

FORD OTOSAN



Investor Presentation

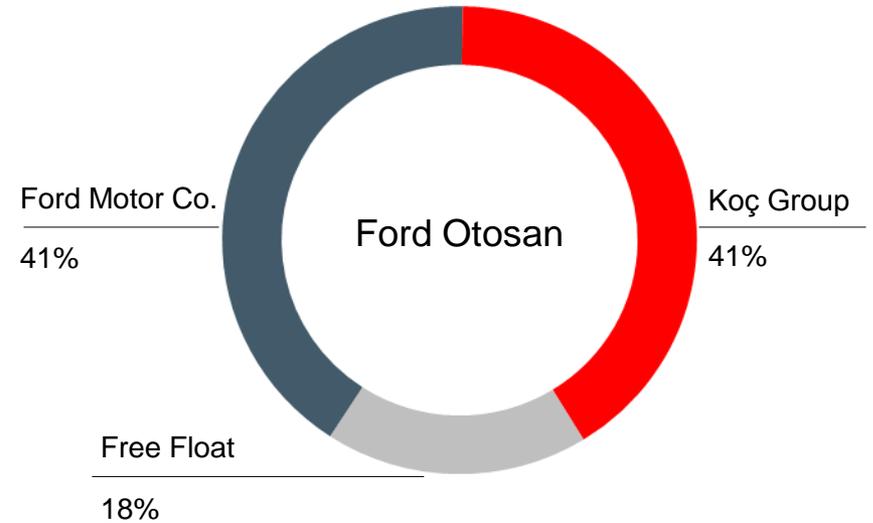
January 2019

- About Ford Otosan 3
- Plants and Facilities 11
- Products 18
- Investment Case 25
- Operating and Financial Performance 45
- Guidance 65
- Contacts 66

About Ford Otosan

Company Profile

Key Indicators, 2017	
Revenues	\$6.9 billion
Export Revenues	\$4.9 billion
EBITDA	\$598 million
Profit Before Tax	\$406 million
Net Profit	\$408 million
ROE	40.3%
EBITDA margin	8.6%
Annual Production Capacity	440,000
Gölcük (Transit & Custom)	315,000
Yeniköy (Courier)	110,000
İnönü (Cargo)	15,000
Total Employees	11,501
Blue Collar	8,847
White Collar	2,654



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

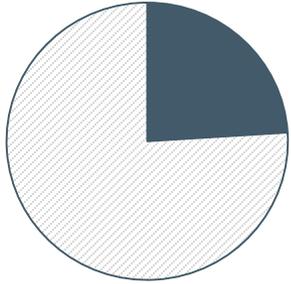
First Turkish passenger car Anadol (1966)
Turkey's **first** domestic diesel engine Erk (1986)
Turkey's **first** private R&D center in automotive (1961)
First export of Turkish automotive to the US (2009)

Strong value contribution

Turkey's **export champion**
Turkey's **2nd largest** industrial enterprise
Highest employment in Turkish automotive

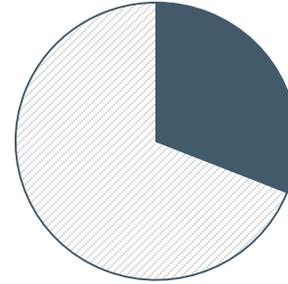
Leadership and scale

Europe's largest commercial vehicle manufacturer
Widest product range in Turkish automotive
Turkey's patent **champion** in automotive



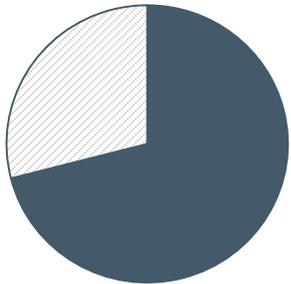
24%

of Turkey's
Total automotive
production



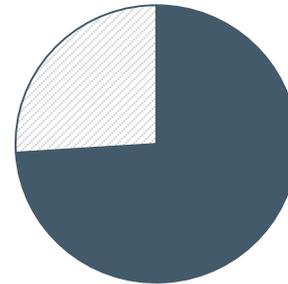
31%

of Turkey's
Commercial vehicle
sales



71%

of Turkey's
Commercial vehicle
production



74%

of Turkey's
Commercial vehicle
exports

Source: Automotive Manufacturers Association, 2018

Robust sales performance

Highest commercial vehicle market share of Ford in Europe
Among Ford's **top 5 markets in Europe** by market share

Europe's largest CV manufacturer

Lead manufacturing plant of Ford Transit globally
Single source of Ford Custom & Tourneo Custom
Single source of Ford Courier & Tourneo Courier
Center of Excellence for Ford Trucks (heavy trucks)

Engineering and R&D power

Global hub for Ford Trucks (heavy trucks) and related powertrains
Global support for light commercial vehicle development
Global support for diesel powertrain engineering

Ford Otosan at a Glance

	1997*		2017
Production Capacity (Units)	47,000	9 times	440,000
Production (Units)	43,102	9 times	373,007
Export (Units)	667	446 times	297,396
Export (USD)	16 million	306 times	4.9 billion
Revenue (USD)	850 million	8 times	6.9 billion
Headcount	3,406	3 times	11,501
Market Cap (USD)	1.1 billion	5 times	5.6 billion

Vision, Mission And Strategy

Vision

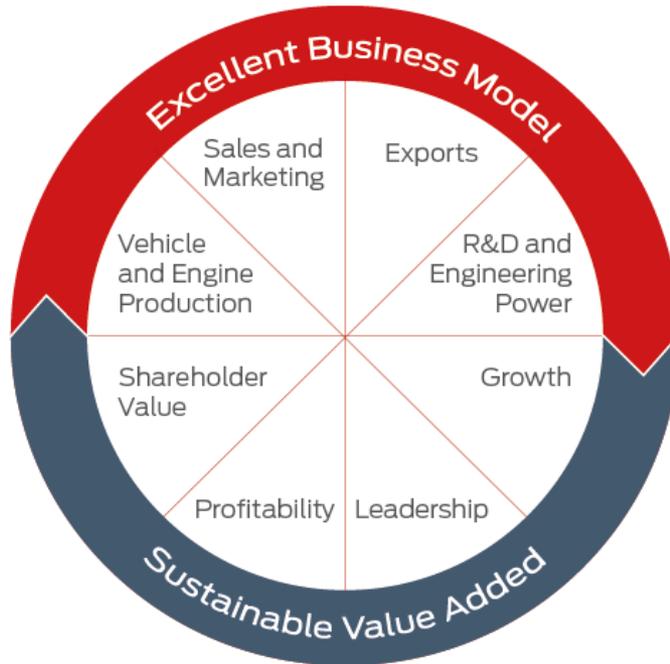
Being Turkey's most valuable and most preferred industrial company.

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 14th largest auto manufacturing hub in the world and 5th 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 50th Anniversary

2010 – Transit Connect

'N.A. Truck of the Year'

2012- Launch of Custom

2013 – Ford Otosan's 12th year of market leadership

2013/14- JMC engine & truck licensing agreements

2014 – Yeniköy Plant opens

2014 – Launch of new Transit and Courier

2015 – Sancaktepe Engineering Center opens

2016 – Ecotorq engine production starts

2017/18 – Capacity increase at Gölcük Plant

2018 – F-Max receives International Truck of the Year 2019 Award

Plants and Facilities

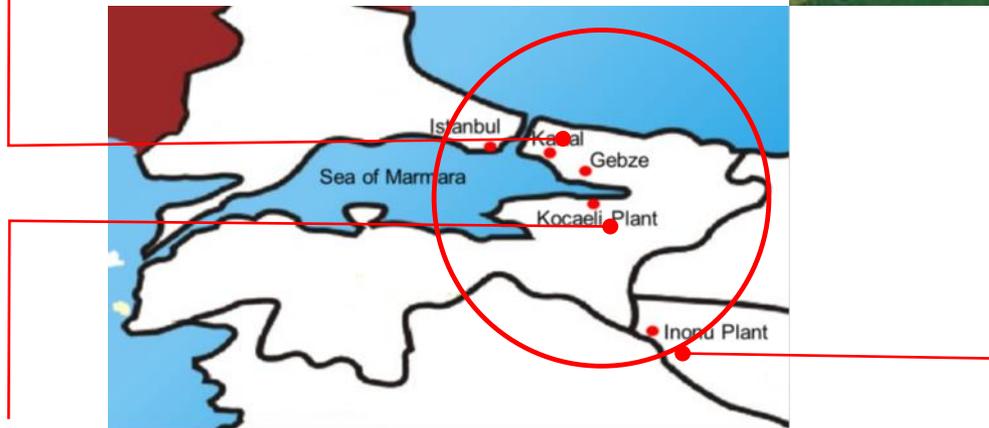
Sancaktepe Parts Distribution Center (1998)



Sancaktepe Engineering Center (2015)



İnönü Plant (1982): Ford Trucks and engines



Kocaeli Plants: Gölcük Plant: Transit (2001), Custom (2012)



Yeniköy Plant: Courier (2014)



Gölcük Plant – Lead Manufacturing Plant of Ford Transit



Transit 160 K



Custom 180 K

- 330,000 units manufacturing capacity
- 1.6 million m² total area; 340,000 m² covered area
- Opened in 2001

Yeniköy Plant – The Single Production Center of Ford Courier in the World



Courier 110 K

Opened on 22 May 2014 at Gölcük plant site

70,000 m² covered area

Environment and disabled-friendly plant

İnönü Plant – Center of Excellence for Ford Trucks



UTAC
GROUPE UTAC CERAM

ISO 14001
BUREAU VERITAS
Certification



ISO 14064-1
BUREAU VERITAS
Certification



OHSAS 18001
BUREAU VERITAS
Certification



ISO 50001
BUREAU VERITAS
Certification



Ford Trucks15 K

Opened in 1982

109,024 m² covered area

75k units engine, 140k units powertrain production capacity

- 12.7L and 9.0L E6 Ecotorq engines for heavy truck
- 2.2L 4-cyl. Puma and 2.0L 4-cyl. Panther engines for Transit



Sancaktepe Parts Distribution Center – 96% Fill Rate



Opened in 1998

25,000 m² warehouse: Largest of its kind in Turkey

4th largest warehouse capacity among Ford's parts distribution centers in Europe



Center of Excellence for Ford Trucks and heavy duty diesel powertrain for large trucks

Global engineering lead for Ford Trucks (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, Best-Selling Van in the World

- Longest-running model in Ford of Europe's product range
- 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

TRANSIT

Chassis Cab

Van

Minibus



Loading Capacity:
3.3 tons – 4.7 tons

Loading Capacity:
9.5m³ - 15.1 m³

Seating Capacity:
11+1 / 17+1

Market share details available on page 48.

Ford Custom

- Ford Otosan is the single global source of Ford Custom
- Launched in October 2012; facelifted in 1Q18
- First vehicle in its segment to achieve a maximum five-star Euro NCAP rating

CUSTOM

**Tourneo Custom
(People Mover)**



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

**Transit Custom
(Panelvan)**



**Transit Custom
(Kombi)**



**Transit Custom
(Kombi Van)**



Market share details available on page 48.

Ford Courier

- The smallest member of the Ford commercial vehicle family
- Ford Otosan is the single global source of Ford Courier
- Launched in May 2014; facelifted in 2Q18

COURIER



Tourneo Courier
(People mover)

Transit Courier Combi Van
(Commercial)

Transit Courier Van
(Commercial)

Market share details available on page 48.

Ford Trucks

- Manufactured at Ford Otosan's Inönü Plant since 1983
- Road truck, construction and tractor series available
- Cargo 1846T – 2013 International Truck of the Year 3rd 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.

Long
Haulage



Market share details available on page 48.

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.

Distribution
Trucks



CONSTRUCTION

Tipper. Transmixer. 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.

Construction
Trucks



Comfort / Efficiency / Technology: F-Max

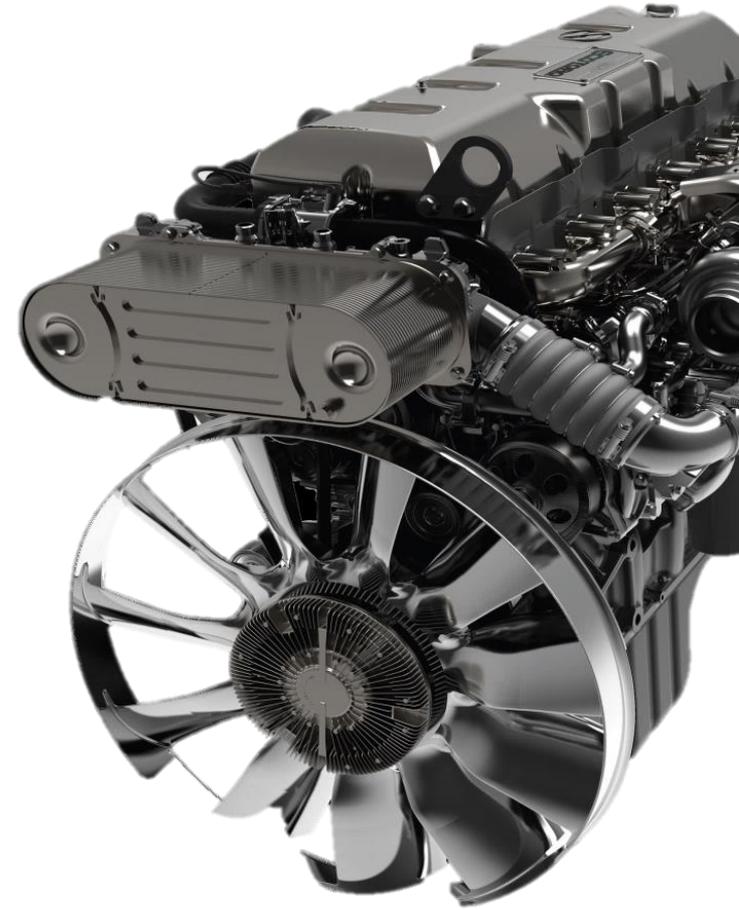
IP Rights owned 100% by Ford Otosan



- Cost of ownership advantage over peers
- 80% localization rate -> 90% by 2020
- 2.5 meter cabin
- 500 PS
- Domestic launch in October 2018
- Global launch in 2019

Ecotorq Engine Family

- Available in **9L 330PS** and **13 L 420PS, 480 PS and 500PS**
- Environmentally Friendly **Euro 6 Emission Levels**
- Turbocharger with **Variable-Geometry**
- **2500 bar Common-Rail** Fuel Injection System
- **Specially Coated** Pistons
- **Smart Charging** Alternator



Investment Case

Ford Otosan's Value Proposition

Scale & growth

Industry leader in Turkish and European commercial vehicle sales
Turkey's export champion and **Europe's largest commercial vehicle manufacturer**
Technology licensing agreements delivering royalty fees with strong growth potential

Resilience & efficiency

€-denominated export revenues, including non-€ countries
High capacity utilization
Efficient, flexible and low-cost manufacturing and engineering competency

Strong balance sheet & prudent risk management

Surging FCF generation following completion of capex cycle
Growth and profitability driven by new products and cost discipline
Natural hedge of fx-payables due to fx-denominated export revenues

Shareholder value creation

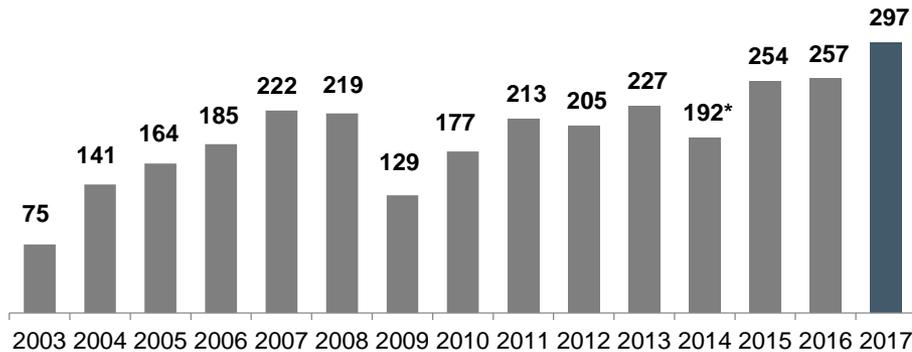
Dividend growth with surging FCF, strong balance sheet and low capex
Strong relative share performance
 Commitment to good **corporate governance**

Relatively Favorable Taxes on Commercial Vehicles

Passenger Cars					Commercial Vehicles					
Engine Size	Base Price (TL)	SCT %	VAT %	Total %	Model	SCT %	VAT %	Total, %		
<1.6 lt	<70,000	45 30	18	71 53	Transit Van Transit Minibus (16+1) (17+1) Transit Chassis Cab Transit Custom Van Transit Courier Van Connect Van Ranger	4	18 1	23 5		
	70,000-120,000	50 35	18	77 59						
	>120,000	60	18	89						
1.6-2.0 lt	<170,000	100	18	136						
	>170,000	110	18	148						
> 2.0 lt		160	18	207					Transit Minibus (11+1) (14+1)	9
<p>Values in red are the tax rates valid under the temporary government incentives from November 2018 to end of March 2019.</p> <ul style="list-style-type: none"> New tax structure for PCs is effective as of November 25, 2016. Above rates are valid for diesel and gas engines. Different SCT rates apply for electric and hybrid vehicles. Previous tax changes as follows: <p>< 1.6 lt 27% to 30% (Aug 2003), 30% to 37% (Sep 2006) < 1.6 lt 37% to 18% (Apr 2009), 18% to 27% (Oct 2009), 27% to 37% (Apr 2010) < 1.6 lt 37% to 40% (Sept 2012), 40% to 45% (Jan 2014) 1.6-2.0 lt 60% to 80% (Oct 2011), 80% to 90% (Jan 2014) > 2.0 lt 84% to 130% (Oct 2011), 130% to 145% (Jan 2014)</p> <p>** 10% to 15% (Oct 12, 2011)</p> <p>VAT: Value Added Tax SCT: Special Consumption Tax</p>					Transit Combi Transit Custom Combi Transit Custom Combi Van Tourneo Custom Transit Courier Combi Van Tourneo Courier Transit Connect Combi			15** 5	18	36 24
					Ford Trucks (heavy truck)	4	18 1	23 5		

Scalable & €-Denominated Export Business

Exports (000 units)

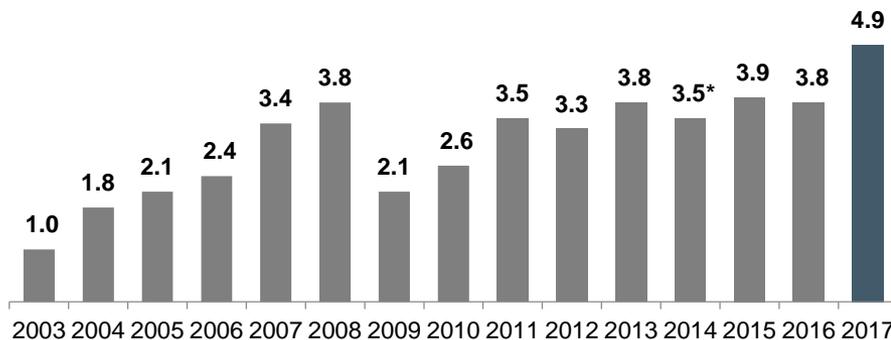


All export agreements are €-denominated, including non-€ countries

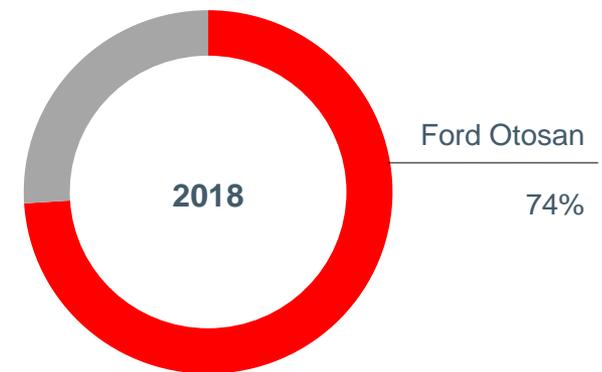
Export receivables are easy to manage as Ford of Europe is the **single counterparty**

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

Export Revenue (US\$ bn)



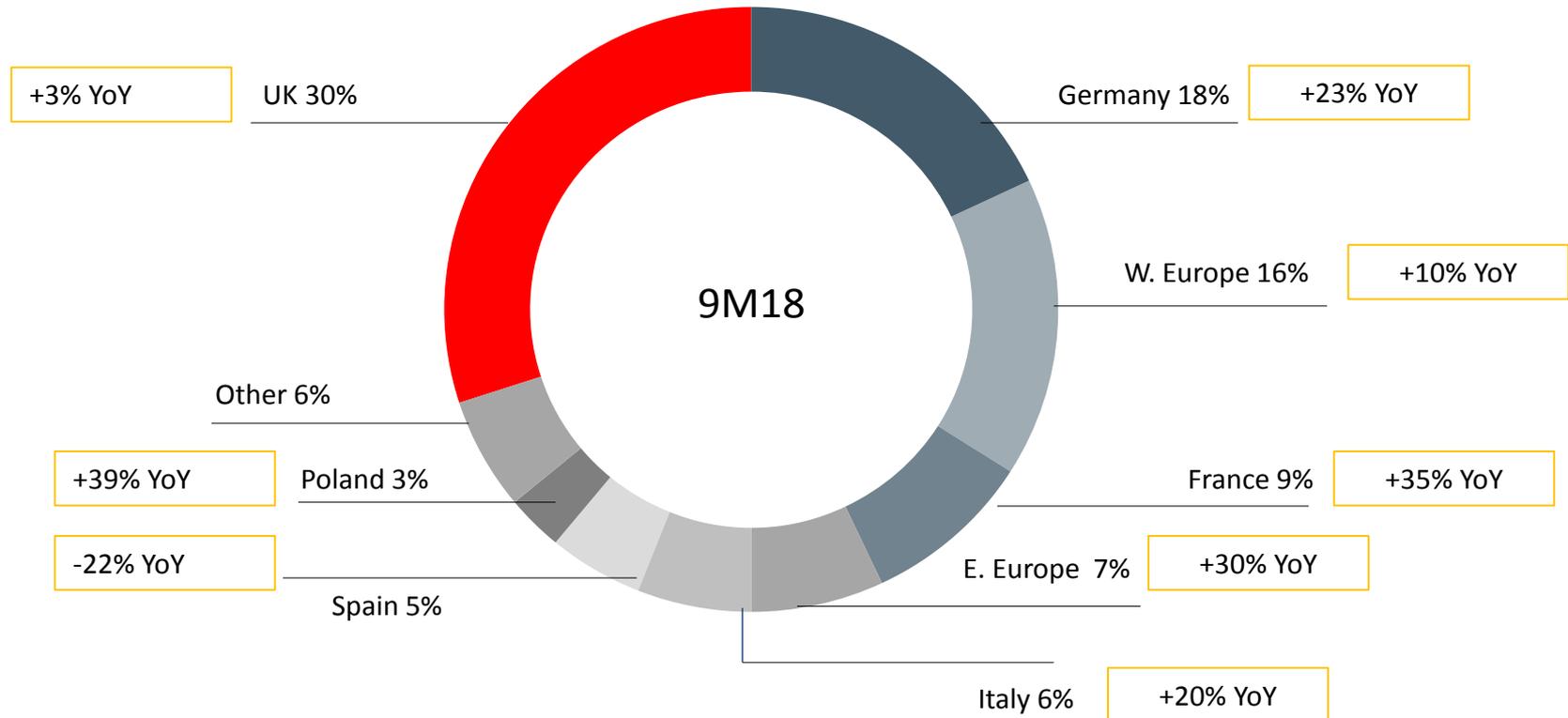
Turkey's CV exports



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Turkey's Export Champion

Export breakdown (units)



Change in Ford Otosan's unit exports to the relevant market

All export agreements are €-denominated including non-€ countries

European Van Industry Continues to Grow

Industry growth supported by broader economic recovery, SME business and e-commerce

Ford Otosan's export segment: Vans up to 3.5 tons

	2014	2015	2016	2017	1Q18	Apr '18	May '18	Jun '18	Jul '18	Aug '18	Sep '18	Oct '18	Nov'18	Dec '18	YTD
UK	18.7%	15.6%	1.0%	-3.6%	-3.7%	3.9%	2.4%	-5.8%	-5.9%	5.0%	-6.1%	14.1%	6.8%	-8.8%	-1.3%
Germany	7.3%	4.2%	8.5%	4.9%	2.3%	15.4%	2.4%	5.7%	0.4%	12.7%	2.7%	15.0%	6.6%	-3.2%	5.4%
Italy	16.4%	12.4%	50.0%	-3.4%	4.1%	-4.4%	-2.0%	-3.8%	-3.4%	-3.0%	-20.5%	-16.6%	-7.2%	-11.5%	-6.0%
Spain	33.2%	36.1%	11.2%	15.5%	9.3%	22.2%	9.3%	11.4%	5.4%	20.2%	-9.3%	2.8%	-5.9%	9.9%	7.8%
France	1.5%	2.0%	8.2%	7.1%	6.0%	6.9%	1.8%	3.7%	5.1%	12.7%	-2.6%	6.7%	3.0%	2.9%	4.6%
Total	11.3%	11.6%	11.9%	3.9%	2.8%	9.8%	4.3%	8.3%	0.9%	7.5%	-6.0%	6.0%	2.7%	-2.4	3.1%

December registrations: 168,446 units

Jan – Dec registrations: 2,058,755 units

-2.4%

**Dec YoY change
in European van sales**

+3.1%

**Jan – Dec YoY change
in European van sales**

**Ford is UK's No. 1 brand,
achieving 53rd consecutive year of
CV leadership**

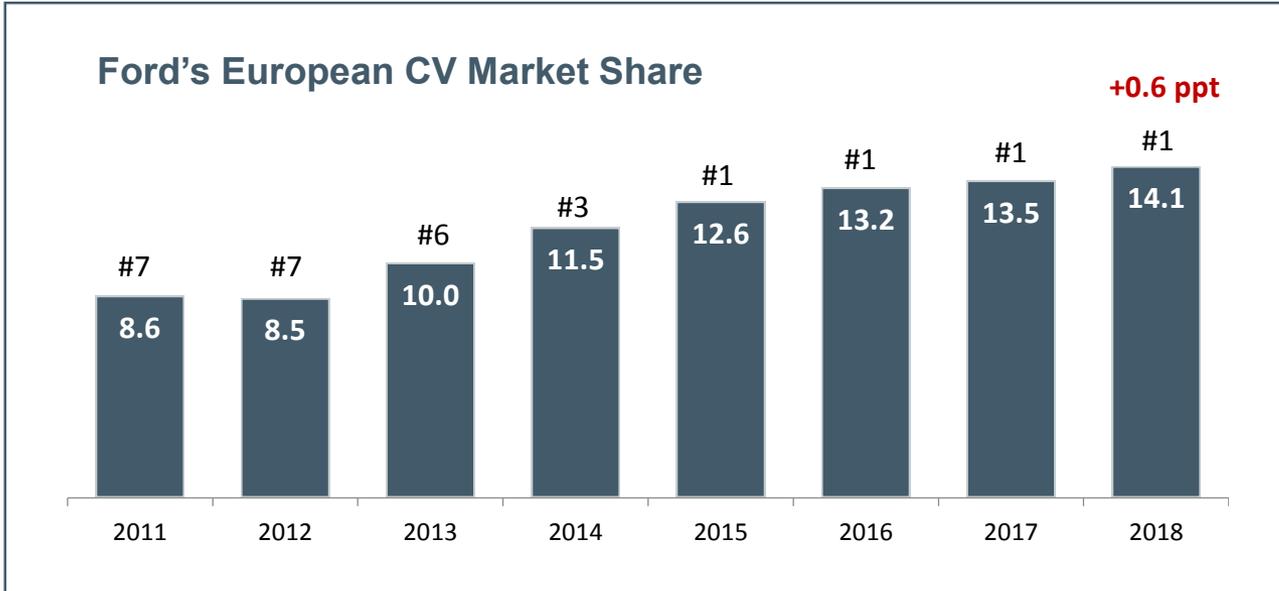
UK Industry **-1.3%**
Ford **+7.0%**

Source: SMMT, 2018

Source: www.acea.be 27 European markets excluding Malta.

Ford is Europe's Top-Selling CV Brand

Offering an unrivalled selection of vehicles that cater for every requirement



Ford delivered its best commercial vehicle sales volume in 25 years

Ford is Europe's No. 1 commercial vehicle brand for the fourth consecutive year

7.0%

Dec YoY change
in Ford's CV sales

9.0%

Jan-Dec YoY change
in Ford's CV sales

Source: Ford of Europe Full Year Sales 2018, reporting sales for its 20 European traditional markets

Ford Otosan: Key Driver of Ford's Market Share

and Pillar of profitability for Ford of Europe



Transit



Custom



Connect
(produced in Spain)



Courier

FORD OTOSAN produces

83%

of Transit Family vans
sold in Europe

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

Transit



Courier



US\$ 75 million +

Ford Trucks



Custom



€ 370 million

Yeniköy



US\$ 850 million

Favorable Financing Terms

- €150 million loan agreement signed with EBRD in 2010
(Closed as of December 2015)
5-year term with 2-years grace period at Euribor + 2.75%
- €190 million loan agreement signed with EIB in 2012
8-year term 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 term with 2-years grace period at Euribor + 2.30%
- €140 million loan agreement signed with EBRD and a consortium of foreign banks in July 2014
€70 million funded by EBRD and €70 million funded as syndicated loan
(HSBC, Societe Generale, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Credit Agricole)
5-year term with 2-years grace period at Euribor + 2.25%
- €100 million loan agreement signed with EIB in December 2015 and utilized in 1Q 2016
6-year term at 0.87%
- €150 million loan agreement signed with EBRD in April 2017
7-year term with 3-years grace period at Euribor + 1.95%

Payment Schedule, Long Term Loans

('000 TL, 30 September 2018)

2019: 284,305

2020: 760,204

2021: 564,555

2022: 288,147

2023: 231,683

2024: 115,842

Effective interest rates

ST borrowings: **0.75%**

ST portion of LT borrowings: **1.66%**

LT borrowings: **1.64%**

Interest paid (000 TL)

9M18: 220,330

2017: 164,923

Highest Commercial Production Capacity in Turkish Automotive

Old: 330.000 (pre-investments)



Kocaeli Plant



İnönü Plant



New: 415,000 (2014) → 440,000 (2017) → 455,000 (2018)

Transit

160,000



Custom

180,000



Courier

110,000



Truck

15,000



Gölcük Plant

Yeniköy Plant

İnönü Plant

Kocaeli Plants

Export Driven Capacity Increase Completed

US\$ 52 million total investment

Capacity ('000 Units)	Previous	Current (Phase 1)	Phase 2
Custom	130-150	170	180
Transit	140-160	160	160
Total Gölcük Plant*	290*	315*	330*
Total Ford Otosan	415	440	455
		4Q17 ✓	September '18 ✓

* Total paintshop capacity of the plant.
Announced on August 2, 2017.

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 24th, 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.

Chassis, cab and components of Ford heavy trucks

- Signed on July 25th, 2014.
- The products and JMC branded vehicles containing these products will be sold in China.

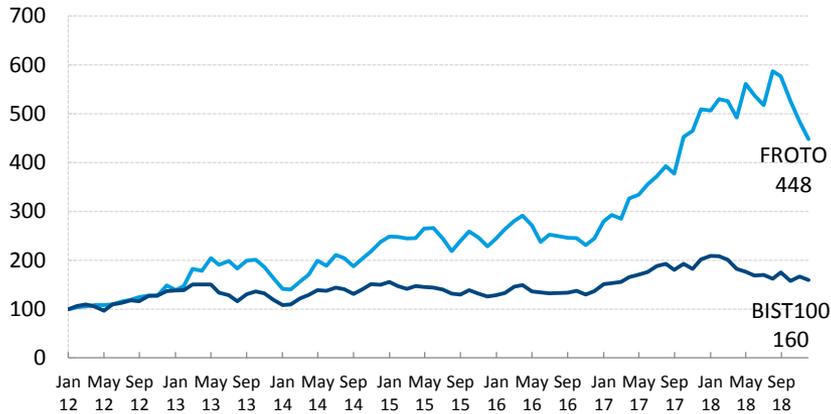


JMC is
 '2018 Chinese Truck of the
 Year'



Focus on Shareholder Value

Strong relative share performance

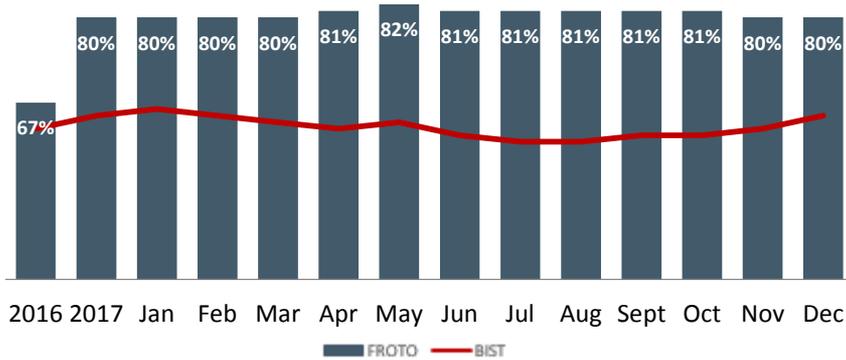


Commitment to corporate governance

- Separate CEO and Chairman roles
- Independent BoD members
- Board Committees
 - Audit Committee
 - Corporate Governance Committee
 - Risk Committee
 - Remuneration Committee
- Highly experienced professional Executive Management
- Performance based compensation

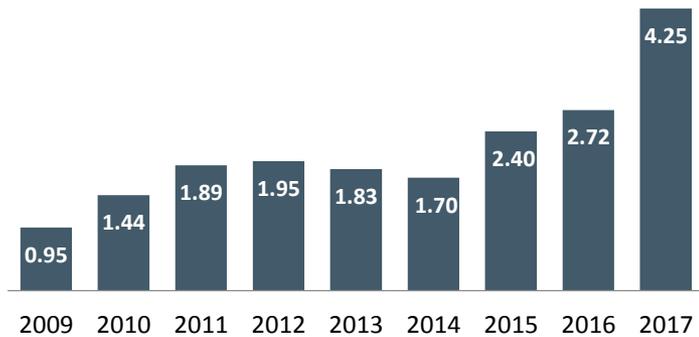
Large Institutional Investor Base

Foreign ownership in free float



Strong Earnings Growth

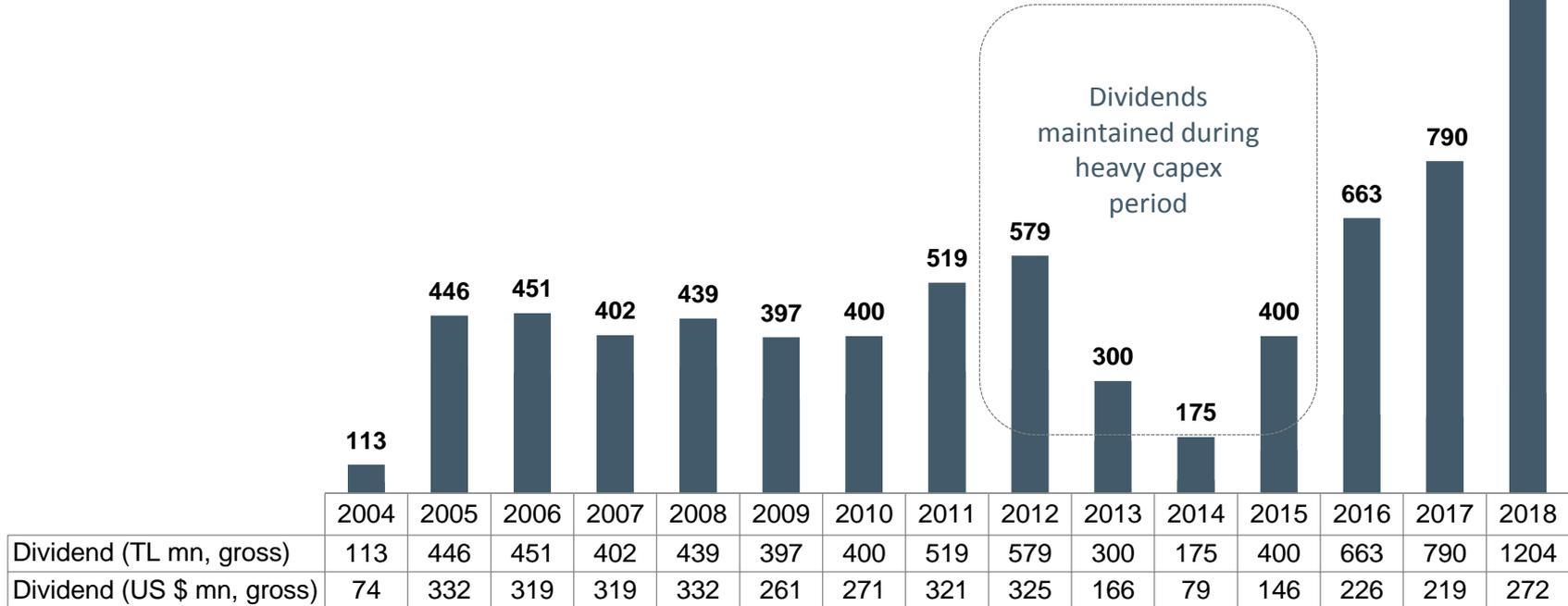
EPS (for Kr 1 nominal value)



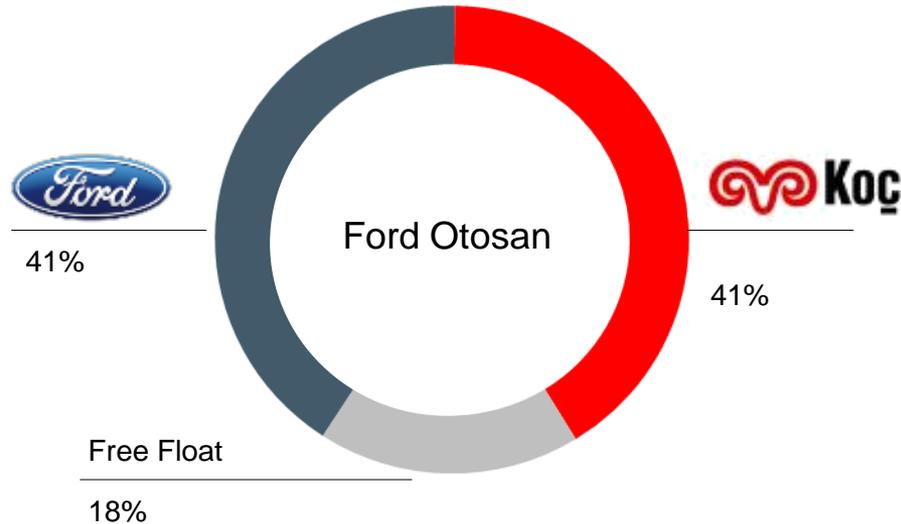
Commitment to Dividends

3.7 billion US\$

Ford Otosan's dividend payments
since 2004



Policy: 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.



Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 202.000 people worldwide. Automotive brands include Ford and Lincoln.

Established in 1926, Koç Holding is Turkey's leading investment holding company and the Koç Group is Turkey's largest industrial and services group in terms of revenues, exports, share in Borsa İstanbul's market capitalization and employment generation. While maintaining its leadership position in Turkey, The Koç Group focuses on sustainable and profitable growth with an aim to be a key player in its region and in the world.

Koç Holding ranks among the world's top 500 companies in Fortune Global 500 (2017 report).

- Maintenance, service and repairs provided through our customer-focused and innovative network.
- Dealers are separate legal entities; no ownership by Ford Otosan.
- Dealer receivables from domestic dealers are collected using a Direct Debit System.



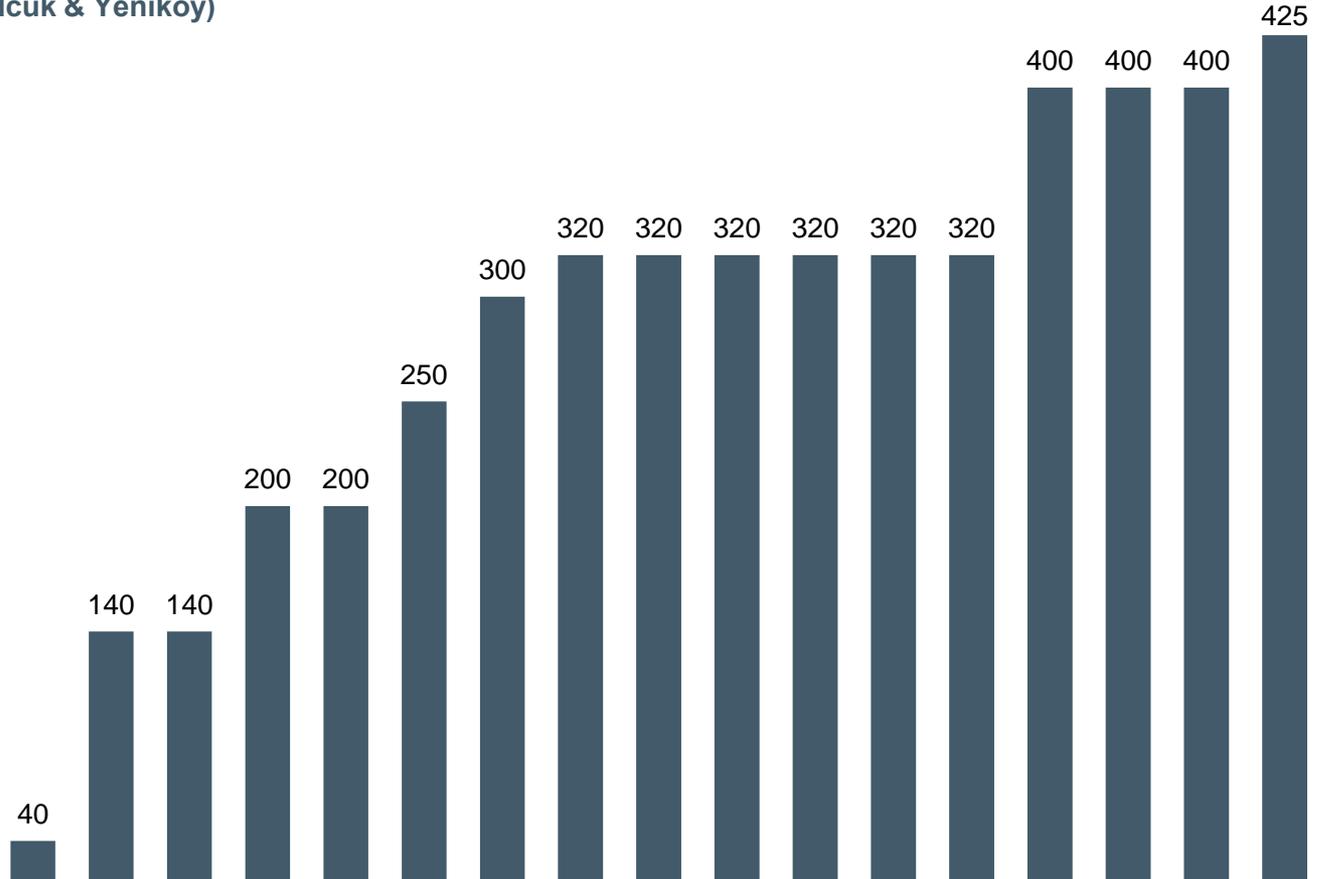
Light Vehicles (PC+LCV+MCV)

Sales	114
After-Sales	125
Total	159

Ford Trucks

Sales	26
After-Sales	30
Total	30

Ford Otosan Kocaeli Plants (Gölcük & Yeniköy)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
■ Year-end Capacity ('000 units)	40	140	140	200	200	250	300	320	320	320	320	320	320	400	400	400	425
■ Kocaeli Plants (Gölcük&Yeniköy) CUR	45%	34%	80%	100%	117%	100%	93%	82%	54%	74%	90%	83%	86%	59%	81%	82%	88%
■ Turkey Industry CUR	29%	35%	52%	73%	76%	81%	86%	77%	57%	72%	76%	68%	73%	70%	80%	86%	85%

*2014 numbers reflect the transition to new product range and relevant ramp-up period.

R&D Focused on Excellence

Ford Otosan has the 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 diesel powertrains
- Design studio and CAVE lab (1st in Turkey)
- Vehicle and engine HIL labs

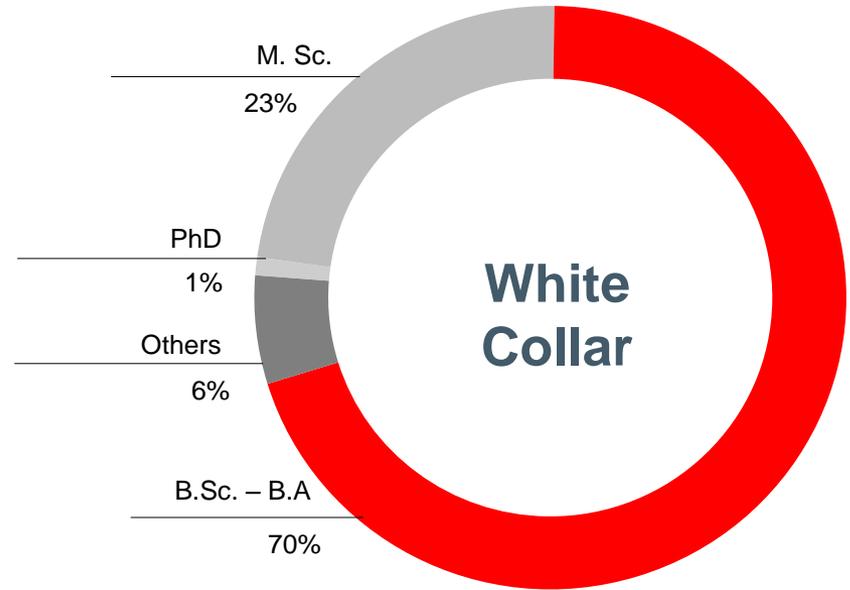
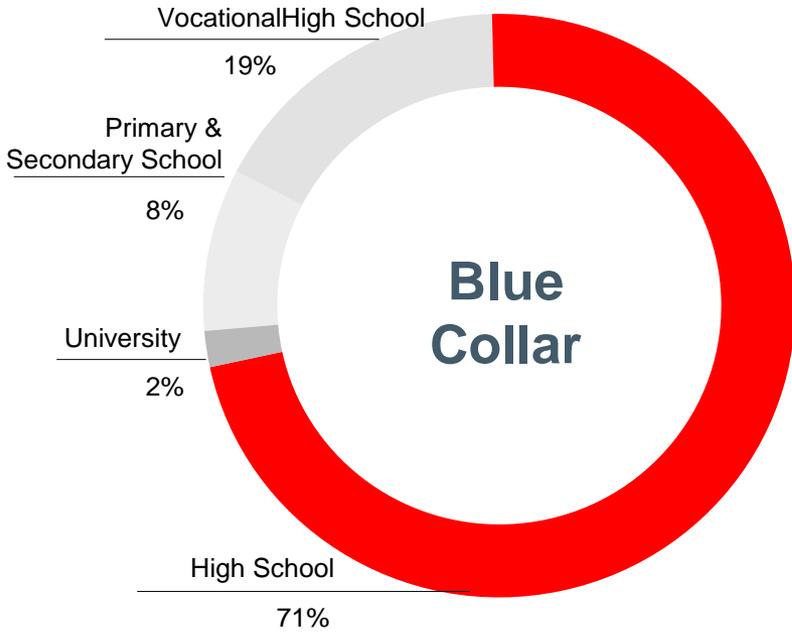
Gölcük R&D Center

- Engine & vehicle testing
- Development workshops



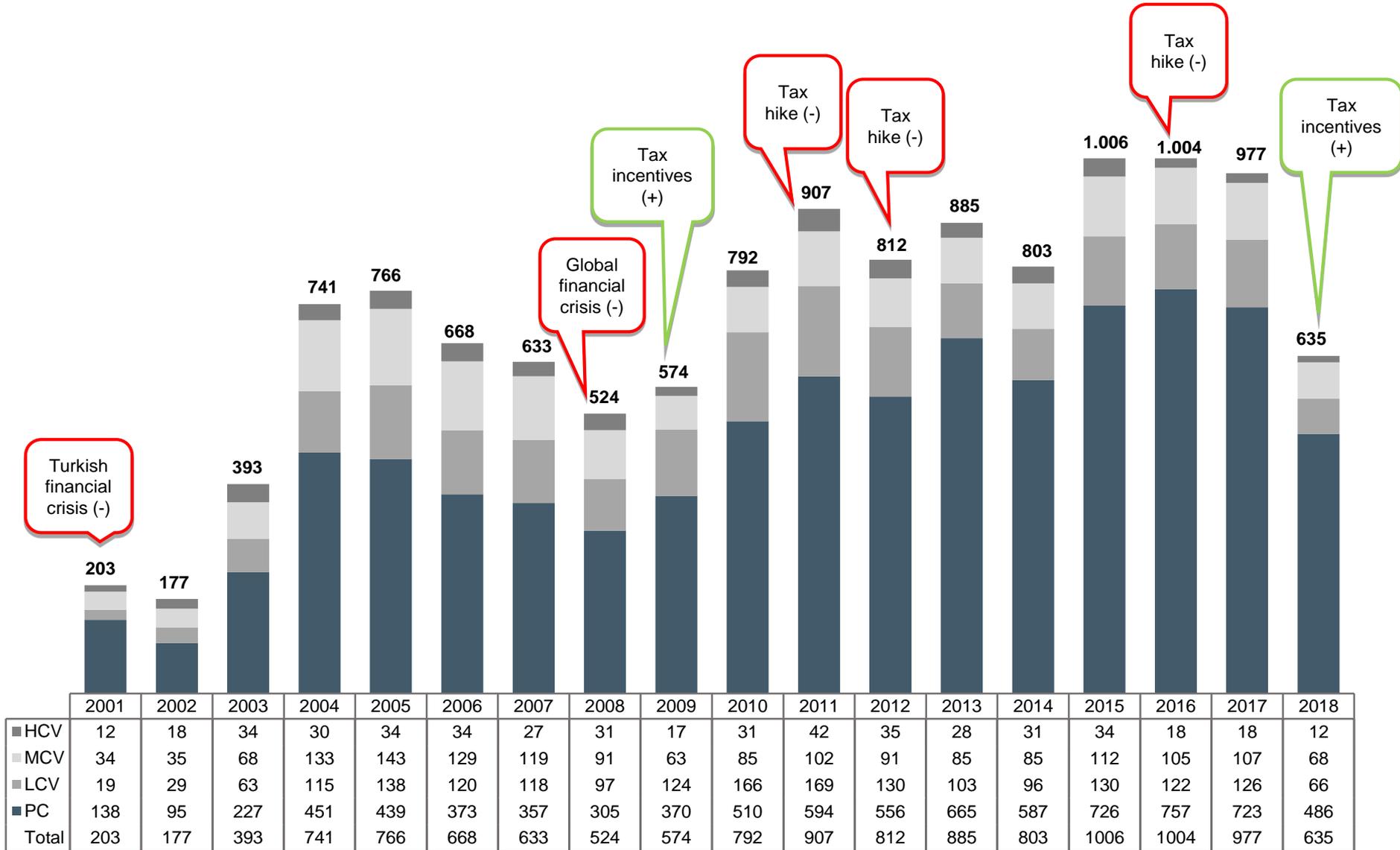
İnönü Product Development

- Prototype engine manufacturing and testing
- The only facility to test extra heavy engines over 13L in Turkey



Operating & Financial Performance

Turkish Automotive Industry (000 units)



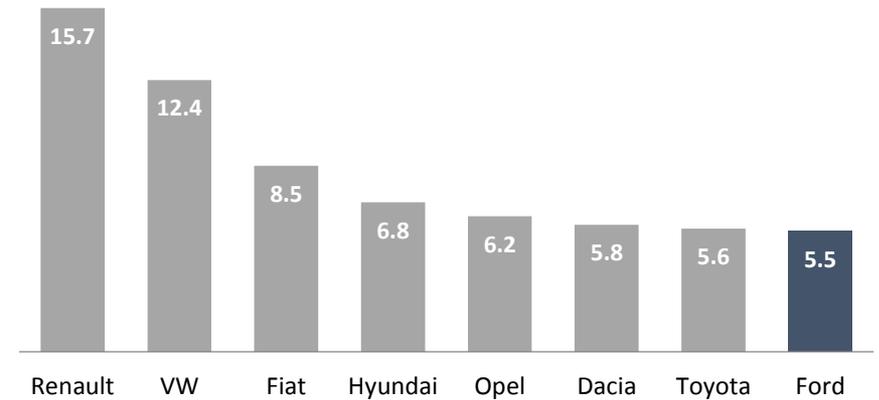
Turkish Market Shares, 2017

Total Industry

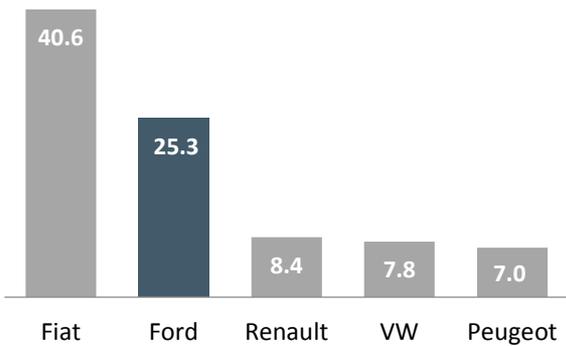
Ford's 2nd largest market share in Europe



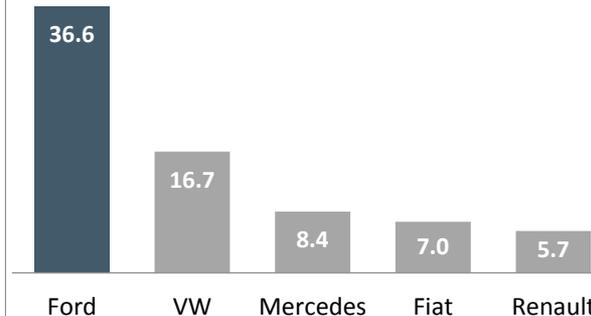
Passenger Cars



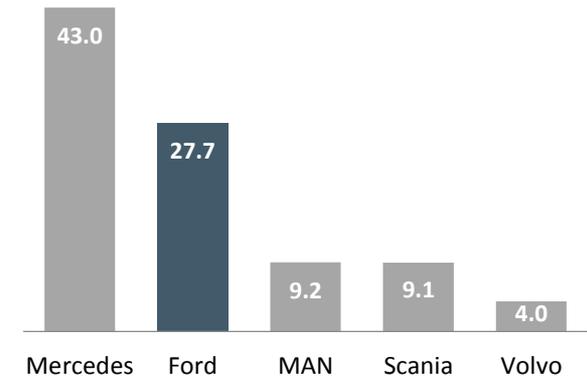
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



* Courier and Connect

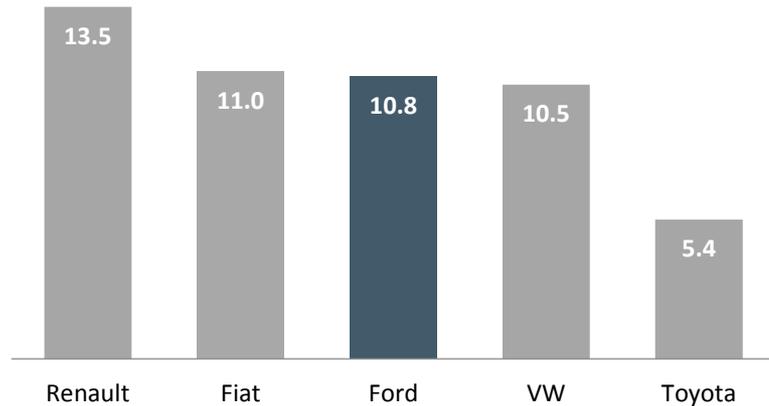
** Transit, Custom & Ranger

Source: ODD and TAIID

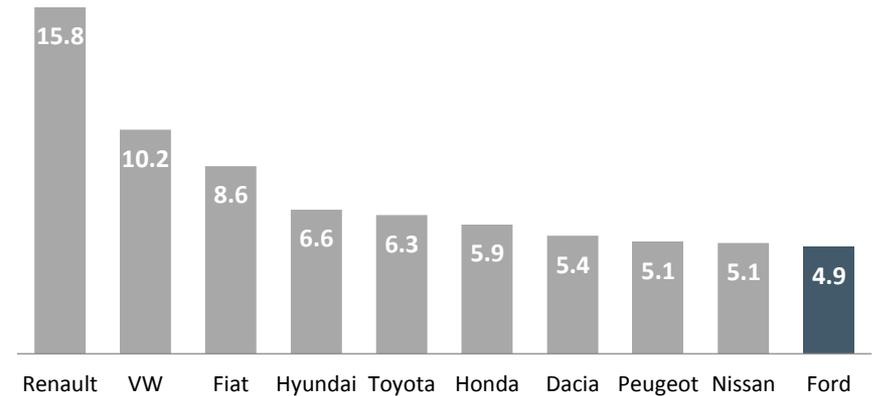
Turkish Market Shares, 2018

Total Industry

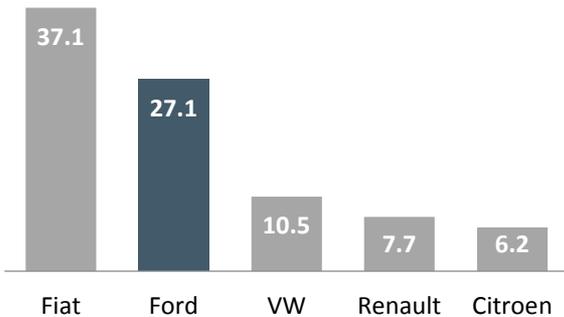
Ford's 4th largest market share in Europe



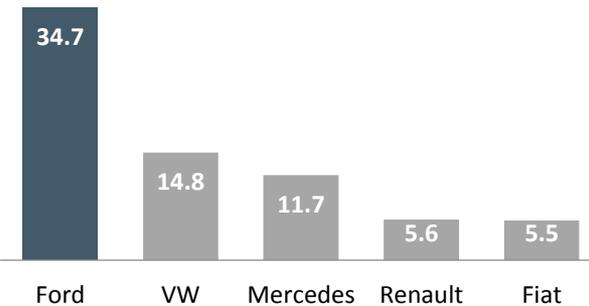
Passenger Cars



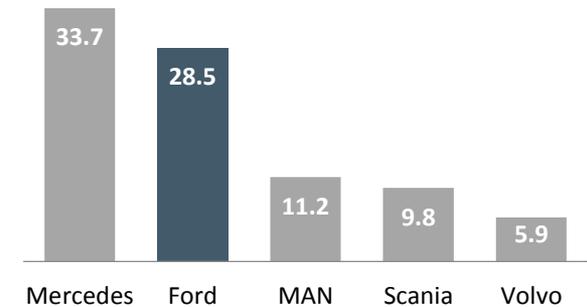
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



* Courier and Connect

** Transit, Custom & Ranger

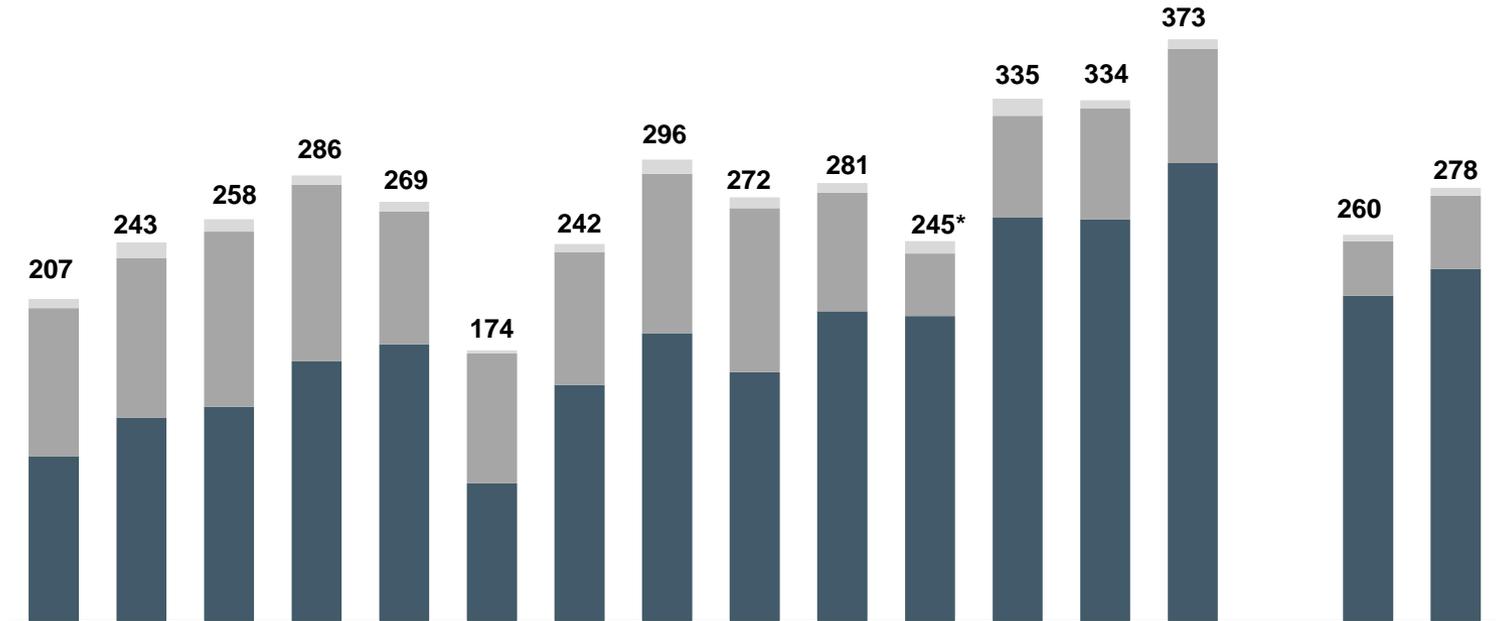
Source: ODD and TAIID

Turkish Market & Ford Otosan Retail* Sales (Units)

	Dec '18	Dec '17	YoY Change	2018	2017	YoY Change	Nov '18	MoM Change
PC								
Ford Otosan	2.009	4.546	-56%	23.748	39.850	-40%	2.008	0%
Industry	60.843	99.694	-39%	486.321	722.759	-33%	46.204	32%
Share	3,3%	4,6%	-1.3	4,9%	5,5%	-0.6	4,3%	-1.0
LCV								
Ford Otosan	2.193	5.499	-60%	17.999	31.881	-44%	1.219	80%
Industry	7.885	20.047	-61%	66.448	126.111	-47%	5.940	33%
Share	27,8%	27,4%	0.4	27,1%	25,3%	1.8	20,5%	7.3
MCV								
Ford Otosan	3.394	6.819	-50%	23.681	39.333	-40%	1.905	78%
Industry	8.978	16.499	-46%	68.168	107.324	-36%	6.060	48%
Share	37,8%	41,3%	-3.5	34,7%	36,6%	-1.9	31,4%	6.4
Truck								
Ford Otosan	225	747	-70%	3.410	5.183	-34%	195	15%
Industry	1.187	3.582	-67%	11.984	18.745	-36%	619	92%
Share	19,0%	20,9%	-1.9	28,5%	27,7%	0.8	31,5%	-12.5
Total								
Ford Otosan	7.821	17.611	-56%	68.838	116.247	-41%	5.327	47%
Industry	79.063	140.176	-44%	634.540	977.483	-35%	58.925	34%
Share	9,9%	12,6%	-2.7	10,8%	11,9%	-1.0	9,0%	0.9

Retail sales are Ford branded vehicles sold domestically by Ford dealers. They include dealer inventory and define the market share.

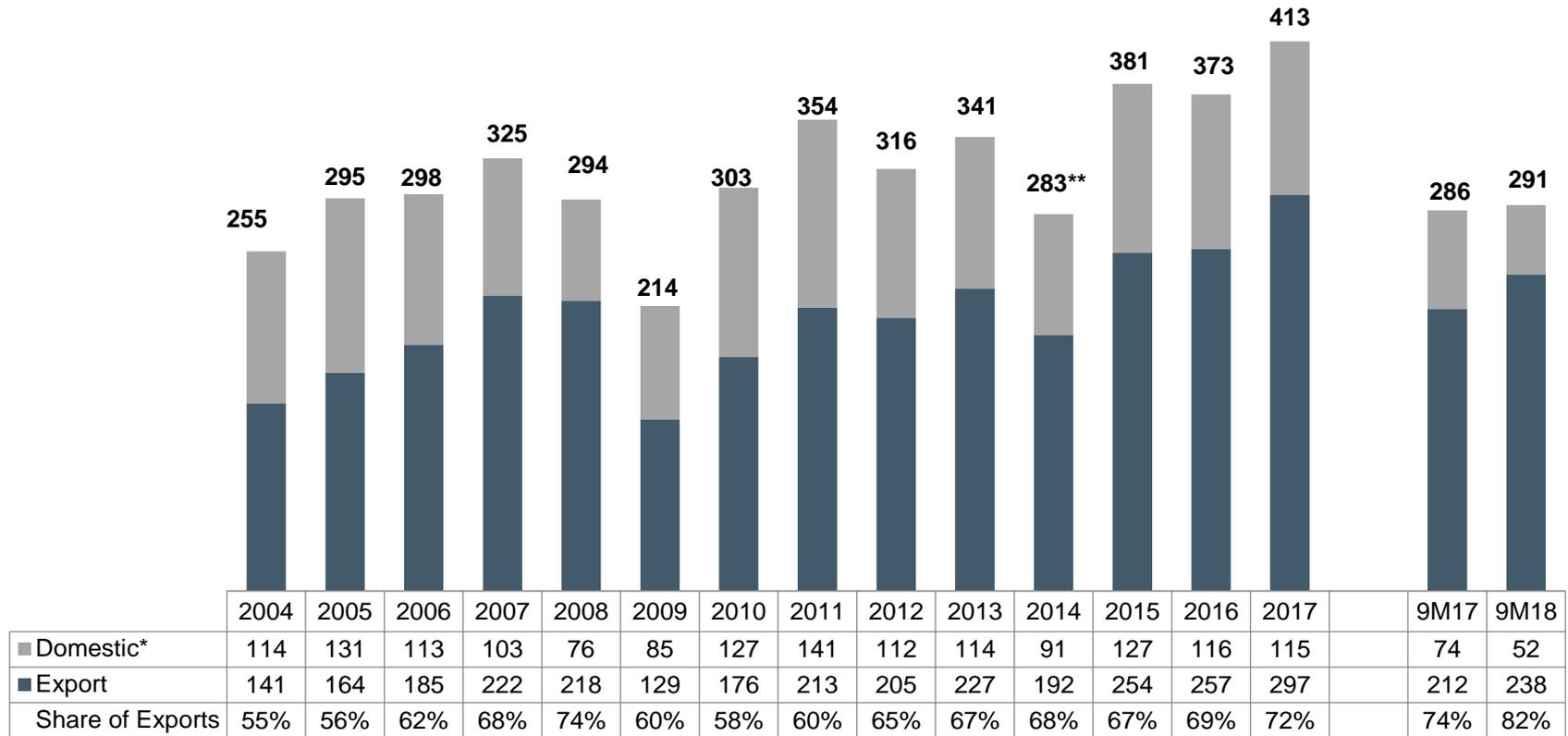
Production Volume (000 units)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		9M17	9M18
■ Heavy Truck	6	10	8	6	6	2	5	9	7	6	8	11	5	6		4	5
■ Light Commercial Vehicle	95	102	112	113	85	83	85	102	105	76	40	65	71	73		35	47
■ Medium Commercial Vehicle	106	131	138	167	178	89	152	185	160	199	196	259	258	294		209	226

*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Wholesale Volume (000 units)



* Domestic wholesale volumes are vehicles sold by Ford Otosan to our dealers. They form the basis of IFRS financials.

** 2014 numbers reflect the transition to new product range and relevant ramp-up period.

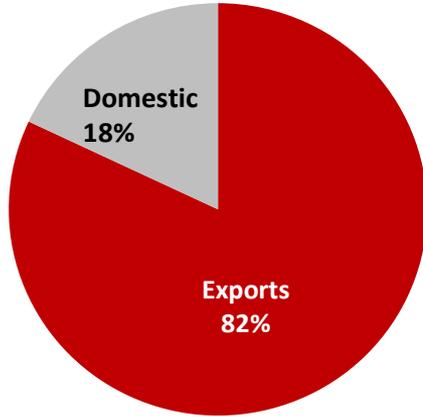
Sales Volume by Model

	9M18	9M17	YoY%	3Q18	3Q17	YoY%
Total Domestic	52.472	74.370	-29%	11.276	25.711	-56%
PC	15.210	22.779	-33%	3.645	7.594	-52%
LCV	17.081	23.524	-27%	3.180	6.956	-54%
Transit Courier	16.359	22.265	-27%	2.970	6.488	-54%
Transit Connect	722	1.259	-43%	210	468	-55%
MCV	17.299	24.808	-30%	3.940	9.893	-60%
Transit	12.352	18.236	-32%	2.868	7.002	-59%
Transit Custom	3.818	4.972	-23%	614	2.193	-72%
Ranger	1.129	1.600	-29%	458	698	-34%
Truck	2.882	3.259	-12%	511	1.268	-60%
Total Export	238.458	211.695	13%	73.292	59.307	24%
Transit Custom	119.709	112.269	7%	35.612	33.020	8%
Transit	87.946	73.614	19%	26.770	19.688	36%
Transit Courier	29.477	24.685	19%	10.478	6.254	68%
Truck	1.157	625	85%	381	247	54%
Other	169	502	-66%	51	98	-48%
Total Wholesale	290.930	286.065	2%	84.568	85.018	-1%

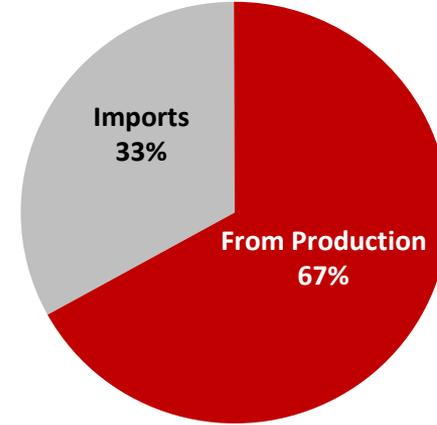
Record

Record

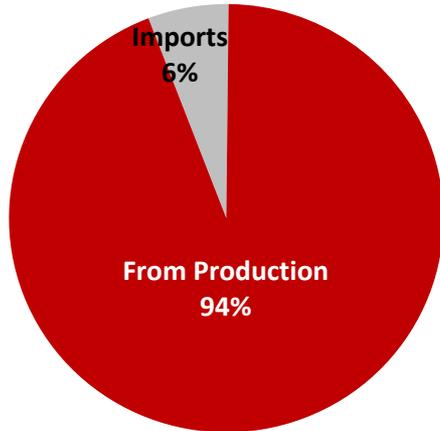
Total Sales



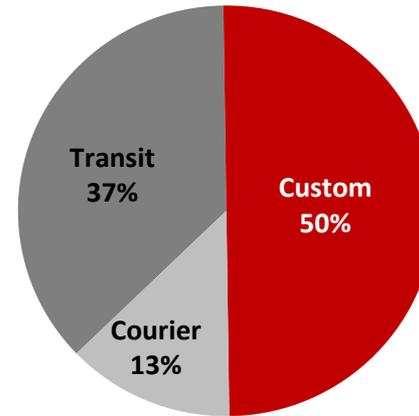
Domestic Sales



Total Sales



Exports by Model



TL 23,244 million

Revenues, +36% YoY

- Robust export performance
- Record volumes

TL 2,286 million

EBITDA, +54% YoY

- Strong OpEx control & cost reduction actions
- Higher fx gains from operating activities

TL 18,780 million

Export Revenues, +51% YoY

- Record volumes
- Currency impact

TL 1,430 million

Profit Before Tax, +45% YoY

- Despite pressure from 209% rise in net financial expenses driven by 200% higher net fx loss

TL 4,465 million

Domestic Revenues, -6% YoY

- Volume decline due to market contraction
- Pricing discipline and profitability focus limited revenue decline

TL 1,272 million

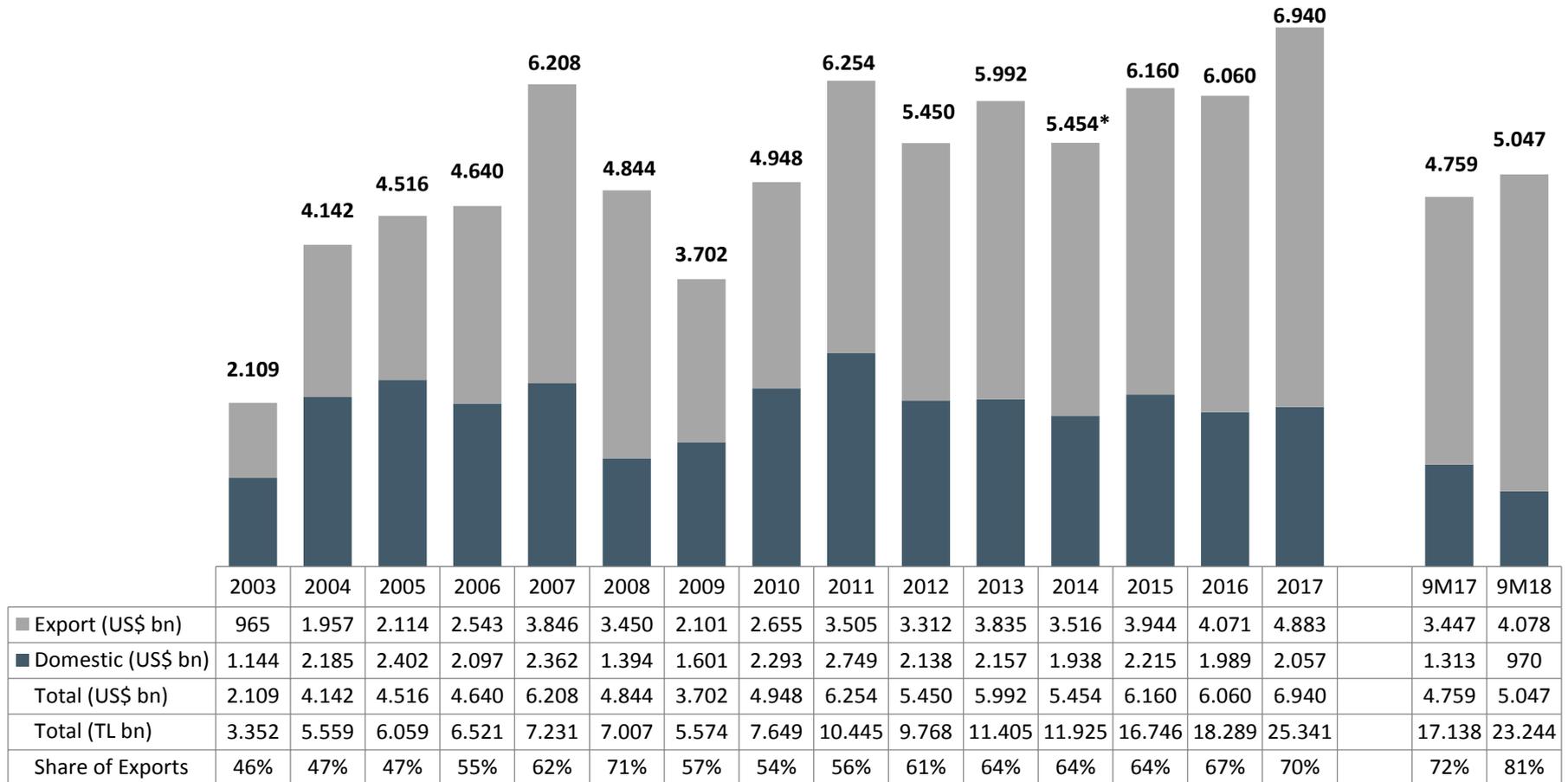
Net Income, +30% YoY

- Current year deferred tax liability resulting from the cash flow hedge, mainly in Q3.

Main Financial Indicators

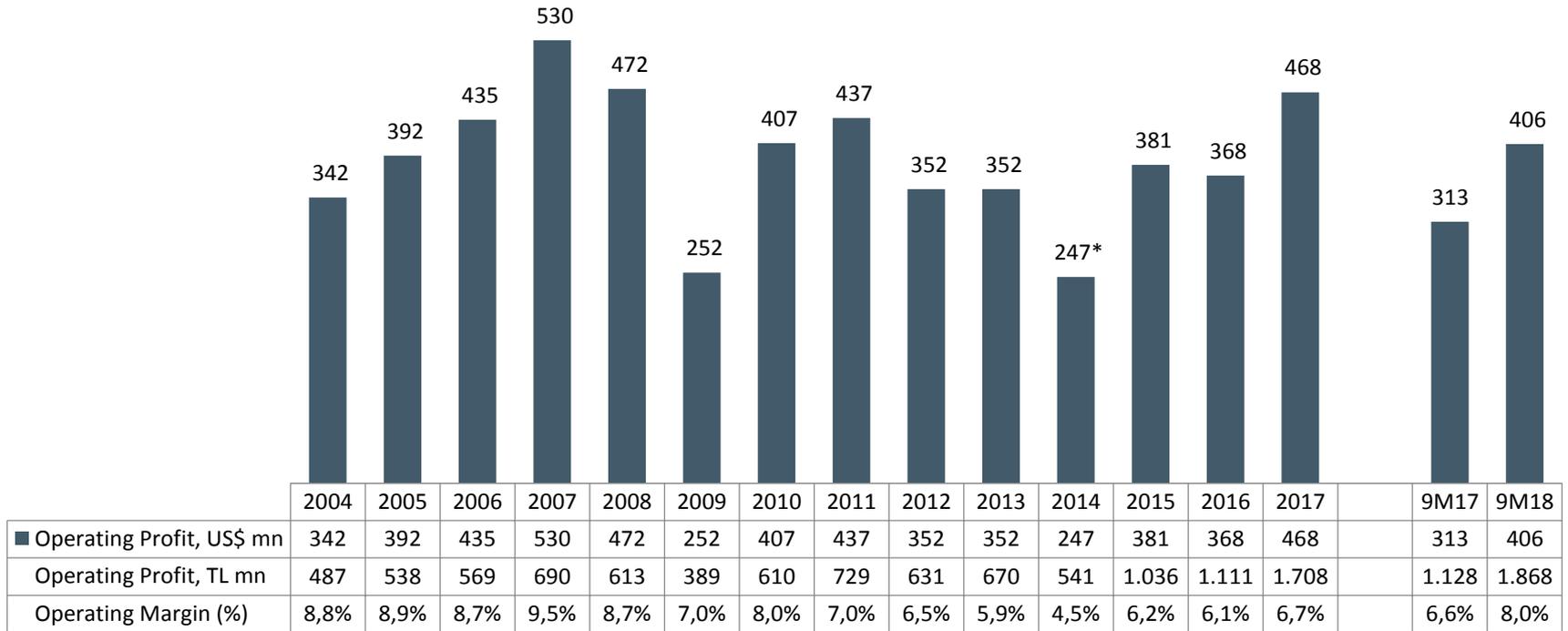
Million TL	9M18	9M17	YoY %	3Q18	3Q17	YoY %
Total Revenues	23.244	17.138	36%	7.772	5.486	42%
Export	18.780	12.411	51%	6.681	3.735	79%
Domestic	4.465	4.728	-6%	1.091	1.750	-38%
Gross Profit	2.501	1.800	39%	822	628	31%
Operating Profit	1.868	1.128	66%	730	420	74%
EBITDA	2.286	1.482	54%	878	538	63%
Profit Before Tax	1.430	986	45%	489	356	37%
Net Income	1.272	980	30%	354	346	2%
Other Financial Data						
Depreciation & Amortization	418	353	18%	148	117	26%
Financial Income / (Expense)	-435	-141	209%	-239	-64	273%

Revenues - Domestic & Export



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Operating Profit and Margin



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

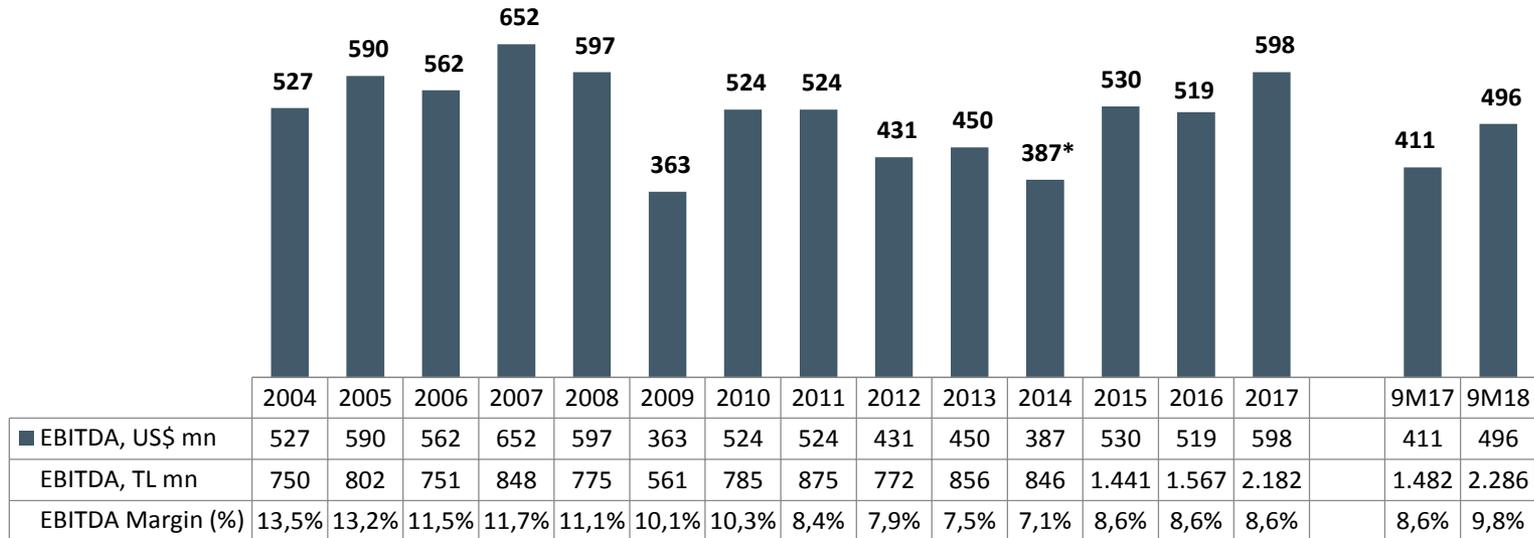
EBITDA and EBITDA Margin

Profitability rise post 2015 explained:

- Strong volumes with new products
- Favorable domestic sales mix
- Pricing focus to offset the weak and volatile TL
- Higher capacity utilization
- Cost reduction actions

2010-2014 margin decline explained:

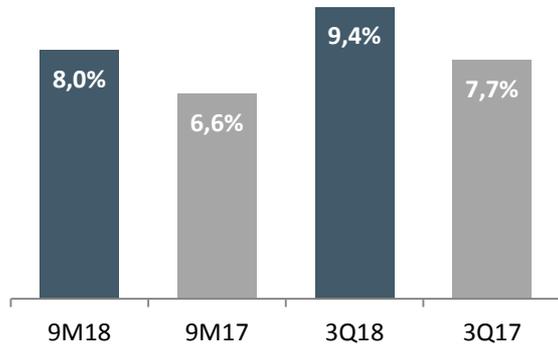
- Changing business mix
- Highly competitive domestic pricing landscape
- Industry shift towards PC = Less favorable sales mix
- Aged product portfolio
- TL volatility causing higher import costs and financial expenses



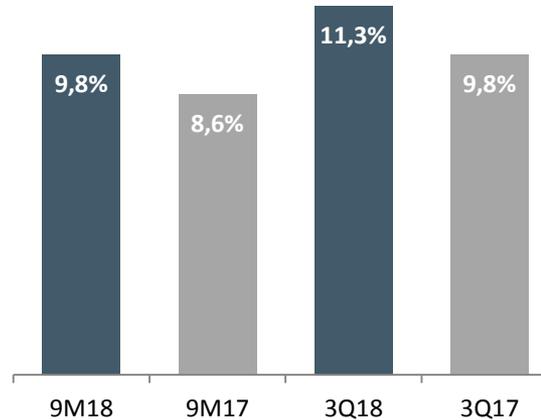
*2014 numbers reflect the transition to new product range and relevant ramp-up period.

9M18 Margins

Operating Margin



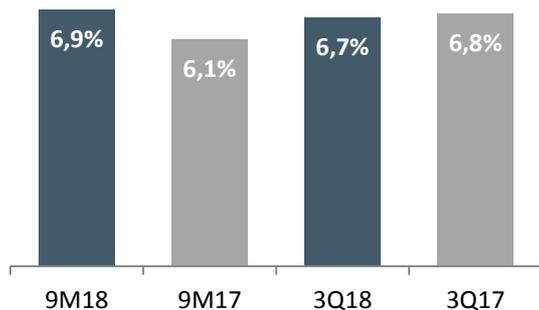
EBITDA Margin



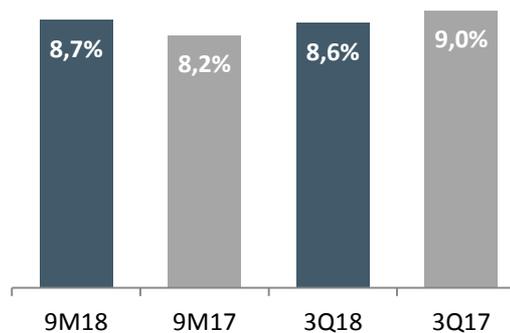
Drivers:

- + Rising export demand
- + Positive impact of currency fluctuations on gross profit resulting from export operations
- + Cost reduction actions and strong OpEx control
- + Pricing discipline
- + Significant rise in net fx gains from export business

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



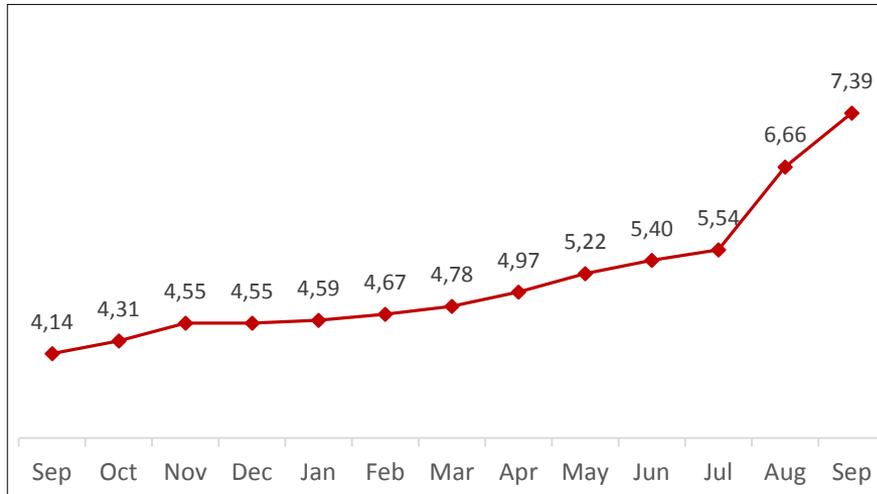
Challenges:

- considerable cost pressure resulting from weaker €/TL (+37% YoY in 9M18 and 58% YoY in 3Q18) and high inflation
- contracting domestic volumes

Ongoing Cost Pressure

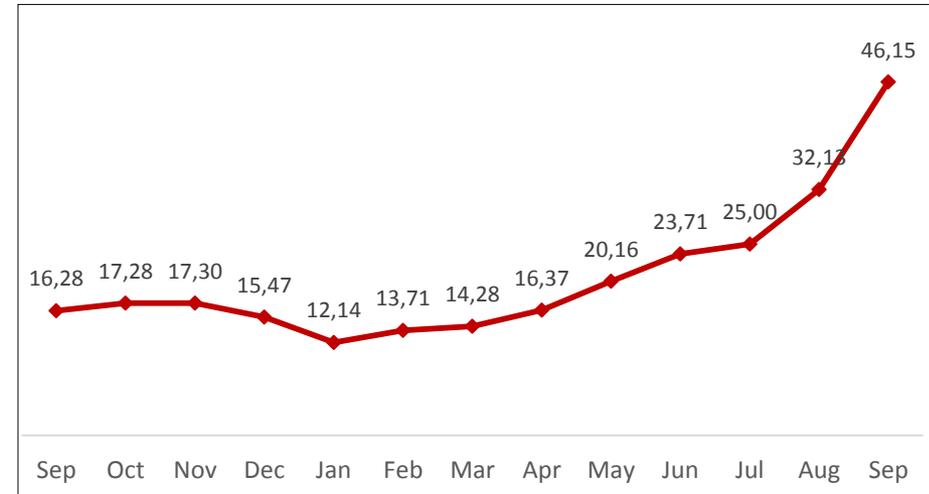
YoY change	9M18/9M17	3Q18/3Q17
Production Volume	7%	6%
Raw Material Costs	45%	60%
€ / TL Average	37%	58%

EUR/TL Rate, Average



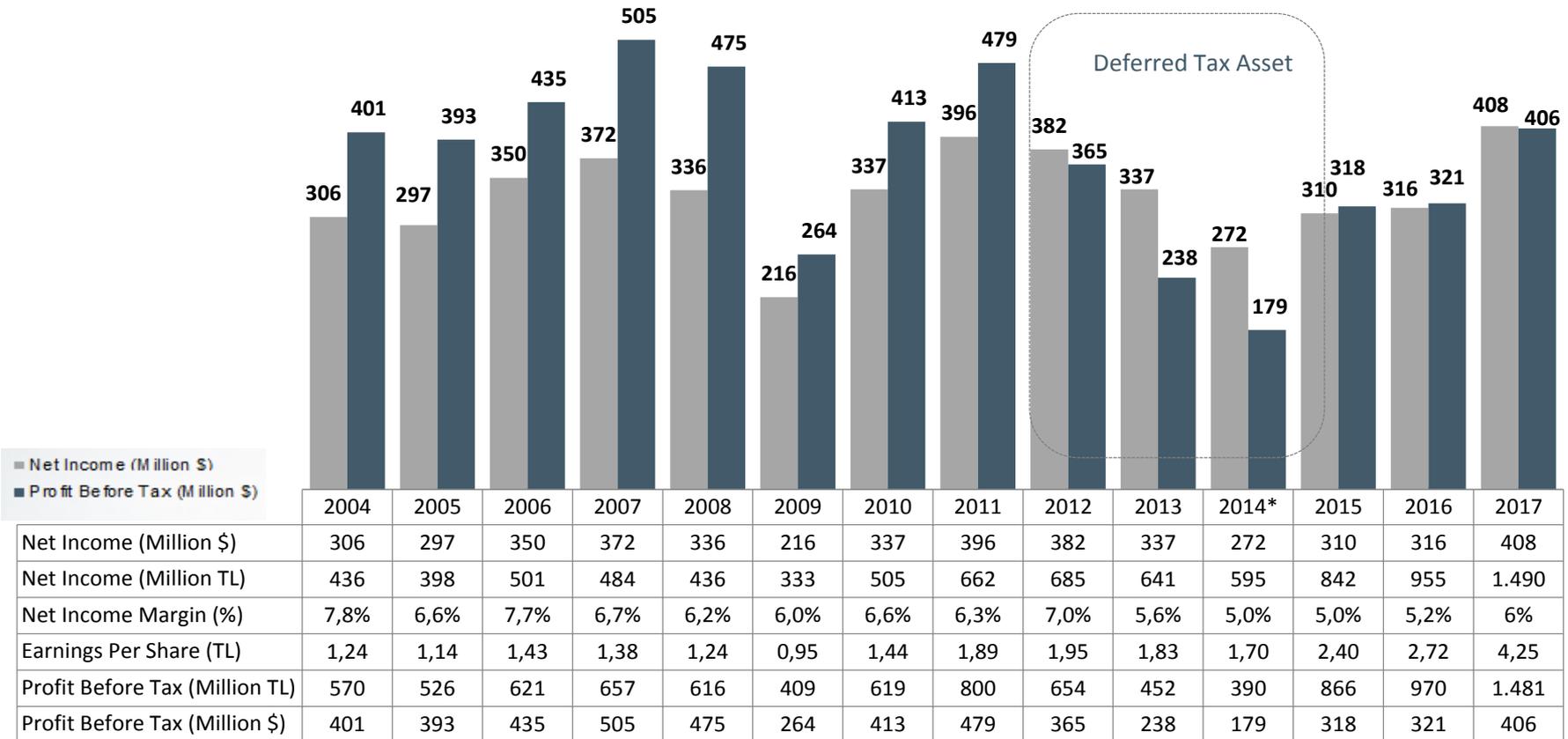
Source: CBT

PPI Inflation. %



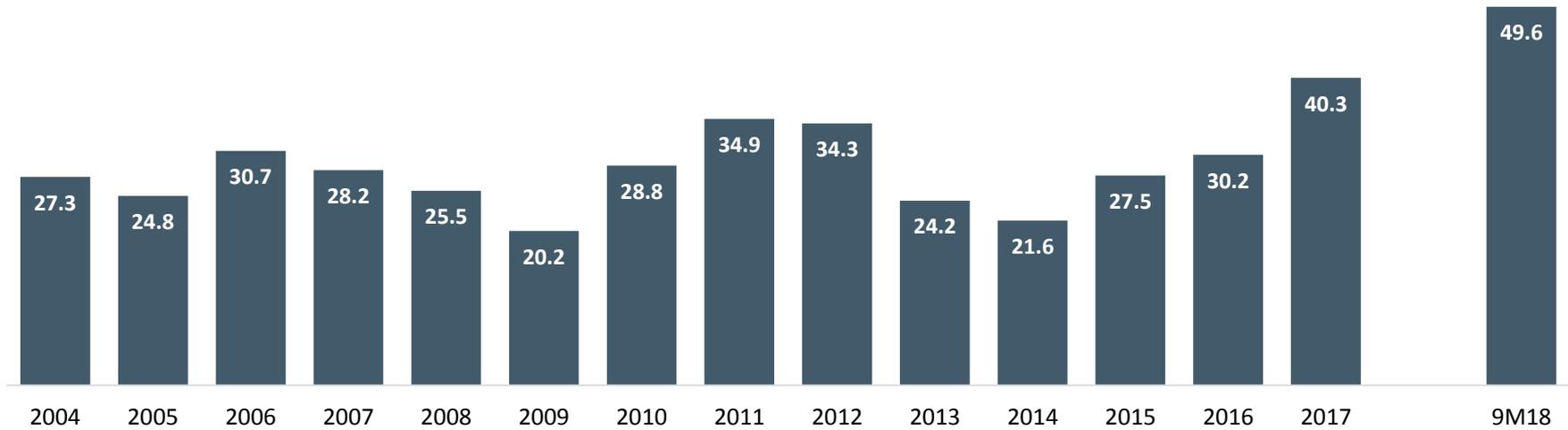
Source: CBT

PBT & Net Income



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Return on Equity, %



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Credit Risk

Receivables from domestic dealers are collected using a Direct Debit System
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
€100 million credit commitment & €120 million factoring agreements for potential needs
Net debt as of 9M18 is TL 4 billion

FX Risk

Excess cash is invested in hard currencies to minimize fx exposure
Natural hedge against volatility due to fx-denominated export revenues: 81% of revenues
Ford Otosan is a net exporter: US\$ 4.9 billion in the last 5 years (2012-2017)

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.9.2018	31.12.2017
Cash & Cash Equivalents	1.379	1.806
Total Financial Debt	-5.348	-3.604
Net Financial Debt	-3.968	-1.798
Financial Ratios	30.9.2018	31.12.2017
Current ratio	1,07	1,13
Liquidity ratio	0,68	0,87
Net Debt / Tangible Net Worth	1,51	0,60
Net Debt / EBITDA	1,30	0,82
Current Assets / Total Assets	0,59	0,57
Current Liabilities / Total Liabilities	0,74	0,73
Total Liabilities / Total Liabilities and Equity	0,75	0,69
Return on Equity	49,6%	40,3%
Margins	30.9.2018	30.9.2017
Gross Margin	10,8%	10,5%
EBITDA Margin	9,8%	8,6%
EBITDA Margin (excl.other items)	8,7%	8,2%
Operating Margin	8,0%	6,6%
Net Margin	5,5%	5,7%

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
 Guidance updated in October 2018 with 9M18 results. Next update will be in February 2019 on 2019 expectations.

	2017A	2018F
Turkish Industry Volume	977 K	550 K – 600 K
Ford Otosan Retail Sales Volume	116 K	60 K – 70 K
Exports	297 K	320 K – 330 K
Wholesale Volume	413 K	380 K – 400 K
Production Volume	373 K	370 K – 380 K
Capex (fixed assets)	€ 175 mn	€180 – 200 mn

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Burak Çekmece

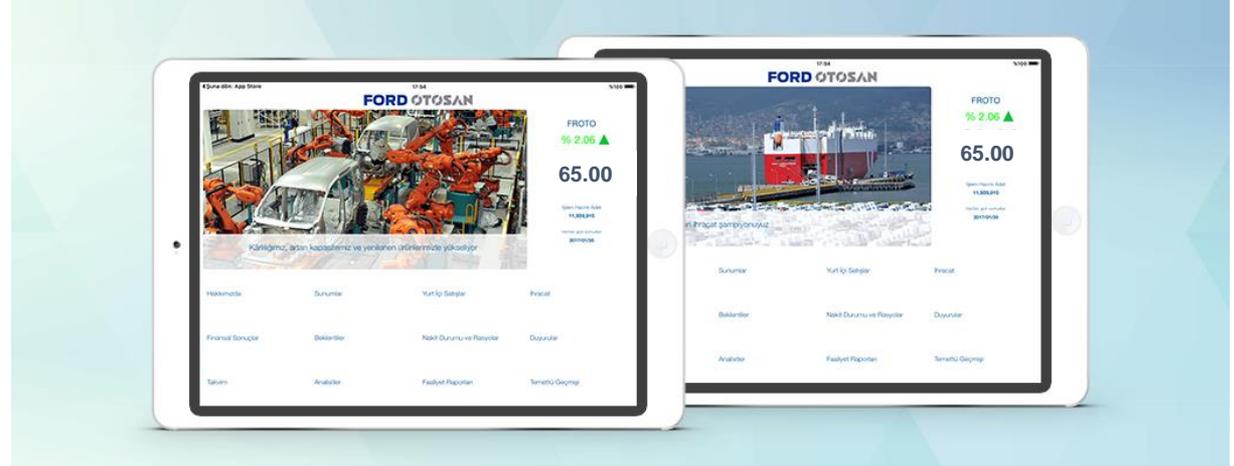
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Investor Relations App



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