INTERIM REPORT

Company Name : **FORD OTOMOTİV SANAYİ A.Ş.**

Report Period : **01.01.2012 – 31.03.2012**

Board of Directors : Rahmi M. Koç (Chairman),
Stephen T. Odell (Vice Chairman),
Bülent Bulgurlu,
Y. Ali Koç
O. Turgay Durak
John Fleming,
Lyle A. Watters
Michael R. Flewitt,
Haydar Yenigün (General Manager)
Grant E. Belanger (Deputy General Manager)
Mehmet Barmanbek (Independent Member – Audit Committee Member)
Guenter Verheugen (Independent Member – Audit Committee Member)

Auditors : Mehmet Apak, Bilgütay Yaşar

1. Market

In the first three months of 2012, total domestic sales decreased by 26% compared to the same period of 2011 to 142,770 units (192,614)•. Due to the Special Consuption Tax (SCT) hike in October 2011, sales price increase on vehicles, slowdown in economic activity, rise in interest rates and high base year effect of 2011; 97,536 passenger cars, 20,768 light commercial vehicles, 17,449 medium commercial vehicles and 6,445 heavy commercial vehicles were sold in the first quarter and each segment contracted by 21%, 43%, 23% and 32% respectively.

2. Market Shares

Ford Otosan's total market share was 13.0% (14.6%) as of March 2012. Our market share in the passenger car decreased to 8.0% (9.8%) and the market share in the light commercial vehicle segment increased by 1.1% to 19.6% (18.5%). Leading position in the medium commercial vehicle segment was maintained with 30.3% (31.4%) market share. Ford Otosan ranked second in the heavy commercial vehicle segment with 21.0% (22.3%) market share.

3. Production and Capacity

Despite the contraction in European automotive market, Ford Otosan's strong export performance positively affected production and the capacity utilization rate increased to 92% in the first quarter, up from 84% in the first quarter of 2011. Total production volume increased by 7% versus the same period last year and reached 73,761 units (69,197). 44,194 units of Transit and 27,811 units of Connect were produced in Kocaeli Plant and 1,756 units of Cargo trucks were manufactured in İnönü Plant.

4. Export and Sales

58,578 vehicles (51,048) were exported in the first quarter of 2012, representing 15% increase. Export revenues increased by 11% to €665 million (€601 million). 17,957 vehicles (28,722) were sold to domestic dealers. Total sales volume decrease by 4% to 76,535

• The numbers in parentheses show the values corresponding to the same period of 2011.

(79,770) units. Thanks to increasing export volumes, net revenue increased by 8% compared to last year and reached TL 2.4 billion.

5. Investments

TL 124 million (TL19 million) capital expenditure was made in the first quarter of 2012 within the context of our previously disclosed ongoing investment plan in excess of $1 billion for three new projects which will take place between 2011 and 2014. The capital expenditure is expected to continue throughout the year.

6. R&D Activities

TL28 million (TL 26 million) R&D expenditure was made in the first quarter for various product development projects. R&D Projects are carried out in line with the product programs. The number of R&D engineers exceeded 1,000.

7. Personnel Figure

As of March 31 2012, Ford Otosan has a total of 9,593 employees composed of 2,299 white-collar and 7,294 blue-collar workers. (31 December 2011: total of 9,581 employees composed of 2,214 white-collar and 7,367 blue-collar workers).

The blue-collar workers in our company are under the coverage of Collective Labor Agreement signed between Turkish Metals Union and MESS. This agreement is effective from September 1st 2010 and valid for two years.

8. Profitability

Operating Profit was TL 157 million (TL 159 million) and Profit Before Tax was TL 161 million (TL 183 million) as of March-end. Net income was recorded as TL 166 million (TL 143 million). The operating profit margin was 6.5% (7.1%) due the contraction in the market and the ongoing agressive pricing trends of 4Q11. With the increase in domestic sales volume, appreciation of TL vs. € compared to 2011 and positive trend in raw material prices, a gradual improvement is expected in margins.

9. Financing

The company repaid € 6 million in January-March period and € 13 million loan was used. Consequently, as of March-end, total debt level increased to € 364 million (€ 247 million) from € 357 million at the beginning of the year. The cash balance is TL 849 million (TL 841 million) as of March 31, 2012.

The company continues to follow financial risks very closely and maintains prudent policies. The main policies regarding various risks are summarized in the Note 2 of financial statements.

Demand is expected to decline in 2012 as a result of negative outlook in Europe, slowdown in domestic economic activity, high base year effect of 2011 and decrease in loan growth expectation of banks. However, the diversity and different dynamics of our foreign markets result in a relatively positive outlook for export sales.

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