

## Highlights

<u>Financial Results</u>	<u>Million TL</u>	<u>YoY Change</u>	
Revenues	17.138	36%	<b>9M record</b>
Export Revenues	12.411	42%	<b>9M record</b>
Domestic Revenues	4.727	21%	
Operating Profit	1.128	52%	<b>9M record</b>
EBITDA	1.482	37%	<b>9M record</b>
Profit Before Tax	986	50%	<b>9M record</b>
Net Income	980	54%	<b>9M record</b>
<u>Volumes</u>	<u>Units</u>	<u>YoY Change</u>	
Total Wholesale Volume	286.065	8%	<b>9M record</b>
Export Volume	211.695	12%	<b>9M record</b>
Domestic Wholesale Volume	74.370	-4%	
Domestic Retail Volume	75.309	-1%	
Market Share	11,8%	0.1 pps	
Production	259.970	8%	<b>9M record</b>
Capacity Utilization Rate	84%	6 pps	

9M17 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Summary Income Statement, Million TL	30.09.2017	30.09.2016	% Change
<b>Revenues</b>	17.138	12.640	36%
Export	12.411	8.720	42%
Domestic	4.727	3.920	21%
<b>Gross Profit</b>	1.800	1.452	24%
<b>Operating Profit</b>	1.128	744	52%
Financial (Expense) / Income	-141	-86	64%
<b>Profit Before Tax</b>	986	656	50%
<b>Net Income</b>	980	638	54%
<b>Other Financial Data</b>			
Depreciation and Amortization	353	339	4%
EBITDA	1.482	1.082	37%
Capital Expenditures	-595	-445	34%

**Revenues**

Total sales in the Turkish auto industry contracted 1% YoY in the first nine months to 640,811 units. PC (down 3% YoY) and Truck (down 7% YoY) sales declined. LCV (up 4% YoY) and MCV (up 1% YoY) sales increased. PC share in the total industry was 74%, down from 75% a year ago. LCV industry share was 12.5%, up from 11.9% in 1H16. Ford Otosan captured a market share of 11.8% in the industry with 75,309 unit sales.

Domestic revenues were TL 4,727 million, up 21% YoY despite the 4% volume contraction; thanks to effective pricing strategy and positive sales mix. Domestic wholesale volumes were 74,370 units, due to rising prices and market contraction. Export revenues rose 42% YoY and reached 12,411 million TL. Export volumes grew 12% YoY to 211,695 units with growth in the European van segment and ongoing strong demand for our products. Ford continued to rank as Europe's No.1 commercial vehicle brand in 9M17 with 13.7% market share. Total revenues were up 36% YoY to TL 17,138 million with a record 286,065 units (+7.6% YoY). The share of exports in total revenues was 72%, up from 69% in 9M16.

Production increased by 8% YoY to 259,970 units, yielding 84% capacity utilization rate.

**Profitability**

Profitability was strong in 9M17 despite 1- Rising import costs resulting from weaker TL/€ (4.00 in 9M17 versus 3.28 in 9M16), higher inflation and commodity prices 2- Lower domestic volumes. Drivers were:

- + Pricing focus to offset the impact of TL depreciation, higher commodity prices and inflation
- + Positive domestic sales mix (share of import vehicles was down to 34% in 9M17 from 36% in 9M16; share of MCV+Truck was up from 35% in 9M16 to 38% in 9M17)
- + High CUR (84% in 9M17)
- + Cost reduction actions and strong OpEx control

Gross profit, despite the rising cost pressures, was up by 24% YoY to TL 1,800 million. Operating profit grew by 52% YoY to TL 1,128 million, supported by strong OpEx control and ongoing cost reduction actions. Higher net other income (TL 76 million in 9M17 vs. TL 16 million in 9M16) driven by higher fx income further supported the operating profit. EBITDA grew by 37% YoY to TL 1,482 million. Profit before tax rose by 50% YoY to TL 986 million, despite the %64 rise in net financial expenses due to the 149% higher net fx loss. Net income was booked as TL 980 million, up 54% YoY.

Margins: Gross 10.5% (down 100 bps YoY); EBITDA 8.6% (flat YoY); EBITDA excluding other income 8.2% (down 20 bps YoY); Operating 6.6% (up 70 bps YoY); and Net 5.7% (up 70 bps YoY).

Sales Volume by Model, units	30.09.2017	30.09.2016	% Change
<b>Domestic Sales</b>	<b>74.370</b>	<b>77.168</b>	<b>-4%</b>
<b>Passenger Car</b>	<b>22.779</b>	<b>24.136</b>	<b>-6%</b>
Transit Courier	22.265	23.565	-6%
Transit Connect	1.259	2.159	-42%
<b>Light Commercial Vehicle</b>	<b>23.524</b>	<b>25.724</b>	<b>-9%</b>
Transit	18.236	18.062	1%
Transit Custom	4.972	4.667	7%
Ranger	1.600	1.107	45%
<b>Medium Commercial Vehicle</b>	<b>24.808</b>	<b>23.836</b>	<b>4%</b>
<b>Truck</b>	<b>3.259</b>	<b>3.472</b>	<b>-6%</b>
<b>Export Sales</b>	<b>211.695</b>	<b>188.735</b>	<b>12%</b>
Transit Custom	112.269	92.804	21%
Transit	73.614	70.421	5%
Transit Courier	24.685	24.728	0%
Cargo	625	461	36%
Other	502	321	56%
<b>Total Wholesale Volume</b>	<b>286.065</b>	<b>265.903</b>	<b>8%</b>

Total Domestic Automotive Industry	640.811	650.438	-1%
Ford Otosan Retail Sales	75.309	75.912	-1%
Ford Otosan Market Share	11,8%	11,7%	0.1 pps

Summary Balance Sheet, Million TL	30.09.2017	31.12.2016	% Change
Current Assets	5.483	4.676	17%
Current Liabilities	4.490	4.308	4%
Property, Plant and Equipment - Net	3.330	3.303	1%
Total Assets	10.380	9.286	12%
Total Liabilities	6.742	6.123	10%
Shareholders' Equity	3.638	3.164	15%

<b>Financial Ratios</b>		
	<b>30.09.2017</b>	<b>31.12.2016</b>
Current Ratio	1,22	1,09
Liquidity Ratio	0,94	0,79
Net Financial Debt / Tangible Net Worth	0,67	0,64
Current Assets / Total Assets	0,53	0,50
Current Liabilities / Total Liabilities	0,67	0,70
Total Liabilities / Total Liabilities and Equity	0,65	0,66
Return on Equity	35,9%	30,2%
	<b>30.09.2017</b>	<b>30.09.2016</b>
Gross Margin	10,5%	11,5%
EBITDA Margin	8,6%	8,6%
EBITDA Margin excluding other income/expense	8,2%	8,4%
Operating Margin	6,6%	5,9%
Net Income Margin	5,7%	5,0%

<b>Summary Cash Flow Statement, Million TL</b>	<b>30.09.2017</b>	<b>30.09.2016</b>	<b>% Change</b>
Beginning Balance of Cash & Equivalents	1.189	980	21%
Net Cash Generated from Operating Activities	952	473	101%
Net Cash Used in Investing Activities	-593	-437	36%
Net Cash Used in Financing Activities	-53	-408	NM
End of Period Balance of Cash & Equivalents	1.495	607	146%

<b>2017 Guidance</b>	
Total Industry Volume	950K - 1,000K
Ford Otosan:	
Retail Sales Volume	110K - 120K
Export Volume	290K - 300K
Wholesale Volume	400K - 420K
Production Volume	365K - 375K
Capex (fixed assets)	€180-200 million

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