



Investor Presentation

April 2016

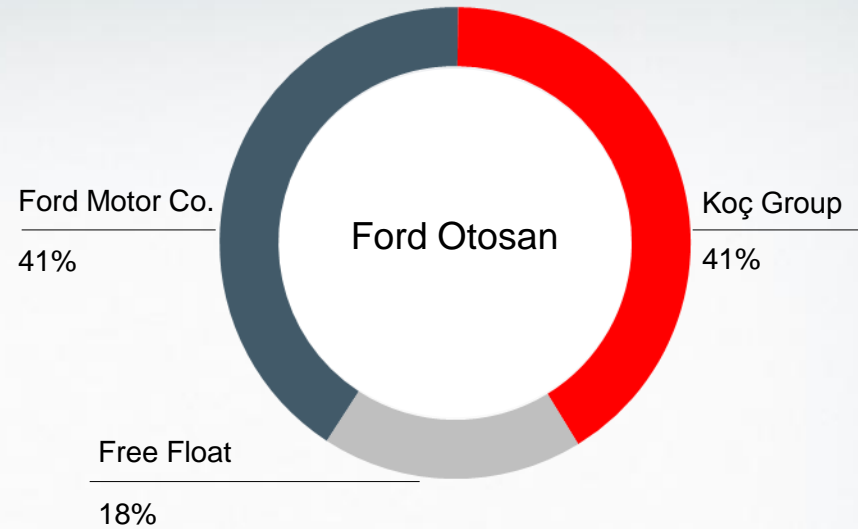
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# About Ford Otosan

# Company Profile

Key Performance Indicators, 2015		
Revenues		\$6.2 billion
Export Revenues		\$3.9 billion
EBITDA		\$530 million
Profit Before Tax		\$318 million
Net Profit		\$310 million
ROE		27.5%
EBITDA margin		8.6%
Annual Production Capacity		415,000
	Gölcük	290,000
	Yeniköy	110,000
	İnönü	15,000
Total Employees		10,676
	Blue Collar	7,944
	White Collar	2,732



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 leader**

Turkey's **2<sup>nd</sup> largest** industrial enterprise

**Highest** installed production capacity and employment in Turkish automotive

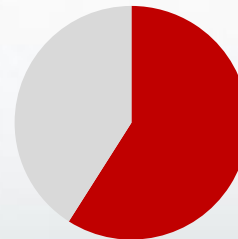
## Leadership and scale

Market leader in Turkish commercial vehicle industry

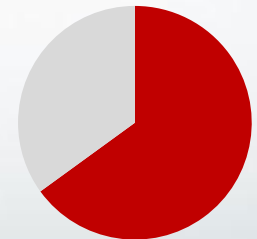
**Widest** product range in Turkish automotive



**25%** of Turkey's total automotive production



**59%** of Turkey's total commercial vehicle production



**65%** of Turkey's total commercial vehicle exports

# Key Player in Ford Motor Company Universe

## Robust sales performance

**Highest** commercial vehicle market share of Ford in Europe  
Ford's **3<sup>rd</sup> biggest market in Europe** (UK, Germany, Turkey, Italy, France)

## Leading manufacturing hub

**Lead** manufacturing plant of Ford Transit globally  
**Single** source of Ford Transit Custom & Tourneo Custom  
**Single** source of Ford Transit Courier & Tourneo Courier  
**One of the two** production centers globally for Ford Cargo heavy trucks

## Engineering and R&D power

**Global hub** for Cargo heavy trucks and related powertrains  
**Global support** for Light Commercial Vehicle Development  
**Global support** for Diesel Powertrain Engineering



# Vision, Mission and Strategy

## Vision

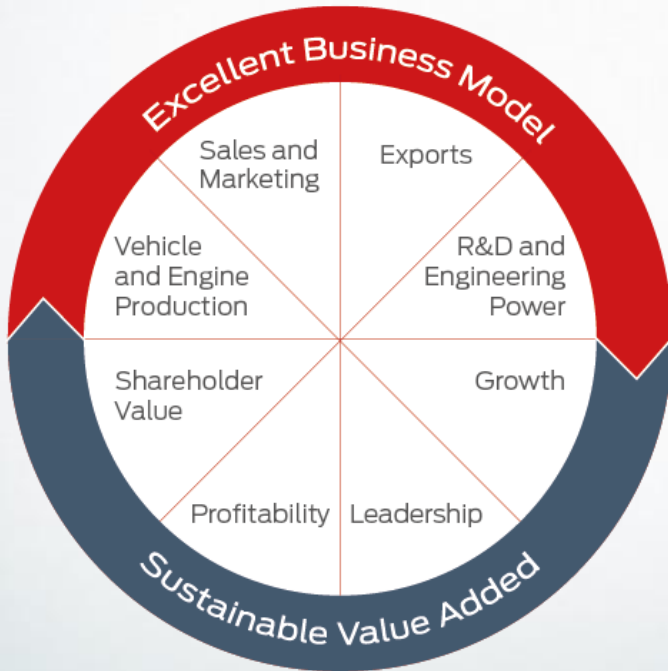
Being Turkey's most valuable and most preferred industrial company.

## 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 17<sup>th</sup> largest auto manufacturing hub in the world and 6<sup>th</sup> 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 – Gölçük 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 50<sup>th</sup> Anniversary**

2010 – Transit Connect 'N.A. Truck of the Year'

2011 – Transit Connect NYC Taxi launches

**2012- Launch of Ford Custom**

2013 – Ford Otosan's 12<sup>th</sup> year of market leadership

**2013/2014- JMC engine & truck technology licensing agreements**

**2014 – Yeniköy Plant opens**

**2014 – Launch of new Ford Transit and Ford Courier**

**2015 – Sancaktepe Engineering Center opens**



# Plants and Facilities

# Locations

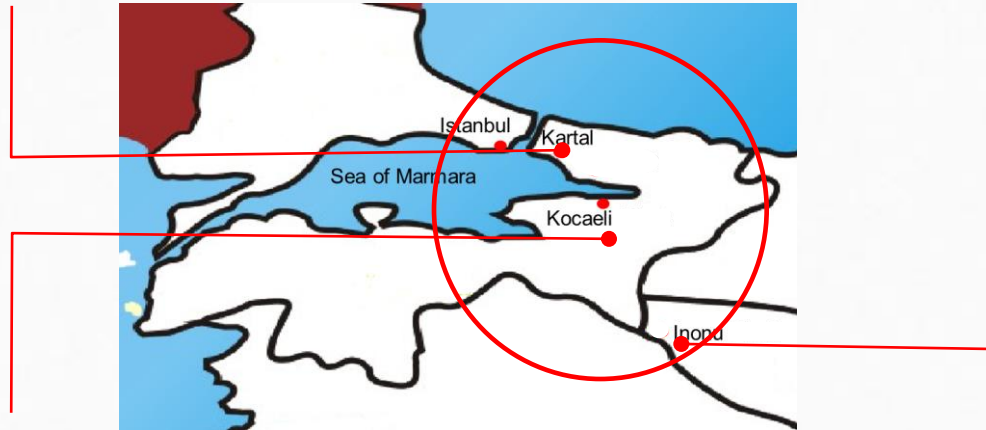
Sancaktepe Parts Distribution Center (1998)



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 140-160k



Custom 130-150k

Opened in 2001

1,600,000 m<sup>2</sup> total area; 340,000 m<sup>2</sup> covered area

290,000 units manufacturing capacity



# Yeniköy Plant - The single production center of Ford Courier in the world



ISO 14001  
BUREAU VERITAS  
Certification



ISO 14064-1  
BUREAU VERITAS  
Certification



OHSA 18001  
BUREAU VERITAS  
Certification



ISO 50001  
BUREAU VERITAS  
Certification



Courier 110k

New production facility at Gölcük plant site opened on 22 May 2014

70,000 m<sup>2</sup> covered area

Environment and disabled-friendly plant

# İnönü Plant - One of the two global production centers for Ford Cargo



Cargo 15k

Opened in 1982

88,000 m<sup>2</sup> covered area

80k units engine, 140k units powertrain production capacity

- 7.3L / 9.0L I6 Diesel engines for Cargo heavy truck
- 2.2L 4-cyl. Duratorq TDCI engines for Transit



# Sancaktepe Parts Distribution Center - 96% Fill rate



Opened in 1998

25,000 m<sup>2</sup> warehouse: Largest of its kind in Turkey

4<sup>th</sup> largest warehouse capacity among Ford's parts distribution centers in Europe



# Sancaktepe Engineering Center – Turkey's largest R&D Center



**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

- Longest-running model in Ford of Europe's product range
- ~ 8 million units produced globally since its launch in 1965
- 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



**Chassis Cab**

**Van**

**Minibus**



Loading Capacity:  
3.3 tons – 4.7 tons

Loading Capacity:  
9.5m<sup>3</sup> - 15.1 m<sup>3</sup>

Seating Capacity:  
11+1 / 17+1

Market share details available on page 45

# Ford Custom

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



## Tourneo Custom (People Mover)



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

## Transit Custom (Commercial)



Loading Capacity:  
5.9 m<sup>3</sup> - 7.2 m<sup>3</sup>



Loading Capacity:  
6.8 m<sup>3</sup> - 8.3 m<sup>3</sup>



Market share details available on page 45



# Ford Courier

- Ford's first vehicle in the compact van segment
- Ford Otosan is the single global source of Ford Courier
- Launched in May 2014



**Tourneo Courier  
(People mover)**

**Transit Courier Combi Van  
(Commercial)**

**Transit Courier Van  
(Commercial)**

Market share details available on page 45

# Ford Trucks

- Manufactured at Ford Otosan's İnönü Plant since 1983
- Road truck, construction and tractor series available
- Cargo 1846T – 2013 International Truck of the Year 3<sup>rd</sup> place



Market share details available on page 45



# The Newest Portfolio in the Industry



# Major Product Acceleration

2014



Focus



Courier



Connect



Transit

2015



Mondeo



Galaxy



C-Max



Mustang

2016



Ranger



EcoSport



Edge

# Investment Case

# Ford Otosan's Value Proposition

## Scale & growth

Domestic industry leader in commercial vehicles

Largest manufacturer and exporter of commercial vehicles in Turkey

Increased capacity and fully revamped products to grow volumes and profitability

Technology licensing agreements delivering royalty fees with strong growth potential

## Resilience & efficiency

Large-scale export program; Lead beneficiary of the growth in European van segment

High capacity utilization: Above European and Turkish industry average

Efficient, flexible and low-cost manufacturing and engineering competency

## Strong balance sheet & prudent risk management

Strong cash generation capacity

Solid financial performance

Natural hedge of fx-payables due to fx-denominated export revenues

## Shareholder value creation

Sustainable dividend policy

Strong relative share performance

Commitment to good corporate governance

# Relatively Favorable Taxes on Commercial Vehicles

Passenger Cars					Commercial Vehicles				
Engine Size	Model	VAT	SCT	Total	Engine Size	Model	VAT	SCT	Total
<1600 cc	Courier (PC)				<3000cc	Transit Van	18%	4%	<b>23%</b>
	Fiesta					Transit Minibus (16+1) (17+1)			
	B-Max					Transit Chassis Cab			
	Focus	18%	45%*	<b>71%</b>		Transit Custom Van			
	C-Max					Transit Courier Van			
	Kuga (1.6)					Connect Van			
	Mondeo (1.6)					Ranger			
1601-2000	S-Max (1.6)								
	Mondeo (2.0)					Transit Minibus (11+1) (14+1)	18%	9%	<b>29%</b>
	S-Max (2.0)	18%	90%**	<b>124%</b>					
	Kuga (2.0)								
>2000	Galaxy					Transit Combi	18%	15%****	<b>36%</b>
						Transit Custom Combi			
						Transit Custom Combi Van			
						Tourneo Custom			
						Transit Courier Combi Van			
						Tourneo Courier			
						Connect Combi			
		18%	145%***	<b>189%</b>		Cargo	18%	4%	<b>23%</b>

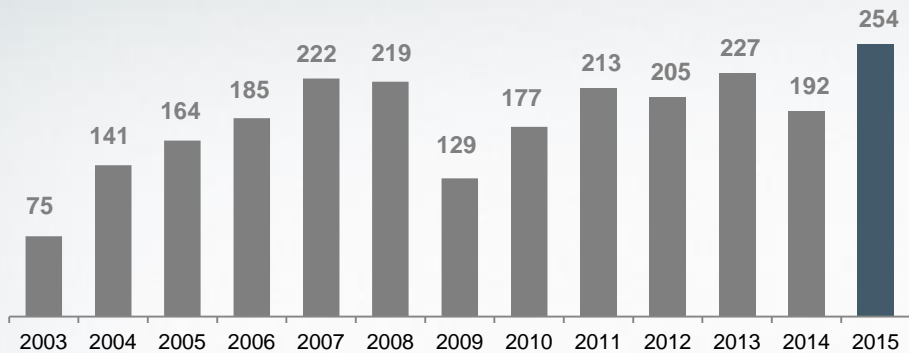
Tax rate increases:

- \* 37% to 40% (Sept 22, 2012), 40% to 45% (Jan 1, 2014)
- \*\* 60% to 80% (Oct 12, 2011), 80% to 90% (Jan 1, 2014)
- \*\*\* 84% to 130% (Oct 12, 2011), 130% to 145% (Jan 1, 2014)
- \*\*\*\* 10% to 15% (Oct 12, 2011)

VAT: Value added tax  
SCT: Special consumption tax

# Scalable Export Business

Exports (000 units)



**US\$ 3.9 billion** export revenues in 2015

Turkey's **export leader** in automotive for 5 consecutive years

US\$ 3.0 billion **net exporter** in the last five years (2011-2015)

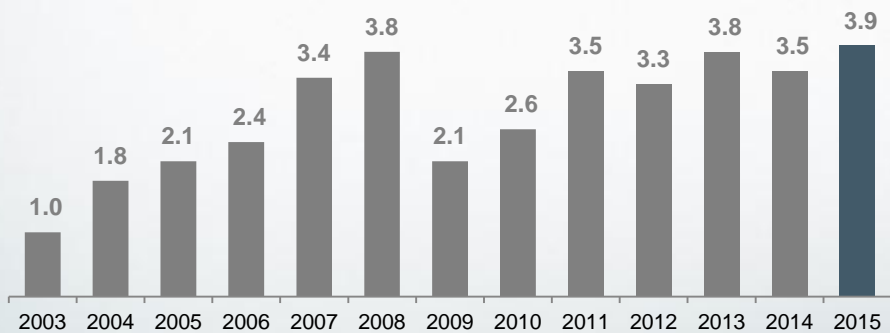
Vehicles and spare parts exported to **82 countries in 5 continents**

**65% of Turkey's total commercial vehicle exports** is done by Ford Otosan

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

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

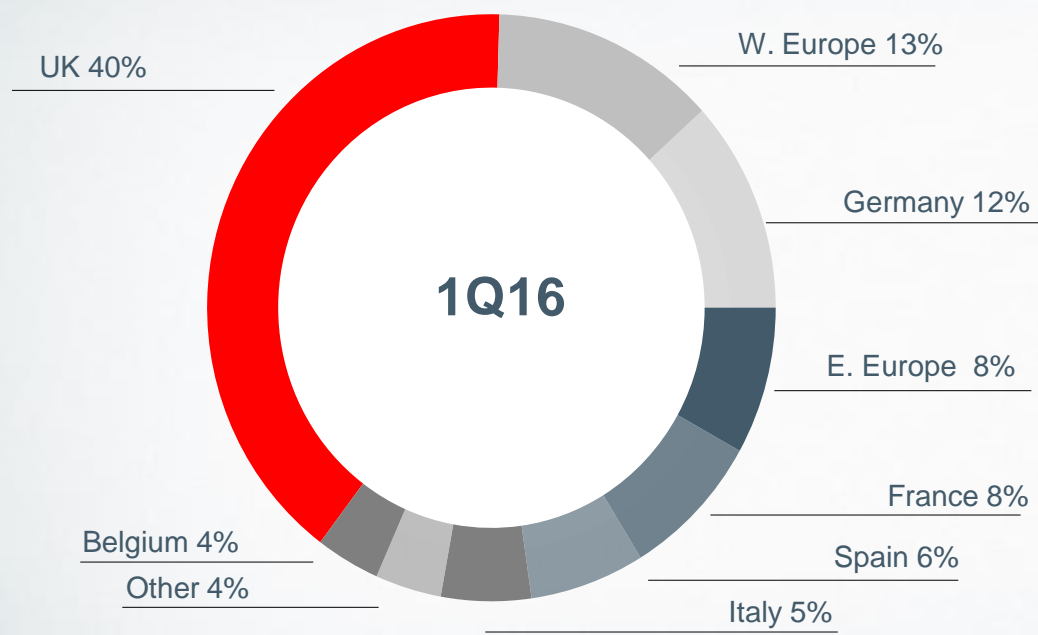
Export Revenue (US\$ bn)



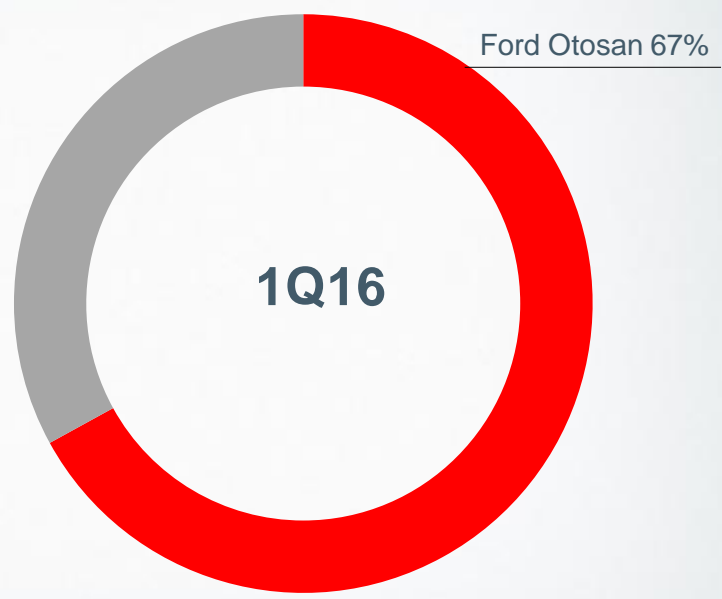


# Turkey's Largest Exporter

Export breakdown (units)



Turkey's CV exports



# Lead Beneficiary of the Growth in European Van Segment

## European commercial vehicle market (Up to 3.5 tons)

	2014	2015	Jan'16	Feb'16	Mar'16	YTD
<b>UK</b>	18.7%	15.6%	-4.3%	0.4%	3.3%	1.2%
<b>Germany</b>	7.3%	4.2%	11.8%	15.9%	3.0%	9.3%
<b>Italy</b>	16.4%	12.4%	28.8%	28.7%	32.1%	30.0%
<b>Spain</b>	33.2%	36.1%	17.1%	16.8%	-1.3%	8.9%
<b>France</b>	1.5%	2.0%	12.3%	13.0%	5.0%	9.6%
<b>Total</b>	11.3%	11.6%	11.0%	16.9%	7.6%	11.3%

In March, the European market grew for the **31<sup>st</sup> consecutive** month. Van segment grew by 7.6% YoY and 11.3% YTD.

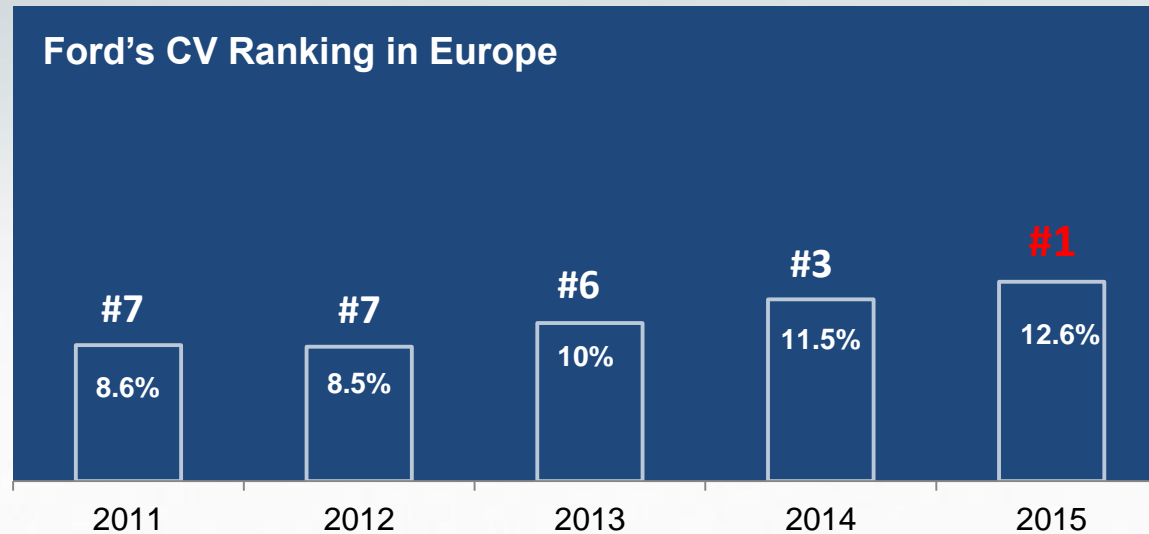
([www.acea.be](http://www.acea.be))

## Ford's commercial vehicle sales in Europe



- Ford was Europe's **No.1** commercial vehicle brand **in March** and **in the first quarter**.
- **The best first quarter** for Ford CV sales in its traditional markets **since 1993**.
- Ford's CVs achieved **market-leading shares of 15.6% in March and 13.7% in the first quarter**, respectively.
- **The Transit** is **Europe's best-selling CV nameplate** in the combined 1- and 2-tonne market segment in 1Q.

# Ford Ranks No. 1 in European Commercial Vehicles



**#1** Ford was Europe's No. 1 commercial vehicle brand in 2015.

**23%** Ford's commercial vehicle sales increase in 2015 compared to 2014.

**12.6%** Ford's 2015 commercial vehicle market share, highest since 1998.

**81%** Ford Otosan's share in Ford of Europe's 2015 Transit sales.

**73%** Ford Otosan's share in Ford of Europe's 2015 CV sales.

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

Transit



Courier



US\$ 75  
million +

Custom



€ 370 million

Ford Trucks



Yeniköy



US\$ 850  
million

# Favorable Financing Terms

- €150 million loan agreement signed with EBRD in 2010 (Paid and closed as of December 2015)  
5-year loan with 2-years grace period  
Euribor + 2.75%
- €190 million loan agreement signed with EIB in 2012  
8-year loan 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 loan with 2-years grace period  
Euribor + 2.30%
- €140 million loan agreement signed with EBRD and a consortium of foreign banks in July 2014  
€70 million loan funded by EBRD, €70 million funded as syndicated loan  
(HSBC, Societe Generale, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Credit Agricole)  
5-year loan with 2-years grace period  
Euribor + 2.25%
- €100 million loan agreement signed with EIB in December 2015  
The loan is projected to be utilized in the first quarter of 2016  
6-year loan at 0.87%



# Highest Production Capacity in Turkish Automotive

Old: 330,000 (pre-investments)

210,000



Transit

110,000



Connect

10,000



Cargo

Kocaeli Plant

İnönü Plant

New: 415,000 (2014)

160,000



New Transit

130,000



Custom

110,000



Courier

15,000



Cargo

Gölcük Plant

Yeniköy Plant

İnönü Plant

Kocaeli Plants



# 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 24<sup>th</sup>, 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.
- A license fee of €150 - €190 will be charged per product. €1 million license fee was collected as advance payment in 2013.



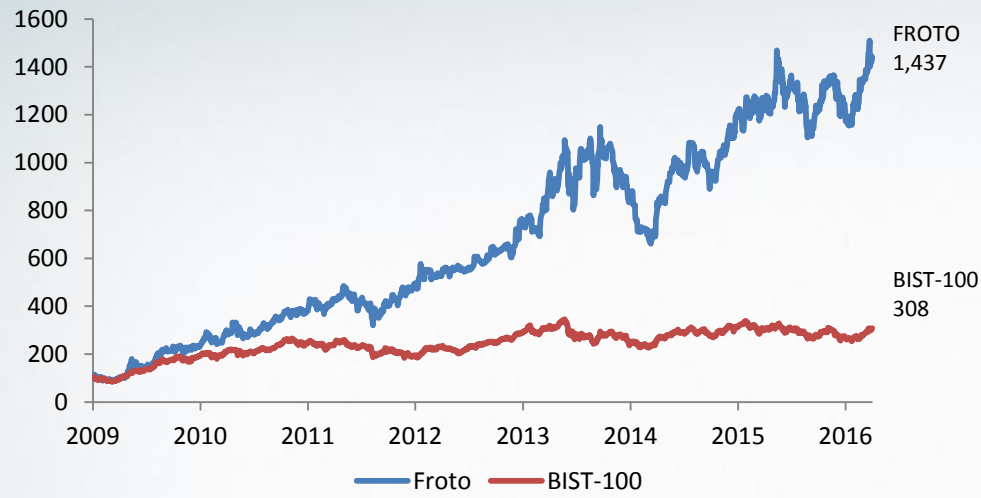
## Chassis, cab and components of Ford heavy trucks

- Signed on July 25<sup>th</sup>, 2014.
- The products and JMC branded vehicles containing these products will be sold in China.
- Ford Otosan will receive an advance license fee of €8 million. An average license fee of €390 per Chassis and €39 per cab will be charged.



# Focus on Shareholder Value

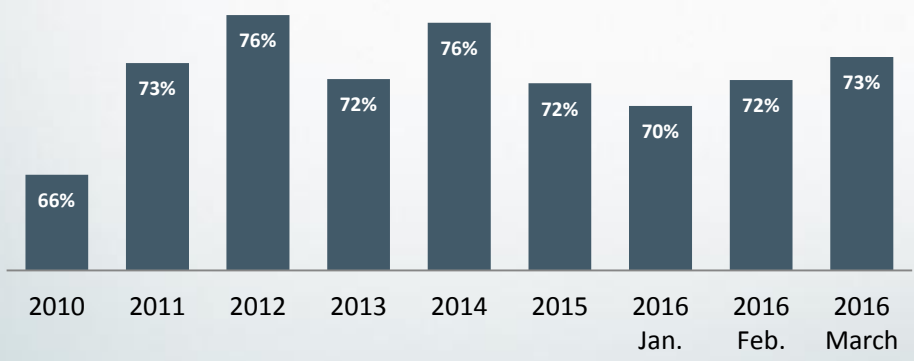
## Strong relative share performance



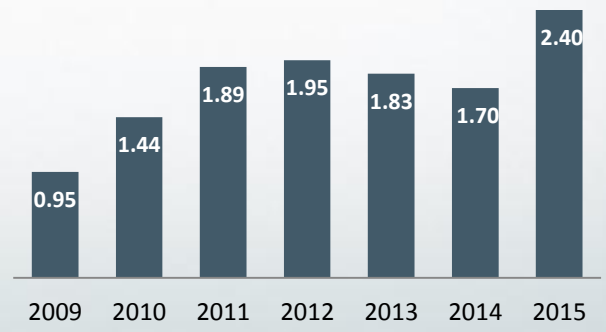
## Commitment to corporate governance

- Separate CEO and Chairman roles
- Independent BoD members
- Audit Committee
- Corporate Governance Committee
- Early Determination and Management of Risk Committee
- Remuneration Committee

## Foreign ownership in free float

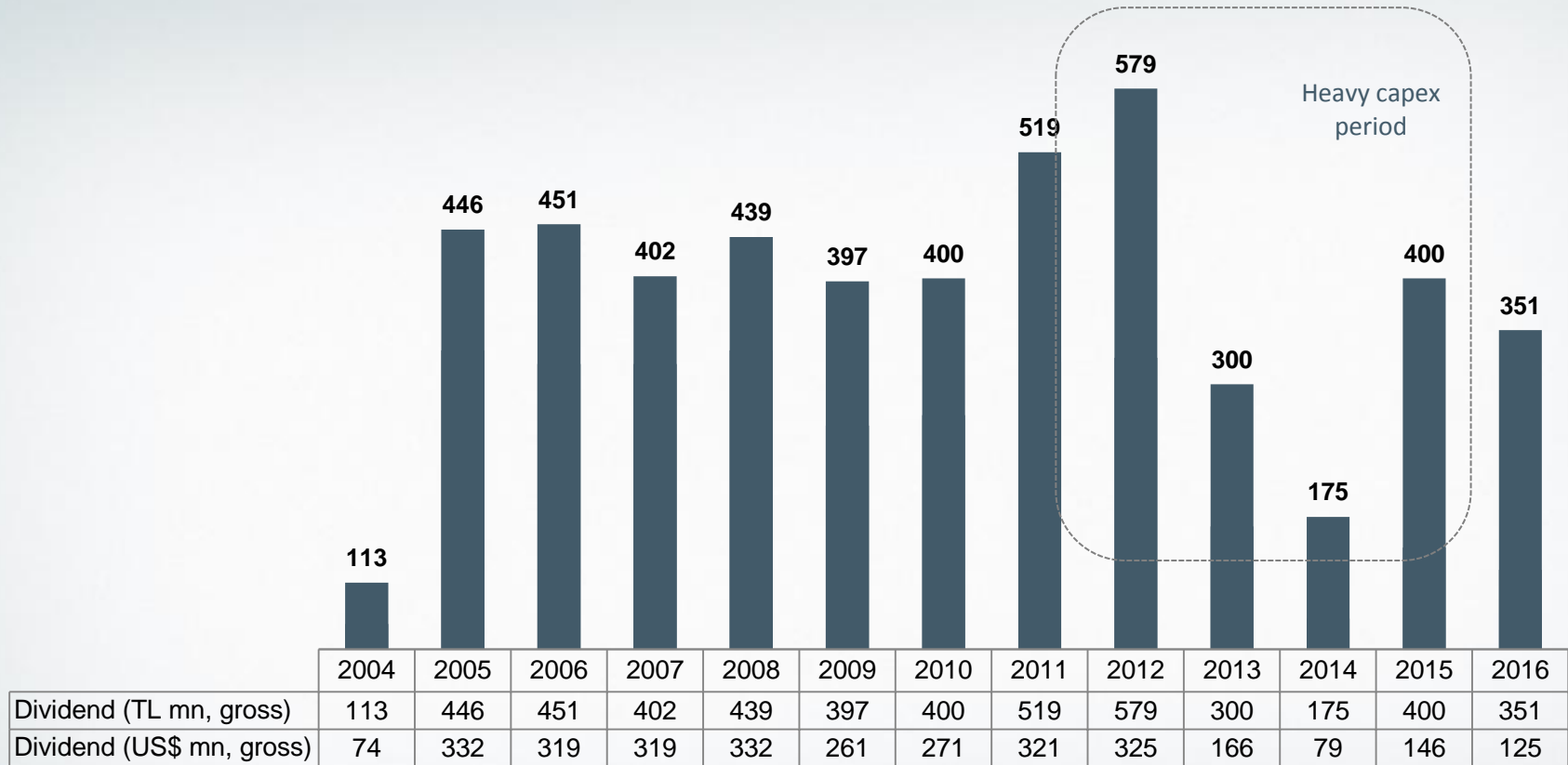


## Earnings per share (for Kr 1 nominal value)



# Dividend History and Policy

TL 4.97 billion (US\$3.07 billion) dividend was distributed by Ford Otosan between 2004-2016.



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.

# Strong & Committed JV Partner Support



- Turkey's largest industrial and services group in terms of revenues, exports, employees and market capitalization on the Borsa İstanbul.
- Following an average annual growth rate of 18% in consolidated profit in US\$ terms between 2003-2013, Koç Holding ranks among the world's top 350 companies in Fortune 500 (2014 report).
- Has leading positions with strong competitive advantages in various sectors, such as energy, automotive, consumer durables and finance, which offer strong long-term growth potential.



- Global automotive industry leader based in Dearborn, Michigan, that manufactures and distributes automobiles across six continents.
- Automotive brands include Ford and Lincoln.
- 199,000 employees and 67 plants worldwide.
- Provides financial services through Ford Motor Credit Company.



# Large Distribution Network

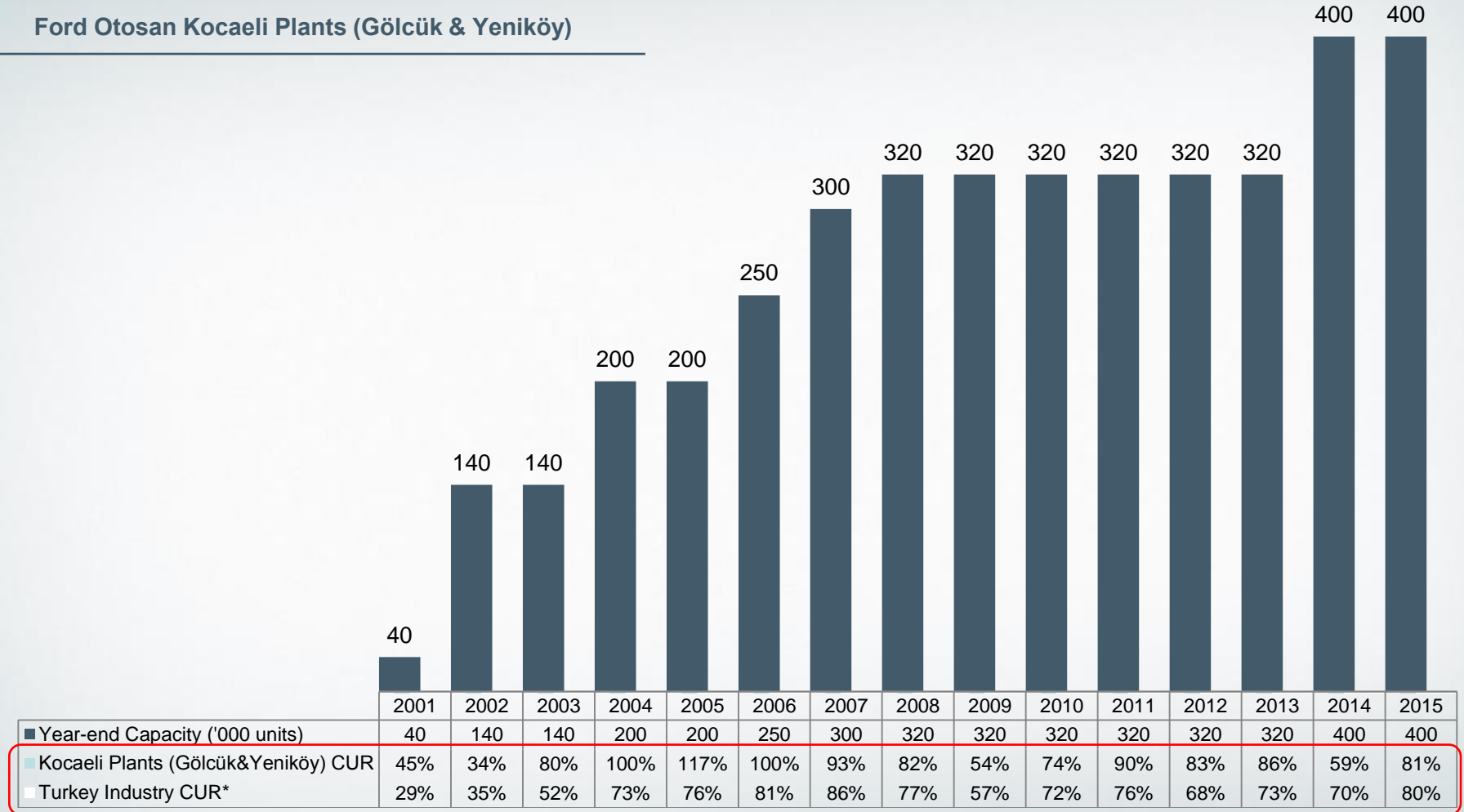


Ford Otosan provides maintenance, servicing and repairs through its customer-focused and innovative sales and after-sales network that spans the whole country.

Sales: 140  
After-Sales: 153  
Total Dealers: 194

# Efficient Production Hub

## Ford Otosan Kocaeli Plants (Gölcük & Yeniköy)



\*Source: Automotive Manufacturers' Association ([www.osd.org.tr](http://www.osd.org.tr))

# R&D Focused on Excellence

Ford Otosan has the largest R&D center in Turkey with over 1,350 R&D engineers.

Capability and infrastructure to design, develop and test a complete vehicle end-to-end, including its engine and engine systems.



## Sancaktepe R&D Center

Center of Excellence for heavy trucks and related heavy duty diesel powertrains

Design studio, CAVE lab (1<sup>st</sup> in Turkey), vehicle and engine HIL labs

## İnönü Product Development

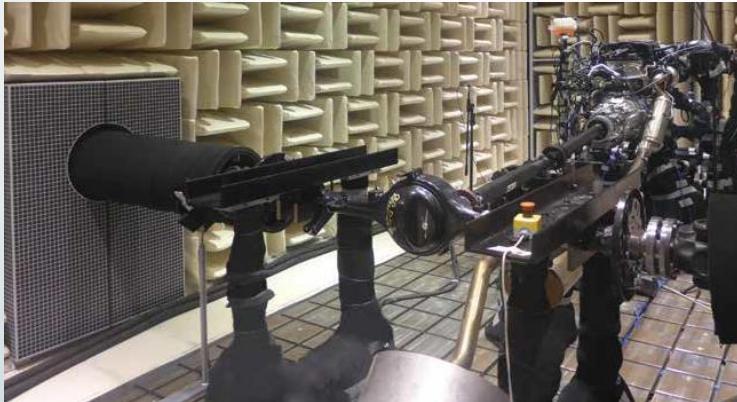
Prototype engine manufacturing and testing

The only facility to test extra heavy engines over 13L in Turkey

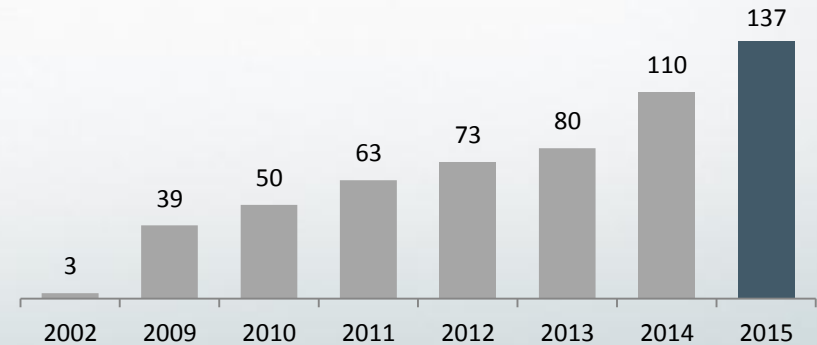


## Gölcük R&D Center

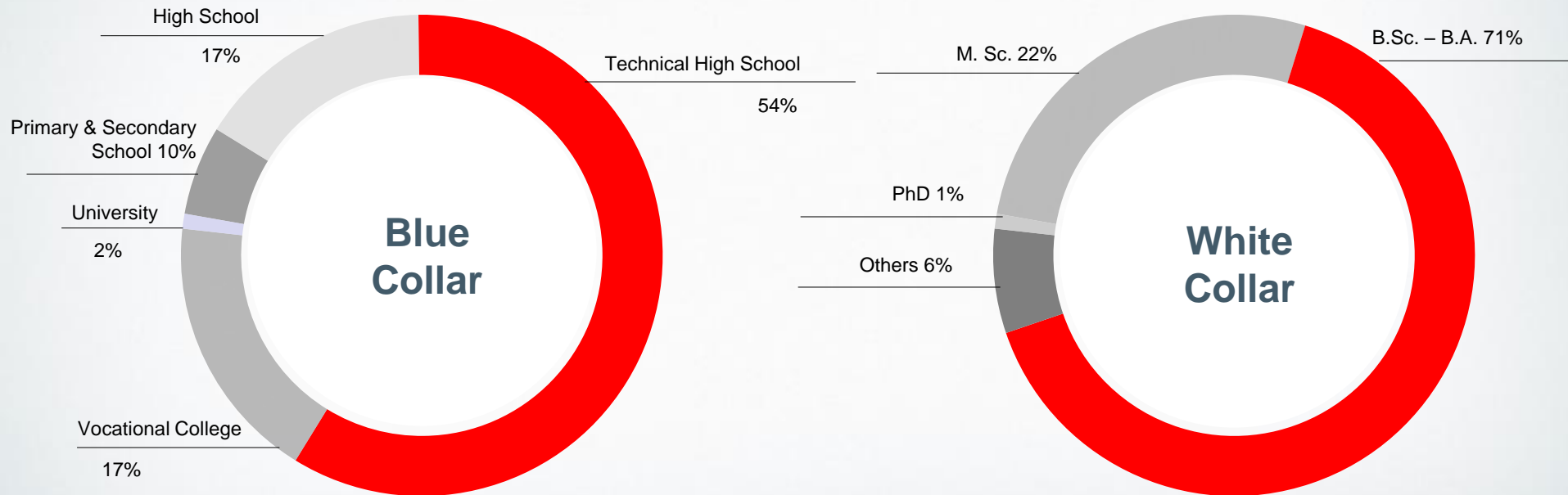
Engine testing, vehicle testing and development workshops



## Patent Applications



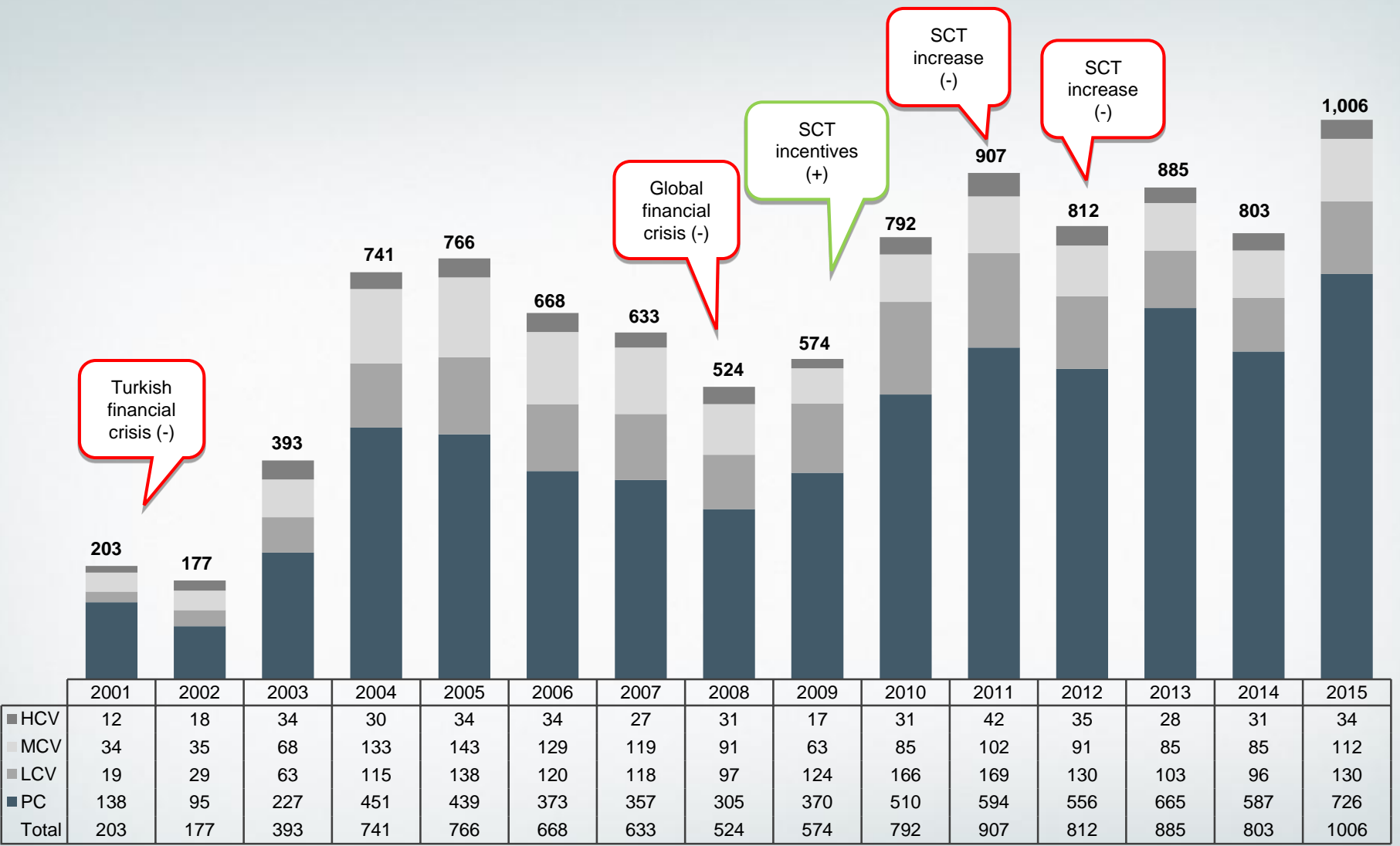
# Experienced and Skilled Workforce





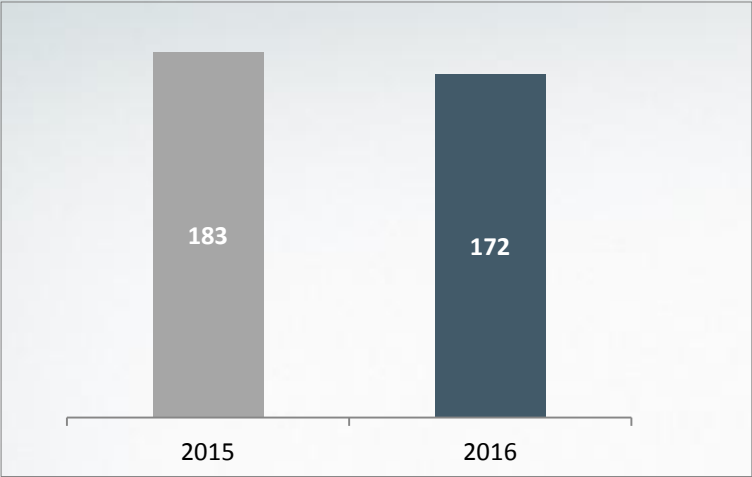
# Operating & Financial Performance

# Turkish Automotive Industry (000 units)

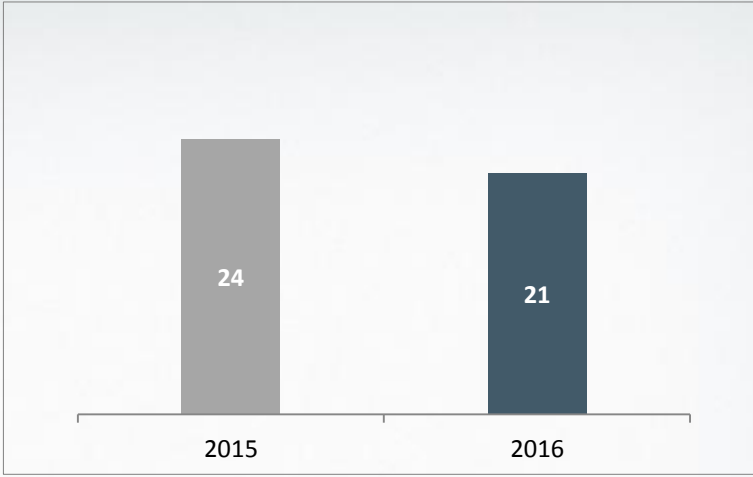


# Domestic Market (000 units)

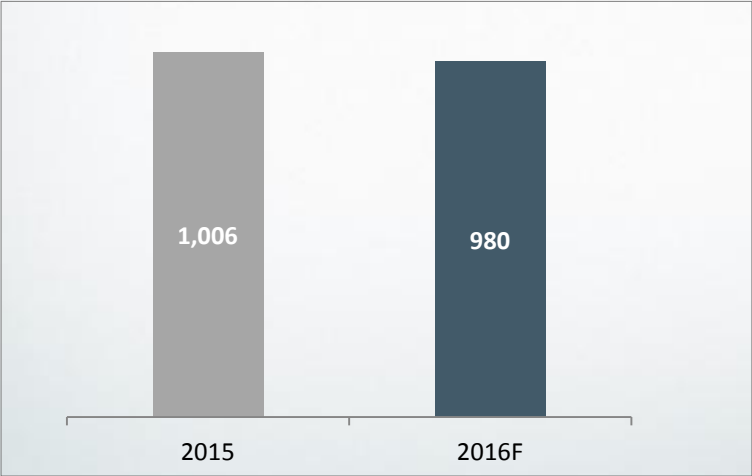
Total Industry, March YTD 2016



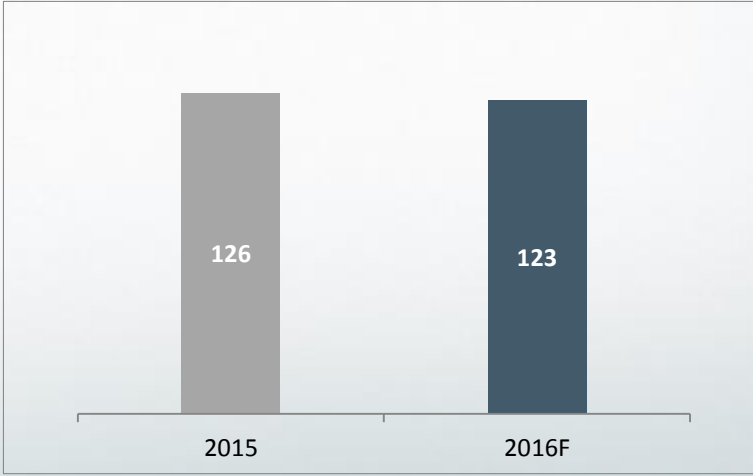
Ford Otosan, March YTD 2016



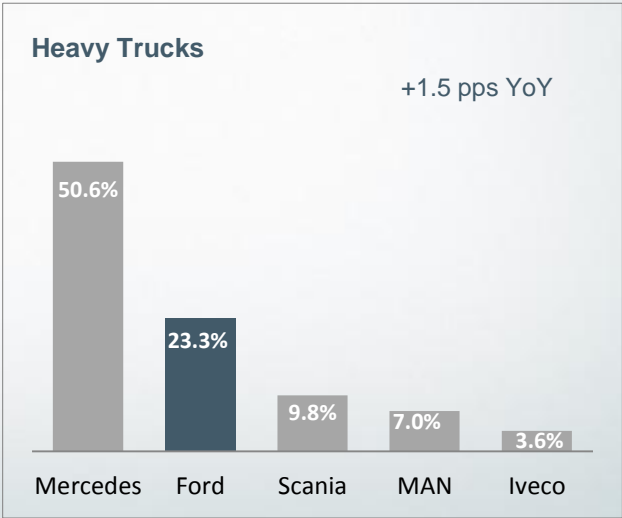
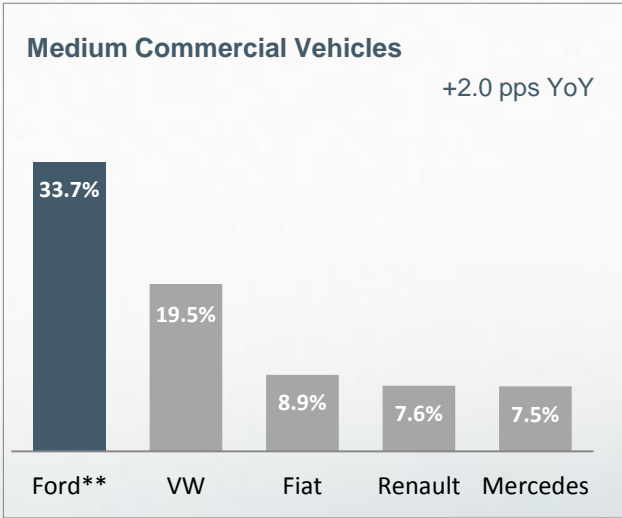
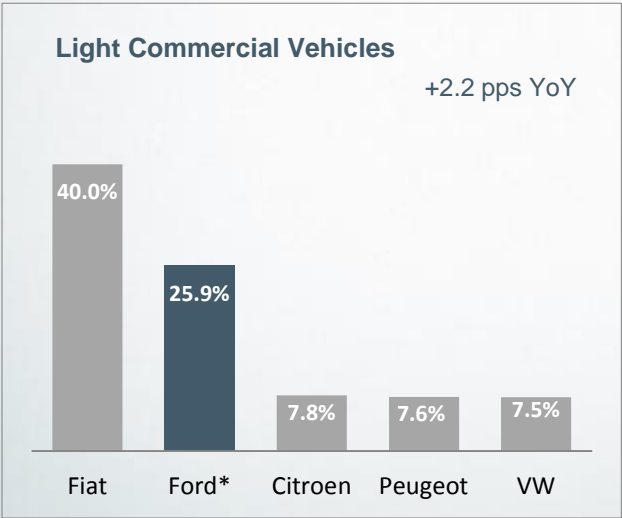
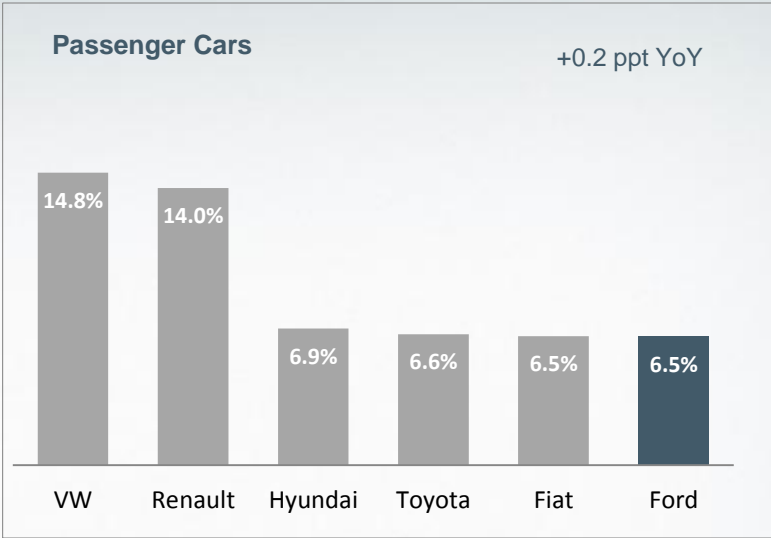
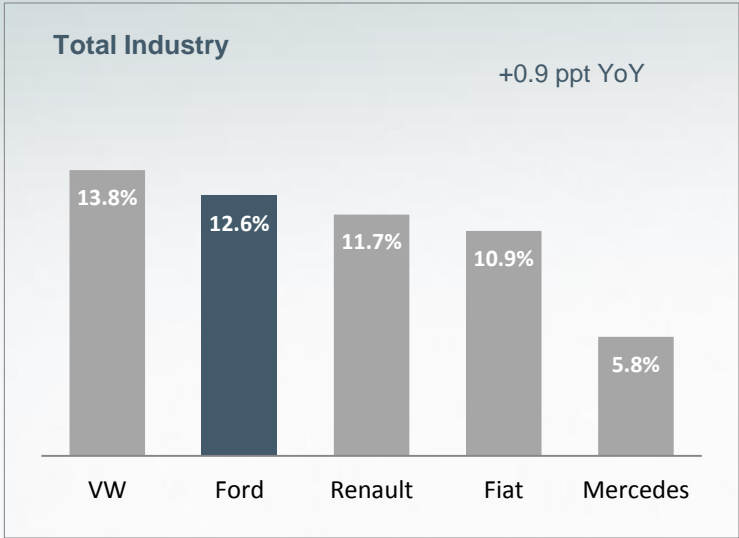
Total Industry



Ford Otosan Retail Sales



# Turkish Market Shares (2015)



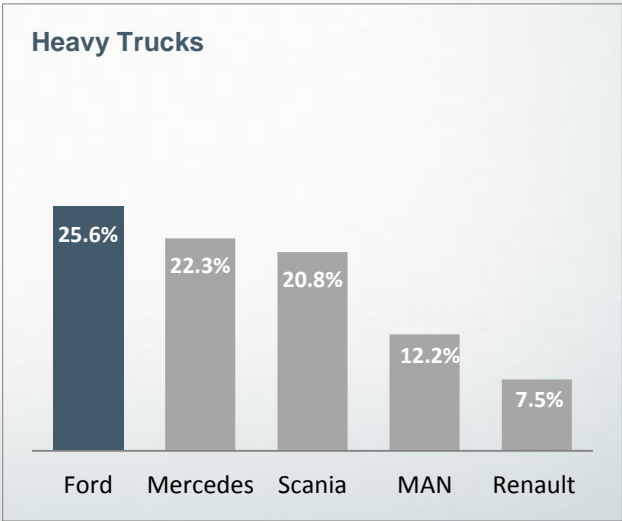
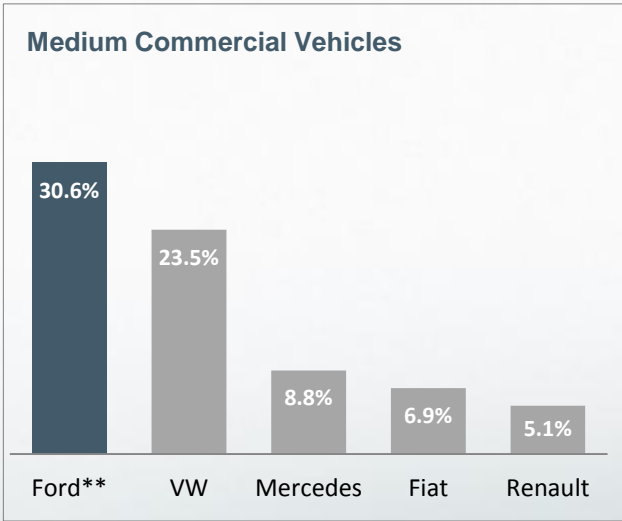
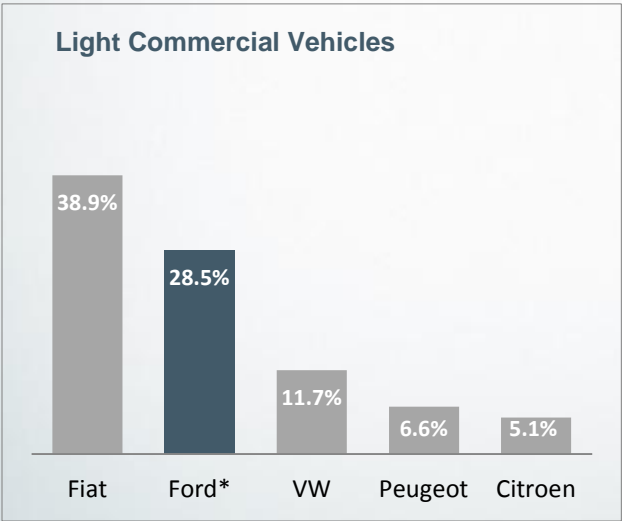
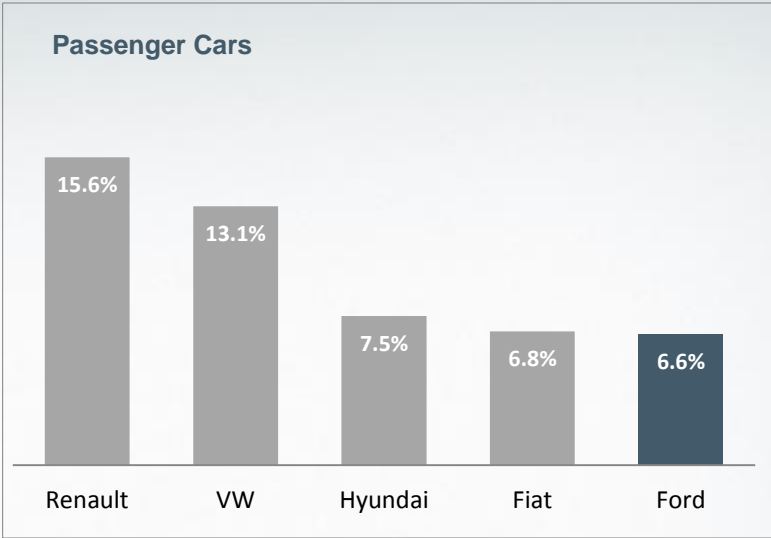
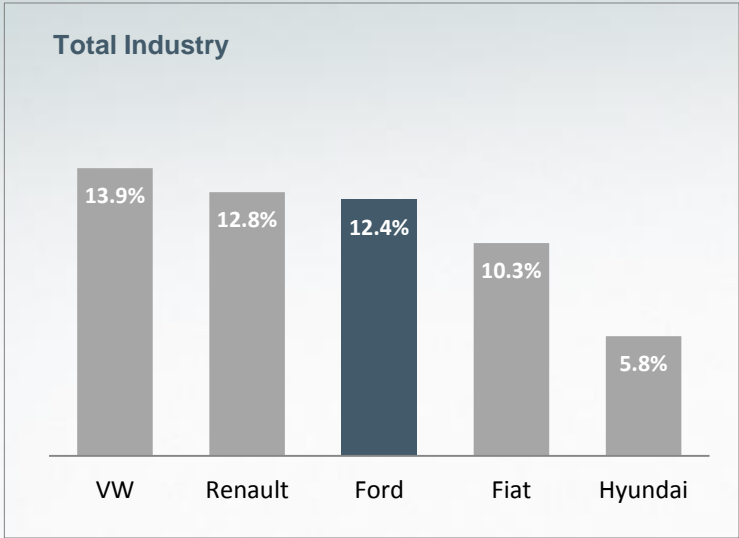
\* Courier and Connect

\*\* Transit and Custom

Source: ODD and TAID



# Turkish Market Shares (March YTD 2016)



\* Courier and Connect

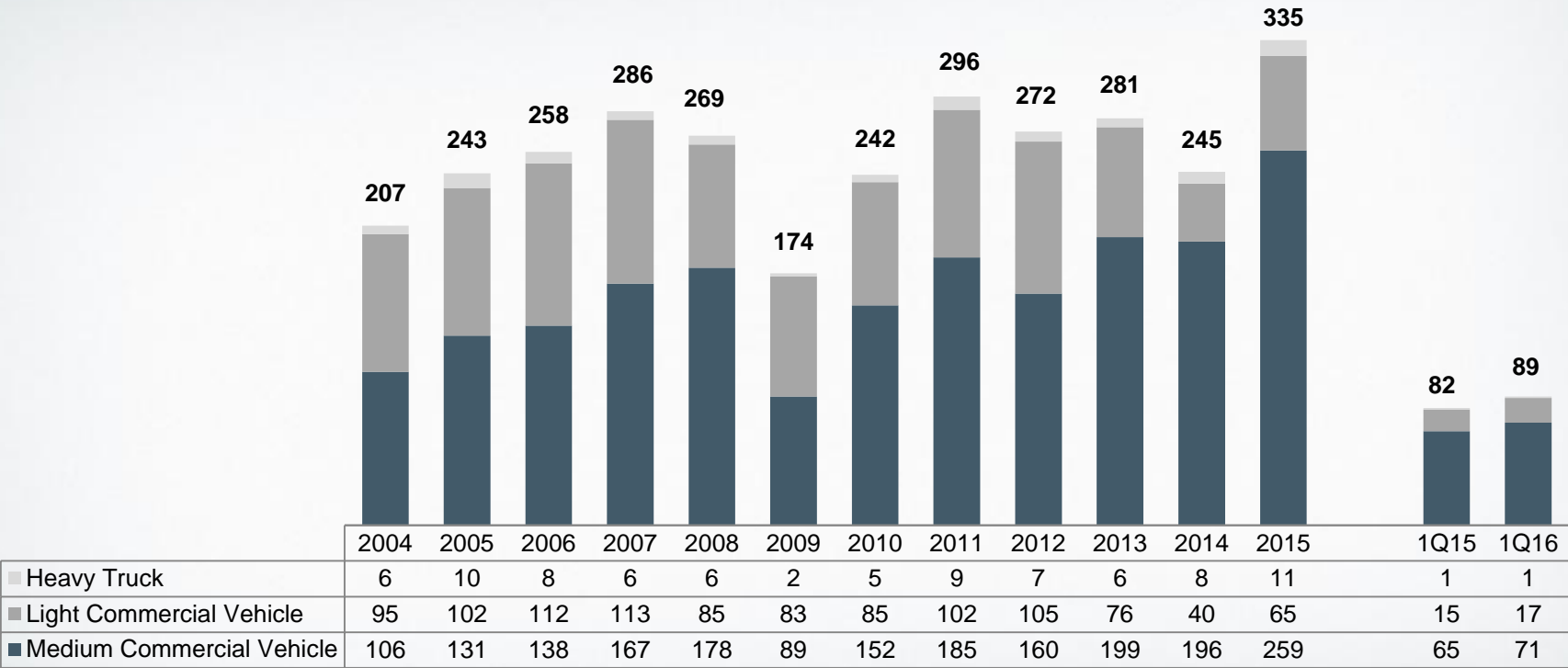
\*\* Transit and Custom

Source: ODD and TAID

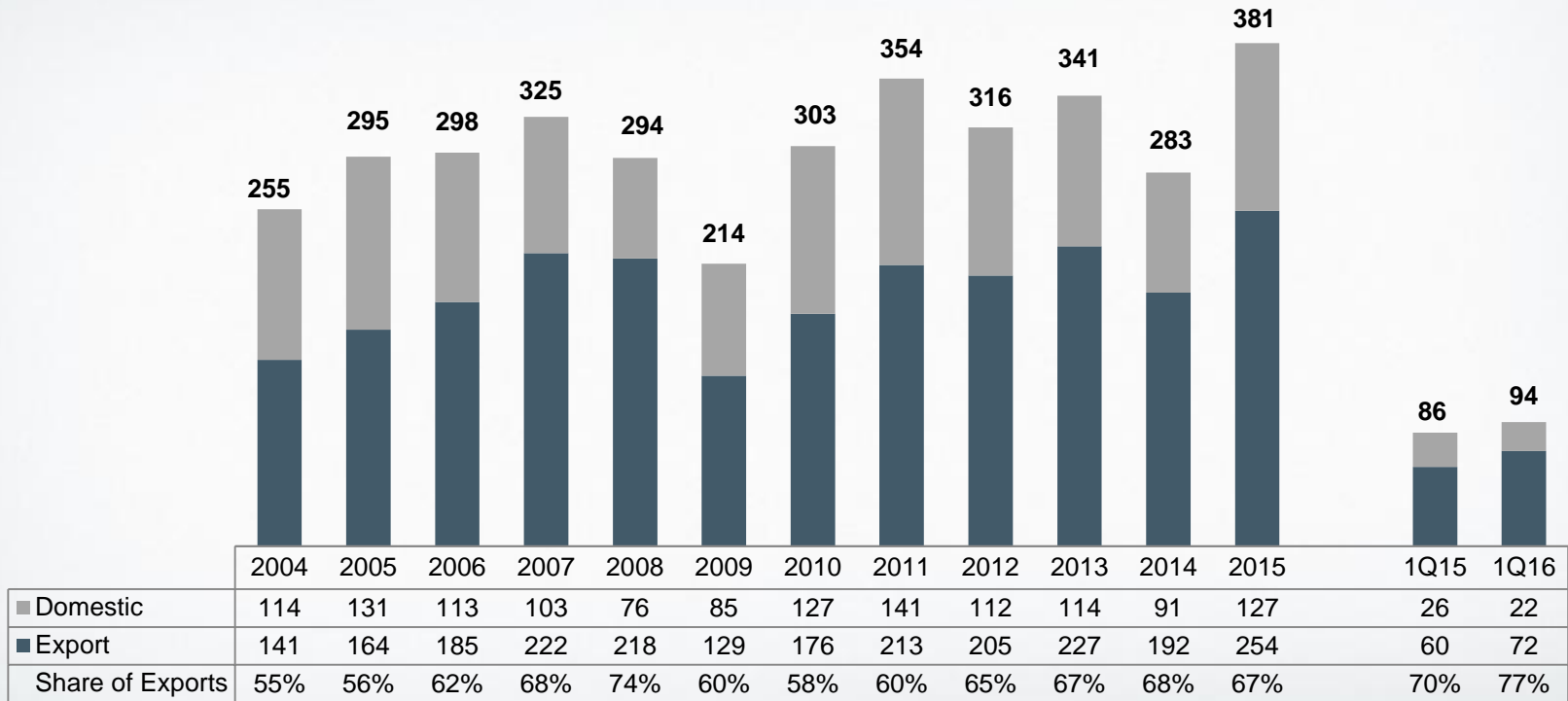
# Turkish Market & Ford Otosan Retail Sales

	March'16		March'16 YTD		March'15 YTD		2015 FY	
<b>PC</b>	Units	% Share	Units	% Share	Units	% Share	Units	% Share
Ford Otosan	4,111	6.4	8,480	6.6	7,953	6.3	47,158	6.5
Industry	63,975		127,921		126,991		725,596	
<b>LCV</b>								
Ford Otosan	2,818	30.3	5,586	28.5	6,607	27.1	33,708	25.9
Industry	9,286		19,629		24,350		130,286	
<b>MCV</b>								
Ford Otosan	2,829	29.2	6,402	30.6	7,180	32.8	37,774	33.7
Industry	9,687		20,936		21,907		112,135	
<b>HCV</b>								
Ford Otosan	419	24.5	860	25.6	2,114	24.0	7,828	23.3
Industry	1,713		3,358		8,824		33,656	
<b>Total</b>								
Ford Otosan	10,177	12.0	21,328	12.4	23,854	13.0	126,468	12.6
Industry	84,918		172,322		183,066		1,005,850	

# Production Volume by Segment (000 units)



# Wholesale Volume – Domestic & Export (000 units)





# Sales Volume by Model

	1Q16	1Q15	YoY %	4Q15	QoQ %
<b>Domestic</b>	<b>22.096</b>	<b>26.236</b>	<b>-16%</b>	<b>35.849</b>	<b>-38%</b>
PC	7.259	8.806	-18%	9.778	-26%
Transit Courier	6.773	7.261	-7%	10.763	-37%
Transit Connect	532	389	37%	860	-38%
Total LCV	7.305	7.650	-5%	11.623	-37%
Transit	5.313	6.363	-17%	9.927	-46%
Transit Custom	1.277	1.284	-1%	2.118	-40%
Ranger	26	2	1200%	375	-93%
Total MCV	6.616	7.649	-14%	12.420	-47%
Cargo	916	2.131	-57%	2.028	-55%
<b>Exports</b>	<b>71.547</b>	<b>59.635</b>	<b>20%</b>	<b>73.509</b>	<b>-3%</b>
Transit Custom	34.305	28.908	19%	41.128	-17%
Transit	27.888	23.782	17%	24.031	16%
Transit Courier	9.083	6.718	35%	7.910	15%
Cargo	135	136	-1%	337	-60%
Other	136	91	49%	103	32%
<b>Total Wholesale Volume</b>	<b>93.643</b>	<b>85.871</b>	<b>9%</b>	<b>109.358</b>	<b>-14%</b>

## 20%

YoY growth  
in exports

- Strong markets
- Higher demand for new products

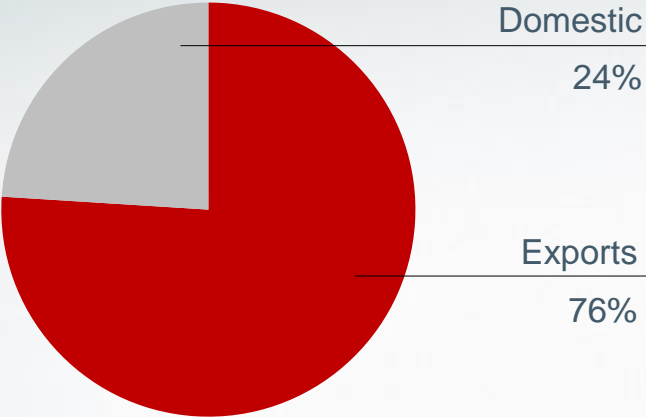
## 9%

YoY growth in  
total sales

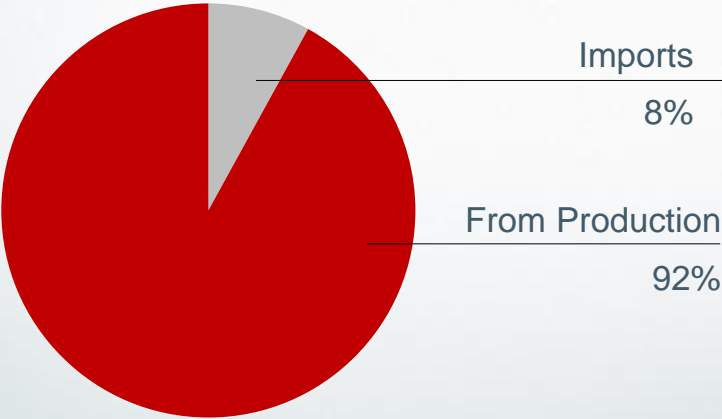
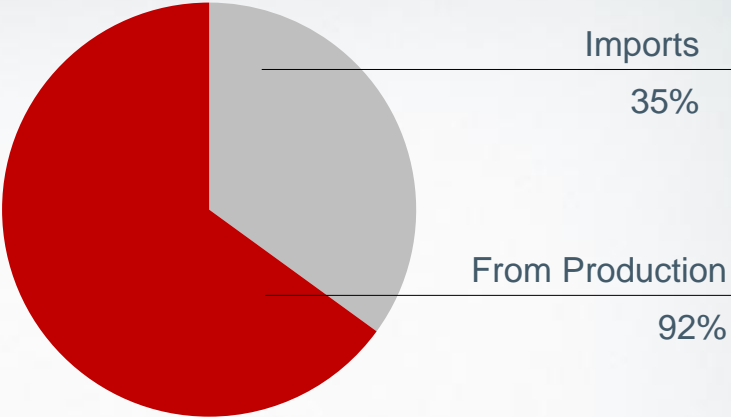
- Export volume growth

# Volume Analysis (1Q16)

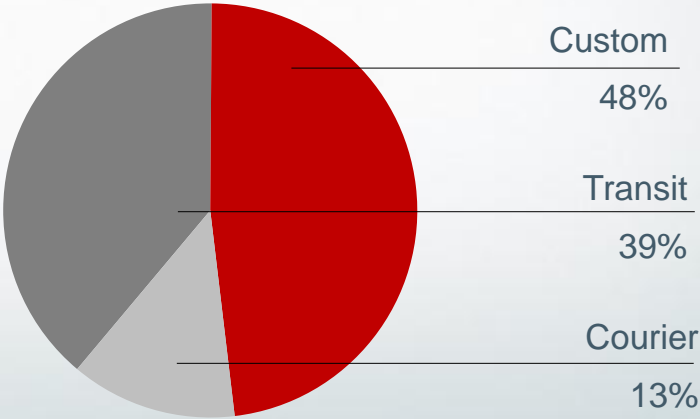
Total Sales



Domestic Sales



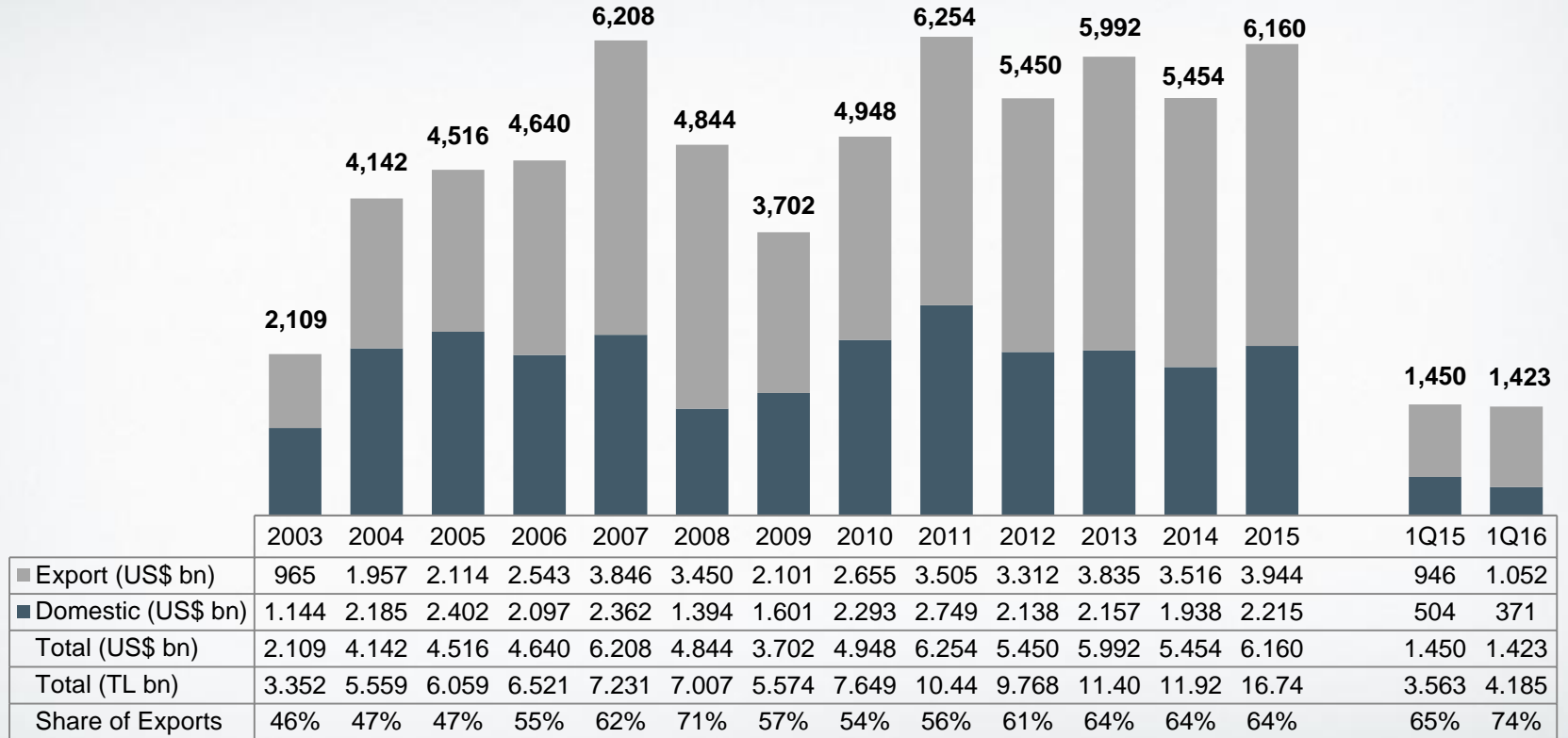
Exports by Model



# Main Financial Indicators

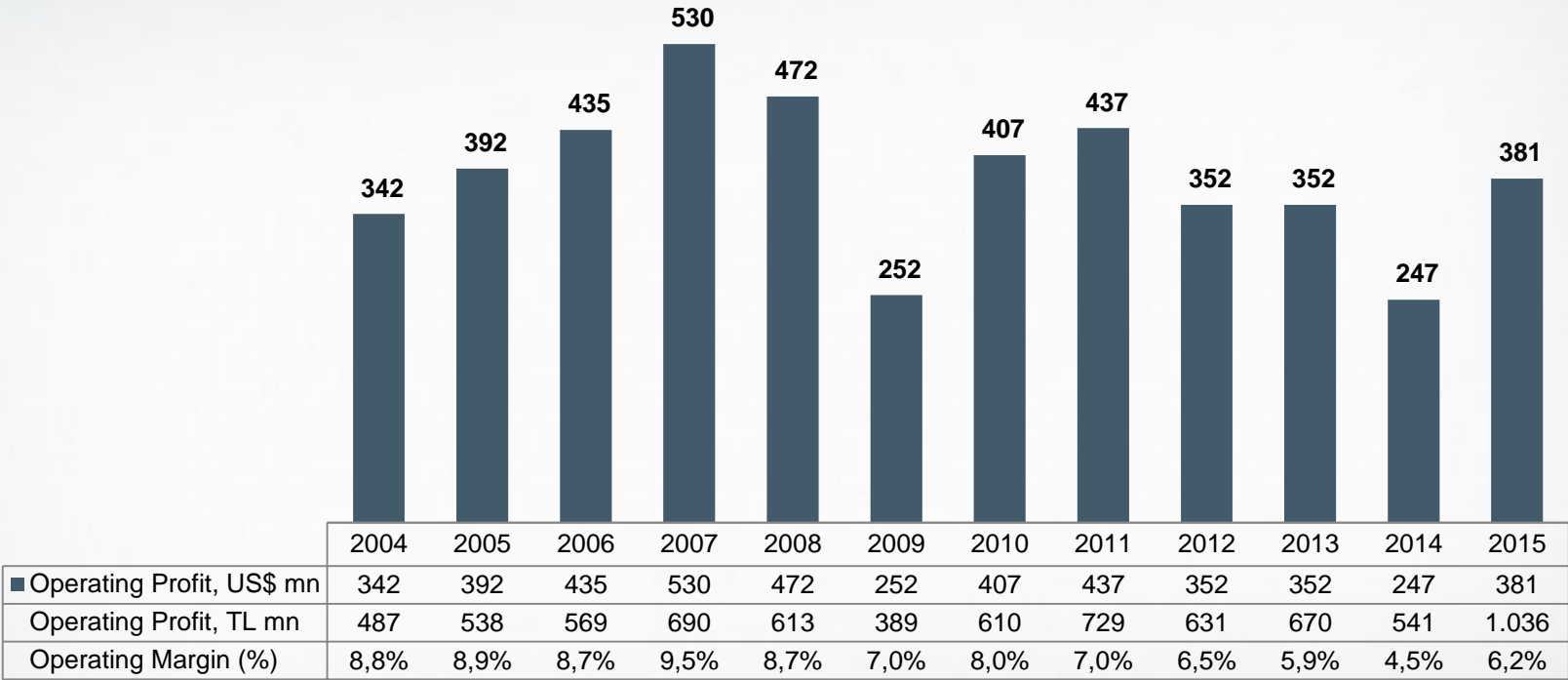
Million TL	1Q16	1Q15	YoY %	4Q15	QoQ %
Total Revenues	4.185	3.563	17%	5.016	-17%
Export	3.094	2.324	33%	3.224	-4%
Domestic	1.092	1.239	-12%	1.792	-39%
Gross Profit	465	387	20%	554	-16%
Operating Profit	237	216	10%	287	-17%
EBITDA	347	311	12%	395	-12%
Profit Before Tax	210	188	12%	283	-26%
Net Income	203	232	-13%	285	-29%
<b>Other Financial Data</b>					
Depreciation & Amortization	110	95	16%	108	2%
Financial Income / (Expense)	-26	-27	-5%	-2	-
Capex	-102	-94	8%	-140	-27%

# Revenues - Domestic & Export





# Operating Profit and Margin



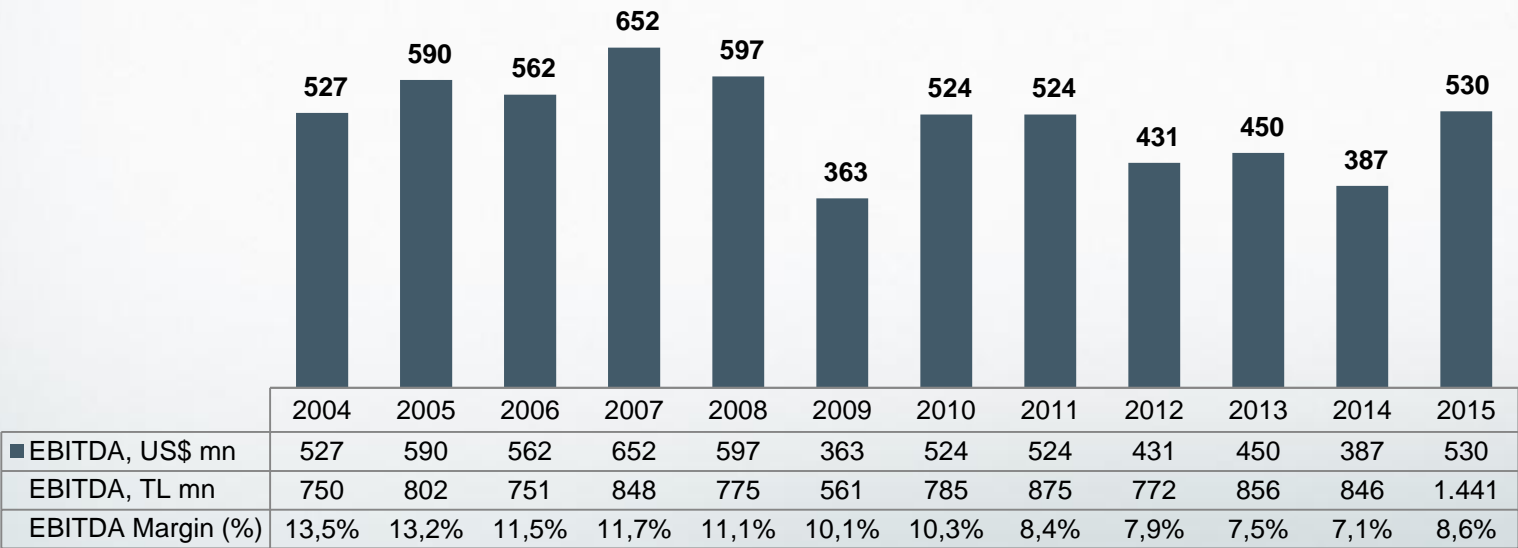
# EBITDA and EBITDA Margin

Profitability rose in 2015 due to:

- New products
- Higher volumes in both domestic and export markets
- Favorable sales mix
- Focus on pricing against the backdrop of high currency volatility
- Higher capacity utilization
- Cost reduction actions

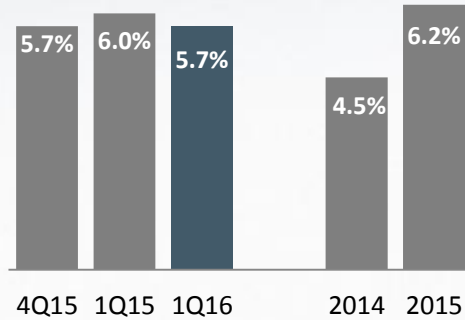
2010-2014 margin decline is due to:

- Changing business mix and highly competitive pricing landscape
- Industry shift towards PC leading to a less favorable sales mix
- Aged product portfolio
- Rising import costs and financial expenses due to TL volatility

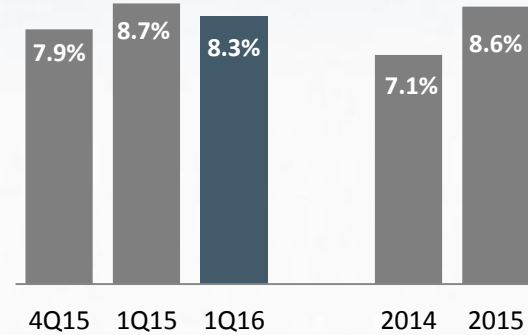


# 1Q16 Margins

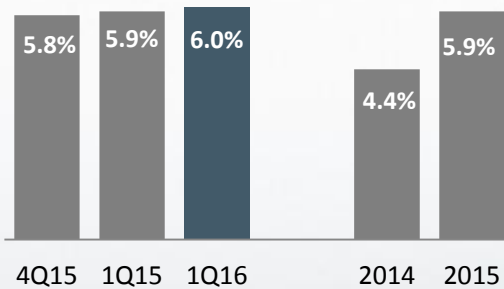
Operating Margin



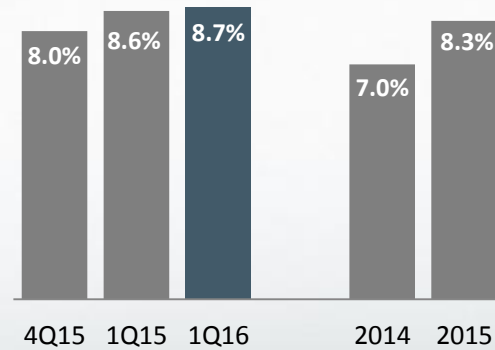
EBITDA Margin



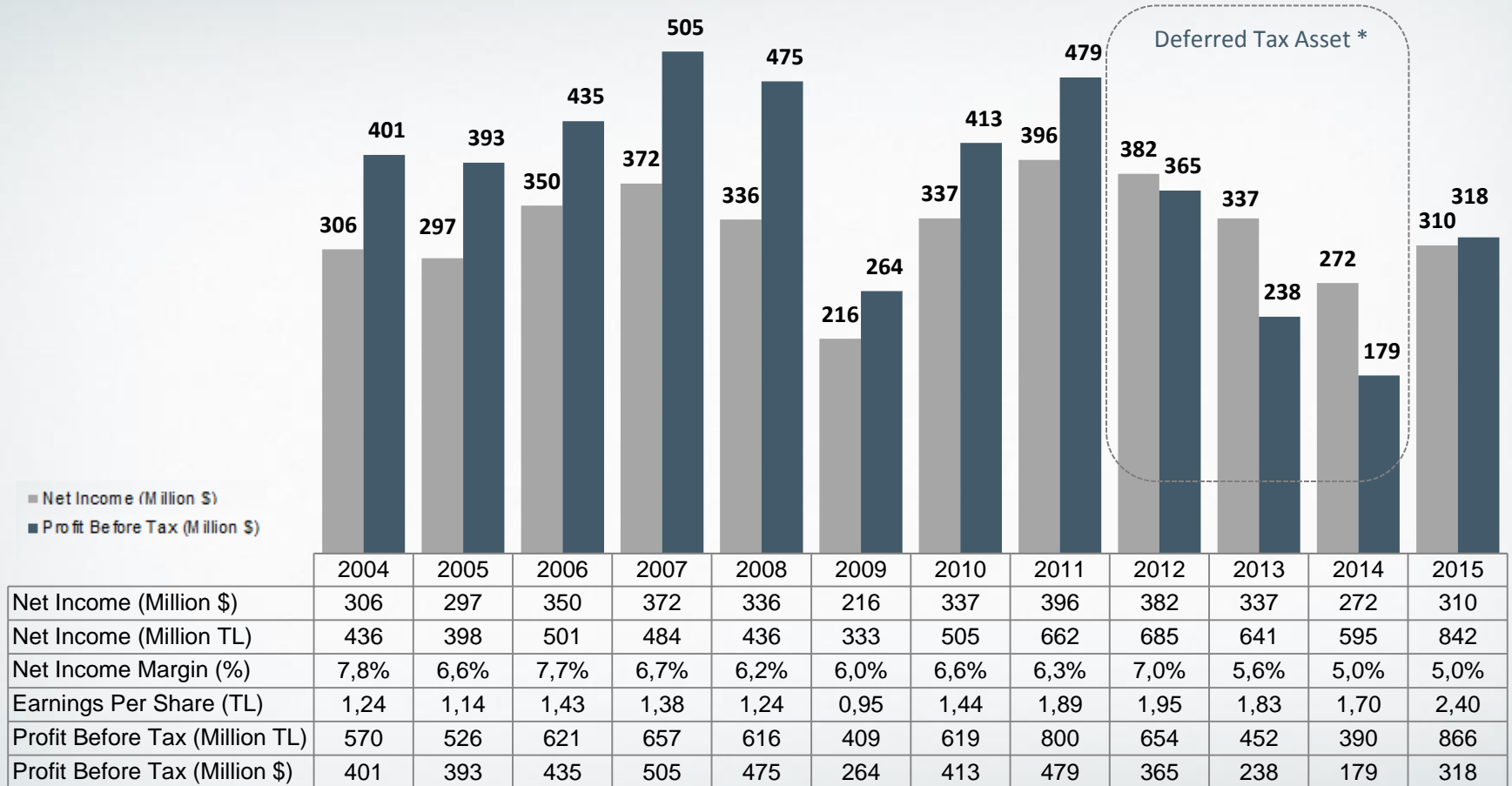
Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



# PBT & Net Income



\* Net profit is higher than profit before tax due to deferred tax asset established in line with the investment incentives granted by the government.

# Financial Risk Management

## Credit Risk

Receivables from domestic vehicle sales to dealers are collected using a Direct Debit System  
Domestic spare part sales are guaranteed with collateral from dealers (bank guarantee letters)  
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  
€80 million credit commitment & €70 million factoring agreements for potential needs.  
Net debt as of 1Q16 is TL1.8 billion.

## FX Risk

Excess cash is invested in hard currencies to minimize fx exposure  
Natural hedge against volatility due to fx-denominated export revenues: 64% of revenues  
Ford Otosan is a net exporter: US\$ 3.0 billion in the last 5 years (2011-2015)

## 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)	31.03.2016	31.12.2015
Cash & Cash Equivalents	1,038	980
Total Financial Debt	(2,885)	(2,561)
Net Financial Debt	(1,848)	(1,580)
Financial Ratios	31.03.2016	31.12.2015
Current ratio	1.07	1.05
Liquidity ratio	0.70	0.73
Net Financial Debt / Tangible Net Worth	0.78	0.63
Current Assets / Total Assets	0.50	0.48
Current Liabilities / Total Liabilities	0.70	0.71
Total Liabilities / Total Liabilities and Equity	0.67	0.64
Return on Equity	27.9%	27.5%
Margins	31.03.2016	31.03.2015
Gross Margin	11.1%	10.8%
EBITDA Margin	8.3%	8.7%
EBITDA Margin (excl.other items)	8.7%	8.6%
Operating Margin	5.7%	6.0%
Net Income Margin	4.9%	6.5%

# 2016 Guidance

	2015 Actuals	2016
Turkish Industry Volume	1,006 K	980 K
Ford Otosan Retail Sales Volume	126 K	123 K
Exports	254 K	263 K
Wholesale Volume	381 K	385 K
Production Volume	335 K	339 K
Capex (fixed assets)	€126 mn	€215 mn

Guidance updated in April 2016. According to the Capital Markets Board, companies are allowed to provide guidance 4 times a year. Our next update will be announced as part of 2Q16 financial results.

# Contacts

Aslı Selçuk

Investor Relations Manager

+90 216 564 7499

[aselcuk@ford.com.tr](mailto:aselcuk@ford.com.tr)

Burak Çekmece

Treasury & Risk Manager

(Responsible for compliance with Capital Markets Law)

+90 216 564 74 80

[bcekmece@ford.com.tr](mailto:bcekmece@ford.com.tr)

Gülçin Öztitiz

Investor Relations Officer

+90 216 564 7495

[goztitiz@ford.com.tr](mailto:goztitiz@ford.com.tr)



[www.fordotosan.com.tr](http://www.fordotosan.com.tr)

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