



Preliminary Sales FY 2007

Conference Call

31st January 2008

Agenda

I Delticom at a Glance

II 2007 Trading Recap

III Ongoing Internationalisation

IV Key Investment Highlights



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I Delticom at a Glance





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Delticom Profile

- **Business model:** Sale of car and motorcycle tyres over the Internet
- More than **1.8 mio customers**, thereof **600.000 new in 2007**
- **86 online shops in 30 countries**, operating on established web domains with high awareness
- **Broad product range** with more than 100 tyre brands and 25,000 tyre types
- Global network with more than **20,000 service partners** (fitting stations), e.g.  DE 5021  US 6185  FR 1566  UK 1254
- **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 sales company**



Prelim Sales FY2007 at a Glance

1 Redesign of the Tyre Distribution Chain



Sales **214 mio €**
(> + 24 % yoy)

eCommerce Sales
194 mio € (+ 25 % yoy)

2 International Growth Story



EU, USA, Japan – ↑
+ 47 % yoy

3 Operational Excellence at Low Costs



EBIT **12.0 – 12.5 mio €**
(vs. € 10.2 mio 2006)

4 Excellent Growth Opportunities



Market share in Europe
is **> 1.6 %**

5 Sustainable and Profitable Business Model



Paid dividend for 2006
of **1.20 €** (+ 20 % yoy)



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Delticom Group Quarterly Topline Growth



① lower end of FY 2007 guidance: 12.0-12.5m EBIT

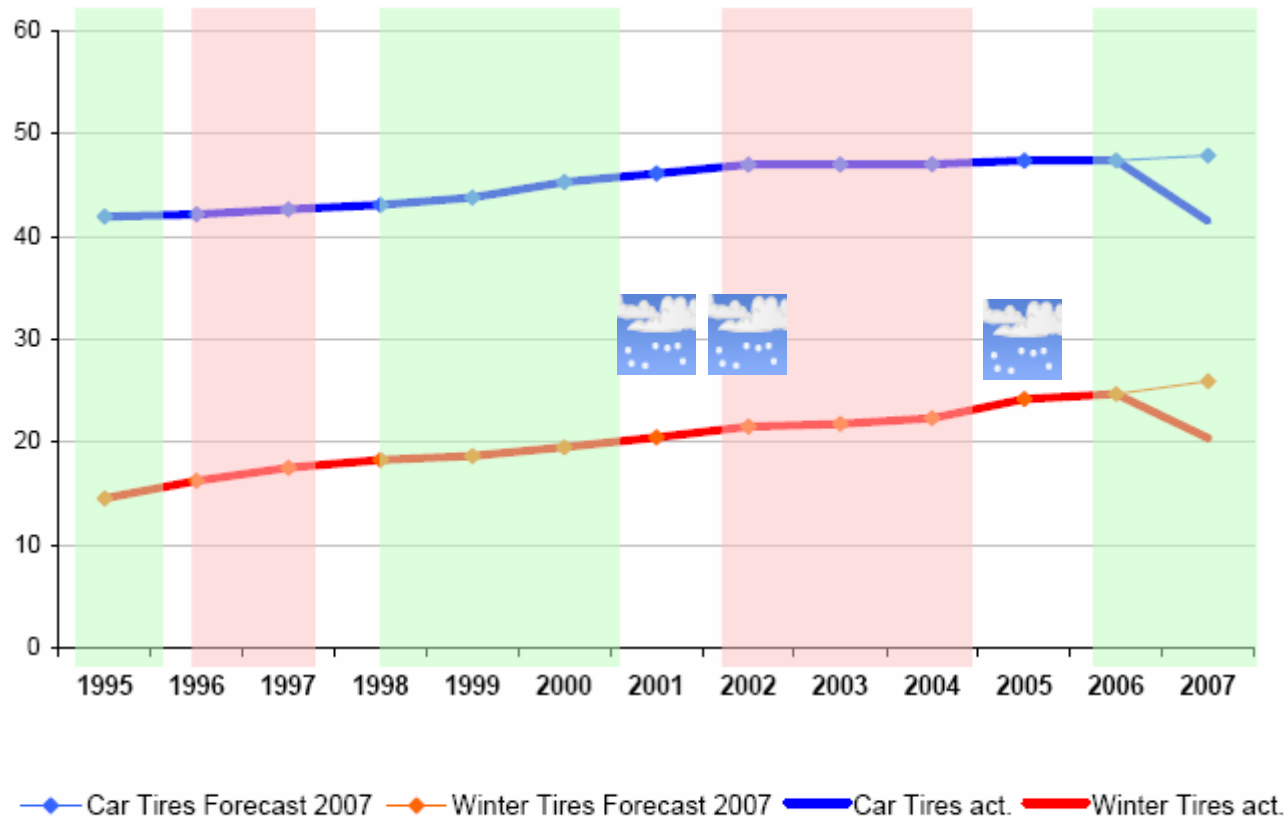
Tyre Market

- Relevant: **Passenger Car Tyre Replacement Market**
 - Europe 10-12 Mrd. € / year
 - USA 12-15 Mrd. € / year
- Tyre Sales 2006 in **Germany**, according to BRV (Association of the German Tyre Industry)
 - Passenger Car Tyres total: 47.4 mio unchanged vs. 2005
 - Winter tyres: 24.7 mio
- **Forecast for 2007** (BRV)
 - originally +2.1% (volume)
 - 13th December: 41.5 mio in 2007, -12.5% yoy, -17.4% for winter tyres
 - „... serious problem for the industry...“
- Winter tyres constitute major chunk of sales of retailers in Germany (less so for Delticom)

▶ **Big, mature market – but obviously difficult to forecast**



Tyre Sales Volume Germany



► No obvious cycles, surprising contraction in 2007

Possible Reasons for the Decline in Germany

- **Mild winter** 2007/2008, very little snow so far
- New **legislation** („adequate tyres“) might have inflated demand for winter tyres in 2006
- **Excess stock** from 2006
- Replacement rate has reached **saturation** point (54%)
- Although the **economy** is booming, consumers are not yet feeling it
- Introduction of **VAT** increase in 2007 (uplifted 2006 sales)
- Contraction of **car sales**
- **Global Warming**

▶ Ex-post only, rank order and relevance still hotly debated



Reactions by Other German Retailers

- Prices
 - price reductions
 - rebates
- Volume
 - remove volume
 - shed stocks
 - buy less
 - sell less
- „Manufacturers should act responsibly“ (BRV)
 - extra-long payment terms
 - redemption
- B2C Online-Shops

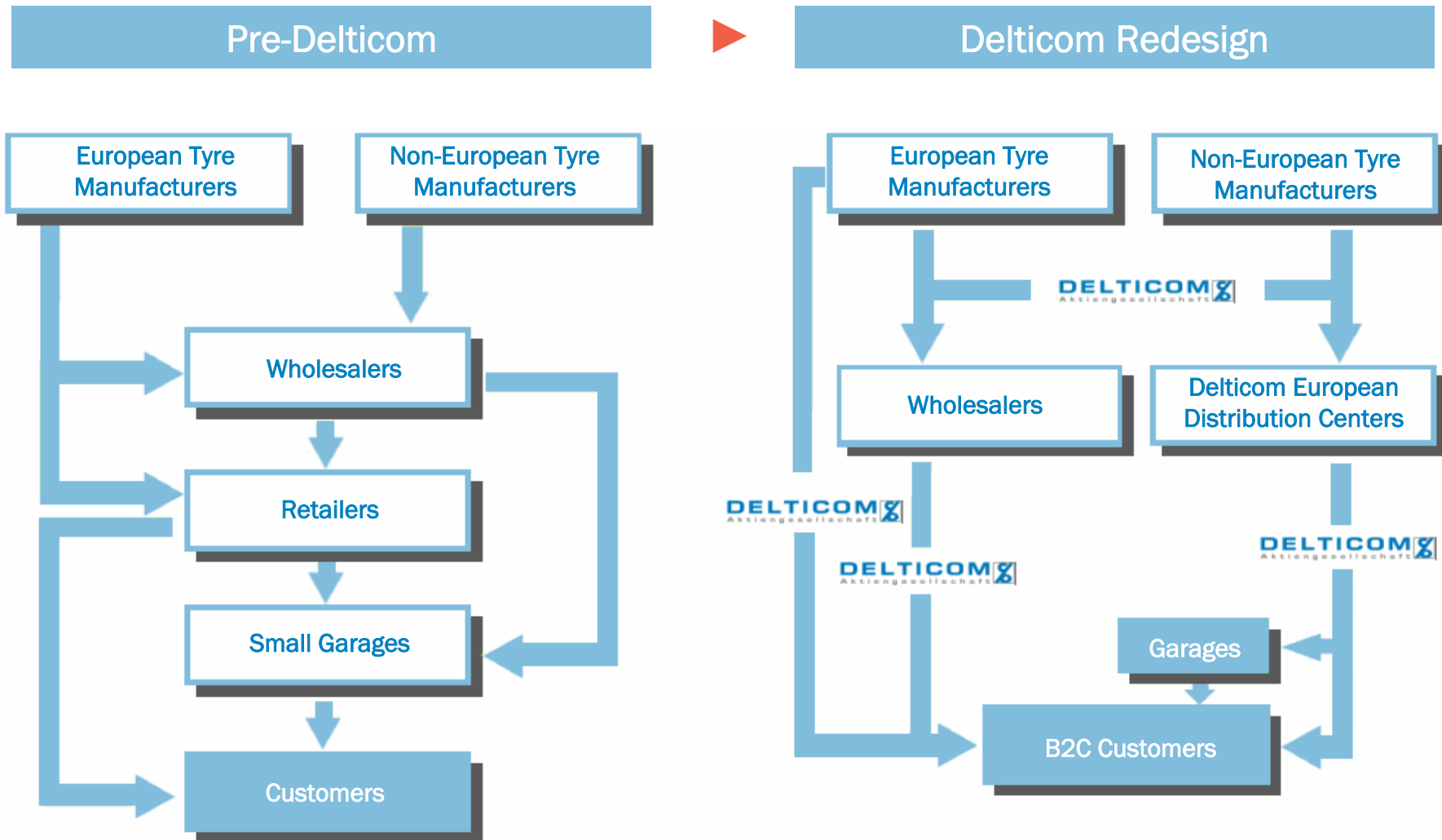
▶ “... serious problem for the industry...” (BRV)

Delticom Actions

- Delticom is an international company: **increase sales in other countries**
- **Prices**
 - protect prices
 - protect margins
- **Volume**
 - sold own stocks as planned
 - buy more
- Delticom can **capitalize on the situation**
 - co-operate with wholesalers
 - co-operate with industry
- New products, new channels

▶ **2007 strengthened Delticom's position in the tyre supply chain**

Ongoing Redesign of the Supply Chain



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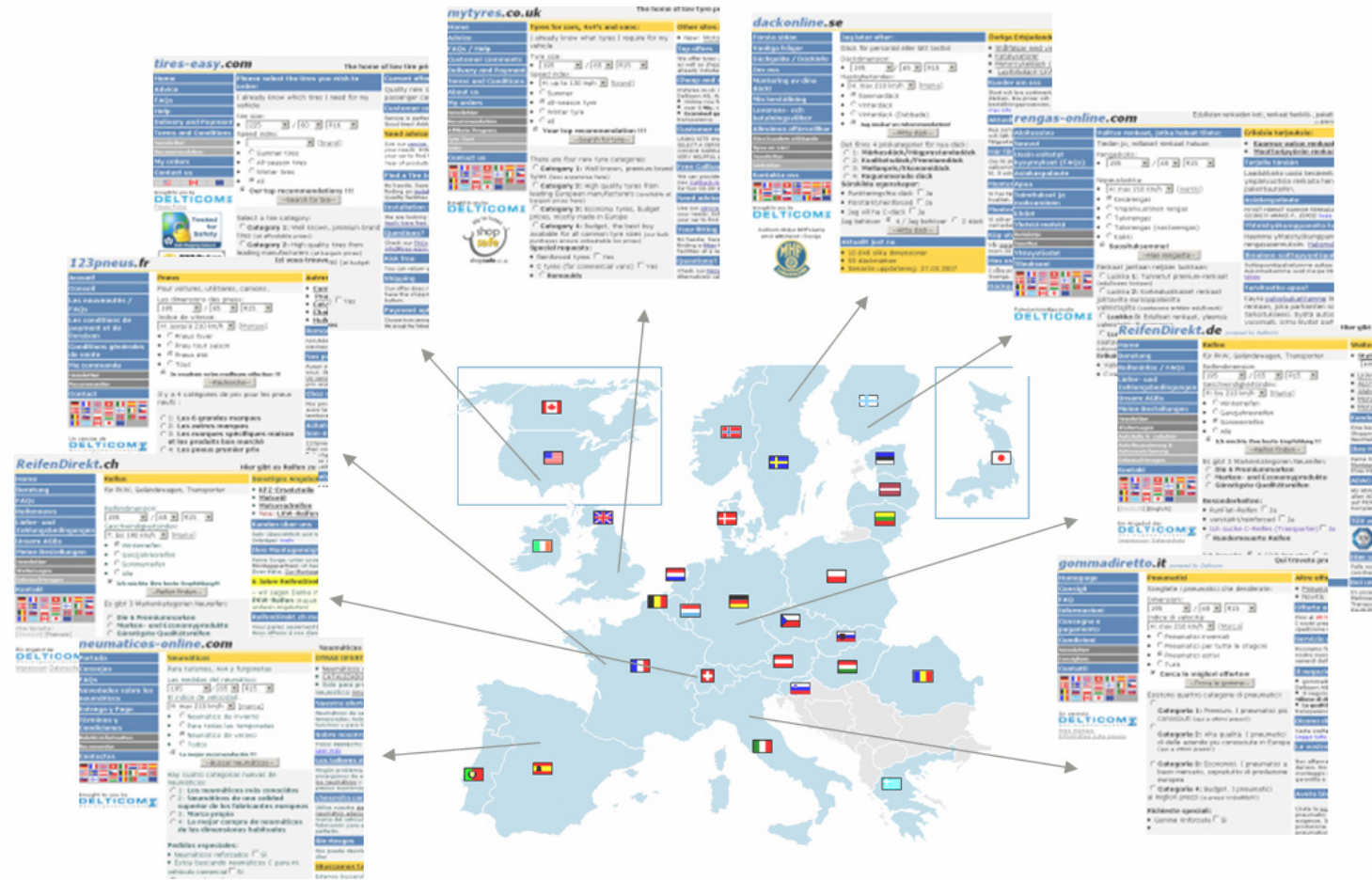
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Diversified Country Portfolio



▶ Reduced risk, increased opportunities

Delticom North America

- Key milestone of internationalisation strategy
- Dedicated personnel
 - subsidiary in Portland, Oregon, USA
 - Philip v. Grolman as responsible board member
- Serves **North American market** with strong focus on **USA**
- Strong foothold
 - now closer to the customer
 - service partner network
 - drop-ship suppliers
 - good progress with industry
- **Hedge**: Buying from US Wholesalers (low USD)
- **Risk**: Lack of profitability, but low impact on group EBIT

▶ **Interesting opportunity – we gain speed**



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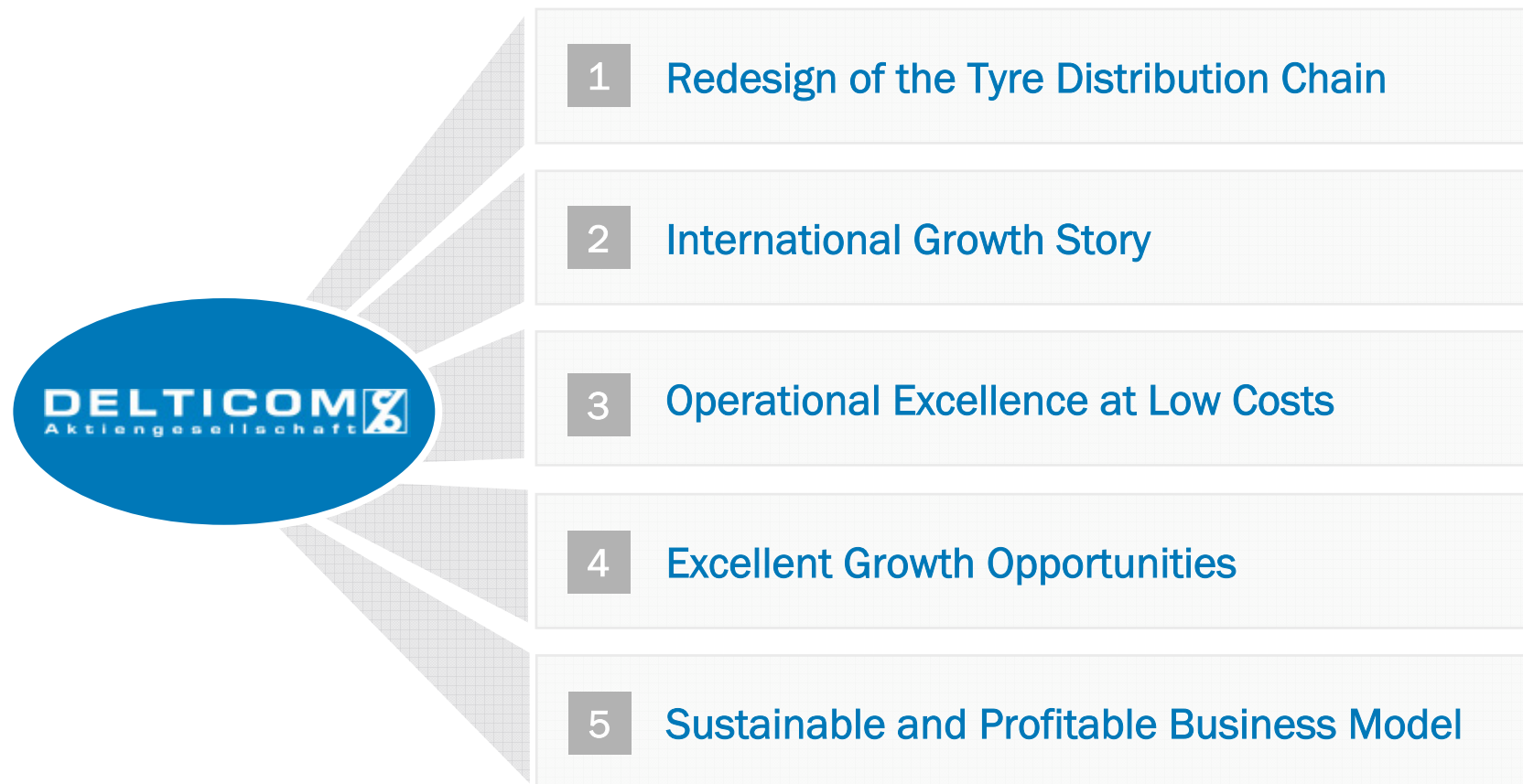
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Key Investment Highlights



Next Events

- 4.3. (tbc) Preliminary Earnings, view on dividend 2007
- 26.3. Full Earnings 2007
Press Conference
Analyst Conference
- 30.4. Preliminary Sales Q1 08
- 6.5. Annual General Meeting



Vielen Dank!



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