

**Highlights**

<u>Financial Results</u>	<u>Million TL</u>	<u>YoY Change</u>
Revenues	8.103	0%
Export Revenues	5.537	4%
Domestic Revenues	2.566	-7%
Operating Profit	362	-27%
EBITDA	578	-9%
Profit Before Tax	250	-33%
Net Income	476	-8%
<u>Volume</u>	<u>Units</u>	<u>YoY Change</u>
Production	168.986	-22%
Total Wholesale Volume	192.690	-23%
Export Volume	137.920	-21%
Domestic Volume	54.770	-28%
Retail Volume	55.464	-27%
Market Share	11,2%	-1,3 pps

\* 9M14 financial results published in this earnings announcement are prepared according to the International Financial Reporting Standards (IFRS).

Summary Income Statement, Million TL	30.09.2014	30.09.2013	% Change
<b>Revenues</b>	8.103	8.077	0%
Export	5.537	5.318	4%
Domestic	2.566	2.759	-7%
<b>Gross Profit</b>	787	814	-3%
<b>Operating Profit</b>	362	495	-27%
Financial Income/(Expense)	-107	-123	-13%
<b>Profit Before Tax</b>	250	372	-33%
<b>Net Income</b>	476	516	-8%
<b>Other Financial Data</b>			
Depreciation and Amortization	216	137	57%
EBITDA	578	632	-9%
Capital Expenditures	662	948	-30%

### Revenues

The Turkish automotive industry reached 497,028 units as of September-end, down 18% YoY. Rising interest rates, higher vehicle prices due to weak TL, SCT increase in PCs, BRSA regulations on vehicle loans, a high base year, low economic activity, volatility in the financial markets and weak consumer confidence ahead of the March local elections were the main headwinds. All segments except Trucks contracted for the nine months (PC -19%, LCV -24%, MCV -15% and Truck +7%) while the highest quarterly sales of 2014 took place in 3Q in all segments except Trucks. Sales accelerated in LCV and MCV segments that recorded monthly YoY growth in September and August-September, respectively. The share of PCs in the total industry was 73.8%, down from 75% in FY13. LCV segment share was 11.1%, down from 12% in FY13. Ford Otosan's domestic sales continued to rise and were up 24% QoQ in 3Q14 with completion of the product launches. 9M14 sales were 54,770 units, down 28% YoY despite the strong quarterly performance due to 1Q14 dynamics: 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. Domestic revenues were TL 2,566 million where the YoY decline was limited to 7%, despite the 28% decline in volumes, due to higher vehicle prices and more favorable sales mix. Exports were slow in 3Q14 due to the summer months and ongoing launch of new products in Europe, down 10% YoY. 9M14 export volumes were 137,920 units, down 21% YoY due to the product transitions and ramp-up, however revenues were strong at TL 5,537 million, up 4% YoY. Custom's strong sales performance continued. Total revenues were TL 8,103 million, up by TL 26 million YoY, despite the 23% decline in volumes. The share of exports in total revenues was 68%.

### Profitability

In 9M14, operating margin was 4.5%, down from 6.1% YoY. The average EUR/TL exchange rate increased from 2.45 in 9M13 to 2.93 in 9M14, negatively impacting the cost base. Although Ford Otosan increased the prices of its vehicles significantly in 1Q and maintained focus on cost reduction year-to-date, it was unable to recover the full impact of the TL depreciation which led to a margin decrease over the first 9 months. In addition, lower unit sales, other operating expense, driven by fx losses, as opposed to other income in 9M13, and the 57% YoY rise in depreciation & amortization led to a 27% decline in operating profit to TL 362 million. EBITDA was TL 578 million, down 9% YoY. EBITDA margin was 7.1%, down 0.7 pps YoY. However with a relatively stable TL in Q3 versus Q2 and a more favorable sales mix, profitability improved QoQ, with 10.8% gross margin, 5.3% operating margin and 8.2% EBITDA margin in Q3. Profit before tax for the 9-month period declined by 33% YoY to TL 250 million. Net income was TL 476 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 5.9%, down 0.5 pps YoY.

<b>Sales Volume by Model, units</b>	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>% Change</b>
<b>Domestic</b>			
Passenger Car	22.527	37.678	-40%
Transit Connect	2.747	15.073	
Transit Courier	10.309	-	
Light Commercial Vehicle	13.056	15.073	-13%
Transit	11.996	16.592	-28%
Transit Custom	2.723	2.503	9%
Ranger	197	509	-61%
Medium Commercial Vehicle	14.916	19.604	-24%
Cargo	4.271	3.876	10%
<b>Total Domestic</b>	<b>54.770</b>	<b>76.231</b>	<b>-28%</b>
<b>Export</b>			
Transit Connect	-	51.780	
Transit Courier	14.500	-	
Transit	45.241	91.580	-51%
Transit Custom	77.361	30.975	150%
Cargo	601	398	51%
All Other	217	257	-16%
<b>Total Export</b>	<b>137.920</b>	<b>174.990</b>	<b>-21%</b>
<b>Total Wholesale Volume</b>	<b>192.690</b>	<b>251.221</b>	<b>-23%</b>

Total Domestic Automotive Industry	497.028	608.106	-18%
Ford Otosan Retail Sales	55.464	75.717	-27%
Ford Otosan Market Share	11,2%	12,5%	-1,3 pps

<b>Summary Balance Sheet, Million TL</b>	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>% Change</b>
Current Assets	2.718	2.443	11%
Current Liabilities	2.779	2.397	16%
Property, Plant and Equipment - Net	2.921	2.231	31%
Total Assets	6.917	5.991	15%
Total Liabilities	4.151	3.755	11%
Shareholders' Equity	2.766	2.237	24%

<b>Financial Ratios</b>		
	<b>30.09.2014</b>	<b>31.12.2013</b>
Current Ratio	0,98	1,02
Liquidity Ratio	0,59	0,71
Net Financial Debt / Tangible Net Worth	0,95	1,13
Current Assets / Total Assets	0,39	0,41
Current Liabilities / Total Liabilities	0,67	0,64
Total Liabilities / Total Liabilities and Equity	0,60	0,63
Return on Equity	22,9%	28,7%
	<b>30.09.2014</b>	<b>30.09.2013</b>
Gross Margin	9,7%	10,1%
EBITDA Margin	7,1%	7,8%
Operating Margin	4,5%	6,1%
Net Income Margin	5,9%	6,4%

<b>Summary Cash Flow Statement, Million TL</b>	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>% Change</b>
Beginning Balance of Cash & Equivalents	238	302	-21%
Net Cash Generated from Operating Activities	580	897	-35%
Net Cash Used in Investing Activities	(654)	(938)	-30%
Net Cash Used in Financing Activities	(4)	(155)	-97%
End of Period Balance of Cash & Equivalents	160	415	-61%

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