

Highlights

Financial Results	Million TL	YoY Change
Revenues	11.405	17%
Export Revenues	7.299	23%
Domestic Revenues	4.106	7%
Operating Profit	670	6%
EBITDA	856	11%
Profit Before Tax	452	-31%
Net Income	641	-6%
Volume	Units	YoY Change
Production	281.287	3%
Total Wholesale Volume	340.642	8%
Export Volume	226.671	11%
Domestic Volume	113.971	3%
Retail Volume	114.141	2%
Market Share	12,9%	-0.9 pps

* 2013 financial results published in this earnings announcement are prepared according to the International Financial Reporting Standards (IFRS) and audited by Ernst & Young Global Limited.

Summary Income Statement, Million TL	31.12.2013	31.12.2012	% Change
Revenues	11.405	9.768	17%
Export	7.299	5.936	23%
Domestic	4.106	3.832	7%
Gross Profit	1.128	1.087	4%
Operating Profit	670	631	6%
Financial Income/(Expense)	-213	20	
Profit Before Tax	452	654	-31%
Net Income	641	685	-6%
Other Financial Data			
Depreciation and Amortization	186	141	32%
EBITDA	856	772	11%
Capital Expenditures	1.312	935	40%

Revenues

The Turkish automotive industry grew 9% in 2013, reaching 885,180 units, driven by the growth in the PC segment. In the first 5 months of the year, declining interest rates, model year change and improvement in consumer confidence supported the PC sales. After June, local and global developments led to volatility in the currency and interest rates. Anticipation of an increase in vehicle prices pulled some demand forward. As a result PC sales grew 19% in 2013. Despite a low base year, CVs continued to contract in the absence of strong economic growth. LCVs contracted by a significant 21% while MCVs and heavy trucks each shrank by 6%. The share of PCs in the total industry continued to increase, reaching 75%, up from 69% in 2012, whereas LCV segment share dropped from 16% to 12%. Ford Otosan's domestic retail sales increased 2% YoY to 114,141 units. Ford Otosan maintained its leading market position for the 12th consecutive year with 12.9% share. Domestic wholesales were up 3% YoY to 113,971 units while domestic revenues increased 7% to TL4,106 million. Despite a mere 1% growth in European commercial vehicle sales, our exports increased 11%, owing to the diversification of our export markets, the success of our new models Transit Custom and Tourneo Custom and Ford's continued focus on increasing market share in Europe. Ford Otosan reached record export volumes with 226,671 units and once again became Turkey's export leader in automotive. Export revenues were TL7,299 million, up 23% YoY with increasing volumes and weak TL. Total revenues were TL11,405 million, the highest in Ford Otosan's history and up 17% YoY, driven by export revenues. The share of exports in total revenues increased from 61% to 64% YoY.

Profitability

In 2013, Turkish Lira devalued sharply against Euro, down 25% for the year, rising import costs significantly. Our pricing efforts yielded limited results due to the aggressive price competition in the market and our aged commercial vehicle product line. The TL devaluation caused a deterioration in the profit margins despite pricing and significant cost reduction actions. The share of PCs, which are less profitable, in our total sales increased in line with the industry trend and adversely impacted our profitability. In addition, the depreciation and amortization cost was up 32% YoY. As a result, operating margin was down to 5.9% from 6.5% while operating profit rose by 6% YoY to TL 670 million. EBITDA was TL 856 million, up 11% YoY. EBITDA margin was 7.5%, down 0.4 percentage points YoY. Revaluation of financial loans with the significant weakening of the TL caused an increase in net financial expenses, leading to a reduction of 31% in profit before tax, which was booked as TL 452 million. Net income was TL 641 million, down 6% YoY. The establishment of deferred tax asset based on the future tax benefits from the investment incentives limited the decline in net income. Net income margin was 5.6%, down 1.4 percentage points YoY.

Sales Volume by Model, units	31.12.2013	31.12.2012	% Change
Domestic			
Passenger Car	58.618	45.919	28%
Transit Connect	21.711	29.162	-26%
Light Commercial Vehicle	21.711	29.162	-26%
Transit	23.788	28.179	-16%
Transit Custom	3.399	1.113	205%
Ranger	519	827	-37%
Medium Commercial Vehicle	27.706	30.119	-8%
Cargo	5.936	5.811	2%
Total Domestic	113.971	111.011	3%
Export			
Transit Connect	51.796	75.081	-31%
Transit	121.252	113.502	7%
Transit Custom	52.304	14.328	265%
Cargo	1.002	955	5%
All Other	317	623	-49%
Total Export	226.671	204.489	11%
Total Wholesale Volume	340.642	315.500	8%

Total Domestic Automotive Industry	885.180	812.126	9%
Ford Otosan Retail Sales	114.141	112.162	2%
Ford Otosan Market Share	12,9%	13,8%	-0.9 pps

Summary Balance Sheet, Million TL	31.12.2013	31.12.2012	% Change
Current Assets	2.443	2.438	0%
Current Liabilities	2.397	1.633	47%
Property, Plant and Equipment - Net	2.231	1.556	43%
Total Assets	5.991	4.647	29%
Total Liabilities	3.755	2.651	42%
Shareholders' Equity	2.237	1.996	12%

Financial Ratios			
	31.12.2013	31.12.2012	
Current Ratio	1,02	1,49	
Liquidity Ratio	0,71	0,97	
Net Financial Debt / Tangible Net Worth	1,13	0,55	
Current Assets / Total Assets	0,41	0,52	
Current Liabilities / Total Liabilities	0,64	0,62	
Total Liabilities / Total Liabilities and Equity	0,63	0,57	
Return on Equity	28,7%	34,3%	
	31.12.2013	31.12.2012	
Gross Margin	9,9%	11,1%	
EBITDA Margin	7,5%	7,9%	
Operating Margin	5,9%	6,5%	
Net Income Margin	5,6%	7,0%	

Summary Cash Flow Statement, Million TL	31.12.2013	31.12.2012	% Change
Beginning Balance of Cash & Equivalents	302	809	-63%
Net Cash Generated from Operating Activities	866	597	45%
Net Cash Used in Investing Activities	(1.299)	(906)	43%
Net Cash Used in Financing Activities	370	(198)	
End of Period Balance of Cash & Equivalents	238	302	-21%

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