

**Highlights**

<u>Financial Results</u>	<u>Million TL</u>	<u>YoY Change</u>
Revenues	12.640	8%
Export Revenues	8.720	16%
Domestic Revenues	3.920	-7%
Operating Profit	744	-1%
EBITDA	1.082	3%
Profit Before Tax	656	13%
Net Income	638	15%
<u>Volume</u>	<u>Units</u>	<u>YoY Change</u>
Production	241.493	1%
Total Wholesale Volume	265.903	-2%
Export Volume	188.735	5%
Domestic Volume	77.168	-15%
Retail Volume	75.912	-13%
Market Share	11,7%	-1 pps

9M16 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Summary Income Statement, Million TL	30.09.2016	30.09.2015	% Change
<b>Revenues</b>	12.640	11.731	8%
Export	8.720	7.499	16%
Domestic	3.920	4.231	-7%
<b>Gross Profit</b>	1.452	1.306	11%
<b>Operating Profit</b>	744	749	-1%
Financial Income/(Expense)	-86	-166	-48%
<b>Profit Before Tax</b>	656	583	13%
<b>Net Income</b>	638	557	15%
<b>Other Financial Data</b>			
Depreciation and Amortization	339	297	14%
EBITDA	1.082	1.046	3%
Capital Expenditures	-449	-326	38%

#### Revenues

- Turkish automotive industry reached 650,438 units in the first nine months of 2016, down by 6% YoY. PC sales were down 2%, but recorded the second highest volumes after 2015 for the period. MCV and LCV sales were down 8% and 11%, respectively. Trucks contracted by 46%. PC share in the total industry was 75%, up from 73% in 2015. LCV industry share was 12%. Ford Otosan took third place in the industry with 75,912 units retail sales and 11.7% market share. We maintained leadership in commercial vehicles with 29.7% share, up 1.1 points YoY.
- Our domestic wholesale volumes were down 15% YoY to 77,168 units, as the market shifted more towards the PC segment where we have a focus on profitability more than market share. Domestic revenues were TL 3,920 million. The decline in revenues was limited to 7% despite the 15% volume contraction thanks to continued focus on pricing and sales mix.
- Exports grew 5% YoY to 188,735 units with industry growth in Europe and ongoing strong demand for our products. Ford maintained its No.1 position in European commercial vehicles with sales rising by 18.6% in the first three quarters. Export revenues rose 16% YoY and reached 8,720 million TL.
- Total wholesale volume was 265,903 units, down by 2% YoY. Total revenues were up 8% YoY to 12,640 million TL. The share of exports in total revenues was 69%, up from 64% in 9M15.
- Production increased by 1% YoY to 241,493 units, yielding 78% capacity utilization rate, up from 77% a year ago.

#### Profitability

Rising import costs resulting from weaker TL/€ (3.28 in 9M16 versus 2.97 in 9M15) and lower domestic volumes burdened profitability. However we delivered solid results with:

- Positive domestic sales mix: Share of import vehicles was 36%
- Pricing to offset the impact of TL devaluation
- Strong export volumes driving high CUR (78% in 9M16)
- Cost reduction actions

Gross profit was up by 11% YoY to TL 1.452 million. EBITDA grew by 3% YoY to TL 1.082 million. Operating profit was down by 1% YoY to TL 744 million, due to:

- Decline in net other income to TL 16 million in 9M16 from TL 61 million in 9M15 driven by lower fx income.
- 14% YoY rise in depreciation and amortization.

Profit before tax rose by 13% YoY to TL 656 million mainly explained by 48% decline in net financial expenses. Net income was TL 638 million, up 15% YoY, due to 30% lower tax expenses YoY.

**Margins:** Gross 11.5% (up 35 bps YoY); EBITDA 8.6% (down 35 bps YoY); EBITDA excluding other income 8.4% (flat); Operating 5.9% (down 50 bps YoY); Net 5.0% (up 30 bps YoY)

<b>Sales Volume by Model, units</b>	<b>30.09.2016</b>	<b>30.09.2015</b>	<b>% Change</b>
<b>Domestic Sales</b>			
Passenger Car	24.136	33.935	-29%
Transit Courier	23.565	23.915	-1%
Transit Connect	2.159	2.093	3%
Light Commercial Vehicle	25.724	26.008	-1%
Transit	18.062	20.074	-10%
Transit Custom	4.667	4.595	2%
Ranger	1.107	741	49%
Medium Commercial Vehicle	23.836	25.410	-6%
Truck	3.472	5.896	-41%
<b>Total Domestic</b>	<b>77.168</b>	<b>91.249</b>	<b>-15%</b>
<b>Export Sales</b>			
Transit Custom	92.804	88.234	5%
Transit	70.421	68.966	2%
Transit Courier	24.728	22.221	11%
Cargo	461	410	12%
Other	321	304	6%
<b>Total Exports</b>	<b>188.735</b>	<b>180.135</b>	<b>5%</b>
<b>Total Wholesale Volume</b>	<b>265.903</b>	<b>271.384</b>	<b>-2%</b>

Total Domestic Automotive Industry	650.438	689.529	-6%
Ford Otosan Retail Sales	75.912	87.401	-13%
Ford Otosan Market Share	11,7%	12,7%	-1 pps

<b>Summary Balance Sheet, Million TL</b>	<b>30.09.2016</b>	<b>31.12.2015</b>	<b>% Change</b>
Current Assets	4.009	4.031	-1%
Current Liabilities	3.639	3.824	-5%
Property, Plant and Equipment - Net	3.293	3.251	1%
Total Assets	8.542	8.428	1%
Total Liabilities	5.244	5.368	-2%
Shareholders' Equity	3.298	3.060	8%

Financial Ratios		
	30.09.2016	31.12.2015
Current Ratio (Current Ass./Current Liab)	1,10	1,05
Liquidity Ratio ((Cur. Ass. - Stock)/Cur. Liab.)	0,63	0,73
Net Financial Debt / Tangible Net Worth	0,75	0,63
Current Assets / Total Assets	0,47	0,48
Current Liabilities / Total Liabilities	0,69	0,71
Total Liabilities / Total Liabilities and Equity	0,61	0,64
Return on Equity (Net Profit/Av. Shareh. Equity)	25,8%	27,5%
	30.09.2016	30.09.2015
Gross Margin	11,5%	11,1%
EBITDA Margin	8,6%	8,9%
EBITDA Margin excluding other income/expense	8,4%	8,4%
Operating Margin	5,9%	6,4%
Net Income Margin	5,0%	4,7%

Summary Cash Flow Statement, Million TL	30.09.2016	30.09.2015	% Change
Beginning Balance of Cash & Equivalents	980	577	70%
Net Cash Generated from Operating Activities	477	632	-25%
Net Cash Used in Investing Activities	-426	-306	39%
Net Cash Used in Financing Activities	-423	-178	138%
End of Period Balance of Cash & Equivalents	607	726	-16%

2016 Guidance	
Total Industry Volume	980K - 1,000K
Ford Otosan:	
Retail Sales Volume	115K-120K
Export Volume	260K-265K
Wholesale Volume	375K-385K
Production Volume	335K-340K
Capex (fixed assets)	€160-170 million

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