



## Investor Presentation February 2016

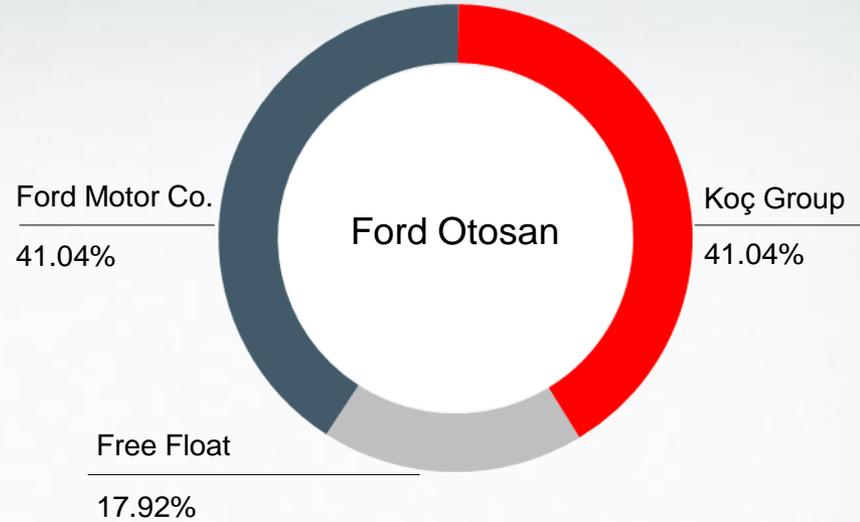
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# About Ford Otosan

# Company Profile

| Key Performance Indicators, 2015 |                    |
|----------------------------------|--------------------|
| Revenues                         | \$6.2 billion      |
| Export Revenues                  | \$3.9 billion      |
| EBITDA                           | \$530 million      |
| Profit Before Tax                | \$318 million      |
| Net Profit                       | \$310 million      |
| ROE                              | 27.5%              |
| EBITDA margin                    | 8.6%               |
| Annual Production Capacity       | 415,000            |
|                                  | Gölcük 290,000     |
|                                  | Yeniköy 110,000    |
|                                  | İnönü 15,000       |
| Total Employees                  | 10,676             |
|                                  | Blue Collar 7,944  |
|                                  | White Collar 2,732 |



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 Anadol (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**

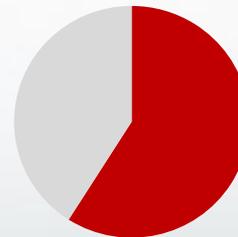
**Export leader** in Turkish automotive; 2<sup>nd</sup> largest exporter overall  
Turkey's **2<sup>nd</sup> largest** industrial enterprise  
**Highest** installed production capacity and employment in Turkish automotive

**Leadership and  
scale**

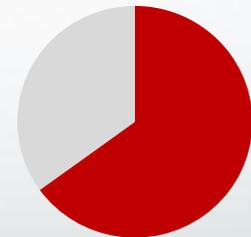
Market leader in Turkish commercial vehicle industry  
**Widest** product range in Turkish automotive



**25%** of Turkey's total  
automotive production



**59%** of Turkey's total  
commercial vehicle production



**65%** of Turkey's total  
commercial vehicle exports

# Key Player in Ford Motor Company Universe

**Robust sales  
performance**

**Highest** commercial vehicle market share of Ford in Europe  
Ford's **3<sup>rd</sup> biggest market in Europe** (UK, Germany, Turkey, Italy, France)

**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

# Vision, Mission and Strategy

## Vision

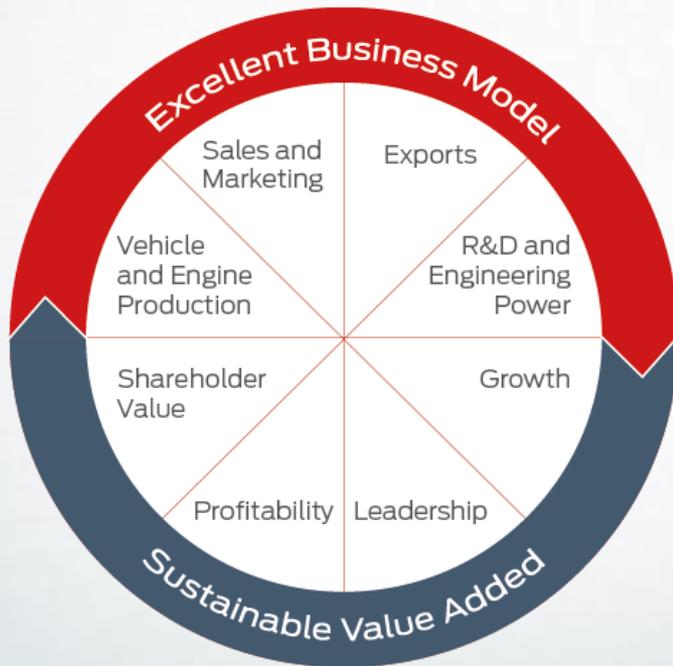
Being Turkey's most valuable and most preferred industrial company.

## 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 17<sup>th</sup> largest auto manufacturing hub in the world and 6<sup>th</sup> 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 – Gölçük 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 50<sup>th</sup> 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 12<sup>th</sup> 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**

# Plants and Facilities

# Locations

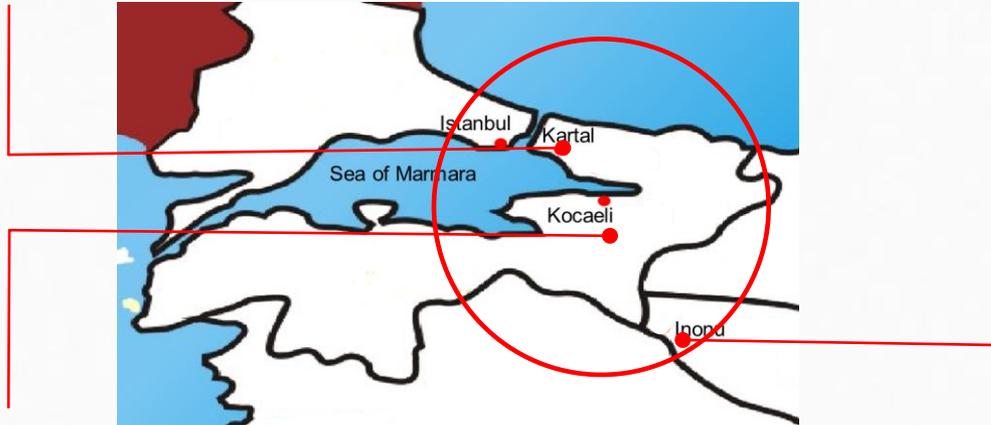
Sancaktepe Parts Distribution Center (1998)



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 160k



Custom 130k

Opened in 2001

1,600,000 m<sup>2</sup> total area; 340,000 m<sup>2</sup> covered area

290,000 units manufacturing capacity

# 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 m<sup>2</sup> covered area

Environment and disabled-friendly plant

# İnönü Plant - One of the two global production centers for Ford Cargo



Cargo 15k

Opened in 1982

88,000 m<sup>2</sup> covered area

80k units engine, 140k units powertrain production capacity

- 7.3L / 9.0L I6 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 m<sup>2</sup> warehouse: Largest of its kind in Turkey

4<sup>th</sup> 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

- Longest-running model in Ford of Europe's product range
- ~ 8 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
- 160k units annual production capacity
- All-New Transit launched from March 2014 to October 2014 in 3 phases



**Chassis Cab**

**Van**

**Minibus**



Loading Capacity:  
3.3 tons – 4.7 tons

Loading Capacity:  
9.5m<sup>3</sup> - 15.1 m<sup>3</sup>

Seating Capacity:  
11+1 / 17+1

Market share details available on page 44

# Ford Custom

- Ford Otosan is the single global source of Ford Custom
- 130k units annual production capacity
- 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 m<sup>3</sup> - 7.2 m<sup>3</sup>



Loading Capacity:  
6.8 m<sup>3</sup> - 8.3 m<sup>3</sup>



Market share details available on page 44

# Ford Courier

- Ford's first vehicle in the compact van segment
- Ford Otosan is the single global source of Ford Courier
- 110k units annual production capacity
- Launched in May 2014



**Winner**  
**Van of**  
**the Year**



**Tourneo Courier**  
**(People mover)**

**Transit Courier Combi Van**  
**(Commercial)**

**Transit Courier Van**  
**(Commercial)**

Market share details available on page 44

# Ford Trucks

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

CARGO



Market share details available on page 44

# A Full Line of Cars



# Major Product Acceleration

2014



Focus



Courier



Connect



Transit

2015



Mondeo



Galaxy



C-Max



Mustang

2016



EcoSport



Edge

# Investment Case

# Ford Otosan's Value Proposition

## Scale & growth

Domestic industry leader in commercial vehicles  
Largest manufacturer and exporter of commercial vehicles in Turkey  
Increased capacity and fully revamped products to grow volumes and profitability  
Technology licensing agreements delivering royalty fees with strong growth potential

## Resilience & efficiency

Large-scale export program; Lead beneficiary of the growth in European van segment  
High capacity utilization: Above European and Turkish industry average  
Efficient, flexible and low-cost manufacturing and engineering competency

## Strong balance sheet & prudent risk management

Strong cash generation capacity  
Solid financial performance  
Natural hedge of fx-payables due to fx-denominated export revenues

## Shareholder value creation

Sustainable dividend policy  
Strong relative share performance  
Commitment to good corporate governance

# Relatively Favorable Taxes on Commercial Vehicles

| Passenger Cars |                           |     |         |             | Commercial Vehicles      |                               |         |            |            |
|----------------|---------------------------|-----|---------|-------------|--------------------------|-------------------------------|---------|------------|------------|
| Engine Size    | Model                     | VAT | SCT     | Total       | Engine Size              | Model                         | VAT     | SCT        | Total      |
| <1600 cc       | Courier (PC)              | 18% | 45%*    | <b>71%</b>  | <3000cc                  | Transit Van                   | 18%     | 4%         | <b>23%</b> |
|                | Fiesta                    |     |         |             |                          | Transit Minibus (16+1) (17+1) |         |            |            |
|                | B-Max                     |     |         |             |                          | Transit Chassis Cab           |         |            |            |
| Focus          | Transit Custom Van        |     |         |             |                          |                               |         |            |            |
| C-Max          | Transit Courier Van       |     |         |             |                          |                               |         |            |            |
| Kuga (1.6)     | Connect Van               |     |         |             |                          |                               |         |            |            |
| Mondeo (1.6)   | Ranger                    |     |         |             |                          |                               |         |            |            |
| S-Max (1.6)    |                           |     |         |             |                          |                               |         |            |            |
| 1601-2000      | Mondeo (2.0)              | 18% | 90%**   | <b>124%</b> |                          | Transit Minibus (11+1) (14+1) |         |            |            |
|                | S-Max (2.0)               |     |         |             |                          |                               |         |            |            |
|                | Kuga (2.0)                |     |         |             |                          |                               |         |            |            |
|                | Galaxy                    |     |         |             |                          |                               |         |            |            |
| >2000          |                           | 18% | 145%*** | <b>189%</b> | Transit Combi            | 18%                           | 15%**** | <b>36%</b> |            |
|                |                           |     |         |             | Transit Custom Combi     |                               |         |            |            |
|                |                           |     |         |             | Transit Custom Combi Van |                               |         |            |            |
|                | Tourneo Custom            |     |         |             |                          |                               |         |            |            |
|                | Transit Courier Combi Van |     |         |             |                          |                               |         |            |            |
|                | Tourneo Courier           |     |         |             |                          |                               |         |            |            |
|                | Connect Combi             |     |         |             |                          |                               |         |            |            |
|                |                           |     |         |             | Cargo                    | 18%                           | 4%      | <b>23%</b> |            |

Tax rate increases:

- \* 37% to 40% (Sept 22, 2012), 40% to 45% (Jan 1, 2014)
- \*\* 60% to 80% (Oct 12, 2011), 80% to 90% (Jan 1, 2014)
- \*\*\* 84% to 130% (Oct 12, 2011), 130% to 145% (Jan 1, 2014)
- \*\*\*\* 10% to 15% (Oct 12, 2011)

VAT: Value added tax  
SCT: Special consumption tax

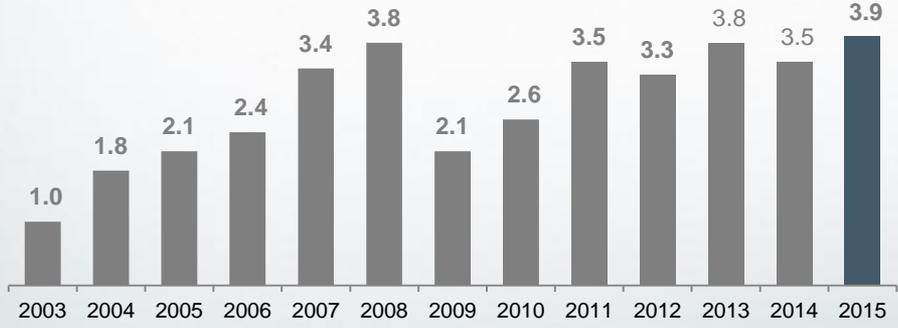


# Turkey's Export Leader in Automotive

Exports (000 units)



Export Revenue (US\$ bn)



US\$ 3.9 billion export revenues in 2015

Turkey's **export leader** in automotive for 5 consecutive years

US\$ 3.0 billion **net exporter** in the last five years (2011-2015)

Vehicles and spare parts exported to **82 countries in 5 continents**

**65% of Turkey's total commercial vehicle exports** is done by Ford Otosan

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

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

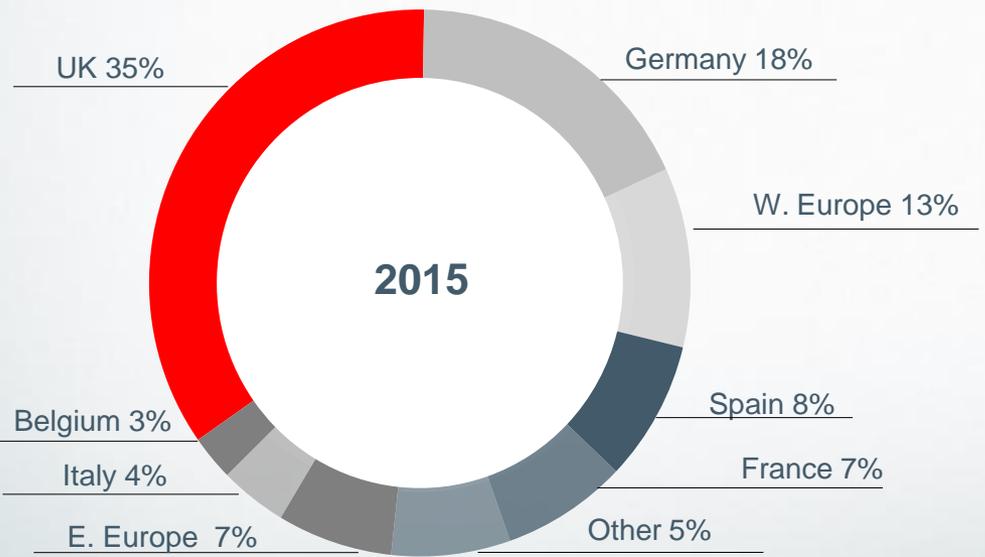
# Lead Beneficiary of the Growth in European Van Segment

|                | FY14         | 1Q15  | 2Q15  | 3Q15  | 10/15 | 11/15 | 12/15 | FY15         |
|----------------|--------------|-------|-------|-------|-------|-------|-------|--------------|
| <b>UK</b>      | <b>18.7%</b> | 22.3% | 17.2% | 13.0% | 6.2%  | 9.6%  | 14.6% | <b>15.6%</b> |
| <b>Germany</b> | <b>7.3%</b>  | 10.5% | 3.3%  | -5.4% | 4.0%  | 17.4% | 5.6%  | <b>4.2%</b>  |
| <b>Italy</b>   | <b>16.4%</b> | 6.1%  | 9.2%  | 10.4% | 7.0%  | 29.8% | 23.9% | <b>12.4%</b> |
| <b>Spain</b>   | <b>33.2%</b> | 44.5% | 28.7% | 39.9% | 24.9% | 58.7% | 23.8% | <b>36.1%</b> |
| <b>France</b>  | <b>1.5%</b>  | 0.4%  | 1.2%  | 0.9%  | 1.6%  | 4.4%  | 8.7%  | <b>2.0%</b>  |
| <b>Total</b>   | <b>11.3%</b> | 13.6% | 11.1% | 9.0%  | 7.3%  | 16.7% | 13.5% | <b>11.6%</b> |

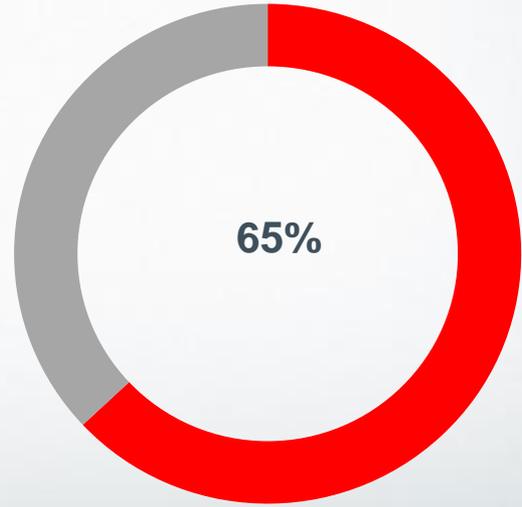
## European commercial vehicle market (Up to 3.5 tons)

In December, the European market grew for the **28<sup>th</sup> consecutive** month. Van segment grew by 13.5% in December and 11.6% in 2015 full year. ([www.acea.be](http://www.acea.be))

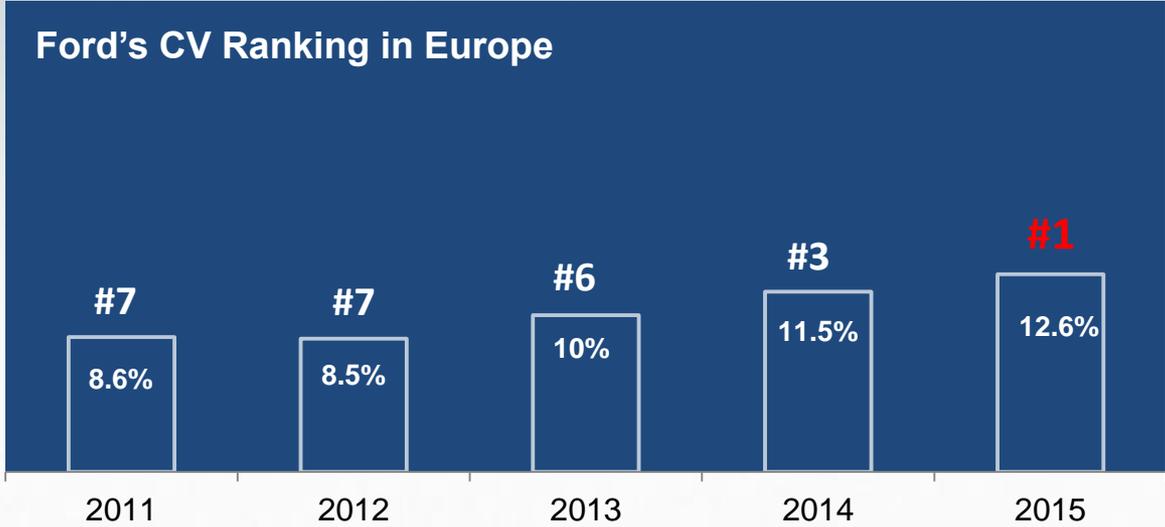
Export breakdown (units)



Ford Otosan's share in Turkey's CV exports 2015



# Ford Ranks No. 1 in European Commercial Vehicles



**#1** Ford was Europe's No. 1 commercial vehicle brand in 2015.

**23%** Ford's commercial vehicle sales increase in 2015 compared to 2014.

**12.6%** Ford's 2015 commercial vehicle market share, highest since 1998.

**81%** Ford Otosan's share in Ford of Europe's 2015 Transit sales.

**73%** Ford Otosan's share in Ford of Europe's 2015 CV sales.

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

Transit



Courier



US\$ 75 million +

Ford Trucks



€ 370 million

Custom



Yeniköy



US\$ 850 million

# Favorable Financing Terms

- €150 million loan agreement signed with EBRD in 2010 (Paid and closed as of December 2015)
  - 5-year loan with 2-years grace period
  - Euribor + 2.75%
- €190 million loan agreement signed with EIB in 2012
  - 8-year loan 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 loan with 2-years grace period
  - Euribor + 2.30%
- €140 million loan agreement signed with EBRD and a consortium of foreign banks in July 2014
  - €70 million loan funded by EBRD, €70 million funded as syndicated loan (HSBC, Societe Generale, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Credit Agricole)
  - 5-year loan with 2-years grace period
  - Euribor + 2.25%
- €100 million loan agreement signed with EIB in December 2015
  - The loan is projected to be utilized in the first quarter of 2016
  - 6-year loan with indicative annual interest rate around 1.3%

# 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)

160,000



New Transit

130,000



Custom

110,000



Courier

15,000



Cargo

Gölcük Plant

Yeniköy Plant

İnönü Plant

Kocaeli Plants

# 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 24<sup>th</sup>, 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.
- A license fee of €150 - €190 will be charged per product. €1 million license fee was collected as advance payment in 2013.



## Chassis, cab and components of Ford heavy trucks

- Signed on July 25<sup>th</sup>, 2014.
- The products and JMC branded vehicles containing these products will be sold in China.
- Ford Otosan will receive an advance license fee of €8 million. An average license fee of €390 per Chassis and €39 per cab will be charged.



# Focus on Shareholder Value

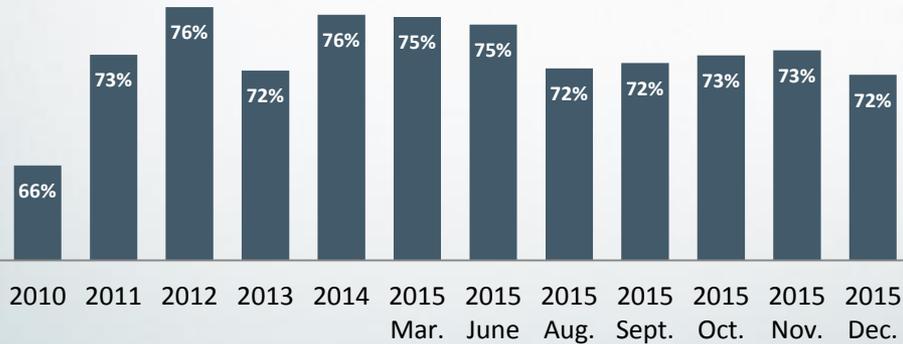
## Strong relative share performance



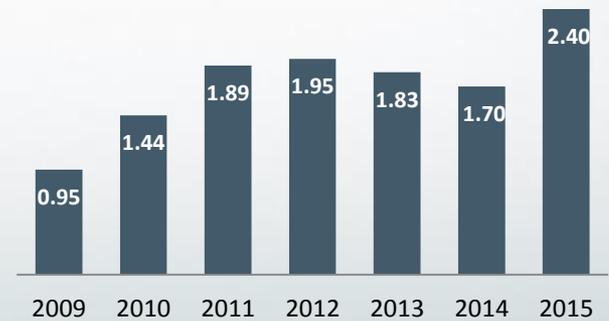
## Commitment to corporate governance

- 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

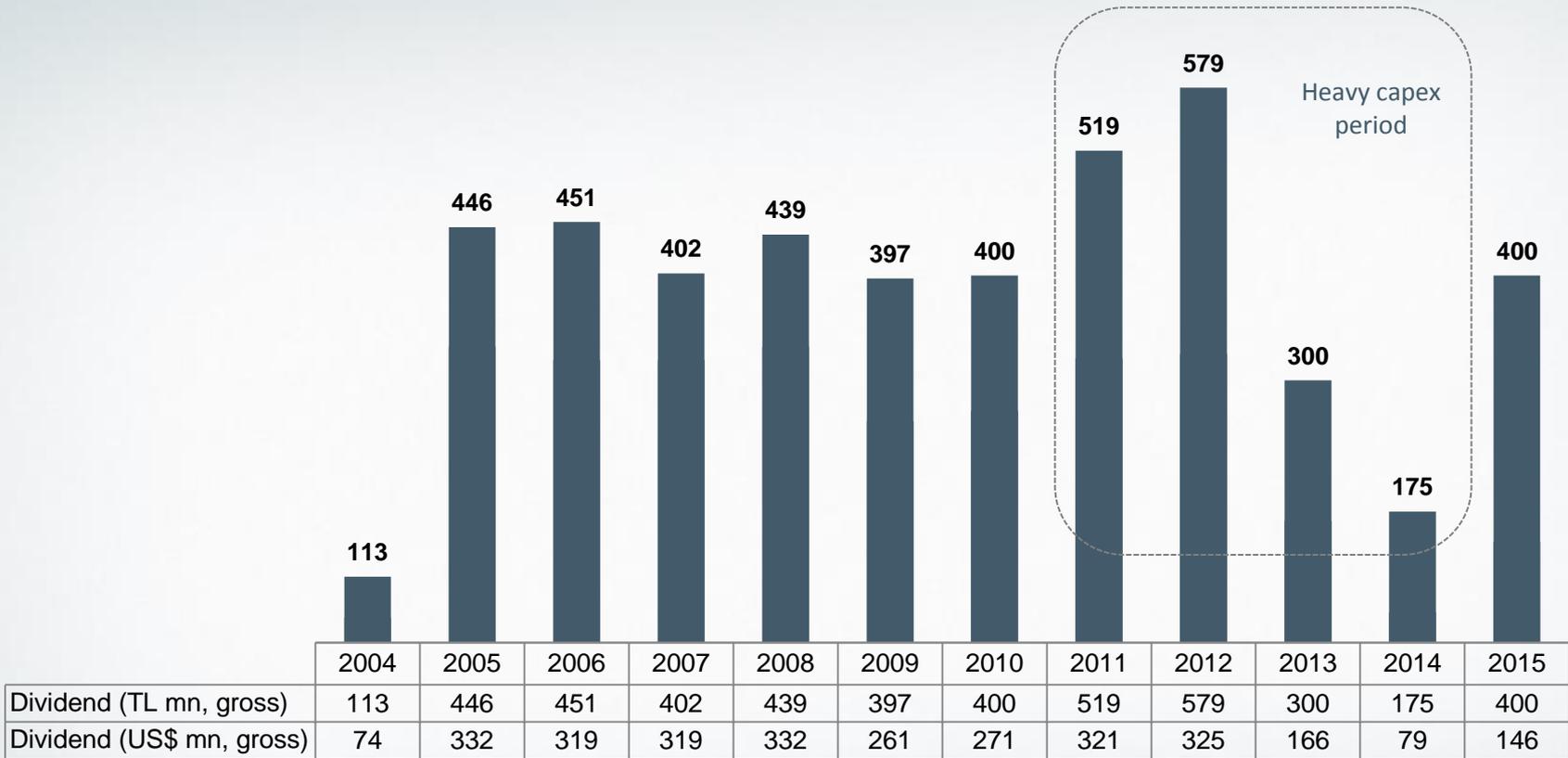


## Earnings per share (TL)



# Dividend History and Policy

TL 4.6 billion (US\$2.95 billion) dividend was distributed by Ford Otosan between 2004-2015.



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.

# Strong & Committed JV Partner Support

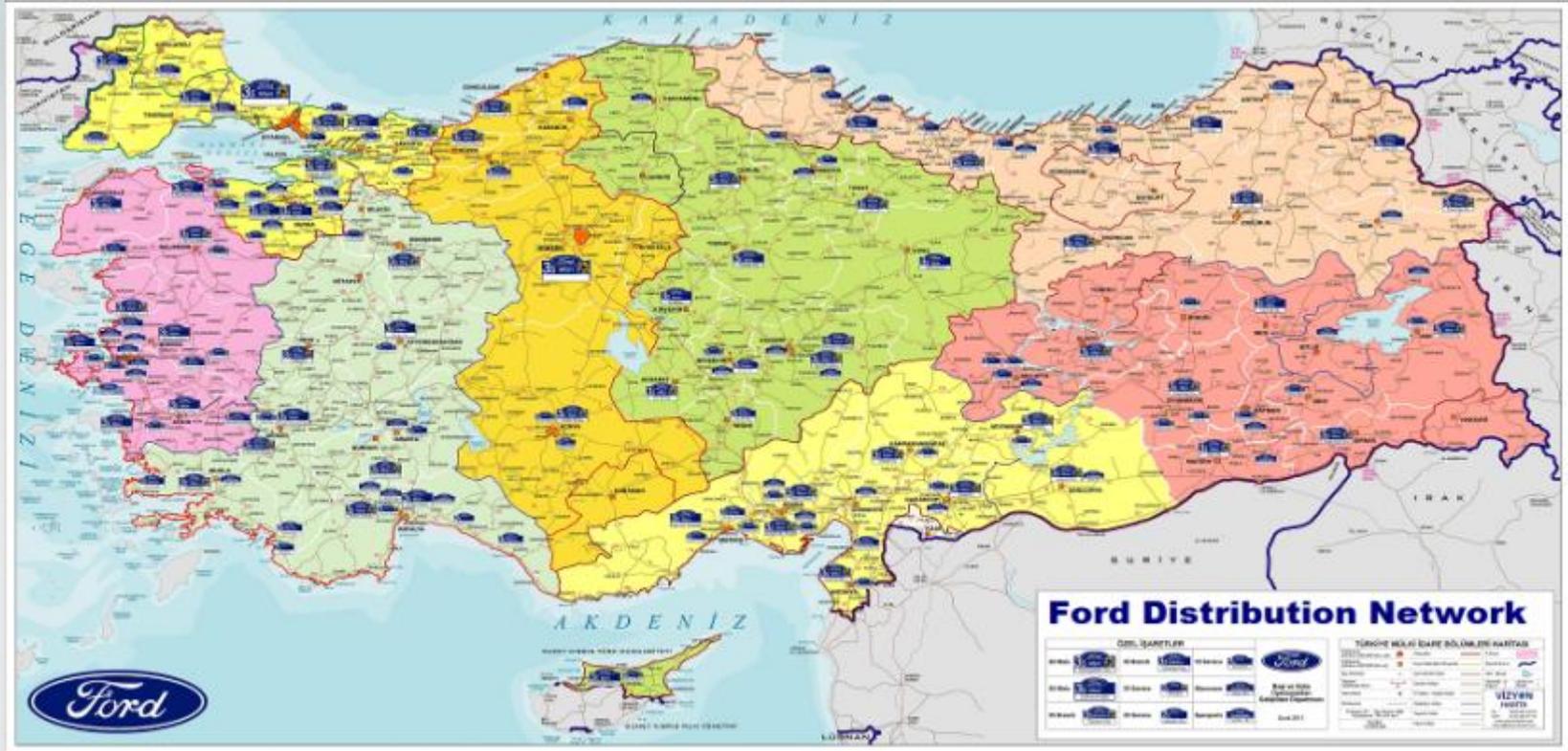


- Turkey's largest industrial and services group in terms of revenues, exports, employees and market capitalization on the Borsa İstanbul.
- Following an average annual growth rate of 18% in consolidated profit in US\$ terms between 2003-2013, Koç Holding ranks among the world's top 350 companies in Fortune 500 (2014 report).
- Has leading positions with strong competitive advantages in various sectors, such as energy, automotive, consumer durables and finance, which offer strong long-term growth potential.



- Global automotive industry leader based in Dearborn, Michigan, that manufactures and distributes automobiles across six continents.
- Automotive brands include Ford and Lincoln.
- 197,000 employees and 67 plants worldwide.
- Provides financial services through Ford Motor Credit Company.

# Large Distribution Network

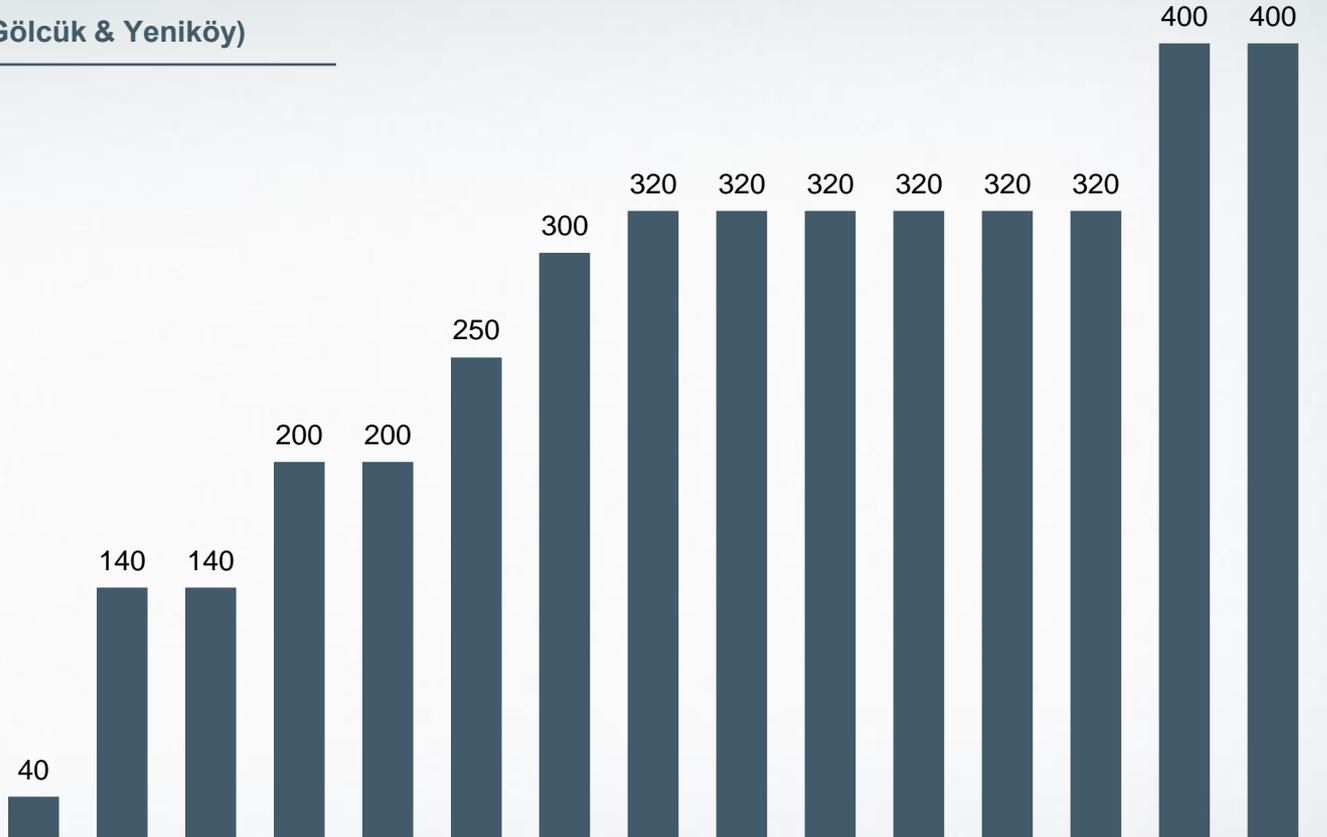


Ford Otosan provides maintenance, servicing and repairs through its customer-focused and innovative sales and after-sales network that spans the whole country.

Sales: 140  
After-Sales: 153  
Total Dealers: 194

# Efficient Production Hub

## Ford Otosan Kocaeli Plants (Gölcük & Yeniköy)



|                                       | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| ■ Year-end Capacity ('000 units)      | 40   | 140  | 140  | 200  | 200  | 250  | 300  | 320  | 320  | 320  | 320  | 320  | 320  | 400  | 400  |
| ■ Kocaeli Plants (Gölcük&Yeniköy) CUR | 45%  | 34%  | 80%  | 100% | 117% | 100% | 93%  | 82%  | 54%  | 74%  | 90%  | 83%  | 86%  | 59%  | 81%  |
| ■ Turkey Industry CUR*                | 29%  | 35%  | 52%  | 73%  | 76%  | 81%  | 86%  | 77%  | 57%  | 72%  | 76%  | 68%  | 73%  | 70%  | 80%  |

\*Source: Automotive Manufacturers' Association ([www.osd.org.tr](http://www.osd.org.tr))

# R&D Focused on Excellence

Ford Otosan has the largest R&D center in Turkey with over 1,350 R&D engineers.

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 heavy duty diesel powertrains

Design studio, CAVE lab (1<sup>st</sup> in Turkey), vehicle and engine HIL labs

## İnönü Product Development

Prototype engine manufacturing and testing

The only facility to test extra heavy engines over 13L in Turkey

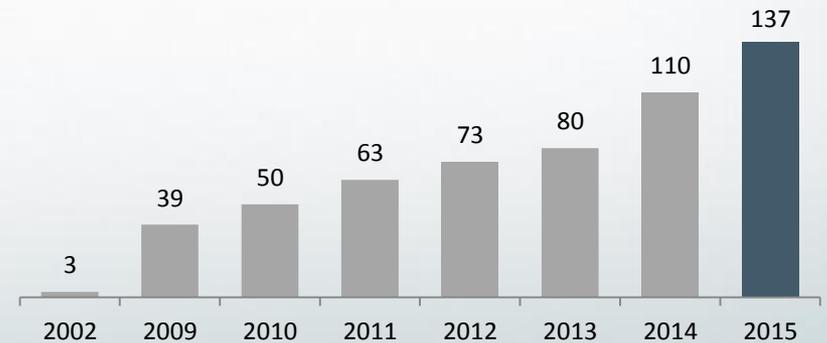


## Gölcük R&D Center

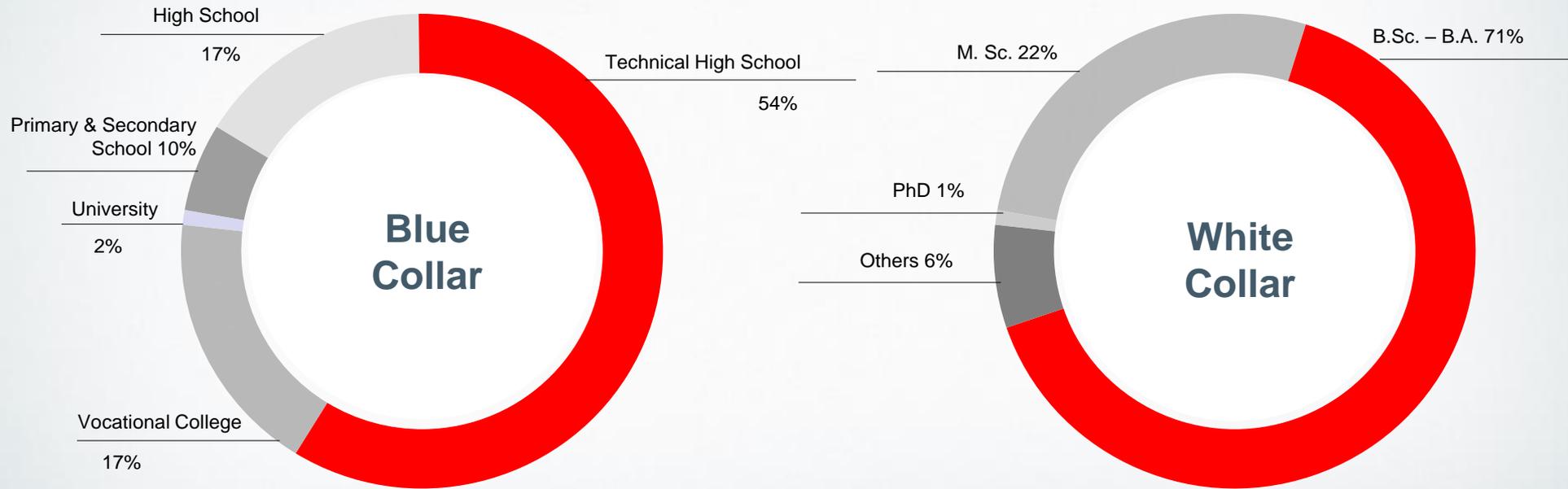
Engine testing, vehicle testing and development workshops



## Patent Applications

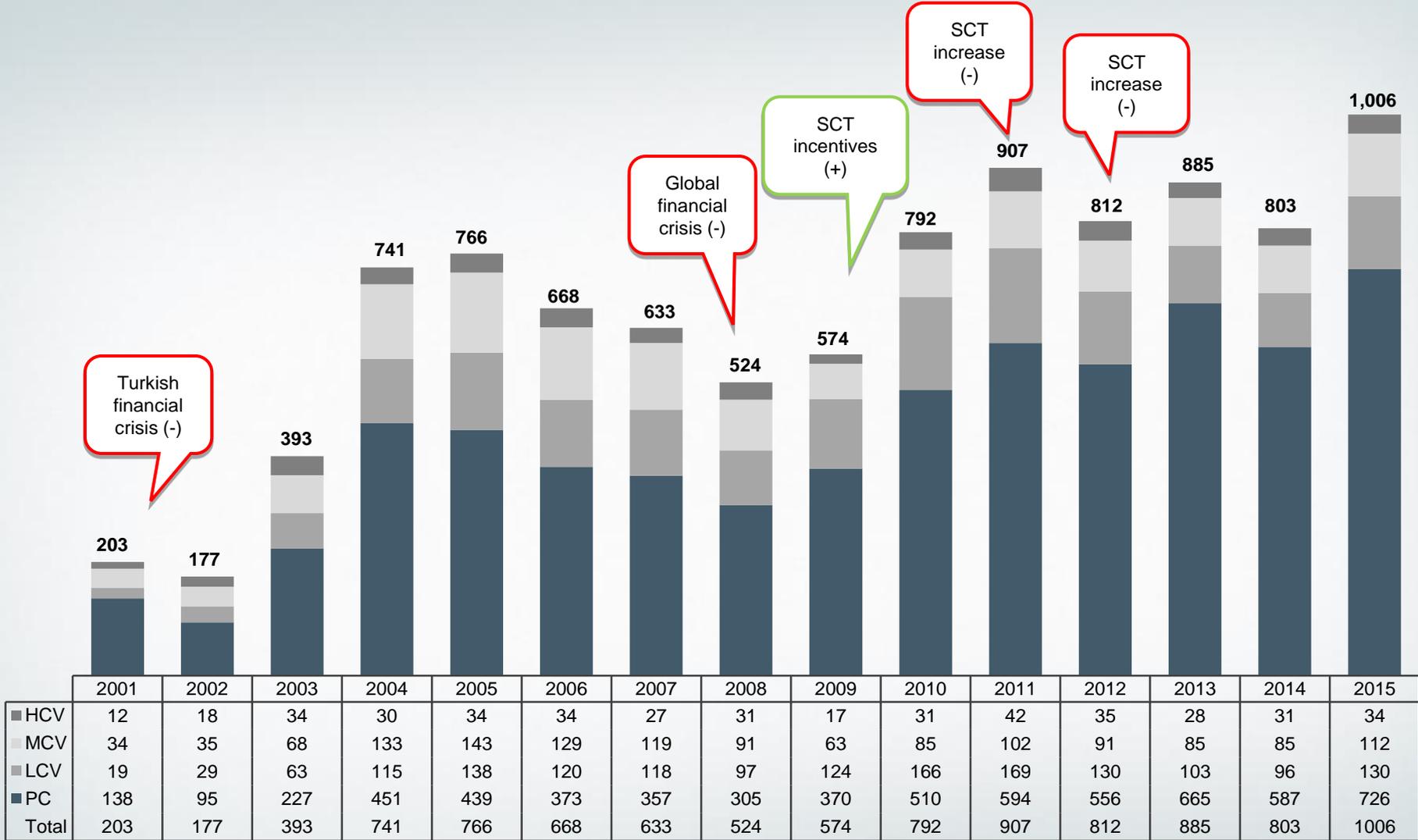


# Experienced and Skilled Workforce



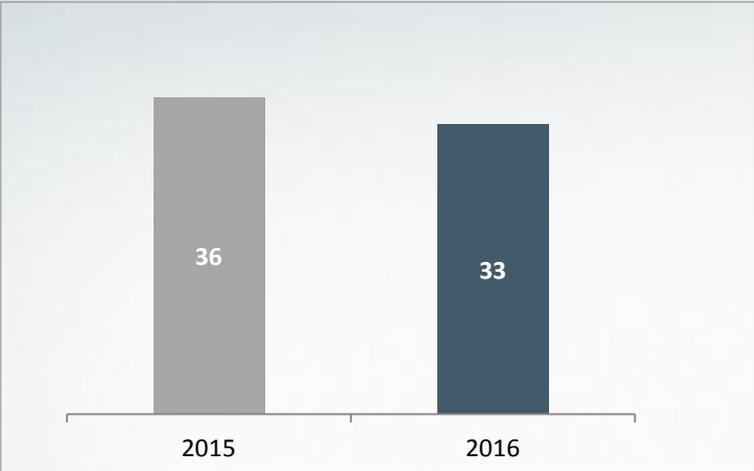
# Operating & Financial Performance

# Turkish Automotive Industry (000 units)

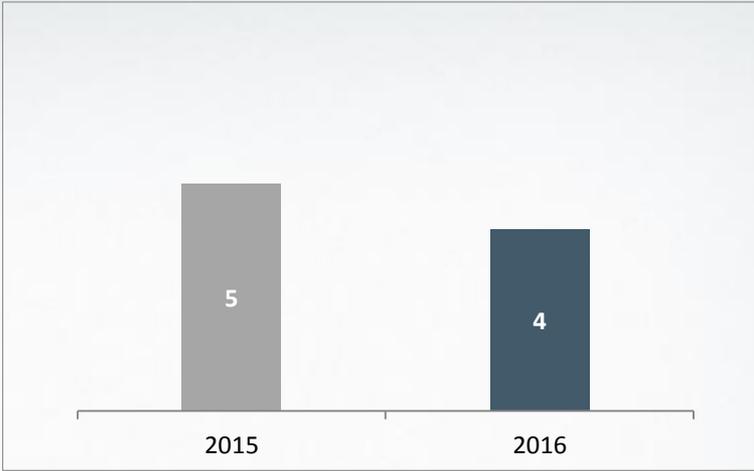


# Domestic Market (000 units)

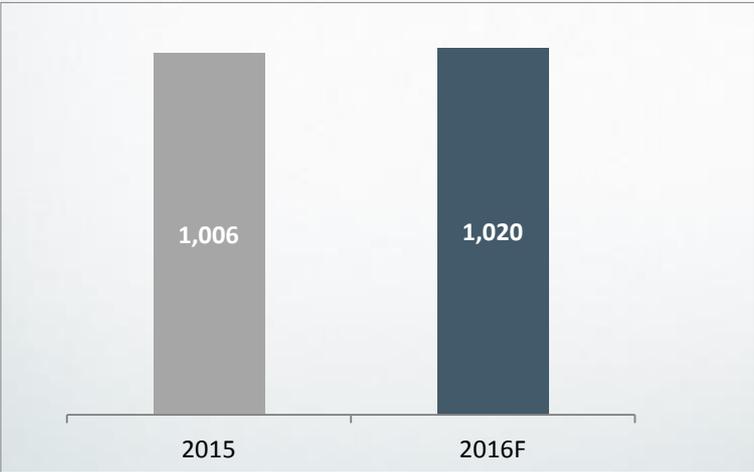
Total Industry, January 2016



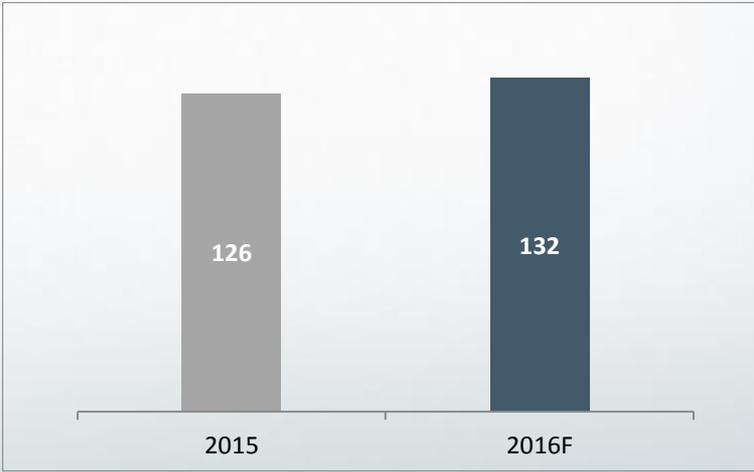
Ford Otosan, January 2016



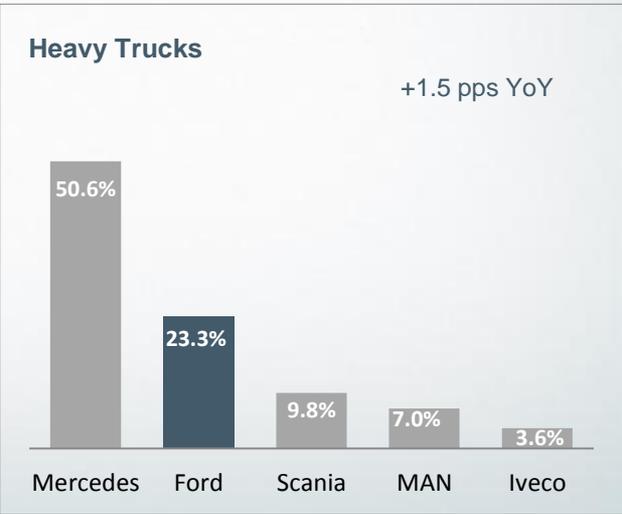
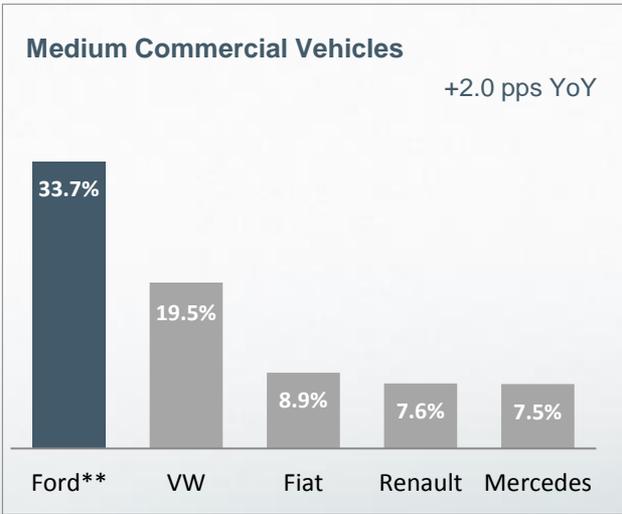
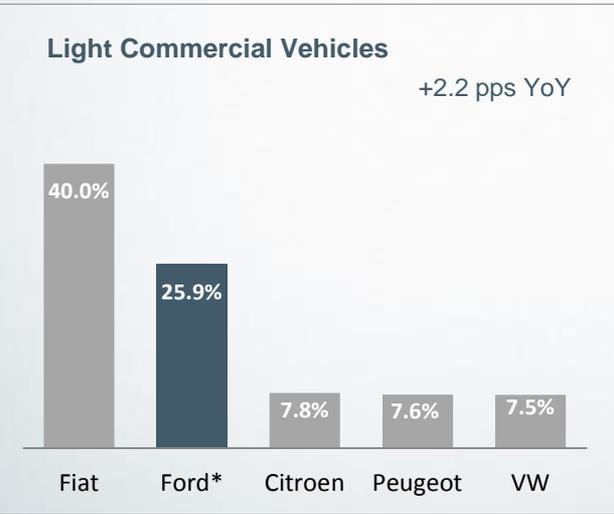
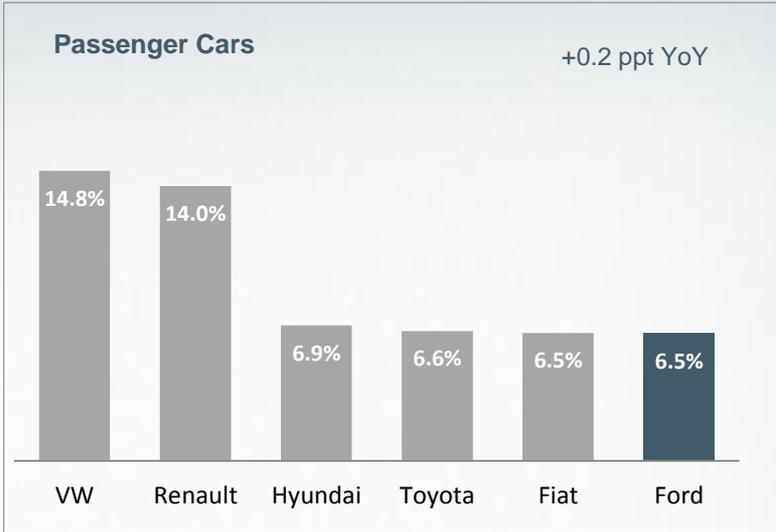
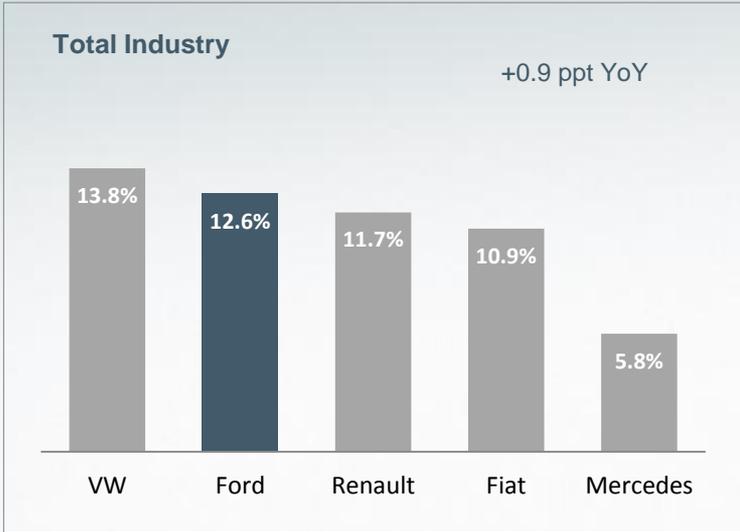
Total Industry



Ford Otosan Retail Sales



# Turkish Market Shares (2015)

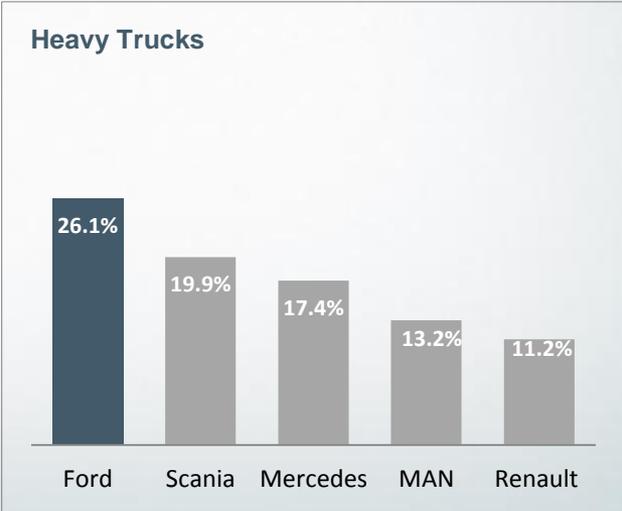
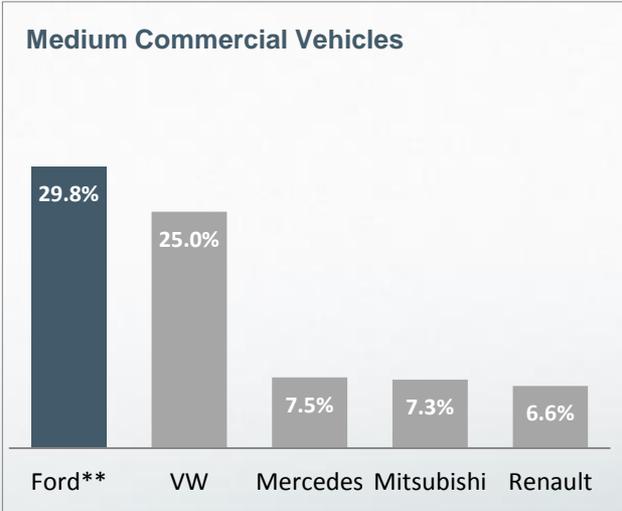
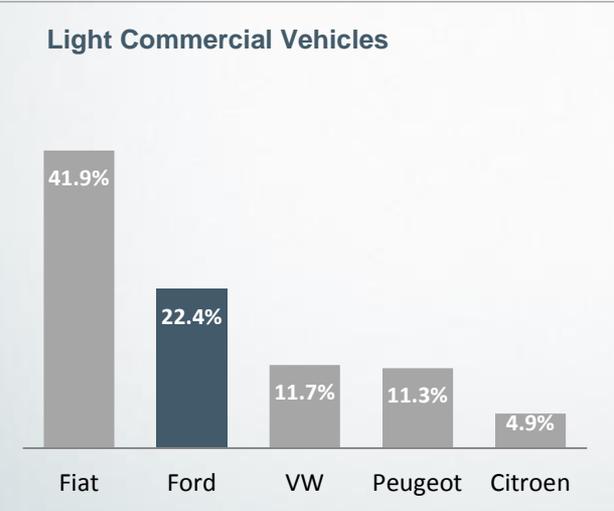
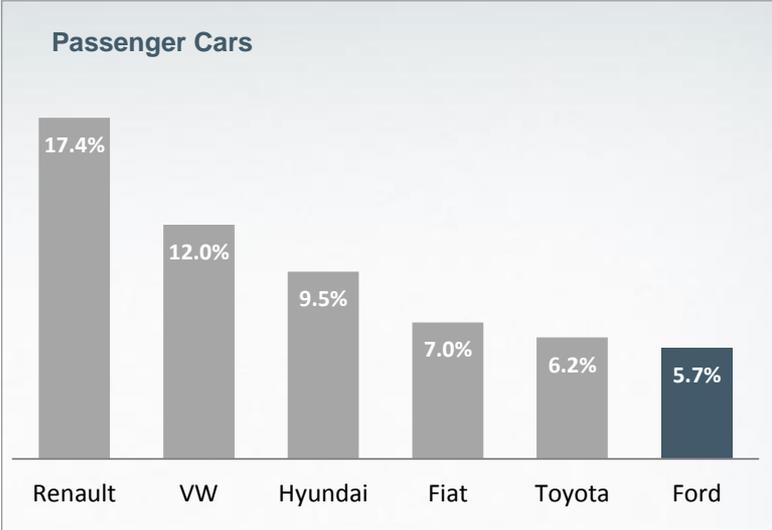
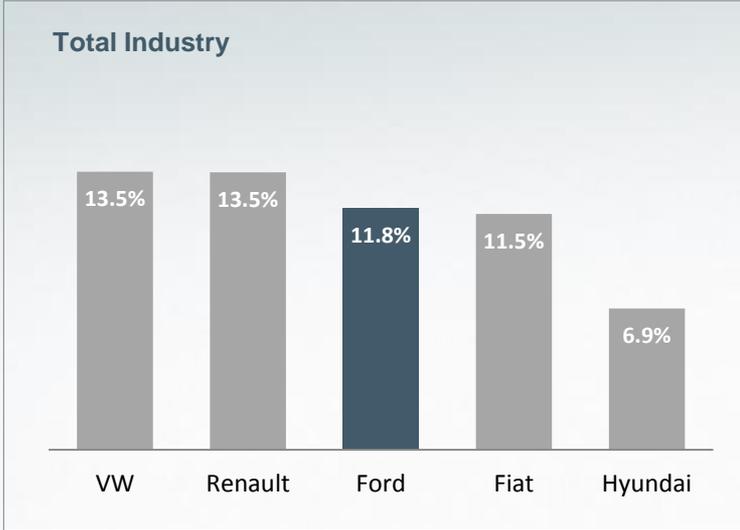


\* Courier and Connect

\*\* Transit and Custom

Source: ODD and TAID

# Turkish Market Shares (January 2016)

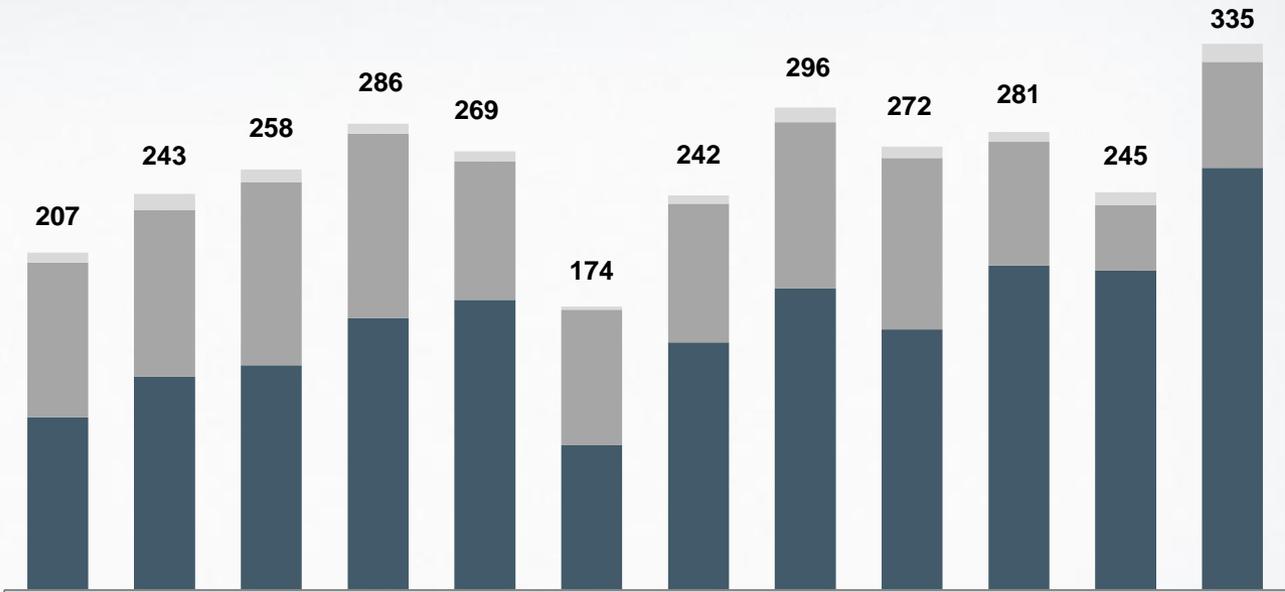


\* Courier and Connect

\*\* Transit and Custom

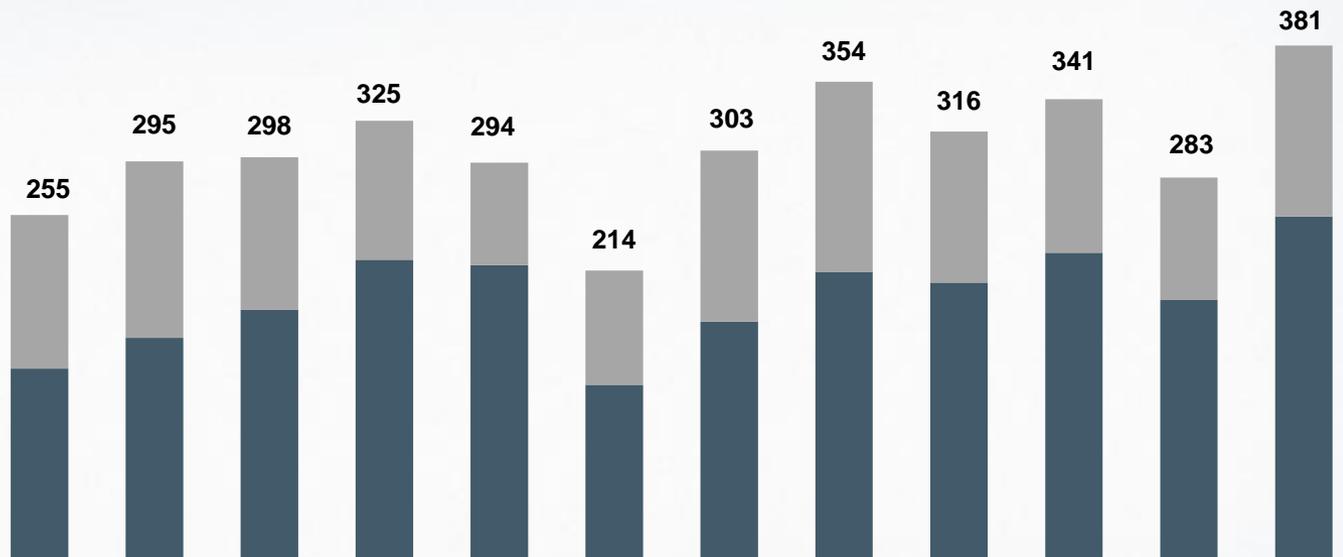
Source: ODD and TAID

# Production Volume by Segment (000 units)



|                             | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| ■ Heavy Truck               | 6    | 10   | 8    | 6    | 6    | 2    | 5    | 9    | 7    | 6    | 8    | 11   |
| ■ Light Commercial Vehicle  | 95   | 102  | 112  | 113  | 85   | 83   | 85   | 102  | 105  | 76   | 40   | 65   |
| ■ Medium Commercial Vehicle | 106  | 131  | 138  | 167  | 178  | 89   | 152  | 185  | 160  | 199  | 196  | 259  |

# Wholesale Volume – Domestic & Export (000 units)



|                  | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| ■ Domestic       | 114  | 131  | 113  | 103  | 76   | 85   | 127  | 141  | 112  | 114  | 91   | 127  |
| ■ Export         | 141  | 164  | 185  | 222  | 218  | 129  | 176  | 213  | 205  | 227  | 192  | 254  |
| Share of Exports | 55%  | 56%  | 62%  | 68%  | 74%  | 60%  | 58%  | 60%  | 65%  | 67%  | 68%  | 67%  |

# Sales Volume by Model

|                               | 2015           | 2014           | YoY %      | 4Q15           | 4Q14          | YoY %      | 3Q15          | QoQ %      |
|-------------------------------|----------------|----------------|------------|----------------|---------------|------------|---------------|------------|
| <b>Domestic</b>               | <b>127.098</b> | <b>91.038</b>  | <b>40%</b> | <b>35.849</b>  | <b>36.268</b> | <b>-1%</b> | <b>30.875</b> | <b>16%</b> |
| PC                            | 43.713         | 33.650         | 30%        | 9.778          | 11.123        | -12%       | 10.978        | -11%       |
| Transit Courier               | 34.678         | 20.836         | 66%        | 10.763         | 10.527        | 2%         | 7.775         | 38%        |
| Transit Connect               | 2.953          | 3.046          | -3%        | 860            | 299           | 188%       | 734           | 17%        |
| Total LCV                     | 37.631         | 23.882         | 58%        | 11.623         | 10.826        | 7%         | 8.509         | 37%        |
| Transit                       | 30.001         | 21.687         | 38%        | 9.927          | 9.691         | 2%         | 7.542         | 32%        |
| Transit Custom                | 6.713          | 4.536          | 48%        | 2.118          | 1.813         | 17%        | 1.775         | 19%        |
| Ranger                        | 1116           | 430            | 160%       | 375            | 233           | 61%        | 635           | -41%       |
| Total MCV                     | 37.830         | 26.653         | 42%        | 12.420         | 11.737        | 6%         | 9.952         | 25%        |
| Cargo                         | 7.924          | 6.853          | 16%        | 2.028          | 2.582         | -21%       | 1.436         | 41%        |
| <b>Exports</b>                | <b>253.644</b> | <b>191.956</b> | <b>32%</b> | <b>73.509</b>  | <b>54.036</b> | <b>36%</b> | <b>64.308</b> | <b>14%</b> |
| Transit Custom                | 129.362        | 109.274        | 18%        | 41.128         | 31.919        | 29%        | 33.440        | 23%        |
| Transit                       | 92.997         | 62.189         | 50%        | 24.031         | 16.942        | 42%        | 21.614        | 11%        |
| Transit Courier               | 30.131         | 19.229         | 57%        | 7.910          | 4.729         | 67%        | 8.991         | -12%       |
| Cargo                         | 747            | 963            | -22%       | 337            | 362           | -7%        | 149           | 126%       |
| Other                         | 407            | 301            | 35%        | 103            | 84            | 23%        | 114           | -10%       |
| <b>Total Wholesale Volume</b> | <b>380.742</b> | <b>282.994</b> | <b>35%</b> | <b>109.358</b> | <b>90.304</b> | <b>21%</b> | <b>95.183</b> | <b>15%</b> |

## 40%

YoY growth in domestic sales

- Industry growth
- Strong market
- Higher demand for fully renewed product line
- Low base year

## 32%

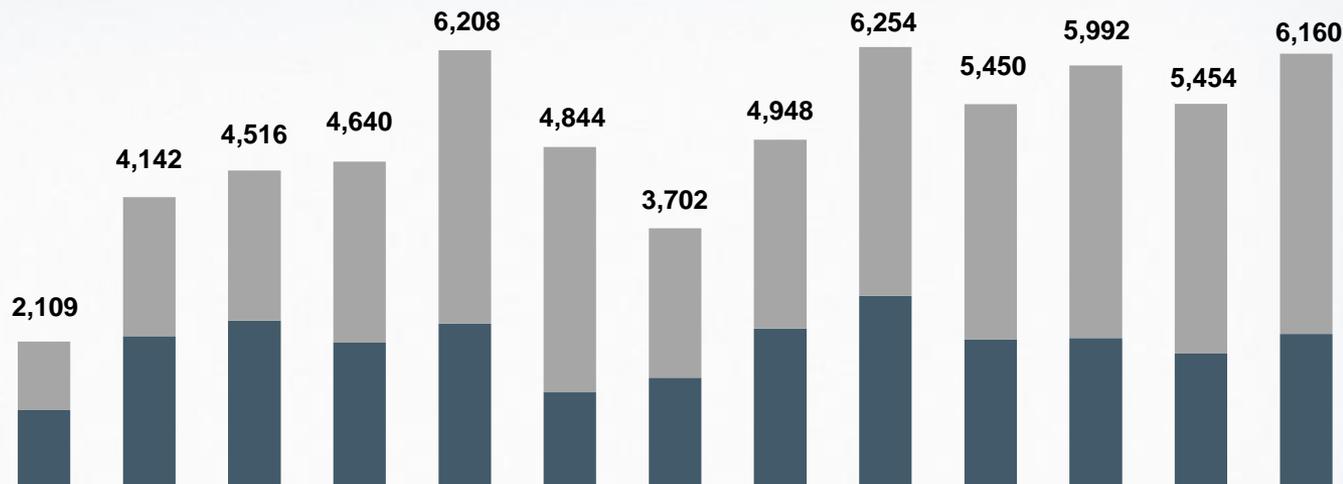
YoY growth in exports

- Strong markets
- Higher demand for new products
- Low base year

# Main Financial Indicators

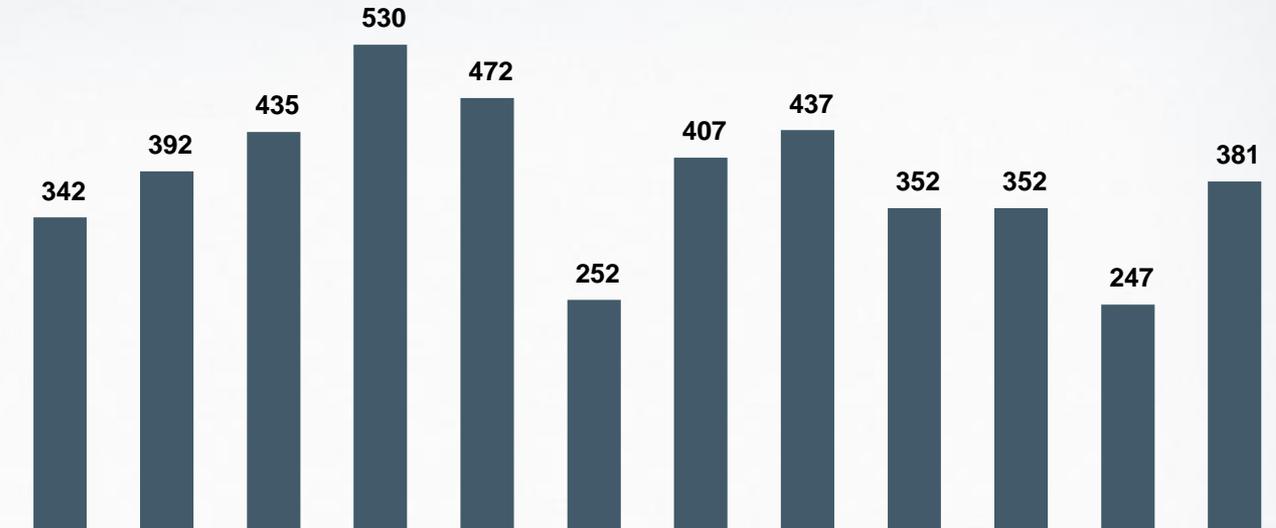
| Million TL                  | 2015   | 2014   | YoY % | 4Q15  | 4Q14  | YoY % | 3Q15  | QoQ % |
|-----------------------------|--------|--------|-------|-------|-------|-------|-------|-------|
| Total Revenues              | 16.746 | 11.925 | 40%   | 5.016 | 3.822 | 31%   | 4.205 | 19%   |
| Export                      | 10.723 | 7.687  | 39%   | 3.224 | 2.150 | 50%   | 2.796 | 15%   |
| Domestic                    | 6.023  | 4.237  | 42%   | 1.792 | 1.672 | 7%    | 1.409 | 27%   |
| Gross Profit                | 1.860  | 1.131  | 64%   | 554   | 344   | 61%   | 467   | 19%   |
| Operating Profit            | 1.036  | 541    | 91%   | 287   | 179   | 60%   | 284   | 1%    |
| EBITDA                      | 1.441  | 846    | 70%   | 395   | 268   | 47%   | 388   | 2%    |
| Profit Before Tax           | 866    | 390    | 122%  | 283   | 141   | 101%  | 189   | 50%   |
| Net Income                  | 842    | 595    | 42%   | 285   | 119   | 139%  | 151   | 89%   |
| <b>Other Financial Data</b> |        |        |       |       |       |       |       |       |
| Depreciation & Amortization | 405    | 305    | 33%   | 108   | 89    | 21%   | 105   | 3%    |
| Net Financial Expense       | -168   | -148   | 14%   | -2    | -41   | -95%  | -94   | -98%  |
| Capex                       | -466   | -858   | -46%  | -140  | -197  | -29%  | -137  | 2%    |

# Revenues - Domestic & Export



|                      | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011   | 2012  | 2013   | 2014   | 2015   |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|--------|
| ■ Export (US\$ bn)   | 965   | 1.957 | 2.114 | 2.543 | 3.846 | 3.450 | 2.101 | 2.655 | 3.505  | 3.312 | 3.835  | 3.516  | 3.944  |
| ■ Domestic (US\$ bn) | 1.144 | 2.185 | 2.402 | 2.097 | 2.362 | 1.394 | 1.601 | 2.293 | 2.749  | 2.138 | 2.157  | 1.938  | 2.215  |
| Total (US\$ bn)      | 2.109 | 4.142 | 4.516 | 4.640 | 6.208 | 4.844 | 3.702 | 4.948 | 6.254  | 5.450 | 5.992  | 5.454  | 6.160  |
| Total (TL bn)        | 3.352 | 5.559 | 6.059 | 6.521 | 7.231 | 7.007 | 5.574 | 7.649 | 10.445 | 9.768 | 11.405 | 11.925 | 16.746 |
| Share of Exports     | 46%   | 47%   | 47%   | 55%   | 62%   | 71%   | 57%   | 54%   | 56%    | 61%   | 64%    | 64%    | 64%    |

# Operating Profit and Margin



|                             | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015  |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|-------|
| ■ Operating Profit, US\$ mn | 342  | 392  | 435  | 530  | 472  | 252  | 407  | 437  | 352  | 352  | 247  | 381   |
| Operating Profit, TL mn     | 487  | 538  | 569  | 690  | 613  | 389  | 610  | 729  | 631  | 670  | 541  | 1.036 |
| Operating Margin (%)        | 8,8% | 8,9% | 8,7% | 9,5% | 8,7% | 7,0% | 8,0% | 7,0% | 6,5% | 5,9% | 4,5% | 6,2%  |

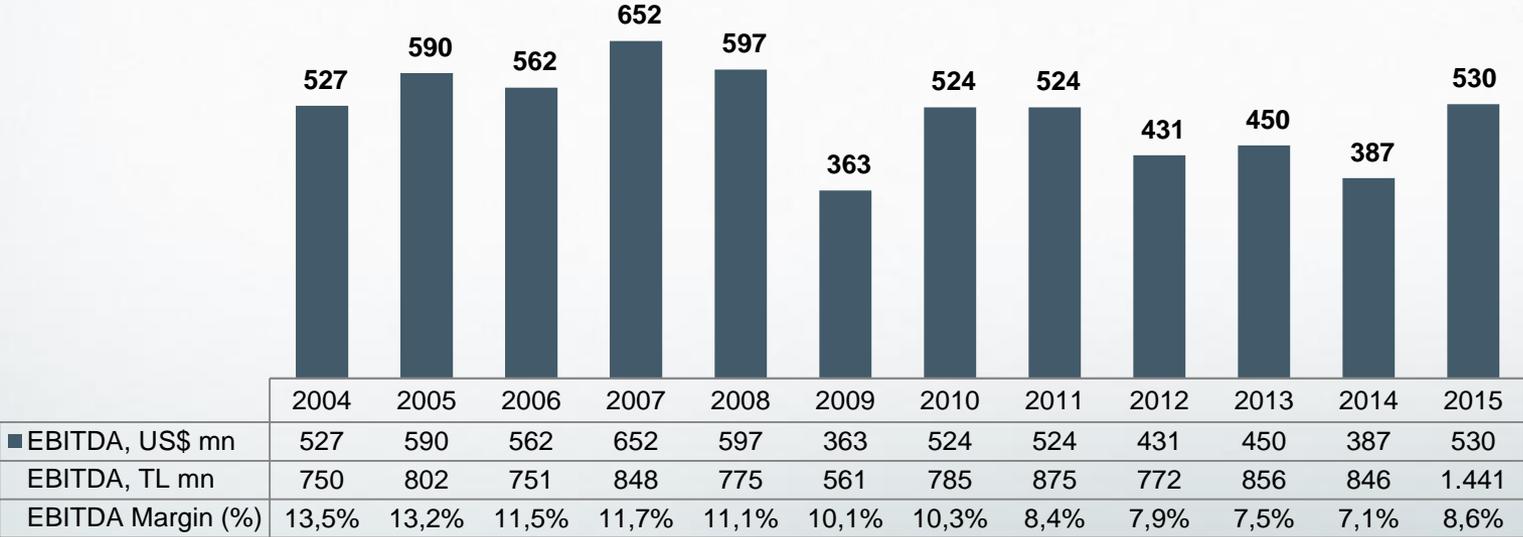
# EBITDA and EBITDA Margin

Profitability rose in 2015 due to:

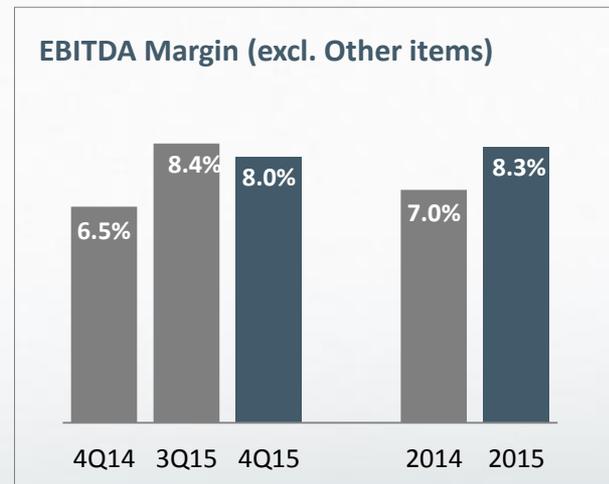
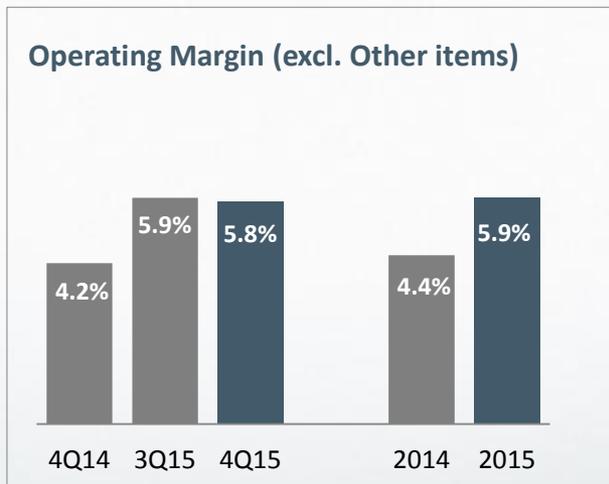
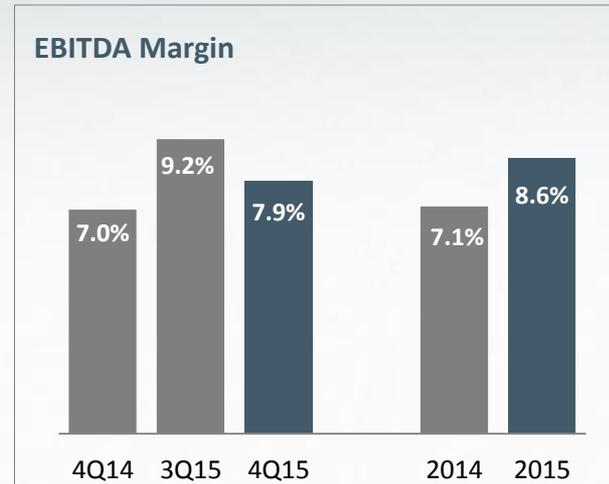
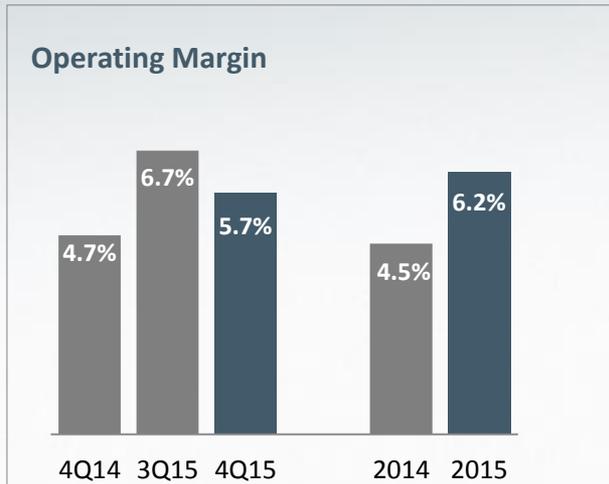
- New products
- Higher volumes in both domestic and export markets
- Favorable sales mix
- Focus on pricing against the backdrop of high currency volatility
- Higher capacity utilization
- Cost reduction actions

2010-2014 margin decline is due to:

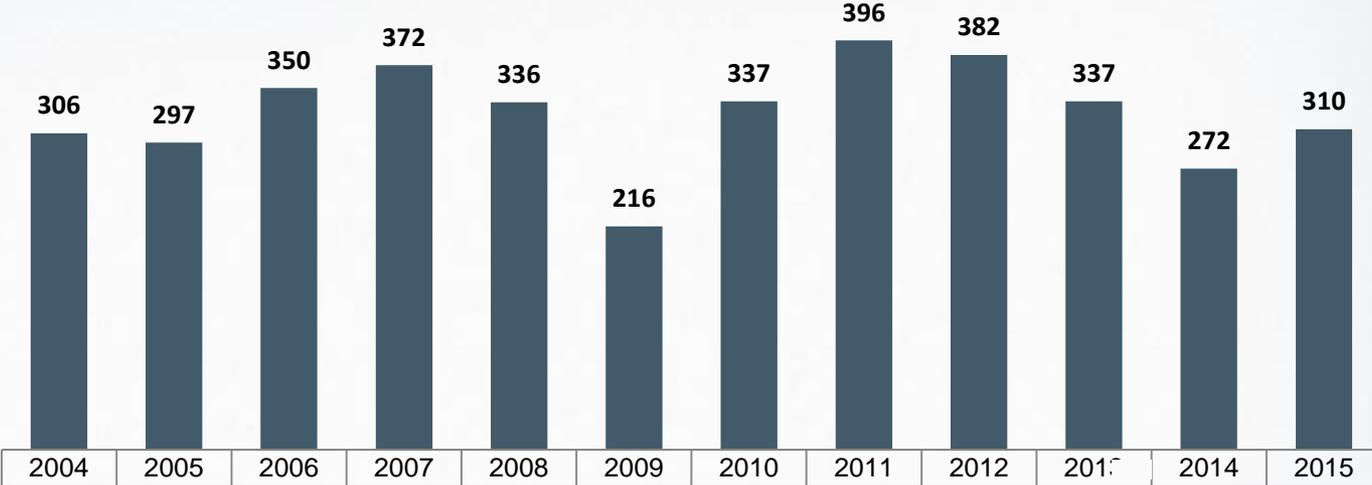
- Changing business mix and highly competitive pricing landscape
  - Industry shift towards PC leading to a less favorable sales mix
  - Aged product portfolio
  - Rising import costs and financial expenses due to TL volatility



# 4Q15 and 2015 Margins



# Net Income



|                         | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Net Income (Million \$) | 306  | 297  | 350  | 372  | 336  | 216  | 337  | 396  | 382  | 337  | 272  | 310  |
| Net Income (Million TL) | 436  | 398  | 501  | 484  | 436  | 333  | 505  | 662  | 685  | 641  | 595  | 842  |
| Net Income Margin (%)   | 7,8% | 6,6% | 7,7% | 6,7% | 6,2% | 6,0% | 6,6% | 6,3% | 7,0% | 5,6% | 5,0% | 5,0% |
| Earnings Per Share (TL) | 1,24 | 1,14 | 1,43 | 1,38 | 1,24 | 0,95 | 1,44 | 1,89 | 1,95 | 1,83 | 1,70 | 2,40 |

# Financial Risk Management

## Credit Risk

Receivables from domestic vehicle sales to dealers are collected using a Direct Debit System  
Domestic spare part sales are guaranteed with collateral from dealers (bank guarantee letters)  
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 & €70 million factoring agreements for potential needs.  
Net debt as of 2015 is TL1.6 billion.

## FX Risk

Excess cash is invested in hard currencies to minimize fx exposure  
Natural hedge against volatility due to fx-denominated export revenues: 64% of revenues  
Ford Otosan is a net exporter: US\$ 3.0 billion in the last 5 years (2011-2015)

## Capital Risk

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

# Debt Profile & Financial Ratios

| <b>Cash Position (TL mn)</b>                     | <b>31.12.2015</b> | <b>31.12.2014</b> |
|--|-------------------|-------------------|
| Cash & Cash Equivalents                          | 980               | 577               |
| Total Financial Debt                             | (2.561)           | (2.350)           |
| Net Financial Debt                               | (1.580)           | (1.773)           |
| <b>Financial Ratios</b>                          | <b>31.12.2015</b> | <b>31.12.2014</b> |
| Current ratio                                    | 1.05              | 1.00              |
| Liquidity ratio                                  | 0.73              | 0.74              |
| Net Financial Debt / Tangible Net Worth          | 0.63              | 0.79              |
| Current Assets / Total Assets                    | 0.48              | 0.41              |
| Current Liabilities / Total Liabilities          | 0.71              | 0.66              |
| Total Liabilities / Total Liabilities and Equity | 0.64              | 0.62              |
| Return on Equity                                 | 27.5%             | 21.6%             |
| <b>Margins</b>                                   | <b>31.12.2015</b> | <b>31.12.2014</b> |
| Gross Margin                                     | 11.1%             | 9.5%              |
| EBITDA Margin                                    | 8.6%              | 7.1%              |
| EBITDA Margin (excl.other items)                 | 8.3%              | 7.0%              |
| Operating Margin                                 | 6.2%              | 4.5%              |
| Net Income Margin                                | 5.0%              | 5.0%              |

# 2016 Guidance

|                                 | 2015 Actuals | 2016    |
|---------------------------------|--------------|---------|
| Turkish Industry Volume         | 1,006 K      | 1,020 K |
| Ford Otosan Retail Sales Volume | 126 K        | 132 K   |
| Exports                         | 254 K        | 269 K   |
| Wholesale Volume                | 381 K        | 400 K   |
| Production Volume               | 335 K        | 347 K   |
| Capex (fixed assets)            | €129 mn      | €215 mn |

Guidance updated in February 2016. According to the Capital Markets Board, companies are allowed to provide guidance 4 times a year. Our next update will be announced as part of 1Q16 financial results.

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