



BRISA

2014 Q1 BULLETIN

Istanbul Stock Exchange: BRISA
www.brisa.com.tr

LASSA

BRIDGESTONE



OtoPratik
"Tuzi bakım ve lastik merkezini"

lastigun

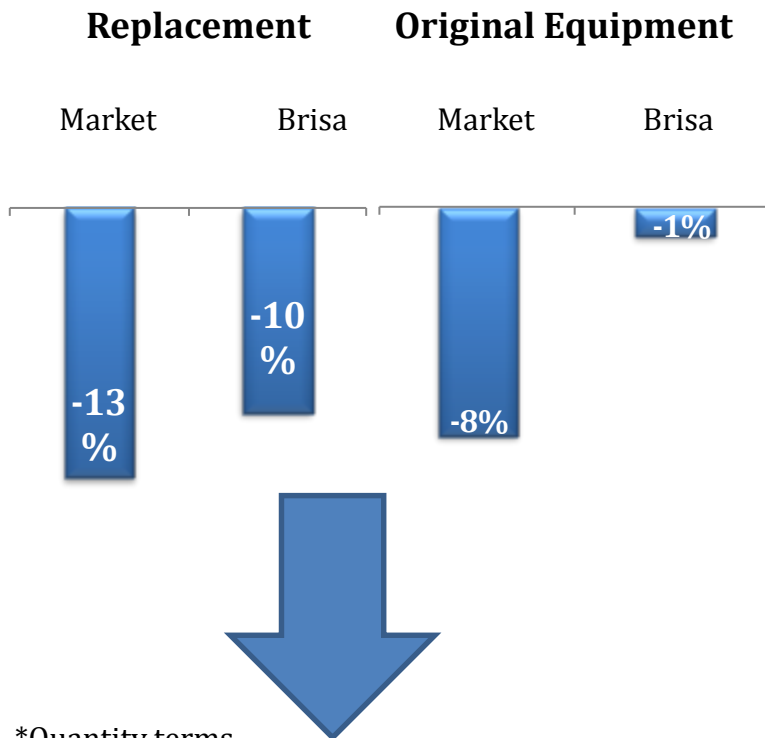
lastik
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SA

BRISA - 2014 Q1

DOMESTIC MARKETS

YOY GROWTH (Q1 14' - Q1 13')*



*Quantity terms

In Q1 14', **in tonnage terms**, Brisa **increased sales by 3% in replacement and by 16% in OE channel**, thanks to the high growth in commercial tyres market and higher performance of Brisa in this market.

Market Developments

- Domestic vehicle sales decreased by 24%.
- Consumer tyre market contracted both due to warm weather conditions and winter tyre regulation, with which majority of the tyres sold in Q4 2013.
- Brisa performed better than the market in consumer segment.
- Commercial tyre market grew significantly, Brisa performed better than the market with a sales increase of 14% .
- Passenger car production increased by 17%. Together with light vehicle production shrinkage, OEM production contracted by 8%.
- Vehicle exports remain constant.
- Brisa was nominated to supply Tofaş for new Linea starting in 2015.
- Honda announced that the new Civic will be produced in Turkey starting in 2016.

EXPORT MARKETS

Key Market Developments

- Europe started to show signs of recovery with the beginning of 2014.
- As major market of Turkish OEMs, European passenger car sales rose by 8.4%. Likewise, commercial vehicle sales grew by 9.8% in Q1.
- Brisa has increased the sales share of more profitable products in strategic markets
- Brisa is increasing its penetration in the Asia Pacific Region
- New Lassa distributors in Germany, Netherlands and Denmark
- Egyptian market is getting stronger
- Although currently Brisa has no risk in Ukraine, political environment of the country weakens the potential growth
- As a market with huge potential, easing sanctions in Iran will boost export to this country from Turkey, including vehicles and tyres.

QUARTERLY

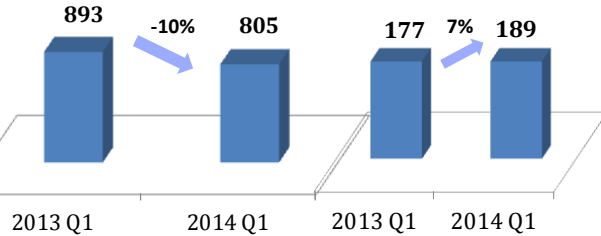
Sales Quantity: K units
Financial Indicators: M TL

SALES CHANNEL BREAKDOWN

Replacement

Quantity

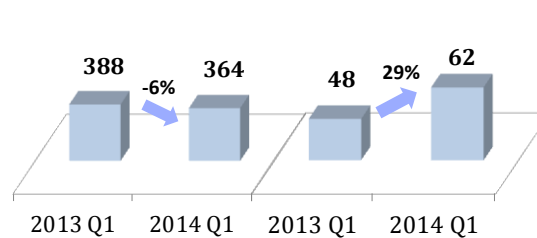
Net sales



OE

Quantity

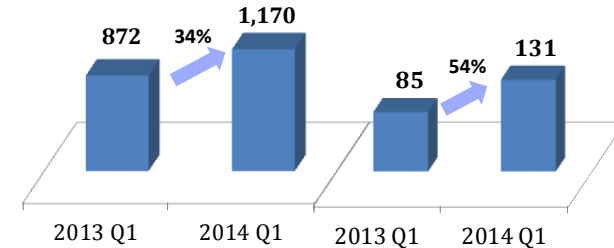
Net sales



Export

Quantity

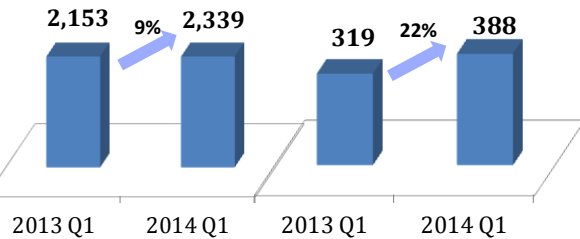
Net sales



TOTAL SALES & PROFITABILITY

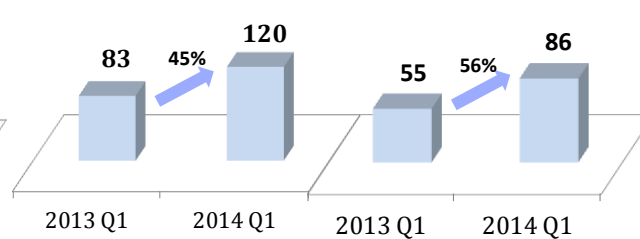
Quantity

Net sales



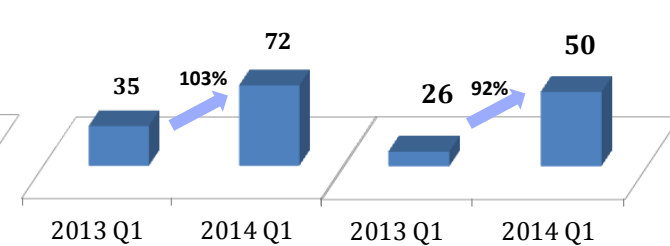
Gross Profit

EBITDA



EBIT

Net Profit



Key highlights

- Although quantity decreased by 10% and 6% respectively in replacement and OE channels, tonnage increased by 3% and 16% due to growth of commercial tire.
- Export market performance raised by recovering markets and also geographic expansion.
- FX hikes, hedged with forward transactions on the cost side, contributed to margins in all channels, especially to export channels.

BRISA - 2014 Q1

| INCOME STATEMENT (000 TL) | 2014 Q1 | 2013 Q1 | % |
|------------------------------|----------------|---------------|-------------|
| Net Sales Revenue | 388,013 | 318,930 | 22% |
| Gross Profit | 120,080 | 82,966 | 45% |
| | 30.9% | 26.0% | |
| EBITDA | 86,426 | 55,238 | 56% |
| | 22.3% | 17.3% | |
| EBIT | 71,514 | 35,259 | 103% |
| | 18.4% | 11.1% | |
| Net Profit | 49,574 | 25,833 | 92% |
| | 12.8% | 8.1% | |

| Cash Flow (000 TL) | 2014 Q1 | 2013 Q1 |
|----------------------------------|---------------|---------------|
| EBITDA | 88,005 | 54,291 |
| Change in Working Capital | (27,403) | (6,713) |
| Operational Cash Flow | 60,602 | 47,578 |
| Investment | (26,374) | (13,414) |
| Free Cash Flow | 34,228 | 34,164 |
| Dividend | (126,892) | (70,394) |
| Credit undertaken (Paid Back) | 83,494 | 25,507 |
| Financial expenses | (11,907) | (11,384) |
| Tax / Other | 24,558 | 19,787 |
| Beginning Balance | 7,968 | 11,569 |
| Ending Balance | 11,449 | 9,248 |

| BALANCE SHEET (000 TL) | 31 March 2014 | 31 December 2013 | % |
|----------------------------|---------------------|------------------------|------------|
| Cash | 11,450 | 7,968 | 44% |
| Trade Receivables | 419,704 | 454,204 | -8% |
| Inventory | 326,865 | 281,134 | 16% |
| Other | 684,505 | 662,119 | 3% |
| Assets | 1,442,524 | 1,405,425 | 3% |
| Bank Borrowings | 676,092 | 581,750 | 16% |
| Trade Payables | 171,033 | 190,324 | -10% |
| Other | 109,399 | 64,905 | 69% |
| Shareholders Equity | 486,000 | 568,446 | 17% |
| Liabilities | 1,442,524 | 1,405,425 | -3% |

| WORKING CAPITAL | 575,536 | 545,014 | 6% |
|-----------------|---------|---------|----|
|-----------------|---------|---------|----|

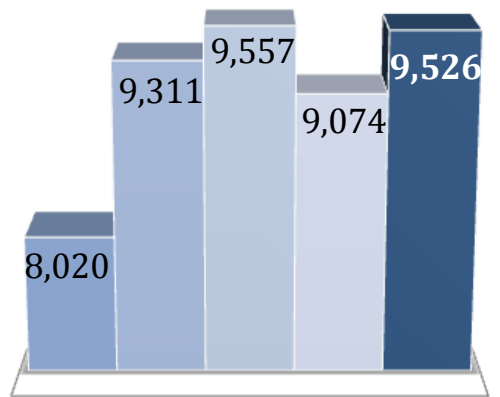
| BALANCE SHEET POSITION 2014 (Million in own Currency) | | |
|----------------------------------------------------------|-------|-------|
| | USD | EURO |
| NET POSITION | (4.3) | (2.1) |

Hedging Policy

- Hedging policy is designed to mitigate the volatility of FX rates on future cash flow in different currencies and thereby mitigate FX gain/loss impact in the income statement.
- Normally balance sheet (BS) position is neutrally hedged.

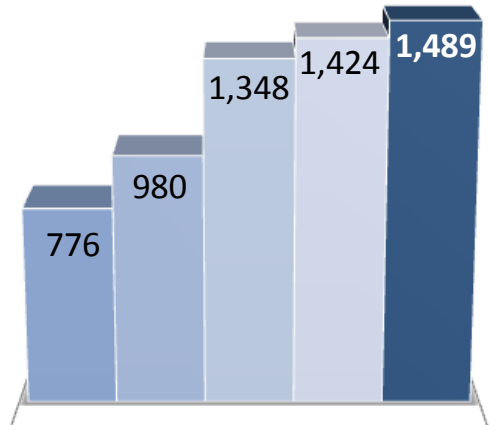
BRISA – LAST 5 YEARS PERFORMANCE

— : Margin %



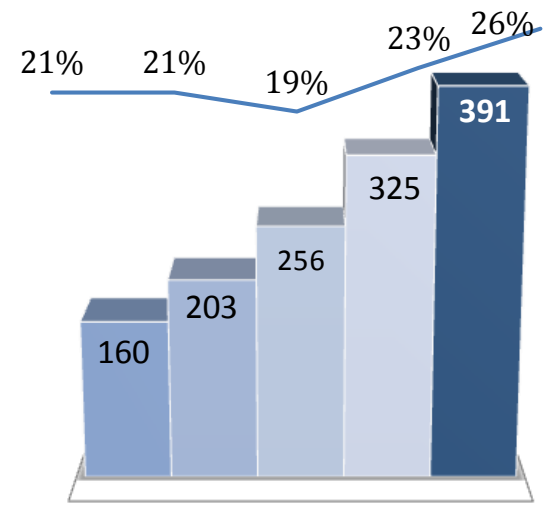
QUANTITY K Units

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



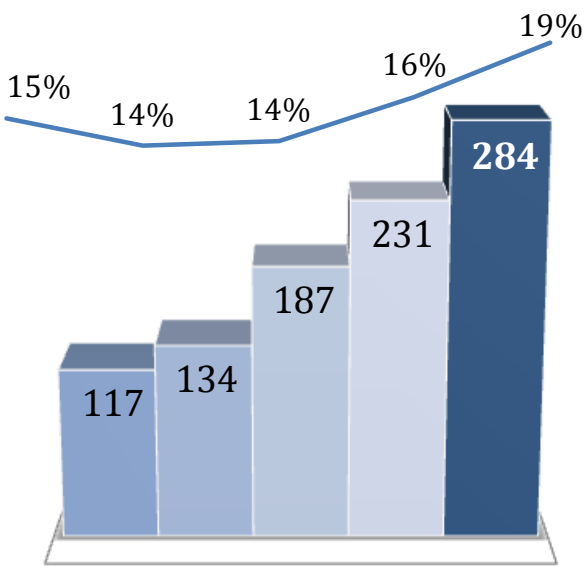
Net Sales M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



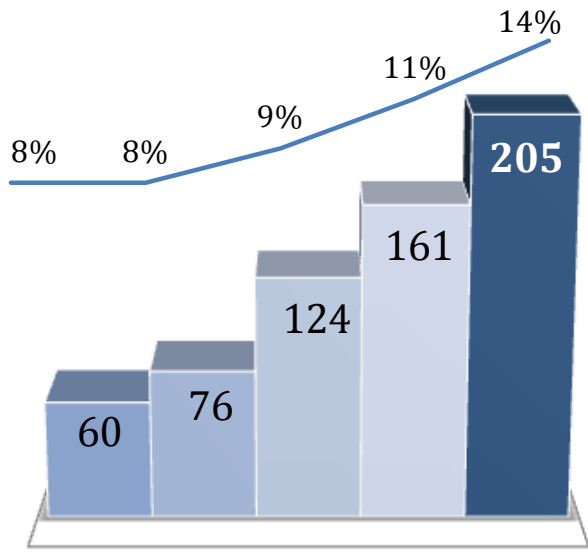
Gross Profit M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



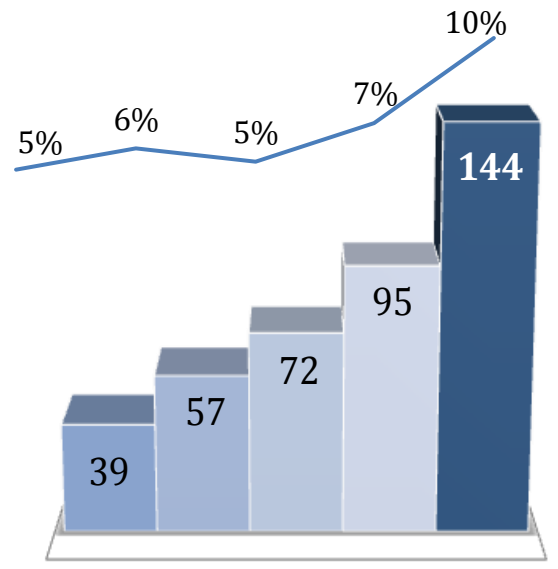
EBITDA M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



EBIT M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



Net Profit M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013

BRISA - SHARE PERFORMANCE (YOY)

