

**FORD OTOSAN**

**INVESTOR PRESENTATION**

**JUNE 2011**

# Agenda

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

# Investor Presentation

June 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

7,590+

White Collar Employees

1,970+

Ownership

41% Ford Motor Company

41% Koc Holding

18% Publicly-owned

2010 Net Sales

\$ 4.9 Billion

Market Cap (as of May 31, 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

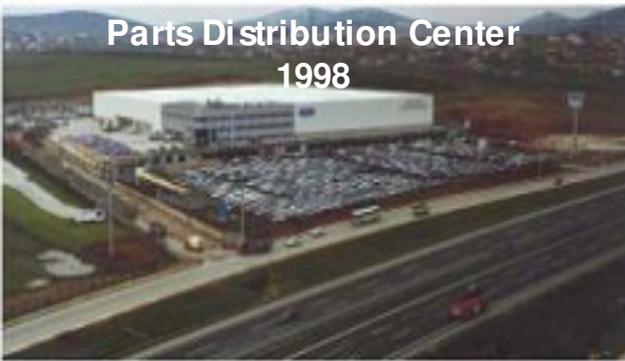
# Achievements

- ✓ 3rd biggest Turkish exporter company in 2010
- ✓ Domestic Market Leader for the 9th 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



## Inönü 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
- 540+ 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

✓ 2nd in the Domestic Market in 2010: 10.8% market share



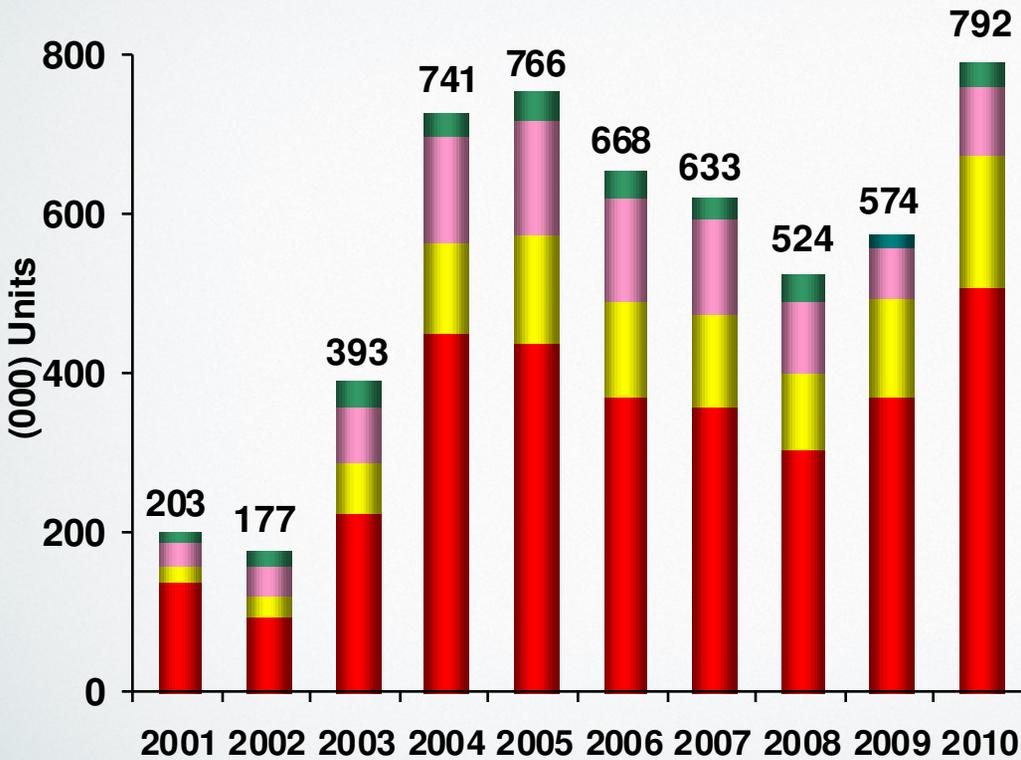
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# TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

# Turkish Automotive Industry

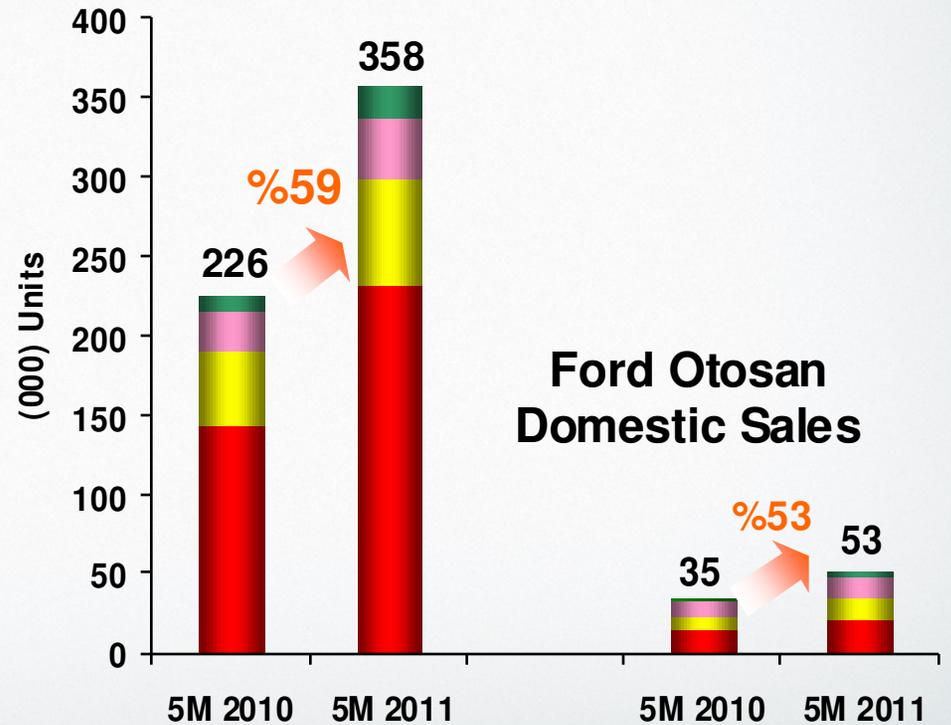
Automotive Industry



■ Car      ■ Light Commercial Vehicle  
■ Medium Commercial Vehicle    ■ Heavy Commercial Vehicle

5M 2010 / 5M 2011

Automotive Industry

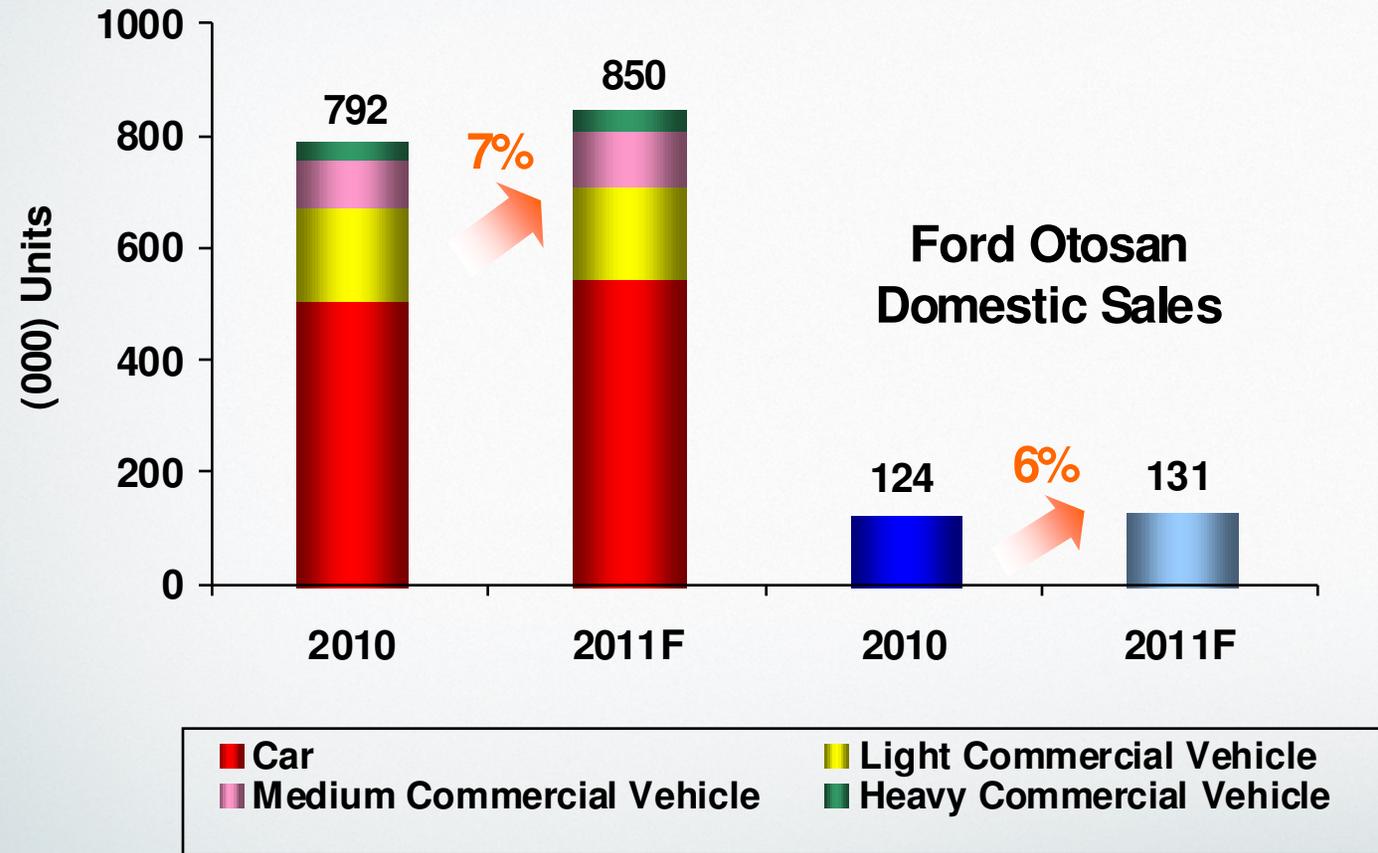


**Ford Otosan  
Domestic Sales**

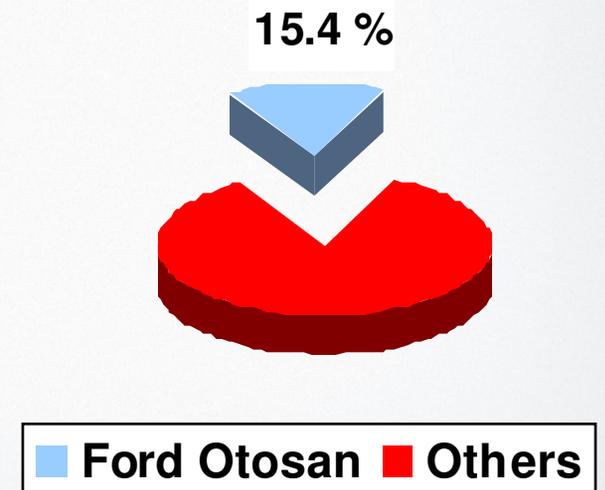
■ Car      ■ Light Commercial Vehicle  
■ Medium Commercial Vehicle    ■ Heavy Commercial Vehicle

# 2011 Outlook

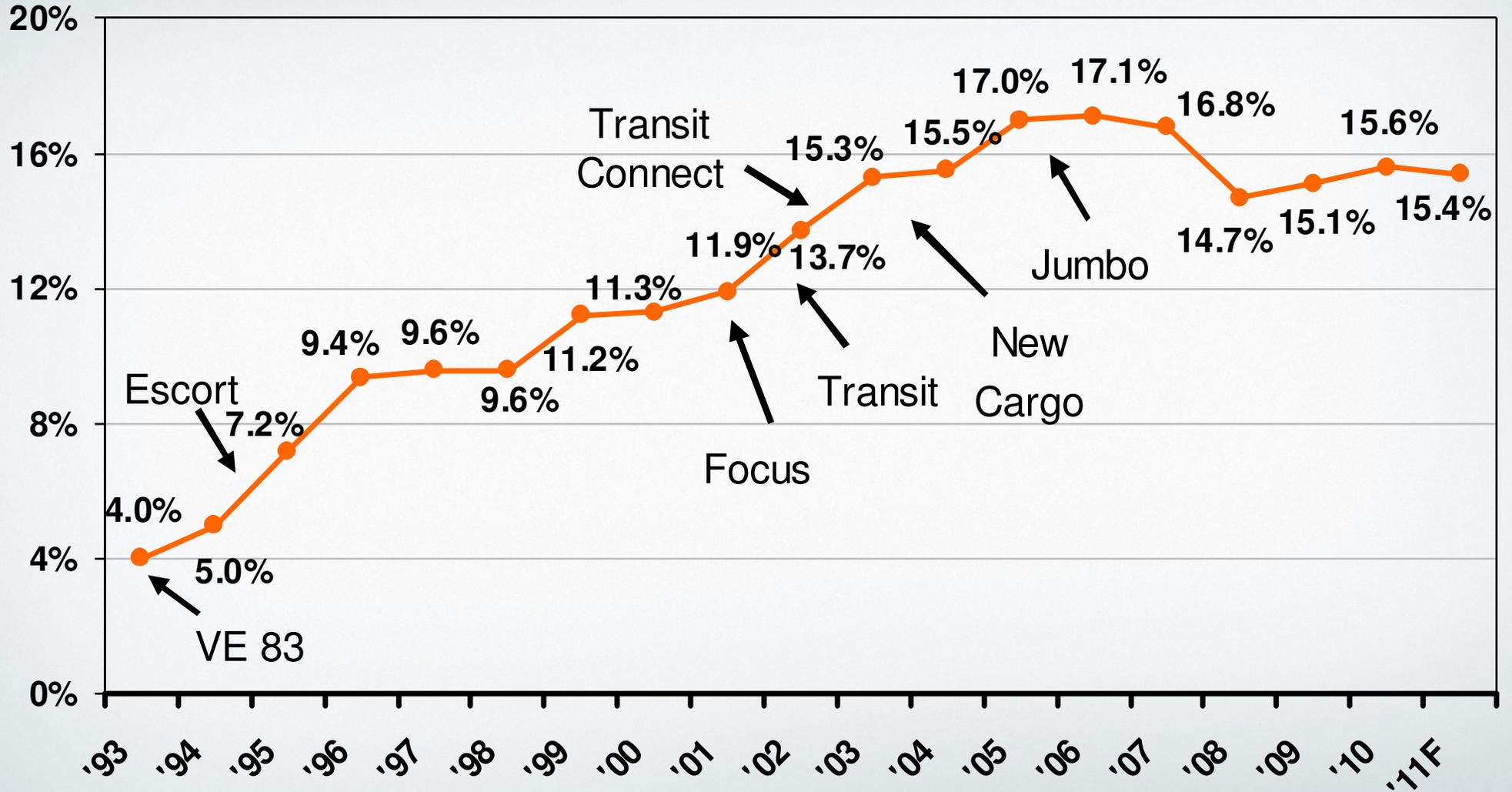
## 2011 Market Outlook



## Market Share Forecast for 2011 FY



# Ford Otosan Market Share

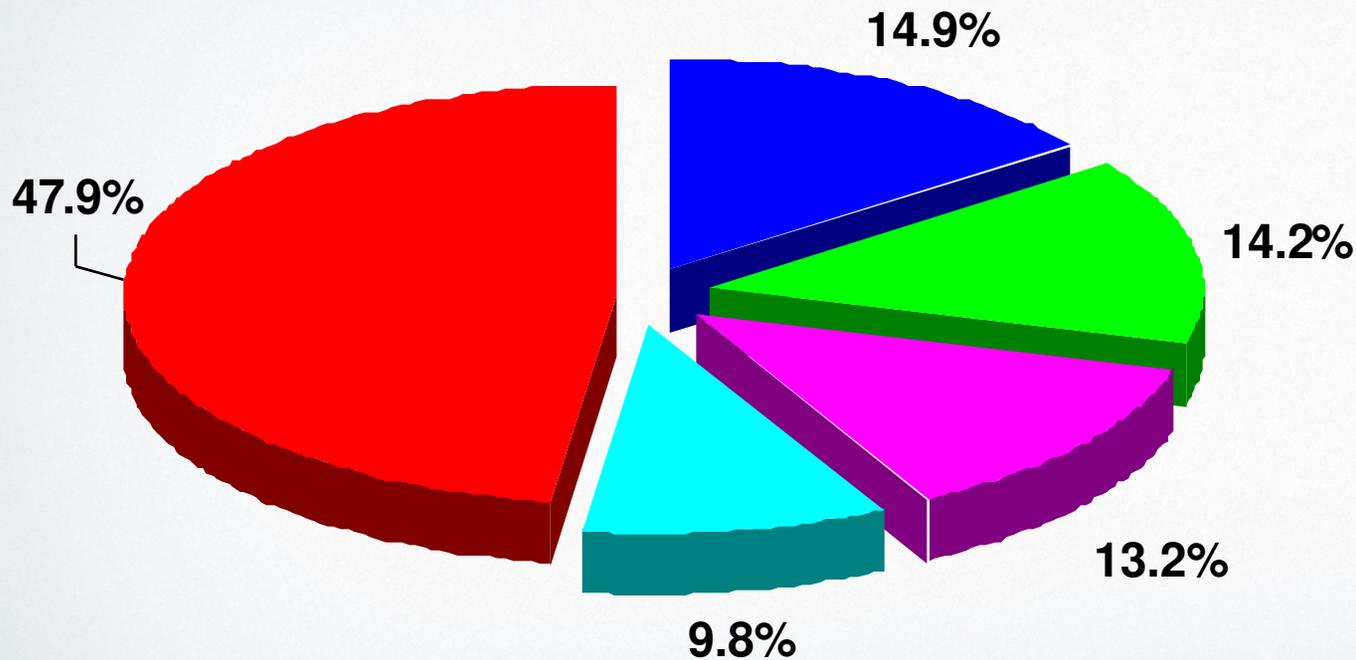


# Market Shares

	May YTD 2011		2010 FY	
	Market Share	Rank	Market Share	Rank
Total Automotive Industry	14.9%	1	15.6%	1
Passenger Car	10.1%	3	10.8%	2
LCV	19.5%	2	19.5%	2
MCV	33.5%	1	36.9%	1
Heavy Truck	21.7%	2	18.3%	2

# Market Share in Total Automotive Industry

May YTD 2011



**FORD**  
OTOSAN

Market Share

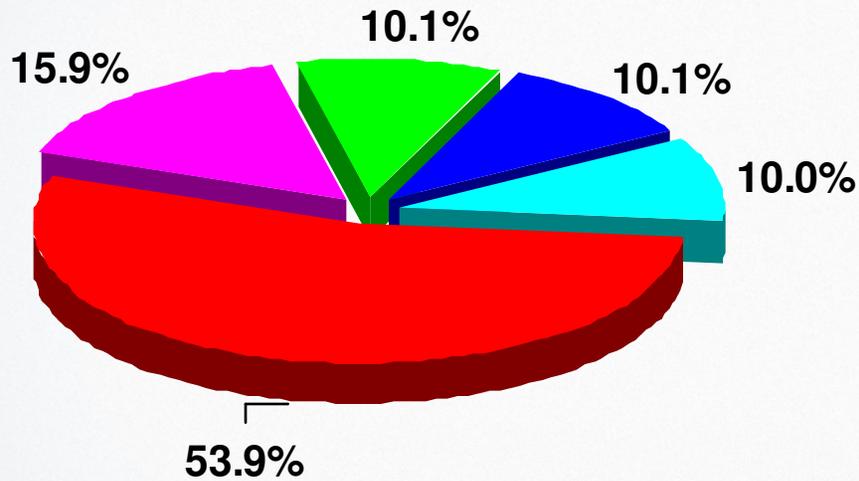
↓ 0.6 Pts. YoY



# Market Shares

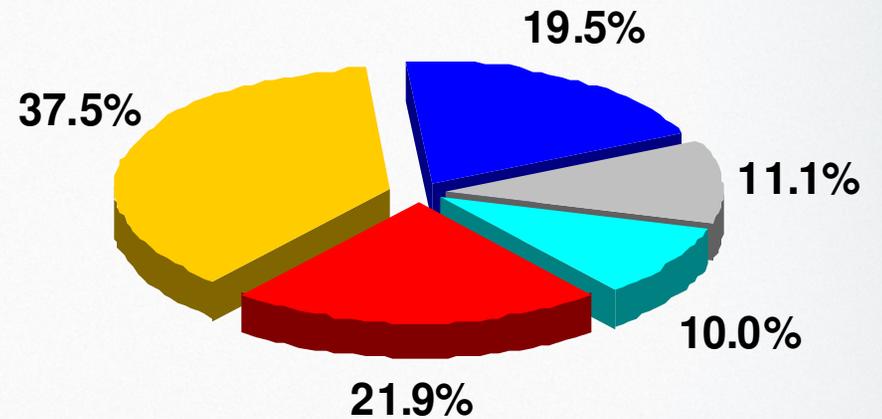
May YTD 2011

## Passenger Car



↔ YoY

## Light Commercial Vehicle

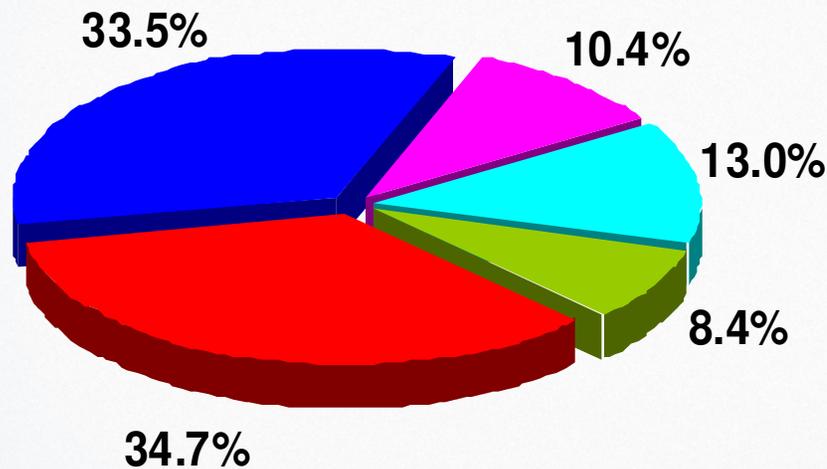


↓ 1.9 Pts. YoY

# Market Shares

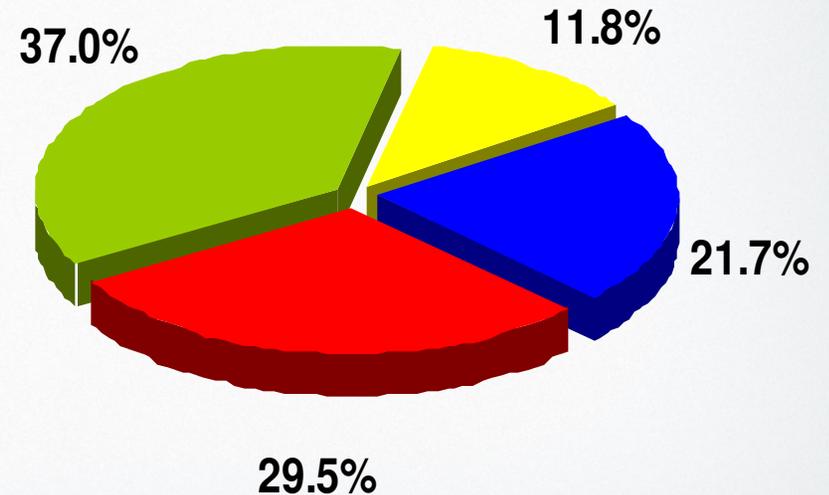
May YTD 2011

## Medium Commercial Vehicle



↓ 2.1 Pts. YoY

## Heavy Truck



↑ 7.8 Pts. YoY

# Taxes on Vehicle

Passenger Cars					Commercial Vehicles				
Engine Size	Model	VAT*	SCT**	TOTAL	Engine Size	Model	VAT*	SCT**	TOTAL
<1600 cm <sup>3</sup>	Fiesta	18%	37%	62%	<3000 cm <sup>3</sup>	Transit Van	18%	4%	23%
	Fusion					Connect Van			
	Focus					Ranger			
	Mondeo(1.6)				Minibus			29%	
1601- 2000	Mondeo(2.0)	18%	60%	89%	Transit Combi				
>2000		18%	84%	117%	Connect Combi	18%	10%		30%
					<b>Truck</b>				
					Cargo				
					18% 4% 23%				

\* VAT: Value Added Tax

\*\* SCT: Special Consumption Tax

**Commercial Vehicles are Taxed Lower than Cars**

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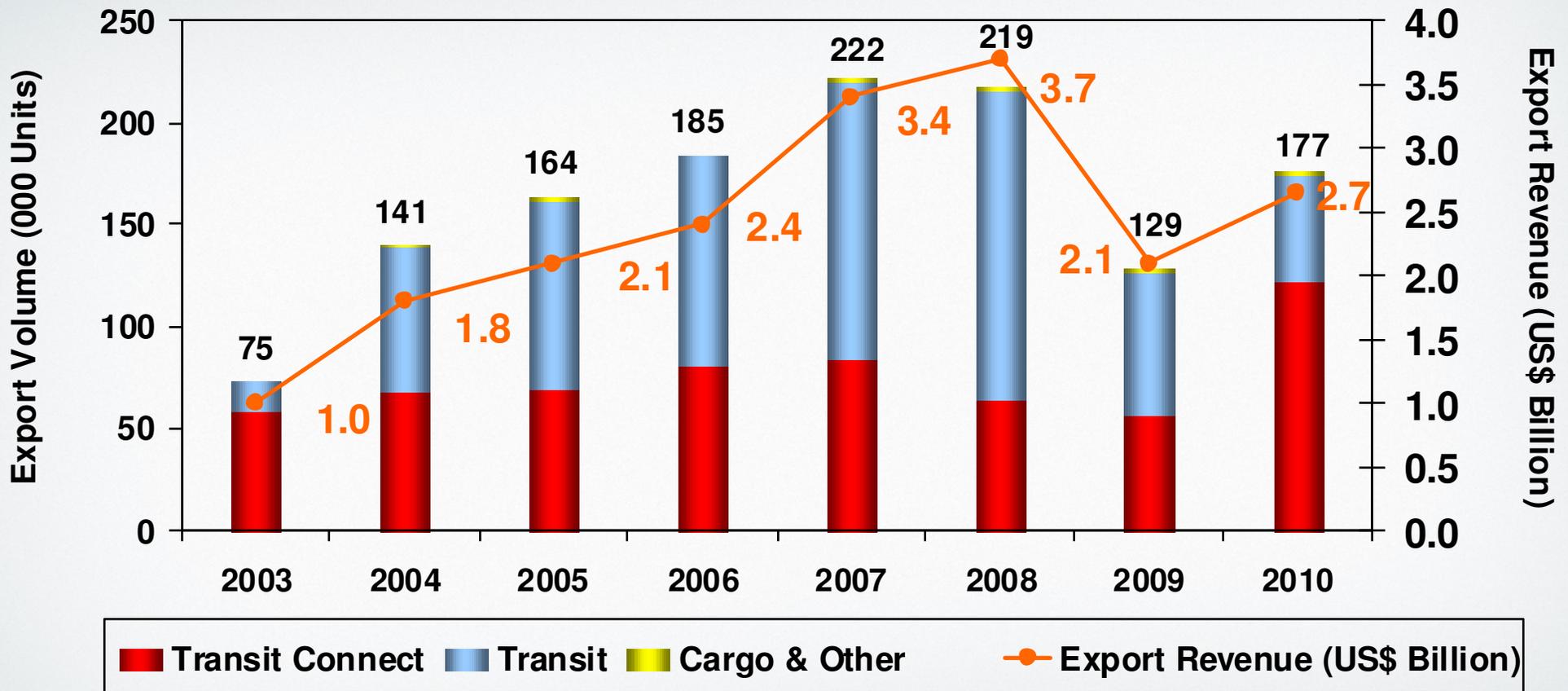
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## COMPETITIVE ADVANTAGES

# ➤ 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

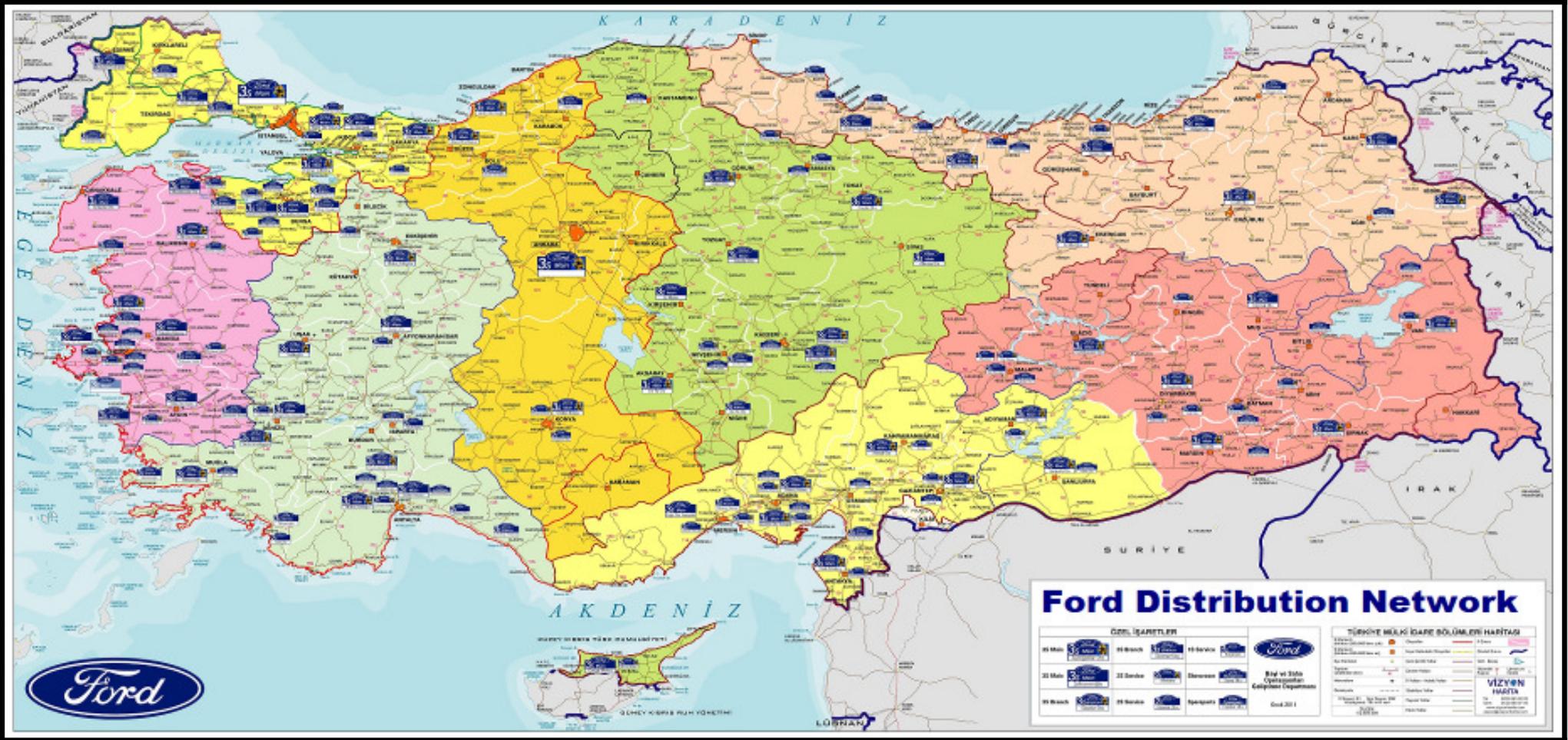


Know-How



Turkey's largest and most reputable group

# ➤ Strong Distribution Network

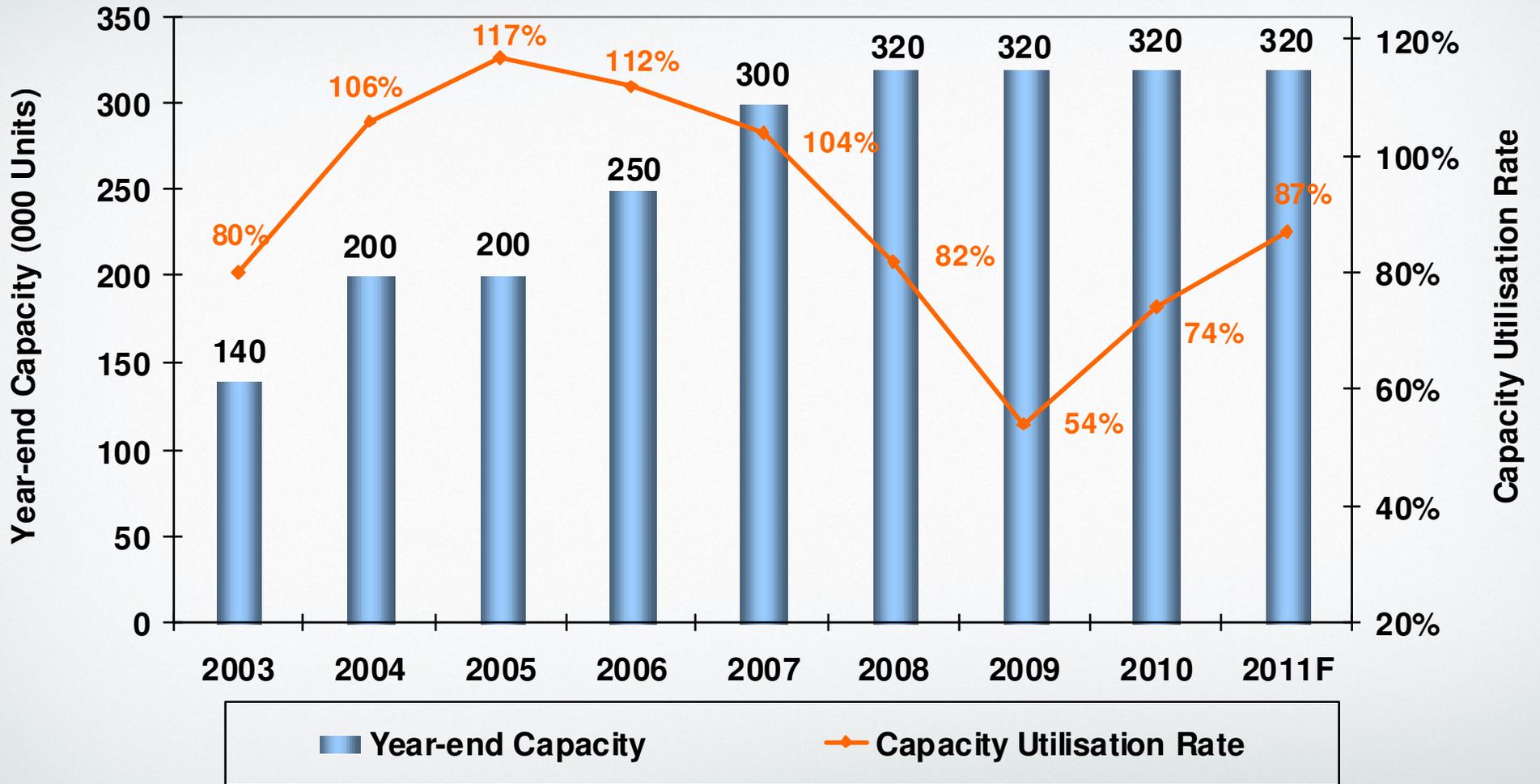


Sales: 117

After-Sales: 161

Total Dealer: 212

# ➤ Kocaeli Plant Capacity Utilisation Rate



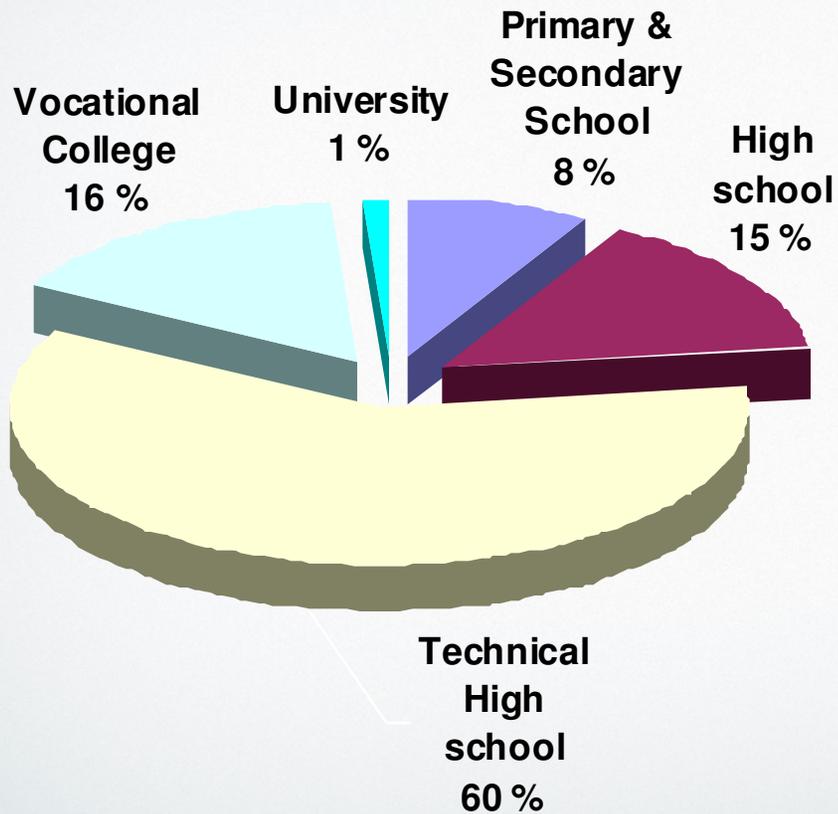
# ➤ Commercial Vehicle Product Development and Engineering Capabilities

## ➤ Gebze Engineering Facility in Turkey

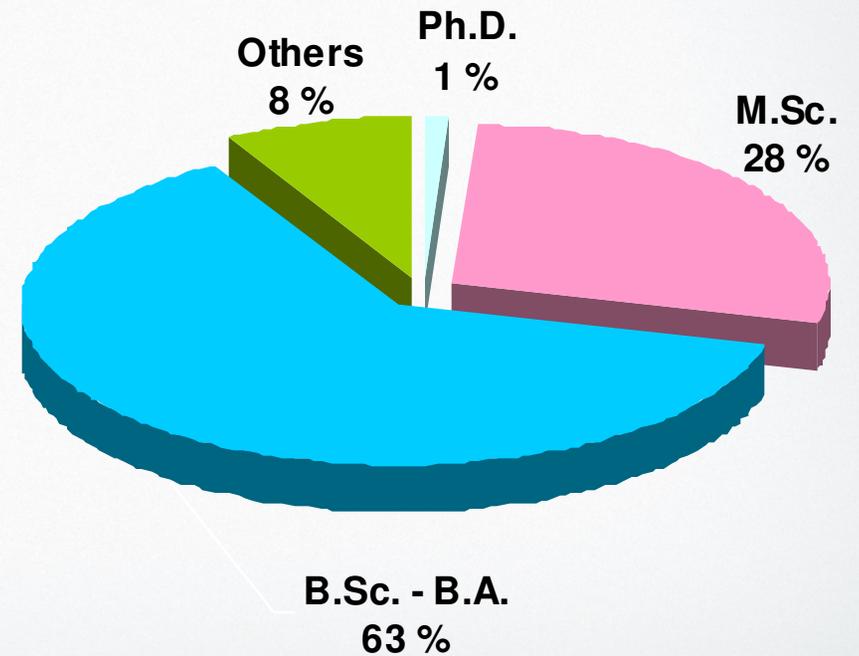
- Ford Otosan is integrated into Ford's global PD organisation
- This facility underlines Ford's commitment to Turkey as an excellent environment for business and a rich source of well-educated engineering talent
- Ford Otosan's PD operations have further planned expansion

# ➤ Experienced and Skilled Workforce

## BLUE COLLAR



## WHITE COLLAR



## ➤ Strong Corporate Governance

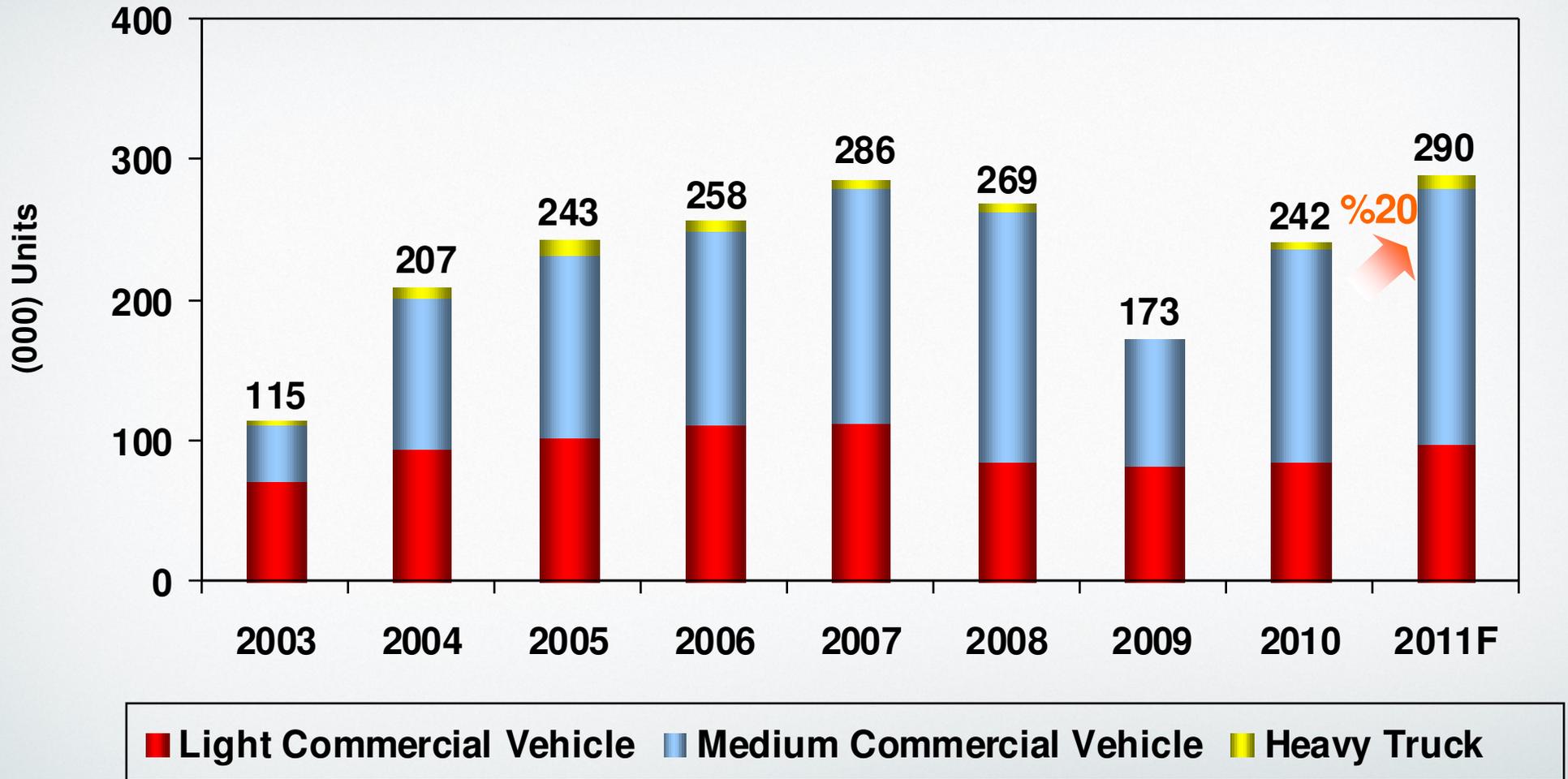
- ✓ Transparent Investor Relations
- ✓ Meets Capital Market Board Governance Rules
- ✓ Corporate Disclosure Policy
- ✓ Executive and Audit Committees

# Investor Presentation

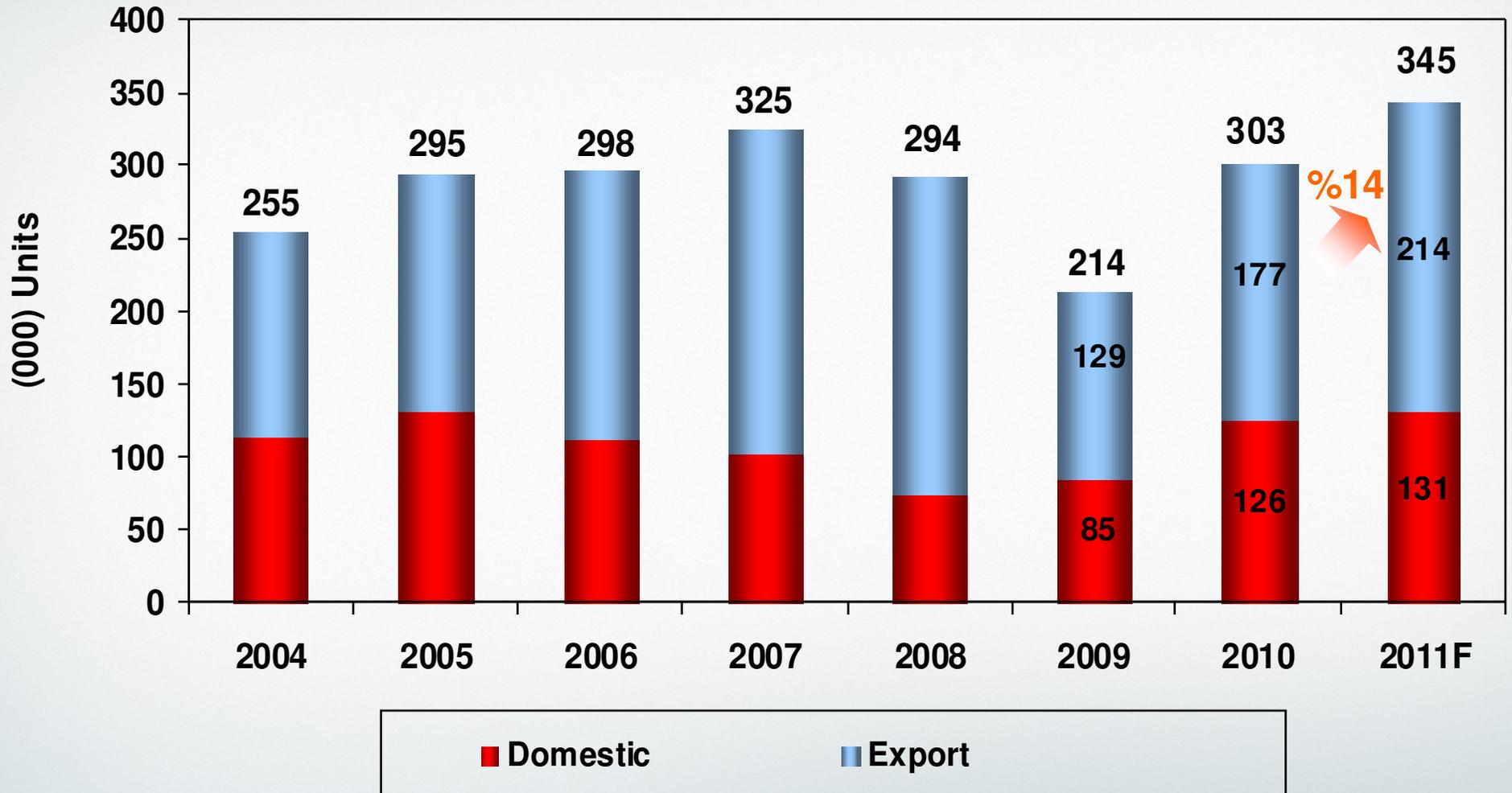
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## KEY OPERATING DATA

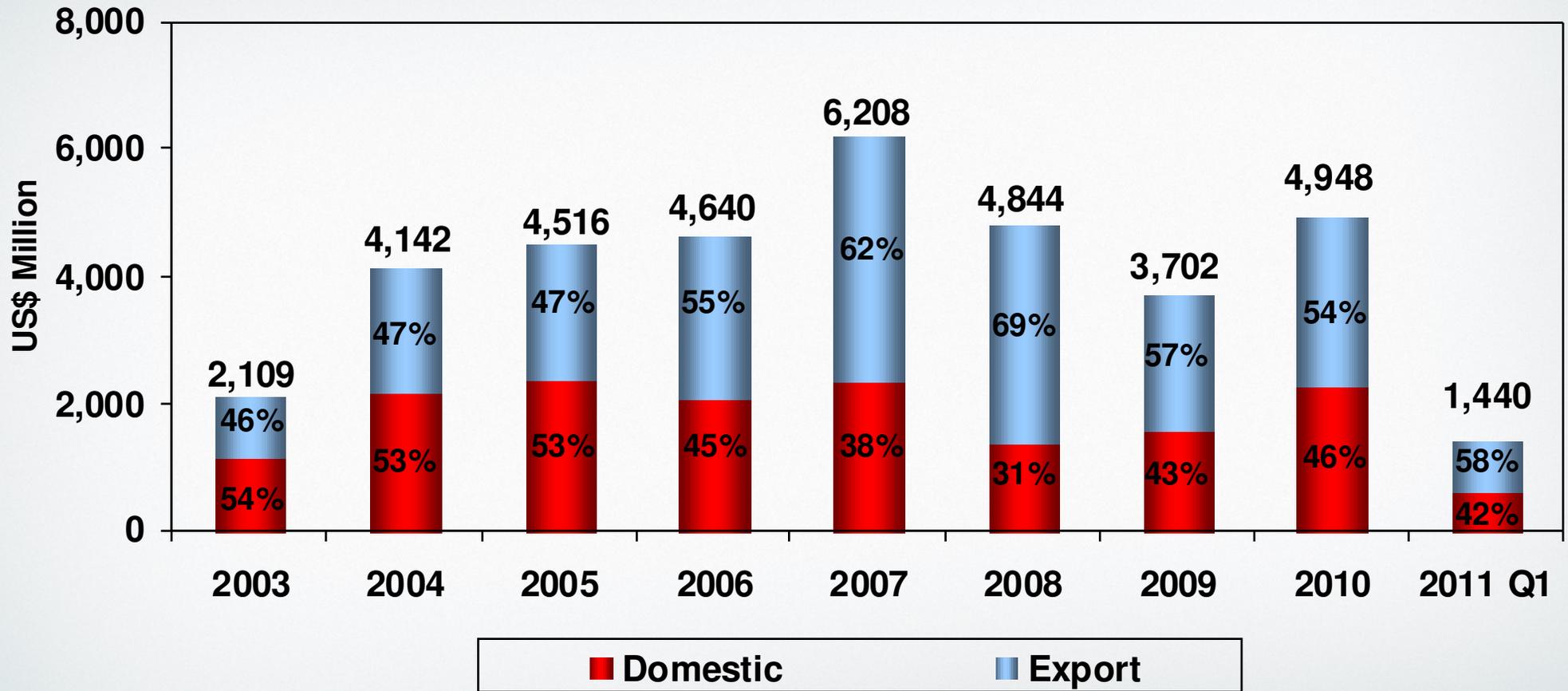
# Production Volume



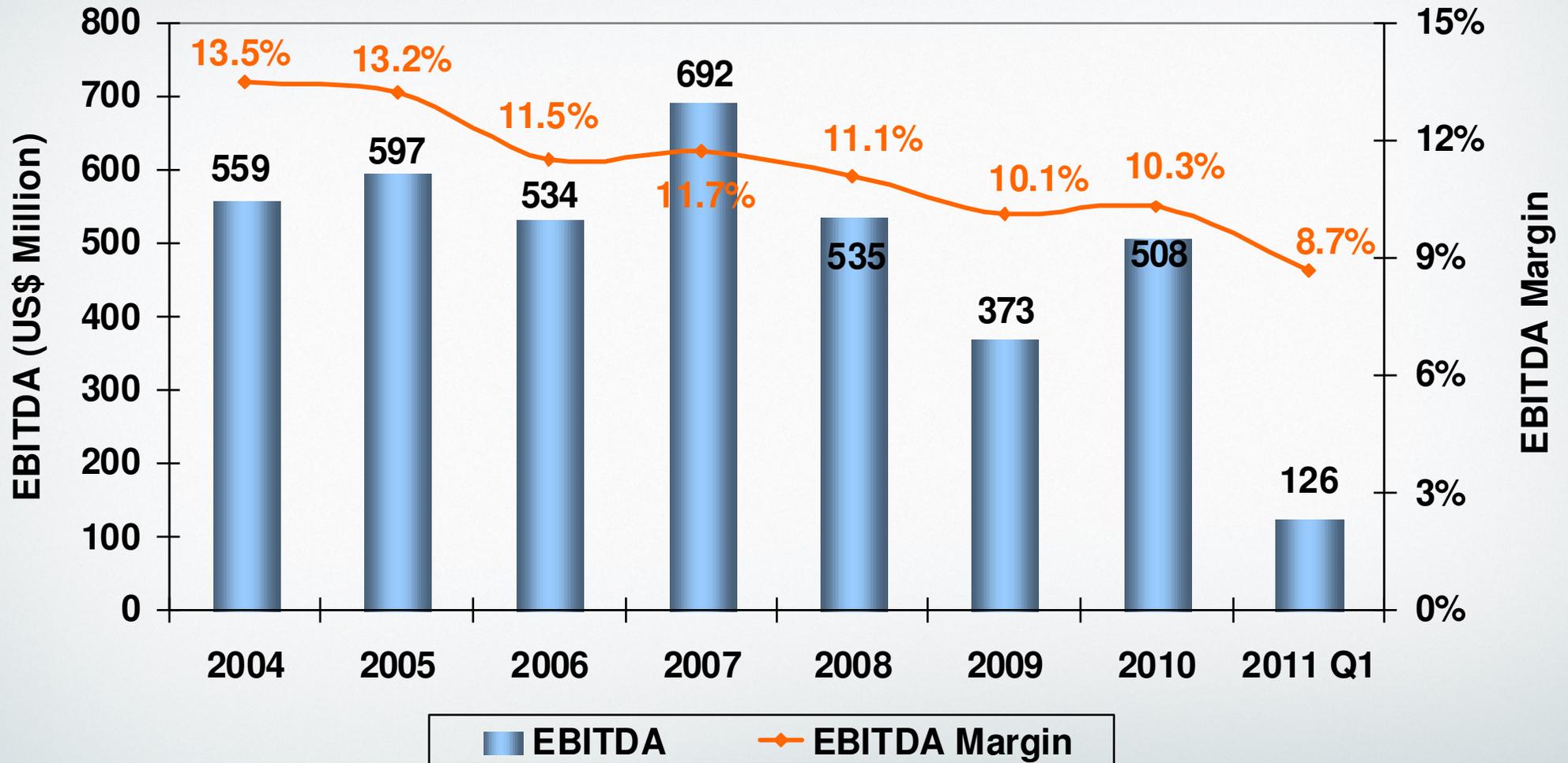
# Wholesales Volume – Domestic / Export



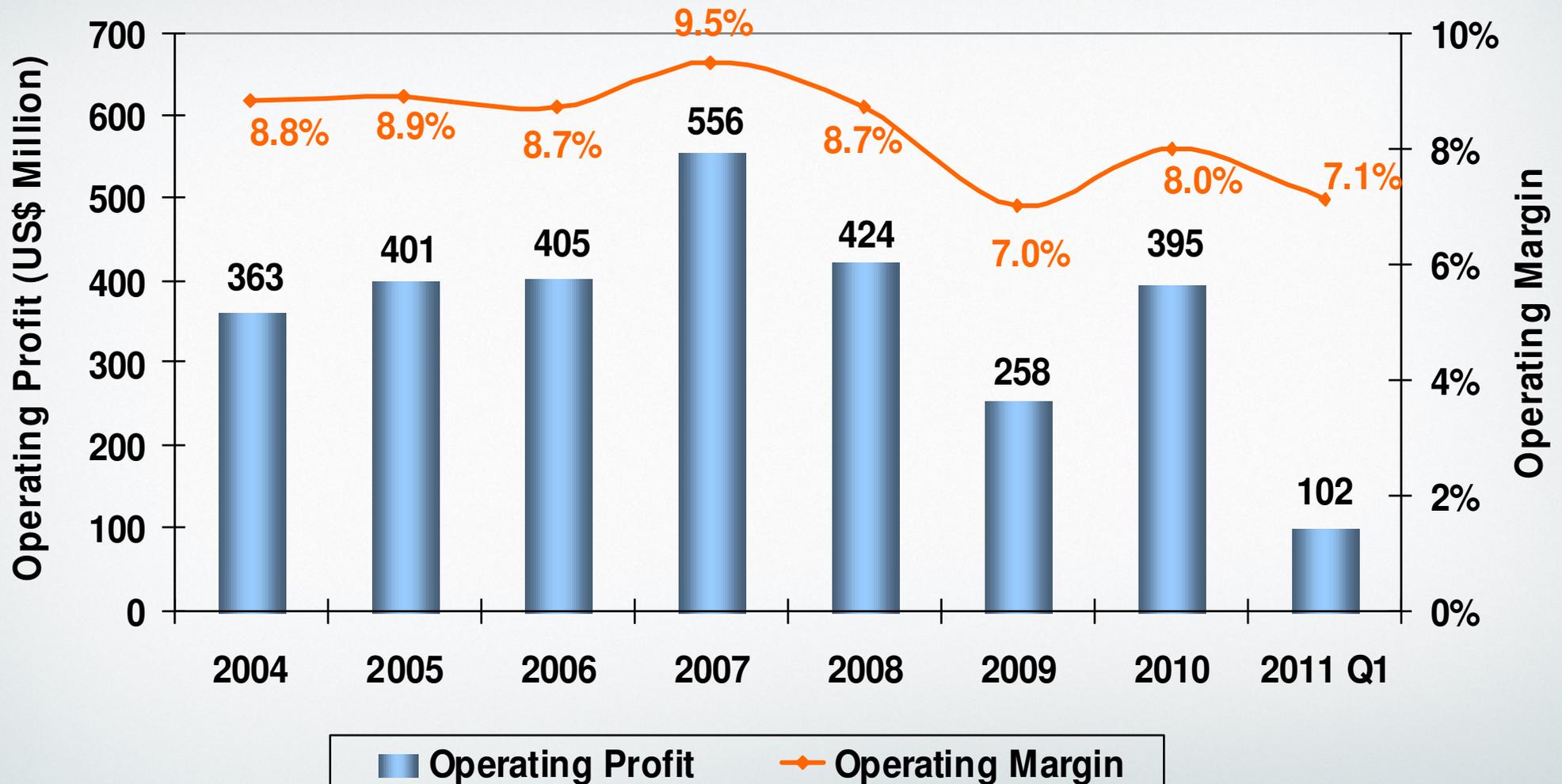
# Revenue - Domestic / Export



# EBITDA AND EBITDA Margin

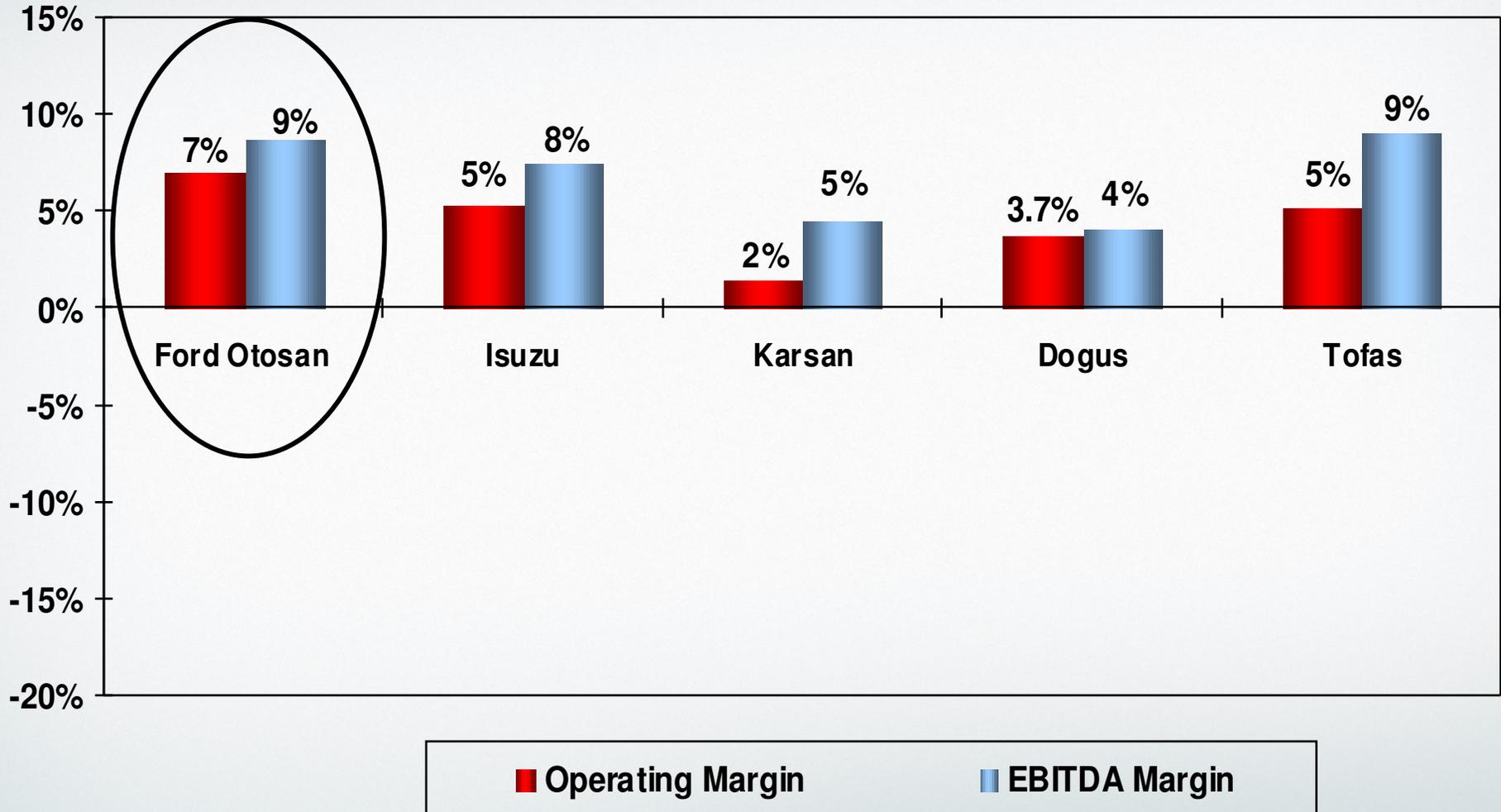


# Operating Profit and Operating Margin

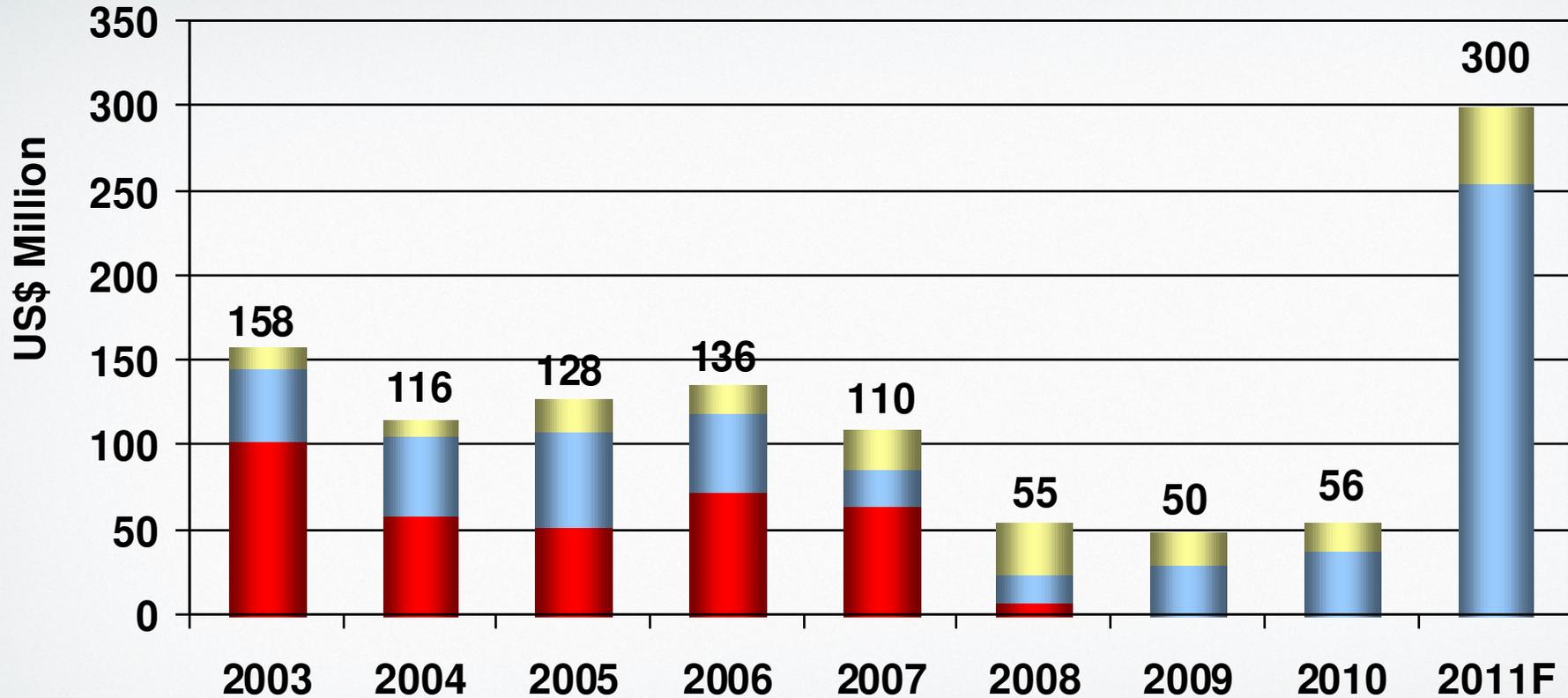


# Margin Comparison with Peers at ISE

2011 Q1



# CAPEX



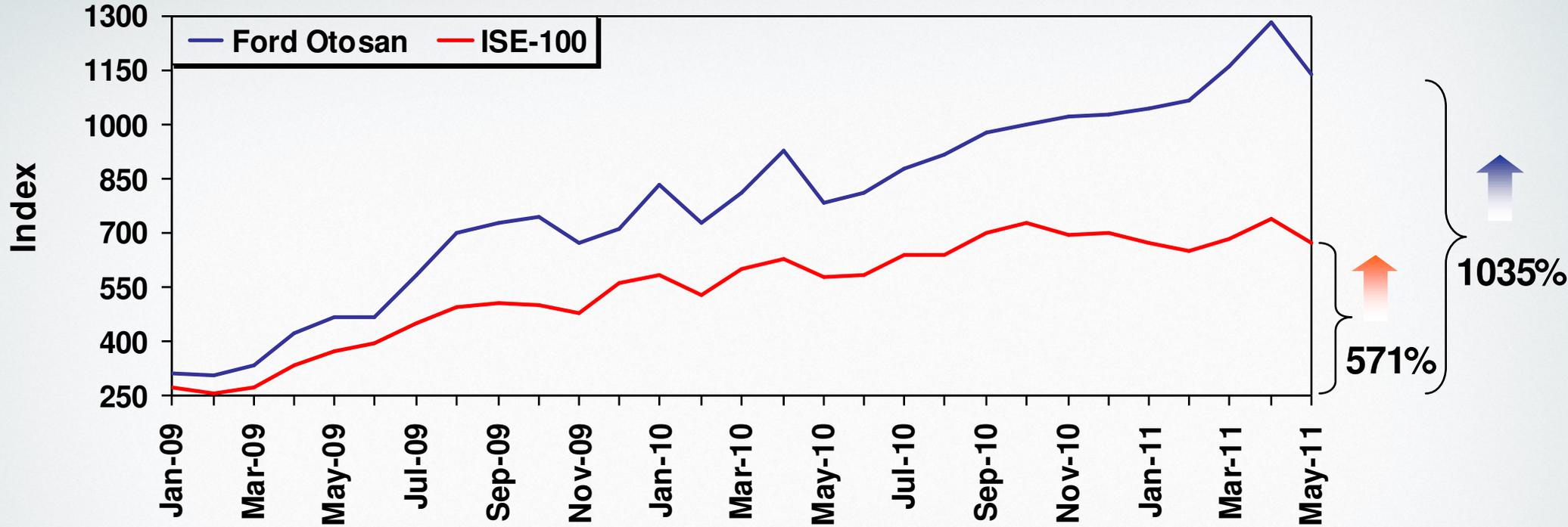
■ Capacity Increase ■ New Products ■ Maintenance & Others

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## ISTANBUL STOCK EXCHANGE PERFORMANCE

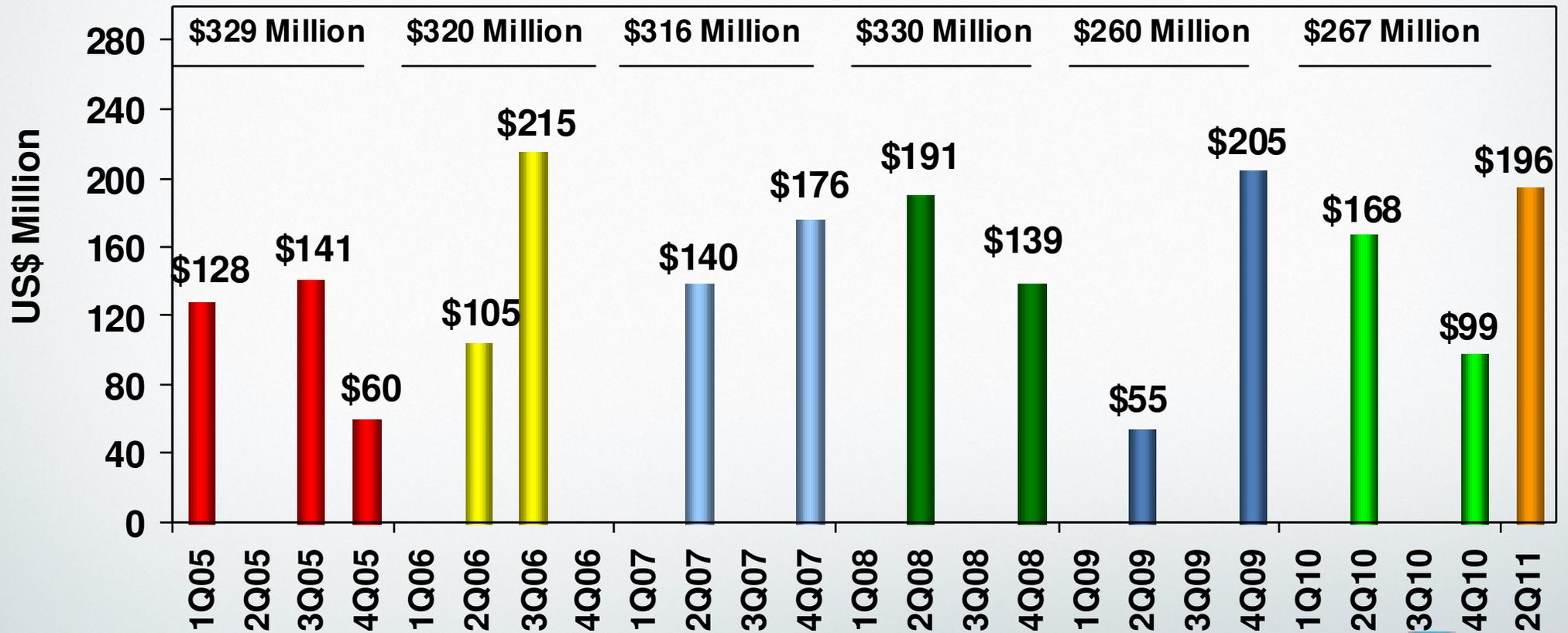
# ISE & FROTO Index



	2003	2004	2005	2006	2007	2008	2009	2010	31 May 2011
<b>FROTO</b> <b>Cumulative Change(%)</b>	%241	%303	%510	%564	%671	%223	%611	%926	<b>%1035</b>
<b>ISE-100</b> <b>Cumulative Change(%)</b>	%97	%165	%323	%316	%490	%186	%462	%602	<b>%571</b>

# High Dividend in the Last Years

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



Feel the difference

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