

# **FORD** OTOSAN

## **INVESTOR PRESENTATION**

### **AUGUST 2011**

# Agenda

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

# Investor Presentation

August 2011

## FORD OTOSAN OVERVIEW

# Company Overview

Mfg. & Assy. Facilities

Kocaeli Assembly  
Inonu Powertrain and Cargo Assembly

Parts Distribution

Kartal

Engineering Facility

Gebze

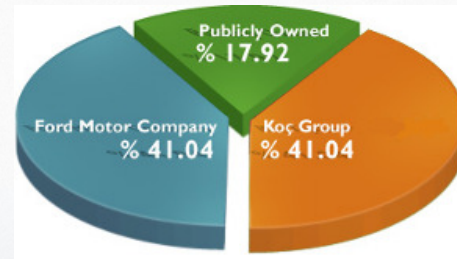
Blue Collar Employees

7,860+

White Collar Employees

2,040+

Ownership



2010 Net Sales

\$ 4.9 Billion

Market Cap (as of July 31, 2011)

\$ 2.8 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



Feel the difference

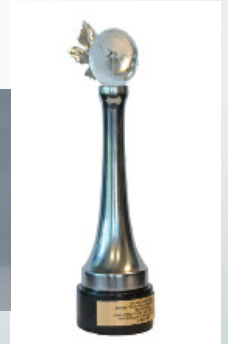


# Achievements



- ✓ 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)

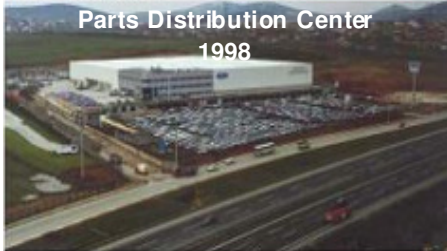


Feel the difference

# Plant Locations



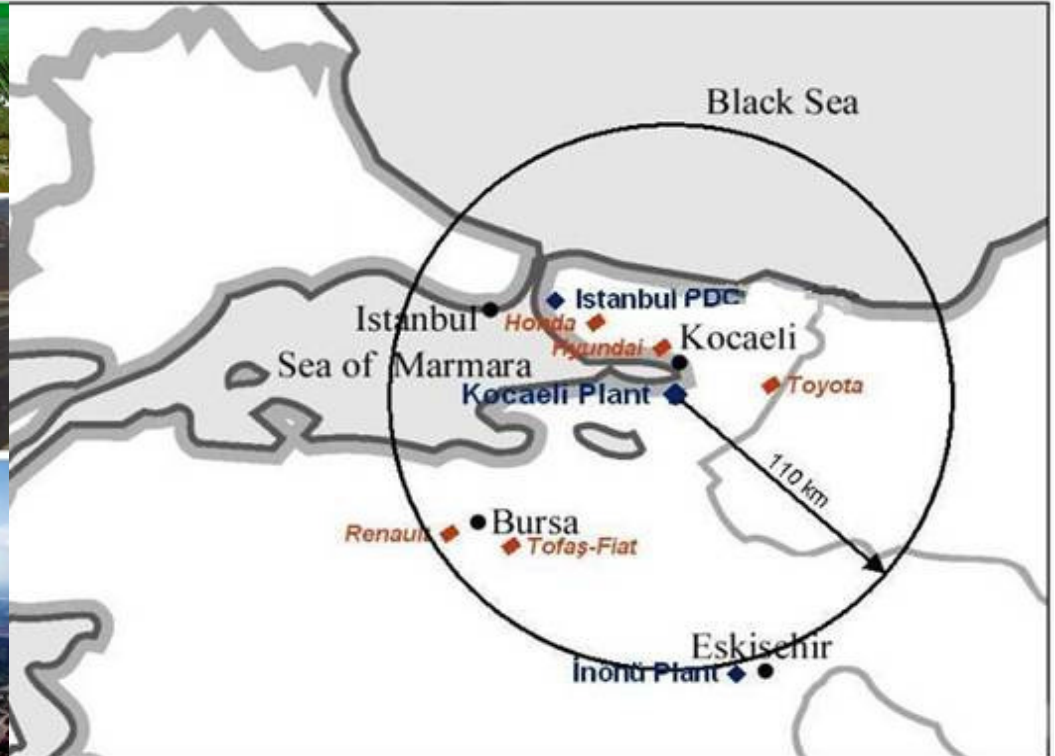
İnönü Plant - 1981



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



ISO  
9001



ISO  
14001

## İnönü Plant

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



- Heavy truck, engine and powertrain production
- Annual capacity
  - 10,000 trucks
  - 66,000 powertrains



ISO  
9001



ISO  
14001

(\*) 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
- 580+ Engineers
- Located in a Technopark Area and Free Zone near İstanbul

- ✓ Domestic Market Leader in 2010: 36.9% market share
- ✓ 123K units exported in 2010
- ✓ International Van of the Year 2007 Award



- ✓ Domestic Market Share in 2010: 19.5%
- ✓ 2010 N. America Truck of the Year
- ✓ 52K units exported in 2010





## ■ 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





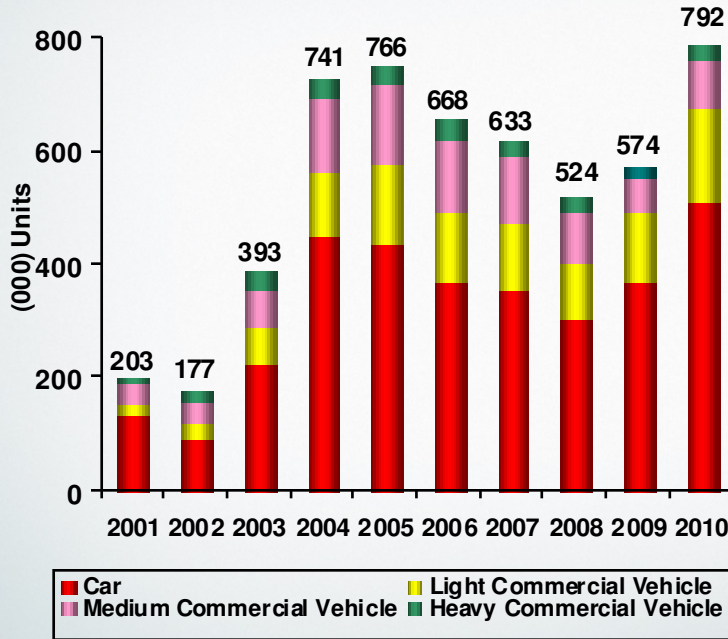
# Investor Presentation

August 2011

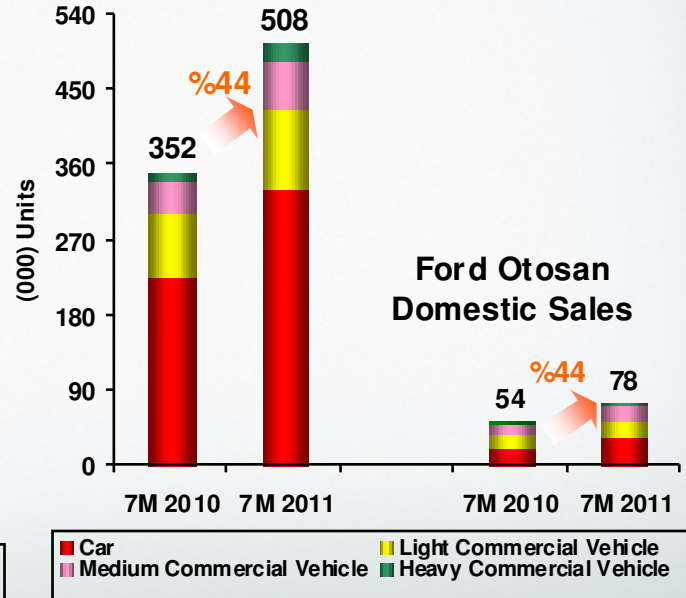
## TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

# Turkish Automotive Industry

Automotive Industry

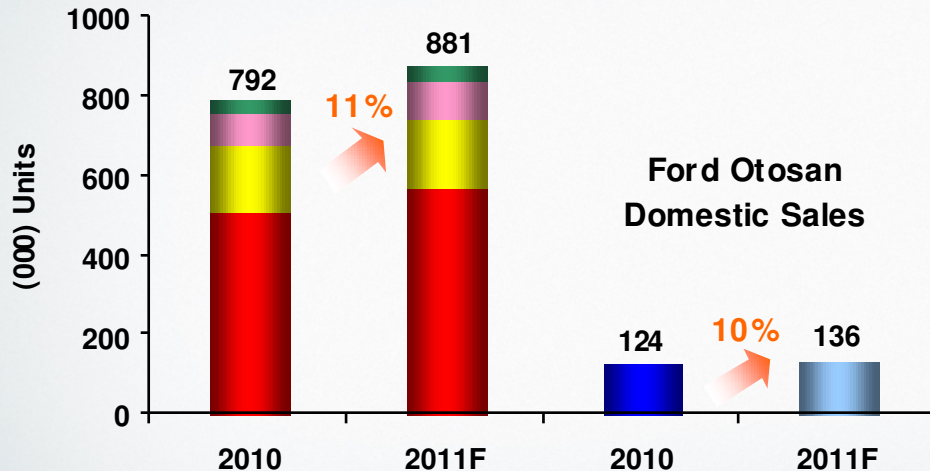


7M 2010 / 7M 2011  
Automotive Industry



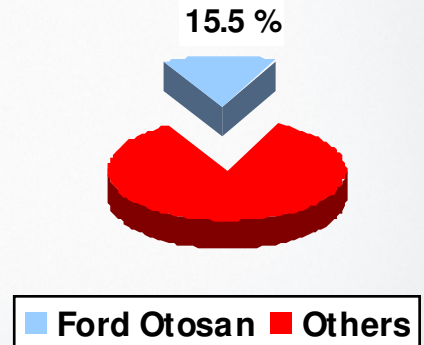
# 2011 Outlook

## 2011 Market Outlook

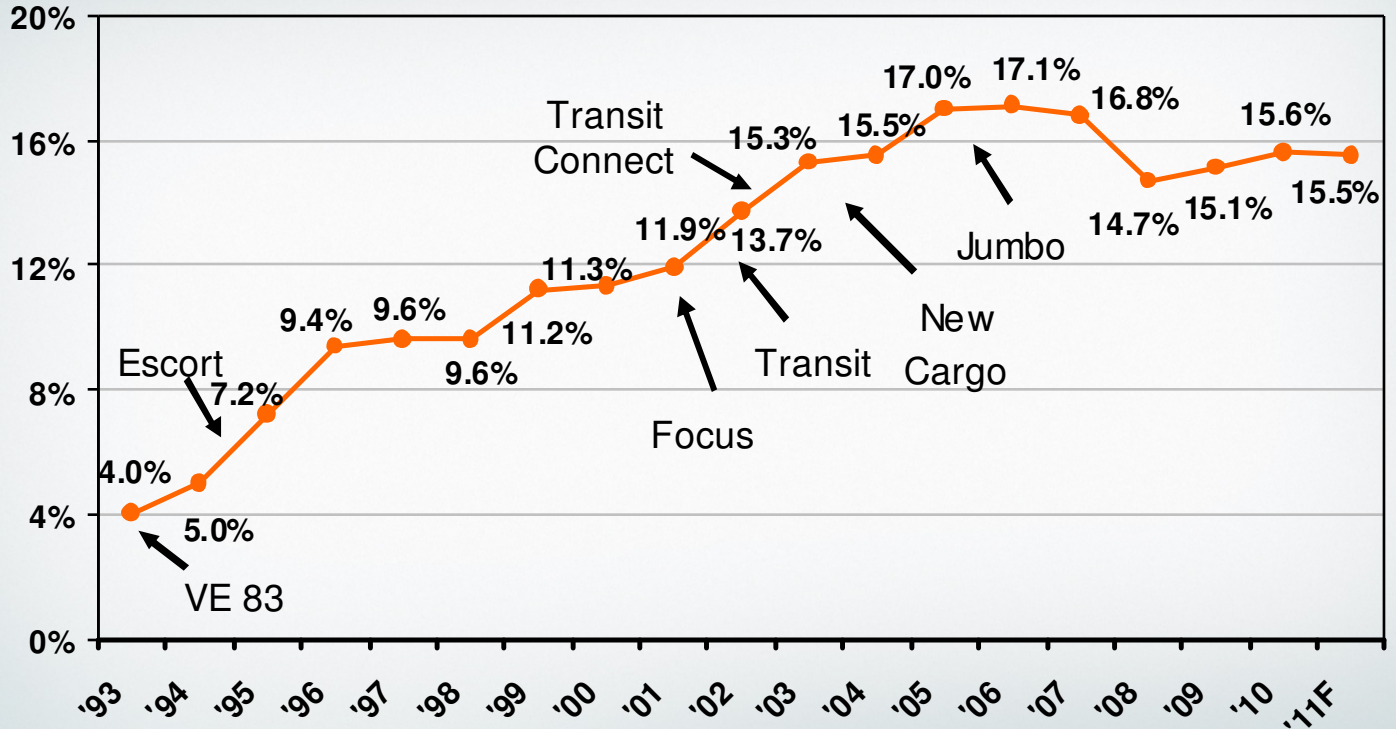


■ Car ■ Light Commercial Vehicle  
■ Medium Commercial Vehicle ■ Heavy Commercial Vehicle

## Market Share Forecast for 2011 FY



# Ford Otosan Market Share



Feel the difference

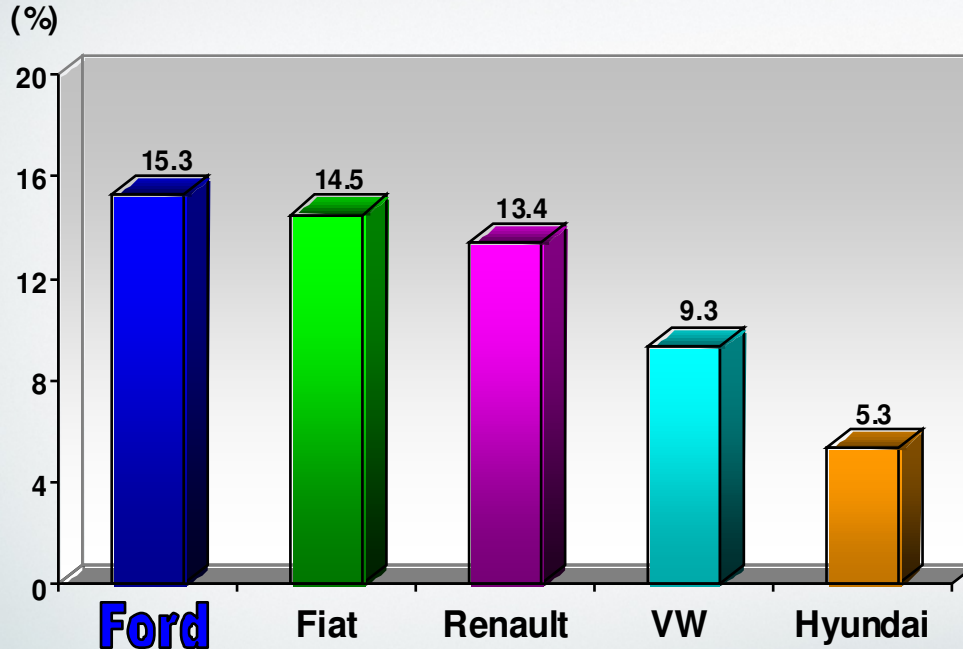
# Market Shares

	July YTD 2011		2010 FY	
	Market Share	Rank	Market Share	Rank
Total Automotive Industry	15.3%	1	15.6%	1
Passenger Car	10.8%	2	10.8%	2
LCV	19.3%	2	19.5%	2
MCV	33.7%	1	36.9%	1
Heavy Truck	22.4%	2	18.3%	2



# Market Share in Total Automotive Industry

July YTD 2011



**FORD**  
OTOSAN

Market Share

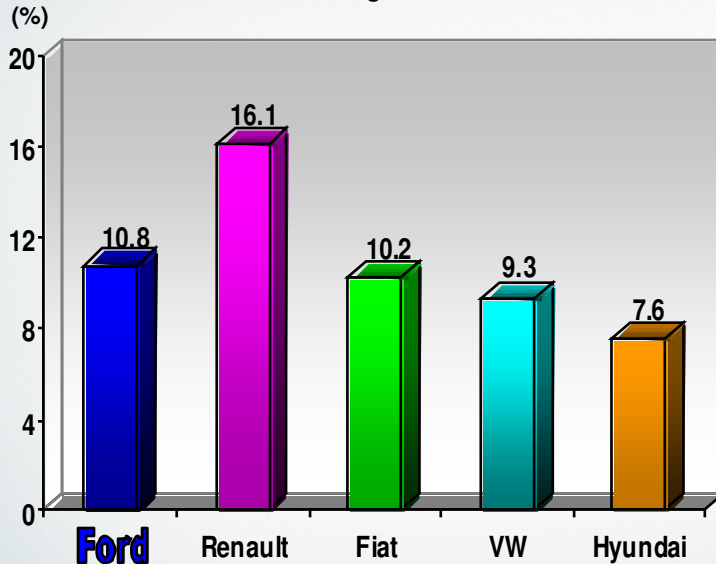


0.1 YoY

# Market Shares

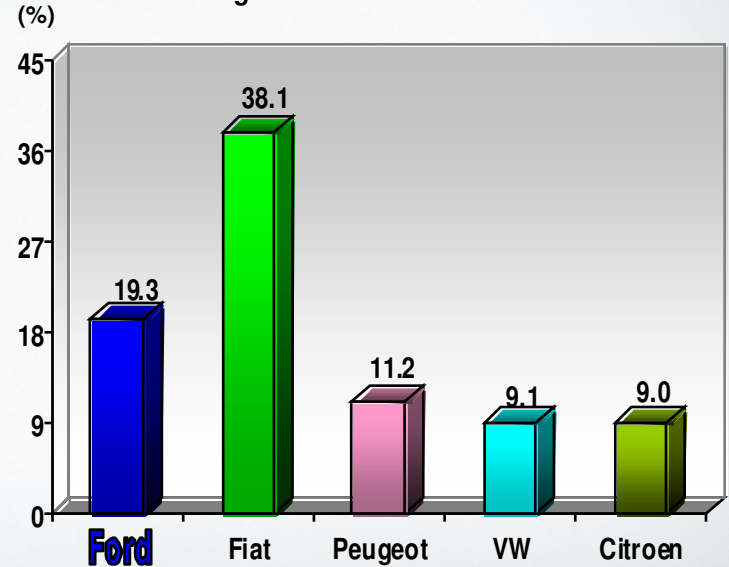
July YTD 2011

Passenger Car



↑ 0.2 Pts. YoY

Light Commercial Vehicle



↓ 0.8 Pts. YoY

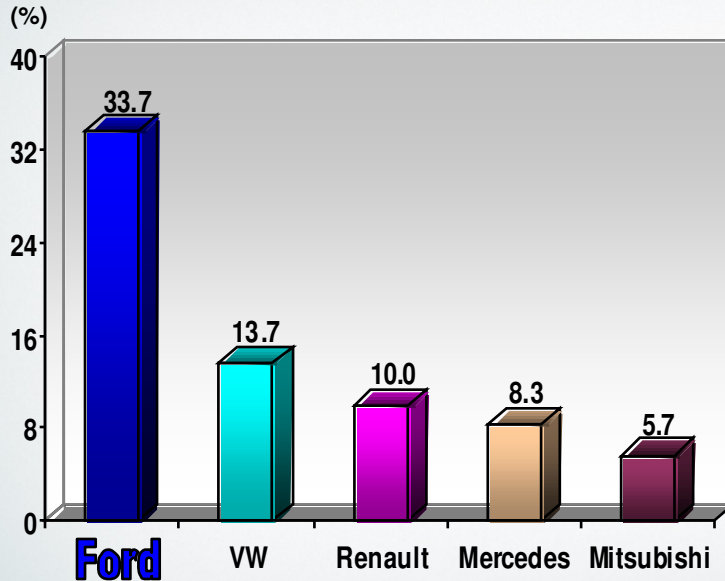


Feel the difference

# Market Shares

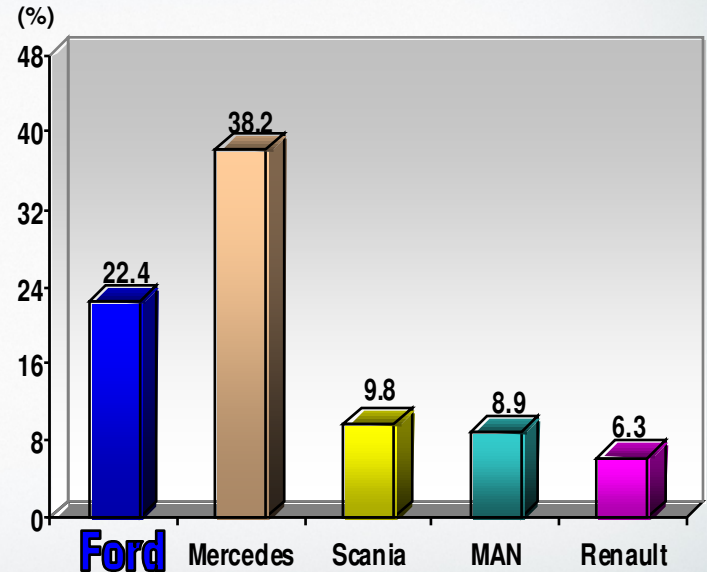
July YTD 2011

Medium Commercial Vehicle



2.9 Pts. YoY

Heavy Commercial Vehicle



7.9 Pts. YoY



Feel the difference

# 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			
	C-Max					Minibus			
	Mondeo(1.6)								
1601- 2000	Mondeo(2.0)	18%	60%	89%		Transit Combi			
>2000		18%	84%	117%		Connect Combi	18%	10%	30%
					Truck				
					Cargo				
							18%	4%	23%

\* VAT: Value Added Tax

\*\* SCT: Special Consumption Tax

**Commercial Vehicles are Taxed Lower than Cars**

# Investor Presentation

August 2011

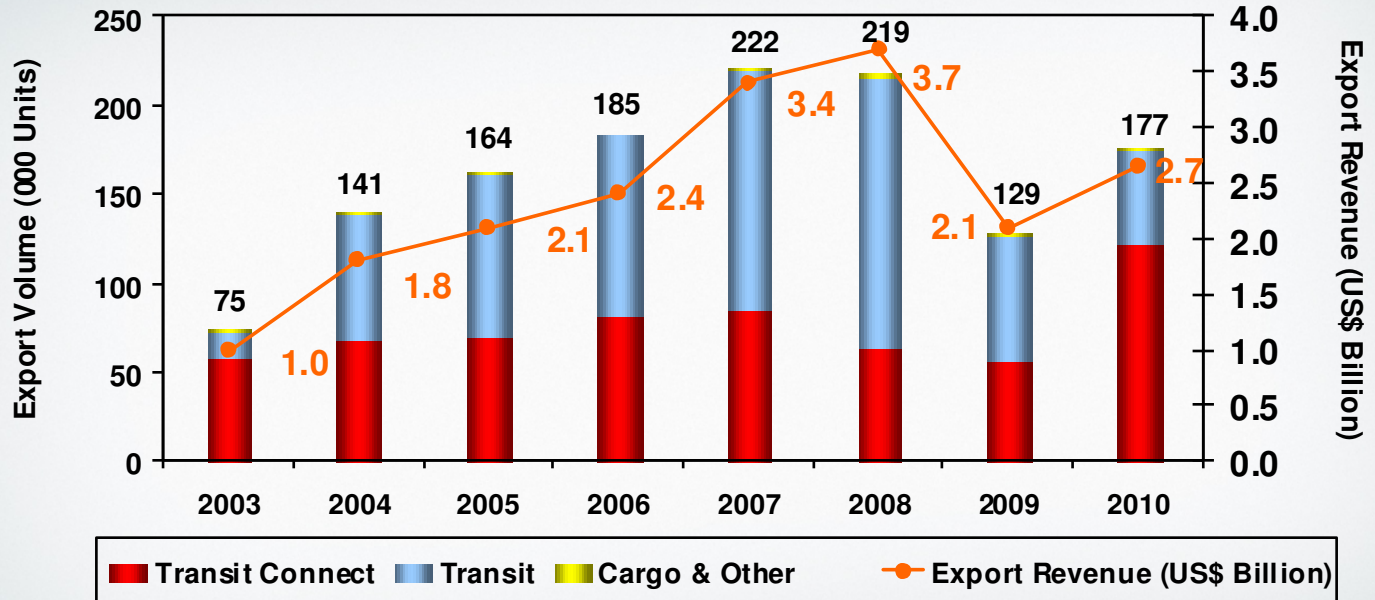
## COMPETITIVE ADVANTAGES



# ➤ 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

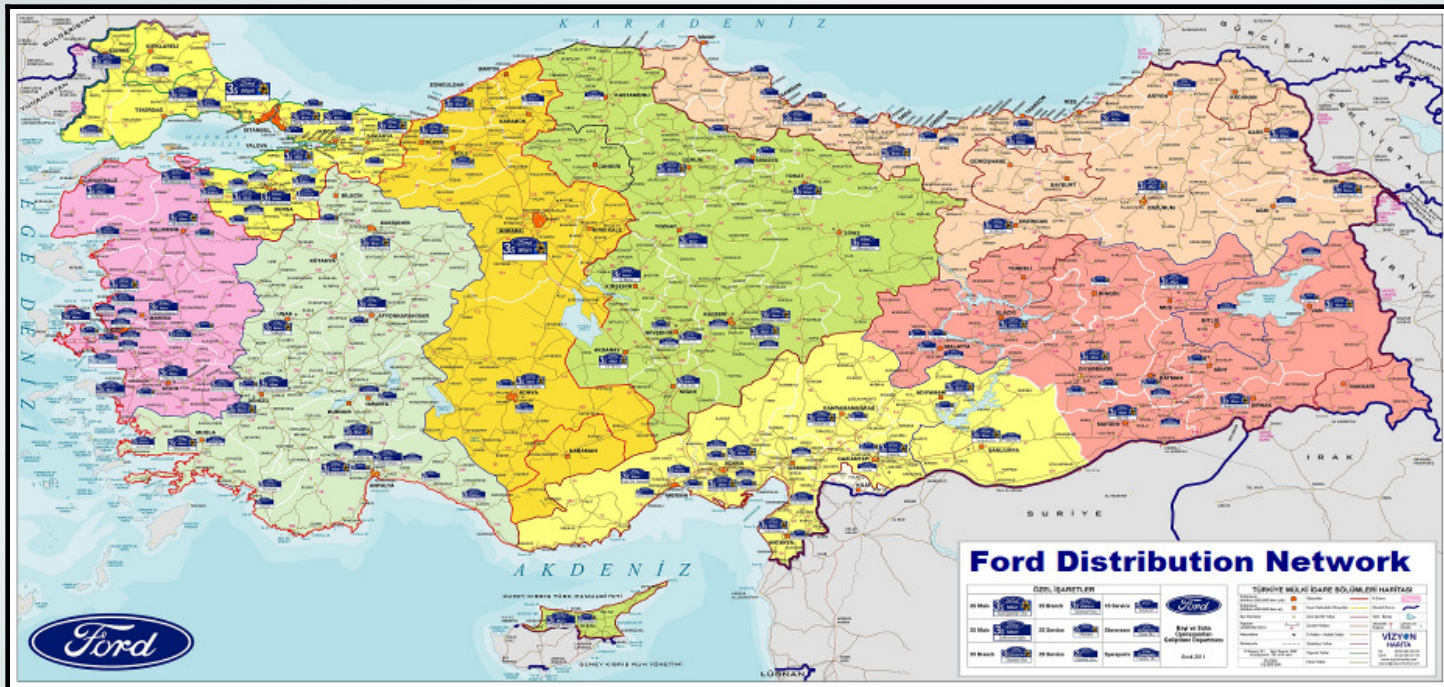


Turkey's largest and most reputable group



Feel the difference

## ➤ Strong Distribution Network



**Sales: 117**

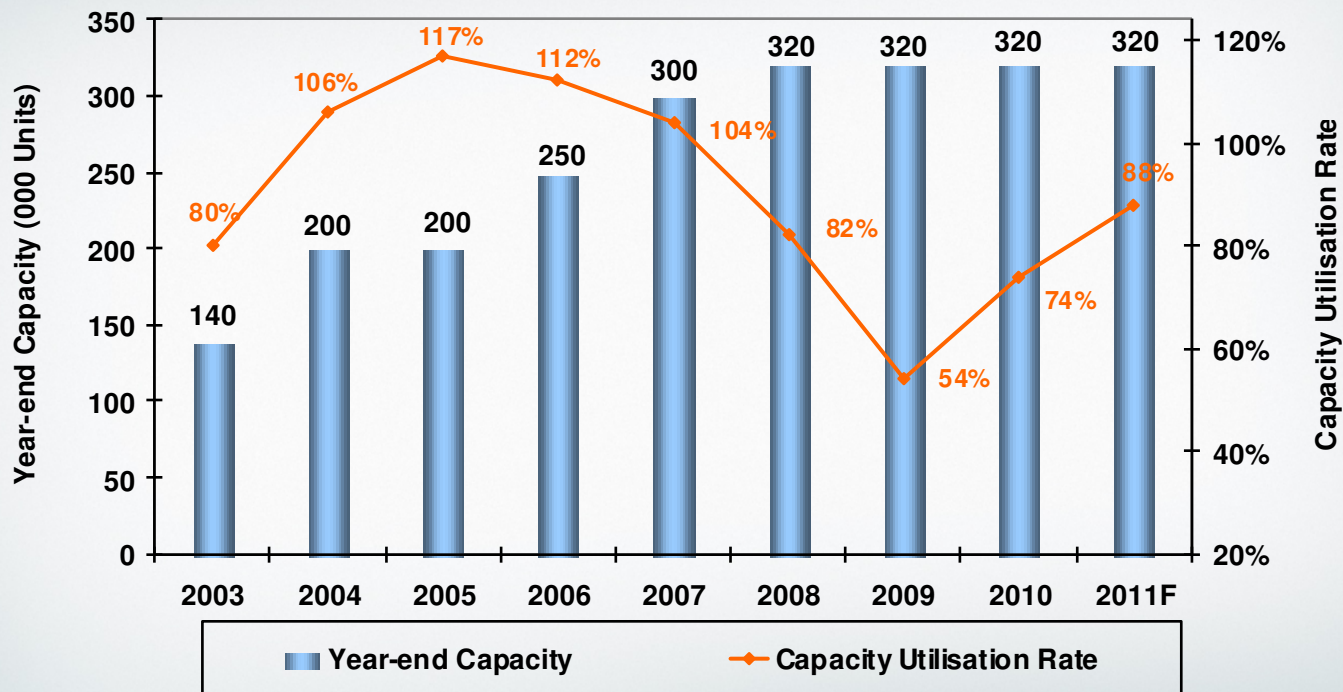
## After-Sales: 161

**Total Dealer: 212**





## ➤ Kocaeli Plant Capacity Utilisation Rate



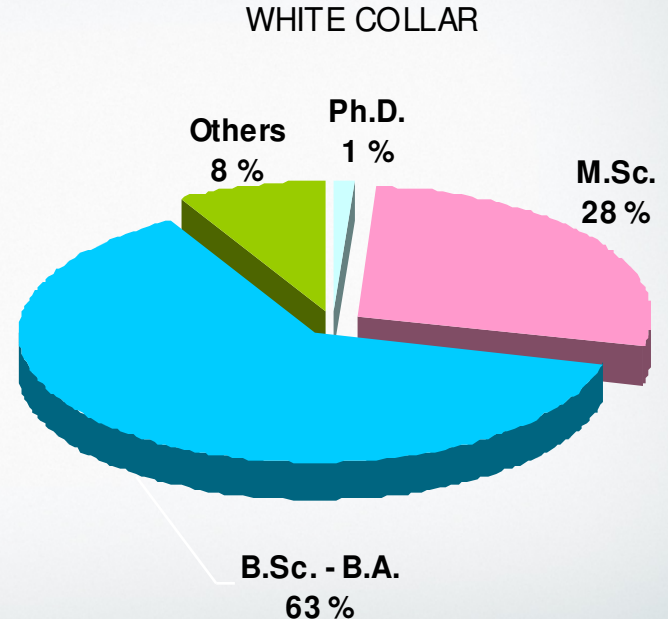
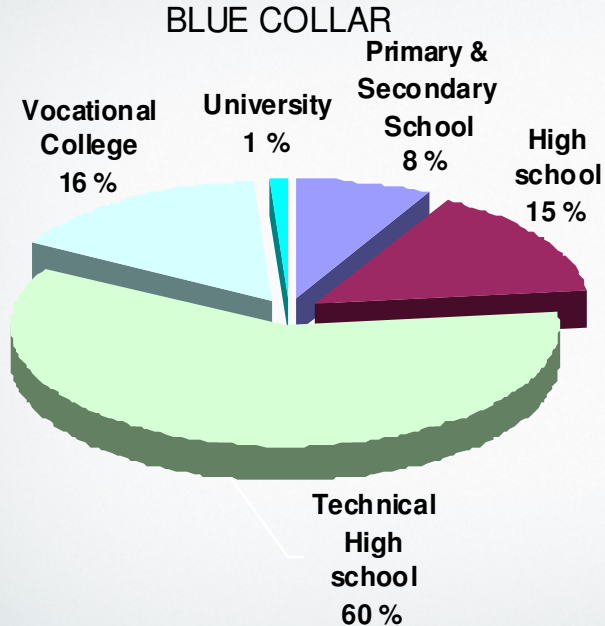


## ➤ Commercial Vehicle Product Development and Engineering Capabilities

### ➤ 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



## ➤ Strong Corporate Governance

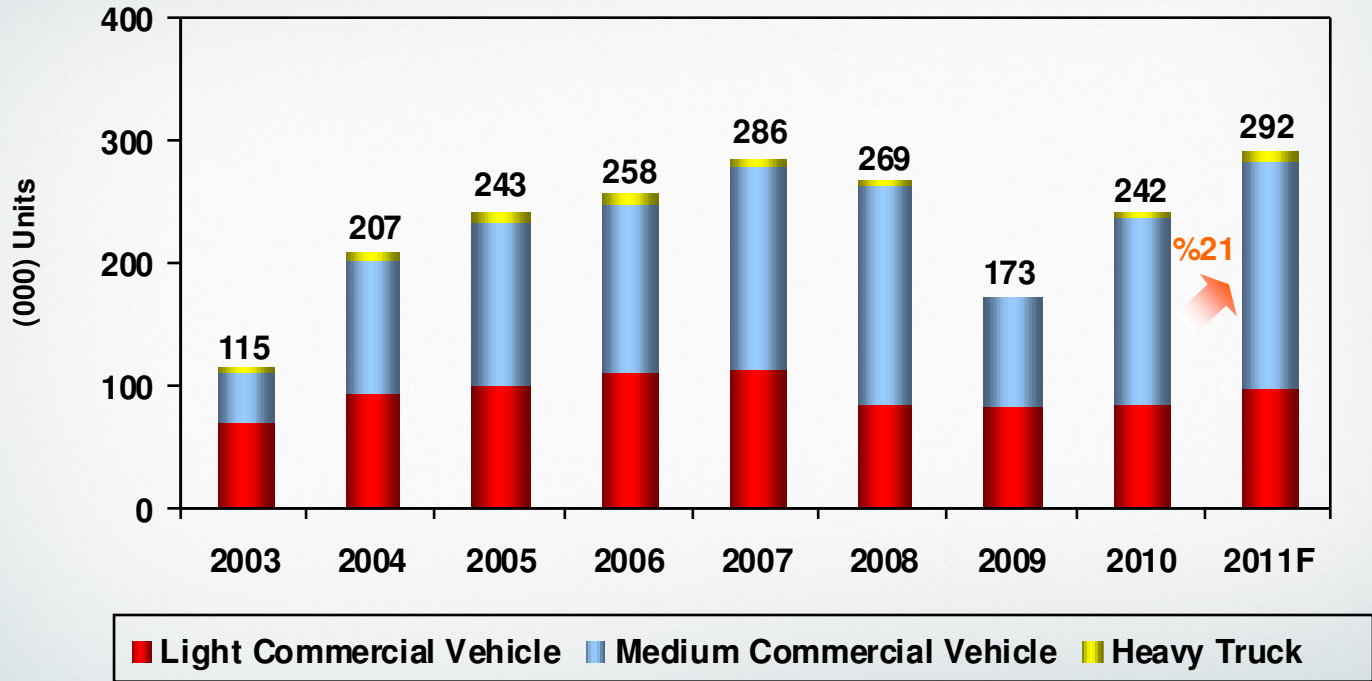
- ✓ Transparent Investor Relations
- ✓ Meets Capital Market Board Governance Rules
- ✓ Corporate Disclosure Policy
- ✓ Executive and Audit Committees

# Investor Presentation

August 2011

## KEY OPERATING DATA

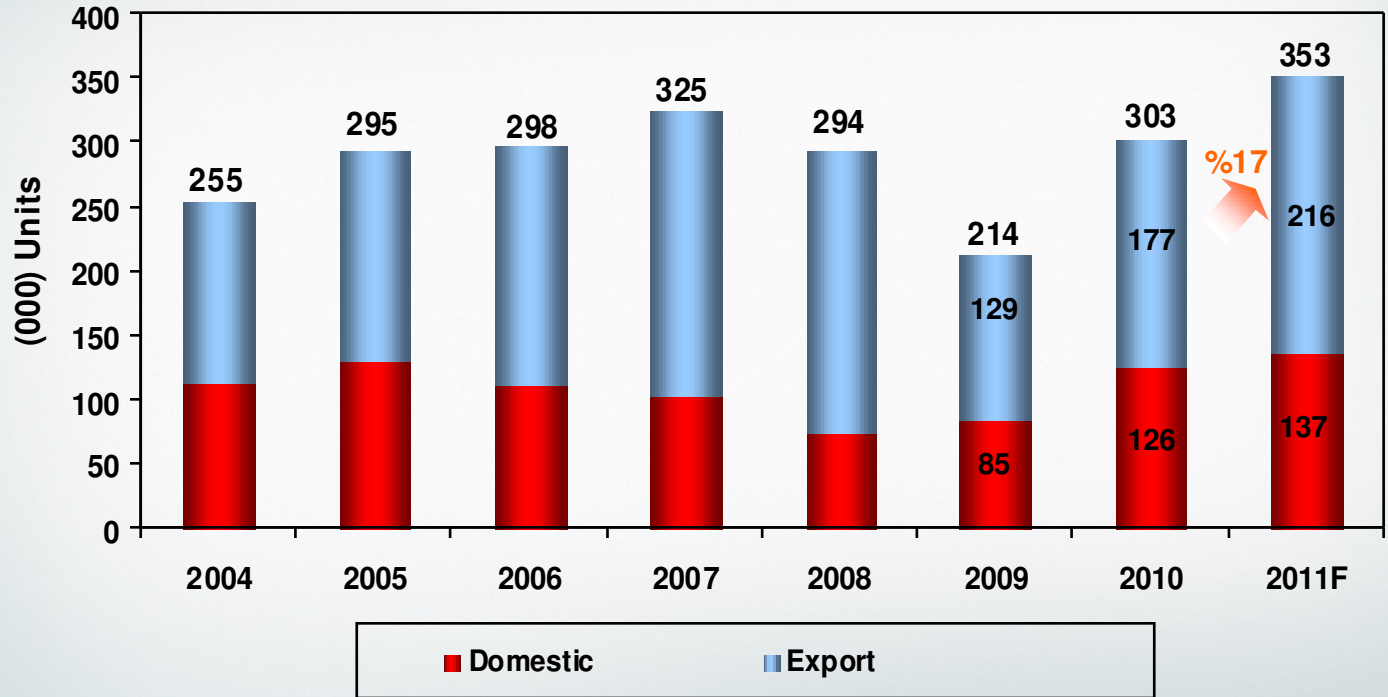
# Production Volume



Feel the difference

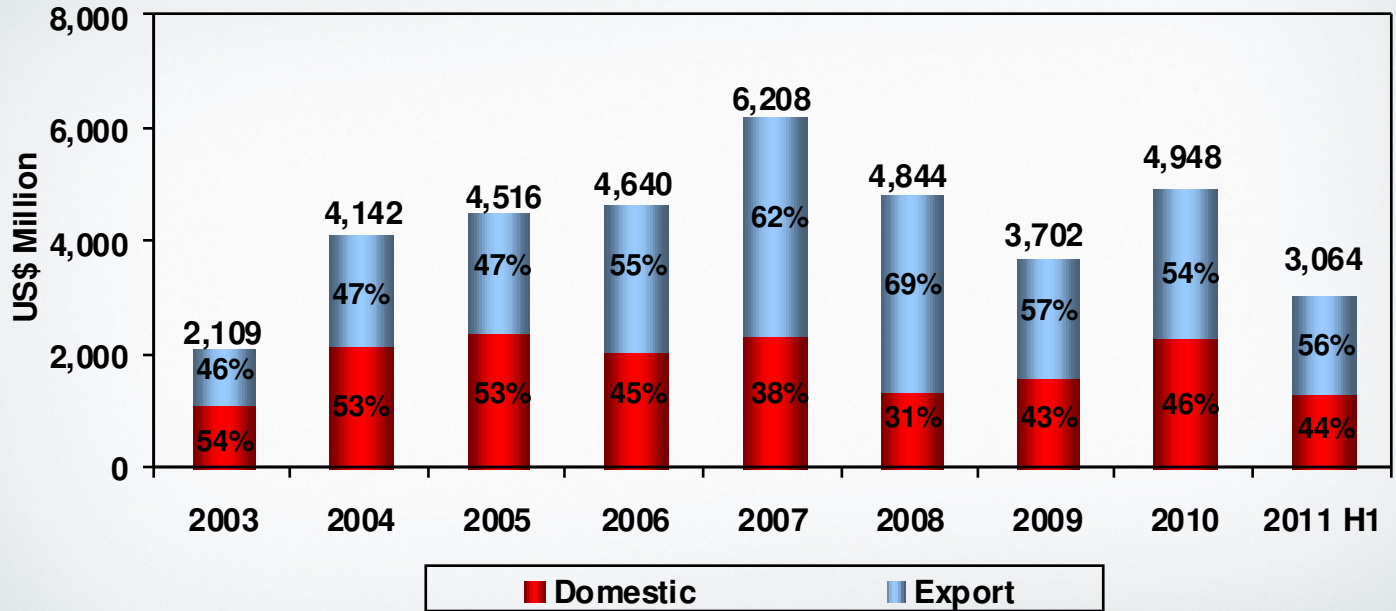


# Wholesales Volume – Domestic / Export

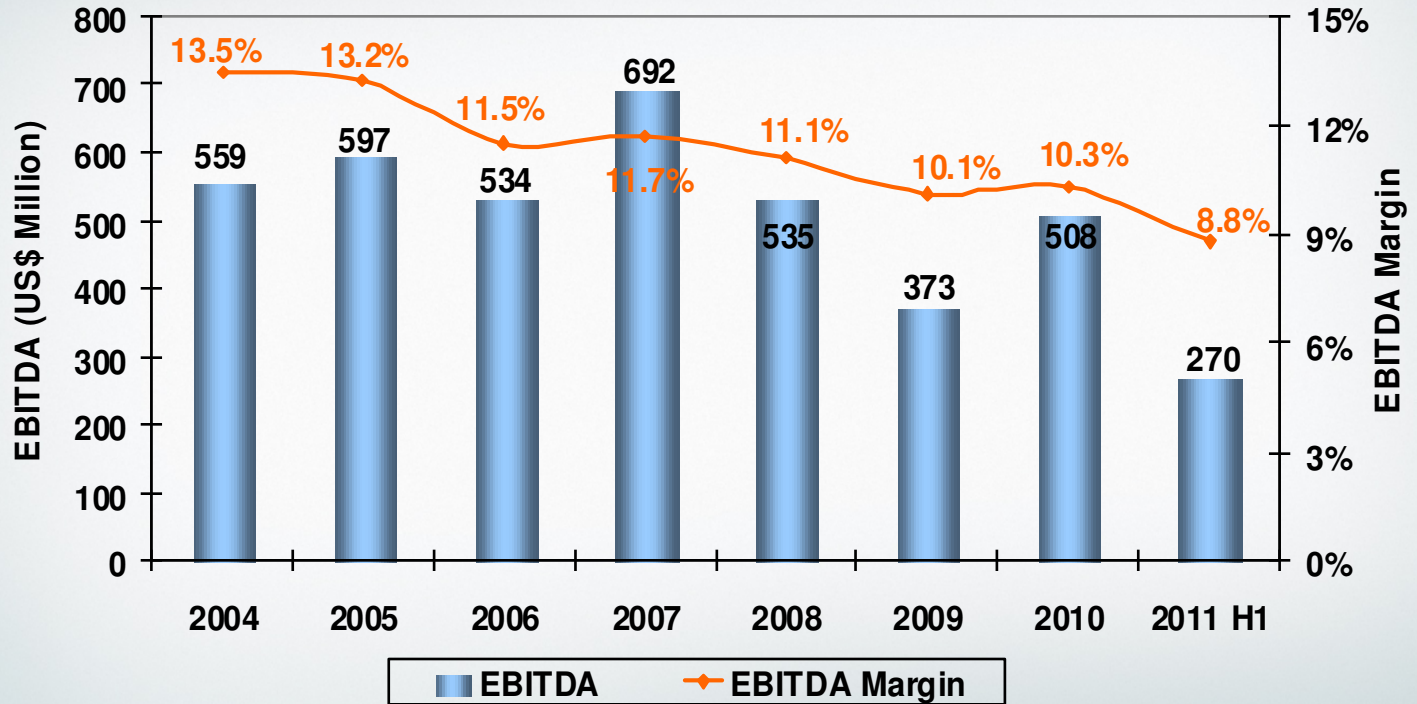


Feel the difference

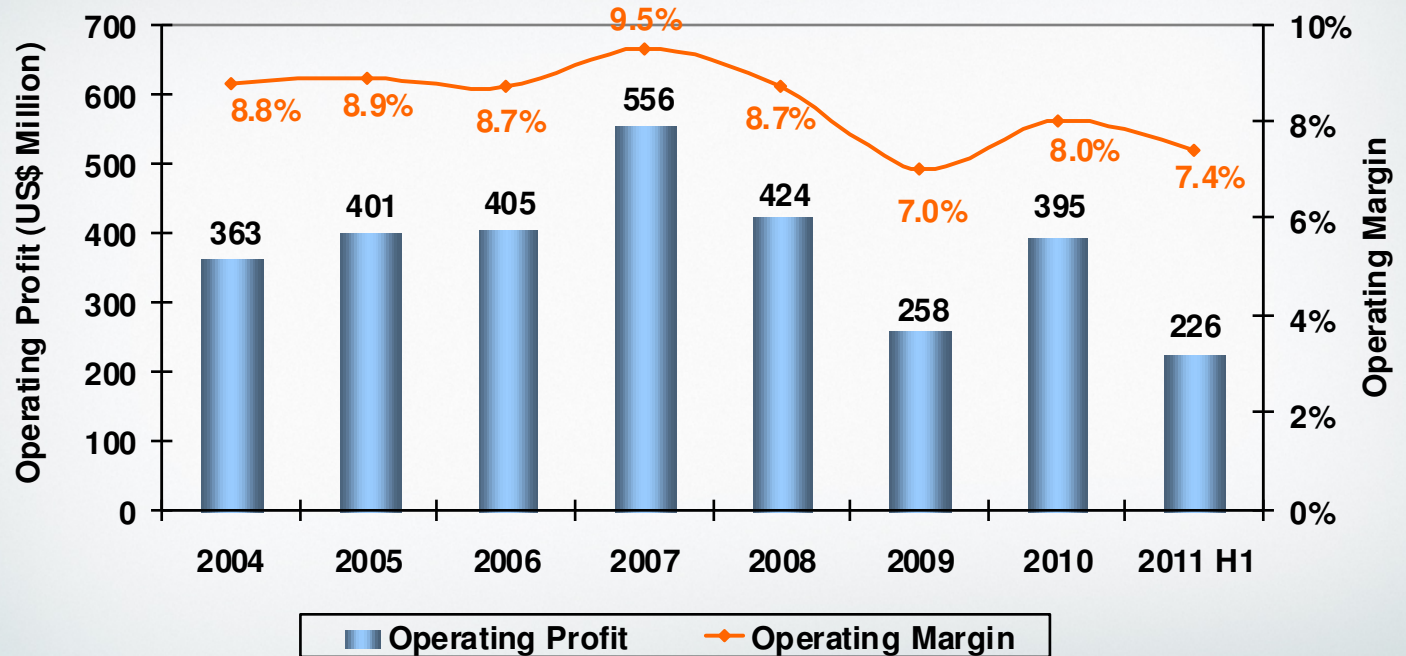
# Revenue - Domestic / Export



# EBITDA AND EBITDA Margin

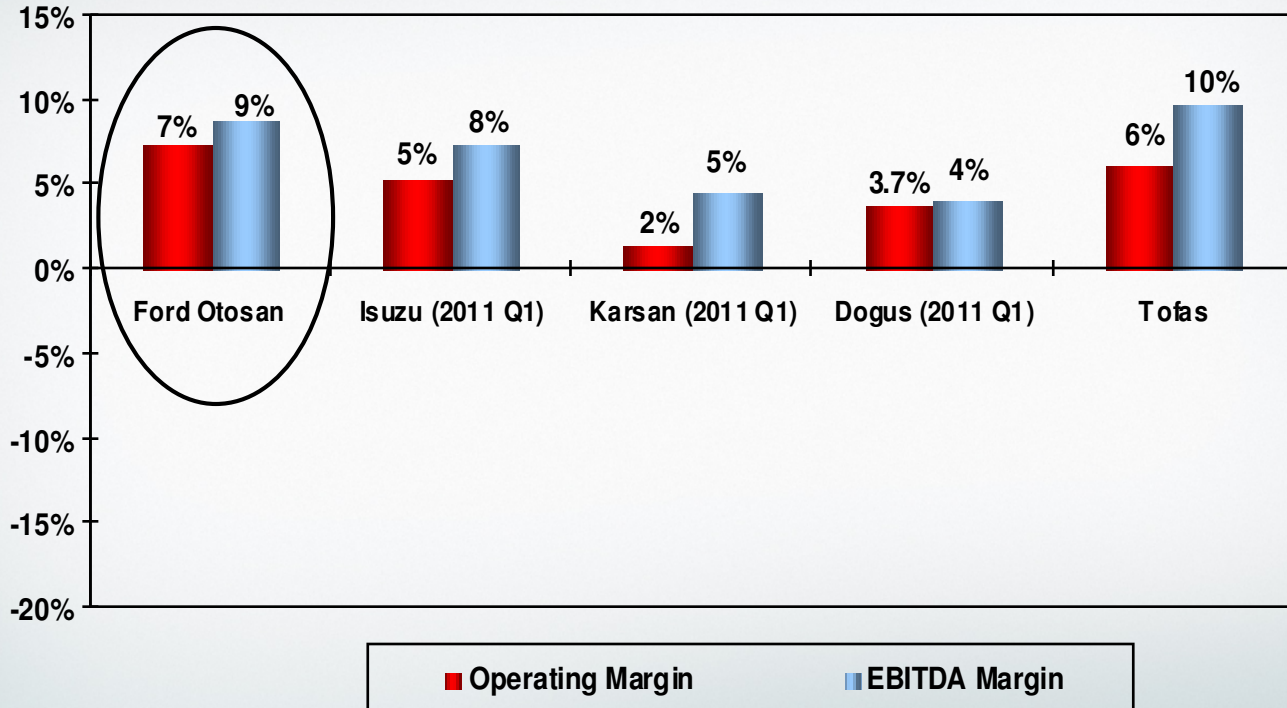


# Operating Profit and Operating Margin



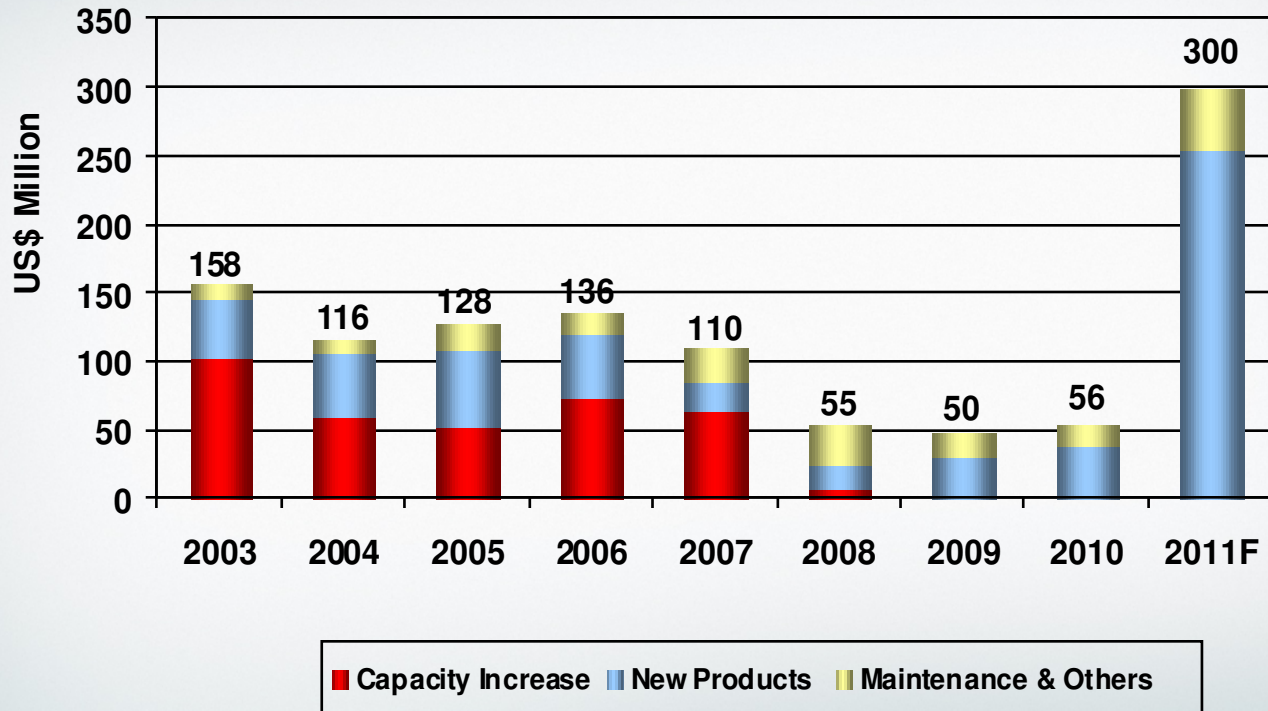
# Margin Comparison with Peers at ISE

2011 H1





# CAPEX



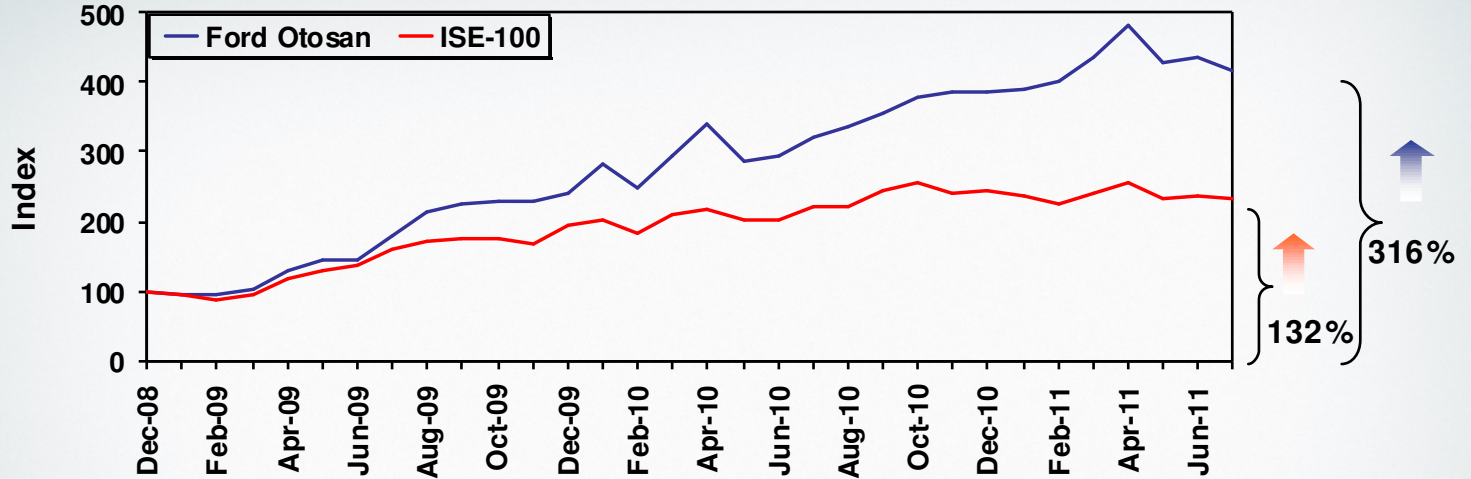
Feel the difference

# Investor Presentation

August 2011

## ISTANBUL STOCK EXCHANGE PERFORMANCE

# ISE & FROTO Index

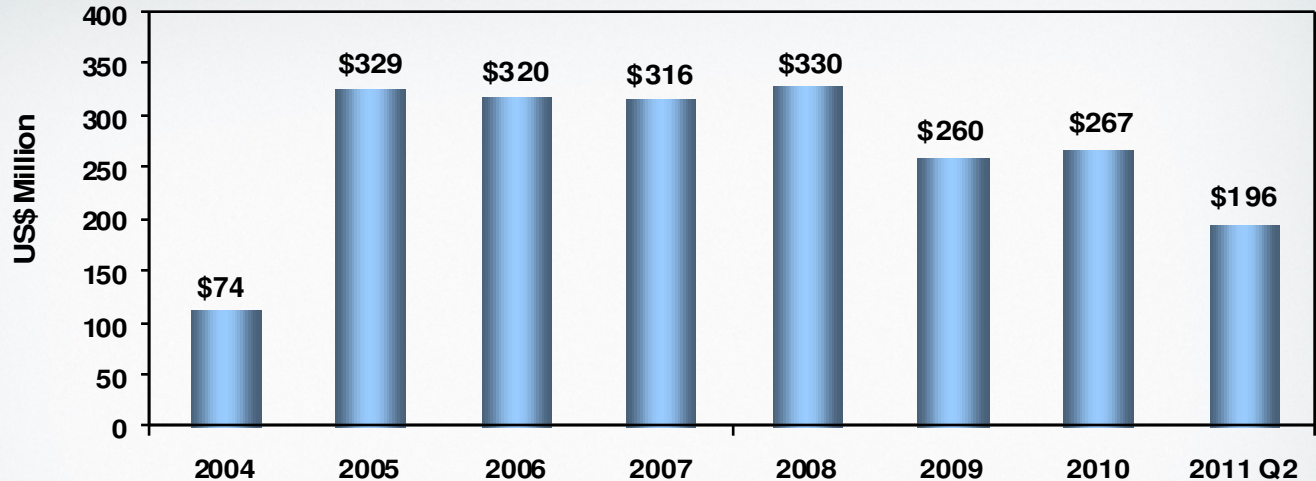


	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	31 July 2011
<b>FROTO Cumulative Change(%)</b>	%4	%46	%126	%143	%195	%196	%257	%287	<b>%316</b>
<b>ISE-100 Cumulative Change(%)</b>	(%4)	%38	%78	%97	%110	%104	%145	%146	<b>%132</b>



Feel the difference

# Dividend Payment between 2004 - 2011



Dividend Yield Rate	2.4%	10.3%	9.1%	9.5%	28.7%	12.3%	10.6%

- The total dividend payment between 2004 – 2011 reached to \$2.1 Billion
- In the last five years, Ford Otosan ranks first among the ISE listed companies with 14% dividend yield.



Feel the difference

# Disclaimer

This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Ford Otosan nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.



# Investor Presentation

August 2011

*Thank you...*

**Please visit our website:**

**[www.fordotosan.com.tr](http://www.fordotosan.com.tr)**

