

A Firm Grip.

DELTICOM 
Aktiengesellschaft



Investor and Analyst Presentation

on the Occasion of the Release of the 9-Monthly Results 2008

Frankfurt, 10th November 2008

Agenda

Delticom 9M 08 at a Glance

Business Model

Seasonalities in Tyre Trading

Financials

Key Investment Highlights



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Delticom Profile

- **Business model:** Sale of car and motorcycle tyres over the Internet
- More than **2.4 million customers**
- **95 online shops in 35 countries**, operating on established web domains with high awareness
- **Broad product range** with more than 100 tyre brands and 25,000 tyre models
- Global network with more than **23,300 service partners** (fitting stations), e.g. ^①  DE 5793  US 5880  FR 1994  UK 1647
- **Customer benefits:** Top quality tyres at low prices can be ordered 24 / 7, high transparency thanks to comprehensive offering, short lead times (1-4 working days), not location-dependent, free test results, service and advice from call center.

▶ **Delticom is Europe's leading Internet tyre retailer**

^① as of 4th November

Delticom 9M 08 at a Glance

1 Redesign of the Tyre Distribution Chain

Revenues € 175.2 million
(+ 19.2 % yoy)

2 International Growth Story

Revenues + 28.7 % yoy
in non-domestic markets

3 Operational Excellence at Low Costs

EBIT: € 8.9 million or 5.1 %
(9M 07: € 6.9m, 4.7%)

4 Excellent Growth Opportunities

Market share in Europe
is > 2 %

5 Sustainable and Profitable Business Model

Dividend: 2.00 €
(+ 67 % yoy)

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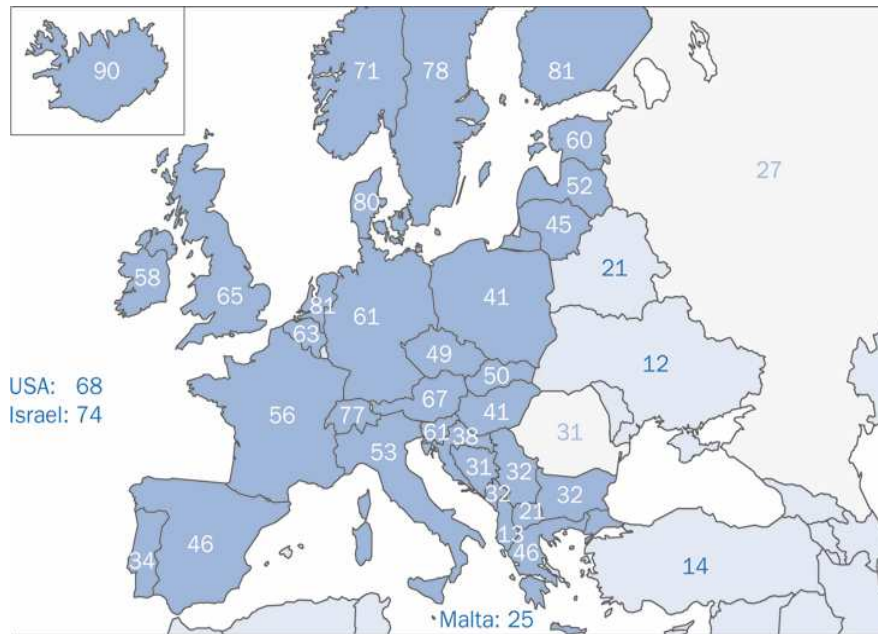
Financials

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Internet

Internet penetration



Source: GfK desk research Austria, July 2008

Delticom service partners



▶ Internet penetration is long-term driver of Delticom sales

Tyres

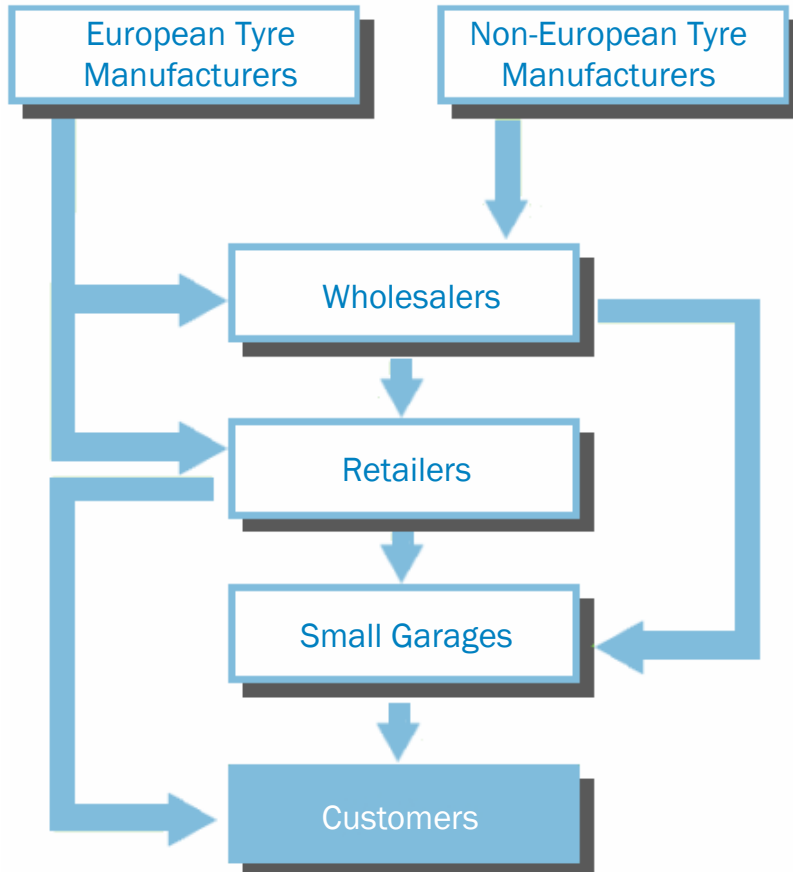
- Relevant: **Passenger Car Tyre Replacement Market**
 - Europe € 10-12 billion / year
 - USA € 12-15 billion / year
- **Market share online** 2007 (Germany) was 4% (2006: 3%) ①
- **EuPD Research**: proportion of German online retailers active in the „car and accessories“ segment only 2.8%
- **„ADAC Reifenmonitor 2008“**
 - 3.1% have bought their last set of tyres via the Internet (2007: 2.5%, 2006: 1.8%)
 - 18-39 bracket: 6.1% (2007: 4.8%, 2006: 3.3%)
 - 15.6% indicated interest to buy online in the future (2007: 15%, 2006: 14%)
 - 18-39 bracket: 28.1%

▶ **Big, mature market. Internet is a growing sales channel.**

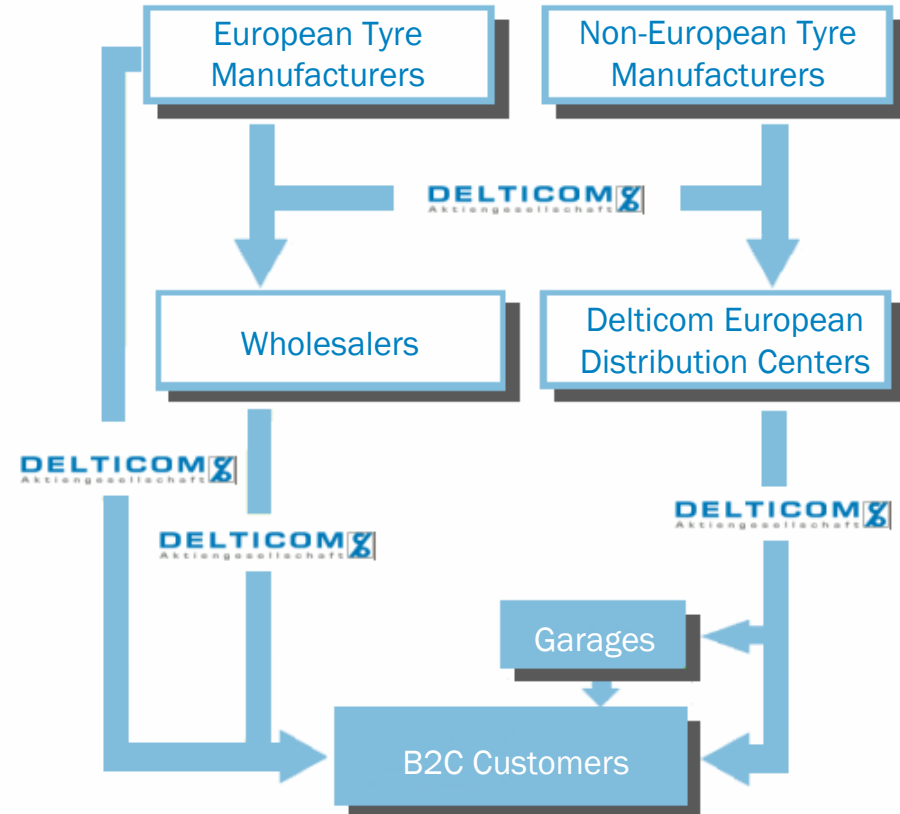
① According to BRV (Association of German Tyre dealers)

Redesign of the Tyre Distribution Chain

Pre-Delticom



Delticom Redesign



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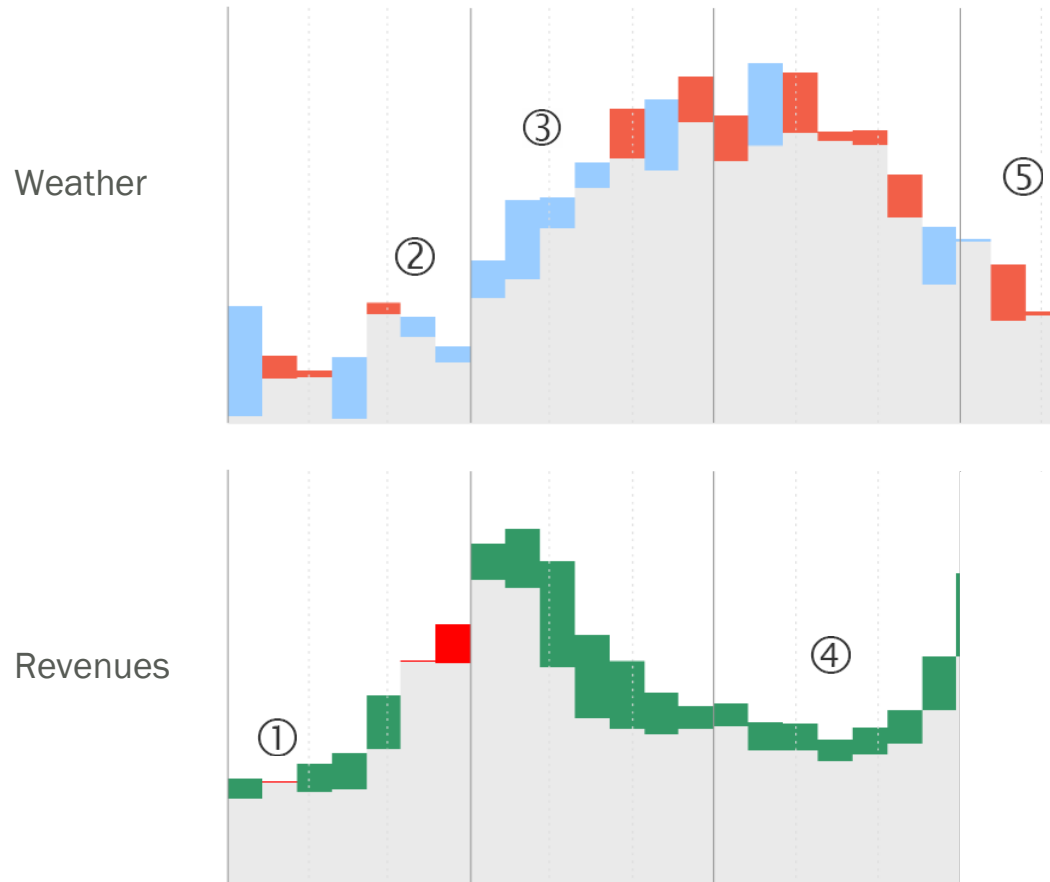
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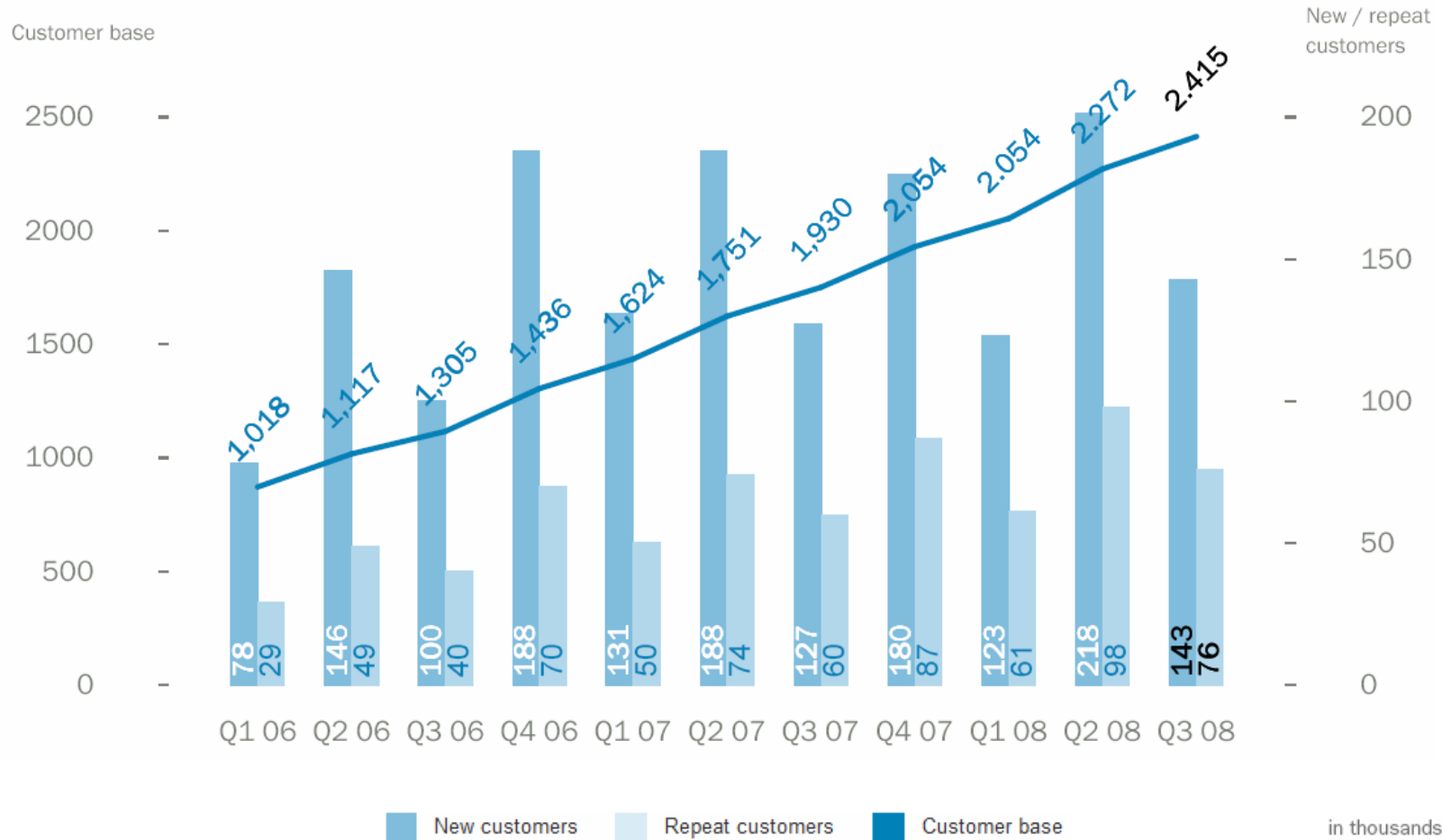
2007 vs. 2008 Seasonality



- ① End of Jan 08 was warmer than Jan 07 – hurt Q1 revenue growth
- ② Mar 08 was colder than Mar 07 – late start into summer season 2008, revenues decreased yoy
- ③ Cold Q2 lead to investment into market share, revenues increased yoy
- ④ Q3 margins back on track
- ⑤ Relative temperatures dropped end of Oct 08 – season has started well

► Summer season (Q2) and winter season (Q4) are very important.

Saisonal Demand



▶ Repurchases constitute important growth potential

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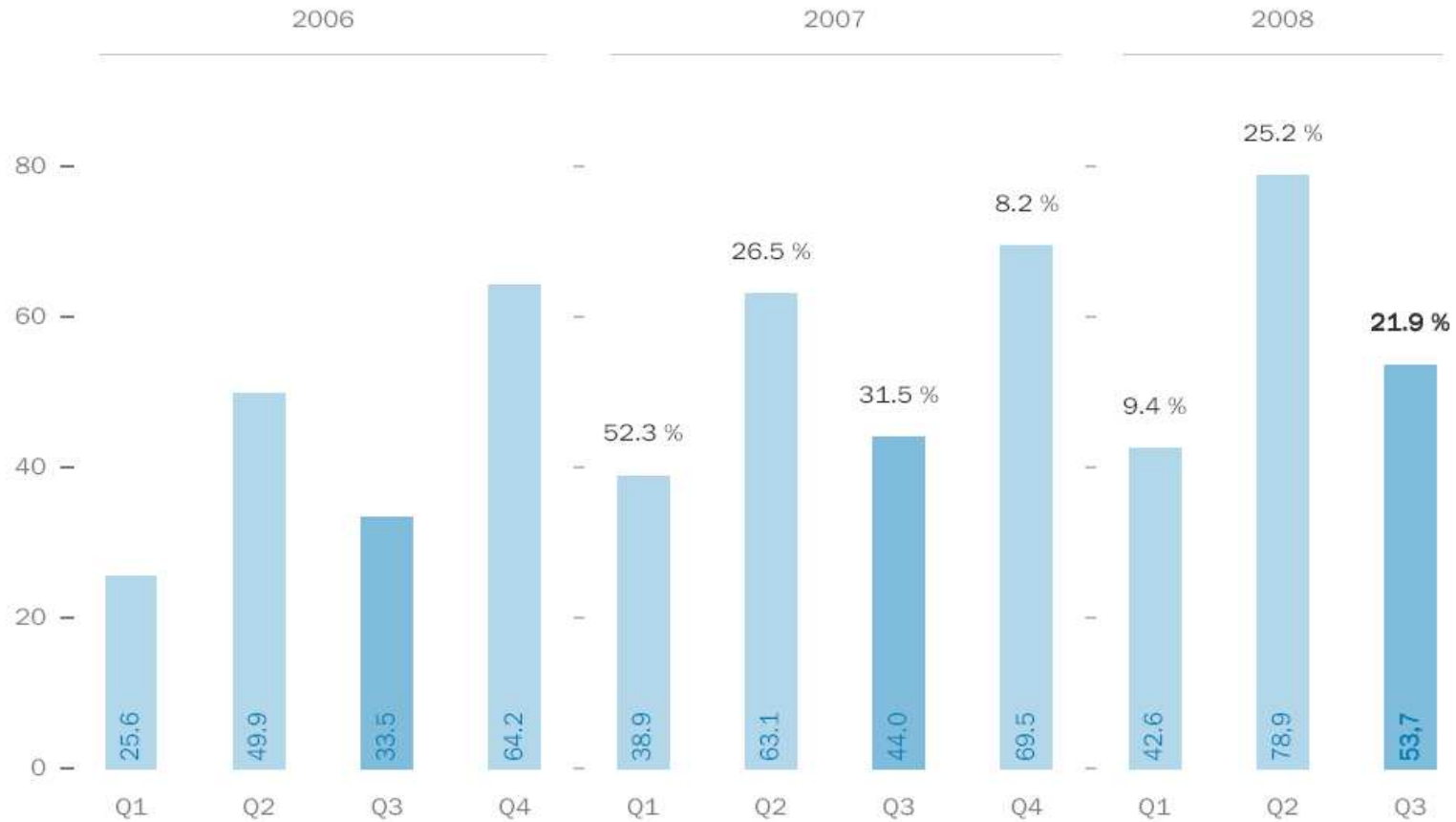
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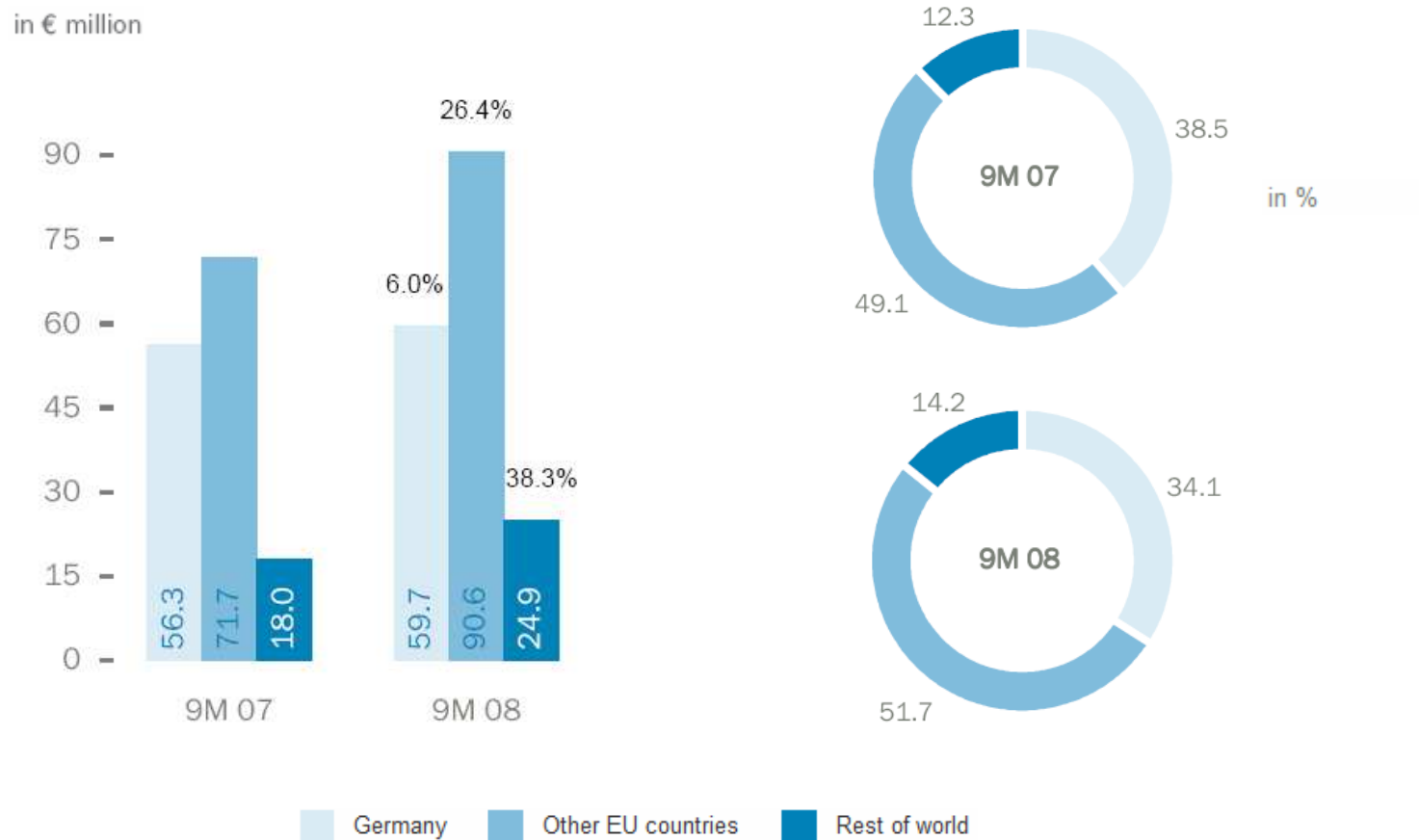
Quarterly Revenues

in € million



► Fluctuations in growth rates: seasons, weather, base effects, strategy

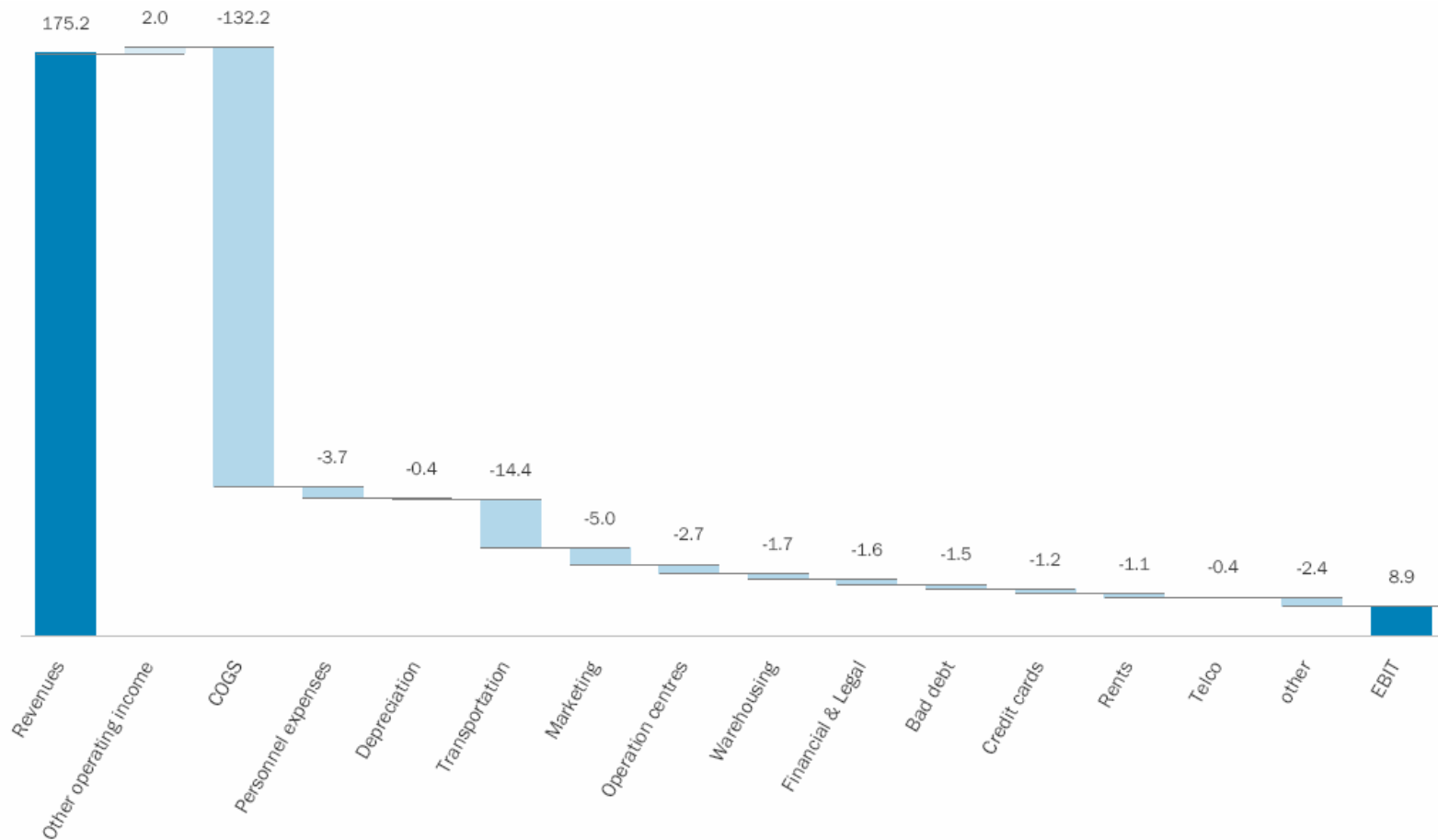
Non-Domestic Markets are More and More Important



► Delticom is an international tyre retailer

EBIT Bridge

in € million



► Gross margin and operating leverage drive EBIT

EBIT Drivers

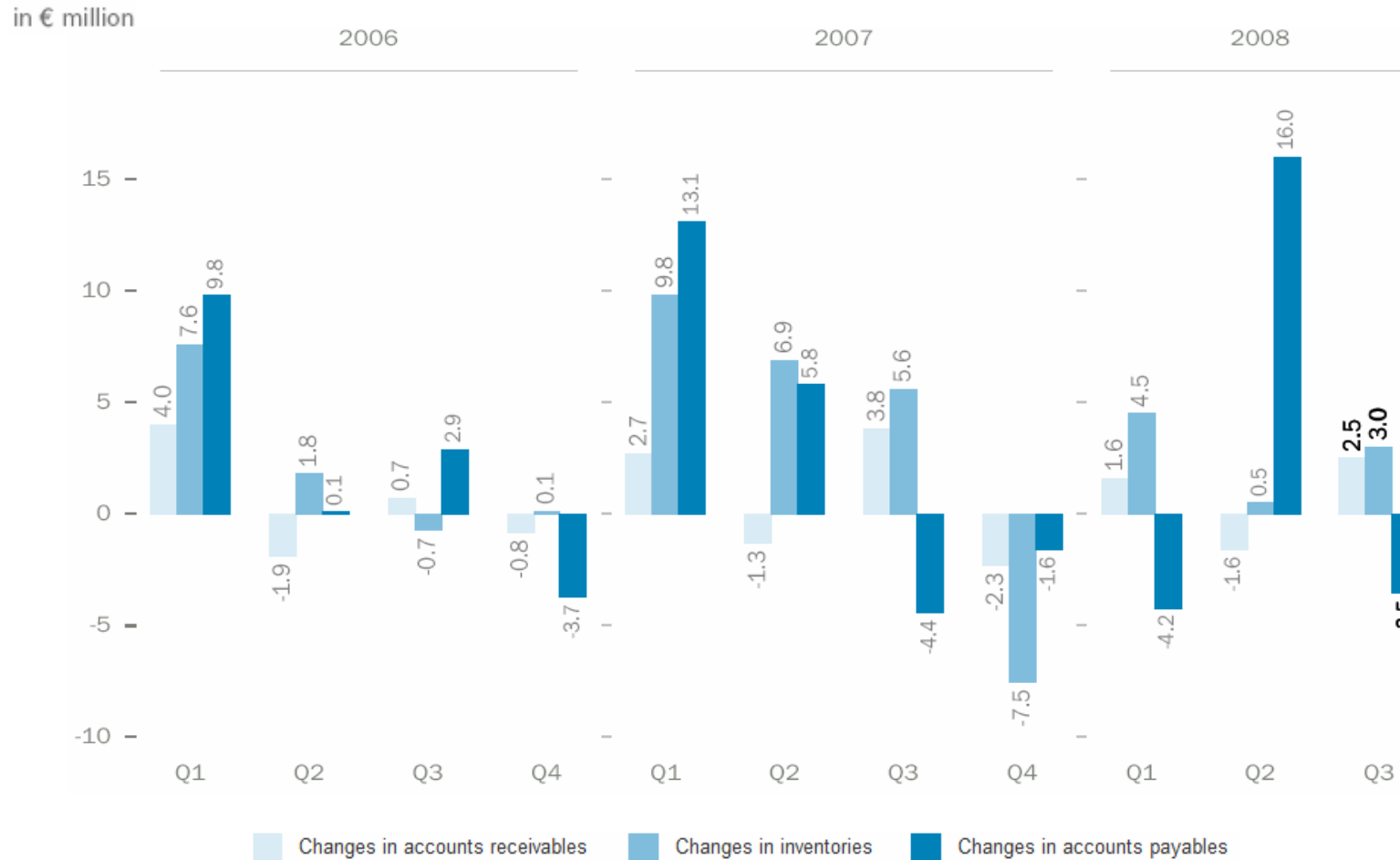
	9M 08				9M 07	
	P&L	yoy growth	in % of sales	% pts change	P&L	in % of sales
Sales total	175,221	20.0	100.0		146,029	100.0
Cost of goods sold total	-132,229	18.8	75.5	0,8	-111,328	76.2
Gross profit before other operating income	42,991	23.9	24.5	0,8	34,701	23.8
Other operating income	1,979	104.4	1.1	0,5	968	0.7
Gross profit	44,971	26.1	25.7	1,2	35,670	24.4
Direct costs	-18,873	19.0	10.8	0,1	-15,861	10.9
Transport	-14,410	23.6	8.2	-0,2	-11,660	8.0
Stocking	-1,725	-14.9	1.0	0,4	-2,026	1.4
Credit cards	-1,201	-9.9	0.7	0,2	-1,334	0.9
Receivables losses	-1,536	82.6	0.9	-0,3	-841	0.6
Contribution margin	26,098	31.8	14.9	1,3	19,808	13.6
Marketing	-4,986	24.2	2.8	-0,1	-4,016	2.7
Contribution margin after marketing	21,112	33.7	12.0	1,2	15,793	10.8
Indirect costs	-12,170	36.7	6.9	-0,8	-8,904	6.1
Personnel expenses	-3,692	18.8	2.1		-3,108	2.1
Operations-center	-2,727	28.9	1.6	-0,1	-2,116	1.4
Rent, overheads	-1,091	193.4	0.6	-0,4	-372	0.3
Financial, legal	-1,597	16.3	0.9		-1,373	0.9
IT / telco	-350	11.1	0.2		-315	0.2
Depreciation	-359	64.7	0.2	-0,1	-218	0.1
others	-2,354	67.9	1.3	-0,4	-1,402	1.0
thereof FX differences	-1,352	143.4	0.8	-0,4	-555	0.4
EBIT	8,943	29.8	5.1	0,4	6,889	4.7

purchase price	50.00
direct costs: transportation, inventory management, credit card fees, provision for bad debts	6.00
	56.00
preset margin (e.g. 25%)	14.00
retail price	70.00
plus VAT (e.g. Germany 19%)	13.30
gross retail price on shop website	83.30

(schematic example calculation)

► Delticom operations prepared for winter season 2008

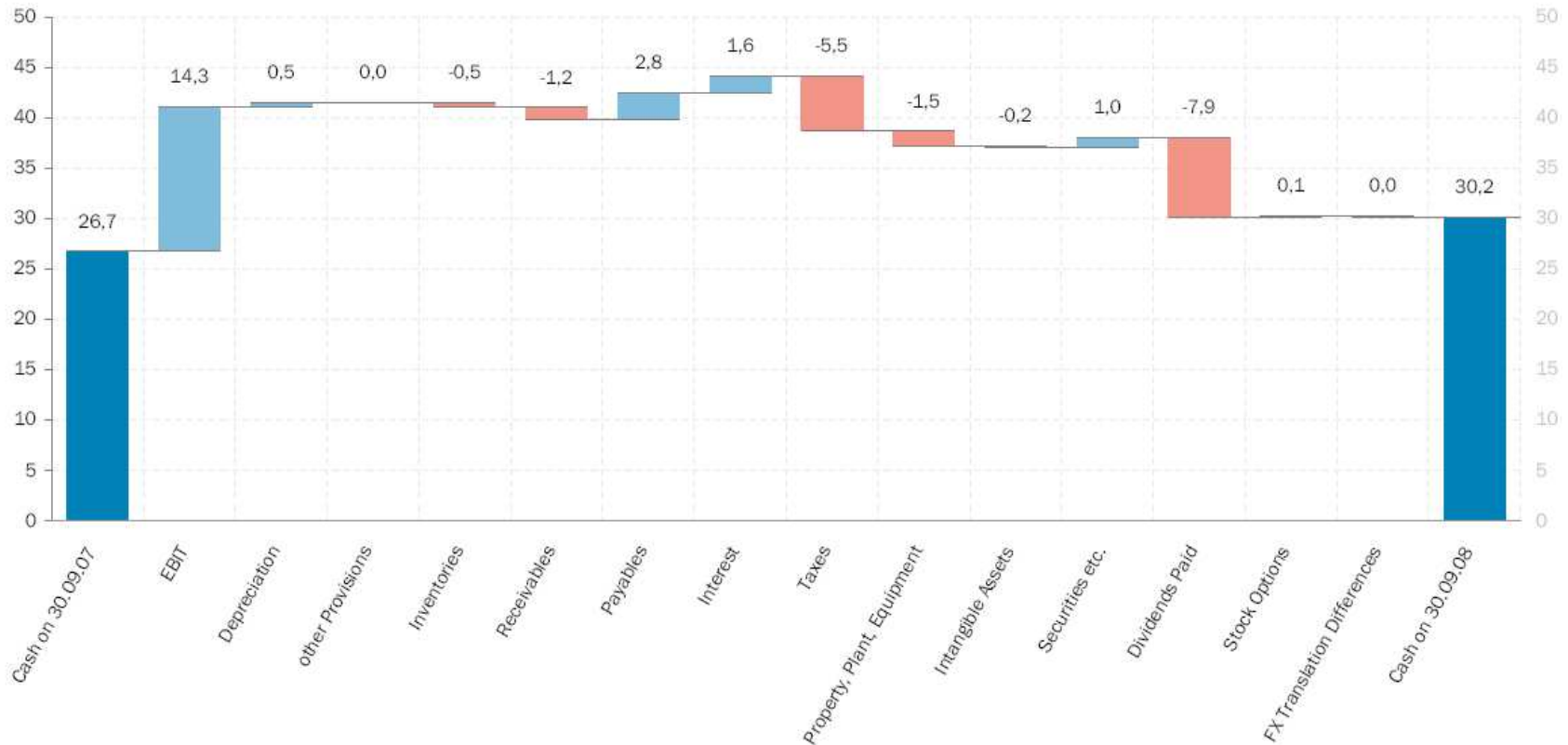
Working Capital Management



► Changes in working capital reflect seasonal patterns

Cash Bridge (trailing 12 months)

in € million



► Delticom continues to be strongly self-financed

Outlook FY 2008

- Q4:
 - Winter tyre season has started well
 - Satisfactory growth rates all over Europe. But: yoy growth will depend on
 - weather in November and December
 - aggregate supply and prices
 - underlying market growth...
- ... **German** market 2008 ^①
 - summer ↓ 4.5 %
 - winter ↓ 3.0 % – might turn out to be too optimistic
- ... **Financial crisis and aftermath:** production ↓, prices ↓, demand ↓?
- **Delticom** not unaffected by recession, but other factors might (partly) offset effects:
 - Ongoing internationalization ▶ diversified country portfolio
 - Recession (at least in some countries) ▶ customers are trading down
 - Delticom is online ▶ good prices, good sales, good margins

Revenues 2008: € 240m – € 260m

EBIT-Margin 2008: 5.0% – 6.0%

^① According to BRV, unit sales, yoy

Medium Term Outlook on Sales and Margins

Continued sales growth

can be expected due to...

... Large underlying European replacement tyre market

... Currently low tyre online penetration rate in Europe, Delticom's market share already 2 %

... Growth from increasing penetration of existing and new geographies

Good operating margin development

can be expected due to...

... Favorable changes in product mix and lower purchase prices

... Cost degression effects

... Ongoing operating cost reductions

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