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# FORD OTOSAN

## INVESTOR PRESENTATION

December 2010



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# Agenda

- Ford Otosan Overview
- Turkish Automotive Industry Overview
- Competitive Advantages
- Key Operating Data
- ISE Performance

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# FORD OTOSAN OVERVIEW



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# Company Overview

Mfg. & Assy. Facilities

Kocaeli Assembly  
Inonu Powertrain and Cargo Assembly

Parts Distribution

Kartal

Engineering Facility

Gebze

Blue Collar Employees

6,660+

White Collar Employees

1,730+

Ownership

41% Ford Motor Company

41% Koc Holding

18% Publicly-owned

2009 Net Sales

\$ 3.7 Billion

Market Cap (as of Nov. 30, 2010)

\$ 3.1 Billion



# A Brief History

- 1928 – Vehbi Koc assigned as Ankara Ford dealer
- **1959 – Otosan founded as Ford assembler in Turkey**
- **1966 – First passenger car (Anadol) production in Turkey**
- 1967 – Production of Transit minibus launched
- 1975 – Transit van and pick-up added to range
- **1977 – License agreement with Ford signed**
- 1982 – İnönü plant launched truck and engines
- **1983 – Ford assumes 11% ownership in Otosan**
- 1987 – Ford increases ownership to 30%
- 1994 – Ford Escort production launch
- **1997 – Ford assumes 41% equity in “Ford Otosan”**
- **2001 – Kocaeli plant launched with Transit production**
- 2002 – Transit Connect production launched
- 2003 – New Heavy Truck introduced
- 2004 – Transit export launch
- 2006 – New Transit launch
- 2007 – Gebze Engineering Centre opened
- 2010 – Ford Otosan celebrates its 50th Year Anniversary



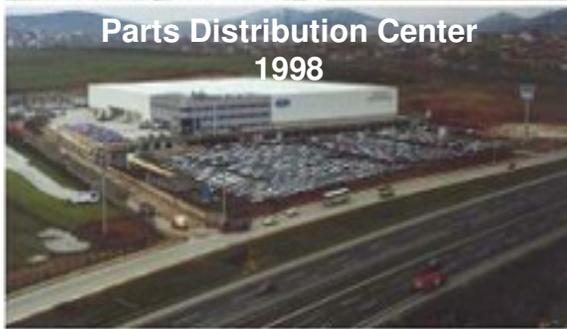
## ➤ Achievements

- ✓ 2<sup>nd</sup> biggest Turkish exporter company in 2009
- ✓ Domestic Market Leader for the 8<sup>th</sup> consecutive year
- ✓ As of year-end, market share improvement in all segments
- ✓ “Truck of the Year ” Award in North America
- ✓ One of the most profitable and highest dividend paying companies in İstanbul Stock Exchange
- ✓ “Şehabettin Bilgisu Environment” Award  
(Kocaeli Chamber of Industry, 2010)
- ✓ “Tübitak VIII. Technology” Award (Hybrid Transit, 2009)
- ✓ “President Health&Safety” Award in 3 Categories (Ford Motor Co.)

# Plant Locations



İnönü Plant - 1981



Parts Distribution Center  
1998



Kocaeli Plant - 2001



# • Plants

## Kocaeli Plant



### **Best Ford Brand Assembly Plant in Europe (\*) since 2002**

- Transit & Transit Connect production
- Sea front location, integrated pier/terminal covering exports & BU imports
- 320,000 units annual production capacity

## İnönü Plant



### **Best Ford Powerplant Plant Worldwide (\*) since 2005**

- Heavy truck, engine and powertrain production
- Annual capacity
  - 10,000 trucks
  - 55,000 powertrains

***(\*) Ford Production System Ratings***

# • Facilities

## Kartal Parts Distribution Centre



- Parts Operations, Warranty, Field Operations, Dealer Training and Customer Relations Center are located at this site

## Gebze Engineering Facility



- Engineering services for Ford Otosan and Ford of Europe's Product Development Centres
- 460+ Engineers Capacity
- Located in a Technopark Area and Free Zone near İstanbul

## ■ Transit

- ✓ Domestic Market Leader in 2009: 36.3% market share
- ✓ 72K units exported in 2009
- ✓ International Van of the Year 2007 Award



## ■ Transit Connect

- ✓ Domestic Market Share in 2009: 22.8%
- ✓ 57K units exported in 2009
- ✓ Exports to North America



# North America - Truck Of The Year



## ■ Cargo

- ✓ Domestic Market Share in 2009: 17.3%
- ✓ Exported to various markets



## ▪ A Full Line of Cars

✓ 3<sup>rd</sup> in the Domestic Market in 2009: 9.0% market share



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# TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

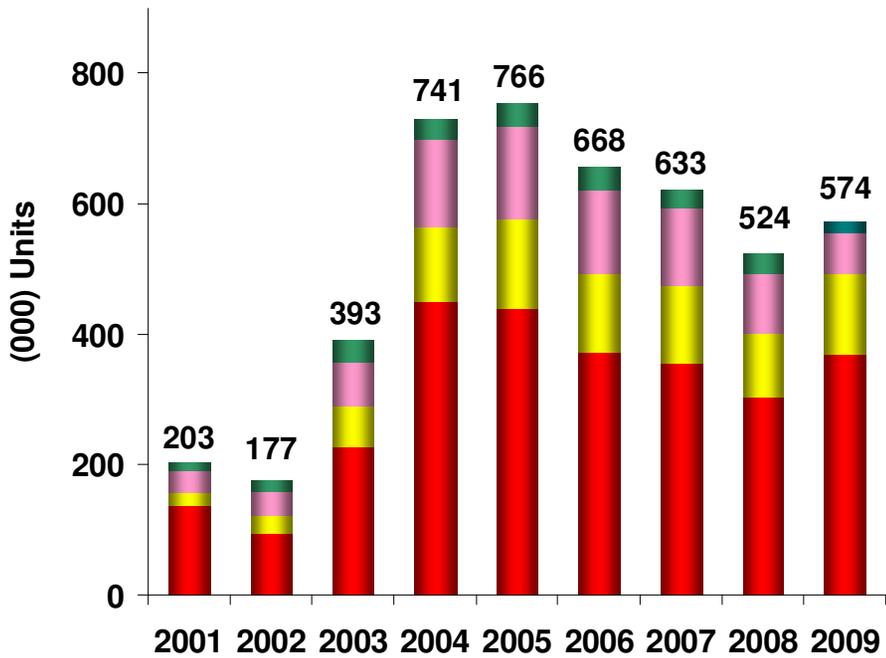


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# Domestic Automotive Industry

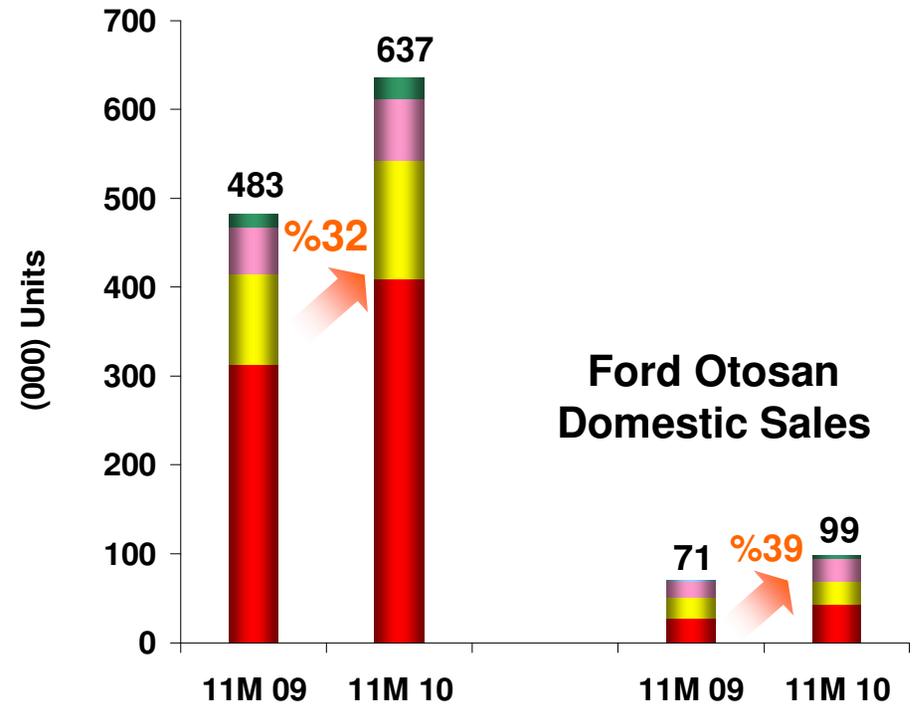
**Automotive Industry**



■ Car
 ■ Light Commercial Vehicle
 ■ Medium Commercial Vehicle
 ■ Heavy Commercial Vehicle

**11M 2009 / 11M 2010**

**Automotive Industry**



■ Car
 ■ Light Commercial Vehicle
 ■ Medium Commercial Vehicle
 ■ Heavy Commercial Vehicle

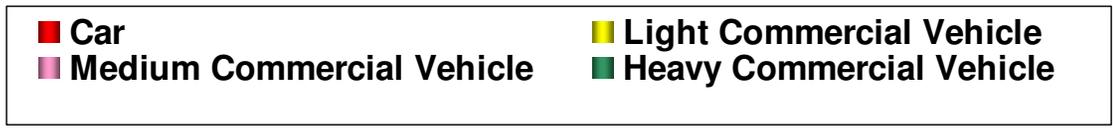
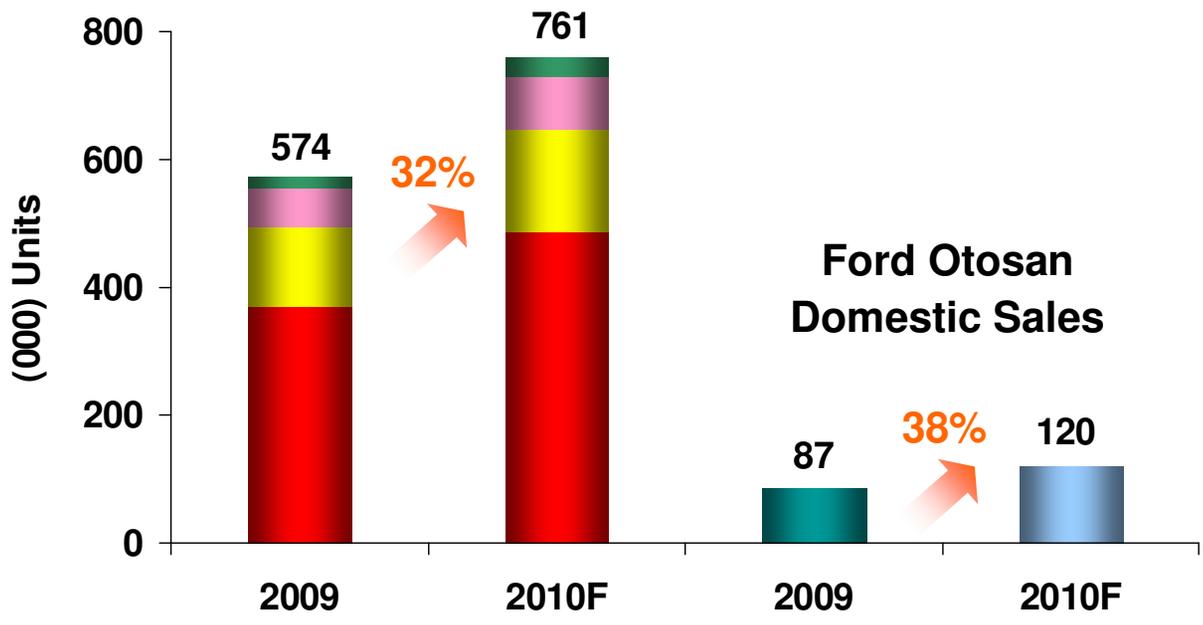


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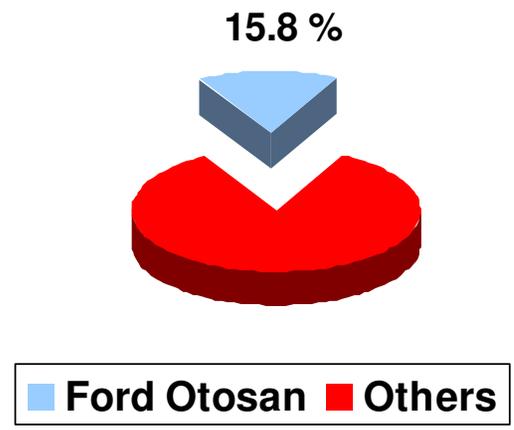


# 2010 Outlook

## 2010 Market Outlook



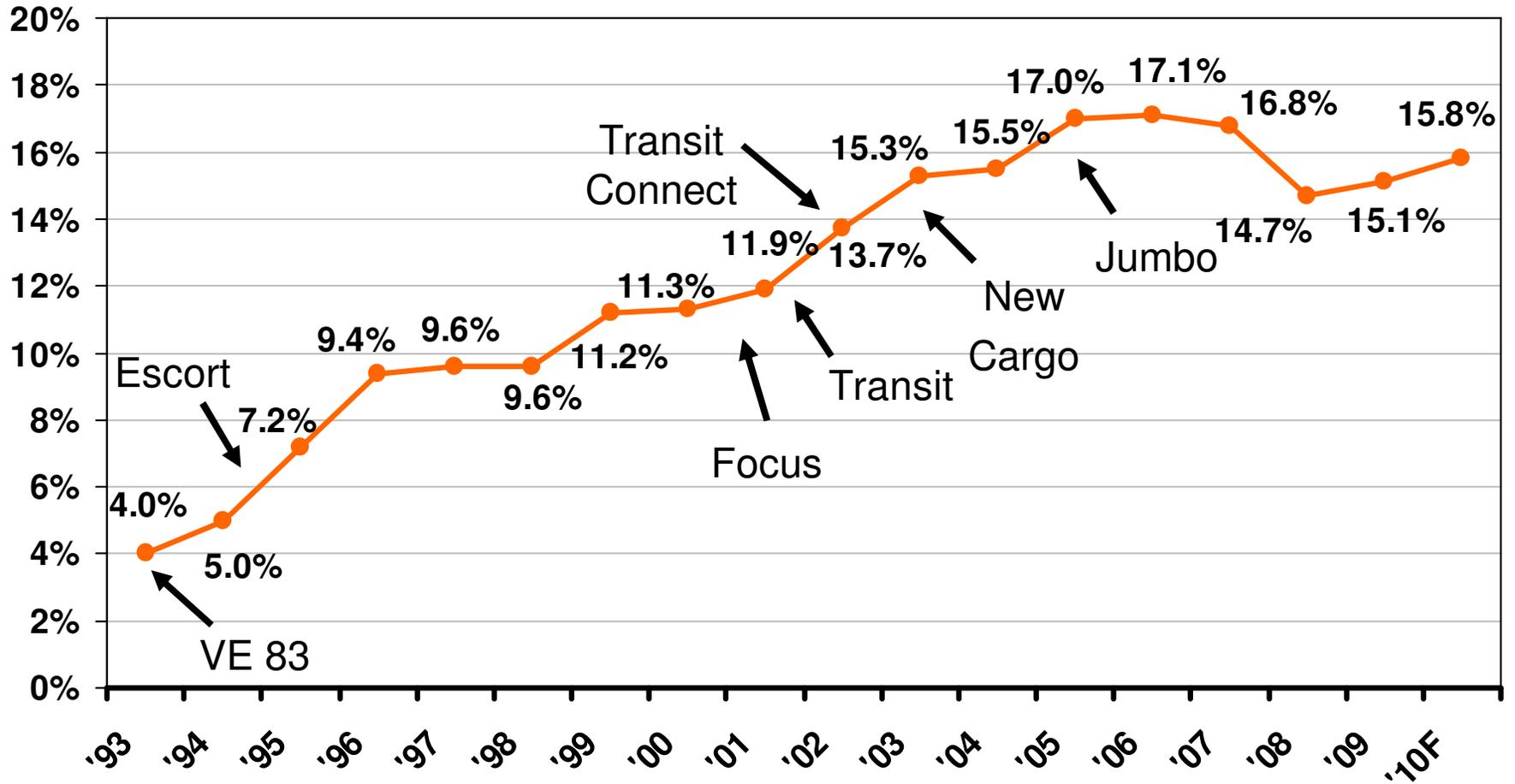
## Market Share Forecast for 2010 FY



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# Ford Otosan Market Share



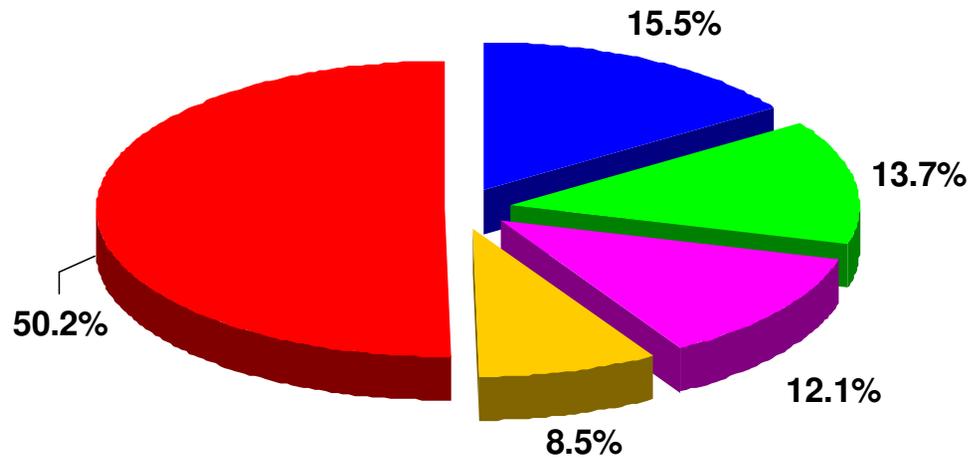
# Market Shares

|                           | November YTD 2010 |      | 2009 FY      |      |
|---------------------------|-------------------|------|--------------|------|
|                           | Market Share      | Rank | Market Share | Rank |
| Total Automotive Industry | 15.5%             | 1    | 15.1%        | 1    |
| Passenger Car             | 10.7%             | 2    | 9.0%         | 3    |
| LCV                       | 19.4%             | 2    | 22.8%        | 2    |
| MCV                       | 36.6%             | 1    | 36.3%        | 1    |
| Heavy Truck               | 17.9%             | 2    | 17.3%        | 2    |



# Market Share in Total Automotive Industry

## November YTD 2010



■ Ford ■ Fiat ■ Renault ■ VW ■ Others

**FORD**  
**OTOSAN**

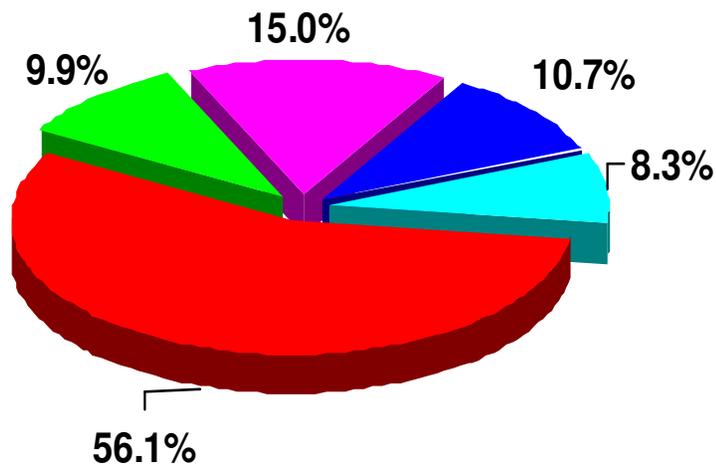
Market Share

↑ 0.8 Pts. YoY

# Market Shares

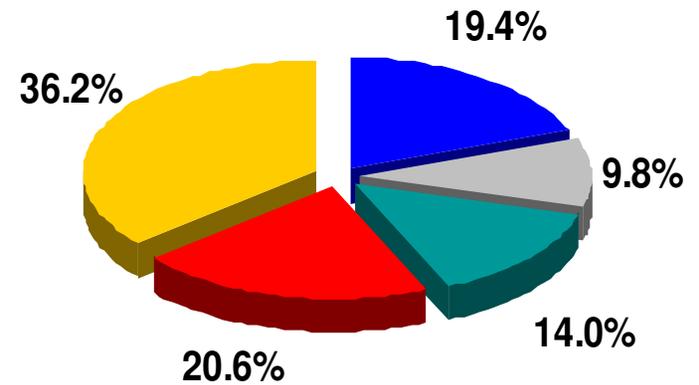
## November YTD 2010

### Passenger Car



 **1.7 Pts. YoY**

### Light Commercial Vehicle

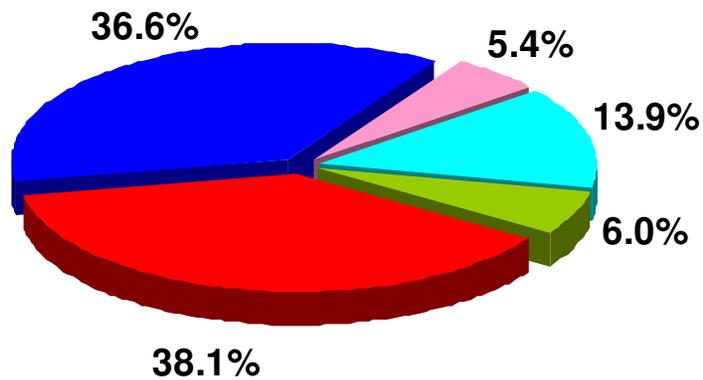


 **3.3 Pts. YoY**

# Market Shares

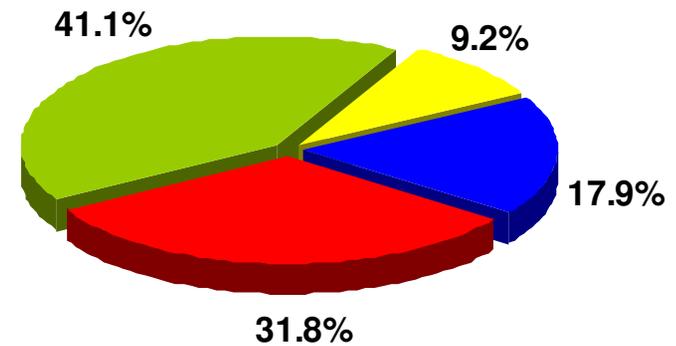
## November YTD 2010

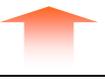
Medium Commercial Vehicle



 **2.4 Pts. YoY**

Heavy Truck



 **0.5 Pts. YoY**

# Taxes on Vehicles

| Passenger Cars        |               |      |       |       | Commercial Vehicles   |             |      |       |       |
|-----------------------|---------------|------|-------|-------|-----------------------|-------------|------|-------|-------|
| Engine Size           | Model         | VAT* | SCT** | TOTAL | Engine Size           | Model       | VAT* | SCT** | TOTAL |
| <1600 cm <sup>3</sup> | Fiesta        | 18%  | 37%   | 62%   | <3000 cm <sup>3</sup> | Transit Van | 18%  | 4%    | 23%   |
|                       | Fusion        |      |       |       |                       | Connect Van |      |       |       |
|                       | Focus         |      |       |       |                       | Ranger      |      |       |       |
|                       | C-Max         |      |       |       |                       | Minibus     | 18%  | 9%    | 29%   |
| Mondeo(1.6)           | Transit Combi | 18%  | 10%   | 30%   |                       |             |      |       |       |
| 1601- 2000            | Mondeo(2.0)   |      |       |       | 18%                   | 60%         | 89%  |       |       |
| >2000                 |               | 18%  | 84%   | 117%  | Truck                 |             |      |       |       |
|                       |               |      |       |       | Cargo                 |             | 18%  | 4%    | 23%   |

\* VAT: Value Added Tax

\*\* SCT: Special Consumption Tax

**Commercial Vehicles are Taxed Lower than Cars**



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# COMPETITIVE ADVANTAGES



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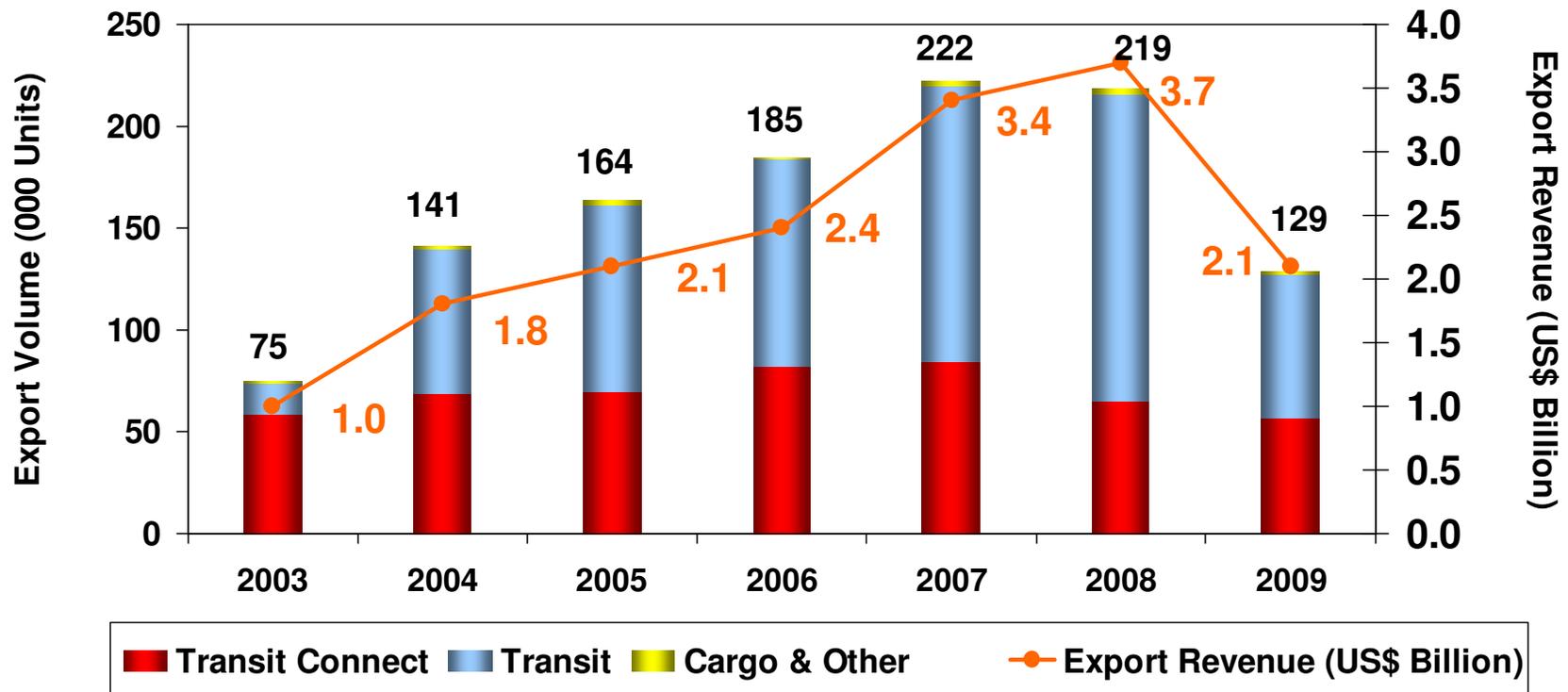


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# Competitive Advantages

- Large - Scale Export Program
- Strong & Committed JV Partner Support
- Strong Distribution Network
- Low Cost, Flexible Manufacturing
- Commercial Vehicle Product Development and Engineering Capabilities
- Experienced and Skilled Workforce
- Strong Corporate Governance Activities

## ➤ Large-Scale Export Program



Less Dependent on Domestic Market

Economies of Scale

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## ➤ Strong & Committed JV Partner Support



Technological capability



Strong and widespread position in the local market



Know-How



Turkey's largest and most reputable group

# ➤ Strong Distribution Network



**Sales: 117**

**After-Sales: 193**

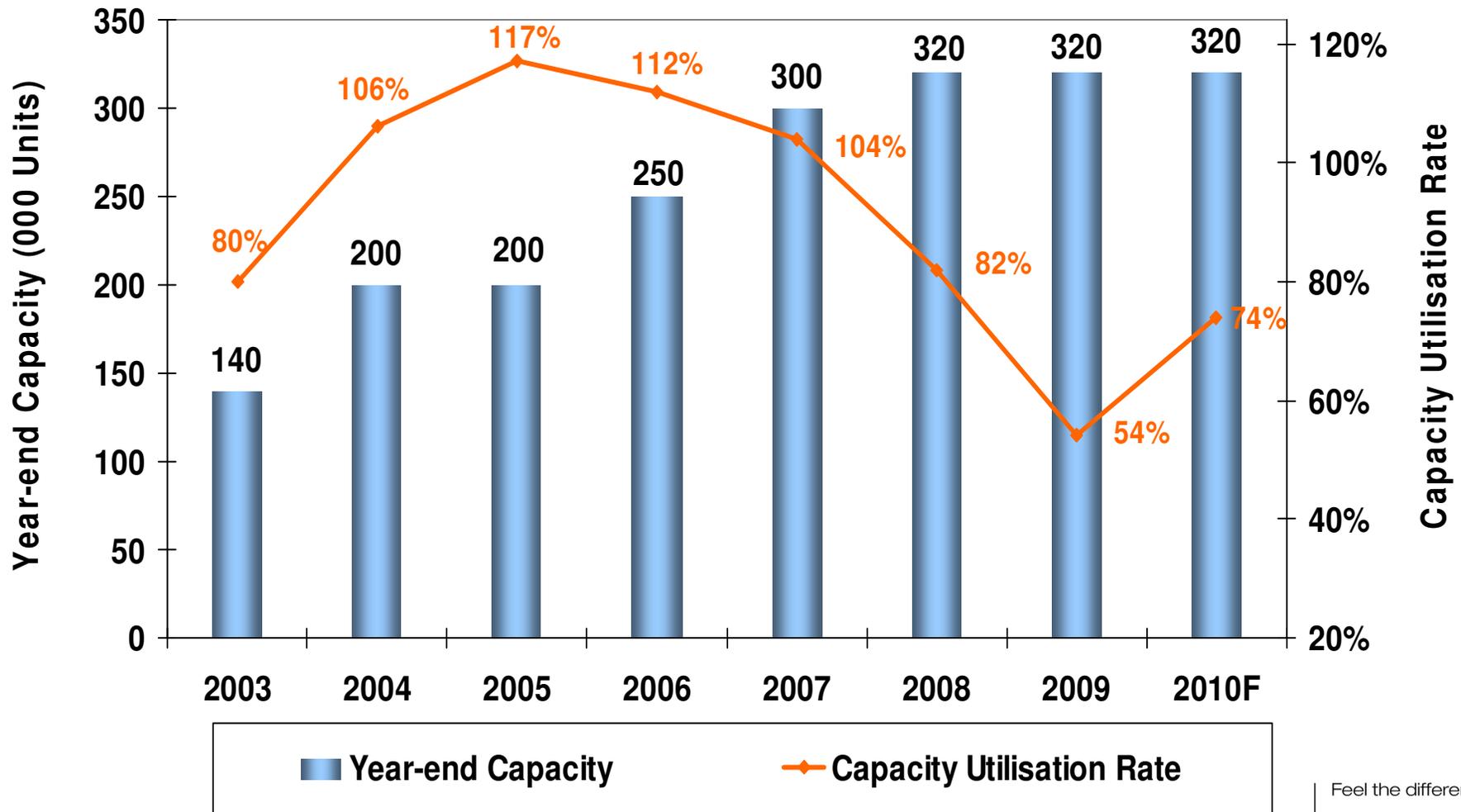
**Total Dealer: 211**



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# ➤ Kocaeli Plant Capacity Utilisation Rate



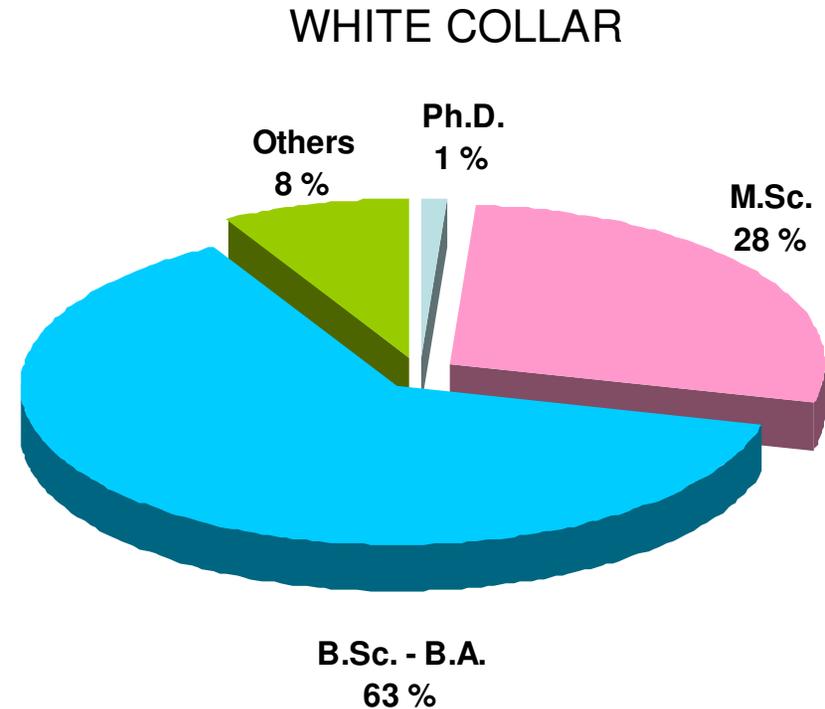
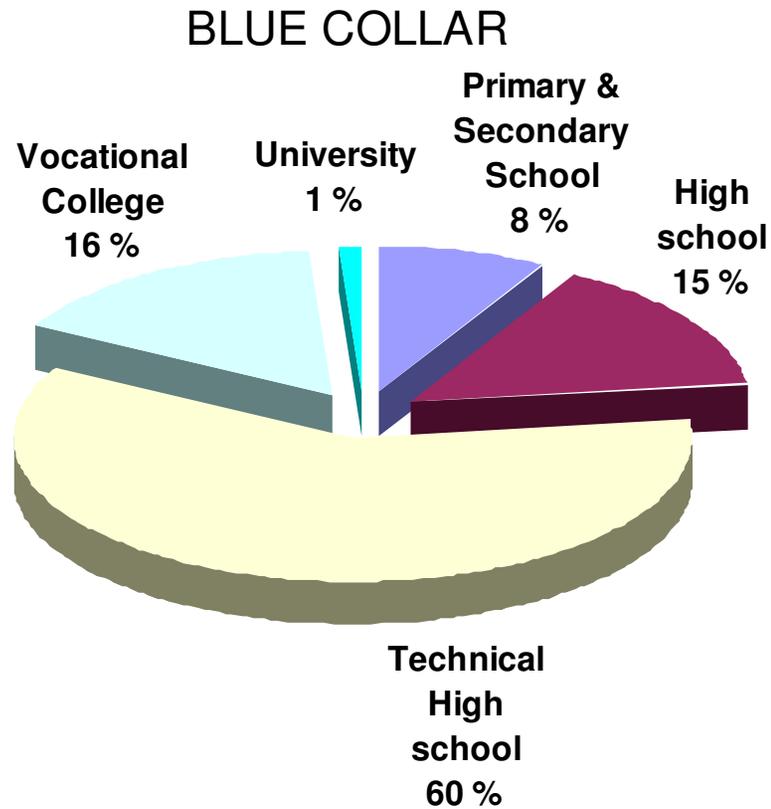
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# ➤ Commercial Vehicle Product Development and Engineering Capabilities

## ➤ Gebze Engineering Facility in Turkey

- Ford Otosan is integrated into Ford's global PD organisation
- This facility underlines Ford's commitment to Turkey as an excellent environment for business and a rich source of well-educated engineering talent
- Ford Otosan's PD operations have further planned expansion

# ➤ Experienced and Skilled Workforce



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## ➤ Strong Corporate Governance

- ✓ Transparent Investor Relations
- ✓ Sarbanes-Oxley Compliant
- ✓ Meets Capital Market Board Governance Rules
- ✓ Corporate Disclosure Policy
- ✓ Executive and Audit Committees

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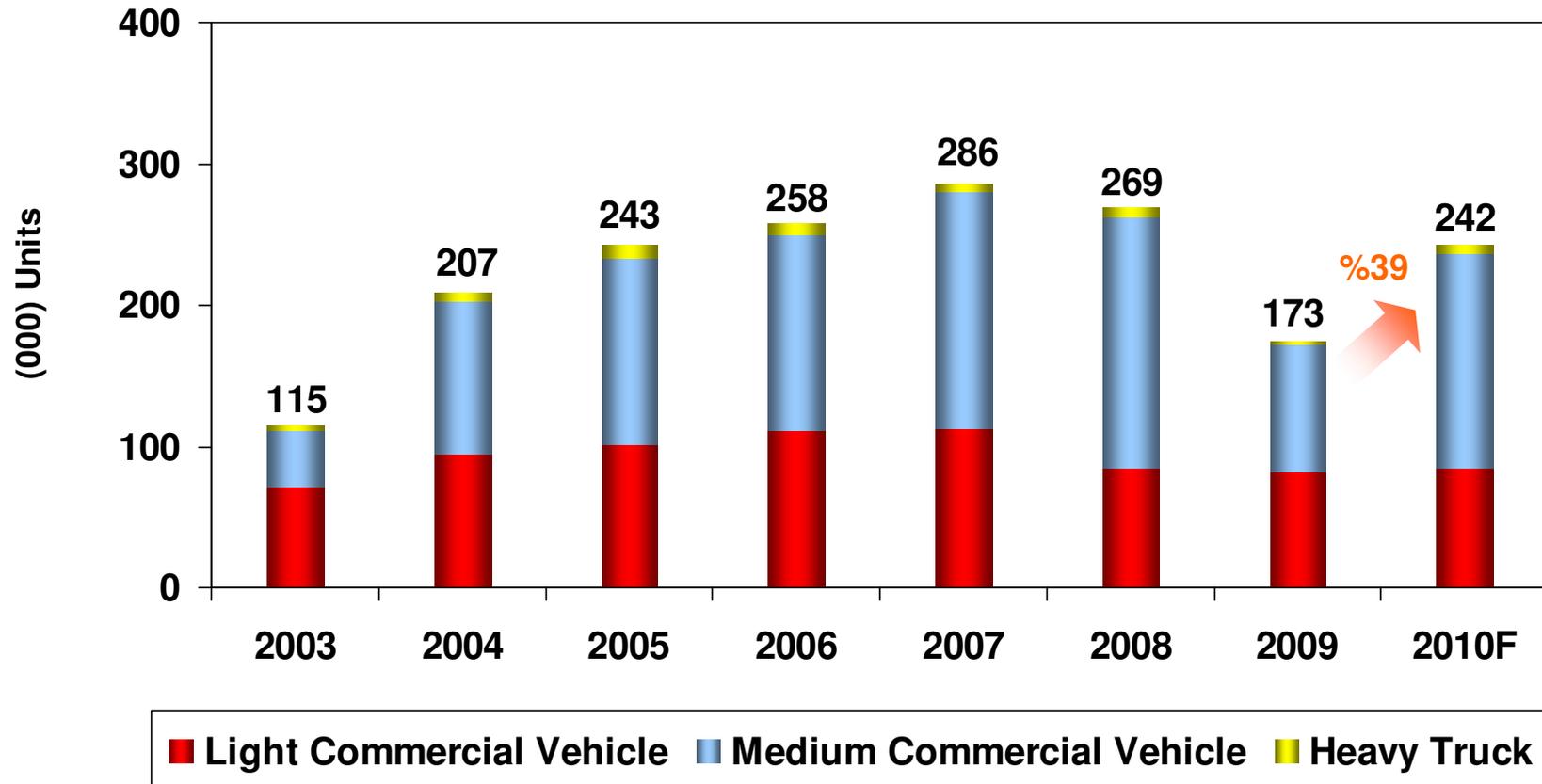
# KEY OPERATING DATA



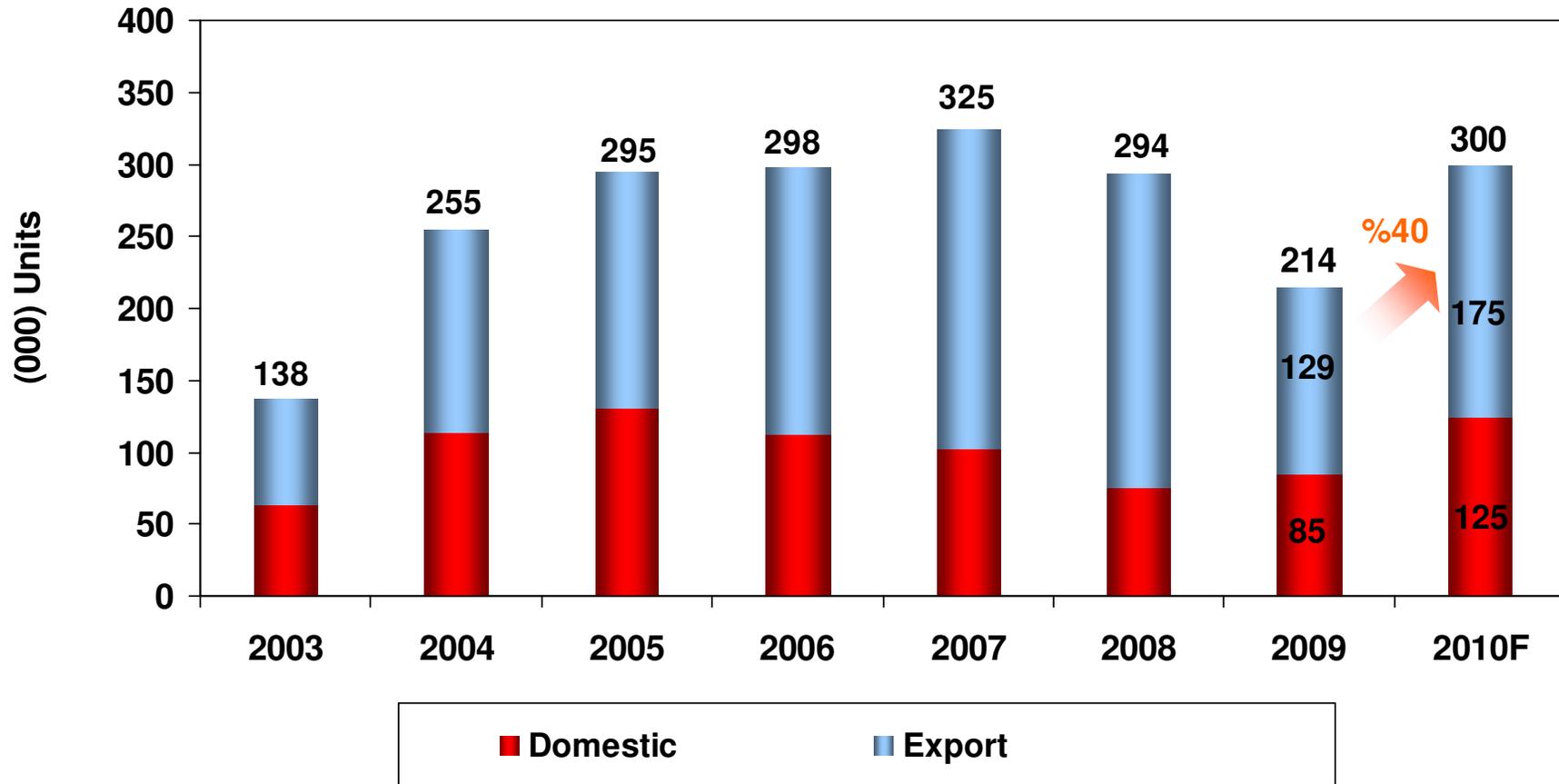
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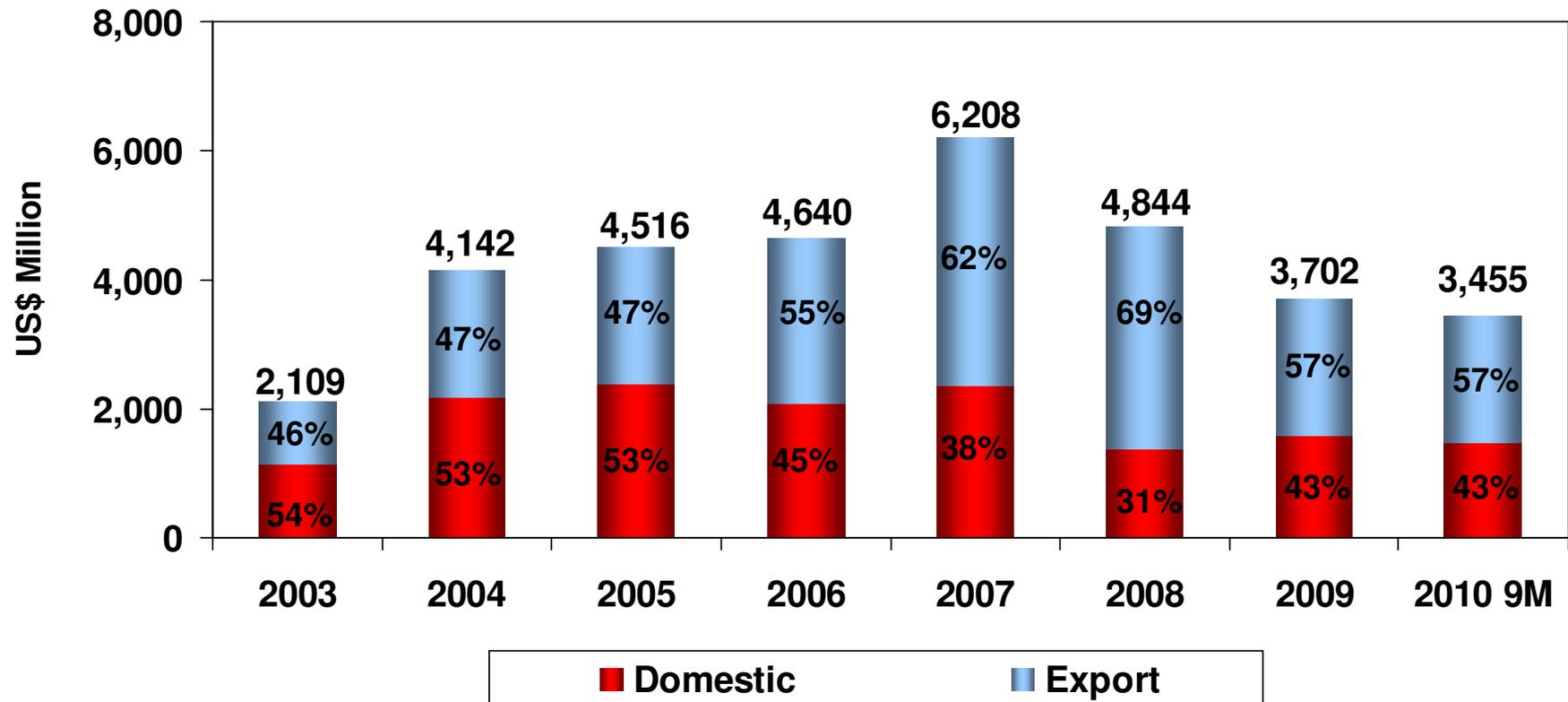
# Production Volume



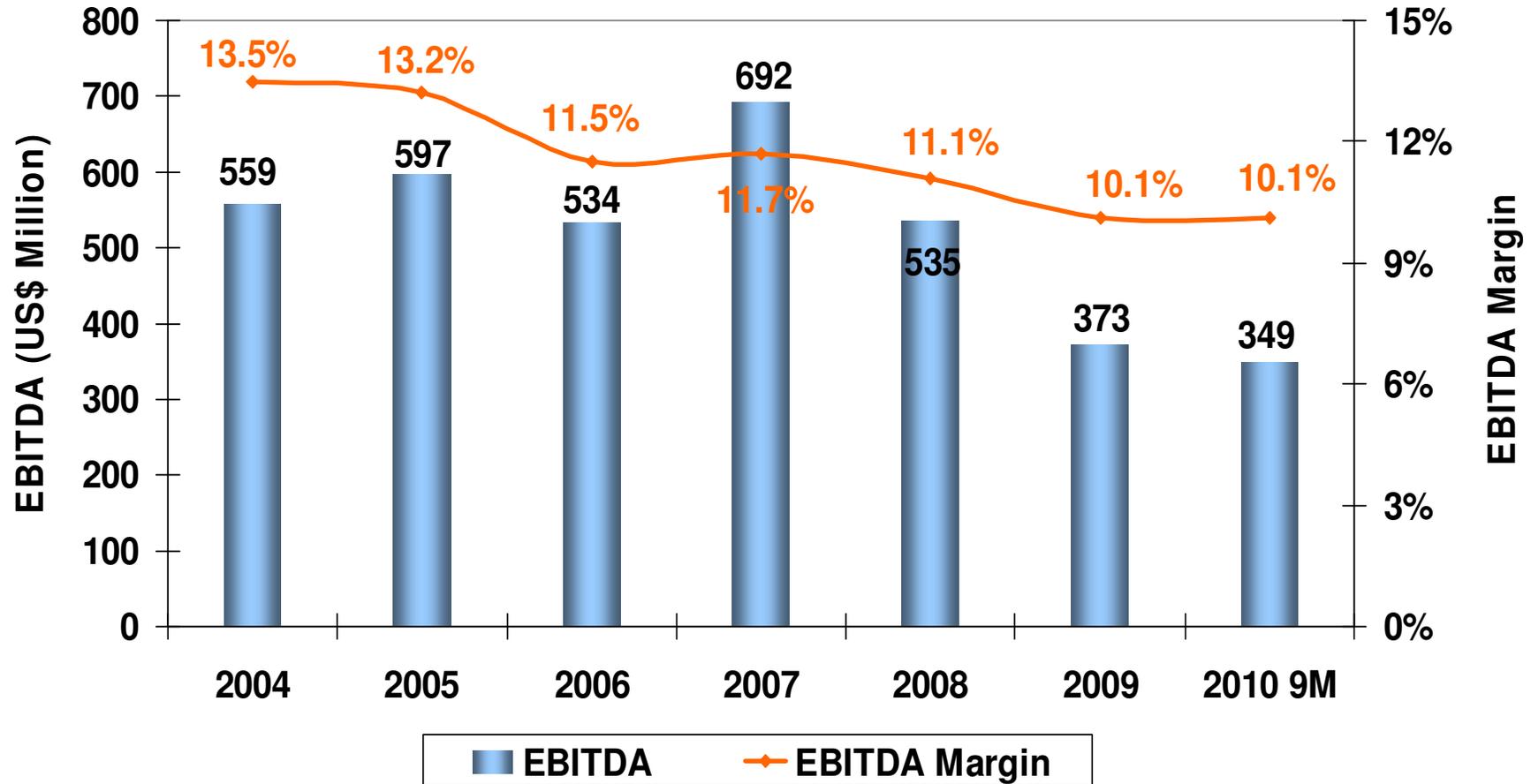
# Wholesales Volume – Domestic / Export



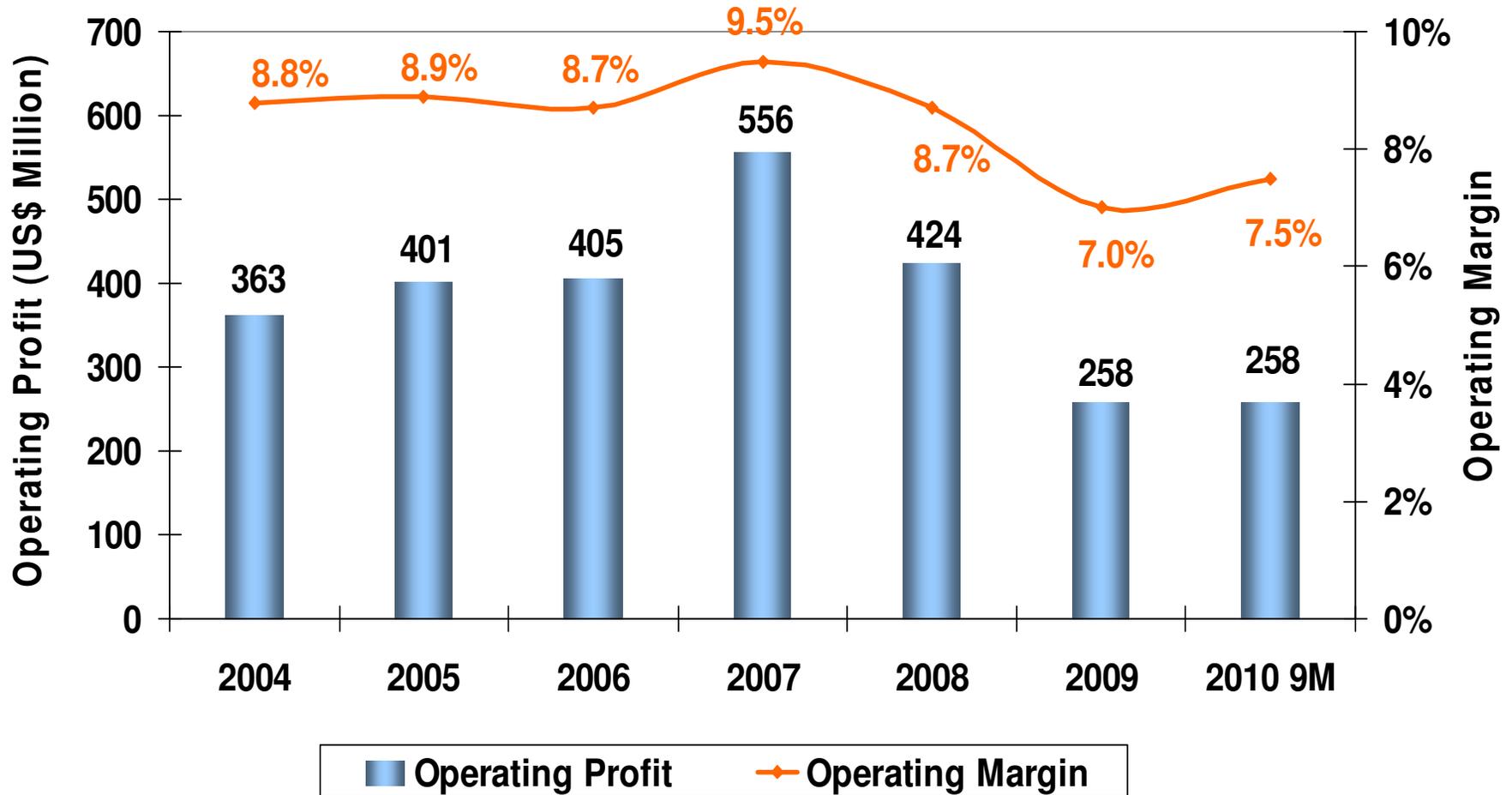
# Revenue – Domestic / Export



# EBITDA and EBITDA Margin

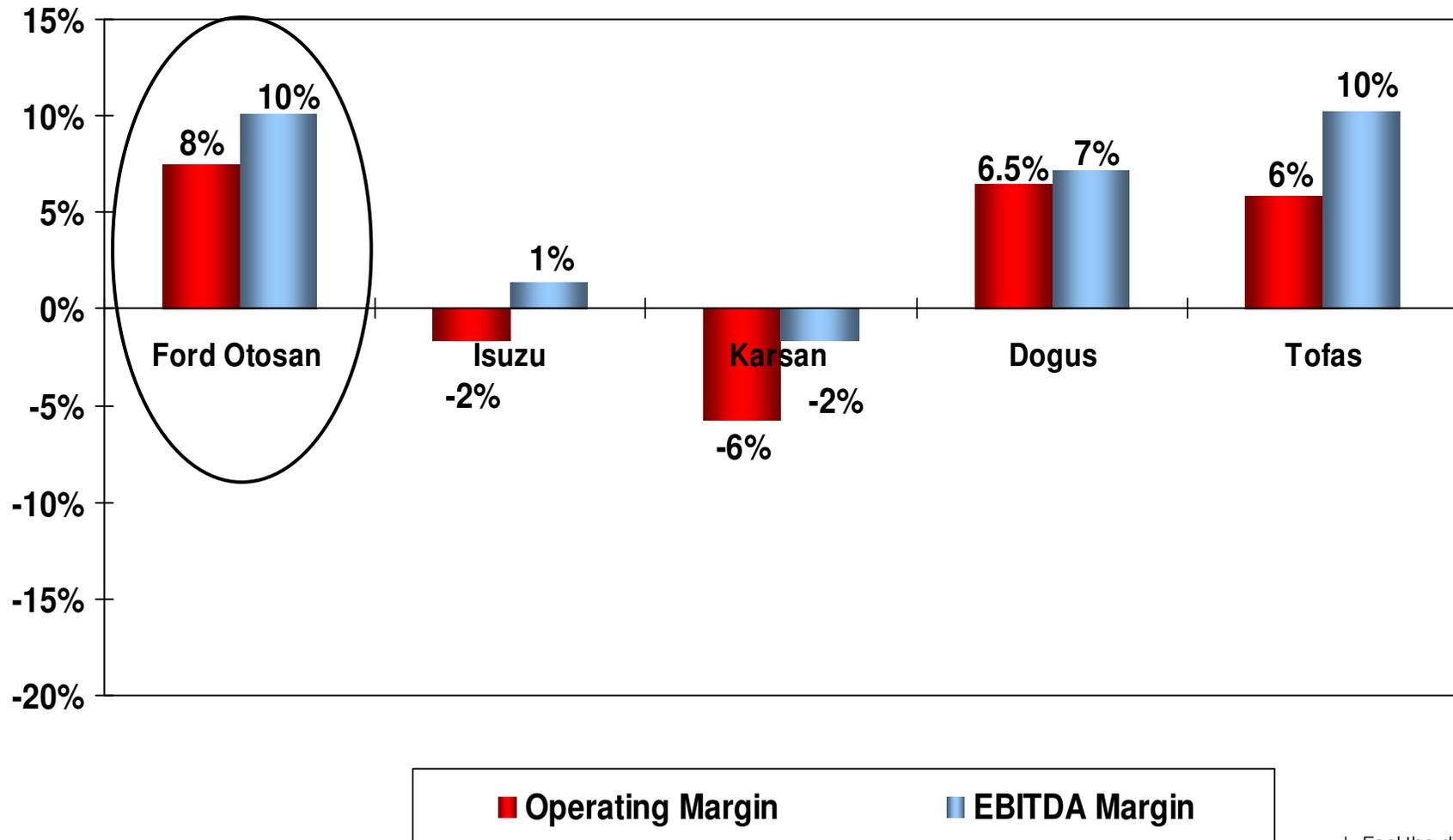


# Operating Profit and Operating Margin

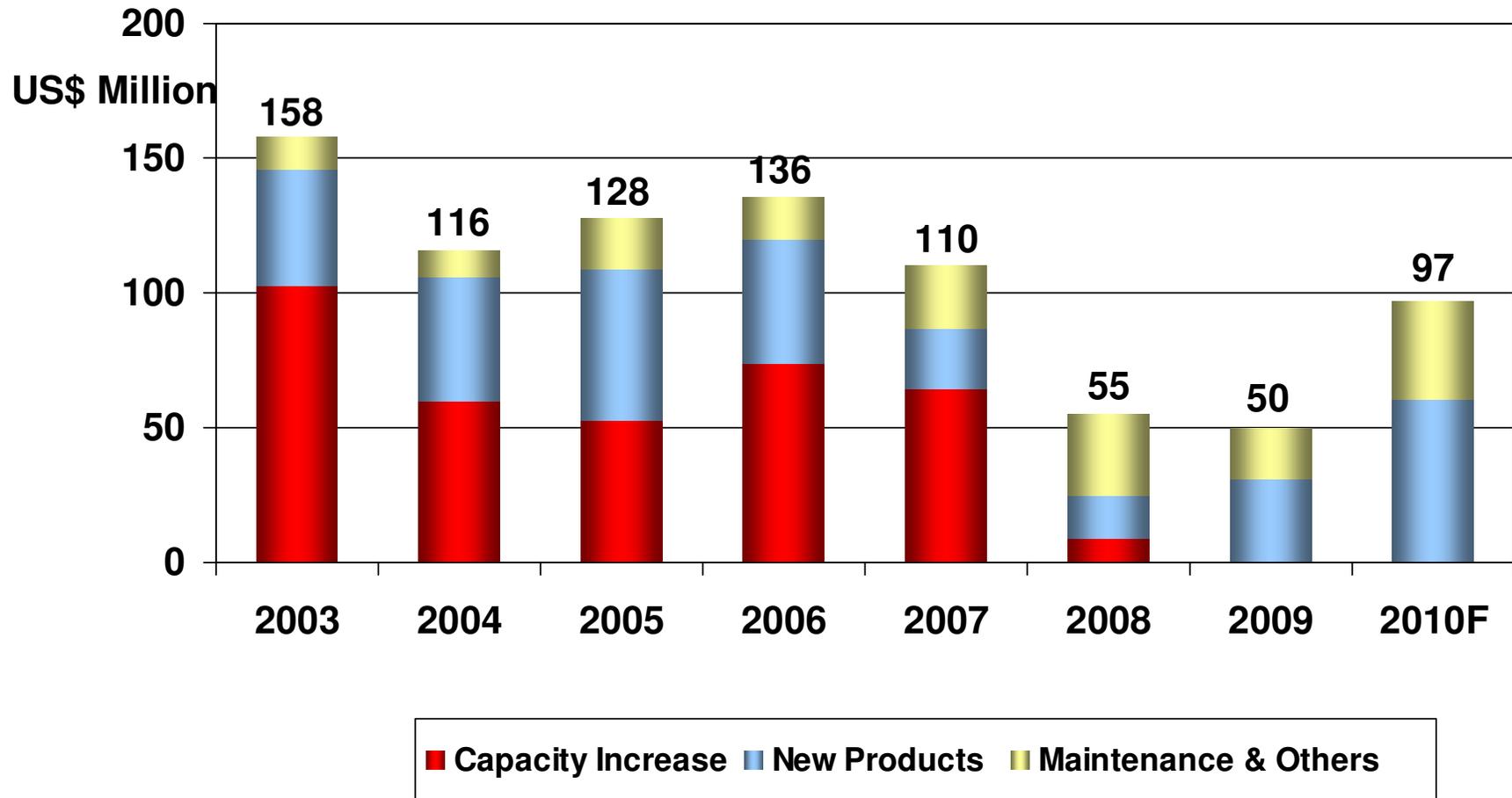


# Margin Comparison with Peers at ISE

## 2010 9M



# CAPEX



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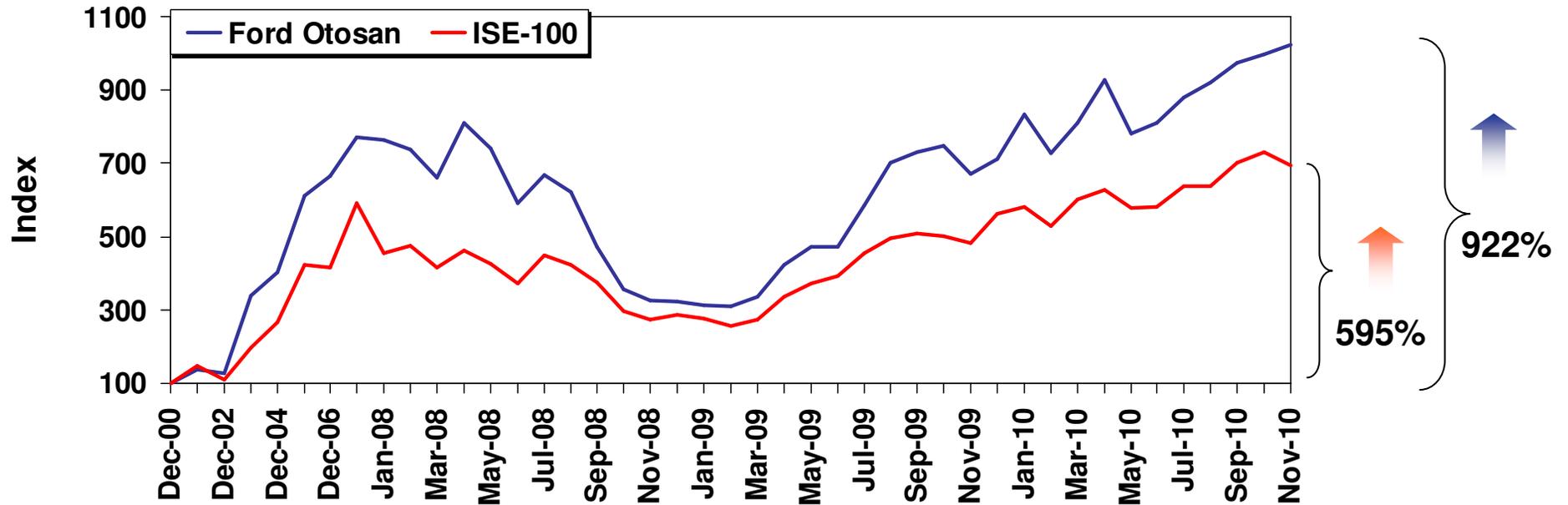
# ISTANBUL STOCK EXCHANGE PERFORMANCE



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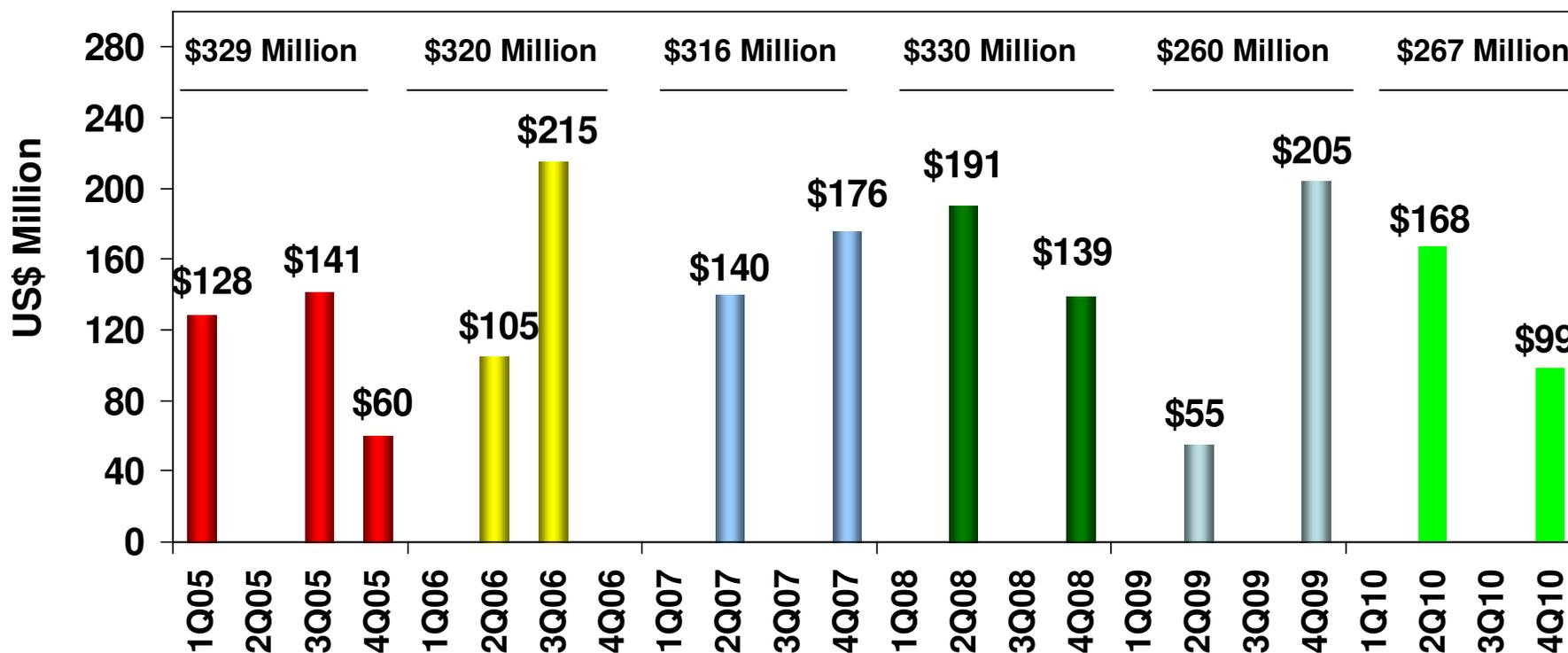
# ISE & FROTO Index



|                                         | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 30 Nov. 2010 |
|-----------------------------------------|------|------|------|------|------|------|------|------|--------------|
| <b>FROTO<br/>Cumulative Change(%)</b>   | %26  | %241 | %303 | %510 | %564 | %671 | %223 | %611 | <b>%922</b>  |
| <b>ISE-100<br/>Cumulative Change(%)</b> | %10  | %97  | %165 | %323 | %316 | %490 | %186 | %462 | <b>%595</b>  |

# High Dividend in the Last Years

2009 Dividend Yield: 12.3%  
2008 Dividend Yield: 32.6%



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# Disclaimer

This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

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