

A Firm Grip.

DELTICOM 
Aktiengesellschaft



Investor and Analyst Presentation

on the Occasion of the Release of the Semi-Annual Results 2008

Hannover, 13th August 2008

Agenda

Delticom H1 08 at a Glance

Business Model

Seasonalities in Tyre Trading

Financials

Key Investment Highlights



Agenda

Delticom H1 08 at a Glance

Business Model





Seasonalities in Tyre Trading

Financials

Key Investment Highlights



Delticom Profile

- **Business model:** Sale of car and motorcycle tyres over the Internet
- More than **2.2 million customers**
- **93 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 **22,100 service partners** (fitting stations), e.g. ①  DE 5491  US 5992  FR 1882  UK 1455
- **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 12th August

Delticom H1 08 at a Glance

1 Redesign of the Tyre Distribution Chain

▶ Revenues € 121.5 million
(+ 19.2 % yoy)

2 International Growth Story

▶ Revenues + 29.3 % yoy
in non-domestic markets

3 Operational Excellence at Low Costs

▶ EBIT: € 5.6 million
(H1 07: € 5.4 million)

4 Excellent Growth Opportunities

▶ Market share in Europe
is > 2 %

5 Sustainable and Profitable Business Model

▶ Dividend: 2.00 €
(+ 67 % yoy)

Agenda

Delticom H1 08 at a Glance

Business Model

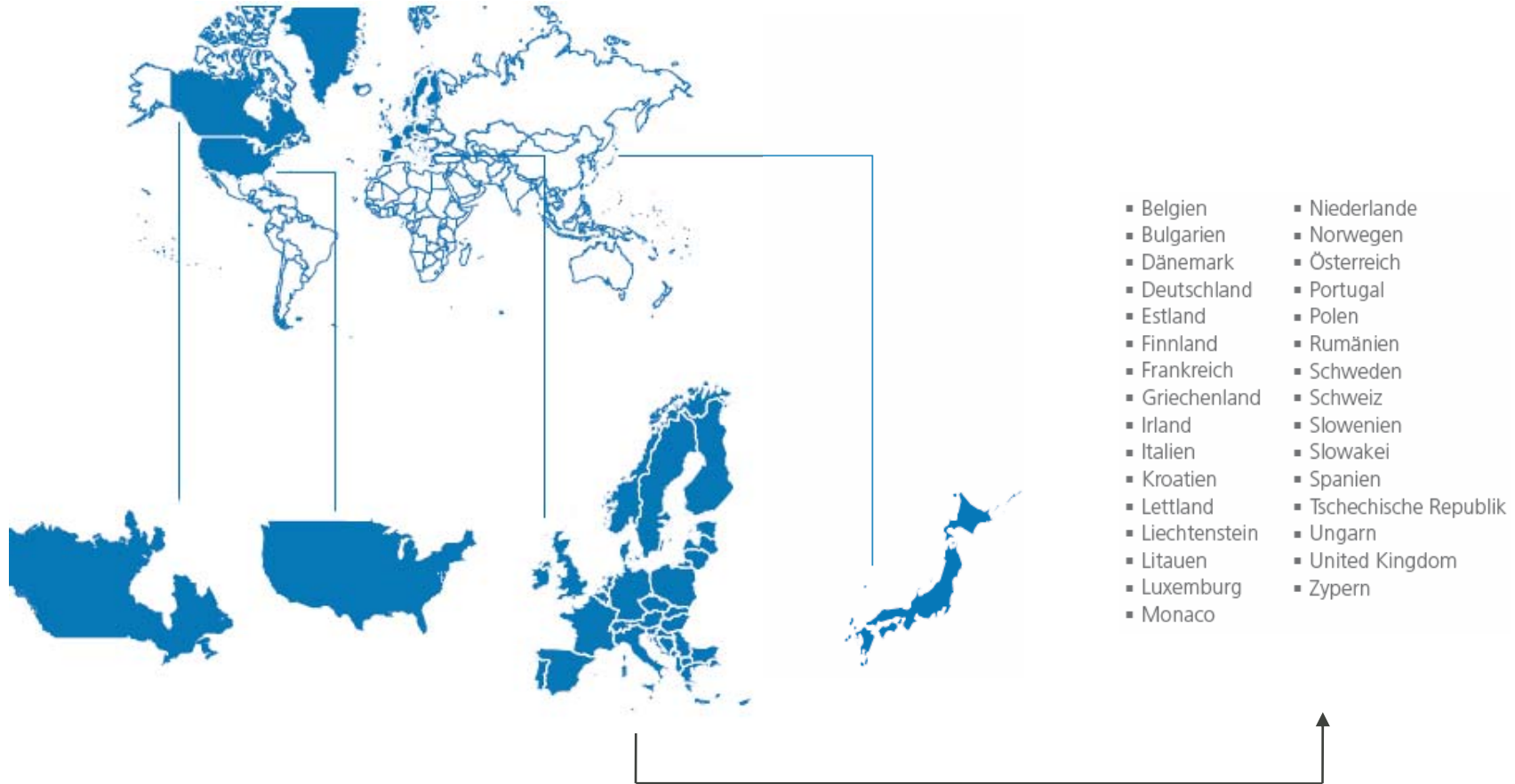
Seasonalities in Tyre Trading

Financials

Key Investment Highlights



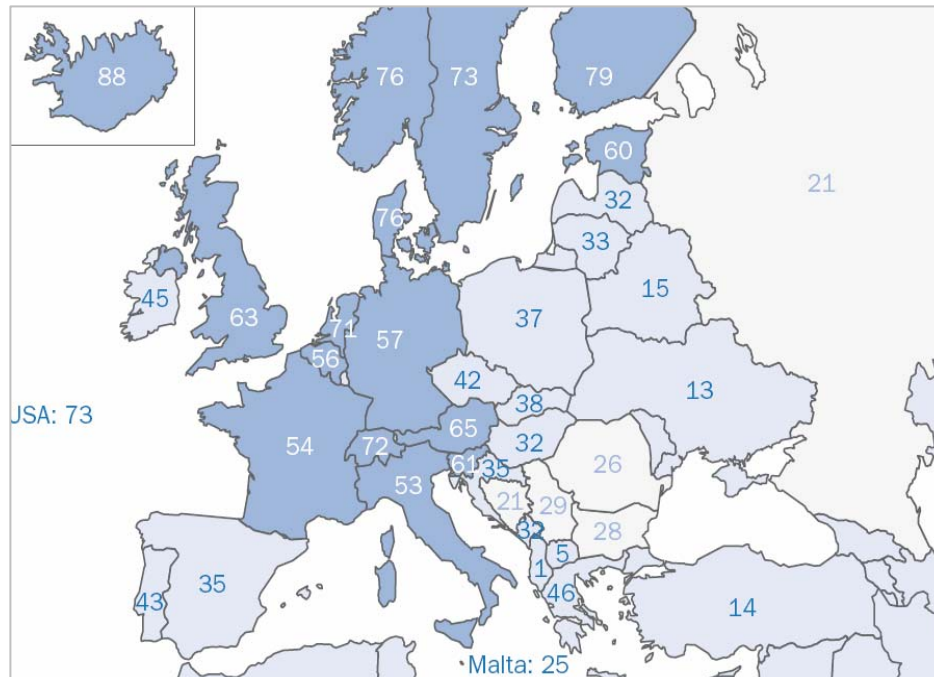
Delticom is European Market Leader



▶ 93 online-shops in 35 countries

Internet

Internet penetration



Source: GfK desk research Austria, October 2007

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%)
 - 18-29 bracket: 6.1% (2007: 4.8%, 2006: 3.3%)
 - 15.6% indicated interest to buy online in the future (2007: 15%, 2006: 14%)
 - 18-29 bracket: 28.1%

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

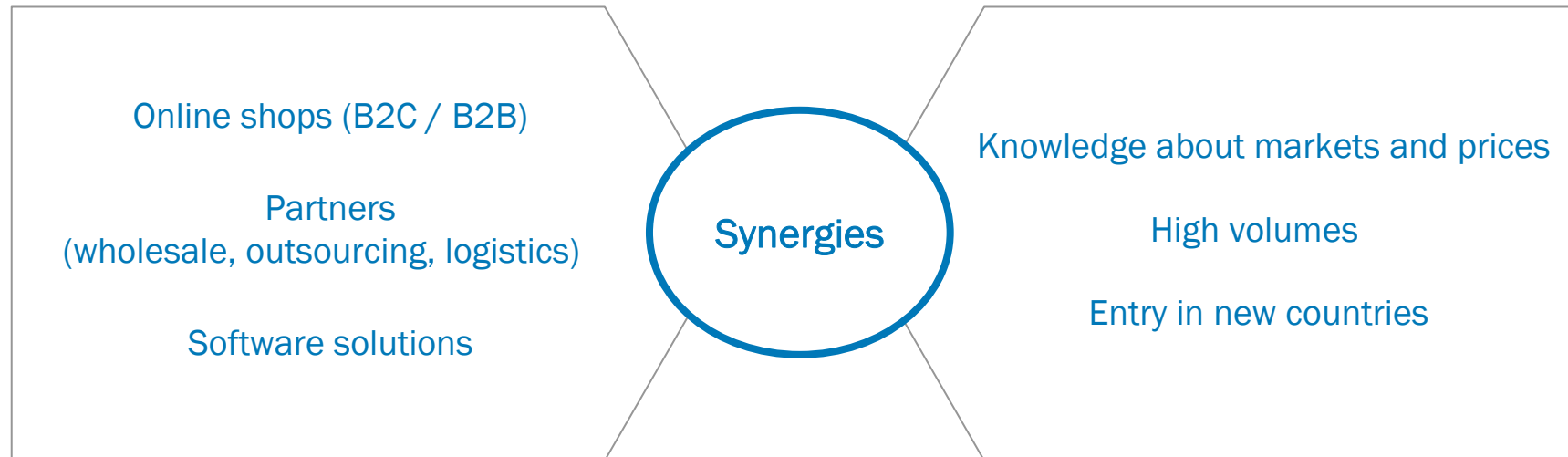
① According to BRV (Association of German Tyre dealers)

Divisions



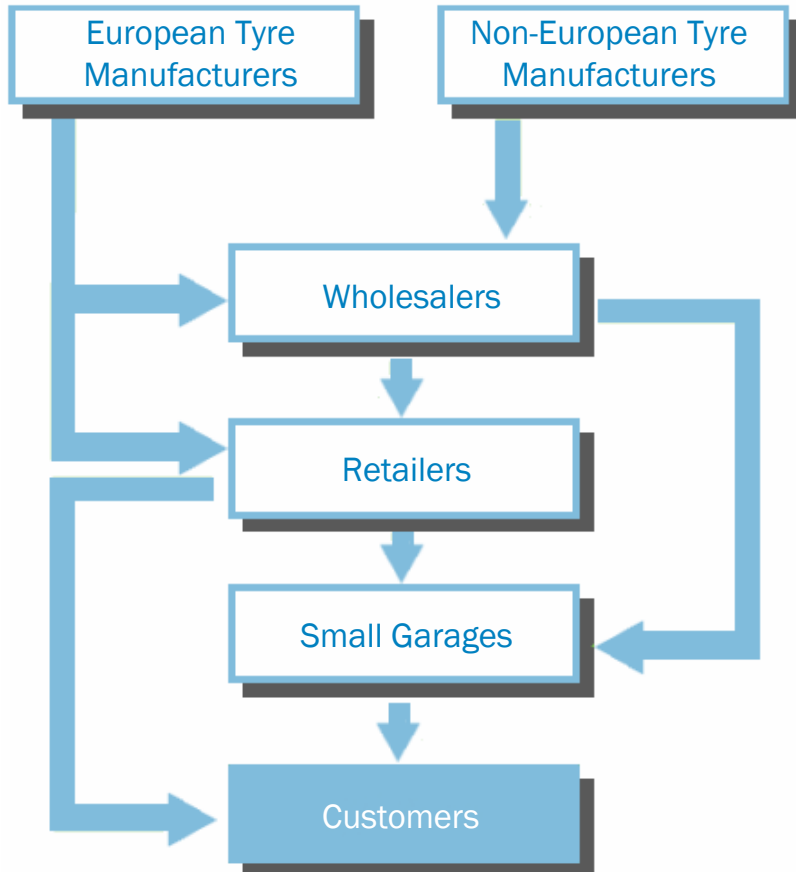
eCommerce
(since 2000)

Wholesale
(since 1999)

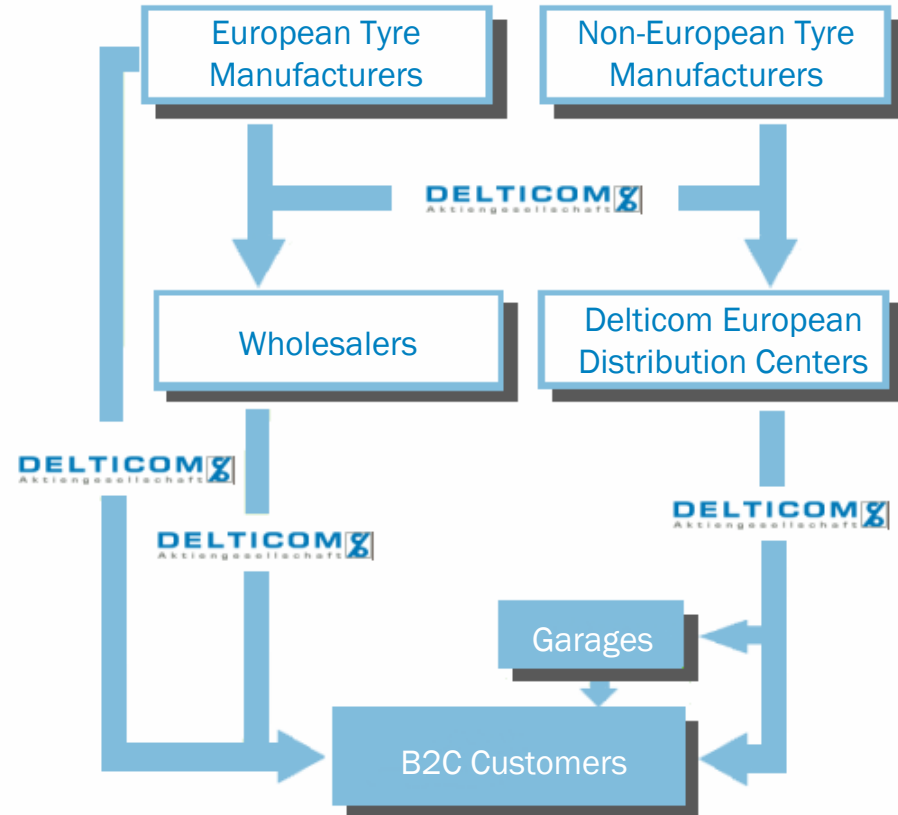


Redesign of the Tyre Distribution Chain

Pre-Delticom



Delticom Redesign



Strategy

Customer Orientation

- **Secure sufficient supply** in peak times through closer co-operations with suppliers and inventory management
- **Improve customer value:**
 - Time and money saving purchase process
 - Broader product offering
 - Larger network of service partners
 - customer services

Cost Leadership

- **Lower purchase prices** through increased purchase volume and early ordering
- Pooling of EU transport volumes to **reduce transportation costs**
- Keep operations lean through attention to further **outsourcing potential** and continued **automation**

Growth Focus

- Utilize **first-mover advantage** through fast geographic expansion into new markets
- Establish **new shops** in existing markets in Europe
- Attract new customers by **increased marketing efforts**
- **Exploit customer value** through cross-selling and repeat purchases

► Incremental improvements mitigate execution risks

Agenda

Delticom H1 08 at a Glance

Business Model

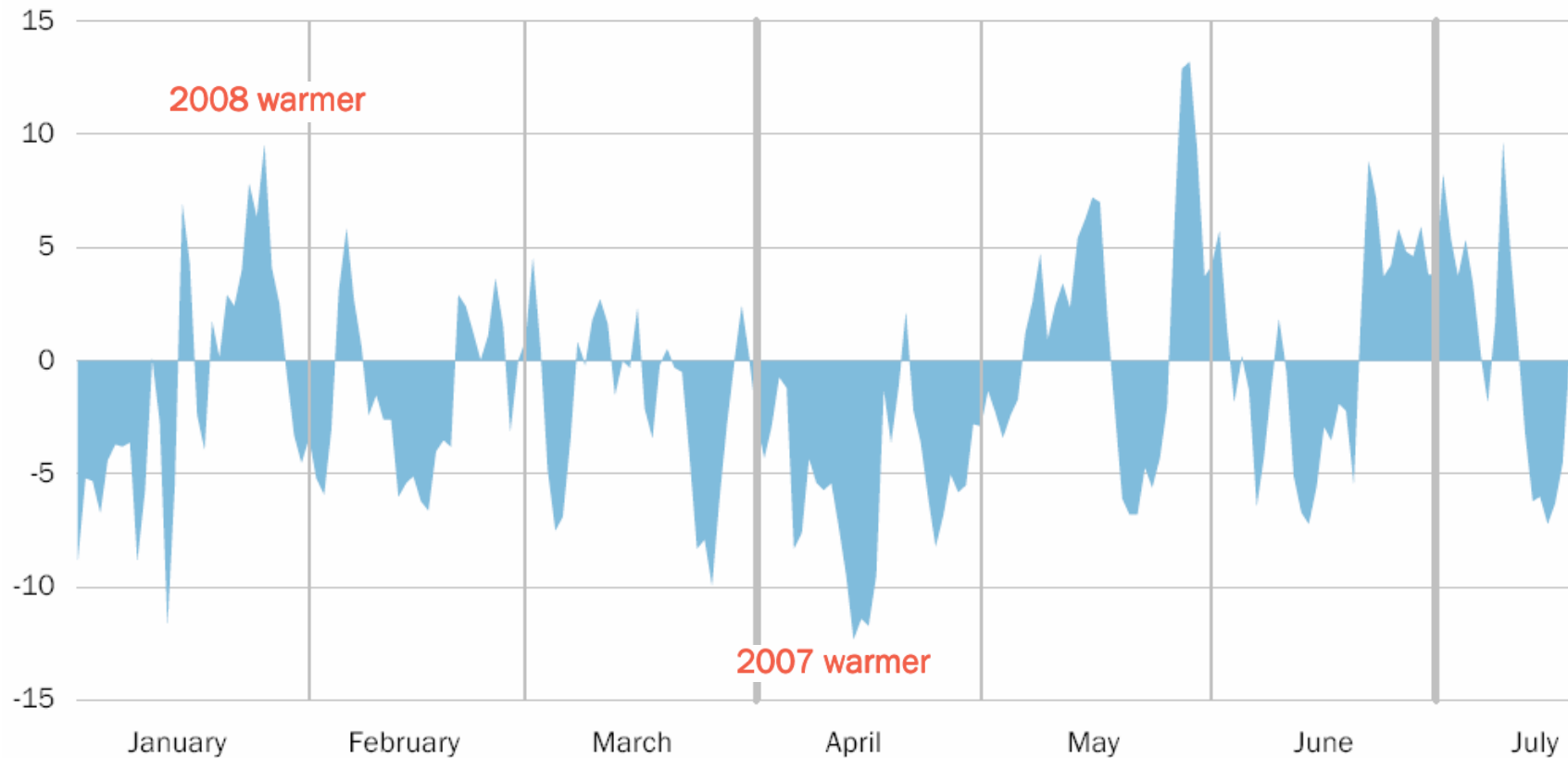
Seasonalities in Tyre Trading

Financials

Key Investment Highlights



2007 vs. 2008 Relative Temperatures



► Strong headwind for the tyre retailers: Bad weather in Q1 and Q2.

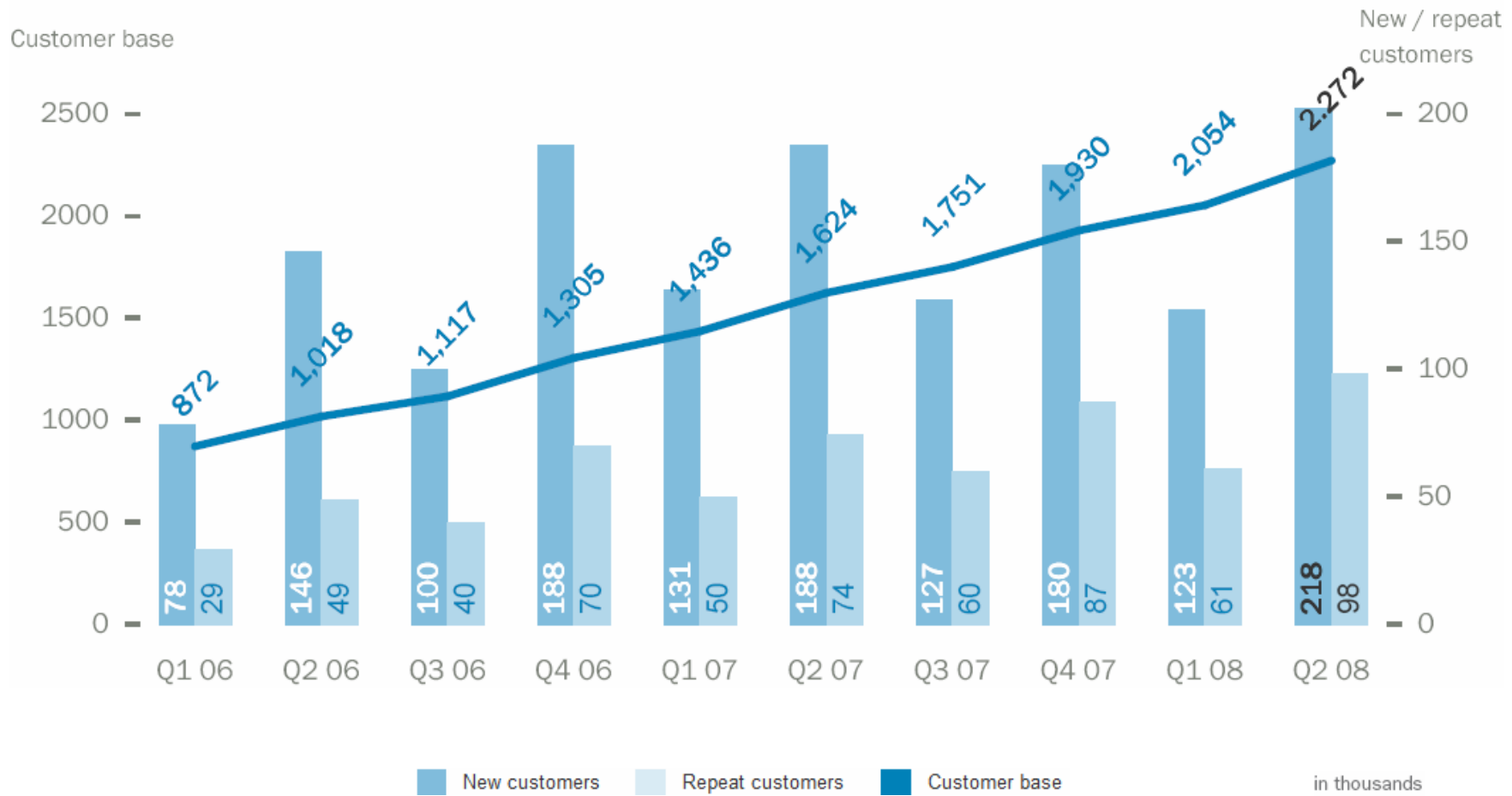
H1 Situation

- Strong comparison base Q1/Q2 2007
- Industry sources:
 - No significant winter tyre sales in Q1 08. Supply overhang?
 - Summer tyre sales in Q2 started very late: H1 -7.5 % units yoy ①
 - Manufacturers cite increases in raw material costs and energy prices as a reason for announced price increases in selected markets.
 - **Forecast German tyre sales 2008:** ①
 - passenger car tyres total +1%
 - slight decrease for summer tyres, ~ 600.000 more winter tyres than in 2007
- **Delticom** growth not unaffected, but **other factors** are at least as important:
 - ongoing internationalization
 - strong eCommerce growth
 - increased marketing
 - active pricing (Q2)

▶ **Delticom invested in market share and grew against market trend**

① According to BRV (Association of German Tyre dealers)

Saisonal Demand



▶ Repurchases constitute important growth potential

Agenda

Delticom H1 08 at a Glance

Business Model

Seasonalities in Tyre Trading

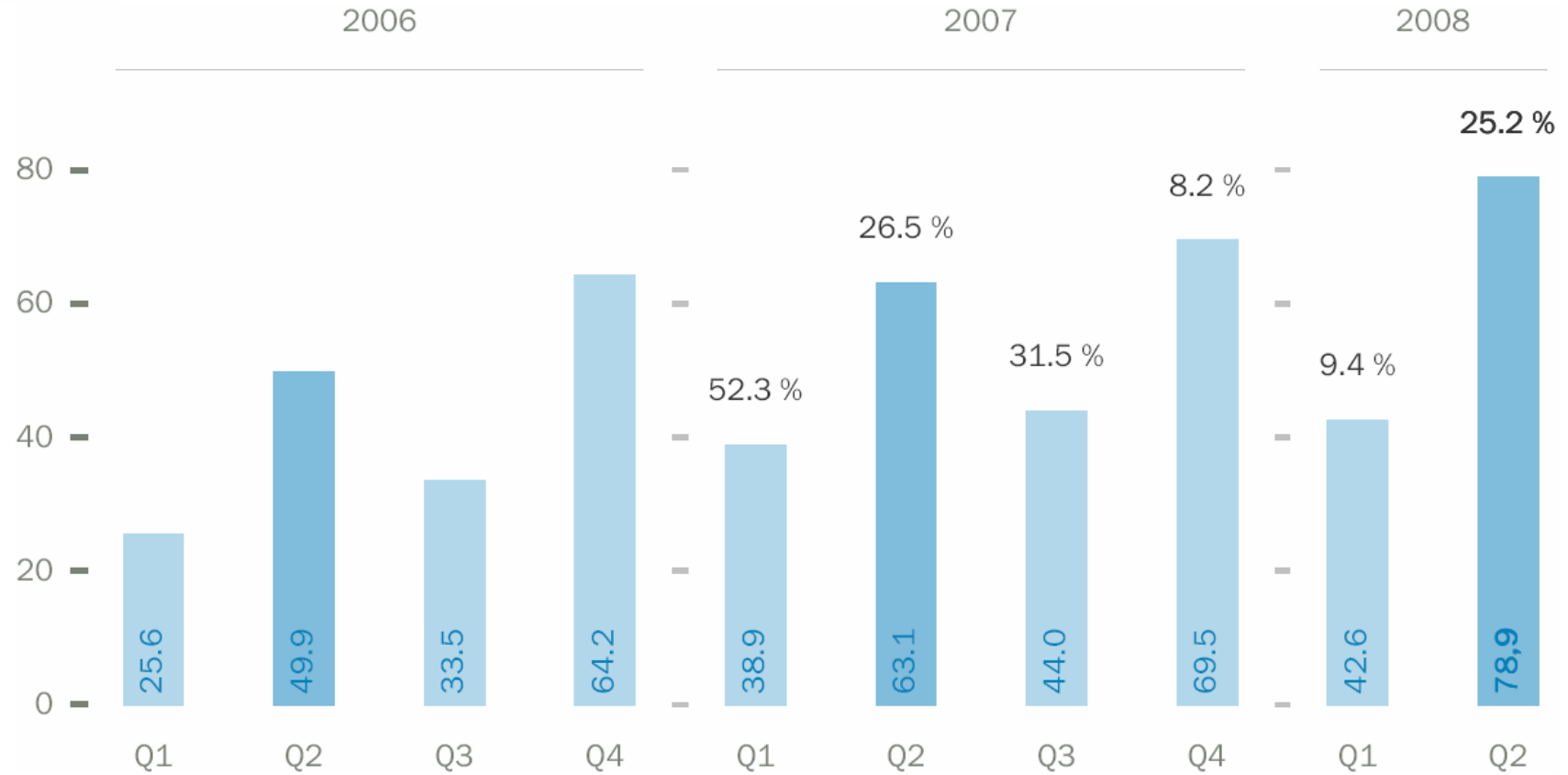
Financials

Key Investment Highlights



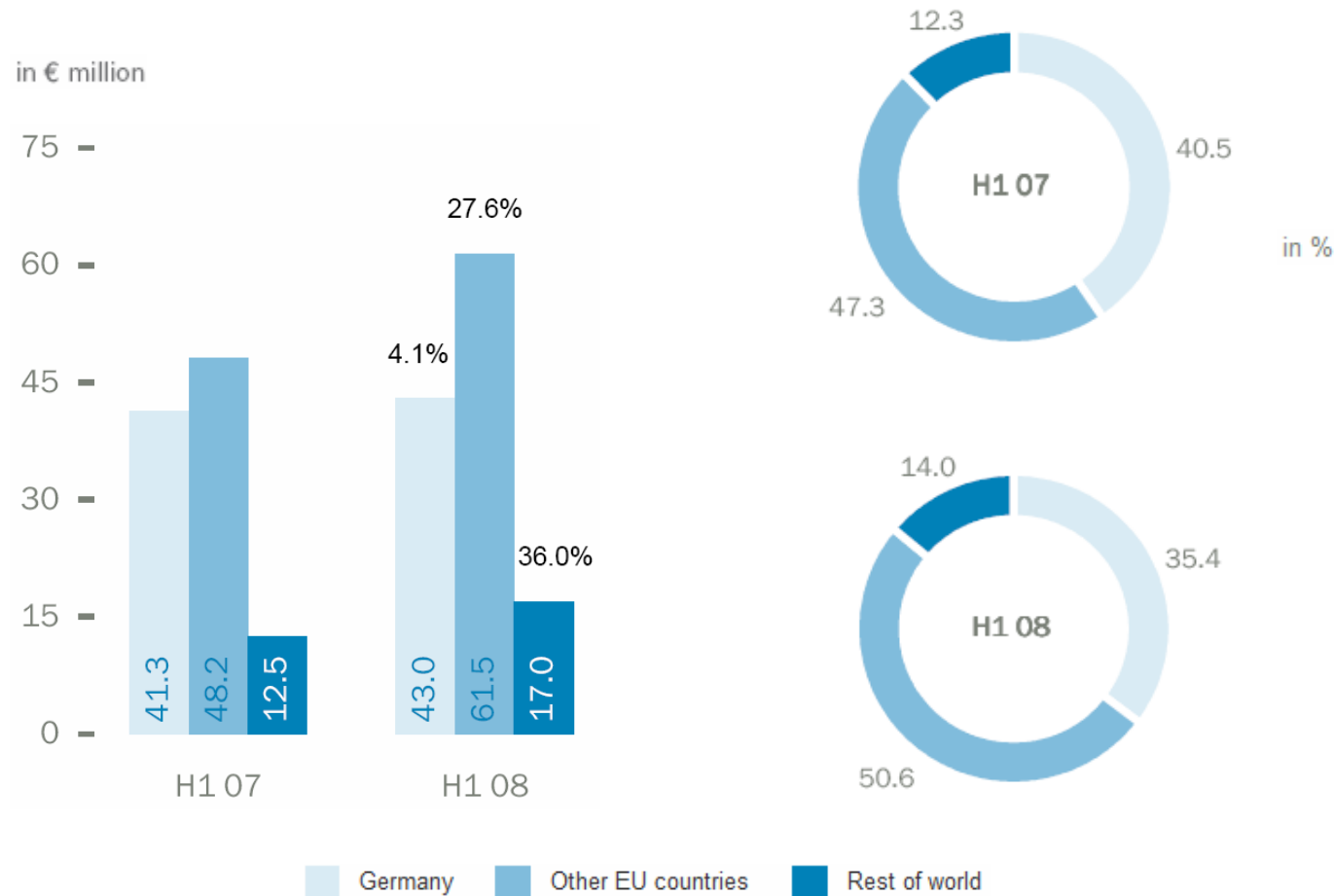
Quarterly Revenues

in € million



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

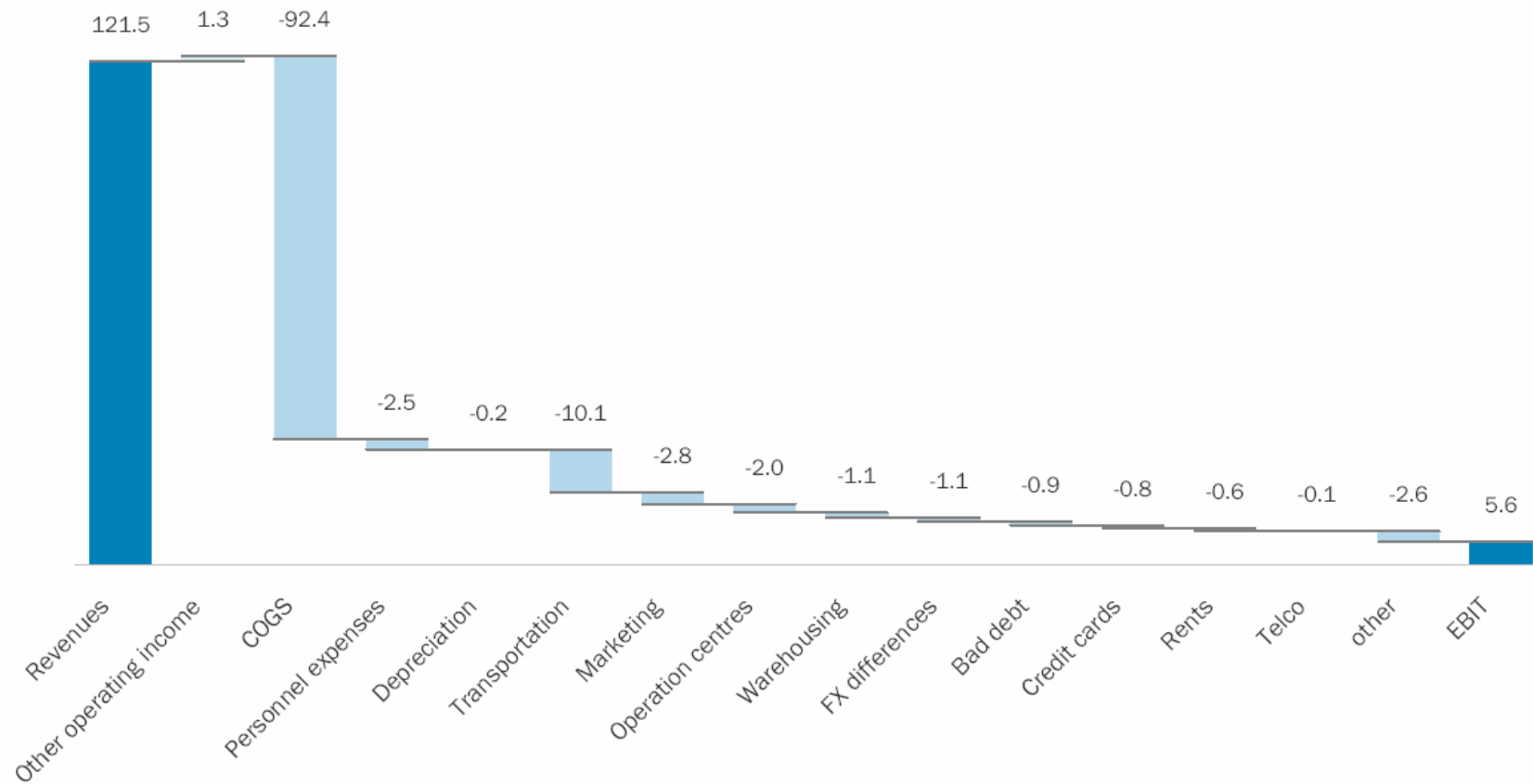
Non-Domestic Markets are More and More Important



► Delticom is an international tyre retailer

EBIT Bridge

in € million



► Gross margin and operating leverage drive EBIT

EBIT Drivers

	H1 08				H1 07	
	P&L	yoy growth	in % of sales	% pts change	P&L	in % of sales
Sales total	121,533	19.2	100.0		101,985	100.0
Cost of goods sold total	-92,427	18.7	76.1	0,3	-77,871	76.4
Gross profit before other operating income	29,106	20.7	23.9	0,3	24,114	23.6
Other operating income	1,346	136.5	1.1	0,5	569	0.6
Gross profit	30,452	23.4	25.1	0,9	24,683	24.2
Direct costs	-13,254	22.5	10.9	-0,3	-10,821	10.6
Transport	-10,375	28.4	8.5	-0,6	-8,078	7.9
Stocking	-1,167	-6.1	1.0	0,3	-1,242	1.2
Credit cards	-831	-9.2	0.7	0,2	-915	0.9
Receivables losses	-882	50.6	0.7	-0,2	-586	0.6
Contribution margin	17,198	24.1	14.2	0,6	13,862	13.6
Marketing	-3,285	18.0	2.7		-2,783	2.7
Contribution margin after marketing	13,912	25.6	11.4	0,6	11,079	10.9
Indirect costs	-8,341	48.2	6.9	-1,3	-5,630	5.5
Personnel expenses	-2,501	19.8	2.1		-2,088	2.0
Operations-center	-1,895	43.1	1.6	-0,3	-1,325	1.3
Rent, overheads	-713	283.7	0.6	-0,4	-186	0.2
Financial, legal	-972	4.4	0.8	0,1	-931	0.9
IT / telco	-232	6.0	0.2		-219	0.2
Depreciation	-234	80.6	0.2	-0,1	-130	0.1
others	-1,794	138.6	1.5	-0,7	-752	0.7
thereof FX differences	-1,083	518.3	0.9	-0,7	-175	0.2
EBIT	5,571	2.2	4.6	-0,8	5,449	5.3

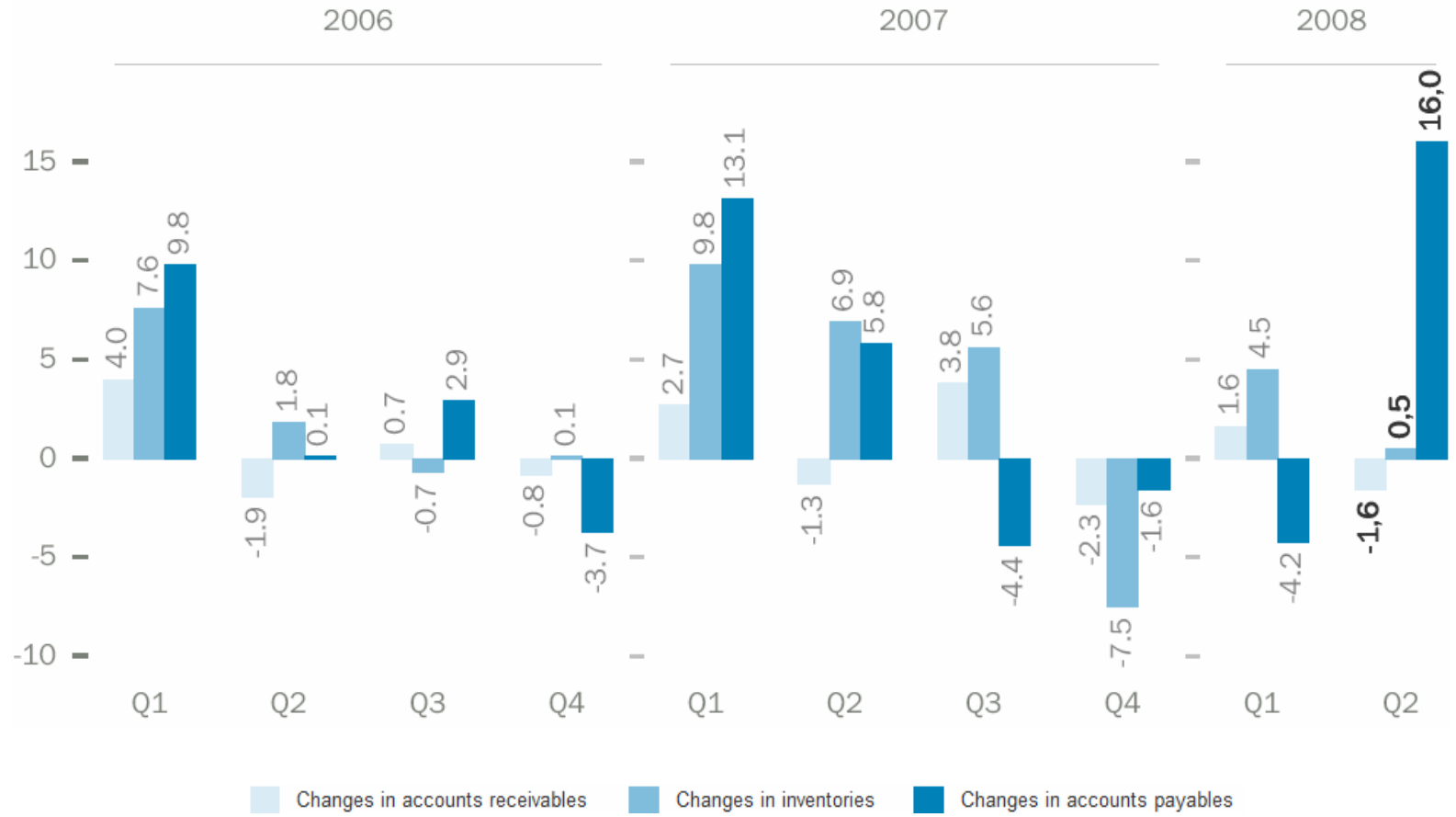
purchase price	50.00
direct costs: transportation, inventory management, credit card fees, provision for bad debts	6.00
	56.00
preset margin (e.g. 25%)	14.00
retail price	70.00
plus VAT (e.g. Germany 19%)	13.30
gross retail price on shop website	83.30

(schematic example calculation)

► Delticom operations prepared for winter season 2008

Working Capital Management

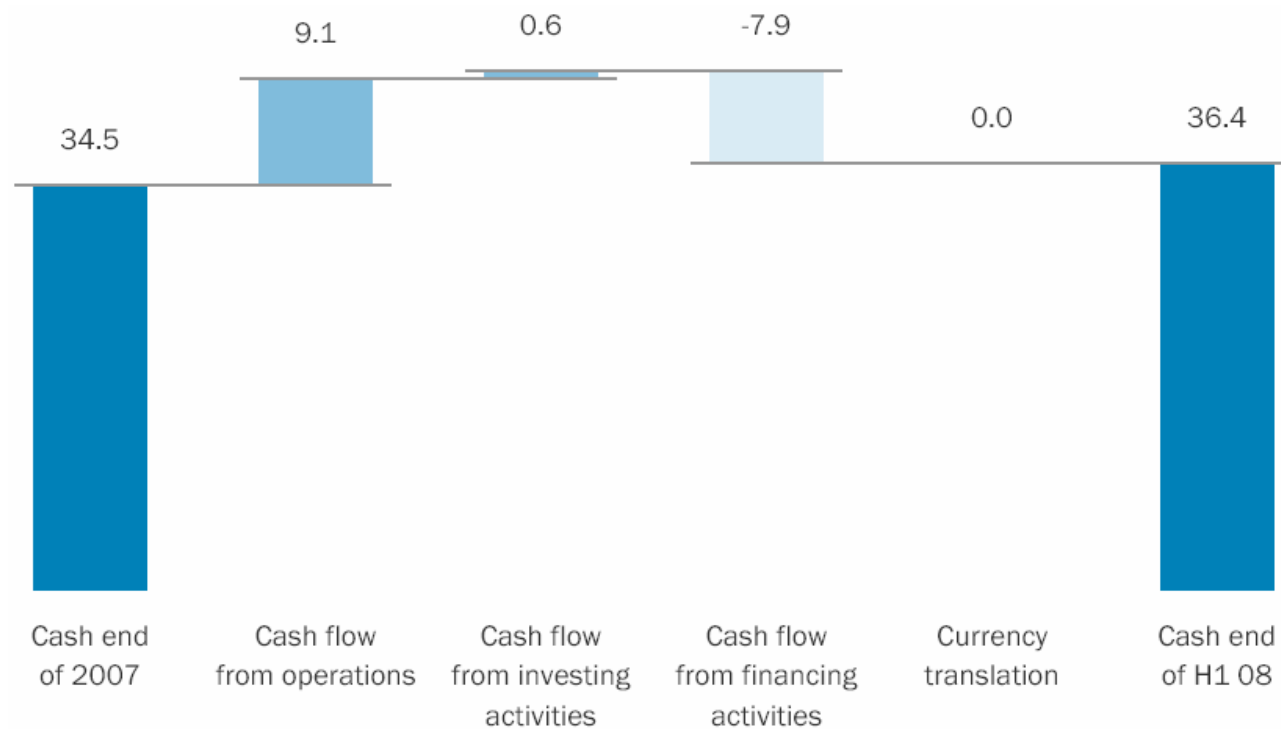
in € million



► Changes in working capital reflect seasonal patterns

Cash Bridge

in € million



► Delticom continues to be strongly self-financed

Outlook Q3 08 and FY 2008

- Q3
 - Marketing costs reduced, less aggressive pricing.
 - Good current growth rates all over Europe. But: yoy growth will depend on start of winter tyre business.
- FY
 - Extent of consumer price increases (if any) is unknown.
 - Good margins and sufficient supply reduce EBIT risk.
 - US business on track (albeit still small compared to group sales)
 - currently no red flags
- Revenues 2008: € 240m – € 260m
- EBIT-Margin 2008: 5.0% – 6.0%

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

Agenda

Delticom H1 08 at a Glance

Business Model

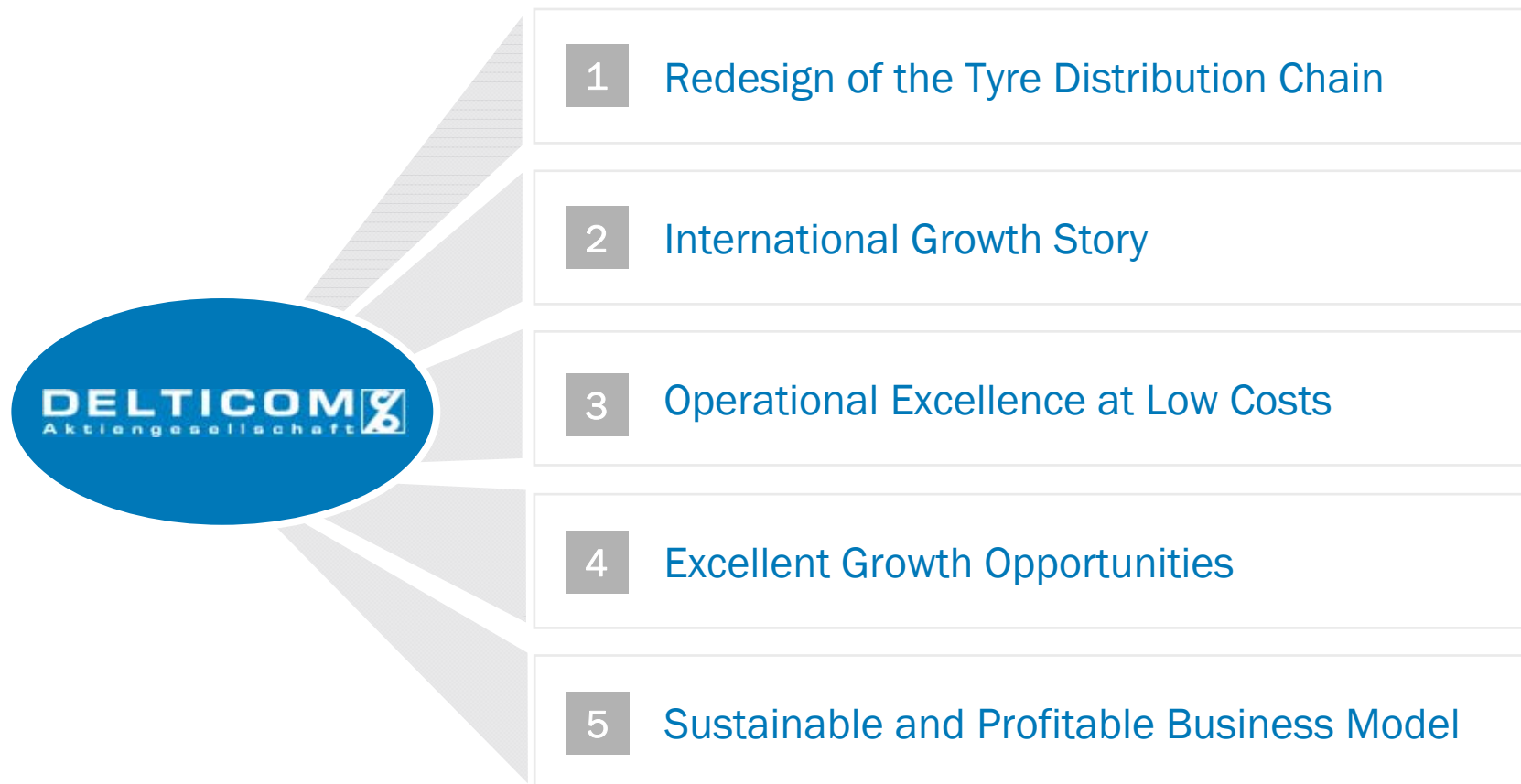
Seasonalities in Tyre Trading

Financials

Key Investment Highlights



Key Investment Highlights



Vielen Dank!



Rainer Binder
CEO



Philip v. Grolman
Logistics and USA



Frank Schuhardt
eCommerce and Finance

Investor Relations:

Melanie Gereke
Delticom AG
Brühlstr. 11
30169 Hanover, Germany

eMail: ir@delti.com
phone: +49-511-93634-8903