

FORD OTOSAN



Investor Presentation

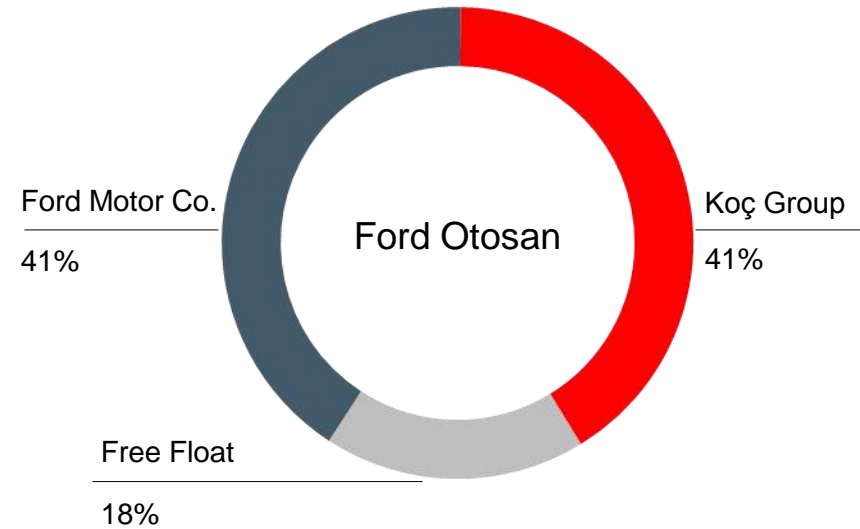
April 2017

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About Ford Otosan

Company Profile

Key Indicators, 2016	
Revenues	\$6.1 billion
Export Revenues	\$3.8 billion
EBITDA	\$519 million
Profit Before Tax	\$321 million
Net Profit	\$317 million
ROE	30.2%
EBITDA margin	8.6%
Annual Production Capacity	415,000
Gölcük (Transit & Custom)	290,000
Yeniköy (Courier)	110,000
İnönü (Cargo)	15,000
Total Employees	10,261
Blue Collar	7,561
White Collar	2,700



Paid-in Capital: TL 350,910,000

Traded on Borsa Istanbul since 13 January 1986

Ticker: FROTO.IS

Ford Otosan at a Glance

Pioneer of Turkish automotive

First Turkish passenger car Anadolu (1966)

Turkey's **first** domestic diesel engine Erk (1986)

Turkey's **first** private R&D center in automotive (1961)

First export of Turkish automotive to the US (2009)

Strong value contribution

Turkey's **export leader**

Turkey's **2nd largest** industrial enterprise

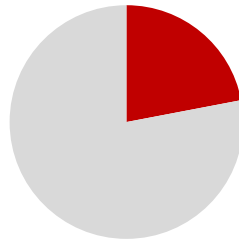
Highest employment in Turkish automotive

Leadership and scale

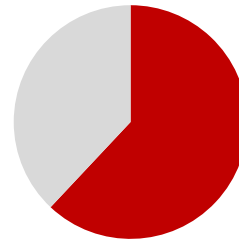
Market leader in Turkish commercial vehicle industry with 30% share

Widest product range in Turkish automotive

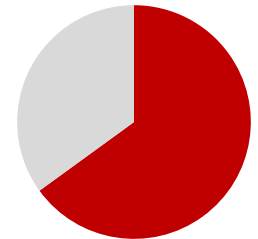
Highest installed production capacity in Turkish automotive



22% of Turkey's total automotive production



62% of Turkey's total commercial vehicle production



65% of Turkey's total commercial vehicle exports

Robust sales performance

Highest commercial vehicle market share of Ford in Europe

Among Ford's **top 3 markets in Europe** (Britain, Hungary, Turkey, Ireland, Finland)

Leading manufacturing hub

Lead manufacturing plant of Ford Transit globally

Single source of Ford Transit Custom & Tourneo Custom

Single source of Ford Transit Courier & Tourneo Courier

One of the two production centers globally for Ford Cargo heavy trucks

Engineering and R&D power

Global hub for Cargo heavy trucks and related powertrains

Global support for Light Commercial Vehicle Development

Global support for Diesel Powertrain Engineering

Ford Otosan at a Glance

7

	1997*		2016
Production Capacity (Units)	47,000	9 times	415,000

Production (Units)	43,102	8 times	333,749
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Export (Units)	667	386 times	257,246
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Export (USD)	16 million	250 times	3.8 billion
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Revenue (USD)	660 million	9 times	6.1 billion
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Headcount	3,406	3 times	10,261
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Market Cap (USD)	1.1 billion	3 times	3.1 billion
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Vision, Mission And Strategy

Vision

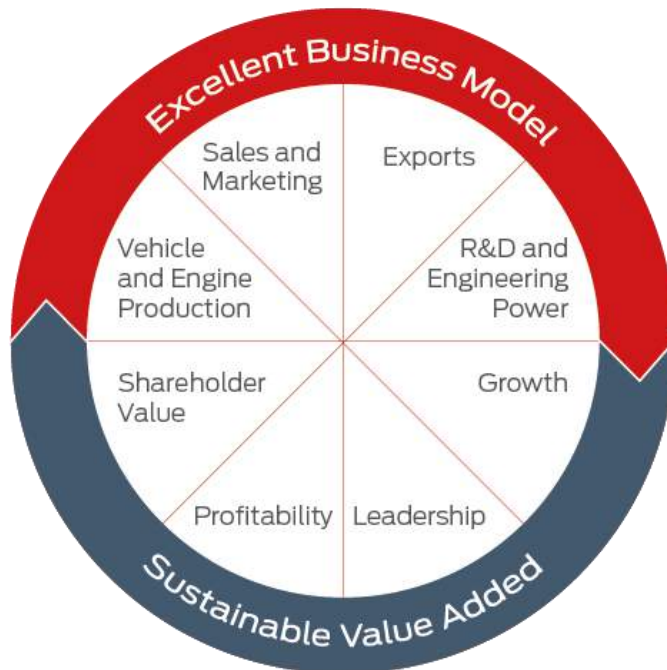
Being Turkey's most valuable and most preferred industrial company.

Mission

Providing innovative automotive products and services beneficial to the community.

Strategy

- **Growth:** Organic and inorganic growth in new markets and existing business areas by developing new products.
- **Innovation:** Providing innovative products and services in all business processes by keeping creativity at the top.
- **Brand:** Being the most preferred brand in all segments by meeting customer needs and expectations.
- **Employees:** Being the most preferred workplace by aiming excellence in human resources processes and increasing benefits provided for employees.
- **Customers:** Being the leader automotive brand with regards to customer satisfaction in sales and after sales products and services.



Brief History

First automotive production starts in Turkey under license agreements in a heavily protected domestic economy.

Turkey takes first steps to liberalize its economy and integrate with the rest of the world.

Customs Union is signed with the EU in 1996. Exports start to increase. Incentives are introduced for production in Turkey.

Turkey becomes a major hub in automotive production and moves up the value chain, from an assembly center to full product development and manufacturing with focus on R&D.

Turkey is the 14th largest auto manufacturing hub in the world and 5th largest among European countries.

First Years

1980s

1990s

2000-2010

2010+

1928 – Vehbi Koç is assigned as Ankara Ford dealer

1959 – Otosan is founded as Ford assembler in Turkey

1960 – Otosan's first production: Ford Consul

1966 – Otosan produces the first Turkish car Anadol

1967 – Otosan produces its first Transit

1982 – İnönü Plant opens

1983 – Cargo production starts

1983- Ford Motor Co. increases its share in Otosan to 30%

1985 – Production of Ford Taunus

1986 – Otosan produces Turkey's first diesel engine ERK

1992 – Production of the new generation Transit

1993 - Production of Ford Escort

1997 – Ford assumes 41% equity in 'Ford Otosan'

1998 – Ford Otosan spare parts distribution center opens

2001 – Gölcük Plant opens

2002 – Transit Connect launches

2003 – New Cargo launches

2003 – Transit Connect 'International Van of the Year'

2007 – Gebze Engineering Center opens

2007 – Transit 'International Van of the Year'

2009 – First vehicle export to North America

2010 – Ford Otosan's 50th Anniversary

2010 – Transit Connect 'N.A. Truck of the Year'

2011 – Transit Connect NYC Taxi launches

2012- Launch of Ford Custom

2013 – Ford Otosan's 12th year of market leadership

2013/2014- JMC engine & truck technology licensing agreements

2014 – Yeniköy Plant opens

2014 – Launch of new Ford Transit and Ford Courier

2015 – Sancaktepe Engineering Center opens

2016 – Ecotorq engine production starts

Plants and Facilities

Locations

Sancaktepe Parts Distribution Center (1998)



Sancaktepe Engineering Center (2015)



İnönü Plant (1982)



Kocaeli Plants: Gölcük Plant: Transit (2001), Custom (2012)



Yeniköy Plant: Courier (2014)



Gölcük Plant — Lead Manufacturing Plant of Ford Transit



Transit 140k-160k



Custom 130k-150k

290,000 units manufacturing capacity

1,600,000 m² total area; 340,000 m² covered area

Opened in 2001

Yeniköy Plant – The Single Production Center of Ford Courier in the World



Courier 110k

New production facility at Gölcük plant site opened on 22 May 2014

70,000 m² covered area

Environment and disabled-friendly plant

İnönü Plant – Center of Excellence for Ford Trucks



Cargo 15k

Opened in 1982

88,000 m² covered area

80k units engine, 140k units powertrain production capacity

- 12.7L / 9.0L E6 Diesel engines for Cargo heavy truck
- 2.2L 4-cyl. Duratorq TDCI engines for Transit



Sancaktepe Parts Distribution Center – 96% Fill Rate



Opened in 1998

25,000 m² warehouse: Largest of its kind in Turkey

4th largest warehouse capacity among Ford's parts distribution centers in Europe

Sancaktepe Engineering Center – Turkey's largest R&D Center



Center of Excellence for heavy trucks and heavy duty diesel powertrain for large trucks

Global engineering lead for Ford Cargo heavy trucks and related powertrains

Global support for diesel powertrain engineering

Global support for light commercial vehicle development (B- & C-car derived Integrated Style Vans)

Products

Ford Transit, Best-Selling Van in the World

- Longest-running model in Ford of Europe's product range
- ~ 9 million units produced globally since its launch in 1965
- Manufactured by Ford Otosan since 1967
- Ford Otosan is the lead manufacturing plant of Transit globally
- All-New Transit launched from March 2014 to October 2014 in 3 phases



TRANSIT

Chassis Cab

Van

Minibus



Loading Capacity:
3.3 tons – 4.7 tons

Loading Capacity:
9.5m³ - 15.1 m³

Seating Capacity:
11+1 / 17+1

Market share details available on page 45.

Ford Custom

- Ford Otosan is the single global source of Ford Custom
- Launched in October 2012
- First vehicle in its segment to achieve a maximum five-star Euro NCAP rating



Tourneo Custom (People Mover)



Long and Short Chassis
8+1 Seating Capacity
4.97m – 5.34 m

Transit Custom (Commercial)



Loading Capacity:
5.9 m³ - 7.2 m³



Loading Capacity:
6.8 m³ - 8.3 m³



Market share details available on page 45.

Ford Courier

- Ford's first vehicle in the compact van segment
- Ford Otosan is the single global source of Ford Courier
- Launched in May 2014



COURIER



Tourneo Courier
(People mover)

Transit Courier Combi Van
(Commercial)

Transit Courier Van
(Commercial)

Market share details available on page 45.

Ford Trucks

- Manufactured at Ford Otosan's Inönü Plant since 1983
- Road truck, construction and tractor series available
- Cargo 1846T – 2013 International Truck of the Year 3rd place



TRACTOR

4x2 Tractor and 6x2 Full Trailer are the main applications.

Available in E3&E5 and E6 emission levels with 13L Ecotorq engine generating power 420 and 480 PS

Long
Haulage



ROAD TRUCK

Mainly used for local distribution and municipality (special purpose vehicles) 4x2, 6x2, 8x2 applications.

Available in E3&E5 and E6 emission levels with 9L and 13L Ecotorq engine generating power 330 and 420 PS

Distribution
Trucks



CONSTRUCTION

Tipper, Transmixers, Cement Pumps. 6x4, 8x4, 4x2, 6x2 and 8x2 applications.

Available in E3&E5 and E6 emission levels with 9L and 13L Ecotorq engine generating power 330 and 420 PS

Construction
Trucks



Market share details available on page 45.

Ecotorq Engine Family

- Available in **9L 330PS** and **13 L 420 to 480PS**
- Environmentally Friendly **Euro 6 Emission Levels**
- Turbocharger with **Variable-Geometry**
- **2500 bar Common-Rail** Fuel Injection System
- **Specially Coated** Pistons
- **Smart Charging** Alternator



The Newest & Widest Portfolio in the Industry



Investment Case

Ford Otosan's Value Proposition

Scale & growth

Industry leader in domestic commercial vehicle sales

Turkey's export champion and largest vehicle manufacturer

Technology licensing agreements delivering royalty fees with strong growth potential

Resilience & efficiency

€-denominated export revenues, including non-€ countries

High capacity utilization

Efficient, flexible and low-cost manufacturing and engineering competency

Strong balance sheet & prudent risk management

Surging FCF generation following completion of capex cycle

Rising volumes and profitability driven by new products

Natural hedge of fx-payables due to fx-denominated export revenues

Shareholder value creation

Dividend growth with surging FCF

Strong relative share performance

Commitment to good **corporate governance**

Relatively Favorable Taxes on Commercial Vehicles

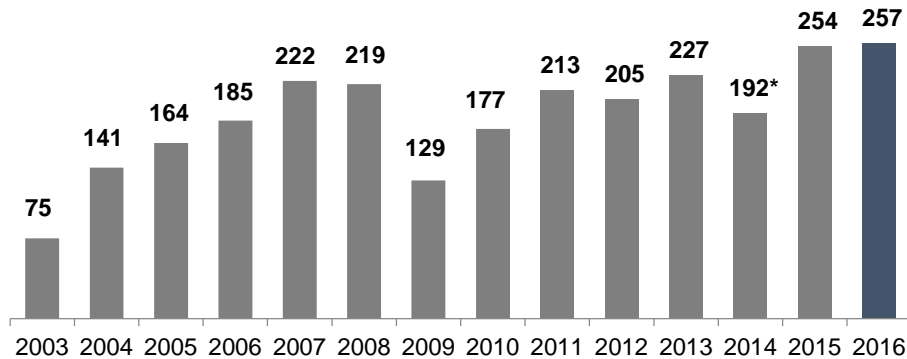
Passenger Cars					Commercial Vehicles			
Engine Size	Base Price (TL)	SCT	VAT	Total	Model	SCT	VAT	Total
<1.6 lt	<40,000	45%	18%	71%	Transit Van Transit Minibus (16+1) (17+1) Transit Chassis Cab Transit Custom Van Transit Courier Van Connect Van Ranger	4%	18%	23%
	40,000-70,000	50%	18%	77%				
	>70,000	60%	18%	89%				
1.6-2.0 lt	<100,000	100%	18%	136%				
	>100,000	110%	18%	148%				
> 2.0 lt		160%	18%	207%	Transit Minibus (11+1) (14+1)	9%	18%	29%
<ul style="list-style-type: none"> New tax structure for PCs is effective as of November 25, 2016. Above rates are valid for diesel and gas engines. Different SCT rates apply for electric and hybrid vehicles. Previous tax changes as follows: <p>< 1.6 lt 37% to 40% (Sept 2012), 40% to 45% (Jan 2014)</p> <p>1.6-2.0 lt 60% to 80% (Oct 2011), 80% to 90% (Jan 2014)</p> <p>> 2.0 lt 84% to 130% (Oct 2011), 130% to 145% (Jan 2014)</p> <p>** 10% to 15% (Oct 12, 2011)</p>					Transit Combi Transit Custom Combi Transit Custom Combi Van Tourneo Custom Transit Courier Combi Van Tourneo Courier Transit Connect Combi	15%**	18%	36%
					Cargo	4%	18%	23%

VAT: Value added tax

SCT: Special consumption tax

Scalable & €-Denominated Export Business

Exports (000 units)

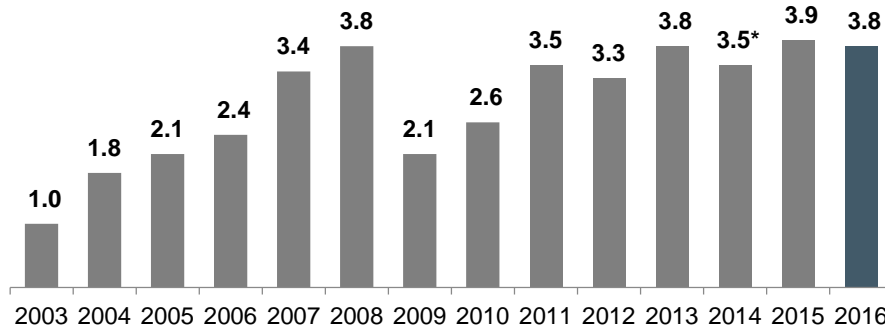


All export revenues are €-denominated, including non-€ countries

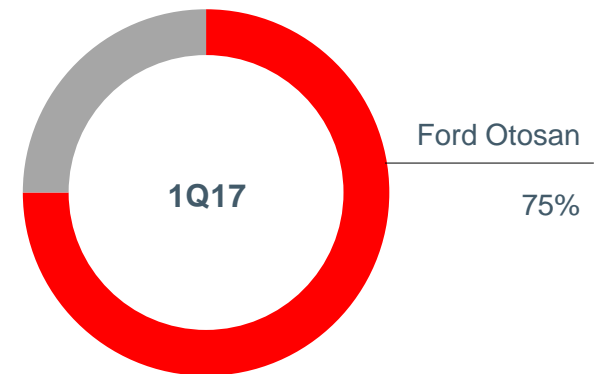
Export receivables are easy to manage as Ford of Europe is the **single counterparty**

Export receivables from Ford Motor Co. and its subsidiaries are collected within average **14 days**

Export Revenue (US\$ bn)

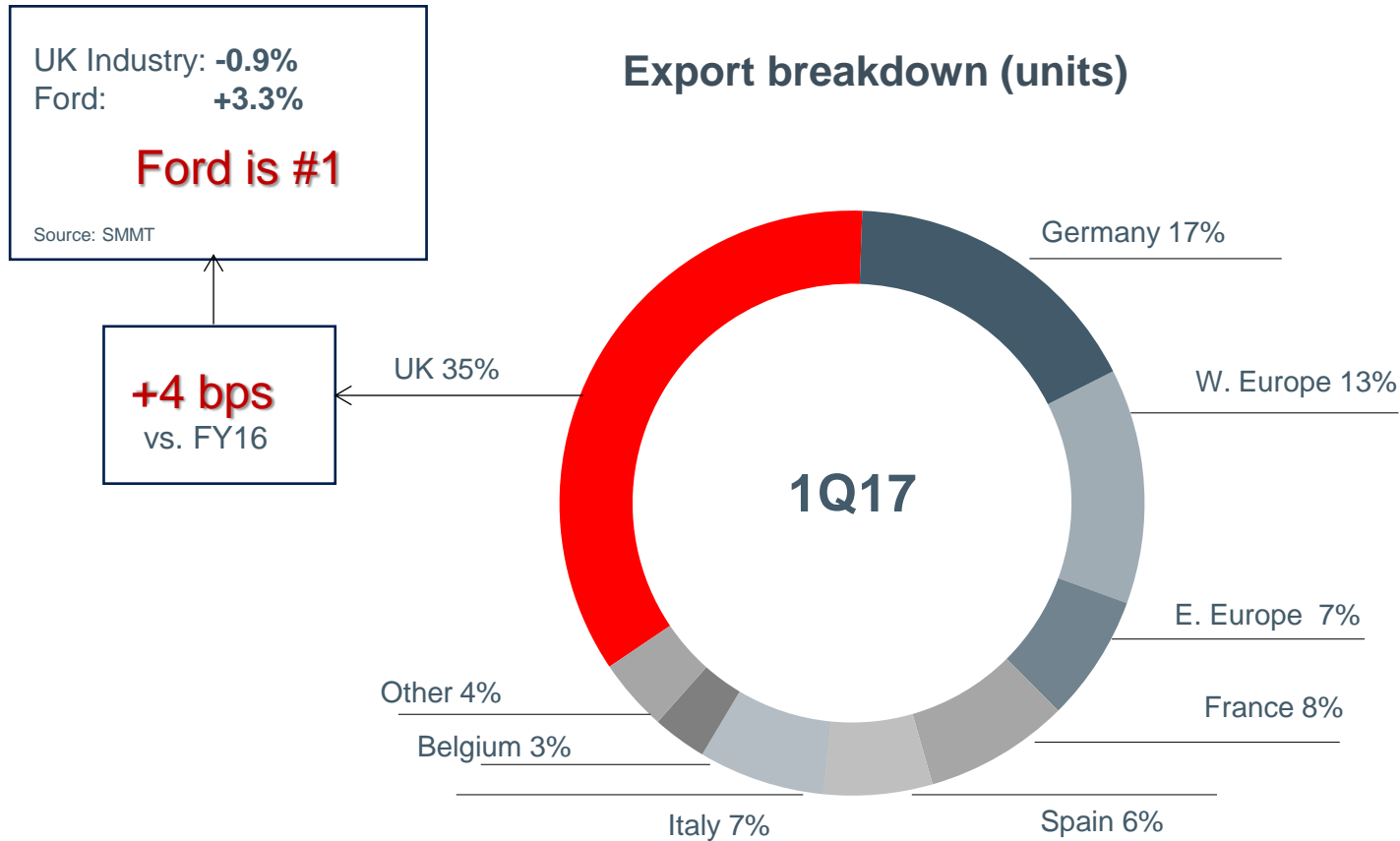


Turkey's CV exports



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Turkey's Export Champion



All export revenues are €-denominated
 including non-€ countries

Growth Continues in European Van Segment

European industry continues to grow (CV market up to 3.5 tons – Ford Otosan's export segment)

	2015	2016	Jan '17	Feb '17	Mar '17	YTD
UK	15.6%	1.0%	1.2%	-4.3%	-0.9%	-0.9%
Germany	4.2%	8.5%	5.8%	-0.0%	18.4%	8.9%
Italy	12.4%	50.0%	5.0%	9.2%	12.9%	9.4%
Spain	36.1%	11.2%	31.5%	14.9%	25.4%	23.6%
France	2.0%	8.2%	10.3%	4.3%	15.2%	10.2%
Total	11.6%	11.9%	9.3%	3.2%	10.5%	8.1%

March registrations: 225,833 units

Jan-March registrations: 504,849 units

10.5%

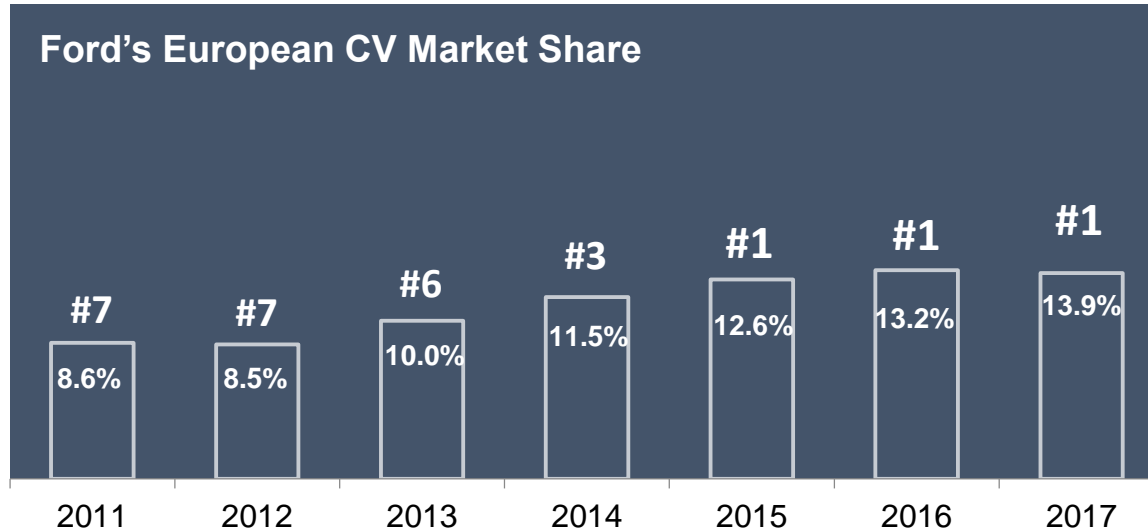
**March YoY growth
in European van sales**

8.1%

**Jan-March YoY growth
in European van sales**

(Source: www.acea.be)

Ford is Europe's Best-Selling CV Brand



9%

**Mar YoY growth
in Ford's CV sales**

“Best March CV sales since 1994”

11%

**Jan-Mar YoY growth
in Ford's CV sales**

81%

**Ford Otosan's share in
Ford Europe's
Transit Sales**

Large Scale Investment Program >US\$1 Billion (2010-2014)

31

Transit



Courier



US\$ 75
million +

Ford Trucks



Custom



€ 370 million

Yeniköy



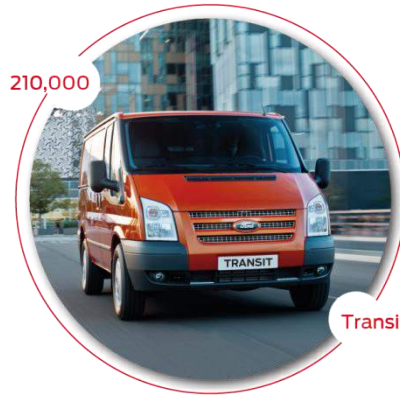
US\$ 850
million

Favorable Financing Terms

- €150 million loan agreement signed with EBRD in 2010 (Closed as of December 2015)
5-year term with 2-years grace period at Euribor + 2.75%
- €190 million loan agreement signed with EIB in 2012
8-year term with 2-years grace period
€100 million in Q3 at 2.06%
€90 million in Q4 at 1.47%
- €100 million loan agreement signed with a consortium of foreign banks in July 2014
(HSBC, Societe Generale and The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
4-year term with 2-years grace period at Euribor + 2.30%
- €140 million loan agreement signed with EBRD and a consortium of foreign banks in July 2014
€70 million funded by EBRD and €70 million funded as syndicated loan
(HSBC, Societe Generale, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Credit Agricole)
5-year term with 2-years grace period at Euribor + 2.25%
- €100 million loan agreement signed with EIB in December 2015 and utilized in 1Q 2016
6-year term at 0.87%
- €150 million loan agreement signed with EBRD in April 2017
7-year term with 3-years grace period at Euribor + 1.95%

Highest Production Capacity in Turkish Automotive

Old: 330,000 (pre-investments)



210,000

Transit



110,000

Connect



10,000

Cargo

Kocaeli Plant

İnönü Plant

New: 415,000 (2014)



140,000 - 160,000

New Transit



130,000-150,000

Custom



110,000

Courier



15,000

Cargo

Gölcük Plant

Yeniköy Plant

İnönü Plant

Kocaeli Plants

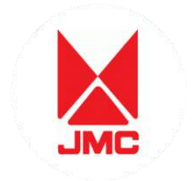
400,000

Technology Licensing & Engineering Agreements

- The agreements with JMC have a 12-year term, starting with 2016 model year, to be extended every 3-years.
- Ford Otosan will be generating royalty fees with strong long-term growth potential.

Ecotorq engines

- Signed on April 24th, 2013.
- JMC branded vehicles manufactured in China using these engines and the licensed products will be sold in China and the export markets as agreed by the parties.



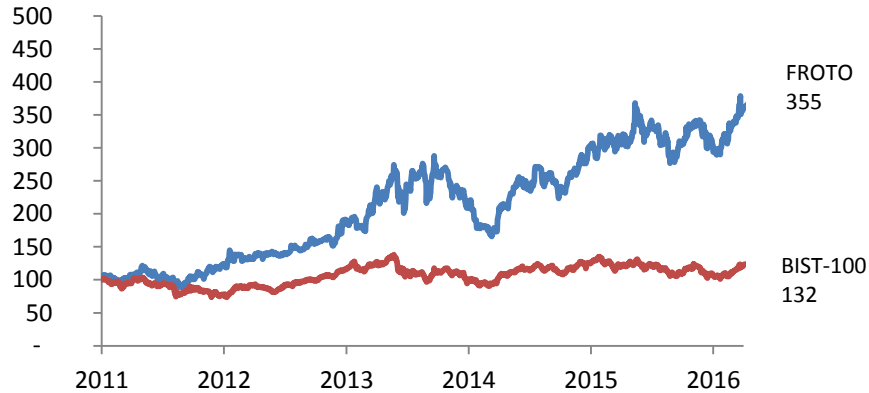
Chassis, cab and components of Ford heavy trucks

- Signed on July 25th, 2014.
- The products and JMC branded vehicles containing these products will be sold in China.



Focus on Shareholder Value

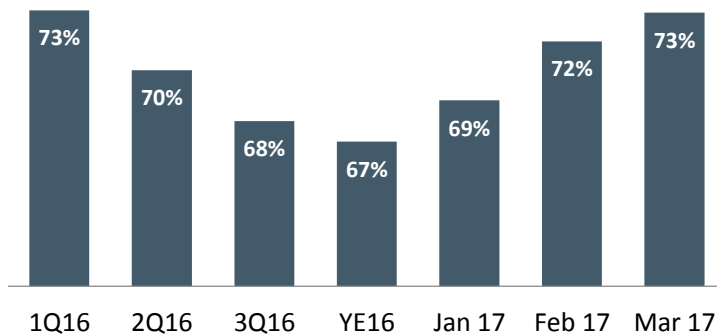
Strong relative share performance



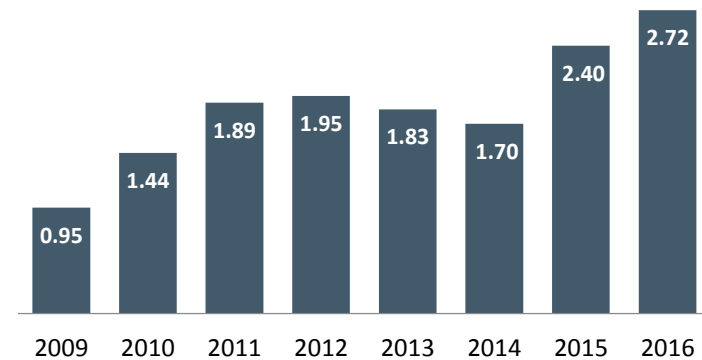
Commitment to corporate governance

- Separate CEO and Chairman roles
- Independent BoD members
- Audit Committee
- Corporate Governance Committee
- Early Determination and Management of Risk Committee
- Remuneration Committee

Foreign ownership in free float



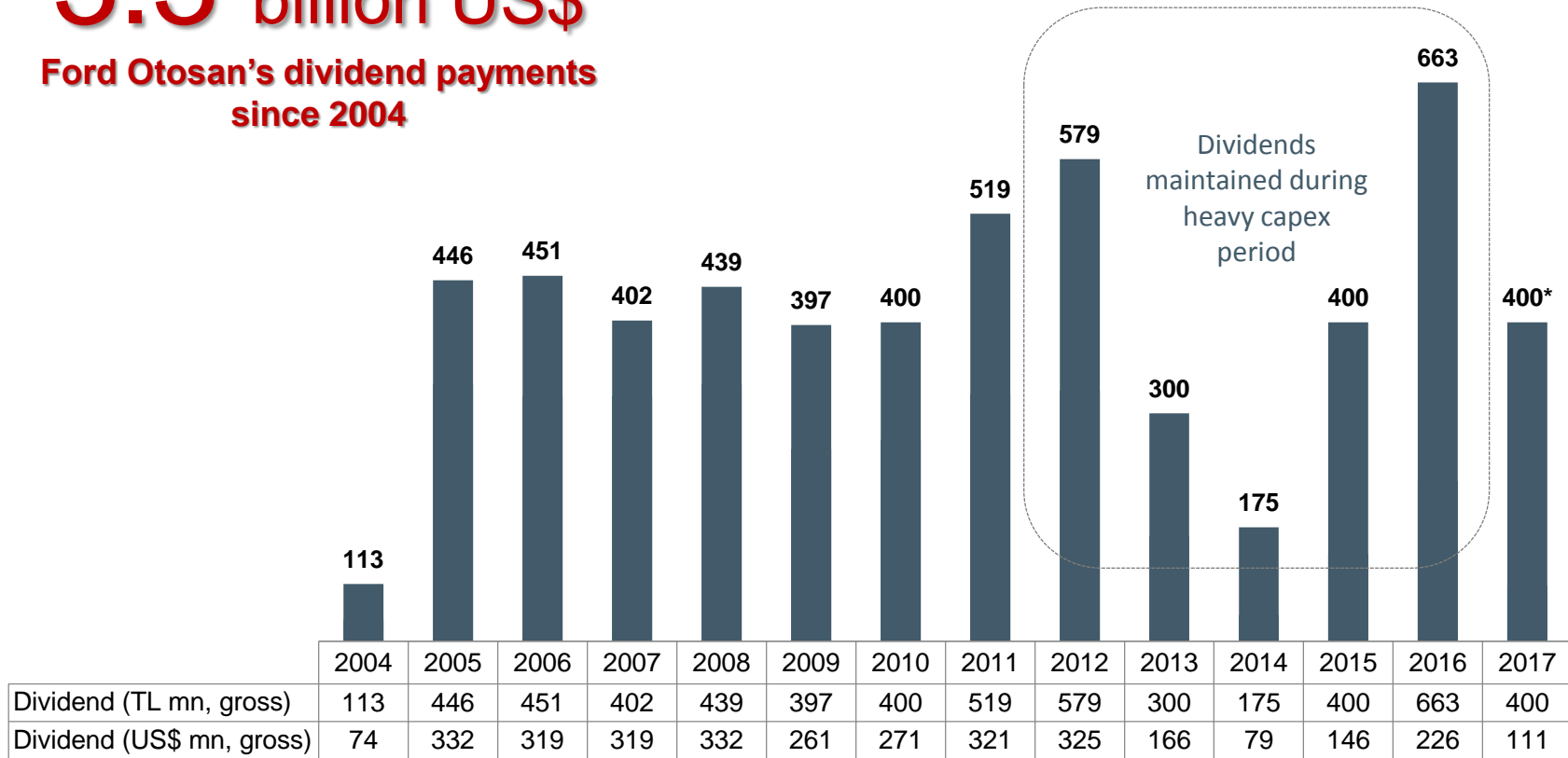
Earnings per share (for Kr 1 nominal value)



Dividend History and Policy

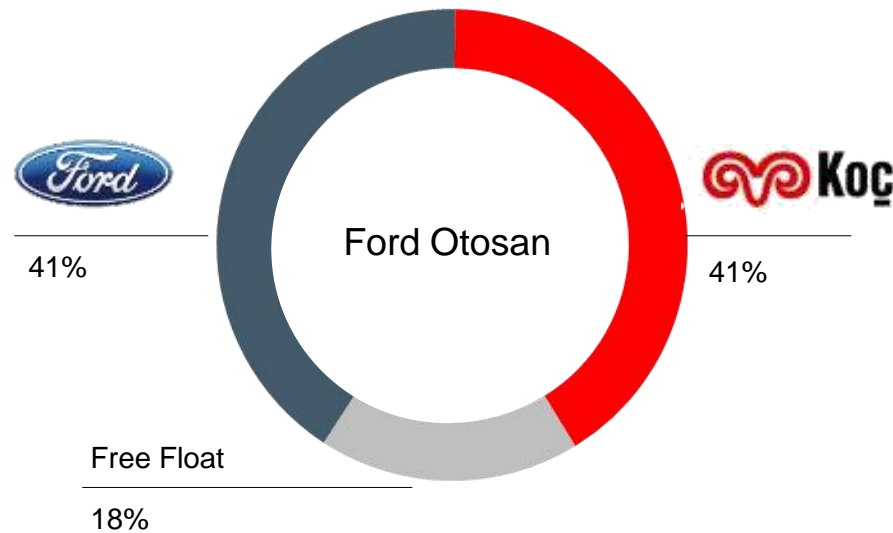
3.3 billion US\$

**Ford Otosan's dividend payments
since 2004**



* First dividend

Policy: In principle, subject to be covered by the resources existing in legal records, and subject to the decision of the Ordinary or Extraordinary General Assembly Meeting, excluding periods of large investment or severe economic downturn, by taking into consideration other legislation, financial and market conditions, long-term strategy, investment and financing policies, profitability and cash position, minimum 50% of the distributable profit for the period calculated within the framework of the Capital Markets Legislation is distributed in the form of cash or stock.



- Global automotive industry leader based in Dearborn, Michigan, that manufactures and distributes automobiles across six continents.
- Automotive brands include Ford and Lincoln.
- 199,000 employees and 67 plants worldwide.
- Provides financial services through Ford Motor Credit Company.

- Turkey's largest industrial and services group in terms of revenues, exports, employees, taxes paid and market capitalization on the Borsa İstanbul.
- Koç Holding ranks among the world's top 500 companies in Fortune 500 (2016 report).
- Holds leading positions with strong competitive advantages in various sectors, such as energy, automotive, consumer durables and finance.

- Maintenance, service and repairs provided through our customer-focused and innovative network.
- Dealers are separate legal entities; no ownership by Ford Otosan.
- Dealer receivables from domestic dealers are collected using a Direct Debit System.



Light Vehicles (PC+LCV+MCV)

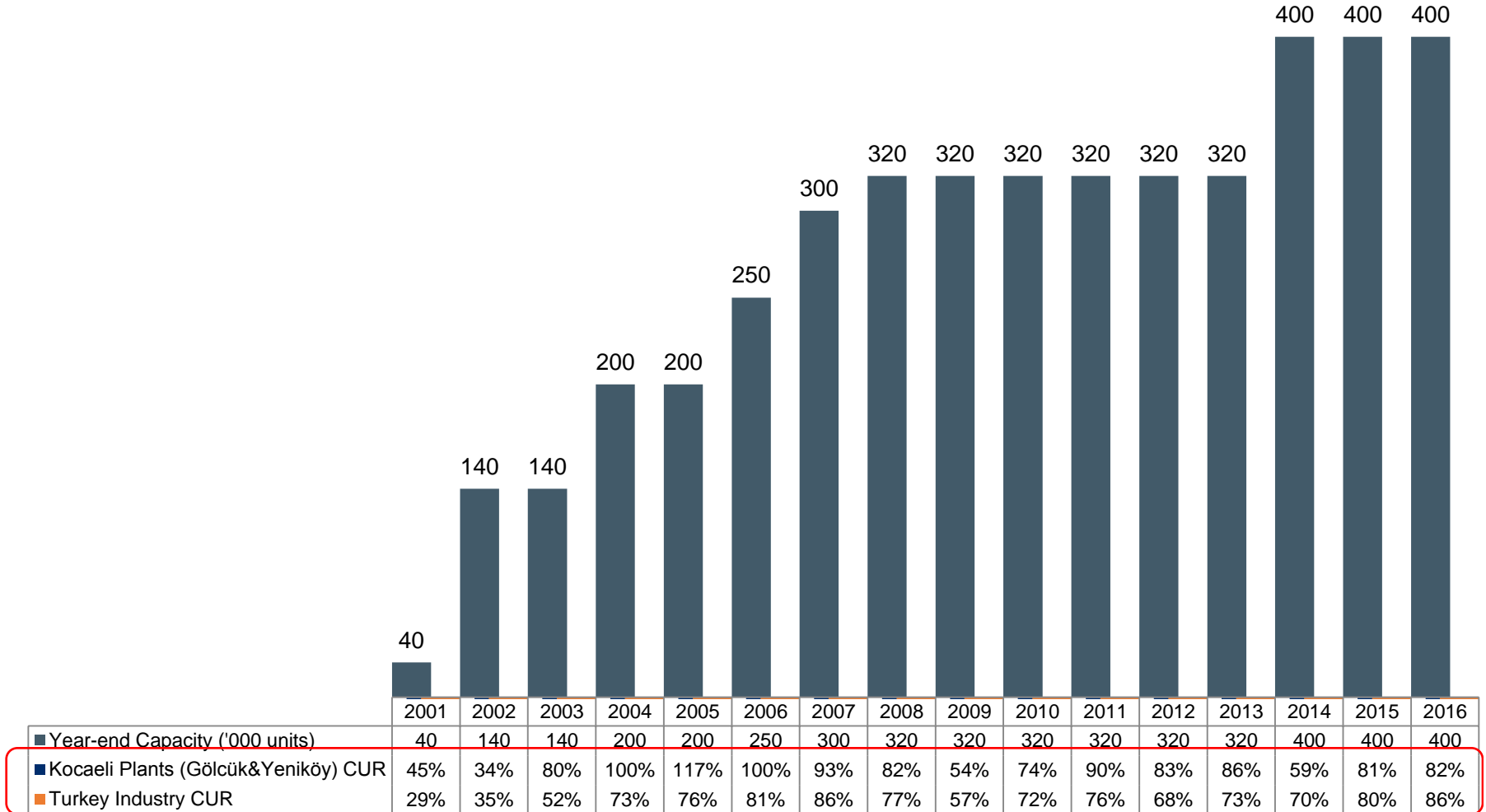
Sales	114
After-Sales	125
Total	159



Ford Trucks

Sales	27
After-Sales	29
Total	30

Ford Otosan Kocaeli Plants (Gölcük & Yeniköy)



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

R&D Focused on Excellence

Ford Otosan has the capability and infrastructure to design, develop and test a complete vehicle end-to-end, including its engine and engine systems.



Sancaktepe R&D Center

- Center of Excellence for heavy trucks and related diesel powertrains
- Design studio and CAVE lab (1st in Turkey)
- Vehicle and engine HIL labs

Gölcük R&D Center

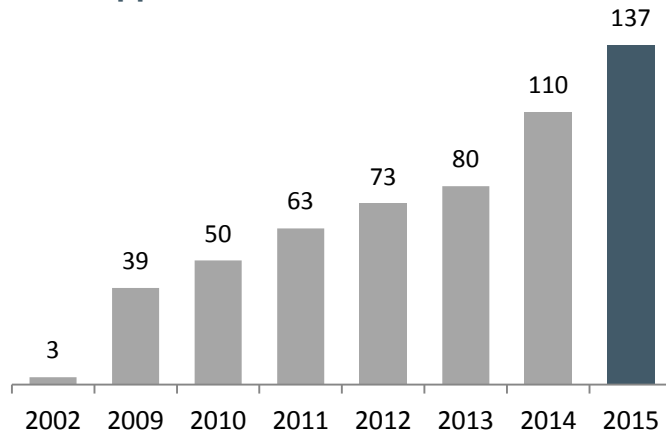
- Engine & vehicle testing
- Development workshops

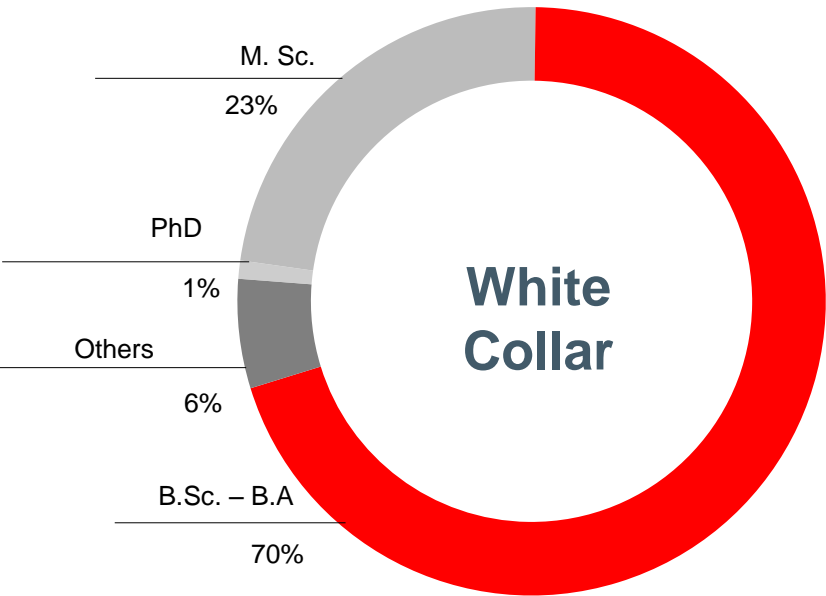
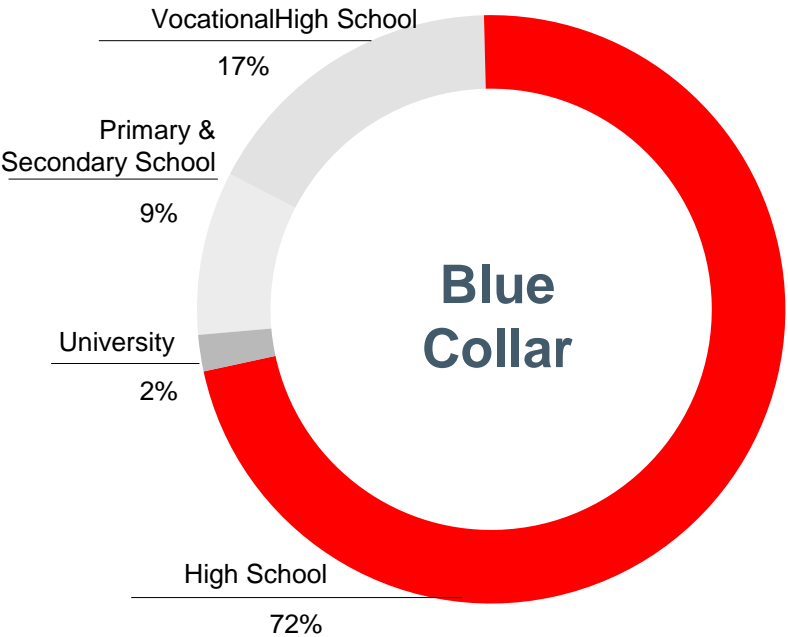


İnönü Product Development

- Prototype engine manufacturing and testing
- The only facility to test extra heavy engines over 13L in Turkey

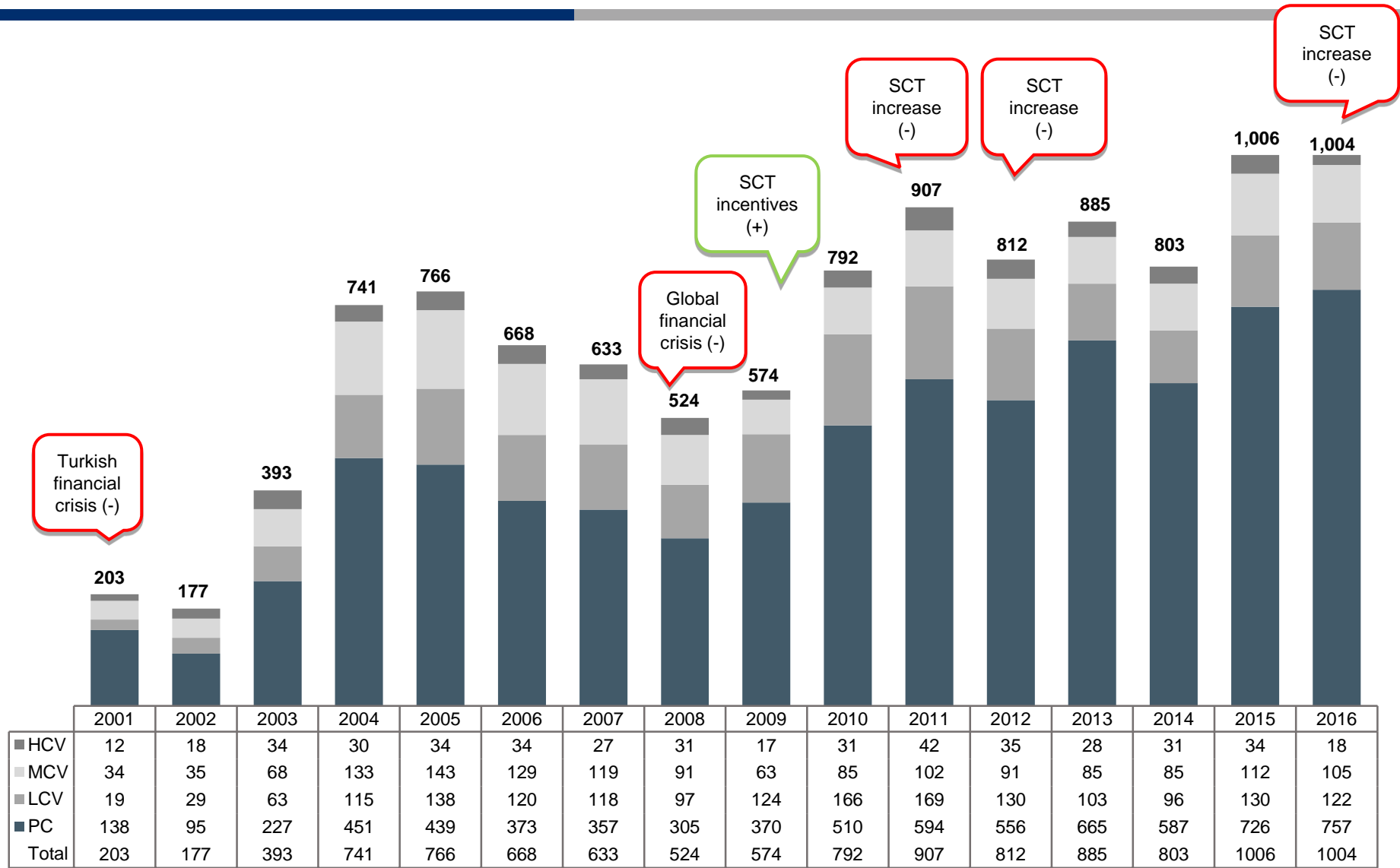
Patent Applications





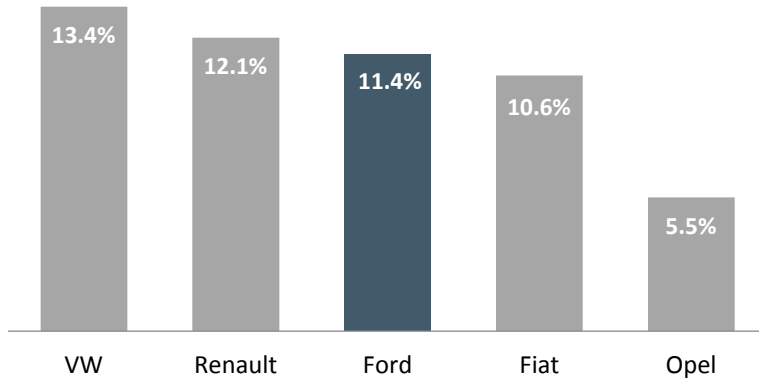
Operating & Financial Performance

Turkish Automotive Industry (000 units)

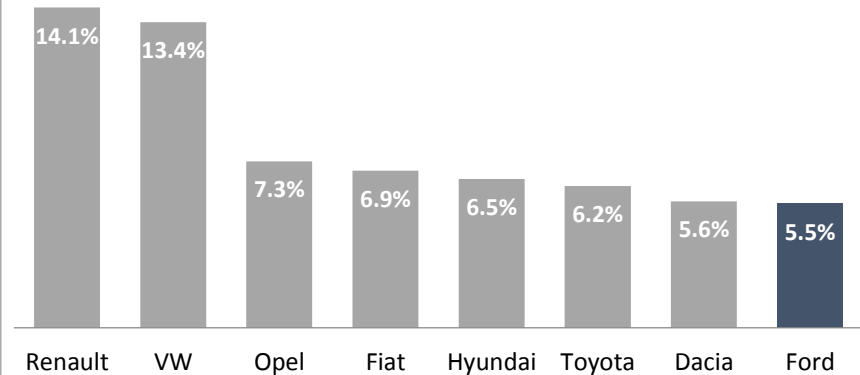


Turkish Market Shares (2016)

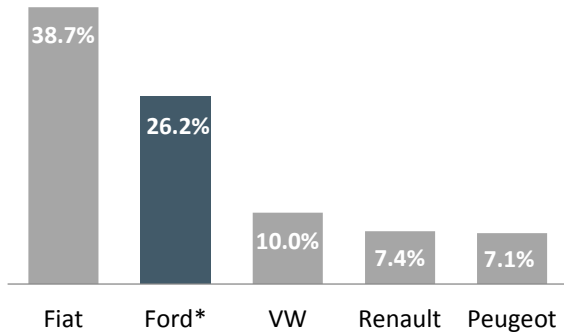
Total Industry



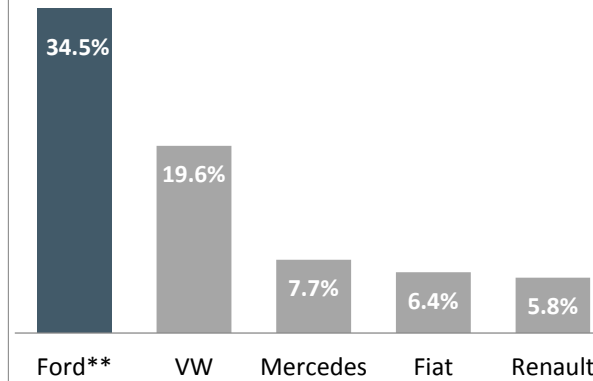
Passenger Cars



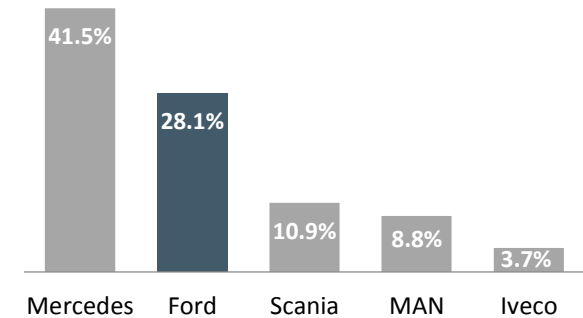
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



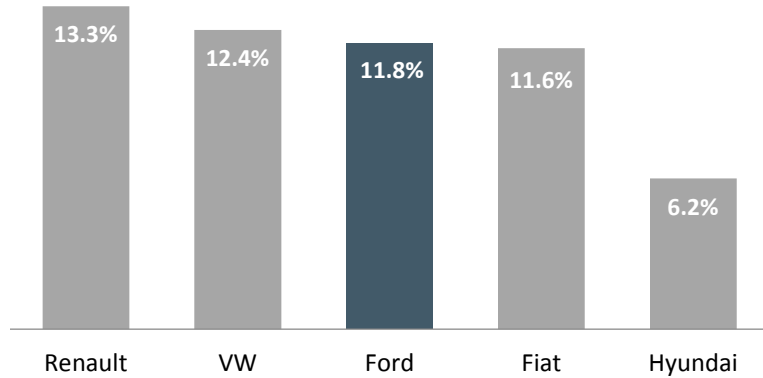
* Courier and Connect

** Transit, Custom & Ranger

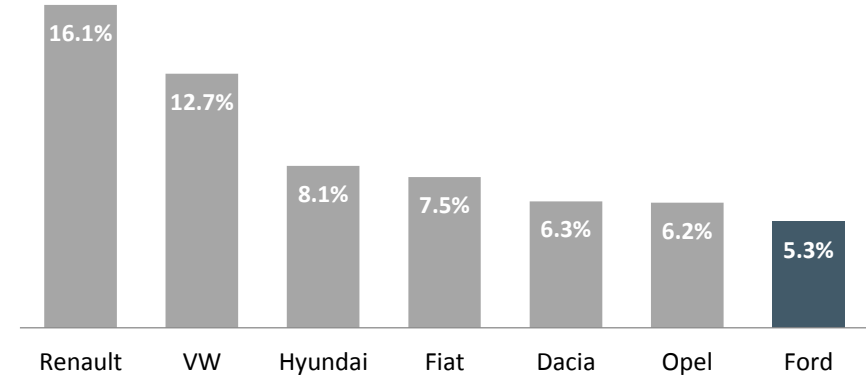
Source: ODD and TAID

Turkish Market Shares (Mar YTD 2017)

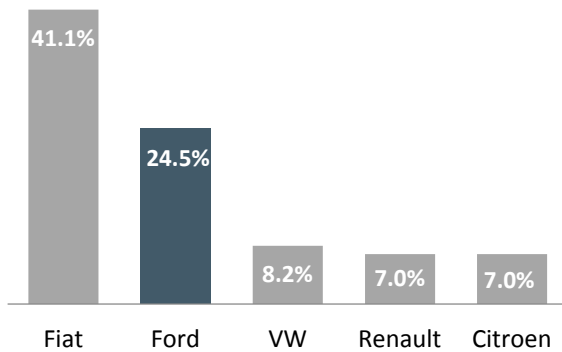
Total Industry



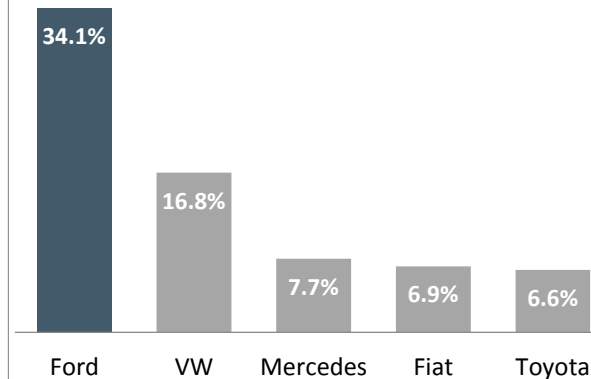
Passenger Cars



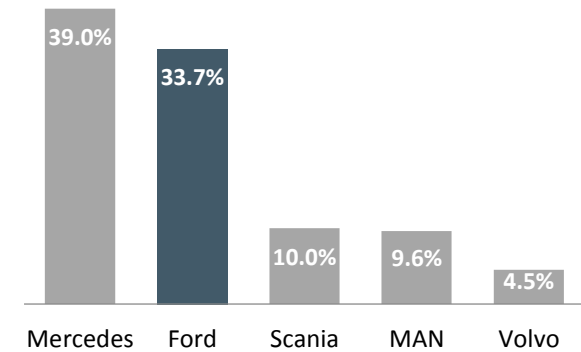
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



* Courier and Connect

** Transit, Custom & Ranger

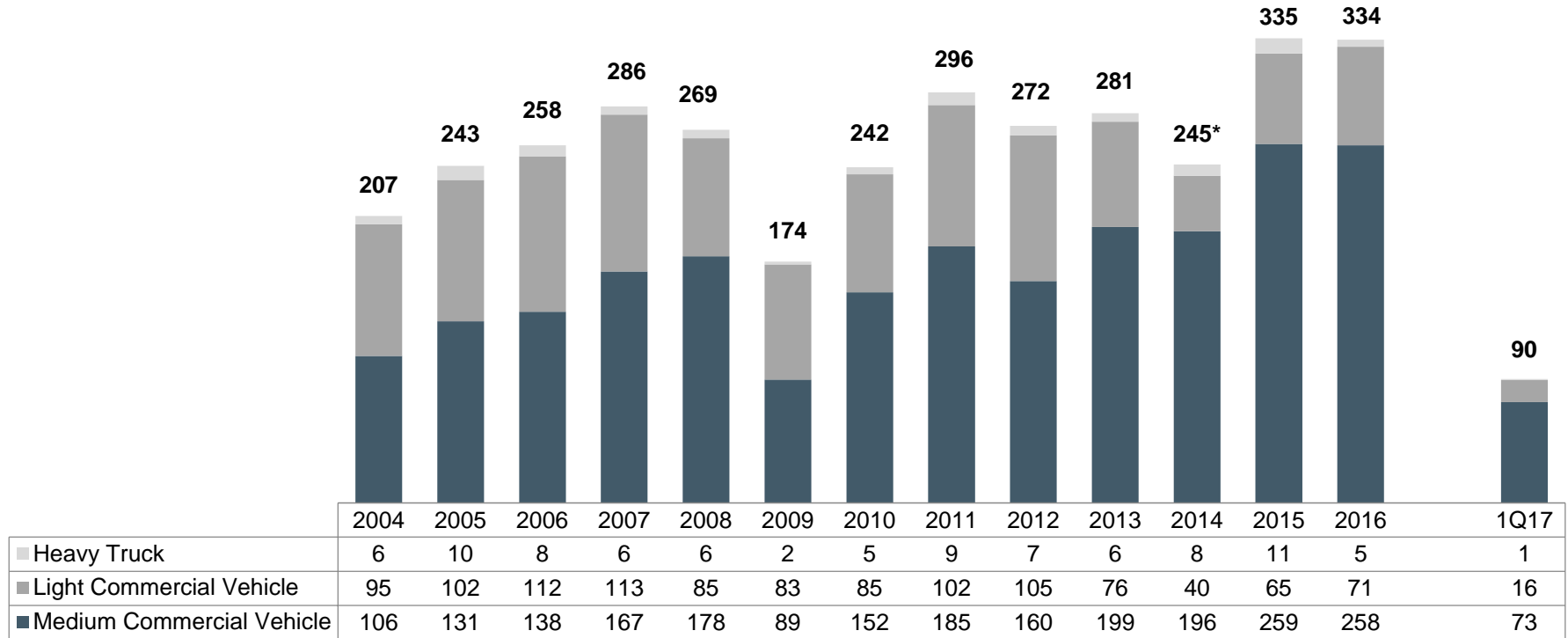
Source: ODD and TAID

Turkish Market & Ford Otosan Retail* Sales (Units)

	Mar '17	Mar '16	YoY	Mar '17 YTD	Mar '16 YTD	YoY	Mar '17	Feb '17	MoM	2016
PC										
Ford Otosan	3,047	4,111	-26%	6,150	8,480	-27%	3,047	1,570	94%	41,370
Industry	55,616	63,975	-13%	115,963	127,921	-9%	55,616	34,658	60%	756,938
% Share	5.5	6.4	-0.9	5.3	6.6	-1.3	5.5	4.5	0.9	5.5
LCV										
Ford Otosan	2,177	2,818	-23%	5,009	5,586	-10%	2,177	1,424	53%	31,911
Industry	9,699	9,286	4%	20,437	19,629	4%	9,699	5,863	65%	121,620
% Share	22.4	30.3	-7.9	24.5	28.5	-3.9	22.4	24.3	-1.8	26.2
MCV										
Ford Otosan	2,993	2,829	6%	6,707	6,402	5%	2,993	2,144	40%	36,323
Industry	8,487	9,687	-12%	19,690	20,936	-6%	8,487	6,444	32%	105,162
% Share	35.3	29.2	6.1	34.1	30.6	3.5	35.3	33.3	2.0	34.5
HCV										
Ford Otosan	364	419	-13%	919	860	7%	364	312	17%	5,199
Industry	1,357	1,713	-21%	2,731	3,358	-19%	1,357	836	62%	18,482
% Share	26.8	24.5	2.4	33.7	25.6	8.0	26.8	37.3	-10.5	28.1
Total										
Ford Otosan	8,581	10,177	-16%	18,785	21,328	-12%	8,581	5,450	57%	114,803
Industry	75,372	84,918	-11%	159,233	172,322	-8%	75,372	47,929	57%	1,004,313
% Share	11.4	12.0	-0.6	11.8	12.4	-0.6	11.4	11.4	0.0	11.4

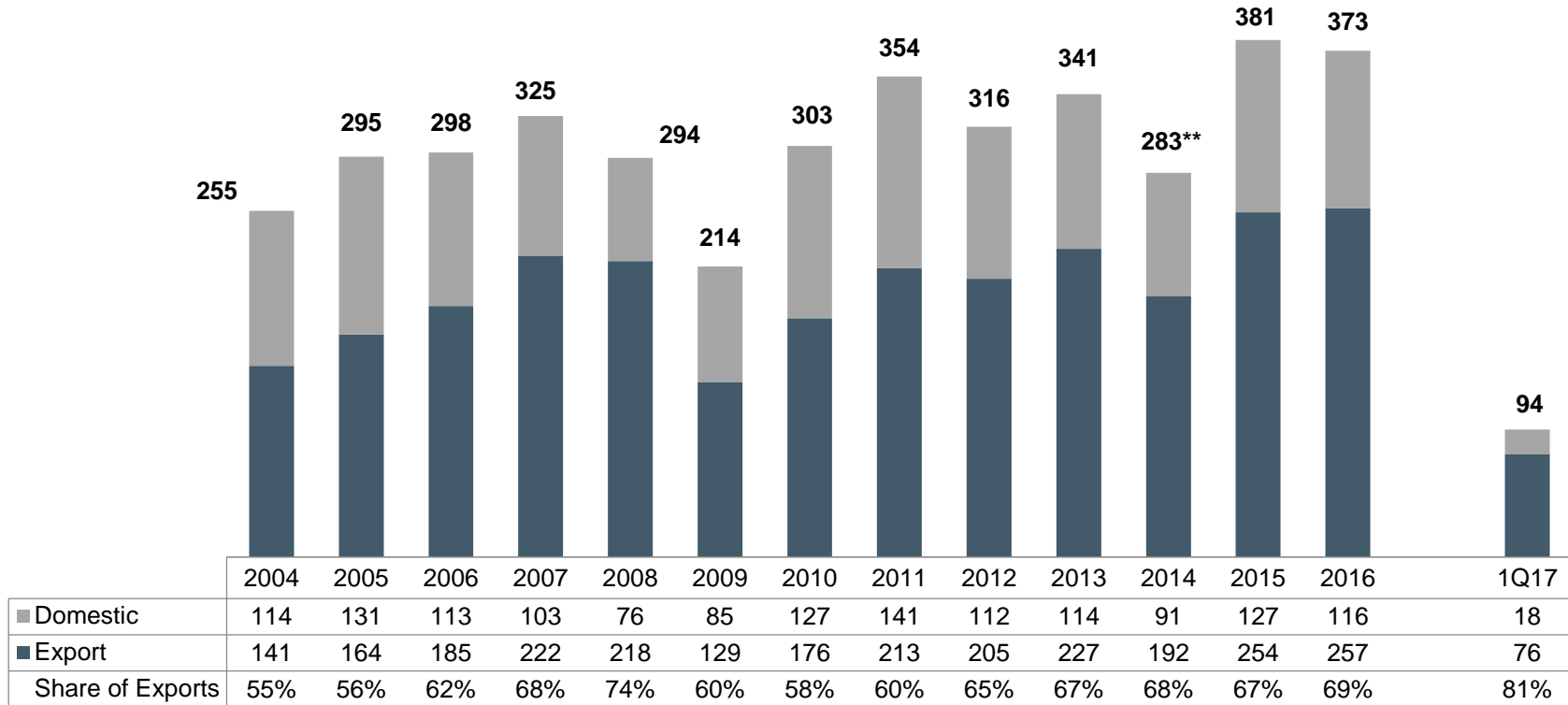
* Retail sales include Ford branded vehicles that Ford dealers sell in the domestic industry.

Production Volume by Segment (000 units)



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Wholesale Volume – Domestic* & Export (000 units)



* Domestic wholesale volumes represent vehicles sold by Ford Otosan to our dealers.

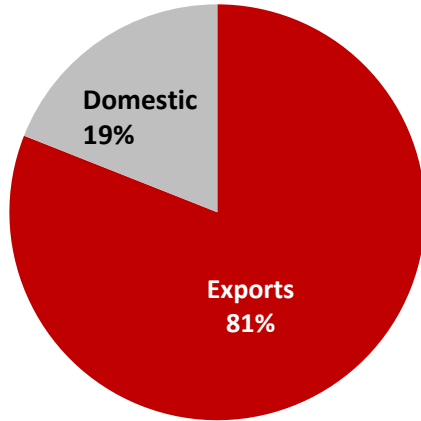
** 2014 numbers reflect the transition to new product range and relevant ramp-up period.

Sales Volume by Model

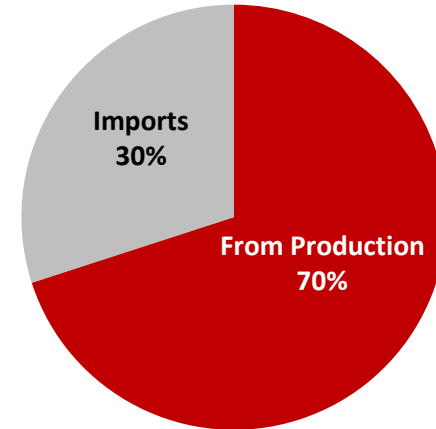
	1Q17	1Q16	YoY %
Total Domestic	18,194	22,096	-18%
PC	4,561	7,259	-37%
LCV	6,223	7,305	-15%
Transit Courier	5,796	6,773	-14%
Transit Connect	427	532	-20%
MCV	6,631	6,616	0%
Transit	4,903	5,313	-8%
Transit Custom	1,202	1,277	-6%
Ranger	526	26	1923%
Truck	779	916	-15%
Total Export	75,799	71,547	6%
Transit Custom	39,662	34,305	16%
Transit	26,387	27,888	-5%
Transit Courier	9,342	9,083	3%
Cargo	164	135	21%
Other	244	136	79%
Total Wholesale	93,993	93,643	0,4%

Record export volume

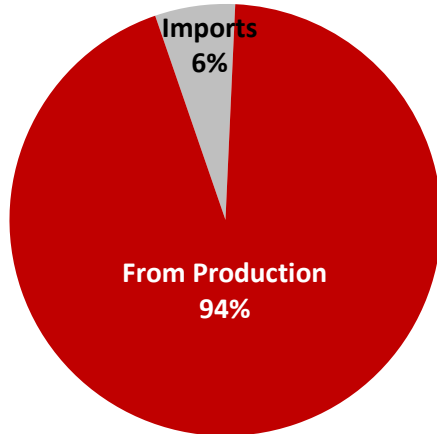
Total Sales



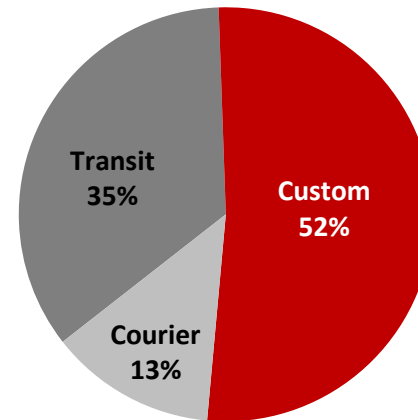
Domestic Sales



Total Sales



Exports by Model



Main Financial Indicators

Million TL	1Q17	1Q16	YoY %
Total Revenues	5,395	4,185	29%
Export	4,262	3,094	38%
Domestic	1,133	1,092	4%
Gross Profit	552	465	19%
Operating Profit	330	237	39%
EBITDA	448	347	29%
Profit Before Tax	280	210	33%
Net Income	272	203	34%
Other Financial Data			
Depreciation & Amortization	118	110	7%
Financial Income / (Expense)	-51	-26	95%
Capex	-160	-102	57%

Total Revenues +29% YoY

Despite flat volumes YoY
Growth driven by export strength

Export Revenues +38% YoY

Record volumes; up by 6%
Growth in European van segment
Higher demand for our products
Currency impact

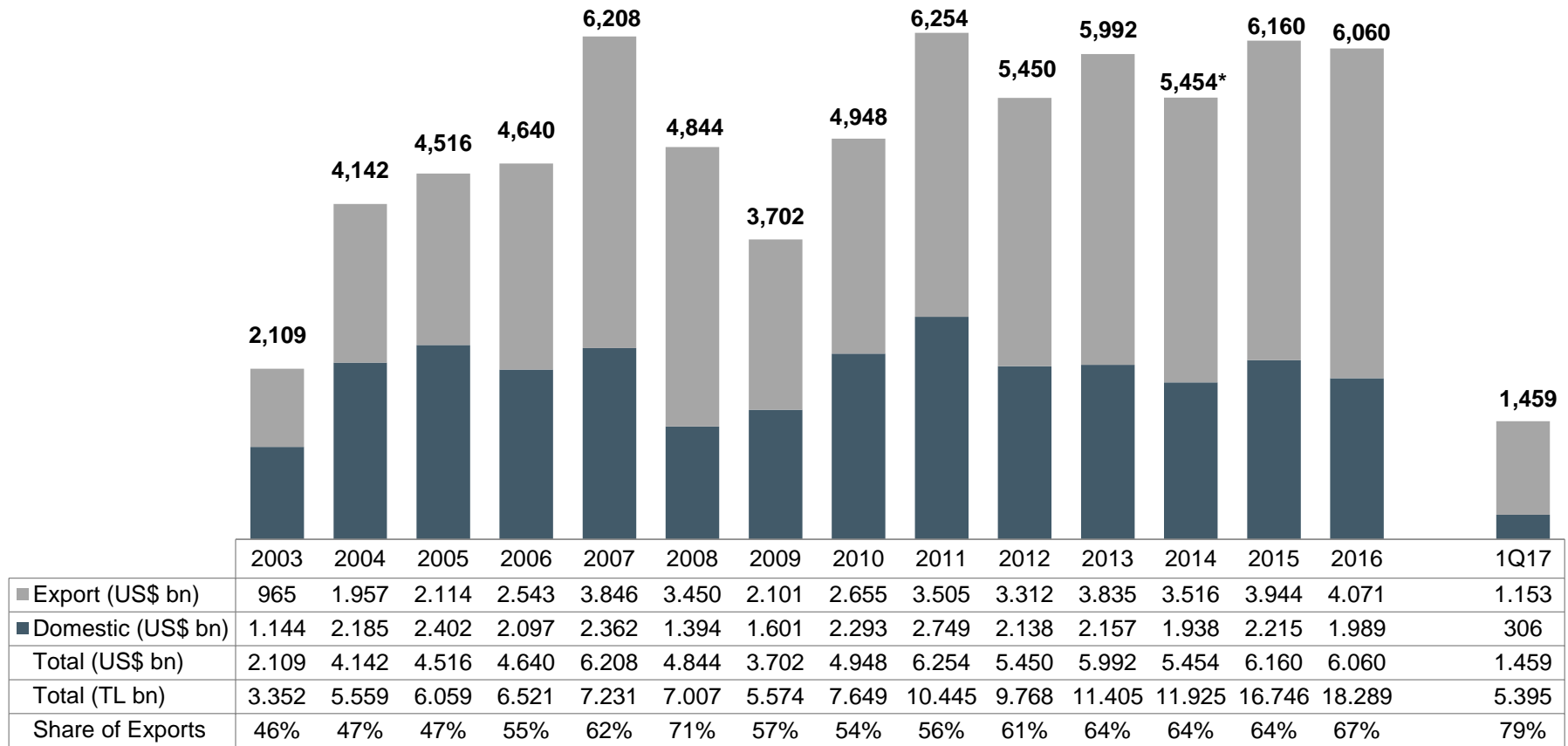
Domestic Revenues +4% YoY

Despite lower volumes; down by 18%
Pricing strategy
Positive sales mix

Profit Before Tax +33% YoY

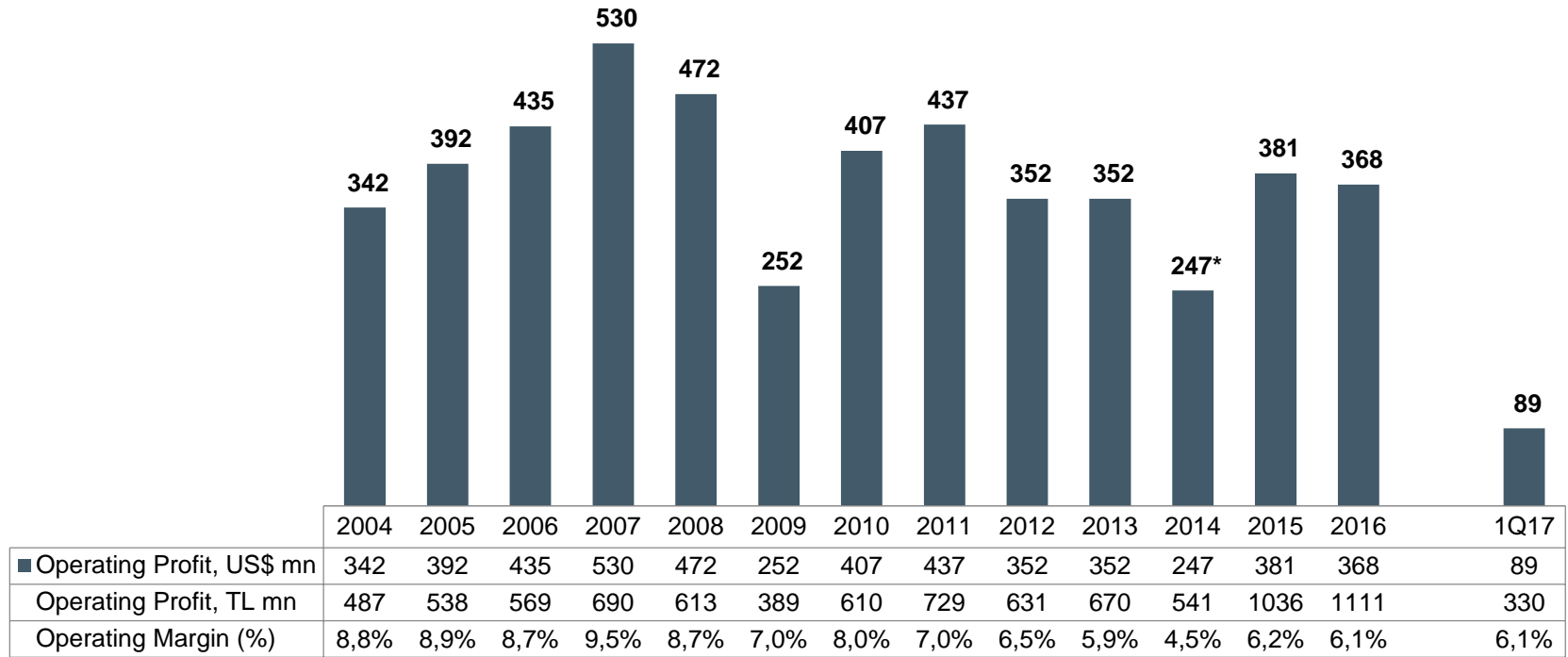
Despite the 95% increase in net financial expenses
due to 179% rise in net fx loss

Revenues - Domestic & Export



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Operating Profit and Margin



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

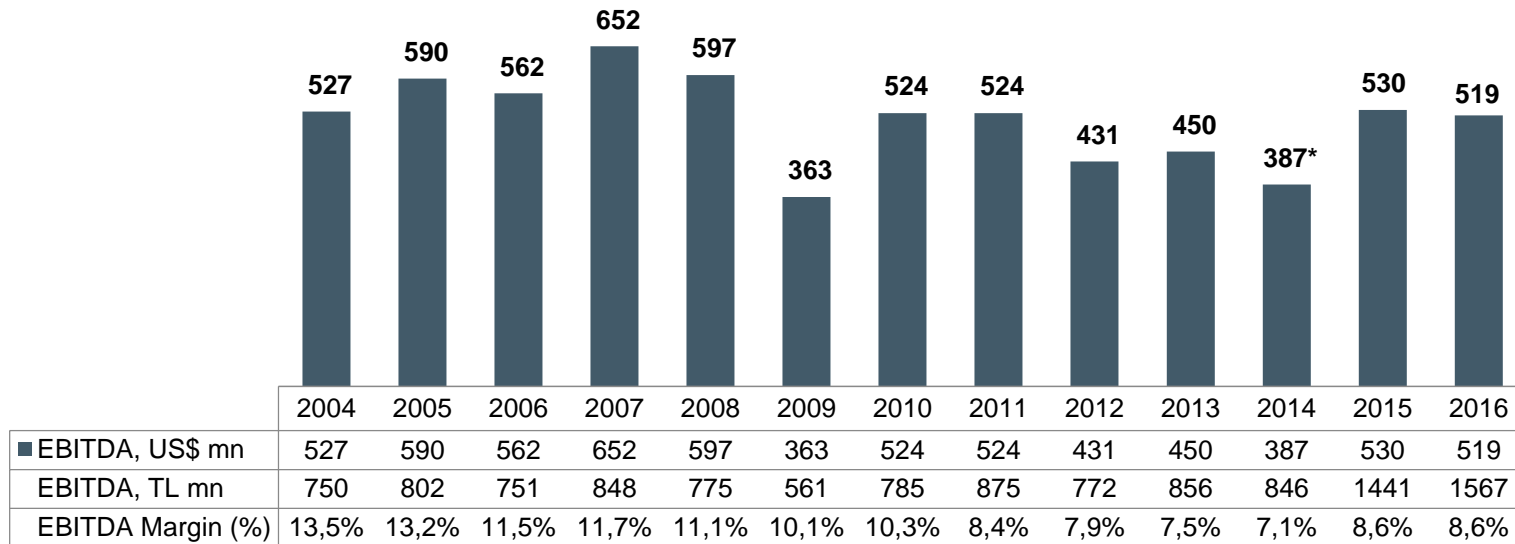
EBITDA and EBITDA Margin

Profitability rise post 2015 explained:

- Strong volumes with new products
- Favorable domestic sales mix
- Pricing focus to offset the weak and volatile TL
- Higher capacity utilization
- Cost reduction actions

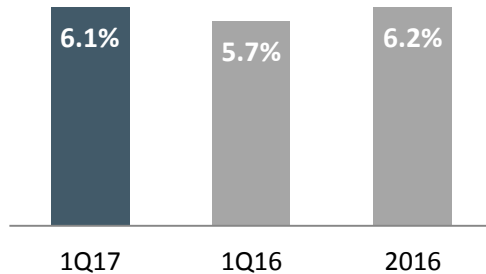
2010-2014 margin decline explained:

- Changing business mix
- Highly competitive pricing landscape
- Industry shift towards PC = Less favorable sales mix
- Aged product portfolio
- TL volatility causing higher import costs and financial expenses

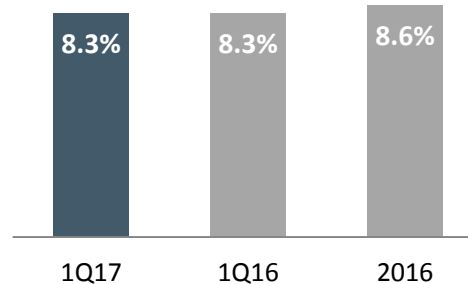


*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Operating Margin



EBITDA Margin



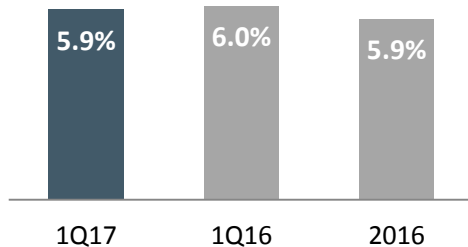
Challenges:

- Rising import costs due to weaker TL/€ (3.94 in 1Q17 versus 3.25 in 1Q16)
- Lower domestic volumes
- Higher commodity prices pressuring domestic margins

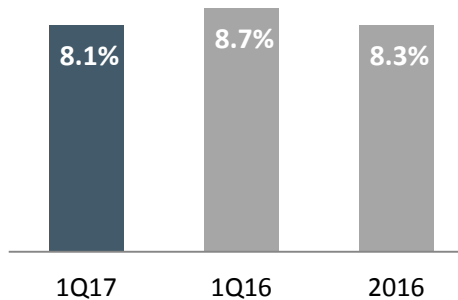
Drivers:

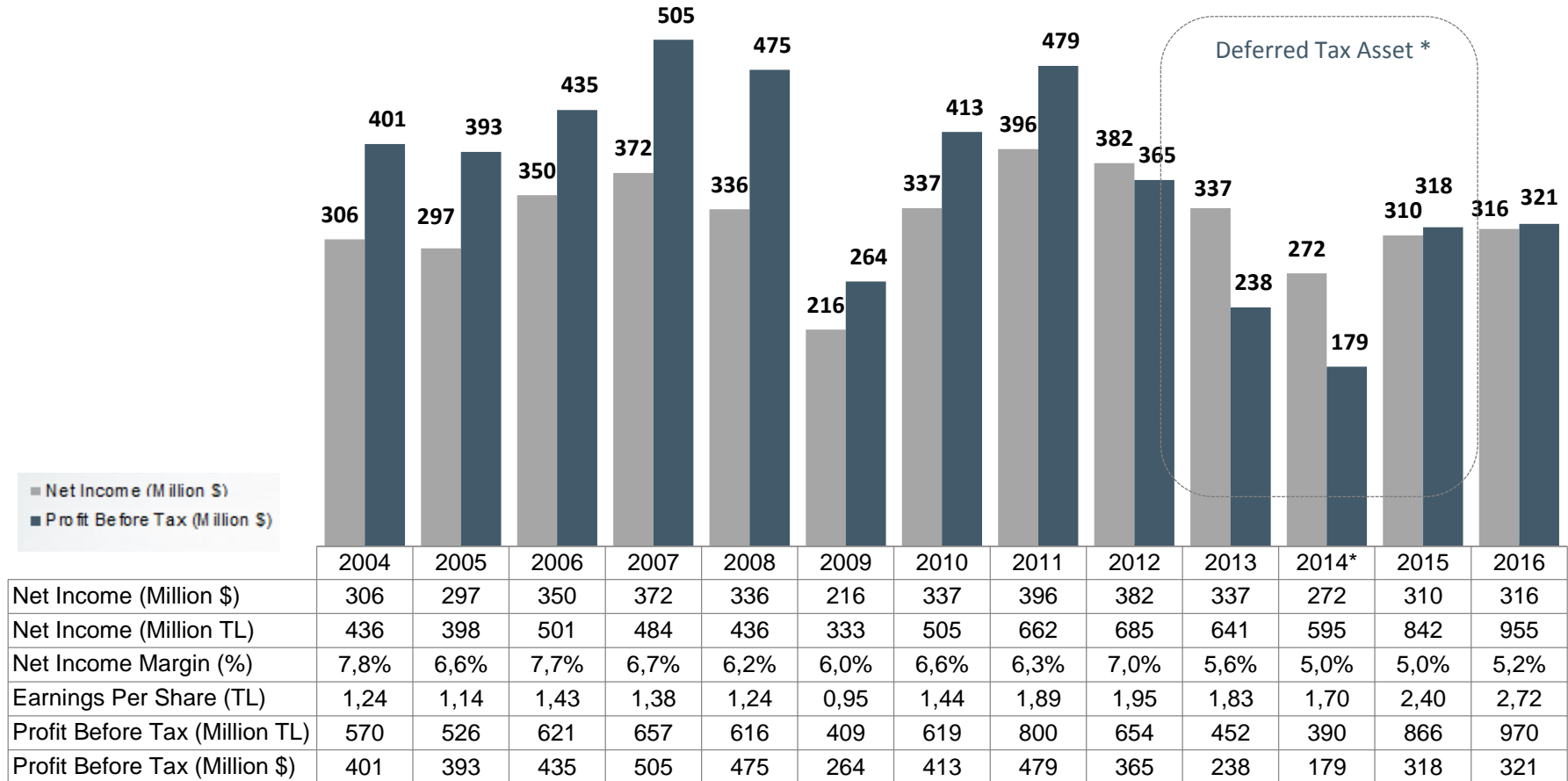
- + Pricing focus to offset the impact of TL devaluation & volatility
- + Positive domestic sales mix: Lower share of imports; growing share of high margin products
- + High CUR: 86%
- + Cost reduction actions

Operating Margin (excl. Other items)



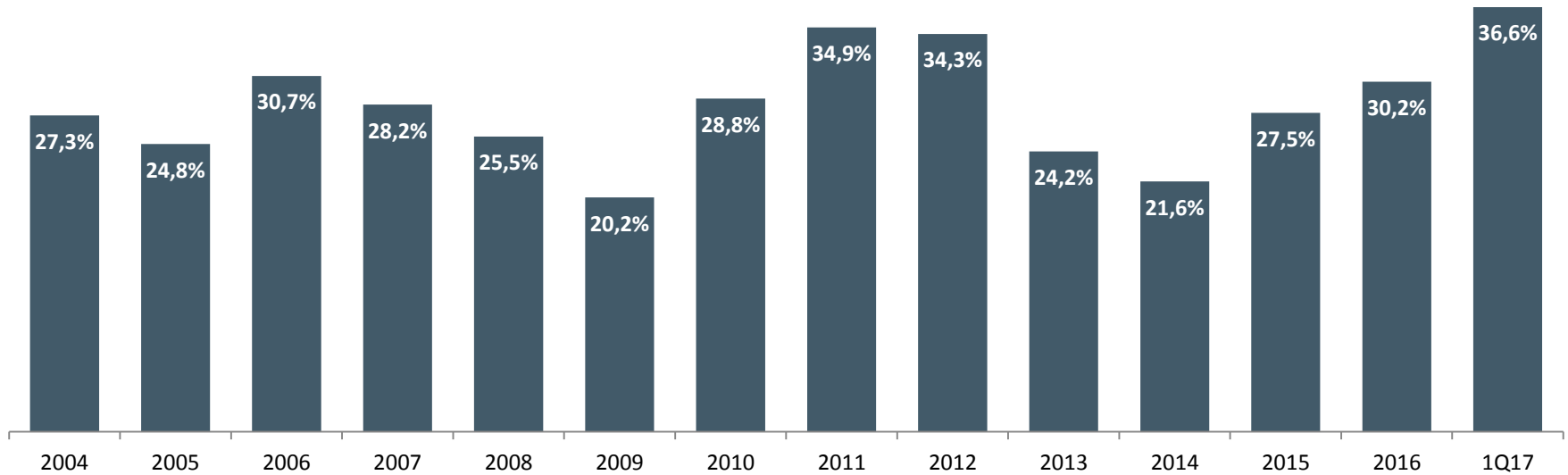
EBITDA Margin (excl. Other items)





*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Return on Equity



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Credit Risk

Receivables from domestic dealers are collected using a Direct Debit System
Receivables from Ford Motor Company and its subsidiaries are collected within 14 days
Other exports are guaranteed using L/C, letter of guarantee or cash collection

Liquidity Risk

Cash, credit commitment and factoring capacity is maintained to meet 21 days' cash outflow
€80 million credit commitment & €125 million factoring agreements for potential needs
Net debt as of 1Q17 is TL1.7 billion.

FX Risk

Excess cash is invested in hard currencies to minimize fx exposure
Natural hedge against volatility due to fx-denominated export revenues: 79% of revenues
Ford Otosan is a net exporter: US\$ 4.0 billion in the last 5 years (2012-2016)

Capital Risk

Net financial debt / tangible equity is monitored as a management criteria; capped at 1.25

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2017	31.03.2016
Cash & Cash Equivalents	1,364	1,189
Total Financial Debt	(3,027)	(2,769)
Net Financial Debt	(1,663)	(1,580)
Financial Ratios	31.03.2017	31.12.2016
Current ratio	1.02	1.09
Liquidity ratio	0.73	0.79
Net Financial Debt / Tangible Net Worth	0.71	0.64
Current Assets / Total Assets	0.53	0.50
Current Liabilities / Total Liabilities	0.75	0.70
Total Liabilities / Total Liabilities and Equity	0.70	0.66
Return on Equity	36.6%	30.2%
Margins	31.03.2017	31.03.2016
Gross Margin	10.2%	11.1%
EBITDA Margin	8.3%	8.3%
EBITDA Margin (excl.other items)	8.1%	8.7%
Operating Margin	6.1%	5.7%
Net Margin	5.0%	4.9%

	2016 Actuals	2017
Turkish Industry Volume	1,004 K	850 - 900 K
Ford Otosan Retail Sales Volume	115 K	105 - 115 K
Exports	257 K	280 - 290 K
Wholesale Volume	373 K	385 - 405 K
Production Volume	334 K	345 - 355 K
Capex (fixed assets)	€152 mn	€180 - 200 mn

Guidance updated in April 2017.

Next update: July 2017 with 1H17 financial results.

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Investor Relations App



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