

## 9M 2013 Financial Results



# Agenda

Since we last met

Ford Motor Co. & Market Update

9M 2013 Financial Results

**Since we last met**

**Haydar Yenigün, General Manager**

# Yeniköy Factory

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## Single production center for Ford Courier is now complete



# Yeniköy Factory

**16 months**

record construction time

**130**

advanced robots

**70,000 m<sup>2</sup>**

covered area

**3wet**

innovative painting system

**110,000**

annual capacity

**green**

minimum energy consumption

**disabled-friendly** facilities

# Kocaeli Factory

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**Transition of the new product line-up is progressing parallel to the current operations**

# New Transit pre-production in progress



**Project on track to launch product in 1Q 2014**

# Transit Custom family extended – Medium Roof



**Production started on 10 October 2013**

**20% extra loading capacity**

# Ford Courier

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**Initial reviews are very positive**





'Europeans can **look forward to the Ford Tourneo Courier going on sale next spring**' – autoinfosavvy.com

'It's one **good-lookin'** little people mover.' - Car and Driver

'**Ford Tourneo Courier: Recommended!** - Le Moniteur Automobile

'**surprisingly ample amount of space**'  
- Auto Strassenverkehr

'Ford pulled a **genuine surprise** out of the hat: The Tourneo Courier' - Auto Strassenverkehr

# Ford's Tourneo Courier: We Want It!

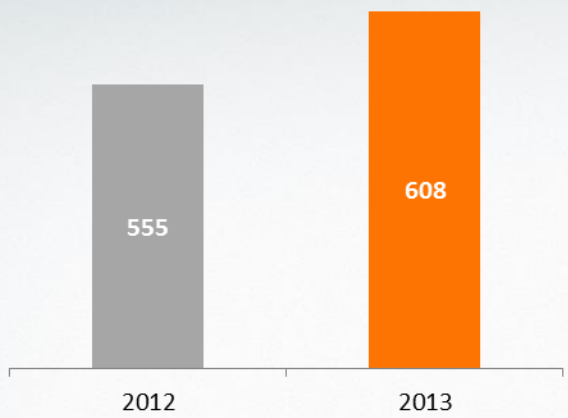
- Car and Driver

offers an **innovative**, roomy cabin with **extraordinary flexibility and comfort** and engines with **class-leading efficiency** – Super Deporte

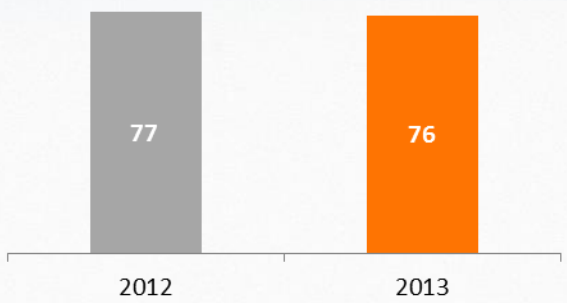
**attractive, economical, and utterly practical**  
– Car and Driver

# Domestic Market (000 units)

Total Industry, September 2013 YTD



Ford Otosan, September 2013 YTD



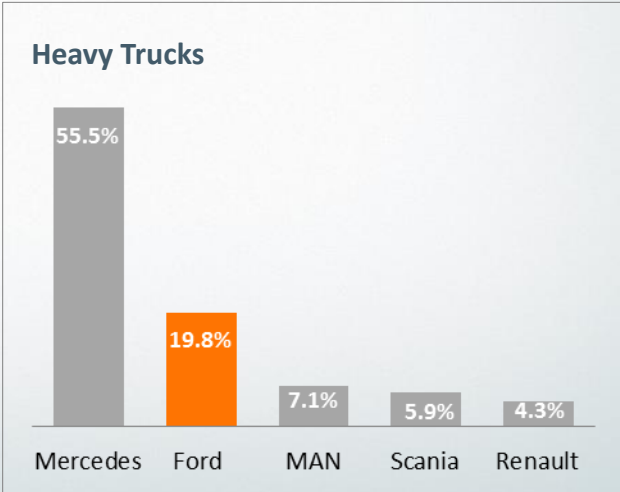
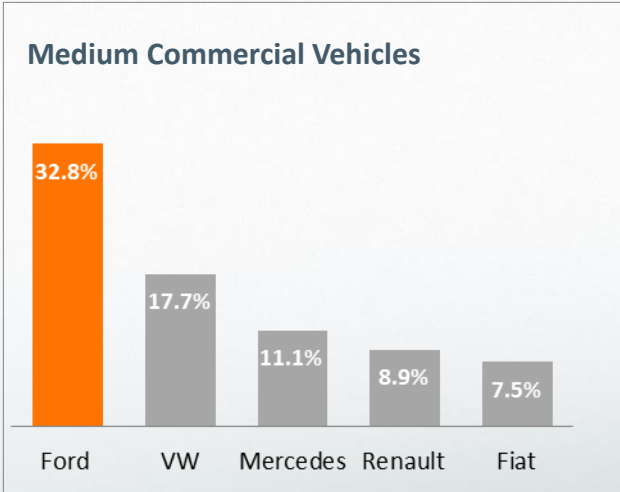
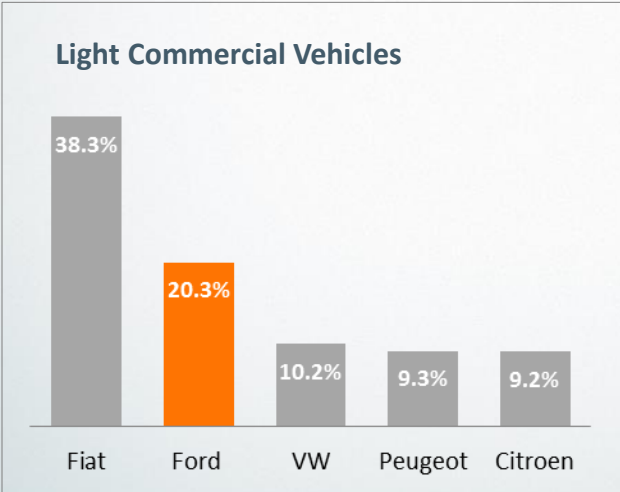
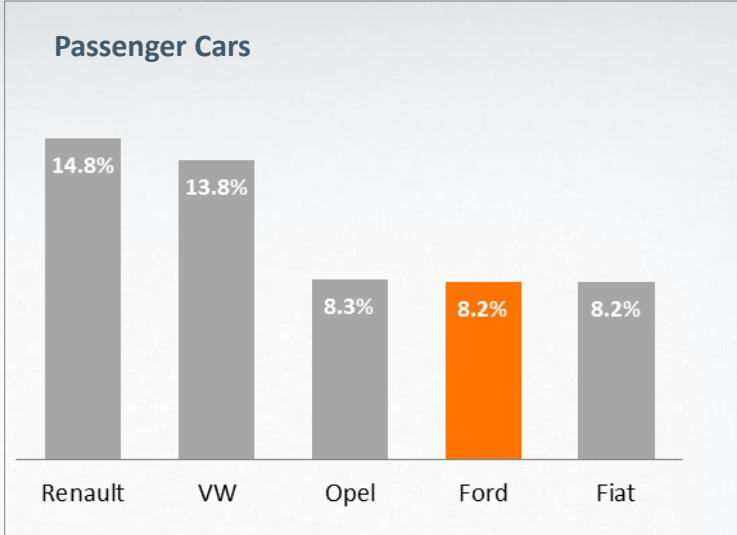
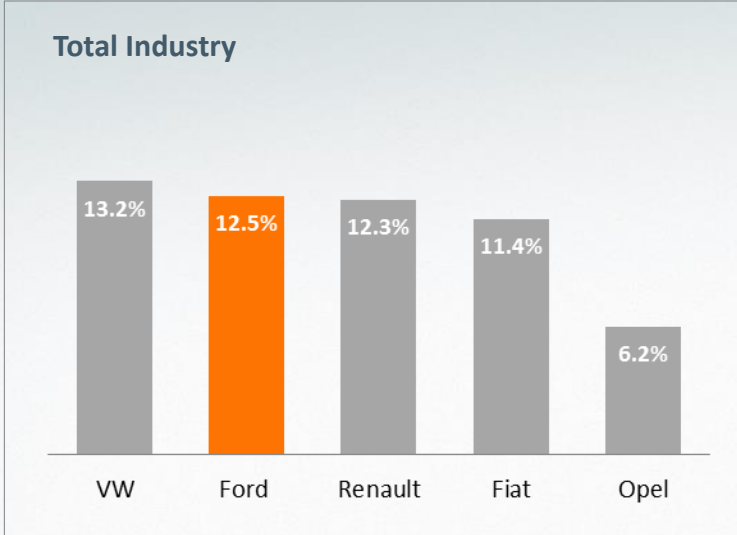
Total Industry, 2013F



Ford Otosan Retail Sales, 2013F

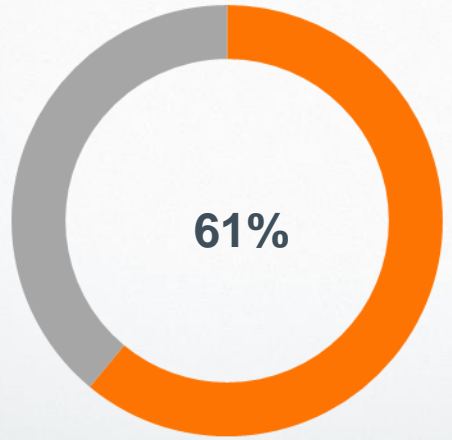
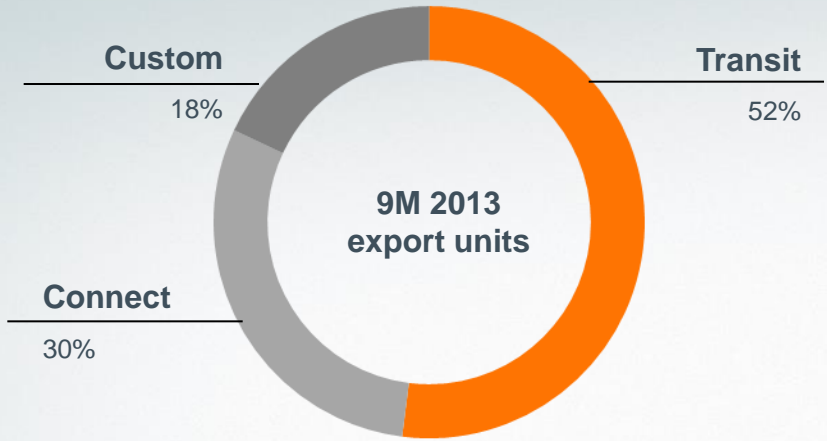


# Turkish Market Shares (September'13 YTD)



Source: ODD and TAID

# Solid Export Performance



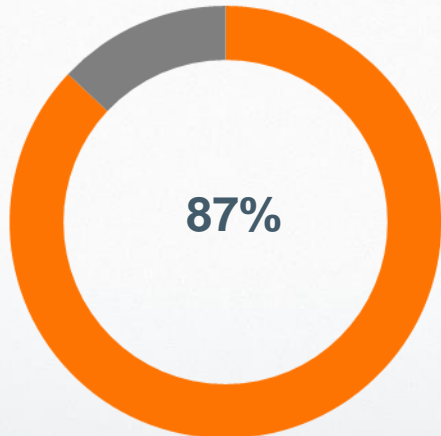
Ford Otosan's share in Turkey's CV exports, 9M 2013

- Our largest export market, **UK registered 7.9% growth** in commercial vehicle demand from January to September. (Source: ACEA)
- **Transit Custom and Tourneo Custom are performing well even in contracting markets and driving market share gains.**
- Ford is very focused on increasing commercial vehicle market share in Europe.
- Ford's commercial vehicle market share was up 0.1 pps to 10.8% in September, and up 0.6 pps to 9.5% year-to-date, the highest level for both periods since 2007.
- Ford registered 140,500 commercial vehicles in Europe year-to-date, up by 3.3% YoY.
- **Ford Otosan's 9-month export units increased by 18% YoY.**

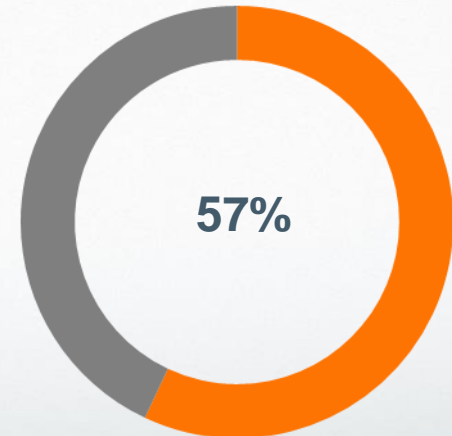
# Capacity Utilization Above Europe & Turkey

Ford Otosan produced **215,936** vehicles during January-September 2013:

|         |         |
|---------|---------|
| Transit | 109,836 |
| Custom  | 33,939  |
| Connect | 67,790  |
| Cargo   | 4,371   |



Ford Otosan  
Capacity Utilization, 9M13



Ford Otosan share in Turkey's  
CV production, 9M13

# Ford Motor Co. & Market Update

**William Periam, Deputy General Manager**

# William Periam, Deputy General Manager & Board Member



- Began and continued his career at Ford as an investment analyst in UK in 1989
- Financial Analyst and Supervisor at Europe Business Unit
- Portfolio Associate of US Treasury
- Various managerial positions as Director, Treasurer and Controller at Credit, Business Development and Business Strategy departments at several markets including Germany, Brazil and China
- Director of Business Strategy for Ford's Asia Pacific region, based in China
- Studied Business Management at Manchester University
- Fluent in Portuguese

# Transit Connect

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## International

# Van of the Year 2014



**Ford Otosan engineered the Top Hat of new Connect**



**Ford wins the award for a record 5<sup>th</sup> time**

**Ford is the only manufacturer to win the award 2 years in a row**

2013

# CLAD

Chairman's Leadership Awards for Diversity, Ford of Europe

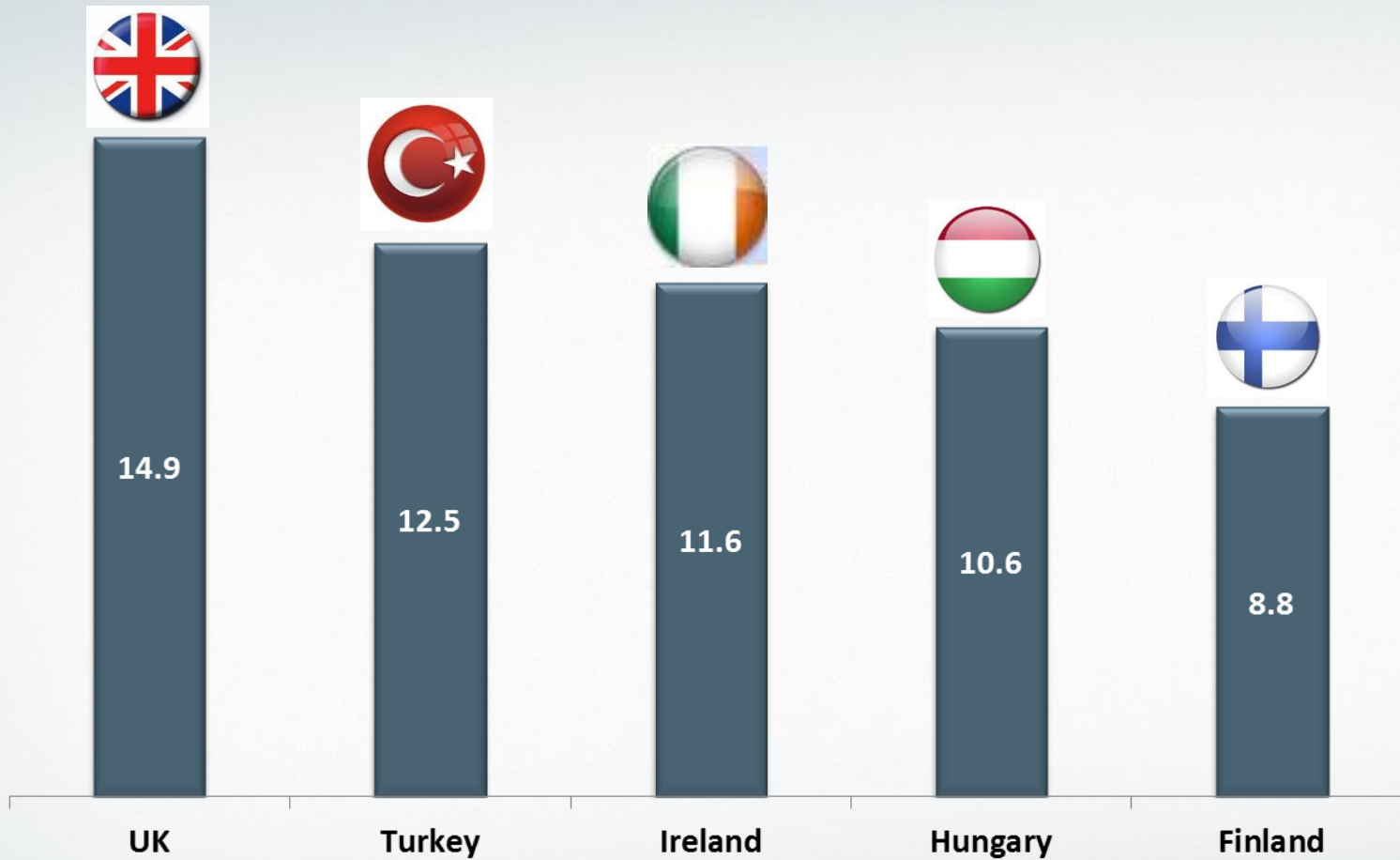
**CLAD seek to celebrate the success of Ford diversity, inclusion and work life efforts.**

**Ford Otosan's 'Leaders Don't Accept Obstacles' project was awarded**

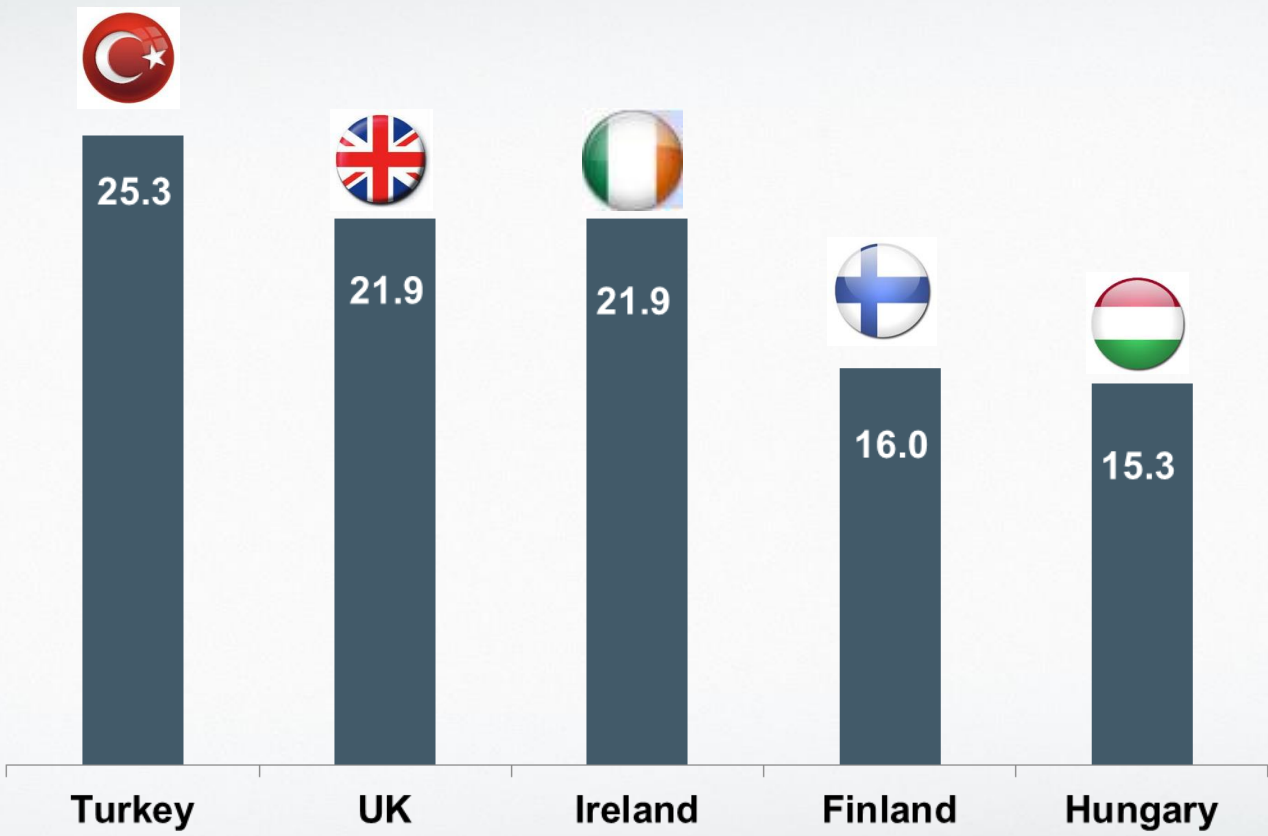
**The project supports the recruitment of people with hearing difficulties**



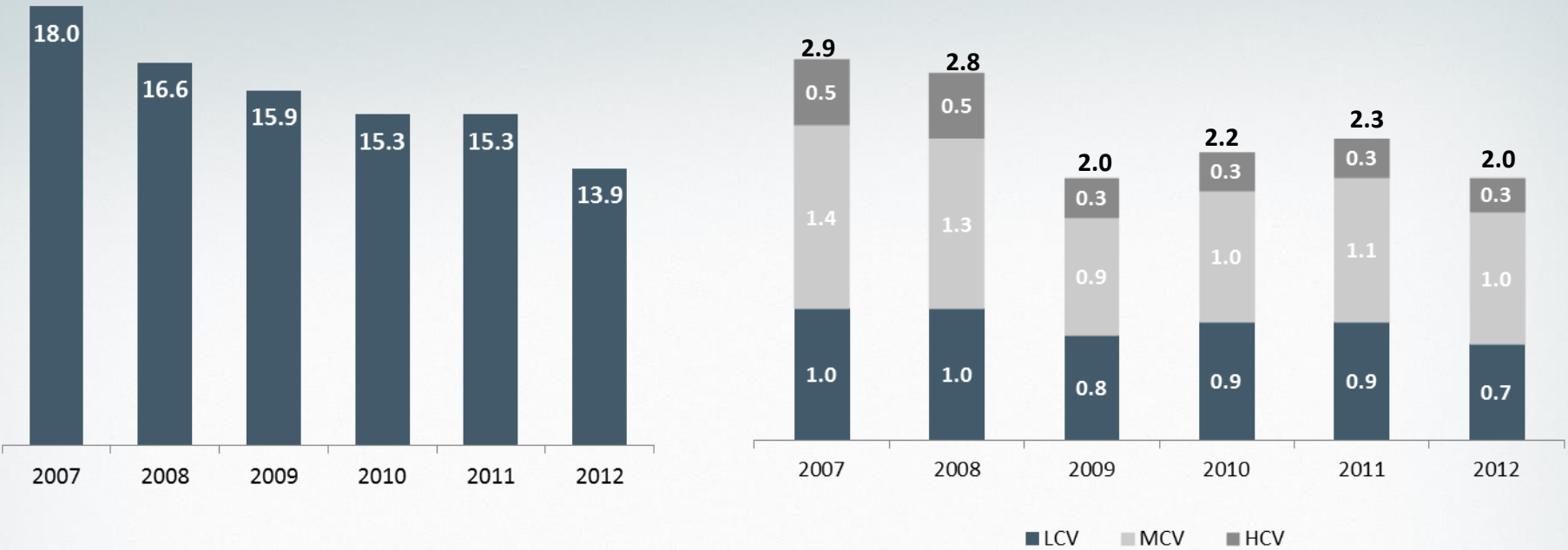
# Ford Market Shares in Europe (Total Industry, 9M 2013)



# Highest Ford CV Market Share in Europe (9M 2013)



# Total Industry in Europe (19 markets, mn units)



- In 9M13, 10.4 million new vehicles were registered in the EU, down 4.3% YoY.
- Demand for new commercial vehicles was down 4.0% YoY with 1,230,188 new registrations.
- UK (7.6%) and Spain (1.8%) commercial vehicle sales posted growth nine months into the year.
- Germany (-6.9%), France (-7.0%) and Italy (-16.2%) continued to decline.
- 2013 industry outlook for Europe is 13.6 million units.
- Incoming data suggests Euro Area economic and industry conditions have begun to stabilize, suggesting a modest recovery.

# Ford Motor Co. 3Q13 Results

- Growing, profitable, and generating **positive operating-related cash flow**.
- **Record third quarter pre-tax profit, profitable for 17<sup>th</sup> consecutive quarter**; record third quarter automotive operating-related cash flow; strong liquidity.
- Top-line growth including year-over-year **market share gains in all regions**.
- **Record quarterly pre-tax profit for automotive sector** reflecting continued strong results in North America, and a **combined profit for regions outside North America for first time since Second Quarter 2011**.
- **Improving full year financial guidance**, expect both total Company pre-tax profit and automotive operating margin to be higher than 2012.
- Announced plans to introduce **at least 25 new vehicles in Europe within five years** from September 2012, up from at least 15.
- **Upgraded to investment grade by S&P**; four major rating agencies now rate Ford and Ford Credit as investment grade with a stable outlook

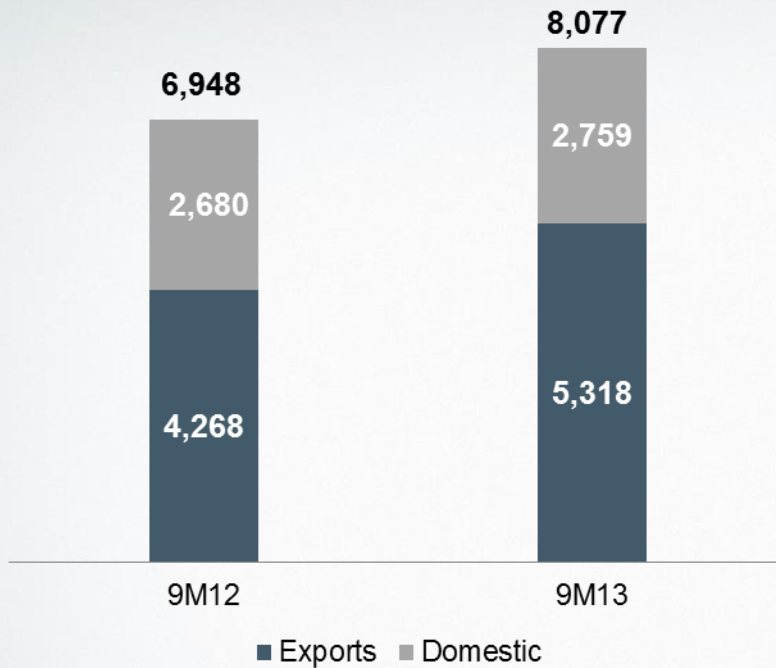
# 9M 2013 Financial Results

Oguz Toprakoglu, CFO

# Main Financial Indicators

| Million TL                   | 30.09.2013 | 30.09.2012 | Change |
|------------------------------|------------|------------|--------|
| Total Revenues               | 8,077      | 6,948      | 16%    |
| Domestic                     | 2,759      | 2,680      | 3%     |
| Export                       | 5,318      | 4,268      | 25%    |
| Gross Profit                 | 814        | 785        | 4%     |
| Operating Profit             | 495        | 417        | 19%    |
| EBITDA                       | 632        | 525        | 20%    |
| Profit Before Tax            | 372        | 459        | -19%   |
| Net Income                   | 516        | 481        | 7%     |
| <b>Other Financial Data</b>  |            |            |        |
| Depreciation & Amortization  | 137        | 108        | 27%    |
| Financial Income / (Expense) | (123)      | 42         |        |
| Capex                        | 948        | 618        | 53%    |

# Revenues (Million TL)



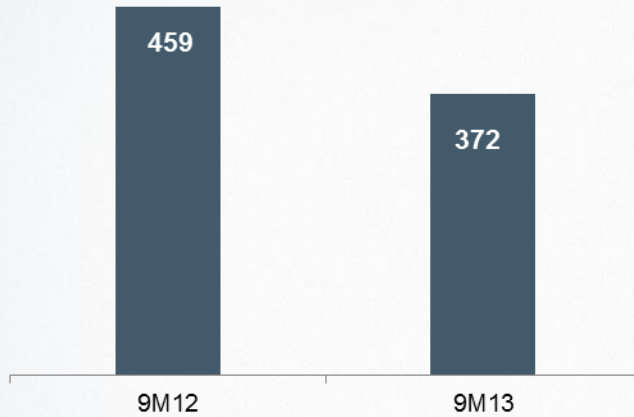
- Revenues were TL8,077 million, up 16% YoY, driven by the significant growth in export revenues.
- Domestic revenues increased by 3% to TL2,759 million.
- Export revenues increased by 25% to TL5,318 million, further to 18% increase in export volumes.

# Sales Volume by Model

|                               | 9M13           | 9M12           | Change     | 3Q13          | 3Q12          | Change     |
|-------------------------------|----------------|----------------|------------|---------------|---------------|------------|
| <b>Domestic</b>               | <b>76,231</b>  | <b>76,118</b>  | <b>0%</b>  | <b>26,029</b> | <b>26,249</b> | <b>-1%</b> |
| PC                            | 37,678         | 33,201         | 13%        | 13,722        | 11,332        | 21%        |
| Transit Connect               | 15,073         | 19,154         | -21%       | 4,507         | 6,972         | -35%       |
| Total LCV                     | 15,073         | 19,154         | -21%       | 4,507         | 6,972         | -35%       |
| Transit                       | 16,592         | 18,958         | -12%       | 5,783         | 6,303         | -8%        |
| Transit Custom                | 2,503          | -              | -          | 928           | -             |            |
| Ranger                        | 509            | 446            | 14%        | 45            | 446           |            |
| Total MCV                     | 19,604         | 19,404         | 1%         | 6,756         | 7,195         | -1         |
| Cargo                         | 3,876          | 4,359          | -11%       | 1,044         | 1,196         | -13        |
| <b>Exports</b>                | <b>174,990</b> | <b>148,557</b> | <b>18%</b> | <b>49,052</b> | <b>37,863</b> | <b>30%</b> |
| Transit Connect               | 51,780         | 59,463         | -13%       | 9,049         | 16,005        | -43%       |
| Transit                       | 91,580         | 87,694         | 4%         | 28,159        | 21,211        | 33%        |
| Transit Custom                | 30,975         | 144            |            | 11,589        | 144           |            |
| Cargo                         | 398            | 702            | -43%       | 192           | 279           | -31%       |
| Other                         | 257            | 554            | -54%       | 63            | 224           | -72%       |
| <b>Total Wholesale Volume</b> | <b>251,221</b> | <b>224,675</b> | <b>12%</b> | <b>75,081</b> | <b>64,112</b> | <b>17%</b> |

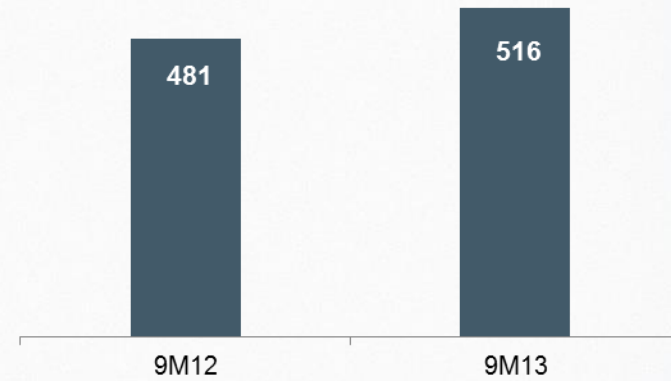
# Profit Before Tax & Net Income

Profit Before Tax, TL mn



Profit before tax was TL 372 million, down 19% YoY due to net financial expenses.

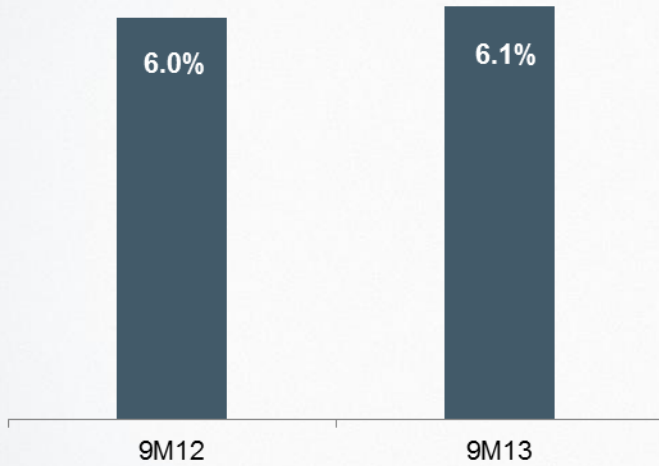
Net Income, TL mn



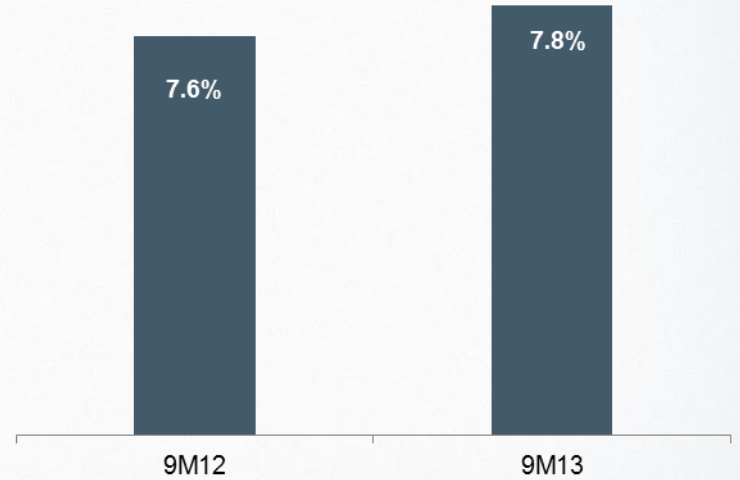
Net income was TL516 million, up 7% YoY and higher than profit before tax, due to the establishment of deferred tax asset based on the future tax benefits from the investment incentives.

# Margins

Operating Margin



EBITDA Margin



# Debt Profile & Financial Ratios

|  | 30.09.2013 | 30.09.2012 |
|--|------------|------------|
| Gross Margin                                   | 10.1%      | 11.3%      |
| Operating Margin                               | 6.1%       | 6.0%       |
| EBITDA Margin                                  | 7.8%       | 7.6%       |
| Net Income Margin                              | 6.4%       | 6.9%       |
|  | 30.09.2013 | 31.12.2012 |
| Current Ratio                                  | 1.08       | 1.49       |
| Liquidity Ratio                                | 0.62       | 0.97       |
| Net Financial Debt / Tangible Net Worth        | 0.89       | 0.55       |
| Current Assets / Total Assets                  | 0.45       | 0.52       |
| Current Liabilities / Total Liabilities        | 0.66       | 0.62       |
| Total Liabilities / Total Liabilities & Equity | 0.63       | 0.57       |
| ROE  | 32.3%      | 33.8%      |
| Cash & Cash Equivalents (TL mn)                | 415        | 302        |
| Total Financial Debt (TL mn)                   | 1,966      | 1,260      |
| Net Financial Debt (TL mn)                     | (1,551)    | (958)      |

# 2013 Guidance

|                         |             |
|-------------------------|-------------|
| Turkish Industry Volume | 850K+       |
| Retail Sales Volume     | 114K        |
| Exports                 | 226K        |
| Wholesale Volume        | 340K        |
| Production Volume       | 280K        |
| Capex                   | US\$ 510 mn |

