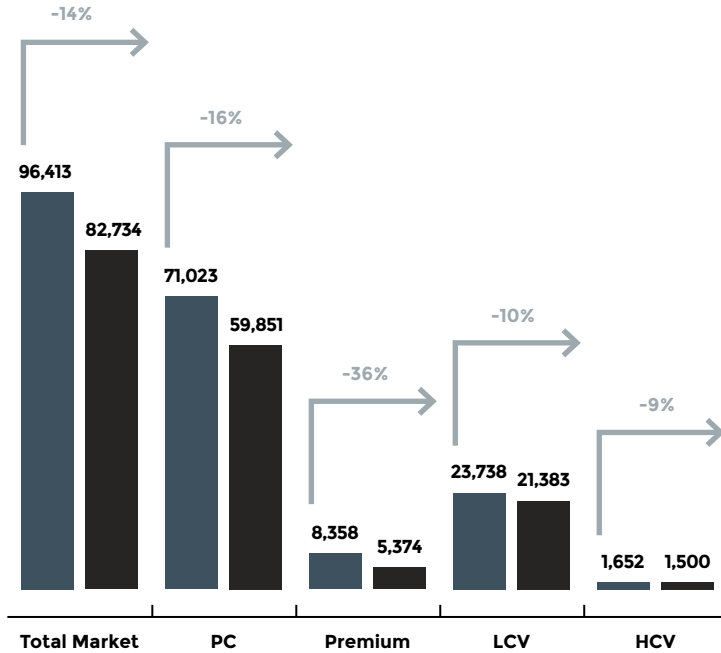
■ December 2015 ■ December 2016 → Change



Market Review - Wholesale - February 2017

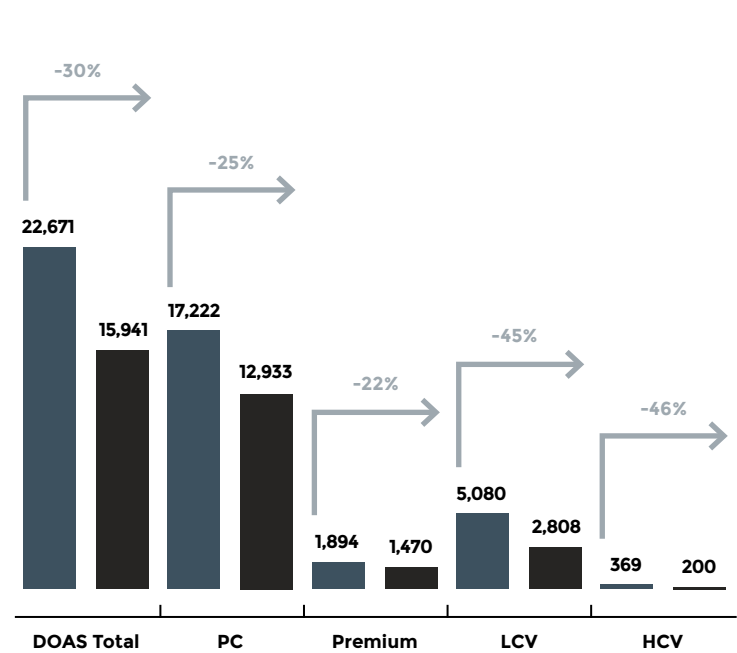
MARKET

■ February 2016 ■ February 2017 → Change



DOAS

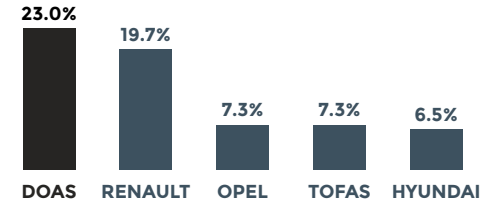
■ February 2016 ■ February 2017 → Change



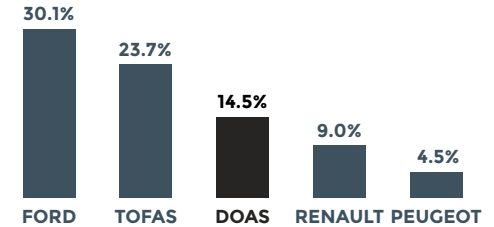
Market Share - Retail - 2016

RETAIL MARKET	2014 YEAR END	2015 YEAR END	2016 YEAR END	2014 YEAR END/ 2015 YEAR END CHANGE	2015 YEAR END/ 2016 YEAR END CHANGE
PASSENGER VEHICLE %					
DOAS	22.2	23.1	23.0	0.9	-0.1
RENAULT	20.1	19.2	19.7	-0.9	0.5
OPEL	6.7	6.5	7.3	-0.2	0.9
TOFAS	7.2	7.1	7.3	-0.1	0.2
HYUNDAI	7.7	6.9	6.5	-0.7	-0.4
TOYOTA	5.8	6.6	6.2	0.8	-0.4
FORD	6.4	6.5	5.5	0.2	-1.0
MERCEDES-BENZ	3.9	4.2	4.3	0.3	0.1
OTHER	20.1	19.9	20.2	-0.2	0.3
LIGHT COMMERCIAL VEHICLE %					
FORD	27.5	29.5	30.1	2.0	0.6
TOFAŞ	27.5	25.6	23.7	-1.9	-1.9
DOAS	13.3	13.1	14.5	-0.3	1.4
RENAULT	8.5	9.6	9.0	1.1	-0.5
PEUGEOT	3.9	4.8	4.5	0.9	-0.3
CITROEN	4.5	4.9	3.7	0.4	-1.2
MERCEDES-BENZ	4.5	3.5	3.6	-1.0	0.1
TOYOTA	0.9	1.2	2.5	0.3	1.3
OTHER	9.5	7.9	8.5	-1.6	0.6
LIGHT VEHICLE %					
DOAS	20.1	20.6	21.0	0.5	0.5
RENAULT	17.4	16.8	17.2	-0.6	0.4
FORD	11.3	12.3	11.1	0.9	-1.1
TOFAŞ	12.0	11.8	11.1	-0.2	-0.7
OPEL	5.1	4.9	5.6	-0.3	0.8
TOYOTA	4.7	5.3	5.4	0.6	0.1
HYUNDAI	6.1	5.4	5.3	-0.7	-0.1
MERCEDES-BENZ	4.1	4.0	4.1	0.0	0.1
OTHER	19.3	19.2	19.1	-0.1	0.0

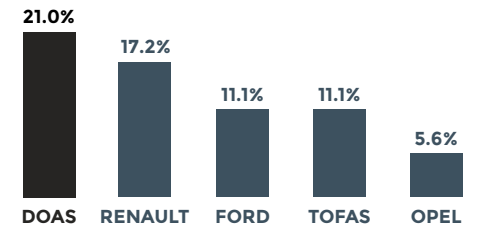
PV TOP 5 DECEMBER 16



LCV TOP 5 DECEMBER 16



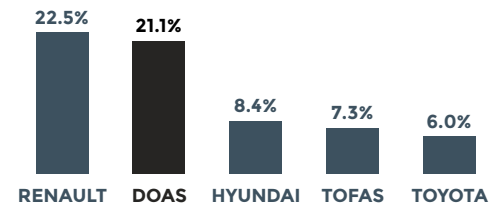
LV TOP 5 DECEMBER 16



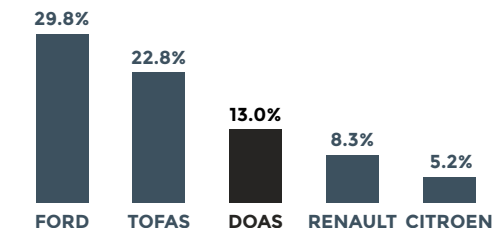
Market Share - Retail - February 2017

RETAIL MARKET	2015 YEAR END	2016 YEAR END	FEB 2016	FEB 2017	FEB 2017/ 2016 YEAR END CHANGE	FEB 2017/ FEB 2016 CHANGE
PASSENGER VEHICLE %						
RENAULT	19.2	19.7	20.1	22.5	2.8	2.4
DOGUS OTOMOTİV	23.1	23.0	22.3	21.1	-1.9	-1.2
HYUNDAI	6.9	6.5	8.2	8.4	1.8	0.2
TOFAS	7.1	7.3	7.4	7.3	0.0	-0.2
TOYOTA	6.6	6.2	5.9	6.0	-0.3	0.1
OPEL	6.5	7.3	5.9	5.4	-2.0	-0.6
FORD	6.5	5.5	6.8	5.1	-0.3	-1.7
HONDA	2.2	2.7	3.0	5.0	2.3	2.0
OTHER	21.9	21.8	20.4	19.3	-2.5	-1.1
LIGHT COMMERCIAL VEHICLE %						
FORD	29.5	30.1	29.4	29.8	-0.3	0.5
TOFAS	25.6	23.7	22.9	22.8	-0.9	-0.1
DOGUS OTOMOTİV	13.1	14.5	19.1	13.0	-1.4	-6.1
RENAULT	9.6	9.0	7.0	8.3	-0.7	1.3
CITROEN	4.9	3.7	2.3	5.2	1.5	2.8
TOYOTA	1.2	2.5	1.0	3.7	1.2	2.7
MERCEDES-BENZ	3.5	3.6	4.2	3.8	0.3	-0.4
PEUGEOT	4.8	4.5	4.4	2.5	-2.0	-1.9
OTHER	7.9	8.5	9.7	10.9	2.4	1.1
LIGHT VEHICLE %						
DOGUS OTOMOTİV	20.6	21.0	21.5	18.9	-2.1	-2.6
RENAULT	16.8	17.2	16.8	18.7	1.5	1.9
FORD	12.3	11.1	12.5	11.7	0.6	-0.8
TOFAS	11.8	11.1	11.3	11.4	0.3	0.1
HYUNDAI	5.4	5.3	6.3	6.5	1.3	0.2
TOYOTA	5.3	5.4	4.7	5.4	0.0	0.7
OPEL	4.9	5.6	4.4	3.9	-1.7	-0.5
NISSAN	2.7	3.3	2.9	3.8	0.5	0.8
OTHER	19.2	19.1	19.6	19.7	0.6	0.1

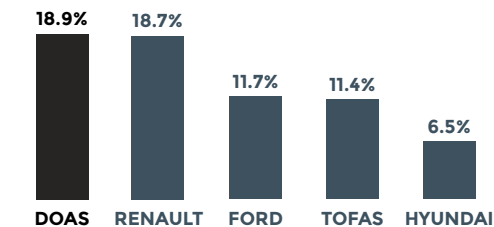
PV TOP 5 FEBRUARY 17



LCV TOP 5 FEBRUARY 17



LV TOP 5 FEBRUARY 17



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	31 Dec 16	31 Dec 15	Change (%)
Revenue	11,925	10,889	10%
Gross Profit	1,153	1,109	4%
Operational Expenses	-727	-662	10%
Selling and Marketing Expenses	-328	-288	14%
General Administrative Expenses	-395	-310	27%
Warranty Expenses, net	-87	-75	15%
Other Operating Expenses, net	83	12	608%
EBITDA	492	496	-1%
EBIT	426	447	-5%

Margins	31 Dec 16	31 Dec 15	Change (%)
Gross Margin	9.7%	10.2%	-5%
Opex/Sales	6.1%	6.1%	0%
EBITDA Margin	4.1%	4.6%	-9%
EBIT Margin	3.6%	4.1%	-13%
Net Profit Margin	2.0%	2.8%	-28%

Consolidated Income Statement

(TL '000)	31 Dec 16	Vertical Analysis	31 Dec 15	Vertical Analysis	Change (%)
Revenue	11,925,176		10,889,161		10%
Direct cost of revenue	-10,772,300	-90%	-9,780,598	-90%	10%
Gross profit	1,152,876	10%	1,108,563	10%	4%
Selling, marketing and distribution expenses	-328,486	-3%	-288,014	-3%	14%
SG&A Expenses	-394,690	-3%	-310,269	-3%	27%
Warranty expenses	-87,089	-1%	-75,486	-1%	15%
Other operating incomes/losses, net	83,345	1%	11,774	0%	608%
Results from operating activities	425,956	4%	446,568	4%	-5%
Income from Investing Activities	23,024		46,875		
Income Loss from Associates	98,849		43,434		128%
Financial incomes/costs, net	-272,697		-171,488		59%
Profit before income tax	275,132	2%	365,389	3%	-25%
Tax expense	-37,189		-62,945		-41%
Profit for the year	237,943	2%	302,444	3%	-21%

→ Impacts on revenue and direct cost of revenue:

- Increased EUR/TLvolatility.
- FOB prices increased in some PC models.
- Increase in price lists due to the new SCT regulation.
- OEM related production limitation and model mix constraints

→ Selling, marketing and distribution expenses

- 8% increase in Distribution expenses
- 7% Increase in Advertising Expenses

→ General Administration Expenses

- Increase in personnel expenses by 25%

Income/Loss from Associates	31 Dec 16 Cumulative	31 Dec 15 Cumulative
VDF	40,669	-7,622
Doğuş Sigorta	1,554	1,875
SKODA (Yüce Oto)	7,819	5,946
VDF Servis Holding	14,693	12,265
TÜVTURK Group	30,977	32,488
Meiller-Doğuş	2,861	-1,689
Doğuş Technology	276	172
Grand Total	98,849	43,434

Financing Costs

(TL mn, CMB)	31 Dec 2016	31 Dec 2015	Change (%)
Financing Costs	-272.70	-171.49	59%
Finance expenses, net	-271.12	-167.89	61%
Interest expense on borrowings	-267.53	-163.71	63%
Commission expenses on letters of guarantee	-3.20	-3.02	6%
Other financial expenses	-0.40	-1.17	-66%
Foreign Exchange gain/loss, net*	-1.58	-3.60	-56%

*arising from credit loans

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	31 Dec 16	31 Dec 15
ASSETS	4,851,854	3,979,903
Cash and cash equivalents	89,098	71,870
Trade receivables	1,213,786	1,095,624
Inventories	1,650,960	1,214,122
Tangible and intangible non-current assets	807,191	684,891
Financial Investments	550,350	511,815
Investments in equity accounted investees	305,986	239,010
Other	234,483	162,571
LIABILITIES	3,733,141	2,617,020
Financial liabilities	2,758,435	1,941,124
Trade payables	770,675	509,411
Provisions	82,832	68,920
Other	121,199	97,565
EQUITY	1,118,713	1,362,883
Investments in Equity Accounted Investees	31 Dec 16	31 Dec 15
Associates		
VDF	125,950	85,281
Doğuş Sigorta	35,273	32,709
Yüce Auto (SKODA)	21,919	17,298
VDF Servis	47,546	32,852
Doğuş Teknoloji	6,179	4,523
Joint Ventures		
TÜVTURK North - South (Consolidated)	60,265	60,354
Meiller-Doğuş	8,854	5,993
Total	305,986	239,010
Other	31 Dec 16	31 Dec 15
VAT payable	65,184	61,501
Income tax payable	3,033	3,166
Deferred income	29,239	13,604
Payables related to employee benefits	16,458	13,894
Deferred tax liabilities	2,619	2,625
Other	4,666	2,775
Provisions	31 Dec 16	31 Dec 15
Warranty Provisions	43,843	35,617
Legal Provisions	17,967	14,173
Provision for unused vacation	6,166	5,193
Long-term provisions related to employee benefits	14,856	13,937

Inventories:

- Increase in goods in transit (vehicle)
- 31 December 2016: 1.650.960K TL
- 31 December 2015: 1.214.122K TL
- Number of vehicles increased from 14.529 units to 20.217 units as of 31.12.2016.

Financial liabilities:

Cost of debt for the short term loans increased by 0,6 basis points yoy.

Other	31 Dec 16	31 Dec 15
Investment property	19,809	20,222
Warranty claims and price difference receivables	78,338	35,901
Prepaid Expenses short-term	18,303	15,749
Advances Given	3,652	3,449
Receivables due to insurance claims	8,971	9,927
Deferred tax assets	7,485	5,662
Advances given for property and equipment purchases	14,684	28,090
Prepaid Expenses long-term	5,437	721
Deferred tax	68,837	20,403
Current income tax assets	0	15,984
Other	8,967	6,463

Consolidated Balance Sheet

(Balance Sheet mn,TL)	31 Dec 16	31 Dec 15	Change (%)
Total Assets	4,852	3,980	22%
Total Equity	1,119	1,363	-18%
Net working capital	-547	227	-341%
Net cash position	-2,707	-1,902	-42%
CAPEX	208	169	23%
Receivable Turnover (day)	37	37	1%
Inventory Turnover (day)	56	45	23%
Payable Turnover (day)	26	19	37%
Net Debt/EBITDA	5,4	3,7	47%
ROA	4,9%	7,6%	-35%
ROE	21,3%	22,2%	-4%

Stock Price History



Shareholders Structure

	% Share	Amount (TL)
DOĞUŞ HOLDİNG A.Ş.	35.21%	77,461,622
DOĞUŞ ARAŞTIRMA GEL. VE MÜŞ. HİZM. A.Ş.	30.29%	66,638,086
DOĞUŞ SİGORTA ARACILIK HİZMETLERİ A.Ş.	0.00%	292
PUBLICLY TRADED	34.50%	75,900,000
TOTAL	100.00%	220,000,000

Disclaimer

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