



# INVESTOR PRESENTATION

JULY 2011

# Agenda

- **Ford Otosan Overview**
- **Turkish Automotive Industry Overview**
- **Competitive Advantages**
- **Key Operating Data**
- **ISE Performance**

# Investor Presentation

July 2011

## FORD OTOSAN OVERVIEW



# Company Overview

Mfg. & Assy. Facilities

Kocaeli Assembly  
Inonu Powertrain and Cargo Assembly

Parts Distribution

Kartal

Engineering Facility

Gebze

Blue Collar Employees

7,830+

White Collar Employees

2,000+

Ownership



2010 Net Sales

\$ 4.9 Billion

Market Cap (as of June 30, 2011)

\$ 3.0 Billion

# A Brief History

- 1928 – Vehbi Koc assigned as Ankara Ford dealer
- **1959 – Otosan founded as Ford assembler in Turkey**
- **1966 – First passenger car (Anadol) production in Turkey**
- 1967 – Production of Transit minibus launched
- 1975 – Transit van and pick-up added to range
- **1977 – License agreement with Ford signed**
- 1982 – İnönü plant launched truck and engines
- **1983 – Ford assumes 11% ownership in Otosan**
- 1987 – Ford increases ownership to 30%
- 1994 – Ford Escort production launch
- **1997 – Ford assumes 41% equity in “Ford Otosan”**
- **2001 – Kocaeli plant launched with Transit production**
- 2002 – Transit Connect production launched
- 2003 – New Heavy Truck introduced
- 2004 – Transit export launch
- 2006 – New Transit launch
- 2007 – Gebze Engineering Centre opened
- 2010 – Ford Otosan celebrated its 50th Year Anniversary

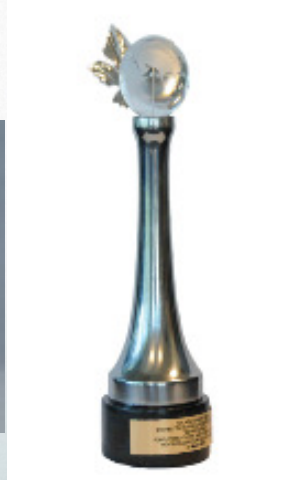


# Achievements



- ✓ 3rd biggest Turkish exporter company in 2010
- ✓ Domestic Market Leader for the 9th consecutive year
- ✓ As of year-end, market share improvement in domestic industry
- ✓ “Truck of the Year” Award in North America
- ✓ One of the most profitable and highest dividend paying companies in İstanbul Stock Exchange

- ✓ “Şehabettin Bilgisu Environment” Award (Kocaeli Chamber of Industry, 2010)
- ✓ Chairman’s Leadership Award for Diversity, 2010 (“Let’s Remove Barriers” project)
- ✓ “Environmental Leadership” Award (Ford - 2010) (Sludge drying unit at wastewater treatment plant)



Feel the difference

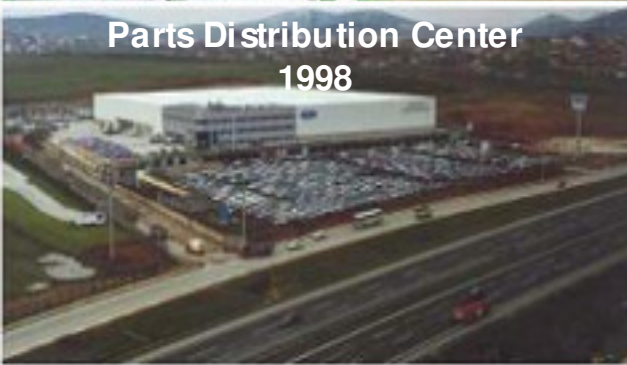
# Plant Locations



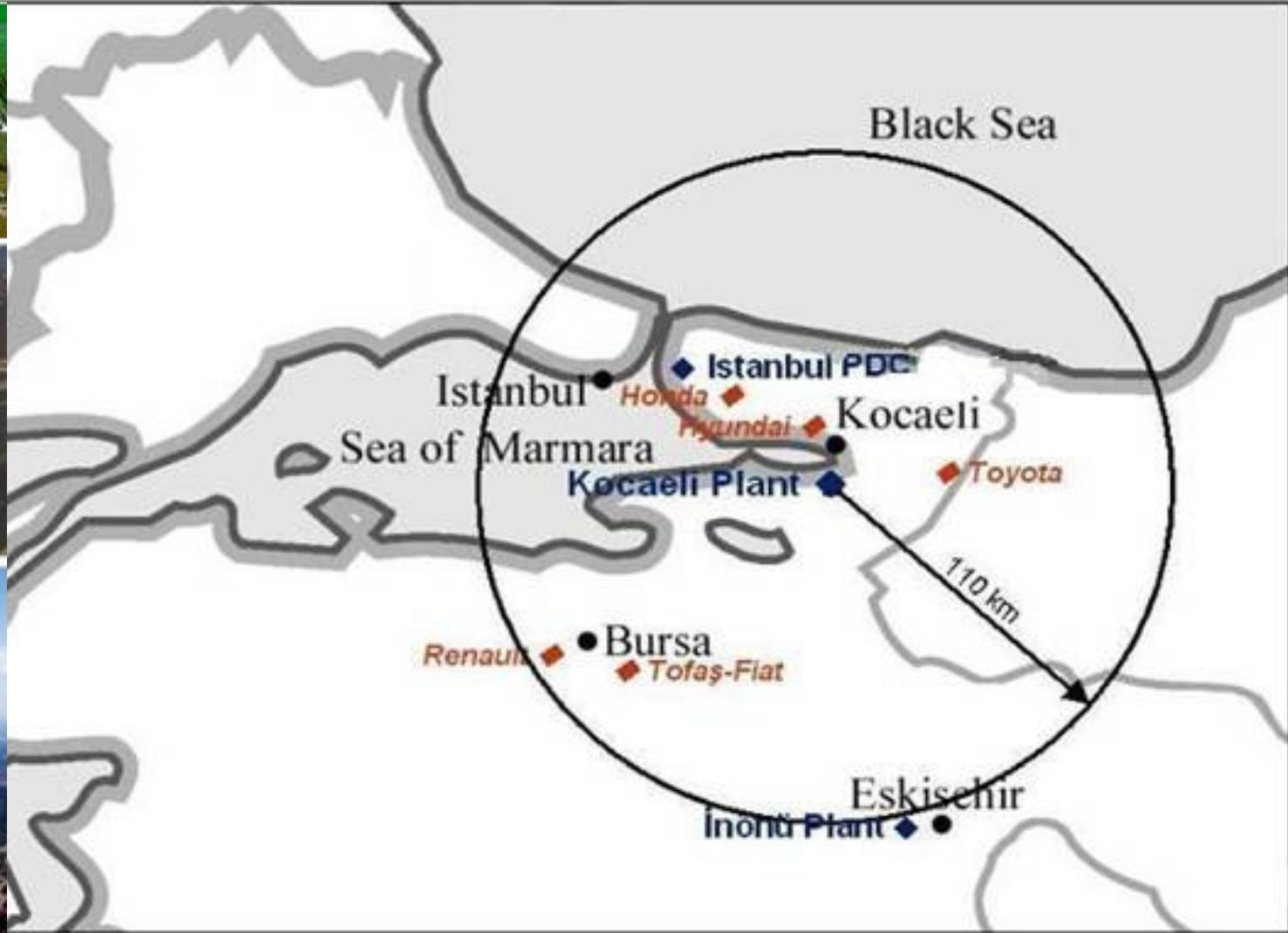
İnönü Plant - 1981



Parts Distribution Center  
1998



Kocaeli Plant - 2001





# • Plants

## Kocaeli Plant

**Best Ford Brand Assembly Plant in Europe (\*) since 2002**



- Transit & Transit Connect production
- Sea front location, integrated pier/terminal covering exports & BU imports
- 320,000 units annual production capacity



## İnönü Plant

**Best Ford Powertrain Plant Worldwide (\*) since 2005**



- Heavy truck, engine and powertrain production
- Annual capacity
  - 10,000 trucks
  - 66,000 powertrains



(\*) Ford Production System Ratings



# • Facilities

## Kartal Parts Distribution Centre



- Marketing, Sales, Parts Operations, Warranty, Field Operations, Dealer Training and Customer Relations Center are located at this site

## Gebze Engineering Facility



- Engineering services for Ford Otosan and Ford of Europe's Product Development Centres
- 540+ Engineers Capacity
- Located in a Technopark Area and Free Zone near Istanbul

- ✓ **Domestic Market Leader in 2010: 36.9% market share**
- ✓ **123K units exported in 2010**
- ✓ **International Van of the Year 2007 Award**





- ✓ Domestic Market Share in 2010: 19.5%
- ✓ 2010 N. America Truck of the Year
- ✓ 52K units exported in 2010



## ■ Cargo

- ✓ Domestic Market Share in 2010: 18.3%
- ✓ Exported to various markets





## ■ A Full Line of Cars

✓ 2nd in the Domestic Market in 2010: 10.8% market share



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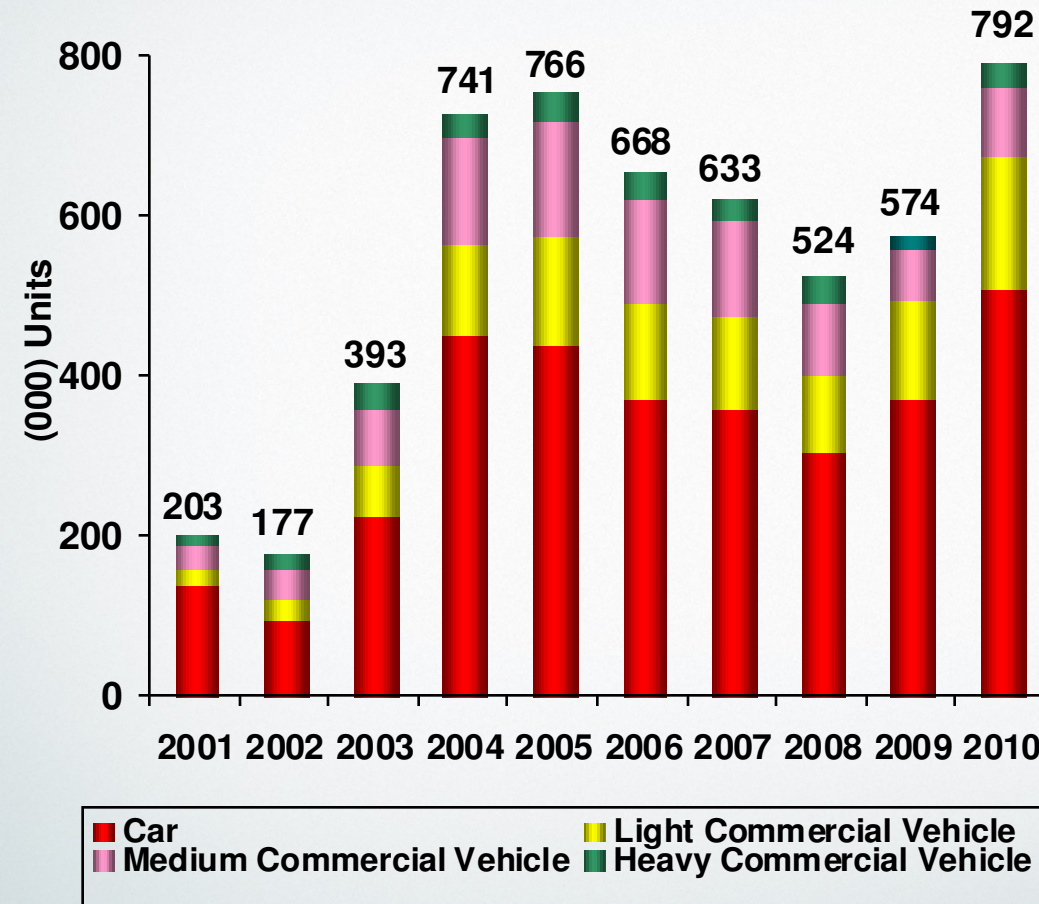
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## TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

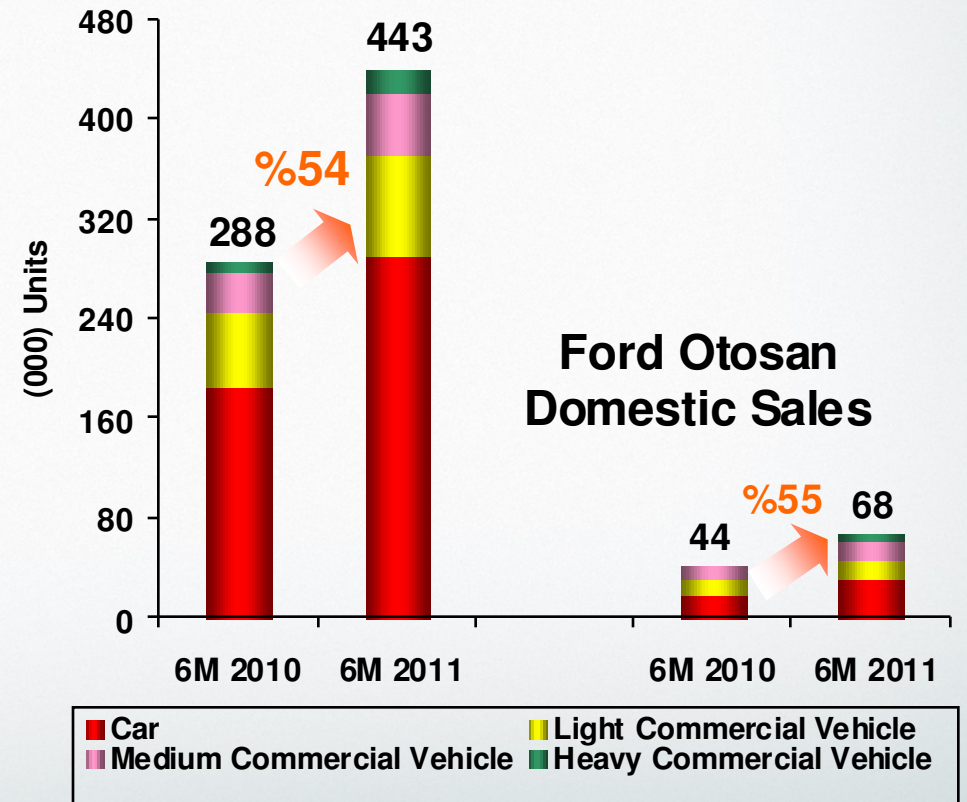


# Turkish Automotive Industry

Automotive Industry

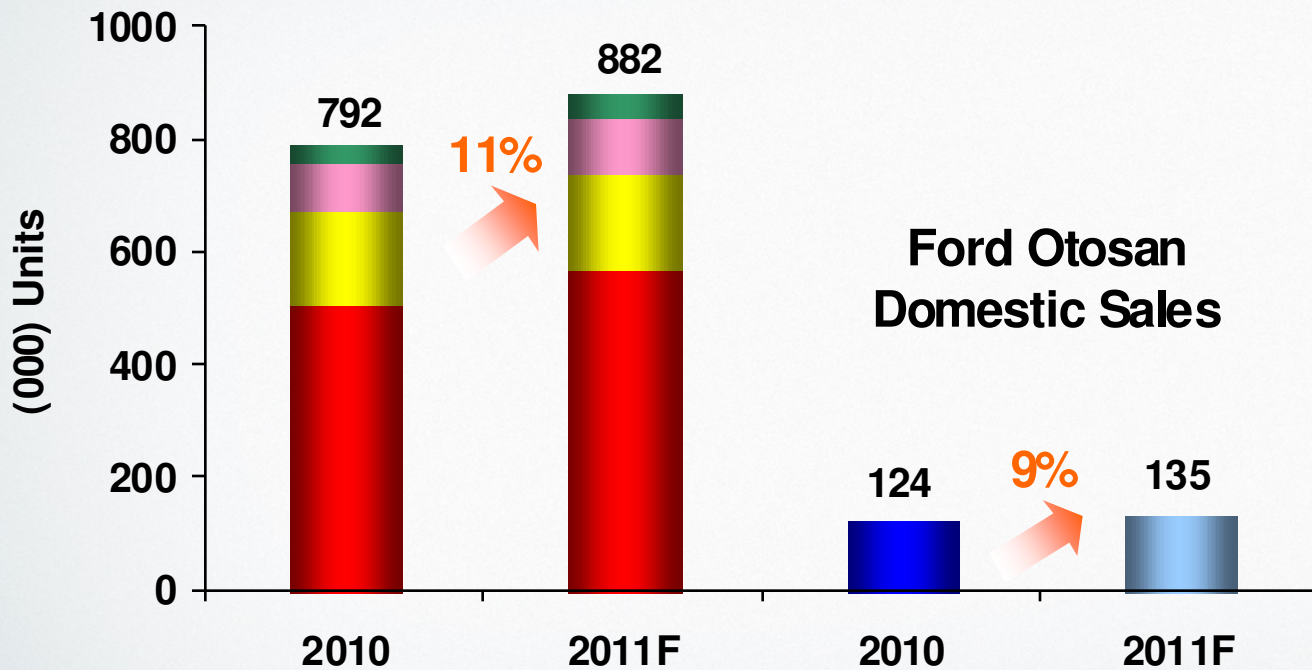


6M 2010 / 6M 2011  
Automotive Industry



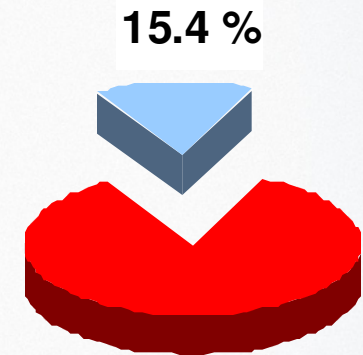
# 2011 Outlook

## 2011 Market Outlook



■ Car  
■ Medium Commercial Vehicle  
■ Light Commercial Vehicle  
■ Heavy Commercial Vehicle

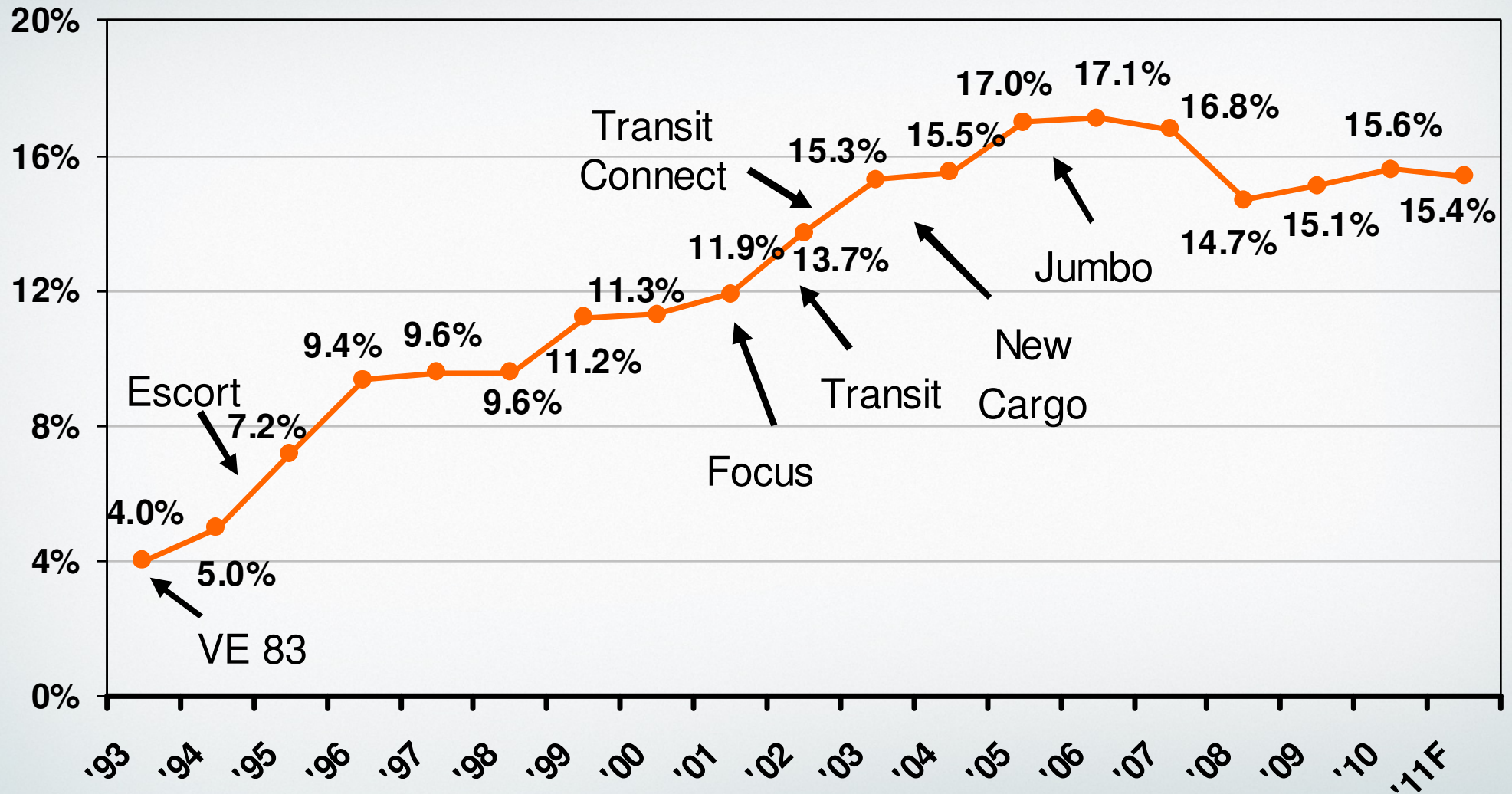
## Market Share Forecast for 2011 FY



■ Ford Otosan ■ Others



# Ford Otosan Market Share



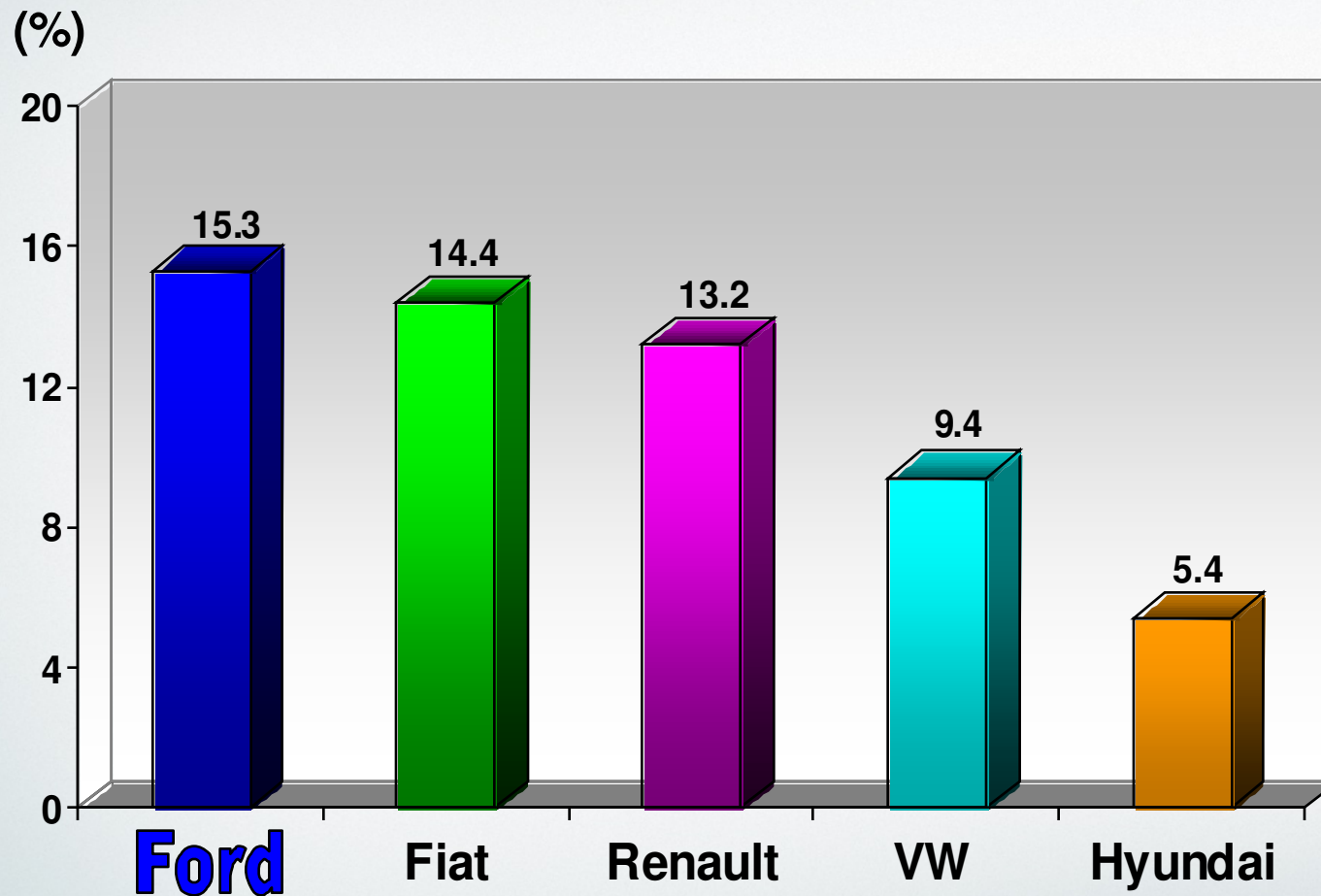
# Market Shares

	June YTD 2011		2010 FY	
	Market Share	Rank	Market Share	Rank
Total Automotive Industry	15.3%	1	15.6%	1
Passenger Car	10.6%	2	10.8%	2
LCV	19.5%	2	19.5%	2
MCV	34.0%	1	36.9%	1
Heavy Truck	21.9%	2	18.3%	2



# Market Share in Total Automotive Industry

June YTD 2011



**FORD**  
OTOSAN

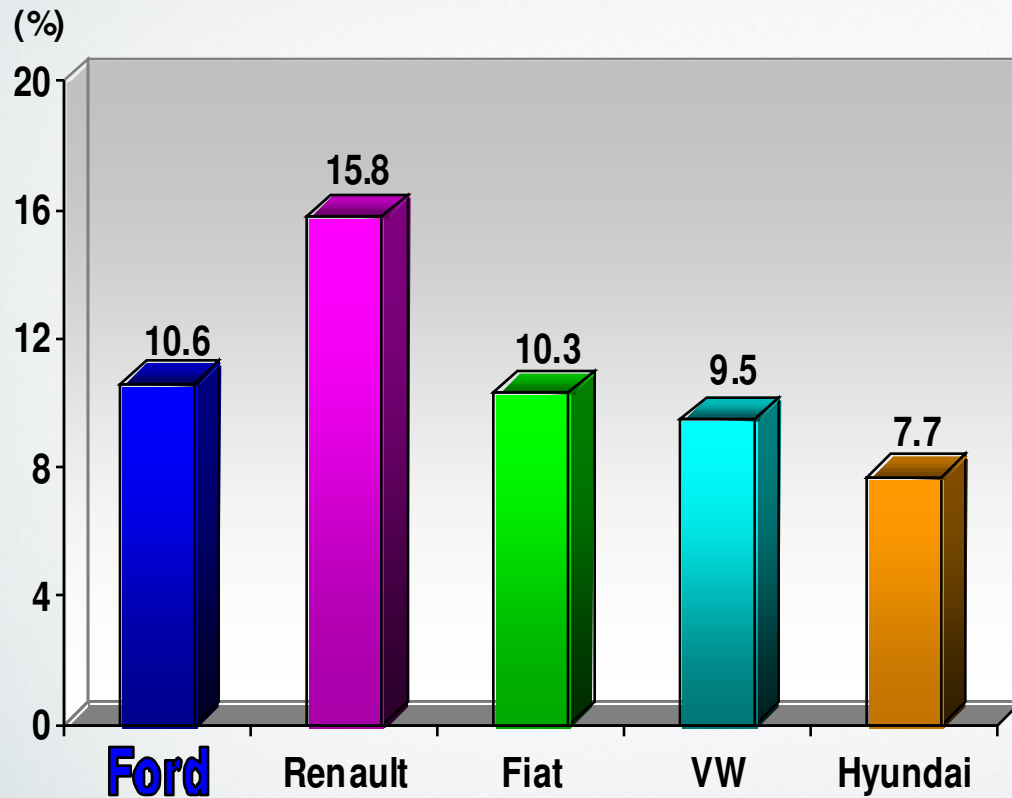
Market Share

↔ YoY

# Market Shares

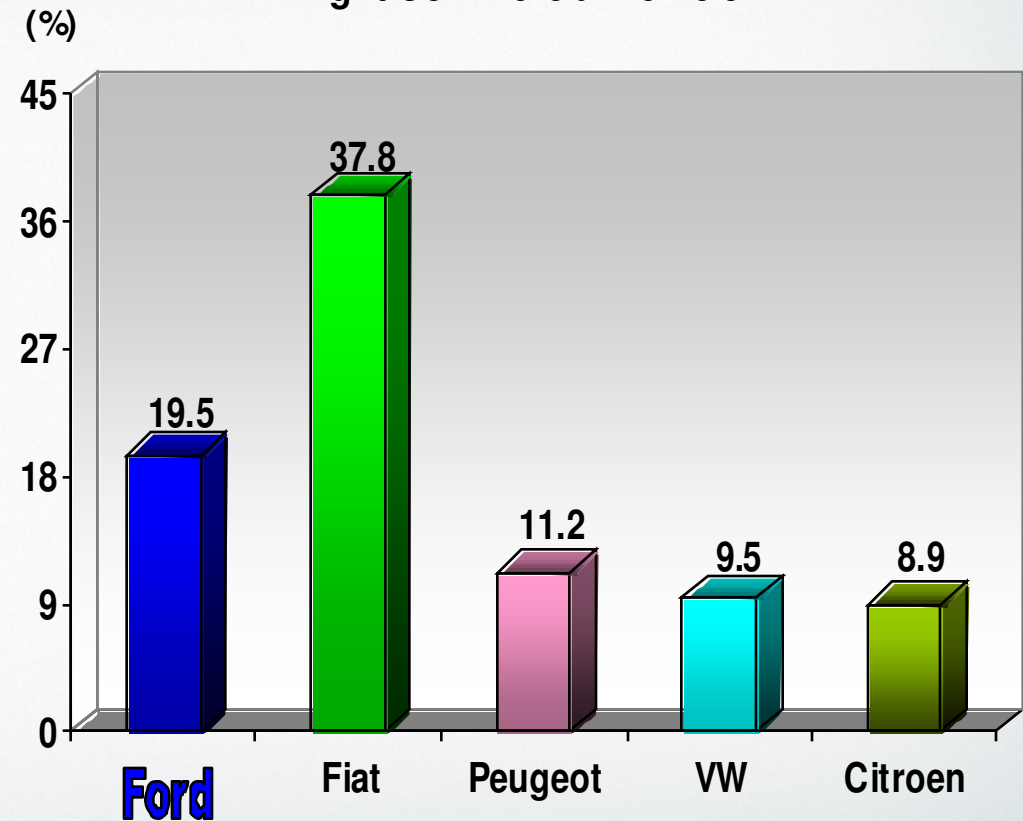
June YTD 2011

Passenger Car



↑ 0.3 Pts. YoY

Light Commercial Vehicle



↓ 1.0 Pts. YoY



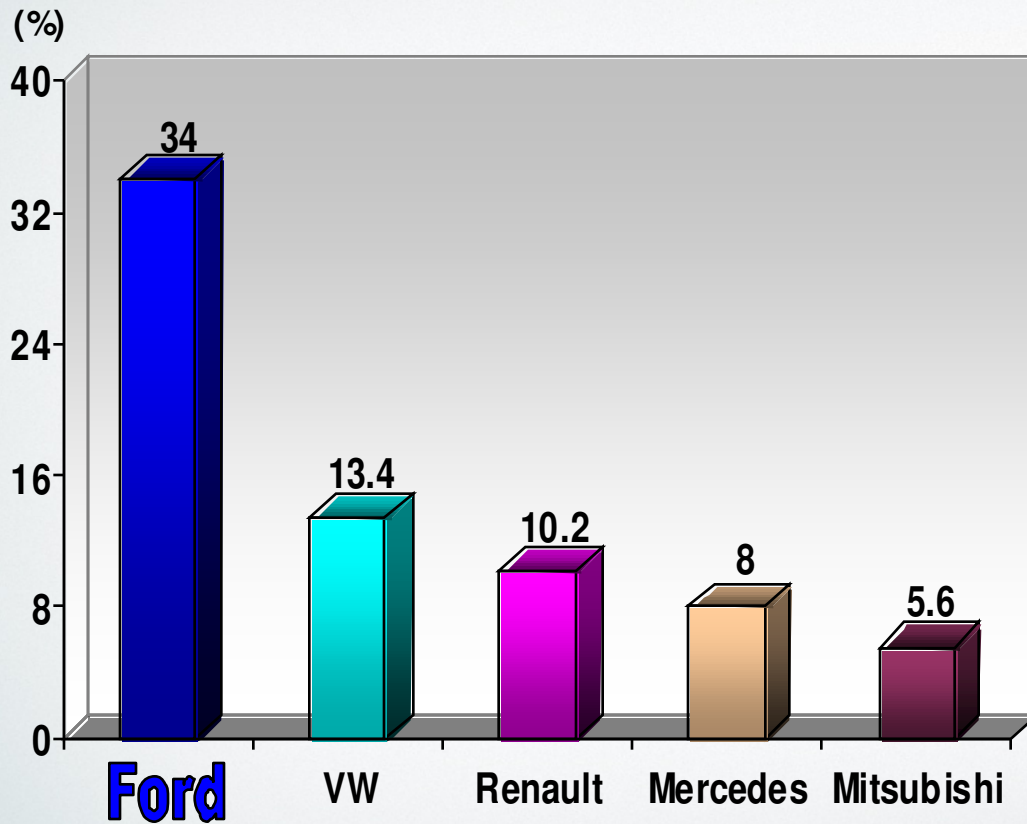
Feel the difference



# Market Shares

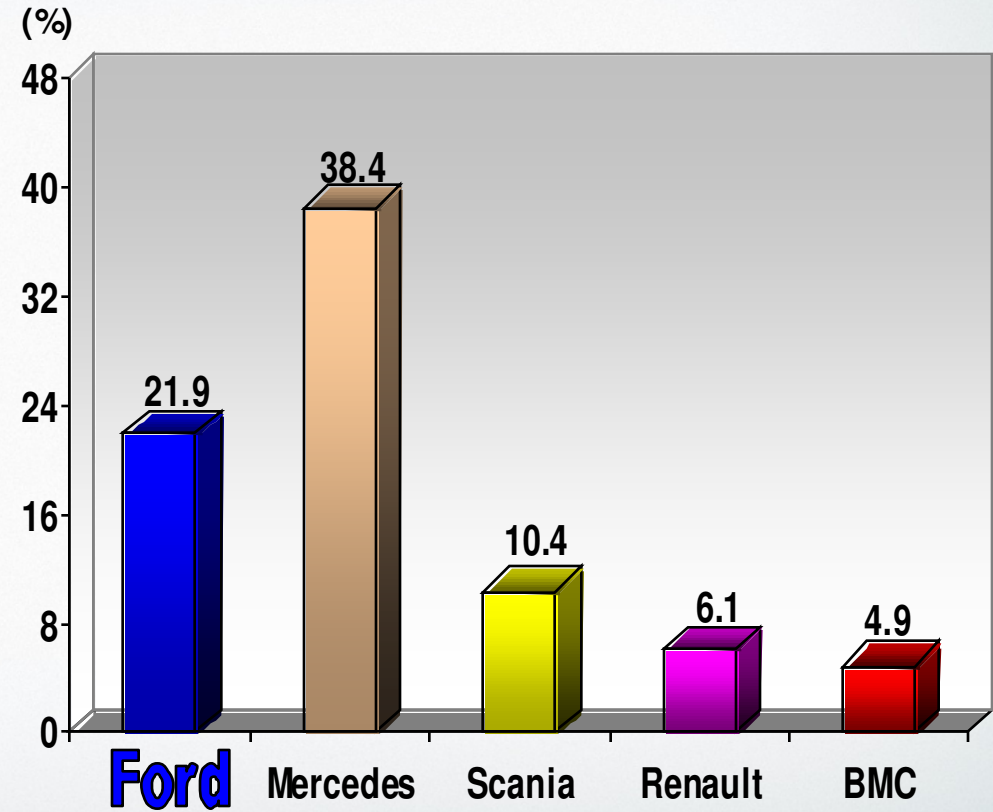
June YTD 2011

Medium Commercial Vehicle



↓ 2.0 Pts. YoY

Heavy Commercial Vehicle



↑ 8.1 Pts. YoY

# Taxes on Vehicle

Passenger Cars					Commercial Vehicles				
Engine Size	Model	VAT*	SCT**	TOTAL	Engine Size	Model	VAT*	SCT**	TOTAL
<1600 cm³	Fiesta	18%	37%	62%	<3000 cm³	Transit Van	18%	4%	23%
	Fusion					Connect Van			
	Focus C-Max					Ranger			
	Mondeo(1.6)		Minibus						
1601- 2000	Mondeo(2.0)	18%	60%	89%			Transit Combi	18%	10%
>2000		18%	84%	117%		Connect Combi			
<div>* VAT : Value Added Tax</div> <div>** SCT: Special Consumption Tax</div>					Truck				
					Cargo				
							18%	4%	23%

\* VAT: Value Added Tax

\*\* SCT: Special Consumption Tax

**Commercial Vehicles are Taxed Lower than Cars**



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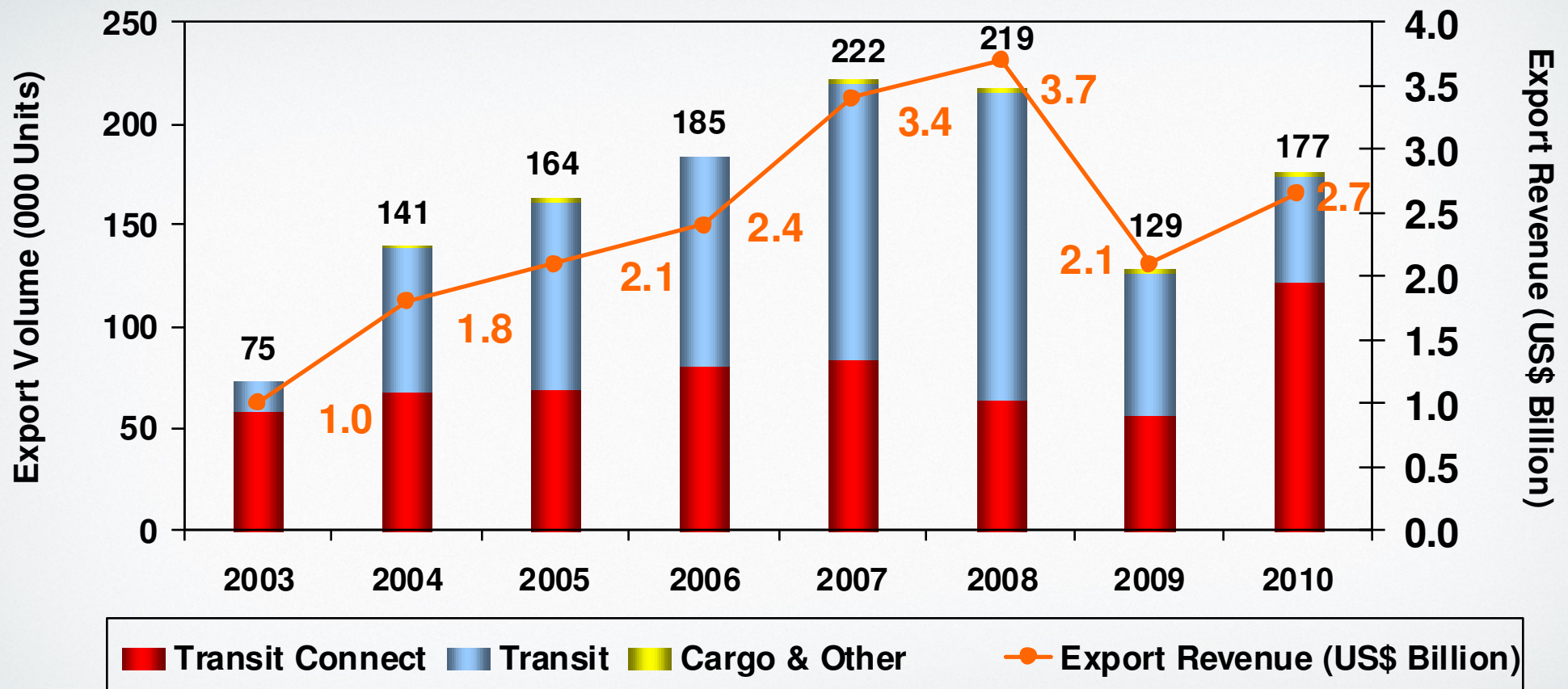
## COMPETITIVE ADVANTAGES

# ➤ Competitive Advantages

- Large - Scale Export Program
- Strong & Committed JV Partner Support
- Strong Distribution Network
- Low Cost, Flexible Manufacturing
- Commercial Vehicle Product Development and Engineering Capabilities
- Experienced and Skilled Workforce
- Strong Corporate Governance Activities



## ➤ Large-Scale Export Program



**Less Dependent on Domestic Market**

**Economies of Scale**

## ➤ Strong & Committed JV Partner Support



Technological capability



Strong and widespread position in the local market



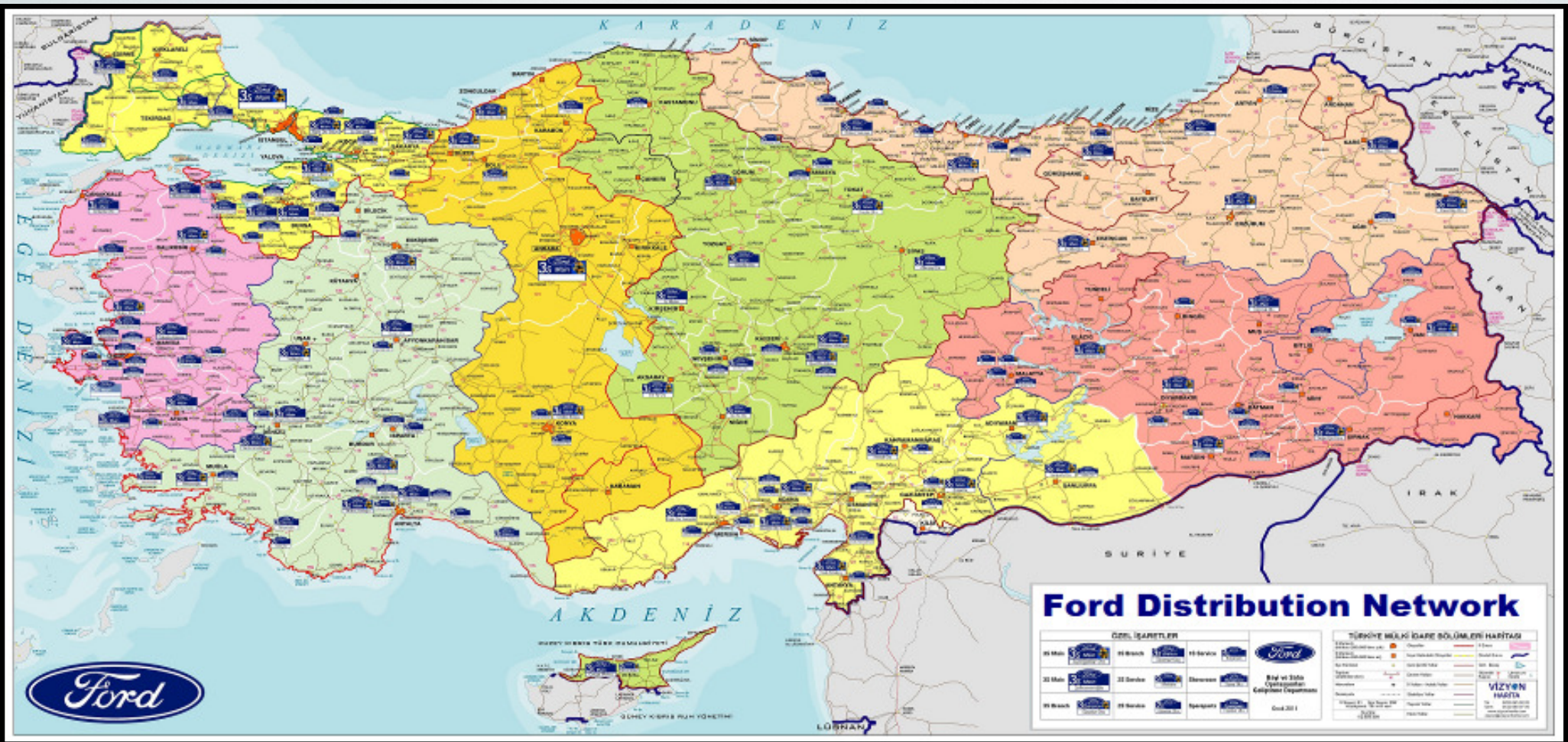
Know-How



Turkey's largest and most reputable group



## ➤ Strong Distribution Network

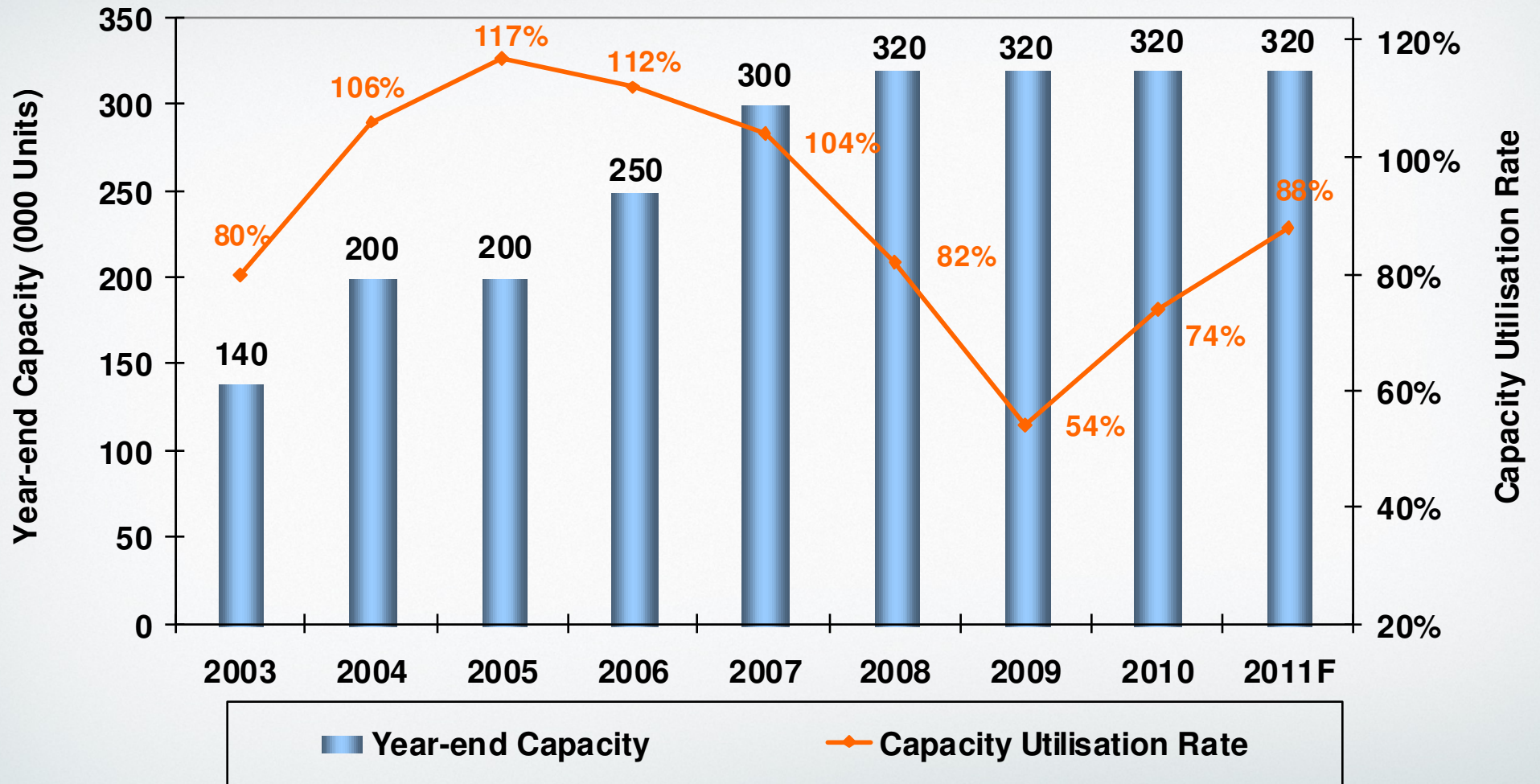


Sales: 117

After-Sales: 161

Total Dealer: 212

## ➤ Kocaeli Plant Capacity Utilisation Rate



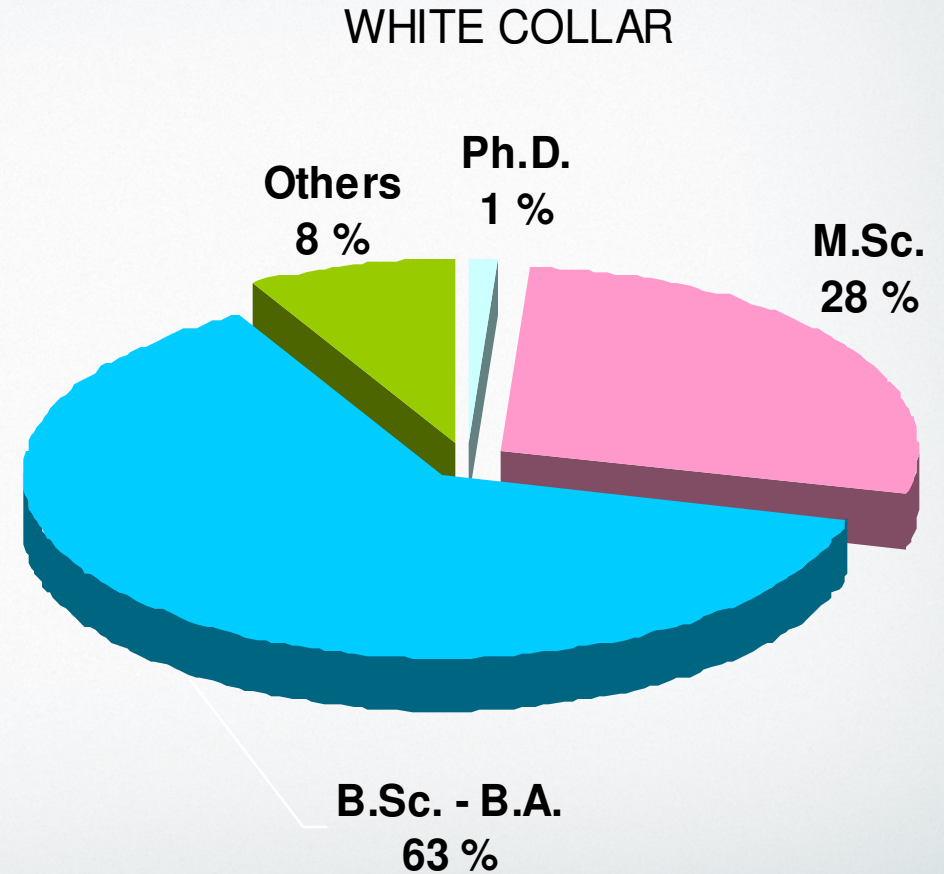
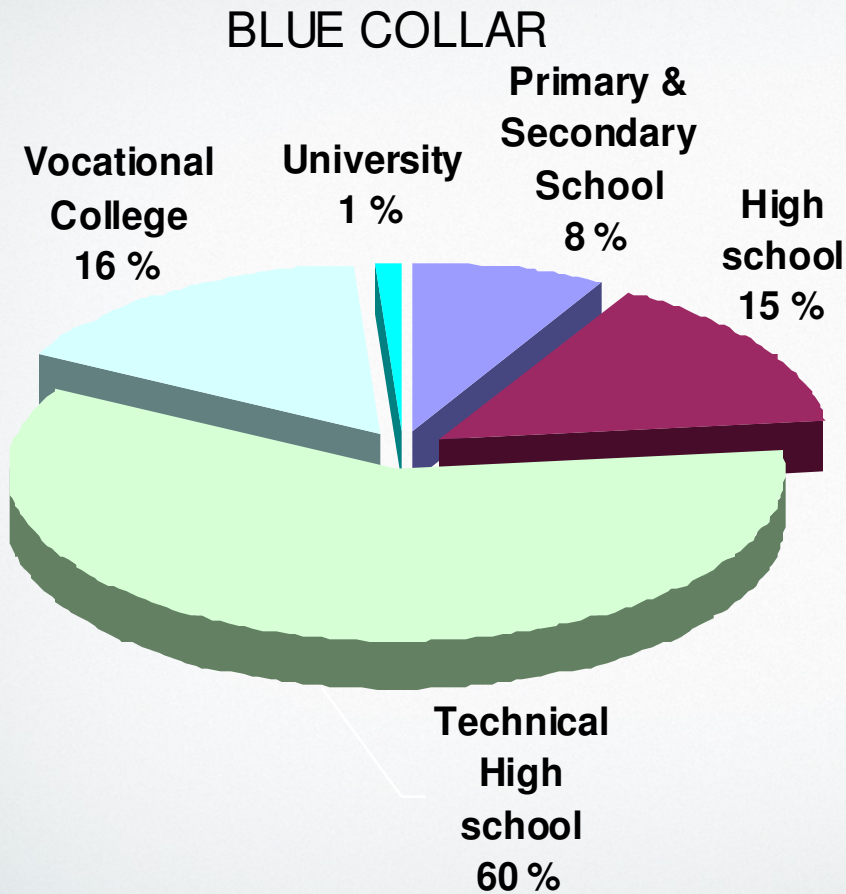


# ➤ Commercial Vehicle Product Development and Engineering Capabilities

## ➤ Gebze Engineering Facility in Turkey

- Ford Otosan is integrated into Ford's global PD organisation
- This facility underlines Ford's commitment to Turkey as an excellent environment for business and a rich source of well-educated engineering talent
- Ford Otosan's PD operations have further planned expansion

## ➤ Experienced and Skilled Workforce





## ➤ Strong Corporate Governance

- ✓ Transparent Investor Relations
- ✓ Meets Capital Market Board Governance Rules
- ✓ Corporate Disclosure Policy
- ✓ Executive and Audit Committees

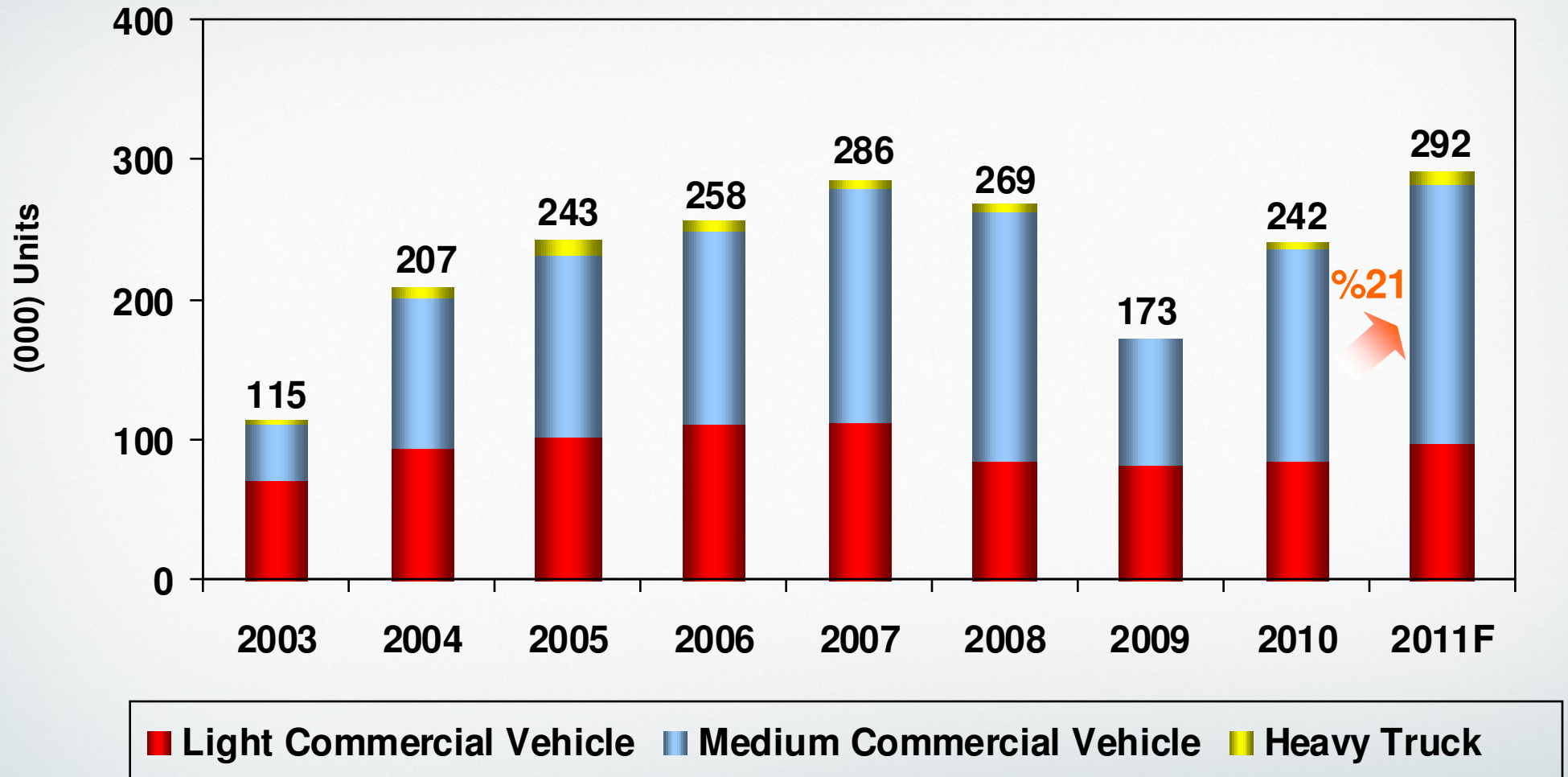
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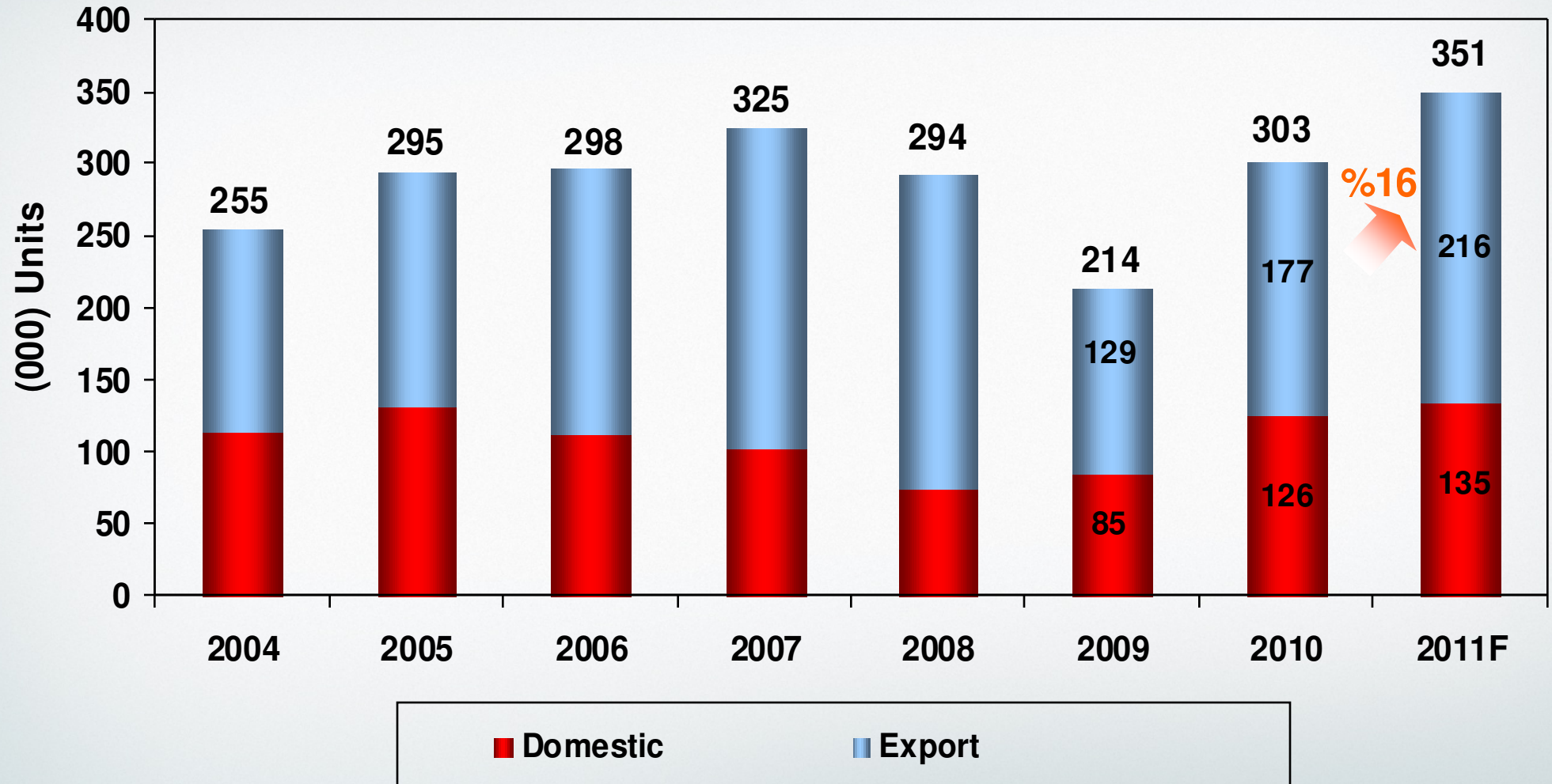
## KEY OPERATING DATA



# Production Volume

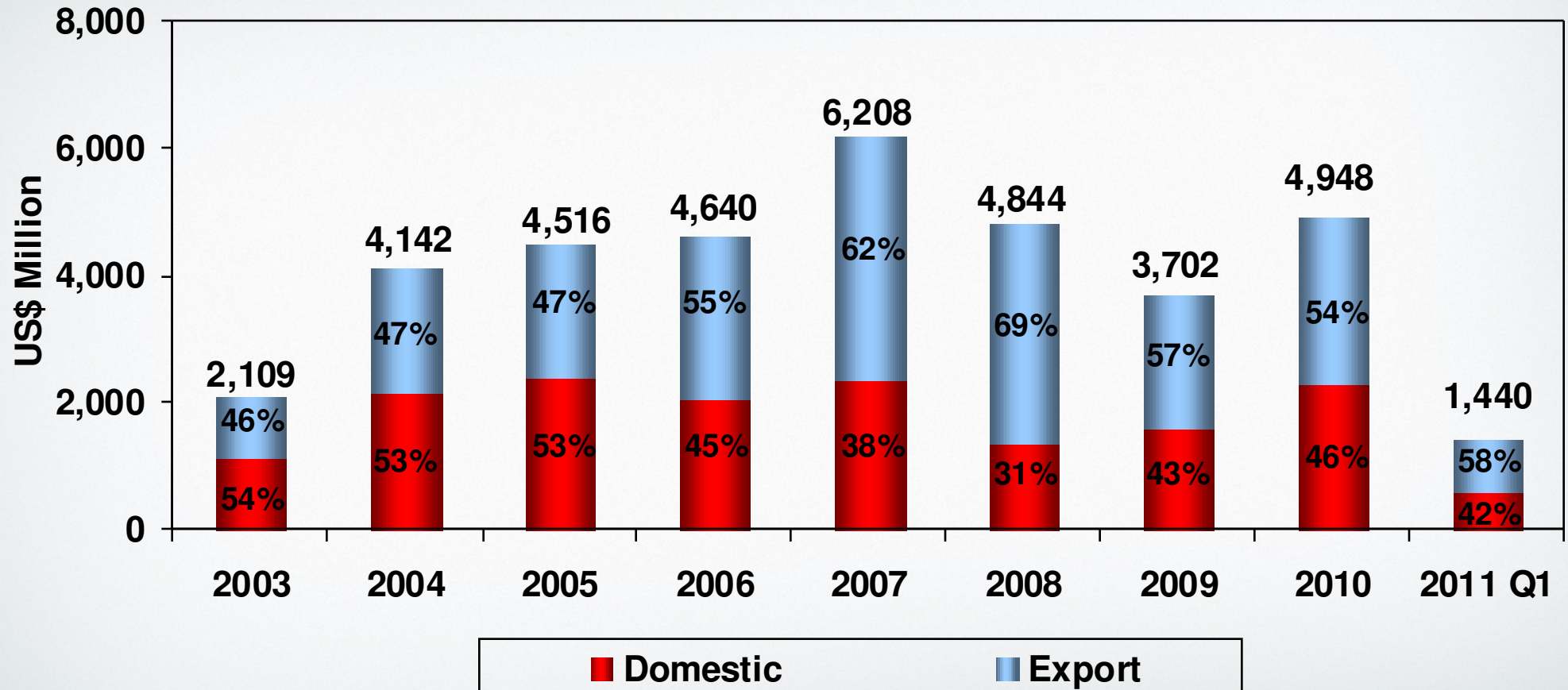


# Wholesales Volume – Domestic / Export

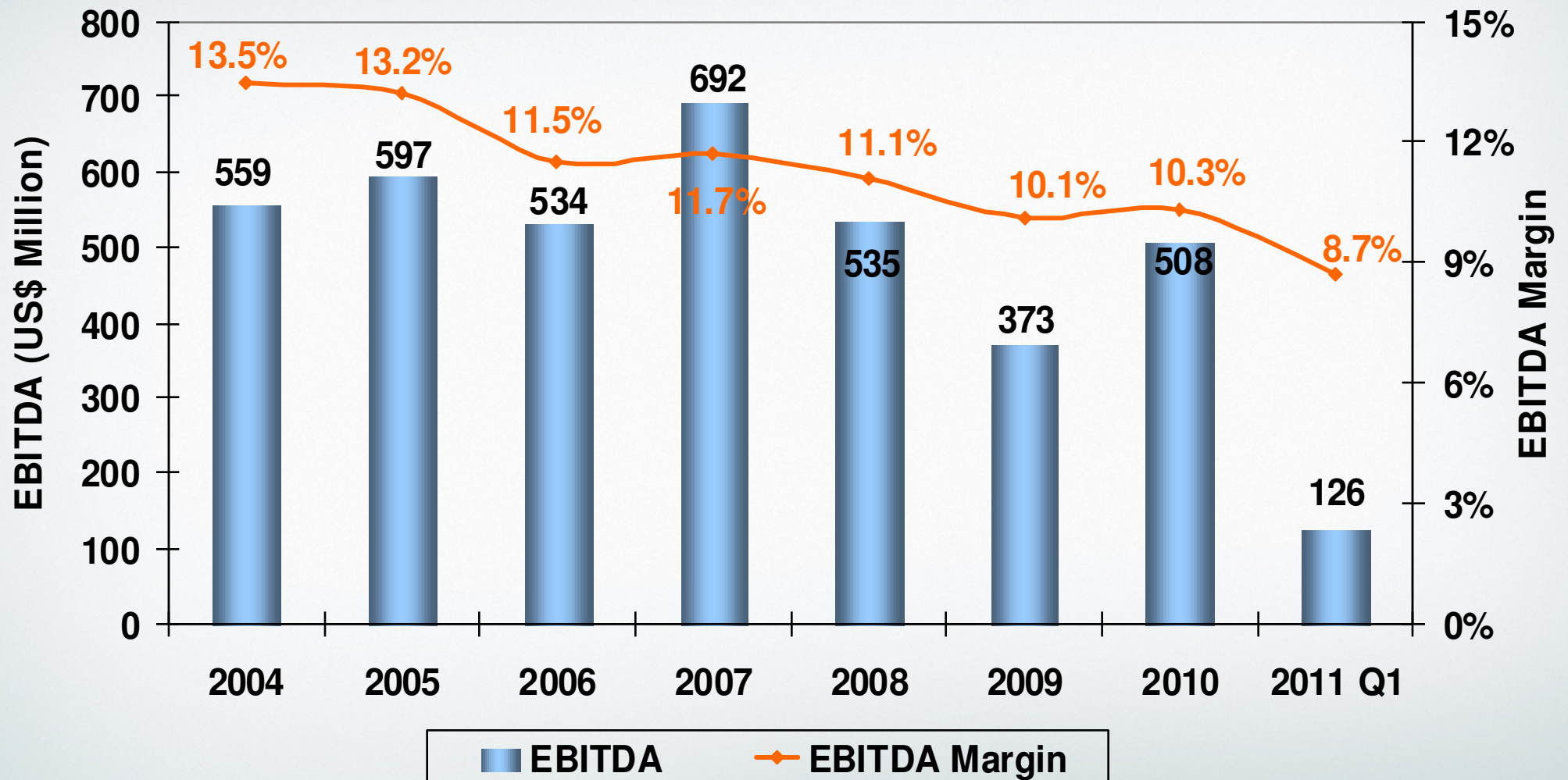




# Revenue - Domestic / Export

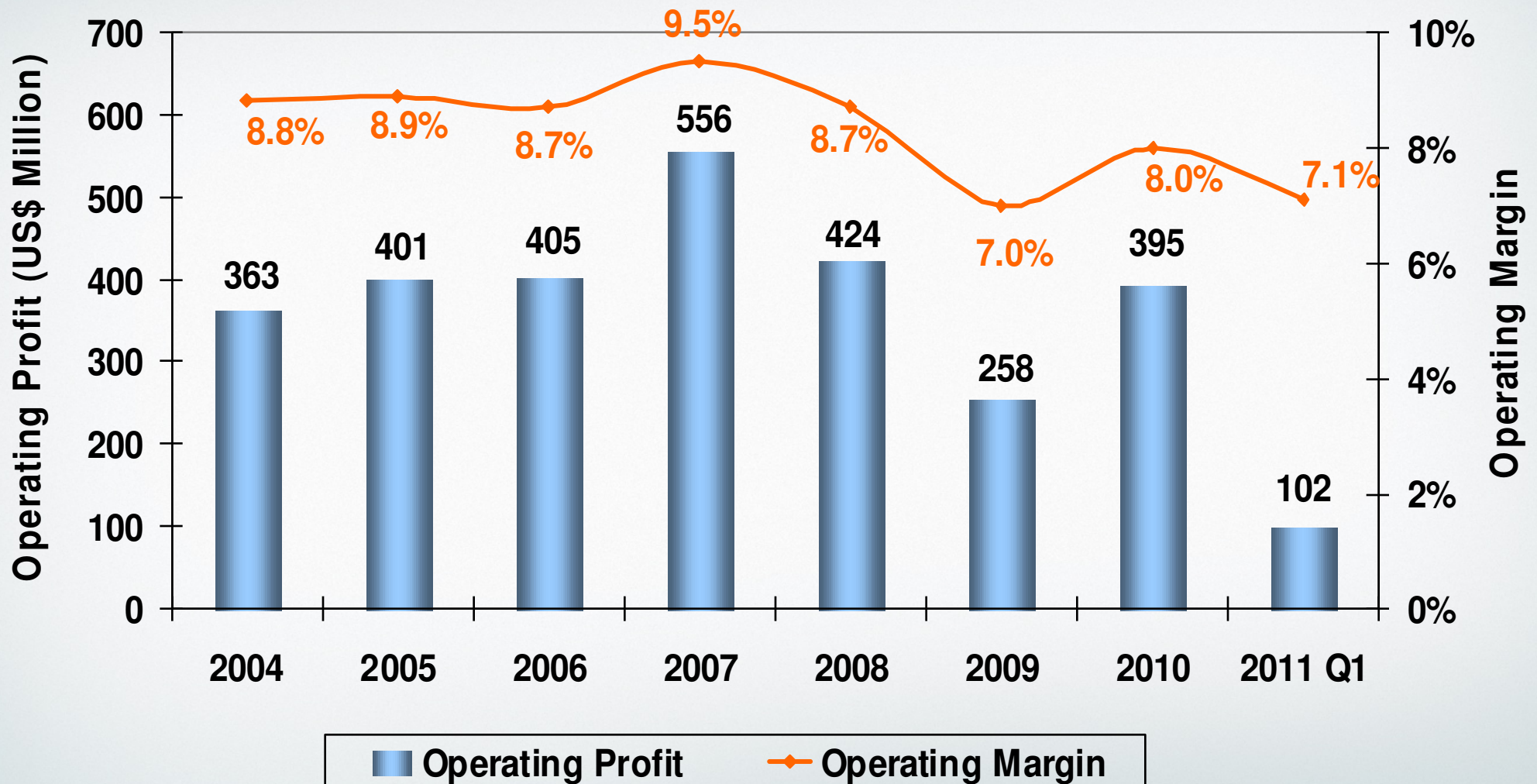


# EBITDA AND EBITDA Margin



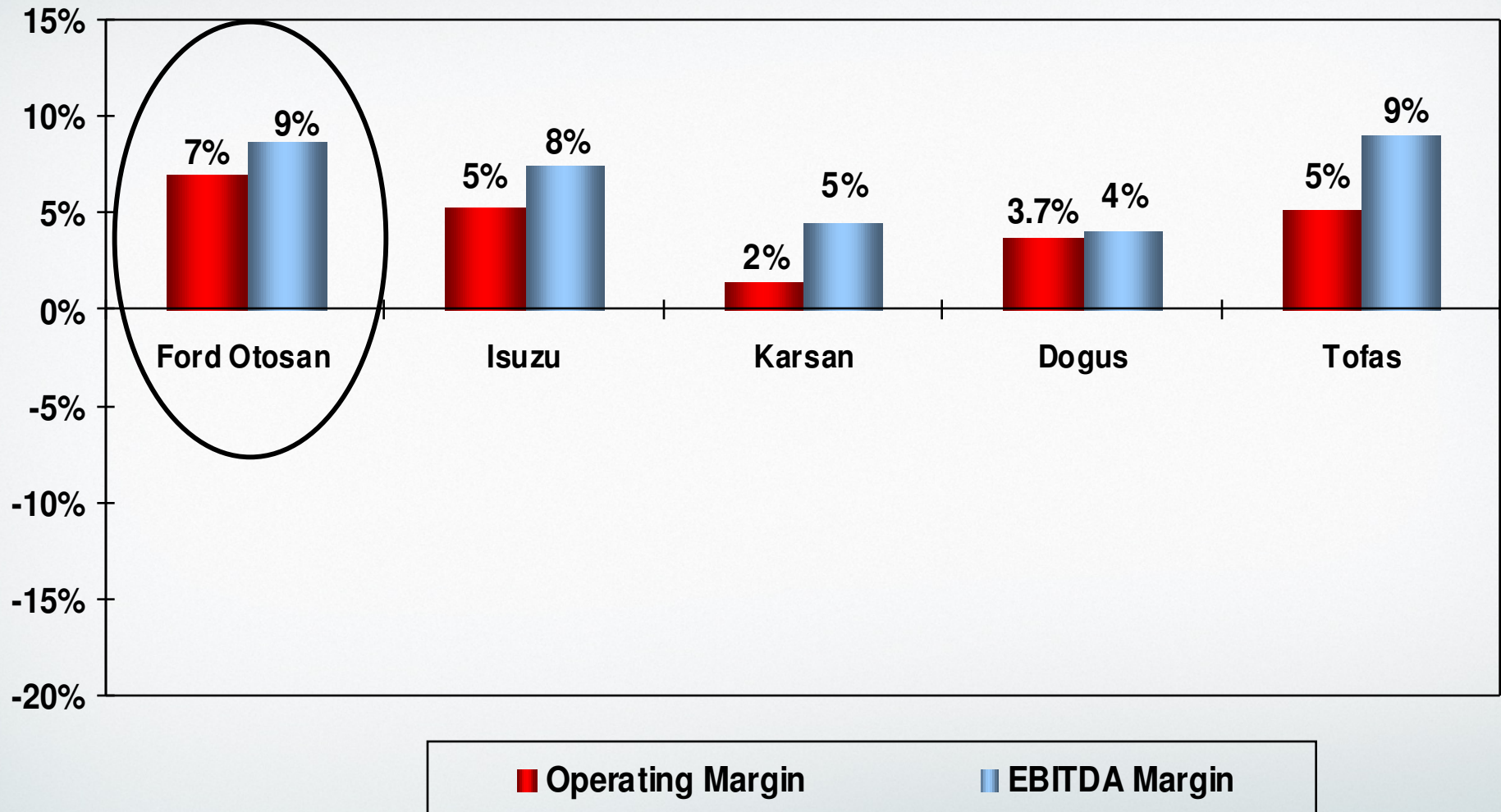


# Operating Profit and Operating Margin



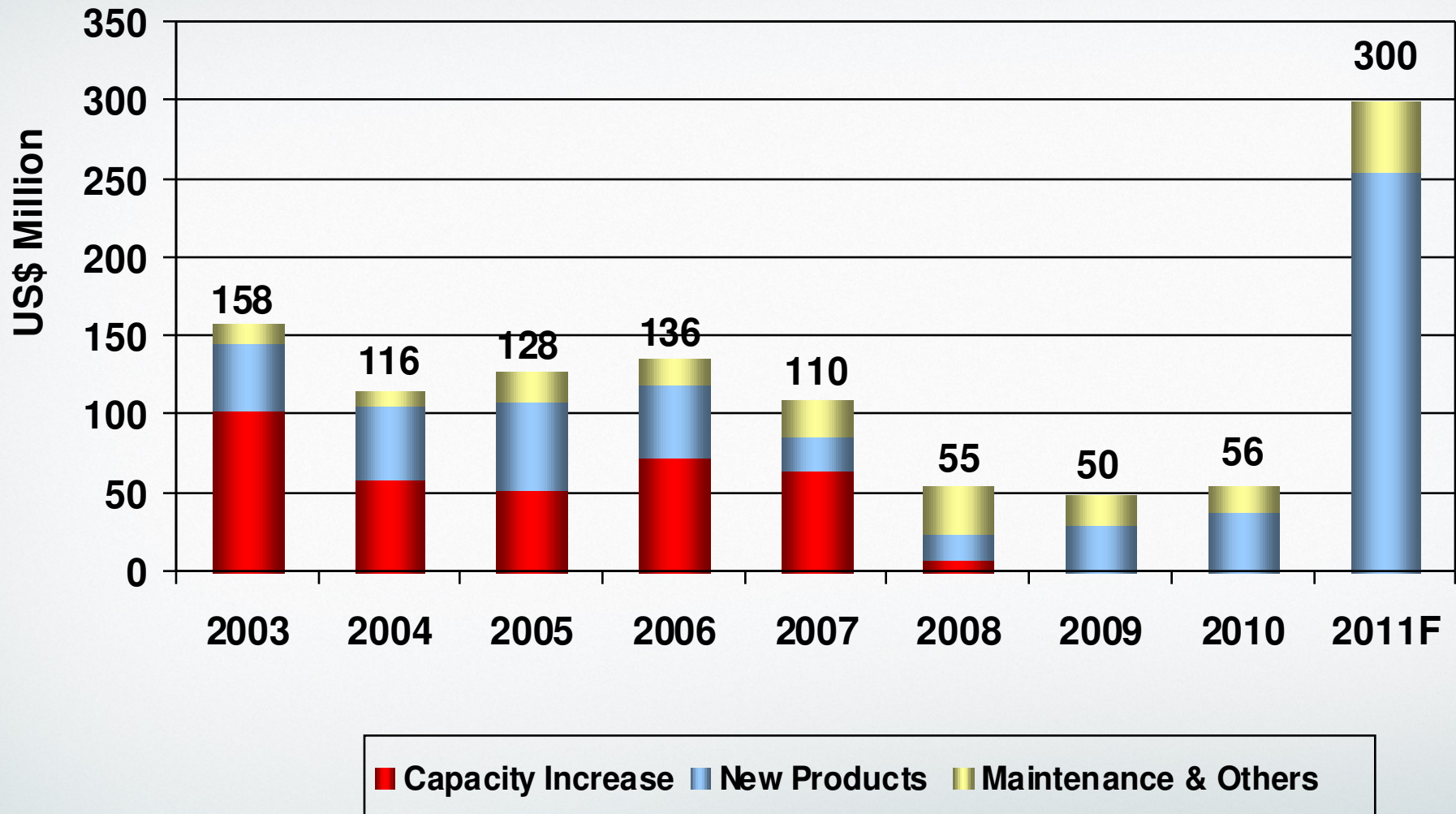
# Margin Comparison with Peers at ISE

2011 Q1





# CAPEX



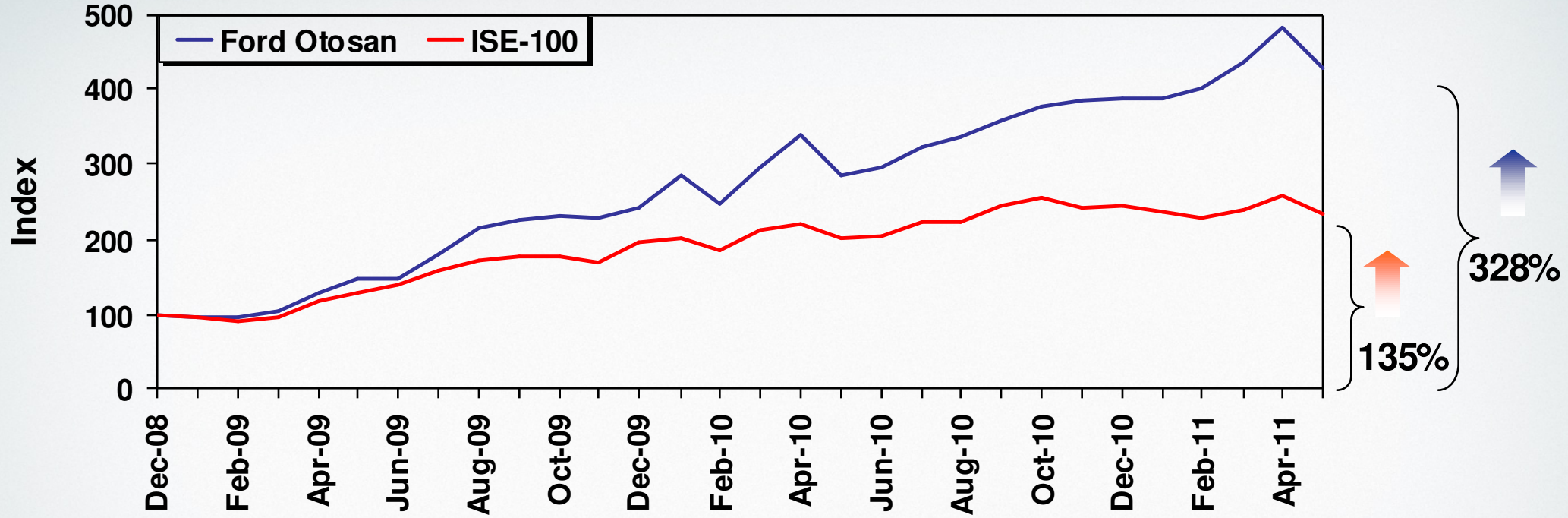
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## ISTANBUL STOCK EXCHANGE PERFORMANCE

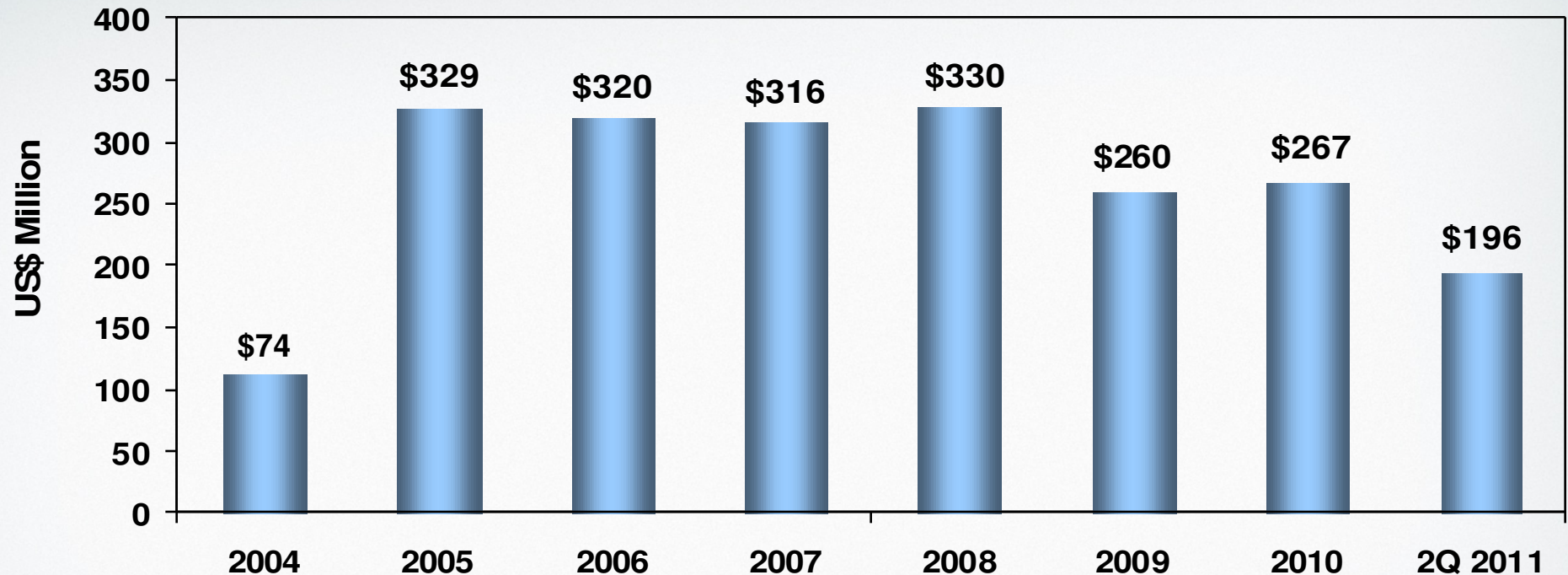


# ISE & FROTO Index



	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	30 June 2011
<b>FROTO Cumulative Change(%)</b>	%4	%46	%126	%143	%195	%196	%257	%287	<b>%328</b>
<b>ISE-100 Cumulative Change(%)</b>	(%4)	%38	%78	%97	%110	%104	%145	%146	<b>%135</b>

# Dividend Payment between 2004 - 2011



Dividend Yield Rate      2.4%      10.3%      9.1%      9.5%      28.7%      12.3%      10.6%

- The total dividend payment between 2004 – 2011 reached to \$2.1 Billion
- In the last five years, Ford Otosan ranks first among the ISE listed companies with 14% dividend yield.

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