



FORD OTOSAN





Agenda

- 3Q14 Highlights
- Ford & EU Markets
- Financial Results
- Q & A



Haydar Yenigün
General Manager

Ford Otosan in 2014

New Models

New Generation Transit



Ford Courier



Ford Connect



Ford Focus MCA



Investments

Yeniköy Plant



Kocaeli Test Center



İnönü Engine Test Center



Growth Opportunities

JMC License Agreement



Cargo export strategy



Sancaktepe R&D Center

Transit



Traditional market leader in Turkey

Top-selling nameplate in the combined 1T & 2T commercial vehicles in Europe

Over 450 model variants (excluding optional features and colours) designed to meet every customer need

Kombi & Kombi Van (5+1)

Double Chassis Cab (5+1)

Double Cab In Van (5+1)

Super Jumbo Chassis Cab (2+1)

Super Jumbo Chassis Cab (5+1)

Custom



Exports more than doubled YoY in 2014

Ford's best selling nameplate in Europe after Focus, Fiesta, Kuga and C-Max





Strong domestic sales beat internal targets

PC and cab versions to complete the product range

Quality and functionality well-accepted


Offers excellent value for money

Major Product Acceleration Continues

New Models - 2015

 New Mondeo




 1.5 lt Diesel A/T Focus



 New S-MAX


 Vignale




 C-Max MCA

 New Galaxy




 Ford Mustang



 1.0L Ecoboost A/T Focus



 1.5L Diesel A/T C-Max

Ford Cargo Key Strategic Action Plan

25 dealers in Turkey

19 international dealers

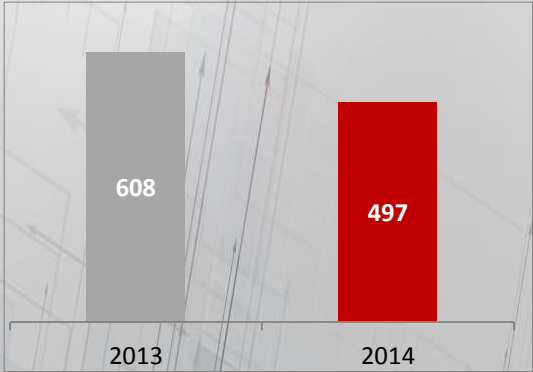




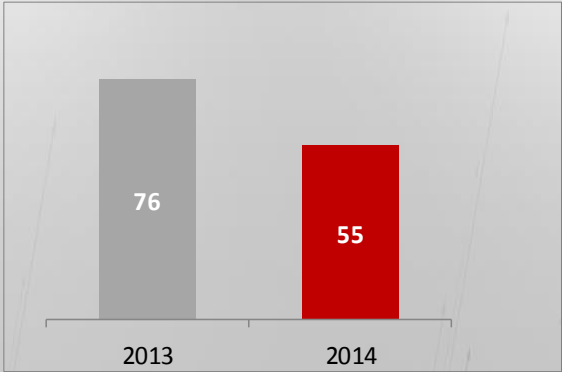
William Periam
Deputy General Manager

Domestic Market (000 units)

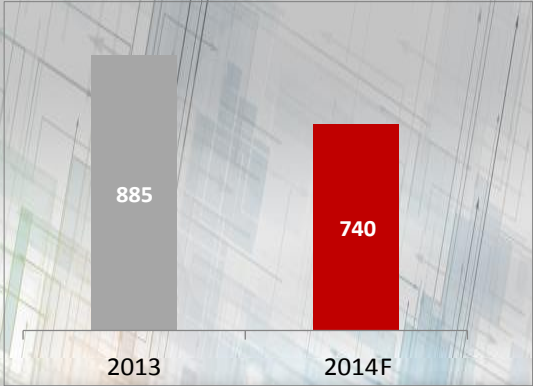
Total Industry, September YTD



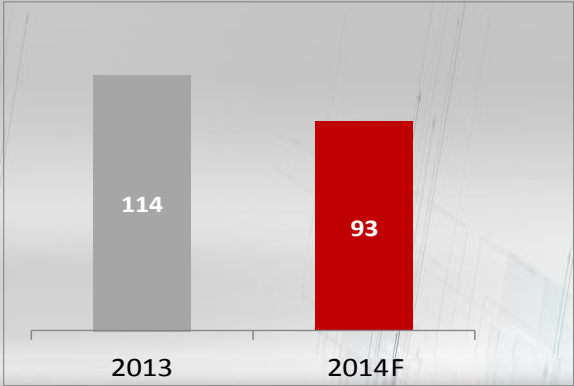
Ford Otosan, September YTD



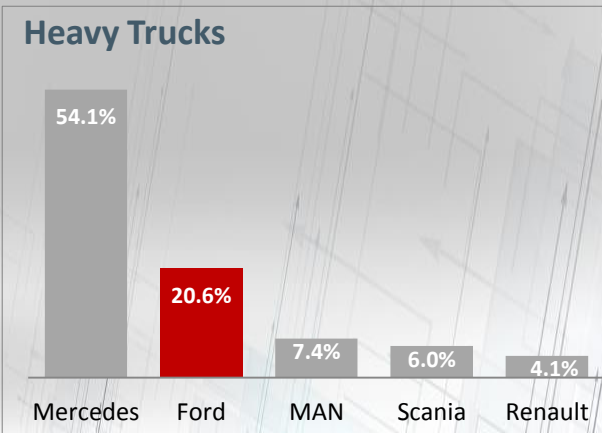
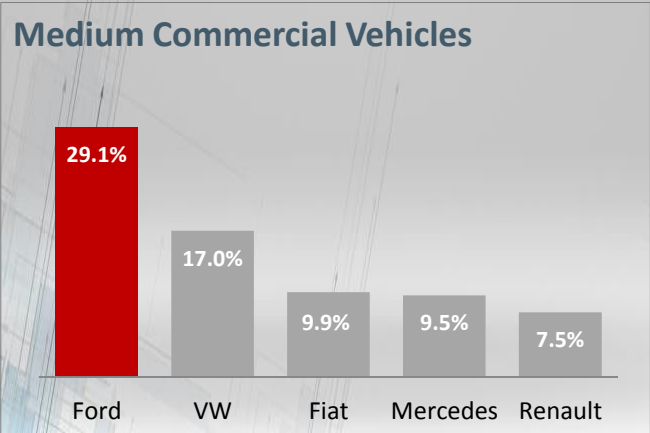
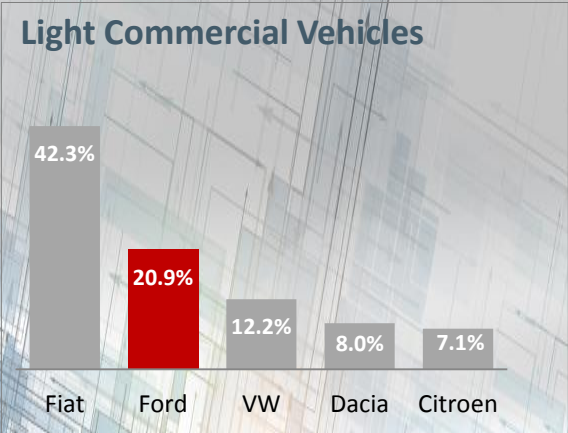
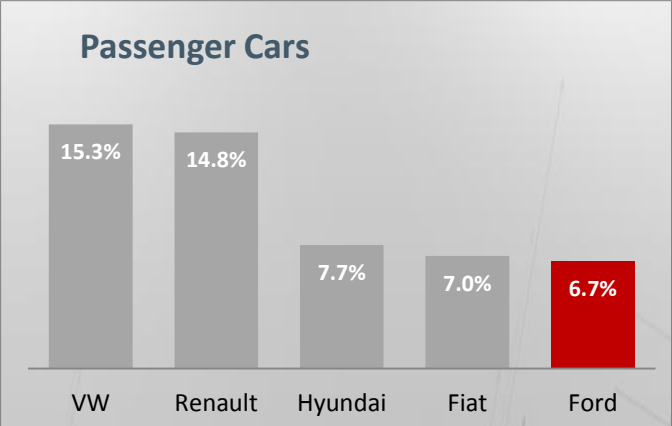
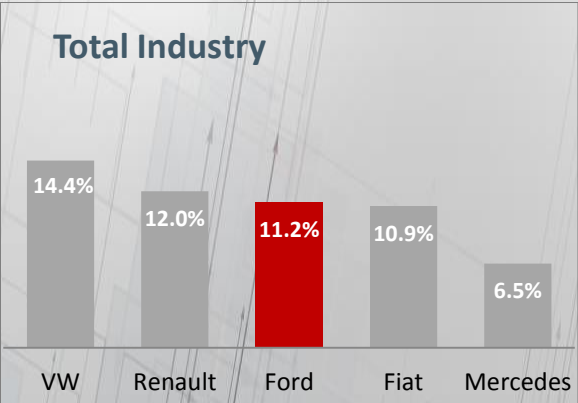
Total Industry Sales



Ford Otosan Retail Sales



Turkish Market Shares (September'14 YTD)

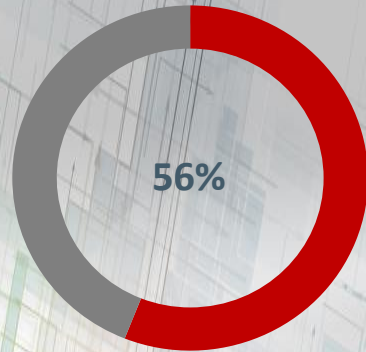


Source: ODD and TAID

Operational performance temporarily impacted by product transition



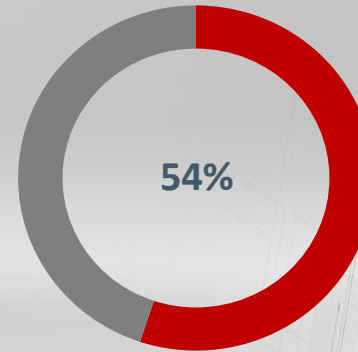
Ford Otosan share in Turkey's total vehicle production



Ford Otosan share in Turkey's CV production

Ford Otosan produced **168,986** vehicles in 9M14:

Transit	57,002
Custom	80,388
Courier	26,160
Cargo	5,436



Ford Otosan Capacity Utilization

Ford Motor Company 3Q14 Results

- **A profitable but challenging quarter.**
- Company **profitable for 21st consecutive quarter**; liquidity strong; Automotive operating-related cash flow negative.
- Wholesale volume and revenue down 2% - 3% from a year ago. **Market share up in Europe** and a **Third Quarter record in Asia Pacific, including record China share.**
- **North America and Asia Pacific profitable**; results lower than a year ago for all Automotive Business Units except Middle East & Africa.
- **Strong results at Ford Credit**, better than a year ago.
- Global new product launches on track.
- **Guidance unchanged from Investor Day, including Company 2014 Full Year pre-tax profit of about \$6 billion.**

New Commercial Vehicle Registrations in Europe (<3.5tons)

Growth versus same period of 2013				
	July	August	September	Sept-YTD
UK	34.5%	22.3%	14.1%	18.1%
Germany	6.4%	13.4%	12.0%	8.4%
Italy	27.6%	11.5%	36.3%	18.9%
Spain	26.7%	19.3%	23.9%	34.0%
France	-5.2%	-3.5%	14.3%	1.8%
Total	12.8%	10.2%	16.2%	11.7%






Source: www.acea.be

- In September, demand for new commercial vehicles in the EU increased for the 13th consecutive month. Commercial vehicles up to 3.5 tons grew by 16.2%, versus the same period last year, totaling 152,225 units.
- From January to September, 1,126,310 new vehicles were registered, 11.7% more than in the same period last year.
- Growth continued in the van and the heavy truck segments, while truck & bus and coach segments slightly declined.






Ford Market Shares in Europe (9M14)



Total Industry

Market		Share	Units
UK		14.6%	326,568
Ireland		12.1%	13,228
Hungary		11.5%	7,367
Turkey		11.2%	55,464
Denmark		9.2%	15,105

Commercial Vehicles

Market		Share	Units
Ireland		26.3%	3,802
UK		23.9%	65,524
Turkey		23.6%	30,766
Finland		19.3%	2,269
Hungary		15.2%	2,388

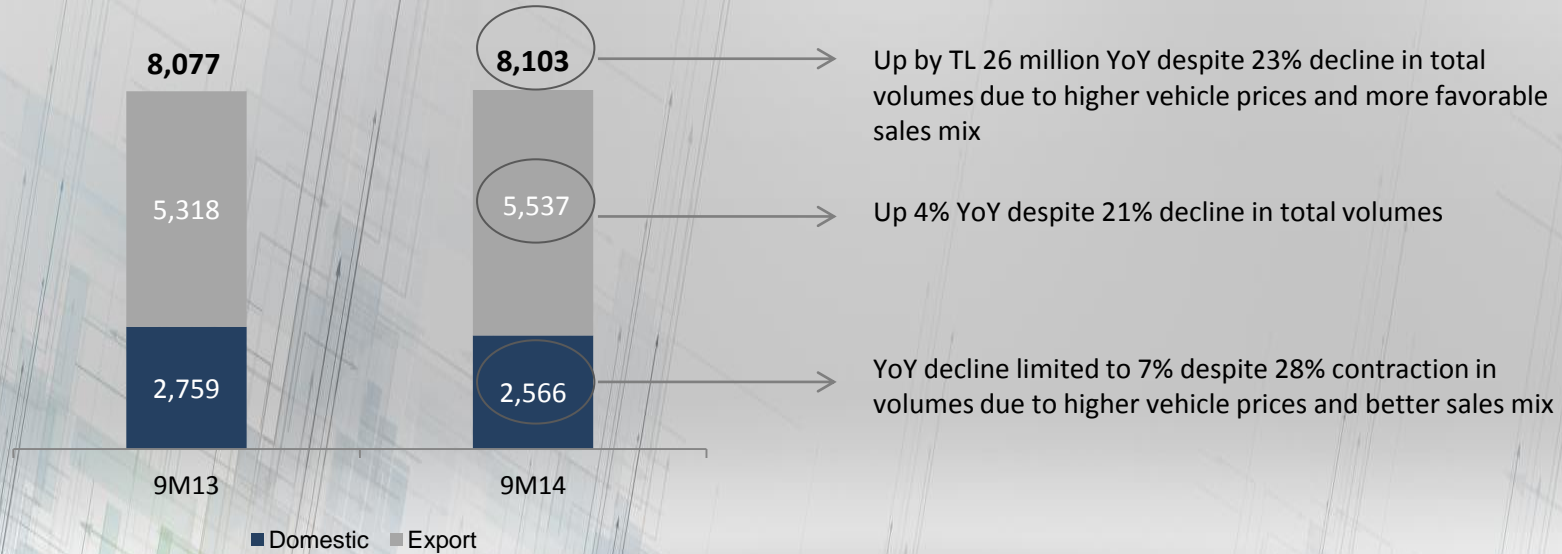


Oğuz Toprakoğlu
CFO

Main Financial Indicators

Million TL	3Q14	2Q14	QoQ %	3Q13	YoY %	9M14	9M13	YoY %
Total Revenues	2.889	3.168	-9%	2.595	11%	8.103	8.077	0%
Export	1.755	2.227	-21%	953	84%	5.537	5.318	4%
Domestic	1.134	941	21%	1.642	-31%	2.566	2.759	-7%
Gross Profit	312	269	16%	268	16%	787	814	-3%
Operating Profit	152	91	67%	154	-1%	362	495	-27%
EBITDA	236	170	39%	202	17%	578	632	-9%
Profit Before Tax	107	82	30%	65	65%	250	372	-33%
Net Income	122	151	-19%	81	52%	476	516	-8%
Other Financial Data								
Depreciation & Amortization	83	79	5%	48	74%	216	137	57%
Financial Income / (Expense)	-41	-10	310%	-90	-54%	-107	-123	-13%
Capex	192	244	-21%	317	-39%	662	948	-30%

Revenues (Million TL)



Sales Volume by Model

	3Q14	2Q14	QoQ %	3Q13	YoY %	9M14	9M13	YoY %
Domestic	25.145	20.288	24%	26.029	-3%	54.770	76.231	-28%
PC	10.323	9.179	12%	13.722	-25%	22.527	37.678	-40%
Transit Connect	1	735		4.507		2.690	15.073	-82%
New Transit Connect	57	-		-		57	-	
Transit Courier	6.699	3.610	86%	-		10.309	-	
Total LCV	6.757	4.345	56%	4.507	50%	13.056	15.073	-13%
Transit	5.187	3.967	31%	5.783	-10%	11.996	16.592	-28%
Transit Custom	1.244	975	28%	928	34%	2.723	2.503	9%
Ranger	67	59	14%	45	49%	197	509	-61%
Total MCV	6.498	5.001	30%	6.756	-4%	14.916	19.604	-24%
Cargo	1.567	1.763	-11%	1.044	50%	4.271	3.876	10%
Exports	44.131	57.358	-23%	49.052	-10%	137.920	174.990	-21%
Transit	14.110	19.183	-26%	28.159	-50%	45.241	91.580	-51%
Transit Custom	24.607	28.550	-14%	11.589	112%	77.361	30.975	150%
Transit Connect	-	-		9.049		-	51.780	
Transit Courier	5.171	9.277	-44%	-		14.500	-	
Cargo	165	244	-32%	192	-14%	601	398	51%
Other	78	104	-25%	63	24%	217	257	-16%
Total Wholesale Volume	69.276	77.646	-11%	75.081	-8%	192.690	251.221	-23%

Completion of the product launches supported domestic performance

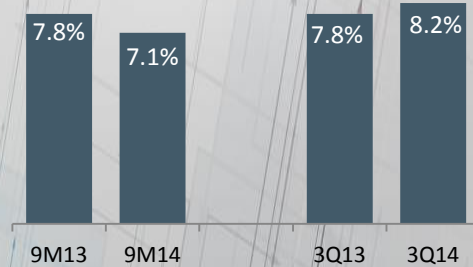
Product transitions in commercial vehicles and the rising retail prices for PCs in 1Q14 continued to pressure YtD figures

Summer months and ongoing launch of new products led to lower volumes

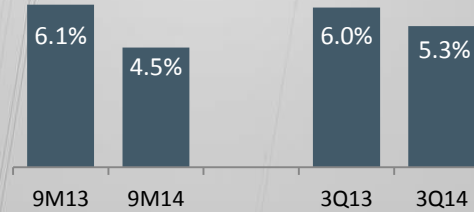
Product transitions and ramp-up impacted YoY performance

Margins

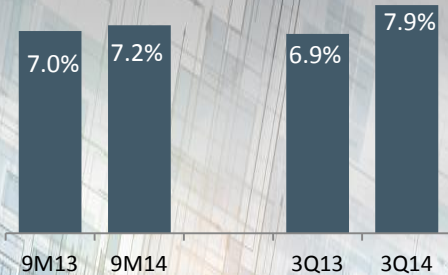
EBITDA Margin



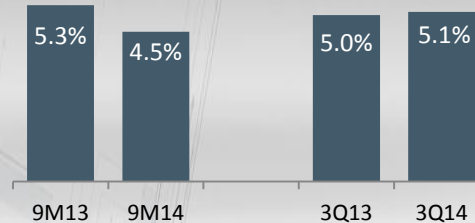
Operating Margin



EBITDA Margin (excl. Other items)



Operating Margin (excl. Other items)



Despite the rise in vehicles prices and cost reduction actions, margins remained under pressure due to:

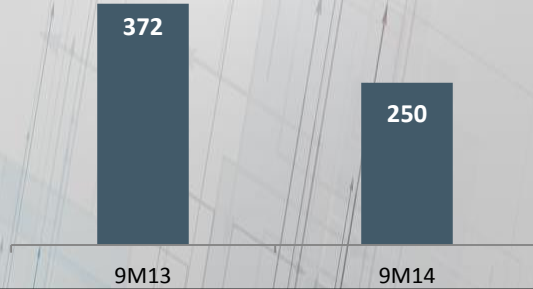
- TL depreciation
- Lower unit sales
- Other operating expense in 9M14, driven by fx losses, as opposed to other operating income in 9M13
- 57% YoY rise in depreciation & amortization

Profitability improved QoQ with 10.8% gross margin, 5.3% operating margin and 8.2% EBITDA margin in Q3 versus Q2 with:

- Relatively more stable TL
- More favorable sales mix

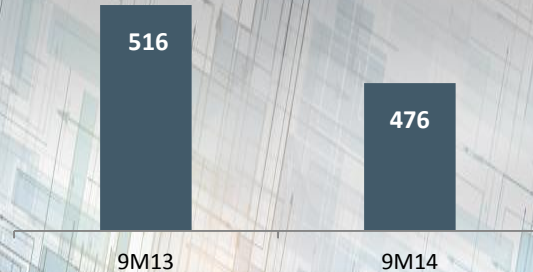
Profit Before Tax & Net Income

Profit Before Tax, TL mn



- Revaluation of financial loans with the weak TL led to higher net financial expenses in 9M14 versus 9M13.
- Profit before tax for 9M14 declined by 33% YoY to TL 250 million.

Net Income, TL mn



- Ford Otosan continued to establish a deferred tax asset based on the future tax benefits from the investment incentives.
- Net income margin was 5.9%, down 0.5 pps YoY.

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.09.2014	31.12.2013
Cash & Cash Equivalents	160	238
Total Financial Debt	(2,302)	(2,291)
Net financial debt	(2,142)	(2,053)
Financial Ratios	30.09.2014	31.12.2013
Current ratio	0.98	1.02
Liquidity ratio	0.59	0.71
Net Financial Debt / Tangible Net Worth	0.95	1.13
Current Assets / Total Assets	0.39	0.41
Current Liabilities / Total Liabilities	0.67	0.64
Total Liabilities / Total Liabilities and Equity	0.60	0.63
Return on Equity	22.9%	28.7%
Margins	30.09.2014	30.09.2013
Gross Margin	9.7%	10.1%
EBITDA Margin	7.1%	7.8%
Operating Margin	4.5%	6.1%
Net Income Margin	5.9%	6.4%

2014 Guidance

Turkish Industry Volume

740K

Ford Otosan Retail Sales Volume

93K

Exports

193K

Wholesale Volume

283K

Production Volume

243K

Capex (fixed assets)

US\$340 mn

Guidance updated in October 2014. According to the Capital Markets Board, companies are allowed to provide guidance 4 times a year. Our next update will be in 2015.



Go Further

Q&A