

September 6th, 2017

PRESS REVIEW

Passenger Car and Light Commercial Vehicle Market

Showed a Decrease of 2% in the first eight months of 2017.

*Passenger Car Market Decreased By 3%, Light Commercial Vehicle
Market Increased By 1.5%.*

Turkey's passenger car and light commercial vehicle total market decreased by 2.27% in the first eight months of 2017 compared to the same period of the previous year, to 555,991. In the eight-month period of 2016, total market sales figure was 568,906.

Passenger car sales went down by 3.38% in the first eight months of 2017, compared to the same period of previous year, to 423,198. In the same period of 2016, the sales were 438,025.

In January-August period of 2017, light commercial vehicle market increased by 1.46%, in comparison to the year before, to 132,793. In the same period of previous year, the sales were 130,881.

Passenger Car and Light Commercial Vehicle Market

Showed an Increase of 1.4% in August 2017.

*Passenger Car Market Increased By 2%, Light Commercial Vehicle
Market Increased By 0.4%.*

In August 2017, passenger car and light commercial vehicle market increased to 72,536. In comparison to the total number of 71,556 in August 2016, the sales went up in a ratio of 1.37%.

In August 2017, passenger car sales went up by 1.69% in comparison to the same month of the year before and were 54,890. Last year, the sales were 53,977.

Light commercial vehicle market increased by 0.38% in August 2017 compared to August 2016, to 17,646. Last year, the sales were 17,579.

PRESS RELEASE

By the end of August 2017, a decrease of 3.6% in the sales of passenger cars below 1600cc and a decrease of 0.9% 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 49.9% was observed. 40 electric cars and 2,359 hybrid passenger cars were sold in the first eight months of 2017.

When the average emission values of the passenger car market in the end of August 2017 are considered, the passenger cars between 100-120g/km took the largest share with a ratio of 42.5%, with a number of 179,862.

At the end of August 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 August 2017, 83.9% 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 (220,769). When evaluated according to frame, most preferred body type was again Sedan (49.4%, a quantity of 209,202).

At the end of August 2017, when evaluated according to body type, Van's with a share of 69.8% had the highest sales volume (92,691), Light trucks followed them with a share of 12.2% (16,197) while the share of Minibuses was 8.7% (12,333) and the share of Pick-ups was 8.7% (11,572) 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.**

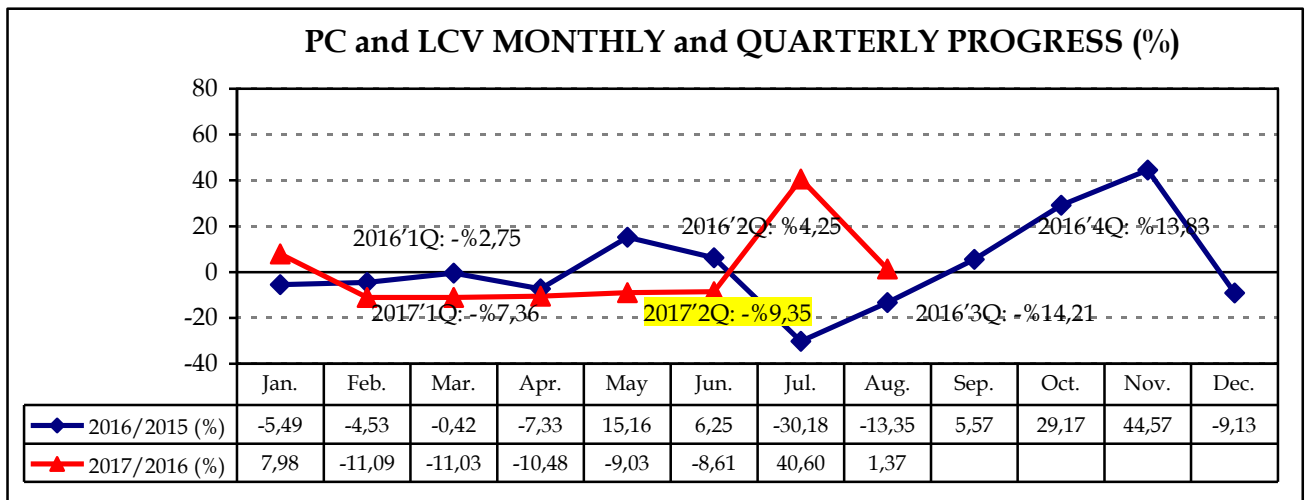
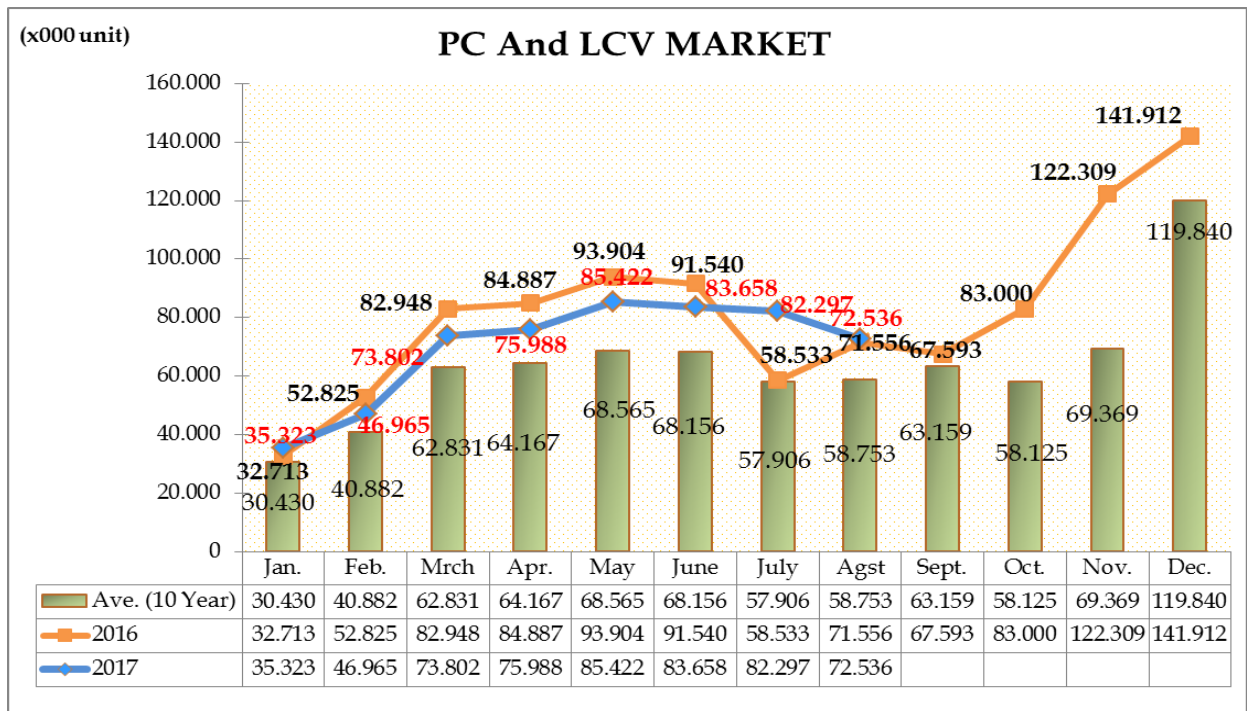
Hayri ERCE, PhD.
Executive Coordinator
Automotive Distributors' Association

PRESS RELEASE

In the first eight months of 2017, Turkey's passenger car and light commercial vehicle total market presented a sales number of 555,991. In comparison to the total number of 568,906 in August 2016, the sales went down in a ratio of 2.27%.

In August 2017, passenger car and light commercial vehicle market presented a sales number of 72,536. In comparison to the total number of 71,556 in August 2016, the sales went up in a ratio of 1.37%.

The passenger car and light commercial vehicle market, in comparison to the average 10-year August sales, showed an increase of 23.46%.

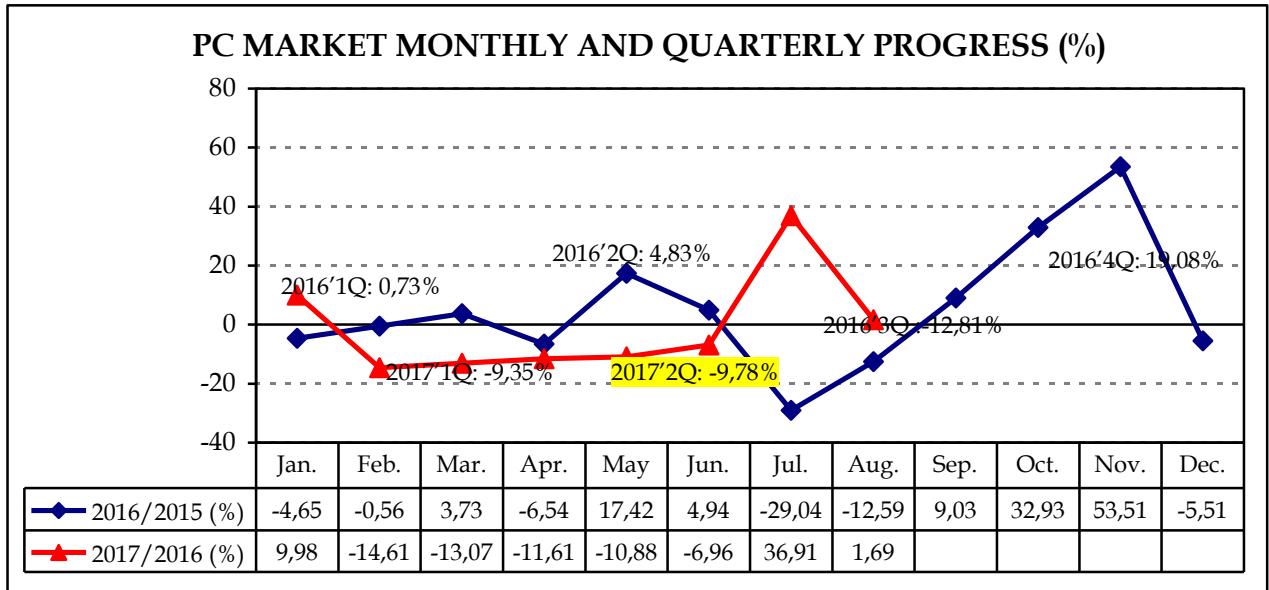
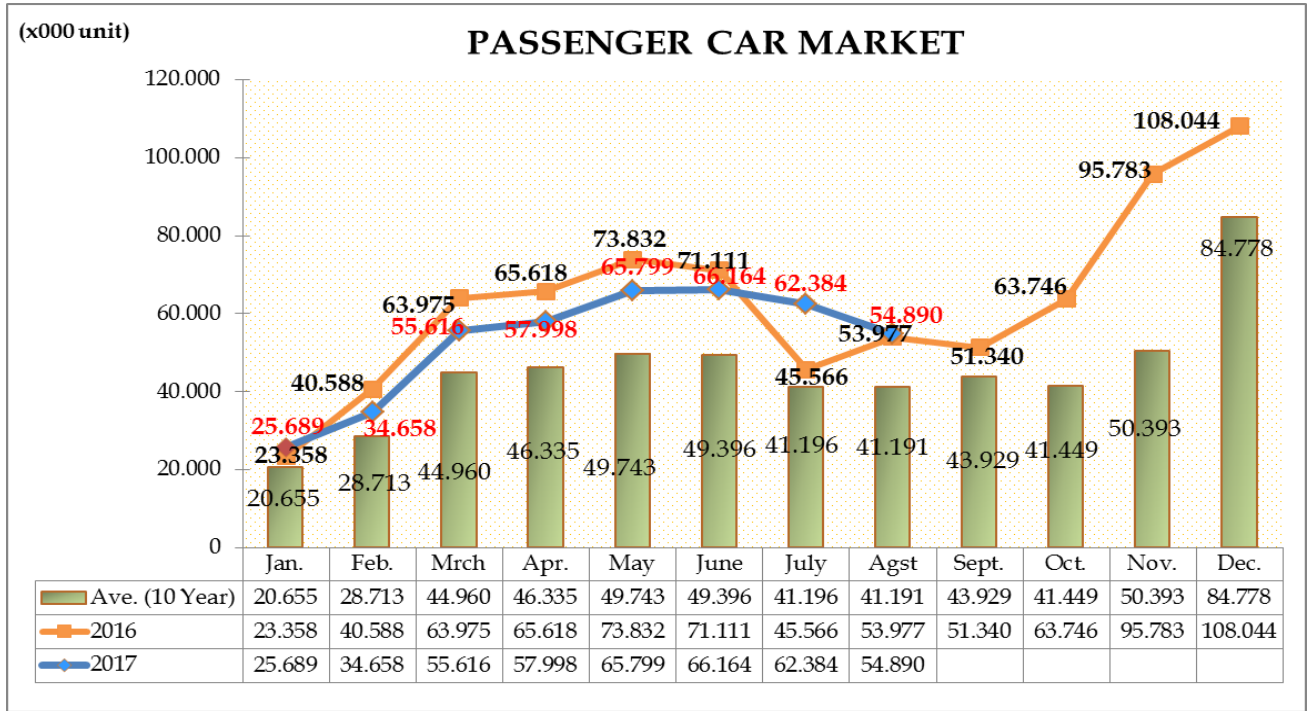


PRESS RELEASE

In the first eight months of 2017, passenger car sales went down by 3.38% in comparison to the same period of previous year and were 423,198. In the same period of previous year, the sales were 438,025.

In August 2017, passenger car sales went up by 1.69% in comparison to the same month of the year before and were 54,890. In August 2016, the sales were 53,977.

The passenger car market, in comparison to the average 10-year August sales, showed an increase of 33.26%.

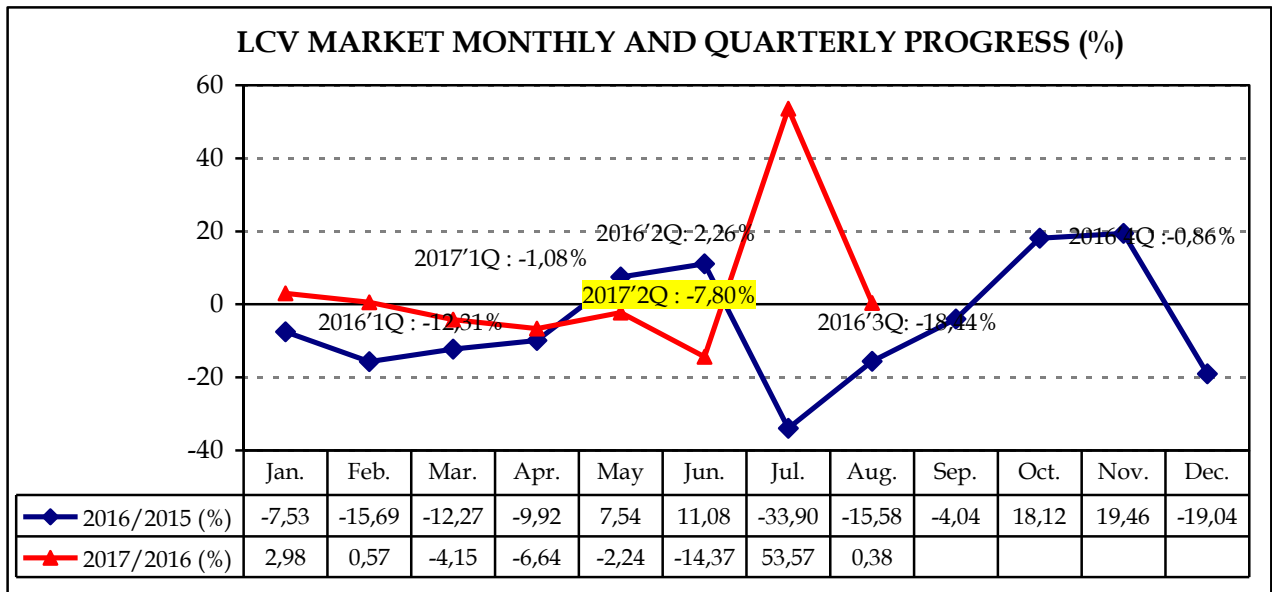
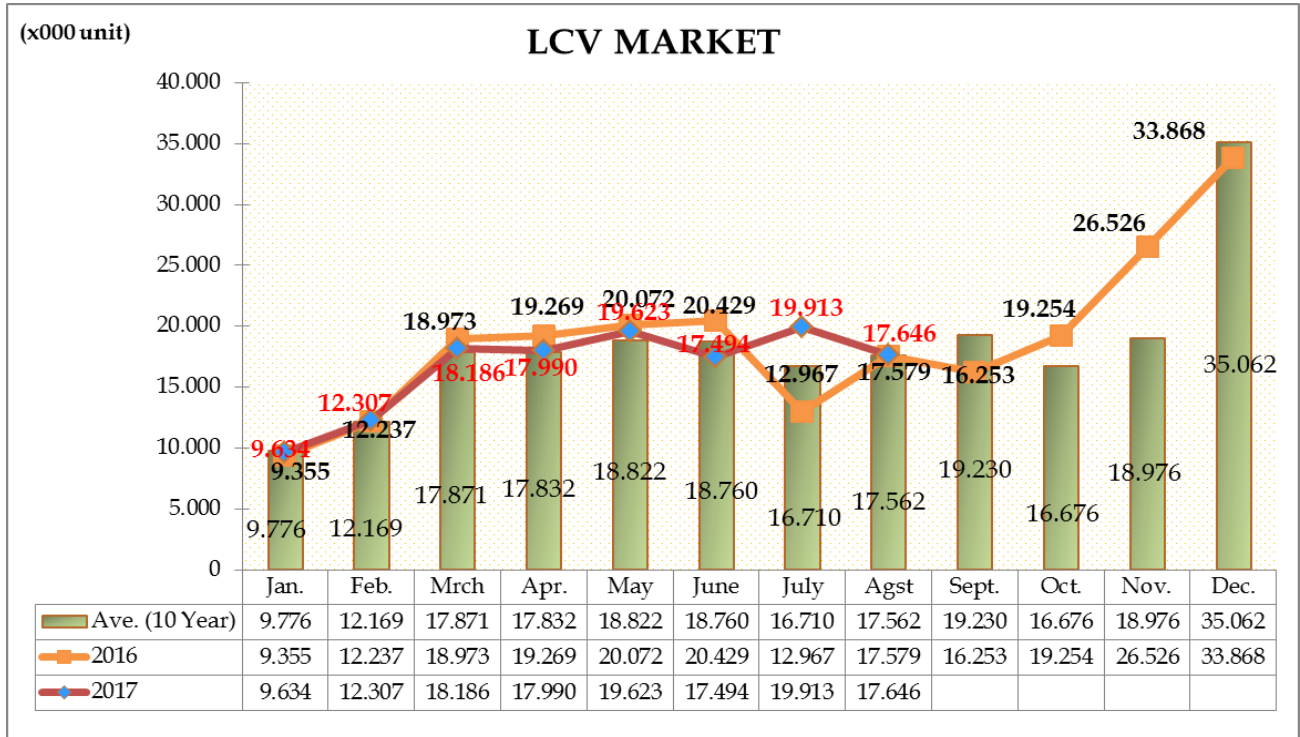


PRESS RELEASE

In January-August period of 2017, light commercial vehicle sales increased by 1.46% in comparison to the same period of the last year, to 132,793. In the same period of previous year, the sales were 130,881.

In August 2017, light commercial vehicle sales increased by 0.38% in comparison to the same month of previous year, to 17,646. In August 2016, the sales were 17,579.

The light commercial vehicle market, in comparison to the average 10-year August sales, showed an increase of 0.48%.



PRESS RELEASE

When the end of August 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 406,196. 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 3.6% in the sales of passenger cars below 1600cc and decrease of 0.9% 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 49.9% was observed. 20 electric cars below 85kW engine power and 20 electric cars above 121 Kw, total 40 electric cars were sold in the first eight months of 2017.

At the end of August 2017, 204 hybrid cars under 1600cc, 2,013 hybrid cars between 1601cc<=1800cc (>50 kW), 36 hybrid cars between 1801cc to 2000cc, 99 hybrid cars between 2001cc - 2500cc (>100KW) and 7 hybrid cars above 2500cc were sold. 2,359 hybrid cars were sold in January-August period of 2017.

ENGINE VOLUME	ENGINE TYPE	End of August 2016		End of August 2017		Change	SCT %	VAT %
		Qty	Segment	Qty	Segment			
≤ 1600cc	B/D	421.482	96,2%	406.196	96,0%	-3,6%	45, 50, 60	
1601cc - ≤ 2000cc	B/D	13.392	3,1%	13.278	3,1%	-0,9%	100, 110	
≥ 2001cc	B/D	2.643	0,6%	1.325	0,3%	-49,9%	160	
≤ 85 kW	ELECTRIC	18	0,0%	20	0,0%	11,1%	3	
86kW - ≤ 120kW	ELECTRIC	0	0,0%	0	0,0%		7	
≥ 121kW	ELECTRIC	18	0,0%	20	0,0%	11,1%	15	
<=1600cc	HYBRID	416	0,1%	204	0,0%	-51,0%	60	
1601cc - <=1800cc (<=50KW)	HYBRID	0	0,0%	0	0,0%		110	18
1601cc - <=1800cc (>50KW)	HYBRID	0	0,0%	2.013	0,5%		60	
1801cc - <=2000cc	HYBRID	36	0,0%	36	0,0%	0,0%	110	
2001cc - <=2500cc (<=100KW)	HYBRID	0	0,0%	0	0,0%		160	
2001cc - <=2500cc (>100KW)	HYBRID	0	0,0%	99	0,0%		110	
>2500cc	HYBRID	20	0,0%	7	0,0%	-65,0%	160	
Total		438.025	100,0%	423.198	100,0%	-3,4%	TAX RATES	

PRESS RELEASE

When the end of August 2017 passenger car market is studied in terms of average emission values, passenger cars between 100-120 gr/km have the highest share of 42.5% (179,862) and following this, passenger cars between 120-140 gr/km have a share of 23.2% (98,196).

CO2 AVERAGE EMISSION VALUES (gr/km)	End of August 2016		End of August 2017		Change
	Qty	Segment	Qty	Segment	
< 100 gr/km	56.207	12,8%	66.449	15,7%	18,2%
≥ 100 - < 120 gr/km	202.736	46,3%	179.862	42,5%	-11,3%
≥ 120 - < 140 gr/km	109.282	24,9%	98.196	23,2%	-10,1%
≥ 140 - < 160 gr/km	55.618	12,7%	65.518	15,5%	17,8%
≥ 160 gr/km	14.182	3,2%	13.173	3,1%	-7,1%
Total	438.025	100,0%	423.198	100,0%	-3,4%

In the end of August 2017, diesel passenger car sales decreased by 4.5% in comparison to the same period of previous year. Diesel share in passenger car sales at the end of August 2017, when compared to the same period of 2016, decreased from 62.2% to 61.5% (260,218).

DIESEL	End of August 2016		End of August 2017		Change
	Qty	Share in the Segment	Qty	Share in the Segment	
A (Mini)	0	0,0%	0	0,0%	
B (Entry)	85.166	61,1%	85.572	64,3%	0,5%
C (Compact)	138.842	64,1%	132.114	59,8%	-4,8%
D (Medium)	39.912	62,5%	36.205	68,2%	-9,3%
E (Luxury)	6.093	44,5%	4.440	35,4%	-27,1%
F (Upper Luxury)	2.461	80,7%	1.887	81,7%	-23,3%
Total	272.474	62,2%	260.218	61,5%	-4,5%

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End of August 2017	1	2	3	4	5	6	7	Total	Share
Segment	S/D	H/B	S/W	MPV	CDV	Sport	SUV		
A (Mini)	0	1.399	0	0	0	0	0	1.399	0,3%
B (Entry)	30.943	78.042	4.365	654	7.367	142	11.556	133.069	31,4%
C (Compact)	132.868	40.323	1.234	3.756	0	168	42.420	220.769	52,2%
D (Medium)	35.707	1.099	273	9	0	2.965	13.054	53.107	12,5%
E (Luxury)	9.263	4	294	17	0	159	2.806	12.543	3,0%
F (Upper Luxury)	421	0	0	0	0	127	1.763	2.311	0,5%
Total	209.202	120.867	6.166	4.436	7.367	3.561	71.599	423.198	100,0%
	49,4%	28,6%	1,5%	1,0%	1,7%	0,8%	16,9%	100,0%	

End of August 2016	1	2	3	4	5	6	7	Total	Share
Segment	S/D	H/B	S/W	MPV	CDV	Spor	SUV		
A (Mini)	0	1.448	0	0	0	0	0	1.448	0,3%
B (Entry)	32.182	82.658	3.490	1.033	7.106	153	12.833	139.455	31,8%
C (Compact)	125.815	49.447	709	5.166	0	454	34.902	216.493	49,4%
D (Medium)	44.399	155	282	4	0	3.932	15.116	63.888	14,6%
E (Luxury)	9.951	6	16	62	0	181	3.476	13.692	3,1%
F (Upper Luxury)	602	0	0	0	0	230	2.217	3.049	0,7%
Total	212.949	133.714	4.497	6.265	7.106	4.950	68.544	438.025	100,0%
	48,6%	30,5%	1,0%	1,4%	1,6%	1,1%	15,6%	100,0%	

Change	1	2	3	4	5	6	7	Total	
Segment	S/D	H/B	S/W	MPV	CDV	Sport	SUV		
A (Mini)		-3,4%						-3,4%	
B (Entry)	-3,8%	-5,6%	25,1%	-36,7%	3,7%	-7,2%	-10,0%	-4,6%	
C (Compact)	5,6%	-18,5%	74,0%	-27,3%		-63,0%	21,5%	2,0%	
D (Medium)	-19,6%	609,0%	-3,2%	125,0%		-24,6%	-13,6%	-16,9%	
E (Luxury)	-6,9%	-33,3%	1737,5%	-72,6%		-12,2%	-19,3%	-8,4%	
F (Upper Luxury)	-30,1%					-44,8%	-20,5%	-24,2%	
Total	-1,8%	-9,6%	37,1%	-29,2%	3,7%	-28,1%	4,5%	-3,4%	

At the end of August 2017, 83.9% 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 (220,769) and Segment B follows it with a share of 31.4% (133,069).

At the end of August 2017, when evaluated according to frame type, most preferred body type was again Sedan (49.4%, a quantity of 209,202). Following Sedan passenger cars are Hatchback frame with a share of 28.6% and a sales volume of 120,867 and SUV with a share of 16.9% and total sales volume of 71,599.

PRESS RELEASE

At the end of August 2017, automatic transmission passenger car sales numbers, in comparison to the same period in 2016, decreased by 2.0%. Automatic transmission passenger car sale shares at the end of August 2017, in comparison to the same period of the previous year, increased from 57.2% to 58.0% (a number of 245,635).

AUTOMATIC TRANSMISSION	End of August 2016		End of August 2017		Change
	Qty	Share in the Segment	Qty	Share in the Segment	
A (Mini)	1.157	79,9%	1.071	76,6%	-7,4%
B (Entry)	55.928	40,1%	56.842	42,7%	1,6%
C (Compact)	119.608	55,2%	127.974	58,0%	7,0%
D (Medium)	57.141	89,4%	44.899	84,5%	-21,4%
E (Luxury)	13.690	100,0%	12.538	100,0%	-8,4%
F (Upper Luxury)	3.049	100,0%	2.311	100,0%	-24,2%
Total	250.573	57,2%	245.635	58,0%	-2,0%

At the end of August 2017, when evaluated according to body type, Van's with a share of 69.8% had the highest sales volume (92,691), Light trucks followed them with a share of 12.2% (16,197) while the share of Minibuses was 9.3% (12,333) and the share of Pick-ups was 8.7% (11,572) in light commercial vehicle market.

LIGHT COMMERCIAL VEHICLE BODY TYPE ANALYSIS	End of August 2016		End of August 2017		Change
	Qty	Segment	Qty	Segment	
VAN	92.686	70,8%	92.691	69,8%	0,0%
LIGHT TRUCK	15.540	11,9%	16.197	12,2%	4,2%
MINIBUS	11.962	9,1%	12.333	9,3%	3,1%
PICK-UP	10.693	8,2%	11.572	8,7%	8,2%
Total	130.881	100,0%	132.793	100,0%	1,5%

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.