INTERIM REPORT

Company Name : **FORD OTOMOTİV SANAYİ A.Ş.**

Report Period : **01.01.2010 – 31.09.2010**

Board of Directors : Rahmi M. Koç (Chairman),
John Fleming (Vice Chairman),
Bülent Bulgurlu,
Y. Ali Koç (Audit Committee Member),
A. İhsan İlkbahar,
O. Turgay Durak
Bryan D. Myers (Audit Committee Member),
Ingvar M. Sviggum,
Steven Adams,
Michael R. Flewitt,
Nuri K. Otay (General Manager)
Theodore J. Cannis (Deputy General Manager)

Auditors : Mehmet Apak, Adnan Nas

1. Market

Total domestic sales in the first nine months increased by 12% to 483,282 units (431,675)[•] compared to the same period of 2009. Last year, the SCT reduction at the second half of March had a positive effect especially in the passenger car segment. Although there were no such incentives in the first nine months of 2010, due to low exchange rates and economic growth, passenger car, light and medium commercial vehicle sales increased by 11%, 9% and 14% respectively. Sales in heavy commercial vehicle segment rose by 75%.

2. Market Shares

Ford Otosan's total market share was 15.5% (14.8%) as of September 2010 and the domestic market leadership is continuing. Our market share in the passenger car segment increased to 10.7% (9.2%). The market share in the light commercial vehicle segment decreased by 2.9% to 19.9% (22.8%). Leading position in the medium commercial vehicle segment goes on with 36.4% (34.1%) market share. Ford Otosan has the second rank in the heavy commercial vehicle segment with 16.2% (16.8%) market share.

3. Production and Capacity

The capacity utilization rate in the first nine months of 2010 increased to 70% level as a result of the recovery in domestic and foreign market sales. Total production volume also increased by 46% versus the same period last year. In Kocaeli Plant; 103,382 Transit and 59,599 Connect were manufactured. The total production volume is 165,641 units (113,200) including 2,660 Cargo trucks manufactured in İnönü Plant.

[•] The numbers shown in parentheses show the values corresponding to the same period previous year.

4. Export and Sales

123,858 vehicles (81,912) were exported in the first nine months of 2010 and the growth in export volume is 51%. The export sales revenue reached to Euro 1,445 million (Euro 950 million). Total sales volume rose by 39% to 199,762 units (144,005) including 75,904 vehicles (62,093) sold to domestic dealers. Parallel to the growth in sales volume, net sales revenue increased by 32% compared to last year.

5. Investments

40.5 million TL (52.5 million TL) capitalized expenditure was made in this period related to new product projects. In the Board of Directors' meeting on Oct. 11, 2010, the capacity and product plans were evaluated and an investment spending of approximately TL 950 million for next generation Transit products were approved.

6. R&D Activities

62 million TL (61 million TL) of R&D expenditure was spent in the first nine months for various product development projects. R&D Projects are carried out in line with the product programs.

7. Personnel Figure

As of September 30, 2010, the company has a total of 8,199 employee composed of 1,712 white-collar and 6,487 blue-collar workers. (31 December 2009: total of 7,593 employees composed of 1,396 white-collar and 6,197 blue-collar workers).

The blue-collar workers in our company are under the coverage of Collective Work Agreement signed on Dec.5, 2008 between Turkish Metals Union and MESS, effective as of Sep.1, 2008. This agreement was valid for two years and expired on Aug. 31, 2010. Negotiations for the new period is continuing between parties.

8. Profitability

Operating Profit is 374 million TL (256 million TL) and Profit Before Tax is 380 million TL (264 million TL) as of September-end. Thanks to the recovery in capacity utilization rate and significant increase in production and sales volume; the operating profit margin which was around 6.7% in the first nine months of 2009, increased to 7.5% in this period.

9. Financing

The company borrowed Euro 89 million in January-September period and repaid Euro 119 million in nine months. Consequently, as of September end, total debt level became Euro 149 million (Euro 176 million) from Euro 179 million figure at the beginning of the year. The cash balance is 489 million TL (528 million TL) as of September 30, 2010.

The company continues to follow financial risks very closely and maintains prudent policies.The main policies regarding various risks are summarized in the Note 2.3.16 of financial statements.

In 2010, the expectations regarding the number of sales, both in domestic and foreign markets, are changing in a positive way and within this context, an increase in production and sales volume seems possible in the coming months.

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