

Highlights

<u>Financial Results</u>	<u>Million TL</u>	<u>YoY Change</u>
Revenues	7.282	35%
Export Revenues	5.728	34%
Domestic Revenues	1.554	37%
Operating Profit	513	55%
EBITDA	642	43%
Profit Before Tax	441	58%
Net Income	432	59%
<u>Volumes</u>	<u>Units</u>	<u>YoY Change</u>
Total Wholesale Volume	102.230	9%
Export Volume	83.068	10%
Domestic Wholesale Volume	19.162	5%
Domestic Retail Volume	18.019	-4%
Market Share	11,1%	-0.7 pps
Production	101.200	13%
Capacity Utilization Rate	92%	6%

1Q18 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Summary Income Statement, Million TL	31.03.2018	31.03.2017	% Change
Revenues	7.282	5.395	35%
Export	5.728	4.262	34%
Domestic	1.554	1.133	37%
Gross Profit	757	552	37%
Operating Profit	513	330	55%
Financial Income/(Expense)	-71	-51	40%
Profit Before Tax	441	280	58%
Net Income	432	272	59%
Other Financial Data			
Depreciation and Amortization	128	118	9%
EBITDA	642	448	43%
Capital Expenditures	-209	-158	32%

Revenues

Turkish auto industry expanded 2% YoY in 1Q18 to 162,855 units. While PC (+5% YoY) and HCV (+42%) sales increased, LCV (-9% YoY) and MCV (-11%) sales declined. PC share in the total industry was 75.1%, from 72.8% a year ago. LCV industry share was 11.4%, down from 12.8% in 1Q17. Ford Otosan was #2 in the total industry with 11.1% market share and 18,019 unit retail sales, reinforcing its CV leadership with 30.1%.

Domestic revenues were TL 1,554 million, up 37% YoY, thanks to higher heavy truck volumes (62% YoY) and pricing strategy. Domestic wholesale volumes were up 5% to 19,162 units.

Export revenues rose 34% YoY to TL 5,728 million with market growth, ongoing strong demand for our products and currency impact. Export volumes grew 10% YoY to 83,068 units.

Total revenues were up 35% YoY to TL 7,282 million. Volumes (export & total), revenues, gross profit, operating profit, EBITDA, PBT and net income were the highest first quarter numbers on record.

Profitability

Profitability was strong in 1Q18 despite considerable cost pressure resulting from weaker €/TL (+19% YoY), high inflation and commodity prices. Drivers were:

- + Pricing focus to offset the cost impact
- + Cost reduction actions and strong OpEx control
- + High CUR: Up 6 pps YoY to 92% with rising export demand and 13% more production
- + Net fx gains from export business

Revenues and cost of sales were up 35% YoY. Gross profit was TL 757 million, up 37% YoY. Operating profit grew 55% YoY to TL 513 million, with strong OpEx control (4.0% in 1Q18 vs. 4.3% in 1Q17) and net fx gains from operating activities (TL 52 million in 1Q18 vs. TL 6 million in 1Q17). EBITDA grew 43% YoY to TL 642 million. Profit before tax rose 58% YoY to TL 441 million, despite the pressure from net financial expenses (%40 more YoY driven by 48% rise in net fx loss). Net income was up 59% to TL 432 million.

Margins: Gross 10.4% (up 20 bps YoY); EBITDA 8.8% (up 50 bps YoY); EBITDA excluding other income 8.2% (up 10 bps YoY); Operating 7.0% (up 90 bps YoY); and Net 5.9% (up 90 bps YoY).

Sales Volume by Model, units	31.03.2018	31.03.2017	% Change
Domestic Sales	19.162	18.194	5%
Passenger Car	5.304	4.561	16%
Transit Courier	6.541	5.796	13%
Transit Connect	233	427	-45%
Light Commercial Vehicle	6.774	6.223	9%
Transit	4.469	4.903	-9%
Transit Custom	1.154	1.202	-4%
Ranger	199	526	-62%
Medium Commercial Vehicle	5.822	6.631	-12%
Truck	1.262	779	62%
Export Sales	83.068	75.799	10%
Transit Custom	40.303	39.662	2%
Transit	30.046	26.387	14%
Transit Courier	12.290	9.342	32%
Cargo	369	164	125%
Other	60	244	-75%
Total Wholesale Volume	102.230	93.993	9%

Total Domestic Automotive Industry	162.855	159.230	2%
Ford Otosan Retail Sales	18.019	18.785	-4%
Ford Otosan Market Share	11,1%	11,8%	-0.7 pps

Summary Balance Sheet, Million TL	31.03.2018	31.12.2017	% Change
Current Assets	7.621	6.827	12%
Current Liabilities	7.342	6.050	21%
Property, Plant and Equipment - Net	3.531	3.536	0%
Total Assets	12.910	12.012	7%
Total Liabilities	9.683	8.316	16%
Shareholders' Equity	3.227	3.696	-13%

Financial Ratios	31.03.2018	31.12.2017
Current Ratio	1,04	1,13
Liquidity Ratio	0,72	0,87
Net Financial Debt / Tangible Net Worth	0,81	0,60
Current Assets / Total Assets	0,59	0,57
Current Liabilities / Total Liabilities	0,76	0,73
Total Liabilities / Total Liabilities and Equity	0,75	0,69
Return on Equity	53,6%	40,3%
	31.03.2018	31.03.2017
Gross Margin	10,4%	10,2%
EBITDA Margin	8,8%	8,3%
EBITDA Margin excluding other income/expense	8,2%	8,1%
Operating Margin	7,0%	6,1%
Net Income Margin	5,9%	5,0%

Summary Cash Flow Statement, Million TL	31.03.2018	31.03.2017	% Change
Beginning Balance of Cash & Equivalents	1.803	1.189	52%
Net Cash Generated from Operating Activities	242	255	-5%
Net Cash Used in Investing Activities	-207	-157	32%
Net Cash Used in Financing Activities	201	76	165%
End of Period Balance of Cash & Equivalents	2.038	1.362	50%

2018 Guidance	
Total Industry Volume	950 K - 1,000 K
Ford Otosan:	
Retail Sales Volume	110 K - 120 K
Export Volume	305 K - 315 K
Wholesale Volume	415 K - 435 K
Production Volume	385 K - 395 K
Capex (fixed assets)	€210 -230 million

Contacts
Oğuz Toprakoğlu Chief Financial Officer Tel: +90 262 315 69 00 otoprako@ford.com.tr
Aslı Selçuk Investor Relations Manager Tel: +90 216 564 7499 aselcuk@ford.com.tr