



COURIER



1H2014 Financial Results

FORD OTOSAN

Agenda

Oğuz Toprakoğlu - CFO

2Q14 Highlights

Operational Performance

Financial Results

Courier Launch

İşte Yeni Ford
Tourneo Courier!



Onun bir rakibi yok...



Kendinden başka...



Launched in May 2014

Best selling product in LCV segment in June 2014

Courier



Engineering



Prototype



Yeniköy Plant



Production Line



Disabled-Friendly
Plant



Yeniköy Plant Opening



Opening ceremony took place on May 22nd, 2014



Kocaeli Exhaust Emission Systems Test Center Opening



Ford's first facility globally on
Exhaust Emission Systems

€1.5 million investment

Total €21 million investment in engine and
powertrain test centers

İnönü Engine Test Center



€3 million investment

Global resistance test center for Euro
6 Ecotorq engines

Completed in 4 months

Develops and tests Ecotorq engines
for the Ford universe

Other Developments

€100 million loan agreement signed with a consortium of foreign banks in July 2014

4-year loan with 2-years grace period

Euribor + 2.30%

€140 million loan agreement signed with EBRD and a consortium of foreign banks in July 2014

€70 million loan funded by EBRD, €70 million funded as syndicated loan

5-year loan with 2-years grace period

Euribor + 2.25%

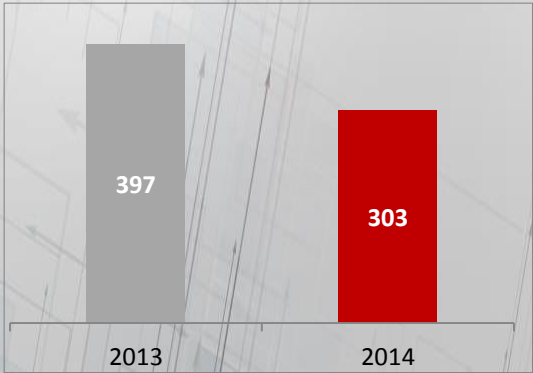
Technology Licensing Agreement signed for JMC Branded Heavy Truck Program



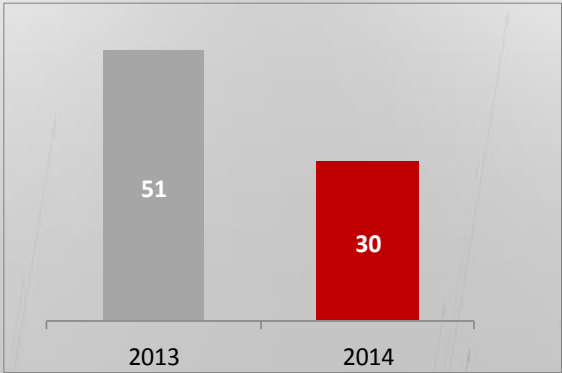
Operational Performance

Domestic Market (000 units)

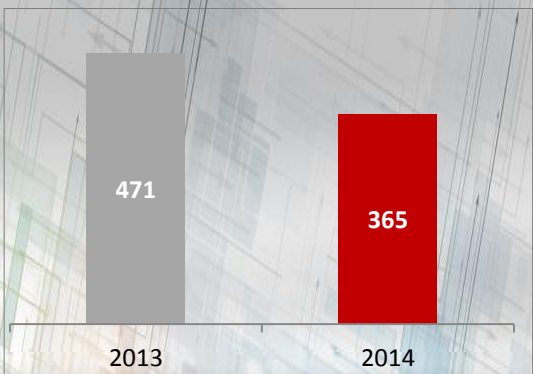
Total Industry, June YTD



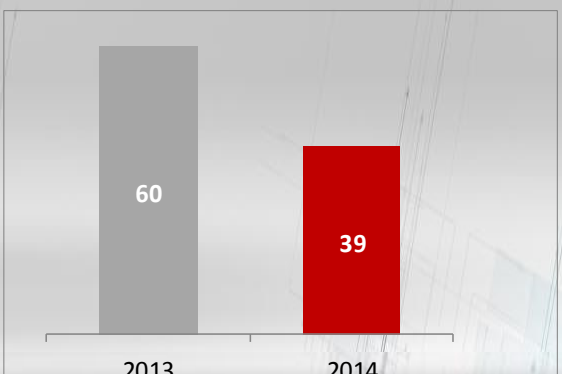
Ford Otosan, June YTD



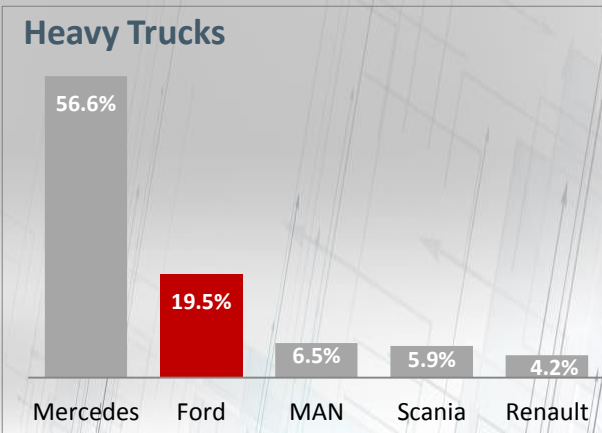
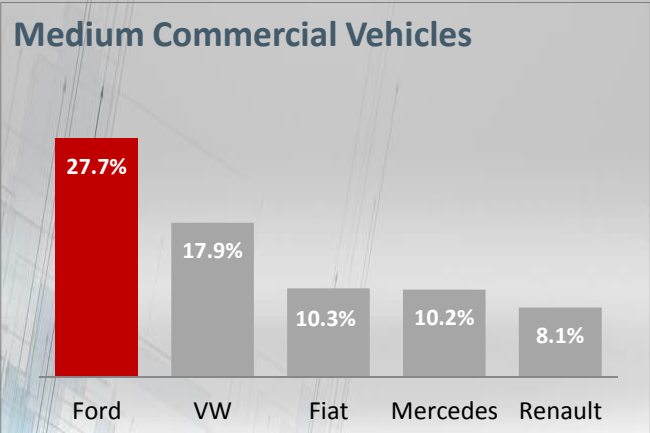
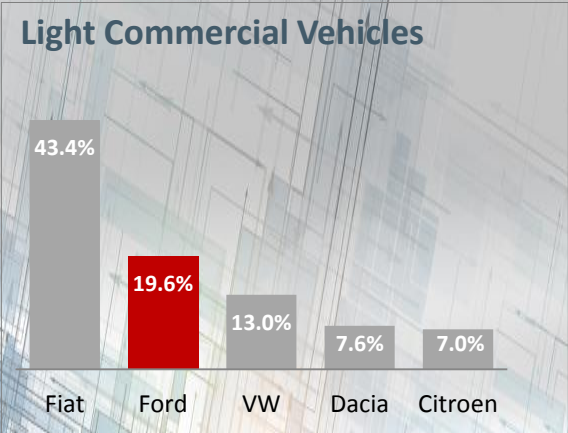
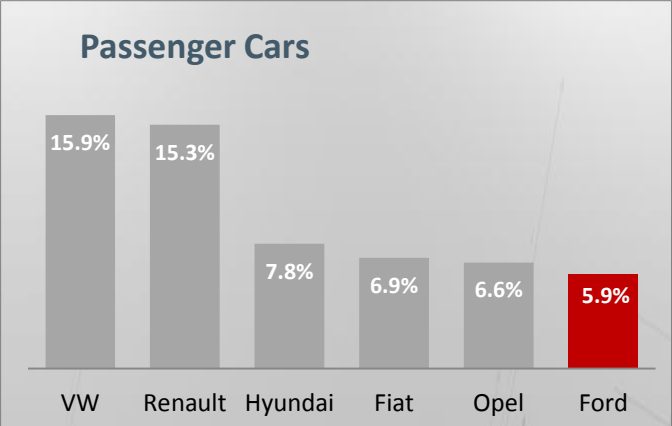
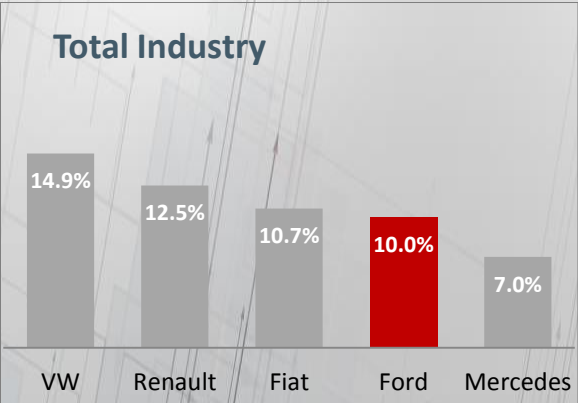
Total Industry, July YTD



Ford Otosan, July YTD

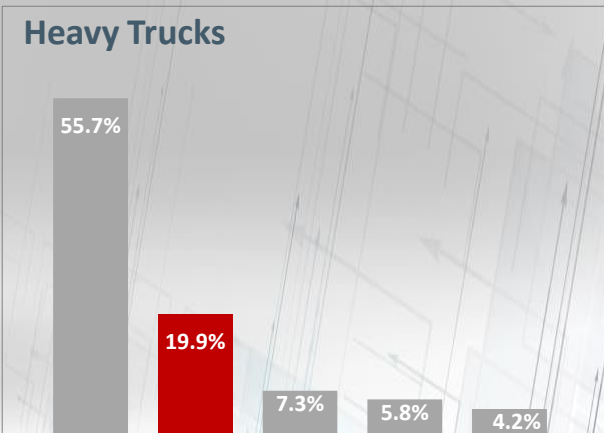
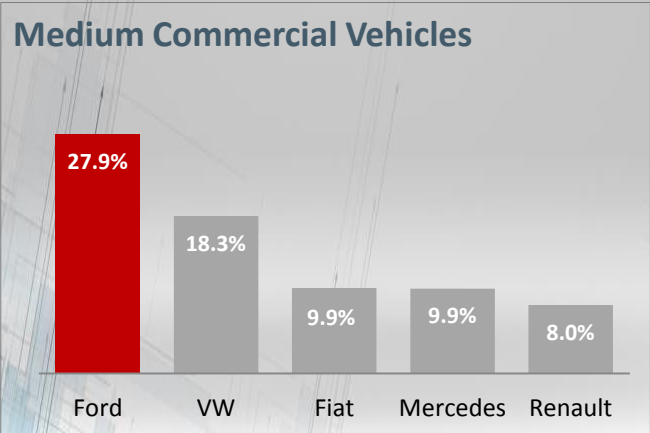
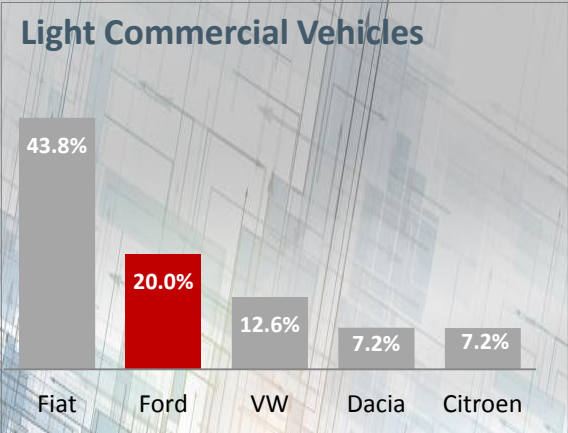
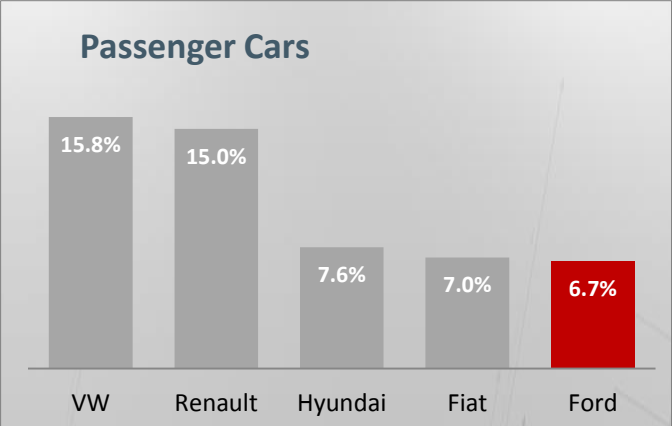
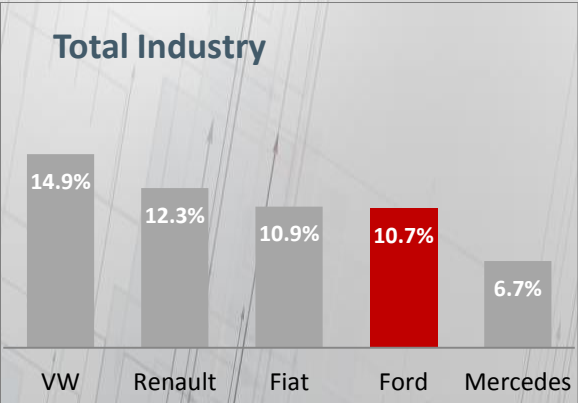


Turkish Market Shares (June'14 YTD)



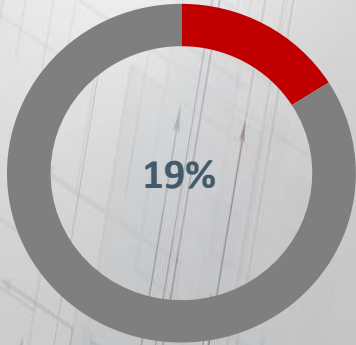
Source: ODD and TAID

Turkish Market Shares (July'14 YTD)

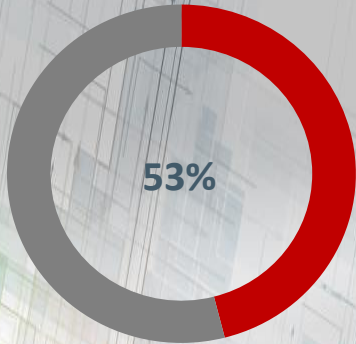


Source: ODD and TAID

Operational performance temporarily impacted by product transition



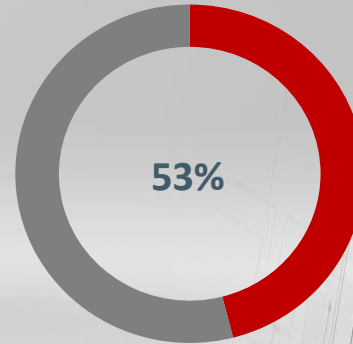
Ford Otosan share in Turkey's total vehicle production



Ford Otosan share in Turkey's CV production

Ford Otosan produced **109,588** vehicles in 1H14:

Transit	37,767
Custom	54,164
Courier	14,287
Cargo	3,370



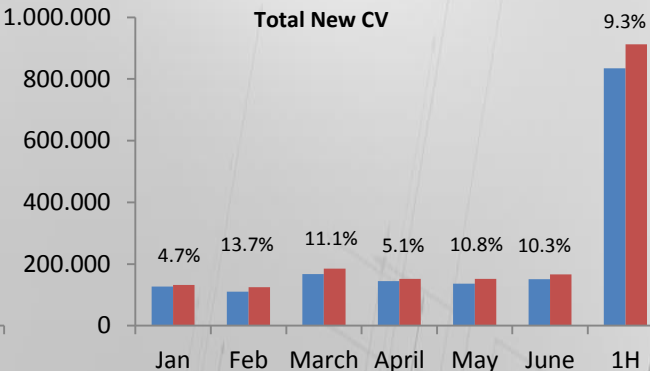
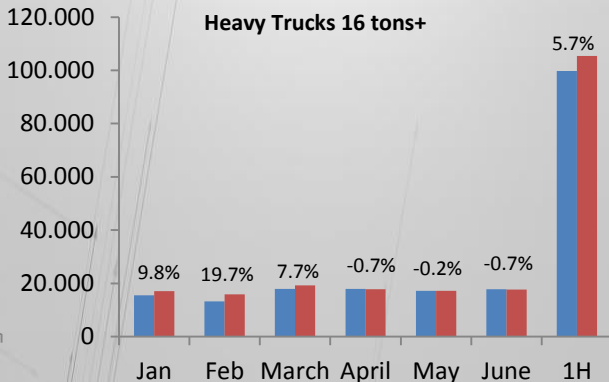
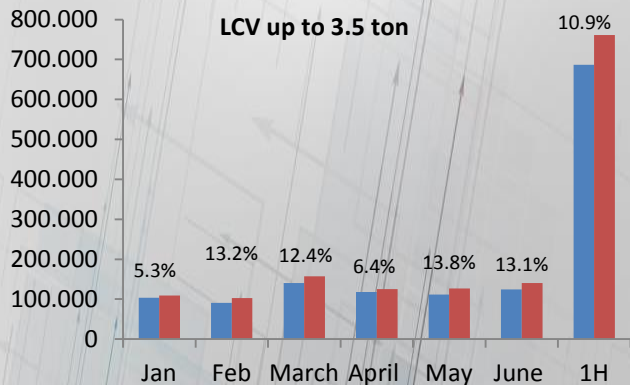
Ford Otosan Capacity Utilization

Ford Motor Company 2Q14 Results

- All Automotive business units profitable and improved compared with a year ago, except for South America. **Record quarterly profit in North America; record second quarter profit in Asia Pacific; first quarterly profit in Europe in three years.**
- **2nd quarter pre-tax profit of \$2.6 billion, an increase of \$44 million compared with a year ago;** after-tax earnings per share of 40 cents, excluding special items; 20th consecutive profitable quarter.
- **2nd quarter net income of \$1.3 billion, an increase of \$78 million compared with a year ago;** net income includes pre-tax special item charges of \$481 million.
- YoY decline of 1% in wholesale volume and company revenue; market share higher in Asia Pacific, driven by record share in China.
- **Automotive operating-related cash flow of \$2.6 billion, the 17th consecutive quarter of positive performance.**
- Ford affirms its 2014 pre-tax profit guidance of \$7 billion to \$8 billion in a period with an unprecedented number of global product launches. **Ford expects the payoff from its investments this year will be a strong product lineup with higher volumes, revenue and margins in 2015 and beyond.**

New Commercial Vehicle Registrations in Europe (ACEA)

■ 2013 ■ 2014








- **In June**, demand for new commercial vehicles in the EU increased for the **tenth consecutive month**.
- Total commercial vehicle registrations grew by **10.3%**, totaling **166,107 units**.
- **Growth prevailed in the segment of vans, as well as of buses and coaches, while the truck segment declined.**
- UK +25.5%, Spain +18.9%, Italy +8.6%, Germany +6.5%, France +3.8%.

- **In the first half** of the year, the EU market expanded by **9.3%**, totaling **912,722 units**.
- **761,521 new light commercial vehicles** were registered in the EU, **10.9% more YoY**.
- Heavy commercial vehicle sales **grew by 5.7%**, reaching 105,405 units.
- Spain +38.0%, Italy +13.6%, Germany +8.3%, UK +11.1%, France +0.4%






Ford Market Shares in Europe (1H14)



Total Industry

Market		Share	Units
UK		14.5%	211,705
Ireland		11.6%	8,875
Hungary		10.8%	4,579
Turkey		10.0%	30,376
Denmark		8.9%	10,229

Commercial Vehicles

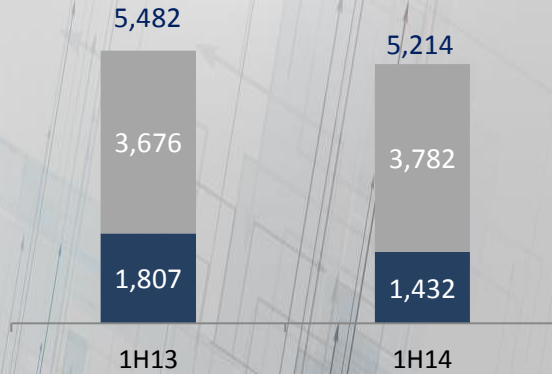
Market		Share	Units
Ireland		24.1%	2,235
UK		22.3%	39,103
Turkey		22.2%	17,049
Finland		17.7%	1,416
Hungary		14.8%	1,424

Financial Results

Main Financial Indicators

Million TL	2Q14	1Q14	QoQ %	1H14	1H13	YoY %
Total Revenues	3.168	2.046	55%	5.214	5.482	-5%
Export	2.227	1.555	43%	3.782	3.676	3%
Domestic	941	491	92%	1.432	1.807	-21%
Gross Profit	269	206	31%	475	546	-13%
Operating Profit	91	118	-23%	210	340	-38%
EBITDA	170	172	-1%	343	430	-20%
Profit Before Tax	82	60	37%	142	308	-54%
Net Income	151	203	-26%	353	436	-19%
Other Financial Data						
Depreciation & Amortization	79	54	46%	133	89	48%
Financial Income / (Expense)	-10	-57	-82%	-66	-33	100%
Capex	244	226	8%	470	630	-25%

Revenues (Million TL)



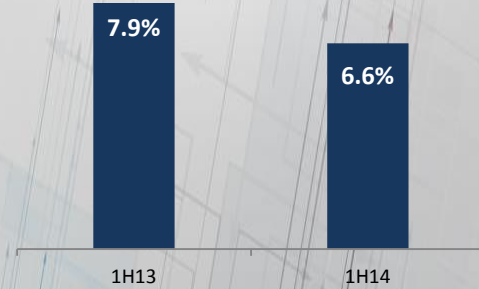
- Ford Otosan's sales more than doubled QoQ in 2Q14 with the launch of new models and PC fleet sales.
- 1H14 figures were still lower YoY due to the 1Q14 performance reflecting:
 - 1) The temporary impact of the product transitions and ramp-up period in commercial vehicles
 - 2) The rising retail prices for PCs in 1Q14 which pressured sales amid intense market competition.
- Despite the increase in unit sales in 2Q14, domestic wholesales in 1H14 were down 41% YoY to 29,625 units.
- Domestic revenues were TL 1,432 million, down 21%, supported by new models and higher vehicle prices.
- Exports strongly recovered QoQ, up 57%, but down 26% YoY in 1H14, due to the product transitions and ramp-up of the new Transit in 1Q14 and Courier in 2Q14. Custom's strong export performance continued.
- Export revenues were TL 3,782 million, up 3%. Total revenues were TL 5,214 million, down 5% YoY, where the share of exports in total revenues increased from 67% to 73% YoY.

Sales Volume by Model

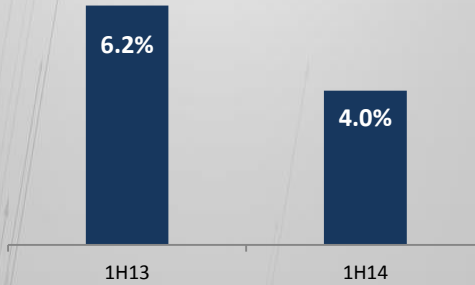
	2Q14	1Q14	QoQ %	1H14	1H13	YoY %
Domestic	20.288	9.337	117%	29.625	50.202	-41%
PC	9.179	3.025	203%	12.204	23.956	-49%
Transit Connect	735	1.954	-62%	2.689	10.566	-75%
Transit Courier	3.610	-		3.610	-	
Total LCV	4.345	1.954	122%	6.299	10.566	-40%
Transit	3.967	2.842	40%	6.809	10.809	-37%
Transit Custom	975	504	93%	1.479	1.575	-6%
Ranger	59	71	-17%	130	464	-72%
Total MCV	5.001	3.417	46%	8.418	12.848	-34%
Cargo	1.763	941	87%	2.704	2.832	-5%
Exports	57.358	36.431	57%	93.789	125.938	-26%
Transit	19.183	11.948	61%	31.131	63.421	-51%
Transit Custom	28.550	24.204	18%	52.754	19.386	172%
Transit Connect	-			-	42.731	
Transit Courier	9.277	52		9.329	-	
Cargo	244	192	27%	436	206	112%
Other	104	35	197%	139	194	-28%
Total Wholesale Volume	77.646	45.768	70%	123.414	176.140	-30%

Margins

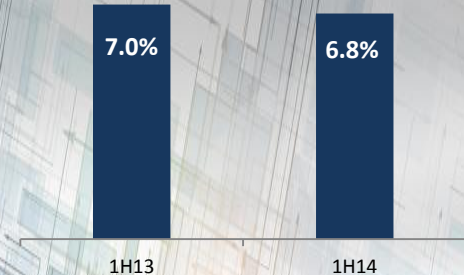
EBITDA Margin



Operating Margin



EBITDA Margin (excl. Other items)

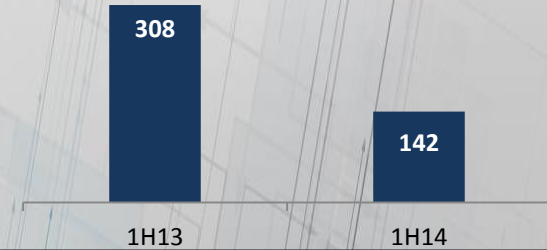


Margins declined despite the rise in vehicles prices and cost reduction actions due to:

- TL depreciation
- Lower unit sales
- Other operating expense, driven by fx losses, as opposed to other operating income in 1H13
- 48% YoY rise in depreciation & amortization

Profit Before Tax & Net Income

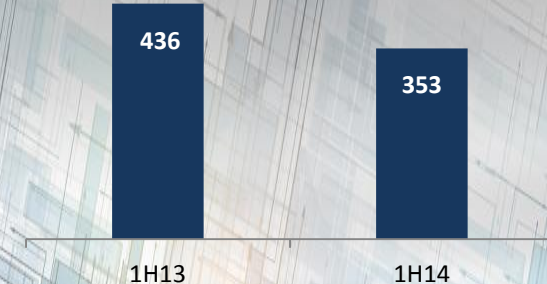
Profit Before Tax, TL mn



Revaluation of financial loans with the weak TL doubled net financial expenses in 1H14 versus 1H13.

Profit before tax declined by 54% YoY to TL 142 million.

Net Income, TL mn



Net income was TL 353 million as a result of the establishment of deferred tax asset based on the future tax benefits from the investment incentives.

Net income margin was 6.8%, down 1.2 pps YoY.

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.06.2014	31.12.2013
Cash & Cash Equivalents	144	238
Total Financial Debt	(2.072)	(2.292)
Net financial debt	(1.927)	(2.053)
Financial Ratios	30.06.2014	31.12.2013
Current ratio	0.92	1.02
Liquidity ratio	0.57	0.71
Net Financial Debt / Tangible Net Worth	0.90	1.13
Current Assets / Total Assets	0.39	0.41
Current Liabilities / Total Liabilities	0.70	0.64
Total Liabilities / Total Liabilities and Equity	0.61	0.63
Return on Equity	26.8%	28.7%
Margins	30.06.2014	30.06.2013
Gross Margin	9.1%	10.0%
EBITDA Margin	6.6%	7.9%
Operating Margin	4.0%	6.2%
Net Income Margin	6.8%	8.0%

2014 Guidance

Turkish Industry Volume	675K
Retail Sales Volume	84K
Exports	198K
Wholesale Volume	279K
Production Volume	242K
Capex (fixed assets)	US\$ 340mn

Guidance updated in August 2014. According to the Capital Markets Board, companies are allowed to provide guidance 4 times a year. Our next update will be in 3Q14.



Thank You
Q&A