

1Q 2014 Financial Results

FORD OTOSAN

Agenda

New Products, Ford & EU Markets – William Periam

Financial Results – Oğuz Toprakoğlu

Q & A

William Periam – Deputy General Manager

New Products

TRANSIT

Longest running model in Ford of Europe's product range



Over 7 million units produced globally since its launch in 1965

TRANSIT

Production started in January 2014

Launched in March 2014

Manufactured by Ford Otosan since 1967

Best in class cost of ownership

Best in class fuel economy across the range

11% more cargo capacity compared to old Transit



Minibus Range

11+1



14+1



16+1 / 17+1



Van Range



9.5 m³



15.1 m³

Chassis Cab Range



TRANSIT

Below derivatives will be phased in by 2H14 to complete the product range

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)



Tourneo & Transit **COURIER**

Production started in March 2014

Market launch in May 2014

Best in class fuel economy

Car like comfort and technology features

Can be registered as passenger car, especially for taxi use





Green



Quality



EConetic
TECHNOLOGY



Safe



Smart
Technologies

COURIER

1.6 liter TDCi (95ps)

1.5 liter TDCi (75ps)

1.0 liter Ecoboost (100ps)

-14 cm



Transit Connect

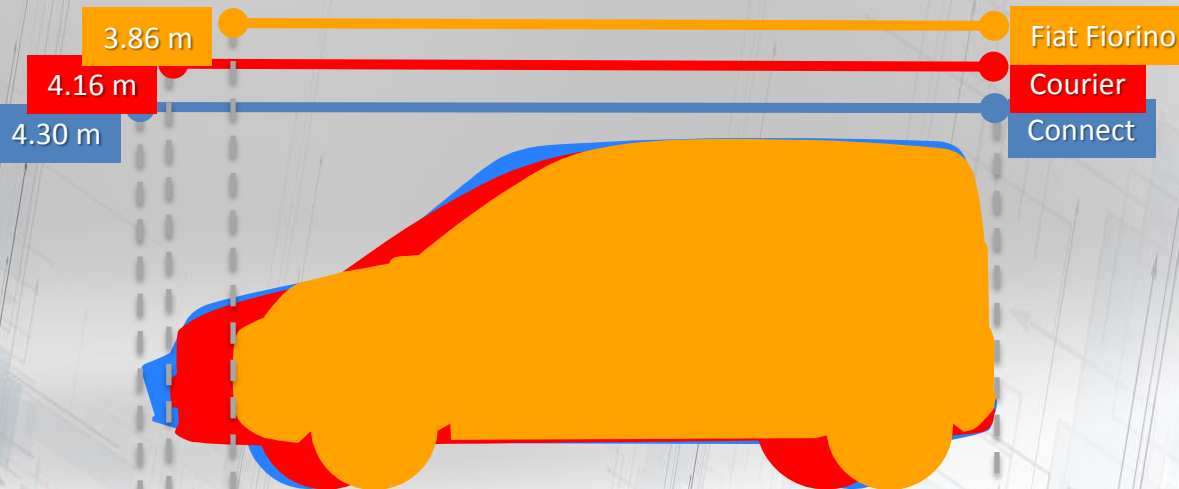


Tourneo Courier

+30 cm



Fiat Fiorino



COURIER

**Domestic
Production**

**Passenger Car
Comfort**

**Segment
Leader in
Fuel Efficiency**



**Tourneo Courier
Kombi**



**Transit Courier
Kombi Van**



**Transit Courier
Van**

Tourneo & Transit CUSTOM



October 2012



October 2013

Van



5.9 m³

Medium Roof



8.3 m³

Kombi



310S (Short Wheel)

310L (Long Wheel)

Kombi Van



310S (Short Wheel)

310L (Long Wheel)

Tourneo CUSTOM



8+1 Shuttle Bus

Functional and spacious new seat design

Tourneo Custom 8+1

Long Wheel Chassis



Tourneo Custom 8+1

Short Wheel Chassis



Kartal PD Building Engineering Center

Groundbreaking ceremony in July 2013

Construction works in progress

Rough construction works to be completed
by end of April

Building completion is scheduled for
September 2014

Occupation is scheduled for October 2014

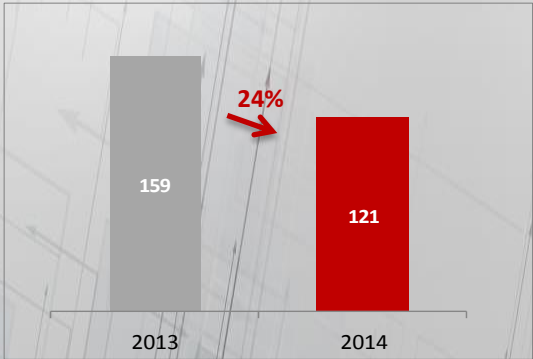




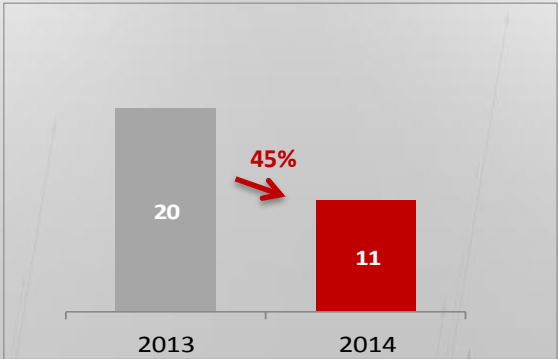
Operational Performance

Domestic Market (000 units)

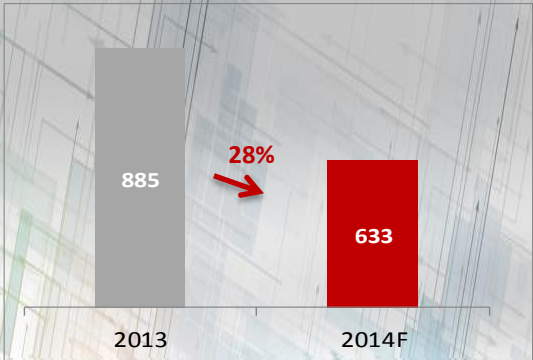
Total Industry, March YTD



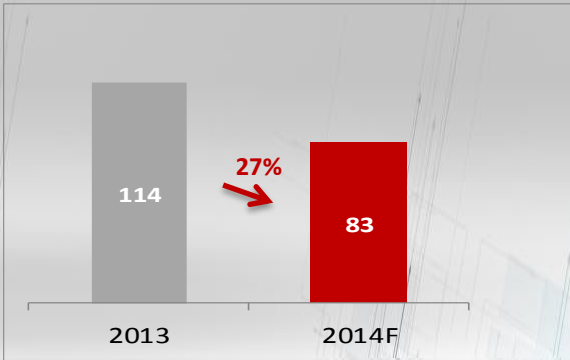
Ford Otosan, March YTD



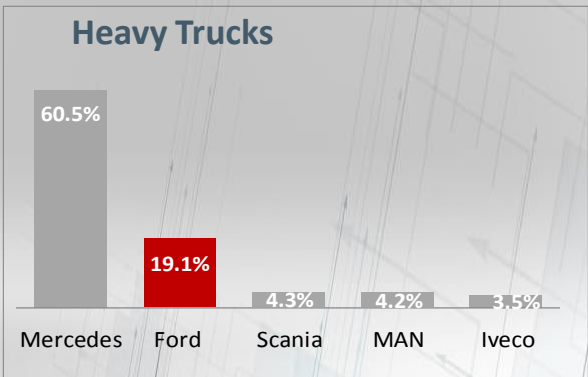
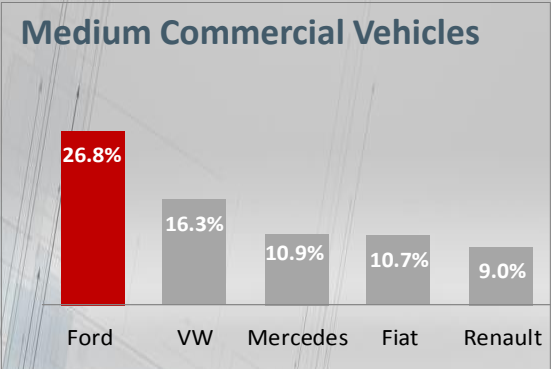
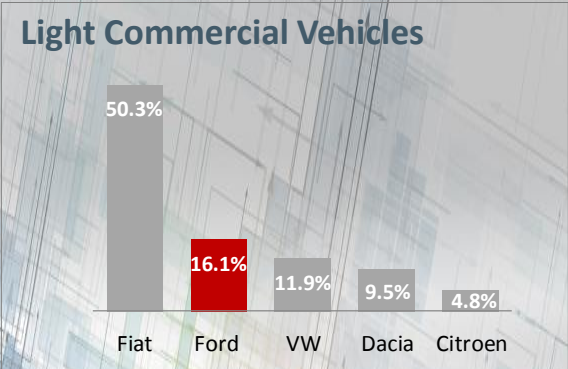
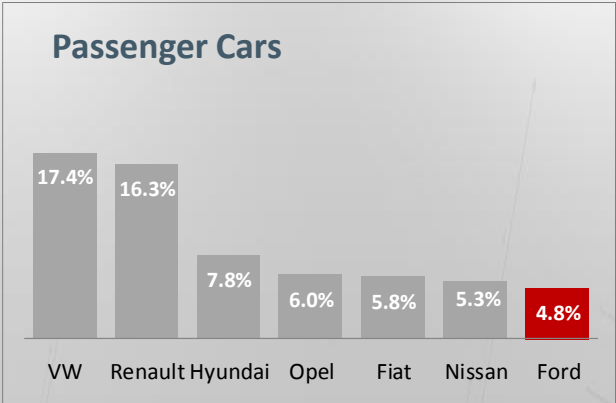
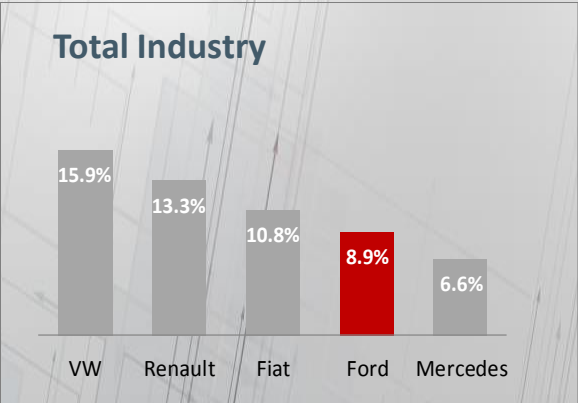
Total Industry Sales



Ford Otosan Retail Sales

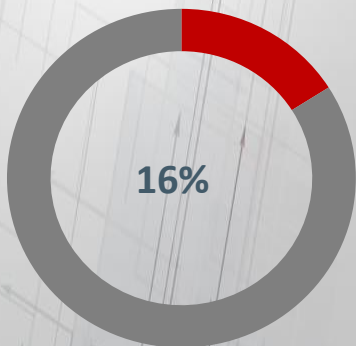


Turkish Market Shares (March'14 YTD)

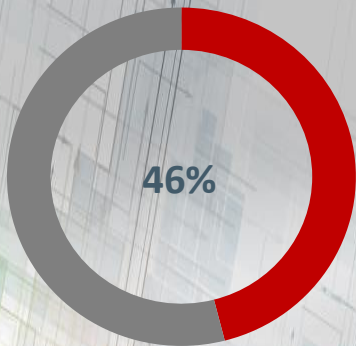


Source: ODD and TAID

Operational performance temporarily impacted by product transition



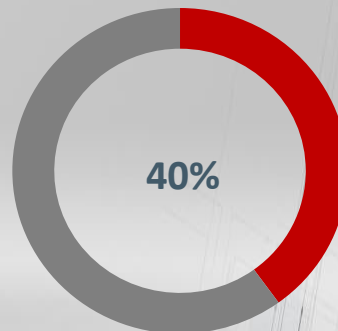
Ford Otosan share in Turkey's total vehicle production, 1Q14



Ford Otosan share in Turkey's CV production, 1Q14

Ford Otosan produced **41,013** vehicles in 1Q14:

Transit	14,597
Custom	24,891
Courier	176
Cargo	1,349



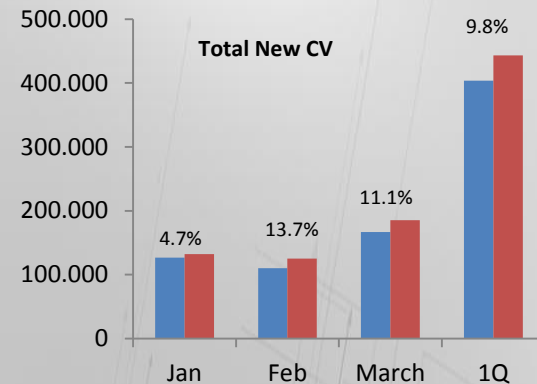
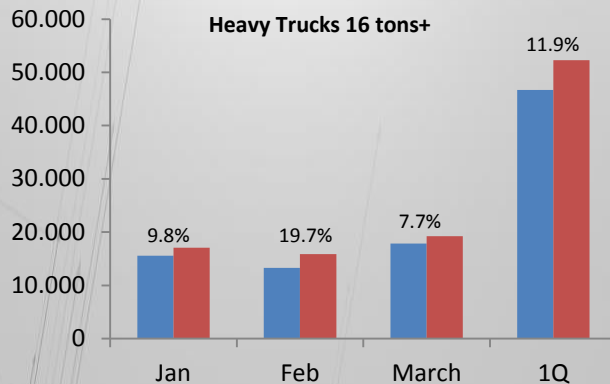
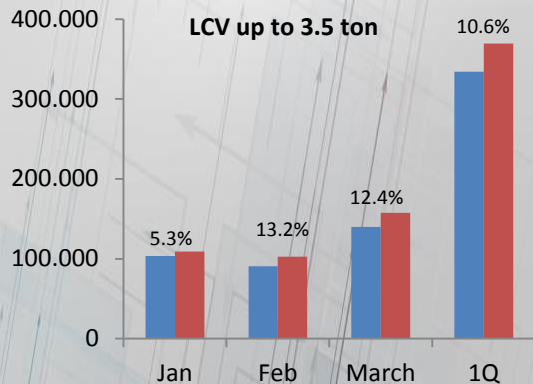
Ford Otosan Total Capacity Utilization, 1Q14

Ford Motor Company 1Q2014 Results

- Ford posts first quarter 2014 pre-tax profit of \$1.4 Billion, net income of \$989 Million.
- **19th consecutive profitable quarter; automotive operating-related cash flow positive; strong liquidity.**
- Record profit for any quarter in Asia Pacific; profitable in North America, Middle East & Africa; reduced loss by more than half in Europe; incurred a larger loss year-over-year in South America.
- Ford continued to implement its transformation plan for Europe and expects the region to be profitable in 2015.
- Ford gained year-over-year growth in wholesale volume, Company revenue and higher market share in Asia Pacific, driven by record share in China.
- **One Ford plan is delivering consistent profitable growth.**
- **Global new product launches on track.**
- Ford affirms its full-year pre-tax profit guidance of \$7 billion to \$8 billion as it launches 23 new global vehicles, the most in a single year in its history.

New Commercial Vehicle Registrations in Europe (ACEA)

■ 2013 ■ 2014








- **In March**, demand for new commercial vehicles in the EU increased for the **seventh consecutive month**.
- Total commercial vehicle registrations grew by **11.1%**, totaling **185,520 units**.
- **Growth was sustained across all segments of commercial vehicles.**
- Spain +26.8%, Italy +16.3%, UK +11.0%, Germany +9.8%, France +0.3%

- **In the first quarter** of the year, the EU market expanded by **9.8%**, totaling **443,038 units**.
- 369,311 new light commercial vehicles were registered in the EU, 10.6% more YoY.
- Heavy commercial vehicle sales grew by 11.9%, reaching 52,278 units.
- Spain +39.0%, Italy +14.1%, Germany +10.5%, UK +10.4%
- France was the only major market recording a decline (-0.6%).






Ford Market Shares in Europe (1Q14)



Total Industry

Market		Share	Units
UK		14.7%	114,123
Ireland		11.4%	6,478
Hungary		11%	2,161
Romania		9.5%	1,532
Turkey		8.9%	10,756

Commercial Vehicles

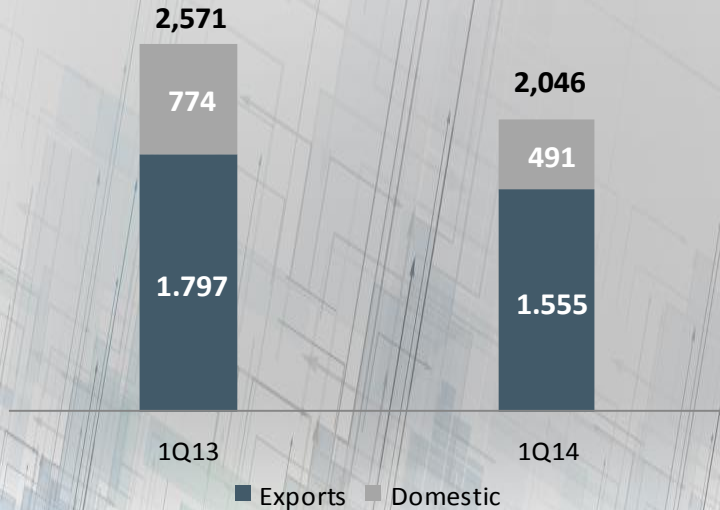
Market		Share	Units
Ireland		22.7%	1,461
UK		22.2%	19,640
Turkey		20.5%	6,502
Finland		16.7%	642
Hungary		15.3%	657

Oğuz Toprakoğlu – CFO

Main Financial Indicators

Million TL	31.03.2014	31.03.2013	Change
Total Revenues	2.046	2.571	-20%
Export	1.555	1.797	-13%
Domestic	491	774	-37%
Gross Profit	206	255	-19%
Operating Profit	118	129	-9%
EBITDA	172	173	0%
Profit Before Tax	60	135	-56%
Net Income	203	176	15%
Other Financial Data			
Depreciation & Amortization	54	44	24%
Financial Income / (Expense)	-57	6	
Capex	226	254	-11%

Revenues (Million TL)



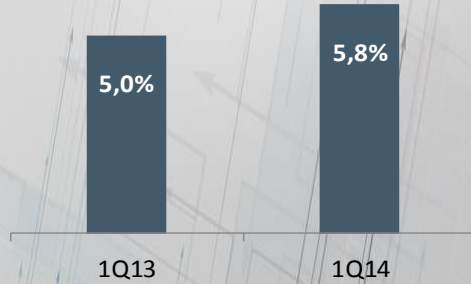
- Ford Otosan's domestic wholesales declined 54% YoY to 9,337 units due to:
 - ✓ Temporary impact of the product transitions and ramp-up period in commercial vehicles
 - ✓ Rising vehicle prices for PCs; pressuring sales amid intense market competition.
- Domestic revenues were TL491 million. The decline was limited to 37% due to higher vehicle prices.
- Export units contracted by 41%, due to the product transitions and ramp-up of the new Transit.
- Export revenues were TL 1,555 million. The YoY decline was limited to 13% due to weak TL.
- Total revenues were TL 2,046 million, down 20% YoY.
- The share of exports in total revenues increased from 70% to 76% YoY.

Sales Volume by Model

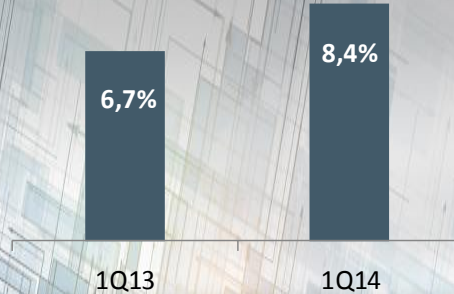
	1Q14	1Q13	YoY Change	4Q13	QoQ Change
Domestic	9.337	20.349	-54%	37.740	-75%
PC	3.025	8.239	-63%	20.940	-86%
Transit Connect	1.954	4.814	-59%	6.638	-71%
Total LCV	1.954	4.814	-59%	6.638	-71%
Transit	2.842	4.896	-42%	7.196	-61%
Transit Custom	504	799	-37%	896	-44%
Ranger	71	282	-75%	10	610%
Total MCV	3.417	5.977	-43%	8.102	-58%
Cargo	941	1.319	-29%	2.060	-54%
Exports	36.431	61.933	-41%	51.681	-30%
Transit Connect		18.963	-	16	-
Transit	12.110	31.624	-62%	29.672	-59%
Transit Custom	24.042	11.207	115%	21.329	13%
Transit Courier	52	-	-	-	-
Cargo	192	82	134%	604	-68%
Other	35	57	-39%	60	-42%
Total Wholesale Volume	45.768	82.282	-44%	89.421	-49%

Margins

Operating Margin



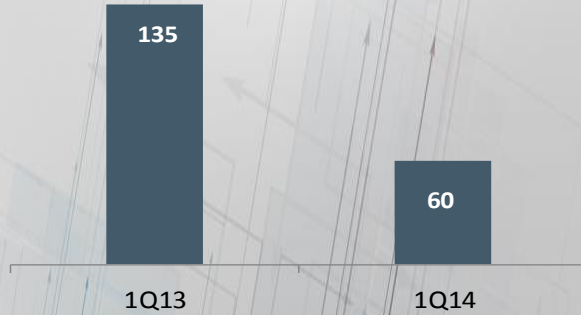
EBITDA Margin



- Ford Otosan is fully focused on maintaining profitability during the transition to new products.
- Measures to manage the impact of the temporary operational weakness caused by the product transitions and volatility in the financial markets that lead to TL depreciation:
 - ✓ Ford Otosan increased the prices of import vehicles significantly, passing on the higher import costs related to the weak TL.
 - ✓ Significant cost reduction actions were implemented.
- Pricing efforts led to a more favorable sales mix: The share of PCs in domestic sales declined to 32% from 40% in 1Q13 and 52% in FY2013.
- Depreciation & amortization was up 24% YoY, leading to 8% decline in the operating profit to TL 118 million.
- EBITDA was TL 172 million, flat YoY.
- EBITDA margin increased to 8.4% as a result of significant cost reduction and pricing actions.

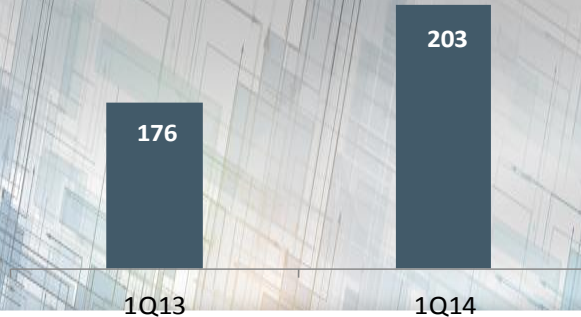
Profit Before Tax & Net Income

Profit Before Tax, TL mn



Revaluation of financial loans with the significant weakening of the TL caused an increase in net financial expenses, leading to a reduction of 56% in profit before tax.

Net Income, TL mn



Net income was TL 203 million, up 15% YoY due to the establishment of deferred tax asset based on the future tax benefits from the investment incentives.

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2014	31.12.2013
Cash & Cash Equivalents	234	238
Total Financial Debt	2.340	2.291
Net financial debt	(2.106)	(2.053)
Financial Ratios	31.03.2014	31.12.2013
Current ratio	0.97	1.02
Liquidity ratio	0.59	0.71
Net Financial Debt / Tangible Net Worth	1.07	1.13
Current Assets / Total Assets	0.39	0.41
Current Liabilities / Total Liabilities	0.65	0.64
Total Liabilities / Total Liabilities and Equity	0.62	0.63
Return on Equity	33.5%	31.5%
Margins	31.03.2014	31.03.2013
Gross Margin	10.1%	9.9%
EBITDA Margin	8.4%	6.7%
Operating Margin	5.8%	5.0%
Net Income Margin	9.9%	6.8%

2014 Guidance

Turkish Industry Volume	633K
Retail Sales Volume	83K
Exports	195K
Wholesale Volume	275K
Production Volume	237K
Capex (fixed assets)	US\$ 340mn



Thank You
Q&A