

FORD OTOSAN



Investor Presentation

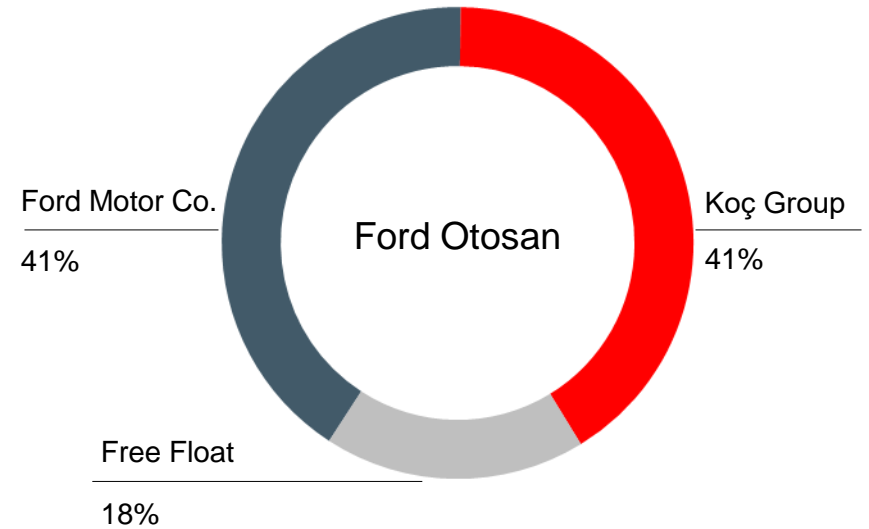
August 2018

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About Ford Otosan

Company Profile

Key Indicators, 2017	
Revenues	\$6.9 billion
Export Revenues	\$4.9 billion
EBITDA	\$598 million
Profit Before Tax	\$406 million
Net Profit	\$408 million
ROE	40.3%
EBITDA margin	8.6%
Annual Production Capacity	440,000
Gölcük (Transit & Custom)	315,000
Yeniköy (Courier)	110,000
İnönü (Cargo)	15,000
Total Employees	11,501
Blue Collar	8,847
White Collar	2,654



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

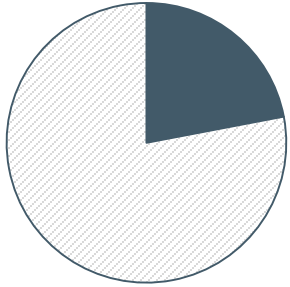
First Turkish passenger car Anadol (1966)
Turkey's **first** domestic diesel engine Erk (1986)
Turkey's **first** private R&D center in automotive (1961)
First export of Turkish automotive to the US (2009)

Strong value contribution

Turkey's **export champion**
Turkey's **2nd largest** industrial enterprise
Highest employment in Turkish automotive

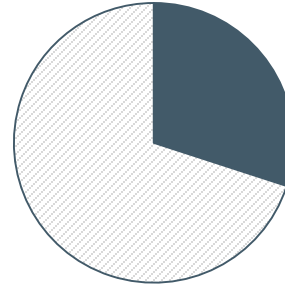
Leadership and scale

Europe's largest commercial vehicle manufacturer
Widest product range in Turkish automotive
Turkey's patent **champion** in automotive



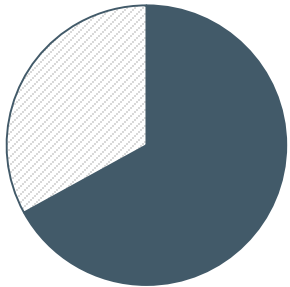
22%

of Turkey's
Total automotive
production



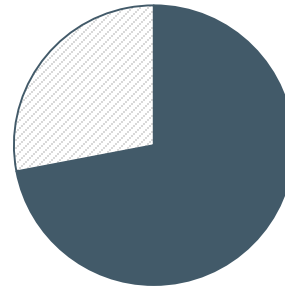
30%

of Turkey's
Commercial vehicle
sales



67%

of Turkey's
Commercial vehicle
production



72%

of Turkey's
Commercial vehicle
exports

Robust sales performance

Highest commercial vehicle market share of Ford in Europe

Among Ford's **top 5 markets in Europe** (Britain, Ireland, Hungary, Turkey, Romania)

Europe's largest CV manufacturer

Lead manufacturing plant of Ford Transit globally

Single source of Ford Custom & Tourneo Custom

Single source of Ford Courier & Tourneo Courier

Center of Excellence for Ford Cargo heavy trucks

Engineering and R&D power

Global hub for Ford Cargo heavy trucks and related powertrains

Global support for light commercial vehicle development

Global support for diesel powertrain engineering

Ford Otosan at a Glance

	1997*		2017
Production Capacity (Units)	47,000	9 times	440,000
Production (Units)	43,102	9 times	373,007
Export (Units)	667	446 times	297,396
Export (USD)	16 million	306 times	4.9 billion
Revenue (USD)	850 million	8 times	6.9 billion
Headcount	3,406	3 times	11,501
Market Cap (USD)	1.1 billion	5 times	5.6 billion

Vision, Mission And Strategy

Vision

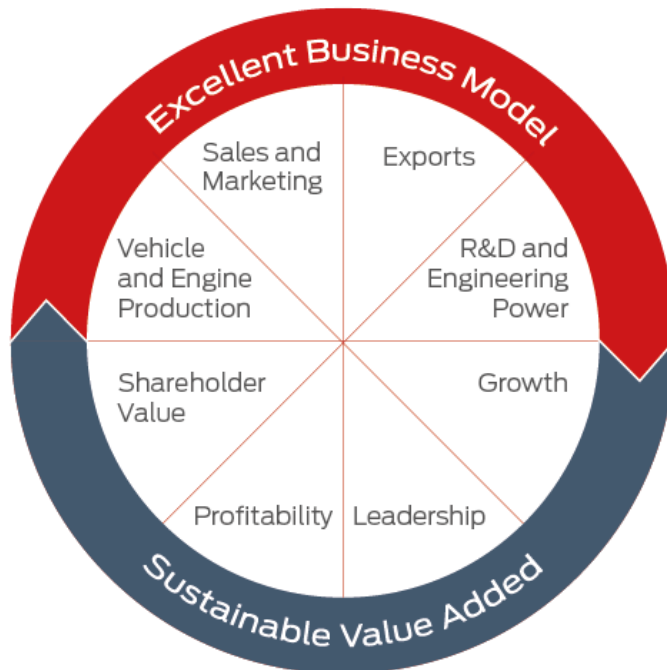
Being Turkey's most valuable and most preferred industrial company.

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'

2012- Launch of Ford Custom

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

2013/14- JMC engine & truck 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

2017/18 – Capacity increase at Gölcük Plant

Plants and Facilities

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 160 K



Custom 170 K



ISO 14001
BUREAU VERITAS
Certification



ISO 14064-1
BUREAU VERITAS
Certification



OHSAS 18001
BUREAU VERITAS
Certification



ISO 27001
BUREAU VERITAS
Certification



ISO 50001
BUREAU VERITAS
Certification



- 315,000 units manufacturing capacity
- Investment currently under way to increase capacity to 330,000 units by September 2018. Further details available on page 35.
- 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 110 K

Opened on 22 May 2014 at Gölcük plant site

70,000 m² covered area

Environment and disabled-friendly plant

İnönü Plant – Center of Excellence for Ford Trucks



UTAC
GROUPE UTAC CERAM

ISO 14001
BUREAU VERITAS
Certification



ISO 14064-1
BUREAU VERITAS
Certification



OHSAS 18001
BUREAU VERITAS
Certification



ISO 50001
BUREAU VERITAS
Certification



Cargo 15 K

Opened in 1982

109,024 m² covered area

75k units engine, 140k units powertrain production capacity

- 12.7L / 9.0L E6 Ecotorq engines for Cargo heavy truck
- 2.2L 4-cyl. Puma & 2.0L 4-cyl. Panther 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



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
- 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 47.

Ford Custom

- Ford Otosan is the single global source of Ford Custom
- Launched in October 2012; facelifted in 1Q18
- First vehicle in its segment to achieve a maximum five-star Euro NCAP rating

CUSTOM

**Tourneo Custom
(People Mover)**



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

**Transit Custom
(Panelvan)**



**Transit Custom
(Kombi)**



**Transit Custom
(Kombi Van)**



Market share details available on page 47.

Ford Courier

- The smallest member of the Ford commercial vehicle family
- Ford Otosan is the single global source of Ford Courier
- Launched in May 2014; facelifted in 2Q18

COURIER



Tourneo Courier
(People mover)

Transit Courier Combi Van
(Commercial)

Transit Courier Van
(Commercial)

Market share details available on page 47.

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



Market share details available on page 47.

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



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



Investment Case

Ford Otosan's Value Proposition

Scale & growth

Industry leader in Turkish and European commercial vehicle sales
Turkey's export champion and **Europe's largest commercial 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
Growth and profitability driven by new products and cost discipline
Natural hedge of fx-payables due to fx-denominated export revenues

Shareholder value creation

Dividend growth with surging FCF, strong balance sheet and low capex
Strong relative share performance
 Commitment to good **corporate governance**

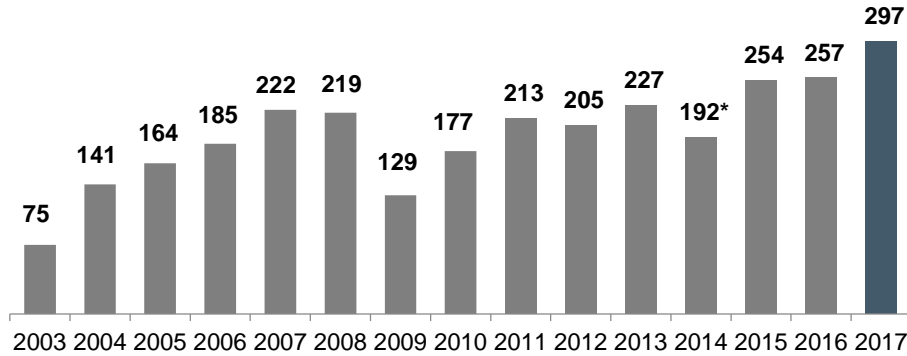
Relatively Favorable Taxes on Commercial Vehicles

Passenger Cars					Commercial Vehicles			
Engine Size	Base Price (TL)	SCT	VAT	Total	Model	SCT	VAT	Total
<1.6 lt	<46,000	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%
	46,000-80,000	50%	18%	77%				
	>80,000	60%	18%	89%				
1.6-2.0 lt	<114,000	100%	18%	136%				
	>114,000	110%	18%	148%				
> 2.0 lt		160%	18%	207%				
<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 27% to 30% (Aug 2003), 30% to 37% (Sep 2006) < 1.6 lt 37% to 18% (Apr 09), 18% to 27% (Oct 09), 27% to 37% (Apr 10) < 1.6 lt 37% to 40% (Sept 2012), 40% to 45% (Jan 2014) 1.6-2.0 lt 60% to 80% (Oct 2011), 80% to 90% (Jan 2014) > 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

Exports (000 units)

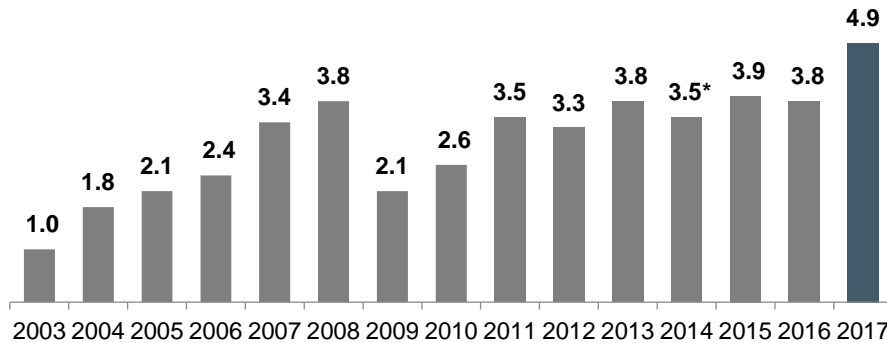


All export revenues are €-denominated, including non-€ countries

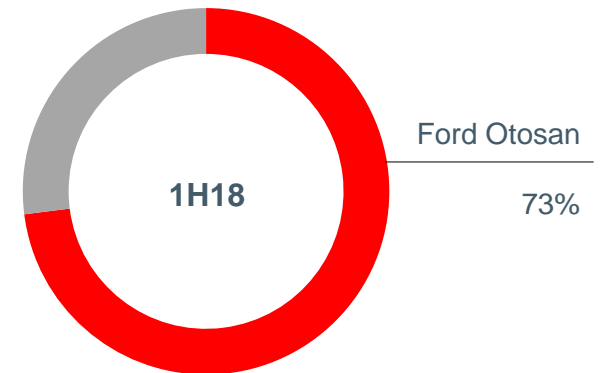
Export receivables are easy to manage as Ford of Europe is the **single counterparty**

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

Export Revenue (US\$ bn)



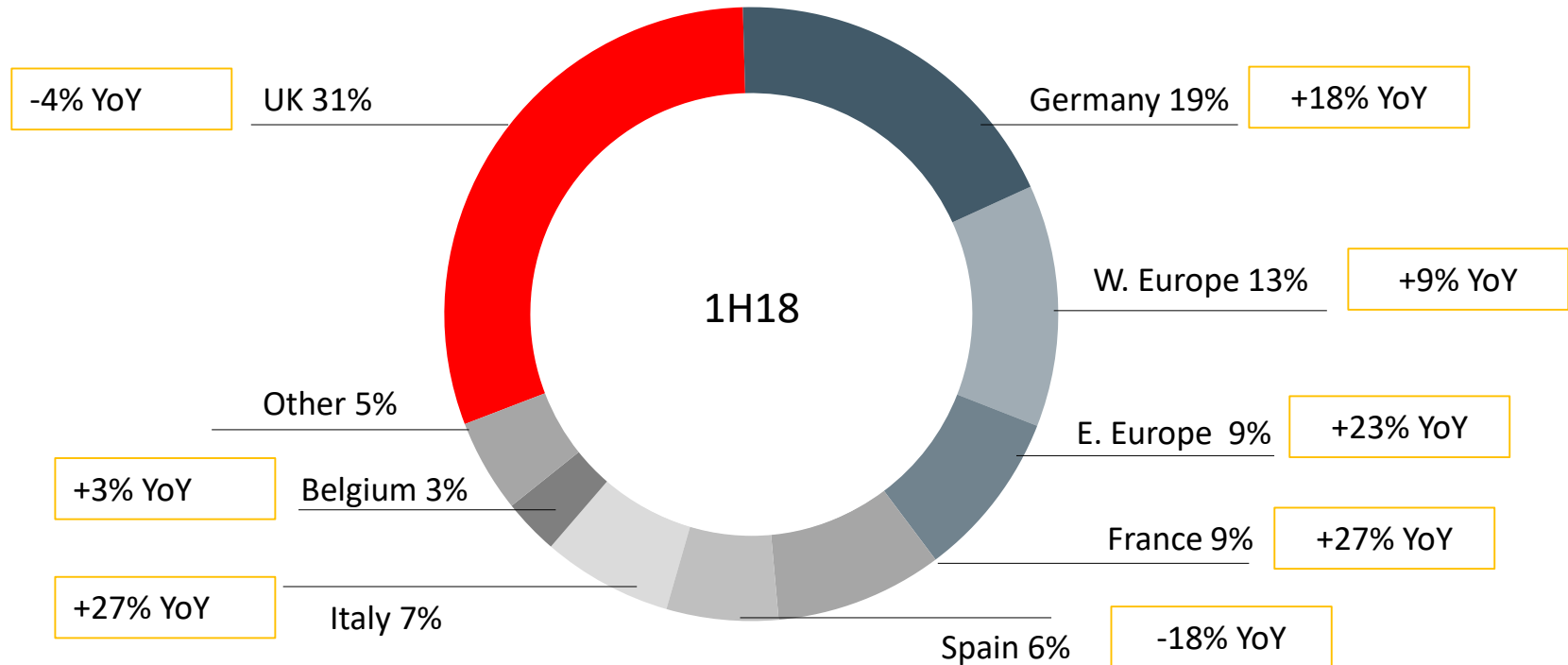
Turkey's CV exports



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

Turkey's Export Champion

Export breakdown (units)



Change in Ford Otosan's unit exports to the relevant market

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

European Van Industry Continues to Grow

Industry growth supported by broader economic recovery, SME business and e-commerce

Commercial Vehicle registrations- Vans up to 3.5 tons → Ford Otosan's export segment

	2014	2015	2016	2017	1Q18	April '18	May '18	Jun '18	YTD
UK	18.7%	15.6%	1.0%	-3.6%	-3.7%	3.9%	2.4%	-5.8%	-2.3%
Germany	7.3%	4.2%	8.5%	4.9%	2.3%	15.4%	2.4%	5.7%	5.0%
Italy	16.4%	12.4%	50.0%	-3.4%	4.1%	-4.4%	-2.0%	-3.8%	0.1%
Spain	33.2%	36.1%	11.2%	15.5%	9.3%	22.2%	9.3%	11.4%	11.6%
France	1.5%	2.0%	8.2%	7.1%	6.0%	6.9%	1.8%	3.7%	5.0%
Total	11.3%	11.6%	11.9%	3.9%	2.8%	9.8%	4.3%	8.3%	5.1%

Ford continues to outperform the UK Industry strongly

UK Industry -2.7%
Ford +7.5%

Source: SMMT, July YTD

June registrations: 209,364 units

Jan - Jun registrations: 1,066,703 units

8.3%

June YoY growth
in European van sales

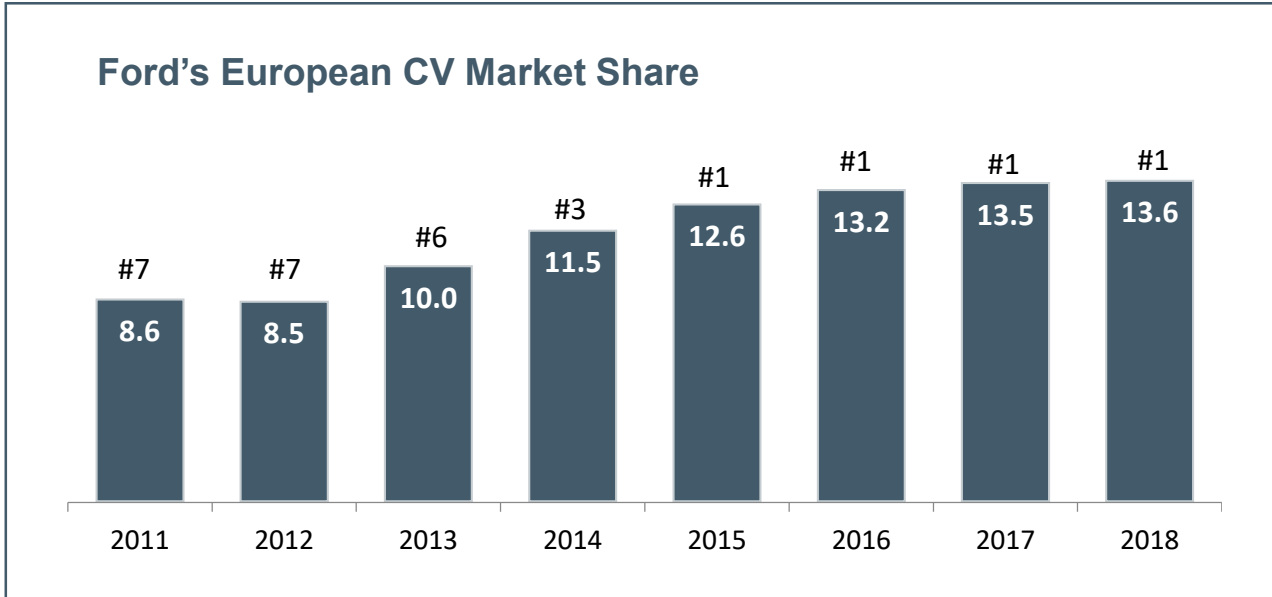
5.1%

Jan-Jun YoY growth
in European van sales

Source: www.acea.be 27 European markets excluding Malta.

Ford is Europe's Top-Selling CV Brand

Offering an unrivalled selection of vehicles that cater for every requirement



Ford's best ever July commercial vehicle sales since 1993 in its European 20 markets

2.5%

July YoY growth
in Ford's CV sales

6.9%

Jan-Jul YoY growth
in Ford's CV sales

Ford Otosan: Key Driver of Ford's Market Share

and Pillar of profitability for Ford of Europe



Courier



Connect



Custom



Transit

FORD OTOSAN produces

81%

of Transit Family vans
sold in Europe

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

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%

Effective Interest Rates

ST borrowings: **0.78%**

ST portion of LT borrowings: **1.74%**

LT borrowings: **1.61%**

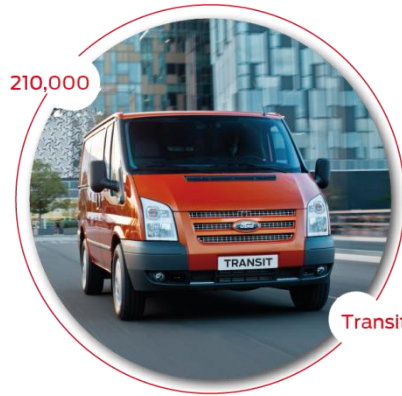
Interest Paid (TL '000)

2017: **164,923**

1H18: **137,756**

Highest Commercial Production Capacity in Turkish Automotive

Old: 330,000 (pre-investments)



Kocaeli Plant



İnönü Plant



New: 415,000 (2014) → 440,000 (2017) → 455,000 (2018)

Transit

160,000



Custom

170,000



Courier

110,000



Truck

15,000



Gölcük Plant

Yeniköy Plant

İnönü Plant

Kocaeli Plants

Export Driven Capacity Increase

US\$ 52 million total investment

Capacity ('000 Units)	Previous	Current (Phase 1)	Phase 2
Custom	130-150	170	180
Transit	140-160	160	160
Total Gölcük Plant*	290*	315*	330*
Total Ford Otosan	415	440	455

* Total paintshop capacity of the plant.
Announced on August 2, 2017.

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.

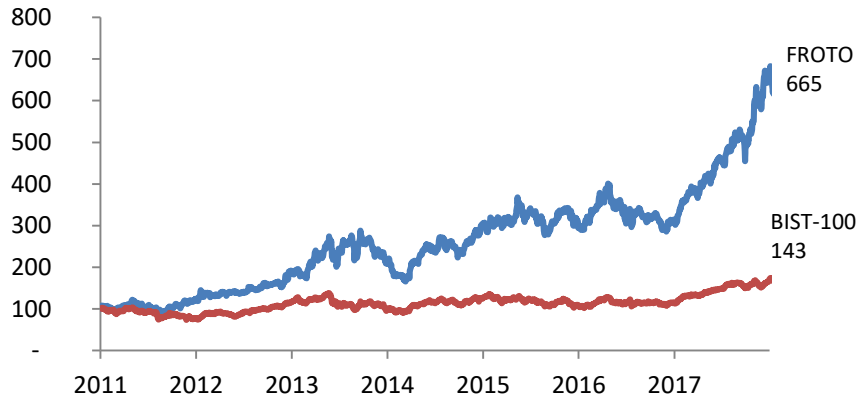


JMC is
 '2018 Chinese Truck of the
 Year'



Focus on Shareholder Value

Strong relative share performance

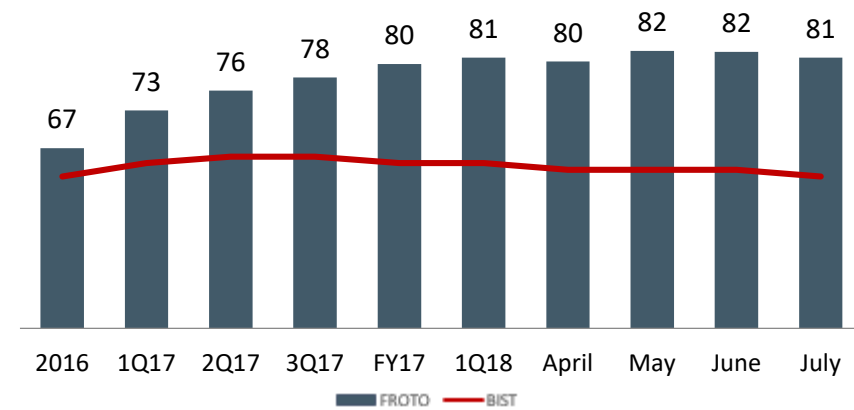


Commitment to corporate governance

- Separate CEO and Chairman roles
- Independent BoD members
- Board Committees
 - Audit Committee
 - Corporate Governance Committee
 - Risk Committee
 - Remuneration Committee
- Highly experienced professional Executive Management
- Performance based compensation

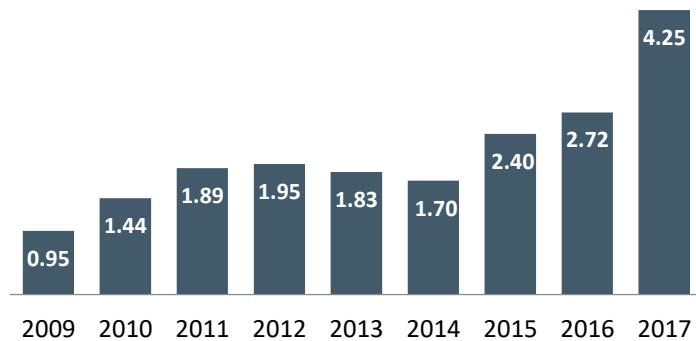
Large Institutional Investor Base

Foreign ownership in free float, %



Strong Earnings Growth

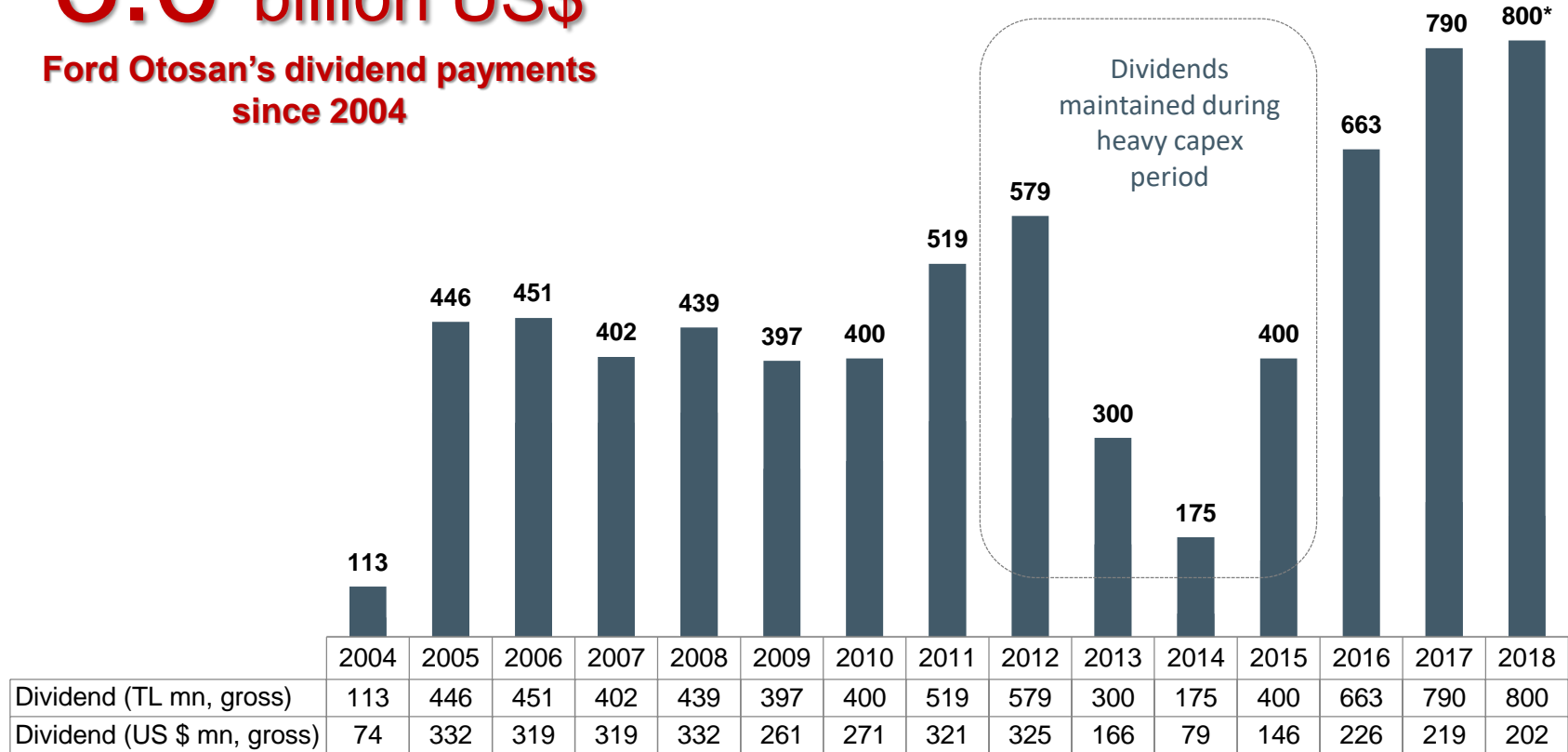
EPS (for Kr 1 nominal value)



Commitment to Dividends

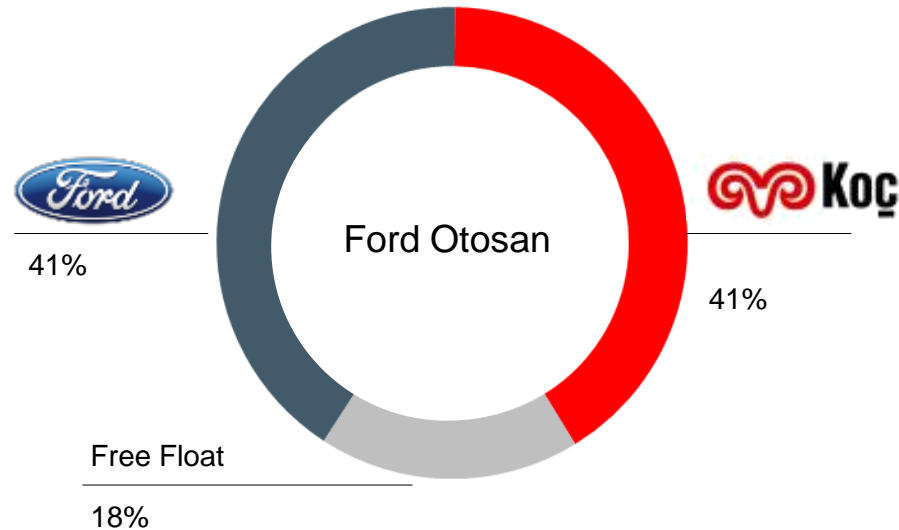
3.6 billion US\$

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.

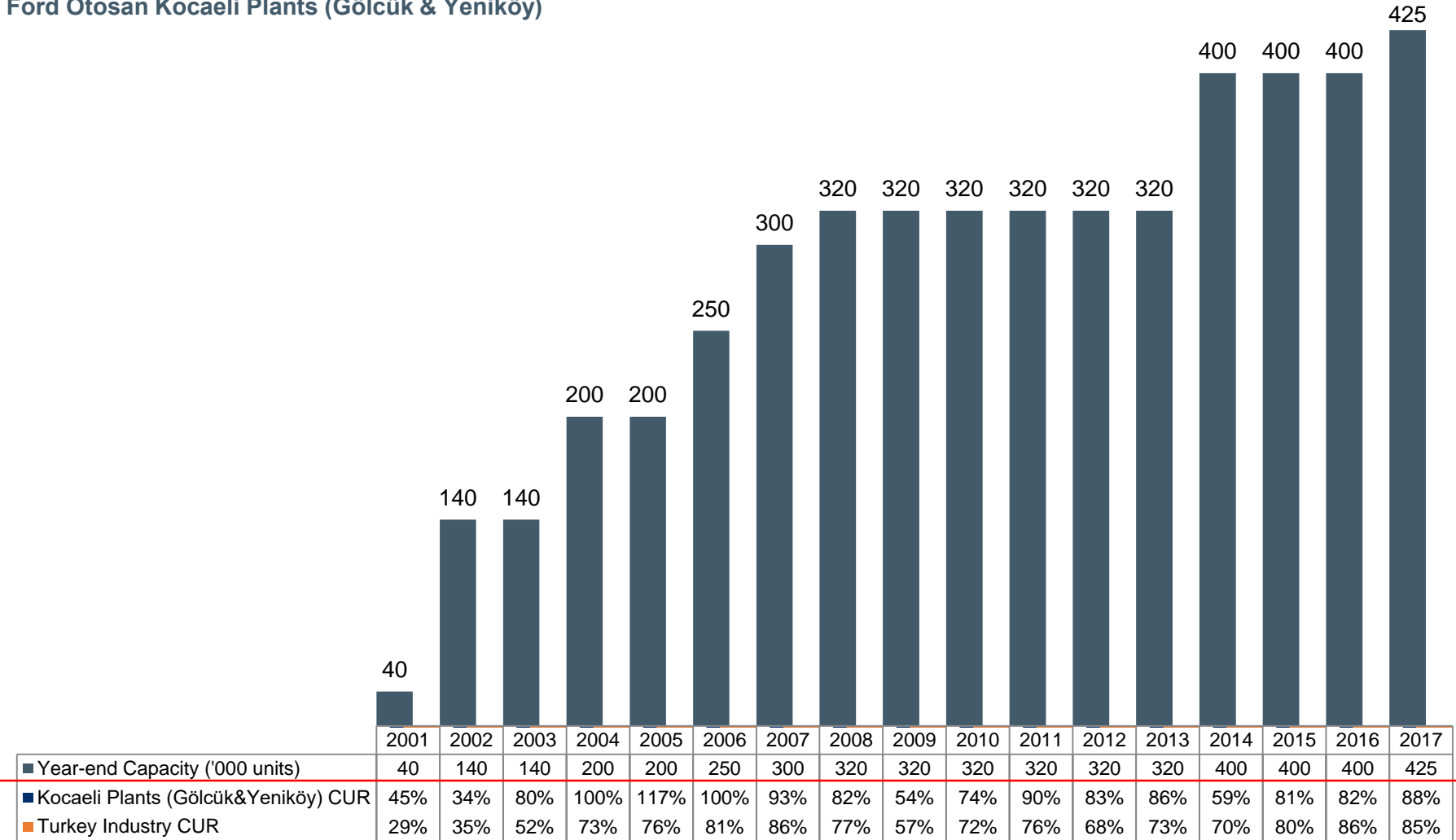


Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 202,000 people worldwide. Automotive brands include Ford and Lincoln.

Established in 1926, Koç Holding is Turkey's leading investment holding company and the Koç Group is Turkey's largest industrial and services group in terms of revenues, exports, share in Borsa İstanbul's market capitalization and employment generation. While maintaining its leadership position in Turkey, The Koç Group focuses on sustainable and profitable growth with an aim to be a key player in its region and in the world.

Koç Holding ranks among the world's top 500 companies in Fortune Global 500 (2017 report).

Ford Otosan Kocaeli Plants (Gölcük & Yeniköy)



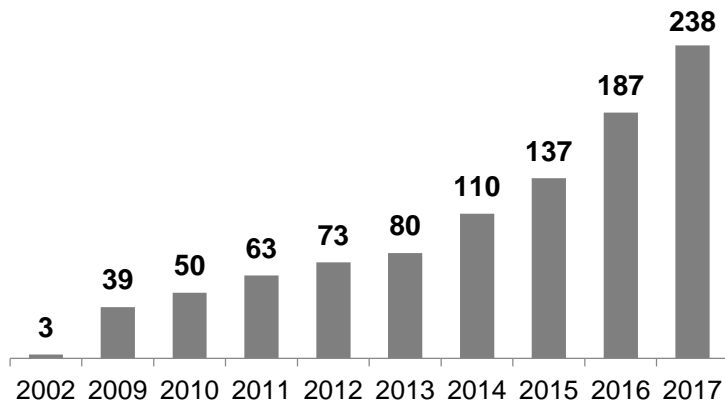
*2014 numbers reflect the transition to new product range and relevant ramp-up period.

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.



Patent Applications



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

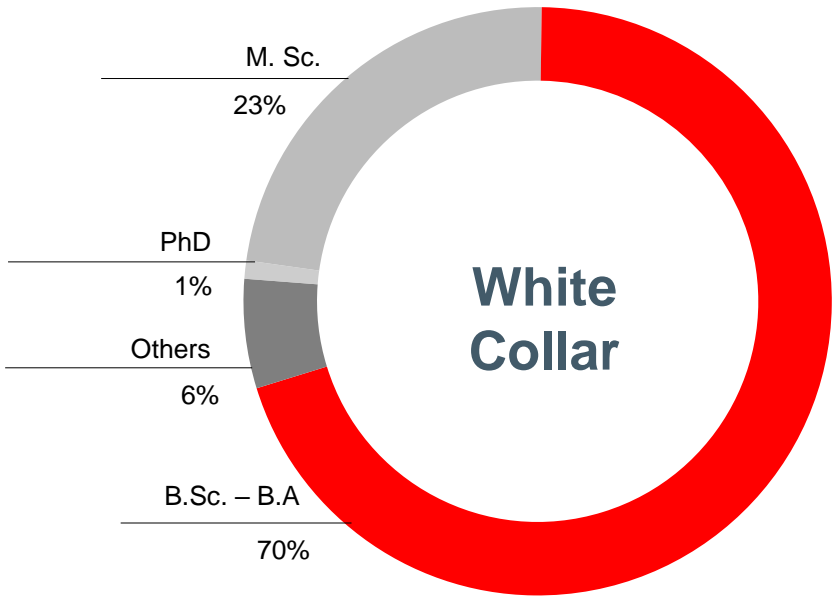
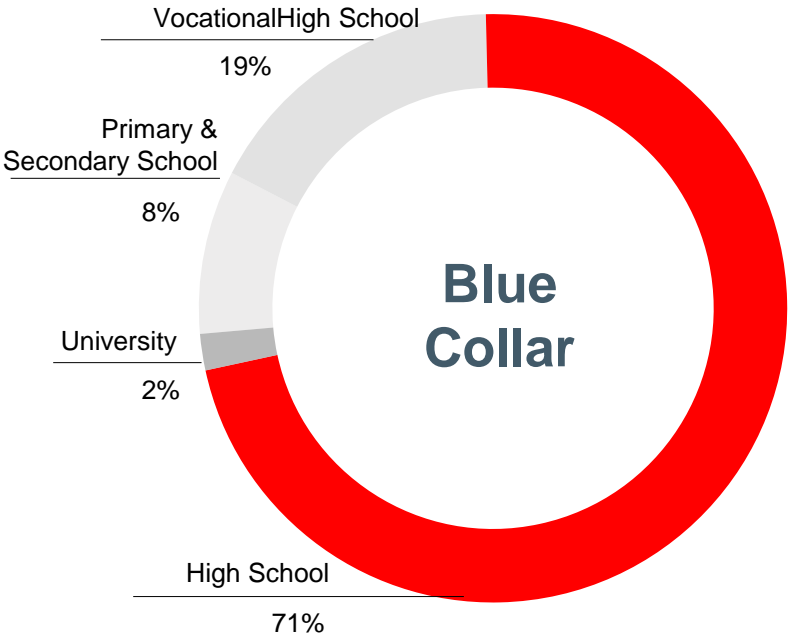
Gölcük R&D Center

- Engine & vehicle testing
- Development workshops

İnönü Product Development

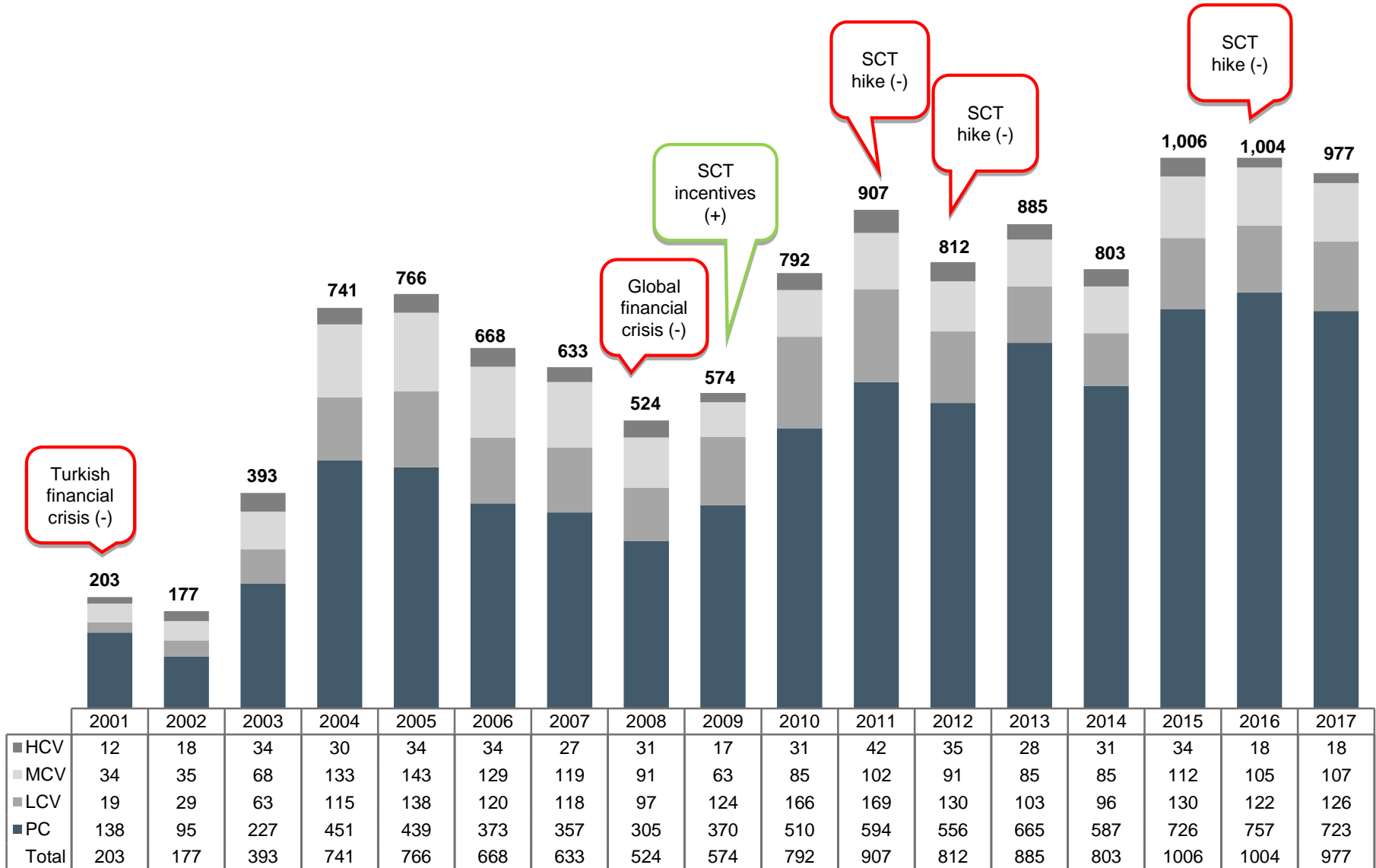
- Prototype engine manufacturing and testing
- The only facility to test extra heavy engines over 13L in Turkey





Operating & Financial Performance

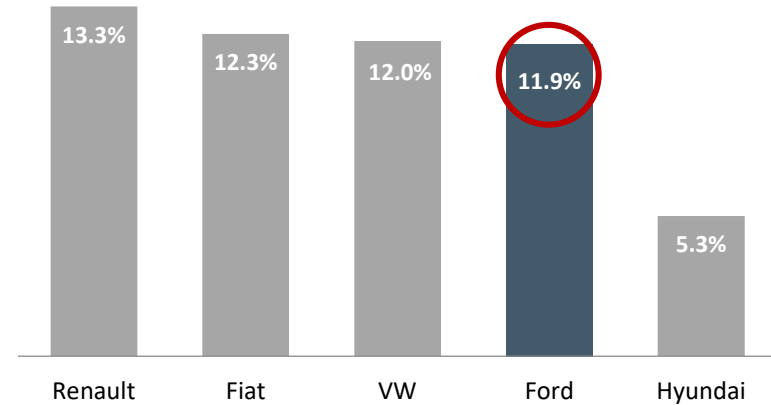
Turkish Automotive Industry (000 units)



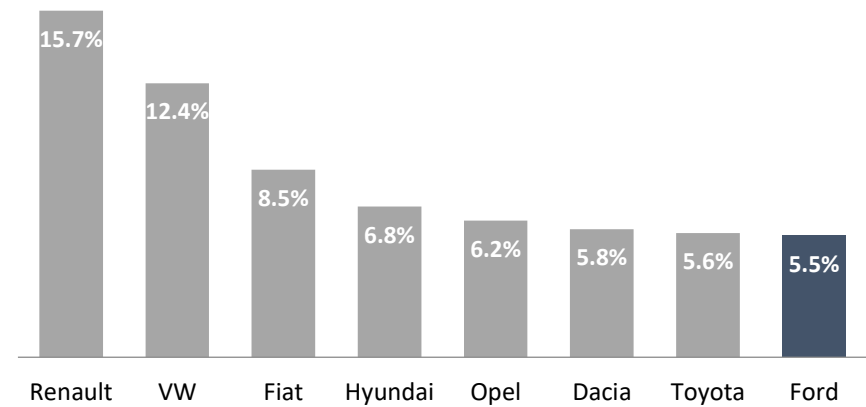
Turkish Market Shares (2017)

Total Industry

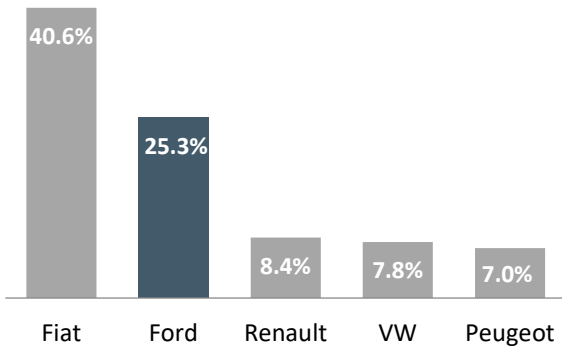
Ford's 2nd largest market share in Europe



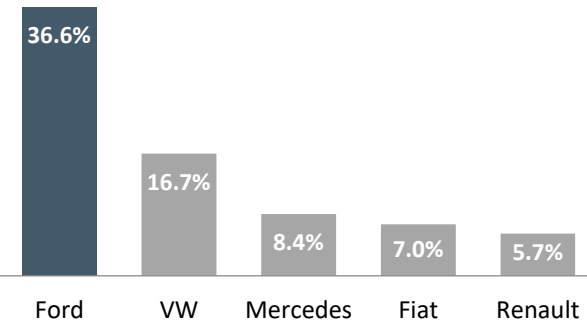
Passenger Cars



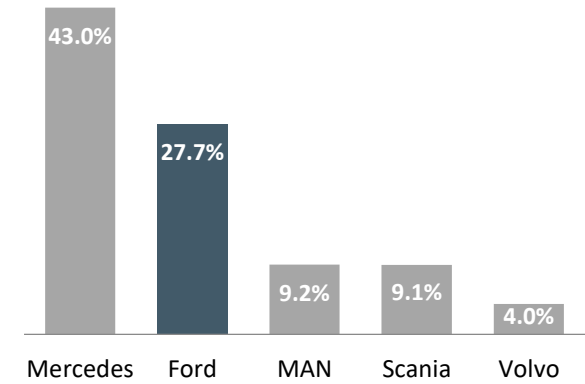
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



* Courier and Connect

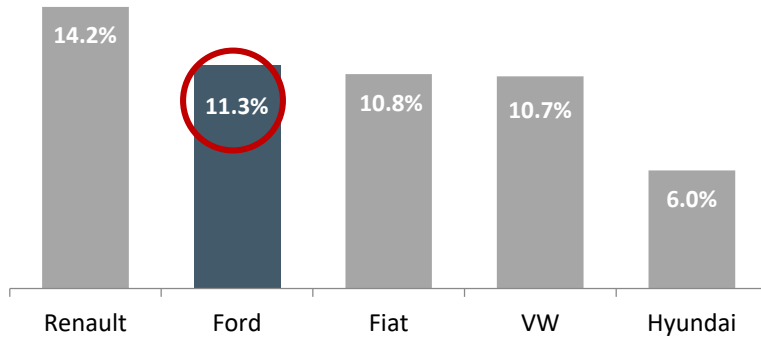
** Transit, Custom & Ranger

Source: ODD and TAIID

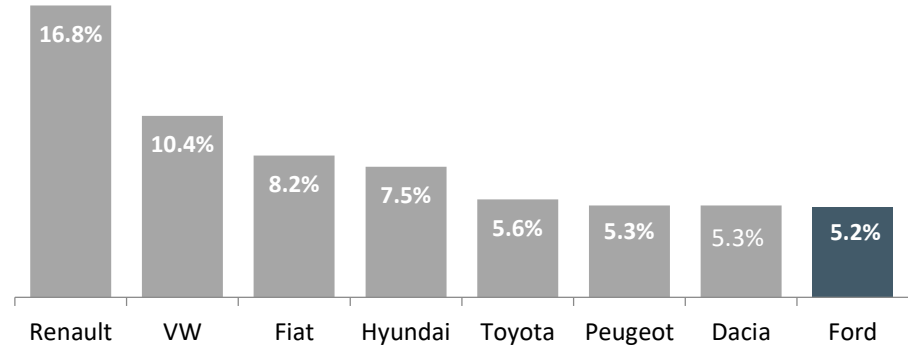
Turkish Market Shares (July YTD)

Total Industry

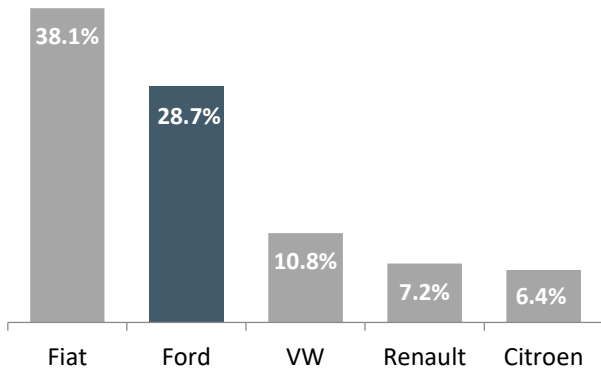
Ford's 4th largest market share in Europe



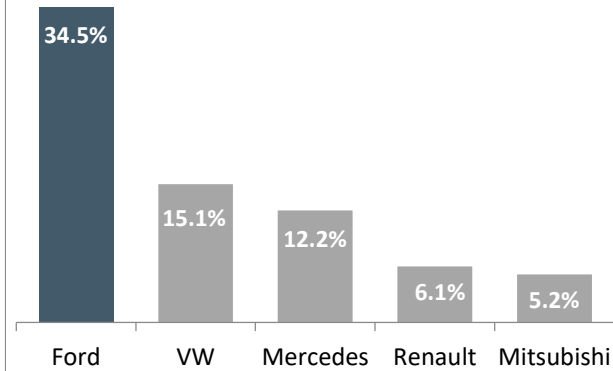
Passenger Cars



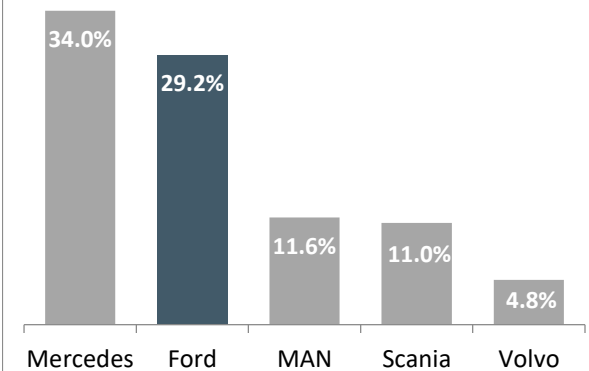
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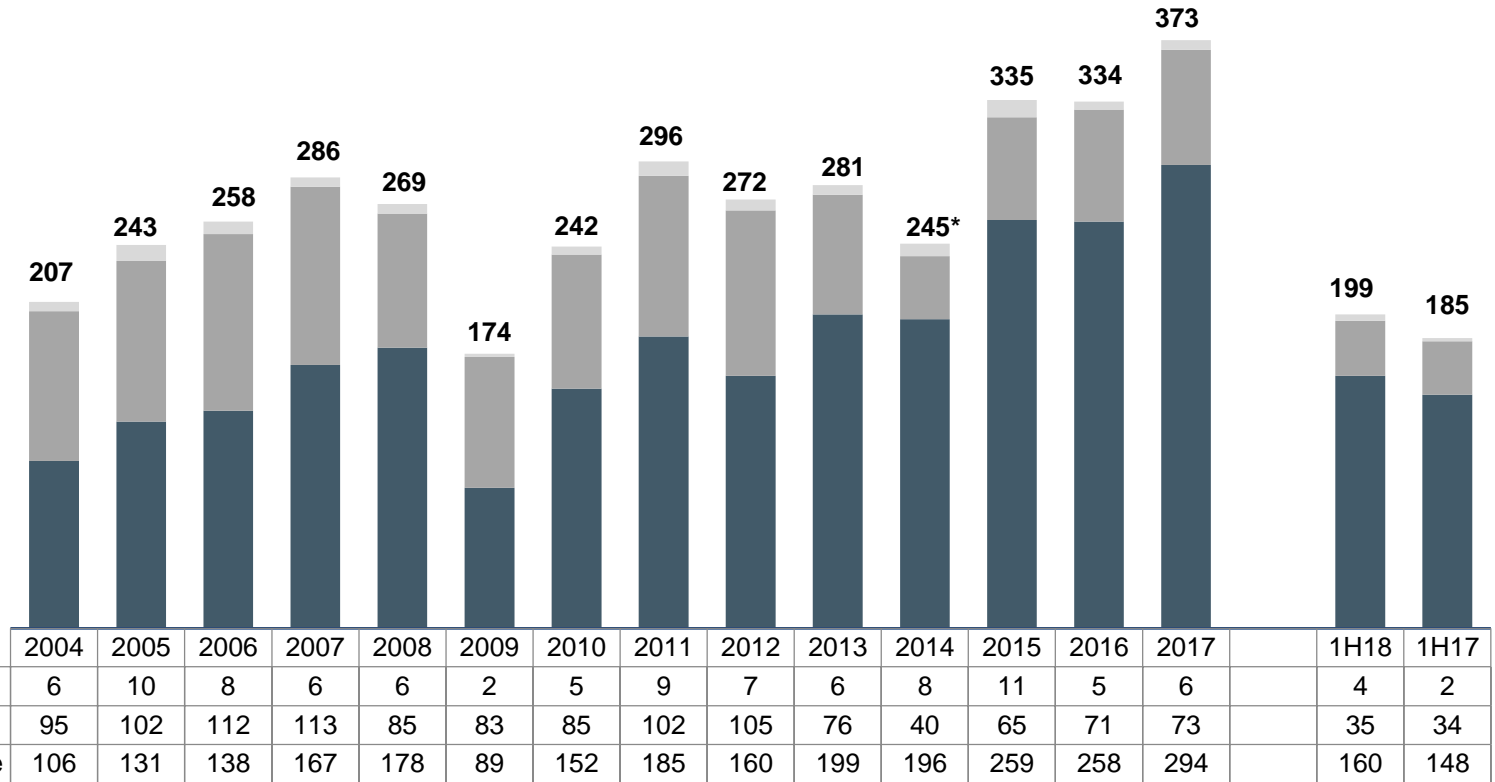
Source: ODD and TAIID

Turkish Market & Ford Otosan Retail* Sales (Units)

	July '18	July '17	YoY %	July YTD '18	July YTD '17	YoY %	July '18	June '18	MoM %	2017
PC										
Ford Otosan	2,053	3,593	-43	16,565	22,190	-25	2,053	2,553	-20	39,850
Industry	42,024	62,384	-33	317,894	368,308	-14	42,024	41,225	2	722,759
% Share	4.9	5.8	-0.9	5.2	6.0	-0.8	4.9	6.2	-1.3	5.5
LCV										
Ford Otosan	1,682	2,670	-37	12,673	16,350	-22	1,682	1,692	-1	31,881
Industry	5,475	10,711	-49	44,184	62,539	-29	5,475	5,349	2	126,111
Ford Otosan	30.7	24.9	5,8	28.7	26.1	2,5	30.7	31.6	-0,9	25.3
MCV										
Ford Otosan	2108	3,482	-39	15,186	18,265	-17	2,108	1,683	25	39,333
Industry	5,235	9,202	-43	44,004	52,608	-16	5,235	4,463	17	107,324
Ford Otosan	40.3	37.8	2,4	34.5	34.7	-0,2	40.3	37.7	2,6	36.6
Truck										
Ford Otosan	264	432	-39	2,625	2,567	2	264	250	6	5,183
Industry	941	1,436	-34	8,997	8,741	3	941	890	6	18,745
Ford Otosan	28.1	30.1	-2,0	29.2	29.4	-0,2	28.1	28.1	0,0	27.7
Total										
Ford Otosan	6,107	10,177	-40	47,049	59,372	-21	6,107	6,178	-1	116,247
Industry	53,805	84,001	-36	416,211	493,400	-16	53,805	52,039	3	977,483
Ford Otosan	11.4	12.1	-0,8	11.3	12.0	-0,7	11.4	11.9	-0,5	11.9

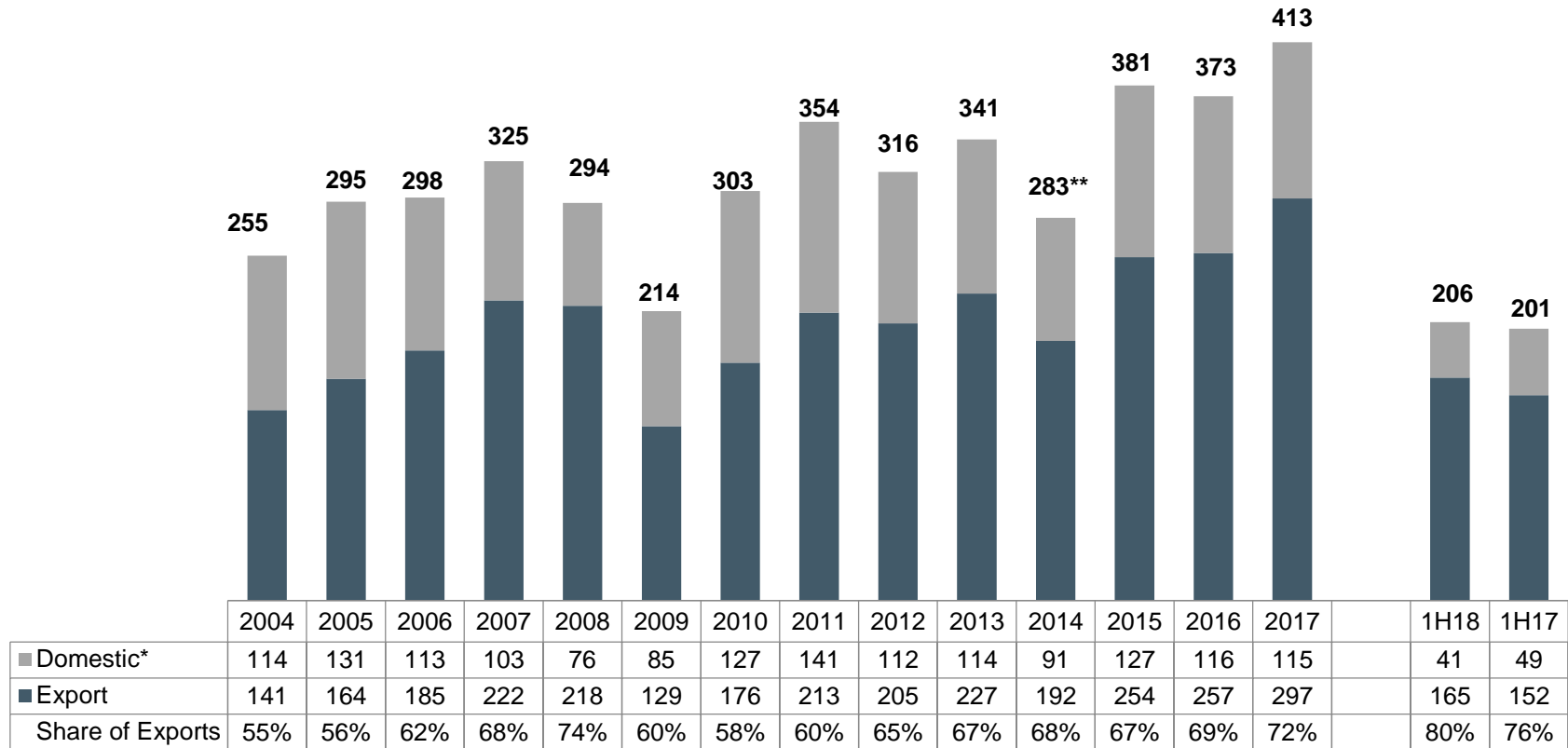
Retail sales are Ford branded vehicles sold domestically by Ford dealers. They include dealer inventory and define the market share.

Production Volume (000 units)



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

Wholesale Volume (000 units)



* Domestic wholesale volumes are vehicles sold by Ford Otosan to our dealers. They form the basis of IFRS financials.

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

Sales Volume by Model

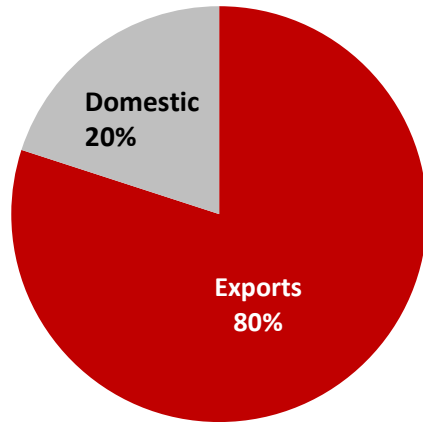
	1H18	1H17	YoY%	2Q18	2Q17	YoY%
Total Domestic	41.196	48.659	-15%	22.034	30.465	-28%
PC	11.565	15.185	-24%	6.261	10.624	-41%
LCV	13.901	16.568	-16%	7.127	10.345	-31%
Transit Courier	13.389	15.777	-15%	6.848	9.981	-31%
Transit Connect	512	791	-35%	279	364	-23%
MCV	13.359	14.915	-10%	7.537	8.284	-9%
Transit	9.484	11.234	-16%	5.015	6.331	-21%
Transit Custom	3.204	2.779	15%	2.050	1.577	30%
Ranger	671	902	-26%	472	376	26%
Truck	2.371	1.991	19%	1.109	1.212	-8%
Total Export	165.166	152.388	8%	82.098	76.589	7%
Transit Custom	84.097	79.249	6%	43.794	39.587	11%
Transit	61.176	53.926	13%	31.130	27.539	13%
Transit Courier	18.999	18.431	3%	6.709	9.089	-26%
Cargo	776	378	105%	407	214	90%
Other	118	404	-71%	58	160	-64%
Total Wholesale	206.362	201.047	2,6%	104.132	107.054	-2,7%

Record

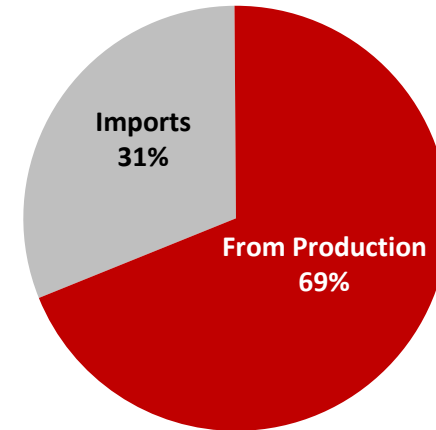
Record

Volume Analysis (1H18)

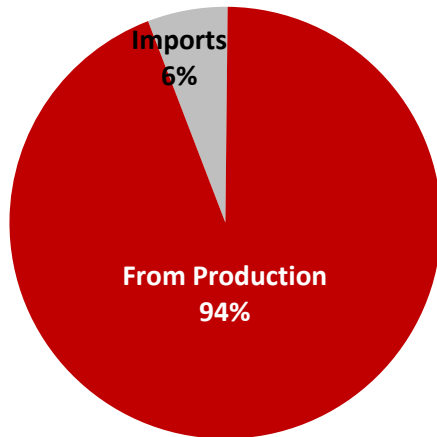
Total Sales



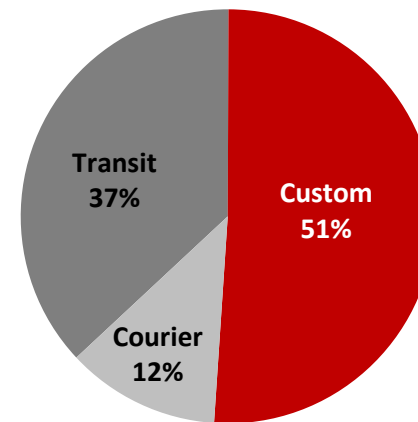
Domestic Sales



Total Sales



Exports by Model



TL 15,472 million

Revenues, +33% YoY

Record 1H revenues and volumes driven by strong exports

TL 1,408 million

EBITDA, +49% YoY

- Driven by strong OpEx control & cost reduction actions
- Higher fx gains from operating activities

TL 12,099 million

Export Revenues, +39% YoY

- Record volumes; up 8%
- Currency impact

TL 940 million

Profit Before Tax, +49% YoY

Despite pressure from 156% rise in net financial expenses driven by 162% higher net fx loss

TL 3,374 million

Domestic Revenues, +13% YoY

- Despite 15% volume decline due to market contraction and rising prices
- Pricing discipline

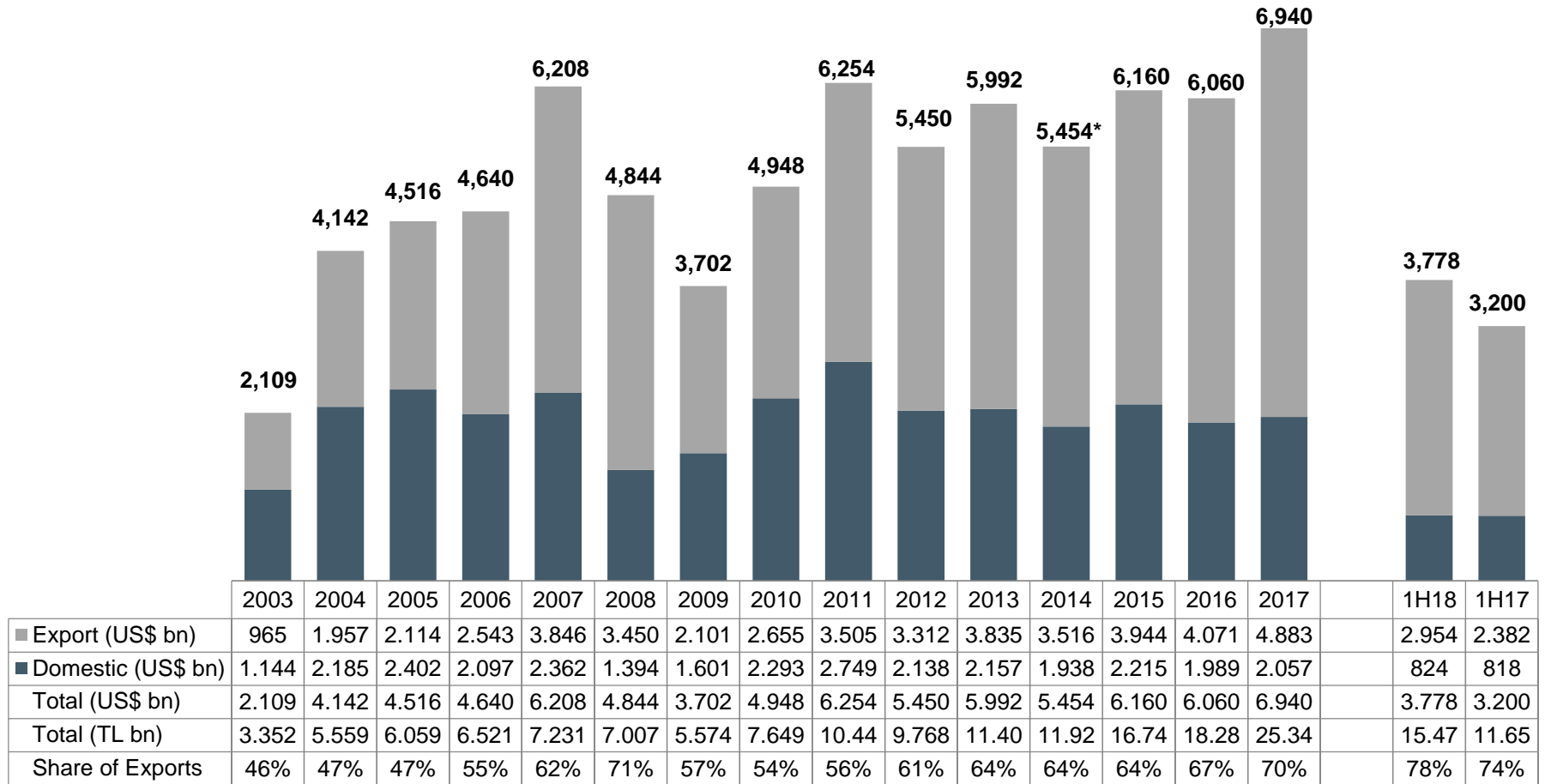
TL 919 million

Net Income, +45% YoY

Main Financial Indicators

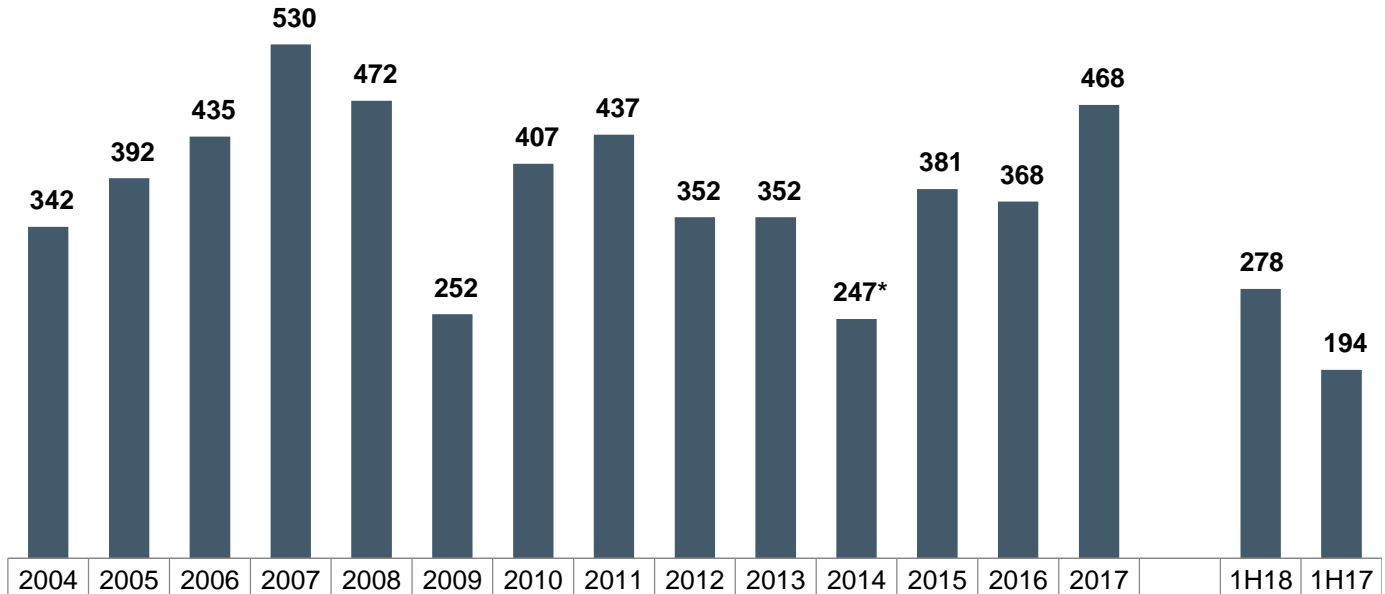
Million TL		1H18	1H17	YoY %	2Q18	2Q17	YoY %
Total Revenues	Record	15.472	11.653	33%	8.190	6.258	31%
Export	Record	12.099	8.676	39%	6.370	4.413	44%
Domestic	Record	3.374	2.977	13%	1.820	1.844	-1%
Gross Profit	Record	1.679	1.172	43%	921	620	49%
Operating Profit	Record	1.139	708	61%	625	378	65%
EBITDA	Record	1.408	944	49%	767	496	55%
Profit Before Tax	Record	940	630	49%	499	350	42%
Net Income	Record	919	634	45%	486	362	34%
Other Financial Data							
Depreciation & Amortization		270	236	14%	142	118	20%
Financial Income / (Expense)		-196	-77	156%	-125	-26	380%

Revenues - Domestic & Export



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

Operating Profit and Margin



■ Operating Profit, US\$ mn	342	392	435	530	472	252	407	437	352	352	247	381	368	468	278	194
Operating Profit, TL mn	487	538	569	690	613	389	610	729	631	670	541	1.036	1.111	1.708	1.139	708
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%	6,1%	6,7%	7,4%	6,1%

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

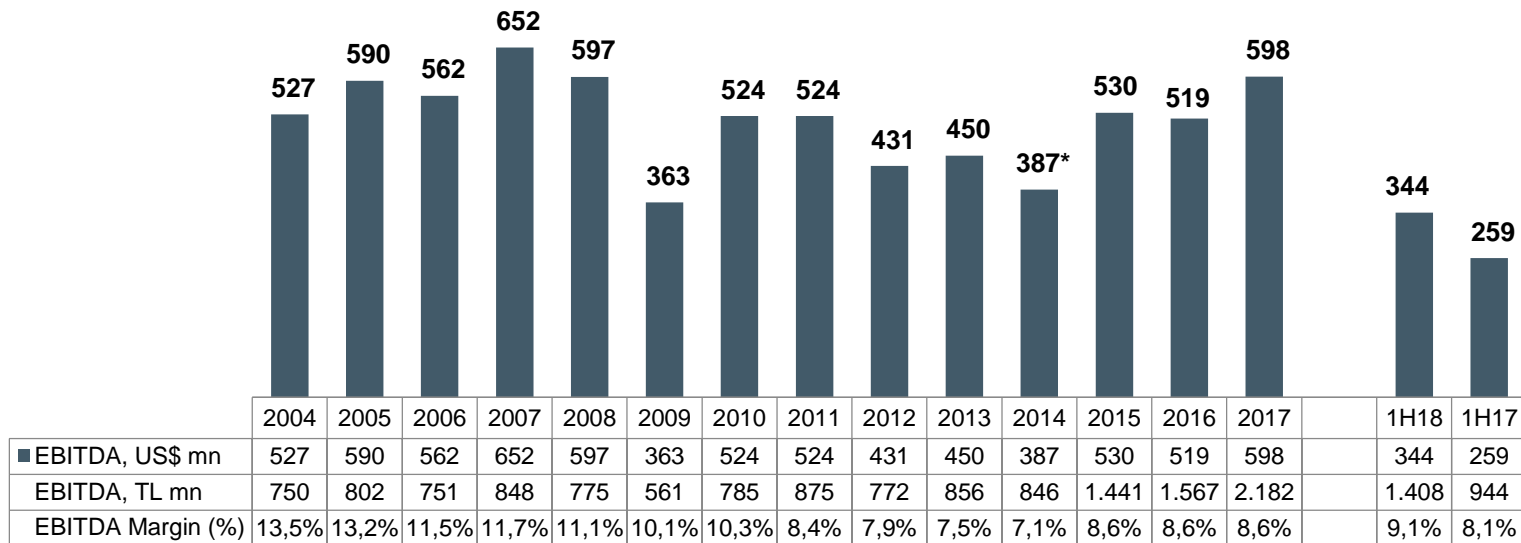
EBITDA and EBITDA Margin

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:

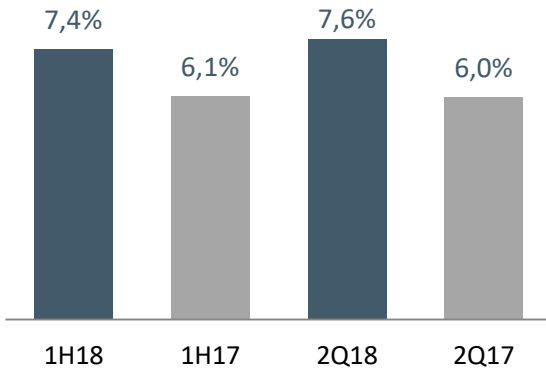
- Changing business mix
- Highly competitive pricing landscape
- Industry shift towards PC = Less favorable sales mix
- Aged product portfolio
- TL volatility causing higher import costs and financial expenses



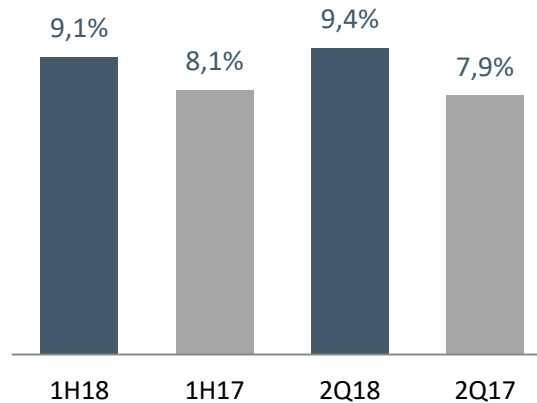
*2014 numbers reflect the transition to new product range and relevant ramp-up period.

1H18 Margins

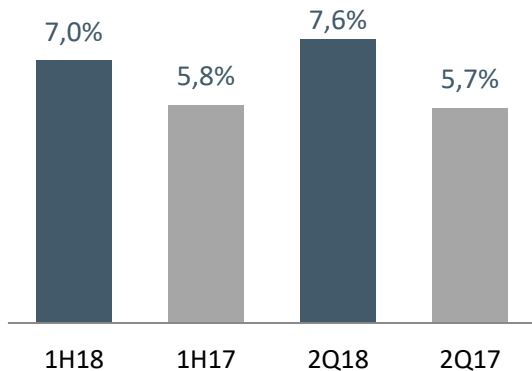
Operating Margin



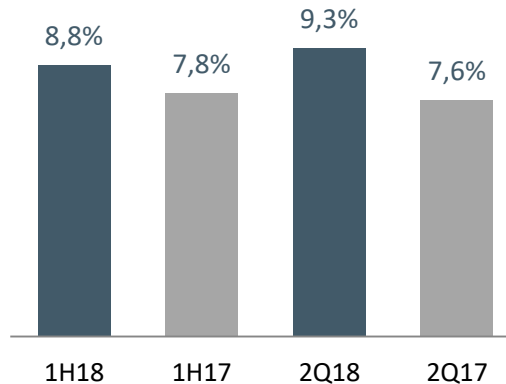
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Drivers:

- + 90% CUR with rising export demand
- + Positive impact of currency fluctuations on gross profit resulting from export operations
- + Pricing focus to offset the cost impact
- + Cost reduction actions and strong OpEx control
- + Lower share of imports in domestic sales (31% vs 35% YoY)
- + 295% rise in net fx gains from export business

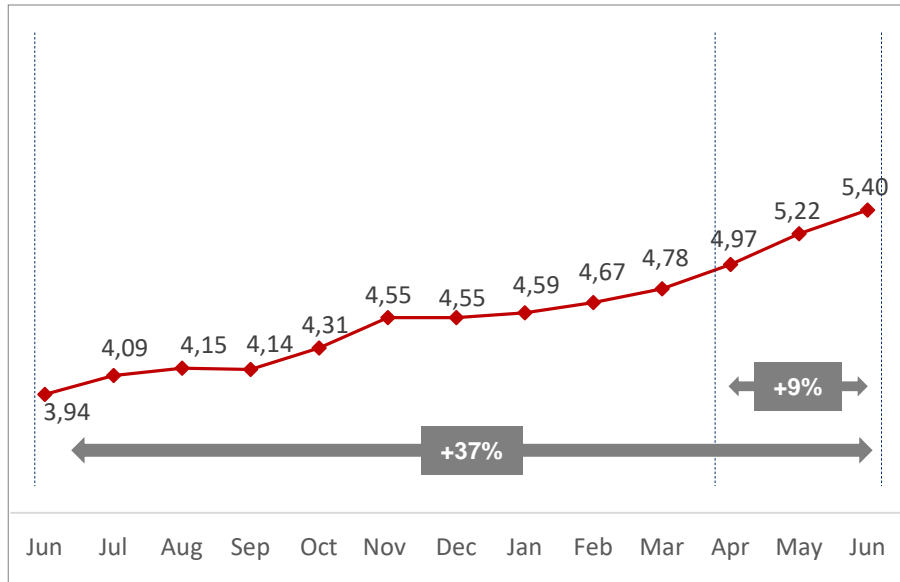
Challenges:

- Considerable cost pressure (resulting from weaker €/TL (+26% YoY), high inflation and commodity prices)
- Contracting domestic volumes

Ongoing Cost Pressure

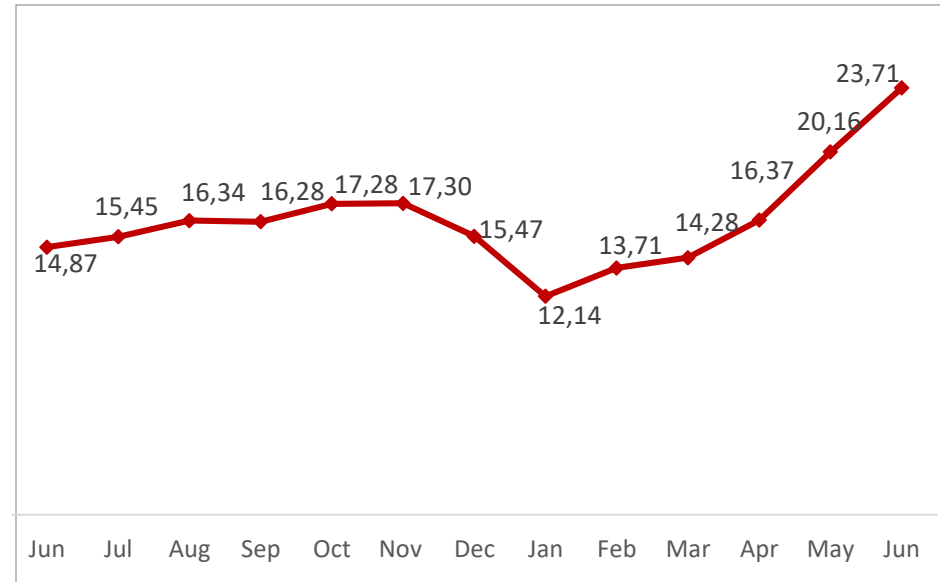
YoY change	1H18/1H17	2Q18/2Q17
Production Volume	7%	2%
Raw Material Costs	38%	36%

EUR/TL Rate



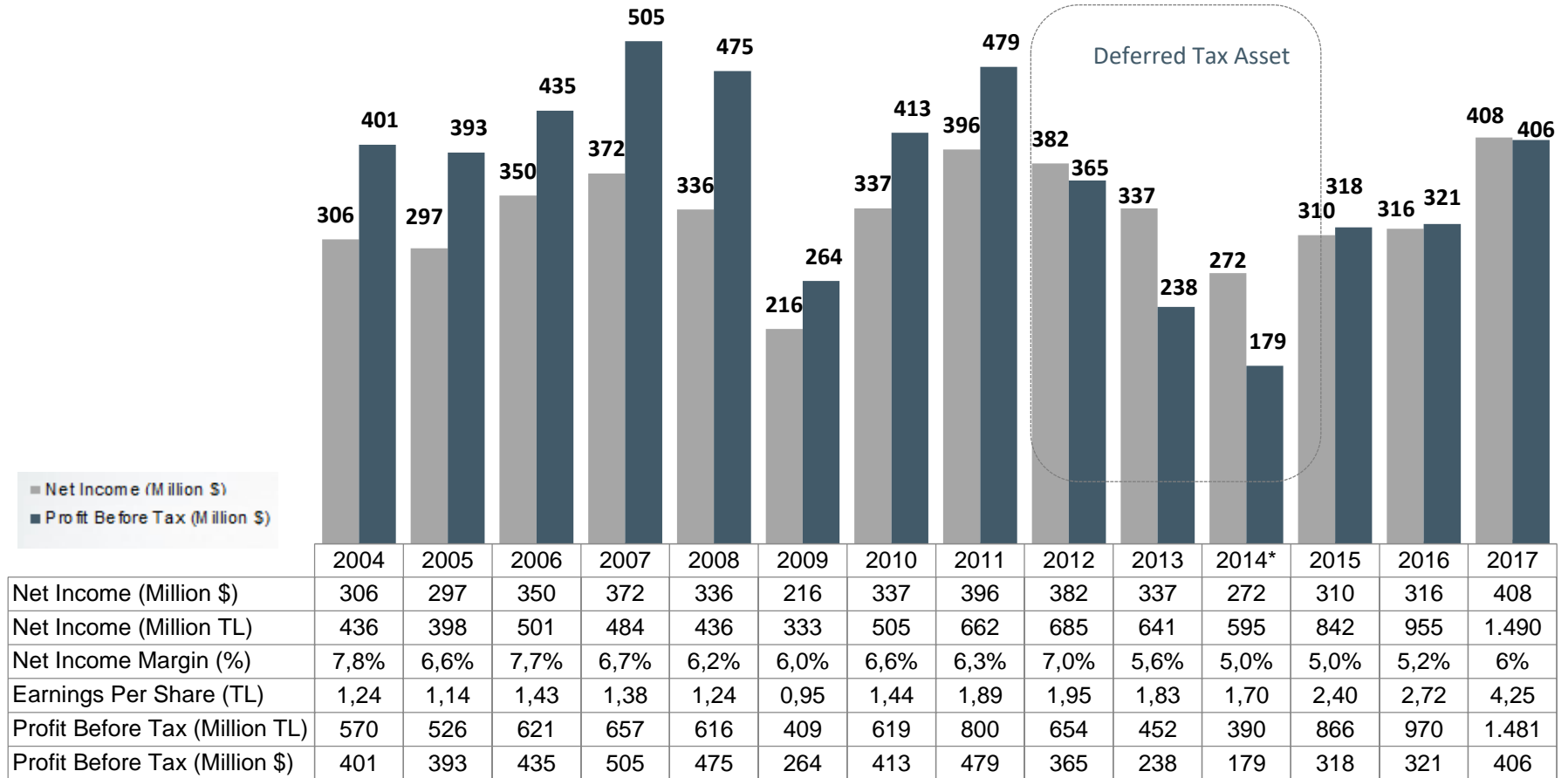
Source: CBT

PPI Inflation, %

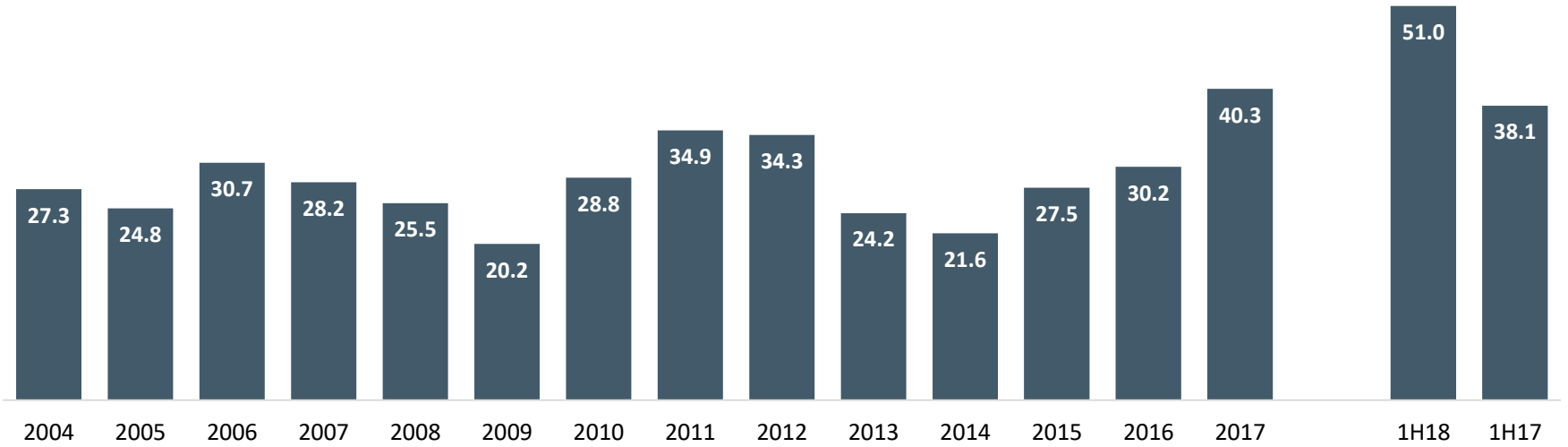


Source: CBT

PBT & Net Income



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



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

Financial Risk Management

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
€100 million credit commitment & €120 million factoring agreements for potential needs
Net debt as of 1H18 is TL 2.8 billion

FX Risk

Excess cash is invested in hard currencies to minimize fx exposure
Natural hedge against volatility due to fx-denominated export revenues: 78% of revenues
Ford Otosan is a net exporter: US\$ 4.9 billion in the last 5 years (2012-2017)

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)	30.06.2018	30.06.2017
Cash & Cash Equivalents	1,287	1,737
Total Financial Debt	(4,040)	(3,576)
Net Financial Debt	(2,753)	(1,839)
Financial Ratios	30.06.2018	31.12.2017
Current ratio	1.08	1.13
Liquidity ratio	0.67	0.87
Net Financial Debt / Tangible Net Worth	0.96	0.60
Current Assets / Total Assets	0.57	0.57
Current Liabilities / Total Liabilities	0.75	0.73
Total Liabilities / Total Liabilities and Equity	0.71	0.69
Net Debt / EBITDA	1.02	0.90
Return on Equity	51.0%	40.3%
Margins	30.06.2018	30.06.2017
Gross Margin	10.8%	10.1%
EBITDA Margin	9.1%	8.1%
EBITDA Margin (excl.other items)	8.8%	7.8%
Operating Margin	7.4%	6.1%
Net Margin	5.9%	5.4%

	2017A	2018F
Turkish Industry Volume	977 K	780 K – 830 K
Ford Otosan Retail Sales Volume	116 K	85 K – 95 K
Exports	297 K	320 K – 330 K
Wholesale Volume	413 K	410 K – 430 K
Production Volume	373 K	385 K – 395 K
Capex (fixed assets)	€ 175 mn	€190 – 210 mn

Guidance updated in August 2018. Next update due with 3Q18 financials.

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Burak Çekmece

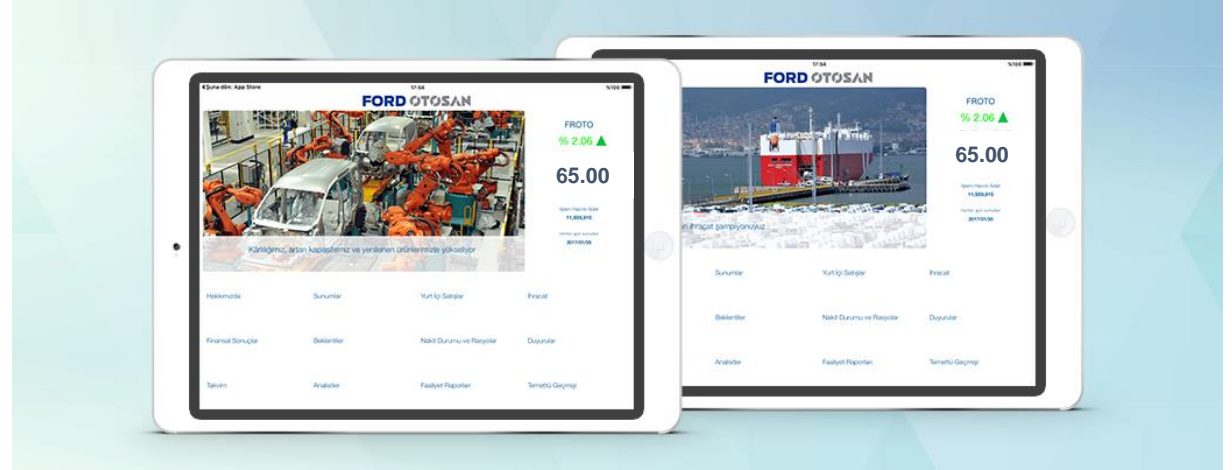
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Investor Relations App



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