

DELTICOM 
A k t i e n g e s e l l s c h a f t

Investor Presentation
Results Q1 2007

May 23rd, 2007

Agenda

I Q1 2007 at a Glance

II Business Model

III Seasonalities in Tyre Trading

IV Financials

V Key Investment Highlights



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Delticom Profile

- **Business model:** Sale of car tyres over the Internet
- **78 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
- More than **1,5m customers**
- Global network with more than **15,000 service partners** (fitting stations), e.g.  DE 4373  DE 2843  FR 1304  UK 1232
- **Customer benefits:** Top quality tyres at low prices can be ordered 24 / 7, high transparency thanks to comprehensive offering, short lead times (2-5 working days), not location-dependent, free test results, service and advice from call center.

▶ Delticom is Europe's leading Internet tyre sales company



Q1'07 im Überblick

1 Redesign of the Tyre Distribution Chain

▶ Sales **38,9 Mio. €**
(+52 % yoy)

2 International Growth Story

▶ EU, USA, Japan – ↑
+57 % yoy

3 Operational Excellence at Low Costs

▶ EBIT: **0,25 Mio. €**
(vs. -0,03 Mio € Q1'06)

4 Excellent Growth Opportunities

▶ Market share in Europe
approx. **1,5 %**

5 Sustainable and Profitable Business Model

▶ Paid dividend of
1,20 € (+20 % ggü. Vj.)



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I Q1 2007 at a Glance

II **Business Model**

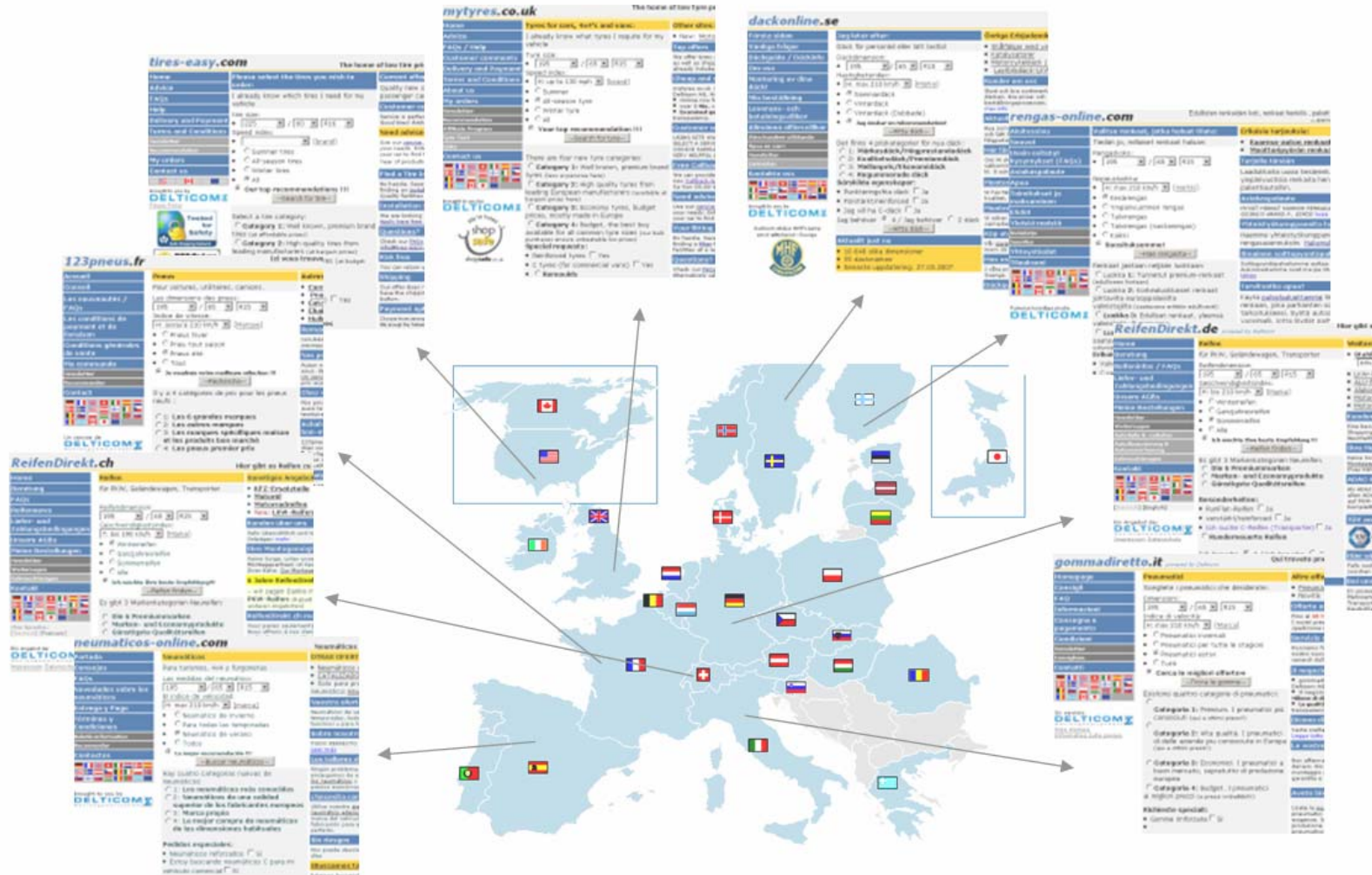
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Delticom is European Market Leader



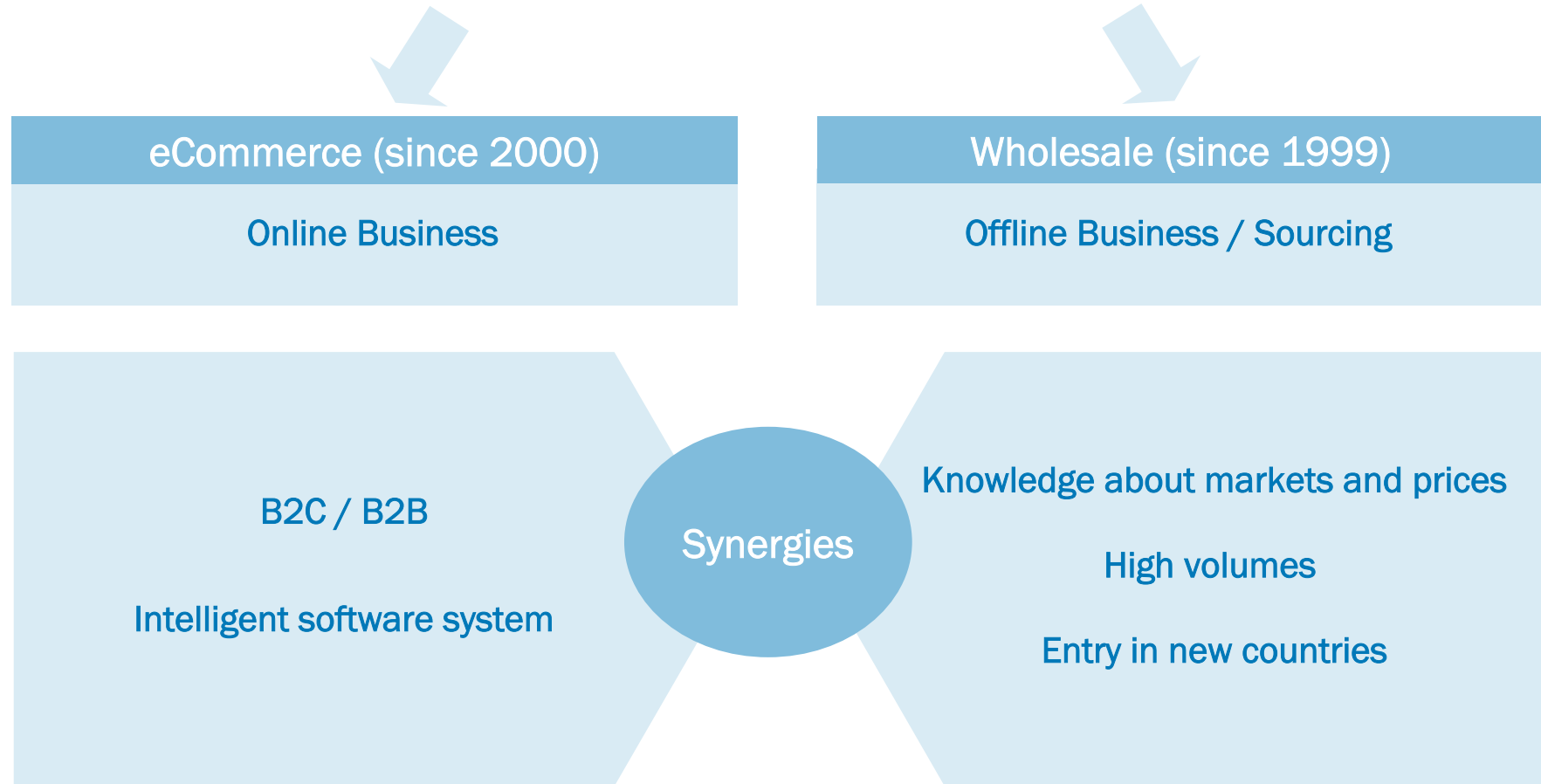
Reifen

- relevant: **Passenger Car Tyre Replacement Market**
 - Europe 10-12 Mrd. € / year
 - USA 12-15 Mrd. € / year
- Sales 2006 in D, according to BRV (Association of the German Tyre Industry)
 - Passenger Car Tyres total: 47,4 mil unchanged vs. 2005 (forecast: + 1%)
 - Winter tyres: 24,7 mil = + 2% (forecast: + 6,2%)
 - Summer tyres: 22,7 mil = - 2,2% (forecast -4,3%)
- Forecast for 2007 (BRV): + 2,1% increase in sales
- **ADAC „Reifenmonitor“ 2007**
 - 2,5% have bought their last set of tyres via the Internet (2006: 1,8%)
 - 18-29 bracket: 4,8% (2006: 3,3%)
 - 15% indicated interest to buy online in the future (2006: 14%)

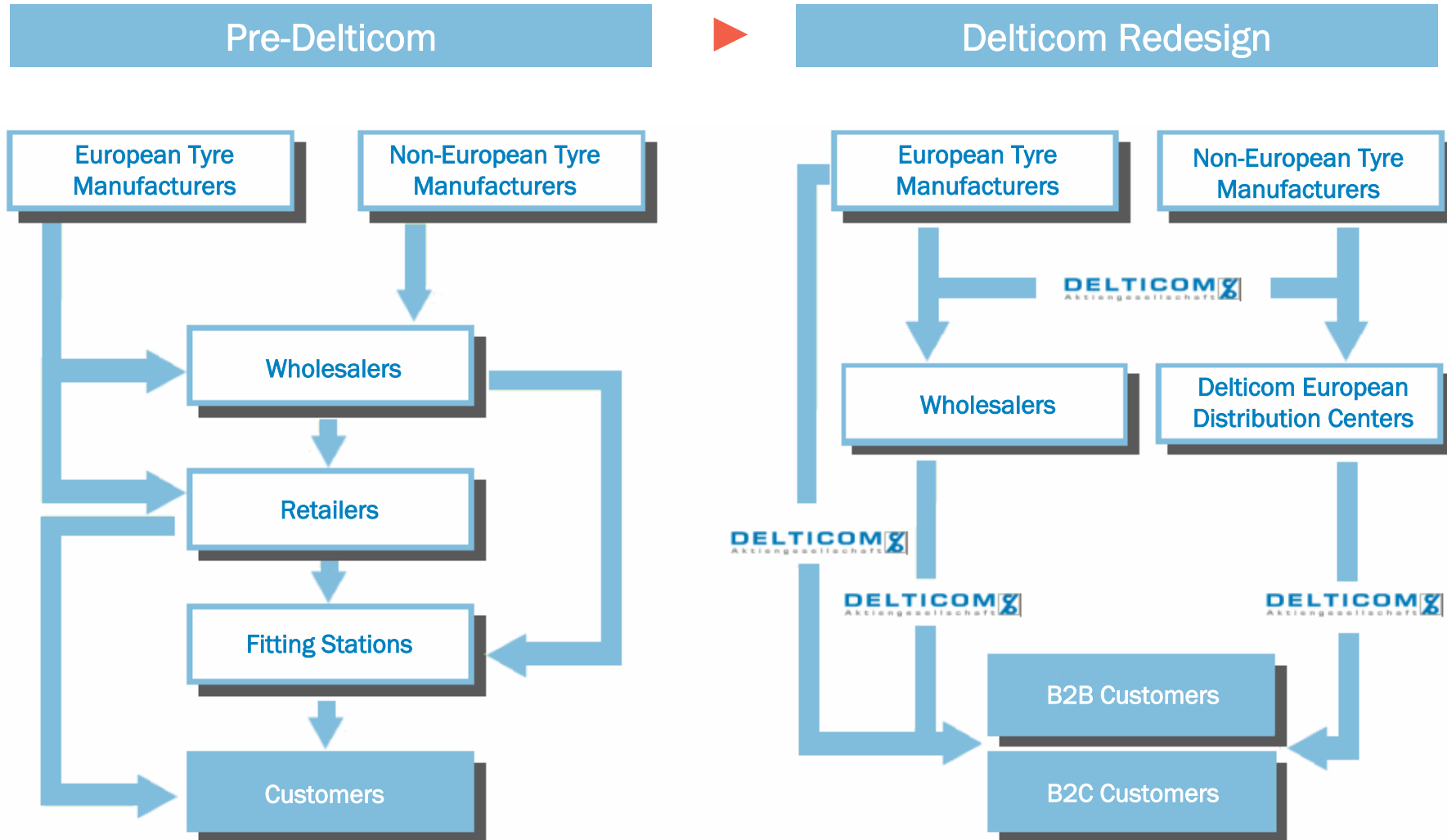
▶ Big, mature market



Delticom – Business Units



Redesign of the Tyre Distribution Chain



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 organizational structure lean through attention to further **automation** and **outsourcing potential**

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

▶ Will be continued in 2007

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Weak Winter Season

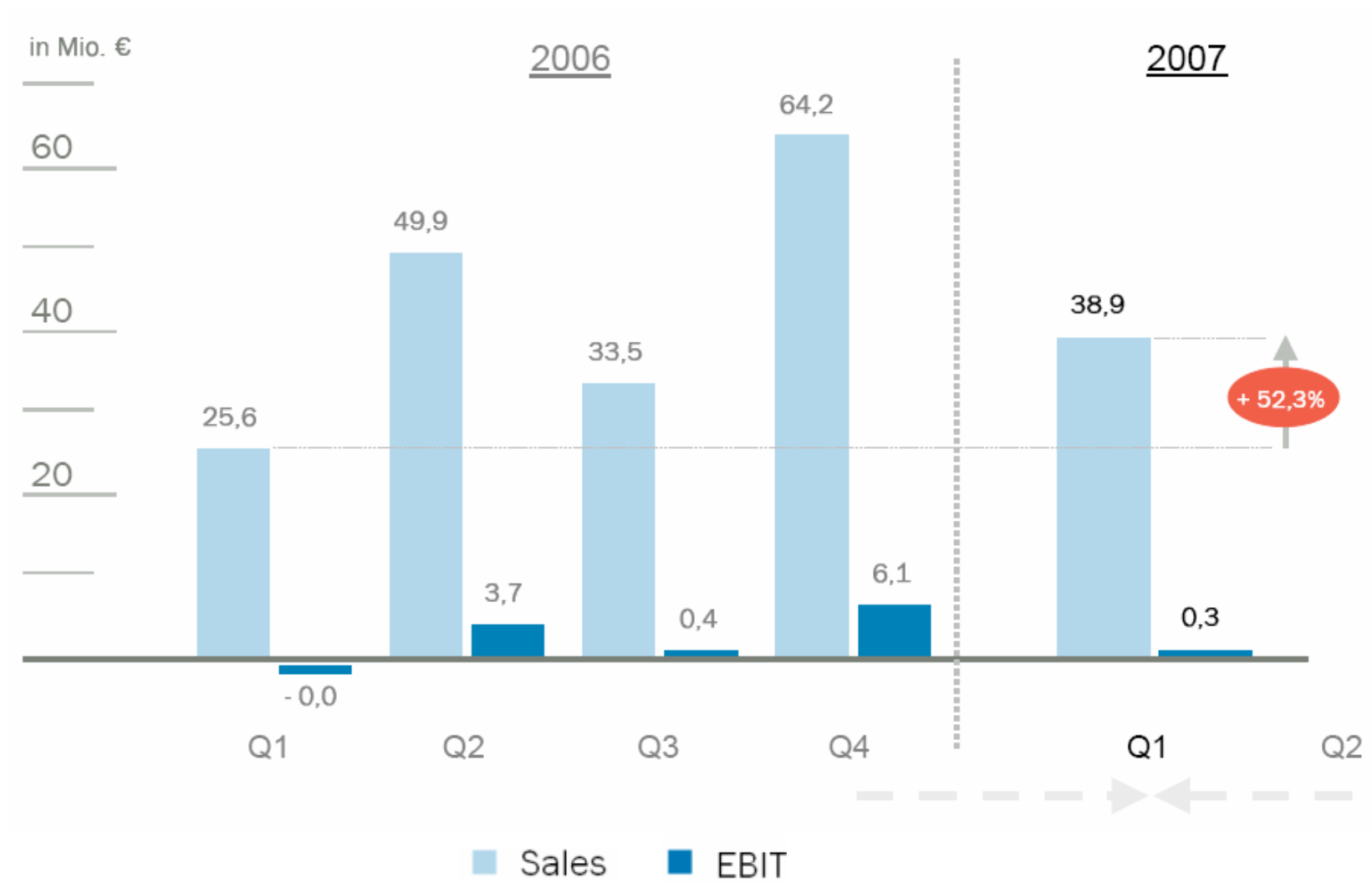
- ~1,5 mil additional tyres (vs. 2005) produced for 2006 winter season
- Winter tyre season started well in October.
- Problem: Demand surge of the „Reifenverordnung“ did not materialize (BRV):

„The winter was much too warm so that the new legislation (appropriate : tyres) did not result in a winter tyre boom.“

- Board decision: Focus on profitability despite warm winter and less sales than expected
- IPO helped to activate additional demand
- Also working in favor of Delticom: low price elasticity of demand in warm winters

▶ Stable and increasing margins

Strong Delticom Q1'07



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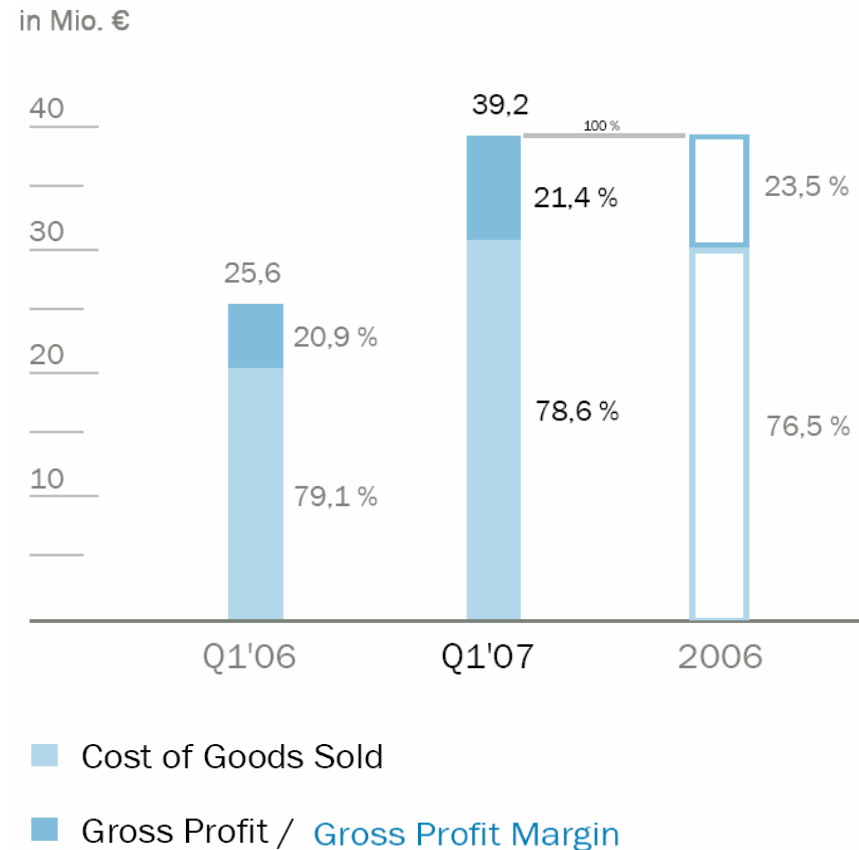
IV **Financials**

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Sourcing from Suppliers

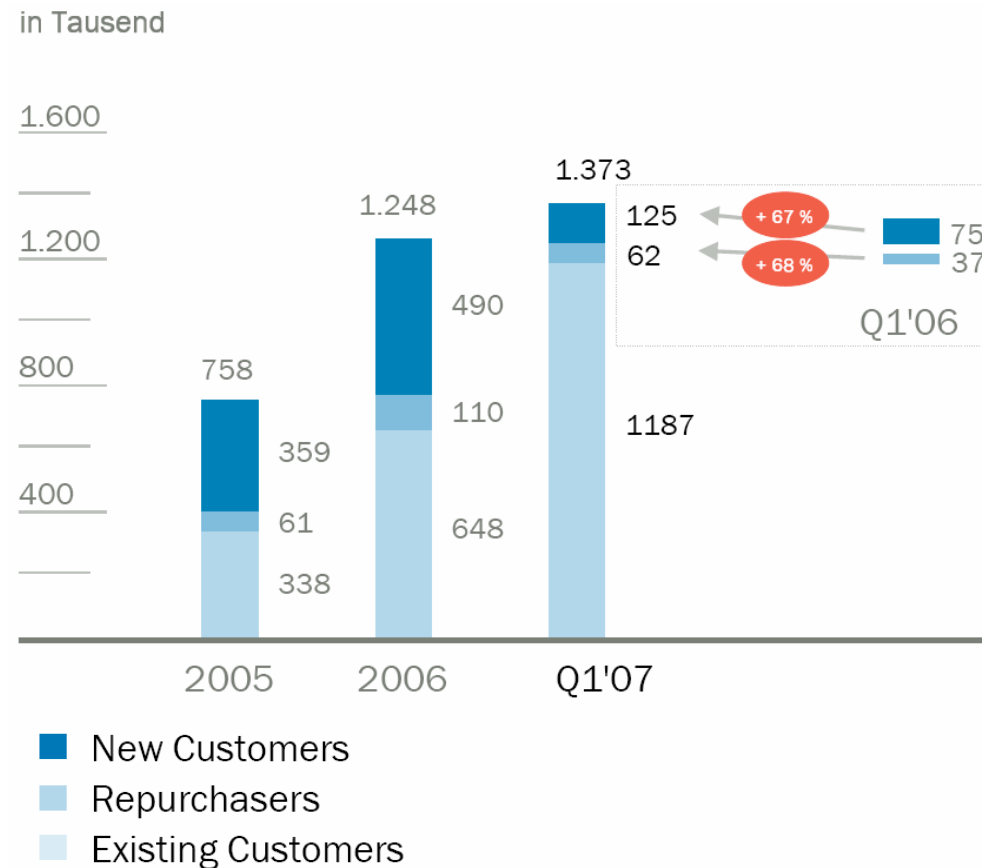
- **Global best price sourcing:** Dealer / manufacturer with best price (incl. Freight) gets the deal
- Communicate price changes in the market to **brand leaders** improves relationship to important players
- Delticom does not rely on standard „manufacturer-to-retail“ – data but creates own **B2C forecasts** which are communicated to manufacturers (early production planning)



► Strong supply-side network economics

Selling to Customers

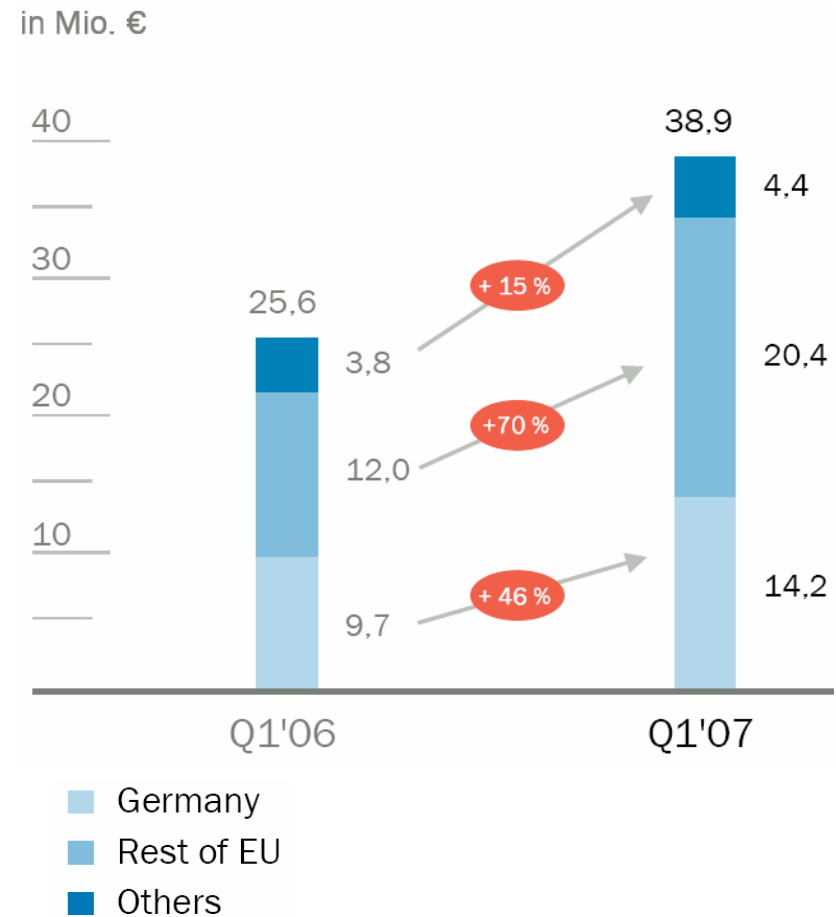
- Existing customers help to decrease seasonality in the topline
- Share of repurchasers increased
- Business still mainly driven by new customers
- Own survey show high customer satisfaction with price, offer and buying process



▶ Repurchases constitute important growth potential

Strong Non-Domestic Sales in Q1'07

- **Home market** remains the most important region
 - approx. 1/3 of total sales
 - still growing
- **European Countries** are increasing in importance
 - big european markets (F, UK) contribute to topline and decrease seasonality risks
 - smaller special markets (CH, S, SU) are completely developed and generate strong profits
- **USA:** successful ramp-up as planned, strong increase in sales in Q1'07
- International expansion helps to flatten seasonal curves
- first shops in CAN, J and RU



► Share of non-domestic sales >> 50%

Strong Growth Continues

	Q1'06	Q1'07	+ / -
Higher gross profit margin	21,0 %	21,6 %	0,6 %
Transportation costs up	- 7,6 %	- 8,2 %	- 0,6 %
Inventory management costs up	- 0,9 %	- 1,2 %	- 0,3 %
Price advantages			- 0,3 %
Marketing costs up	- 1,7 %	- 2,7 %	- 1,0 %
Economies of scale	- 6,4 %	- 5,7 %	0,8 %
Cost advantages			- 0,2 %
Personnel costs	- 2,4 %	- 2,5 %	- 0,1 %
One-off IPO costs	- 0,9 %	0,0 %	0,9 %
Other costs	0,5 %	0,4 %	- 0,1 %
EBIT-Margin	- 0,1 %	0,7 %	0,8 %

► Strong margins due to price- and cost advantages

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 of only around 1% in Europe

... 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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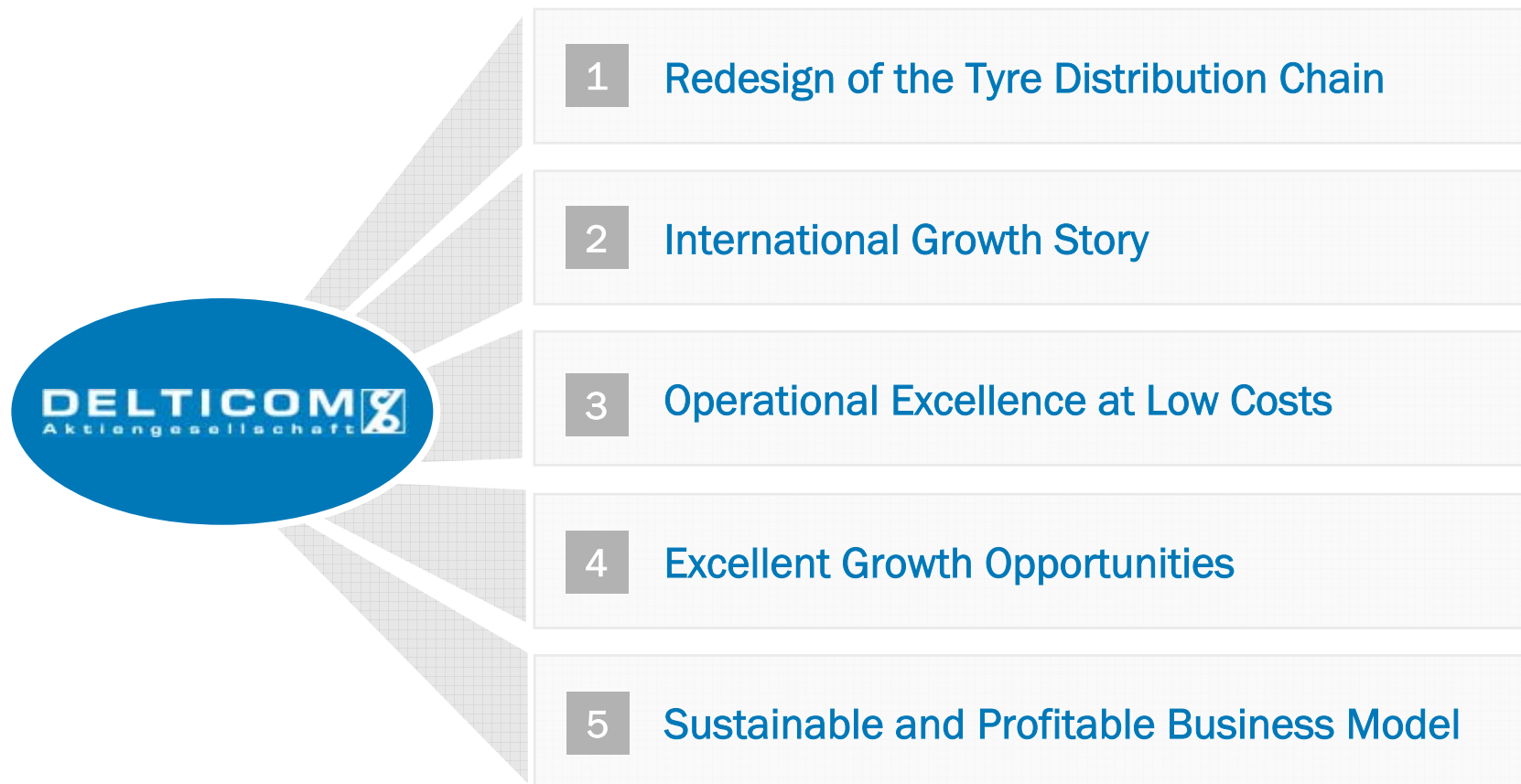
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Key Investment Highlights



Vielen Dank!



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**Consolidated interim financial statements
as of March 31, 2007**

Balance Sheet– Assets

in €	March 31, 2007	December 31, 2006
Non-current assets		
Intangible assets	534,667.10	463,337.00
Property, plant and equipment	457,971.18	438,999.41
Financial assets	1,000,000.00	1,000,000.00
Other receivables	110,750.70	90,011.06
Deferred tax assets	0.00	0.00
Total non-current assets	2,103,388.98	1,992,347.47
Current assets		
Inventories	30,609,511.73	20,790,724.95
Trade accounts receivable	10,229,509.40	7,543,893.49
Other receivables	5,365,235.81	3,223,431.88
Cash and cash equivalents	36,288,597.18	34,660,936.37
Total current assets	82,492,854.12	66,218,986.69
Total assets	84,596,243.10	68,211,334.16

Balance Sheets – Equity and Liabilities

in €	March 31, 2007	December 31, 2006
Equity		
Subscribed capital	3,946,480.00	3,946,480.00
Share premium	31,701,296.19	31,701,296.19
Adjustment item for currency conversion	1,476.93	5,122.59
Retained earnings	199,673.00	199,673.00
Net retained profits	7,272,746.45	6,904,932.41
Total equity	43,121,672.57	42,757,504.19
Non-current liabilities		
Non-current provisions	20,618.00	18,681.62
Deferred tax liabilities	282,711.12	227,450.02
Total non-current liabilities	303,329.12	246,131.64
Current liabilities		
Provisions for taxes	2,084,898.98	2,055,300.00
Other provisions	12,789.91	22,056.79
Current interest-bearing liabilities	0.00	0.00
Trade accounts payable	31,879,198.76	18,814,689.39
Other current liabilities	7,194,353.76	4,315,652.15
Total current liabilities	41,171,241.41	25,207,698.33
Total liabilities	84,596,243.10	68,211,334.16

Income Statement

in €	January 1, 2007 - March 31, 2007	January 1, 2006 - March 31, 2006
Revenues	38,924,070.03	25,555,192.44
Other operating income	226,195.96	172,411.79
Cost of materials	-30,760,720.09	-20,362,458.75
Personnel expenses	-963,951.94	-613,287.34
Amortization of intangible assets and depreciation of property, plant and equipment	-59,893.48	-47,065.94
Other operating expenses	-7,111,259.84	-4,730,435.49
Earnings before interest and taxes (EBIT)	254,440.64	-25,643.29
Financial expenses	-24,186.41	-65,169.88
Financial income	295,312.00	14,432.52
Net financial result	271,125.59	-50,737.36
Earnings before taxes (EBT)	525,566.23	-76,380.65
Income taxes	-157,752.19	32,343.03
Consolidated net income	367,814.04	-44,037.62
Basic earnings per share	0.09	-0.01

Cash Flow Statement

in €	January 1, 2007 – March 31, 2007	January 1, 2006 – March 31, 2006
Earnings before interest and taxes (EBIT)	254,440.64	-25,643.29
Interest received	17,865.32	9,082.52
Interest paid	-24,186.41	-65,169.88
Income taxes paid	-72,892.11	91,248.47
Amortization / depreciation of non-current assets	59,893.48	47,065.94
Losses from the disposal of non-current assets	0.00	0.00
Increase / decrease in provisions	-7,330.50	3,340.29
Increase in inventories	-9,818,786.78	-7,621,427.06
Increase / decrease in receivables and other assets that are not to be allocated to investing or financing activities	-4,570,712.80	-4,031,975.34,
Increase in trade accounts payable and other liabilities that are not to be allocated to investing or financing activities	15,943,210.98	11,551,012.46
Net cash flow provided by operating activities	1,781,501.82	-42,465.89
Investments in		
Intangible assets	-80,298.60	-411.74
Property, plant and equipment	-69,896.75	-82,163.29
Financial assets	0.00	0.00
Proceeds from the disposal of property, plant and equipment	0.00	970.00
Proceeds from the disposal of financial assets	0.00	0.00
Cash flow from investing activities	-150,195.35	-81,605.03
Dividends paid by Delticom AG	0.00	0.00
Receipts / payments from additions to capital	0.00	0.00
Net cash provided by financing activities	0.00	0.00
Net change in cash and cash equivalents	1,631,306.47	-124,070.92
Changes in cash and cash equivalents due to currency translation	-3,645.66	-1,787.01
Cash and cash equivalents – start of period	34,660,936.37	2,104,823.60
Cash and cash equivalents – end of period	36,288,597.18	1,978,965.67