

**FORD OTOSAN**

**INVESTOR PRESENTATION**

**APRIL 2011**

# Agenda

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

# Investor Presentation

April 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

6,840+

White Collar Employees

1,910+

Ownership

41% Ford Motor Company

41% Koc Holding

18% Publicly-owned

2010 Net Sales

\$ 4.9 Billion

Market Cap (as of Mar. 31, 2011)

\$ 3.2 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

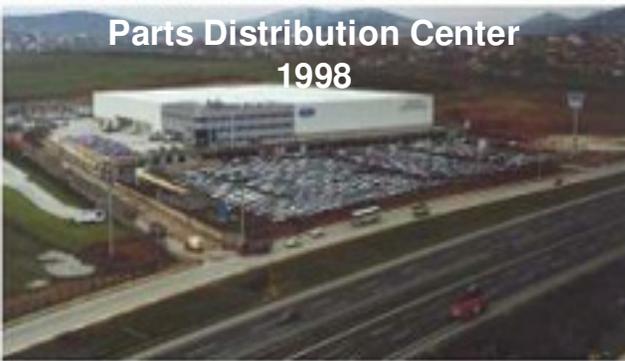
# Achievements

- ✓ 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



Feel the difference

# • 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

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



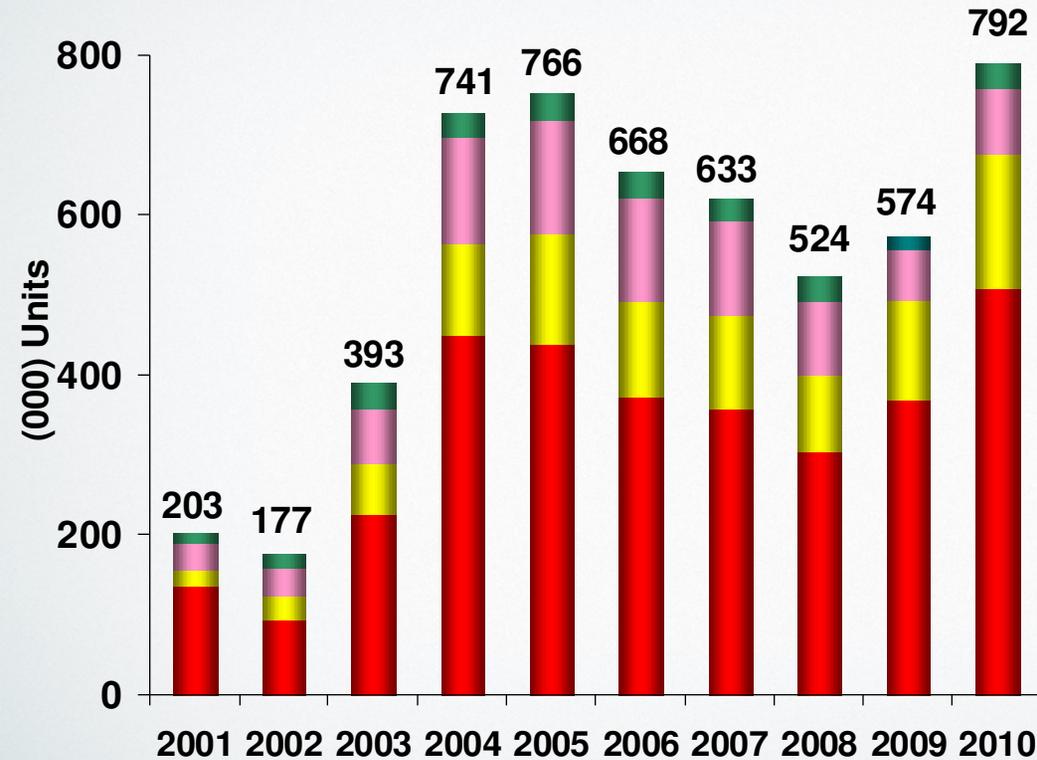
# Investor Presentation

April 2011

# TURKISH AUTOMOTIVE INDUSTRY OVERVIEW

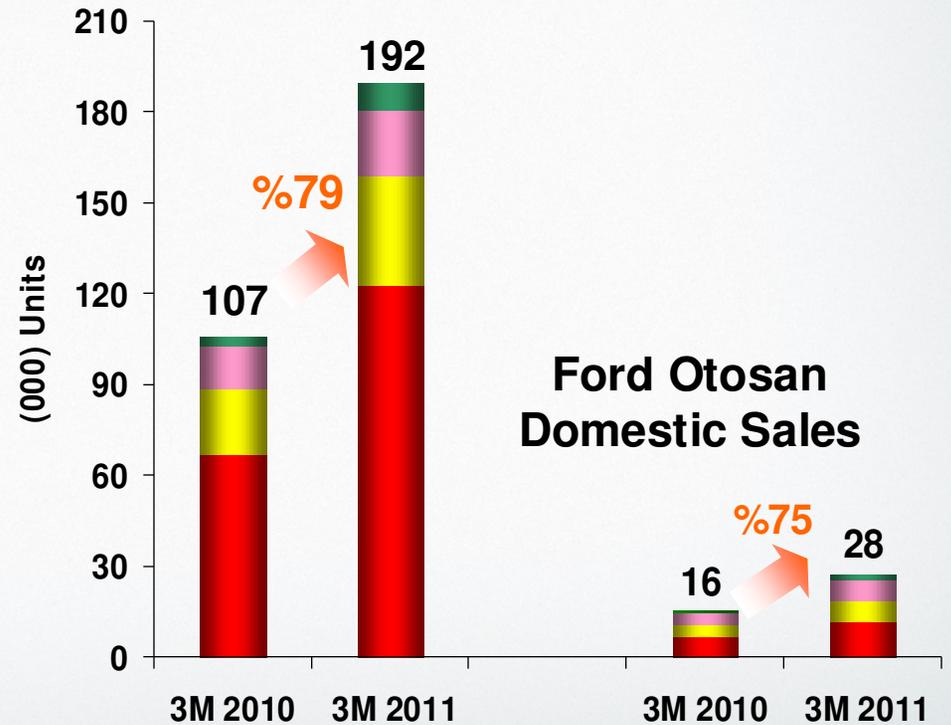
# Turkish Automotive Industry

**Automotive Industry**



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

**3M 2010 / 3M 2011**  
**Automotive Industry**



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

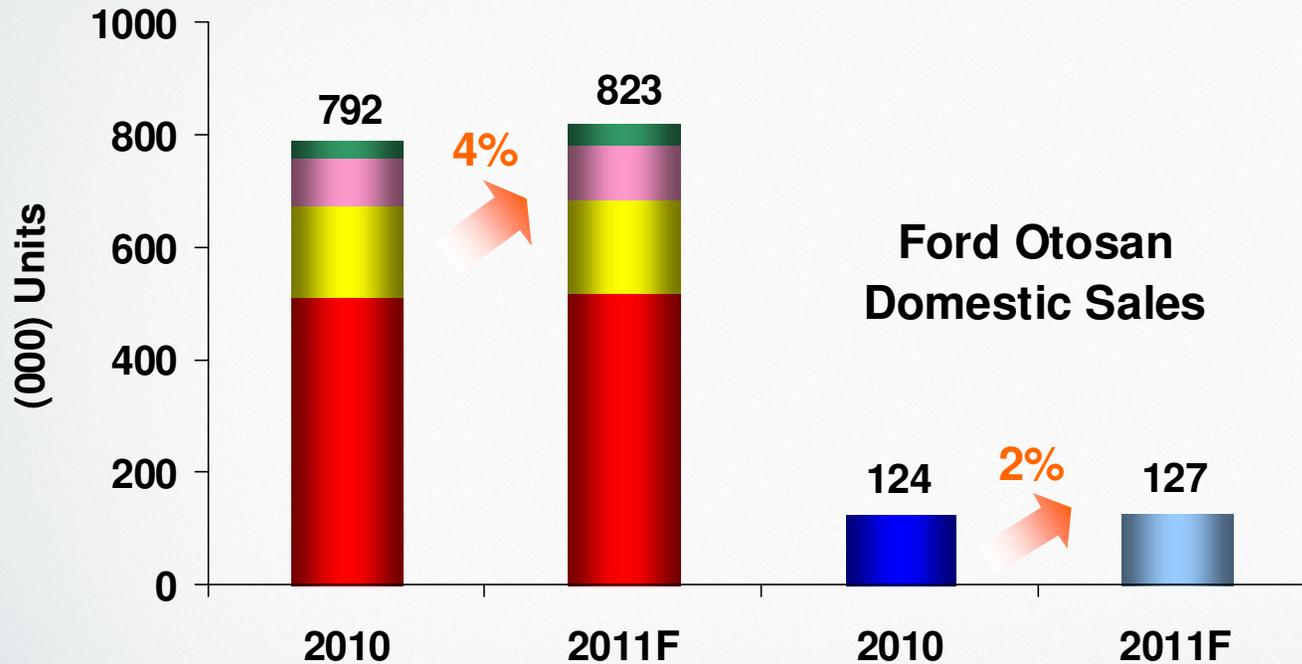
**Ford Otosan  
Domestic Sales**



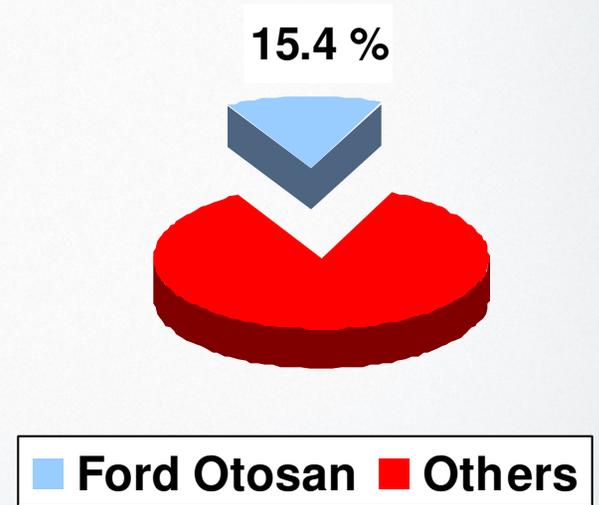
Feel the difference

# 2011 Outlook

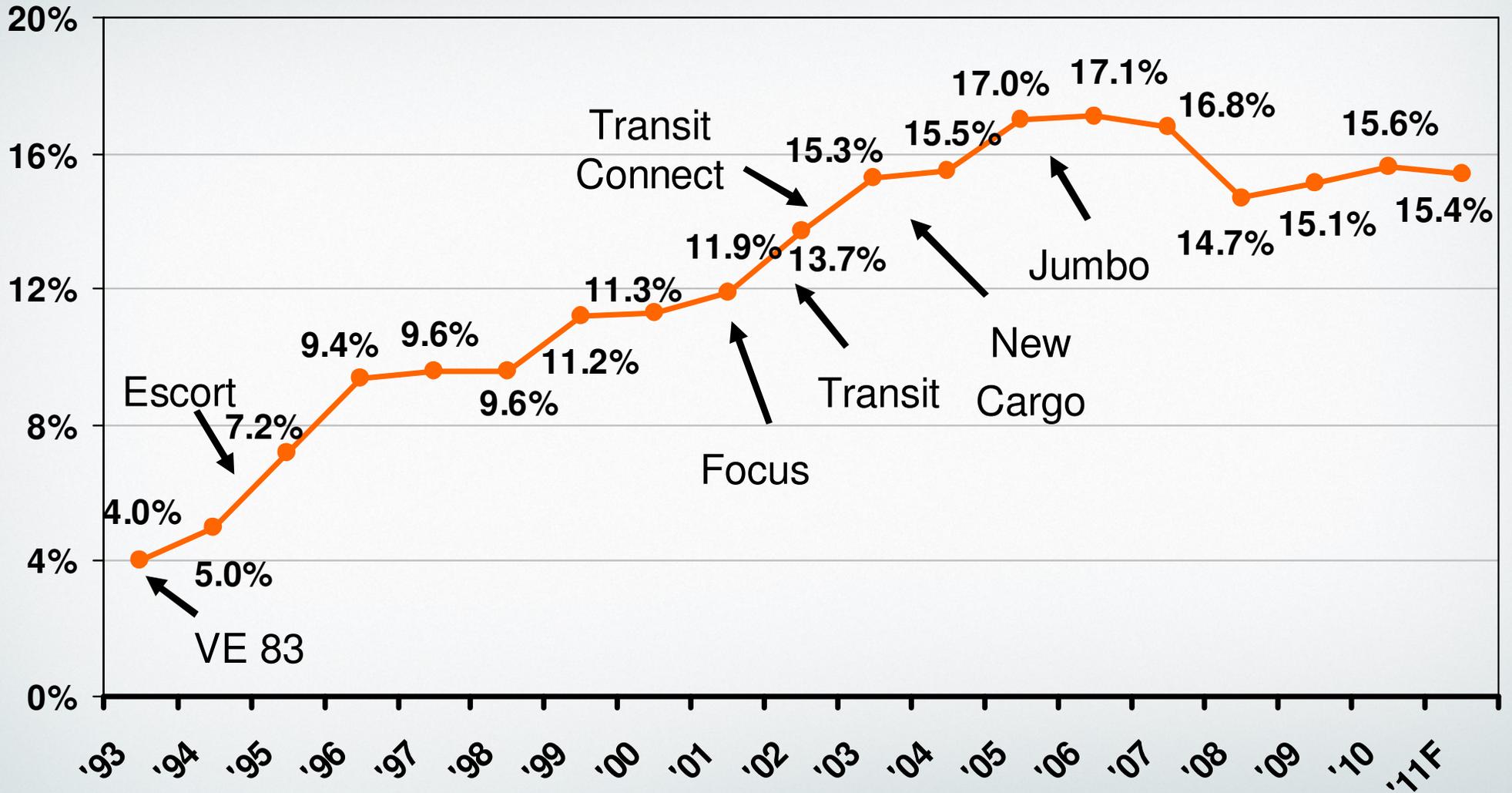
## 2011 Market Outlook



## Market Share Forecast for 2011 FY



# Ford Otosan Market Share



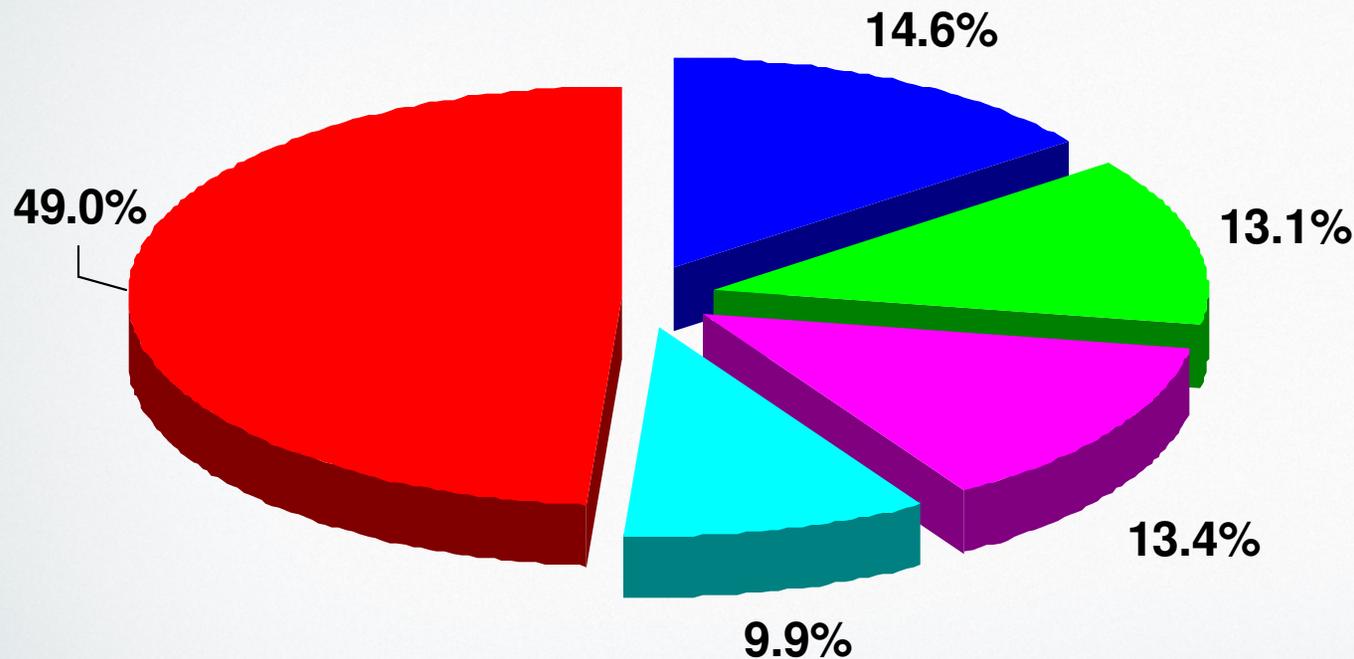
Feel the difference

# Market Shares

	March YTD 2011		2010 FY	
	Market Share	Rank	Market Share	Rank
Total Automotive Industry	14.6%	1	15.6%	1
Passenger Car	9.8%	2	10.8%	2
LCV	18.5%	2	19.5%	2
MCV	31.9%	1	36.9%	1
Heavy Truck	23.3%	2	18.3%	2

# Market Share in Total Automotive Industry

March YTD 2011



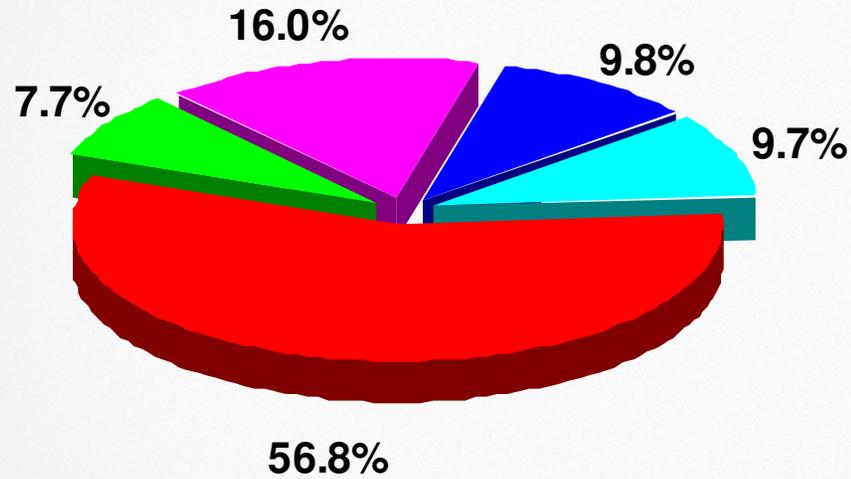
**FORD**  
OTOSAN  
Market Share  
↓ 0.5 Pts. YoY

- Ford
- Fiat
- Renault
- VW
- Others

# Market Shares

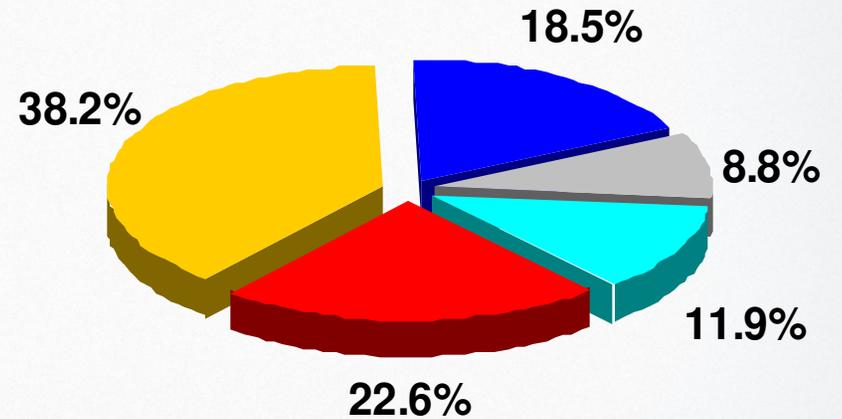
March YTD 2011

## Passenger Car



0.3 Pts. YoY

## Light Commercial Vehicle

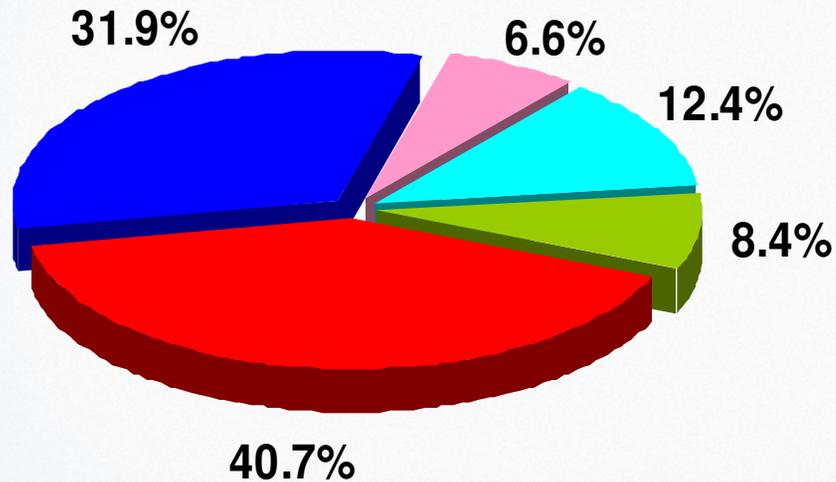


2.6 Pts. YoY

# Market Shares

March YTD 2011

## Medium Commercial Vehicle

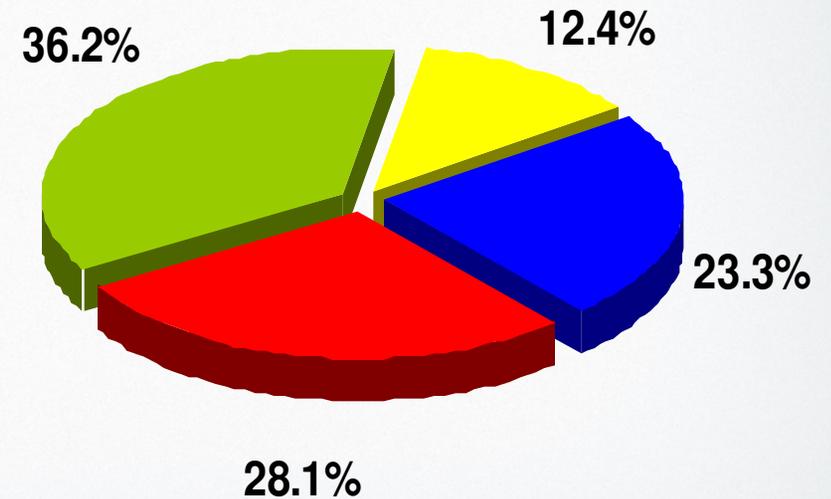


Ford Mitsubishi VW Mercedes Others



0.9 Pts. YoY

## Heavy Truck



Mercedes Scania Ford Others



10.1 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 C-Max					Ranger			
1601- 2000	Mondeo(1.6)	18%	60%	89%	Minibus	18%	9%	29%	
>2000	Mondeo(2.0)	18%	84%	117%	Transit Combi	18%	10%	30%	
					Connect Combi				
					<b>Truck</b>				
					Cargo		18%	4%	23%

\* VAT: Value Added Tax

\*\* SCT: Special Consumption Tax

**Commercial Vehicles are Taxed Lower than Cars**

# Investor Presentation

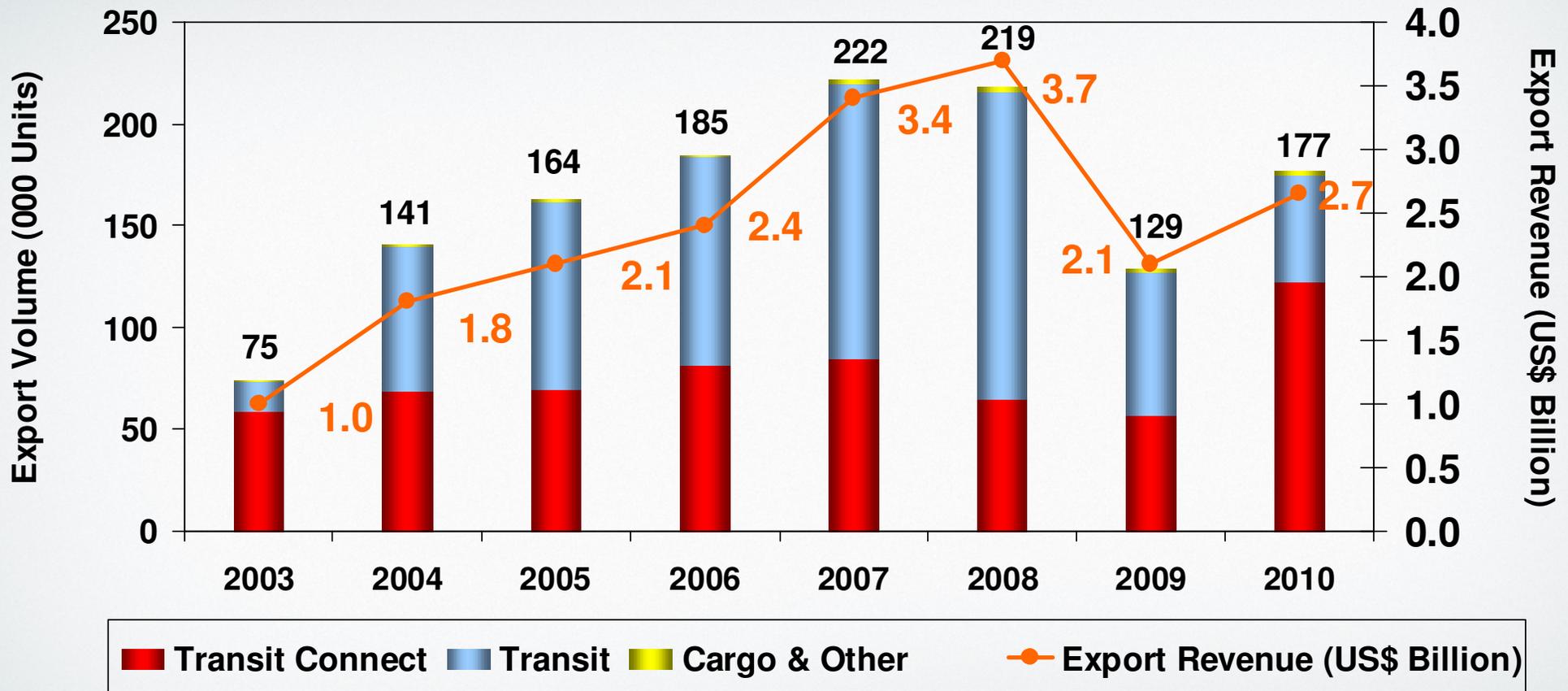
April 2011

## 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



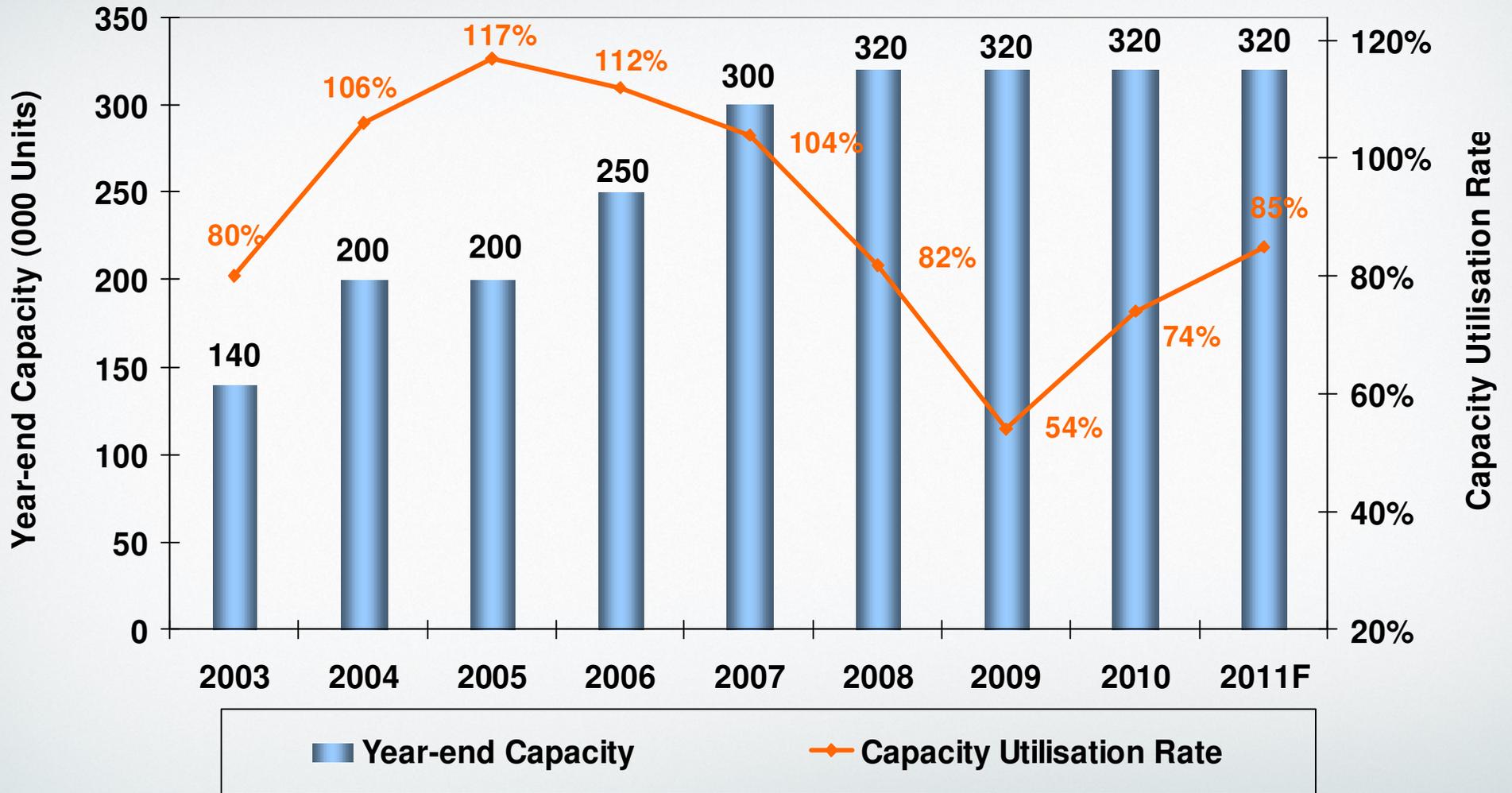
Know-How



Turkey's largest and most reputable group



# ➤ Kocaeli Plant Capacity Utilisation Rate



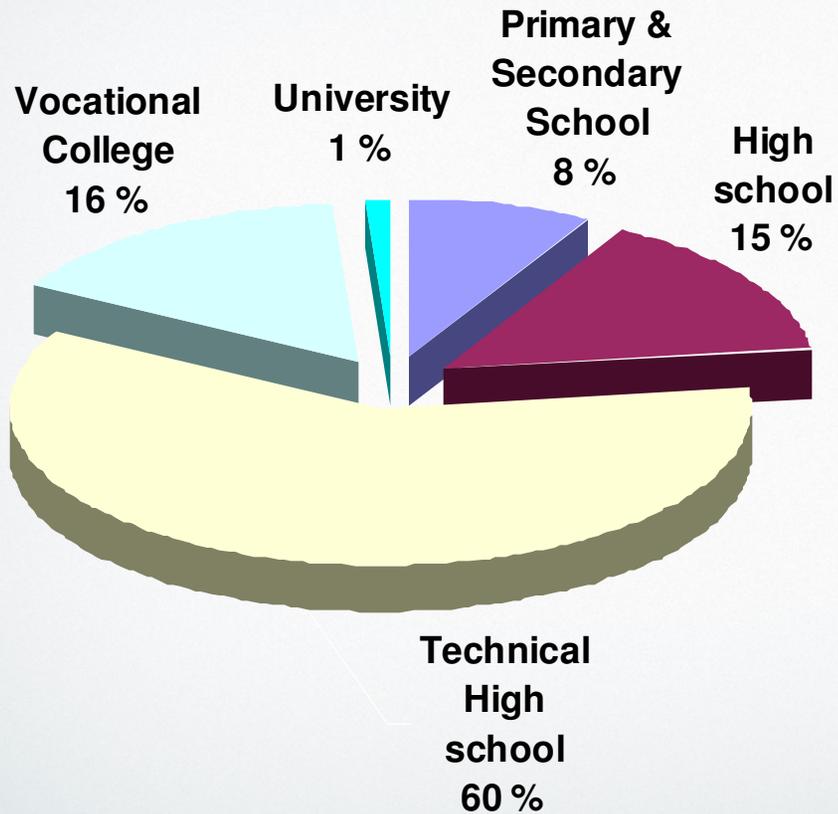
# ➤ Commercial Vehicle Product Development and Engineering Capabilities

## ➤ Gebze Engineering Facility in Turkey

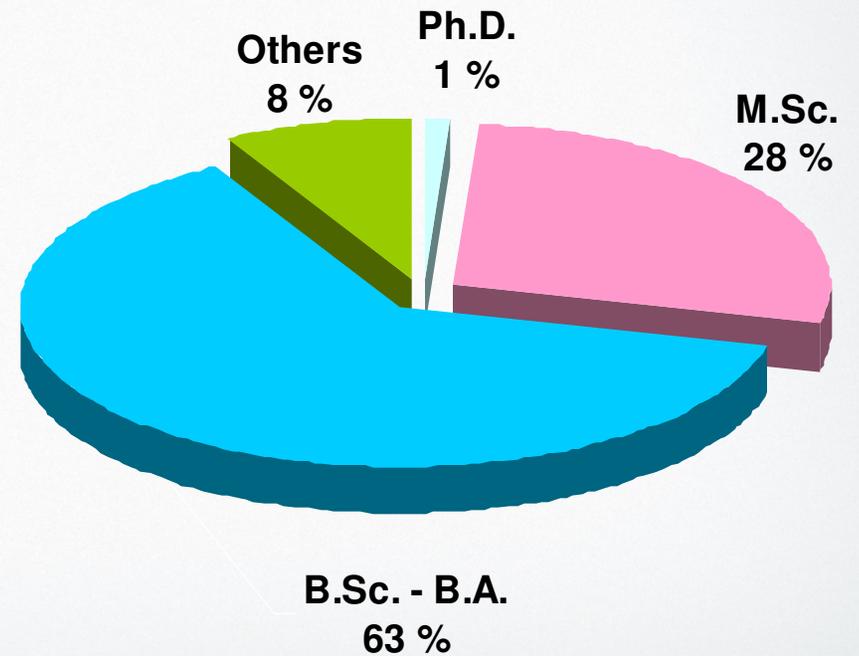
- Ford Otosan is integrated into Ford's global PD organisation
- This facility underlines Ford's commitment to Turkey as an excellent environment for business and a rich source of well-educated engineering talent
- Ford Otosan's PD operations have further planned expansion

# ➤ Experienced and Skilled Workforce

## BLUE COLLAR



## WHITE COLLAR



## ➤ Strong Corporate Governance

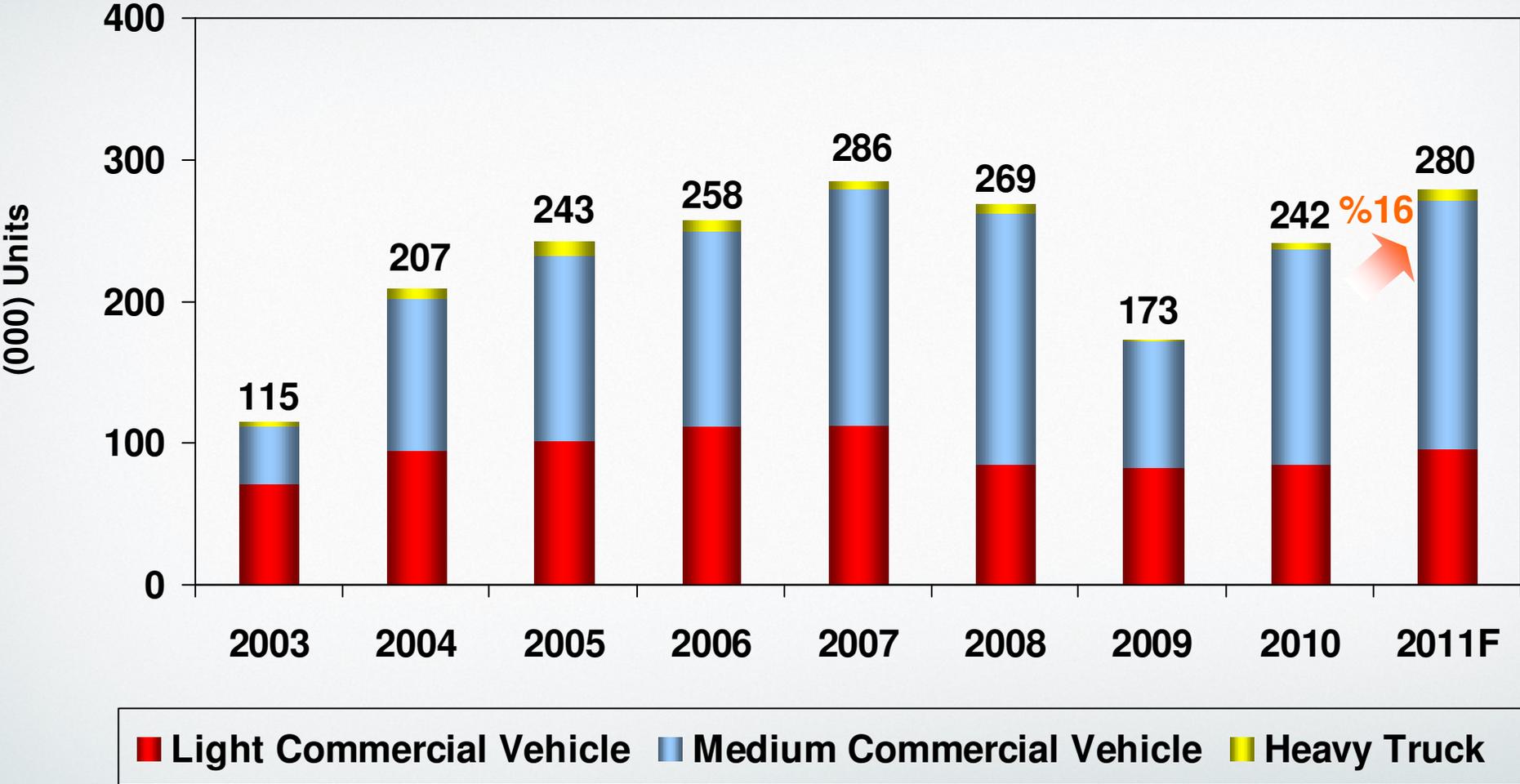
- ✓ Transparent Investor Relations
- ✓ Meets Capital Market Board Governance Rules
- ✓ Corporate Disclosure Policy
- ✓ Executive and Audit Committees

# Investor Presentation

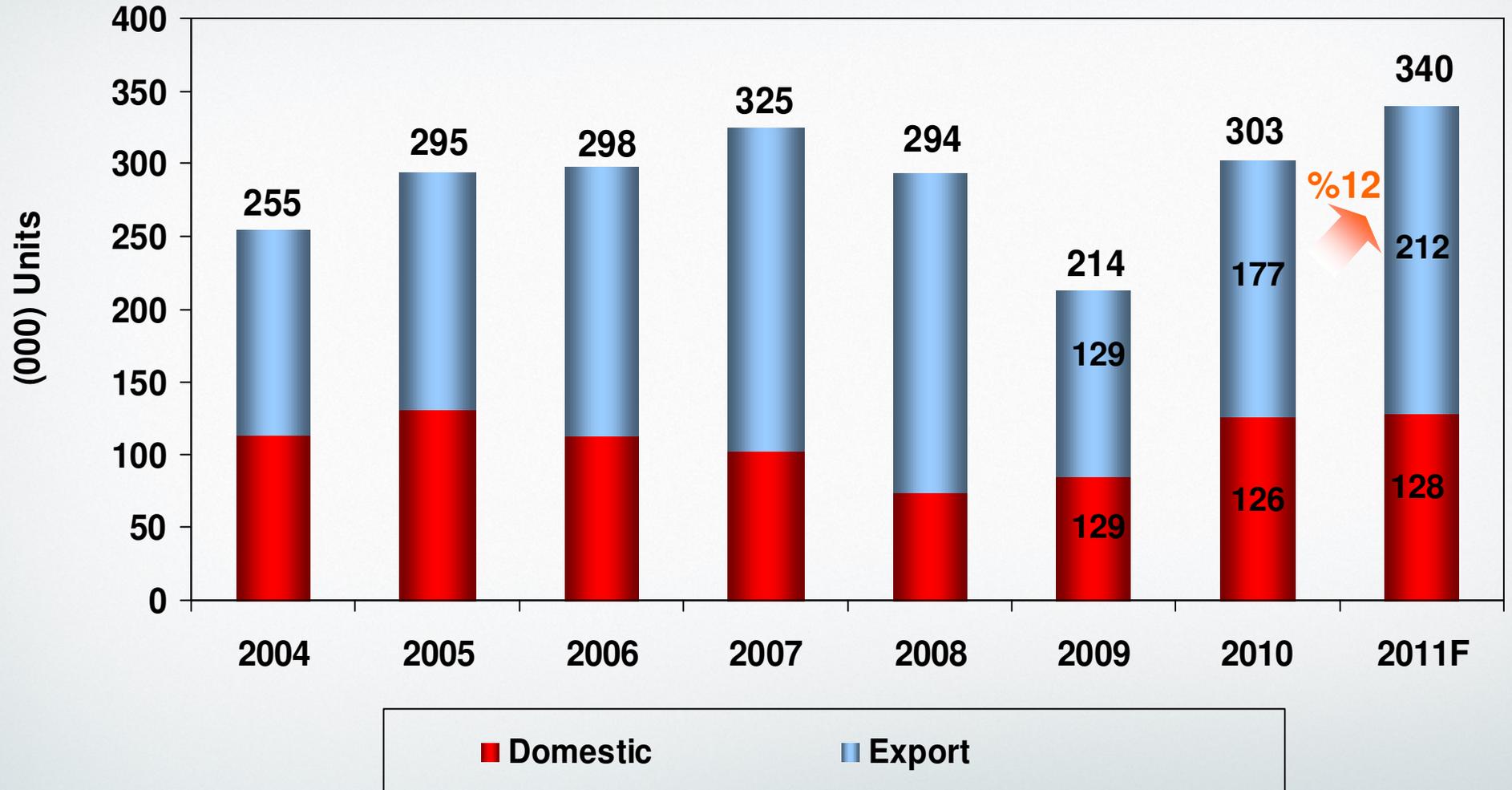
April 2011

## KEY OPERATING DATA

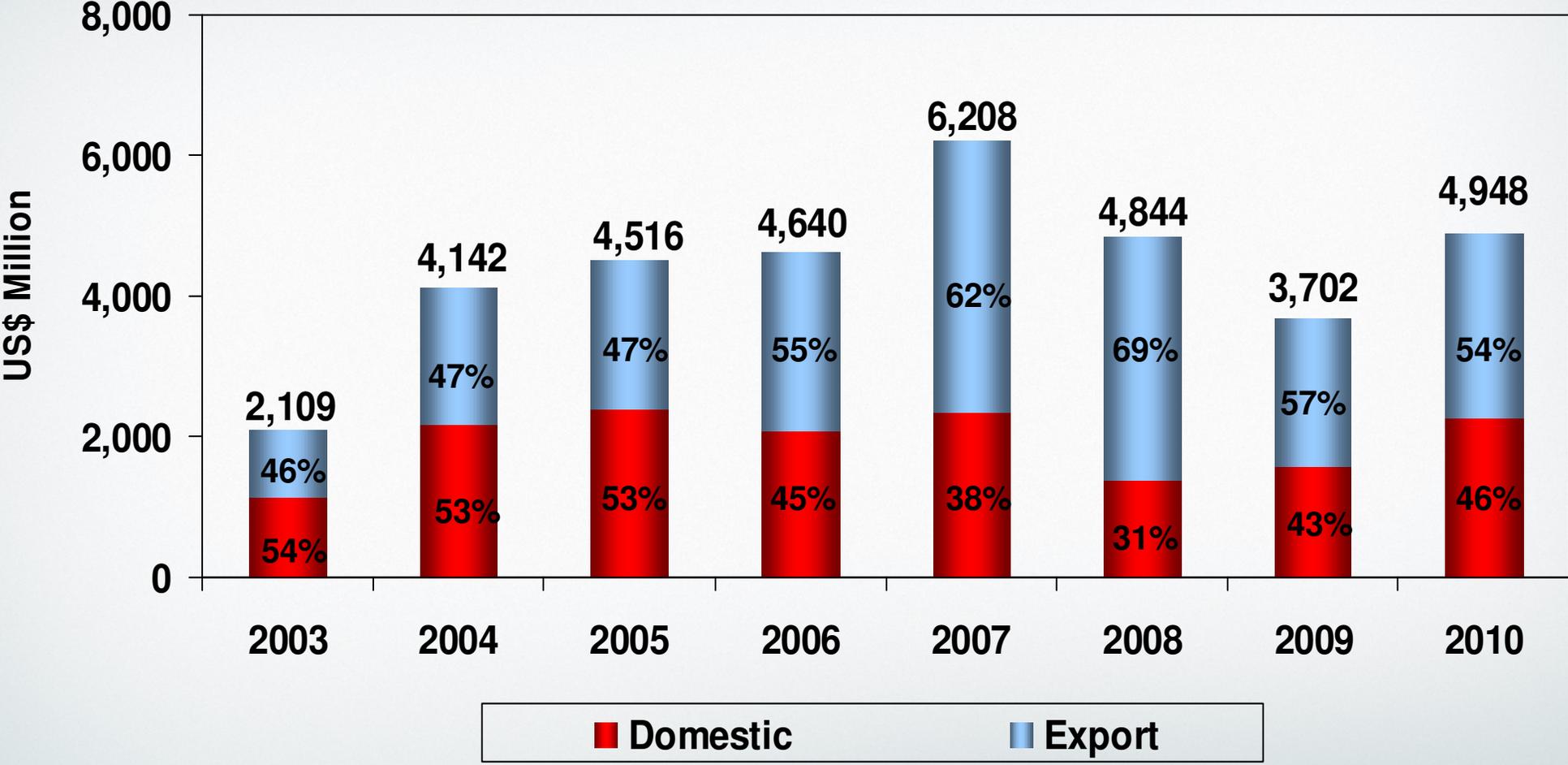
# Production Volume



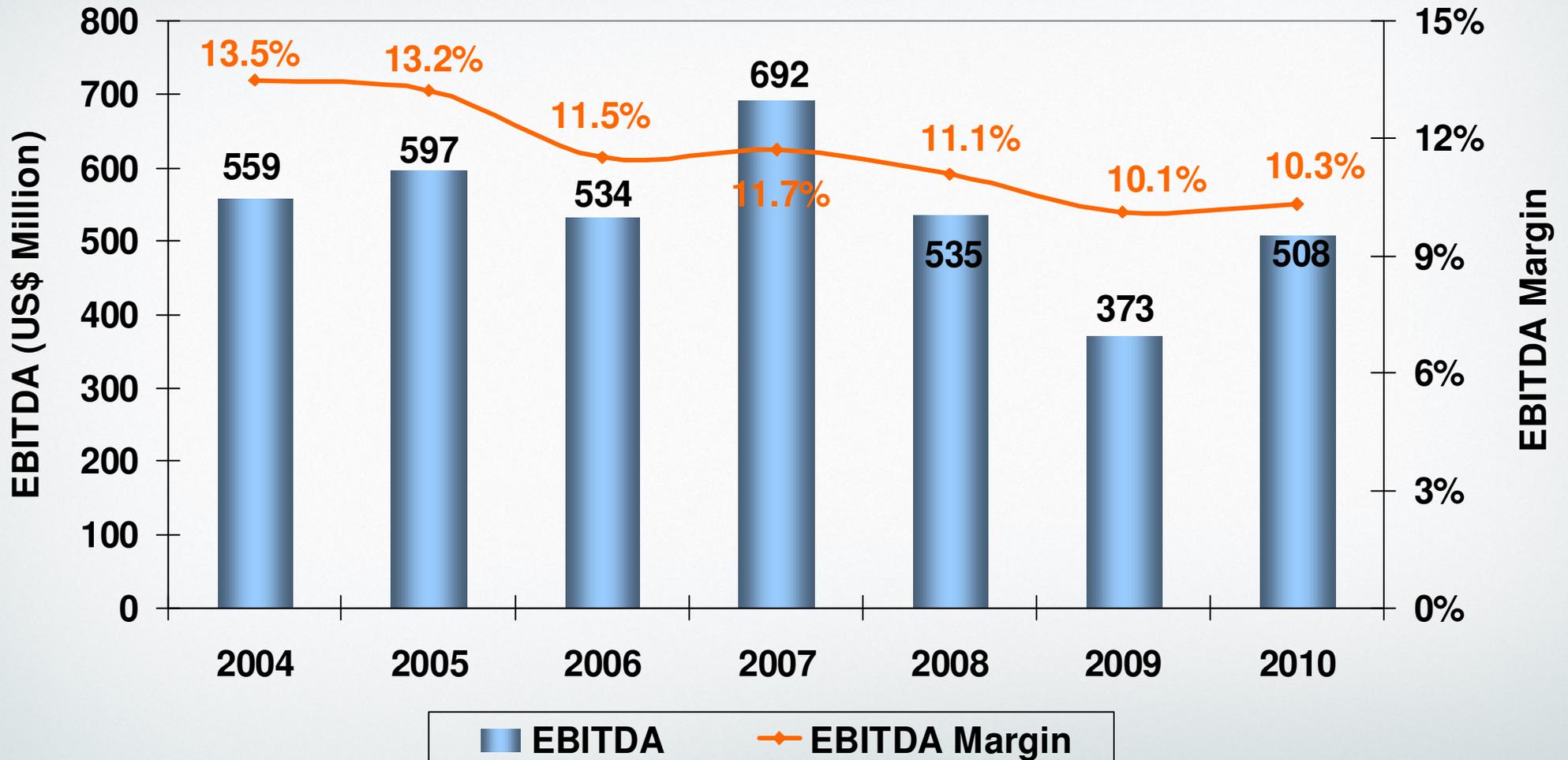
# Wholesales Volume – Domestic / Export



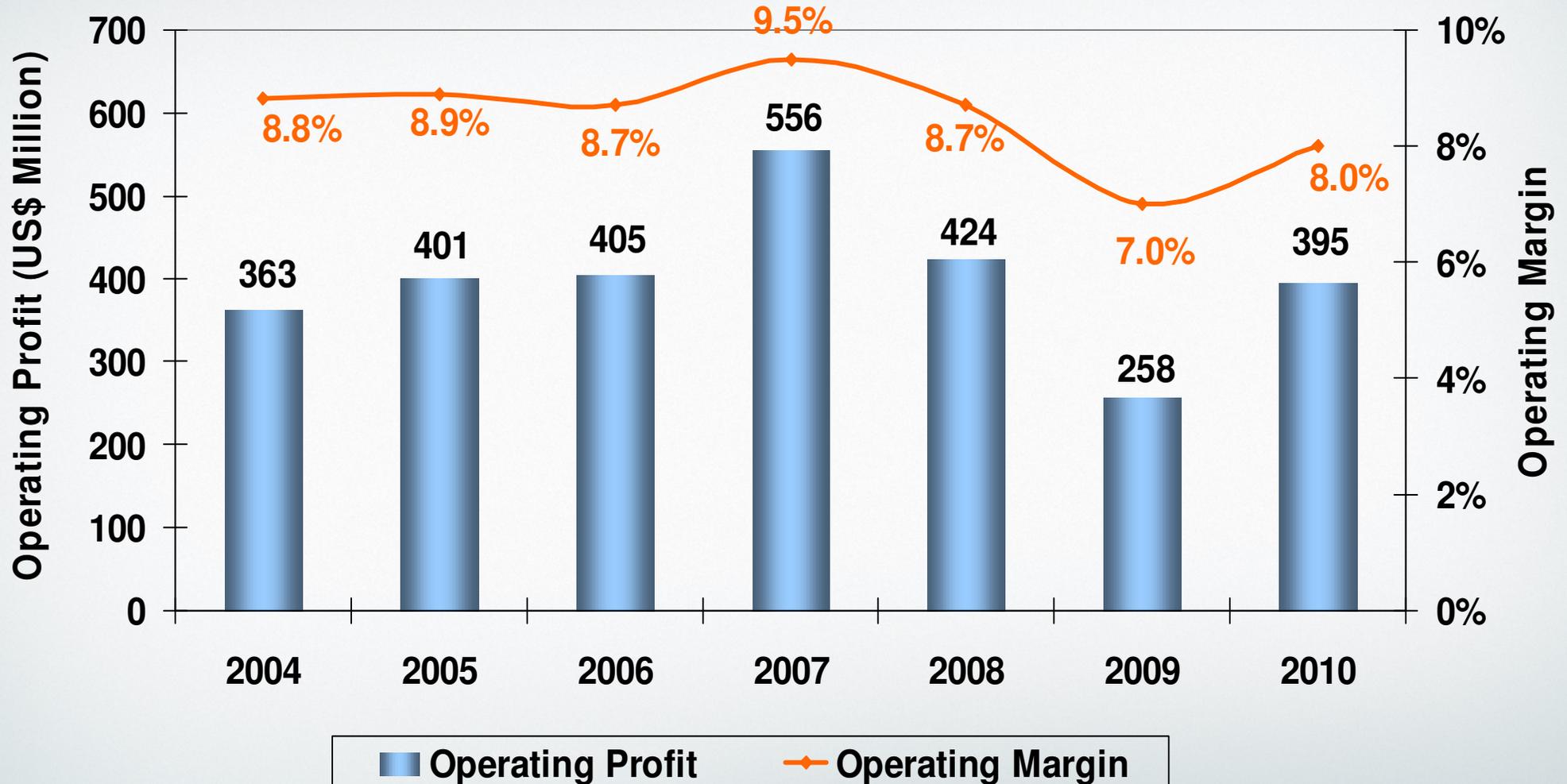
# Revenue - Domestic / Export



# EBITDA AND EBITDA Margin

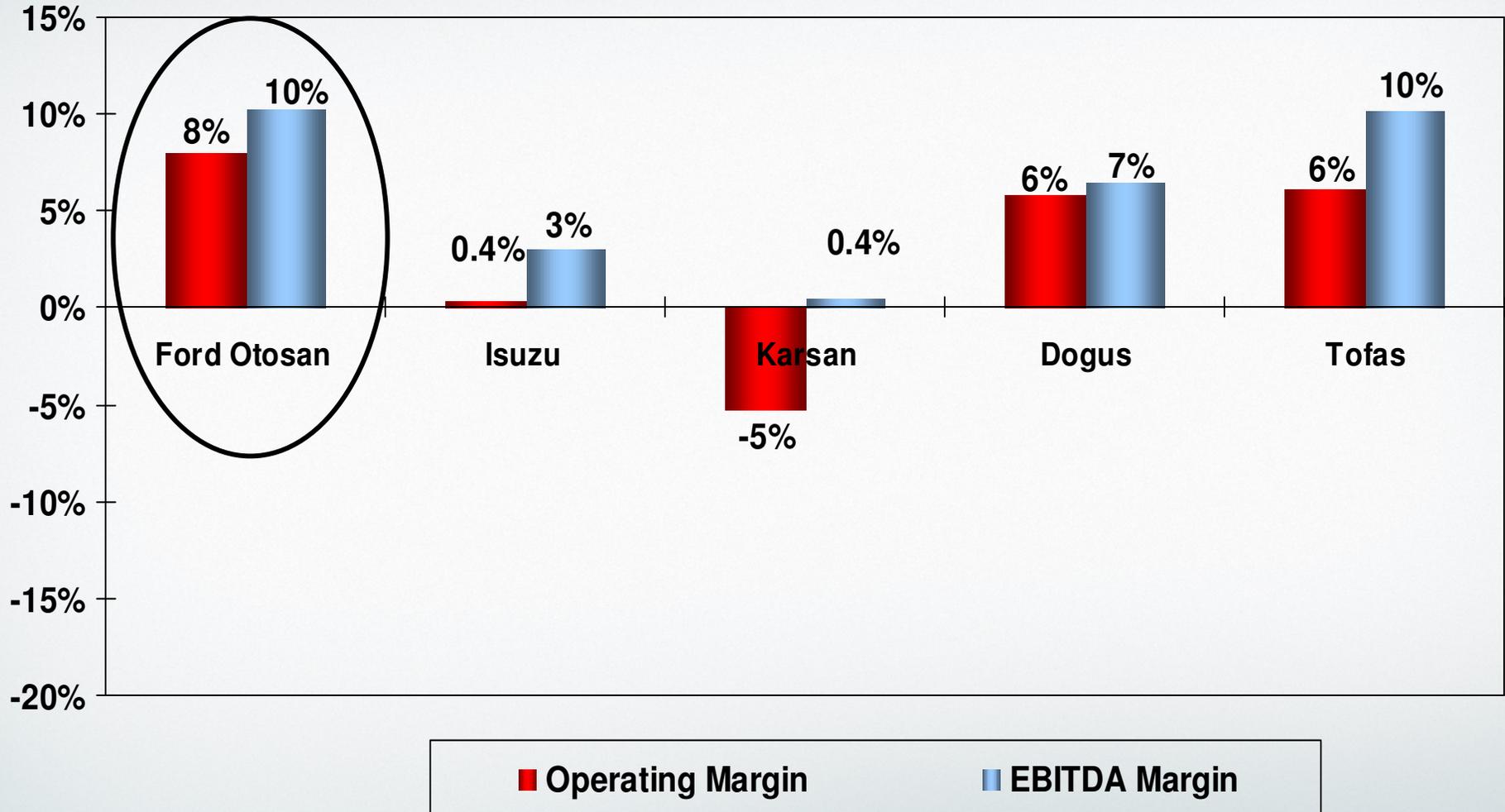


# Operating Profit and Operating Margin

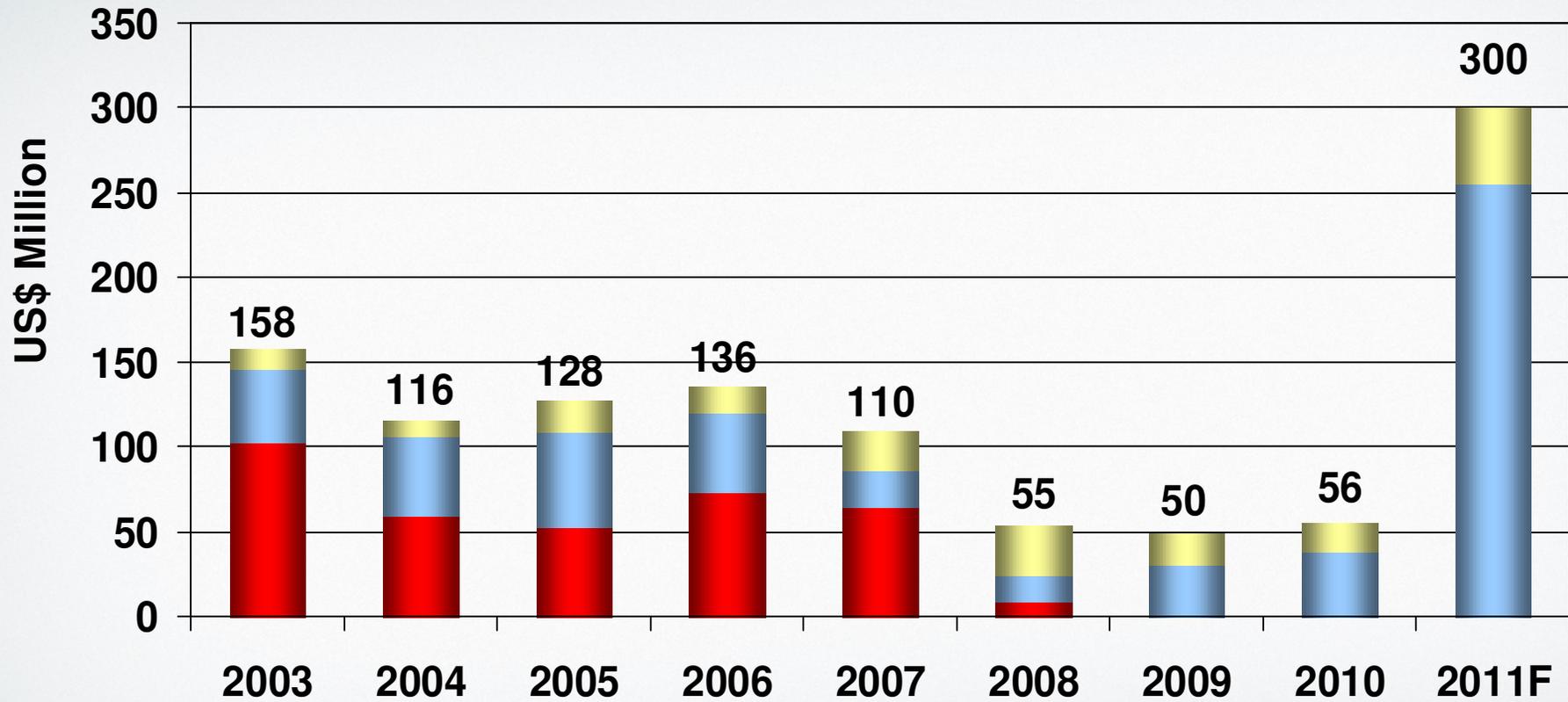


# Margin Comparison with Peers at ISE

2010



# CAPEX



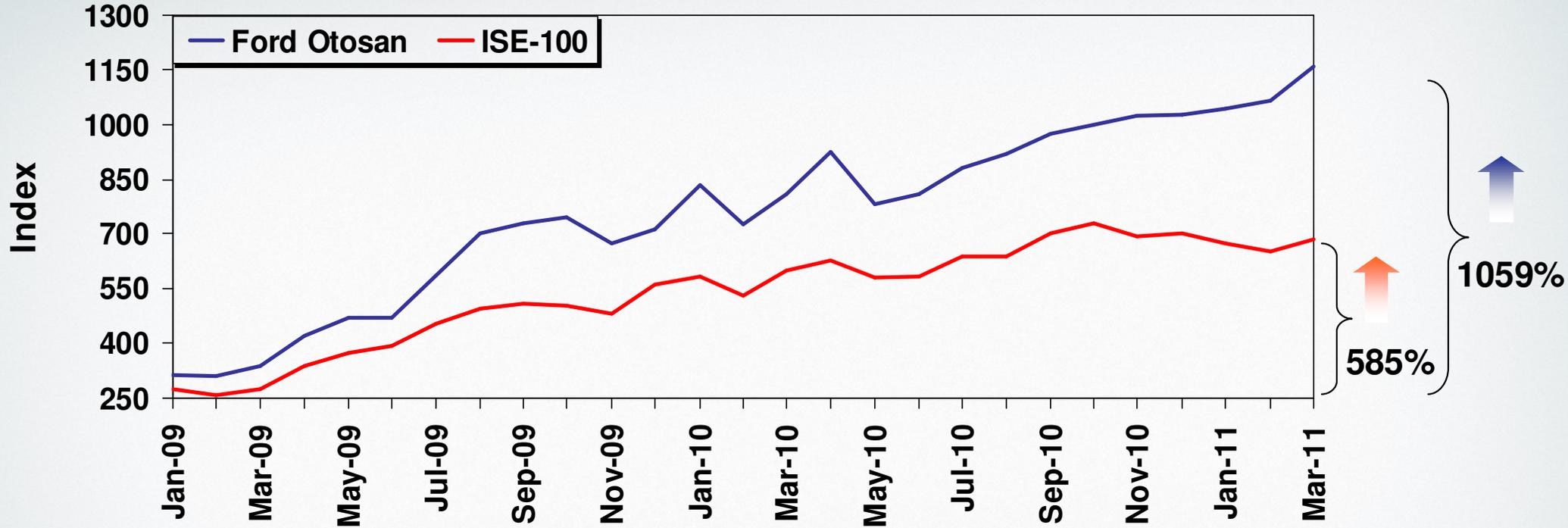
■ Capacity Increase ■ New Products ■ Maintenance & Others

# Investor Presentation

April 2011

## ISTANBUL STOCK EXCHANGE PERFORMANCE

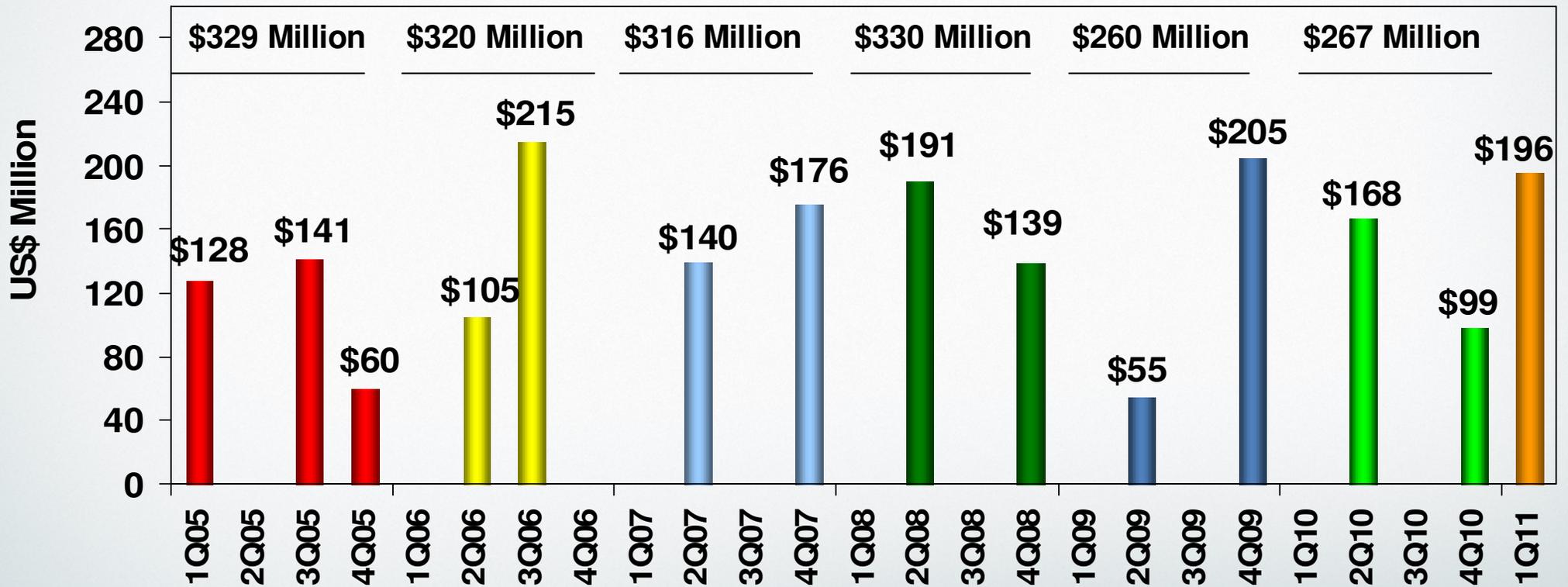
# ISE & FROTO Index



	2003	2004	2005	2006	2007	2008	2009	2010	31 Mar 2011
<b>FROTO</b>									
<b>Cumulative Change(%)</b>	%241	%303	%510	%564	%671	%223	%611	%926	<b>%1059</b>
<b>ISE-100</b>									
<b>Cumulative Change(%)</b>	%97	%165	%323	%316	%490	%186	%462	%602	<b>%585</b>

# High Dividend in the Last Years

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



# 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

April 2011

*Thank you...*

**Please visit our website:**

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

