



# INVESTOR PRESENTATION

March 2011

# Agenda

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

**Investor Presentation**  
**March 2011**

# **FORD OTOSAN OVERVIEW**

# 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
2010 Net Sales	\$ 4.9 Billion
Market Cap (as of Feb. 28, 2011)	\$ 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

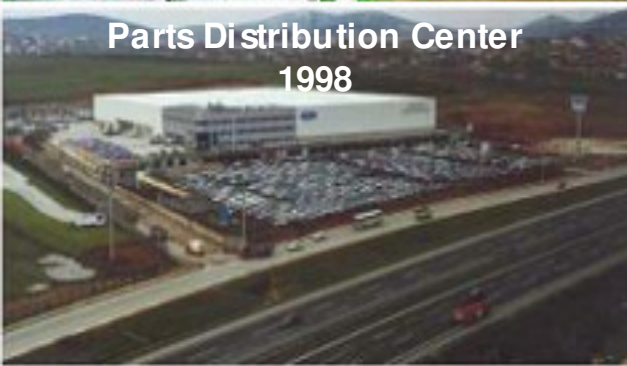
## ➤ Achievements

- ✓ 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 (Ford - 2010) (Sludge drying unit at wastewater treatment plant)

# Plant Locations



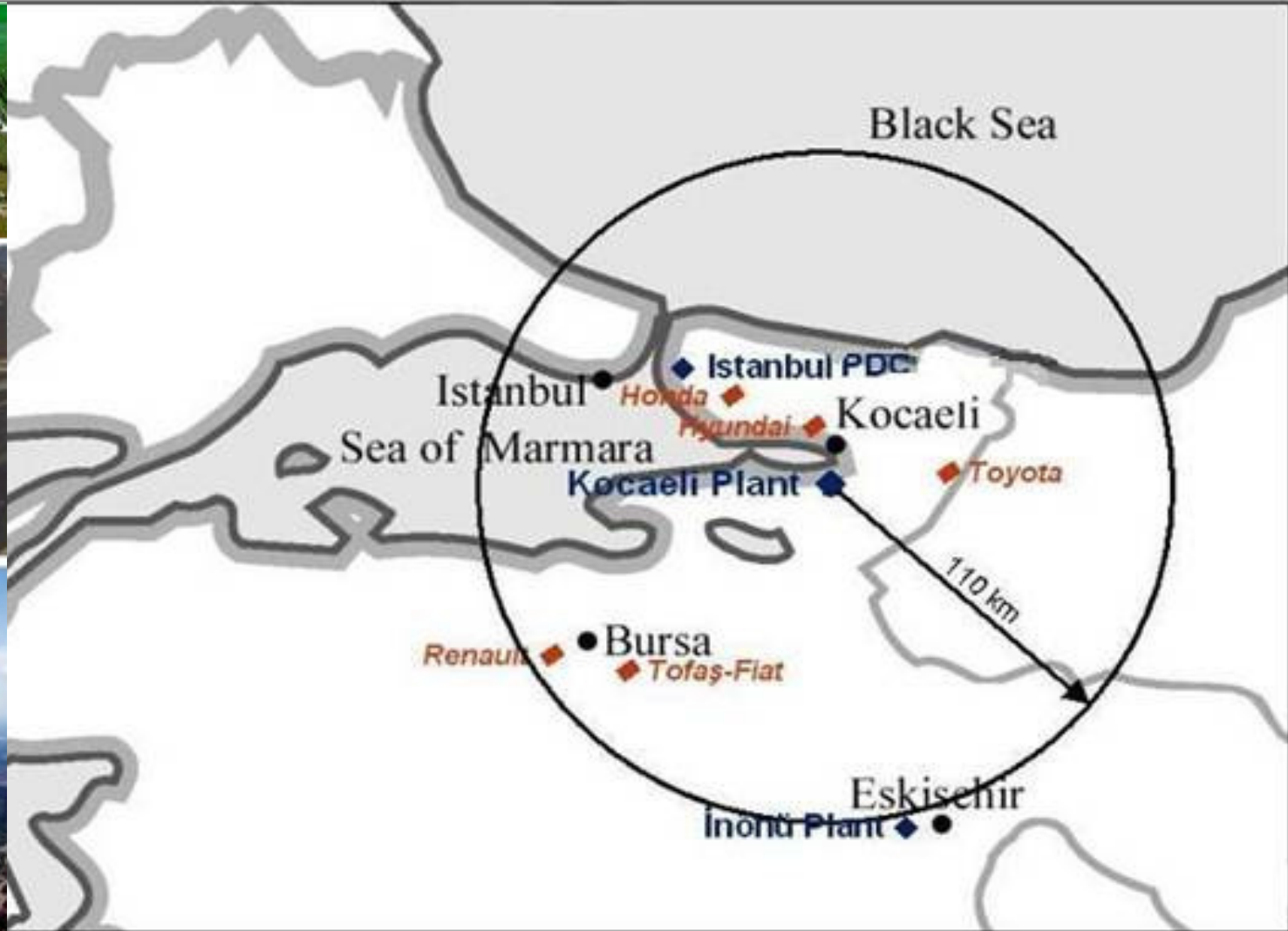
İnönü Plant - 1981



Parts Distribution Center  
1998



Kocaeli Plant - 2001





# • Plants

## Kocaeli Plant

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



- Transit & Transit Connect production
- Sea front location, integrated pier/terminal covering exports & BU imports
- 320,000 units annual production capacity



## İnönü Plant

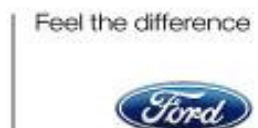
### Best Ford Powertrain Plant Worldwide (\*) since 2005



- Heavy truck, engine and powertrain production
- Annual capacity
  - 10,000 trucks
  - 66,000 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
- 465+ Engineers Capacity
- Located in a Technopark Area and Free Zone near İstanbul

# ■ 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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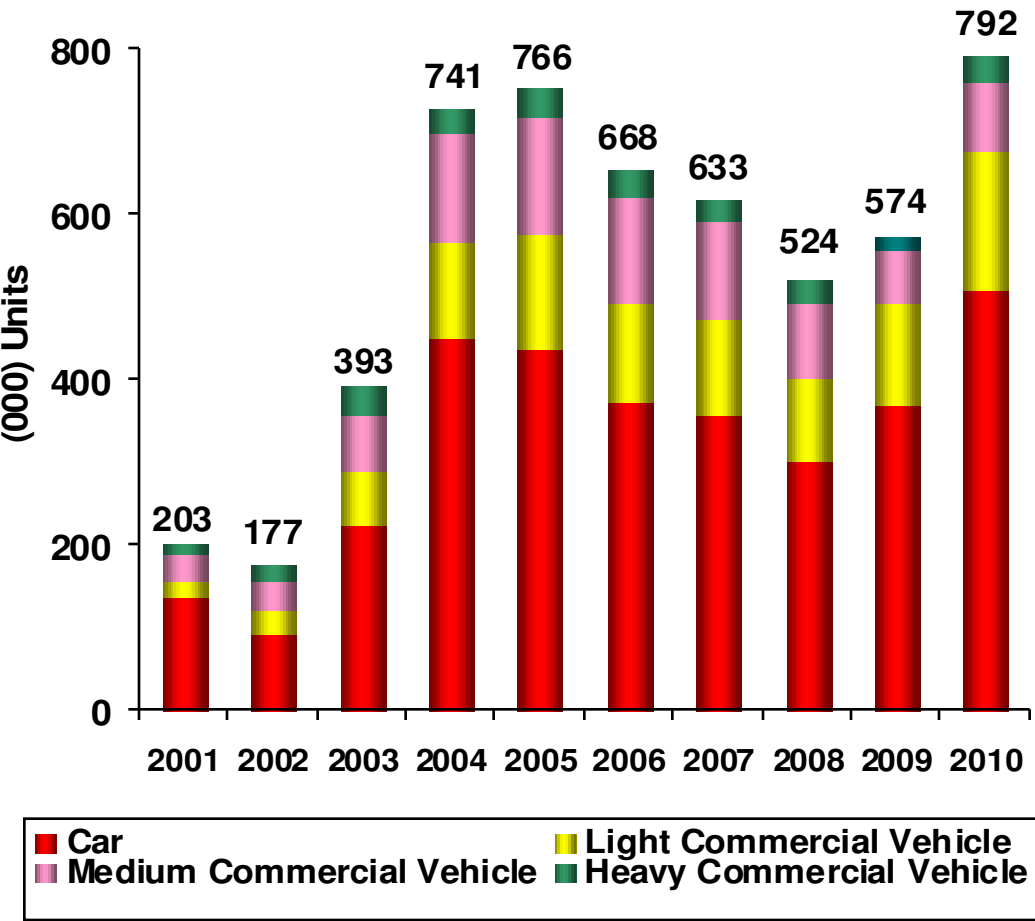
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# TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

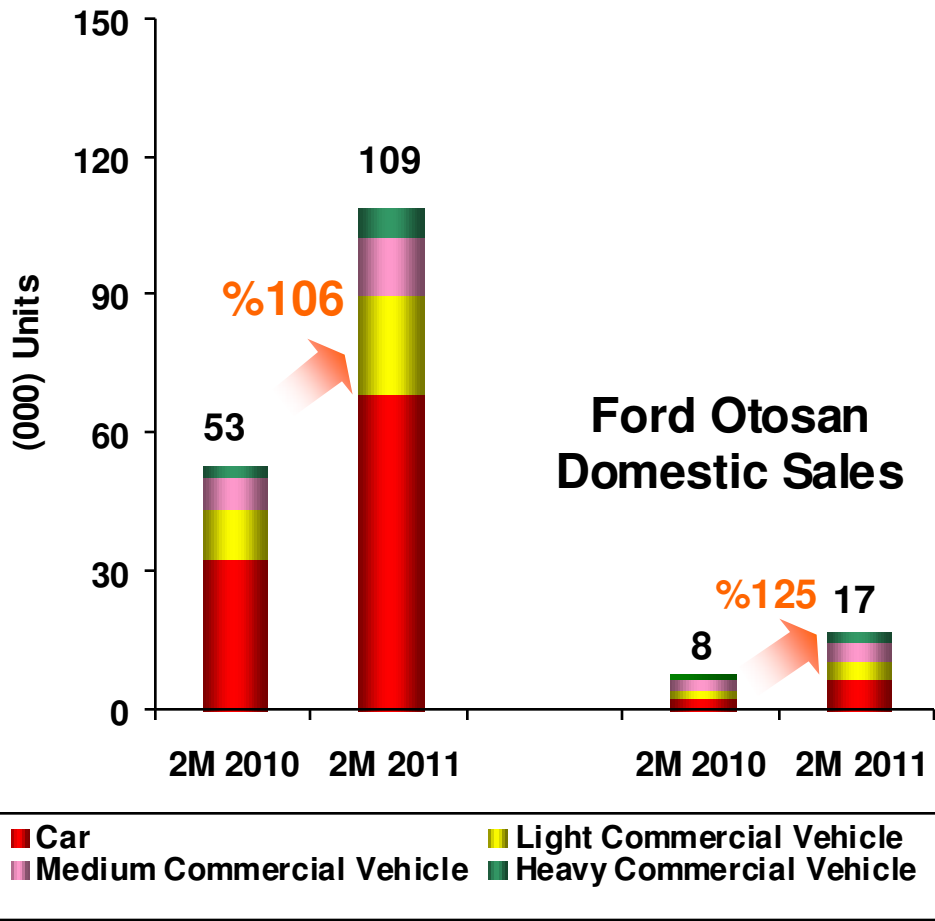


# Domestic Automotive Industry

Automotive Industry

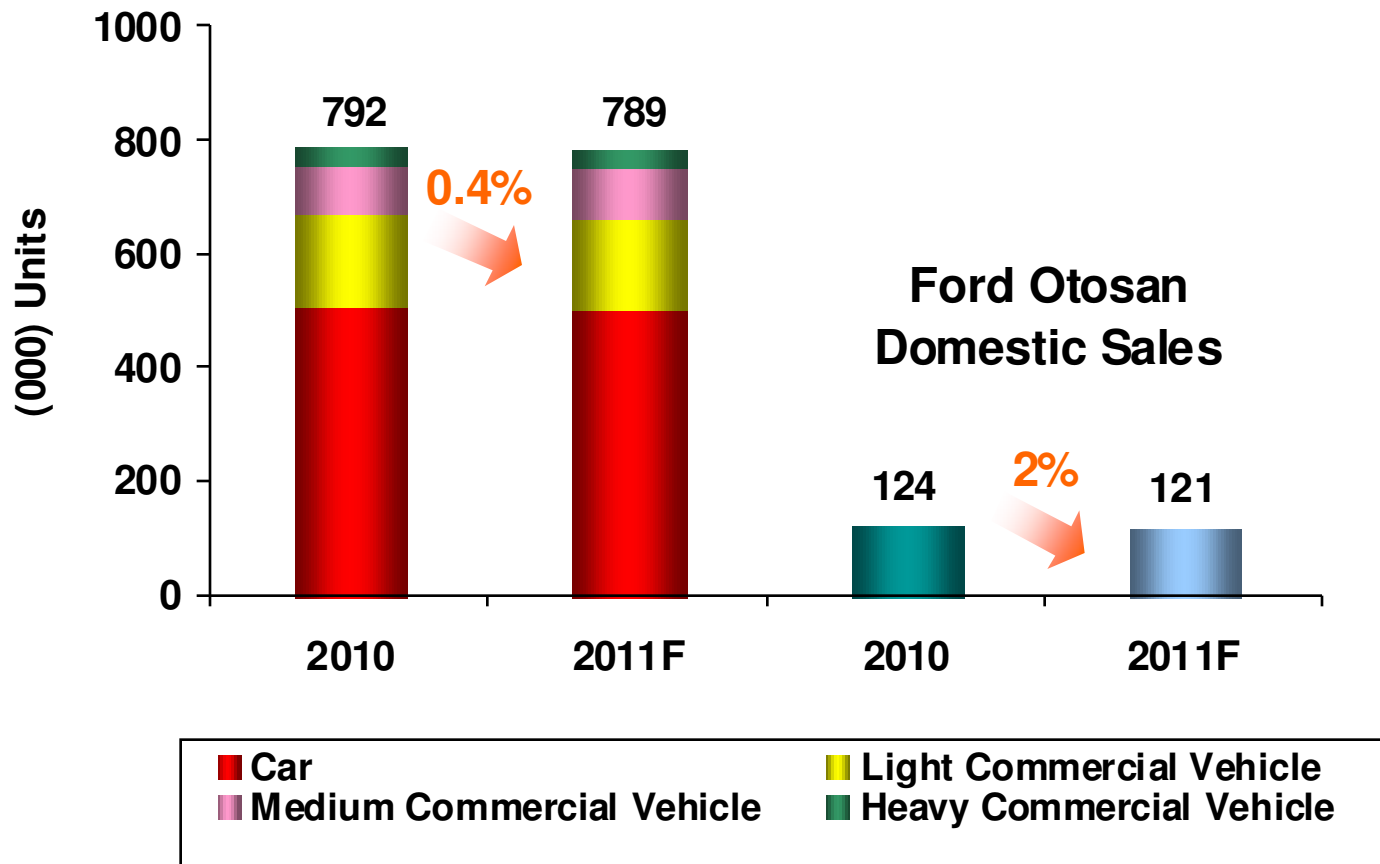


2M 2010 / 2M 2011  
Automotive Industry

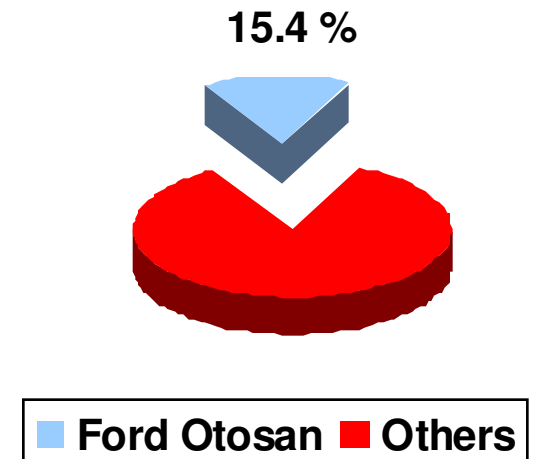


# 2011 Outlook

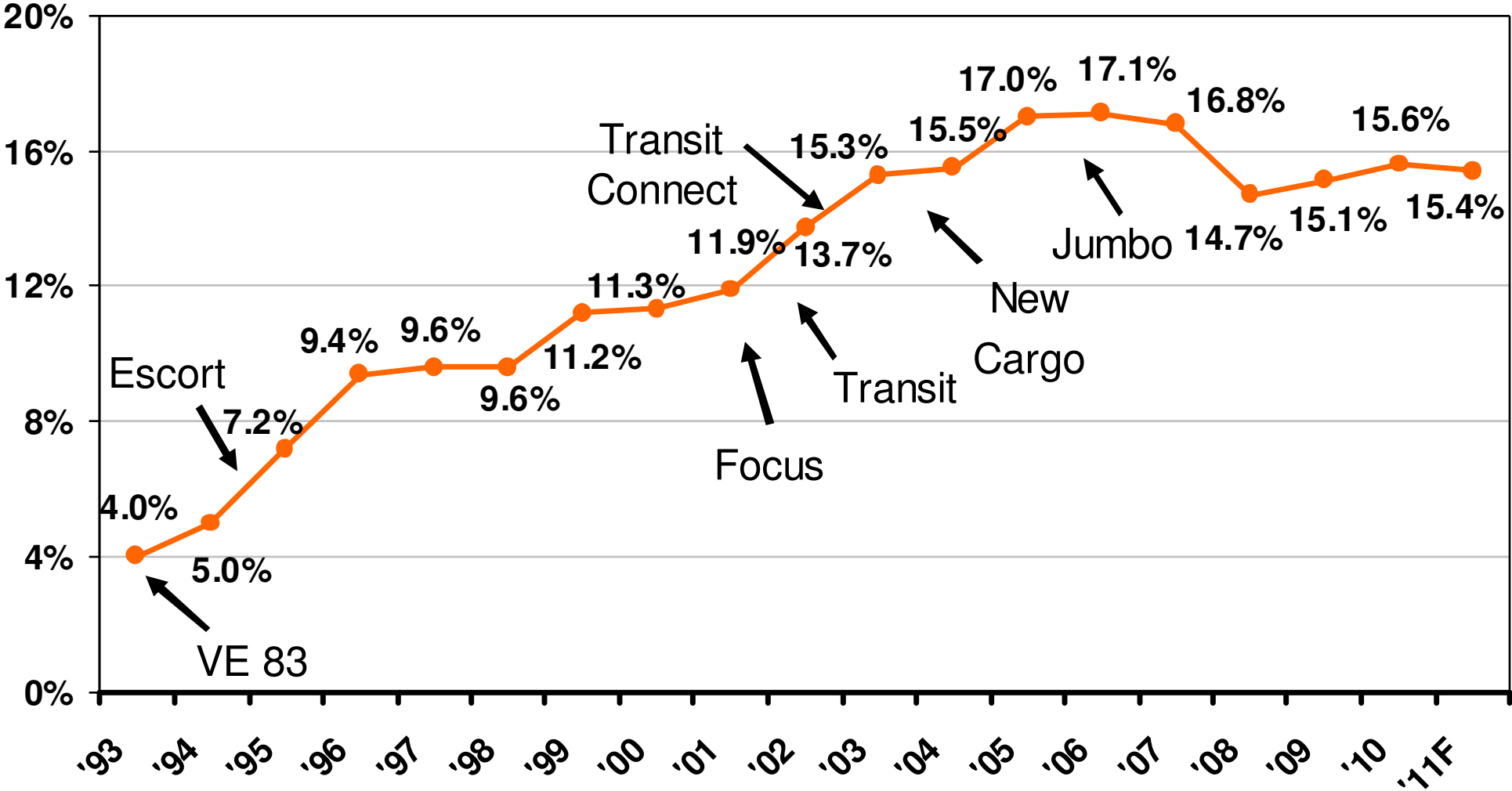
## 2011 Market Outlook



## Market Share Forecast for 2011 FY



# Ford Otosan Market Share

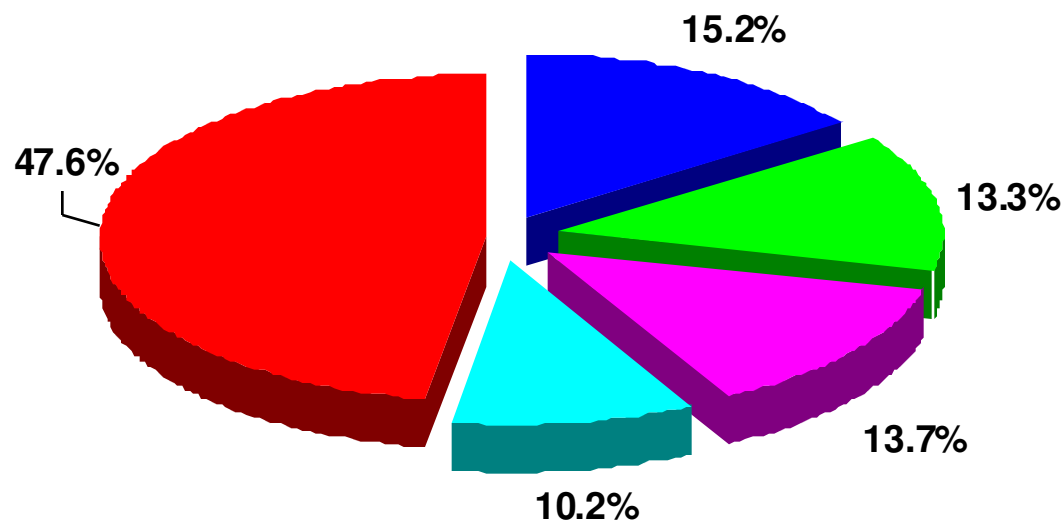


# Market Shares

	February YTD 2011		2010 FY	
	Market Share	Rank	Market Share	Rank
Total Automotive Industry	15.2%	1	15.6%	1
Passenger Car	10.6%	2	10.8%	2
LCV	17.6%	2	19.5%	2
MCV	32.9%	1	36.9%	1
Heavy Truck	24.3%	2	18.3%	2

# Market Share in Total Automotive Industry

## February YTD 2011



■ Ford ■ Fiat ■ Renault ■ VW ■ Others

**FORD**  
**OTOSAN**

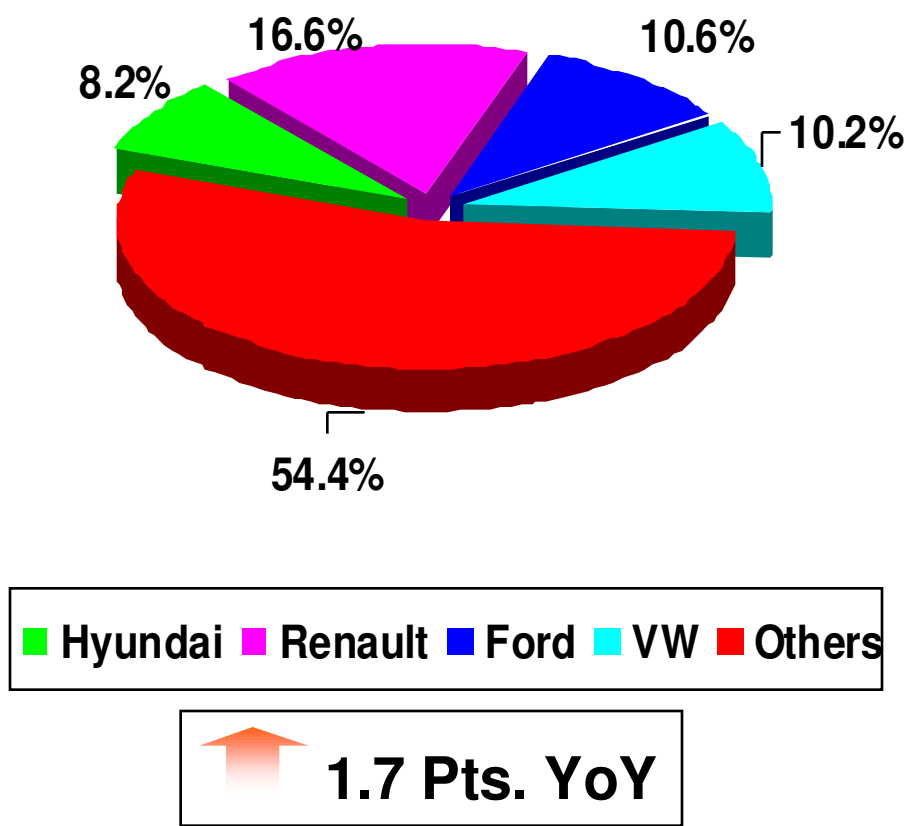
Market Share

↑ 0.7 Pts. YoY

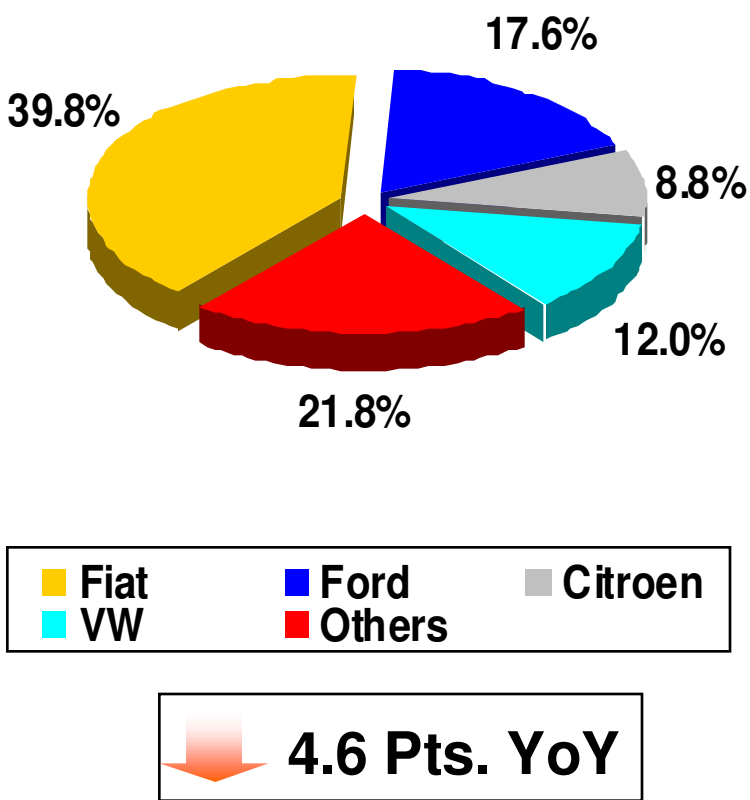
# Market Shares

## February YTD 2011

Passenger Car



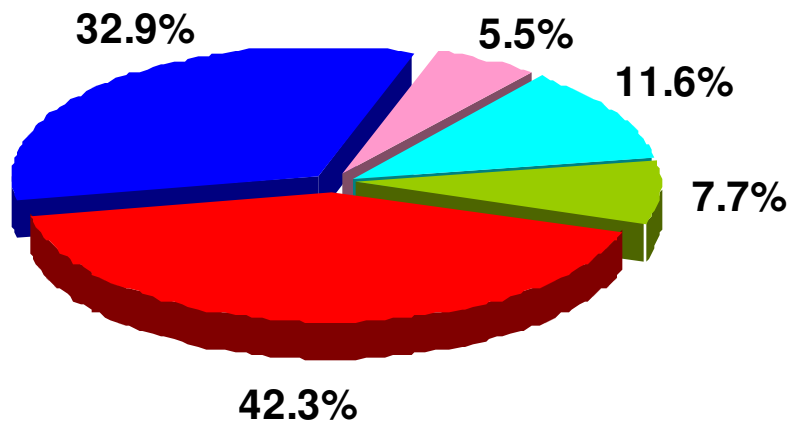
Light Commercial Vehicle



# Market Shares

## February YTD 2011

Medium Commercial Vehicle

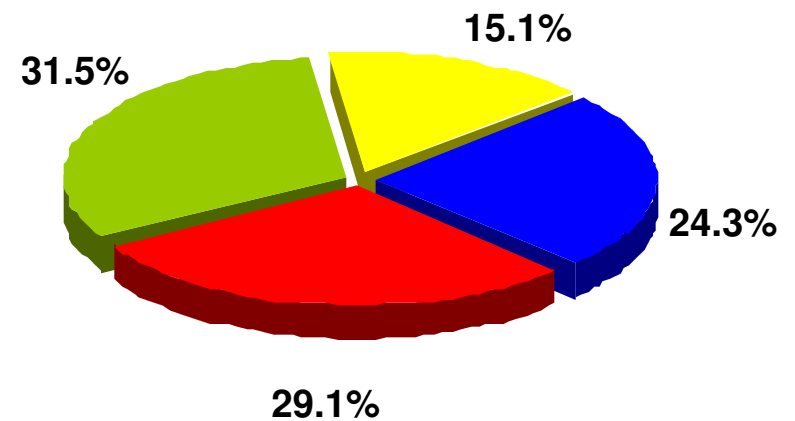


Ford Mitsubishi VW Mercedes Others



**3.0 Pts. YoY**

Heavy Truck



Mercedes Scania Ford Others



**9.0 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%

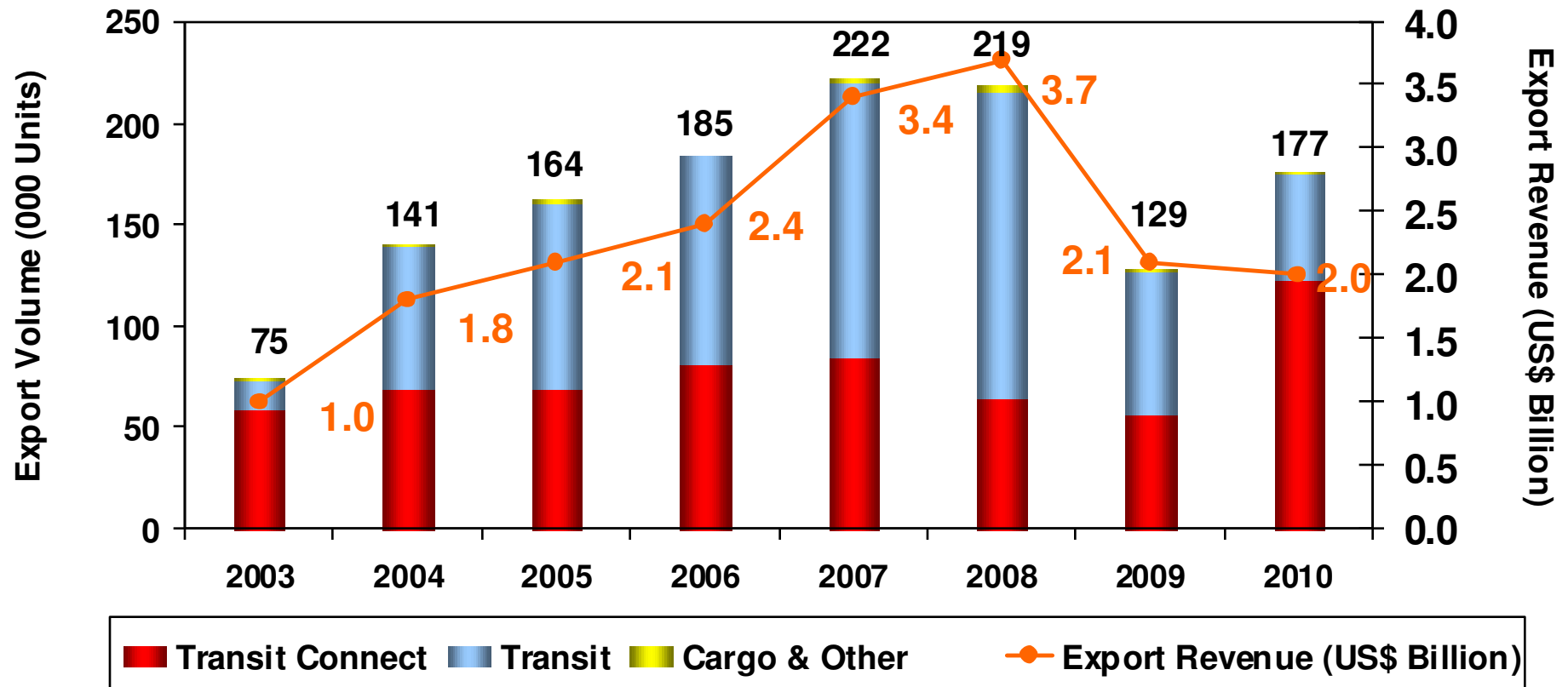
**Commercial Vehicles are Taxed Lower than Cars**

# COMPETITIVE ADVANTAGES

# 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

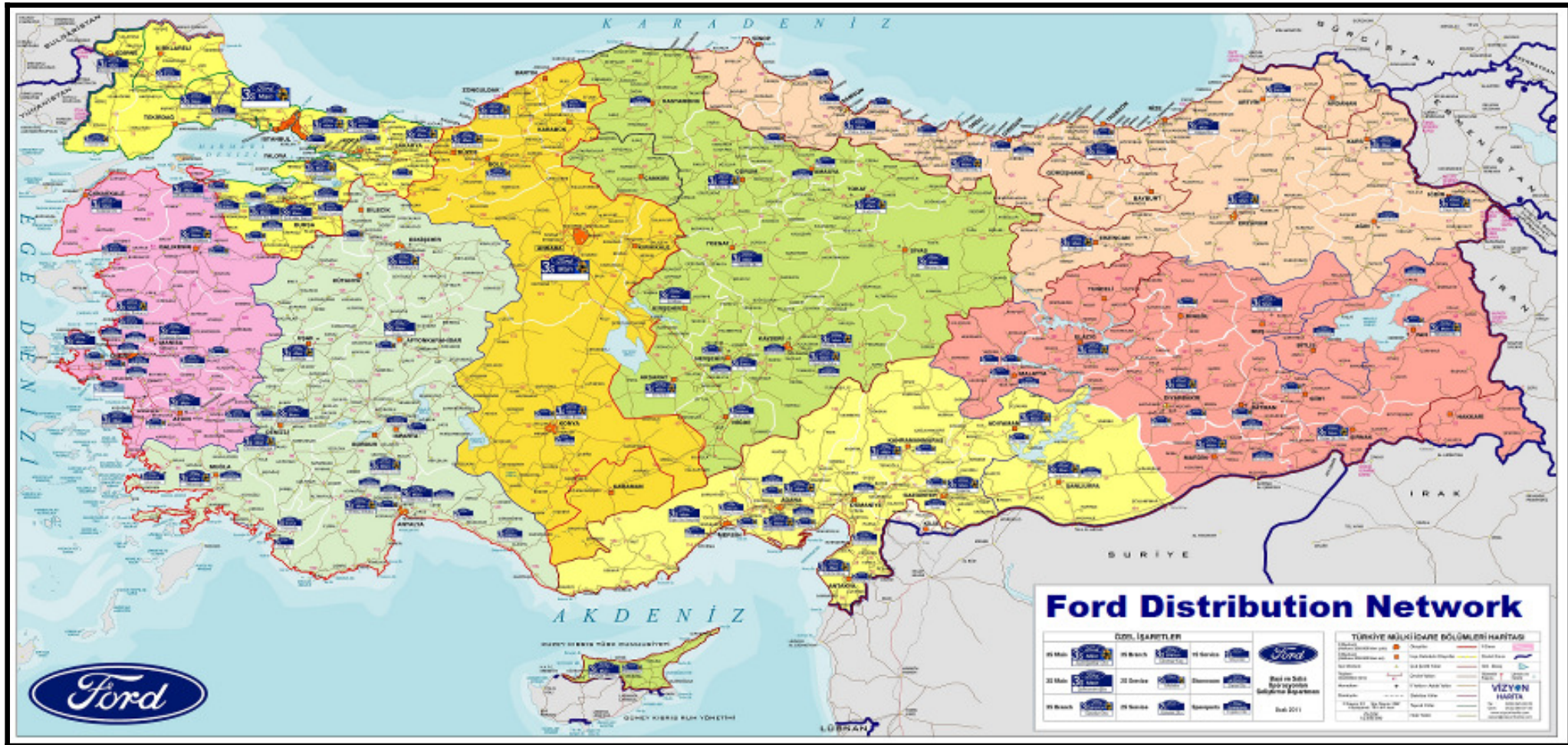


Know-How



Turkey's largest and most reputable group

# ➤ Strong Distribution Network

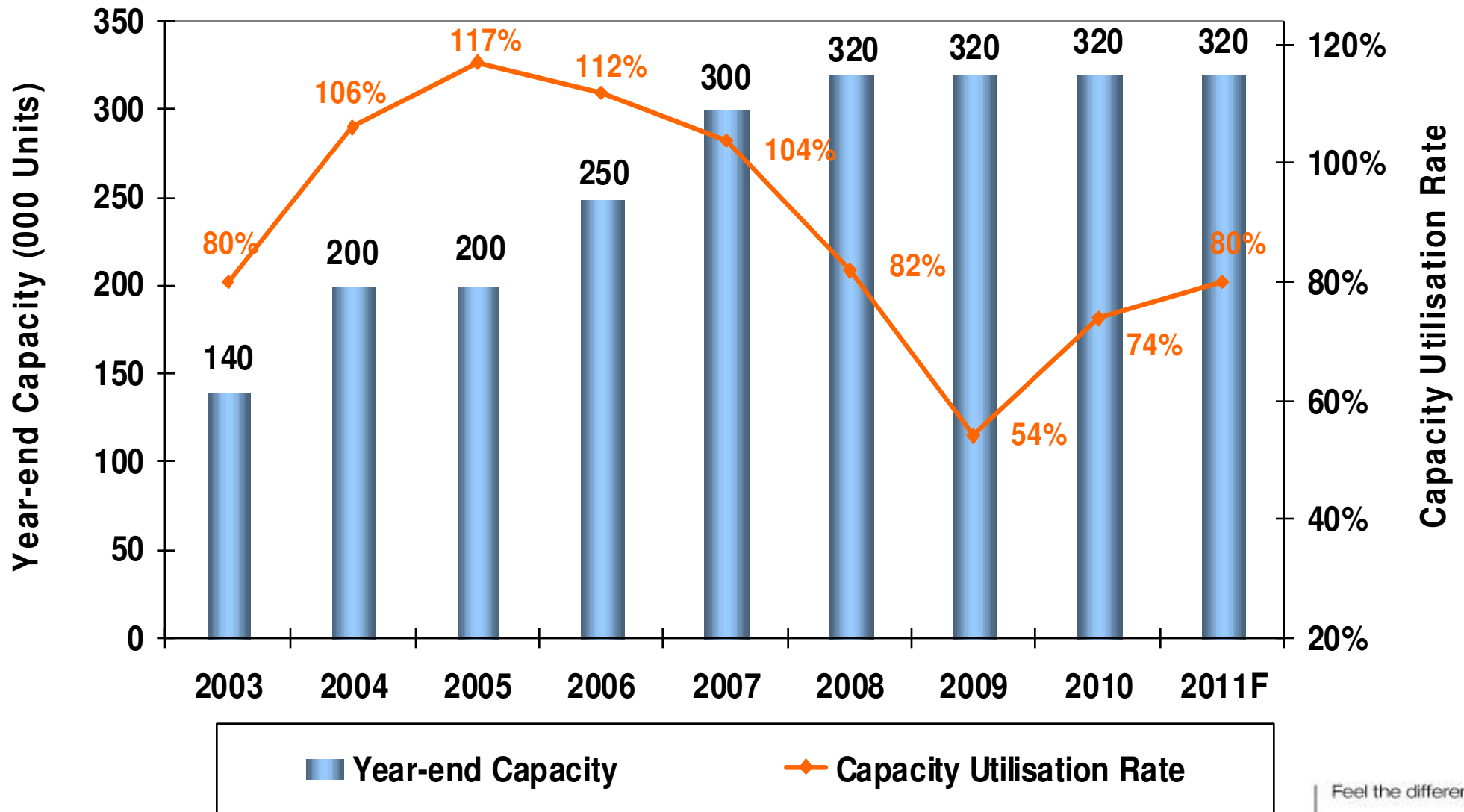


Sales: 116

After-Sales: 192

Total Dealer: 211

# ➤ Kocaeli Plant Capacity Utilisation Rate





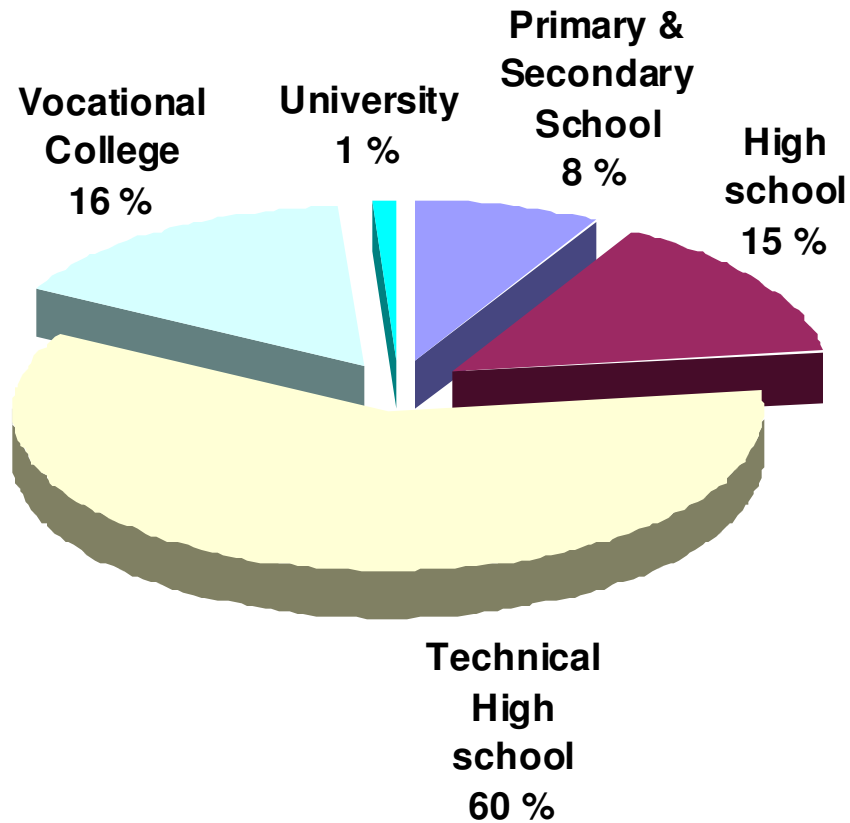
# ➤ Commercial Vehicle Product Development and Engineering Capabilities

## ➤ Gebze Engineering Facility in Turkey

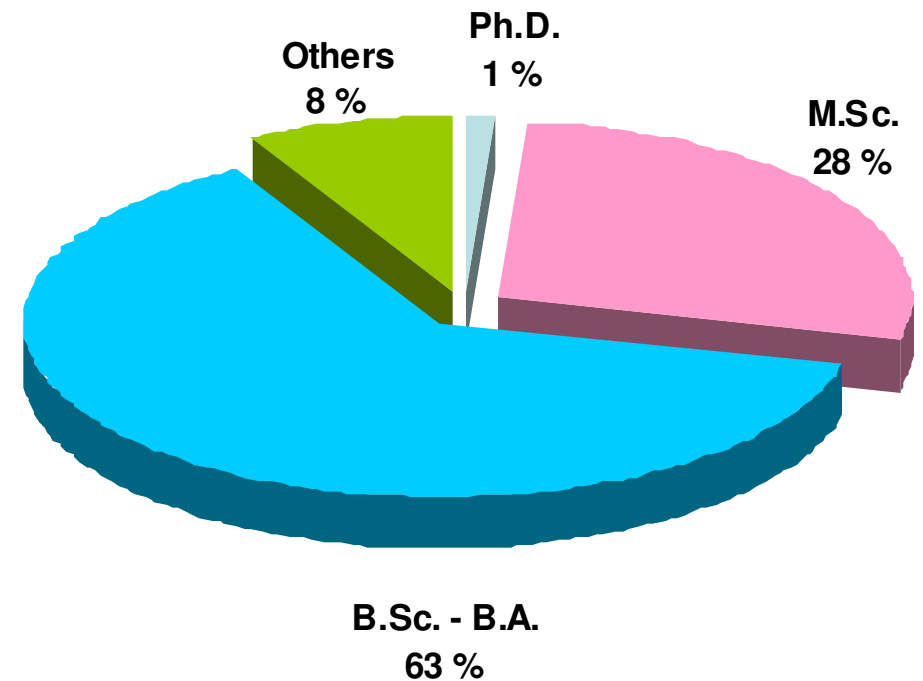
- Ford Otosan is integrated into Ford's global PD organisation
- This facility underlines Ford's commitment to Turkey as an excellent environment for business and a rich source of well-educated engineering talent
- Ford Otosan's PD operations have further planned expansion

# ➤ Experienced and Skilled Workforce

BLUE COLLAR



WHITE COLLAR

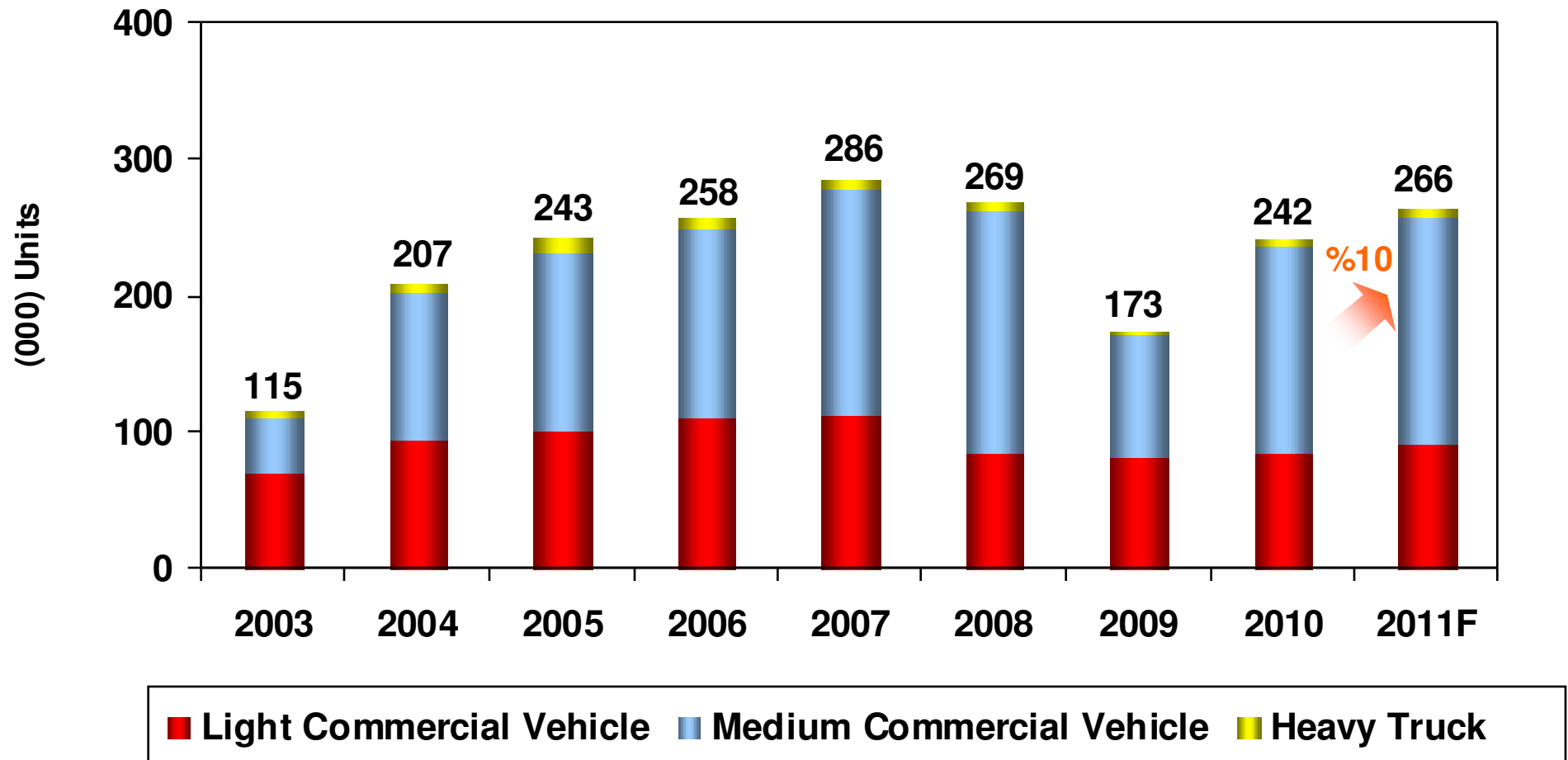


# ➤ Strong Corporate Governance

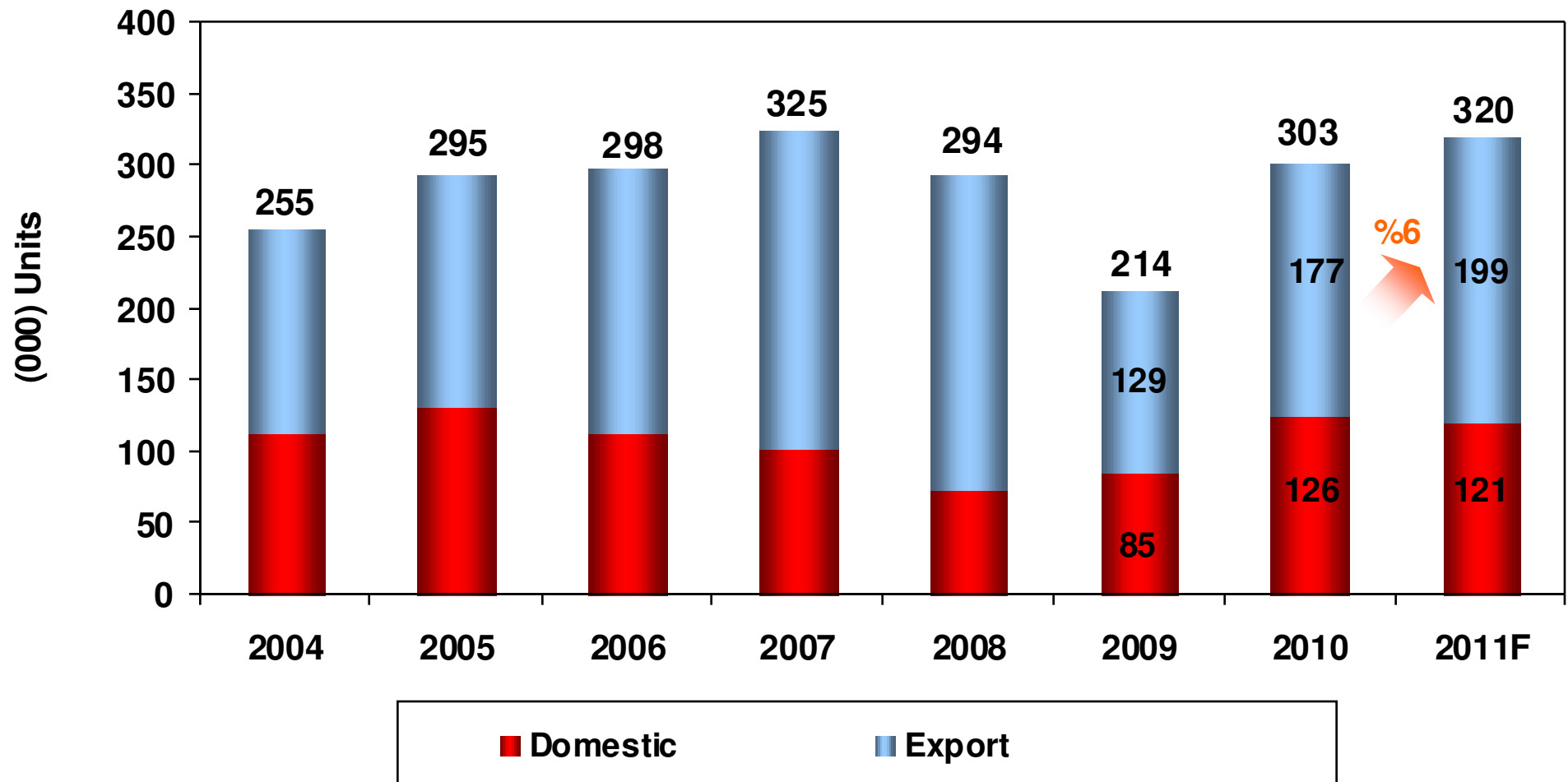
- ✓ Transparent Investor Relations
- ✓ Meets Capital Market Board Governance Rules
- ✓ Corporate Disclosure Policy
- ✓ Executive and Audit Committees

# **KEY OPERATING DATA**

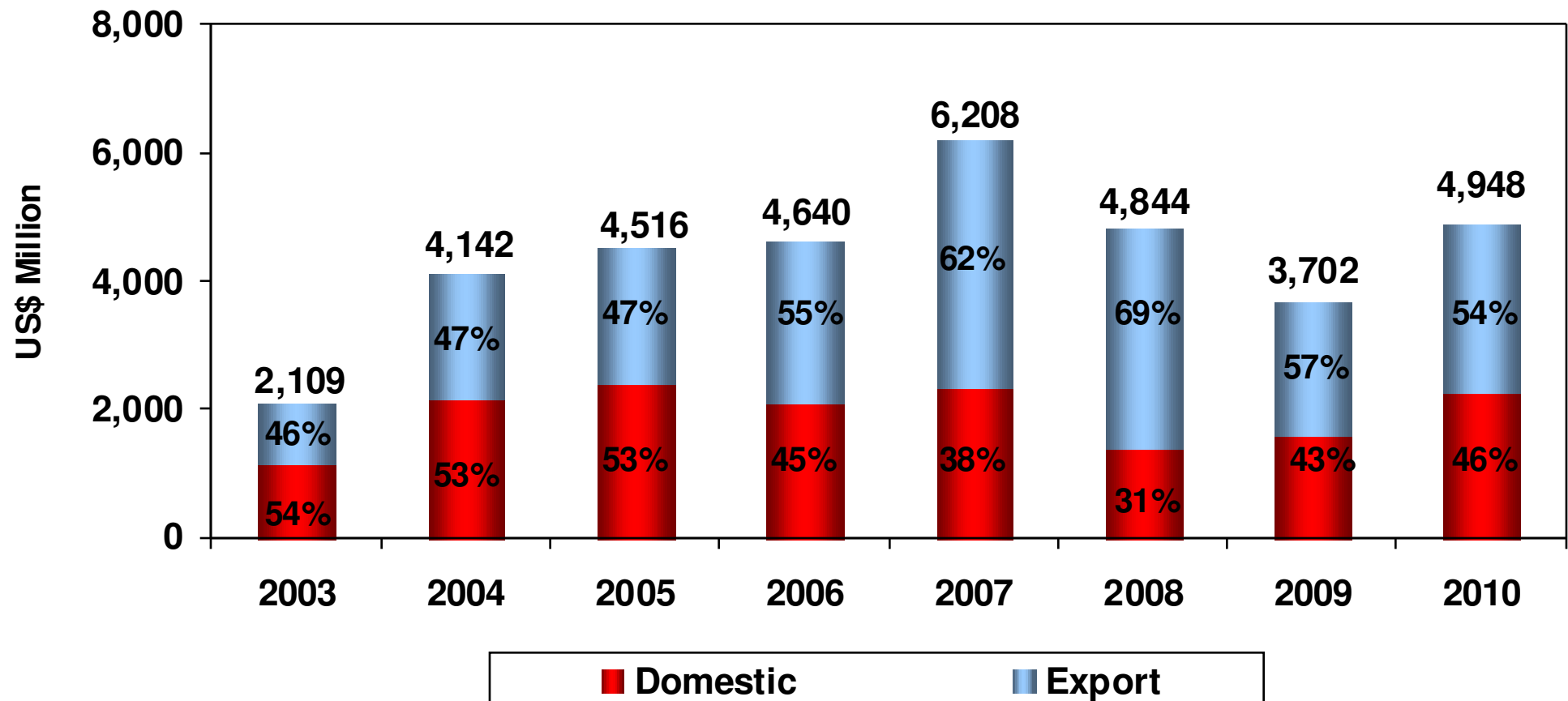
# Production Volume



# Wholesales Volume – Domestic / Export

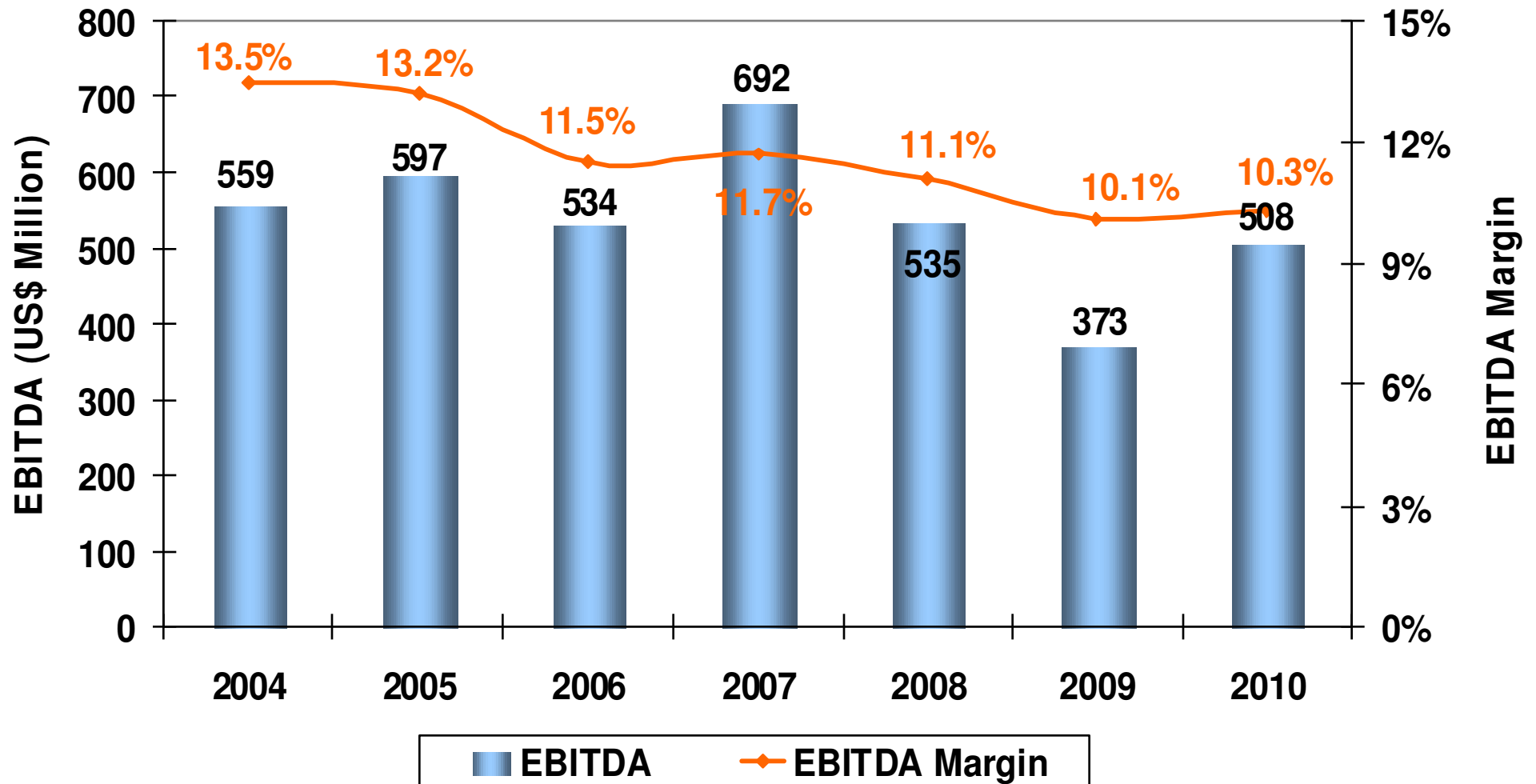


# Revenue – Domestic / Export

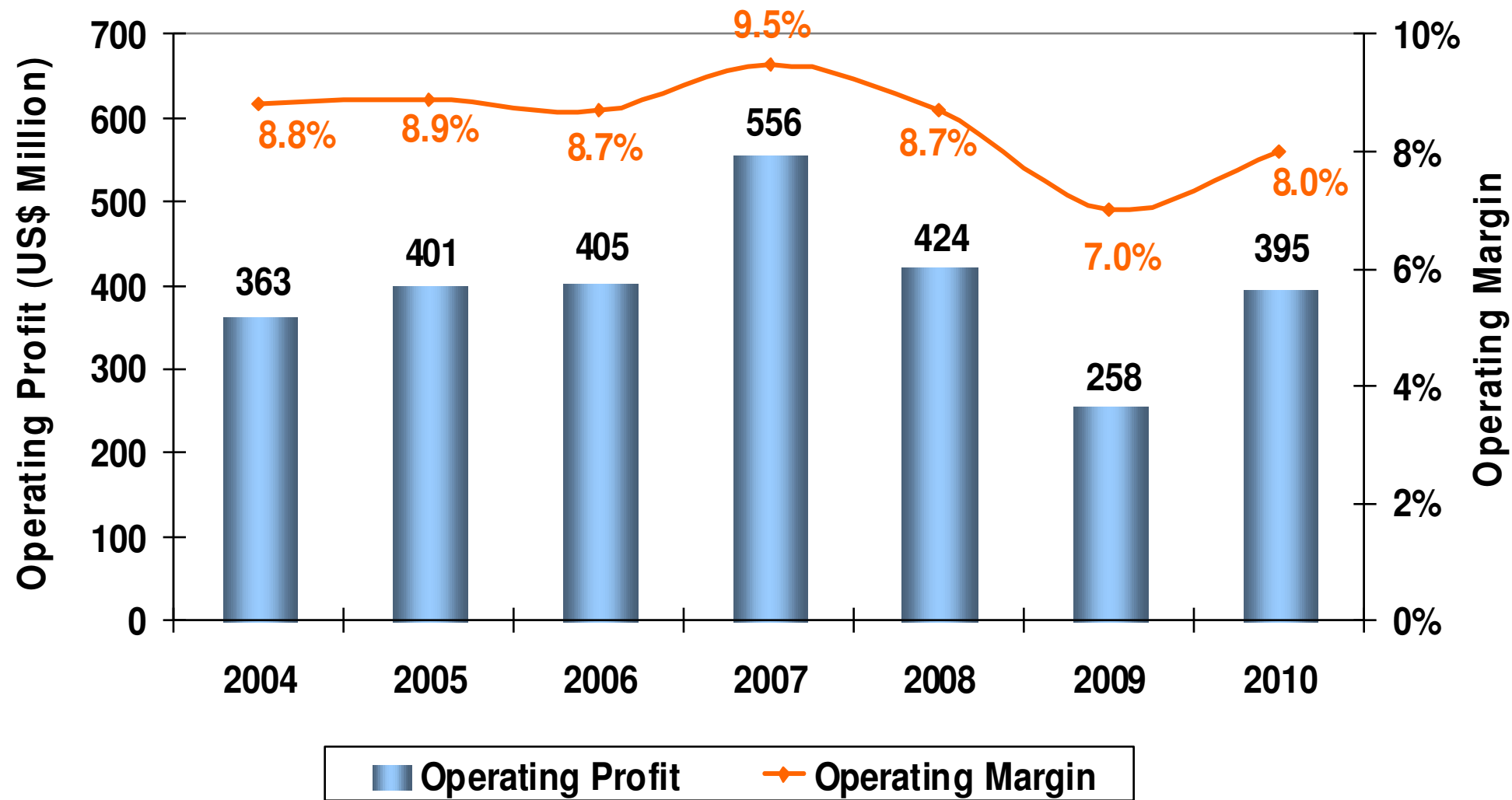




# EBITDA and EBITDA Margin

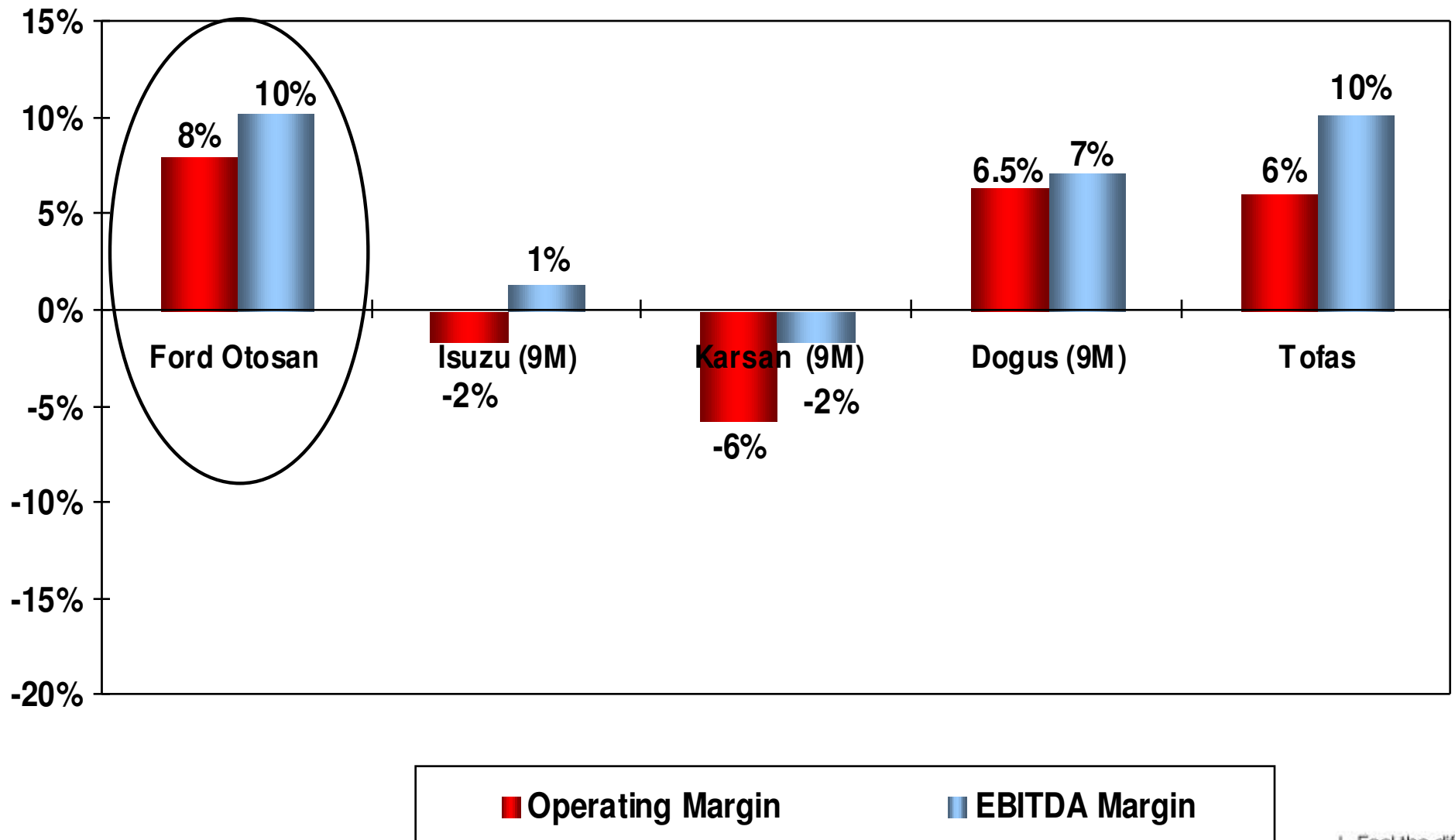


# Operating Profit and Operating Margin

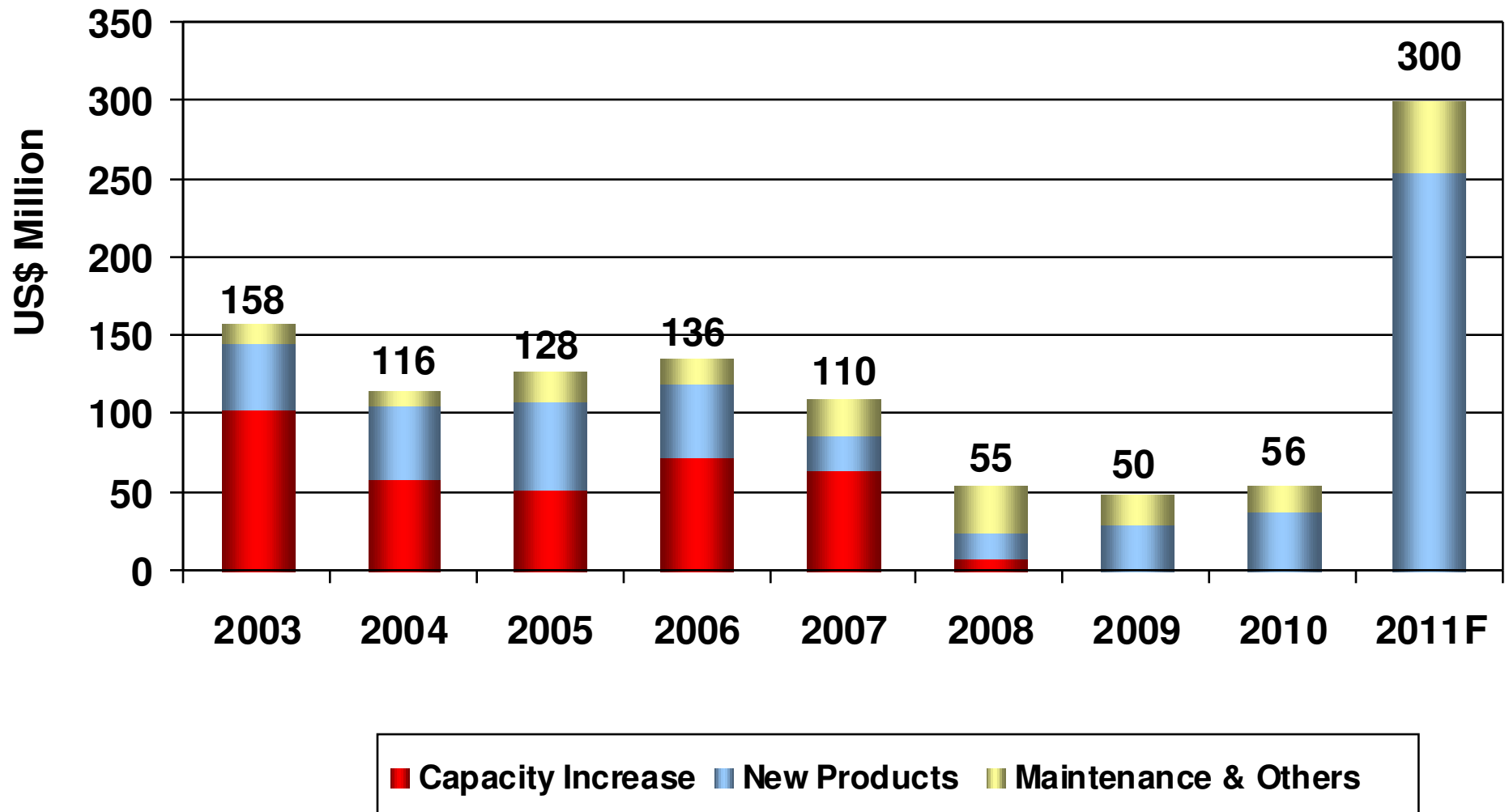


# Margin Comparison with Peers at ISE

## 2010



# CAPEX

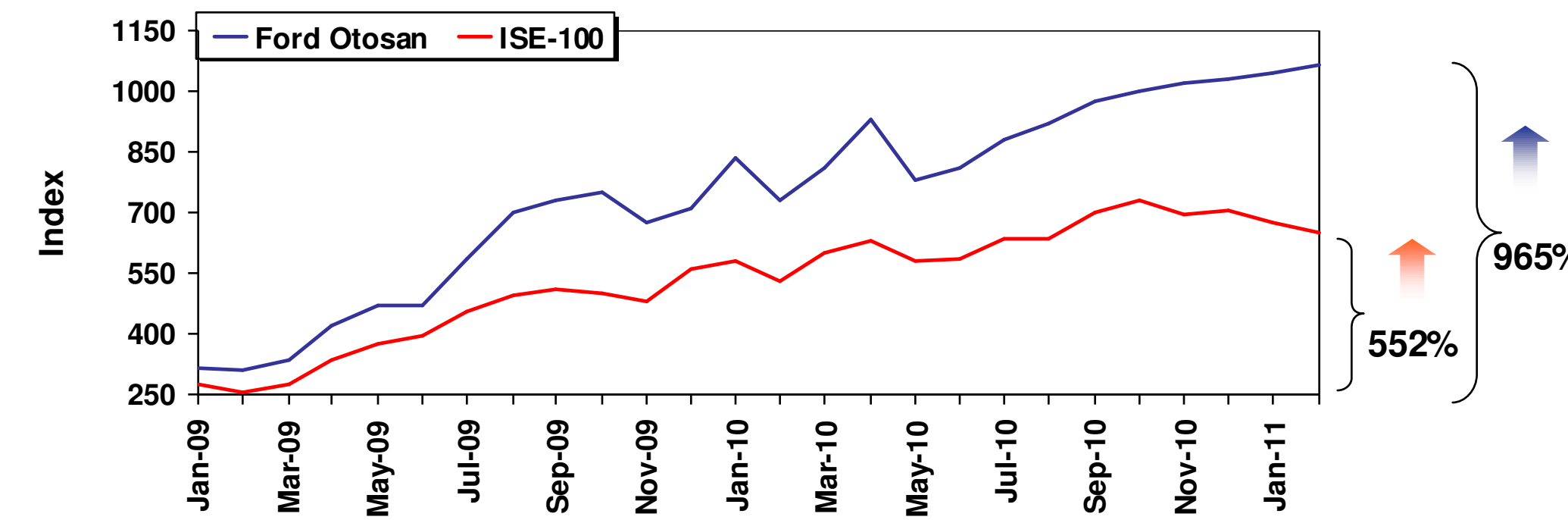


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# **ISTANBUL STOCK EXCHANGE PERFORMANCE**

# ISE & FROTO Index

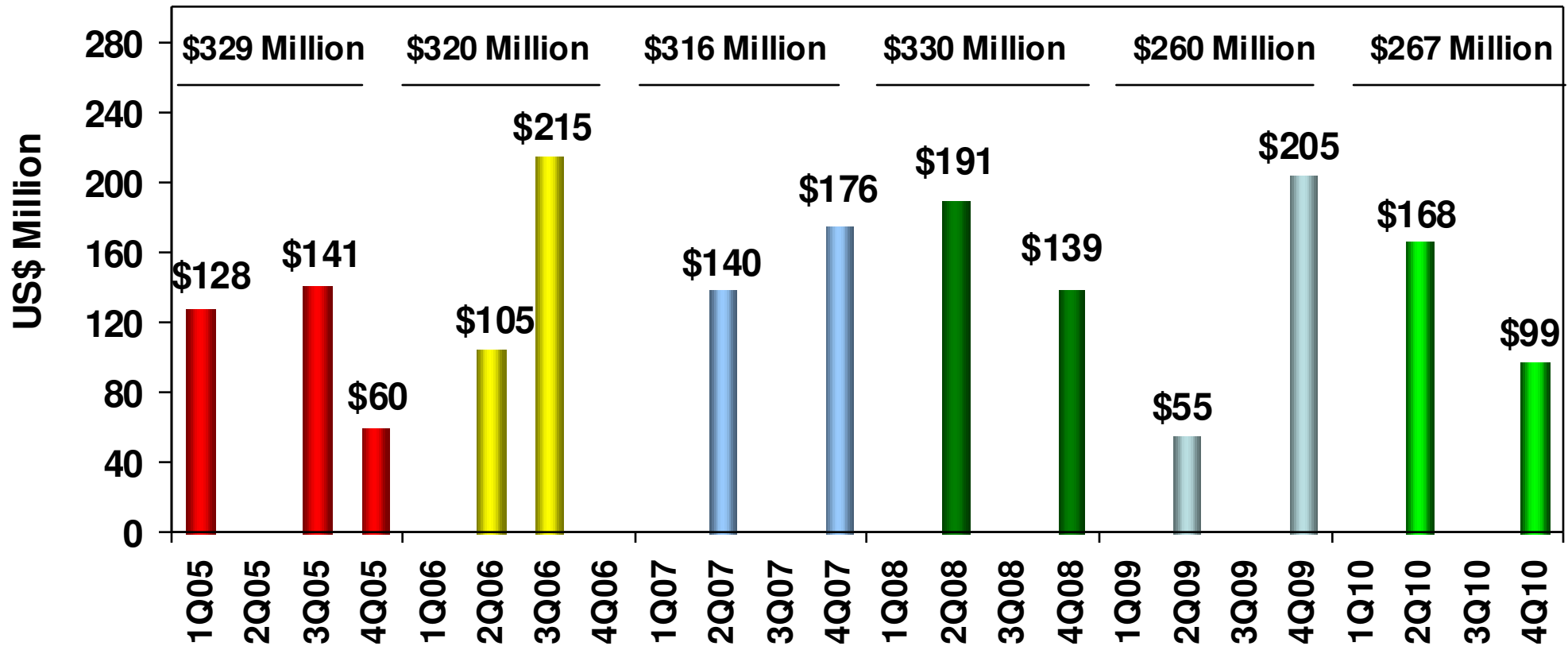


	2003	2004	2005	2006	2007	2008	2009	2010	28 Feb 2011
FROTO Cumulative Change(%)	%241	%303	%510	%564	%671	%223	%611	%926	%965
ISE-100 Cumulative Change(%)	%97	%165	%323	%316	%490	%186	%462	%602	%552



# High Dividend in the Last Years

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





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*Thank you...*

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