

Investor
Presentation

Teknosa İç ve Dış Ticaret A.Ş.

Q3-13 Results

«Leader of A Growing Market»

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Results at a Glance

Electronics Retail Market

Financial Overview

Year-end Guidance

Main messages

Strong topline growth

- 36% Net Sales growth in 9M13
- Trend continued in 3Q

Market share improvement

- 14.1% market share in 9M13
- 3Q market share 14.7% (+0.9 pp QoQ)

Price competition

- Continuing pressure on margin
- Margin recovered vs. 2Q, and stabilized in 3Q YoY

Profit growth

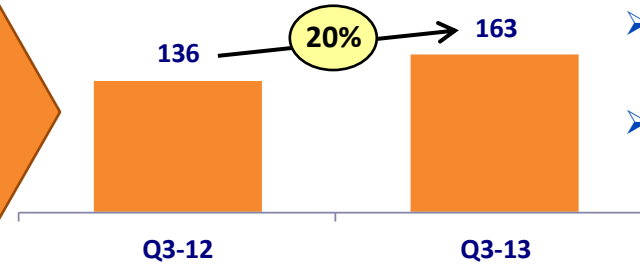
- 47% Net Profit growth in 9M13 (excl. one-off in Q1-12)

Strong e-commerce performance

- E-commerce volume increased five-fold
- 5.6% of sales in 9M13, 6.9% in 3Q (2,2% in FY12, 0.6% in FY11)

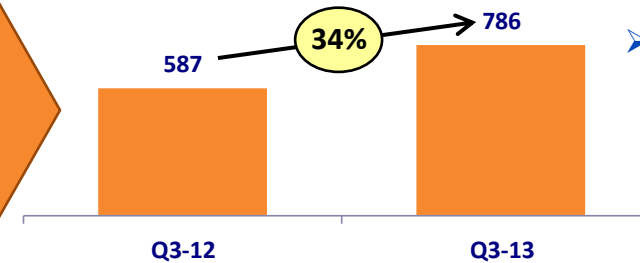
Q3-13 Results

Net Sales Area
(k m²)



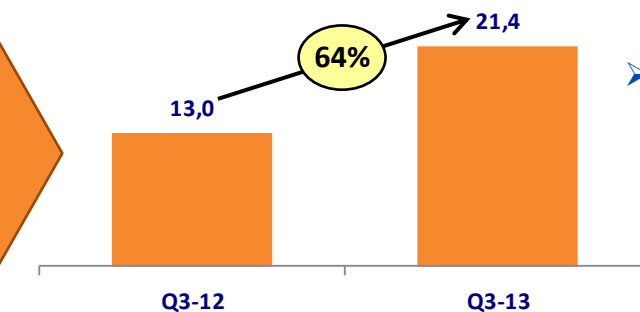
- Dynamic portfolio management
- 38 openings, 28 closings (25 relocation)

Net Sales
(M TL)



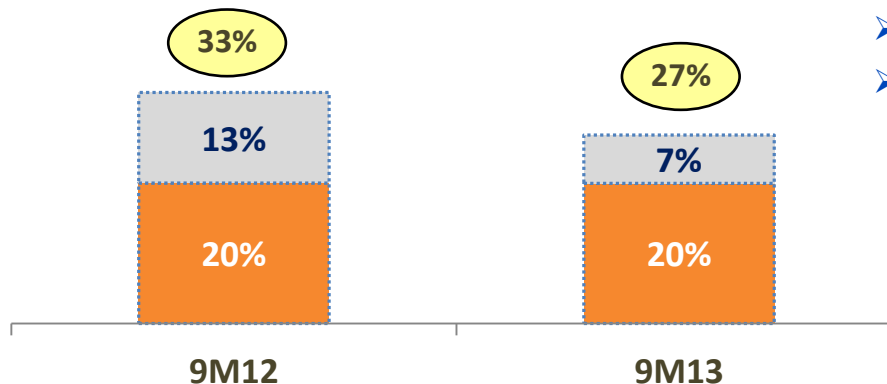
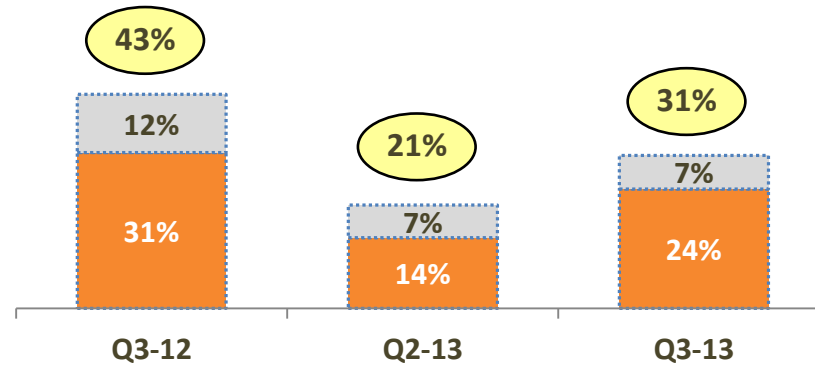
- Strong LfL: 24%

Net Profit
(M TL)



- Strong operational profitability reflected in bottom-line

Retail Operations Revenue Growth Analysis



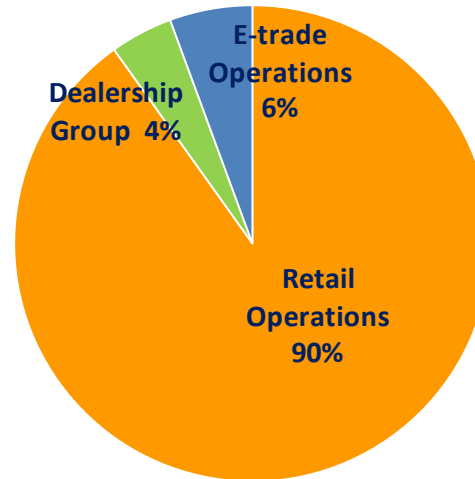
■ Like for Like Growth
 ■ Net Expansion = New store openings – closings

- Retail store revenues (excl. dealership, internet and corporate sales), which account for 90% of the total, posted 31% YoY growth in Q3-13.
- Consecutive periods of LfL growth.
- Q3-13 LfL growth: 24%
- 9M13 LfL growth: 20%

Operations

Teknosa operations are composed of Retail, Dealership and e-commerce activities

Revenue Breakdown as of 9M13



E-trade Operations

KLİKSA.com

- Separate legal entity with %100 shareholding of Teknosa
- Started operations in **March 2012**

TEKNOSA.com

- Started operations in **2005**

Retail Operations

Revenue Breakdown by Product Groups as of 9M13

- Consumer Electronics & Photo: 37% (2012: 47%)
- Telecom: 28% (2012: 21%)
- IT: 27% (2012: 25%)
- Other*: 8% (2012: 7%)

Dealership Group

İKLİM SA
Türkiye'nin İklimlendirme Merkezi

Revenue Breakdown by Product Groups as of 9M13

- Air Conditioners: 92% (2012: 93%)**
- Refrigerators: 7% (2012: 6%)
- Cash registers: 1% (2012: 1%)

* Consists of major and small domestic appliances and warranty sales

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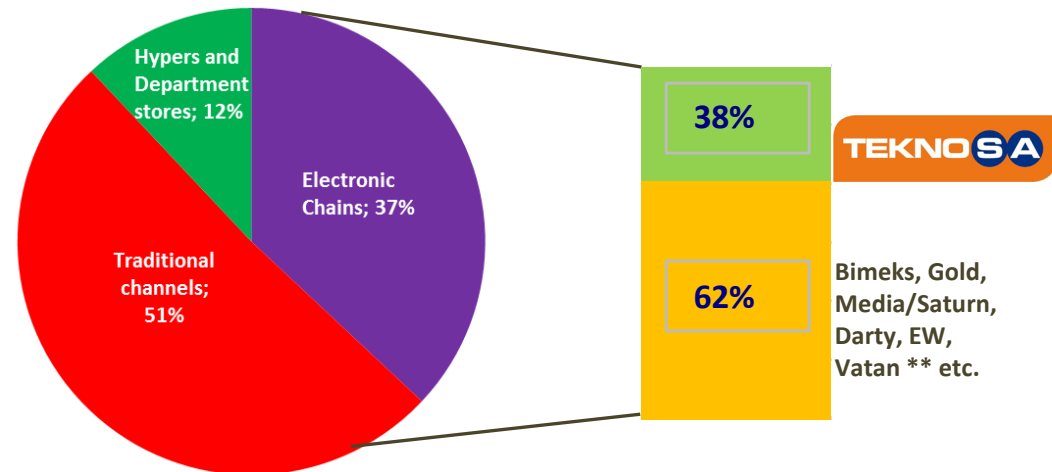
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Electronics Retail Market and Teknosa

- 2013 Jan-Aug **electronics retail market TL 12,5 Billion (+33%YoY*)**
- 2013 Jan-Aug **TSS retail market growth +54% YoY***
- 2013 Jan-Aug **Teknosa retail sales growth +34% YoY**
- Teknosa has **14,1% share in total market and 38% channel share in TSS**
- Teknosa **market share reached 14.7% in Q3-13** from 13.8% in Q2-13

Electronics retail market Jan-Aug 2013 – channel shares



Source: GfK Panel Jan-Aug 2013

* GfK IT, Telecom, CE + Photo categories, also reflecting the impact of a new player included in the panel in June 2012.

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Teknosa at a Glance

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Financial Highlights

Teknosa Summary Financials - Income Statement

(M TL)	Q3-12	Q2-13	Q3-13	YoY (%)	QoQ (%)	9M12	9M13	YoY (%)
Net Sales	587	694	786	34%	13%	1.579	2.141	36%
Gross Profit	116	132	154	33%	16%	327	402	23%
<i>Gross Profit Margin</i>	19,7%	19,1%	19,5%	(0.2)pp	0.4pp	20,7%	18,8%	(1.9)pp
EBITDAR	60	64	79	31%	24%	162	197	
<i>EBITDAR Margin</i>	10,2%	10,0%	10,0%	(0.2)pp	0.0pp	10,3%	9,2%	
EBITDA	31	31	43	37%	37%	78	98	26%
<i>EBITDA Margin</i>	5,3%	5,4%	5,4%	0.1pp	0.0pp	4,9%	4,6%	(0.3)pp
Other Expenses	-6	-4	-6	2%	47%	-12	-15	24%
Financial Expenses	-2	-2	-1	-31%	-41%	-6	-4	-35%
Profit Before Tax	17	17	27	62%	60%	42	55	30%
Tax	-4	-2	-5	53%	168%	-10	-10	6%
Net Profit	13	15	21	64%	45%	33	45	35%
Net Profit	13	15	21	64%	45%	31	45	47%
<i>Net Profit Margin</i>	2,2%	2,1%	2,7%	0.5pp	0.6pp	1,9%	2,1%	0.2pp

Note: Q1-12 EBITDA, PBT, Net Profit are adjusted for 3TL million one off (reversal of a provision related to store closure).

Key Performance Indicators (Retail Operations)

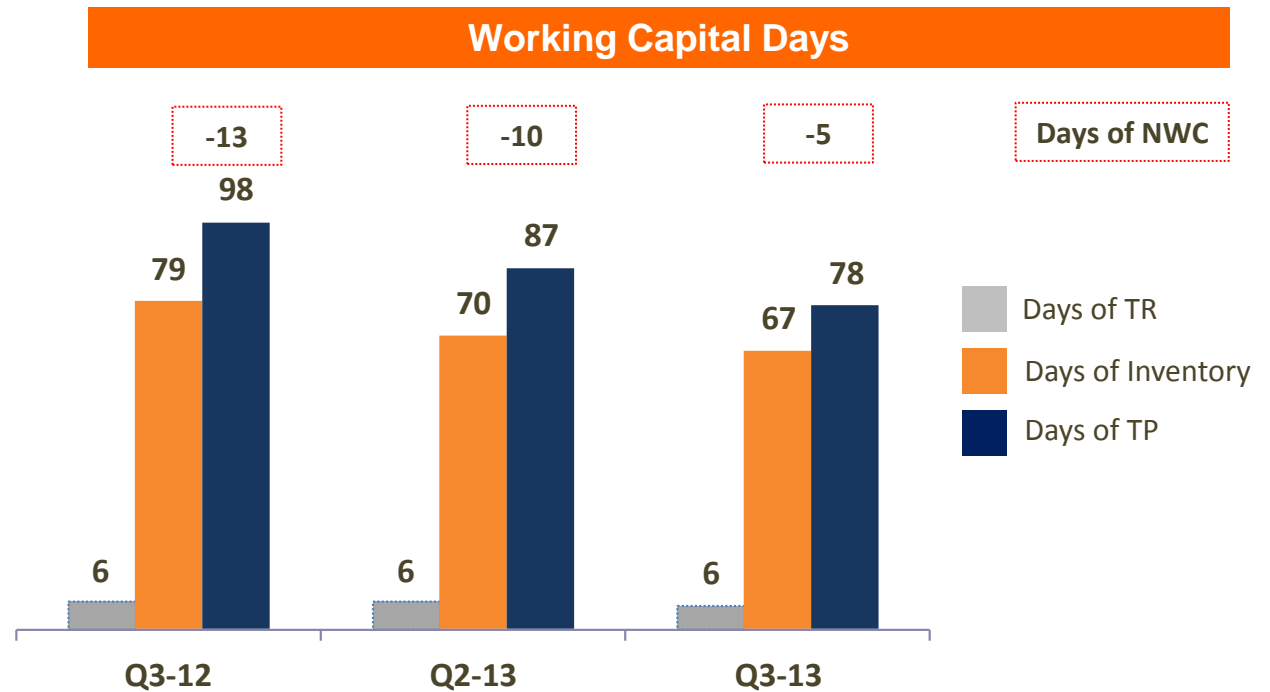
	Teknosa Key Performance Indicators (Retail Operations)							
	Q3-12	Q2-13	Q3-13	YoY (%)	QoQ (%)	9M12	9M13	YoY (%)
Number of Provinces (@ period end)	75	77	77	3%	0%	75	77	3%
Net Sales Area (k m ² @ period end)	136	154	163	20%	6%	136	163	20%
Number of Stores (@ period end)	280	291	293	5%	1%	280	293	5%
Number of Visitors (in m. persons)	25	25	27	10%	9%	72.657	78.642	8%
Number of Customers (in m. persons)	2	2	2	9%	12%	5.698	6.176	8%
Conversion Rate	8,1%	7,8%	8,1%	0.0pp	0.2pp	7,8%	7,9%	0.1pp
Average Basket Size (TL)	273	307	326	20%	6%	259	303	17%

- Teknosa has the highest penetration among Technical Super Stores with **293 stores in 77 provinces** and 163k m2 net sales area as of Sept 2013
- Flexible business model with **multi store formats allows** maximize penetration and footprint
- Thanks to attractive value proposition and expansion, **we continue to gain customers** in the market

Balance Sheet

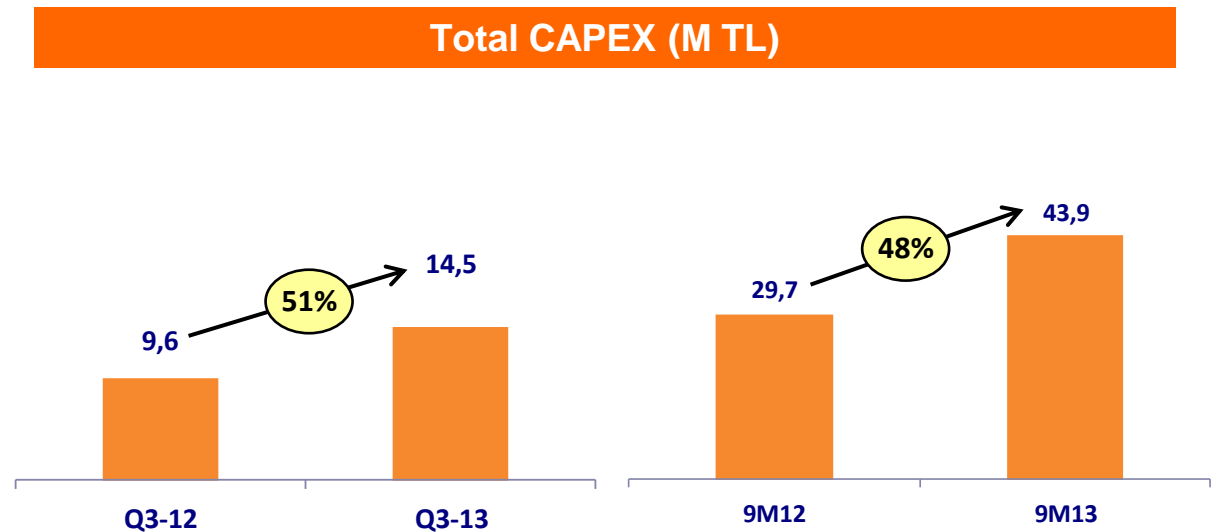
Assets (in M TL)	Sept.12	Sept.13
Current Assets	602	688
Cash and Cash Equivalents	96	127
Due From Related Parties	3	1
Trade Receivables	34	38
Inventories	425	479
Other Current Assets	44	43
Non-current Assets	118	154
Investment Property	11	11
Property,Plant and Equipment	91	115
Intangible Assets	8	11
Deferred Income Tax Assets	3	6
Other Non-current Assets	5	11
Total Assets	720	841
Liabilities (in M TL)	Sept.12	Sept.13
Current Liabilities	539	598
Financial Liabilities	0	0
Due to Related Parties	1	1
Trade Payables	489	518
Other Current Liabilities	49	79
Non-current Liabilities	1	3
Total Equity	179	241
Total Liabilities	720	841

Working Capital



- Negative working capital allows Teknosa to generate positive cash flow in tandem with growth
- 3Q NWC reflects a tactical decision of early payment. We continue to target net -15 days of NWC in our planning

Capital Expenditures



- New store openings and store renovations account for a major part of the Company's capital expenditures.
- Capital expenditures are financed with cash generated from operations.
- New concept conversion in selected stores caused a high increase in CAPEX.

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2013 Full Year Financial Guidance

(M TL)	2012 ACTUAL	INITIAL 2013 FORECAST	MID-2013 FORECAST	REVISED 2013 FORECAST
YE Net Sales Area (km2)	141	165-170	165-170	165-170
Net Sales	2.333	2.700-2.800	2.900 - 3.000	2.900 - 3.000
Growth (%)	40%	15%-20%	25%-30%	25%-30%
LFL Growth (%)	26%	7%-11%	10%-15%	15%-20%
EBITDA (%)	5,0%	over 5,0%	4,5%-5,0%	4,5%-4,7%
Net Income	50	57-60	57-60	57-60
EPS	0,46	0,52-0,55	0,52-0,55	0,52-0,55
Capital Expenditures	42	40-45	55-60	60-65

Note: EBITDA excludes Other Income/Expenses

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