

FORD OTOSAN

2016 1Q
Financial Results

2 May 2016



50
TRANSIT

FORD OTOSAN

Oğuz Toprakoğlu

CFO

FORD OTOSAN

1Q16 Evaluation

Ecotorq Engine Production

FORD OTOSAN

- Developed and designed exclusively by Ford Otosan engineers
- Production started in March
- IP rights owned 100% by Ford Otosan

- Offers leading technologies
- E3, E5 and E6 emission levels
- Available 420 PS and 480 PS for 9 L and 13 L
- 7-10% better fuel efficiency versus the previous generation
- Robust components



- +\$100 million investment
- 320 Turkish engineers
- 62 different engine tests
- 50,000 hours of testing
- TL 1.7 million R&D cooperation with universities
- TL 4 million R&D cooperation with SMEs
- € 4 million investment by the supplier industry
- 69 patent applications

- Available in Ford Trucks 2016 MY
- World's largest truck market; China
- 50 export markets

Ford Trucks Global Growth Strategy on Track

FORD OTOSAN



**Distribution network target
50 Countries by 2020**

**New dealers opened in
Bahrain, Oman, Qatar**

Ford of Europe President's Health & Safety Awards

FORD OTOSAN



Ford Otosan received Awards in 3 different categories:

1. Recognition and Engagement – Are Mommy and Daddy Home Yet?
2. Safety Innovation in Manufacturing Operations – New Approach to ECPL Training
3. Lifesaving Awards - Lifesaving assistance to traffic accident victims

GLOBAL
AWARD

EUROPEAN
AWARD

**1Q 2016
Domestic Market**

Segments

Industry

Ford Otosan

Market Share, %

Ranking

Commercial Vehicles

43,923

12,848

29.3

#1

Light Commercial

19,629

5,586

28.5

#2

Medium Commercial

20,936

6,402

30.6

#1

Truck

3,358

860

25.6

#1

Passenger Cars

127,921

8,480

6.6

#5

Total

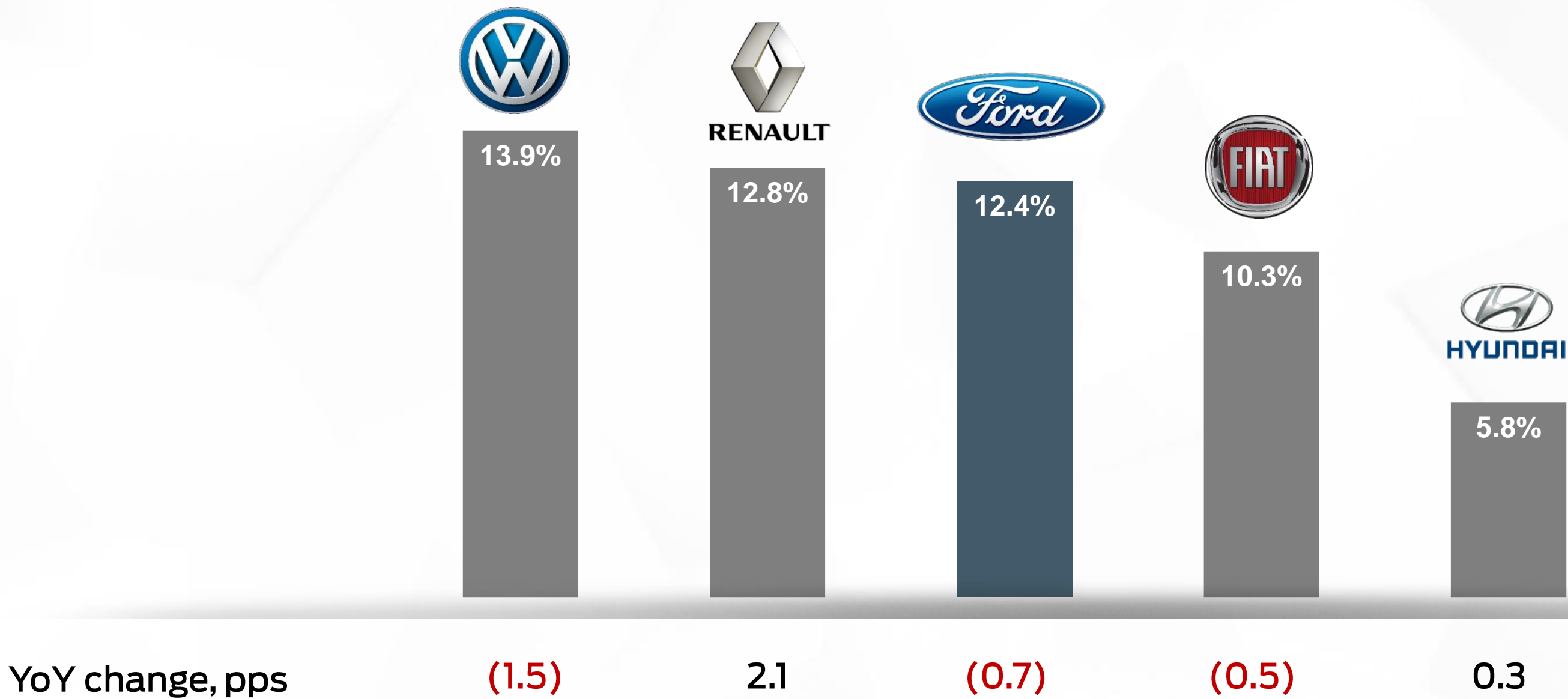
172,322

21,328

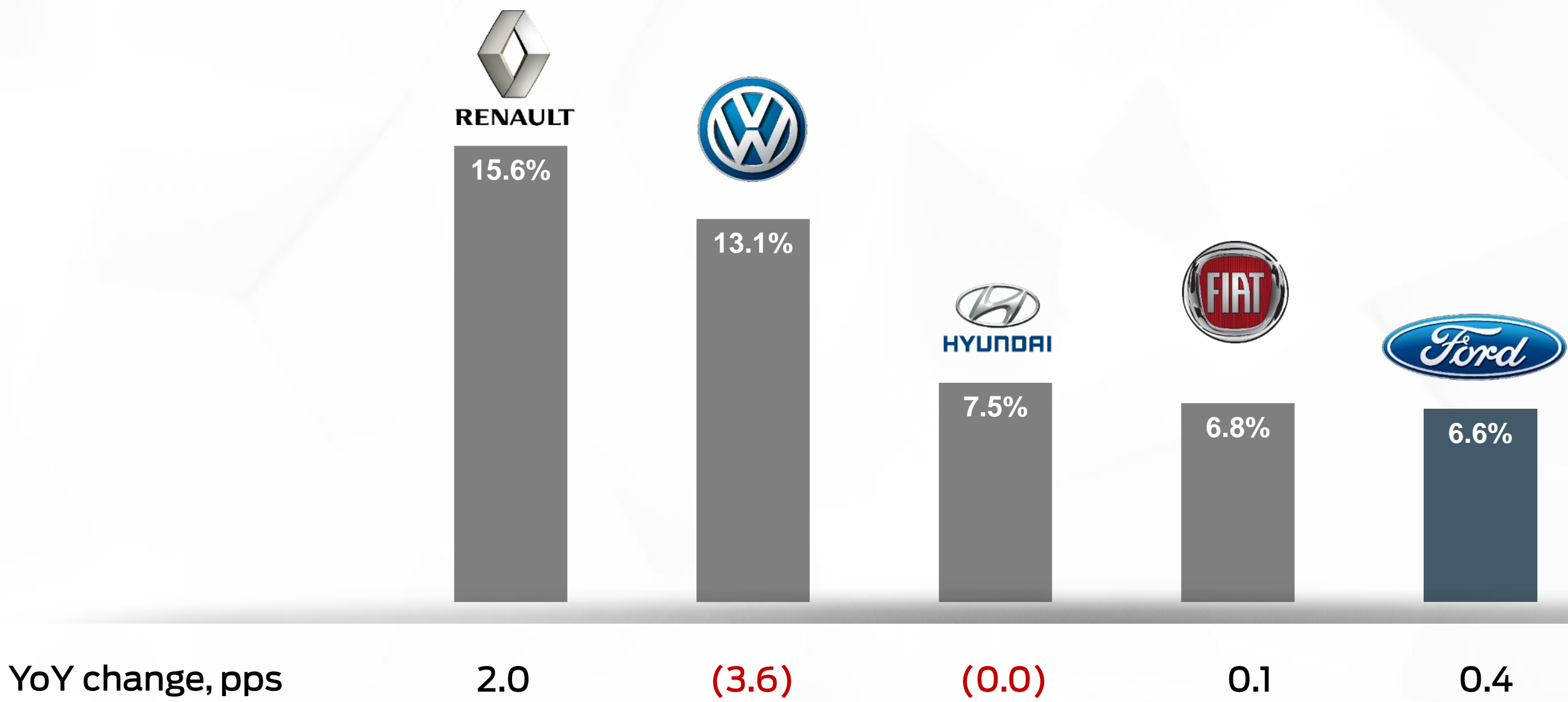
12.4

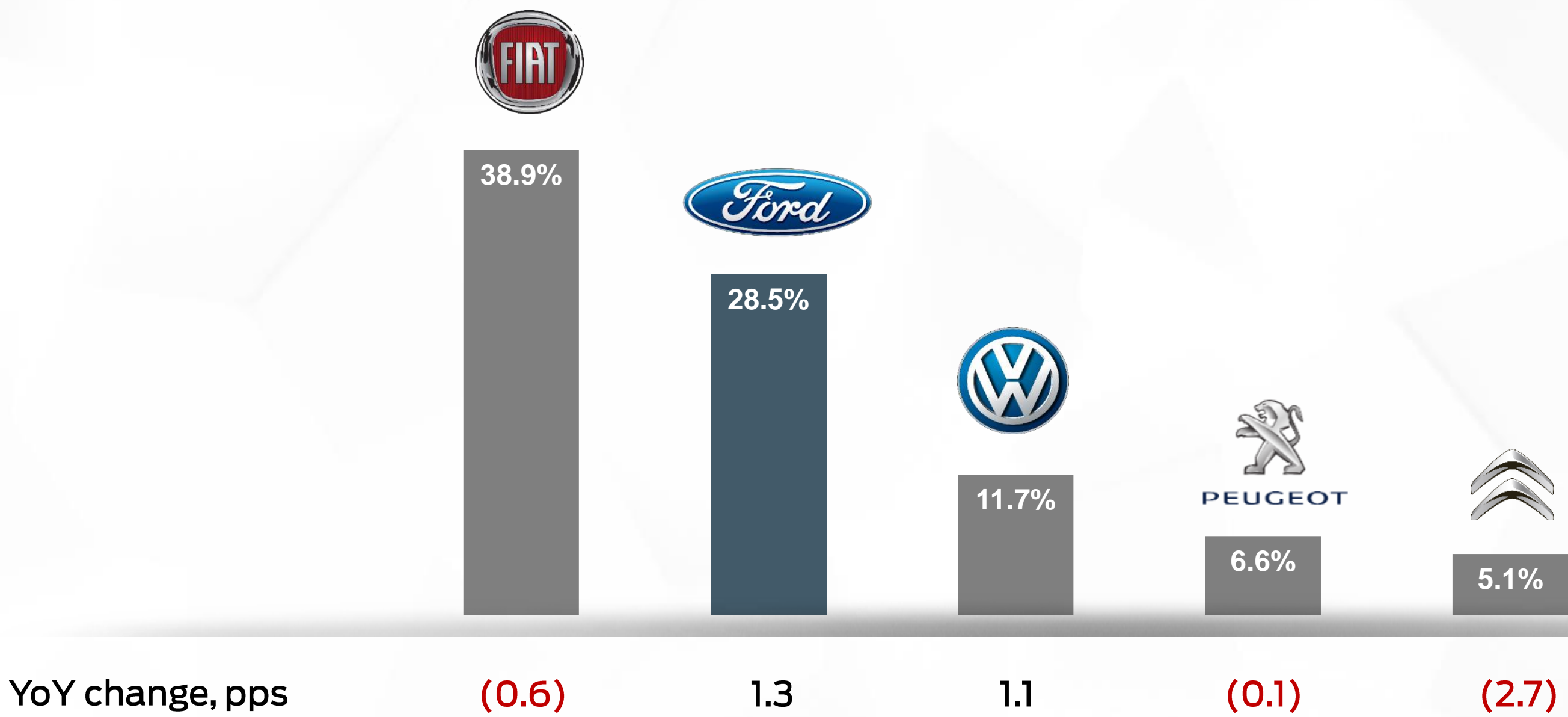
#3

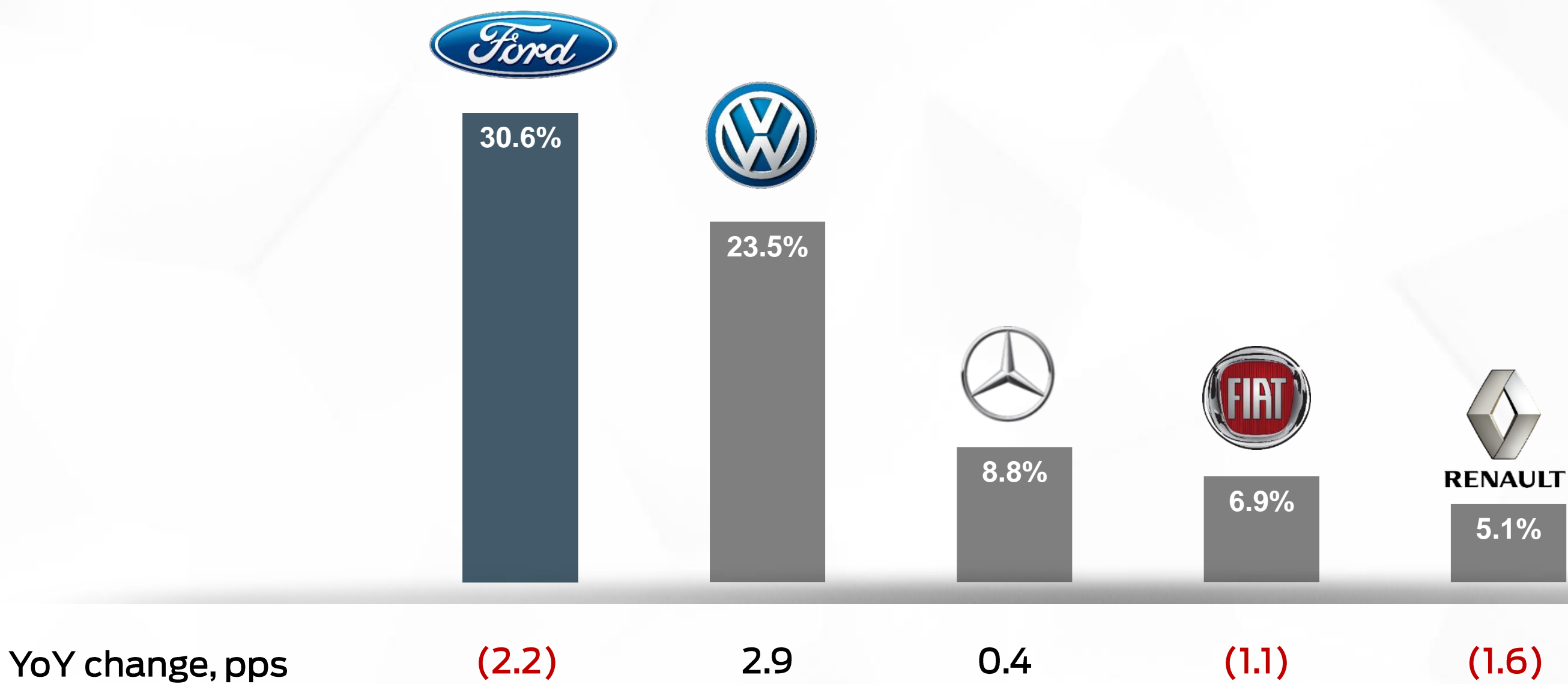
Market Performance – Total Industry

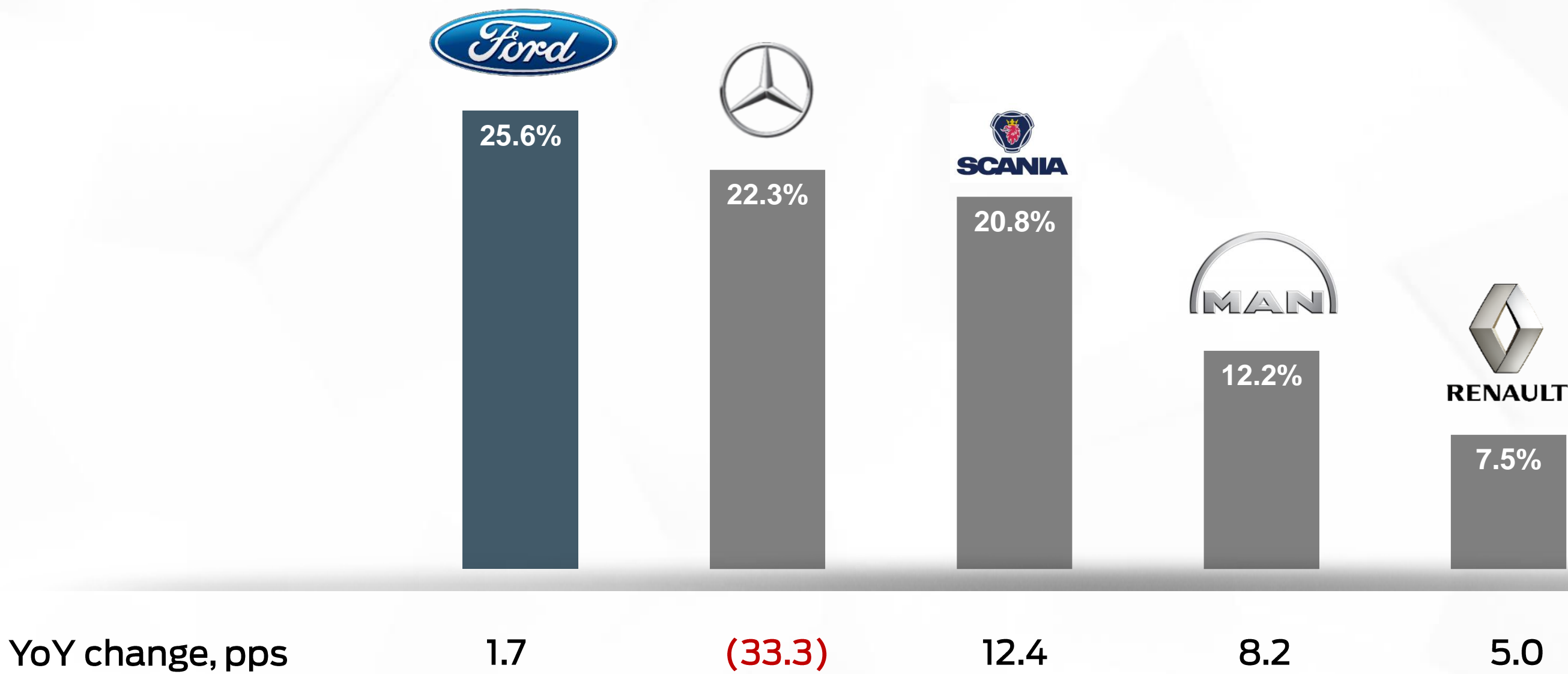


Source: ODD & TAİD









- €100 million loan agreement signed with EIB in December 2015
- The loan has been utilized in the first quarter of 2016
- 6-year term with annual interest rate of 0.82%



FORD OTOSAN

European Performance & Ford Motor Company

Vans Segment Continued to Grow

FORD OTOSAN

January-March
2016

European Union

+11.3%
467 K units

UK

+1.2%
99 K units

Germany

+9.3%
58 K units

France

+9.6%
100 K units

Spain

+8.9%
39 K units

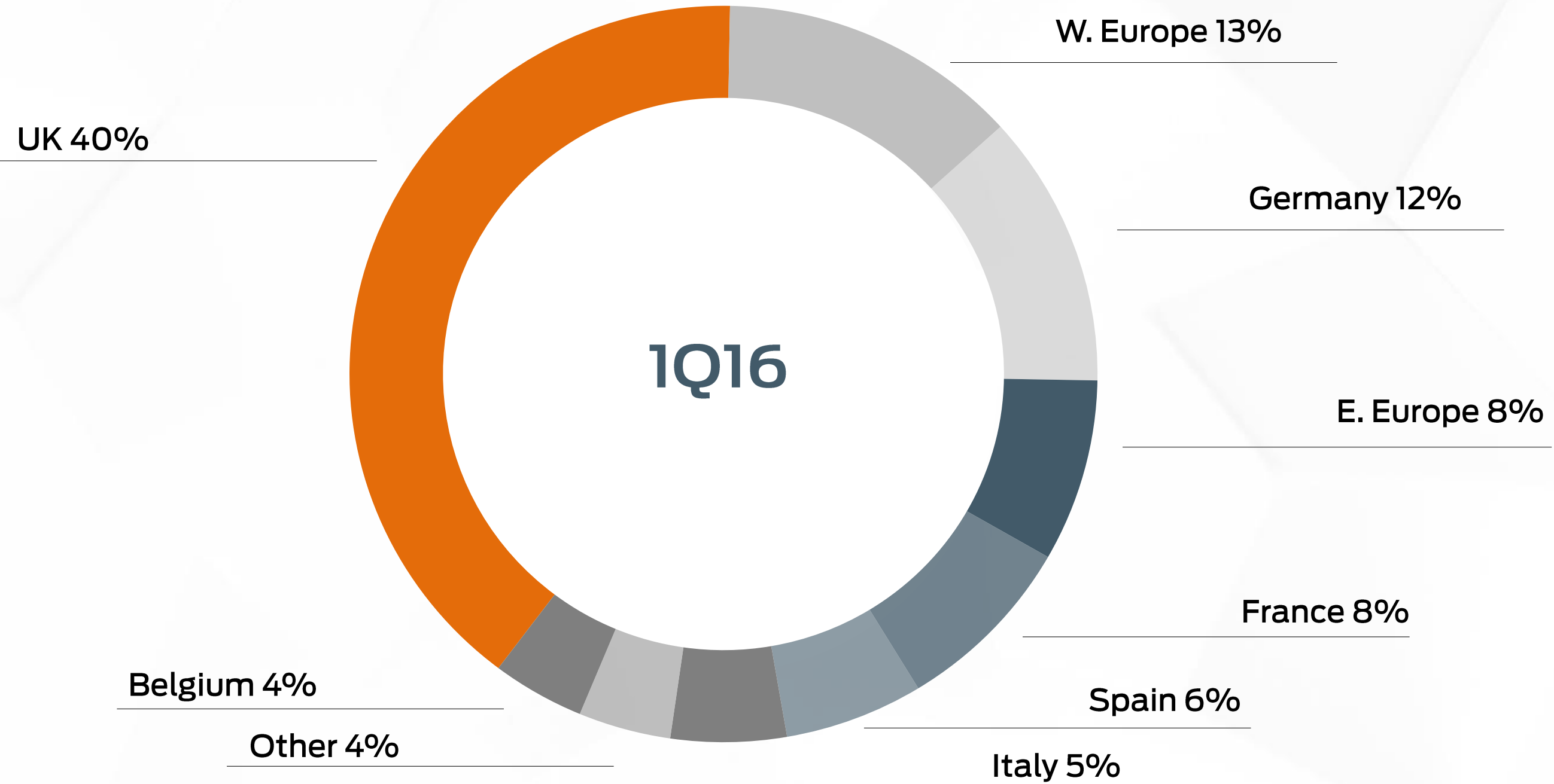
Italy

+30.0%
39 K units

Ford Otosan: Best proxy to European CV Growth

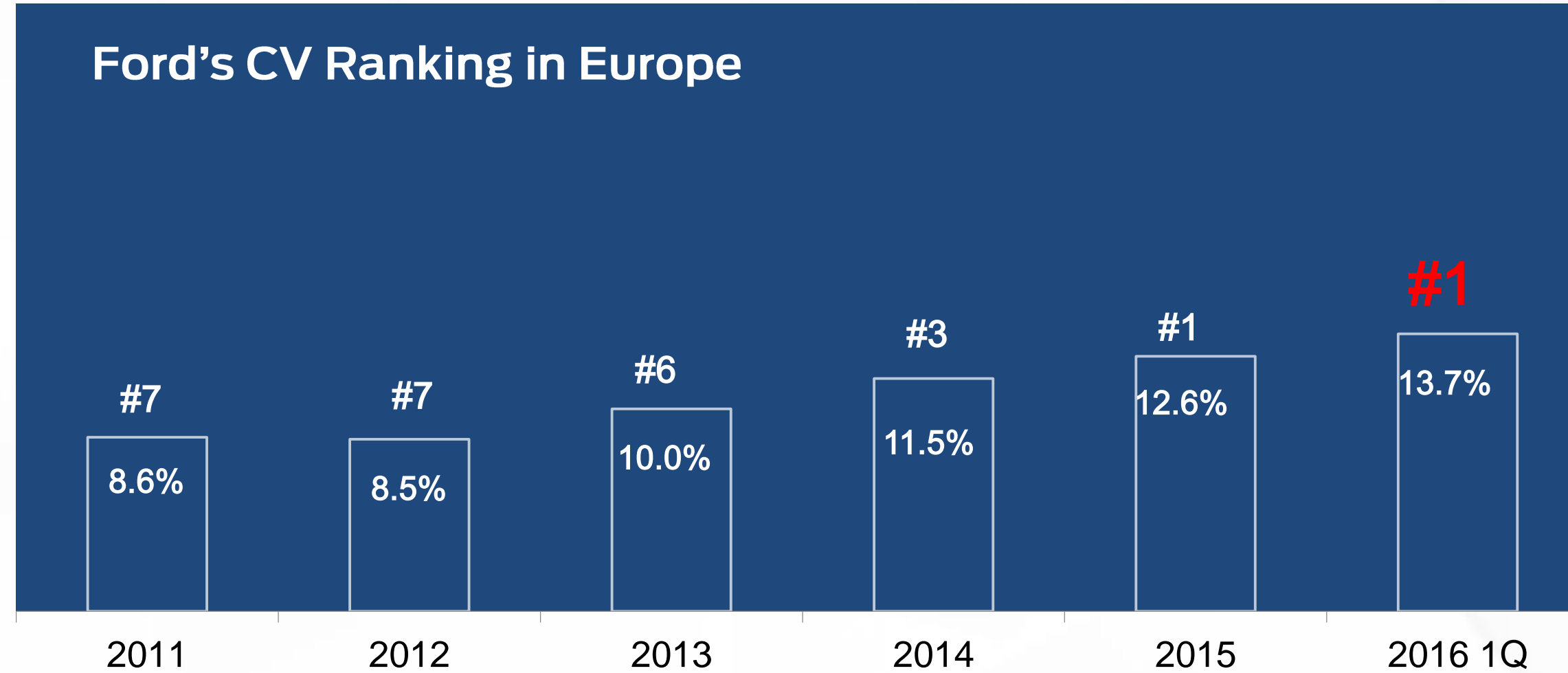
FORD OTOSAN

Export breakdown by units



Ford Maintains No.1 Spot in European CVs

FORD OTOSAN



#1 Ford is Europe's No.1 top-selling CV brand and reported the best 1Q since 1993

14% YoY increase in Ford's commercial vehicle sales in 1Q16

13.7% Ford's CV market share in 1Q16

Ford Otosan is a Key Driver of FoE's Success

FORD OTOSAN



FORD OTOSAN produces;

71%

of Ford of Europe's CV sales

80%

of Ford of Europe's Transit sales

Outstanding 1Q16 Results by Ford Motor Co.

FORD OTOSAN



FINANCIAL HEADLINES



Total Company
Pre-Tax Results*



Total Company
Revenue



Global
Market Share



Automotive
Operating Margin*



Automotive Operating-
Related Cash Flow*

1Q 2016

\$3.8B

\$37.7B

7.1%

9.8%

\$2.7B

B/(W)
1Q 2015

\$2.1B ↑

\$3.8B ↑

0.2 pts ↑

5 pts ↑

\$2.2B ↑

* Excludes special items; see Appendix for detail, reconciliation to GAAP, and definitions

All-Time Record Quarter; Strong Performance Across The Business



PROGRESS THIS QUARTER



GROWTH

- Grew top line – volume, revenue and global market share
- Announced new Fusion; launched all-new Focus RS; announced plans for four all-new SUVs; introduced all-new Lincoln Continental
- Announced Ford Smart Mobility initiatives including FordPass and FSM LLC



RETURNS

- Record Company pre-tax profit and 1Q Auto operating-related cash flow
- More than doubled net income, operating EPS and Auto operating margin
- Announced investment to assemble EcoSport in Craiova, Romania
- Began implementation of exit plans for Japan and Indonesia



RISK

- Operations outside NA profitable in total and improved YOY
- Upgraded by Moody's, S&P and DBRS



REWARDS

- Distributed \$1.7B to shareholders
- Distributions included supplemental dividend of \$1B

FORD OTOSAN

Financial Results

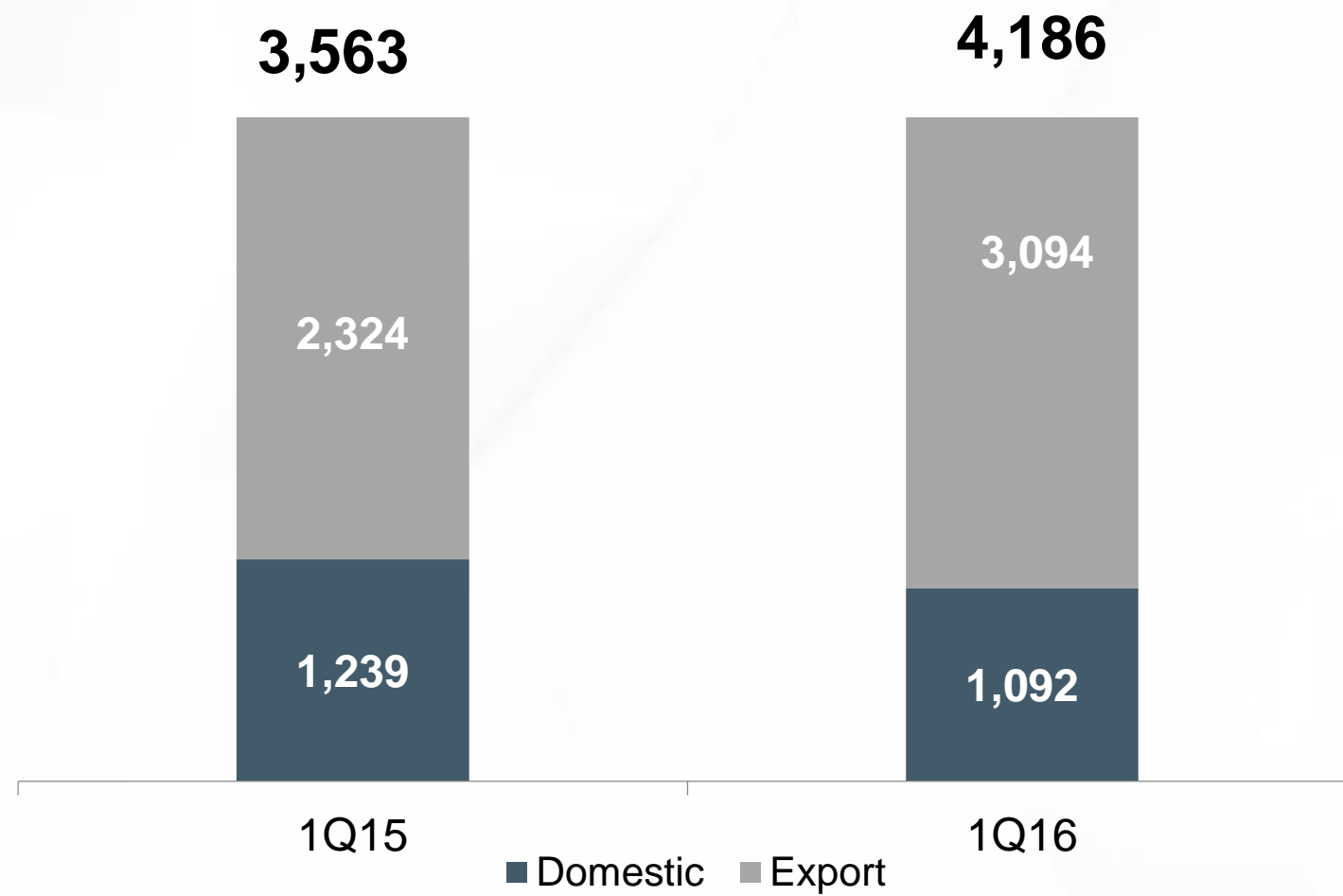
Main Financial Indicators

FORD OTOSAN

Million TL	1Q16	1Q15	YoY %	4Q15	QoQ %
Total Revenues	4,185	3,563	17%	5,016	-17%
Export	3,094	2,324	33%	3,224	-4%
Domestic	1,092	1,239	-12%	1,792	-39%
Gross Profit	465	387	20%	554	-16%
Operating Profit	237	216	10%	287	-17%
EBITDA	347	311	12%	395	-12%
Profit Before Tax	210	188	12%	283	-26%
Net Income	203	232	-13%	285	-29%
Other Financial Data					
Depreciation & Amortization	110	95	16%	108	2%
Financial Income / (Expense)	-26	-27	-5%	-2	-
Capex	-102	-94	8%	-140	-27%

Revenues (Million TL)

FORD OTOSAN



17%

YoY growth in
total revenues

33%

YoY growth in
export revenues

-12%

YoY decline in
domestic revenues

- Strong demand for new products
- Export market growth

- Lower volumes due to market contraction

Sales Volume by Model

FORD OTOSAN

	1Q16	1Q15	YoY %	4Q15	QoQ %
Domestic	22,096	26,236	-16%	35,849	-38%
PC	7,259	8,806	-18%	9,778	-26%
Transit Courier	6,773	7,261	-7%	10,763	-37%
Transit Connect	532	389	37%	860	-38%
Total LCV	7,305	7,650	-5%	11,623	-37%
Transit	5,313	6,363	-17%	9,927	-46%
Transit Custom	1,277	1,284	-1%	2,118	-40%
Ranger	26	2	1,200%	375	-93%
Total MCV	6,616	7,649	-14%	12,420	-47%
Cargo	916	2,131	-57%	2,028	-55%
Exports	71,547	59,635	20%	73,509	-3%
Transit Custom	34,305	28,908	19%	41,128	-17%
Transit	27,888	23,782	17%	24,031	16%
Transit Courier	9,083	6,718	35%	7,910	15%
Cargo	135	136	-1%	337	-60%
Other	136	91	49%	103	32%
Total Wholesale Volume	93,643	85,871	9%	109,358	-14%

16%
YoY decline
in domestic sales

- Market dynamics
- Focus on profitability

20%
YoY growth
in exports

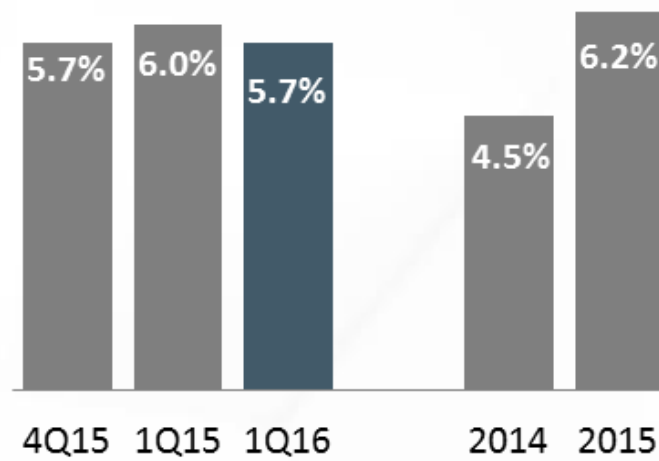
- Strong markets
- Higher demand for new products

9%
YoY growth in
total sales

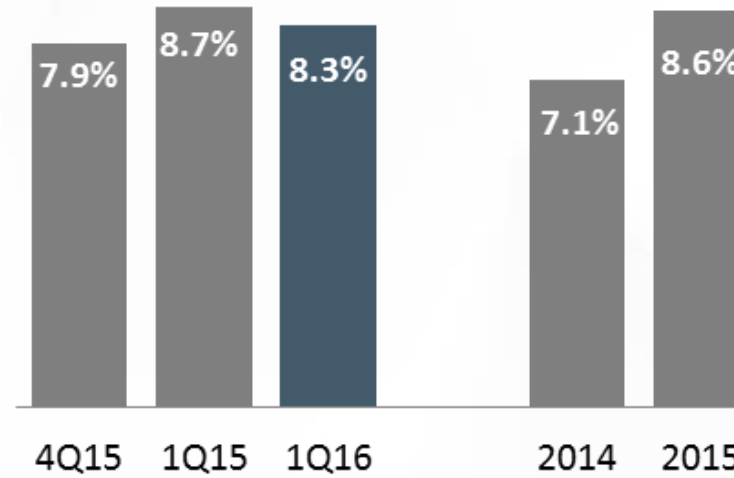
- Export volume growth

Margins in 1Q16

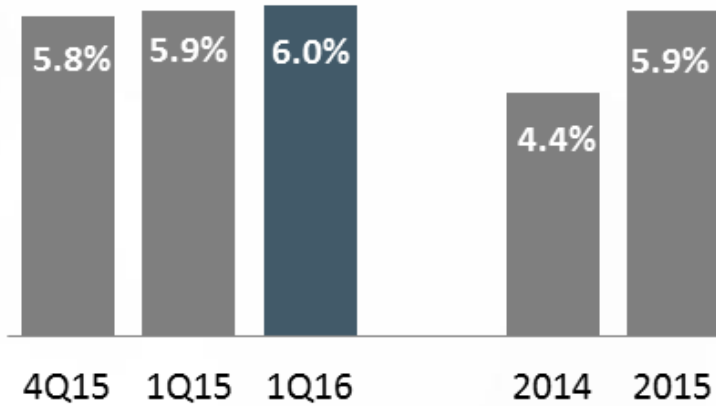
Operating Margin



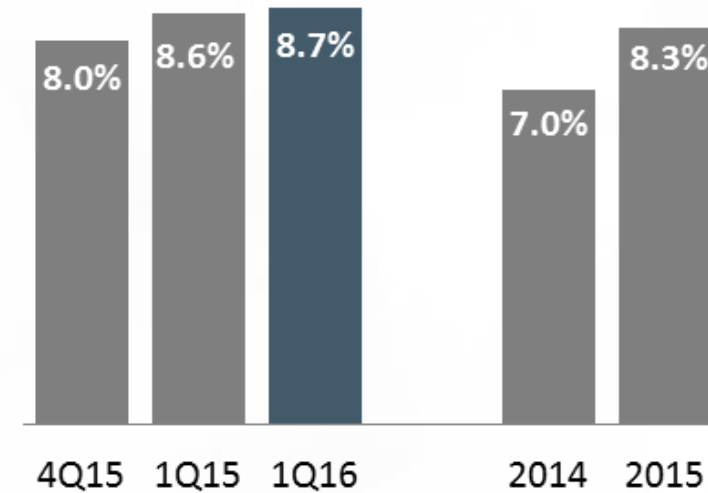
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Profitability was strong in 1Q despite:

- Rising import costs resulting from weaker TL/€ (3.24 in 1Q16 versus 2.77 in 1Q15) and
- Lower domestic volumes.

Drivers were:

- + Higher export volume
- + Focus on pricing to offset the impact of TL devaluation
- + Increasing CUR (86% in 1Q16 vs 79% in 1Q15)
- + Cost reduction actions and positive impact of commodity prices

Debt Profile & Financial Ratios

IDENTIFICATION NUMBER //

Cash Position (TL mn)	31.03.2016	31.12.2015
Cash & Cash Equivalents	1,038	980
Total Financial Debt	(2,885)	(2,561)
Net Financial Debt	(1,848)	(1,580)
Financial Ratios	31.03.2016	31.12.2015
Current ratio	1.07	1.05
Liquidity ratio	0.70	0.73
Net Financial Debt / Tangible Net Worth	0.78	0.63
Current Assets / Total Assets	0.50	0.48
Current Liabilities / Total Liabilities	0.70	0.71
Total Liabilities / Total Liabilities and Equity	0.67	0.64
Return on Equity	27.9%	27.5%
Margins	31.03.2016	31.03.2015
Gross Margin	11.1%	10.8%
EBITDA Margin	8.3%	8.7%
EBITDA Margin excl. Other items	8.7%	8.6%
Operating Margin	5.7%	6.0%
Net Income Margin	4.9%	6.5%

IDENTIFICATION SHOTS //

2015 Actuals

2016

Turkish Industry Volume

1,006 K

980 K

Ford Otosan Retail Sales Volume

126 K

123 K

Exports

254 K

263 K

Wholesale Volume

381 K

385 K

Production Volume

335 K

339 K

Capex (fixed assets)

€126 mn

€215 mn

Guidance updated in April 2016. Our next update will be with 2Q16 results.

Q&A

FORD OTOSAN

Thank You