



INVESTOR PRESENTATION  
MARCH 2013

## COMPANY PROFILE

### Factory

Güvercin Yolu No: 111-112 Gazi Ankara Turkey

### Spare Part Warehouse & Logistic

Büğdüz Mahallesi No: 286 Akyurt Ankara Turkey

### Annual Production Capacity

35.000 units of tractors & 25.000 units of engines  
(In case of working in single shift for 5 days a week as per the Chambers of Industry standard)

### Paid-in Capital

53.369.000 TL

### Headcount

2.446 (31.03.2013)

White Collar

441

Blue Collar

2.005

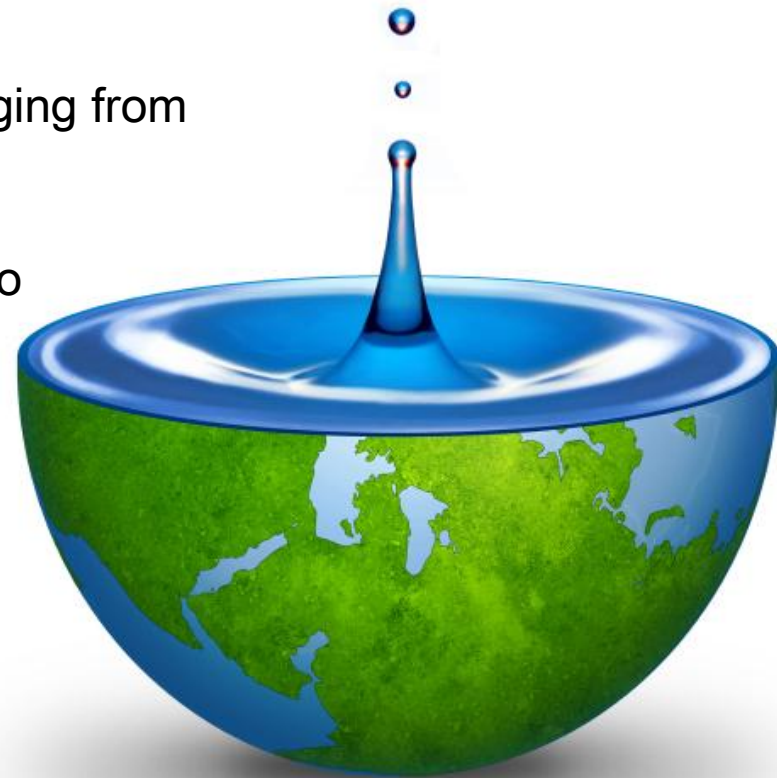
*Shares are traded at Borsa İstanbul with **TTRAK** symbol.*



*In the World and in Turkey*  
*Agricultural Sector*  
*Tractor Market*  
*Competitive Advantages*  
*Products*  
*Operational Results*



- Major impact of drought and climate changes on the industry due to global warming
- Increase in food prices in parallel to the increase in the world's population
- Decrease in available water supply in the world
- Worldwide agricultural commodities trade emerging from the increase in global competition
- Increase in energy crops agriculture in parallel to the extensive use of bio-energy
- Recognition of the global agriculture market as an attractive field of investment by the international investors





## AGRICULTURE SECTOR IN TURKEY

Rich soil structure,  
arable lands and  
favorable climate  
conditions

Agricultural  
Land Size  
24,4 million  
hectare

Turkey's total  
land area 78 million  
hectare

3 million  
agricultural  
holdings,  
the average land  
size 6 hectares  
per farm

The major industry  
with the product  
branding trend  
in global  
competition

25% of total  
employment in  
Turkey

23% of total  
population in  
Turkey

Share of the  
agricultural  
industry over  
the GDP  
8,1%

Average land size  
Turkey 57 decare  
EU 170 decare  
USA >1.000 decare

*Agriculture...*

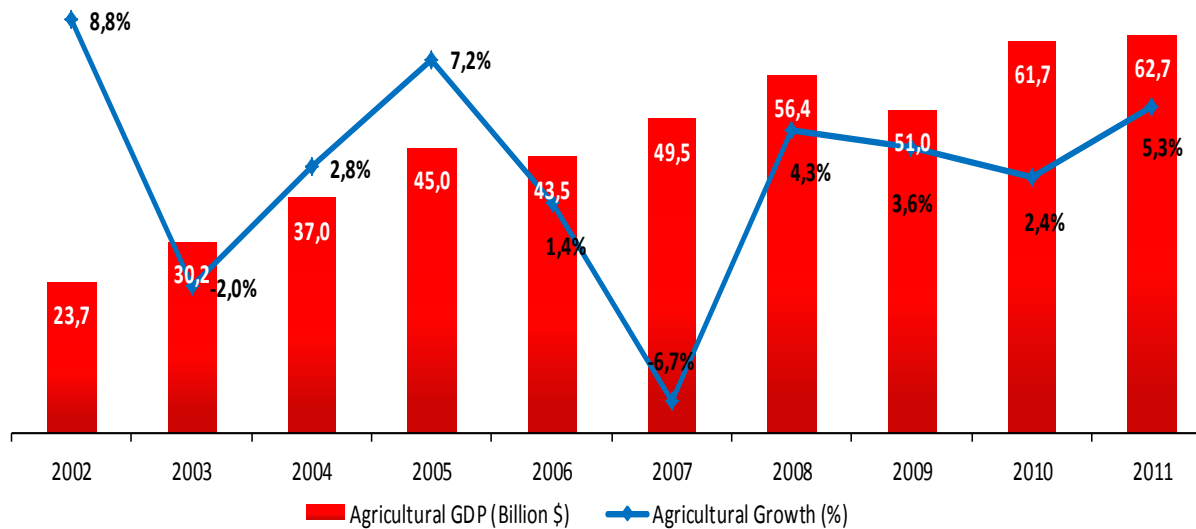
*The most strategic industry of the future and the main source of food, the basic need of humanity*

## LAND CONSOLIDATION



- The land consolidation studies have gained importance against the problem of small scale agricultural holdings which is the leading problem within the structural problems in the agricultural sector in Turkey.
- While 450 thousand hectare land in total was consolidated in Turkey between 1961 and 2002, in 41 years, 1,3 million hectare land was consolidated between 2003 and 2011 in 9 years. The projects to perform the land consolidation in additional 1,8 million hectare land have been continuing.

## AGRICULTURE SECTOR IN TURKEY

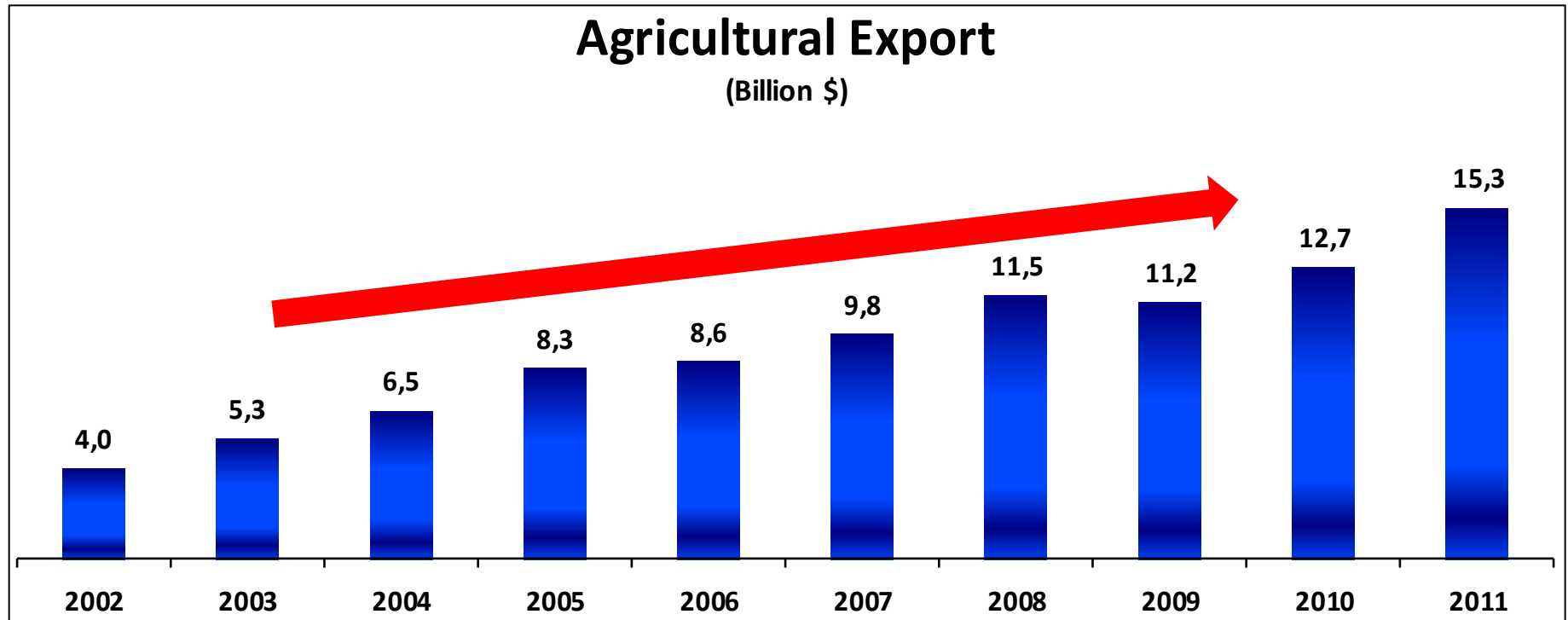


- Turkish agricultural sector has grown in 7 out of last 8 years becoming the locomotive sector for Turkish economy.
- While the contribution of agriculture to National Income was 23,7 billion dollar in 2002, it has reached to 62,7 billion dollars in 2011 by folding 2,7 times.

- While the economic size of Turkish agriculture with respect to world's agricultural economy was 11<sup>th</sup> rank in 2002, it has risen to 7<sup>th</sup> rank in 2009. When compared with the European economy it has risen from fourth rank to the first rank.

Source: Ministry of Food Agriculture and Livestock Report (2003-2012)

## AGRICULTURE SECTOR IN TURKEY



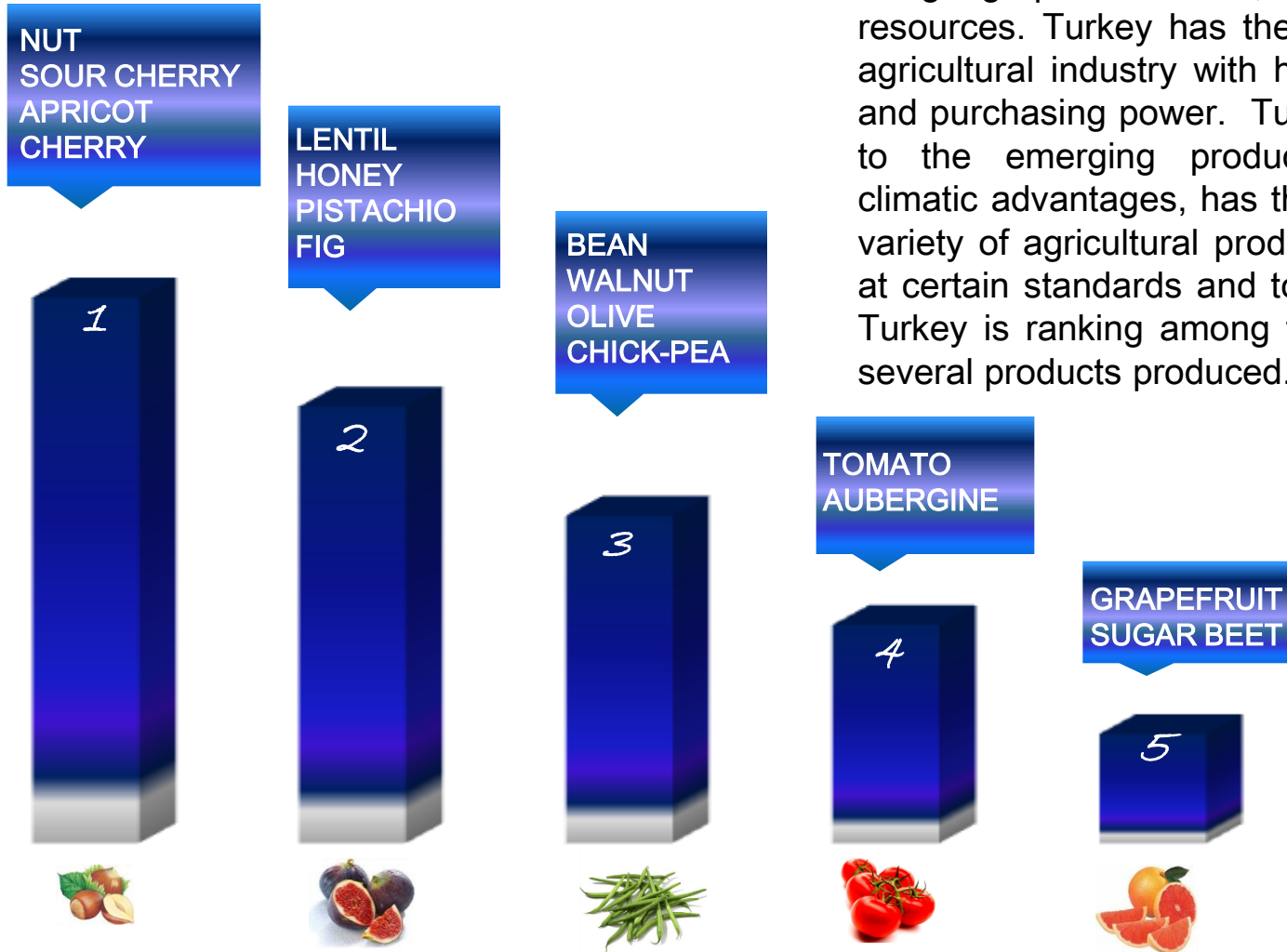
- In 2011, Turkey is a net exporter on foreign trade for live animals and food products with surplus of 5.4 billion dollars.(\*)
- Turkey has taken place in the top five with 30 products in the world agricultural production and with 20 products in exports.
- Turkey has exported 1.532 kind of agricultural products to 186 countries.

Source: Ministry of Food Agriculture and Livestock Report (2003-2012)

(\*): TURKSTAT – Standart International Trade Class (SITC, Rev.3)



## AGRICULTURE SECTOR IN TURKEY

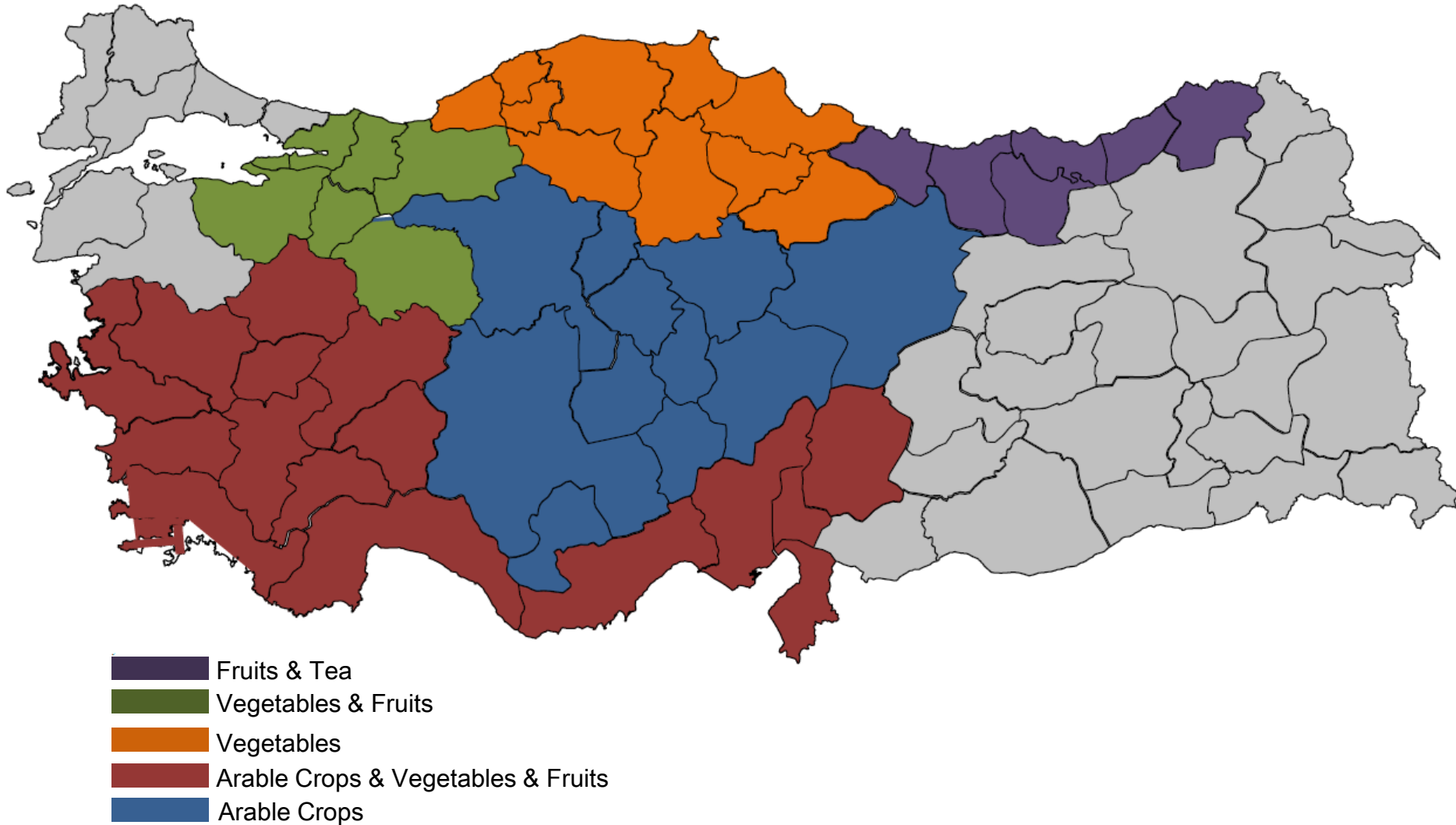


Turkey, located at the most favorable climate zone in geographical terms, has adequate natural resources. Turkey has the capacity to support the agricultural industry with her increasing population and purchasing power. Turkey, in particular thanks to the emerging production technologies and climatic advantages, has the potential to produce a variety of agricultural products throughout the year at certain standards and to market these products. Turkey is ranking among the best in the world for several products produced.

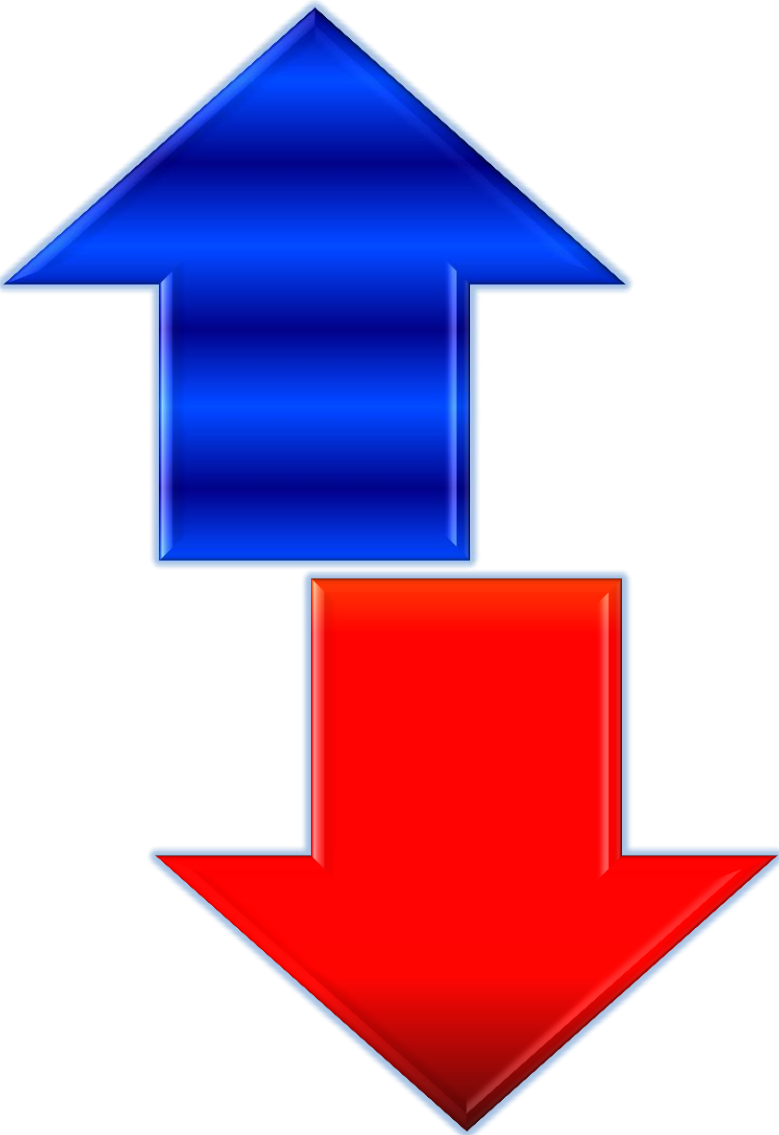
Source : General Directorate of Agricultural Production and Development

## AGRICULTURE SECTOR IN TURKEY

### AGRICULTURAL CROP MAP OF TURKEY



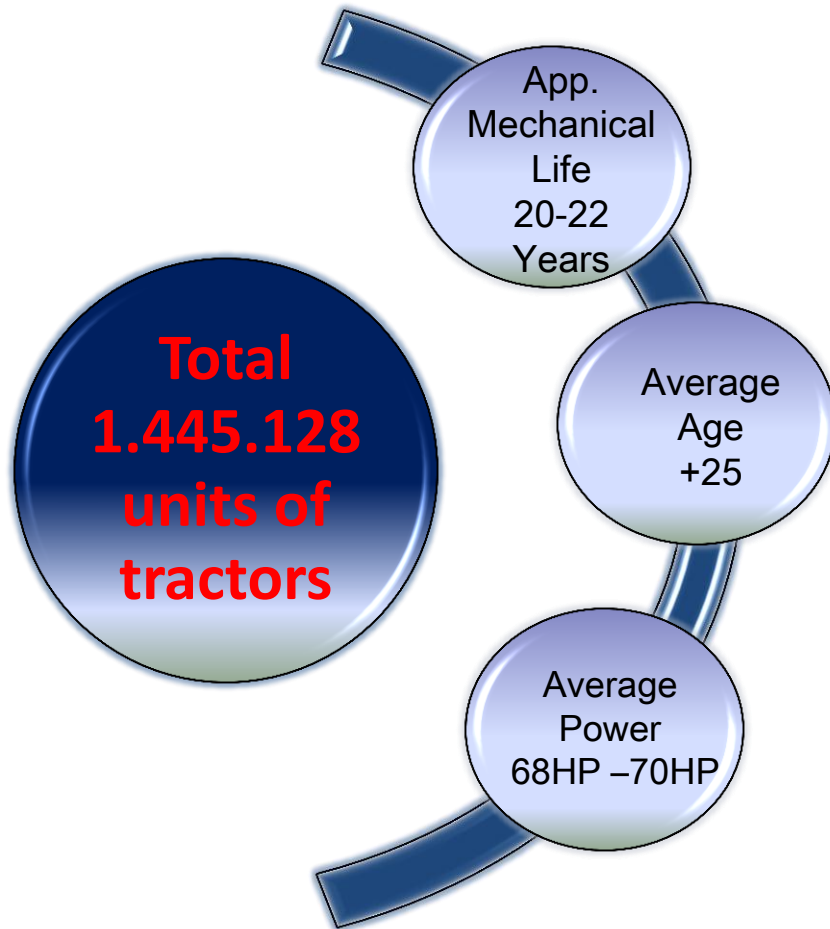
## AGRICULTURE SECTOR IN TURKEY



- Favorable ecological conditions and climate for agricultural production
  - Government incentives granted for agricultural investments
  - Increased recent interest of investors to Turkish agriculture
  - Increase in productivity due to advanced automation
  - Competitive labor costs
- 
- Intensity of small-sized enterprises, highly depending on government subsidy and highly fragmented in structure
  - High cost of agricultural production with use of machinery for the small-sized farms to increase productivity
  - Risk of weather conditions such as drought and flood for agricultural production

- Use of obsolete tractors in the Turkish market not only increases the cost of the enterprises but also results in productivity loss by 25%.
- More than half million tractors are required to be renewed due to invalid specifications.
- Use of high capacity agricultural machinery and equipment will allow decreasing the unit cost of production.
- It will allow for minimizing loss of lives and property resulting from the use of out-of-date tractors and old equipment.
- Considering the direct correlation between HP and mechanization, the increase in mechanization level will be accompanied by the increase in the average HP of the tractors sold in Turkey.

## TURKISH TRACTOR PARK & RENEWAL POTENTIAL



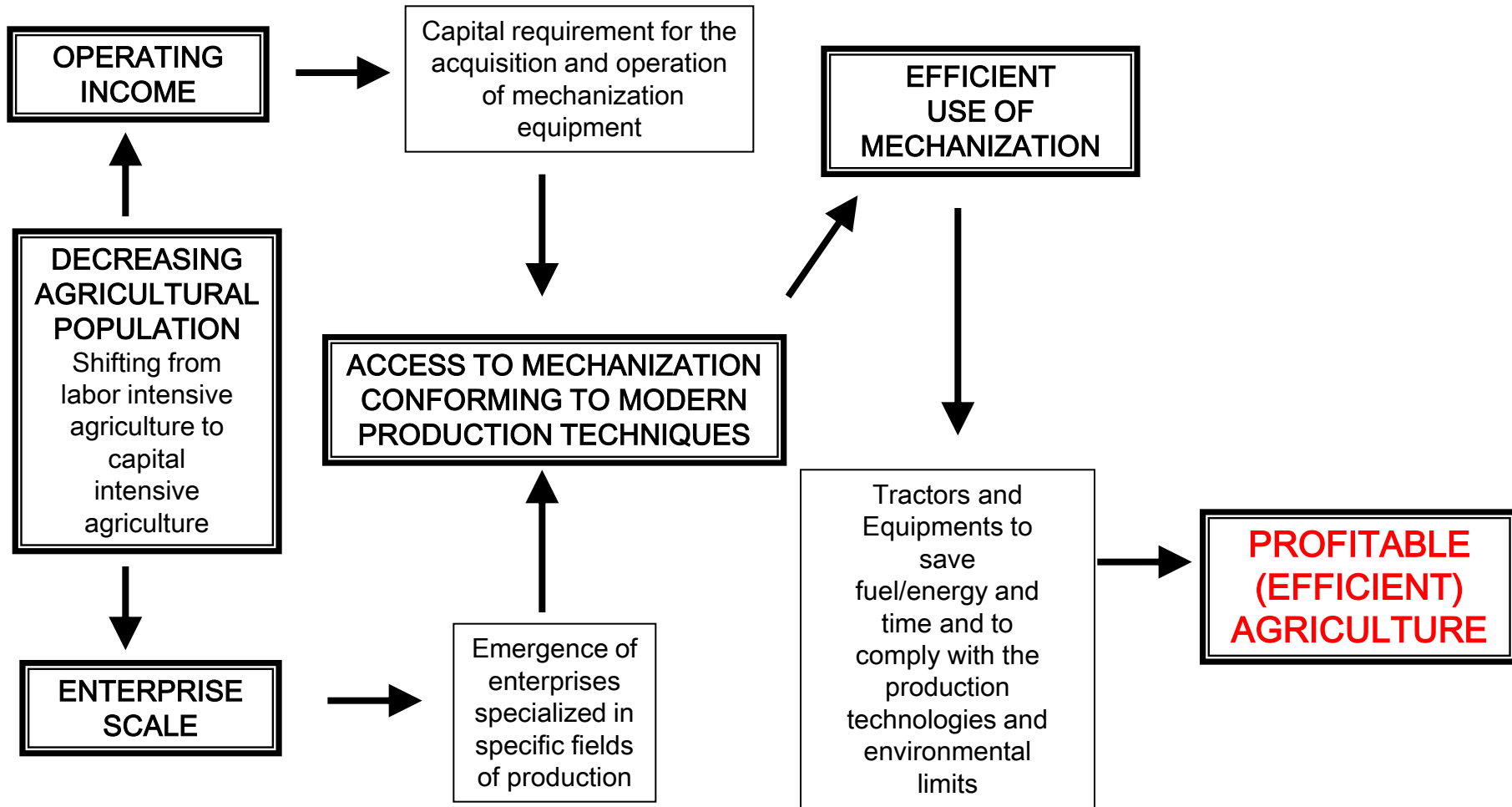
- Reference to TURKSTAT data, there are 1.445.128 units of tractors in Turkish tractor park. The average of the park is 23,2.
- There are 704.626 tractors over 25 years. The average of those is 34,8.

Age	Unit	%
40+	165.092	11%
35-39	257.922	18%
30-34	121.779	8%
25-29	159.833	11%
<25	740.502	51%
<b>TOTAL</b>	<b>1.445.128</b>	



## AGRICULTURAL MECHANIZATION

The rate of equipment use in Turkish agriculture is lower than the tractor use rate; the number of equipment per tractor and also the qualities of such equipment are far behind the levels of the developed countries.



## RESOURCES ALLOCATED TO AGRICULTURE IN TURKEY

2013  
BUDGET\*

Agricultural Support Payment  
Resources Allocated to Agriculture

8,9 billion TL  
13,6 billion TL

2012

Agricultural Support Payment  
Resources Allocated to Agriculture

7,2 billion TL  
11 billion TL

2011

Agricultural Support Payment  
Agricultural Loan Interest Support (Ziraat Bank)  
Resources Allocated to Agriculture

7,8 billion TL  
776 million TL  
8,9 billion TL

2010

Agricultural Support Payment  
Agricultural Loan Interest Support (Ziraat Bank)  
Resources Allocated to Agriculture

5,4 billion TL  
532 million TL  
8,4 billion TL

2008

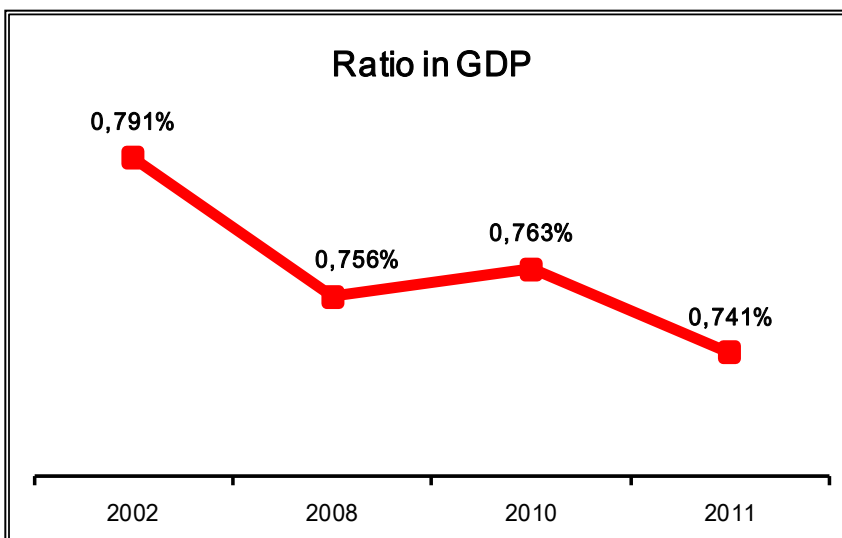
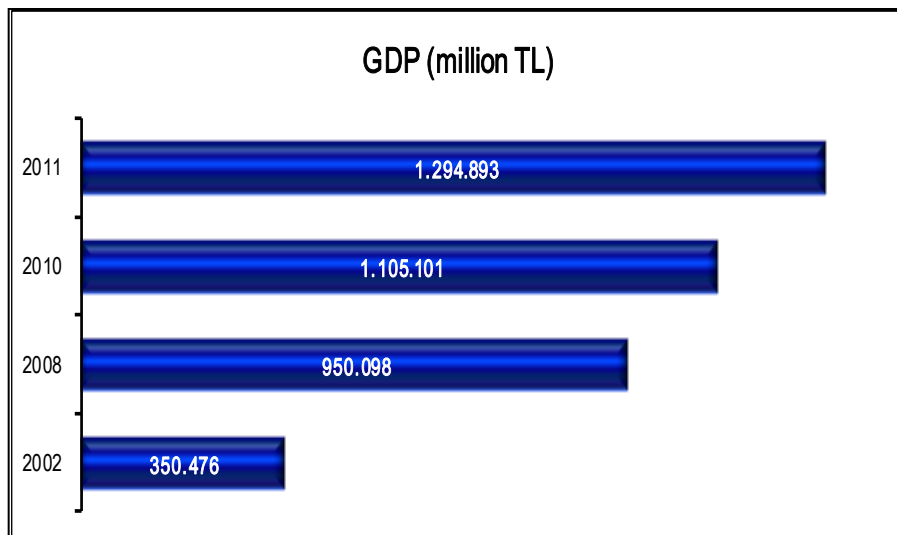
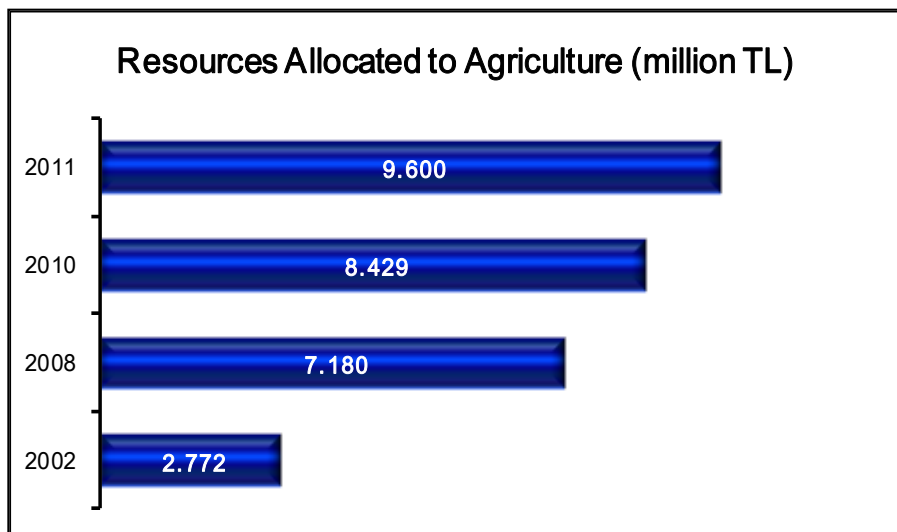
Agricultural Support Payment  
Agricultural Loan Interest Support (Ziraat Bank)  
Resources Allocated to Agriculture

5,1 billion TL  
404 million TL  
7,2 billion TL

Source : General Directorate of Agricultural Production and Development

\* 2013 Budget Speech

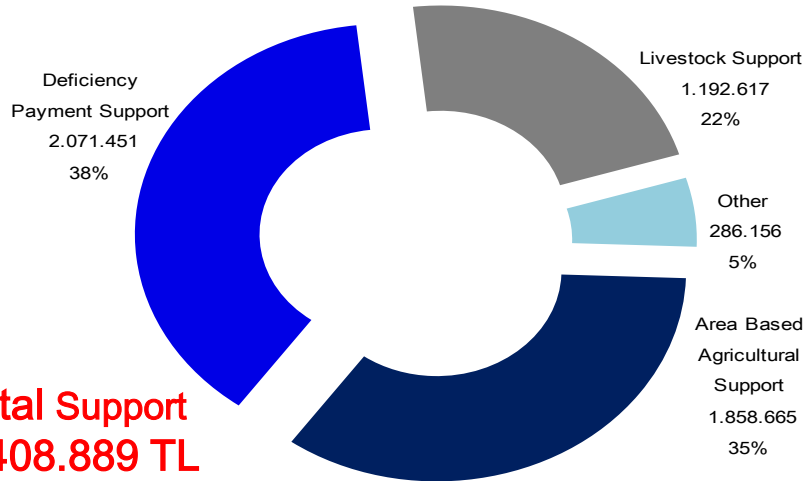
## RESOURCES ALLOCATED TO AGRICULTURE IN TURKEY



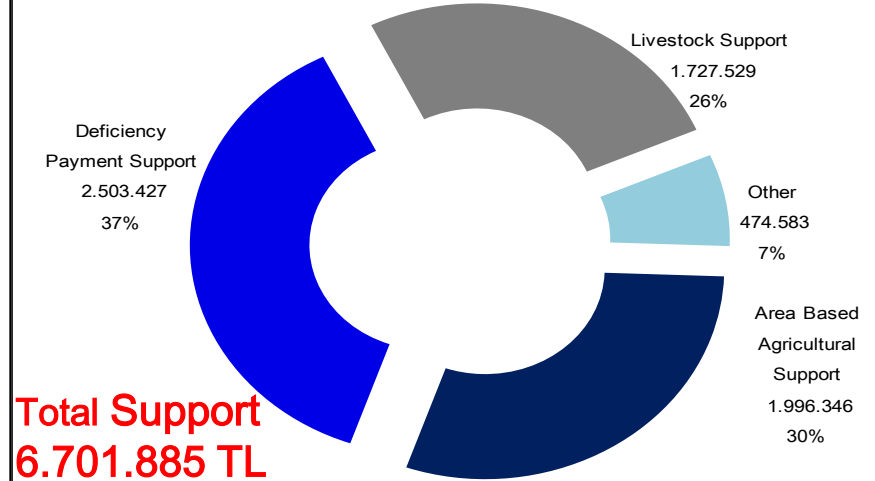
Source : General Directorate of Agricultural Production and Development

# RESOURCES ALLOCATED TO AGRICULTURE IN TURKEY

SUPPORT PAYMENTS in 2010 (thousand TL)

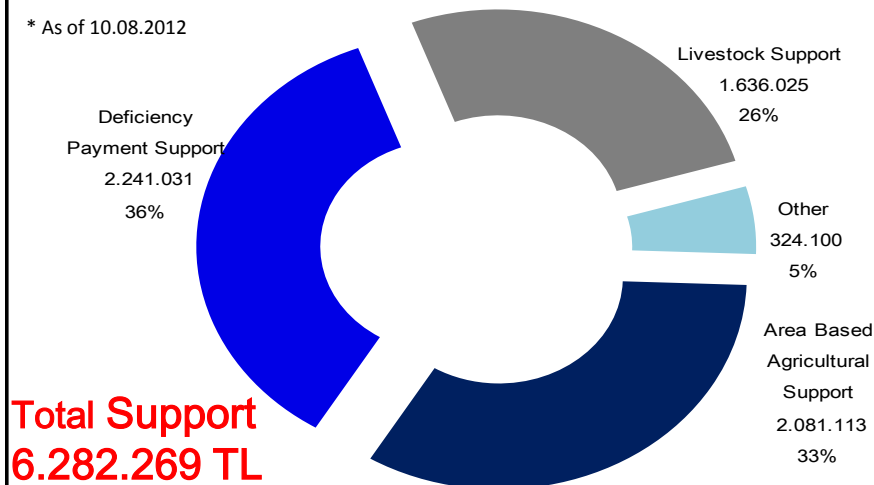


SUPPORT PAYMENTS in 2011 (thousand TL)



SUPPORT PAYMENTS in 2012 (thousand TL)

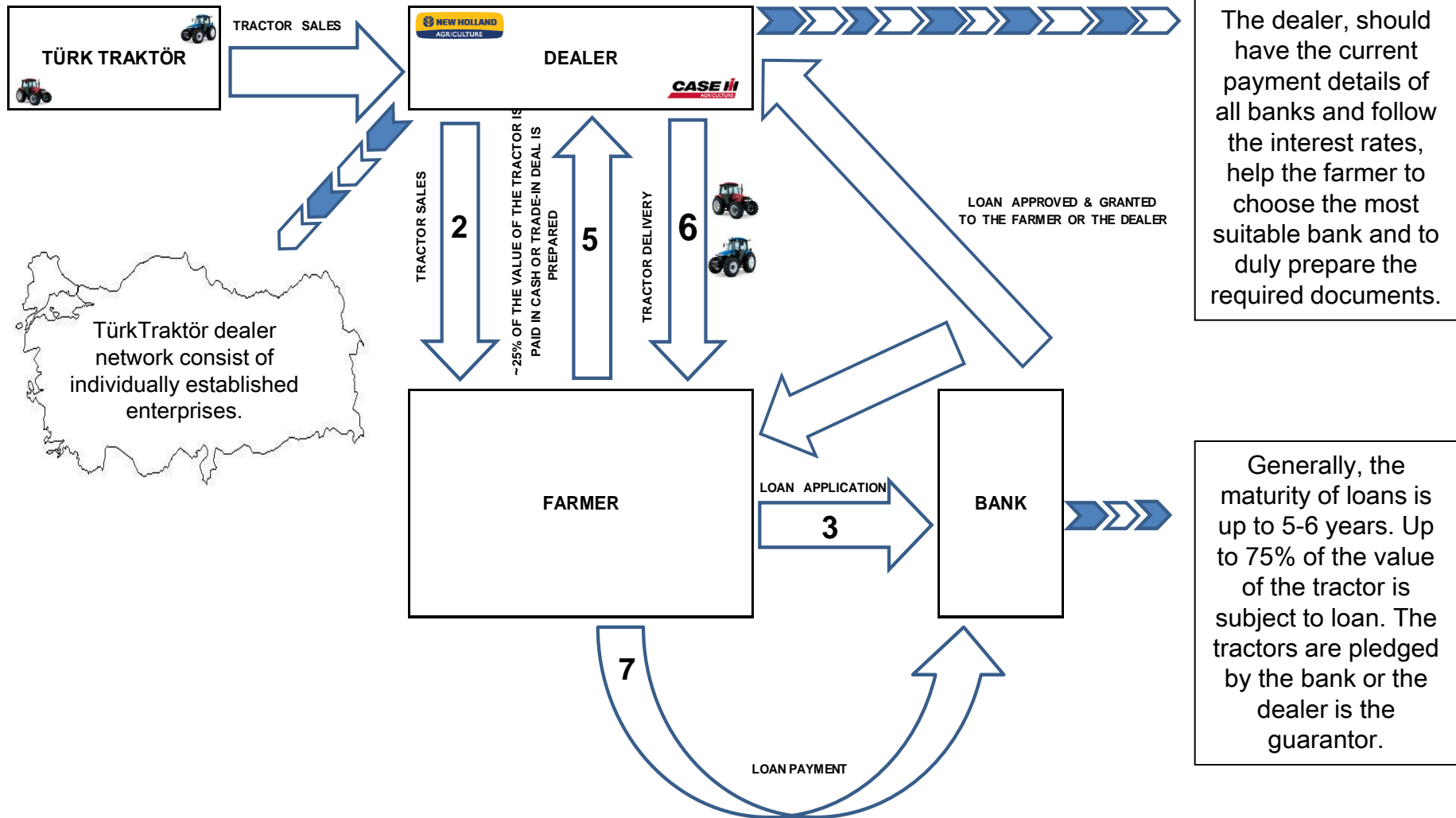
\* As of 10.08.2012



Source : General Directorate of Agricultural Production and Development

# CONSUMER FINANCE

In Turkey, 90% of the farmers buy the tractors through bank loans.





*In the World and in Turkey*

*Agricultural Sector*

*Tractor Market*

*Competitive Advantages*

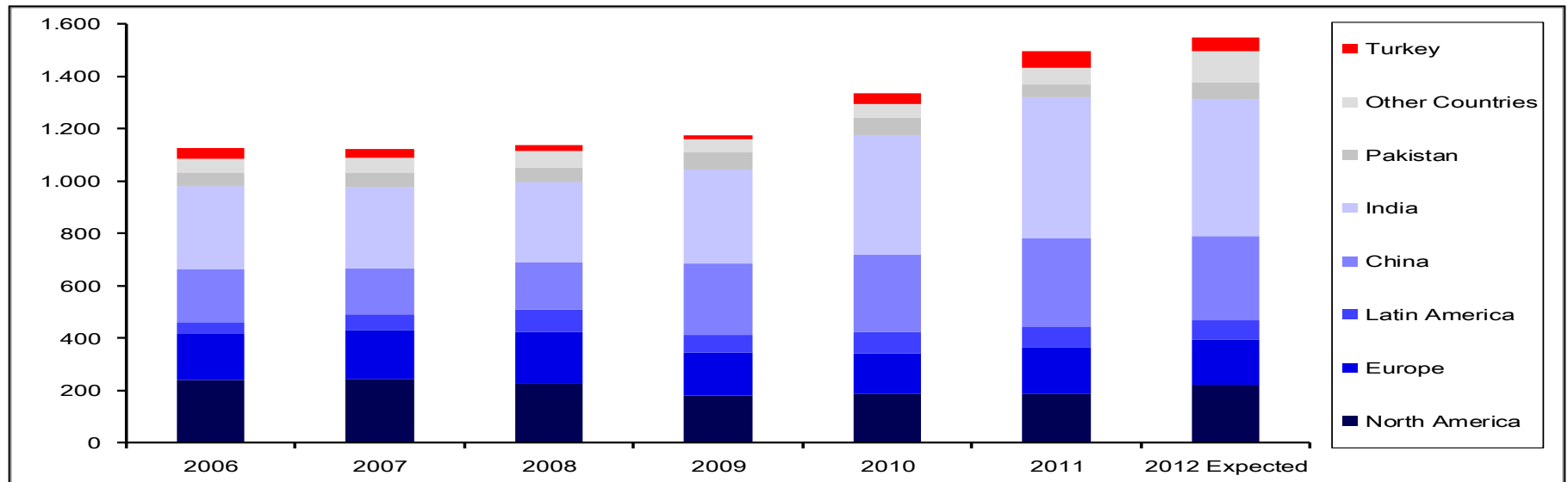
*Products*

*Operational Results*



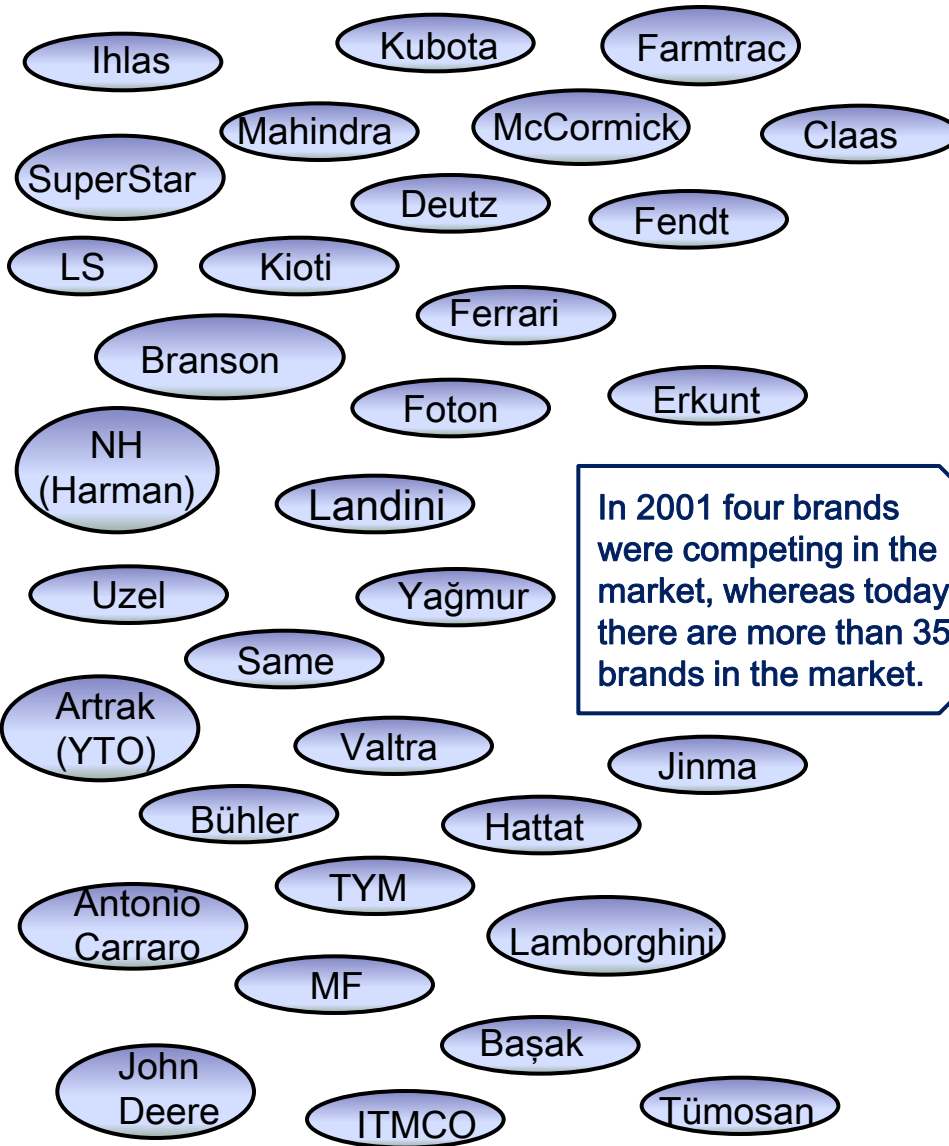
# TURKEY in WORLDWIDE TRACTOR MARKET

WORLD TRACTOR MARKET							
Units in Thousand	2006	2007	2008	2009	2010	2011	2012 Expected
North America	239	242	226	179	188	188	219
Europe	178	186	198	164	151	174	173
Latin America	44	61	83	69	83	80	75
China	202	178	180	271	295	340	324
India	318	310	308	361	457	537	524
Pakistan	50	55	55	68	68	52	64
Other Countries	52	56	64	49	52	63	120
Turkey	42	35	24	14	40	64	49
Total	1.125	1.124	1.139	1.175	1.335	1.498	1.548
<b>TURKEY</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>5</b>



Source : International Systematics

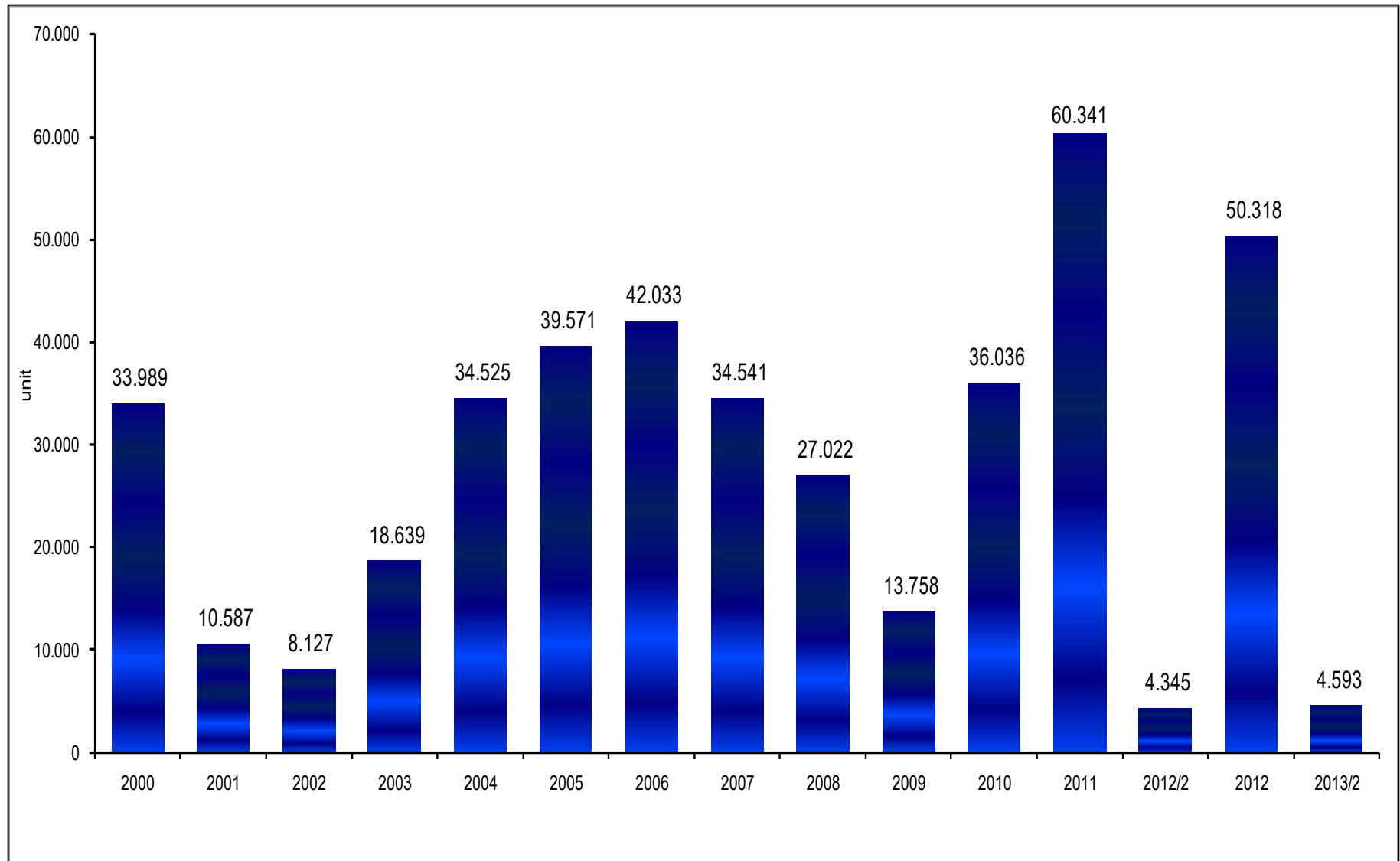
# TRACTOR MARKET in TURKEY



*In the Turkish market under fierce competition circumstances, Türk Traktör is the leader for the last 6 years with a market share of more than 50%.*

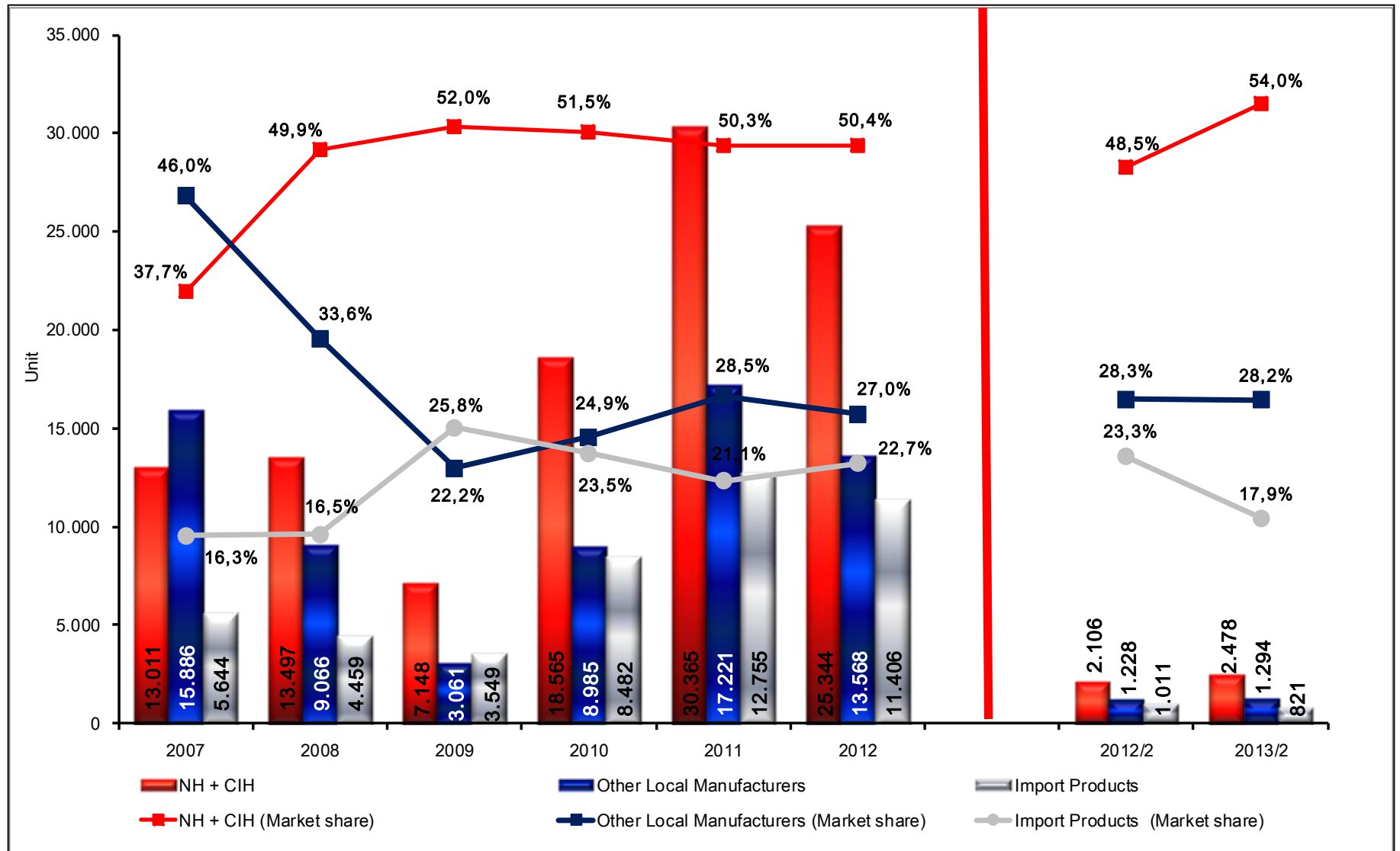


## TRACTOR MARKET in TURKEY



Source : TURKSTAT

# TRACTOR MARKET in TURKEY



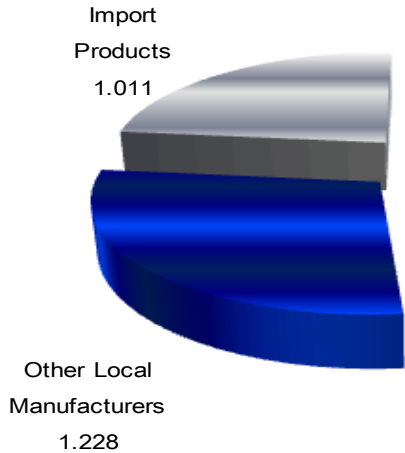
Source : TURKSTAT



# TRACTOR MARKET in TURKEY

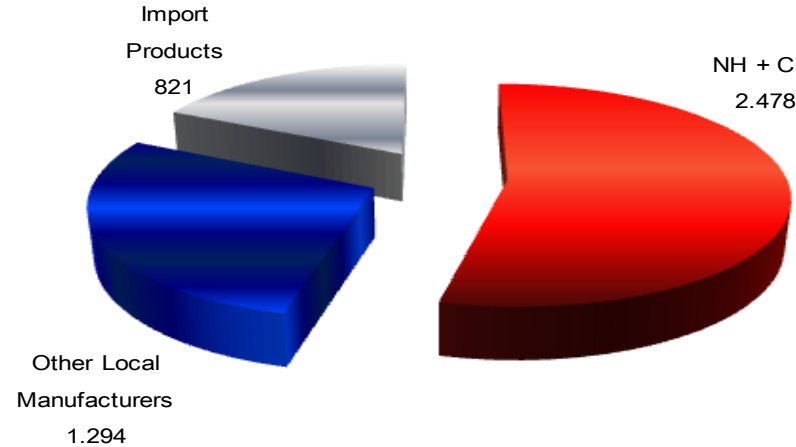
## Tractor Sales @ 2012/2

NH + CIH  
2.106



## Tractor Sales @ 2013/2

NH + CIH  
2.478



## Market Share @ 2012/2

NH + CIH  
48,5%

Other Local  
Manufacturers  
28,3%

Import  
Products  
23,3%



## Market Share @ 2013/2

NH + CIH  
54,0%

Other Local  
Manufacturers  
28,2%

Import  
Products  
17,9%



## Market Share @ Last 12 Months

NH + CIH  
50,9%

Other Local  
Manufacturers  
27,0%

Import  
Products  
22,7%



*For the last 6 years one out of every two tractors have been manufactured by TürkTraktör.*

*In the tractor market, New Holland brand is the leader with a market share of 49%\*.*

*Case IH brand, launched in the domestic market in 2007, has a market share of 5%\*.*

- The widest product range
  - The widest dealer network and after sales organization
    - Leading the agricultural equipment market with outstanding products, specialized dealers and comprehensive aftersales services
    - Strong, loyal and large customer portfolio

\* According to TURKSTAT Traffic Registration data @ 2013/2

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# COMPETITIVE ADVANTAGES

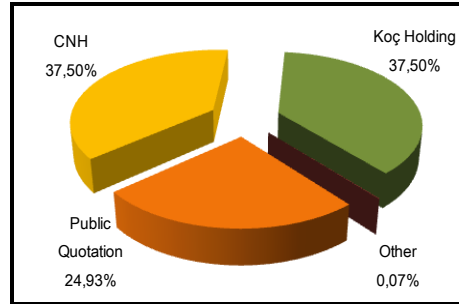
## EXPERIENCE OF 57 YEARS



TürkTraktör, manufactured and exported tractors for the first time in Turkey and has an experience of 57 years,

- manufactures environmental friendly engines with low emission levels between 48 HP - 110 HP range
- being the first company started to implement TIER 3 engine emission level in Turkey, that is obligatory in 2011

## STRONG SHAREHOLDER STRUCTURE



### KOÇ HOLDİNG A.Ş.

- One of the strongest holdings of Turkey possessing a leading role in different sectors, such as energy, automotive, durable consumer goods and finance

### CNH

- One of the largest agricultural and construction equipment manufacturers of the world

## WIDEST DEALER NETWORK



- Strong distribution network throughout Turkey with 99 New Holland and 28 Case IH 3S tractor dealers and 97 spare part dealers
- Call center service being a first in Turkey that serves 24 hours and 7 days to meet the needs and requirements of the customers

# COMPETITIVE ADVANTAGES

## MANUFACTURING TECHNOLOGY



- Being the first in Turkey concerning flexible manufacturing lines that enables co-use of automatic manufacturing units and complex control systems
- Great flexibility in terms of both domestic and international resource use not only in final product output, but also in all the parts being manufactured

## R&D CENTER



- R&D center accredited by the Ministry of Industry on 03 September 2009
- Main engineering and manufacturing center for TD/JX series tractors and relevant transmissions among CNH group.
- The only production center for Utility Series Tractors
- Being responsible for innovation and improvement for the same series

## LARGE SCALE EXPORT



- Export to over 90 countries all over the world via global network of CNH, such as, US, South America, particularly Africa and Asia markets, large buyers like Australia and EU Member States, and other countries like Papua New Guinea, New Caledonia and Zimbabwe



- TürkTraktör tries to go head to head with international manufacturers from the same segment. TürkTraktör follows the developments in the world market and keeps track of innovations in the sector.
- TürkTraktör has an objective on a preferential basis to protect its cost-favorable company image against other domestic manufacturers through its investments on R&D and market visibility.
- Company management attaches great significance to the protection of profitability and shareholders' interests. Increments in terms of quantity and market share did not prevent the profit to be reflected to the partners.
- Performance sustainability is given great importance. The balanced level of EBITDA and the level of RoE and RoA among the industrial companies in the world are the reflection of this fact.
- Company management aspires for the protection of the company value against fluctuations in the foreign exchange market. Foreign exchange position is tried to be kept in a balance both operationally and financially.

*In the World and in Turkey*  
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# MANUFACTURED PRODUCTS (TRACTOR)

## Series

T480



T480 2WD

48 HP

T480 4WD

48 HP



TT



50

50 HP

55

55 HP

65

65 HP

75

72HP

56s



55

55 HP

65

65 HP

75

75 HP

TDS



65

65 HP

75

72 HP

80

80 HP

TDD



65

65 HP

75

75 HP

80

83 HP

90

88 HP

100

98 HP

110

110 HP

TTB



50

50 HP

55

55 HP

65

65 HP

TDB



65

65 HP

75

72 HP

80

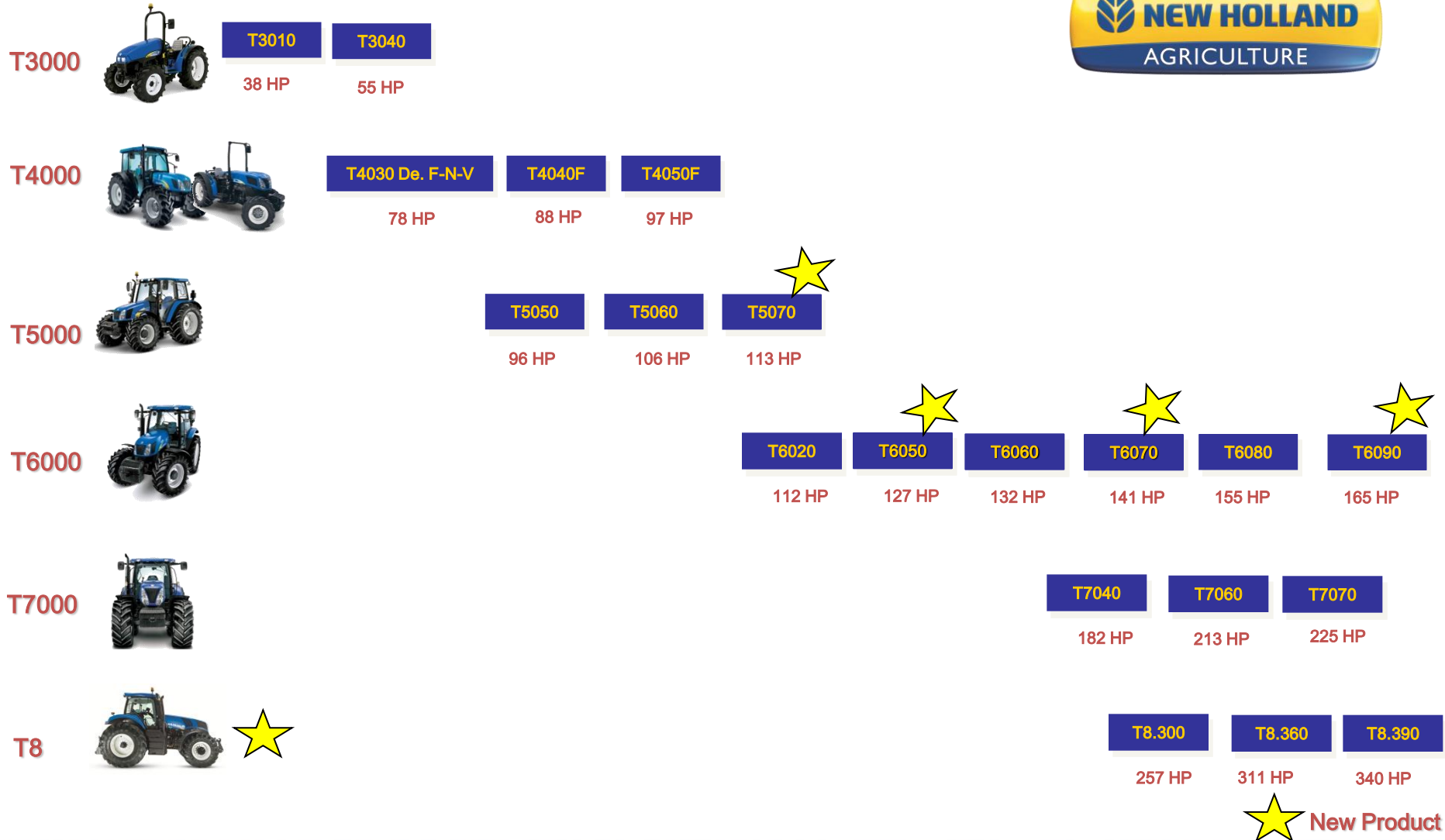
80 HP



New Product

# IMPORTED PRODUCTS (TRACTOR)

## Series



# PRODUCTS (TRACTOR)

## Series

**JXC**  
Manufactured



55

55 HP

65

65 HP

75

75 HP



**JX**  
Manufactured



70

65 HP

75

75 HP

80

80 HP

90

88 HP

100

98 HP

110

110 HP

**JXU**  
Imported



95

96 HP

105

106 HP

115

113 HP

**MAXXUM**  
Imported



110

112 HP

130

132 HP

140

141 HP

**PUMA**  
Imported



**PUMA CVX**

125

126 HP

140

141 HP

155

155 HP

165

167 HP

180

182 HP

210

213 HP

225

225 HP

**MAGNUM**  
Imported



260

257 HP

315

311 HP

340

340 HP

**QUANTUM**  
Imported



75N

78 HP

85N

88 HP

95N

98 HP



New Product

# IMPORTED AGRICULTURAL EQUIPMENT



COMBINES



SQUARE BALERS



SELF PROPELLED FORAGE HARVESTERS



PLANTERS



ROUND BALERS



SPRAYERS



COMBINES



COTTON PICKERS



SELF PROPELLED SPRAYERS



PNEUMATIC PLANTERS

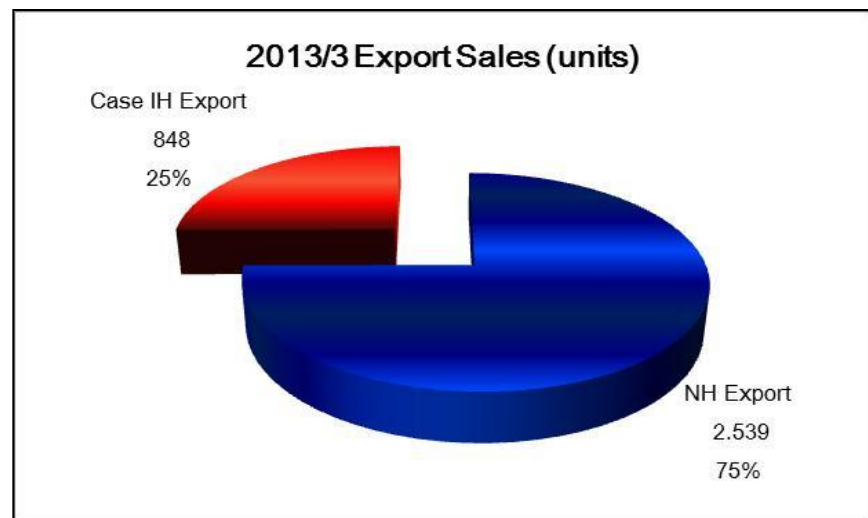
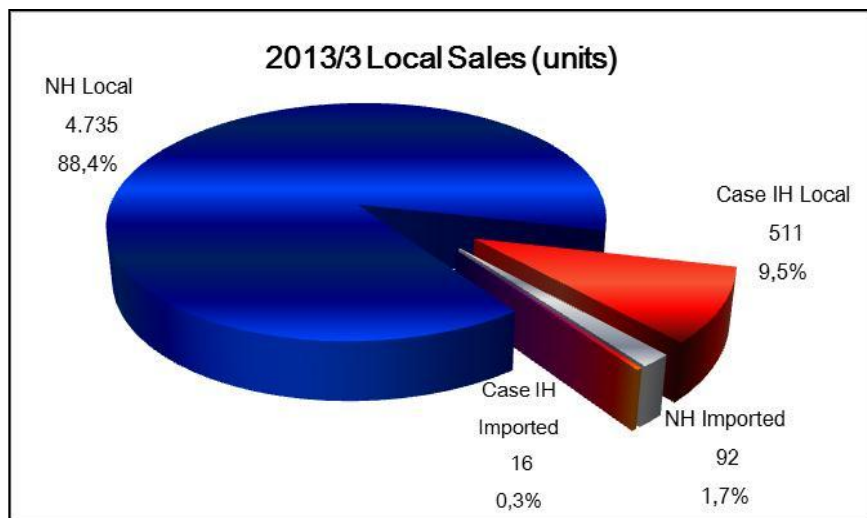
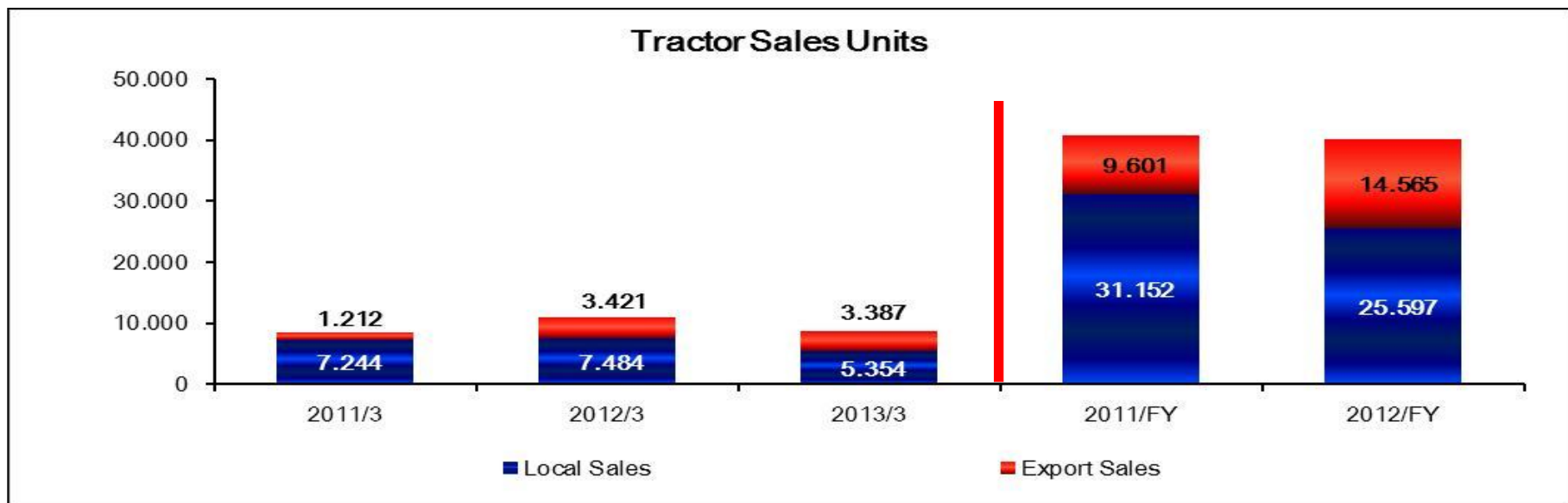


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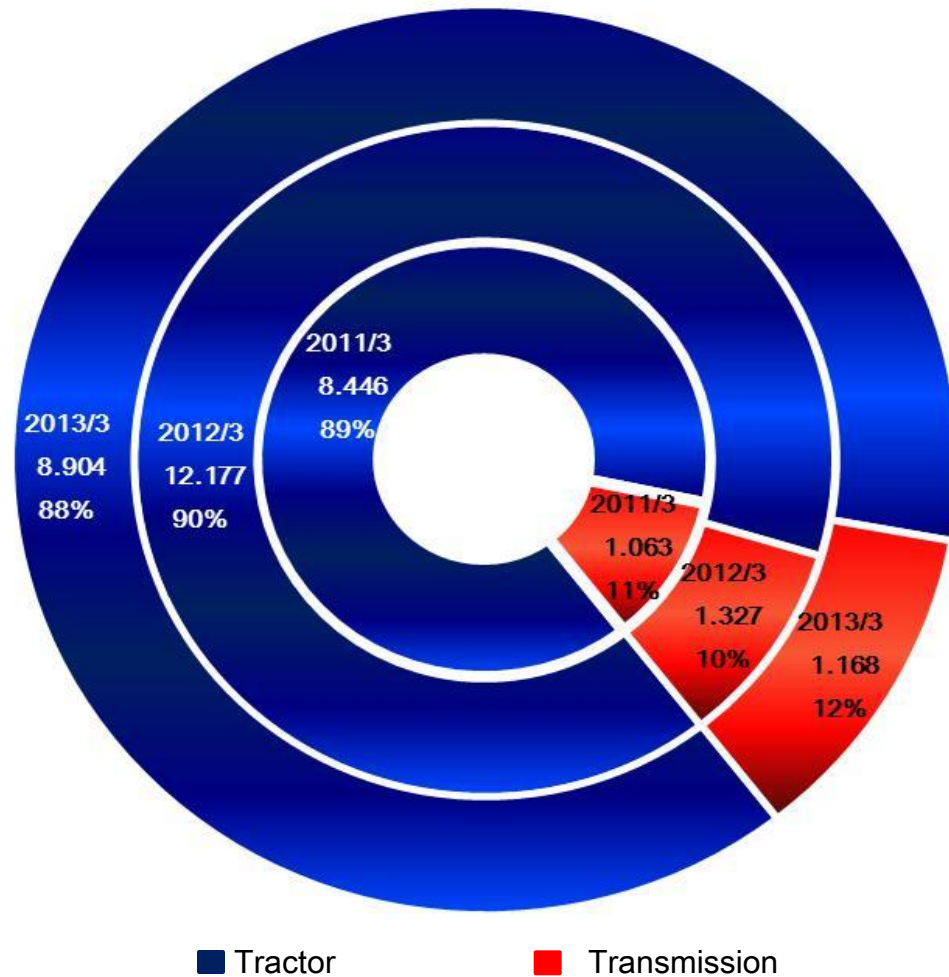


## OPERATIONAL RESULTS

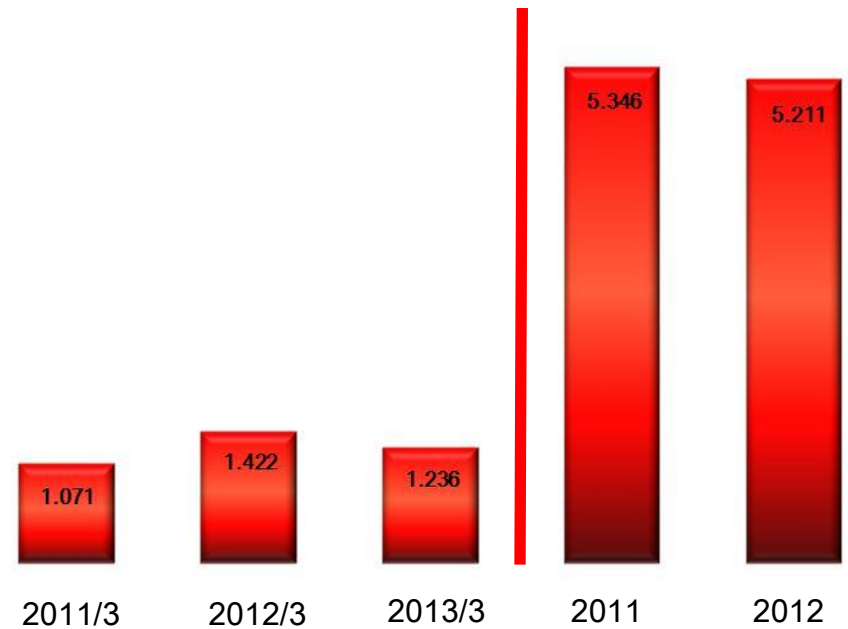


# OPERATIONAL RESULTS

## MANUFACTURING UNITS



## TRANSMISSION EXPORT UNITS

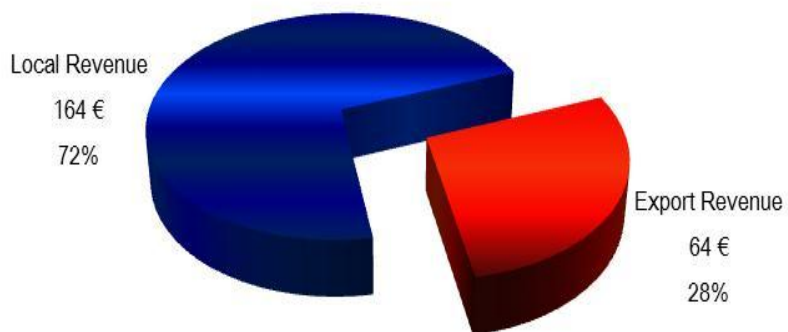


***MARKET LEADER IN AGRICULTURAL EQUIPMENT SECTOR***

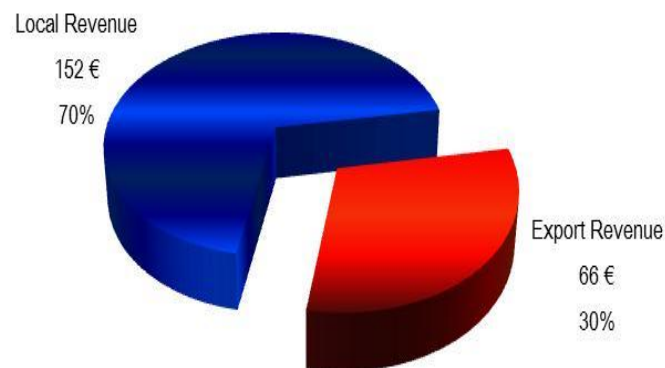
## FINANCIAL & OPERATIONAL PERFORMANCE

<i>million EUR</i>	<i>2011/3</i>	<i>2012/3</i>	<i>2013/3</i>	<i>2011/FY</i>	<i>2012/FY</i>
<b>Revenue</b>	179	227	218	737	839
<b>Gross Profit</b>	52	47	45	174	180
<b>Operating Profit</b>	42	33	30	127	125
<b>Profit Before Tax</b>	42	33	31	140	135
<b>Net Profit</b>	34	27	26	114	114
<b>EBITDA</b>	44	35	33	132	133

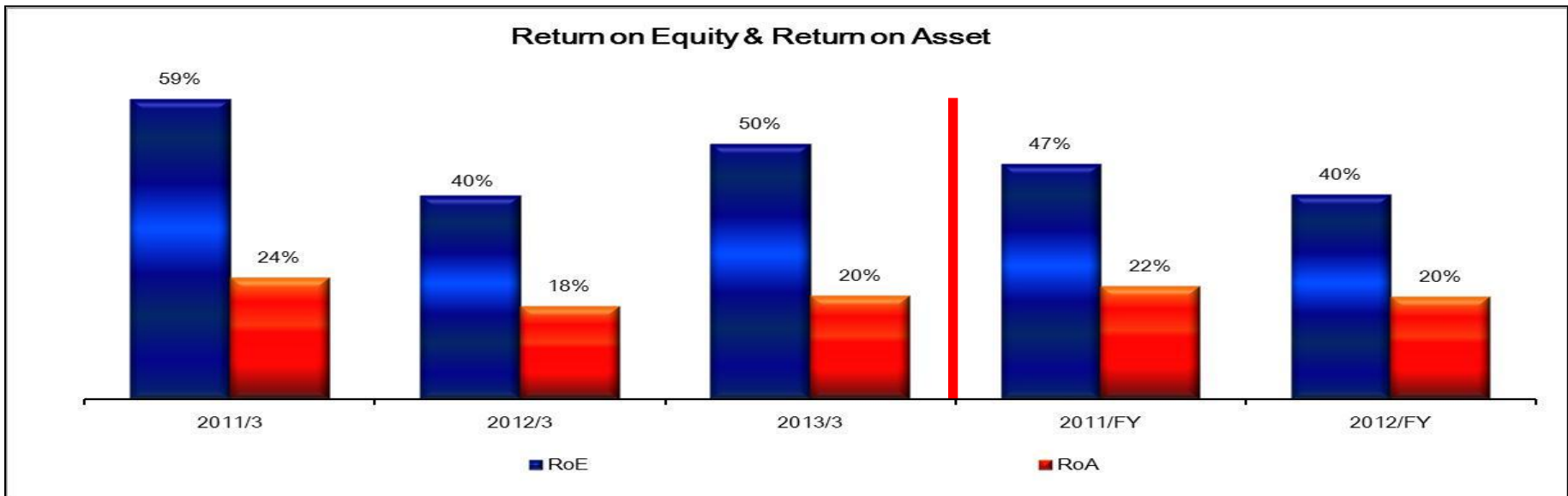
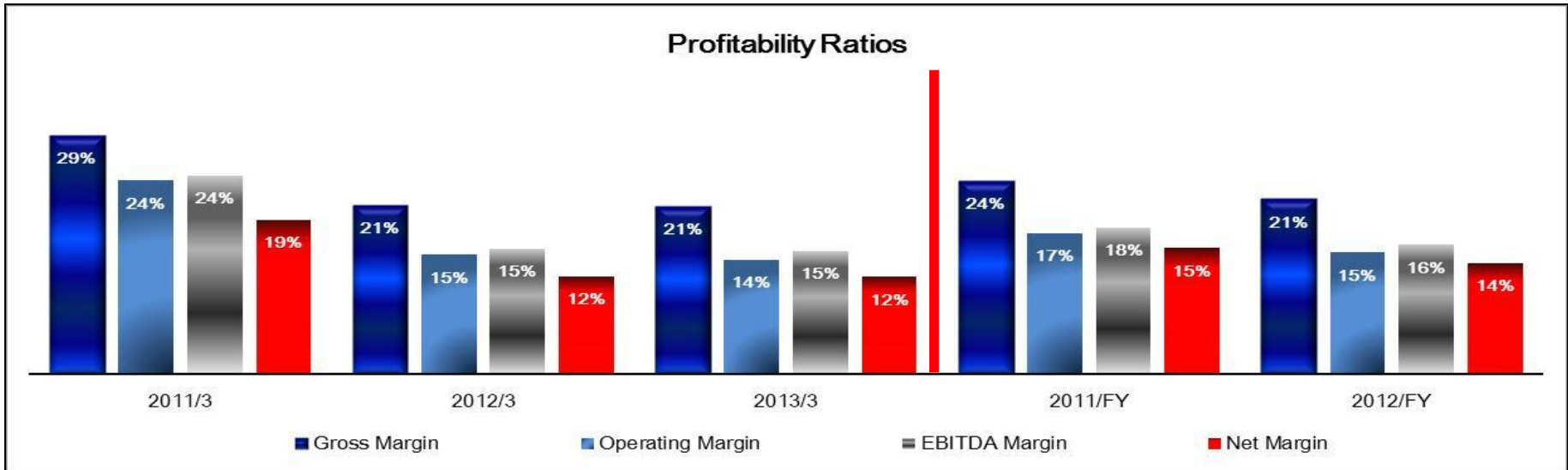
Revenue@ 2012/3 (million Eur)



Revenue@ 2013/3 (million Eur)

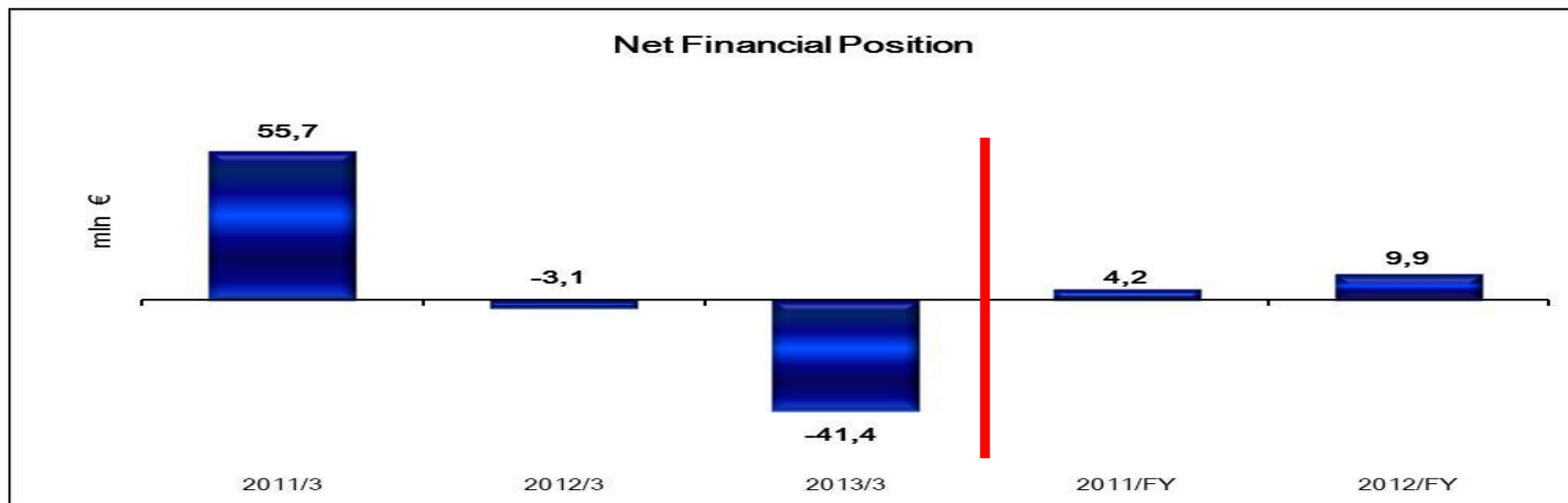


# FINANCIAL & OPERATIONAL PERFORMANCE

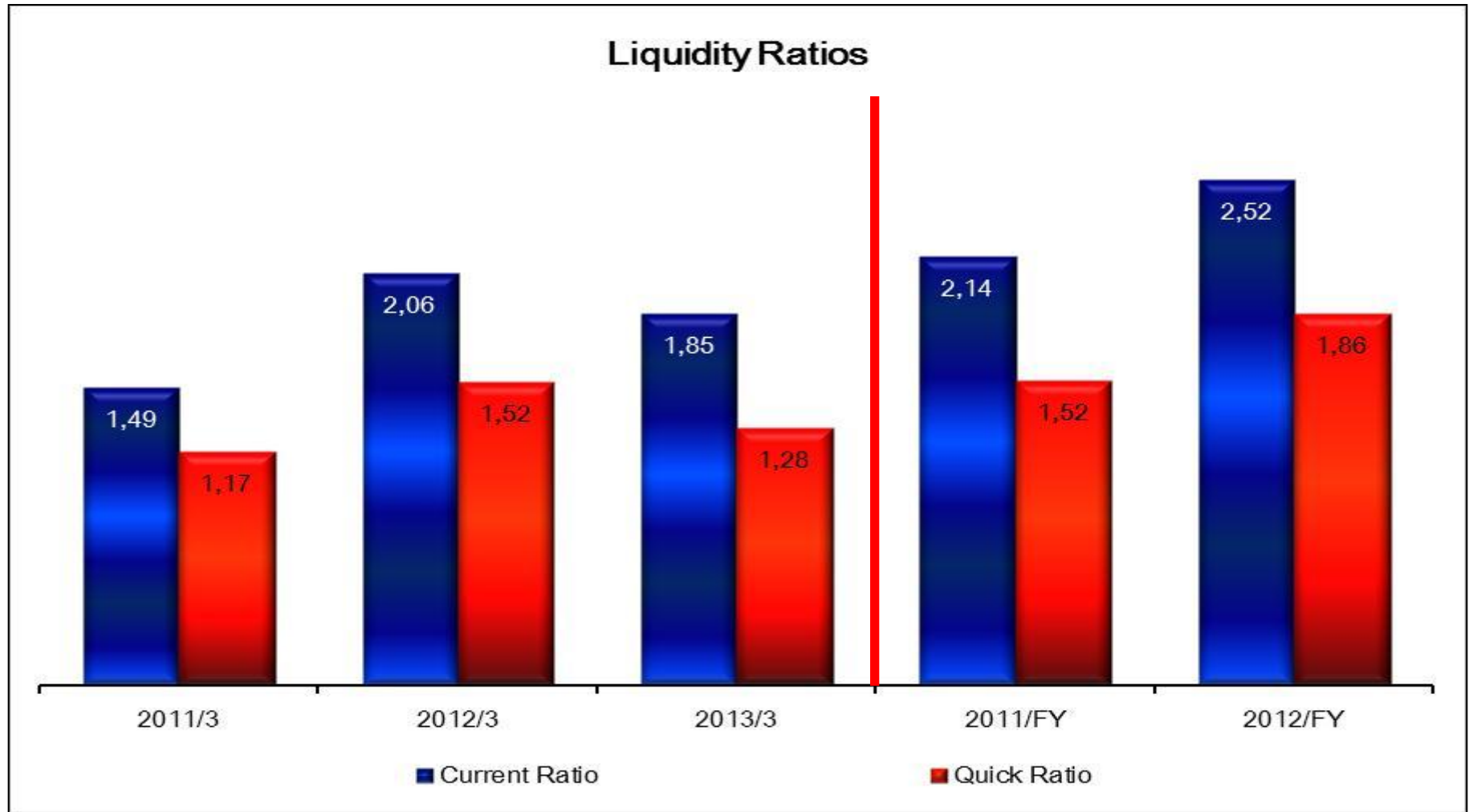


## FINANCIAL &amp; OPERATIONAL PERFORMANCE

<i>million EUR</i>	<i>2011/3</i>	<i>2012/3</i>	<i>2013/3</i>	<i>2011/FY</i>	<i>2012/FY</i>
<b>Total Assets</b>	443	611	556	507	561
<b>Current Assets</b>	371	535	458	437	470
<b>Non-Current Assets</b>	72	75	98	70	92
<b>Total Liabilities</b>	443	611	556	507	561
<b>Short Term Liabilities</b>	250	260	247	204	186
<b>Long Term Liabilities</b>	14	71	83	59	93
<b>Equity</b>	180	280	226	244	282



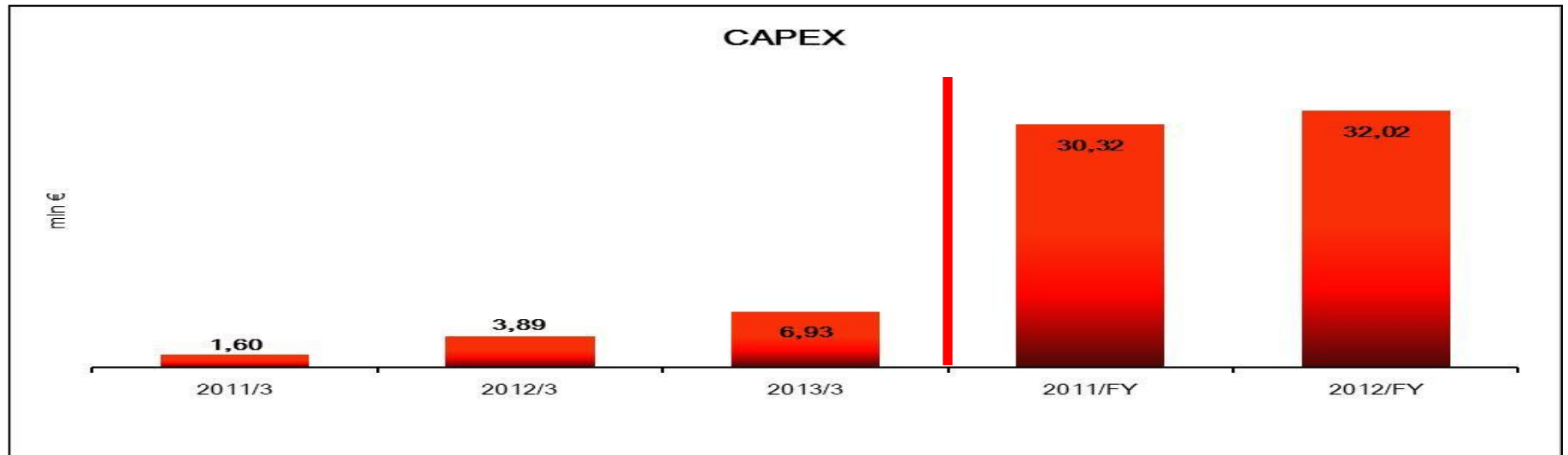
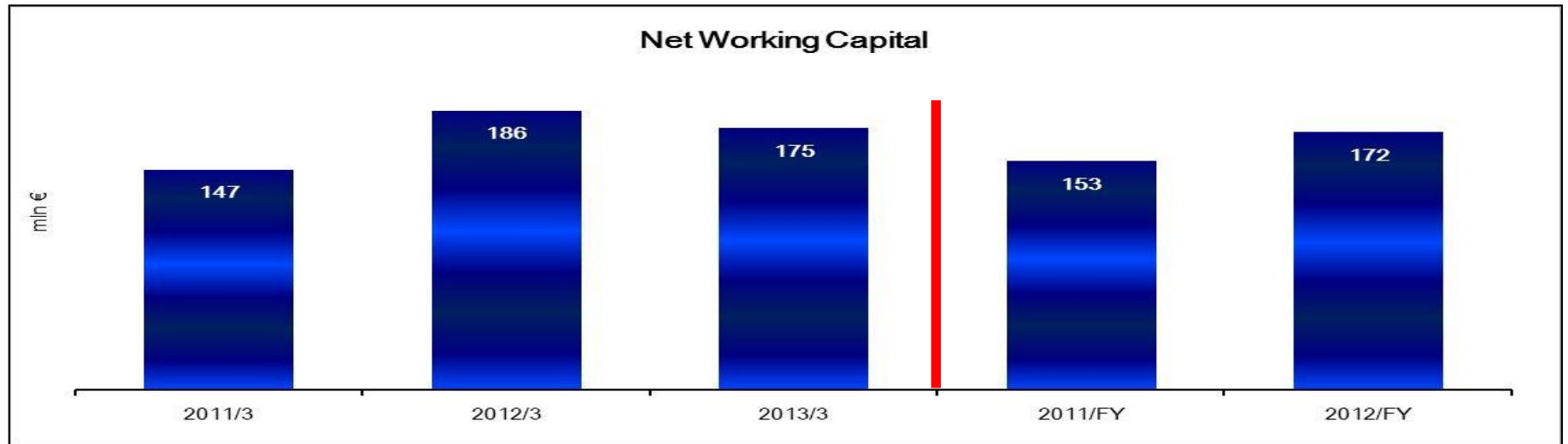
## FINANCIAL &amp; OPERATIONAL PERFORMANCE



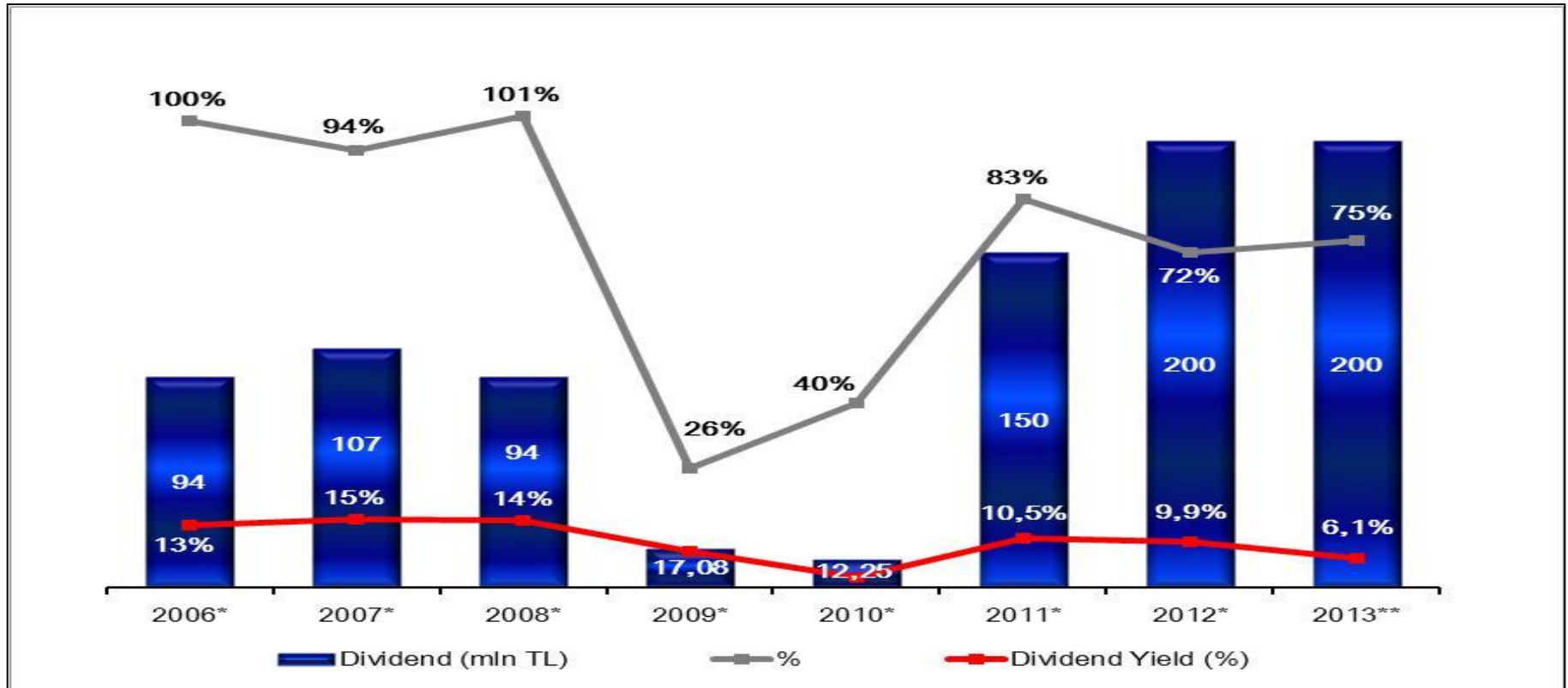
\*The dividend distributed on March in 2013 and on April in 2012.



## FINANCIAL &amp; OPERATIONAL PERFORMANCE



## DIVIDEND

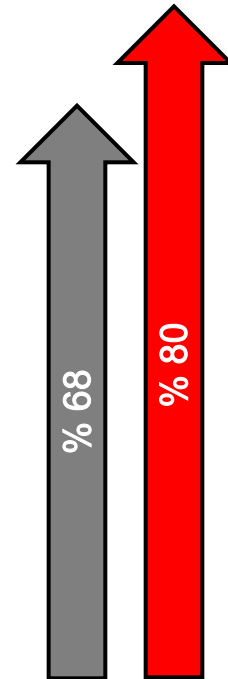
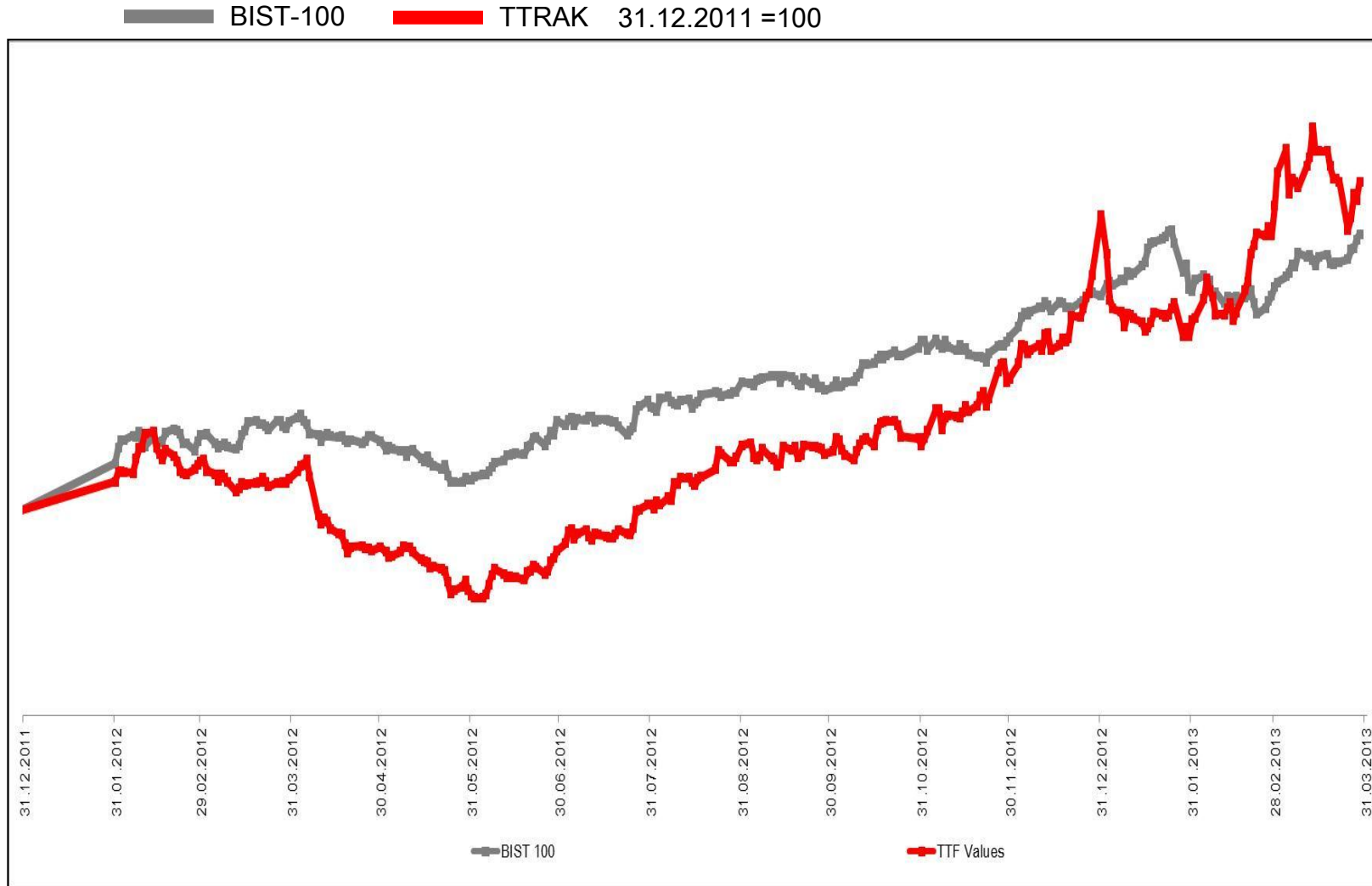


\* Share closing price as of dividend payment date have been used to calculate the dividend yield.

\*\* Share closing price as of 16.02.2012 has been used to calculate the dividend yield of 2012.

According to the agreement between Koç Holding and CNH Global NV dated 22 April 1998, the Parties adopted for the Company a "Dividend Policy" that provides, as a matter of principle, for the distribution of dividends to the shareholders in the rate of 60% of the after tax profit of each Company, unless agreed otherwise by the Parties.

## BORSA ISTANBUL &amp; TTRAK INDEX





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