



Investor Bulletin 2015 Q1





REPLACEMENT MARKET – 54% of Brisa's Revenue

Market (K Units)	2015 Q1	2014 Q1	% Δ
Consumer	2,746	2,328	18%
Commercial	392	412	-5%
Total	3,138	2,740	15%

Brisa Sales (K Units)	2015 Q1	2014 Q1	% Δ
Total	971	805	21%

- Strong growth in consumer market in Q1. Brisa performed better than the market.
- Shrinkage in commercial market due to slowdown in infrastructure investment project payments by government and stagnancy in construction sector in pre-election period. After elections strong recovery is expected with the support of the summer season.



OE MARKET – 18% of Brisa's Revenue

Vehicle Sales (K Units)	2015 Q1	2014 Q1	% Δ
Passenger Car	127	89	42%
LCV	46	26	78%
HCV	11	7	52%
Tractor	8	7	16%
Total	192	130	48%

Vehicle Production (K Units)	2015 Q1	2014 Q1	% Δ
Passenger Car	198	166	19%
LCV	125	80	56%
HCV	11	9	24%
Tractor	13	12	9%
Total	347	267	30%

LCV: Light Commercial Vehicle HCV: Heavy Commercial Vehicle

Brisa Tire Sales (K Units)	2015 Q1	2014 Q1	% Δ
Total	446	363	23%

- Strong vehicle production increase in Q1 with high demand both from Europe and Turkey.
- Brisa sales also increase in line with the vehicle production increase. Also in passenger segment new vehicle projects started which Brisa has been nominated as the supplier.
- Brisa is already nominated for 3 vehicle projects at different OEMs and starts to develop 5 different tyres for those new vehicles. Estimated total supply volume for new vehicles will be around 500K/year.
- Strong vehicle sales growth → will effect replacement market positively in coming years.



EXPORT MARKET – 28% of Brisa's Revenue

Export Sales (K Units)	2015 Q1	2014 Q1	% Δ
EUROPE	650	712	-9%
ME&A&OTH	343	341	1%
CIS	52	113	-54%
Total	1,045	1,166	-10%

- Both expanding to new markets and concentrating in different regions of existing markets gave rise to higher growth with Lassa brand than European market.
- Eurozone's market growth was 1.9%, whereas Brisa Lassa branded export grew by 14%.
- Bridgestone branded exports have a temporary shrinkage.
- Despite the political unrest in Iraq, Iran, Syria and the specific customs problem in Egypt, the Middle East and Africa sales are in line with the previous year figures, thanks to better penetration in Morocco, Pakistan and Libya.
- The CIS region still has low demand caused by the local currency devaluations and slowdown in these markets.
- Brisa has increased the share of more profitable products in strategic markets.

TOTAL SALES AND REVENUE BREAKDOWN

K Units	2015 Q1	2014 Q1	% Δ
Total	2,463	2,339	5%
<i>Replacement</i>	971	805	21%
<i>OE</i>	446	363	23%
<i>Export</i>	1,045	1,166	-10%

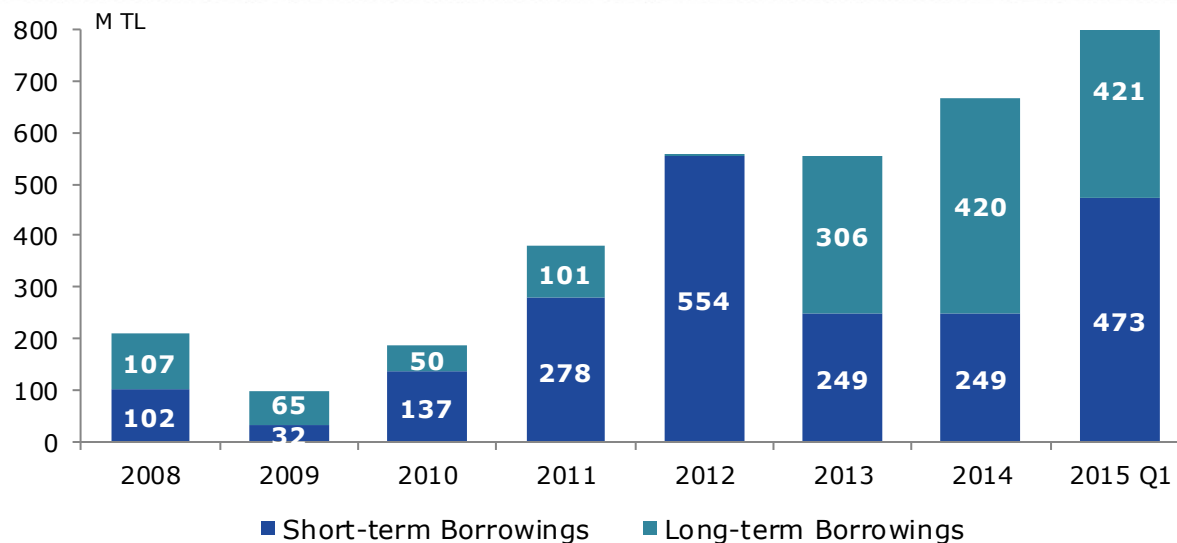
REVENUE - M TL	2015 Q1	2014 Q1	% Δ
Total	389	388	0%
<i>Replacement</i>	213	198	8%
<i>OE</i>	68	62	10%
<i>Export</i>	109	129	-16%

M TL	2015 Q1	2014 Q1	% Δ
Net Sales	389.0	388.0	0.3%
Gross Profit	105.1	120.1	-12.5%
	%	27.0%	30.9%
EBITDA	66.8	88.0	-24.1%
	%	17.2%	22.7%
EBIT	45.1	71.5	-36.9%
	%	11.6%	18.4%
Net Profit	28.1	49.6	-43.3%
	%	7.2%	12.8%

- Weaker EUR/USD parity decreased margins in export channels and partially in OEM channel.
- Due to the parity decrease, European tyre importers/producers had competitive advantage and this fact put pressure on net prices in domestic market.
- Weak commercial tyre demand had been supported by temporary price discounts and campaigns.

M TL	31.03.2015	31.12.2014		31.03.2015	31.12.2014
Current Assets	1,034	924	Current Liabilities	720	507
<i>Cash</i>	10	10	<i>Short term bank borrowings</i>	473	249
<i>Trade Receivables</i>	556	533	<i>Short term trade payables</i>	172	209
<i>Inventory</i>	351	314	<i>Other</i>	75	48
<i>Other</i>	117	68			
Long Term Assets	635	640	Long Term Liabilities	442	441
<i>Tangible Assets</i>	572	565	<i>Long term bank borrowings</i>	421	420
<i>Other</i>	63	74	<i>Other</i>	20	21
			Equity	507	616
Total Assets	1,669	1,564	Total Liabilities	1,669	1,564

	31.03.2015	31.03.2014
Net Financial Debt / Equity	1.74	1.30
Debt / Equity	2.29	1.96



	2008	2009	2010	2011	2012	2013	2014	2015 Q1
Short-term	49%	33%	73%	73%	99%	45%	37%	53%
Long-term	51%	67%	27%	27%	1%	55%	63%	47%

TOTAL BANK LOANS

31.03.2015

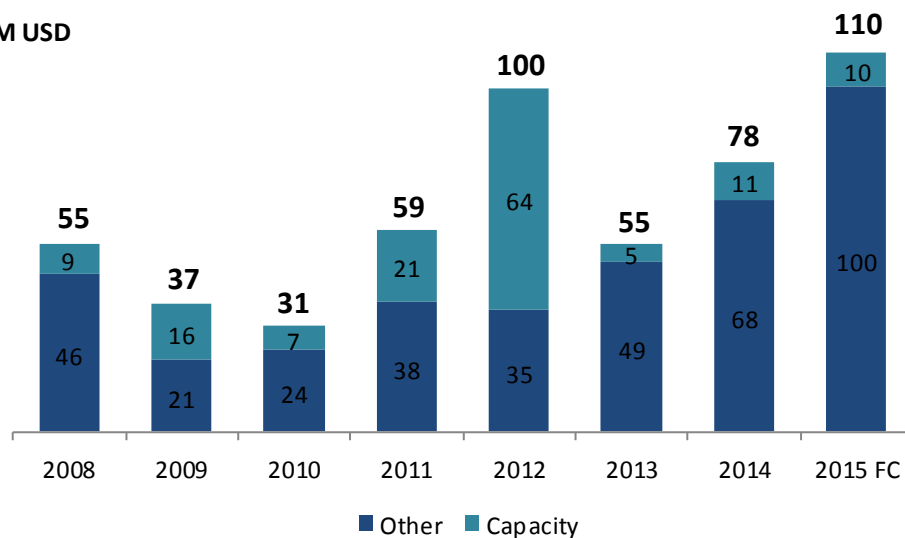
M TL	Amount	Effective Rate (%)
EUR	15	2.1%
USD	6	1.5%
TL	836	9.3%
Total in TL	894	



CASH FLOW AND CAPEX

Cash Flow (000 TL)	2015 March	2014 March
EBITDA	66,767	88,005
Change in Trade Working Capital	-88,900	-27,403
Operational Cash Flow	-22,133	60,602
Investment	-36,784	-26,374
Free Cash Flow	-58,917	34,228
Dividend	-161,597	-126,892
Credit undertaken (Paid Back)	222,716	83,494
Financial expenses	-17,492	-11,907
Tax / Other	16,013	24,558
Beginning Balance	9,487	7,968
Ending Balance	10,210	11,449

M USD



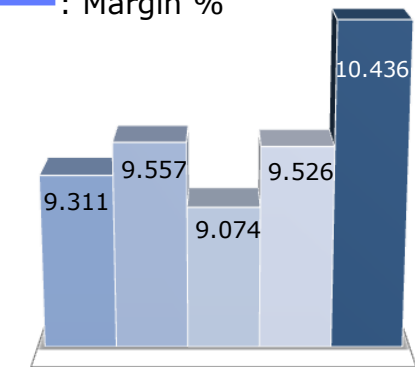
- Total 530 mn USD investment in the last 8 years
- 143 mn USD of this amount is only capacity related
- Other investment mainly consist of maintenance capex at the plant including efficiency improvement projects, environmental investment, IT investments and investment to sales points/dealers



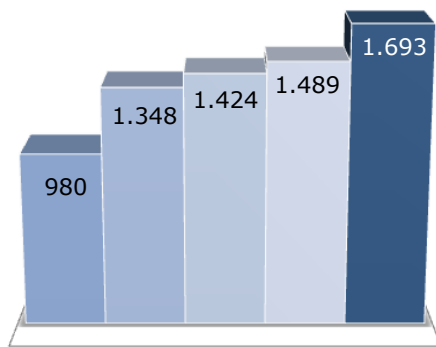
BRISA – LAST 5 YEARS PERFORMANCE



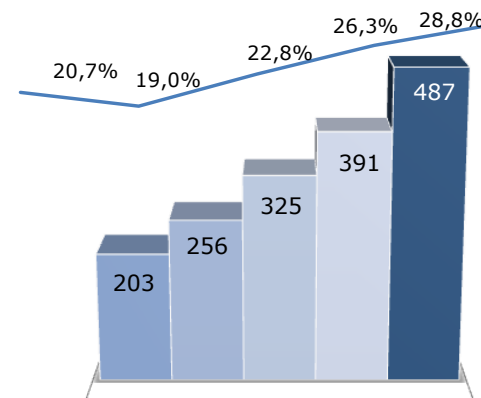
— : Margin %



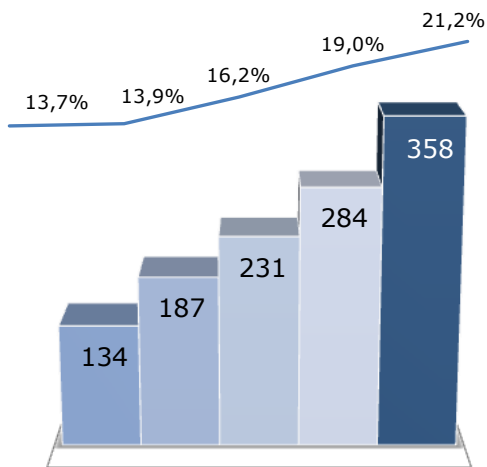
QUANTITY K Units
■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014



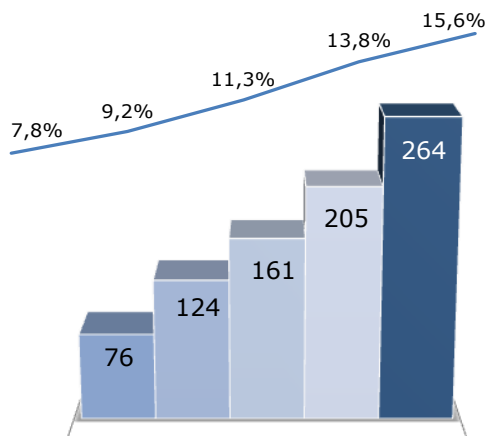
Net Sales M TL
■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014



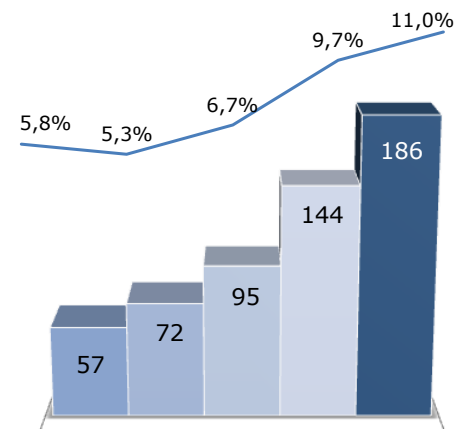
Gross Profit M TL
■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014



EBITDA M TL
■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014



EBIT M TL
■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014



Net Profit M TL
■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014