

BRiSA

**Investor Bulletin
2015 Q4**

BRIDGESTONE



LASSA





REPLACEMENT MARKET – 60% of Brisa's Revenue

Vehicle Sales (K Units)	2015 FY	2014 FY	%
Passenger Car	726	588	24%
LCV	243	180	34%
HCV	43	39	10%
Tractor	36	31	16%
Total	1,048	838	25%

Vehicle Sales (K Units)	2015 Q4	2014 Q4	%
Passenger Car	225	221	2%
LCV	80	74	9%
HCV	13	13	0%
Tractor	8	8	-1%
Total	326	315	3%

Market (K Units)	2015 FY	2014 FY	%
Consumer	13.026	12.156	7%
Commercial	2.243	2.057	9%
Total	15.269	14.213	7%

Market (K Units)	2015 Q4	2014 Q4	%
Consumer	3.487	3.668	-5%
Commercial	532	477	12%
Total	4.019	4.145	-3%

Brisa Sales (K Units)	2015 FY	2014 FY	%
Total	4.938	4.739	4%

Brisa Sales (K Units)	2015 Q4	2014 Q4	%
Total	1.351	1.588	-15%

- Vehicle sales grow strongly: continuous replacement tire market increase in coming years.
- Green winter and market saturation are the main reasons for decline in Brisa winter tyre sales and the consumer market in Q4.
- Significant growth going on for commercial market (11,5%) in Q4. Euro6 transition defers vehicle sales and increases tyre sales.



OE MARKET – 15% of Brisa's Revenue

Vehicle Production (K Units)	2015 FY	2014 FY	%
Passenger Car	740	694	7%
LCV	496	377	32%
HCV	45	38	19%
Tractor	40	39	4%
Total	1.322	1.148	15%

Vehicle Production (K Units)	2015 Q4	2014 Q4	%
Passenger Car	174	168	4%
LCV	122	95	28%
HCV	11	9	12%
Tractor	2	2	-28%
Total	309	275	12%

Brisa OE Tyre Sales (K Units)	2015 FY	2014 FY	%
Total	1.718	1.715	0%

Brisa OE Tyre Sales (K Units)	2015 Q4	2014 Q4	%
Total	445	497	-10%

- Strong vehicle production increase, especially in LCV in Q4 with high demand both from Europe and Turkey.
- Brisa sales decrease due to postponement of some model launches to 2016 and lower sales to Russian market.



EXPORT MARKET – 25% of Brisa's Revenue

Export Sales (K Units)	2015 FY	2014 FY	%
EUROPE	2.589	2.532	2%
ME & A & OTH	1.224	1.148	7%
CIS	210	303	-31%
Total	4.023	3.983	1%

Export Sales (K Units)	2015 Q4	2014 Q4	%
EUROPE	632	442	43%
ME & A & OTH	267	264	1%
CIS	72	83	-13%
Total	971	789	23%

- Despite the regulatory obstacles in Egypt and Libya, higher growth in the ME is realized
- Political problems with Russia affected Q4 results. The overall CIS region sales show slight recovery in Q4.
- Lassa branded export grew by 8,9% in Europe in 2015; whereas market grew by only 1,8%.

TOTAL SALES AND REVENUE BREAKDOWN

K Units	2015 Q4	2014 Q4	% Δ	2015 FY	2014 FY	% Δ
Total	2,766	2,875	-4%	10,680	10,436	2%
<i>Replacement</i>	1,351	1,588	-15%	4,938	4,739	4%
<i>OE</i>	445	498	-11%	1,718	1,715	0%
<i>Export</i>	970	789	23%	4,024	3,982	1%

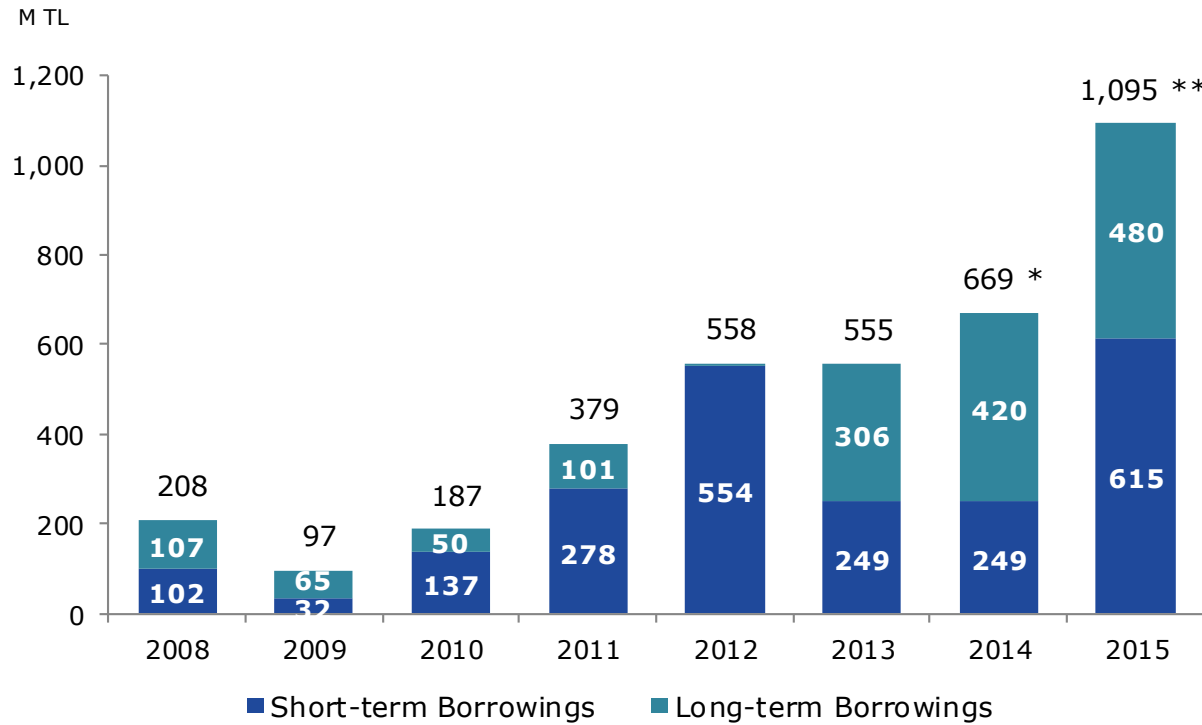
REVENUE - M TL	2015 Q4	2014 Q4	% Δ	2015 FY	2014 FY	% Δ
Total	519	481	8%	1,802	1,693	6%
<i>Replacement</i>	346	326	6%	1,107	1,002	10%
<i>OE</i>	63	70	-10%	254	265	-4%
<i>Export</i>	110	85	29%	441	426	3%

M TL	2015 Q4	2014 Q4	% Δ	2015 FY	2014 FY	% Δ
Net Sales	519.5	481.2	8.0%	1,801.9	1,693.5	6.4%
Gross Profit	186.3	142.9	30.4%	561.4	487.4	15.2%
%	35.9%	29.7%		31.2%	28.8%	
EBITDA	88.1	74.8	17.8%	352.0	328.2	7.3%
%	17.0%	15.5%		19.5%	19.4%	
EBIT	107.5	76.5	40.5%	290.5	263.7	10.2%
%	20.7%	15.9%		16.1%	15.6%	
Net Profit	76.3	53.1	43.6%	192.2	186.3	3.1%
%	14.7%	11.0%		10.7%	11.0%	

- Standalone Q4's performance is much better than the period Q3 in GM level. (Q4:%35.9 – Q3:%30.8)
- Compared to previous year same period, negative effect of stronger dollar rate on costs and lower parity level on gross margins offset with FX hedging transactions.
- Lower raw material prices, better sales mix and positive effect of hedging transactions contributed to the GM%.

M TL	31.12.2015	31.12.2014		31.12.2015	31.12.2014
Current Assets	1,278	924	Current Liabilities	944	497
<i>Cash</i>	61	10	<i>Short term bank borrowings</i>	615	249
<i>Trade Receivables</i>	763	533	<i>Short term trade payables</i>	270	209
<i>Inventory</i>	358	314	<i>Other</i>	59	39
<i>Other</i>	97	68			
Long Term Assets	807	640	Long Term Liabilities	495	450
<i>Tangible Assets</i>	673	565	<i>Long term bank borrowings</i>	480	420
<i>Other</i>	134	74	<i>Other</i>	15	30
			Equity	647	616
Total Assets	2,085	1,564	Total Liabilities	2,085	1,564

	31.12.2015	31.12.2014
Net Financial Debt / Equity	1.60	1.07
Debt / Equity	2.22	1.54
Net Financial Debt / EBITDA	2.94	2.01
Net sales/TWC	2.12	2.66
TWC (M TL)	850	637



TOTAL BANK LOANS

31.12.2015

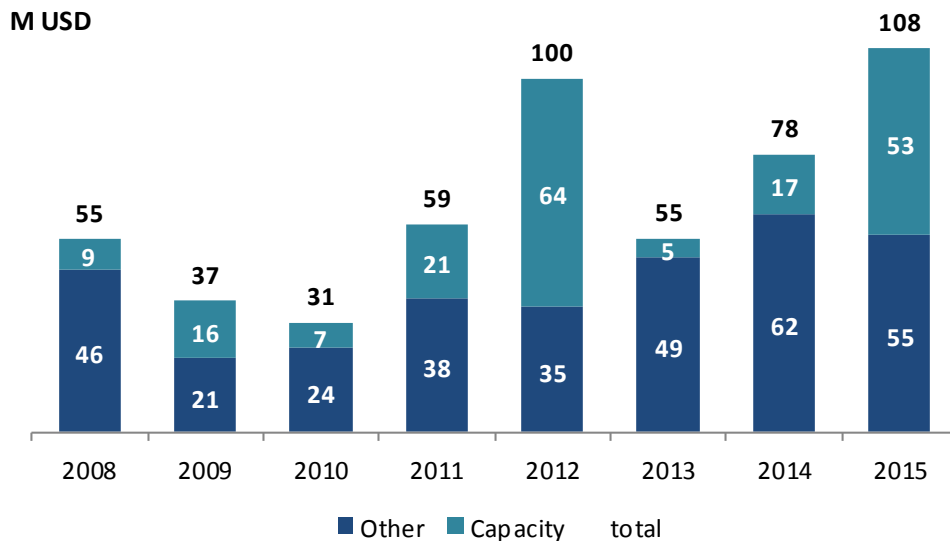
M TL	Amount	Effective Rate (%)
EUR	15	2.1%
USD	6	1.5%
TL	1,030	10.0%
Total in TL	1,095	

*13m TL for Aksaray plant investment
 **106m TL for Aksaray plant investment



CASH FLOW AND CAPEX

Cash Flow (K TL)	2014	2015
EBITDA	328,232	351,745
Change in Working Capital	(92,242)	(212,848)
Operational Cash Flow	235,990	138,897
Investment	(167,948)	(229,488)
Free Cash Flow	68,042	(90,591)
Dividend	(126,892)	(161,597)
Credit undertaken/(Paid Back)	112,570	395,575
Financial Expenses	(50,982)	(68,495)
Tax / Other	(859)	(24,027)
Beginning Balance	7,968	9,847
Ending Balance	9,847	60,713



- Total 522 mn USD investment in the last 8 years
- 192 mn USD of this amount is only capacity related
- Other investment mainly consists of maintenance capex at the plant including efficiency improvement projects, environmental investment, IT investments and investment to sales points/dealers



BRISA – LAST 7 YEARS PERFORMANCE



— : Margin %

