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# FORD OTOSAN

## INVESTOR PRESENTATION

January 2011

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# Agenda

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

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**Investor Presentation**  
**January 2011**

# **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

6,630+

White Collar Employees

1,770+

Ownership

41% Ford Motor Company

41% Koc Holding

18% Publicly-owned

2009 Net Sales

\$ 3.7 Billion

Market Cap (as of Dec. 31, 2010)

\$ 3.0 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 celebrated its 50th Year Anniversary

## ➤ Achievements

- ✓ 3<sup>rd</sup> biggest Turkish exporter company in 2010
- ✓ Domestic Market Leader for the 9<sup>th</sup> consecutive year
- ✓ As of year-end, market share improvement in domestic industry
- ✓ “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)
- ✓ Chairman’s Leadership Award for Diversity, 2010  
 (“Let’s Remove Barriers” project)
- ✓ “Environmental Leadership” Award  
(Sludge drying unit at wastewater treatment plant)

# Plant Locations



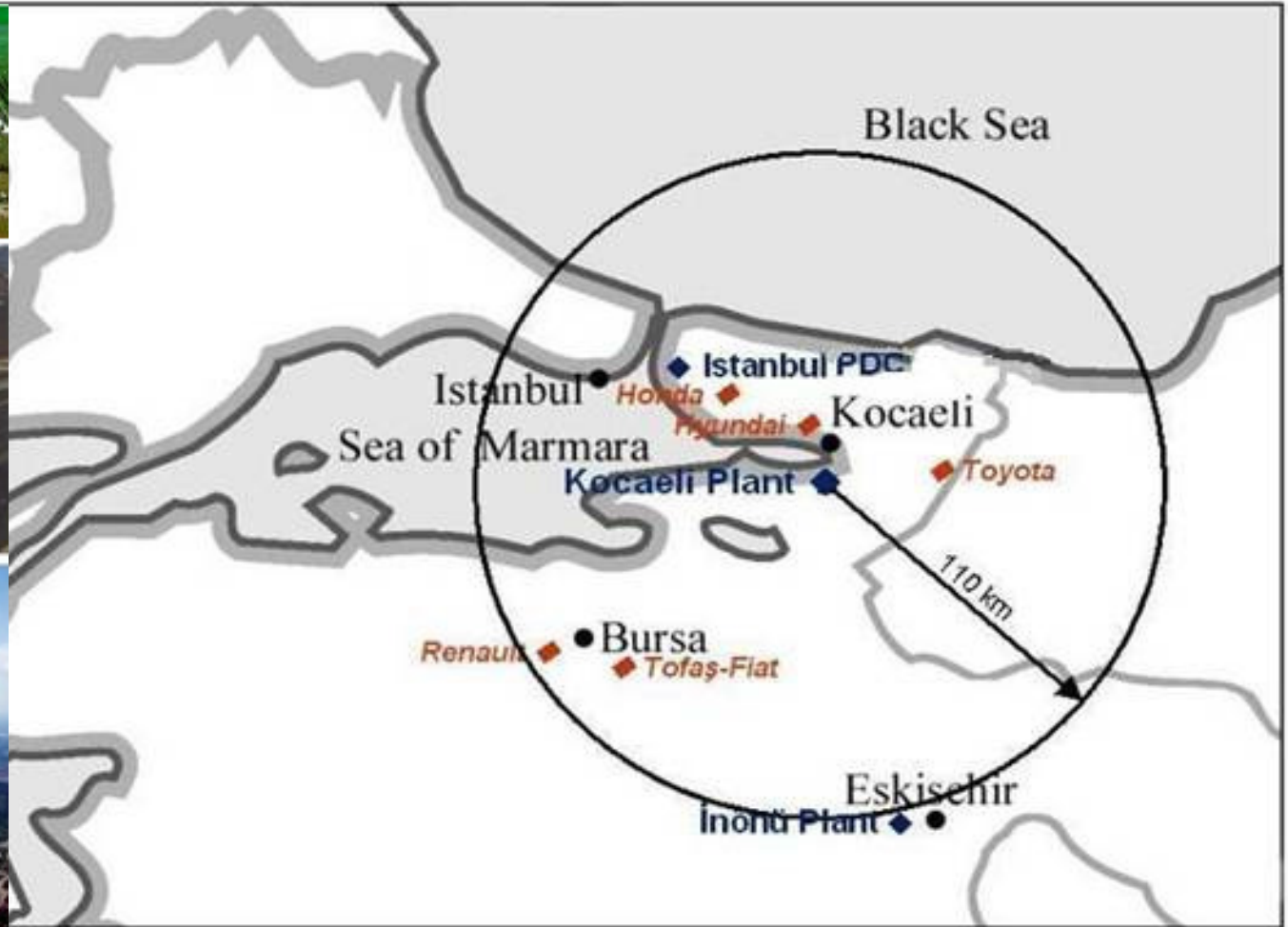
İnönü Plant - 1981



Parts Distribution Center  
1998



Kocaeli Plant - 2001



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# • Plants

## Kocaeli Plant

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



ISO  
9001



ISO  
14001

- 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**



ISO  
9001



ISO  
14001

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

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



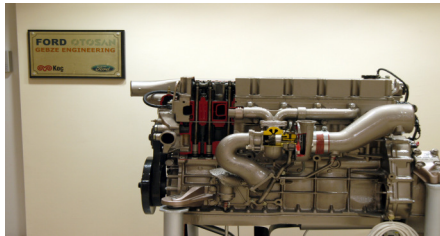
# • Facilities

## Kartal Parts Distribution Centre



- Marketing, Sales, 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 Istanbul

## ■ Transit

- ✓ Domestic Market Leader in 2010: 36.9% market share
- ✓ 123K units exported in 2010
- ✓ International Van of the Year 2007 Award



## ■ Transit Connect

- ✓ Domestic Market Share in 2010: 19.5%
- ✓ 52K units exported in 2010
- ✓ Exports to North America



## North America - Truck Of The Year





## ■ Cargo

- ✓ Domestic Market Share in 2010: 18.3%
- ✓ Exported to various markets



## ■ A Full Line of Cars

✓ 2<sup>nd</sup> in the Domestic Market in 2010: 10.8% market share



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# TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

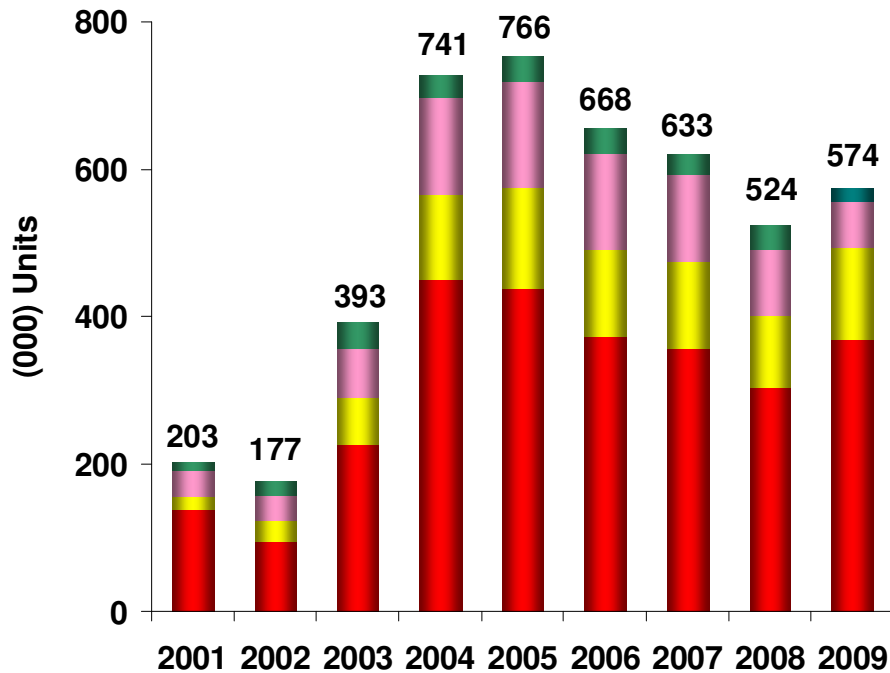


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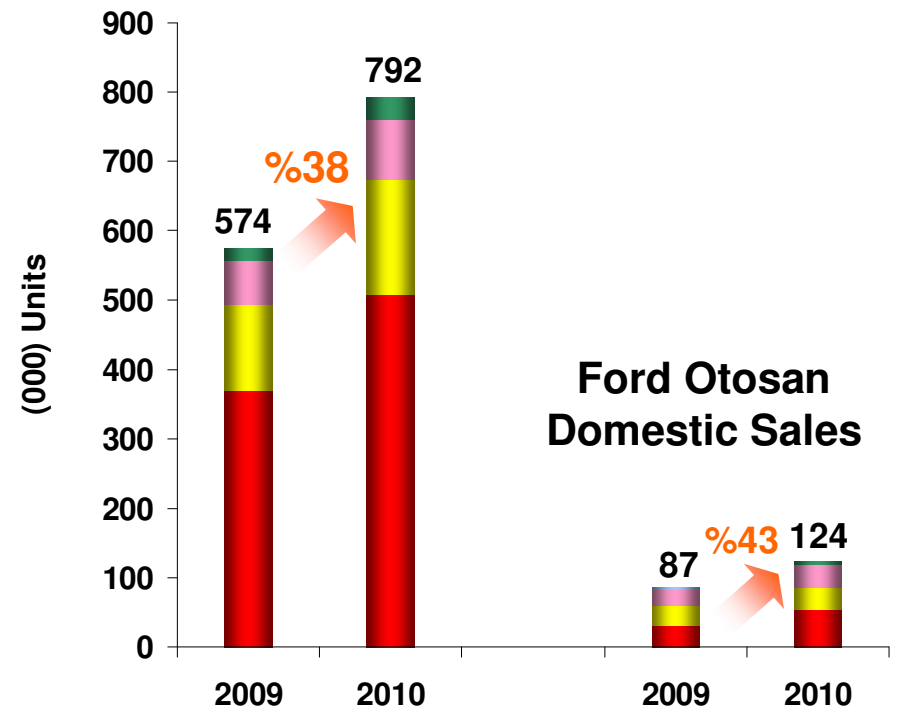
# Domestic Automotive Industry

**Automotive Industry**



**2009FY / 2010FY**

**Automotive Industry**



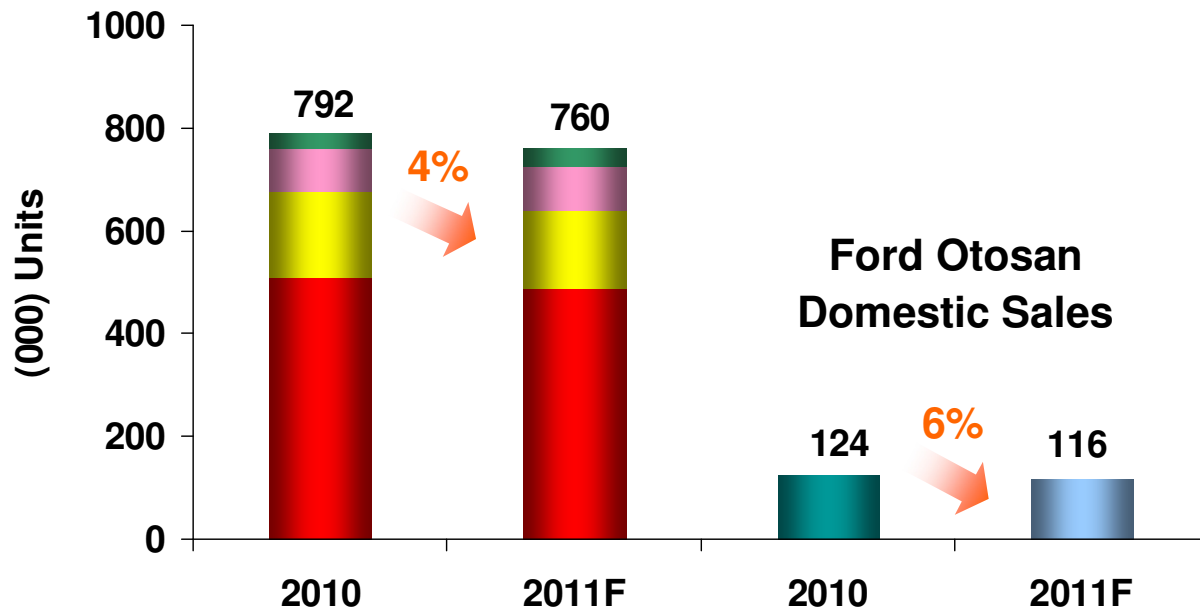
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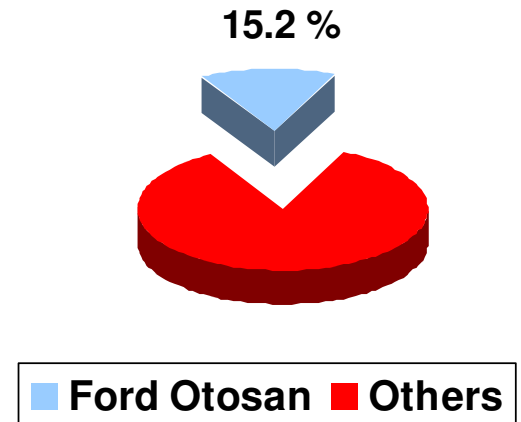
# 2011 Outlook

## 2011 Market Outlook

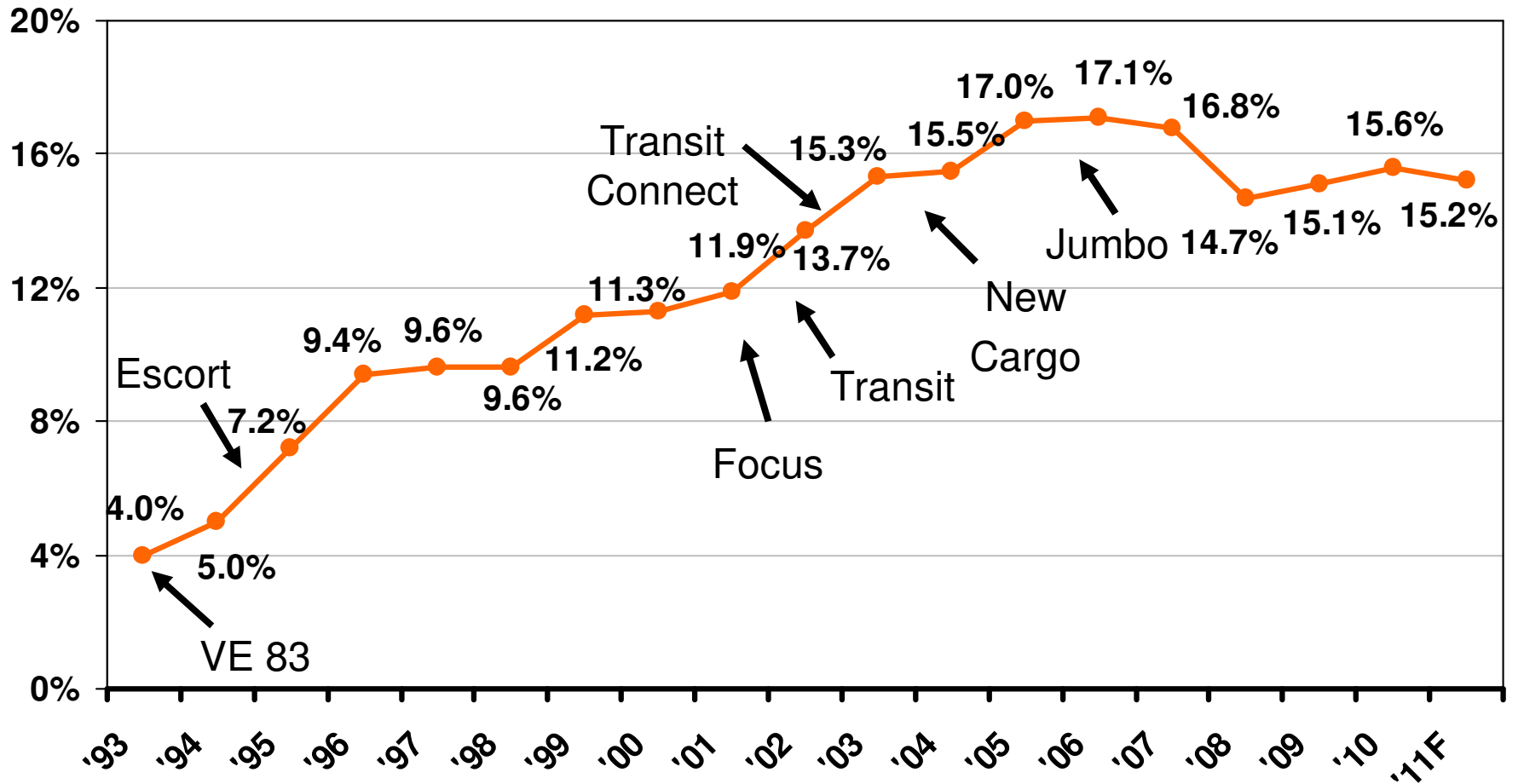


■ Car  
■ Medium Commercial Vehicle  
■ Light Commercial Vehicle  
■ Heavy Commercial Vehicle

## Market Share Forecast for 2011 FY



# Ford Otosan Market Share

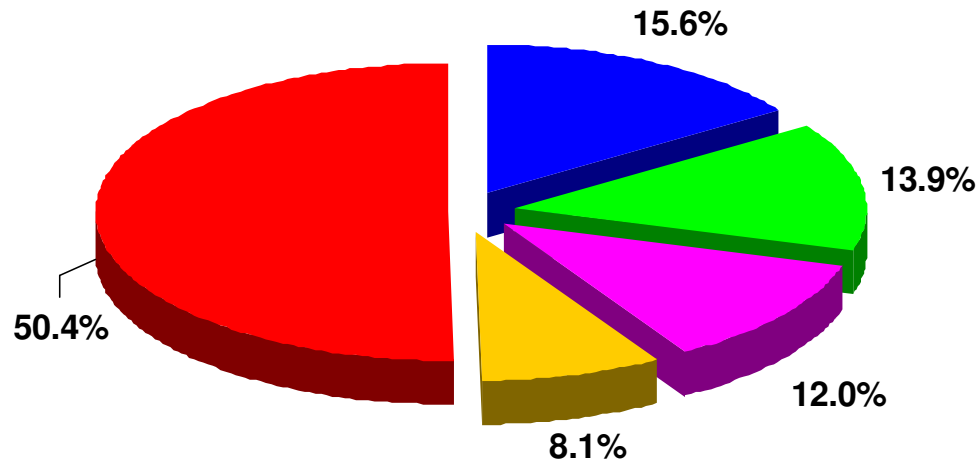


# Market Shares

	2010 FY		2009 FY	
	Market Share	Rank	Market Share	Rank
Total Automotive Industry	15.6%	1	15.1%	1
Passenger Car	10.8%	2	9.0%	3
LCV	19.5%	2	22.8%	2
MCV	36.9%	1	36.3%	1
Heavy Truck	18.3%	2	17.3%	2

# Market Share in Total Automotive Industry

## 2010 FY



■ Ford ■ Fiat ■ Renault ■ VW ■ Others

**FORD**  
**OTOSAN**

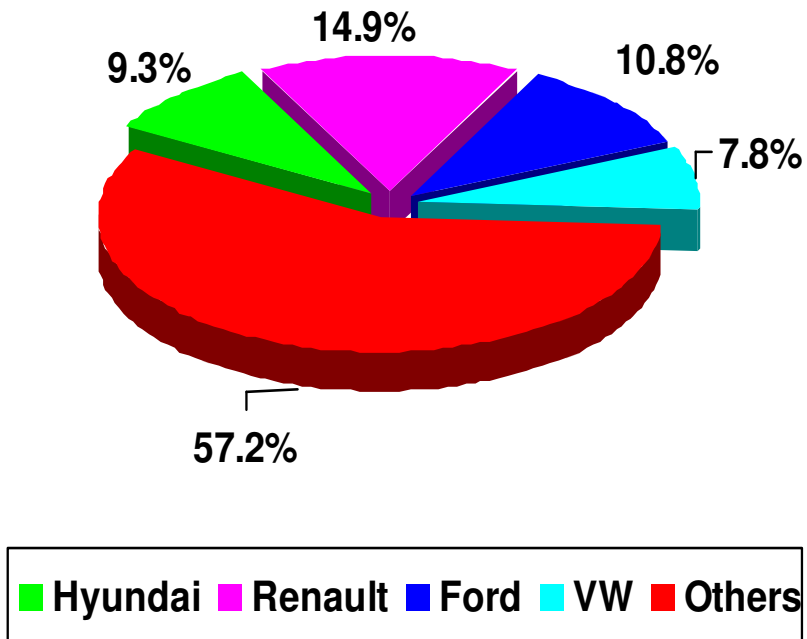
Market Share

↑ 0.5 Pts. YoY

# Market Shares

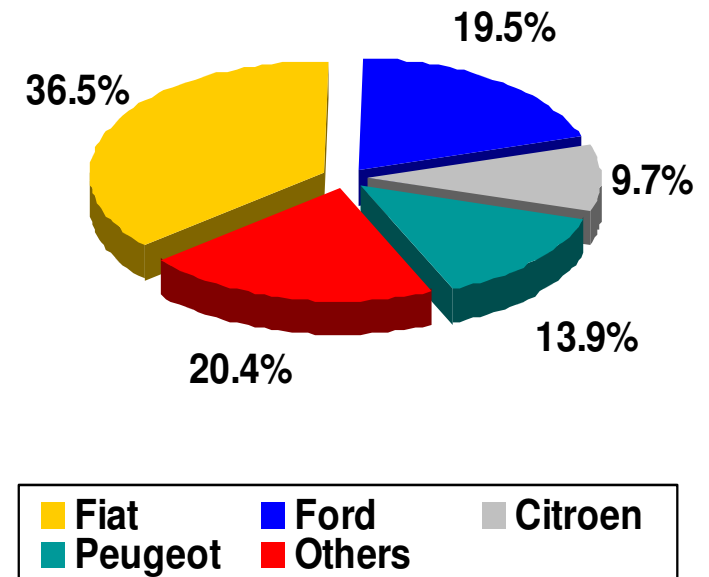
## 2010 FY

Passenger Car



↑ 1.8 Pts. YoY

Light Commercial Vehicle

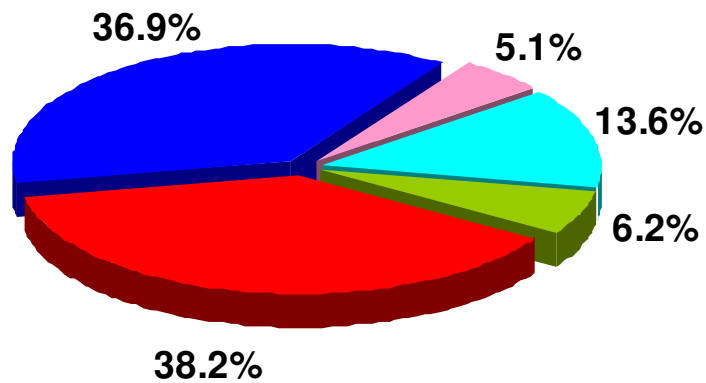


↓ 3.3 Pts. YoY

# Market Shares

## 2010 FY

Medium Commercial Vehicle

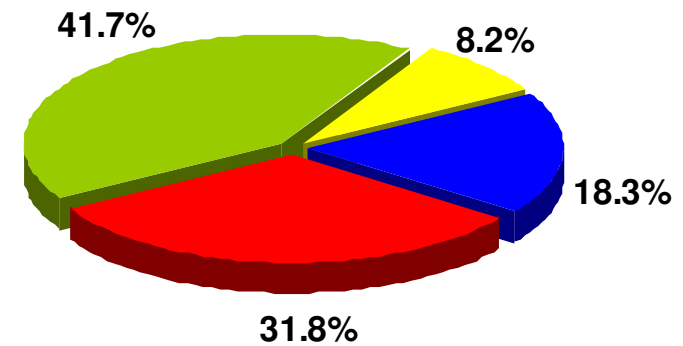


■ Ford ■ Mitsubishi ■ VW ■ Mercedes ■ Others



0.6 Pts. YoY

Heavy Truck



■ Mercedes ■ BMC ■ Ford ■ Others



1.0 Pts. YoY

# Taxes on Vehicles

Passenger Cars				
Engine Size	Model	VAT*	SCT**	TOTAL
<1600 cm³	Fiesta	18%	37%	62%
	Fusion			
	Focus C-Max Mondeo(1.6)			
1601- 2000	Mondeo(2.0)	18%	60%	89%
>2000		18%	84%	117%
* VAT: Value Added Tax				
** SCT: Special Consumption Tax				

Commercial Vehicles				
Engine Size	Model	VAT*	SCT**	TOTAL
<3000 cm³	Transit Van	18%	4%	23%
	Connect Van			
	Ranger			
	Minibus	18%	9%	29%
	Transit Combi	18%	10%	30%
Connect Combi				
Truck				
Cargo		18%	4%	23%

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# COMPETITIVE ADVANTAGES



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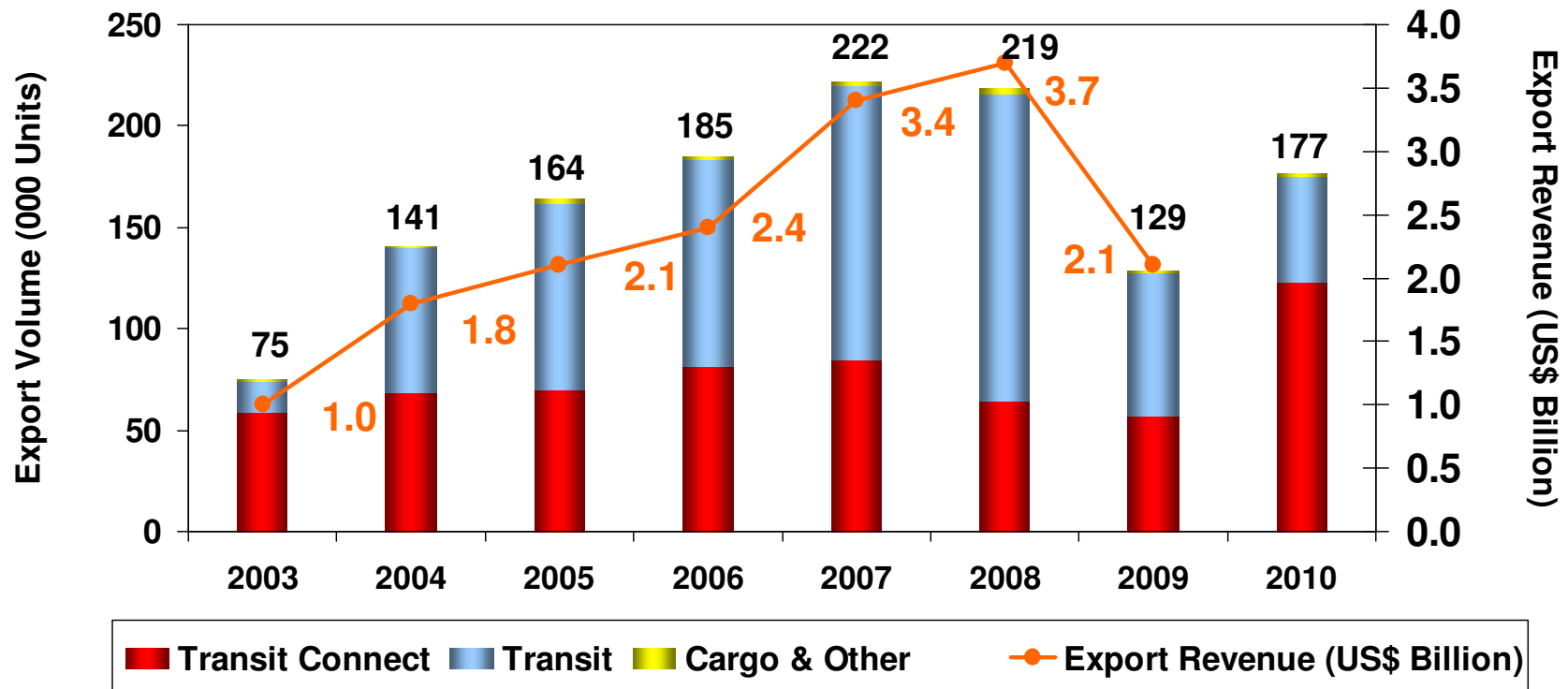


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# Competitive Advantages

- 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**

# ➤ 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**

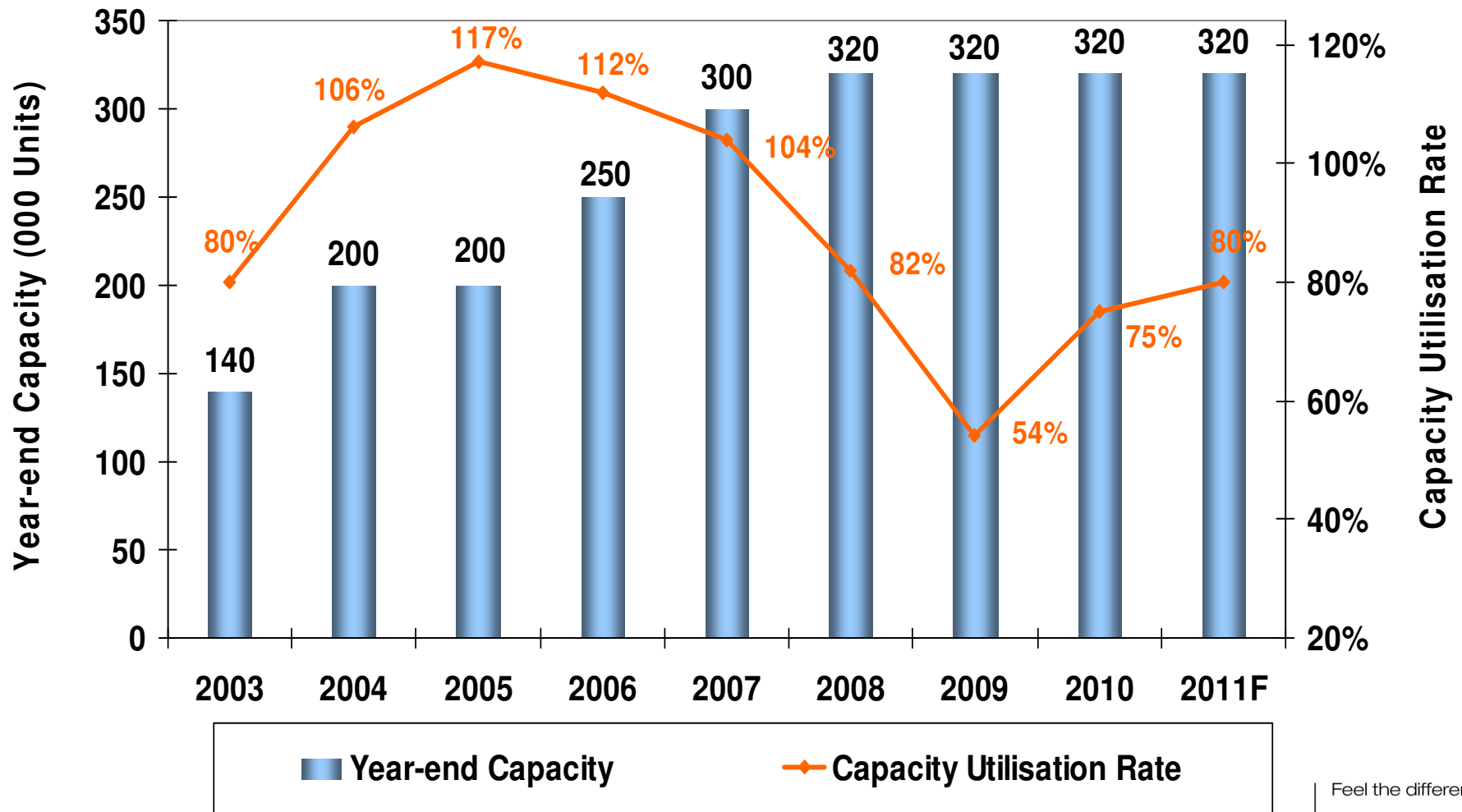
**After-Sales: 193**

**Total Dealer: 211**

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## ➤ Kocaeli Plant Capacity Utilisation Rate

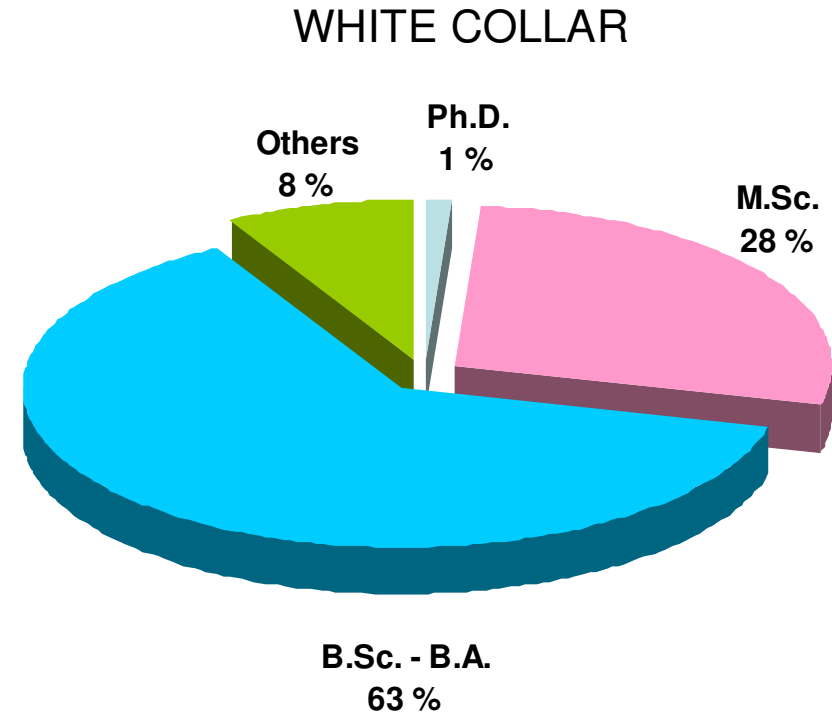
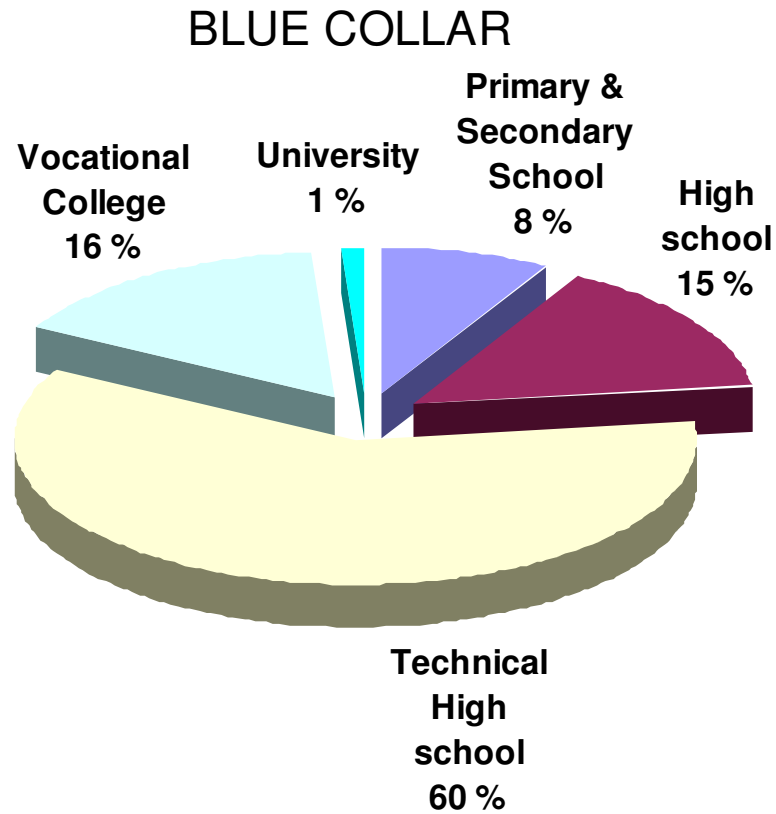


# ➤ Commercial Vehicle Product Development and Engineering Capabilities

## ➤ 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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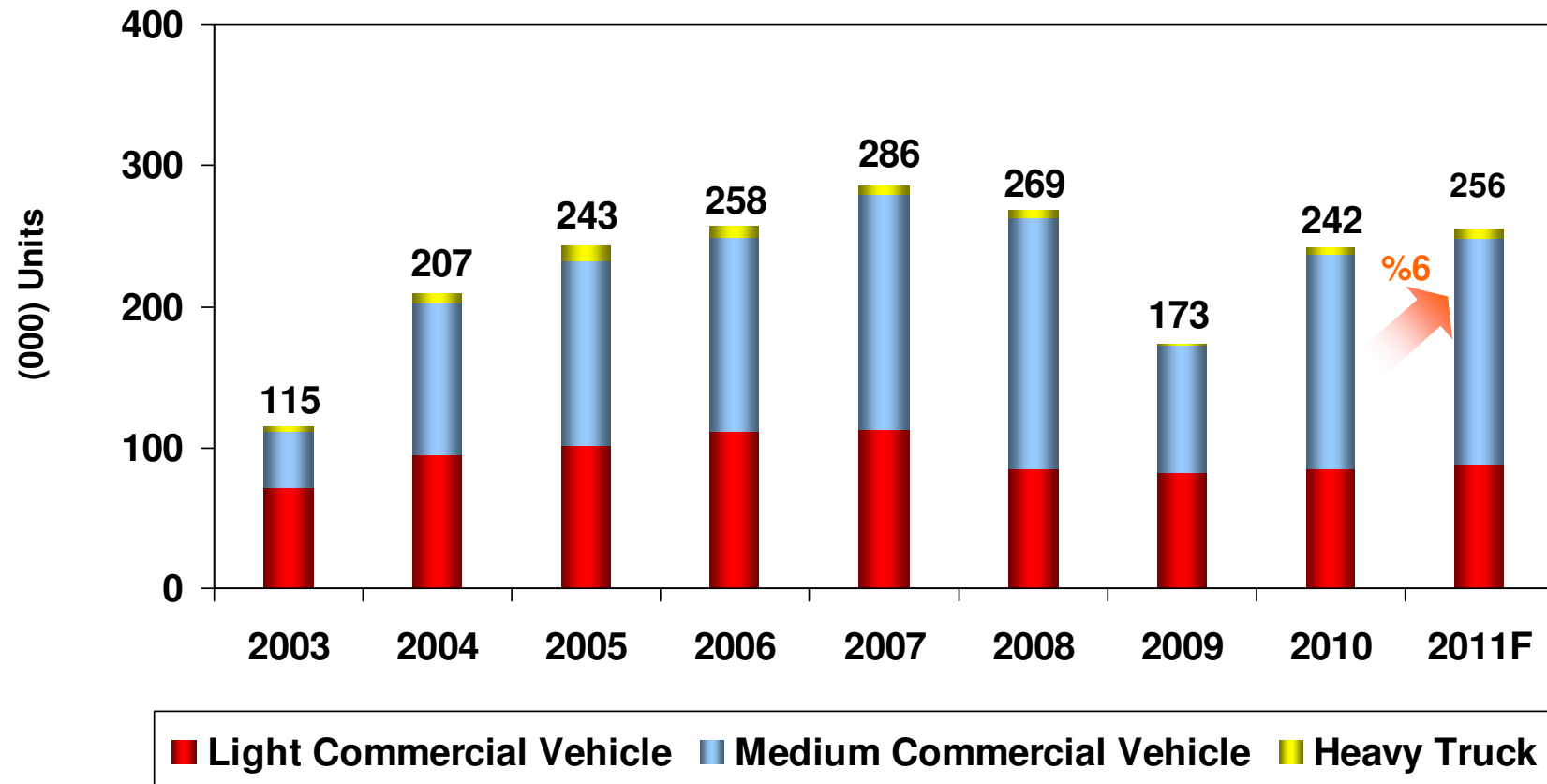
## ➤ Strong Corporate Governance

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

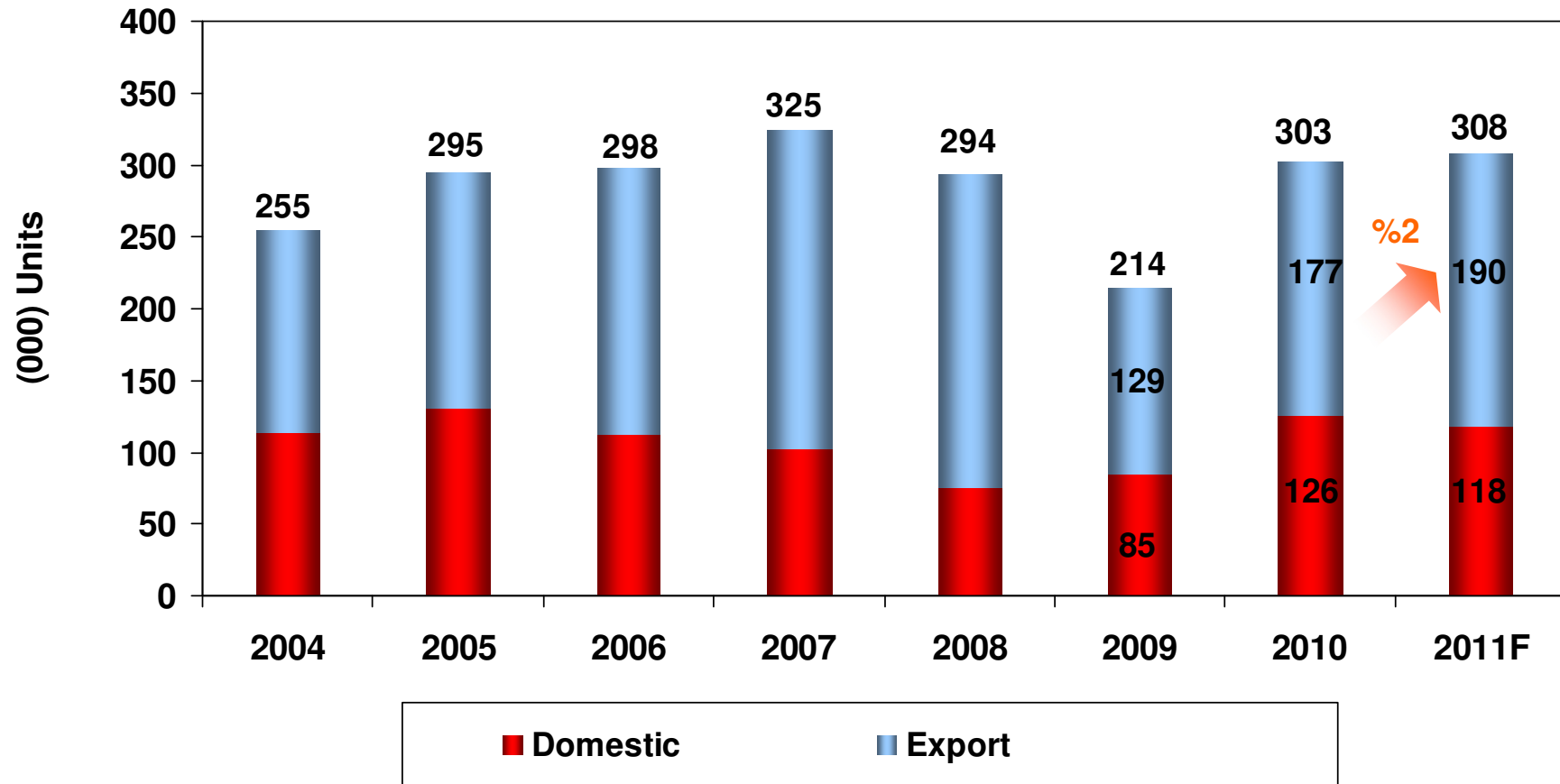


# KEY OPERATING DATA

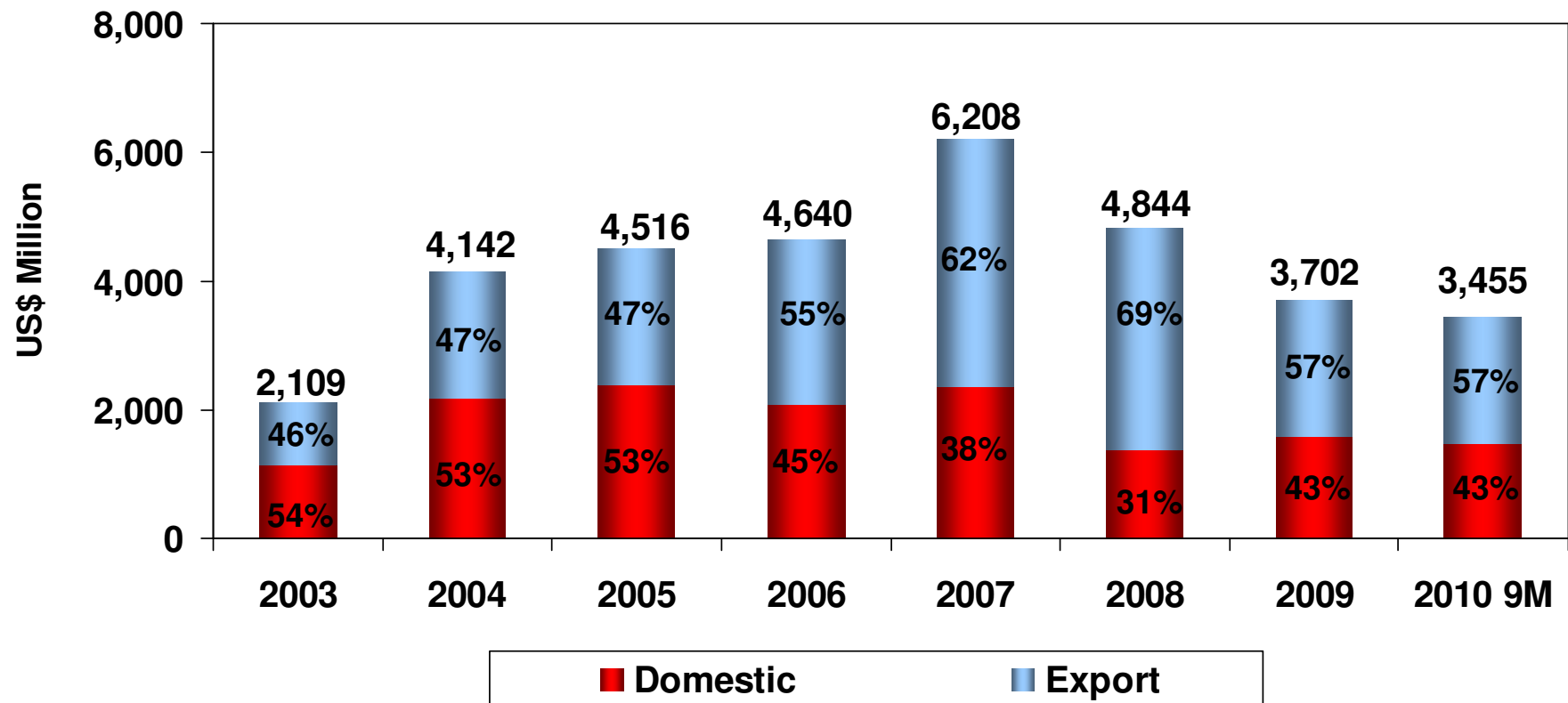
# Production Volume



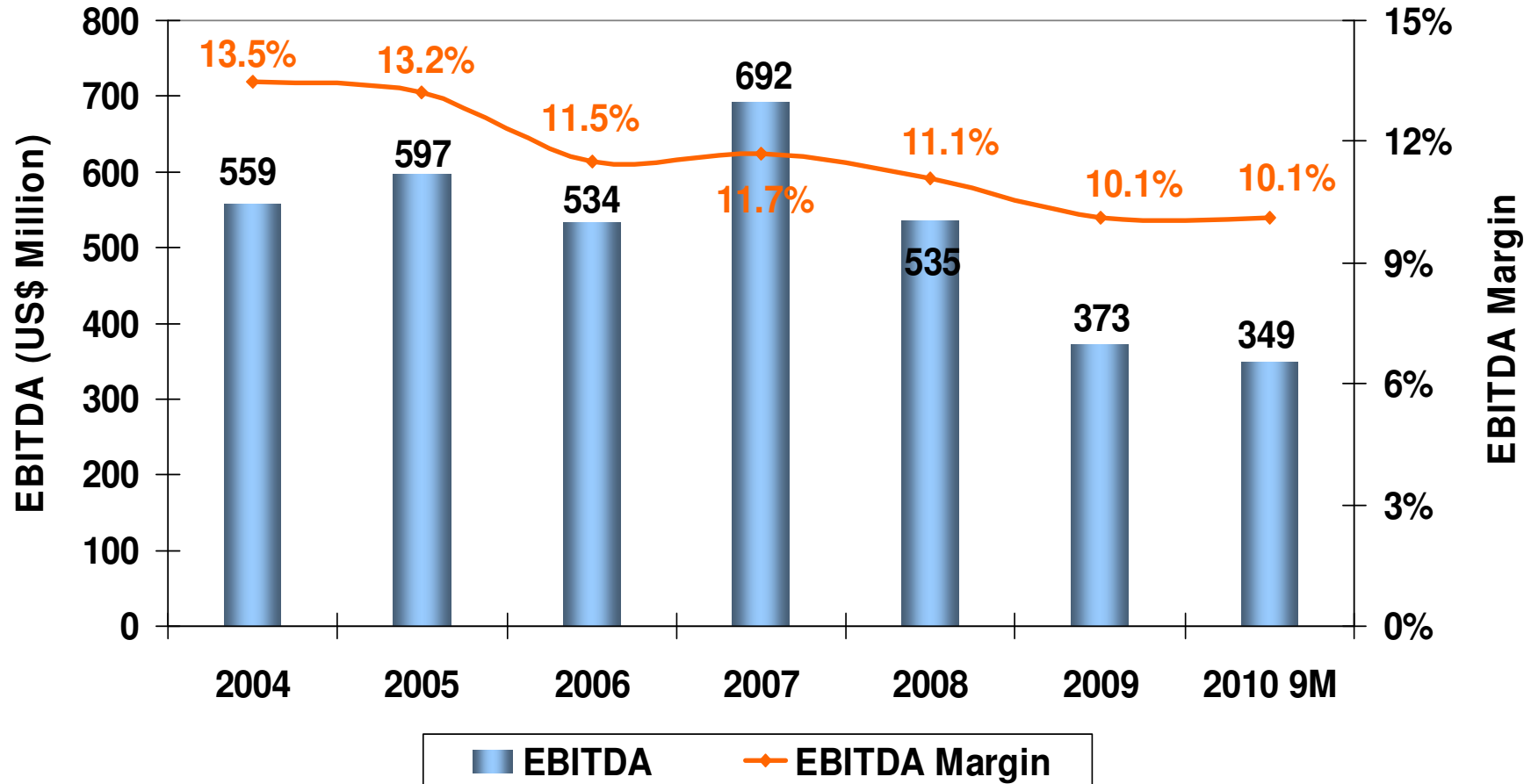
# Wholesales Volume – Domestic / Export



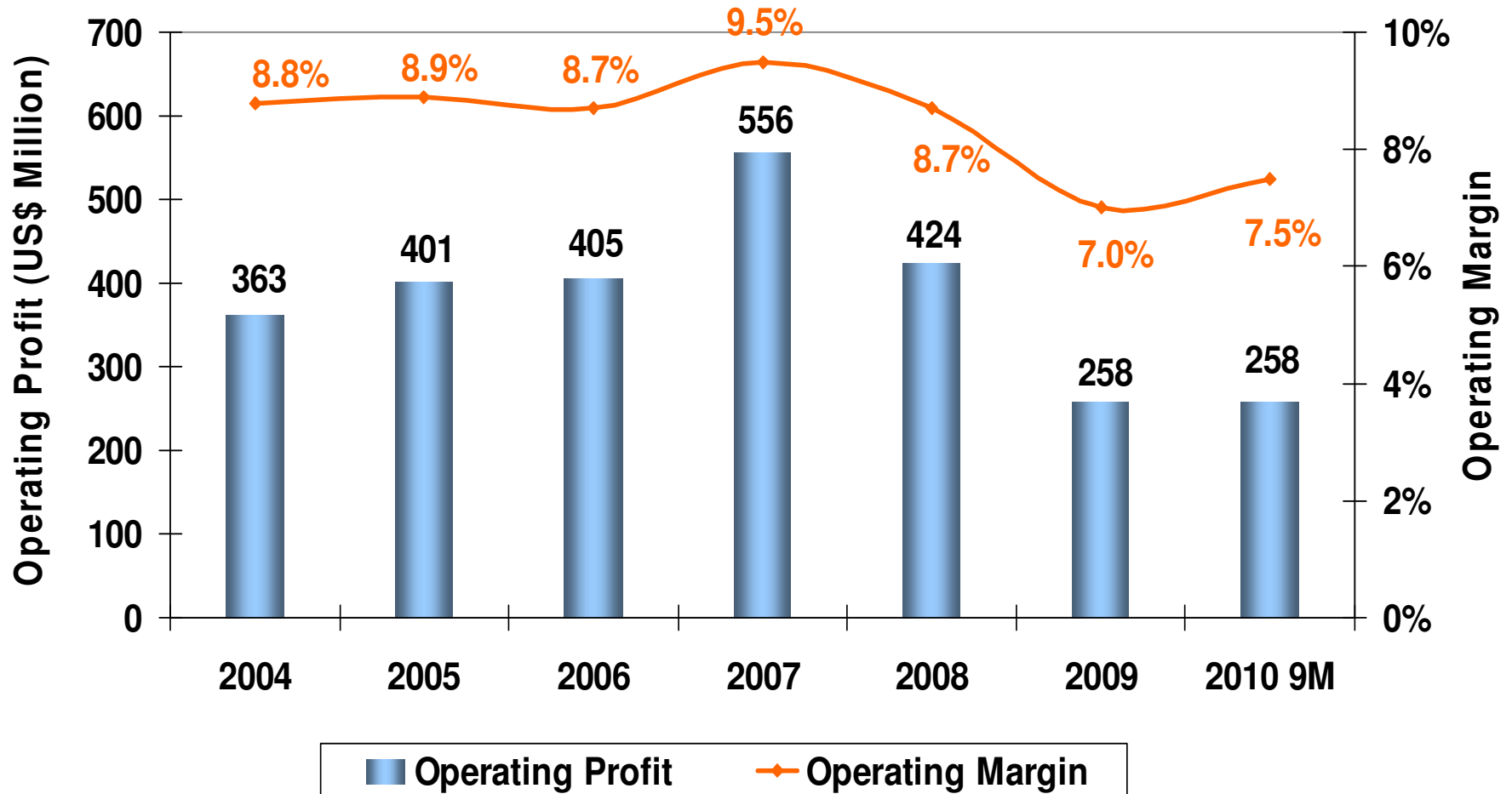
# Revenue – Domestic / Export



# EBITDA and EBITDA Margin

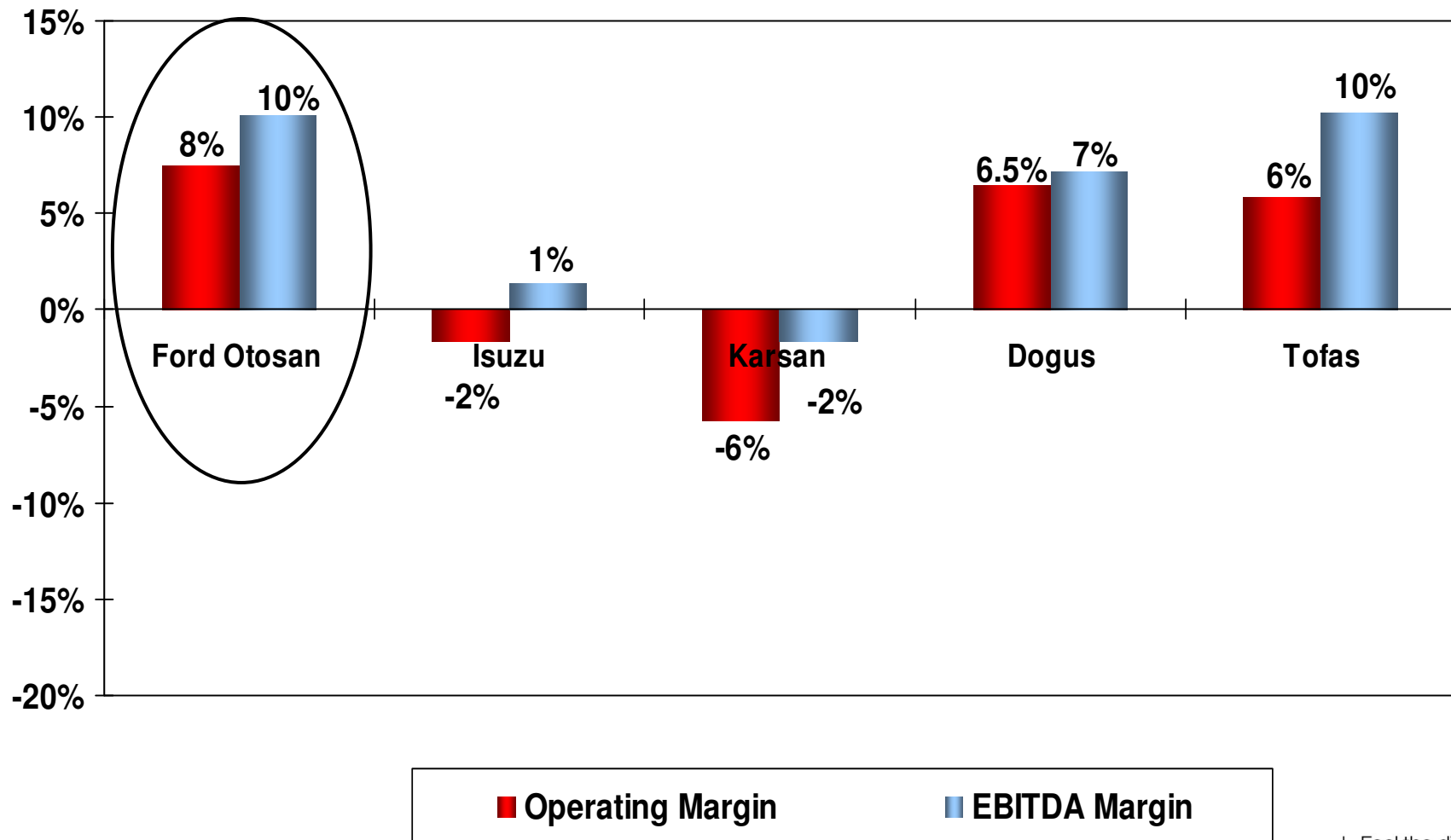


# Operating Profit and Operating Margin

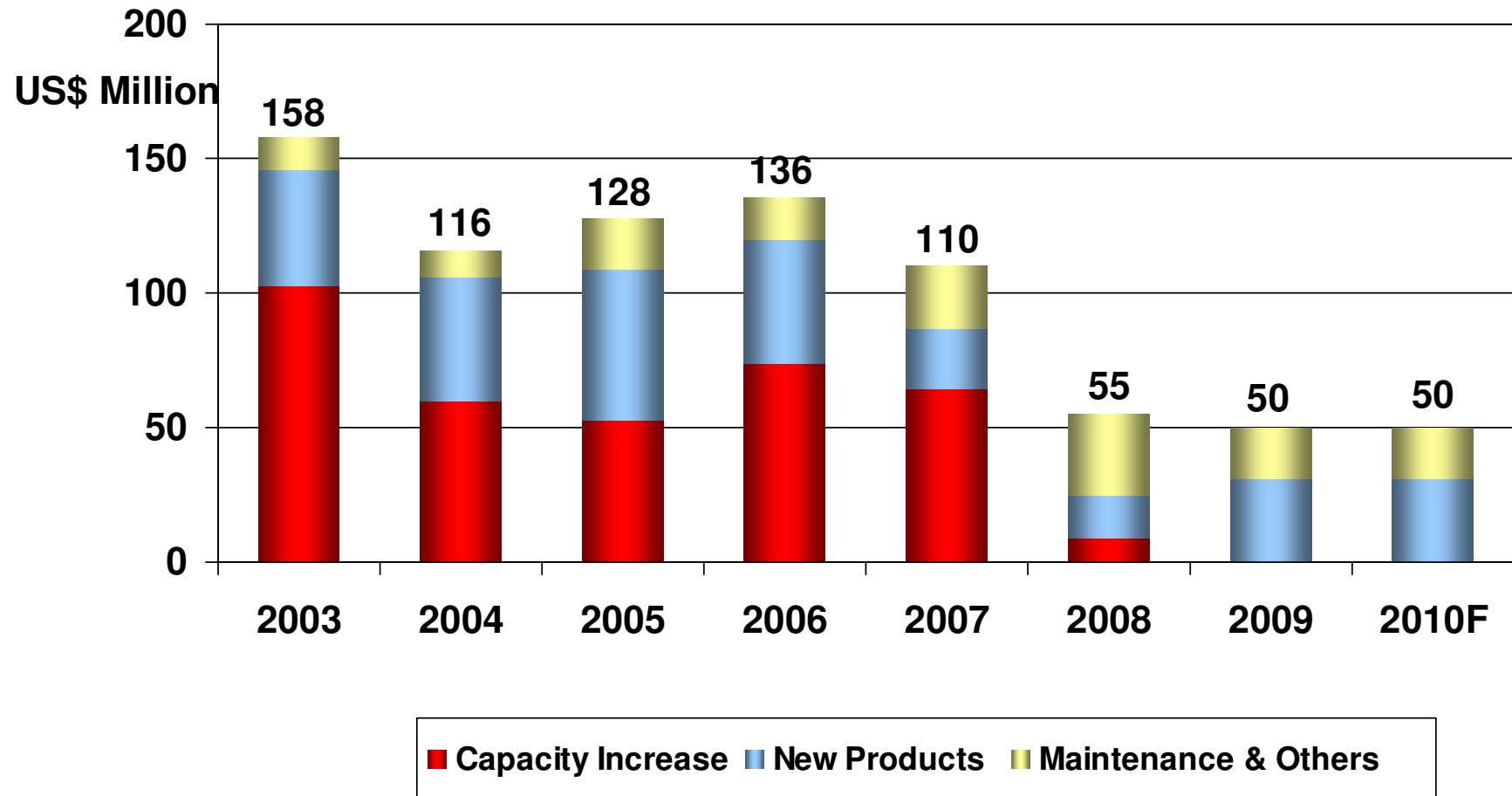


# Margin Comparison with Peers at ISE

## 2010 9M



# CAPEX





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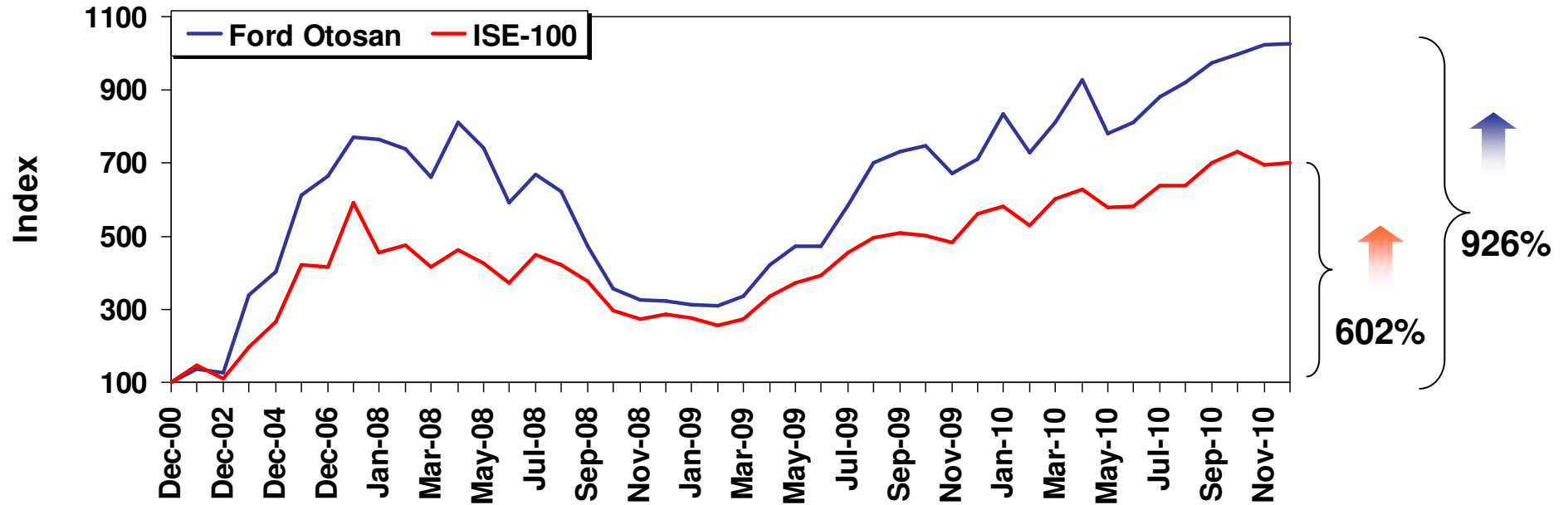
# ISTANBUL STOCK EXCHANGE PERFORMANCE



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# ISE & FROTO Index



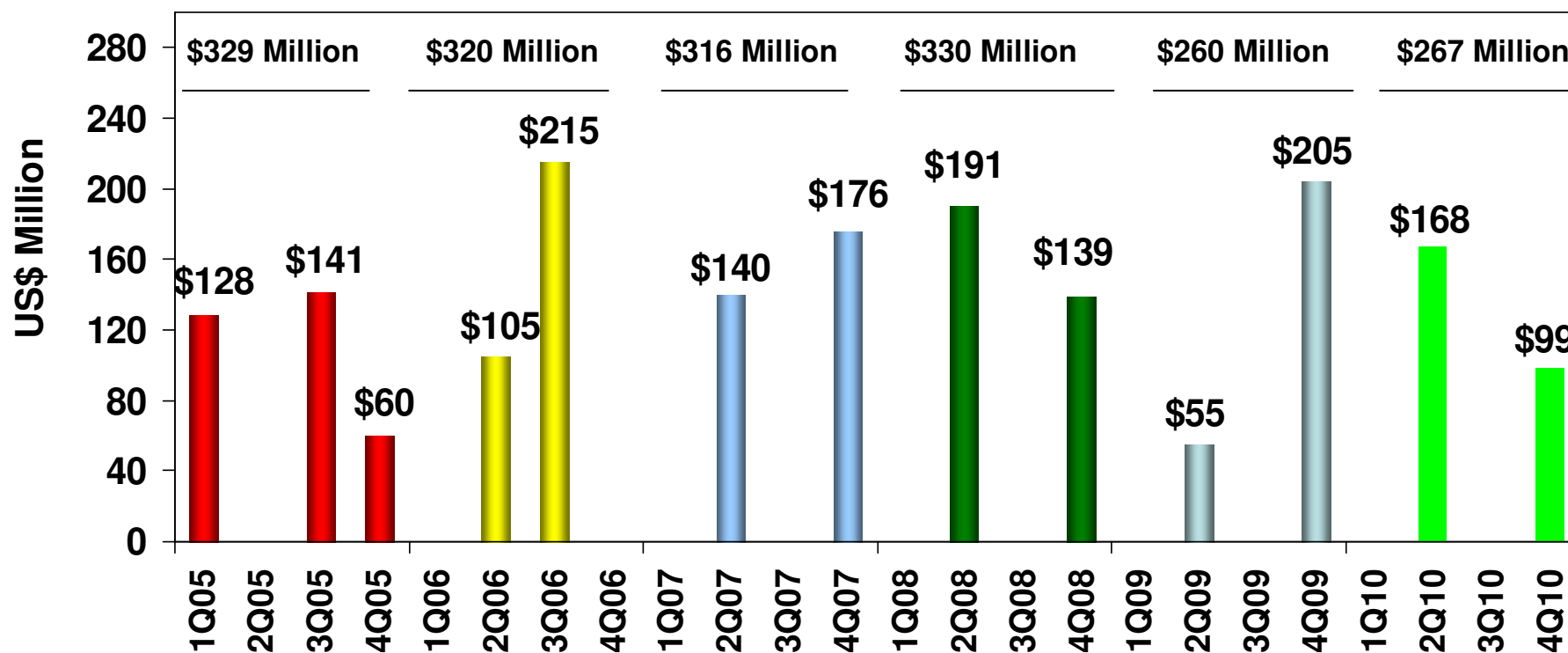
	2002	2003	2004	2005	2006	2007	2008	2009	31 Dec. 2010
<b>FROTO Cumulative Change(%)</b>	%26	%241	%303	%510	%564	%671	%223	%611	<b>%926</b>
<b>ISE-100 Cumulative Change(%)</b>	%10	%97	%165	%323	%316	%490	%186	%462	<b>%602</b>

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# High Dividend in the Last Years

2010 Dividend Yield: 10.6%  
2009 Dividend Yield: 12.3%



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## January 2011

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