

# FORD OTOSAN

## 3Q12 Financial Results Analyst Meeting



5 November 2012

# Agenda

- Recent Developments – Haydar Yenigün
- Ford Global & Market Update – Grant Belanger
- 3Q12 Financial Results – Oğuz Toprakoğlu
- Q & A

# Recent Developments

**Haydar Yenigün**  
**General Manager**

# Since we last met...

- We **launched Transit Custom & Tourneo Custom** in October
- Transit Custom won the **'International Van of the Year 2013' Award**
- New Cargo was **3<sup>rd</sup> in 'International Truck of the Year 2013'**
- **Revolutionary B-Max** was introduced to the market
- Ford Europe's **new product line-up was introduced** in the 'Go Further' event
- Ford Otosan paid **TL228 million dividends** on 31 October
- SCT was increased from 37% to 40% for <1.6 lt passenger cars
- Ford celebrated its **350 millionth vehicle** on September 1

# Transit Custom - International Van of the Year 2013



- Transit won the award with the highest score in the history of this competition
- 24 jurors awarded 117 points out of the maximum level of 133
- 4<sup>th</sup> member of the Transit family to win the accolade: Transit (2001), Transit Connect (2003) and Transit (2007)



# Ford Cargo - International Truck of the Year 2013, 3<sup>rd</sup> place



Our new Cargo Truck, H566, has been recognized as 3<sup>rd</sup> best truck in 'International Truck of the Year 2013' .

This is the second time Ford has been on the stage since 1982.

# Revolutionary B-Max was introduced to the market



# Ford Otosan 9M12 highlights

**76k**

Domestic  
sales volume  
(wholesale)

**54%**

of Turkey's  
commercial  
vehicle  
production

Market  
leadership  
maintained  
with

**13.8%**

**80%**

CUR  
(incl. August  
shutdown)

**149k**

Export sales  
volume

**63%**

of Turkey's  
commercial  
vehicle  
exports



# Industry and Ford Otosan retail volumes

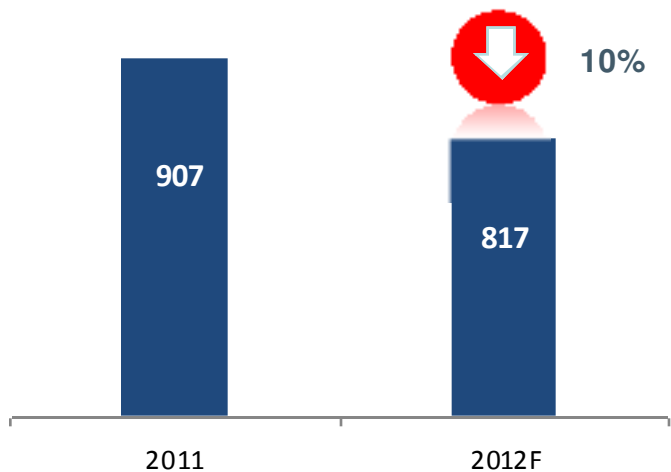
Total Automotive Industry, September YTD



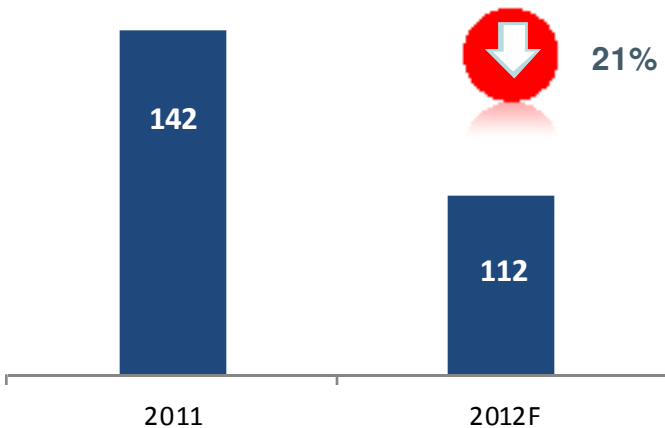
Ford Otosan, September YTD



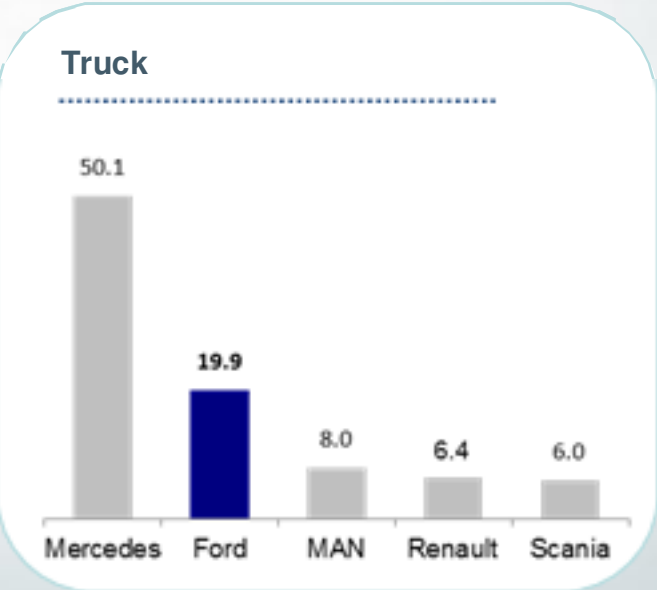
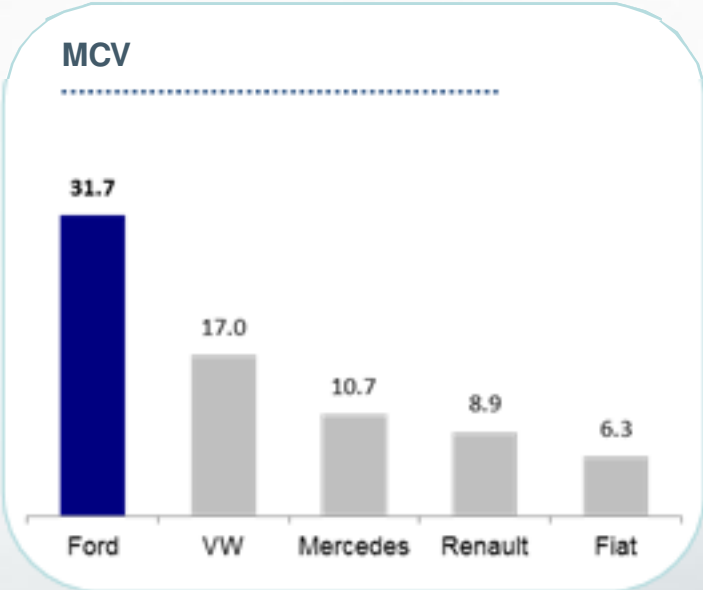
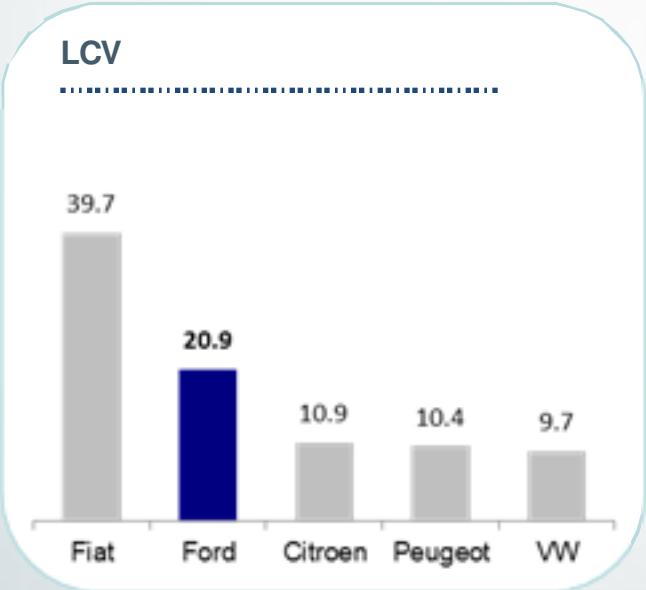
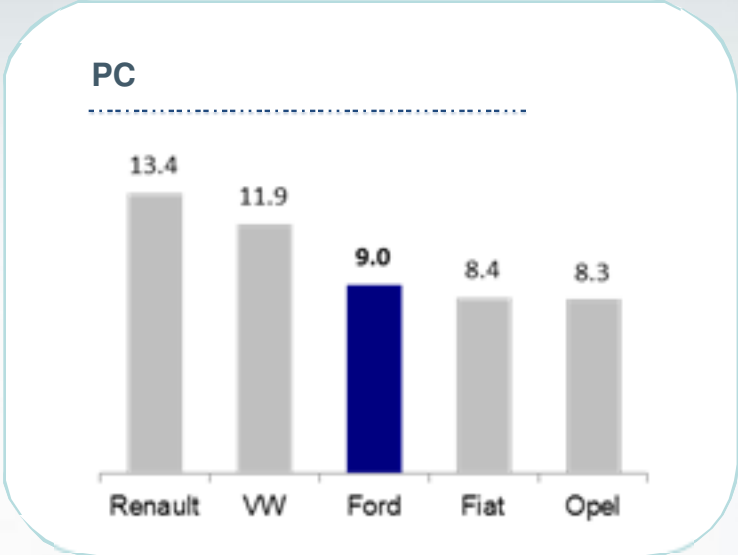
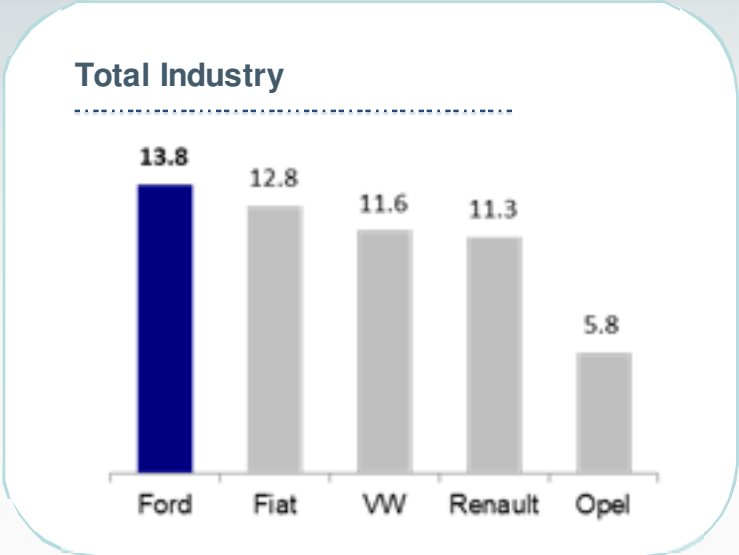
Total Automotive Industry, 2012F



Ford Otosan Retail Sales, 2012F



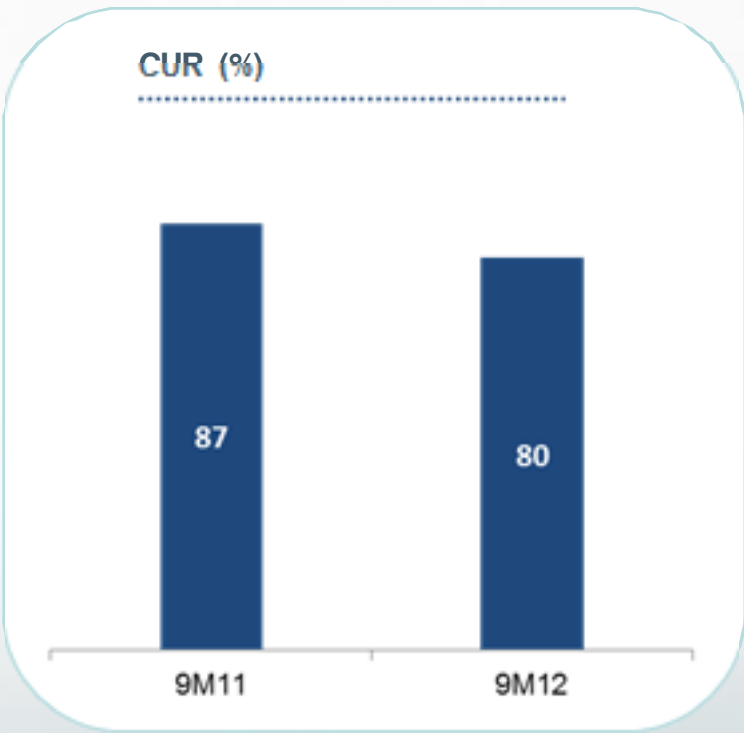
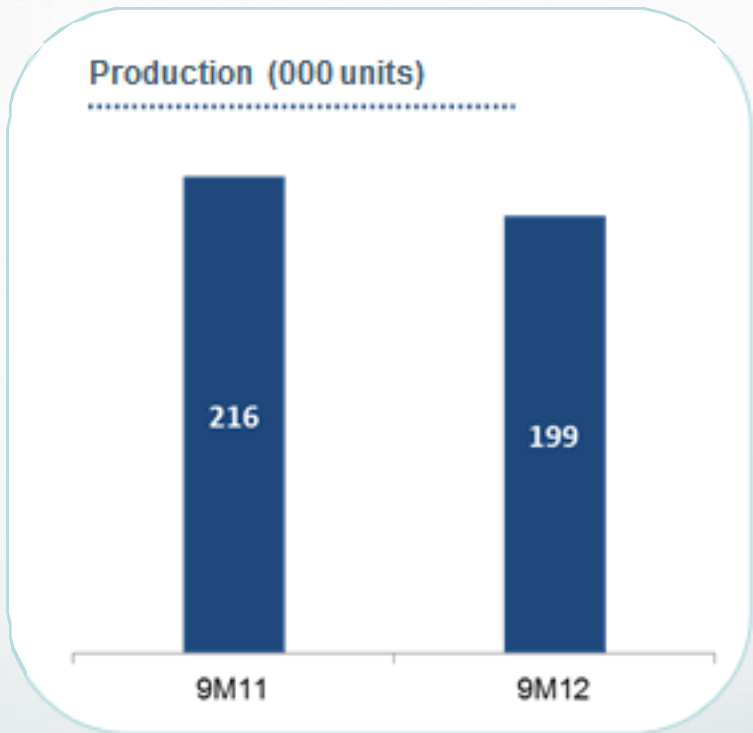
# Market shares (September'12 YTD)



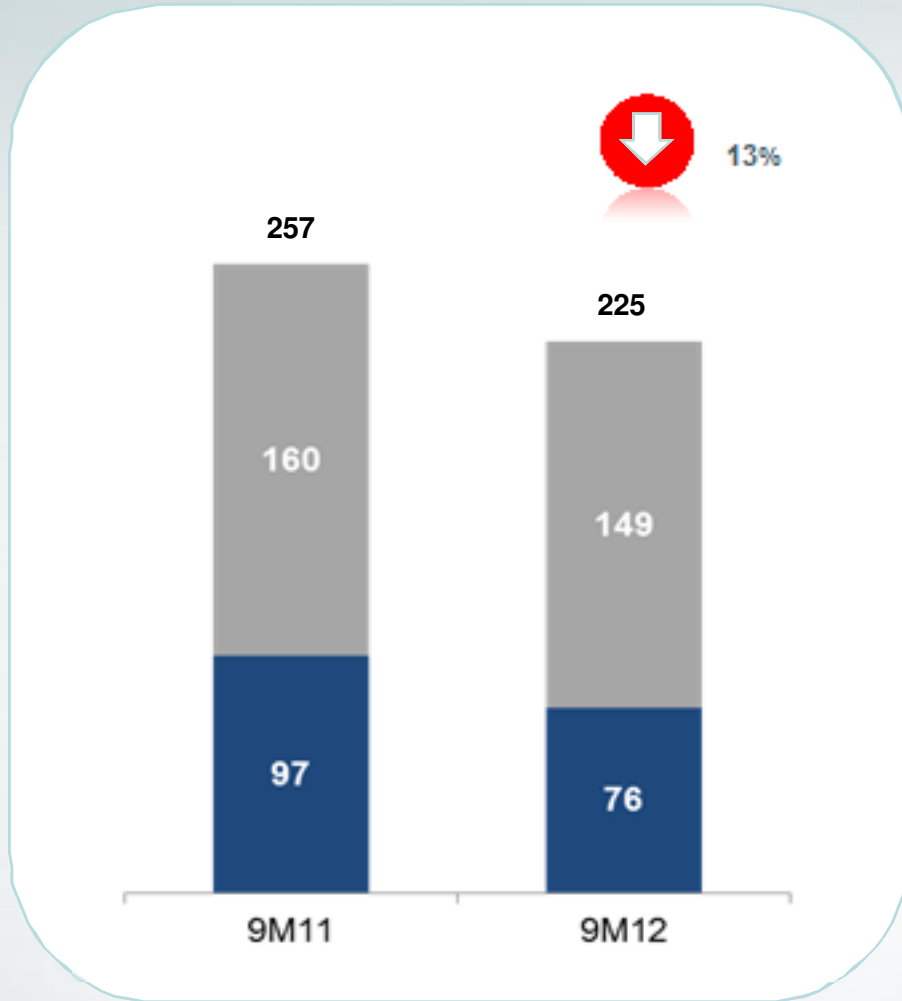
# Production and CUR

- Ford Otosan produced 198,598 vehicles in 9M12, representing 8% decline YoY:

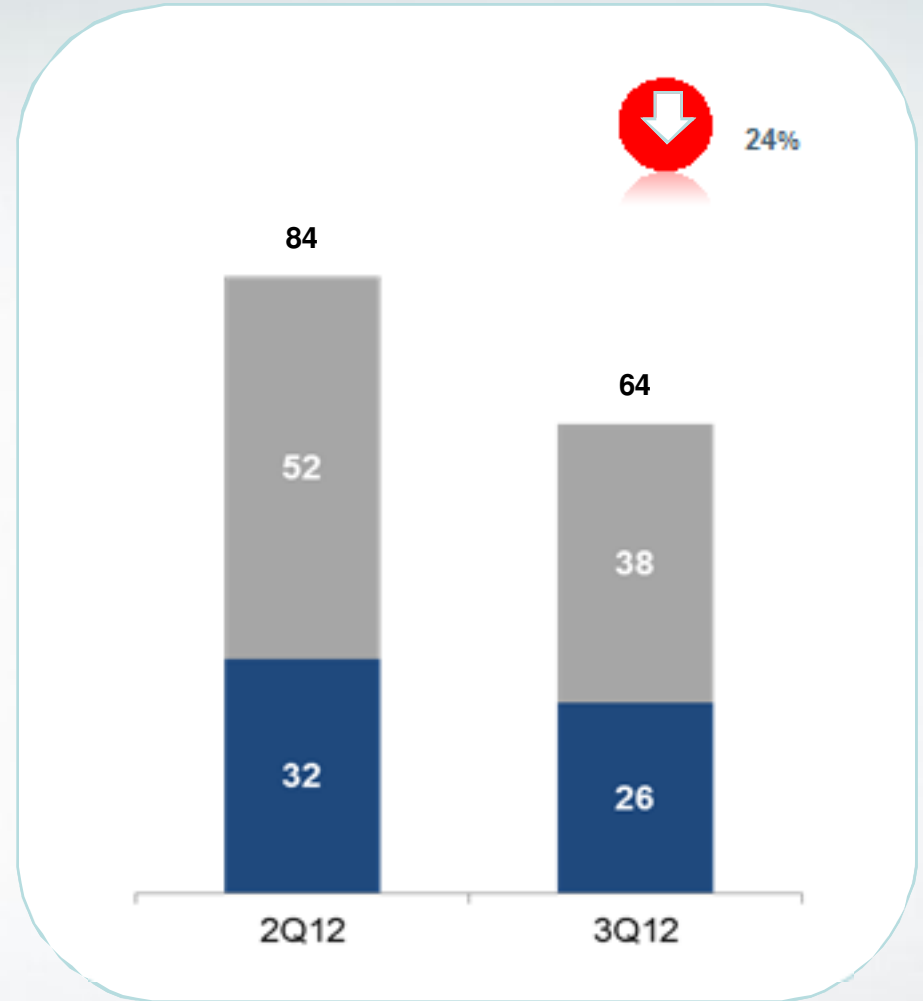
Transit	110,388
Transit/Tourneo Custom	2,122
Connect	80,011
Cargo	6,077



# Wholesale volumes



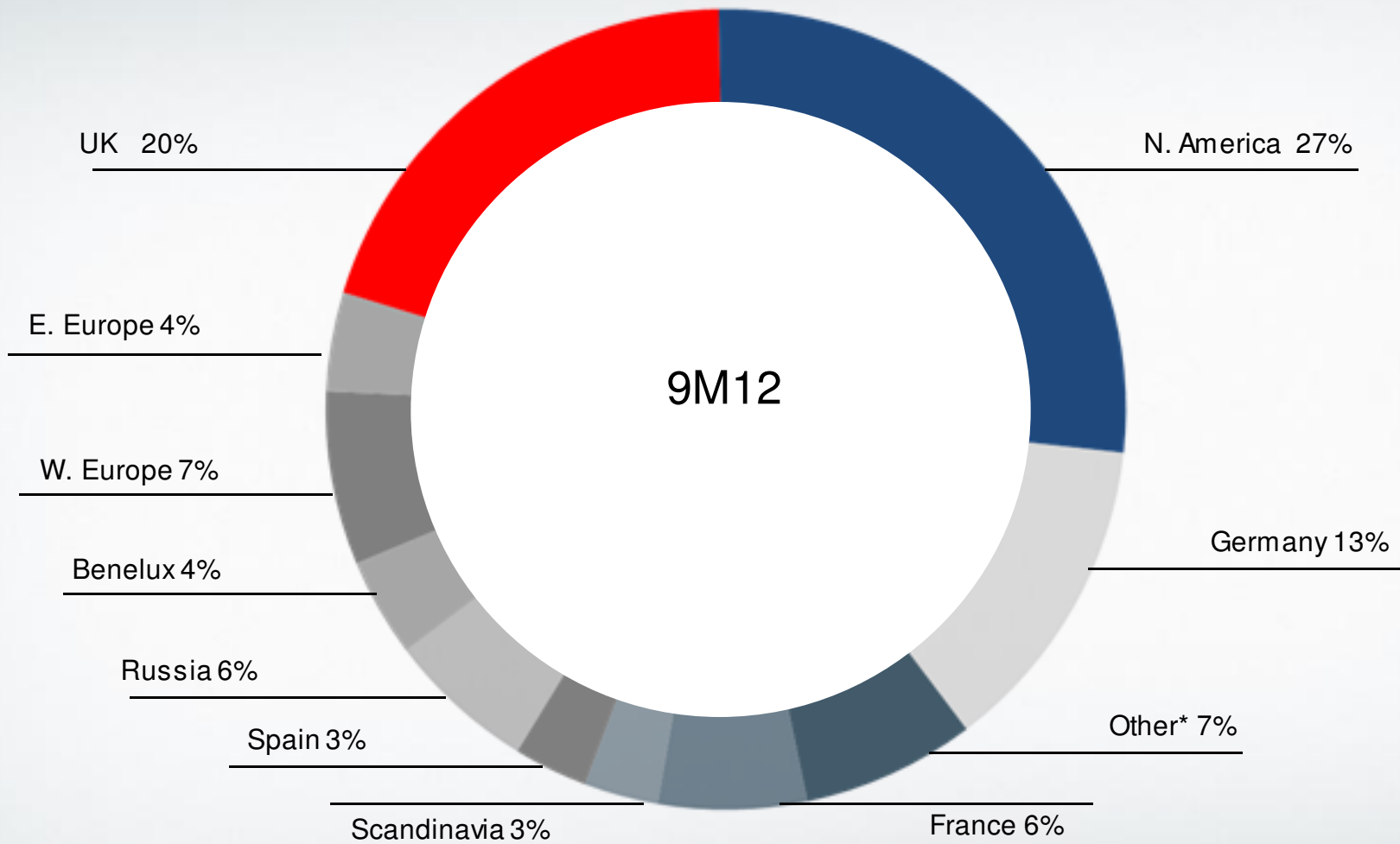
■ Domestic ■ Exports



■ Domestic ■ Exports



# Main export markets



Other\*: Countries with less than 2% share

# **Ford Motor Company & European Market Update**

**Grant Belanger  
Deputy General Manager**

# Go Further - Europe product acceleration



**Aggressive new product rollout** for Europe targeting key growth opportunities

**Full redesign of commercial vehicle range**, including Tourneo personal-use versions and new small Transit Courier

15

global vehicles  
in Europe by  
2017

**Over 20% increase** expected in commercial vehicle sales over next five years; to nearly 2.2 million units a year.



# Ford passenger vehicle portfolio expansion

## Passenger Vehicles



Ka



Fiesta



Focus



Mondeo



Mustang

## Multi-Activity Vehicles



B-MAX



C-MAX



Grand C-MAX



S-MAX



Galaxy

## SUVs



Kuga



EcoSport



Edge

Key =  New Segment Entry  New/Significantly Changed  Existing Model



# Ford commercial portfolio expansion



Transit Custom  
International Van of the Year



Ranger  
Five-Star Safety Rating



Transit



Transit Connect



Transit Courier



Tourneo Custom



Tourneo Connect



Tourneo Courier

**Transit Brand Family Expanded To Four Distinct Commercial Vehicles  
And Three All New Tourneo Products; New Ranger Pick-Up**

# Ford commercial portfolio expansion



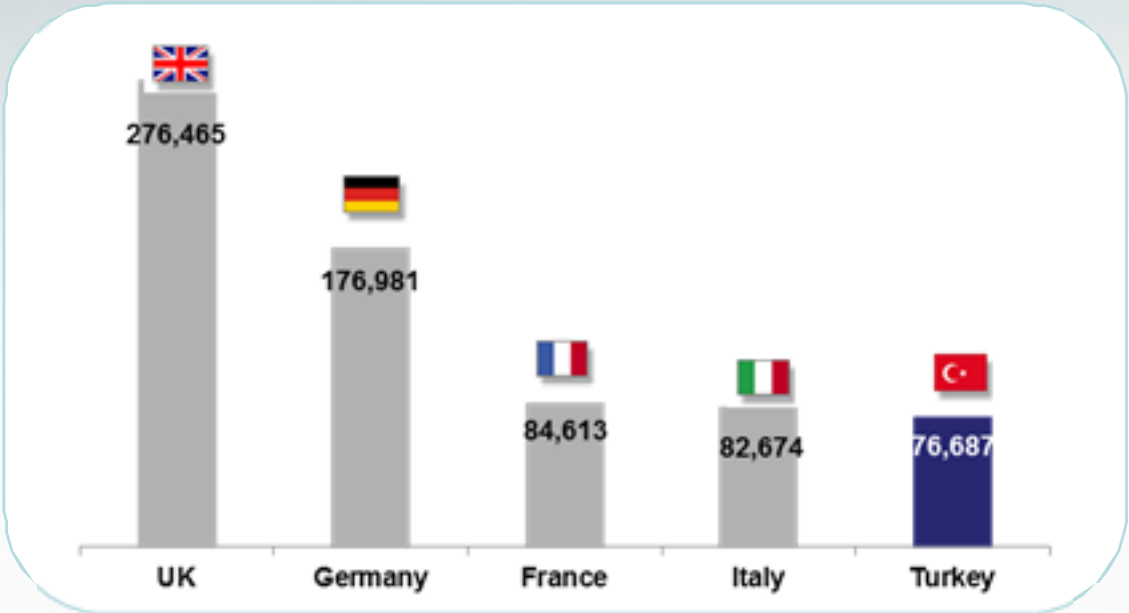
CV industry  
share growth  
from **8.6%**  
to **~14%**



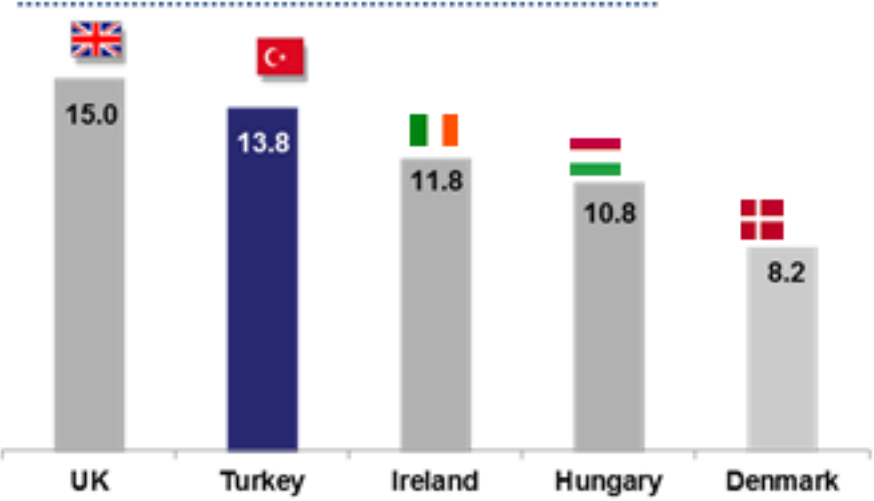
CV sales  
growth from  
**180k** to  
**260k** by  
2014



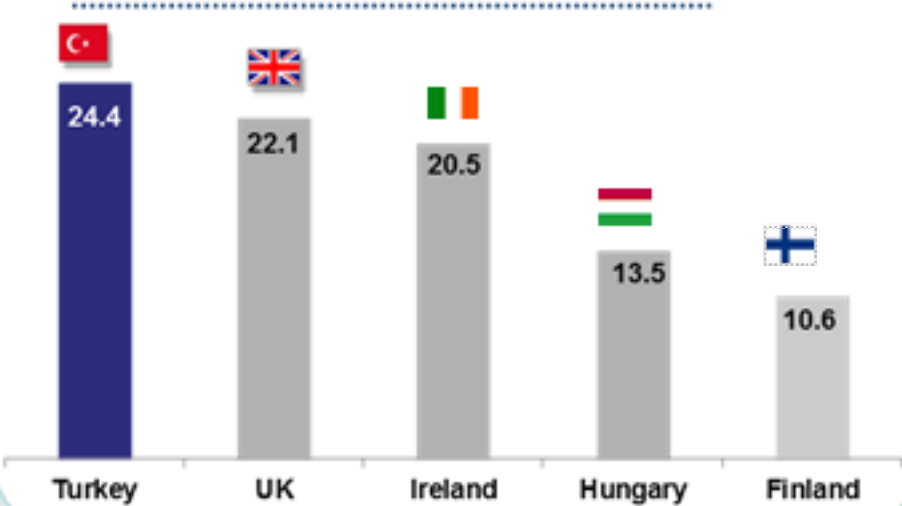
# Ford volumes in Europe (September YTD)



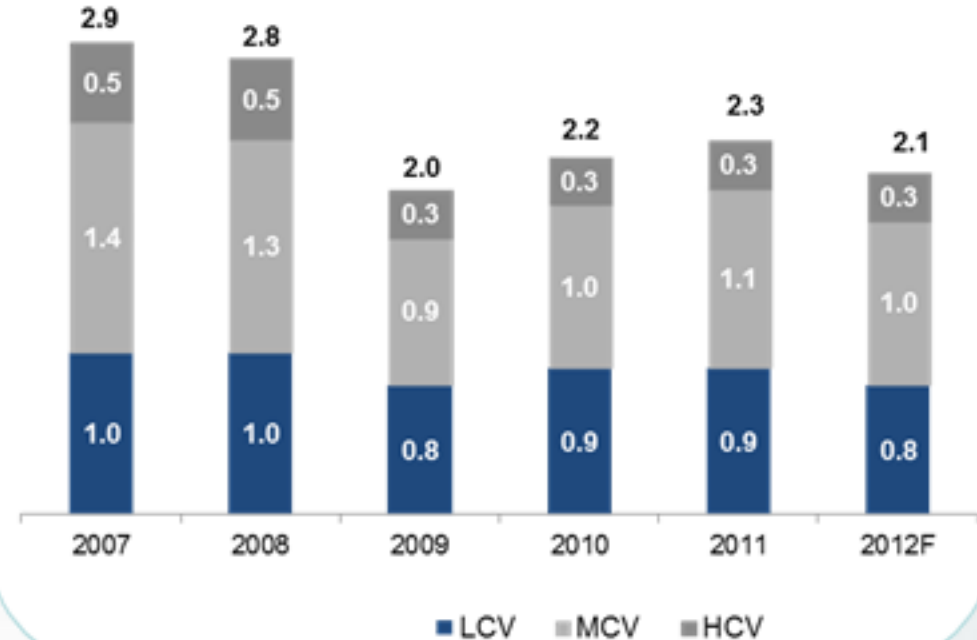
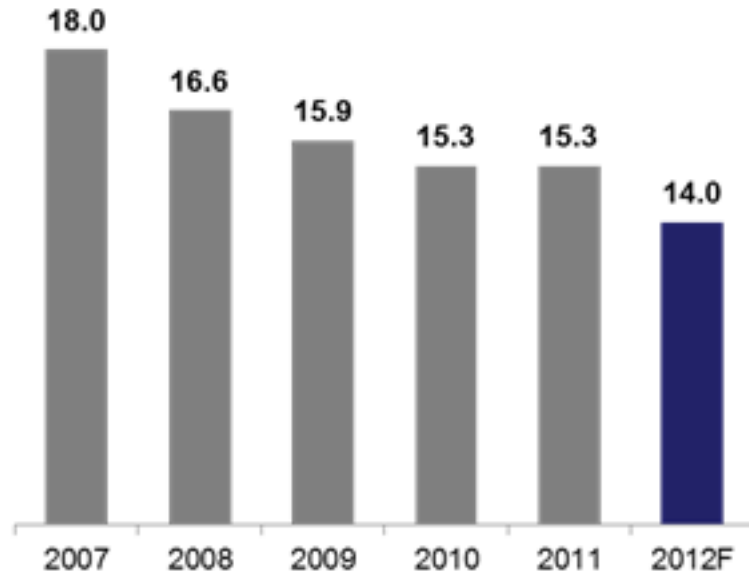
Ford Market Shares



Ford CV Market Shares



# Total industry in Europe (19 markets, mn units)



- New vehicle sales of ~14 million units for 2012, **the weakest industry since 1994**
- **Flat to lower volume** expected for 2013
- Project industry volume of **~15 million units by mid-decade**



# Ford Motor Co. 3Q12 results

- Ford earns **record 3Q12 pre-tax operating profit** of \$2.2 billion, net income of \$1.6 billion
- Best-ever 3Q total company and Automotive pre-tax profit, driven by record North American results; positive Automotive operating-related cash flow; strong liquidity of \$34.4 billion
- 3Q pre-tax profit of \$2.2 billion, an increase of \$200 million from 3Q11. **Ford has now posted a pre-tax profit for 13 consecutive quarters**
- 3Q net income was \$1.6 billion, about the same as 3Q11
- Total Automotive pre-tax profit was \$1.8 billion, an increase of \$436 million from 3Q11
- Ford North America achieved its **highest quarterly profit and operating margin since at least 2000** and a 12% operating margin
- Announced **comprehensive transformation plan to restore profitability in Europe by mid-decade**
- For the full year, Ford continues to project **strong total company pre-tax profit and positive Automotive operating-related cash flow**

# 9M12 Results

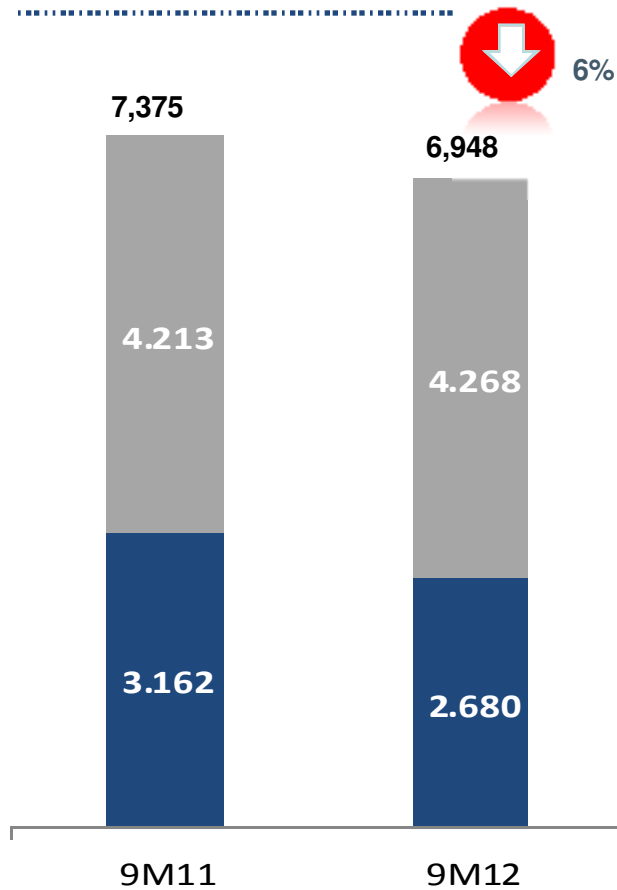
Oğuz Toprakoğlu  
CFO

# Main financial indicators

Million TL	9M 2012	9M 2011	Change
Total Revenues	6,948	7,375	-6%
Domestic	2,680	3,162	-15%
Export	4,268	4,213	1%
Gross Profit	778	931	-16%
Operating Profit	454	560	-19%
EBITDA	561	668	-16%
Profit Before Tax	452	617	-27%
Net Income	476	506	- 6%
End of Period Cash/(Debt) Balance	402	839	-52%
Financial Debt	1,035	747	38%
Capex	618	190	226%

# Revenues

Revenues, TL mn



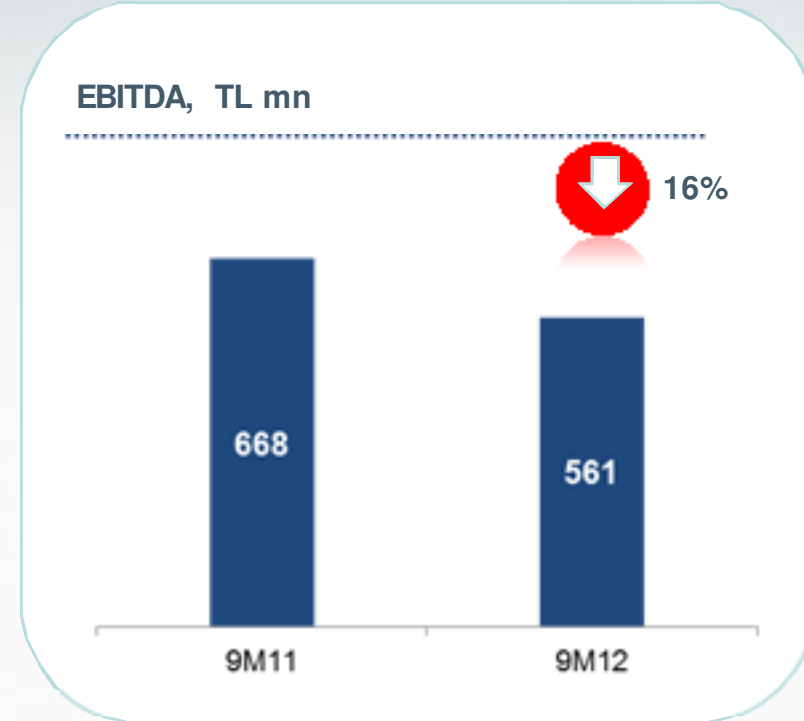
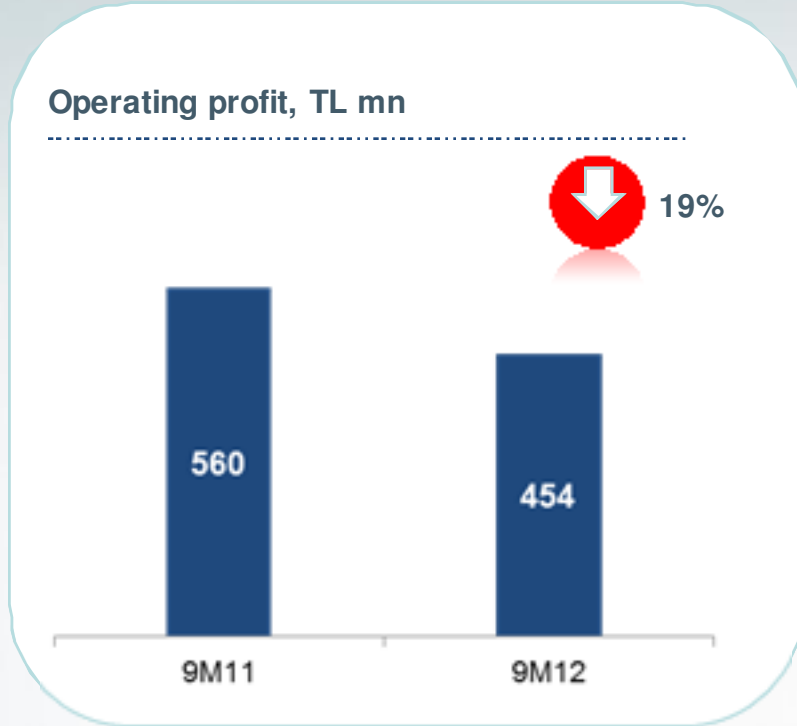
■ Domestic ■ Exports

- Revenues came in at TL6,948 million, down by 6%.
- Domestic revenues declined by 15% to TL2,680 million as a result of the market contraction, lower unit sales and ongoing aggressive price competition.
- Export revenues increased by 1% to TL4,268 million despite 7% decline in unit sales.

# Sales volume by model

	9M 2012	9M2011	YoY Change	3Q12	2Q12	QoQ Change
<b>Domestic</b>	<b>76,118</b>	<b>97,237</b>	<b>-22%</b>	<b>26,249</b>	<b>31,912</b>	<b>-18%</b>
PC	33,201	42,194	-21%	11,332	14,720	-23%
Transit Connect	19,154	24,246	-21%	6,972	7,505	-7%
Total LCV	19,154	24,246	-21%	6,972	7,505	-7%
Transit	18,958	23,238	-18%	6,303	7,846	-20%
Ranger	446	1,552	-71%	446	-	
Total MCV	19,404	24,790	-22%	6,749	7,846	-14%
Cargo	4,359	6,007	-27%	1,196	1,841	-35%
<b>Exports</b>	<b>148,557</b>	<b>159,856</b>	<b>-7%</b>	<b>37,863</b>	<b>52,116</b>	<b>-27%</b>
Transit Connect	59,463	47,293	26%	16,005	23,367	-32%
Transit	87,694	111,685	-21%	21,211	28,183	-25%
Transit Custom	144	-		144	-	
Cargo	702	494	42%	279	340	-18%
Other	554	384	44%	224	226	-1%
<b>Total Wholesale Volume</b>	<b>224,675</b>	<b>257,093</b>	<b>-13%</b>	<b>64,112</b>	<b>84,028</b>	<b>-24%</b>

# Operating profit & EBITDA

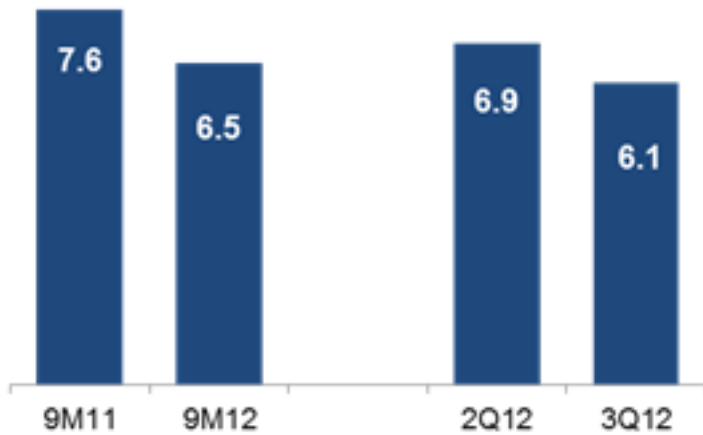


- Operating profit was down 19% YoY to TL454 million.
- EBITDA was TL561 million, down 16% YoY.

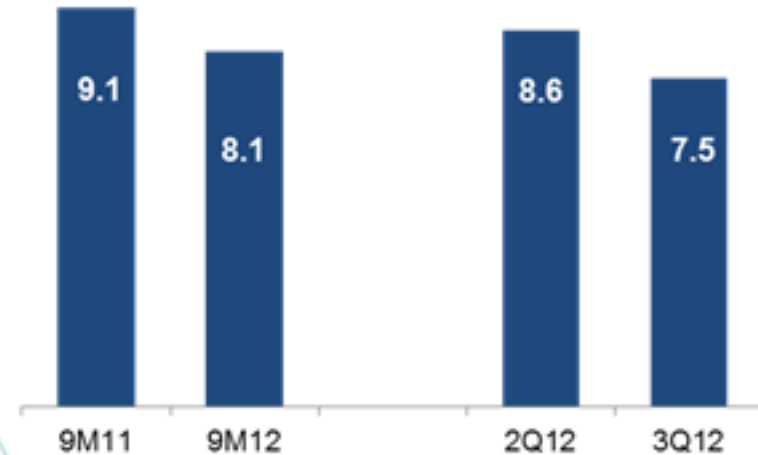


# Margins

Operating Margin, %



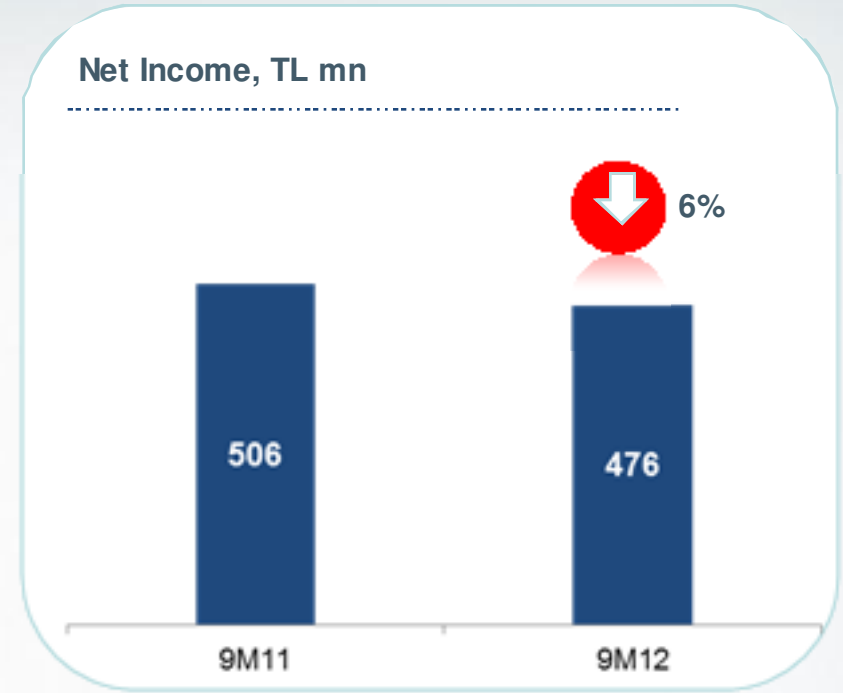
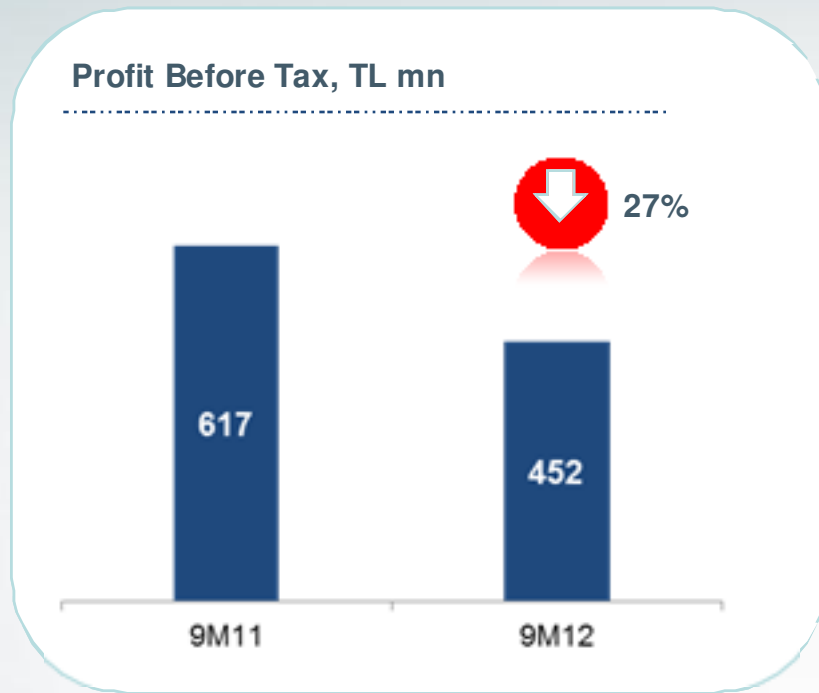
EBITDA Margin, %



Main reasons behind the decline annual and quarterly figures:

- Declining domestic and export volumes
- Lower profitability due to the ongoing aggressive pricing trends, leadership target and aging product portfolio
- Less number of higher margin products in the domestic sales mix
- Transit / Tourneo Custom launch expenses in Q3
- Factory shutdown and EID holiday in August

# Profit before tax & net income



Net income was TL476 million, higher than profit before tax, due to the establishment of deferred tax asset based on the future tax benefits from the investment incentives.

# Debt profile & financial ratios

	9M 2012	9M 2011
Gross Margin	11.2%	12.6%
Operating Margin	6.5%	7.6%
EBITDA Margin	8.1%	9.1%
ROE	31.3%	34.4%
Financial Debt/Equity	0.51	0.38
Current Ratio	1.58	1.77
Liquidity Ratio	1.01	1.28
Current Assets/Total Assets	0.57	0.71
Current Liabilities/Total Liabilities	0.66	0.77
Total Liabilities / Total Liabilities & Equity	0.54	0.52

## 2012 Guidance

Turkish Industry Volume	817K
Retail Sales Volume	112K
Exports	202K
Wholesale Volume	314K
Production Volume	271K
Capex	\$440 million



THANK YOU...

Q&A