



Investor Presentation  
August 2016

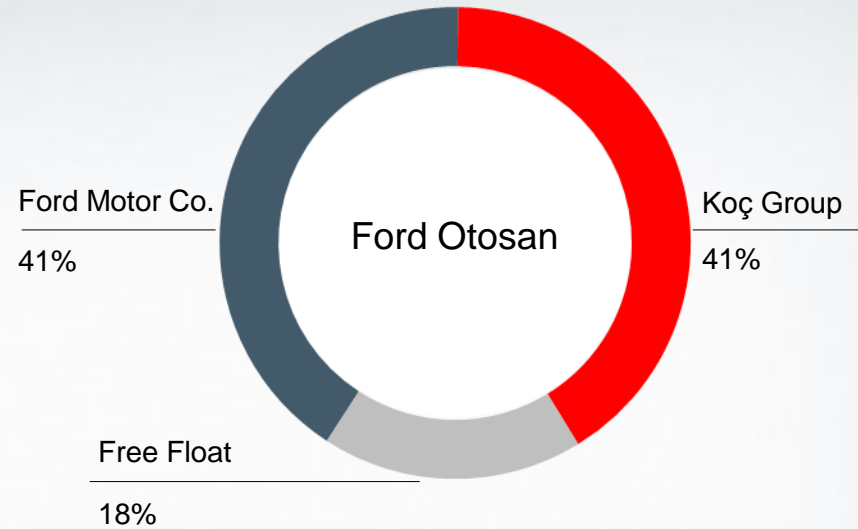
# Contents

▪ About Ford Otosan .....	3
▪ Plants and Facilities .....	9
▪ Products .....	16
▪ Investment Case .....	24
▪ Operating and Financial Performance .....	43
▪ Guidance .....	60
▪ Contacts .....	61

# 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

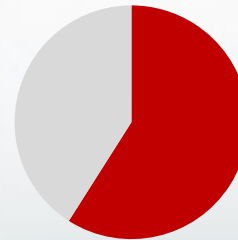
Turkey's **export leader**  
Turkey's **2<sup>nd</sup> largest** industrial enterprise  
**Highest** employment in Turkish automotive

## Leadership and scale

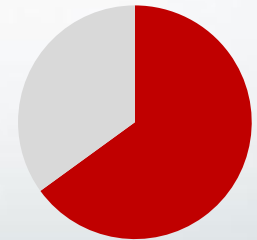
Market leader in Turkish commercial vehicle industry  
**Widest** product range in Turkish automotive  
**Highest** installed production capacity in Turkish automotive



**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 – Gölcük 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 140k-160k



Custom 130k-150k

290,000 units manufacturing capacity

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

Opened in 2001



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



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



ISO 14001  
BUREAU VERITAS  
Certification



ISO 14064-1  
BUREAU VERITAS  
Certification



OHSAS 18001  
BUREAU VERITAS  
Certification



ISO 50001  
BUREAU VERITAS  
Certification



Cargo 15k

Opened in 1982

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

80k units engine, 140k units powertrain production capacity

- 12.7L / 9.0L E6 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 46

# 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 46



# 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



COURIER



**Tourneo Courier**  
(People mover)

**Transit Courier Combi Van**  
(Commercial)

**Transit Courier Van**  
(Commercial)

Market share details available on page 46

# 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



## TRACTOR

**4x2** Tractor and **6x2** Full Trailer are the main applications. Available in **E3&E5 AND E6** emission levels with **13L ECOTORQ ENGINE** generating power **420 AND 480 PS**

## ROAD TRUCK

Mainly used for local distribution and municipality (special purpose vehicles) **4x2, 6x2, 8x2** applications. Available in **E3&E5 AND E6** emission levels with **9L AND 13L ECOTORQ ENGINE** generating power **330 AND 420 PS**

## CONSTRUCTION

Tipper, Transmixers, Cement Pumps. **6x4, 8x4, 4x2, 6x2 AND 8x2** applications. Available in **E3&E5 AND E6** emission levels with **9L AND 13L Ecotorq** engine generating power **330 AND 420 PS**

Long  
Haulage



Distribution  
Trucks



Construction  
Trucks

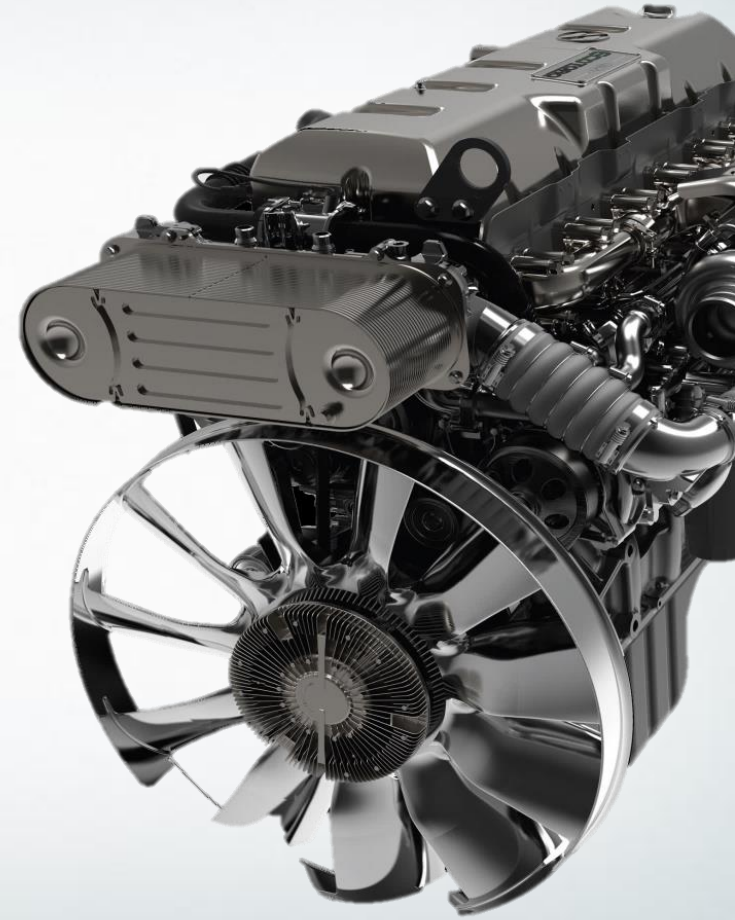


Market share details available on page 46



# Ecotorq Engine Family

- Available in 9L 330PS and 13 L 420 to 480PS
- Euro 3, Euro 5 and Environmentally Friendly Euro 6 Emission Levels
- Turbocharger with Variable-Geometry
- 2500 bar Common-Rail Fuel Injection System
- Specially Coated Pistons
- Smart Charging Alternator



# The Newest Portfolio in the Industry



1.2 years  
Average product age

# 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	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)								
	Galaxy								
>2000	Mustang	18%	145%***	<b>189%</b>		Transit Combi	18%	15%****	<b>36%</b>
						Transit Custom Combi			
						Transit Custom Combi Van			
						Tourneo Custom			
						Transit Courier Combi Van			
						Tourneo Courier			
						Connect Combi			
						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)

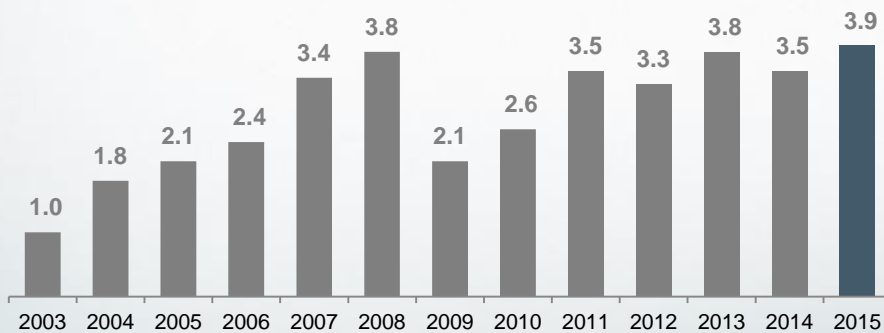
Vehicles and spare parts exported to **82 countries in 5 continents**

**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**

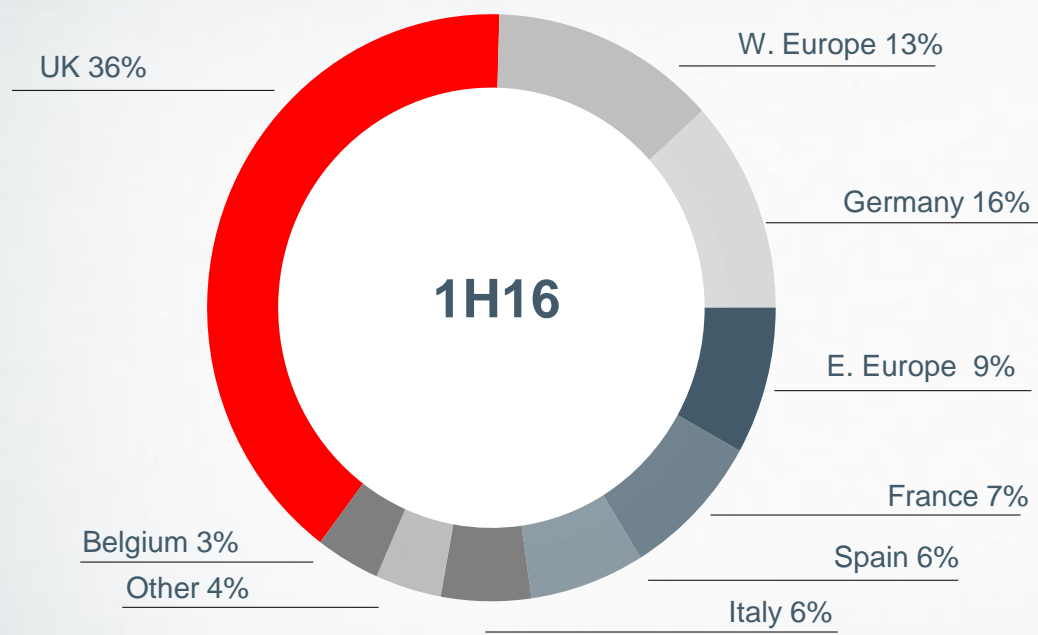
**Export receivables** from Ford Motor Company and its subsidiaries are collected within average **14 days**

Export Revenue (US\$ bn)

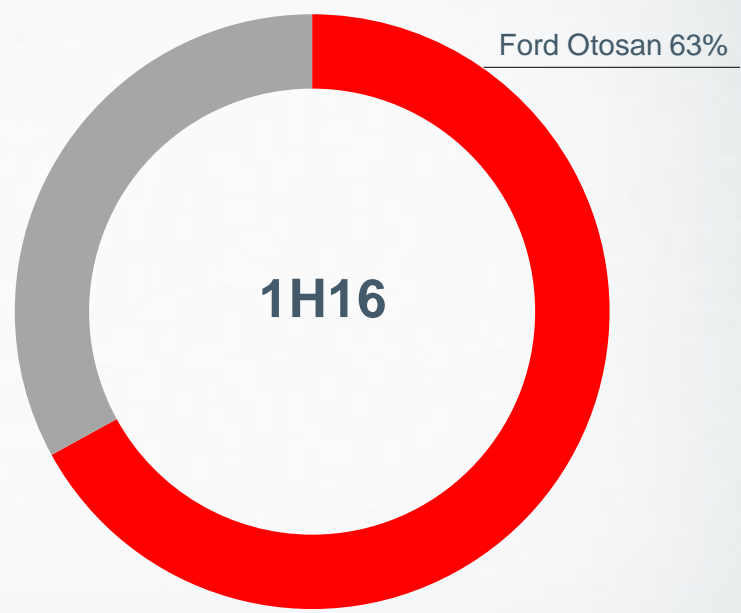


# Turkey's Largest Exporter

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	1Q 2016	Apr'16	May'16	Jun'16	YTD
UK	18.7	15.6	-4.3	0.4	3.3	1.2	11.8	1.9	2,7	3,0
Germany	7.3	4.2	11.8	15.9	3.0	9.3	9.1	15.3	12,9	10,9
Italy	16.4	12.4	28.8	28.7	32.1	30.0	30.8	35.0	27,6	31,3
Spain	33.2	36.1	17.1	16.8	-1.3	8.9	18.0	19.3	17,3	13,8
France	1.5	2.0	12.3	13.0	5.0	9.6	8.9	27.8	11,3	12,4
Total	11.3	11.6	11.0	16.9	7.6	11.3	13.6	17.7	14,2	13,2

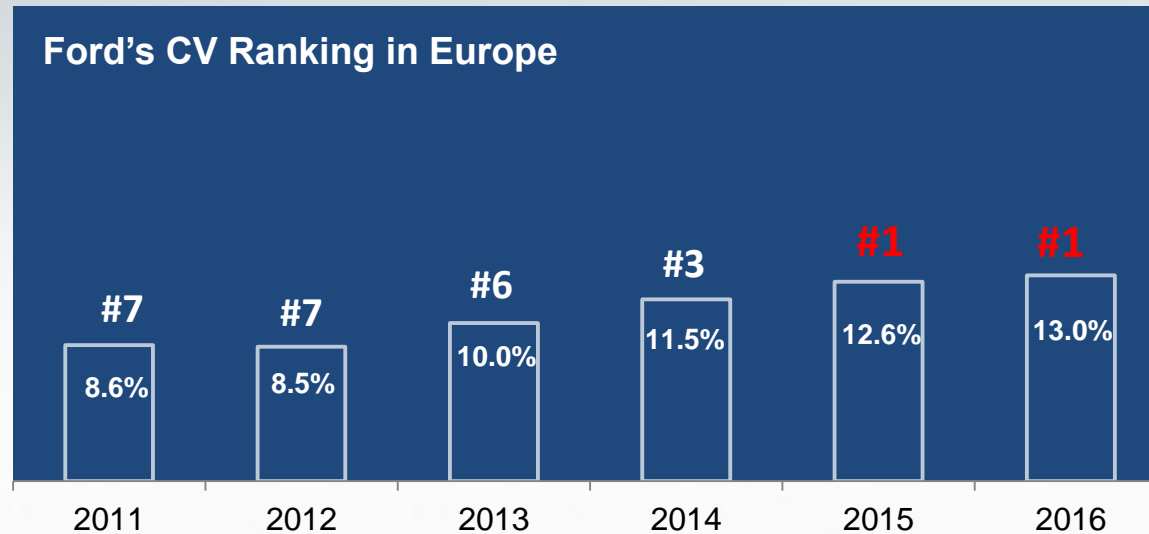
In June, the European market grew for the **34<sup>th</sup> consecutive** months. **Van segment grew by 14.2%** (187,158 units) **YoY** and **13.2% YTD** to 968,791 units. ([www.acea.be](http://www.acea.be))



## Ford's commercial vehicle sales in Europe

- Ford was Europe's **No.1** commercial vehicle brand in **the first half of the year**, reporting **best commercial vehicle sales** since **1993**.
- Ford's CVs sales **rose 18.0%** YoY in June.
- Market share was **13%** in 1H16 on increased demand for the expanded Transit range and the Ranger pickup.

# Ford Ranks No. 1 in European Commercial Vehicles



**#1** Ford is Europe's No. 1 commercial vehicle brand in 2016

**20%** Yearly sales increase in Transit Family

**13.0%** Ford's 2016 commercial vehicle market share

**80%** Ford Otosan's share in Ford of Europe's 2016 Transit sales

**71%** Ford Otosan's share in Ford of Europe's 2016 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 was 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)

140,000 - 160,000



New Transit

130,000-150,000



Custom

110,000



Courier

15,000



Cargo

Gölcük Plant

290,000

Yeniköy Plant

110,000

İnönü Plant

Kocaeli Plants

400,000

# 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.



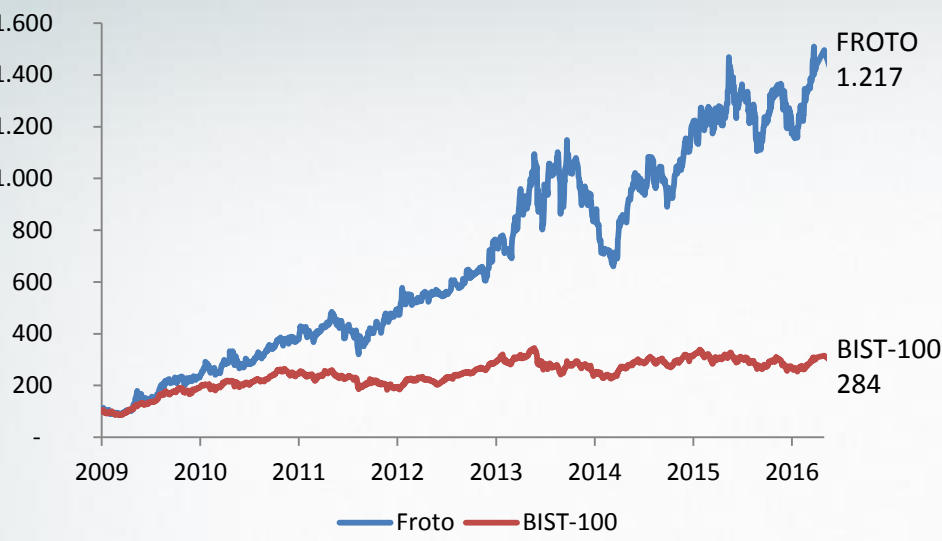
## Chassis, cab and components of Ford heavy trucks

- Signed on July 25<sup>th</sup>, 2014.
- The products and JMC branded vehicles containing these products will be sold in China.
- Ford Otosan received 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

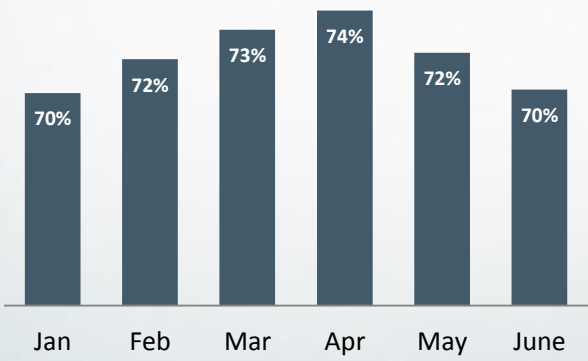
## Strong relative share performance



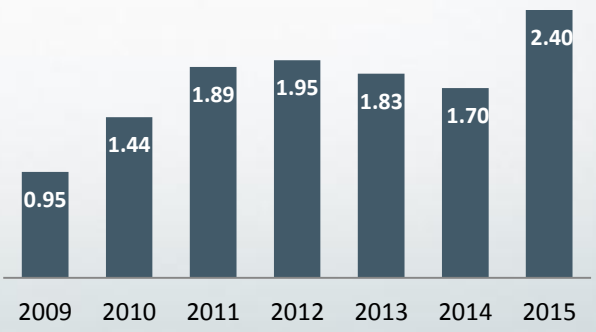
## Commitment to corporate governance

- 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 (2016)

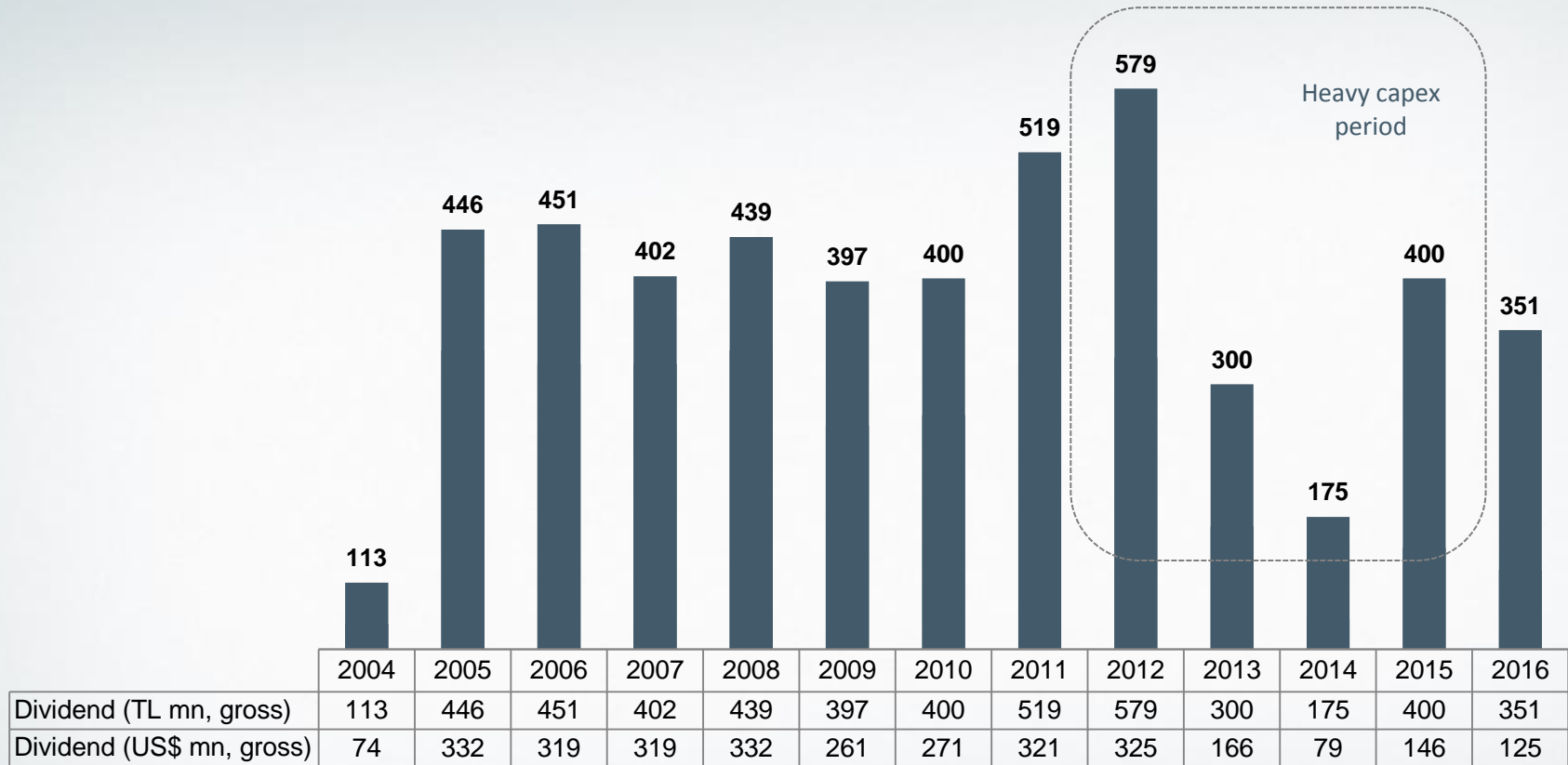


## Earnings per share (for Kr 1 nominal value)



# Dividend History and Policy

TL 4.97 billion (US\$3.1 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 (LCV/MCV/Passenger)



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

Sales:	114
After-Sales:	125
Total	159



# Large Distribution Network (Ford Trucks)

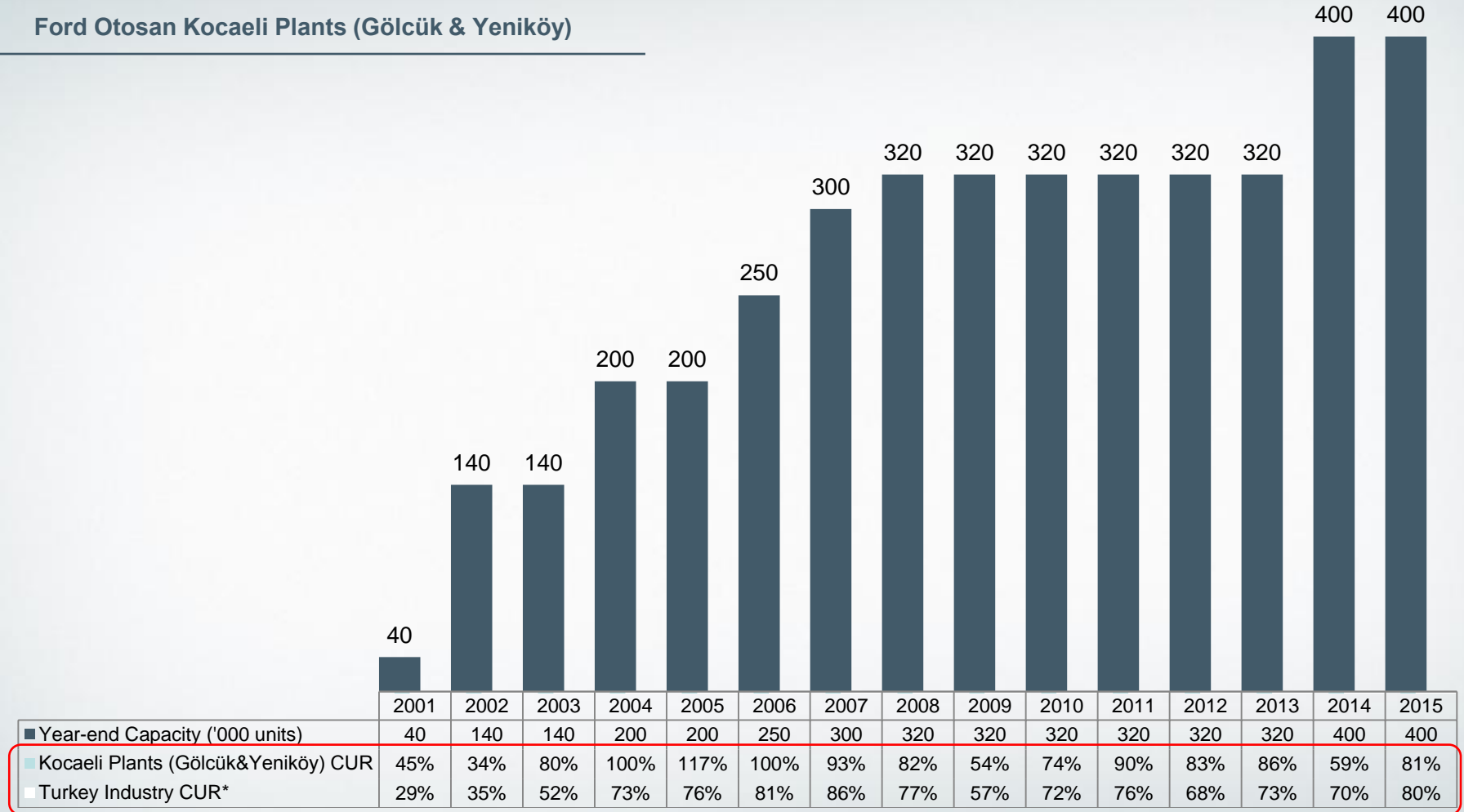


Ford Otosan provides maintenance, servicing and repairs through its customer-focused and innovative sales and after-sales network that spans the whole country.

Sales:	27
After-Sales:	29
Total	30

# 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

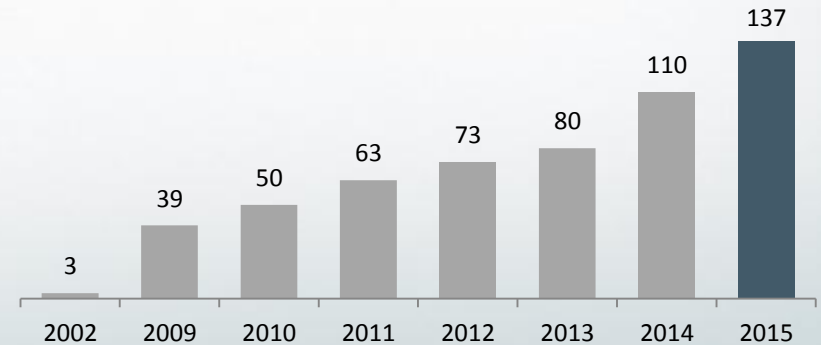


## Gölcük R&D Center

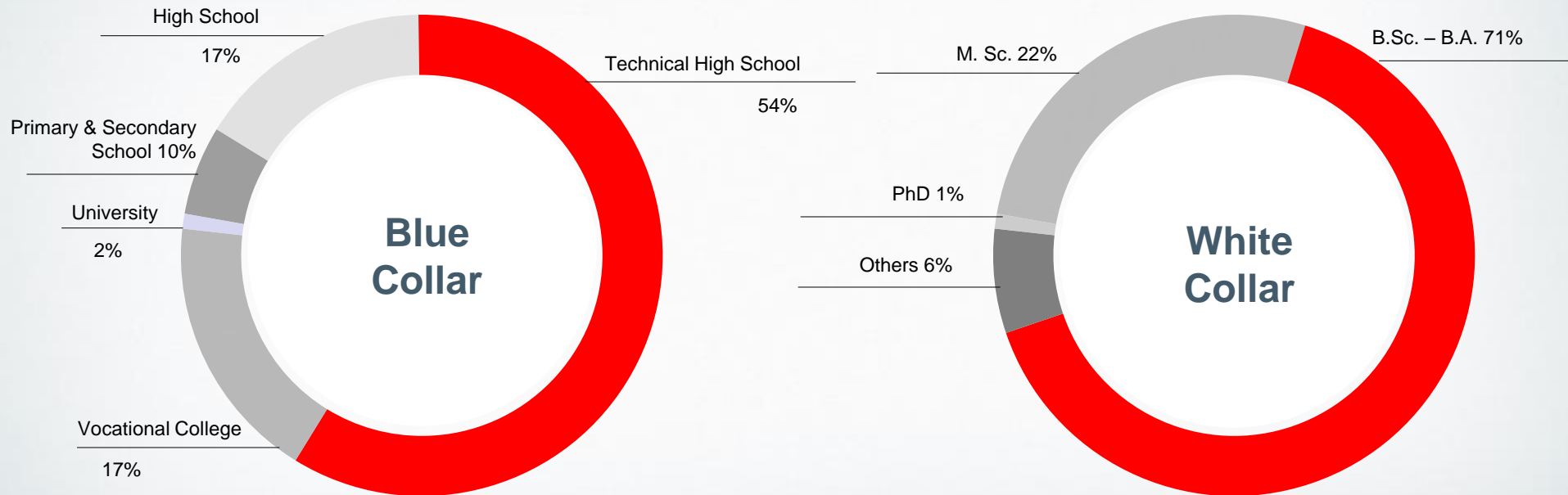
Engine testing, vehicle testing and development workshops



## Patent Applications

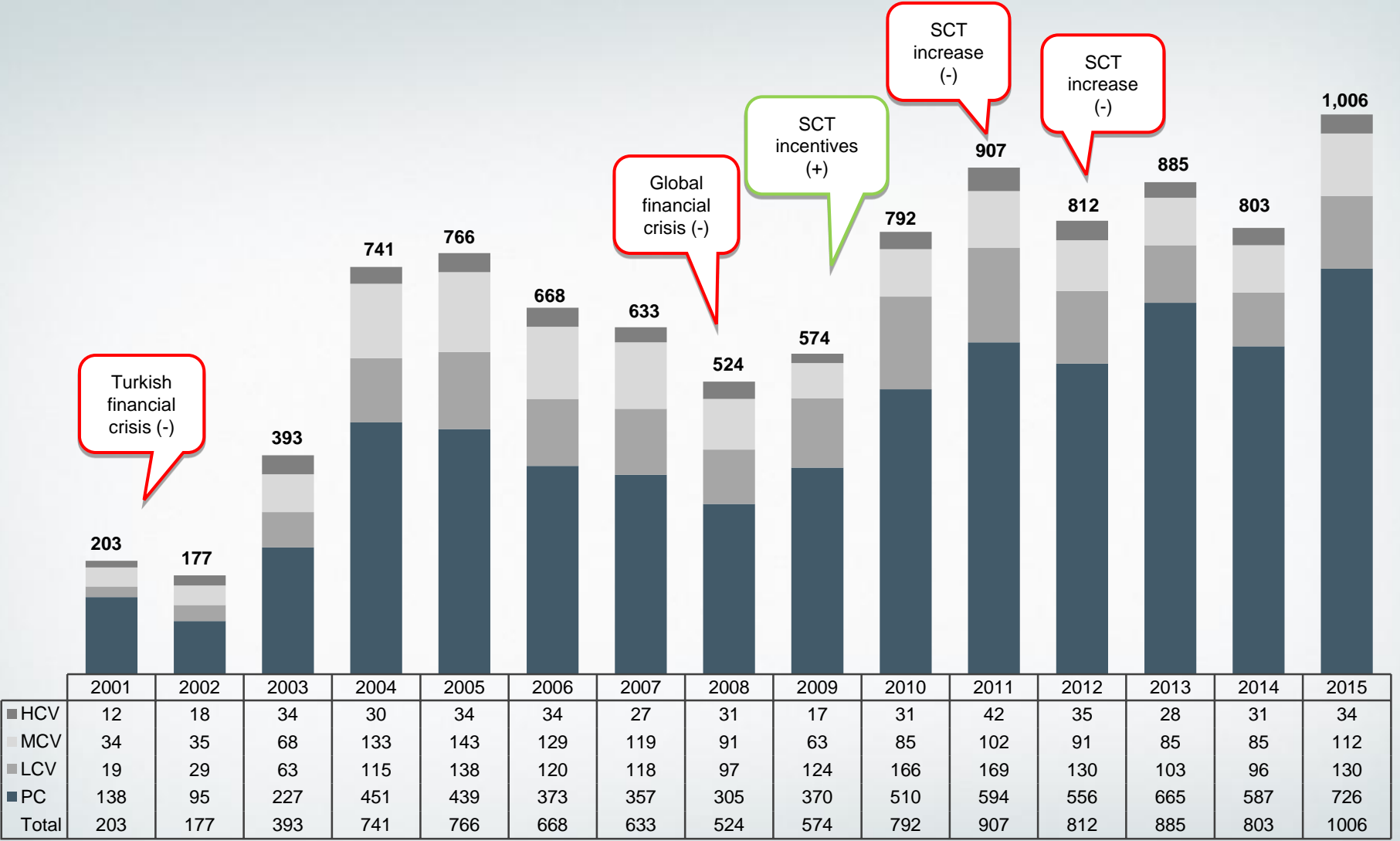


# Experienced and Skilled Workforce



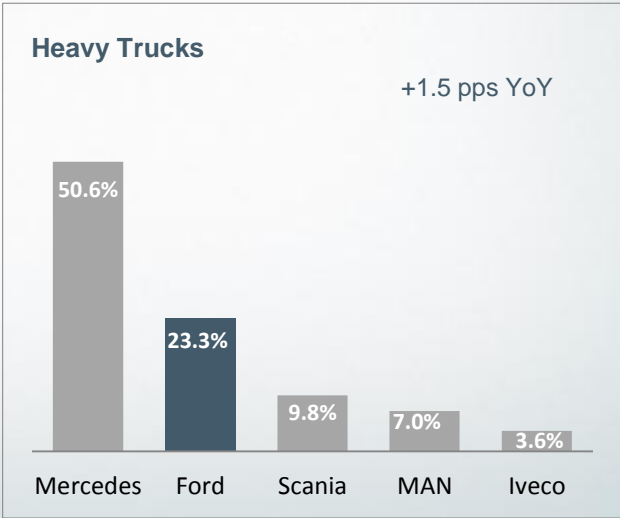
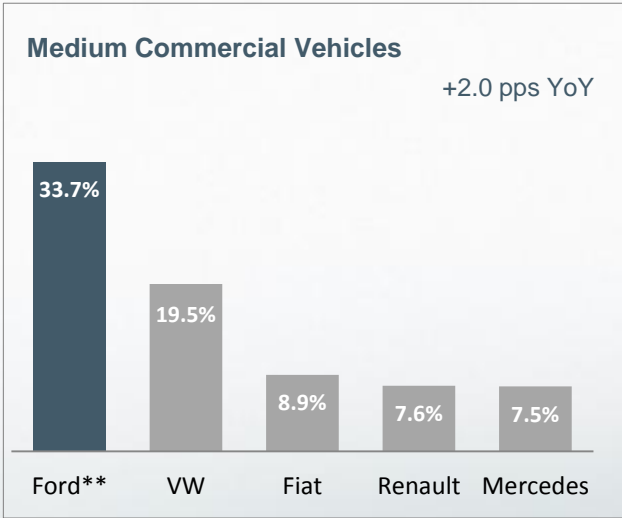
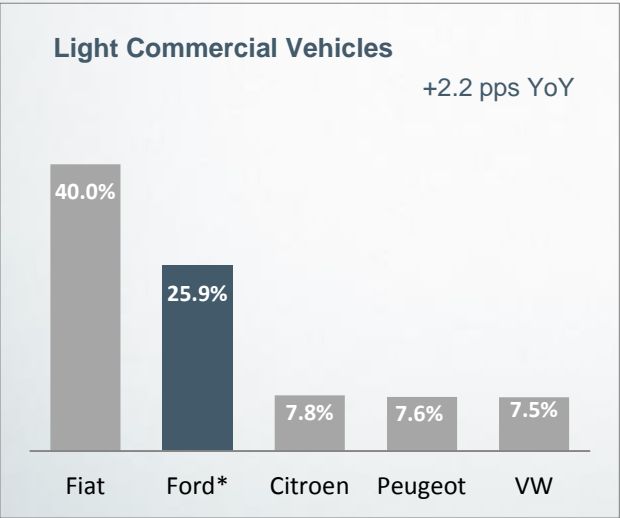
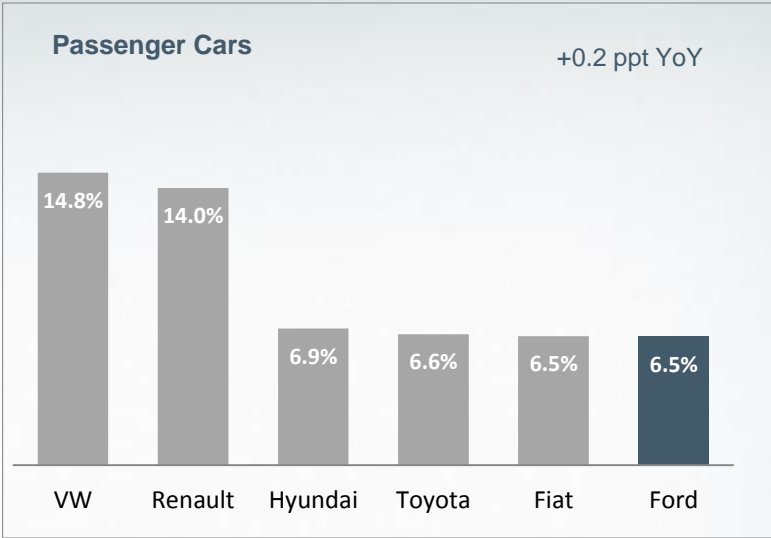
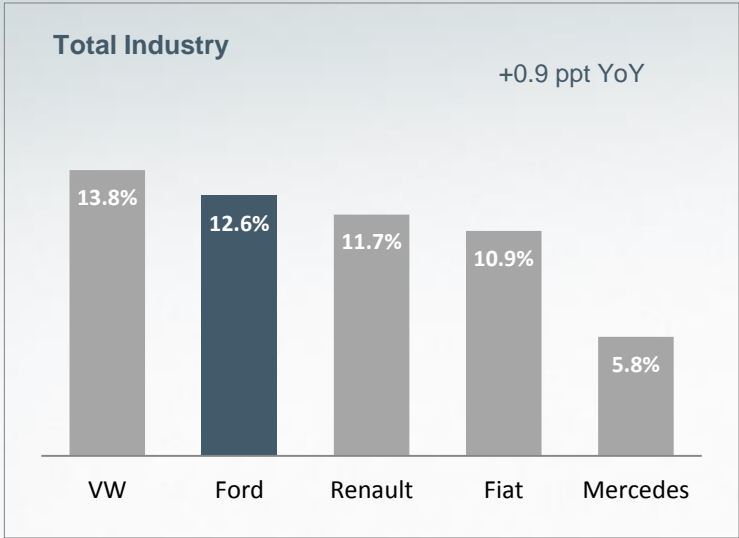
# Operating & Financial Performance

# Turkish Automotive Industry (000 units)





# Turkish Market Shares (2015)

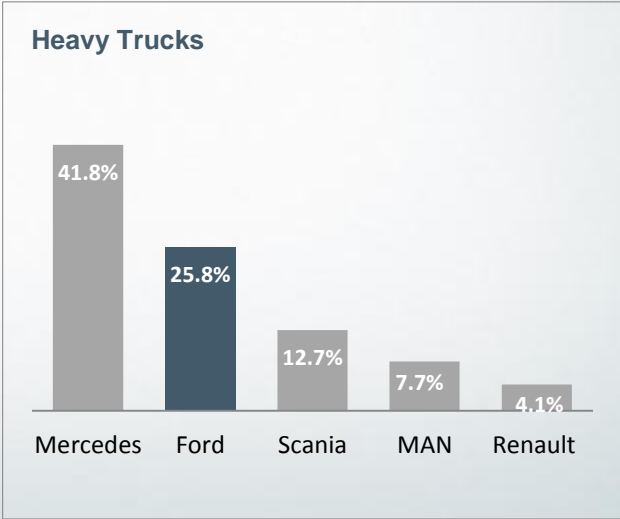
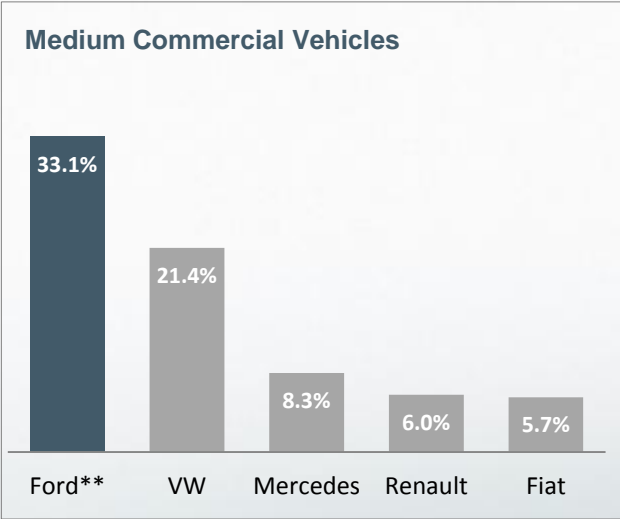
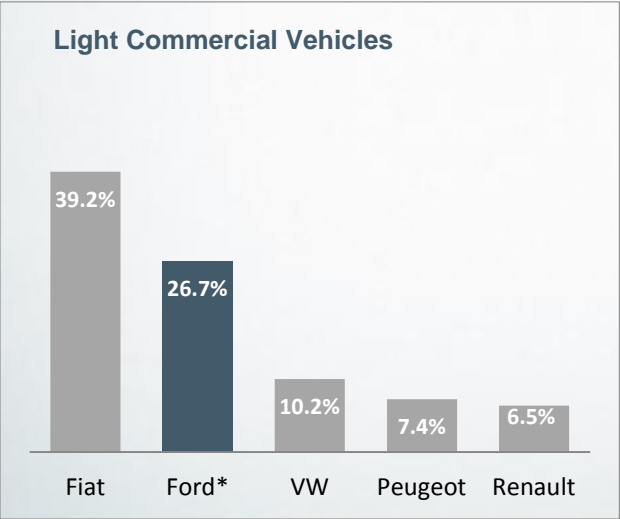
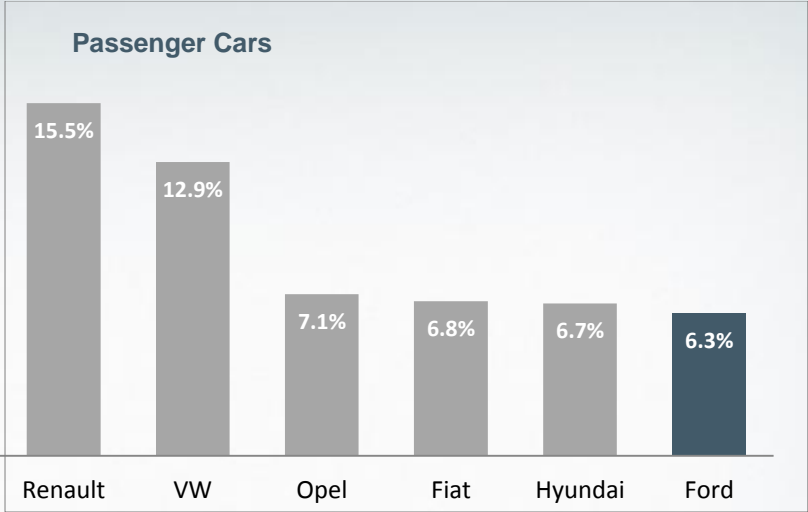
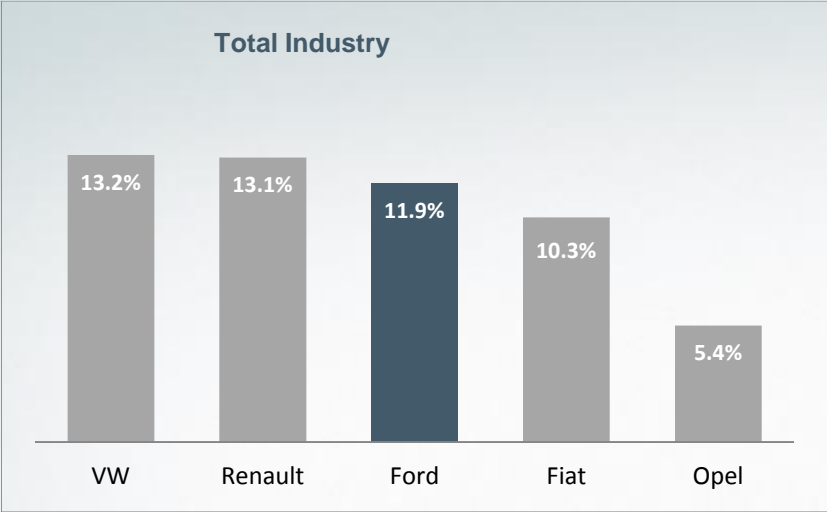


\* Courier and Connect

\*\* Transit and Custom

Source: ODD and TAID

# Turkish Market Shares (June YTD 2016)



\* Courier and Connect

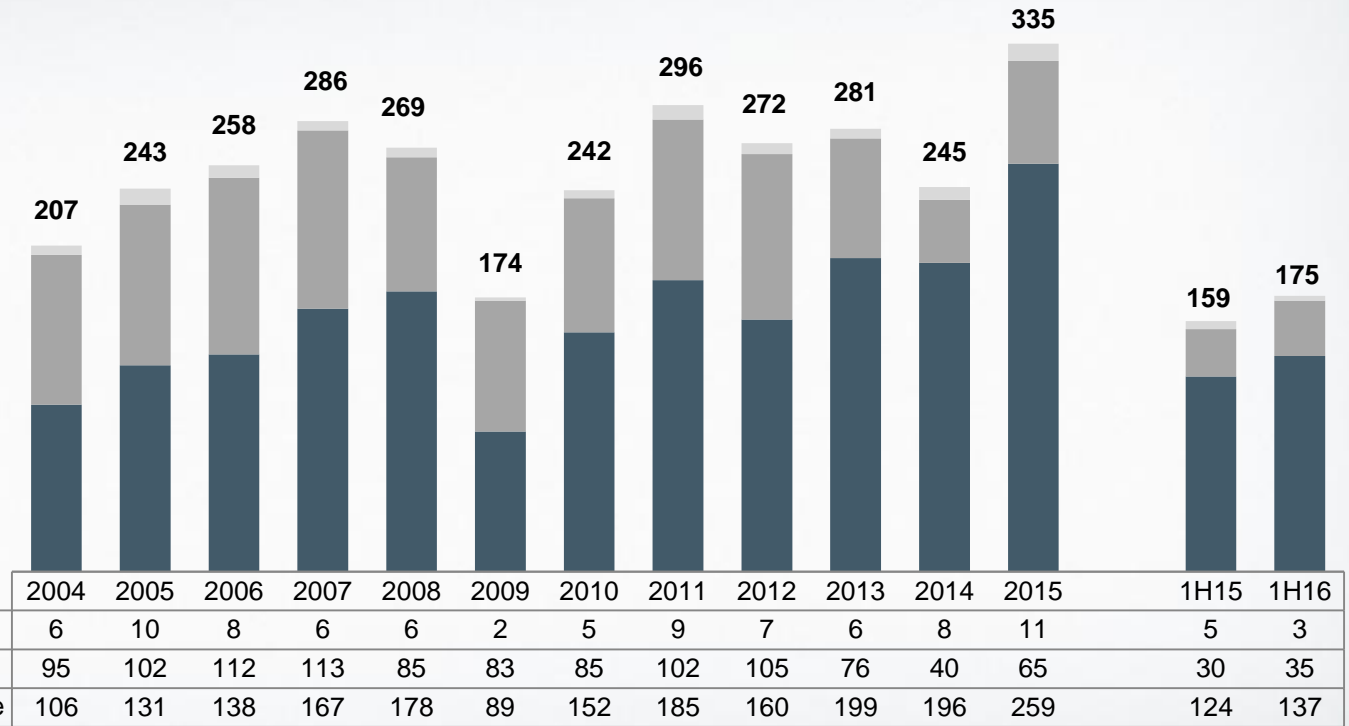
\*\* Transit and Custom

Source: ODD and TAID

# Turkish Market & Ford Otosan Retail Sales

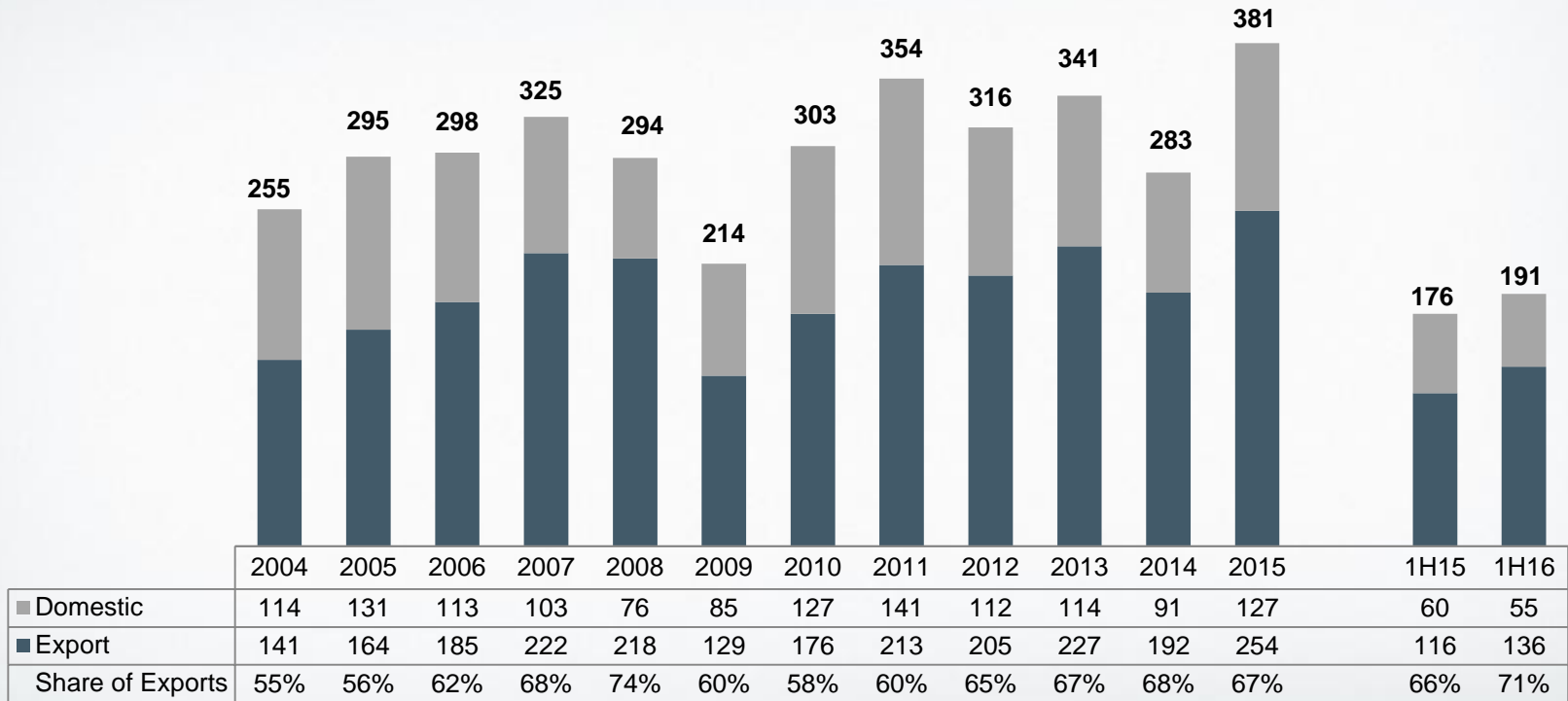
	June'16		June'16 YTD		June'15 YTD		2015	
<b>PC</b>	Units	% Share	Units	% Share	Units	% Share	Units	% Share
Ford Otosan	4,954	7.0	21,176	6.3	22,861	7.0	47,158	6.5
Industry	71,111		338,482		327,846		725,596	
<b>LCV</b>								
Ford Otosan	3,148	27.4	14,043	26.7	14,891	25.8	33,708	25.9
Industry	11,497		52,690		57,613		130,286	
<b>MCV</b>								
Ford Otosan	3,205	35.9	15,758	33.1	15,180	32.2	37,774	33.7
Industry	8,932		47,645		47,091		112,135	
<b>Truck</b>								
Ford Otosan	556	25.0	2,480	25.8	4,433	24.9	7,828	23.3
Industry	2,222		9,618		17,835		33,656	
<b>Total</b>								
Ford Otosan	11,863	12.6	53,457	11.9	57,365	12.7	126,468	12.6
Industry	93,896		449,320		452,588		1,005,850	

# Production Volume by Segment (000 units)





# Wholesale Volume – Domestic & Export (000 units)

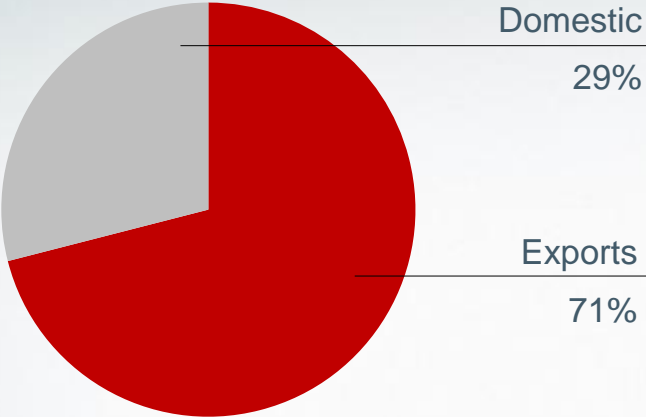


# Sales Volume by Model

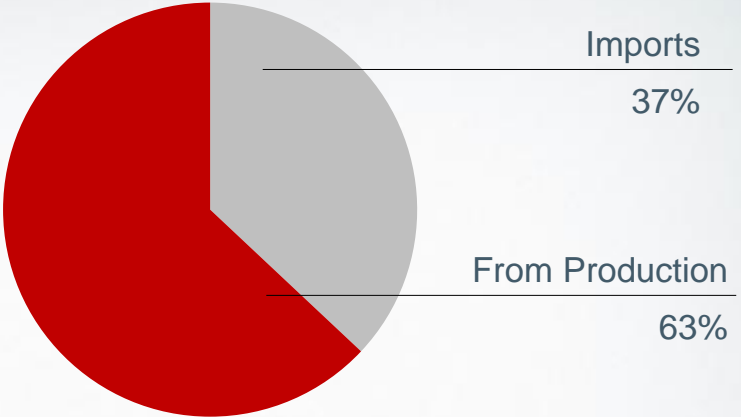
	1H16	1H15	YoY %	2Q16	2Q15	YoY %
<b>Domestic</b>	<b>55,002</b>	<b>60,374</b>	<b>-9%</b>	<b>32,906</b>	<b>34.138</b>	<b>-4%</b>
PC	18,263	22,957	-20%	11,004	14,151	-22%
Transit Courier	16,453	16,140	2%	9,680	8,879	9%
Transit Connect	1,470	1,359	8%	938	970	-3%
Total LCV	17,923	17,499	2%	10,618	9.849	8%
Transit	12,345	12,532	-1%	7,032	6,169	14%
Transit Custom	3,186	2,820	13%	1,909	1,536	24%
Ranger	733	106	592%	707	104	580%
Total MCV	16,264	15,458	5%	9,648	7,809	24%
Cargo	2,552	4,460	-43%	1,636	2,329	-30%
<b>Export</b>	<b>135,583</b>	<b>115,827</b>	<b>17%</b>	<b>64,036</b>	<b>56,192</b>	<b>14%</b>
Transit Custom	65,607	54,794	20%	31,302	25,886	21%
Transit	51,792	47,352	9%	23,904	23,570	1%
Transit Courier	17,661	13,230	33%	8,578	6,512	32%
Cargo	293	261	12%	158	125	26%
Other	230	190	21%	94	99	-5%
<b>Total</b>	<b>190,585</b>	<b>176,201</b>	<b>8%</b>	<b>96,942</b>	<b>90,330</b>	<b>7%</b>

# Volume Analysis (1H16)

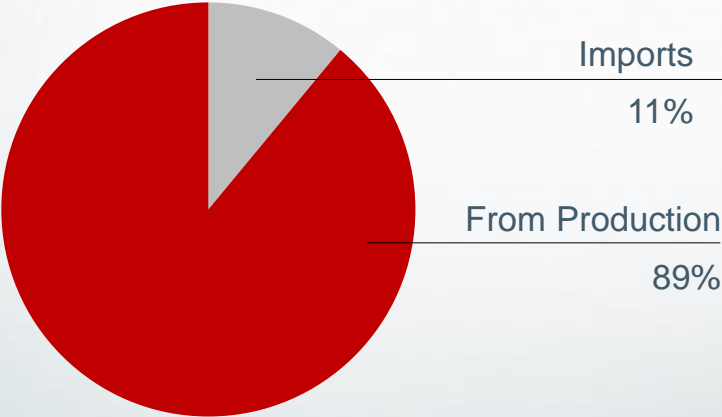
Total Sales



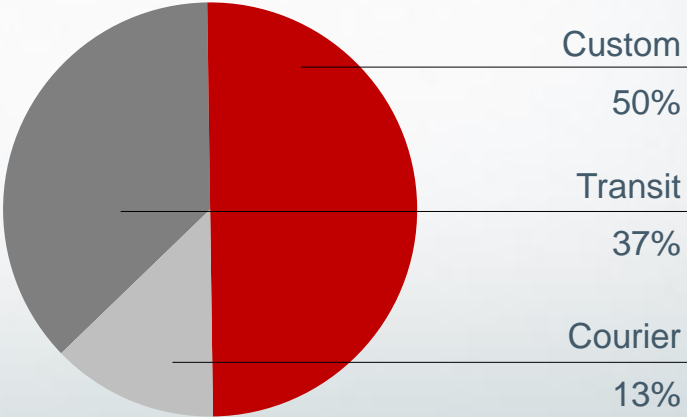
Domestic Sales



Total Sales



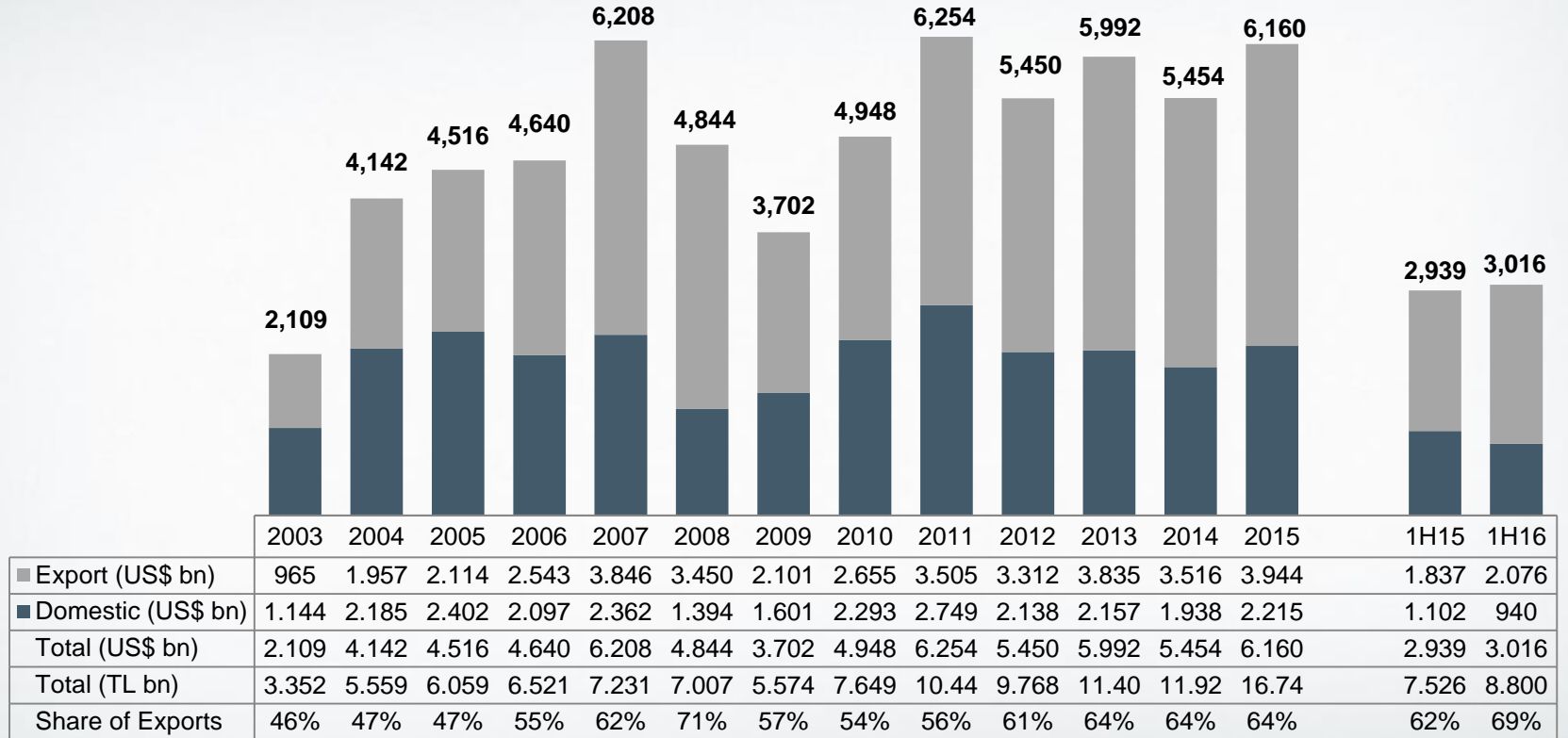
Exports by Model



# Main Financial Indicators

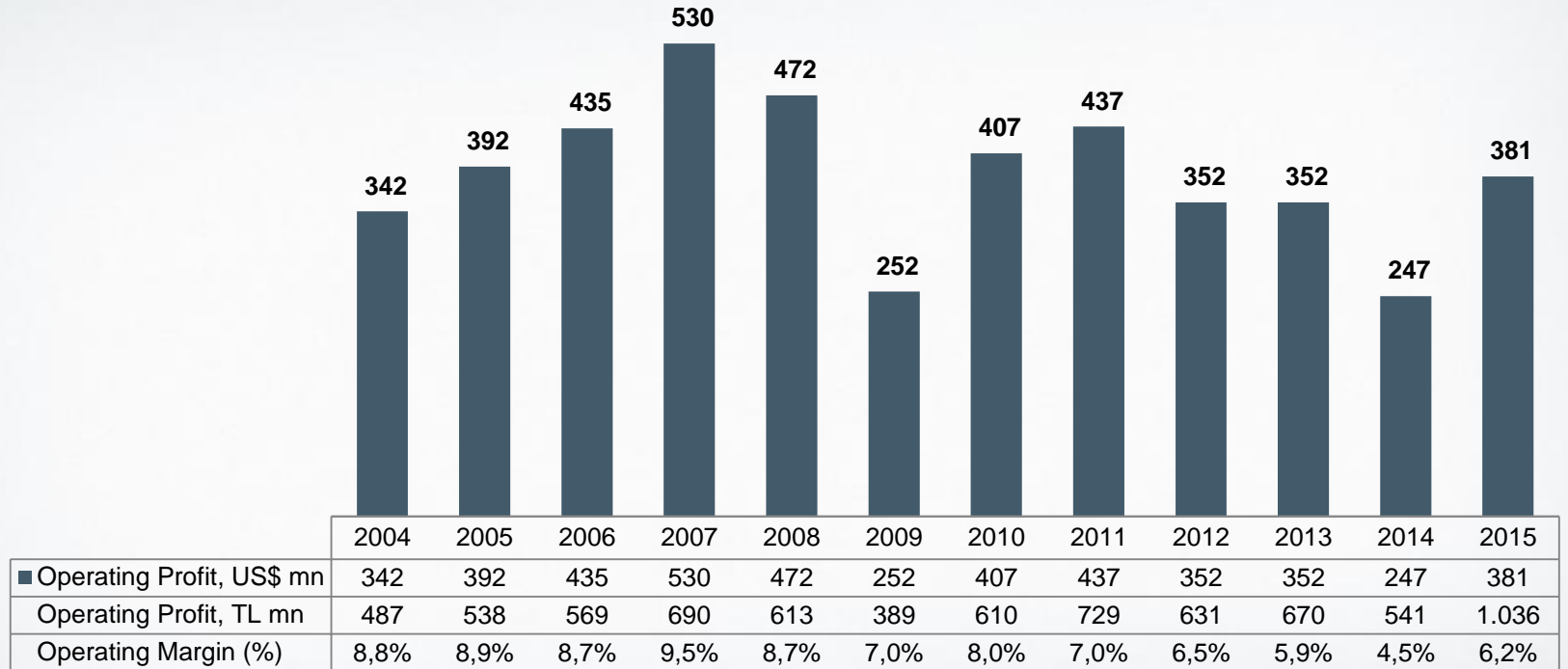
Million TL	1H16	1H15	YoY %	2Q16	2Q15	YoY%
Total Revenues	8,800	7,526	17%	4,614	3,962	16%
Export	6,057	4,703	29%	2,963	2,379	25%
Domestic	2,743	2,822	-3%	1,651	1,583	4%
Gross Profit	994	839	18%	529	453	17%
Operating Profit	521	465	12%	284	250	14%
EBITDA	744	658	13%	397	347	14%
Profit Before Tax	476	394	21%	266	206	29%
Net Income	464	407	14%	261	174	50%
<b>Other Financial Data</b>						
Depreciation & Amortization	223	192	16%	113	97	16%
Financial Income / (Expense)	-44	-72	-39%	-18	-44	-60%
Capex	-255	-189	26%	-102	-94	8%

# Revenues - Domestic & Export





# Operating Profit and Margin



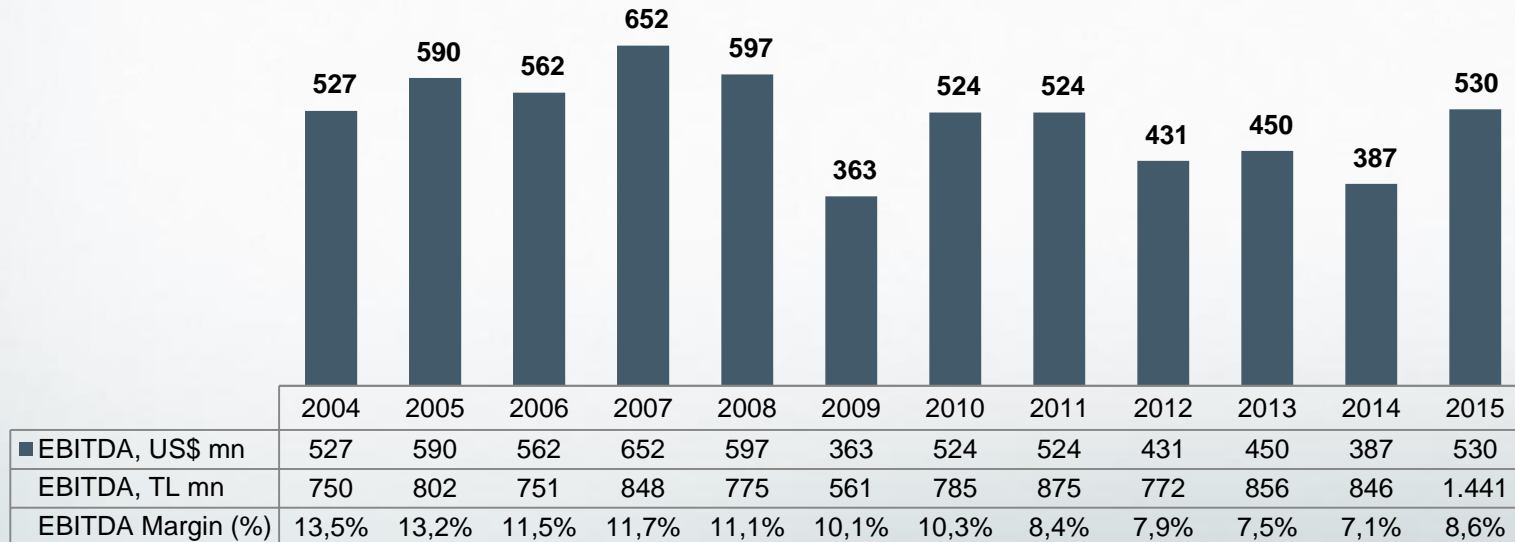
# EBITDA and EBITDA Margin

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

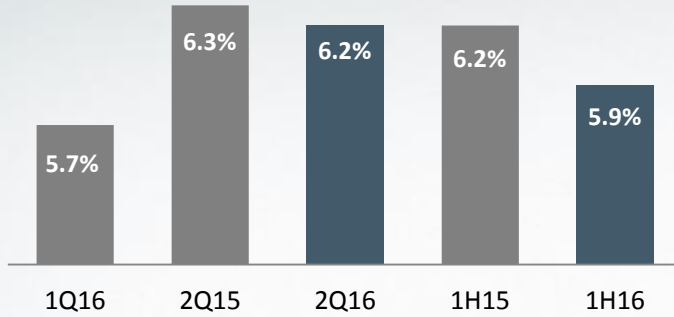
2010-2014 margin decline is due to:

- 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

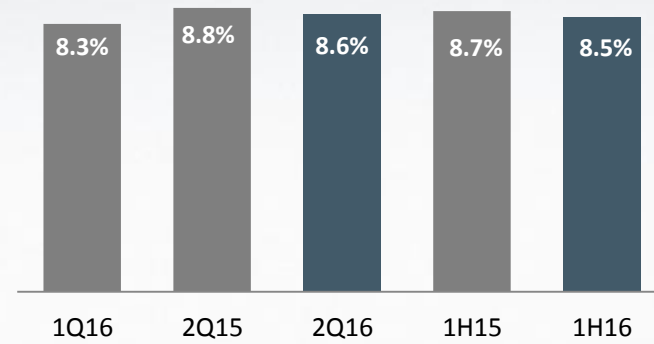


# 2Q and 1H Margins

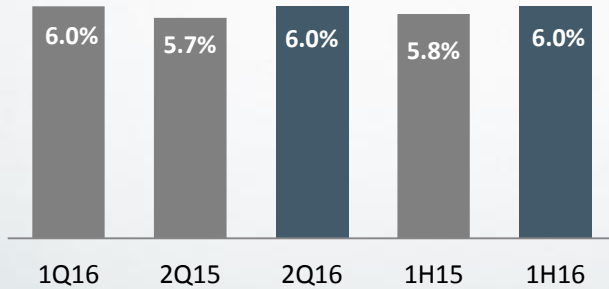
Operating Margin



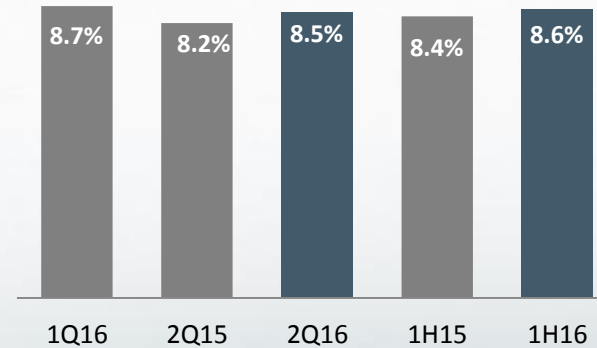
EBITDA Margin



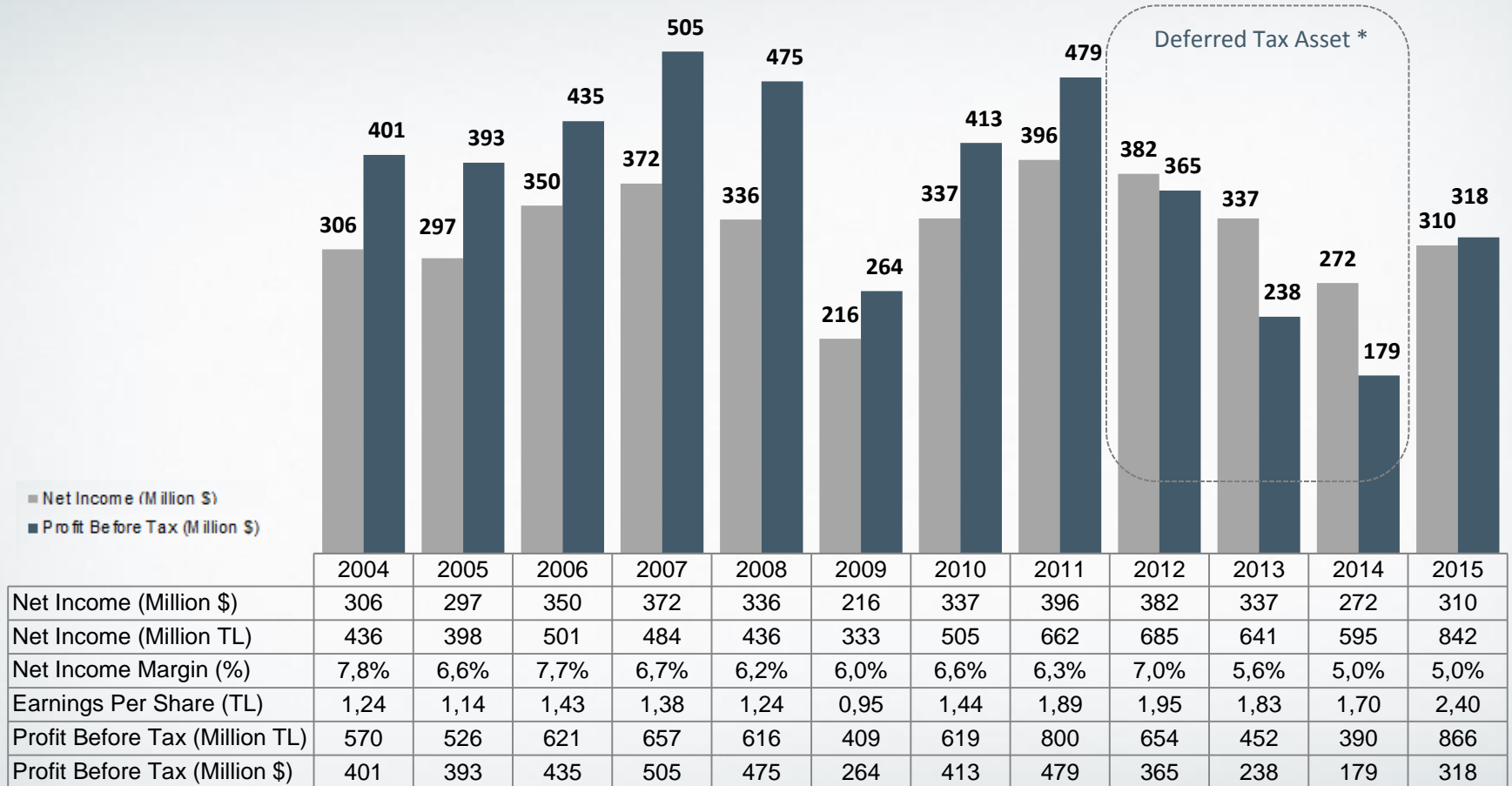
Operating Margin (excl. Other items)



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 1H16 is TL2.1 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

<b>Cash Position (TL mn)</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
Cash & Cash Equivalents	793	980
Total Financial Debt	(2,874)	(2,561)
Net Financial Debt	(2,081)	(1,580)
<b>Financial Ratios</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
Current ratio	1.10	1.05
Liquidity ratio	0.72	0.73
Net Financial Debt / Tangible Net Worth	0.79	0.63
Current Assets / Total Assets	0.49	0.48
Current Liabilities / Total Liabilities	0.70	0.71
Total Liabilities / Total Liabilities and Equity	0.64	0.64
Return on Equity	29.1%	27.5%
<b>Margins</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
Gross Margin	11.3%	11.1%
EBITDA Margin	8.5%	8.7%
EBITDA Margin (excl.other items)	8.6%	8.4%
Operating Margin	5.9%	6.2%
Net Income Margin	5.3%	5.4%

# 2016 Guidance

	2015 Actuals	2016
Turkish Industry Volume	1,006 K	980 K – 1 million
Ford Otosan Retail Sales Volume	126 K	120 -125 K
Exports	254 K	260 - 265 K
Wholesale Volume	381 K	380 - 390 K
Production Volume	335 K	335 - 340 K
Capex (fixed assets)	€126 mn	€190-200 mn

Guidance updated in August 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 9M16 financial results.

# Contacts

Aslı Selçuk

Investor Relations Manager

+90 216 564 7499

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

Alçin Hakca

Investor Relations Officer

+90 216 564 7495

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

Burak Çekmece

Treasury & Risk Manager (Capital Markets Law Compliance)

+90 216 564 74 80

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



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

Disclaimer: This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Ford Otosan nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.