

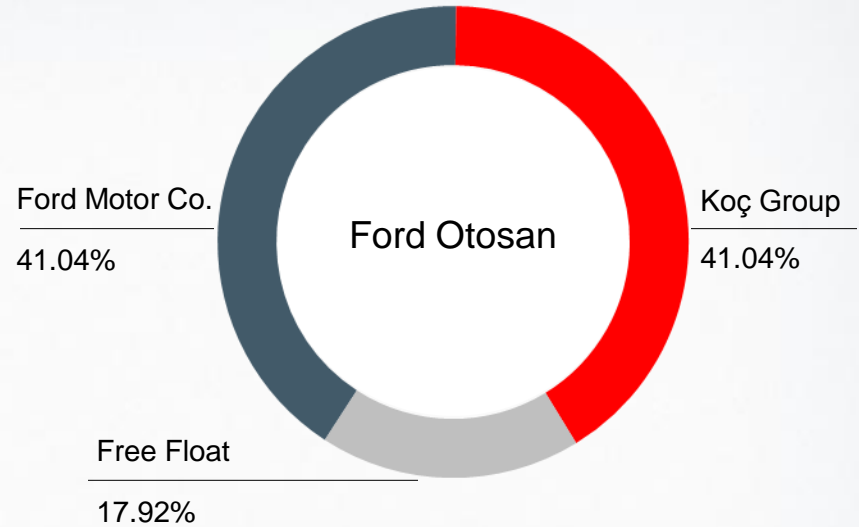
FORD OTOSAN

Investor Presentation



Company Profile

Key Performance Indicators, 2012		
Net Sales		\$ 5.5 billion
Export Revenues		\$ 3.2 billion
EBITDA		\$ 444 million
Profit Before Tax		\$ 358 million
Net Profit		\$ 377 million
ROE		33.8%
EBITDA margin		8.1%
Annual Production Capacity		330,000
	Kocaeli	320,000
	İnönü	10,000
Total Employees		9,527
	Blue Collar	7,069
	White Collar	2,458



Traded on Borsa Istanbul since 13 January 1986

Ticker: FROTO.IS

Ford Otosan at a Glance

Pioneer of Turkish automotive

- **First** Turkish passenger car Anadol (1966)
- Turkey's **first** domestic diesel engine Erk (1986)
- Turkey's **first** private R&D center in automotive (1961)
- **First** export of Turkish automotive to the US (2009) and Mexico (2013)

Strong value contribution

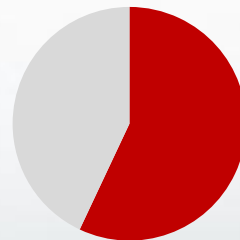
- **Export leader** in Turkish automotive; 2nd largest exporter overall
- Turkey's **2nd largest** industrial enterprise
- **Highest** employment in Turkish automotive

Leadership and scale

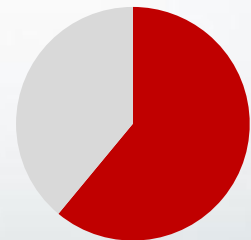
- 12 consecutive years of **industry leadership**
- **Widest** product range in Turkish automotive



25% of Turkey's total automotive production



57% of Turkey's total commercial vehicle production



61% of Turkey's total commercial vehicle exports

Key Player in Ford Motor Company Universe

Robust sales performance

- **Highest** commercial vehicle market share of Ford in Europe (26.4%)
- **Second highest** Ford market share in Europe

Leading manufacturing hub

- **Lead** manufacturing plant of Ford Transit globally and single source in Europe
- **Single** source of Ford Transit Custom & Tourneo Custom
- **Single** source of Ford Transit Courier & Tourneo Courier
- **One of the two** production centers globally for Ford Cargo heavy trucks

Strong R&D and engineering edge

- **3rd largest** R&D center of Ford globally
- **Global** engineering center for Ford's diesel engines and heavy trucks
- Listed among the **world's top 1000 companies** by R&D investment (EU R&D Investment Scoreboard)
- **First** Ford facility to win Engine Test Facility of the Year Award (Automotive Testing Technology International Magazine, 2013)

Vision, Mission and Strategy

Vision

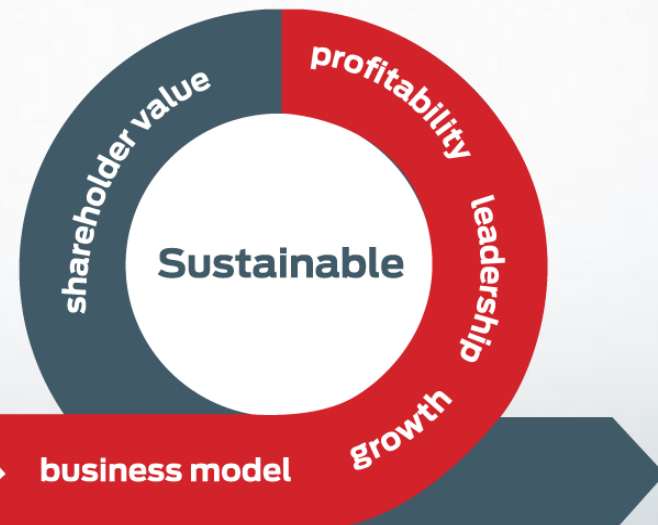
To become Turkey's customer-focused, leader company in automotive products and services.

Mission

To be Turkey's leading automotive company with optimal automotive products and services to fit customer needs and expectations and to be the commercial vehicle center of Ford of Europe.

Strategy

- Achieving sustainable growth
- Creating brand and customer value
- Achieving quality, cost and process improvements
- Creating a leading team
- Demonstrating strong corporate citizenship
- Generating superior shareholder returns



Brief History

First automotive production starts in Turkey under license agreements in a heavily protected domestic economy.



Turkey takes first steps to liberalize its economy and integrate with the rest of the world.



Customs Union is signed with the EU in 1996. Exports start to increase. Incentives are introduced for production in Turkey.



Turkey becomes a major hub in automotive production and moves up the value chain, from an assembly center to full product development and manufacturing with focus on R&D.



Turkey is the 16th largest auto manufacturing hub in the world and 5th largest among EU 27 countries.



First Years

1980s

1990s

2000-2010

2010+

1928 – Vehbi Koç is assigned as Ankara Ford dealer

1959 – Otosan is founded as Ford assembler in Turkey

1960 – Otosan's first production: Ford Consul

1966 – Otosan produces the first Turkish car Anadol

1967 – Otosan produces its first Transit

1982 – İnönü Plant opens

1983 – Cargo production starts

1983- Ford Motor Co. increases its share in Otosan to 30%

1985 – Production of Ford Taunus

1986 – Otosan produces Turkey's first diesel engine ERK

1992 – Production of the new generation Transit

1993 - Production of Ford Escort

1997 – Ford assumes 41% equity in 'Ford Otosan'

1998 – Ford Otosan spare parts distribution center opens

2001 – Kocaeli Plant opens

2002 – Transit Connect launches

2003 – New Cargo launches

2003 – Transit Connect 'International Van of the Year'

2007 – Gebze Engineering Center opens

2007 – Transit 'International Van of the Year'

2009 – First vehicle export to NA

2010 – Ford Otosan's 50th Anniversary

2010 – Transit Connect 'N.A. Truck of the Year'

2011 – Transit Connect NYC Taxi launches

2011 – Ford Otosan's 10th year of market leadership

2012- Launch of Transit Custom

2013 – First export of Turkish automotive to Mexico

2013 – Ford Otosan celebrates 12 years of market leadership

Awards & Achievements

Vehicle Awards:

2013: International Van of the Year, Ford Transit Custom

2012: 1st commercial vehicle with 5-star rating in Euro NCAP, Ford Transit Custom

2012: Truck of the Year, 3rd place, Ford Cargo

2010: North American Truck of the Year, Ford Transit Connect

2007: International Van of the Year, Ford Transit

2003: International Van of the Year, Ford Transit Connect

2001: International Van of the Year, Ford Transit



Plant Awards:

2013: Engine Test Facility of the Year Award - Automotive Testing Technology International Magazine

2012: Rio +20 United Nations Conference on Sustainable Development, one of Turkey's best sustainability examples

2012: President Health & Safety Award - Six categories including Global Winner - Excellence in Safety Culture and Standards

2011: Chairman's Leadership Award for Diversity - First woman dent repair technician

2011: Şehabettin Bilgisu Environment Award, Kocaeli Chamber of Industry - İnönü Plant

2010: Şehabettin Bilgisu Environment Award, Kocaeli Chamber of Industry - Kocaeli Plant

2010: Chairman's Leadership Award for Diversity - "Let's Remove Barriers" project

2008: Şehabettin Bilgisu Environment Award, Kocaeli Chamber of Industry - İnönü Plant

2007 :Şehabettin Bilgisu Environment Award, Kocaeli Chamber of Industry - Kocaeli Plant

2004: Şehabettin Bilgisu Environment Award, Kocaeli Chamber of Industry - Kocaeli Plant

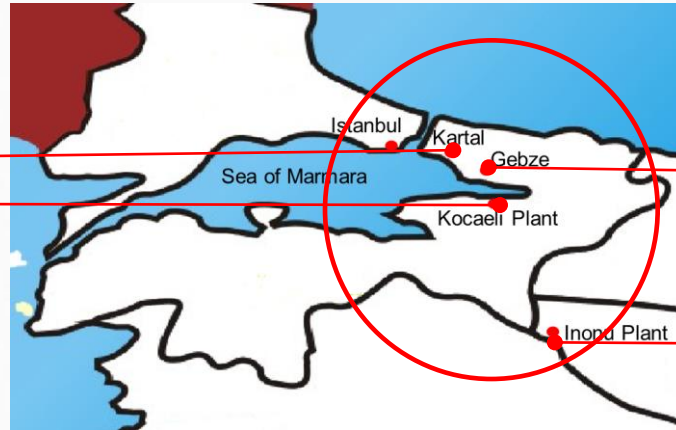


Locations of Plants & Facilities

Kartal Parts Distribution Center (1998)



Gebze Engineering Center (2007)



Kocaeli Plant –Transit (2001), Custom (2012), Courier (2014)



İnönü Plant (1982)



Kocaeli Plant - Lead manufacturing plant of the new generation Transit



- Opened in 2001
- Transit, Transit Custom & Tourneo Custom production
- 1,600,000m² total area, 340,000m² covered area
- 290,000 units annual production capacity



Kocaeli Plant - The single production center of Ford Courier in the world



- New production facility at Kocaeli plant site
- Groundbreaking ceremony took place on March 19th, 2012
- 110,000 units annual production capacity; 70,000m² covered area
- Production of brand new light commercial vehicle, Transit Courier and Tourneo Courier will start in 1Q14

İnönü Plant - One of Ford's two global production centers for Cargo



- Opened in 1982
- 79,000m² covered area
- Cargo truck, engine and powertrain production
- Annual capacity: 15,000 units truck (2014-end), 66,000 units engine, 140,000 units powertrain



Kartal Parts Distribution Center - 95% Fill rate



- Opened in 1998
- 25,000 m² warehouse: Largest of its kind in Turkey
- 4th largest warehouse capacity among Ford's parts distribution centers in Europe
- Home to the Company's spare parts, marketing, sales and after sales operations

Gebze Engineering Center - Ford's global diesel engine development center



- Opened in 2007
- Developing the newest products and most advanced technologies
- The Center pioneers the engineering of Ford's global diesel engines and heavy trucks
- 3rd largest R&D center of Ford globally with 1,240 R&D engineers

Products: Transit

- Over 7 million units produced since its launch in 1965
- Manufactured by Ford Otosan since 1967
- Longest-running model in Ford of Europe's product range
- "International Van of the Year" 2001 & 2007
- Ford Otosan is the single source of Transit in Europe and the lead manufacturing plant globally
- 160,000 units annual production capacity



Products: Transit Custom & Tourneo Custom

- Ford Otosan is the single global source of Ford Transit Custom & Tourneo Custom
- Production started in 2012 with 130,000 annual capacity
- "International Van of the Year" 2013
- First commercial vehicle to receive 5-star rating in Euro NCAP



Products: Transit Courier & Tourneo Courier

- Ford Otosan is the single global source of Ford Transit Courier & Tourneo Courier
- Production will start in 1Q14
- 110,000 units annual production capacity
- 1.0 lt Ecoboost engine, 1.5 lt and 1.6 lt diesel engines



Products: Cargo Truck

- Manufactured at Ford Otosan's İnönü Plant since 1983
- Trailer, construction and truck series
- Exported to 30 countries in Europe, Asia and Africa
- Cargo 1846T – 2013 International Truck of the Year 3rd place



A Full Line of Cars



FORD FOCUS



FORD B-MAX



FORD RANGER



FORD FIESTA



FORD C-MAX



FORD KUGA



FORD S-MAX



FORD MONDEO



FORD GALAXY

Major Product Acceleration

2014



Focus



Courier



Connect



Transit

2015



EcoSport



Mondeo



Galaxy



C-Max



Mustang

2016



Edge



KA

Investment Case

Why Ford Otosan?

Scale and visibility

- Domestic industry leader for 12 consecutive years
- Largest manufacturer and exporter of commercial vehicles in Turkey
- New projects to strengthen the product range, increase capacity & profitability

Resilience and efficiency

- Diversified export markets
- Large-scale export program: 70% of total unit sales
- High capacity utilization rate: Above European and Turkish industry average
- Efficient, flexible and low-cost manufacturing and engineering

Strong balance sheet and prudent risk management

- Strong cash generation capacity
- Solid financials
- Natural hedge due to fx-denominated export revenues

Shareholder value creation

- Sustainable dividend policy
- Strong relative share performance
- Commitment to good corporate governance

Turkish Industry Leader for the 12th Consecutive Year - 2013



01

26.4% market share in CV



02

21.3% market share in trucks



03

8.8% market share in PC

01

Leader with 12.9% share

Relatively Favorable Taxes on Commercial Vehicles

Passenger Cars					Commercial Vehicles				
Engine Size	Model	VAT	SCT	Total	Engine Size	Model	VAT	SCT	Total
<1600 cc	Fiesta				<3000cc	Transit Van	18%	4%	23%
	B-Max					Transit Custom Van			
	Focus					Connect Van			
	C-Max	18%	45%*	71%		Ranger			
	Mondeo (1.6)								
1601-2000	S-Max (1.6)					Minibus	18%	9%	29%
	Mondeo (2.0)								
	S-Max (2.0)	18%	90%**	124%					
	Kuga					Transit Combi	18%	15%****	36%
	Galaxy					Transit Custom Combi			
>2000						Transit Custom Combi Van			
		18%	145%***	189%		Tourneo Custom			
						Connect Combi			
						Cargo	18%	4%	23%

Tax rate increases:

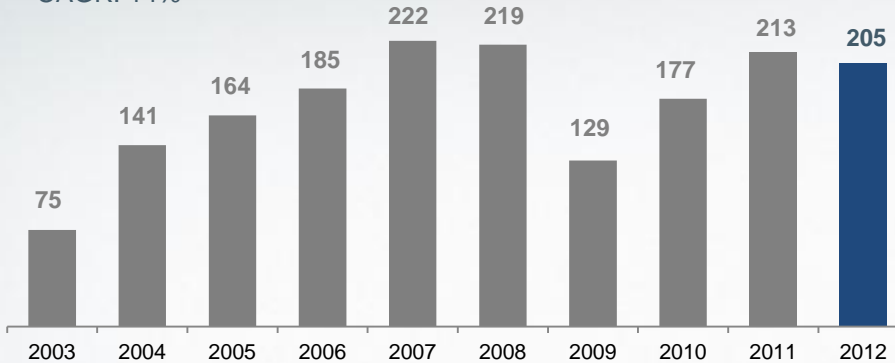
- * 37% to 40% (Sept 22, 2012), 40% to 45% (Jan 1, 2014)
- ** 60% to 80% (Oct 12, 2011), 80% to 90% (Jan 1, 2014)
- *** 84% to 130% (Oct 12, 2011), 130% to 145% (Jan 1, 2014)
- **** 10% to 15% (Oct 12, 2011)

VAT: Value added tax
SCT: Special consumption tax

Large-Scale Export Program

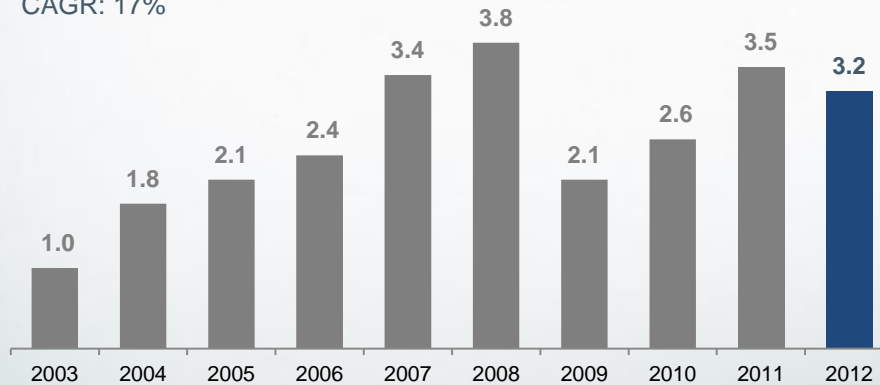
Exports (000 units)

CAGR: 14%



Export Revenues (US\$ Bn)

CAGR: 17%



Turkey's export leader in automotive

Net exporter in the last five years with
US\$ 2.1 billion (2008-2012)

Vehicles and spare parts exported to

76 countries in 5 continents

New markets added in 2012:

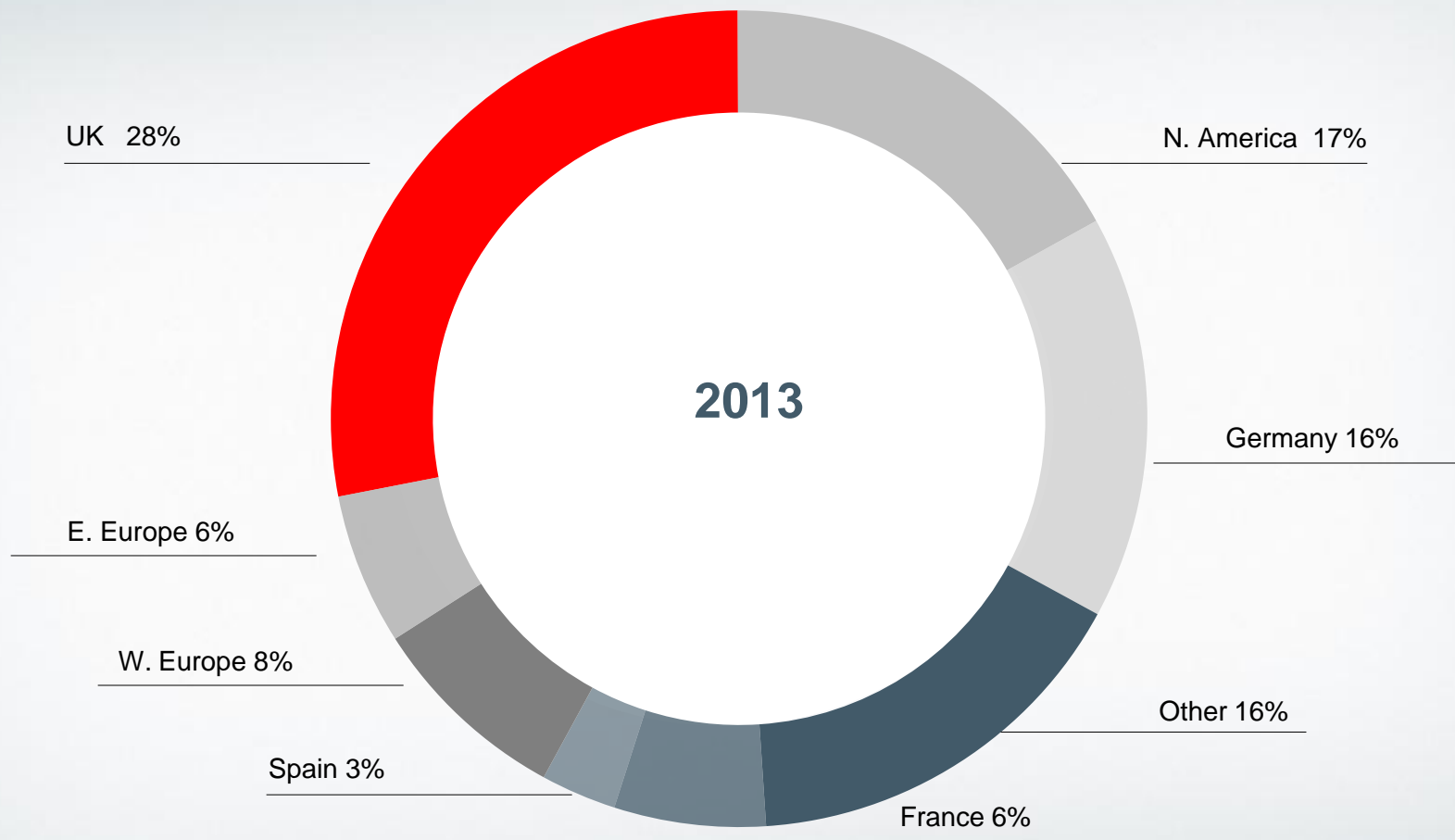
- South Africa
- Georgia
- Turkmenistan
- Kazakhstan

61% of Turkey's total commercial vehicle exports is done by Ford Otosan

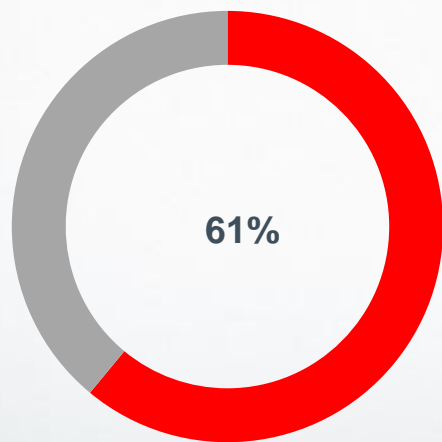
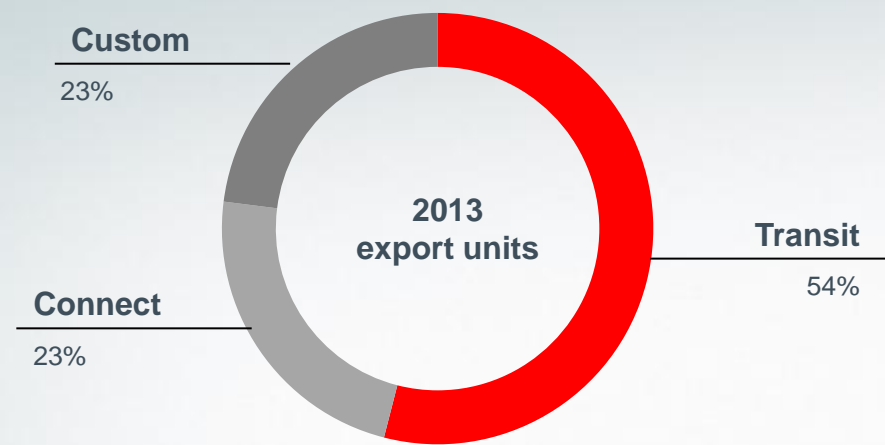
Export receivables are easy to manage as
Ford of Europe is the **single counterparty**

Export receivables from Ford Motor Company
and its subsidiaries are collected within **14 days**

Diversified Export Markets (units)



Solid Export Performance



Ford Otosan's share in Turkey's CV exports, 2013

- Our largest export market, **UK registered 10.7% growth** in commercial vehicle demand from January to November. (Source: ACEA)
- **Transit Custom and Tourneo Custom are performing well even in contracting markets and driving market share gains.**
- **Ford is very focused on increasing commercial vehicle market share in Europe.**
- Ford commercial vehicle sales grew 6.3% and market share rose to 9.2% in 2013, **the highest level since 2007.**
- 43% of Ford vehicles sold in Europe in 2013 were all-new or significantly freshened models.
- **Ford Otosan's 2013 export units increased by 9% YoY.** (Source: OSD)

New Projects: Total Investment >US\$1 Billion (2011-2014)

1. New generation Transit family

- Largest investment in a specific product in Turkish automotive: US\$ 630 million
- i. **Tourneo Custom & Transit Custom**
Mass production started on 23 July 2012.
Introduced to the market in October 2012.



- ii. **Next generation Transit**

Financing:

- €150 million loan agreement with EBRD in 2010
5-year loan with 2-years grace period at EURIBOR+275bps
- €190 million loan agreement with EIB in 2012
8-year loan with 2-years grace period
€100 million in Q3 at 2.06%; €90 million in Q4 at 1.47%



New Projects: Total Investment >US\$1 Billion (2011-2014)

2. New LCV – Transit Courier & Tourneo Courier

- €205 million fixed asset procurement
- Ford Otosan is the single source globally (starting 1Q14)
- 110,000 units annual production capacity
- Lower fuel costs and more safety features than peers



New Projects: Total Investment >US\$1 Billion (2011-2014)

3. New Ford Cargo

- \$75 million investment to develop a more globally competitive product
- Ford Otosan is responsible for product development, design, engineering and R&D
- Manufactured in Ford Otosan's İnönü plant and Ford's Brazilian division
- 1846T model was launched in January 2013



Increasing Capacity

Current
330.000

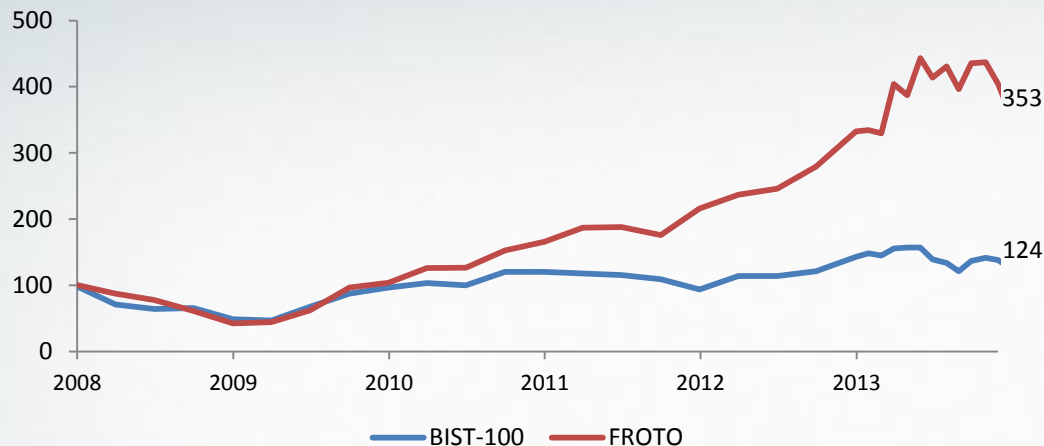


2014
415.000



Focus on Shareholder Value

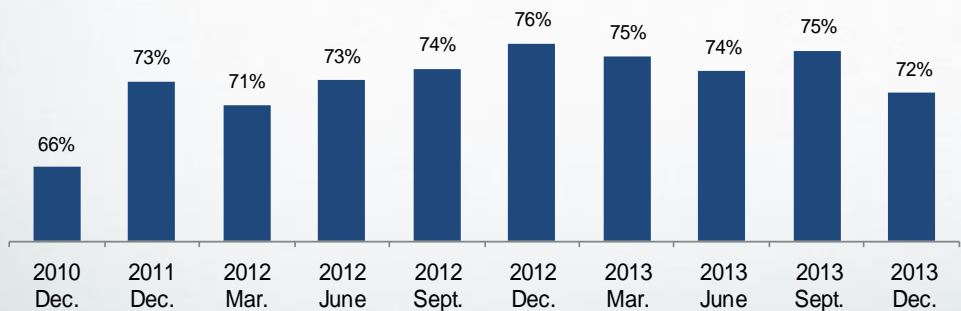
Strong relative share performance



Dividend Policy

- Providing high returns for our shareholders
- Predictable and stable dividend distribution, including during moderate economic stagnation periods, except periods of large investment and serious economic crisis.
- No privileges in Ford Otosan shares pertaining to dividend distribution.

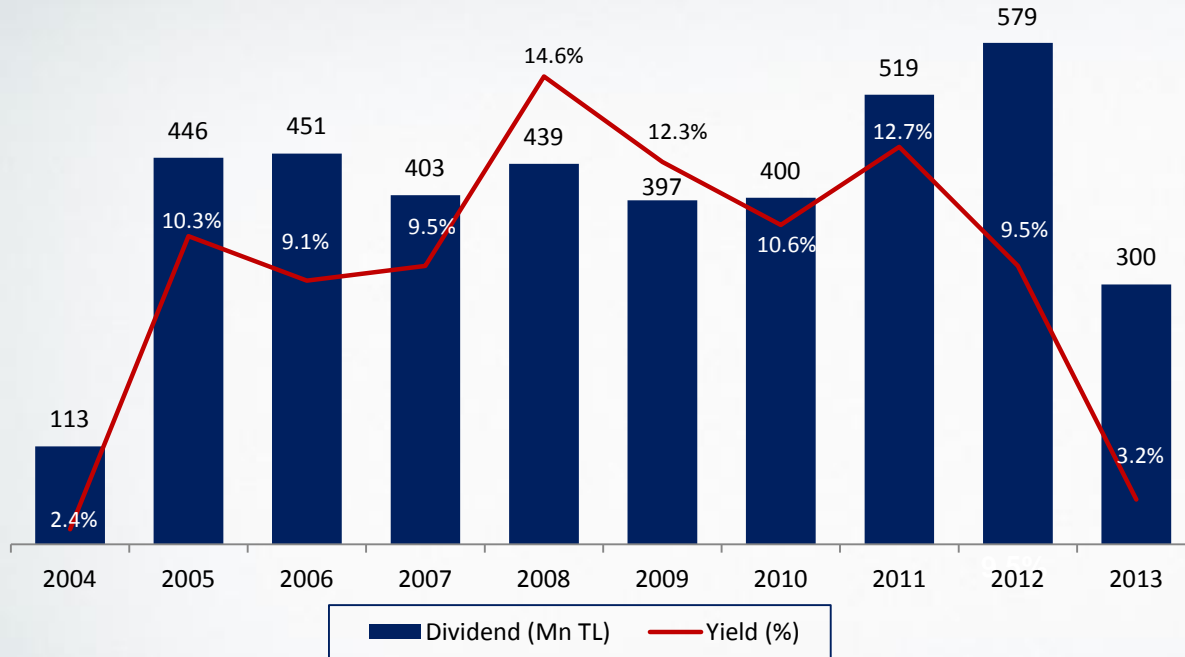
Foreign ownership in free float



Commitment to corporate governance

- Separate CEO and Chairman roles
- Independent BoD members
- Executive Committee
- Audit Committee
- Corporate Governance Committee
- Risk Committee
- Remuneration Committee

Dividends



- 2.8 billion US\$ dividend payment between 2004-2013
- 1st among BIST companies with 12% average dividend yield between 2008-2012
- 2nd highest dividend payer among Turkish industrials since its public offering
- There are no privileges in dividend distribution based on shareholder type
- Ford Otosan usually pays dividends twice a year
- Current dividend policy is expected to continue throughout the investment period, depending on the market conditions.

Strong & Committed JV Partner Support



- Turkey's largest industrial and services group in terms of revenues, exports, market capitalization and number of employees.
- Holds leading positions with strong competitive advantages in energy, automotive, consumer durables and finance sectors, which offer strong long term growth potential.
- The only Turkish company in Fortune Global 500



- Global automotive industry leader based in Dearborn, Michigan, that manufactures and distributes automobiles across six continents
- Automotive brands include Ford and Lincoln
- 180,000 employees and 65 plants worldwide
- Provides financial services through Ford Motor Credit Company

Large Distribution Network

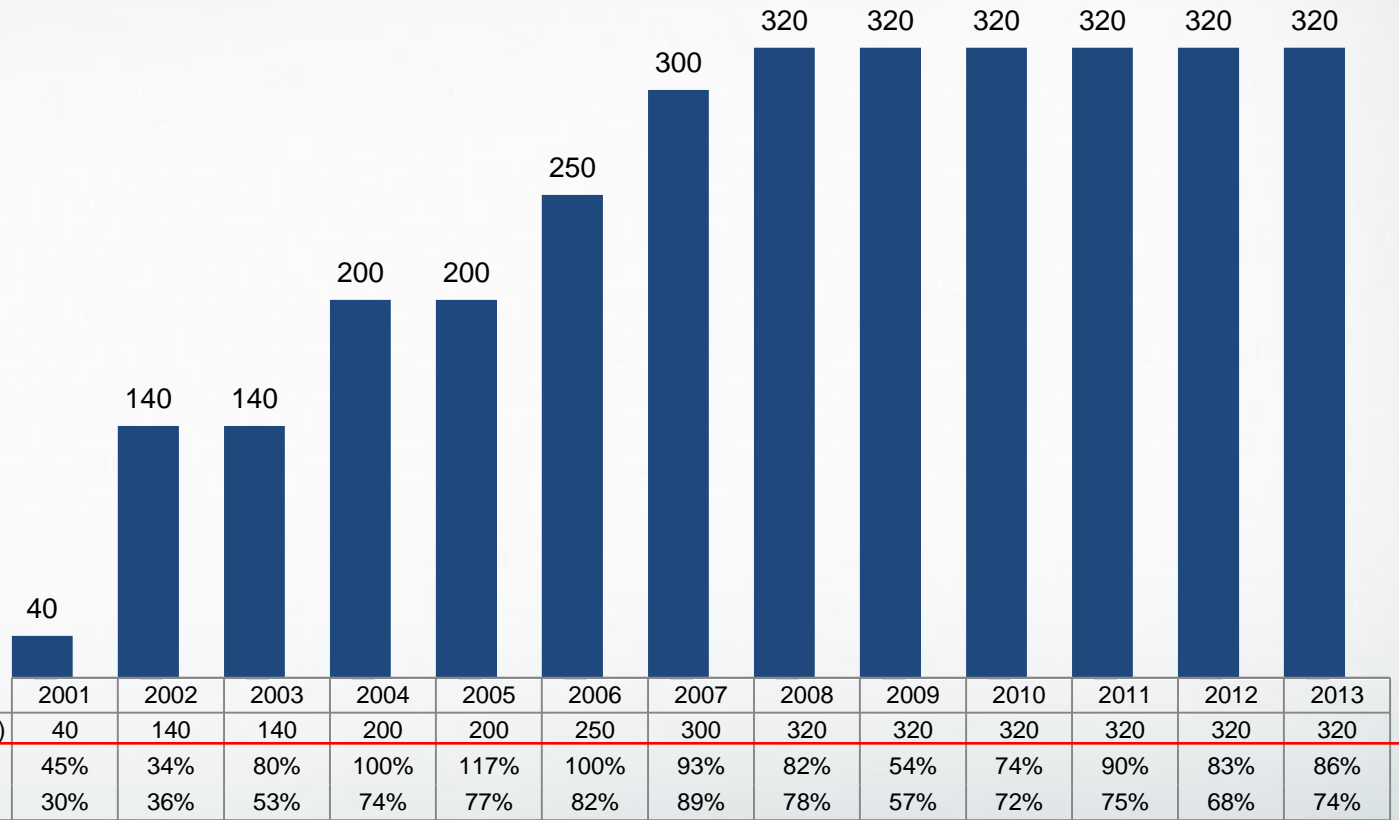


Ford Otosan provides maintenance, servicing and repairs through its customer-focused and innovative sales and after-sales network that spans the whole country.

Sales:	116
After-Sales:	158
Total Dealers:	205

Efficient Production Hub – CUR above Industry Average

Kocaeli Plant Capacity and Utilization Rate



R&D Focused on Excellence - Ford's 3rd largest global R&D centre

- The largest R&D center of the Turkish automotive industry
- R&D activities for Ford Otosan products and engineering services for Ford Motor Co.
- Ford's global engineering center in heavy trucks and diesel engines
- Capability and infrastructure to design, develop and test a complete vehicle end-to-end, including its engine

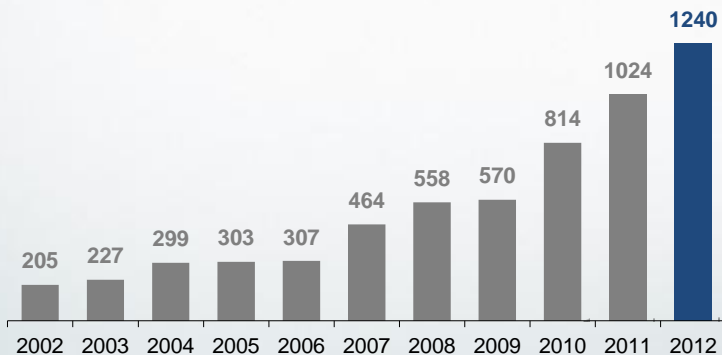
Kocaeli

- Located in Gölcük plant
- 300+ R&D engineers
- Engine testing, design studio and development workshops are located at this site

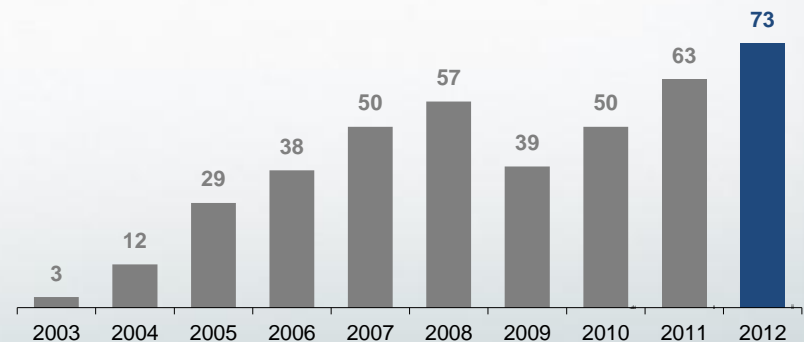
Gebze

- Located in Tübitak MAM Technology Free Zone
- 700+ R&D engineers
- Global Center of Excellence for small diesel engines
- R&D center for Global Cargo

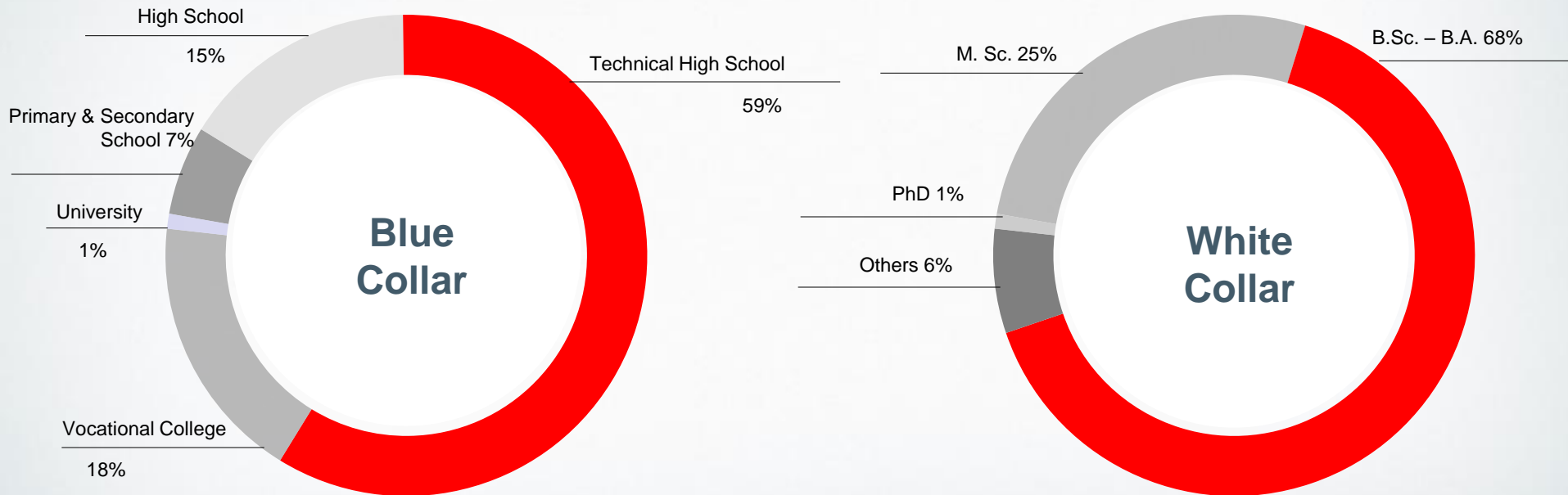
R&D Engineers



Patent Applications

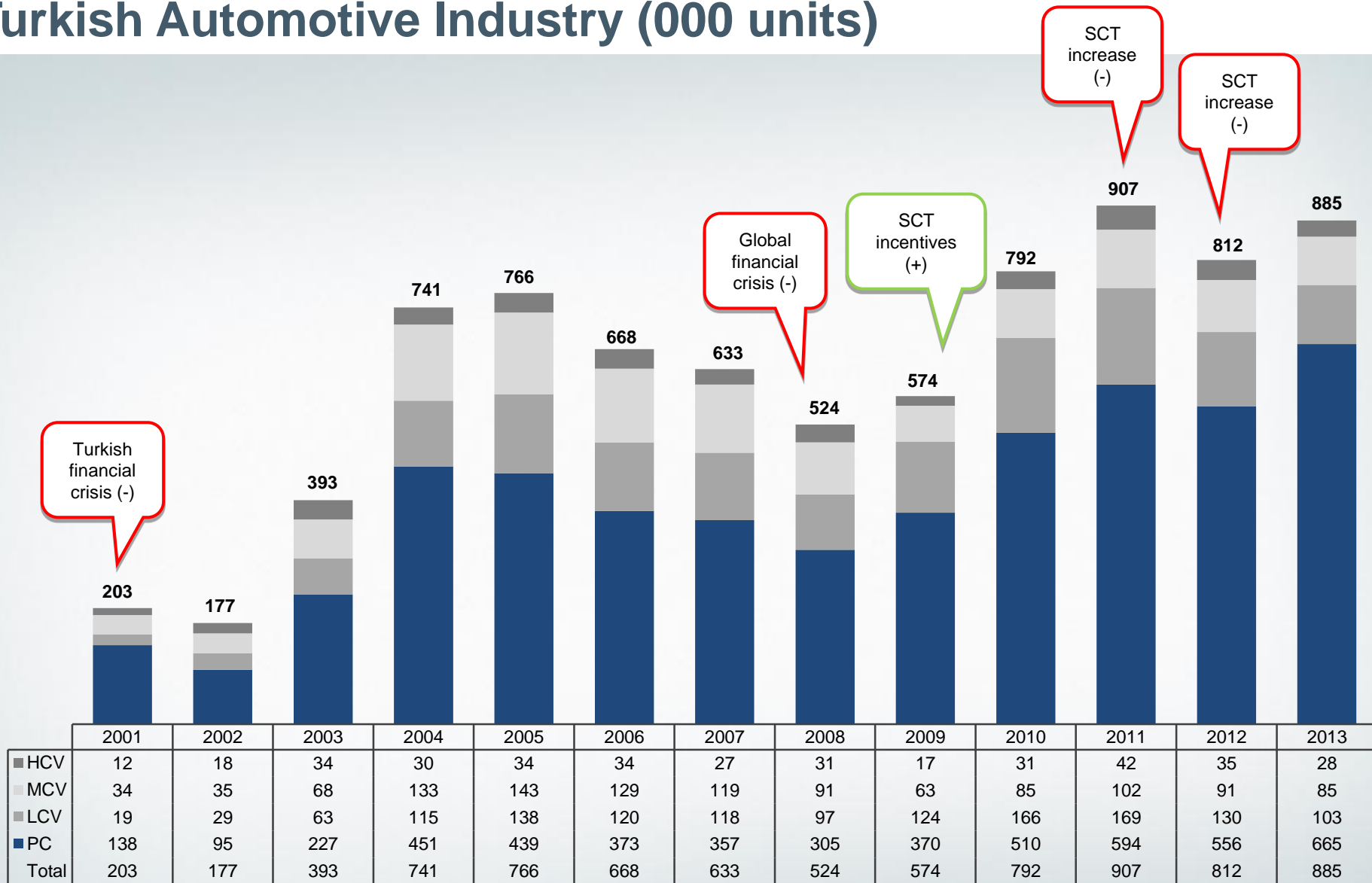


Experienced and Skilled Workforce



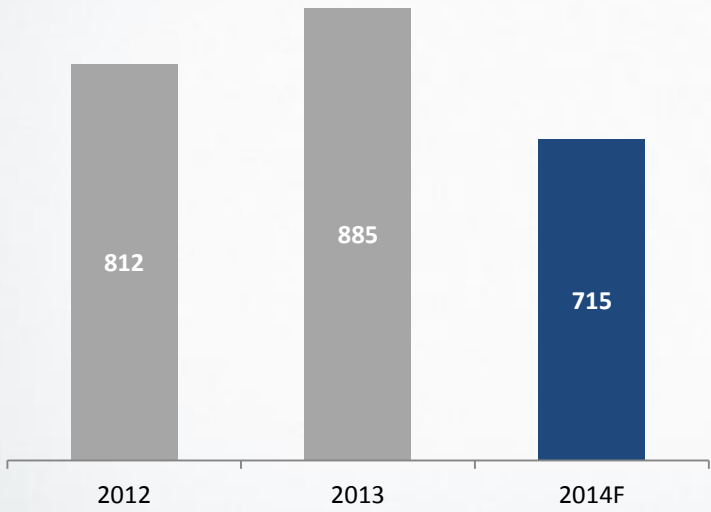
Operating & Financial Performance

Turkish Automotive Industry (000 units)

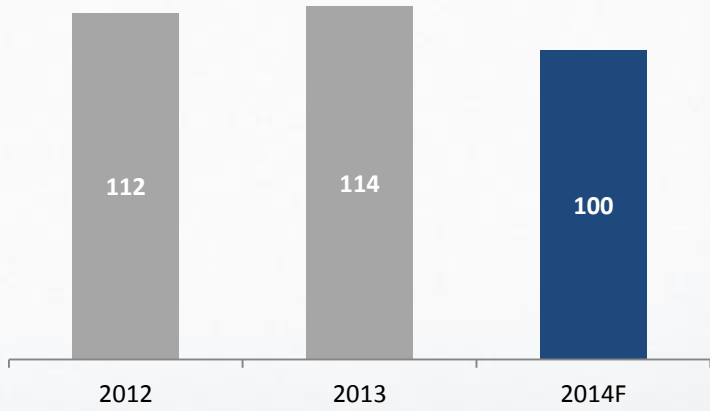


Domestic Market (000 units)

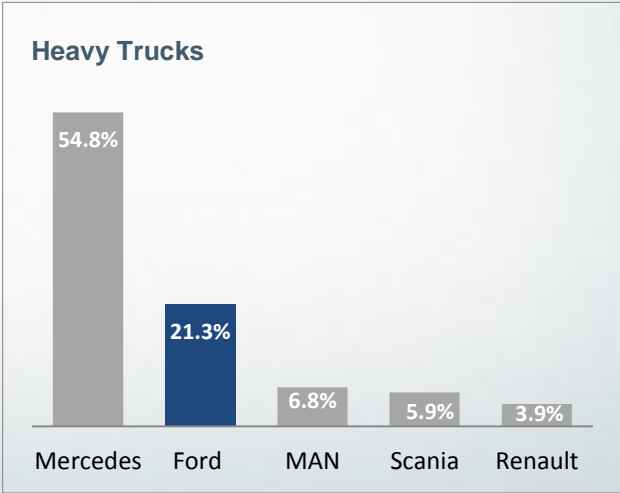
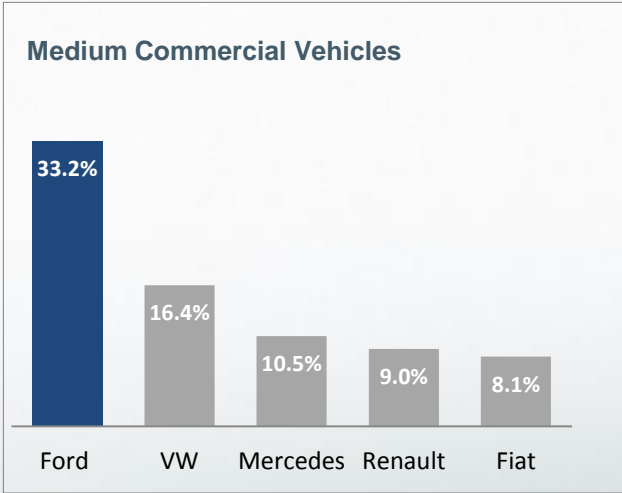
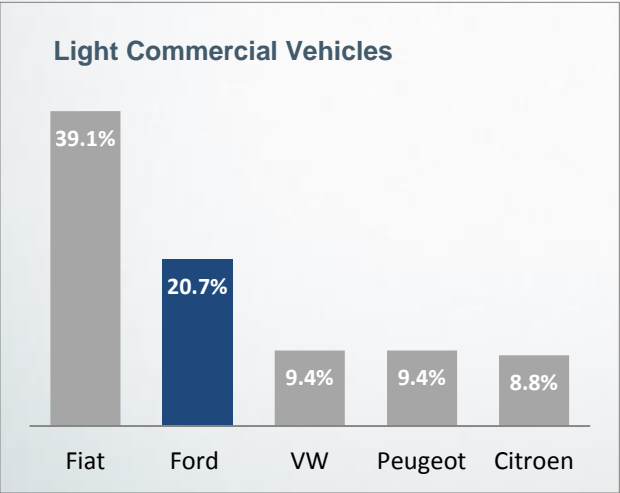
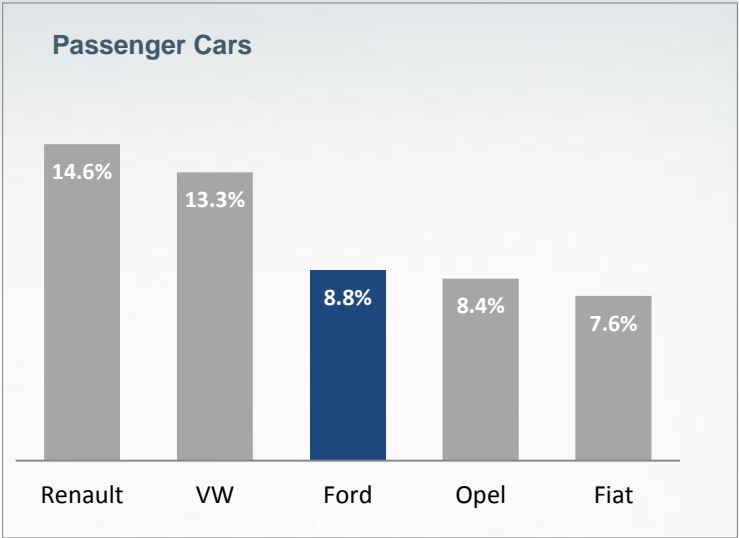
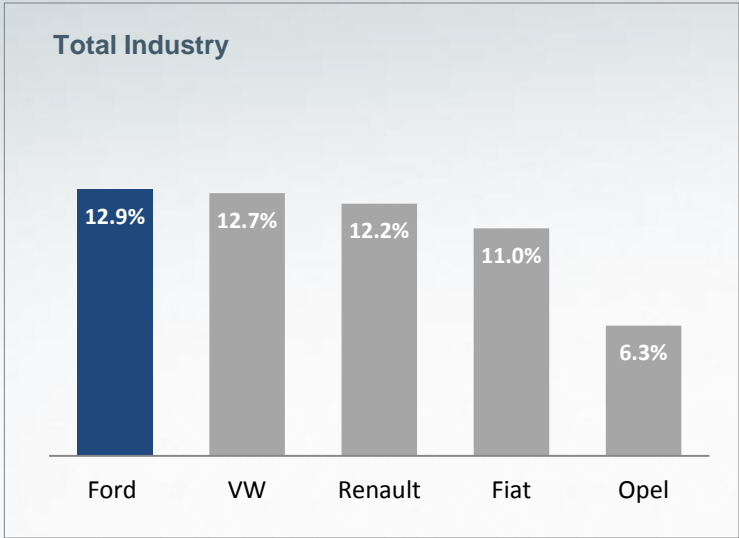
Total Industry Sales



Ford Otosan Retail Sales

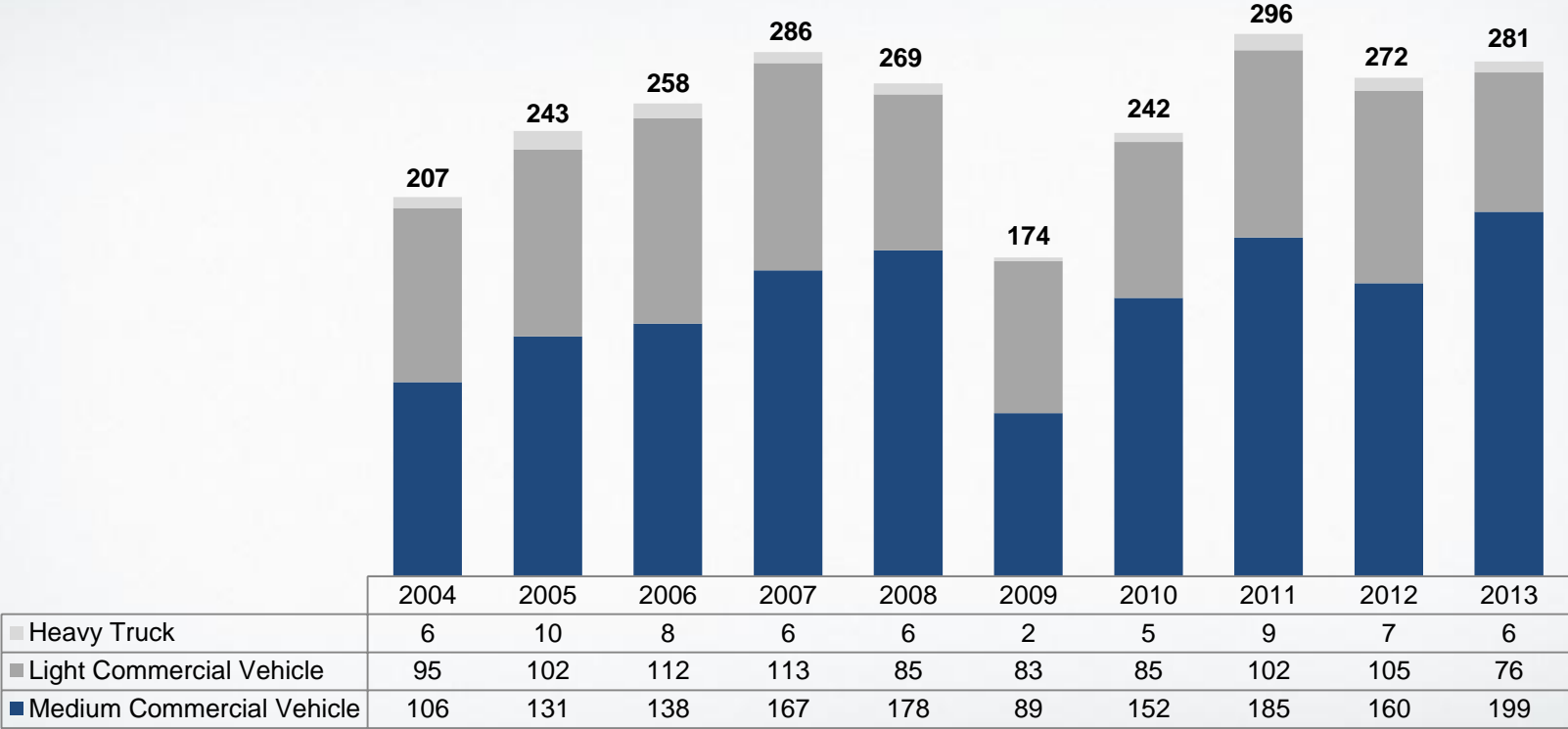


Turkish Market Shares (2013)

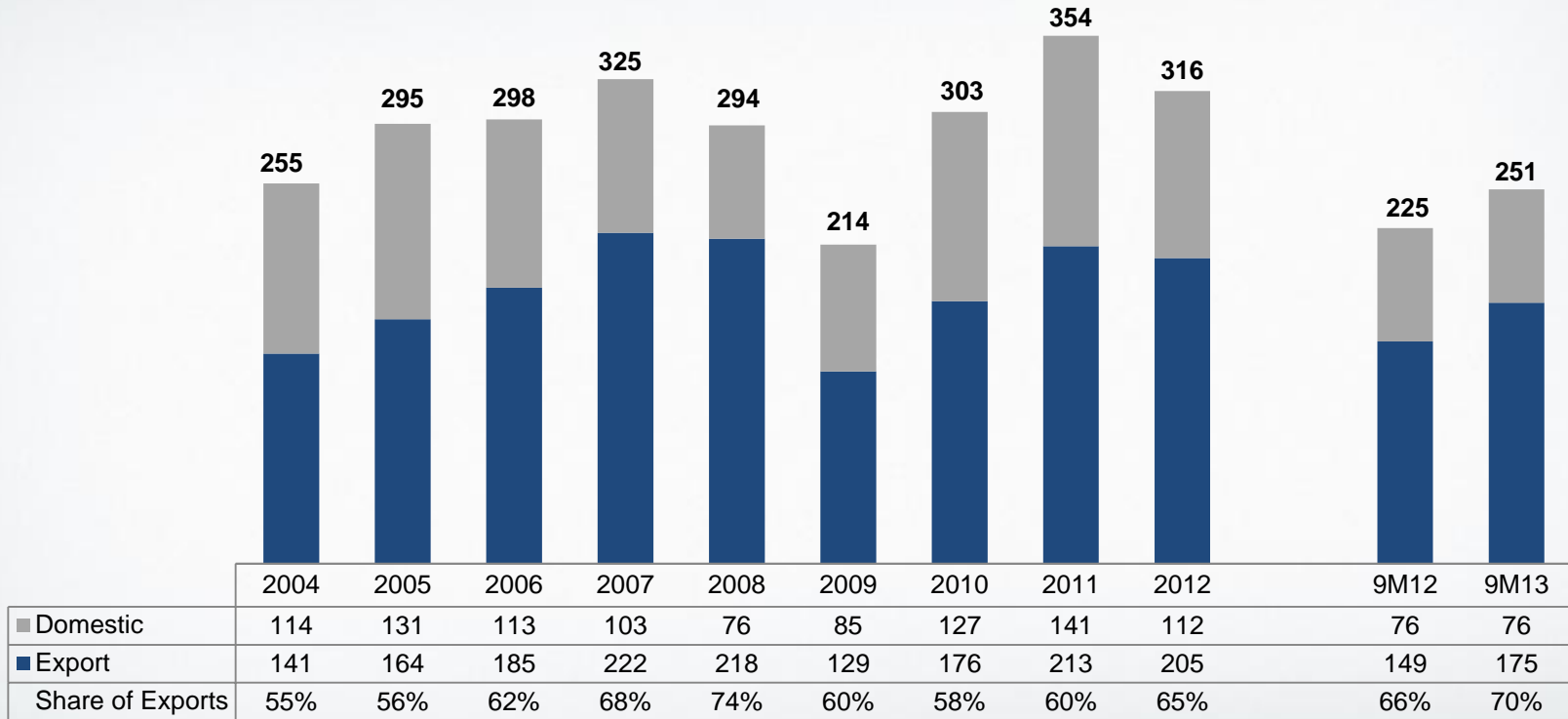


Source: ODD and TAID

Production Volume by Segment (000 units)



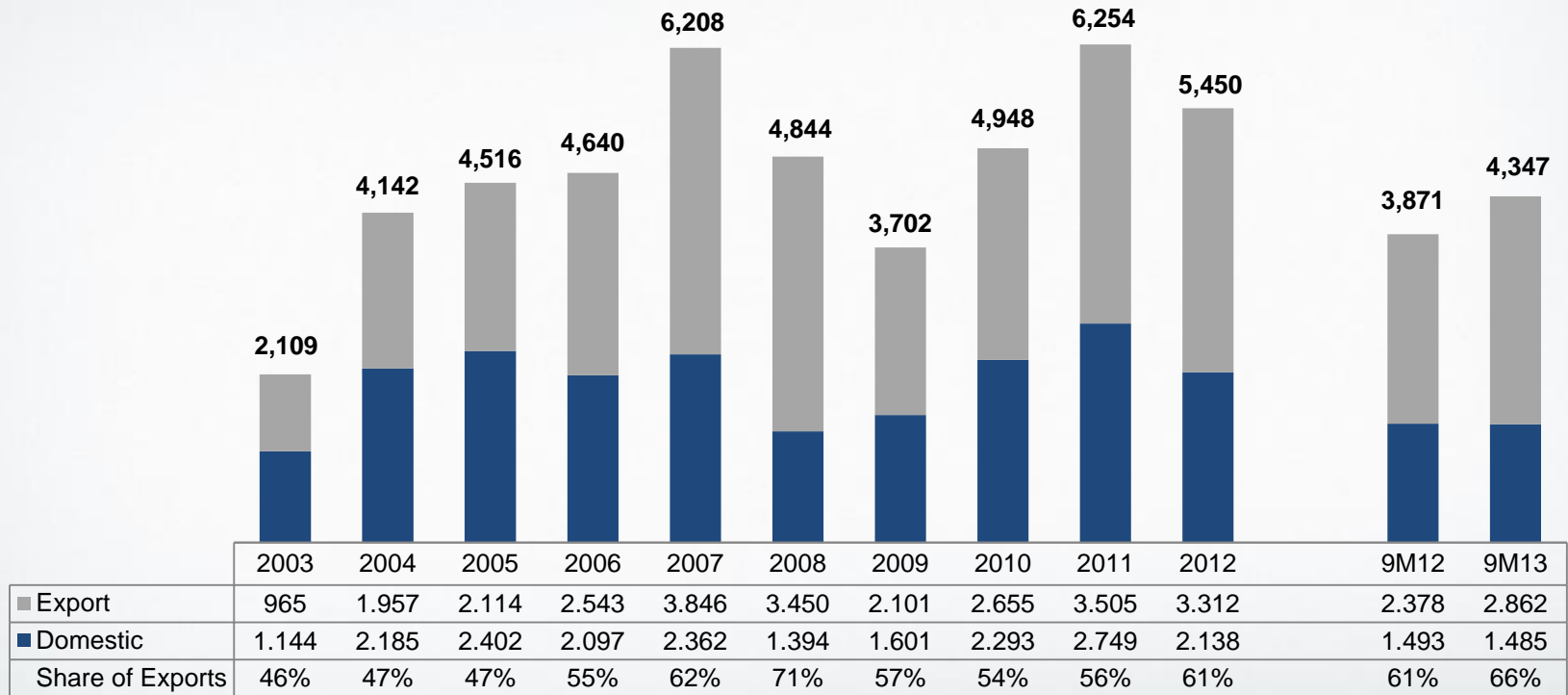
Wholesale Volume – Domestic & Export (000 units)



Sales Volume by Model

	9M13	9M12	Change	3Q13	3Q12	Change
Domestic	76,231	76,118	0%	26,029	26,249	-1%
PC	37,678	33,201	13%	13,722	11,332	21%
Transit Connect	15,073	19,154	-21%	4,507	6,972	-35%
Total LCV	15,073	19,154	-21%	4,507	6,972	-35%
Transit	16,592	18,958	-12%	5,783	6,303	-8%
Transit Custom	2,503	-	-	928	-	
Ranger	509	446	14%	45	446	
Total MCV	19,604	19,404	1%	6,756	7,195	-1
Cargo	3,876	4,359	-11%	1,044	1,196	-13
Exports	174,990	148,557	18%	49,052	37,863	30%
Transit Connect	51,780	59,463	-13%	9,049	16,005	-43%
Transit	91,580	87,694	4%	28,159	21,211	33%
Transit Custom	30,975	144		11,589	144	
Cargo	398	702	-43%	192	279	-31%
Other	257	554	-54%	63	224	-72%
Total Wholesale Volume	251,221	224,675	12%	75,081	64,112	17%

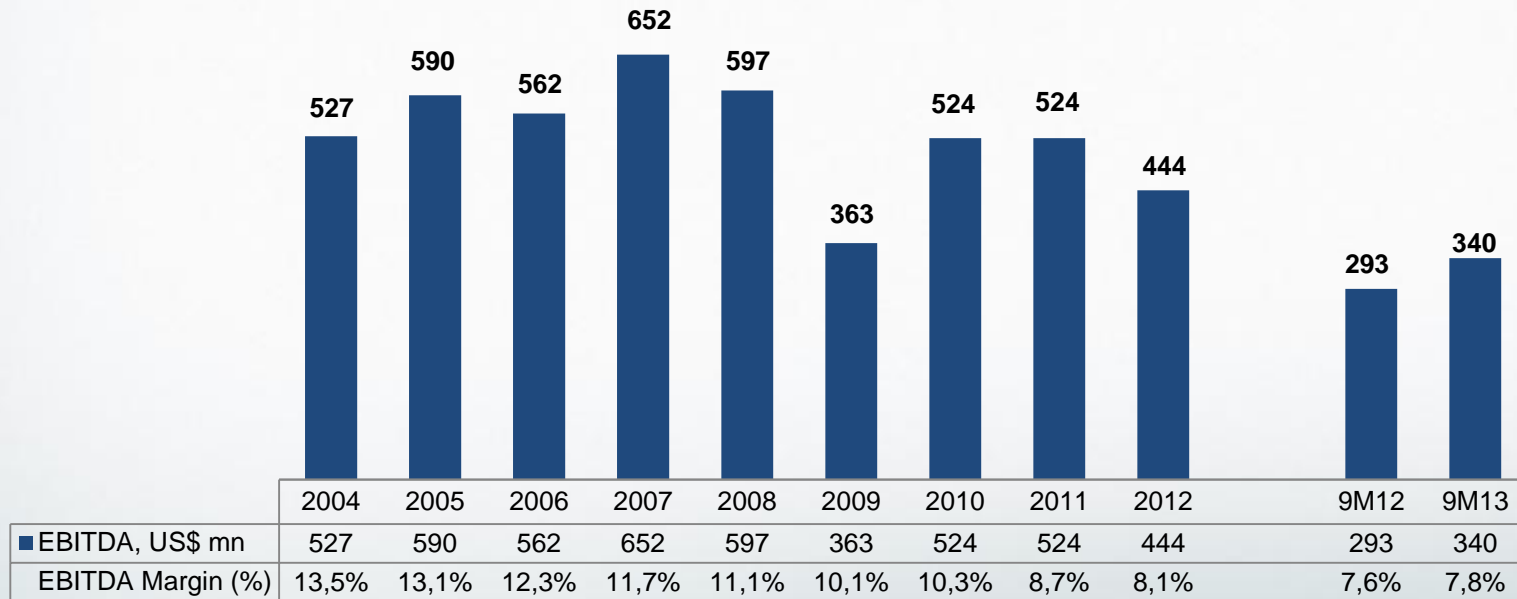
Revenue - Domestic & Export (US\$ million)



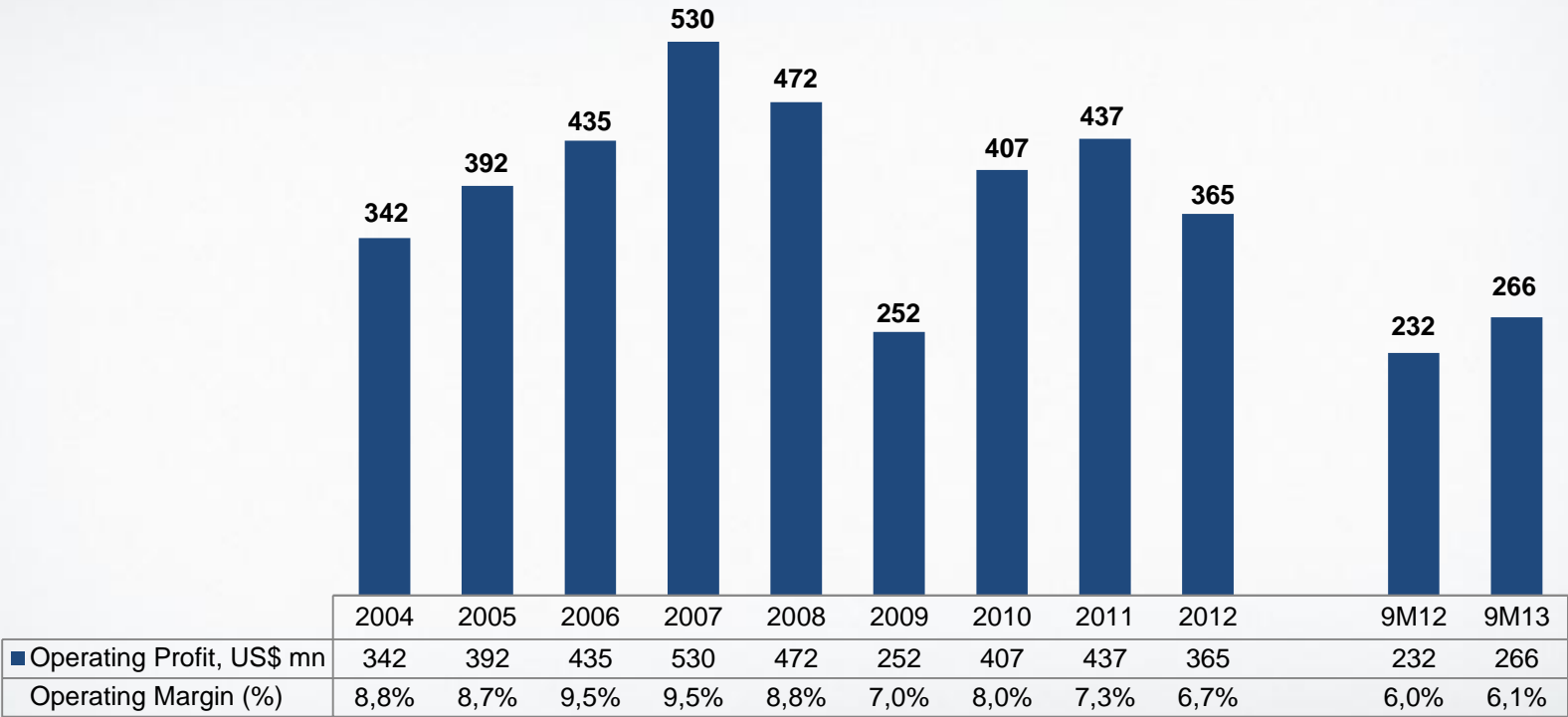
EBITDA and EBITDA Margin

Changing business mix, industry trends and macro drivers leading to declining margins:

- Declining share of the domestic business
- More price-competitive landscape in the domestic market
- Industry shift towards PCs leading to a less favorable sales mix for Ford Otosan
- Ford Otosan's aging product portfolio
- Significant weakening of the Turkish Lira



Operating Profit and Operating Margin



Financial Risk Management

Credit Risk

- Receivables from domestic vehicle sales to dealers are collected using a Direct Debit System
- Domestic spare part sales are guaranteed with collateral from dealers (bank guarantee letters)
- Receivables from Ford Motor Company and its subsidiaries for exports are collected within 14 days
- Other exports are guaranteed using L/C, letter of guarantee or cash collection

Liquidity Risk

- Cash, credit commitment and factoring capacity is maintained to meet 21 days of cash outflow
- €80 million credit commitment and €70 million factoring agreements are in place for potential needs
- Net debt as of 30 Sept. 2013 is TL1,6 billion.

FX Risk

- Excess cash is invested in hard currencies to minimize fx exposure
- Natural hedge against volatility due to fx-denominated export revenues: 66% of total revenues
- Ford Otosan is a net exporter: US\$ 2,1 billion in the last 5 years (2008-2012)

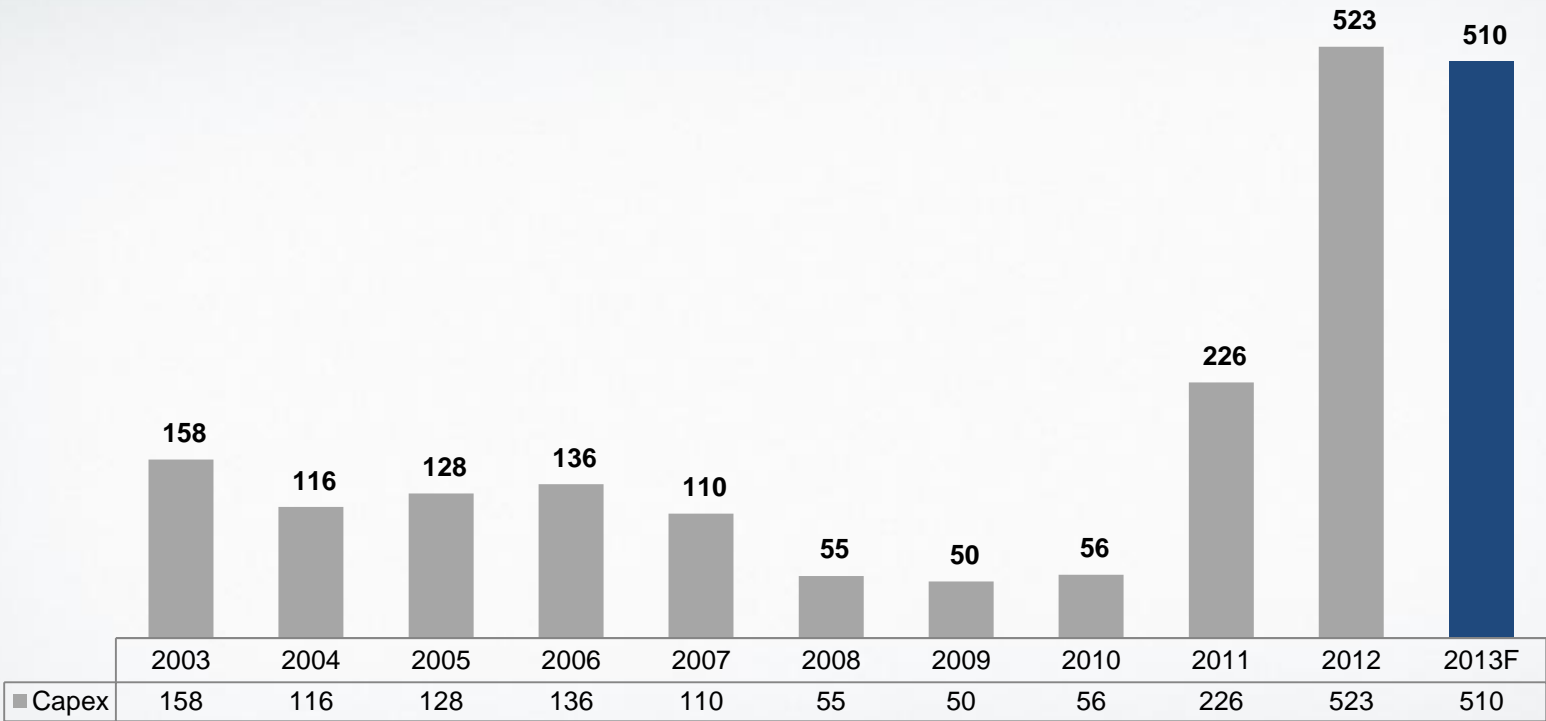
Capital Risk

- Net financial debt / tangible net worth ratio is monitored as a management criteria and the aim is to keep it below 1.25

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.09.2013	31.12.2012
Cash & Cash Equivalents	415	302
Total Financial Debt	1,966	1,260
Net financial debt	(1,551)	(958)
Financial Ratios	30.09.2013	31.12.2012
Current ratio	1.08	1.49
Liquidity ratio	0.62	0.97
Net Financial Debt / Tangible Net Worth	0.89	0.55
Current Assets / Total Assets	0.45	0.52
Current Liabilities / Total Liabilities	0.66	0.62
Total Liabilities / Total Liabilities and Equity	0.63	0.57
Return on Equity	32.3%	33.8%
	30.09.2013	30.09.2012
Gross Margin	10.1%	11.3%
EBITDA Margin	7.8%	7.6%
Operating Margin	6.1%	6.0%
Net Income Margin	6.4%	6.9%

CAPEX (US\$ million)



2014 Guidance

Turkish Industry Volume	715K
Retail Sales Volume	100K
Exports	192K
Wholesale Volume	290K
Production Volume	237K
Capex	US\$ 340 mn

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