



August 2nd, 2017

PRESS REVIEW

Passenger Car and Light Commercial Vehicle Market

Showed a Decrease of 3% in the first seven months of 2017.

Passenger Car Market Decreased By 4%, Light Commercial Vehicle Market Increased By 2%.

Turkey's passenger car and light commercial vehicle total market decreased by 2.79% in the first seven months of 2017 compared to the same period of the previous year, to 483,455. In the seven-month period of 2016, total market sales figure was 497,350.

Passenger car sales went down by 4.1% in the first seven months of 2017, compared to the same period of previous year, to 368,308. In the same period of 2016, the sales were 384,048.

In January-July period of 2017, light commercial vehicle market increased by 1.63%, in comparison to the year before, to 115,147. In the same period of previous year, the sales were 113,302.

Passenger Car and Light Commercial Vehicle Market

Showed an Increase of 41% in July 2017.

Passenger Car Market Increased By 37%, Light Commercial Vehicle Market Increased By 53.6%.

In July 2017, passenger car and light commercial vehicle market increased to 82,297. In comparison to the total number of 58,533 in July 2016, the sales went up in a ratio of 40.6%.

In July 2017, passenger car sales went up by 36.91% in comparison to the same month of the year before and were 62,384. Last year, the sales were 45,566.

Light commercial vehicle market increased by 53.57% in July 2017 compared to July 2016, to 19,913. Last year, the sales were 12,967.



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By the end of July 2017, a decrease of 4.4% in the sales of passenger cars below 1600cc and a decrease of 0.2% in the sales of passenger cars with a 1600-2000cc motor volume was observed. As for the sales of the passenger cars over 2000cc, a decrease of 47.6% was observed. 33 electric cars and 2,011 hybrid passenger cars were sold in the first seven months of 2017.

When the average emission values of the passenger car market in the end of July 2017 are considered, the passenger cars between 100-120g/km took the largest share with a ratio of 42.0%, with a number of 154,741.

At the end of July 2017, diesel passenger car sales share decreased to 61.5%, while the automatic transmission passenger car sales share increased to 58.0%.

At the end of July 2017, 84.1% of the passenger car market segment again consisted of the vehicles in the A, B and C segments. When evaluated according to segments, Segment C with a share of 52.5% reached the highest sales volume (193,314). When evaluated according to frame, most preferred body type was again Sedan (49.5%, a quantity of 182,421).

At the end of July 2017, when evaluated according to body type, Van's with a share of 70.3% had the highest sales volume (80,937), Light trucks followed them with a share of 12.3% (14,123) while the share of Minibuses was 8.8% (10,165) and the share of Pick-ups was 8.6% (9,922) in light commercial vehicle market.

In the second half of 2017;

- ✓ The developments in the US, normalisation process in FED's monetary policy, the expectation of an increase in interest rates in parallel to the recovery in the economy,
- ✓ The progress in EU economy and the monetary policy that the European Central Bank (ECB) is going to carry out,
- ✓ The effect of Brexit on EU and the other countries,
- ✓ The slowdown in China's economy and its effect on emerging countries,
- ✓ Geopolitical developments,
- ✓ Central Bank of Turkey's monetary policy and determination to fight against inflation,
- ✓ The improvement in current account deficit,
- ✓ The actions to be taken regarding structural reforms,
- ✓ The improvement and growth rate of the economic activity

will be effective.

In 2017, total market of automotive sector is expected to be **between 875-925 thousand.**

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Automotive Distributors' Association

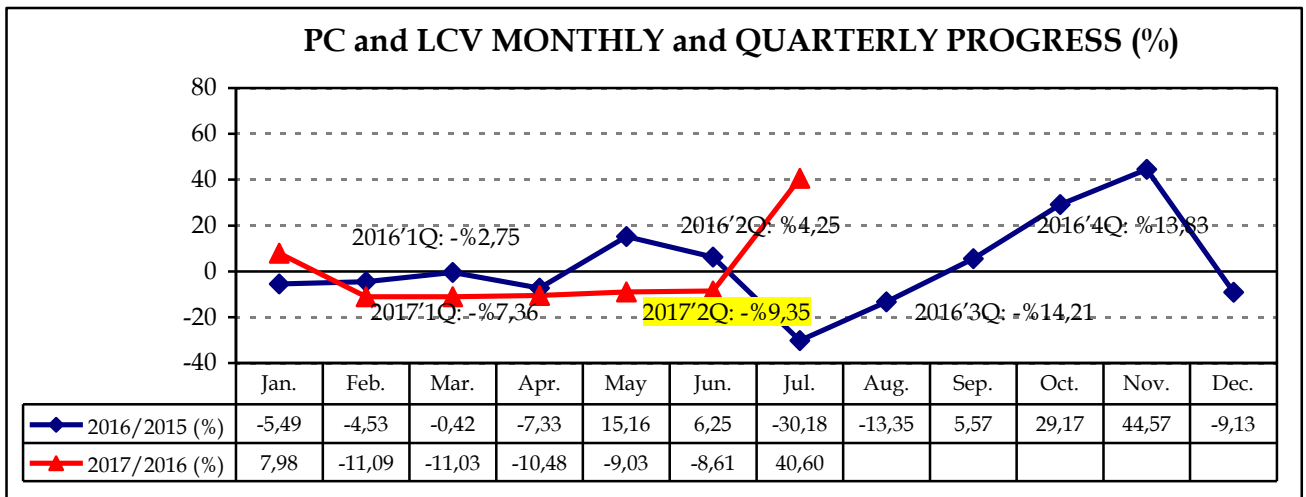
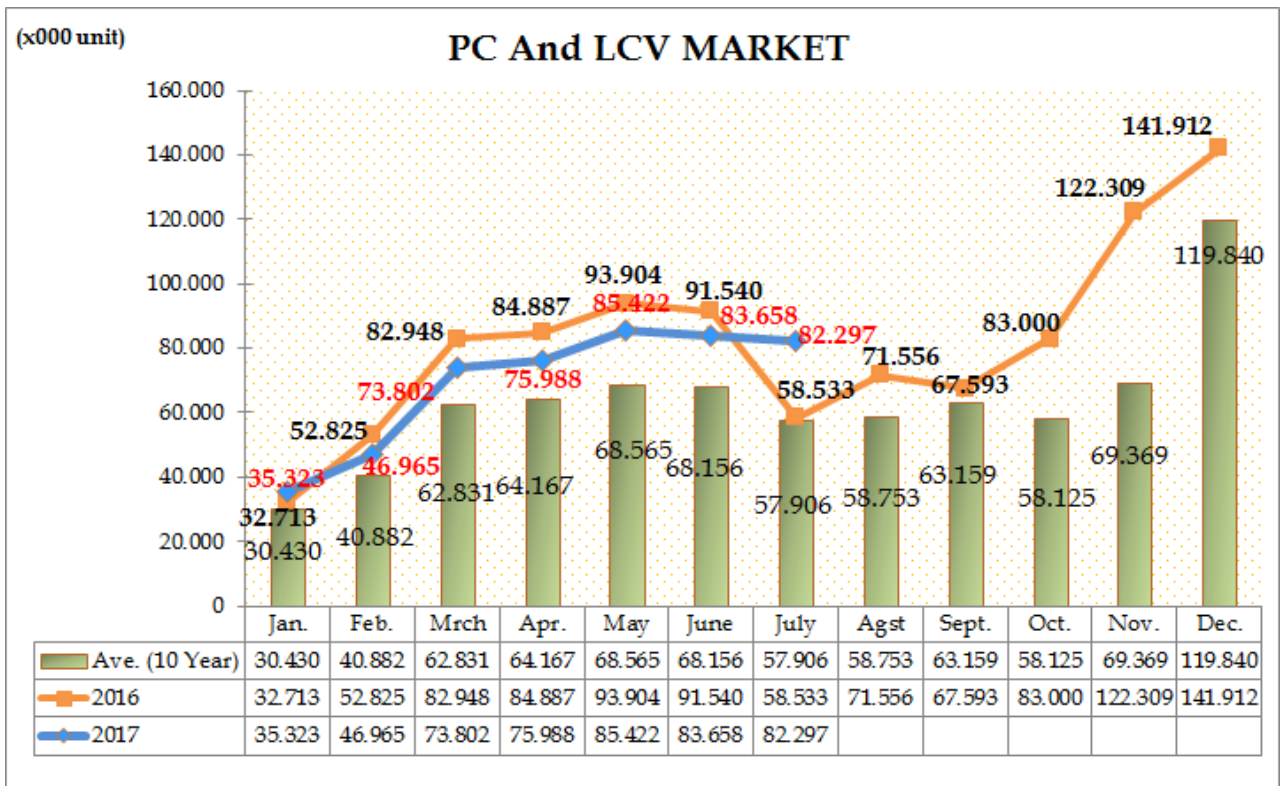


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In the first seven months of 2017, Turkey's passenger car and light commercial vehicle total market presented a sales number of 483,455. In comparison to the total number of 497,350 in July 2016, the sales went down in a ratio of 2.79%.

In July 2017, passenger car and light commercial vehicle market presented a sales number of 82,297. In comparison to the total number of 58,533 in July 2016, the sales went up in a ratio of 40.6%.

The passenger car and light commercial vehicle market, in comparison to the average 10-year July sales, showed an increase of 42.12%.



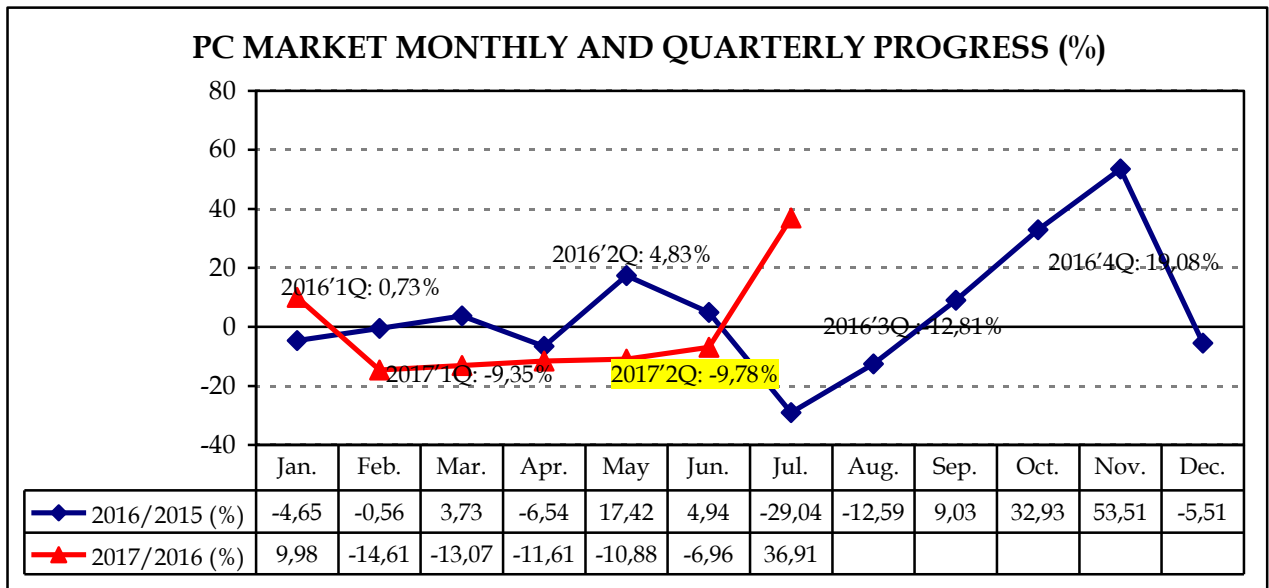
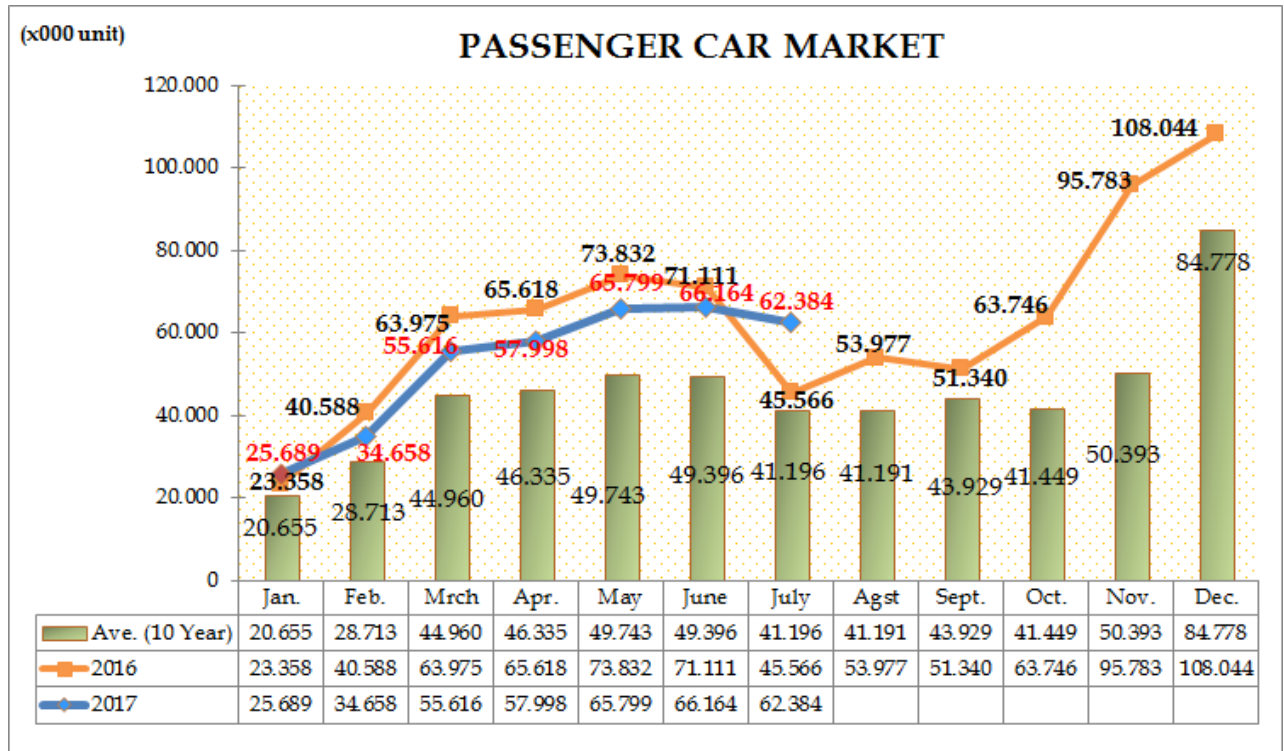


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In the first seven months of 2017, passenger car sales went down by 4.1% in comparison to the same period of previous year and were 368,308. In the same period of previous year, the sales were 384,048.

In July 2017, passenger car sales went up by 36.91% in comparison to the same month of the year before and were 62,384. In July 2016, the sales were 45,566.

The passenger car market, in comparison to the average 10-year July sales, showed an increase of 51.43%.



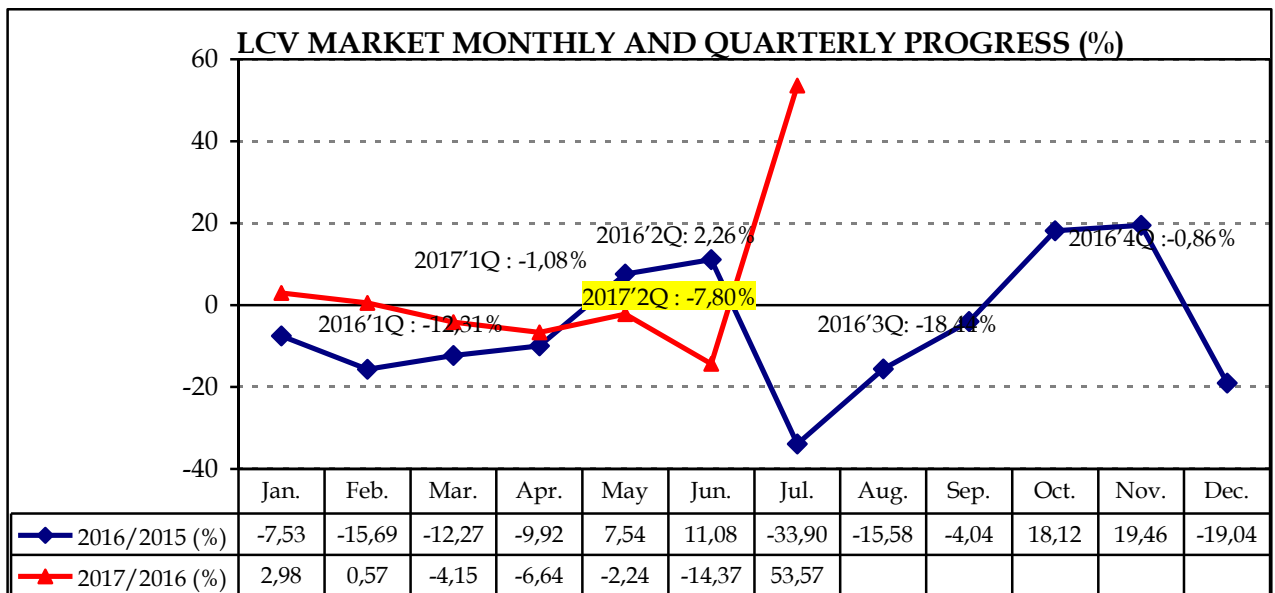
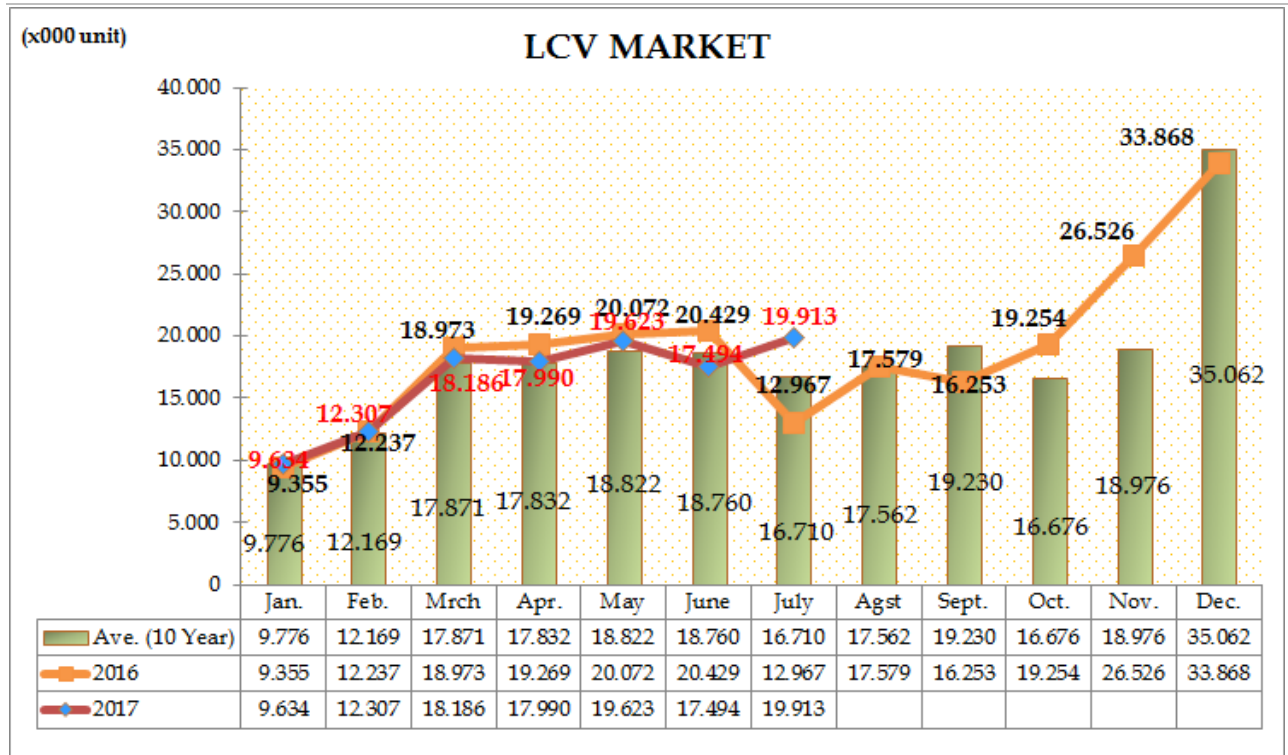


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In January-July period of 2017, light commercial vehicle sales increased by 1.63% in comparison to the same period of the last year, to 115,147. In the same period of previous year, the sales were 113,302.

In July 2017, light commercial vehicle sales increased by 53.57% in comparison to the same month of previous year, to 19,913. In July 2016, the sales were 12,967.

The light commercial vehicle market, in comparison to the average 10-year July sales, showed an increase of 19.17%.





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When the end of July 2017 passenger car market is studied in terms of engine volume, the biggest slice of the pie was taken by passenger cars under 1600cc with a ratio of 96.0% and a number of 353,477. Passenger cars between 1600cc to 2000cc followed them with a ratio of 3.1% and passenger cars above 2000cc with a ratio of 0.3%. In comparison with the same period of 2016, a decrease of 4.4% in the sales of passenger cars below 1600cc and decrease of 0.2% in the sales of passenger cars with a 1600-2000cc motor volume was observed. As for the sales of the passenger cars over 2000cc, a decrease of 47.6% was observed. 14 electric cars below 85kW engine power and 19 electric cars above 121 Kw, total 33 electric cars were sold in the first seven months of 2017.

At the end of July 2017, 171 hybrid cars under 1600cc, 1,722 hybrid cars between 1601cc<=1800cc (>50 kW), 36 hybrid cars between 1801cc to 2000cc, 75 hybrid cars between 2001cc - 2500cc (>100KW) and 7 hybrid cars above 2500cc were sold. 2,011 hybrid cars were sold in January-July period of 2017.

ENGINE VOLUME	ENGINE TYPE	End of July 2016		End of July 2017		Change	SCT %	VAT %
		Qty	Segment	Qty	Segment			
≤ 1600cc	B/D	369.716	96,3%	353.477	96,0%	-4,4%	45, 50, 60	
1601cc - ≤ 2000cc	B/D	11.601	3,0%	11.582	3,1%	-0,2%	100, 110	
≥ 2001cc	B/D	2.301	0,6%	1.205	0,3%	-47,6%	160	
≤ 85 kW	ELECTRIC	18	0,0%	14	0,0%	-22,2%	3	
86kW - ≤ 120kW	ELECTRIC	0	0,0%	0	0,0%		7	
≥ 121kW	ELECTRIC	17	0,0%	19	0,0%	11,8%	15	
<=1600cc	HYBRID	346	0,1%	171	0,0%	-50,6%	60	
1601cc - <=1800cc (<=50KW)	HYBRID	0	0,0%	0	0,0%		110	18
1601cc - <=1800cc (>50KW)	HYBRID	0	0,0%	1.722	0,5%		60	
1801cc - <=2000cc	HYBRID	32	0,0%	36	0,0%	12,5%	110	
2001cc - <=2500cc (<=100KW)	HYBRID	0	0,0%	0	0,0%		160	
2001cc - <=2500cc (>100KW)	HYBRID	0	0,0%	75	0,0%		110	
>2500cc	HYBRID	17	0,0%	7	0,0%	-58,8%	160	
Total		384.048	100,0%	368.308	100,0%	-4,1%	TAX RATES	



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When the end of July 2017 passenger car market is studied in terms of average emission values, passenger cars between 100-120 gr/km have the highest share of 42.0% (154,741) and following this, passenger cars between 120-140 gr/km have a share of 23.3% (85,666).

CO2 AVERAGE EMISSION VALUES (gr/km)	End of July 2016		End of July 2017		Change
	Qty	Segment	Qty	Segment	
< 100 gr/km	49.877	13,0%	59.067	16,0%	18,4%
≥ 100 - < 120 gr/km	178.693	46,5%	154.741	42,0%	-13,4%
≥ 120 - < 140 gr/km	94.971	24,7%	85.666	23,3%	-9,8%
≥ 140 - < 160 gr/km	48.392	12,6%	57.416	15,6%	18,6%
≥ 160 gr/km	12.115	3,2%	11.418	3,1%	-5,8%
Total	384.048	100,0%	368.308	100,0%	-4,1%

In the end of July 2017, diesel passenger car sales decreased by 6.1% in comparison to the same period of previous year. Diesel share in passenger car sales at the end of July 2017, when compared to the same period of 2016, decreased from 62.8% to 61.5% (226,459).

DIESEL	End of July 2016		End of July 2017		Change
	Qty	Share in the Segment	Qty	Share in the Segment	
A (Mini)	0	0,0%	0	0,0%	
B (Entry)	74.589	61,4%	74.456	64,6%	-0,2%
C (Compact)	124.225	65,0%	115.706	59,9%	-6,9%
D (Medium)	34.739	62,7%	30.807	67,6%	-11,3%
E (Luxury)	5.418	45,0%	3.847	35,3%	-29,0%
F (Upper Luxury)	2.140	80,3%	1.643	81,1%	-23,2%
Total	241.111	62,8%	226.459	61,5%	-6,1%



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End of July 2017	1	2	3	4	5	6	7	Total	Share
Segment	S/D	H/B	S/W	MPV	CDV	Sport	SUV		
A (Mini)	0	1.252	0	0	0	0	0	1.252	0,3%
B (Entry)	26.447	67.701	4.033	550	6.815	129	9.547	115.222	31,3%
C (Compact)	116.618	35.351	1.075	3.366	0	152	36.752	193.314	52,5%
D (Medium)	30.815	715	240	7	0	2.479	11.330	45.586	12,4%
E (Luxury)	8.162	4	193	16	0	139	2.394	10.908	3,0%
F (Upper Luxury)	379	0	0	0	0	113	1.534	2.026	0,6%
Total	182.421	105.023	5.541	3.939	6.815	3.012	61.557	368.308	100,0%
	49,5%	28,5%	1,5%	1,1%	1,9%	0,8%	16,7%	100,0%	

End of July 2016	1	2	3	4	5	6	7	Total	Share
Segment	S/D	H/B	S/W	MPV	CDV	Spor	SUV		
A (Mini)	0	1.225	0	0	0	0	0	1.225	0,3%
B (Entry)	27.277	72.474	3.154	892	6.405	142	11.211	121.555	31,7%
C (Compact)	112.225	42.819	605	4.573	0	397	30.557	191.176	49,8%
D (Medium)	38.628	140	243	3	0	3.434	12.934	55.382	14,4%
E (Luxury)	8.779	6	15	48	0	154	3.044	12.046	3,1%
F (Upper Luxury)	554	0	0	0	0	198	1.912	2.664	0,7%
Total	187.463	116.664	4.017	5.516	6.405	4.325	59.658	384.048	100,0%
	48,8%	30,4%	1,0%	1,4%	1,7%	1,1%	15,5%	100,0%	

Change	1	2	3	4	5	6	7	Total	
Segment	S/D	H/B	S/W	MPV	CDV	Sport	SUV		
A (Mini)		2,2%						2,2%	
B (Entry)	-3,0%	-6,6%	27,9%	-38,3%	6,4%	-9,2%	-14,8%	-5,2%	
C (Compact)	3,9%	-17,4%	77,7%	-26,4%		-61,7%	20,3%	1,1%	
D (Medium)	-20,2%	410,7%	-1,2%	133,3%		-27,8%	-12,4%	-17,7%	
E (Luxury)	-7,0%	-33,3%	1186,7%	-66,7%		-9,7%	-21,4%	-9,4%	
F (Upper Luxury)	-31,6%					-42,9%	-19,8%	-23,9%	
Total	-2,7%	-10,0%	37,9%	-28,6%	6,4%	-30,4%	3,2%	-4,1%	

At the end of July 2017, 84.1% of the passenger car market segment again consisted of the vehicles in the A, B and C segments. When evaluated according to segments, Segment C with a share of 52.5% has the highest sales volume (193,314) and Segment B follows it with a share of 31.3% (115,222).

At the end of July 2017, when evaluated according to frame type, most preferred body type was again Sedan (49.5%, a quantity of 182,421). Following Sedan passenger cars are Hatchback frame with a share of 28.5% and a sales volume of 105,023 and SUV with a share of 16.7% and total sales volume of 61,557.



PRESS RELEASE

At the end of July 2017, automatic transmission passenger car sales numbers, in comparison to the same period in 2016, decreased by 2.9%. Automatic transmission passenger car sale shares at the end of July 2017, in comparison to the same period of the previous year, increased from 57.3% to 58.0% (a number of 213,587).

AUTOMATIC TRANSMISSION	End of July 2016		End of July 2017		Change
	Qty	Share in the Segment	Qty	Share in the Segment	
A (Mini)	983	80,2%	943	75,3%	-4,1%
B (Entry)	49.183	40,5%	49.068	42,6%	-0,2%
C (Compact)	105.463	55,2%	112.383	58,1%	6,6%
D (Medium)	49.674	89,7%	38.263	83,9%	-23,0%
E (Luxury)	12.046	100,0%	10.904	100,0%	-9,5%
F (Upper Luxury)	2.664	100,0%	2.026	100,0%	-23,9%
Total	220.013	57,3%	213.587	58,0%	-2,9%

At the end of July 2017, when evaluated according to body type, Van's with a share of 70.3% had the highest sales volume (80,937), Light trucks followed them with a share of 12.3% (14,123) while the share of Minibuses was 8.8% (10,165) and the share of Pick-ups was 8.6% (9,922) in light commercial vehicle market.

LIGHT COMMERCIAL VEHICLE BODY TYPE ANALYSIS	End of July 2016		End of July 2017		Change
	Qty	Segment	Qty	Segment	
VAN	80.304	70,9%	80.937	70,3%	0,8%
LIGHT TRUCK	13.551	12,0%	14.123	12,3%	4,2%
MINIBUS	10.452	9,2%	10.165	8,8%	-2,7%
PICK-UP	8.995	7,9%	9.922	8,6%	10,3%
Total	113.302	100,0%	115.147	100,0%	1,6%



PRESS RELEASE

OVERVIEW OF 2017;

According to July 2017 estimations of IMF World Economic Outlook Report, growth estimation for the world is 3.5% in 2017. The report suggests that the growth rates of the U.S., pacemaker of the world economy will be 2.1% in 2017. The figures for Europe are estimated to increase by 1.9% in 2017 which is crucial for the Turkish economy.

LMC Automotive, by 2017's 2nd quarter, has published 2017 expectations and world passenger car market estimations for 2018. According to the 2nd quarter results of 2017, world total passenger car market is expected to show an increase of 2.5% in comparison to the previous year and to reach a number of 98.8 M. In 2017, world automotive market is expected to show an increase of 1.4% and reach a number of 100,1 M in comparison to 2016.

LMC Automotive, by 2017's 2nd quarter, has published 2017 expectations and world automotive manufacture estimations for 2018. According to the 2nd quarter results of LMC Automotive, 2017 world automotive manufacture showed an increase of 2.2% in comparison to the previous year and reached a number of 98.5 M. In 2018, world automotive manufacture is expected to show an increase of 1,6% and reach a number of 100,1 M in comparison to 2017.

According to the Medium Term Program published in October 2016, Turkey's growth rate is expected to be around 4.4% in 2017.

We foresee that the **automotive industry's total market for the year 2017 to be between 875-925 thousand** in quantity.