

TÜRKTRAKTÖR

INVESTOR PRESENTATION



SEPTEMBER 2015

TÜRKTRAKTÖR



Established in **1954**

The oldest continuously manufacturer company of Turkish automotive industry

The biggest tractor manufacturer in Turkey

Export to **more than 130** countries



The first R&D center of Turkey in its sector

Uninterruptedly market leader for **8 years**

The widest product range and dealer network in tractor market



AGENDA



Company Profile



World Tractor Market



Agriculture Sector in Turkey



Tractor Market in Turkey



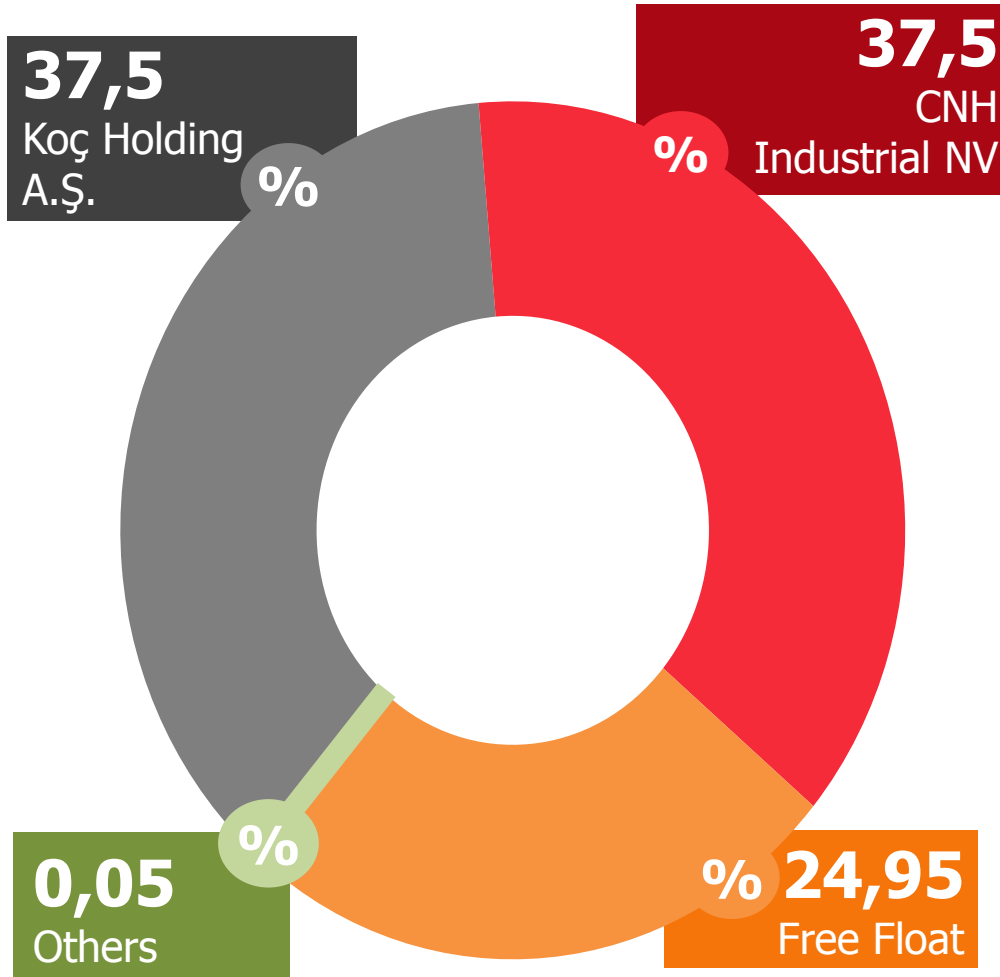
Operational Performance



Financial Performance

COMPANY PROFILE

Shareholder Structure



*Stocks are traded at Borsa İstanbul with **TTRAK** symbol*

Koç Holding 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 Industrial NV

- global leader in the capital goods sector that, through its various businesses, designs, produces and sells agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles, in addition to a broad portfolio of powertrain applications



Headcount*

White Collar	671
Blue Collar	2.760

3.431

*as of 30.09.2015

COMPANY PROFILE

Quality Certificates

*being the first certified
company
in Turkey in its sector*

ISO 10002
Customer Satisfaction
and Customer
Complaint
Management
Certificate

*being the first certified
company
in Turkey in its sector*

TS ISO/IEC 27001
Information Security
Management System
Certificate

*being the first company
to acquire the certificates
for both standards
in Turkey in its sector*

ISO 50001 Energy
Management System &
ISO 14064 Greenhouse
Gas Emissions
Reduction Standard

BS OHSAS 18001
Occupational Health &
Safety Management
System
Certificate

ISO 9001:2000 Total
Quality Management
System Certificate

ISO 14001
Environmental
Management
System Certificate



LOCATIONS

Annual Production Capacity 50.000 units of tractors
(in 2 shifts)

Erenler Plant



Ankara Plant



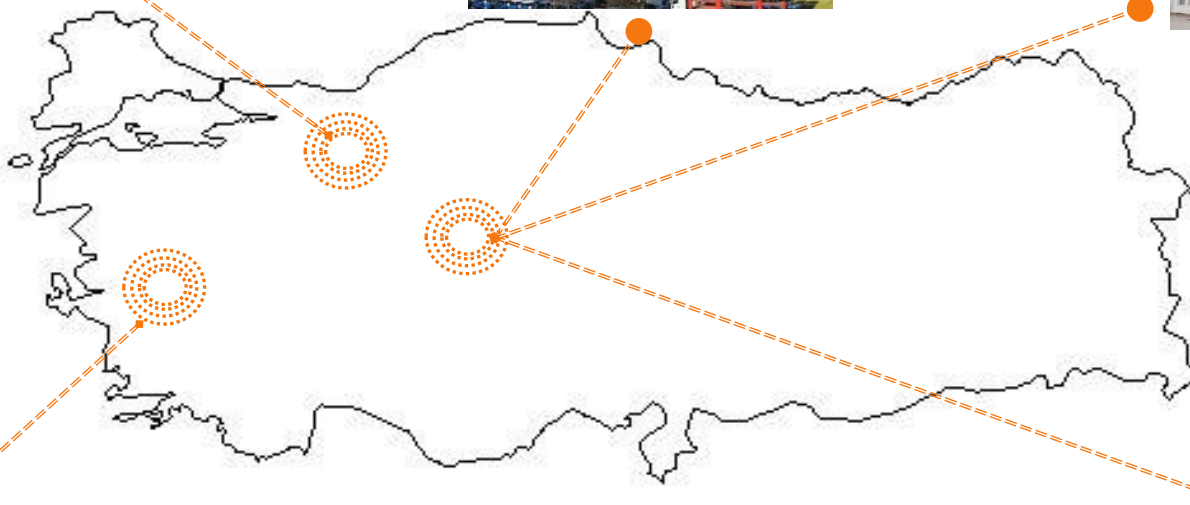
Akyurt Warehouse



İzmir CE Facility

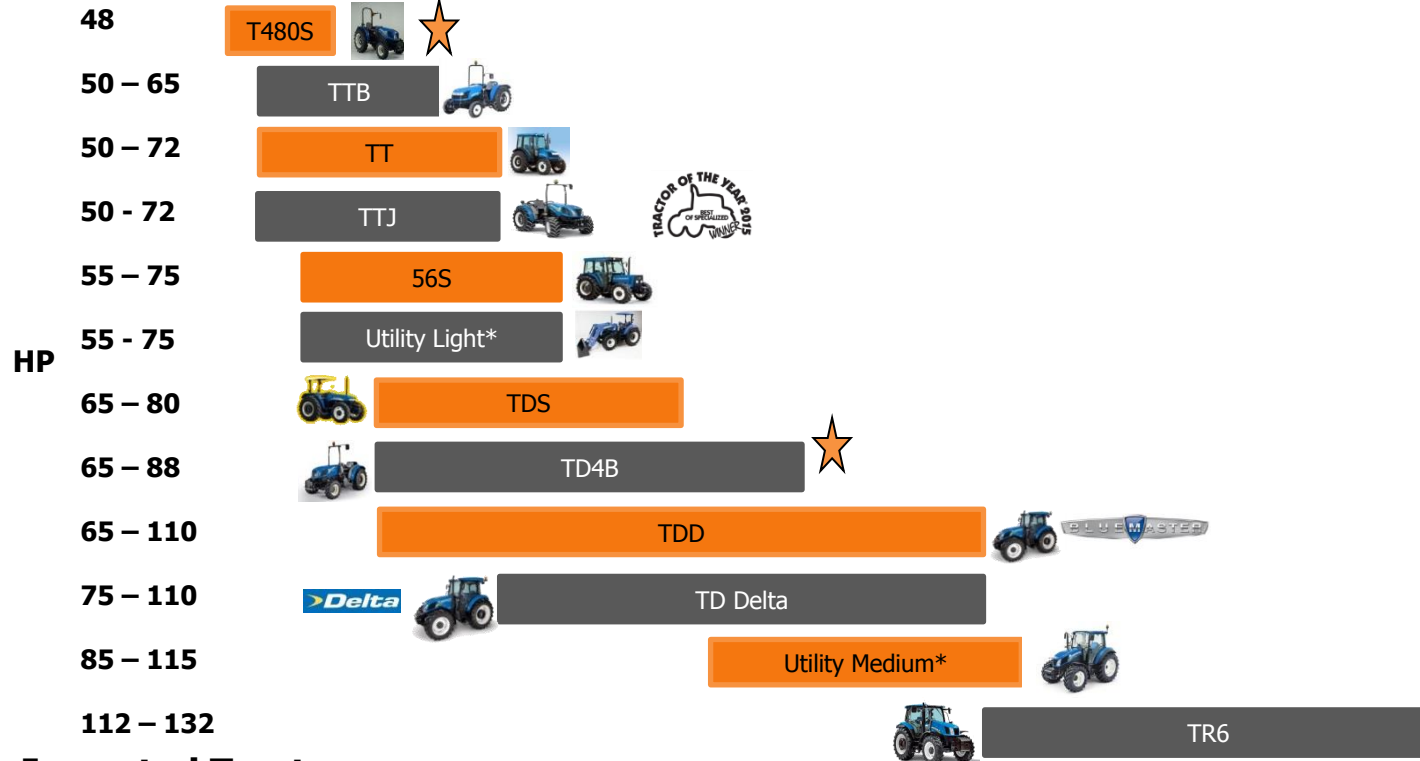


Ostim CE Facility



PRODUCTS

Manufactured Tractors



Imported Tractors









* Only for export market






★ New / upgraded product

PRODUCTS

Manufactured Tractors

	55 – 75	JXC	
	55 – 75	Utility Light*	
HP	65 – 88	JXB	
	65 – 110	JX	 
	85 – 115	Utility Medium**	

Imported Tractors

	107 – 114	Farmall U & Pro	
	110 – 140	MAXXUM – MAXXUM CVX	
HP	131 – 215	PUMA	
	185 – 228	PUMA CVX	
	280 – 380	MAGNUM CVX	



New / upgraded product

*For both local and export markets

** Only for export market

PRODUCTS (Agricultural Equipment)



COMBINES



LARGE SQUARE
BALERS



ROUND BALERS



SMALL SQUARE
BALERS



SELF PROPELLED
FORAGE
HARVESTERS



NEW HOLLAND
CORN HEADERS



SPRAYERS



OLIVE – GRAPE
HARVESTERS



PEDROTTI GRAIN
DRIERS



MOWER
CONDITIONERS



COTTON PICKERS



PNEUMATIC
PRECISION
PLANTERS

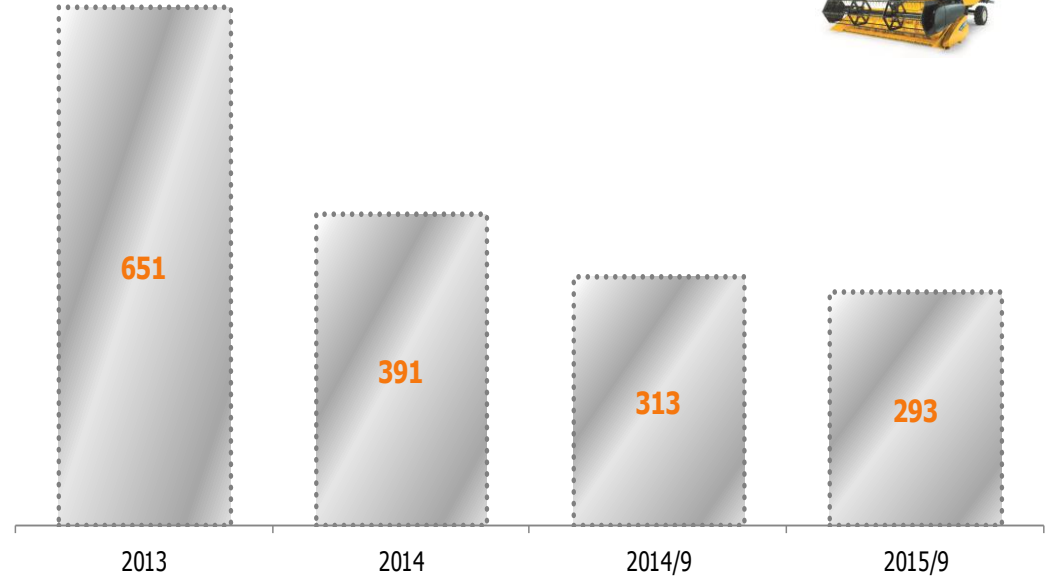


SELF PROPELLED
SPRAYERS



LARGE SQUARE
BALERS

Combine Sales (units)



TürkTraktör



PNEUMATIC PRECISION
PLANTERS



ROTARY
TILLERS



POWER
HARROWS



SMALL SQUARE
BALERS



STALK
CHOPPERS



SHREDDERS

PRODUCTS (Construction Equipment)



COMPACT LINE

SKID STEER LOADERS



TRACTOR LOADER BACKHOE



MINI EXCAVATORS



TELEHANDLERS



HEAVY LINE

CRAWLER EXCAVATORS



WHEEL LOADERS



COMPETITIVE ADVANTAGES

Position within CNHI

The **only** design center and the **main** production plant for ***New Holland TD range and Case IH JX series*** tractors in the world

The **only** manufacturing center of ***Utility Light series*** tractors and transmissions

The **only** manufacturing and engineering center of CNHI for ***TD driveline series***

The **main** producer of ***S8000 engines***

Manufacturing Technology

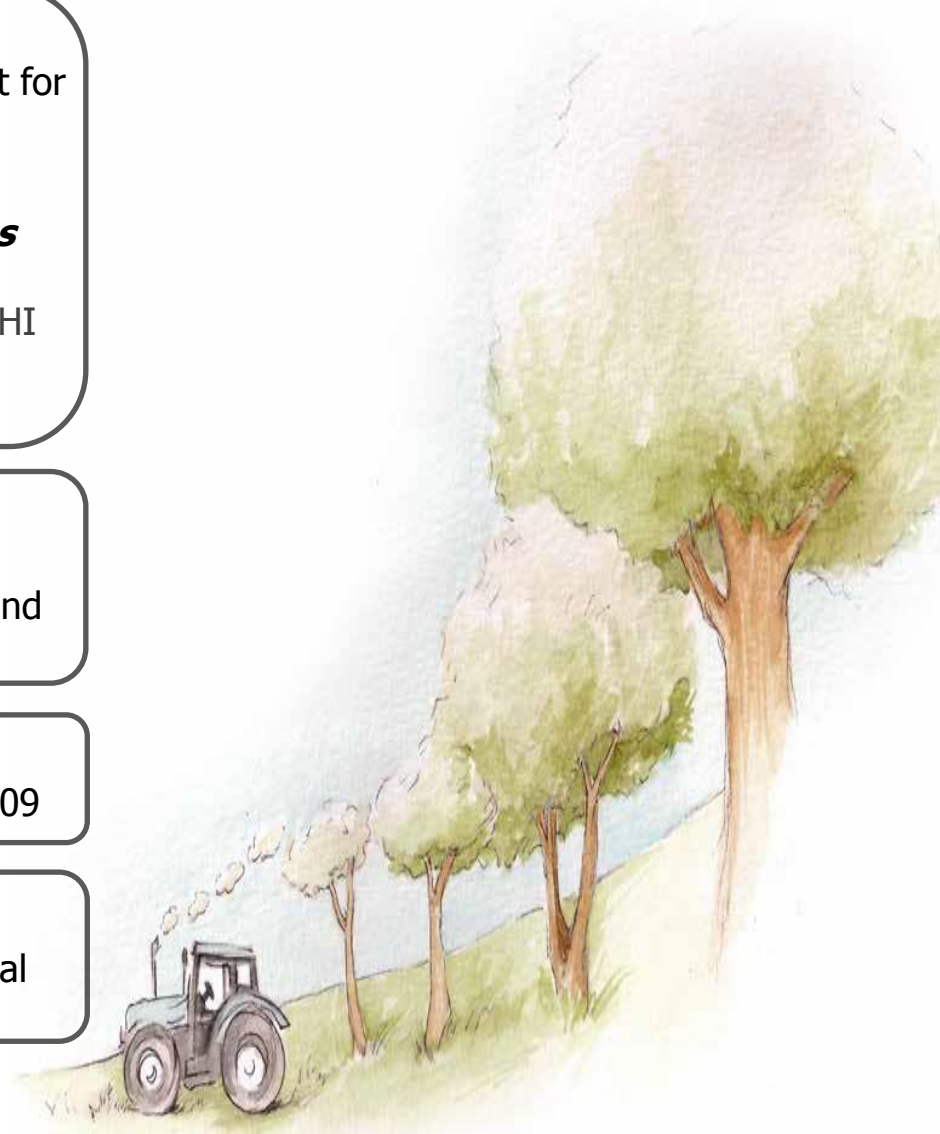
Being the first in Turkey utilizing flexible manufacturing lines that make use of automatic manufacturing units and complex control systems

The first R&D Center in its sector

R&D center accredited by the Ministry of Industry in 2009

The biggest tractor exporter in Turkey

Export to over 130 countries all over the world via global network of CNHI



AGENDA



Company Profile



World Tractor Market



Agriculture Sector in Turkey



Tractor Market in Turkey



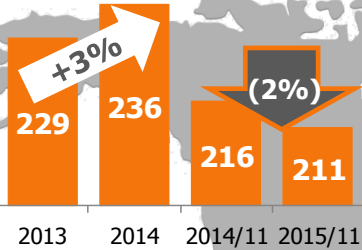
Operational Performance



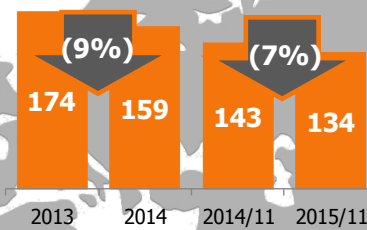
Financial Performance

GLOBAL TRACTOR MARKET (source: systematics; thousand units)

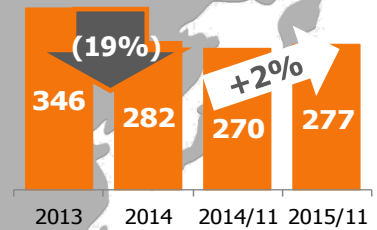
North America



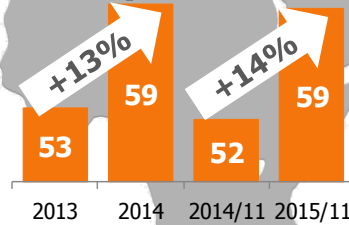
Europe



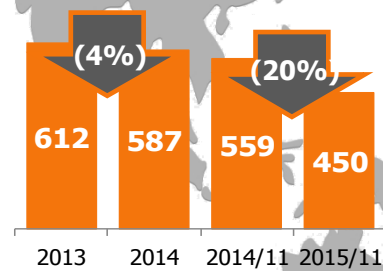
China



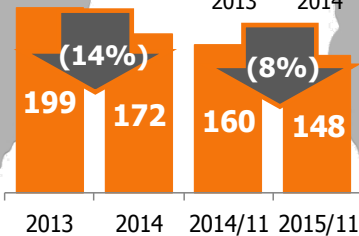
Turkey



India



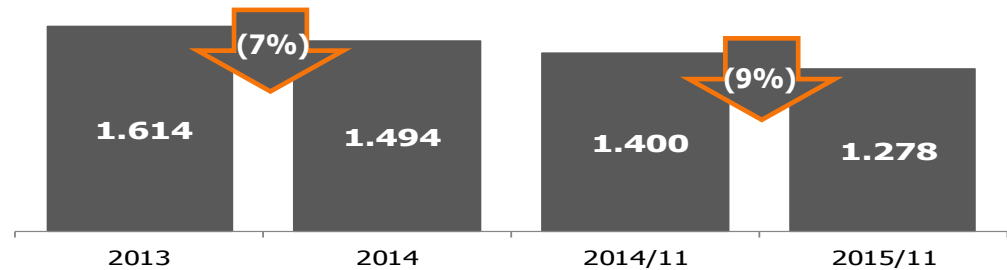
Others



Turkey is the
4th
largest tractor
market of the
world

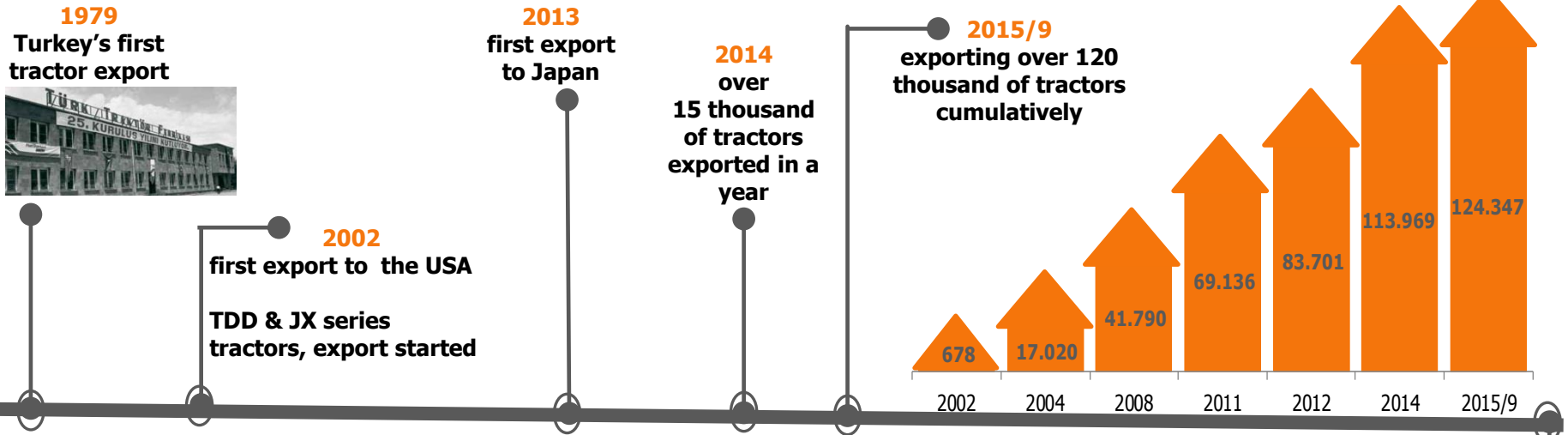


World Market (thousand units)



EXPORT PENETRATION

Continuously increasing export penetration, Turkey's **biggest and the most diversified** tractor exporter



AGENDA



Company Profile



World Tractor Market



Agriculture Sector in Turkey



Tractor Market in Turkey



Operational Performance



Financial Performance

AGRICULTURE SECTOR in TURKEY (source: www.tarim.gov.tr)

Turkey's total land area

78

million hectare



7,1%

share of the agricultural industry over the GDP



3

million agricultural holdings

the average land size **6** ha per farm



21,1%

of total employment

23%

of total population in Turkey



Total agricultural land

24 million ha

8%

Permanent crop



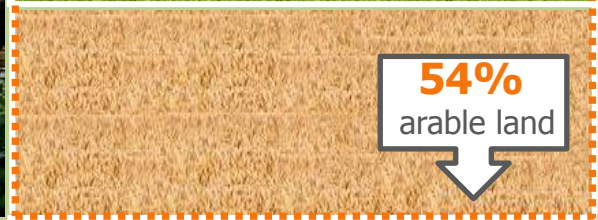
38%

meadows



54%

arable land



average land size (decare)

1,800



59



Economic size
of Turkish
agriculture
has risen to

7th

rank in the
world and

1st

in Europe

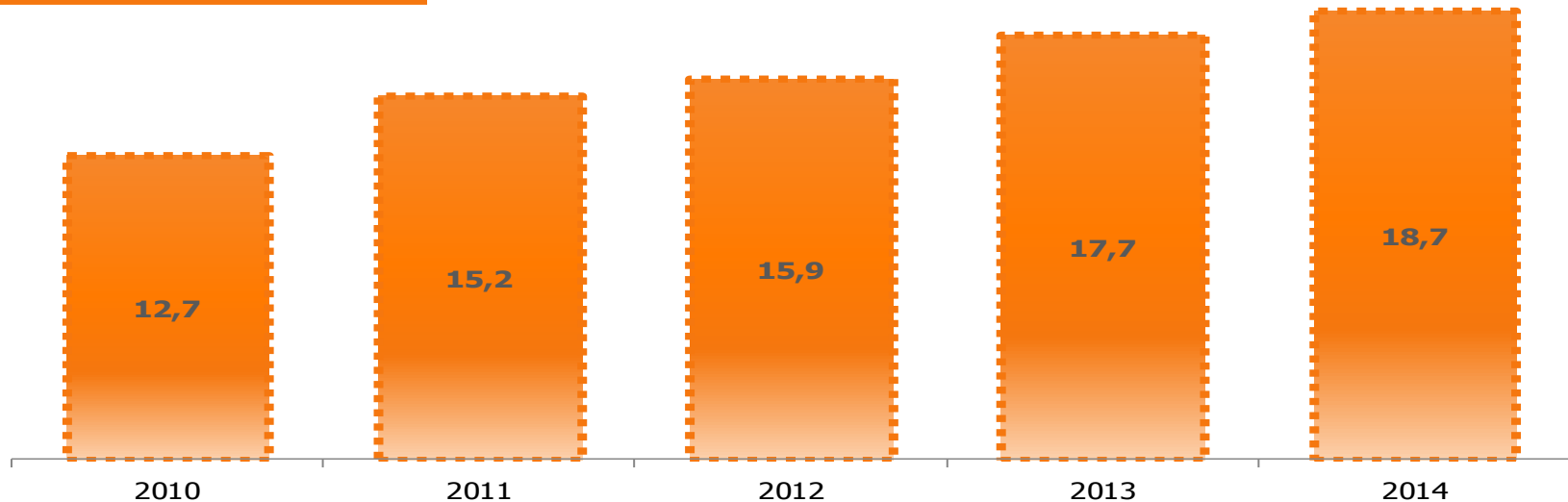


Turkey exported

1.663

kind of agricultural
products to
all over the world

Agricultural Export (billion \$)



For preventing the fragmentation of agricultural land

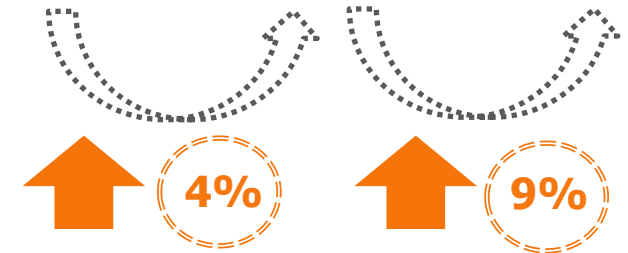
- “Indivisible Parcel Size” - It prevents the fragmentation of special product lands and marginal agricultural lands to less than 2 hectares, cultivated agricultural lands to less than 0,5 hectare and the greenhouse agricultural lands to less than 0,3 hectare.
- The sale of agricultural parcel shares of which size is under Indivisible Parcel Size was prohibited in 2007.

Land consolidation studies

- **4,5 million hectares** of land in total had been consolidated in Turkey until 2014.
- Consolidation of one million hectares of land for each year has been projected.

GOVERNMENT SUPPORT and SUBSIDIES in TURKEY (source: www.tarim.gov.tr)

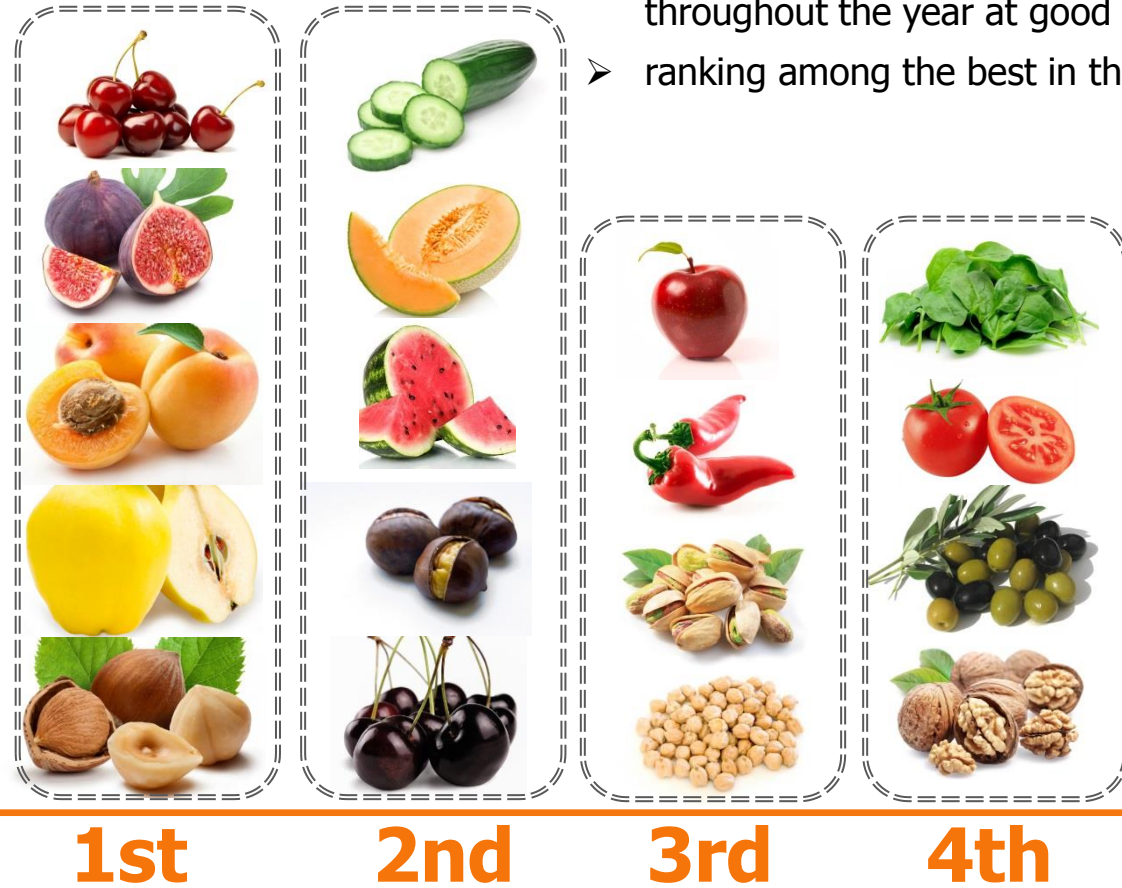
	2013	2014	2015*
RESOURCES ALLOCATED TO AGRICULTURE (billion TL) (including Agricultural Loan Interest Support – Ziraat Bank)	15.0	14.2	14.7
Support (billion TL)	2013	2014	2015*
Deficiency Payment Support	2.6	2.7	3.1
Livestock Supports	2.7	2.6	2.9
Area Based Agricultural Supports & Direct Income Support	2.2	2.4	2.6
Agricultural Insurance Services	0.3	0.4	0.4
Compensatory Payments	0.1	0.1	0.1
Others	0.8	0.9	0.8
TOTAL	8.7	9.1	10.0



* 2015 budget figures

Major Exported Products

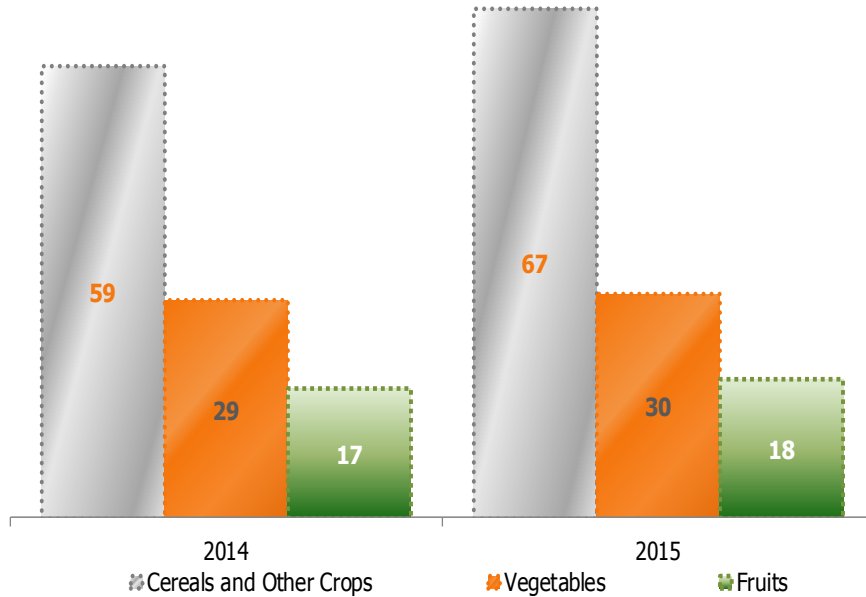
- located at the most favorable climate zone in geographical terms,
- having the capacity to support the agricultural industry with increasing population and purchasing power
- having the potential to produce a variety of agricultural products throughout the year at good standards
- ranking among the best in the world for several products



Source : General Directorate of Herbal Production

CROP PRODUCTION in TURKEY (source: www.tarim.gov.tr)

Production (million tons)



Barley Production

↑ 27%



Wheat Production

↑ 18%



Potato Production

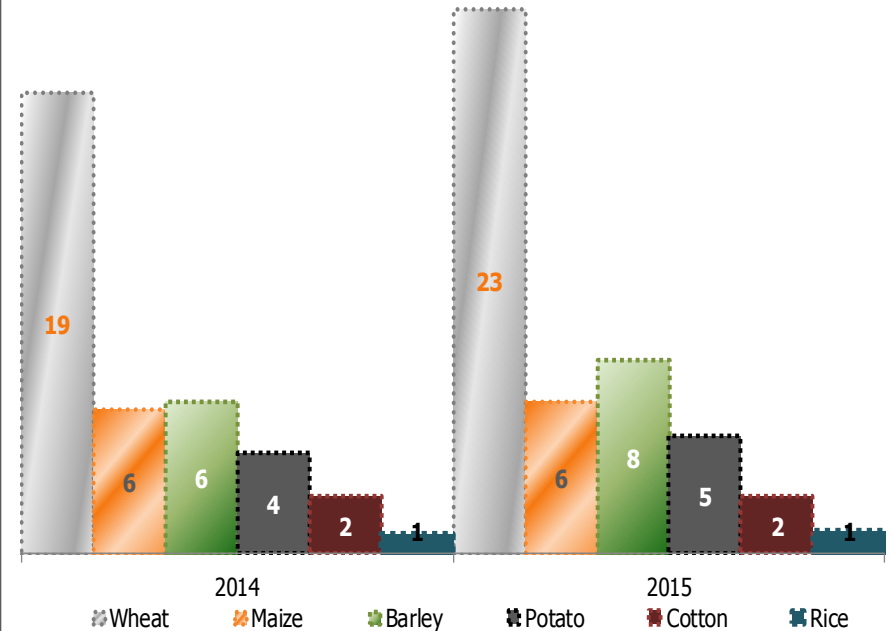
↑ 16%



Rice Production

↑ 11%

Production for selected goods (million tons)



Lentil Production

↑ 8%



Maize Production

↑ 6%



Chickpea Production

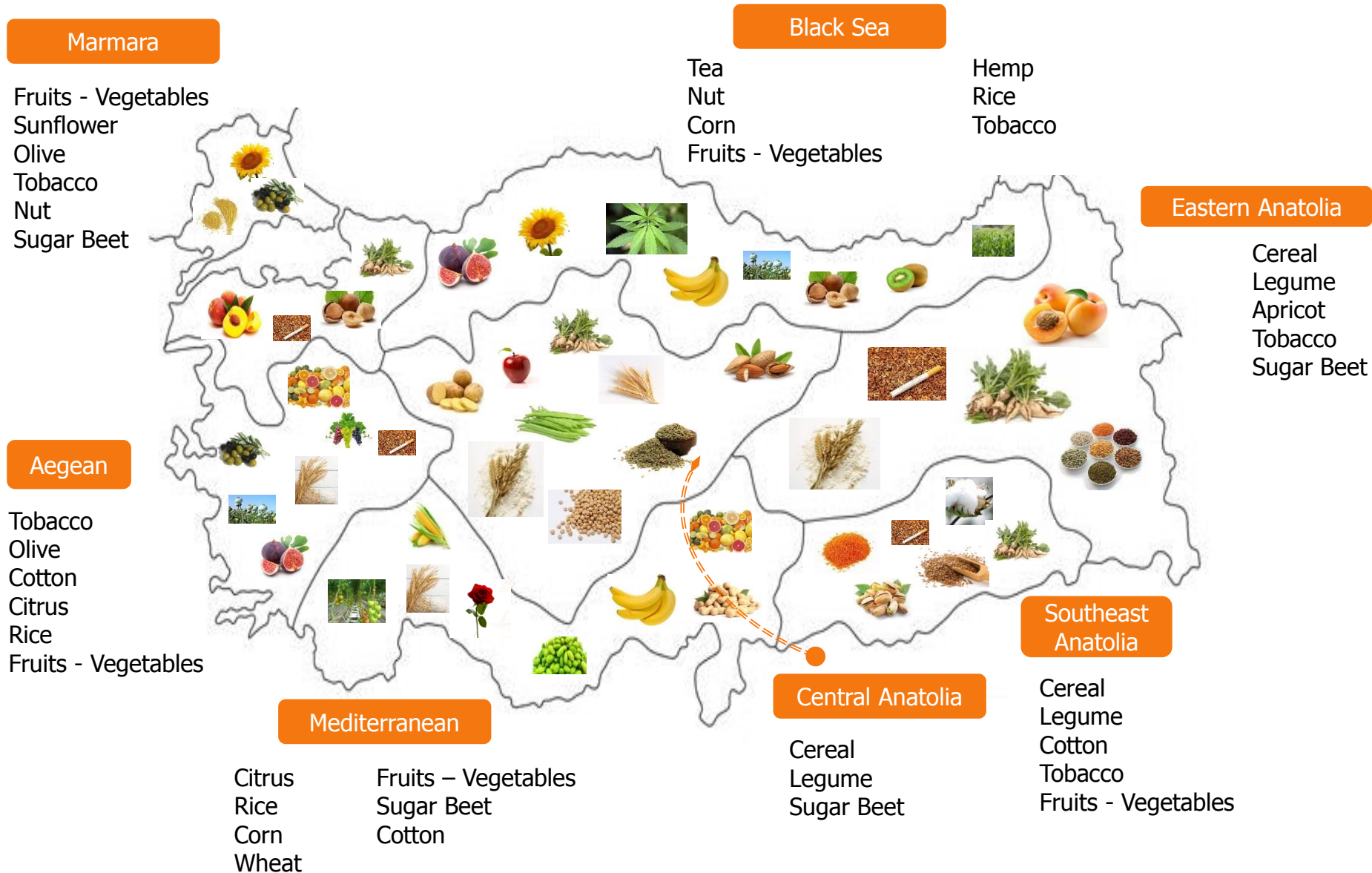
↑ 2%



Cotton Production

—

AGRICULTURAL CROP MAP of TURKEY (source: www.tarim.gov.tr)



AGENDA



Company Profile



World Tractor Market



Agriculture Sector in Turkey



Tractor Market in Turkey



Operational Performance

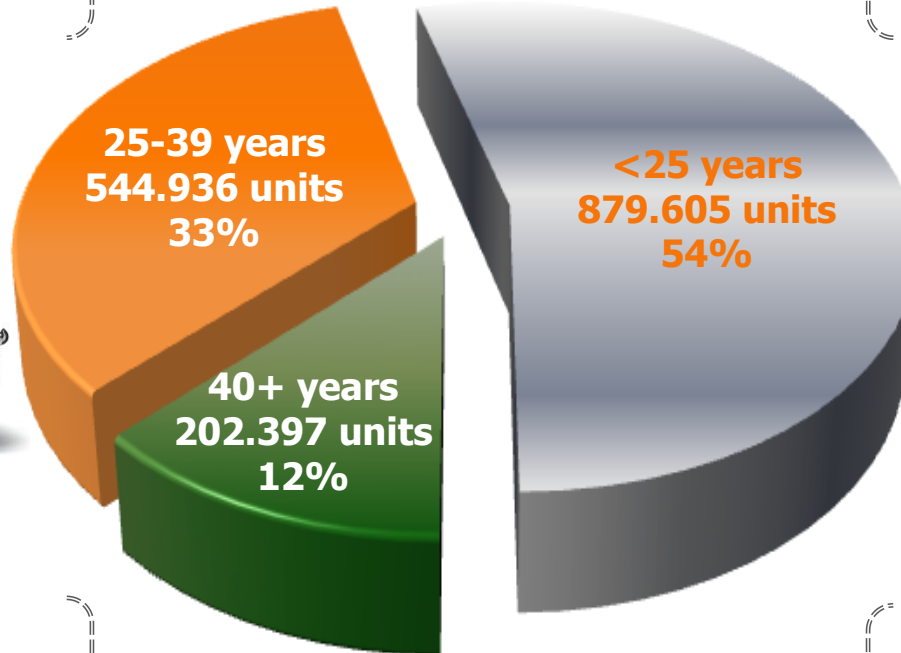


Financial Performance

TRACTOR PARK in TURKEY (Source : TURKSTAT)

total
1.626.938
units of tractors

average age
> 25



average horse
power
70HP

app. mechanical life
20-22
years

MARKET & TÜRKTRAKTÖR

For the last 8 years one out of every two tractors have been manufactured by TürkTraktör.

New Holland brand is the leader with a market share of

44%*

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

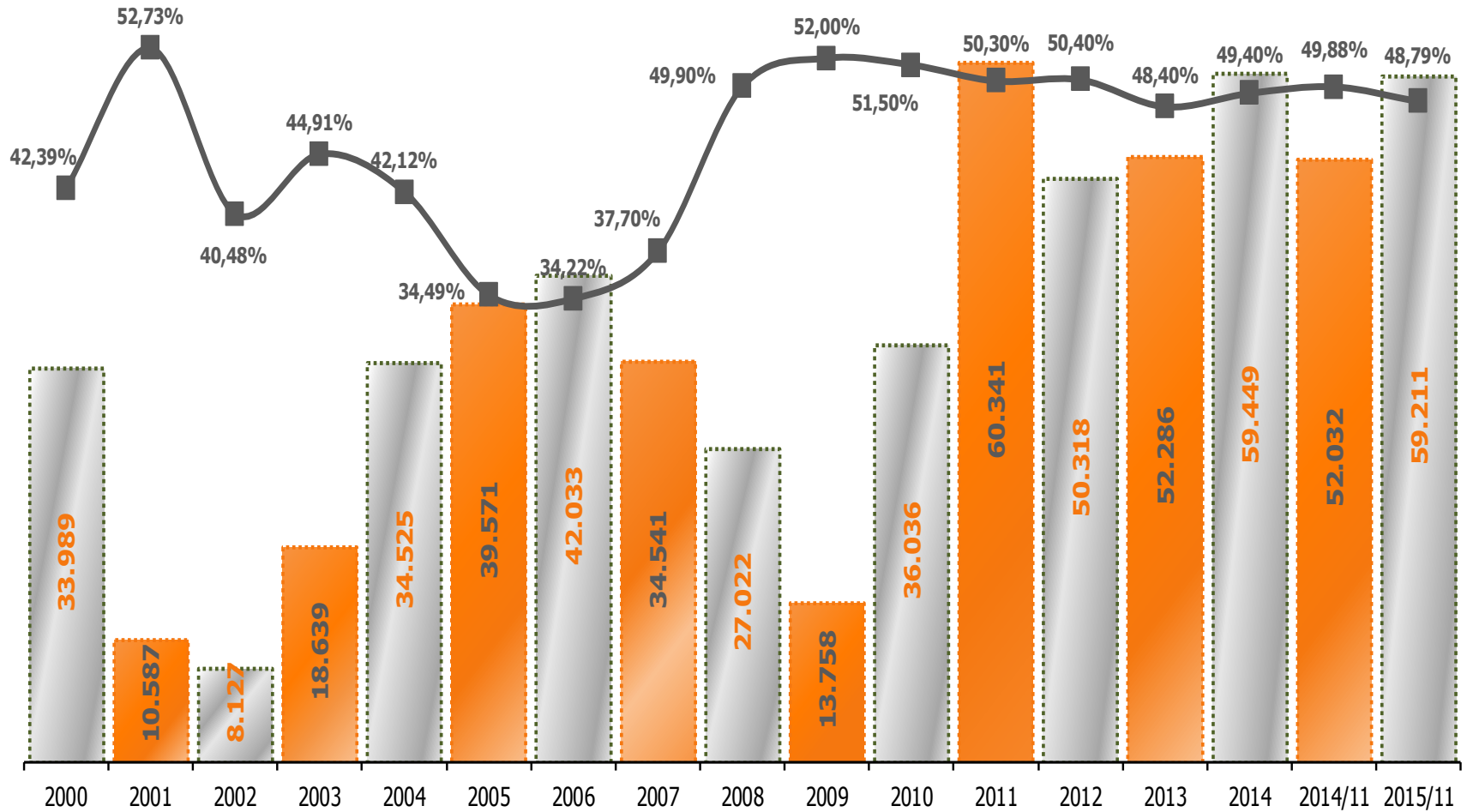


Strong, loyal and large customer portfolio



* Source : TURKSTAT Traffic Registration data @ 2015/11

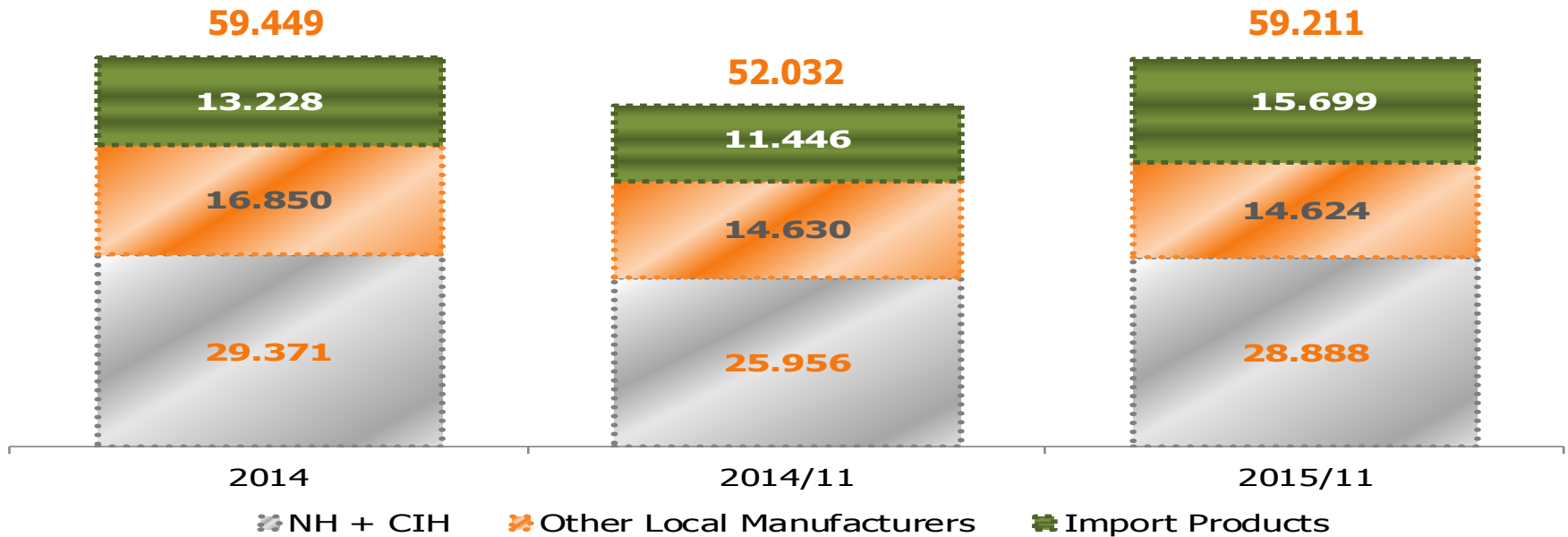
TRACTOR MARKET in TURKEY (units & market share %)



Source : TURKSTAT

TRACTOR MARKET in TURKEY (Source : TURKSTAT)

Turkish Tractor Market (units)

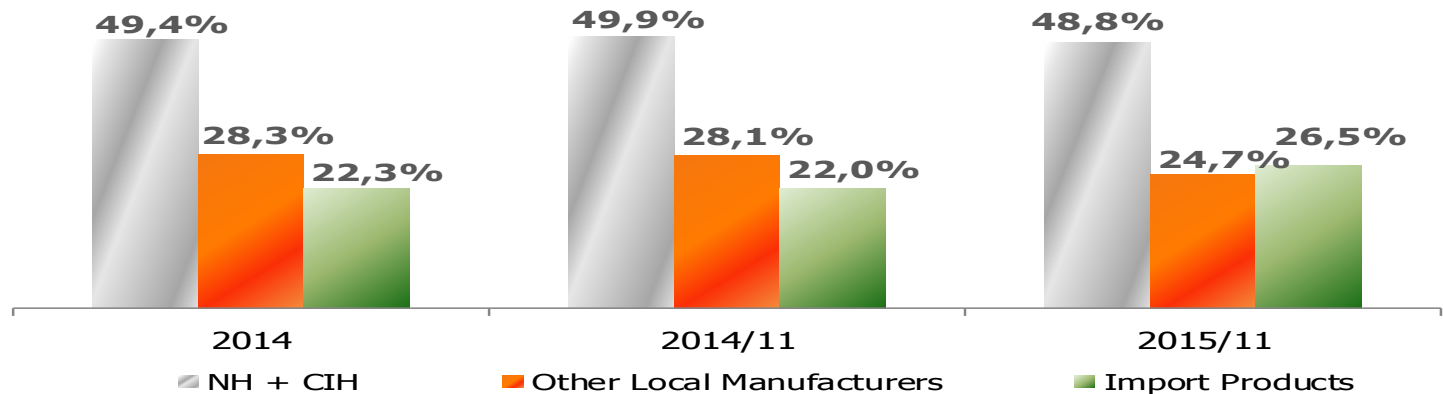


Market Share

TürkTraktör
maintains its
leadership for

8

years in a row



AGENDA



Company Profile



World Tractor Market



Agriculture Sector in Turkey



Tractor Market in Turkey



Operational Performance

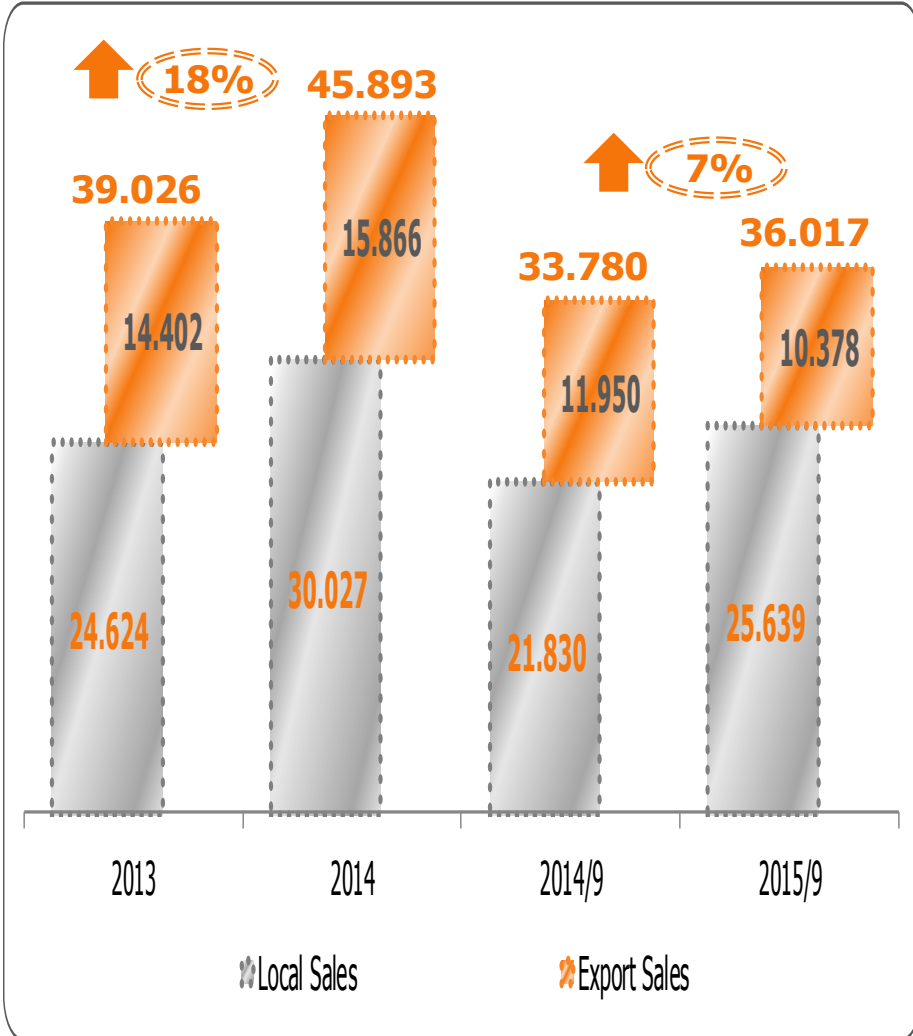


Financial Performance

SALES PERFORMANCE



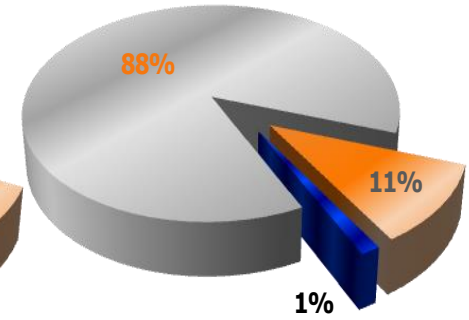
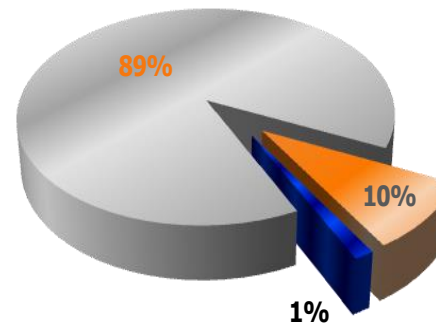
Total Sales (units)



Local Sales

2014/9

2015/9



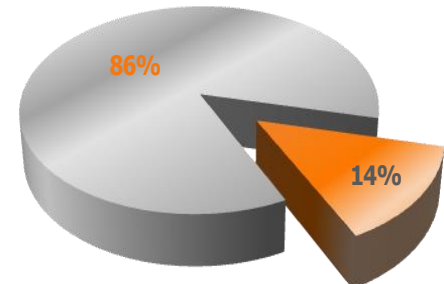
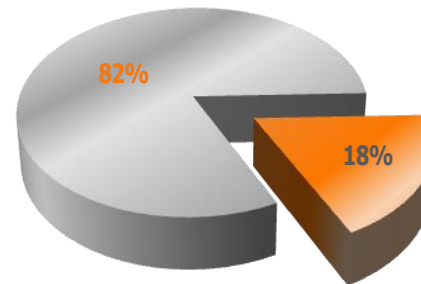
New Holland Local
 Case IH Local
 New Holland + Case IH Import



Export Sales

2014/9

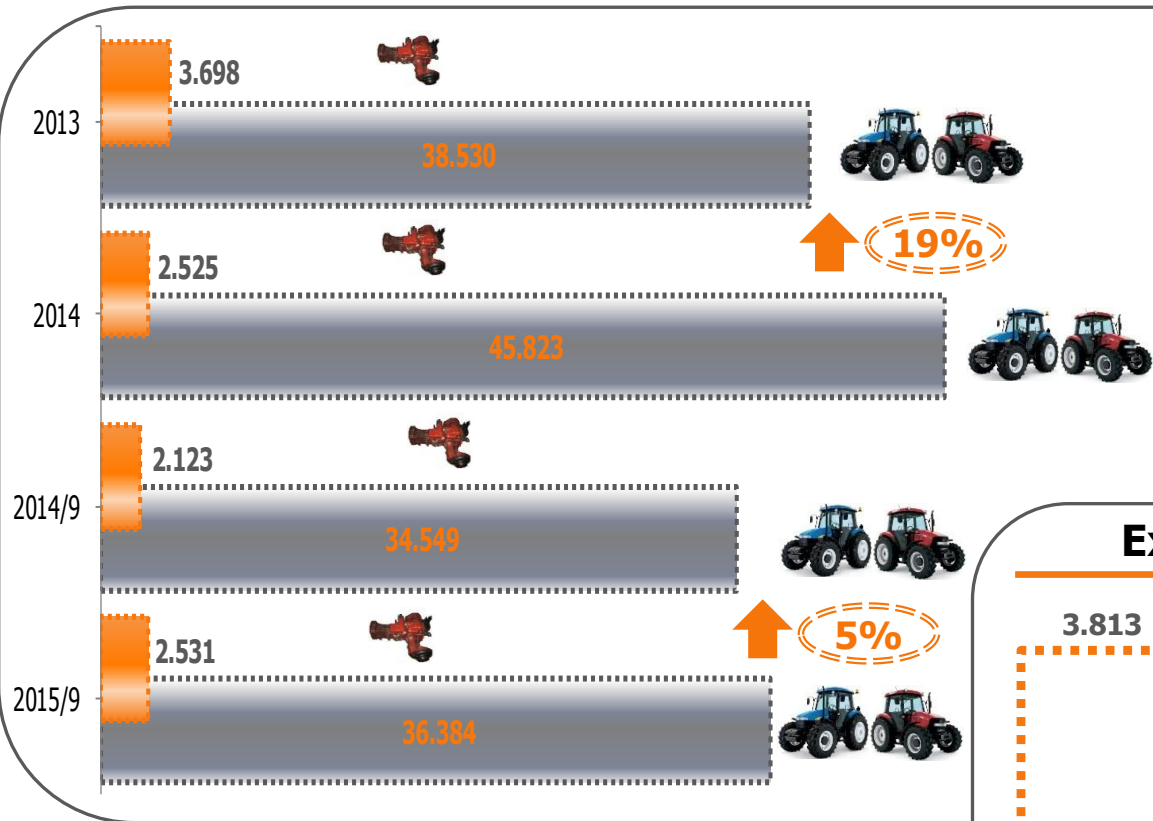
2015/9



New Holland
 Case IH

OPERATIONAL RESULTS

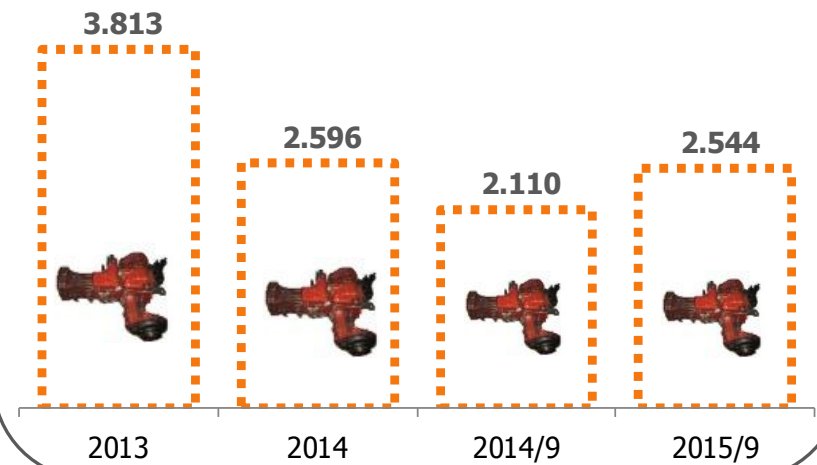
Total Production (units)



Transmission

New Holland & Case IH tractors

Export Transmission (units)



CONSTRUCTION EQUIPMENT MARKET in TURKEY (source : IMDER)

the fastest growing
country within last

8

years
(after China & India)

11th

biggest market
in the world

4th

biggest market
in Europe

60%

distributors

40%

manufacturers

global trading
volume of CE

200

billion \$

local sector volume

6,5

billion \$

(including manufacturing,
importing, exporting, sales, spare
parts trading volume of CE)

export to

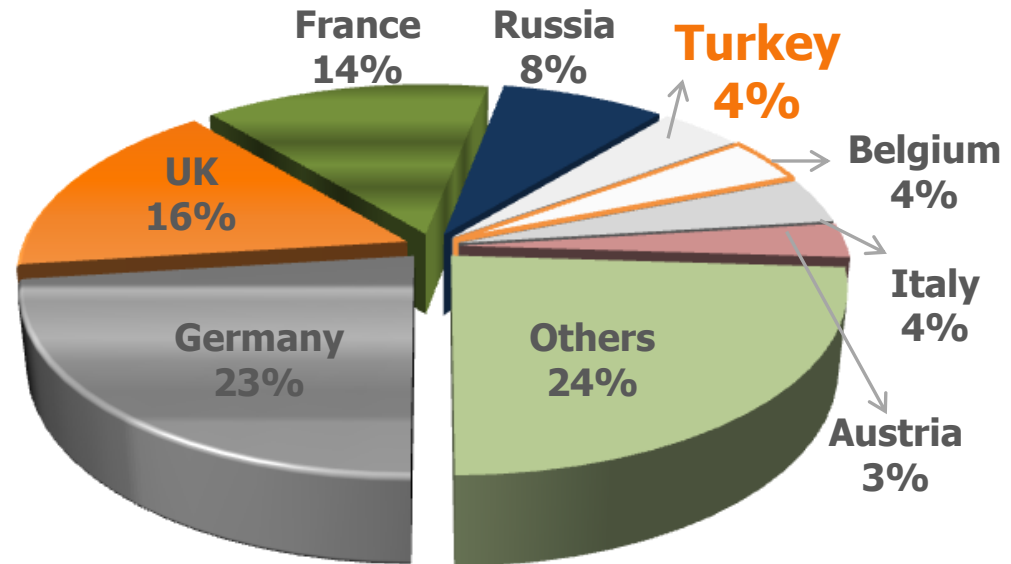
127

countries

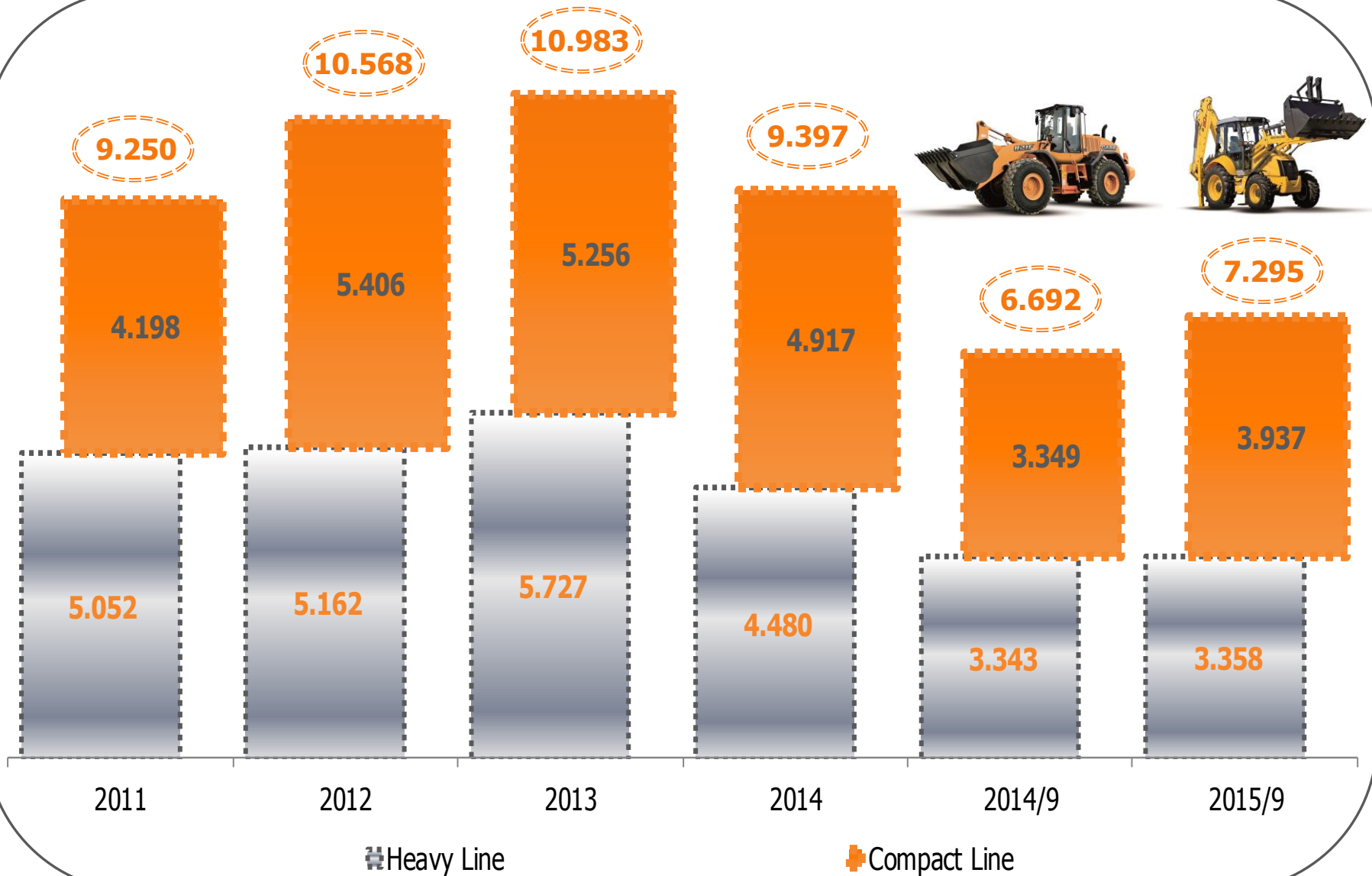
45%

export ratio

Shares of construction equipment sales in European countries in 2014 (source : www.cece.eu)



CONSTRUCTION EQUIPMENT MARKET in TURKEY



AGENDA



Company Profile



World Tractor Market



Agriculture Sector in Turkey



Tractor Market in Turkey



Operational Performance



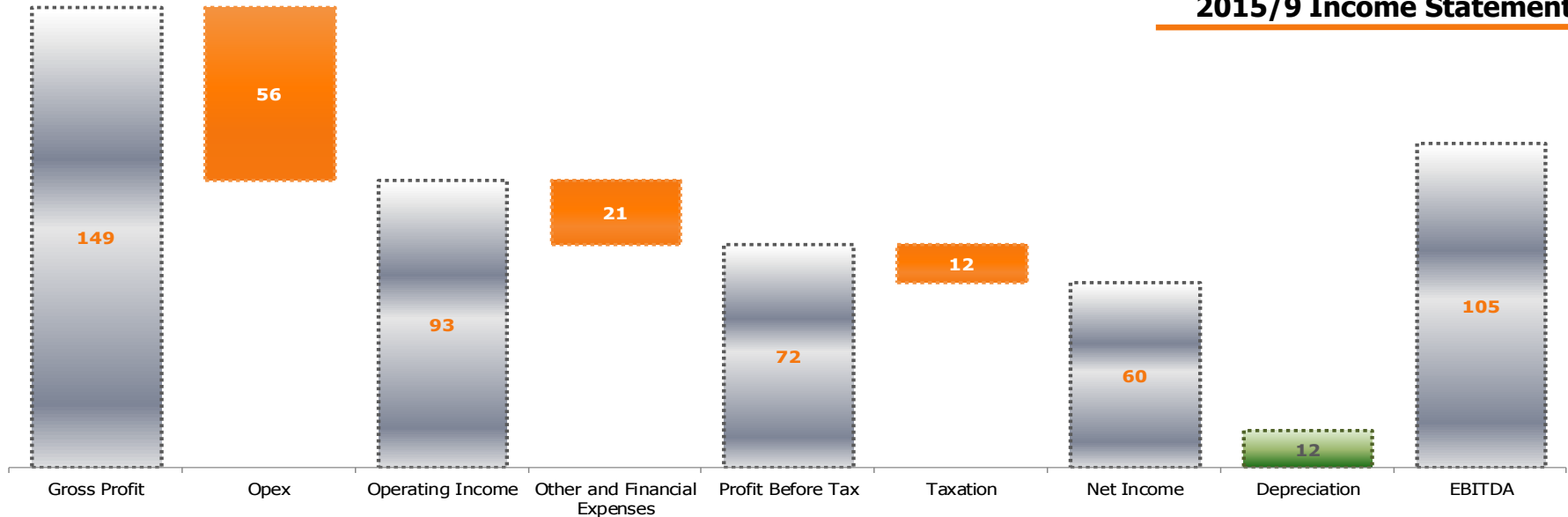
Financial Performance

FINANCIAL PERFORMANCE

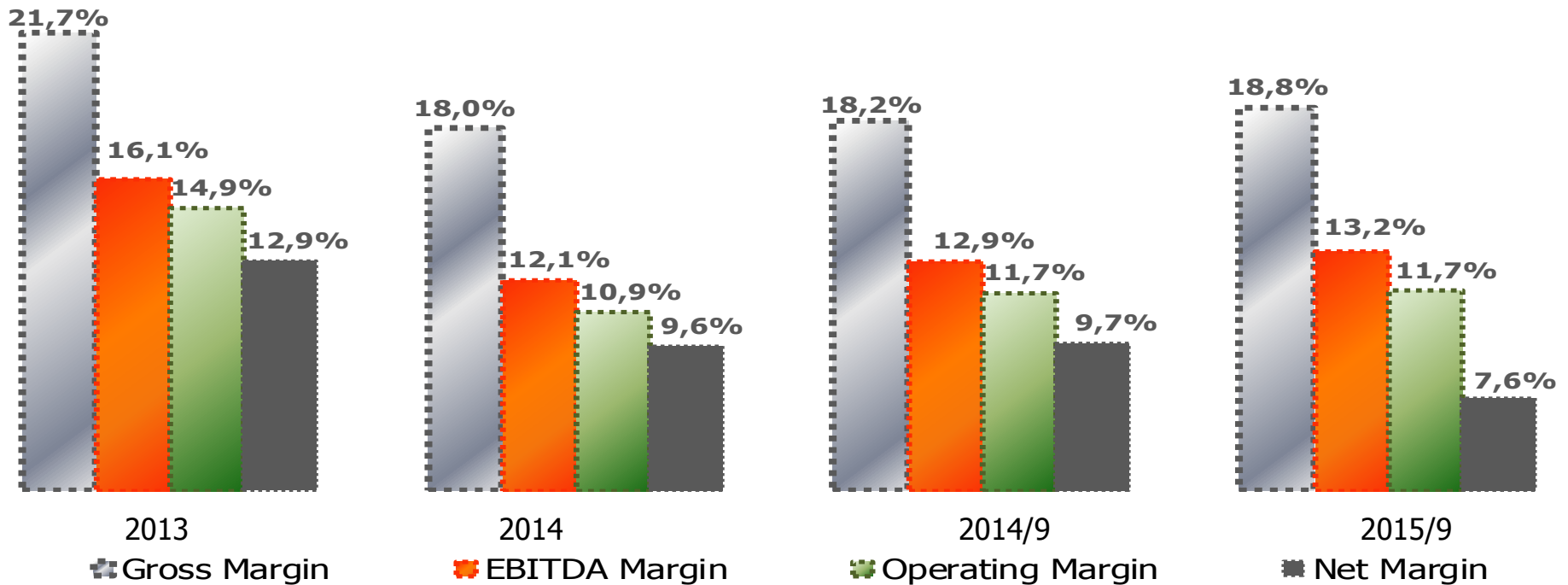
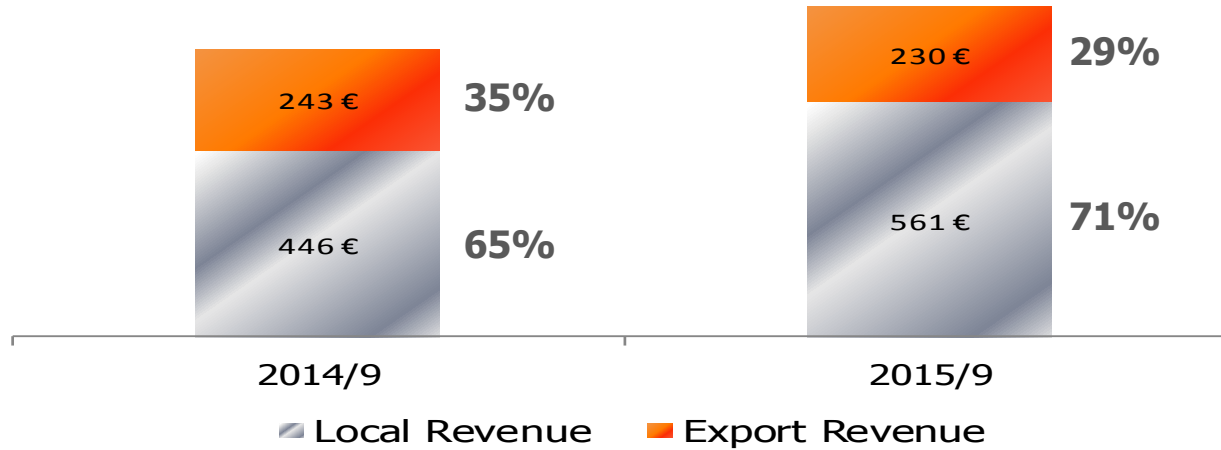
Million Euro (average exchange rate for related period announced by the Central Bank of Turkey)

	2013	2014	2014/9	2015/9
Revenue	861	937	689	791
Gross Profit	187	168	126	149
Operating Profit	129	102	80	93
Profit Before Tax	127	101	78	72
Net Profit	111	90	67	60
EBITDA	138	114	89	105

2015/9 Income Statement



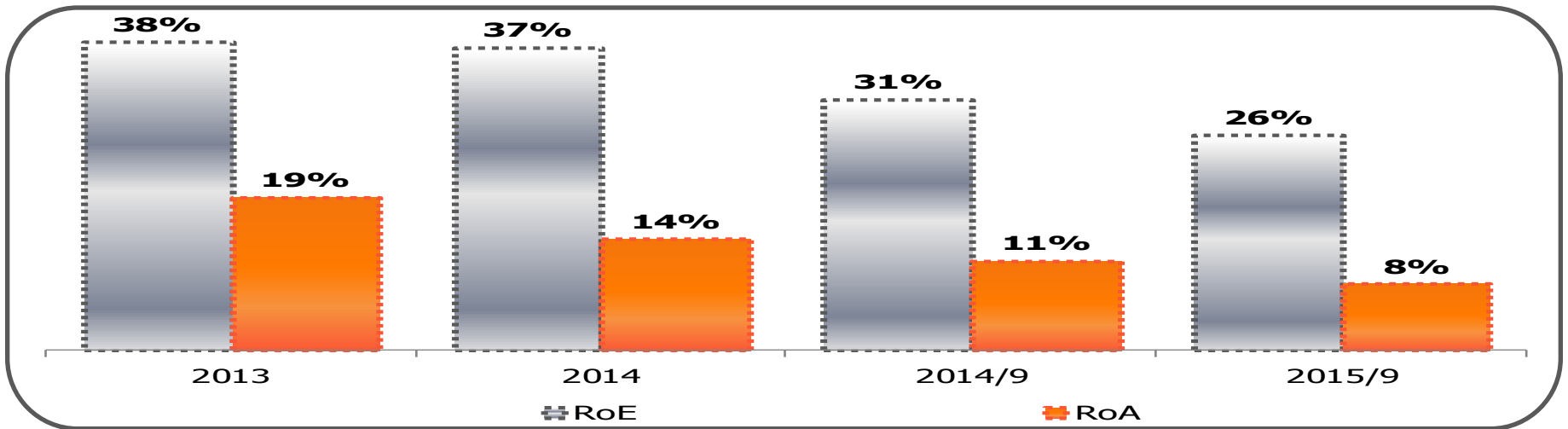
FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

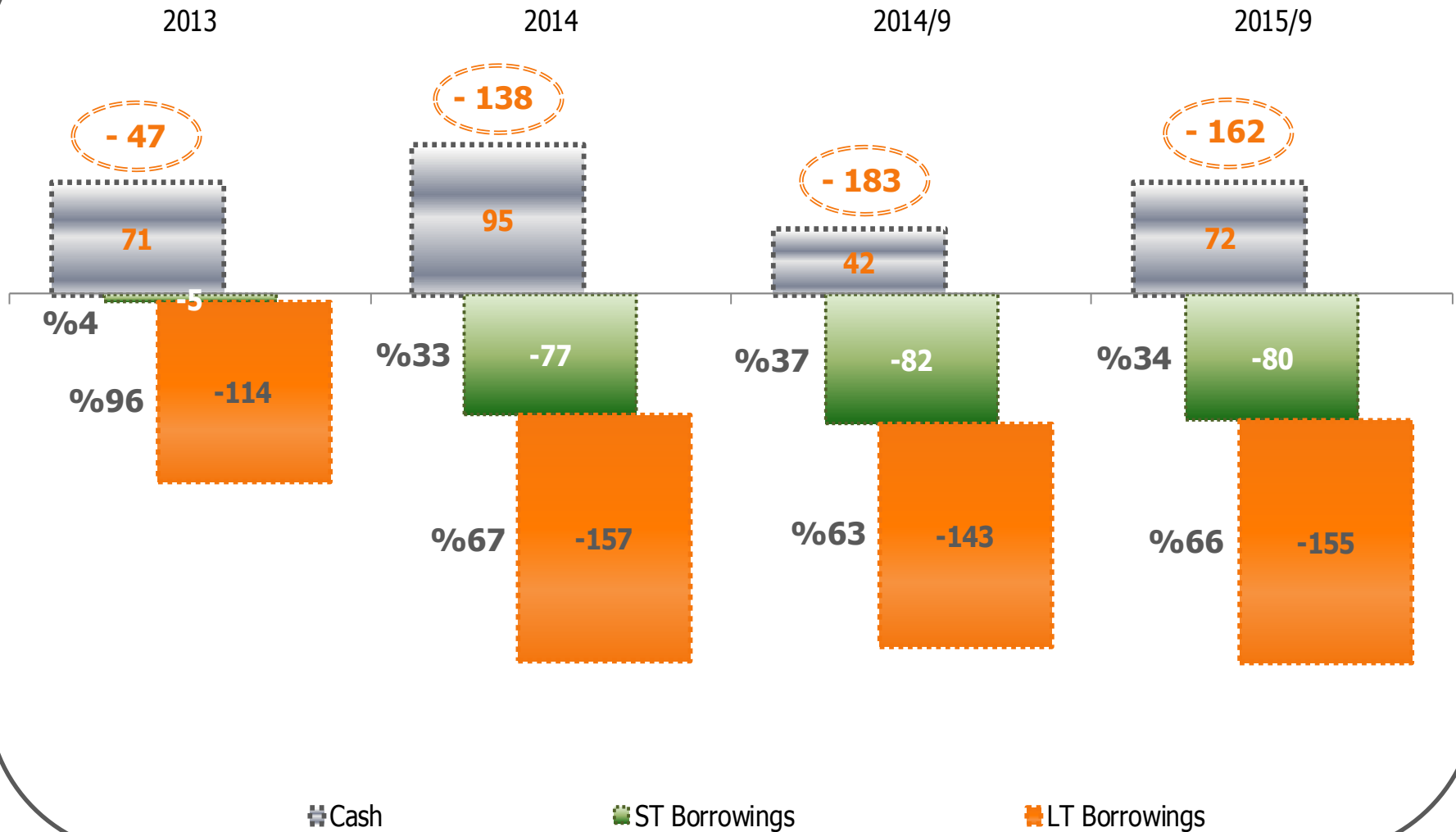
Million Euro (official exchange rate for related period announced by the Central Bank of Turkey)

	2013	2014	2014/9	2015/9
Total Assets	509	679	616	632
Current Assets	370	468	428	444
Non - Current Assets	139	211	188	188
Total Liabilities	509	679	616	632
Short Term Liabilities	131	262	241	269
Long Term Liabilities	124	167	154	166
Equity	253	250	221	197



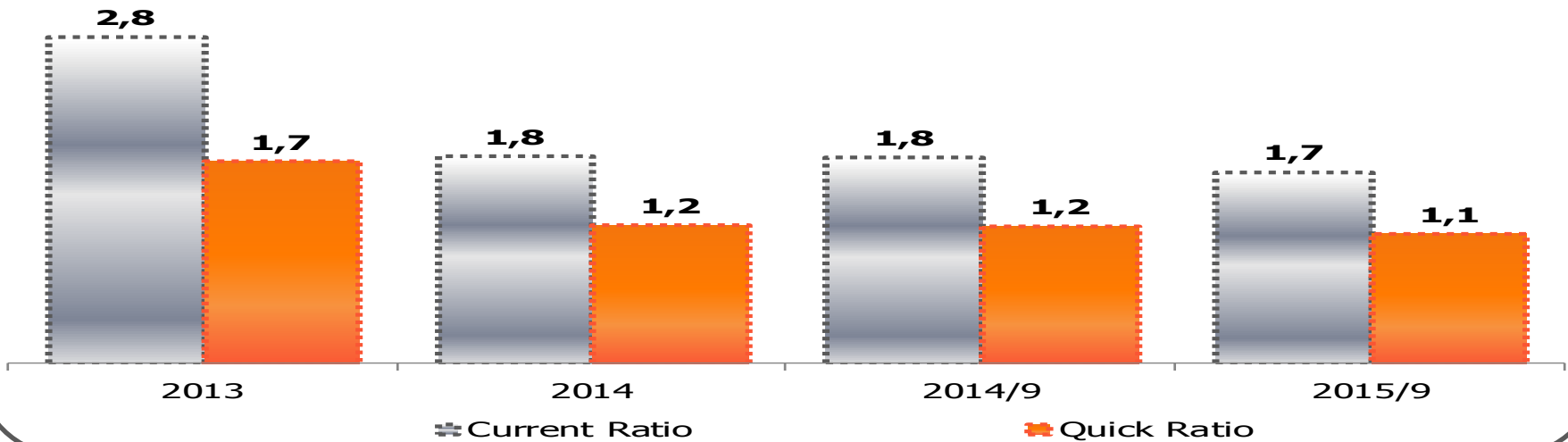
FINANCIAL PERFORMANCE

Net Financial Position (million euro)

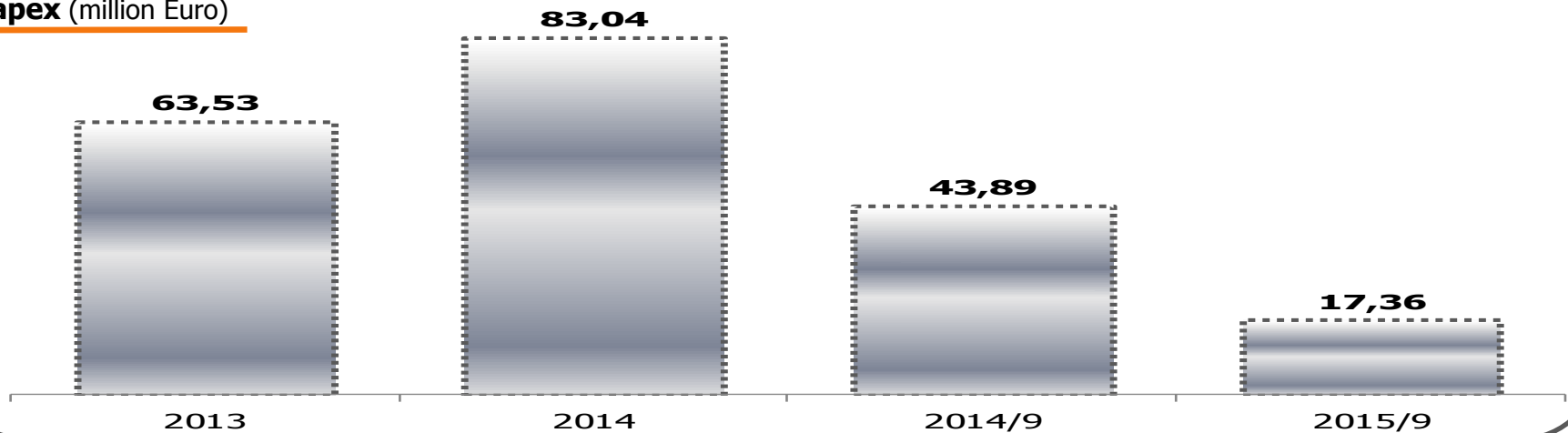


FINANCIAL PERFORMANCE

Liquidity Ratios

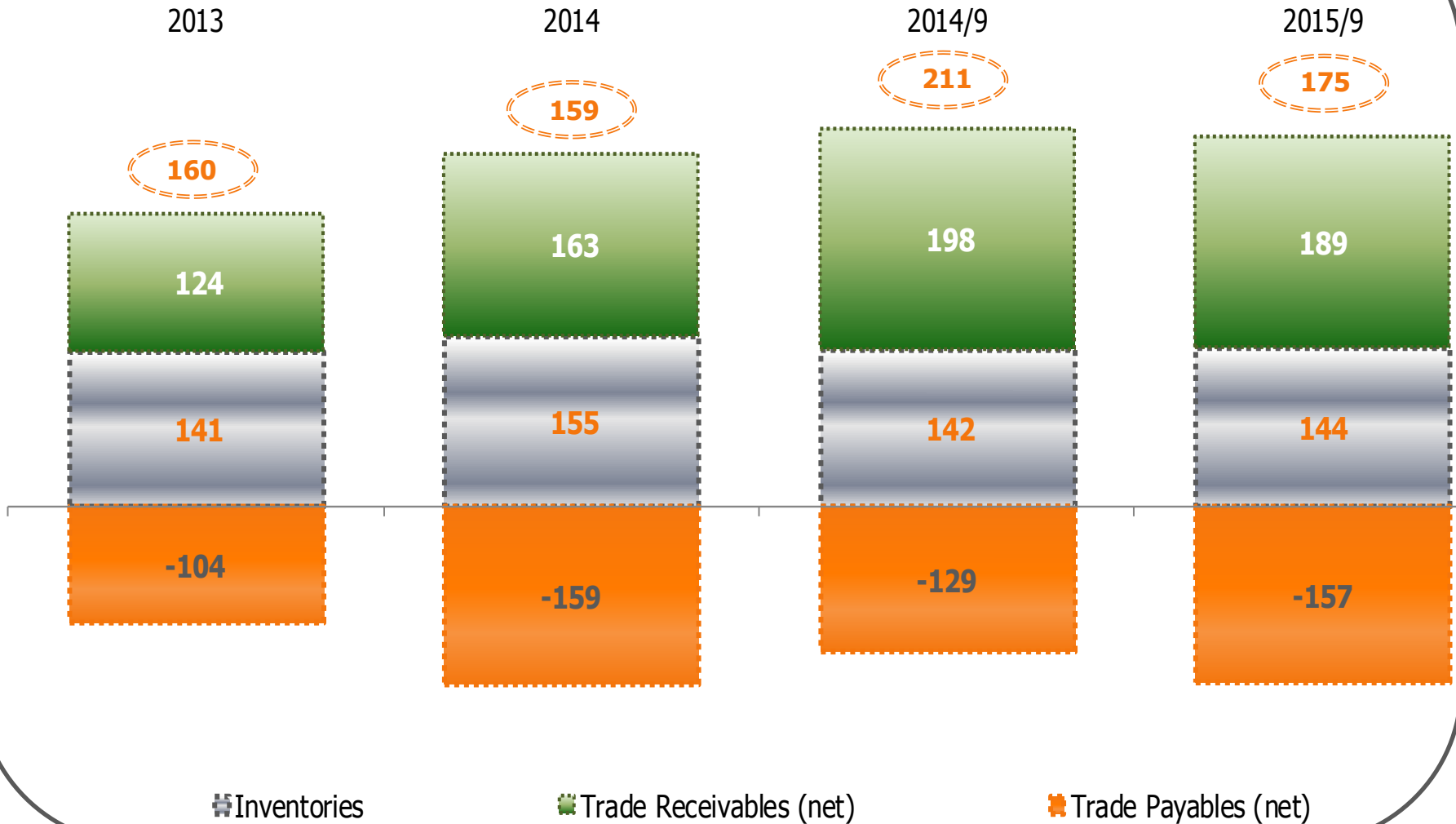


Capex (million Euro)



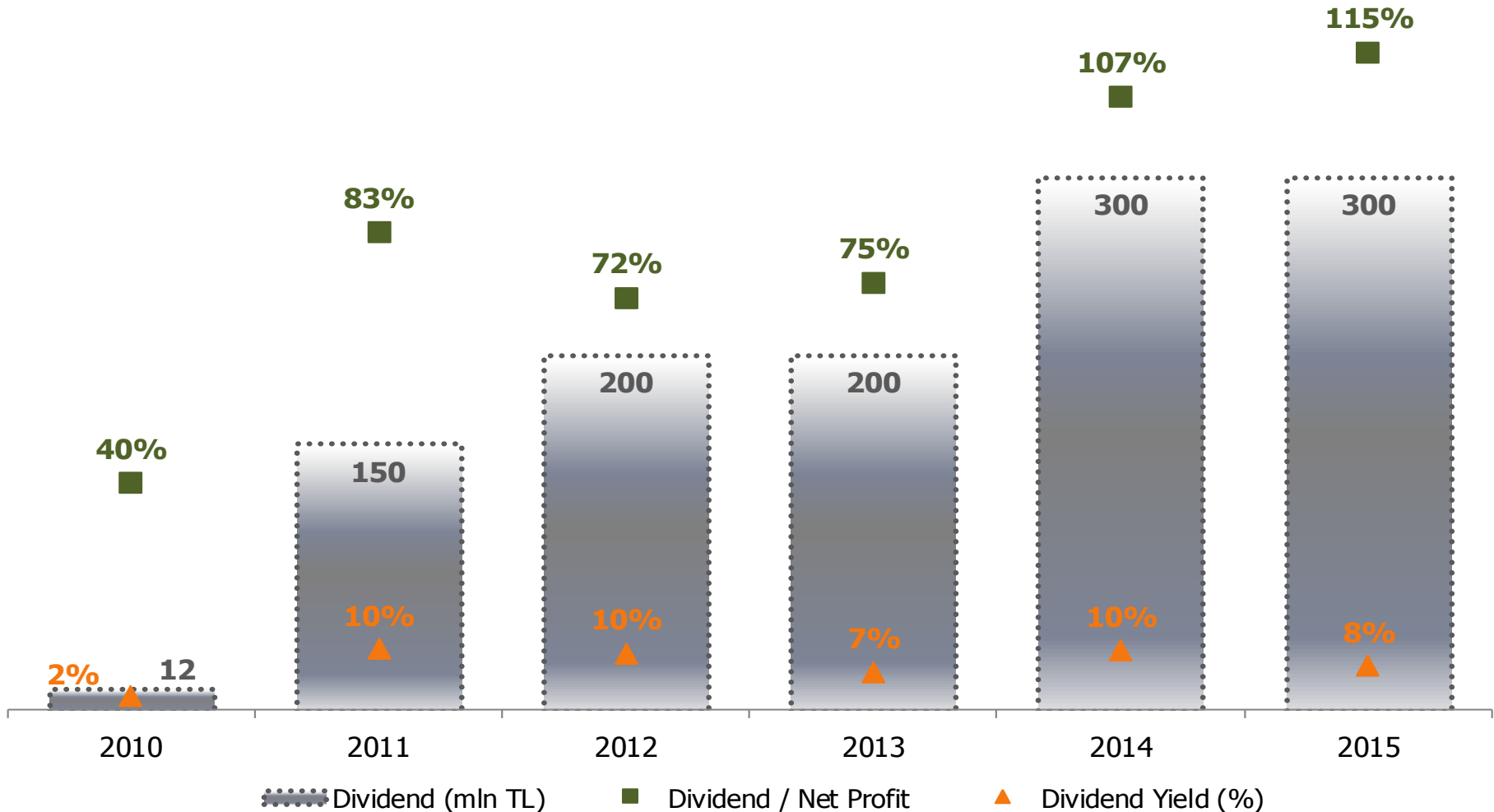
FINANCIAL PERFORMANCE

Working Capital (million Euro)



DIVIDEND

According to the JV agreement, the Parties adopted for the Company a "Dividend Policy" that provides, as a matter of principle, for the distribution of dividend to the shareholders in the rate of 60% of the after tax profit.



BORSA ISTANBUL & TTRAK INDEX (31.12.2012=100)



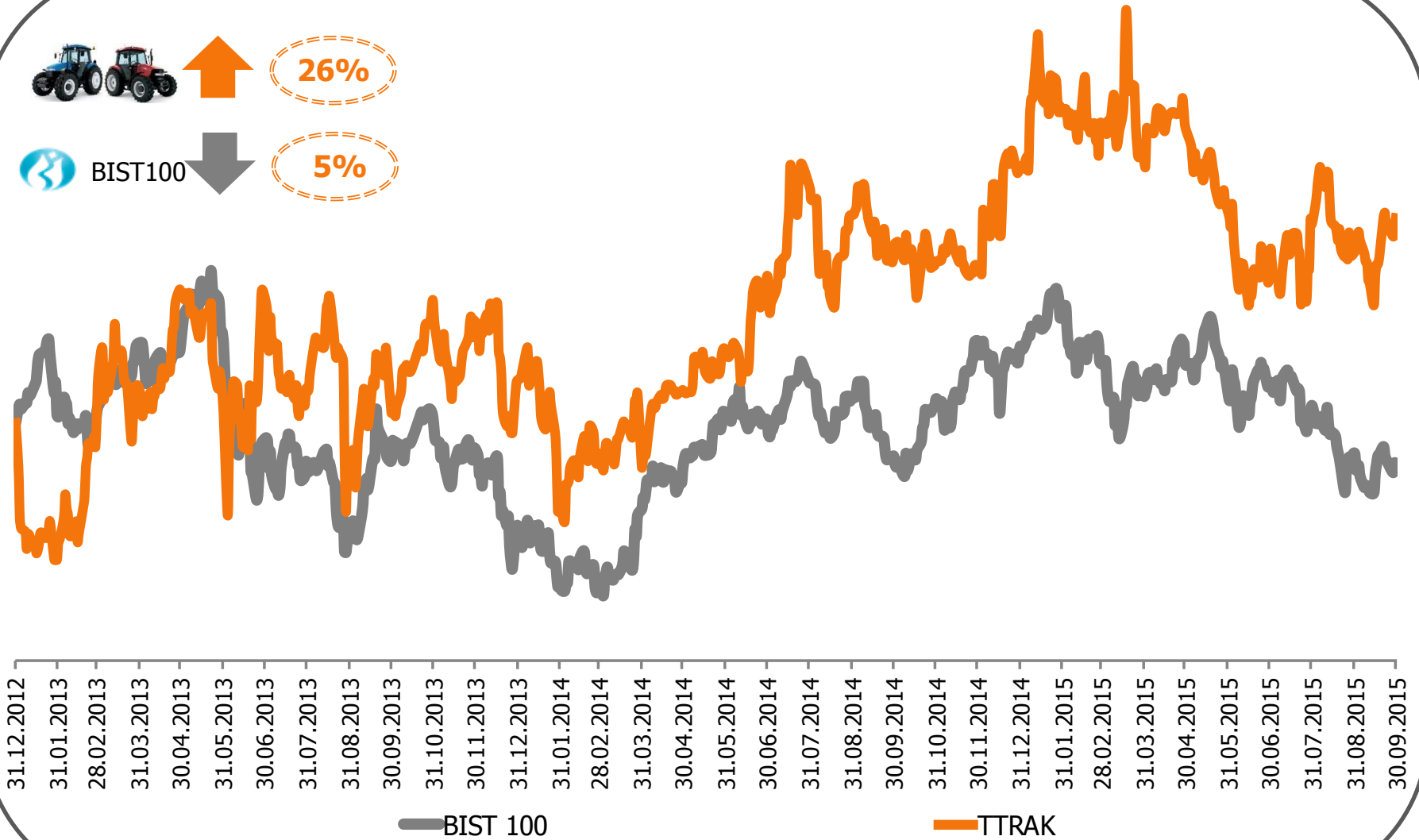
26%



BIST100



5%



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.

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TÜRKTRAKTÖR

investorrelations@turktraktor.com.tr

Marco VOTTA
CEO
+90 312 2332001
marcov@turktraktor.com.tr

Ahmet CANBEYLI
CFO
+90 312 2332003
ahmet.canbeyli@turktraktor.com.tr

Ilkiz KARAGULLU
Investor Relations Manager
+90 312 2332502
ilkizk@turktraktor.com.tr