

PRESS REVIEW

Passenger Car and Light Commercial Vehicle Market

Showed No Change in the ten months of 2017.

*Passenger Car Market Decreased By 1%, Light Commercial Vehicle
Market Increased By 3%.*

Turkey's passenger car and light commercial vehicle total market decreased by 0.06% in the ten months of 2017 compared to the same period of the previous year, to 719,095. In the ten-month period of 2016, total market sales figure was 719,499.

Passenger car sales went down by 1.09% in the ten months of 2017, compared to the same period of previous year, to 547,109. In the same period of 2016, the sales were 553,111.

In January-October period of 2017, light commercial vehicle market increased by 3.36%, in comparison to the year before, to 171,986. In the same period of previous year, the sales were 166,388.

Passenger Car and Light Commercial Vehicle Market

Showed an Increase of 10.5% in October 2017.

*Passenger Car Market Increased By 10.5%, Light Commercial
Vehicle Market Increased By 10%.*

In October 2017, passenger car and light commercial vehicle market increased to 91,752. In comparison to the total number of 83,000 in October 2016, the sales went up in a ratio of 10.54%.

In October 2017, passenger car sales went up by 10.58% in comparison to the same month of the year before and were 70,488. Last year, the sales were 63,746.

Light commercial vehicle market increased by 10.44% in October 2017 compared to October 2016, to 21,264. Last year, the sales were 19,254.



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By the end of October 2017, a decrease of 1.2% in the sales of passenger cars below 1600cc and a decrease of 2.1% 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 49.3% was observed. 49 electric cars and 3,252 hybrid passenger cars were sold in the ten months of 2017.

When the average emission values of the passenger car market in the end of October 2017 are considered, the passenger cars between 100-120g/km took the largest share with a ratio of 42.7%, with a number of 233,360.

At the end of October 2017, diesel passenger car sales share decreased to 61.0%, while the automatic transmission passenger car sales share increased to 59.5%.

At the end of October 2017, 83.1% 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 51.8% reached the highest sales volume (283,295). When evaluated according to frame, most preferred body type was again Sedan (49.4%, a quantity of 270,286).

At the end of October 2017, when evaluated according to body type, Van's with a share of 69.9% had the highest sales volume (120,216), Light trucks followed them with a share of 12.1% (20,774) while the share of Minibuses was 9.2% (15,791) and the share of Pick-ups was 8.8% (15,205) in light commercial vehicle market.

In 2017, total market of automotive sector is expected to be between 950 thousand-1 million.

In 2018;

- ✓ The expectation from FED to increase policy interest rates,
- ✓ The Brexit process and its effects on EU and the other countries,
- ✓ The monetary policy that the European Central Bank (ECB) is going to carry out,
- ✓ The improvement in China's economy and indebtedness ratio,
- ✓ Geopolitical risks and developments,
- ✓ The protectionism approach in global trade policy,
- ✓ 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 2018, total market of automotive sector is expected to be between 950 thousand-1 million.

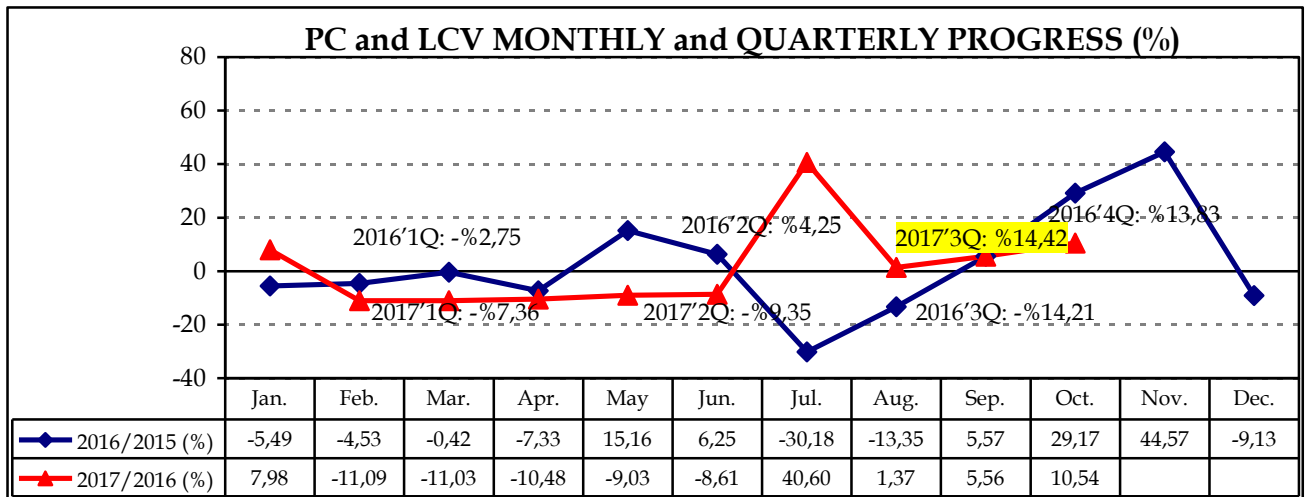
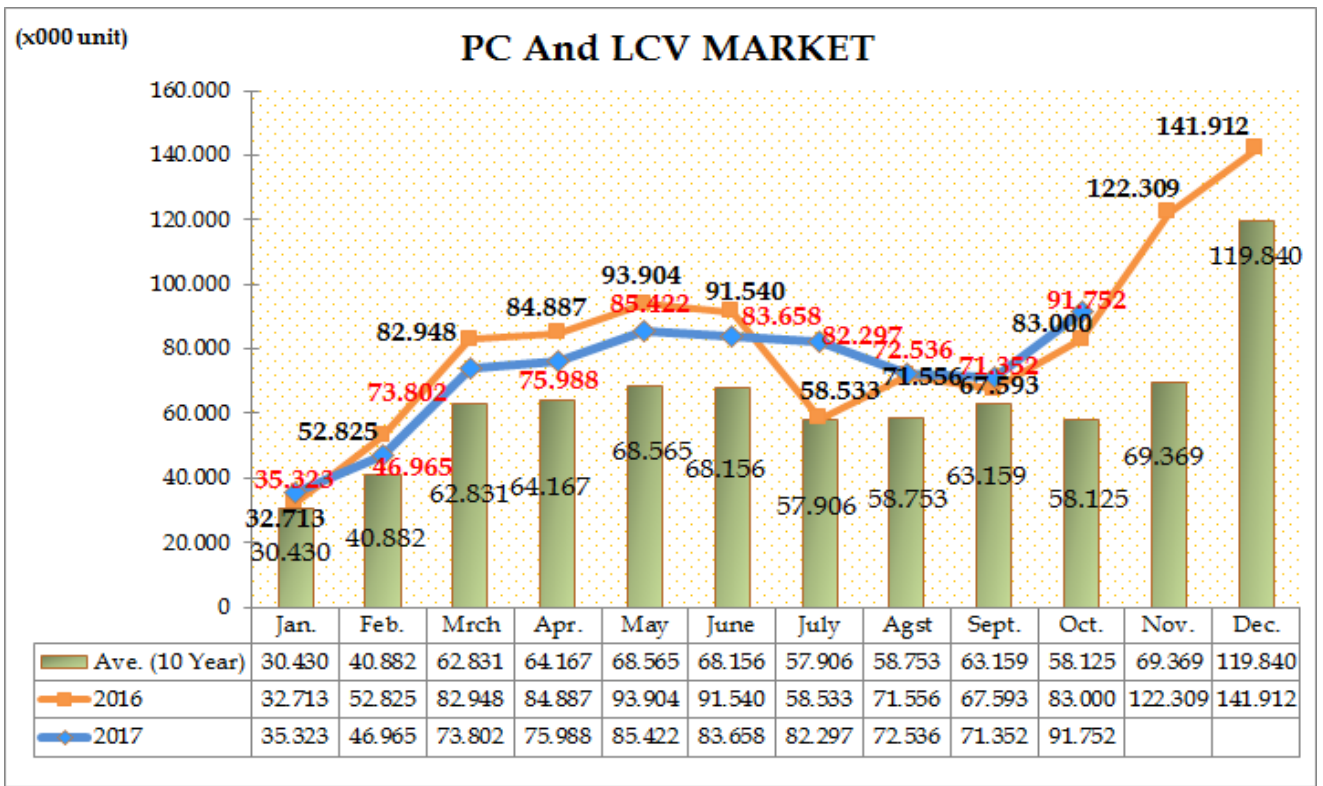
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In the ten months of 2017, Turkey's passenger car and light commercial vehicle total market presented a sales number of 719,095. In comparison to the total number of 719,499 in October 2016, the sales went down in a ratio of 0.06%.

In October 2017, passenger car and light commercial vehicle market presented a sales number of 91,752. In comparison to the total number of 83,000 in October 2016, the sales went up in a ratio of 10.54%.

The passenger car and light commercial vehicle market, in comparison to the average 10-year October sales, showed an increase of 57.85%.

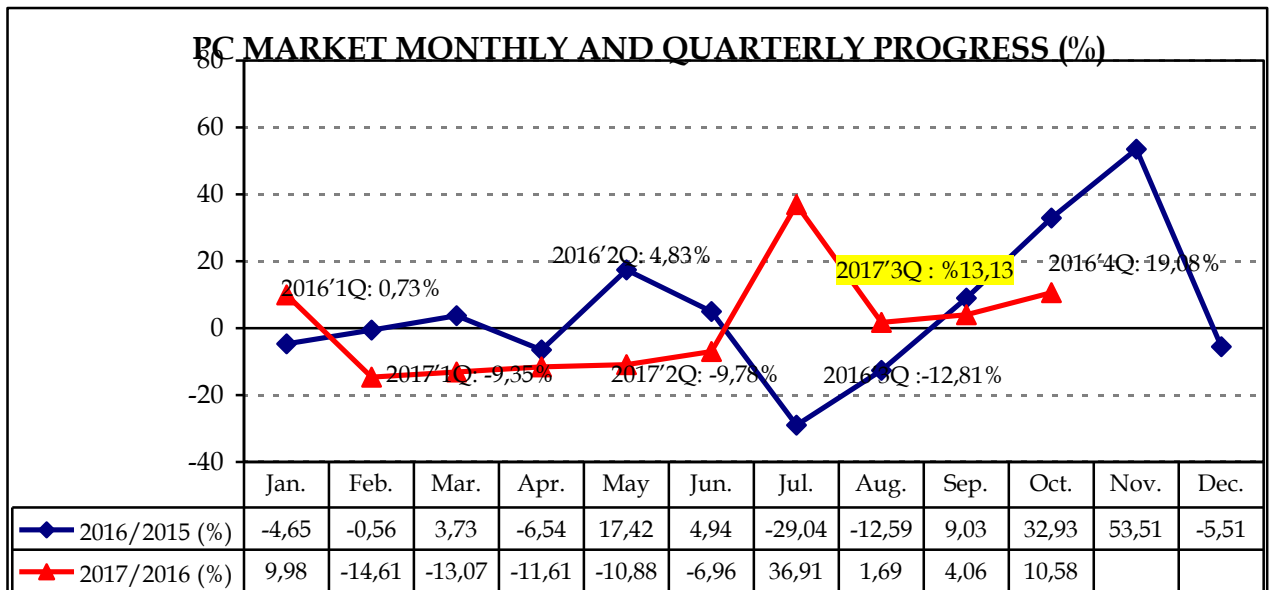
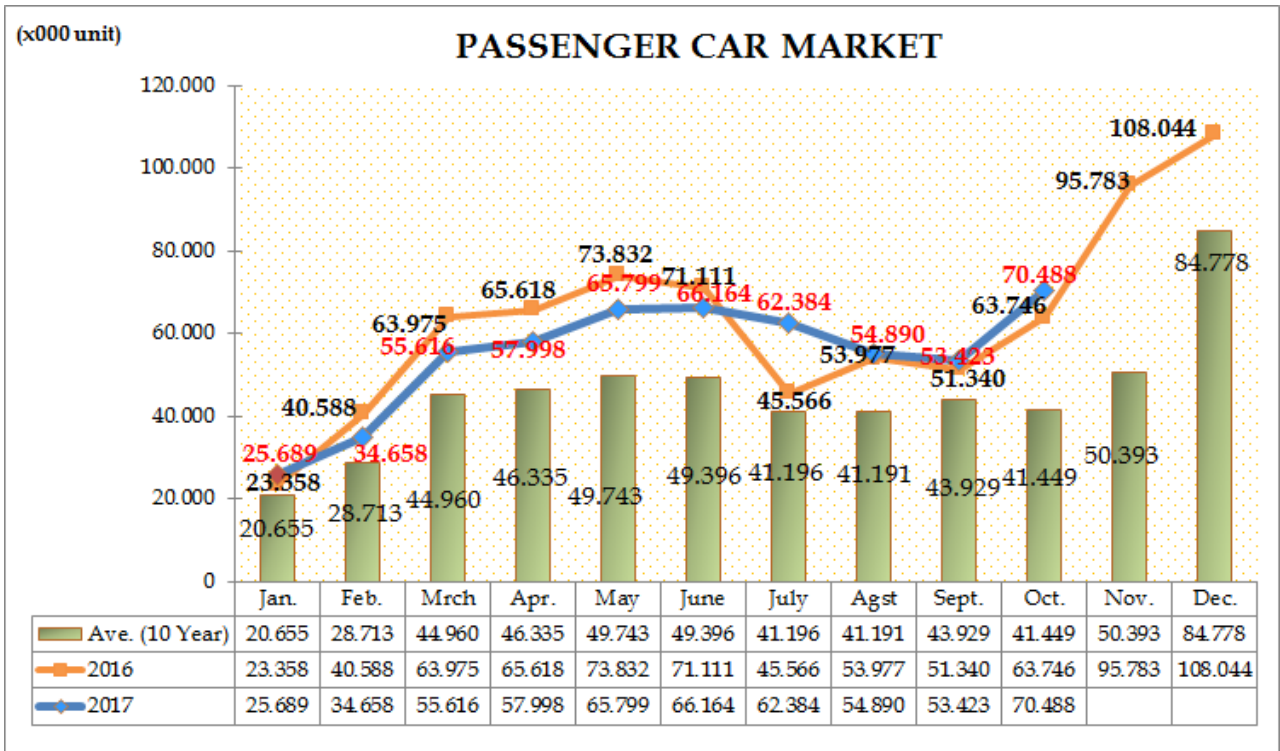


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In October 2017, passenger car sales went up by 10.58% in comparison to the same month of the year before and were 70,488. In October 2016, the sales were 63,746.

The passenger car market, in comparison to the average 10-year October sales, showed an increase of 70.06%.

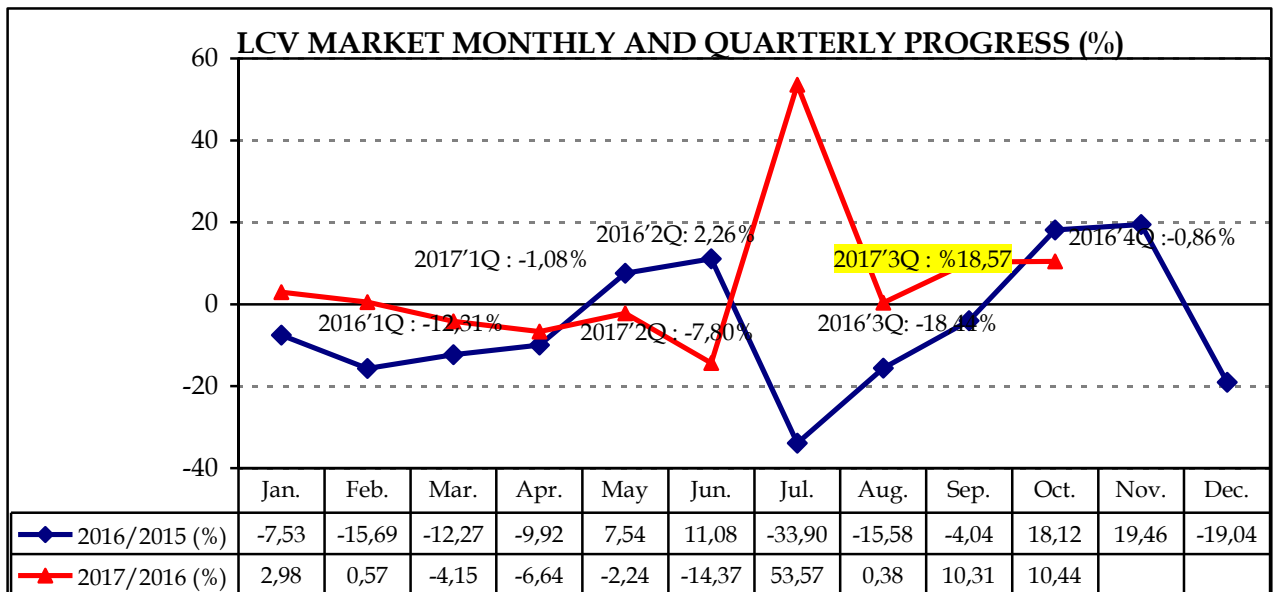
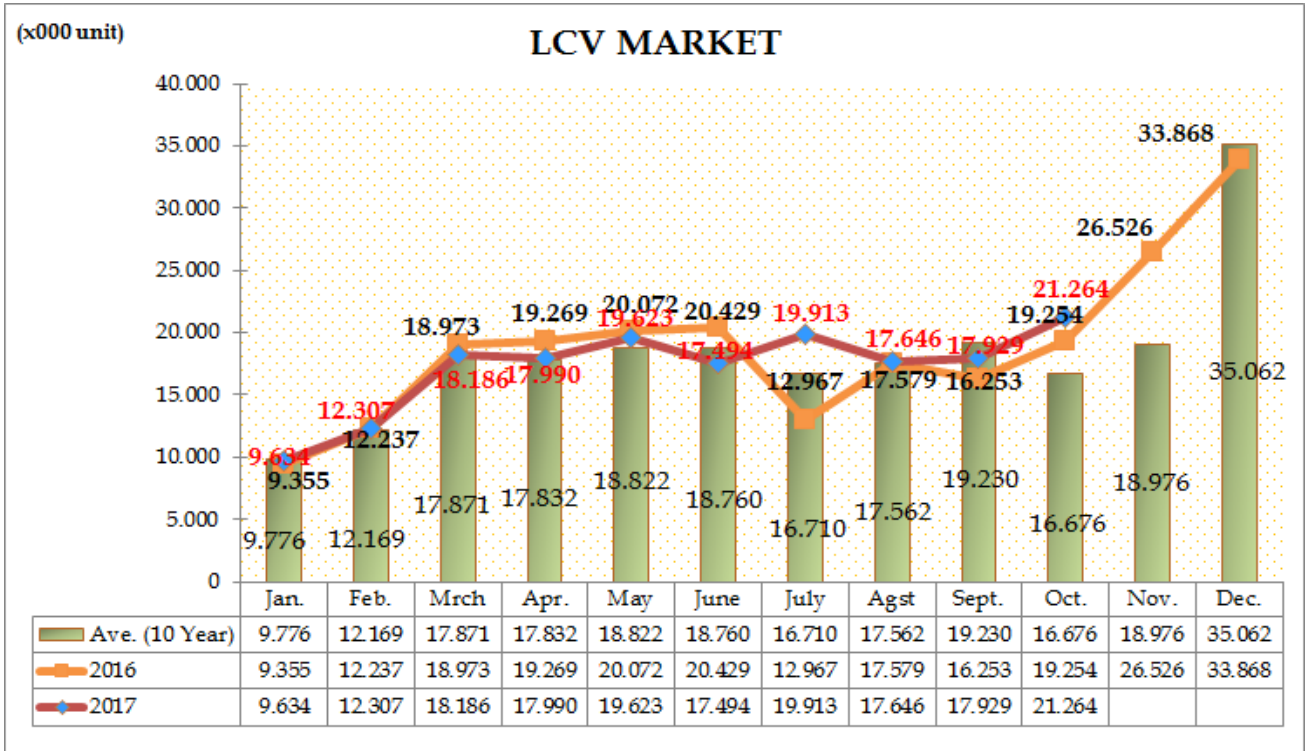


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In January-October period of 2017, light commercial vehicle sales increased by 3.36% in comparison to the same period of the last year, to 171,986. In the same period of previous year, the sales were 166,388.

In October 2017, light commercial vehicle sales increased by 10.44% in comparison to the same month of previous year, to 21,264. In October 2016, the sales were 19,254.

The light commercial vehicle market, in comparison to the average 10-year October sales, showed an increase of 27.52%.



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When the end of October 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 525,429. 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 1.2% in the sales of passenger cars below 1600cc and decrease of 2.1% 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 49.3% was observed. 29 electric cars below 85kW engine power and 20 electric cars above 121 Kw, total 49 electric cars were sold in the ten months of 2017.

At the end of October 2017, 324 hybrid cars under 1600cc, 2,688 hybrid cars between 1601cc<=1800cc (>50 kW), 45 hybrid cars between 1801cc to 2000cc, 187 hybrid cars between 2001cc - 2500cc (>100KW) and 8 hybrid cars above 2500cc were sold. 3,252 hybrid cars were sold in January-October period of 2017.

| ENGINE VOLUME | ENGINE TYPE | End of October 2016 | | End of October 2017 | | Change | SCT % | VAT % |
|-----------------------------|-------------|---------------------|---------------|---------------------|---------------|--------------|--------------|-------|
| | | Qty | Segment | Qty | Segment | | | |
| ≤ 1600cc | B/D | 532.055 | 96,2% | 525.429 | 96,0% | -1,2% | 45, 50, 60 | |
| 1601cc - ≤ 2000cc | B/D | 17.119 | 3,1% | 16.756 | 3,1% | -2,1% | 100, 110 | |
| ≥ 2001cc | B/D | 3.204 | 0,6% | 1.623 | 0,3% | -49,3% | 160 | |
| ≤ 85 kW | ELECTRIC | 18 | 0,0% | 29 | 0,0% | 61,1% | 3 | |
| 86kW - ≤ 120kW | ELECTRIC | 0 | 0,0% | 0 | 0,0% | | 7 | |
| ≥ 121kW | ELECTRIC | 20 | 0,0% | 20 | 0,0% | 0,0% | 15 | |
| <=1600cc | HYBRID | 617 | 0,1% | 324 | 0,1% | -47,5% | 60 | |
| 1601cc - <=1800cc (<=50KW) | HYBRID | 0 | 0,0% | 0 | 0,0% | | 110 | 18 |
| 1601cc - <=1800cc (>50KW) | HYBRID | 0 | 0,0% | 2.688 | 0,5% | | 60 | |
| 1801cc - <=2000cc | HYBRID | 56 | 0,0% | 45 | 0,0% | -19,6% | 110 | |
| 2001cc - <=2500cc (<=100KW) | HYBRID | 0 | 0,0% | 0 | 0,0% | | 160 | |
| 2001cc - <=2500cc (>100KW) | HYBRID | 0 | 0,0% | 187 | 0,0% | | 110 | |
| >2500cc | HYBRID | 22 | 0,0% | 8 | 0,0% | -63,6% | 160 | |
| Total | | 553.111 | 100,0% | 547.109 | 100,0% | -1,1% | -1,1% | |

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When the end of October 2017 passenger car market is studied in terms of average emission values, passenger cars between 100-120 gr/km have the highest share of 42.7% (233,360) and following this, passenger cars between 120-140 gr/km have a share of 23.1% (126,178).

| CO2 AVERAGE EMISSION VALUES (gr/km) | End of October 2016 | | End of October 2017 | | Change |
|-------------------------------------|---------------------|---------------|---------------------|---------------|--------------|
| | Qty | Segment | Qty | Segment | |
| < 100 gr/km | 73.535 | 13,3% | 85.008 | 15,5% | 15,6% |
| ≥ 100 - < 120 gr/km | 252.594 | 45,7% | 233.360 | 42,7% | -7,6% |
| ≥ 120 - < 140 gr/km | 137.146 | 24,8% | 126.178 | 23,1% | -8,0% |
| ≥ 140 - < 160 gr/km | 71.933 | 13,0% | 85.805 | 15,7% | 19,3% |
| ≥ 160 gr/km | 17.903 | 3,2% | 16.758 | 3,1% | -6,4% |
| Total | 553.111 | 100,0% | 547.109 | 100,0% | -1,1% |

In the end of October 2017, diesel passenger car sales decreased by 1.9% in comparison to the same period of previous year. Diesel share in passenger car sales at the end of October 2017, when compared to the same period of 2016, decreased from 61.5% to 61.0% (333,969).

| DIESEL | End of October 2016 | | End of October 2017 | | Change |
|------------------|---------------------|----------------------|---------------------|----------------------|--------------|
| | Qty | Share in the Segment | Qty | Share in the Segment | |
| A (Mini) | 0 | 0,0% | 1 | 0,1% | |
| B (Entry) | 107.373 | 60,7% | 108.349 | 64,0% | 0,9% |
| C (Compact) | 171.400 | 63,1% | 168.300 | 59,4% | -1,8% |
| D (Medium) | 51.015 | 62,7% | 49.214 | 67,3% | -3,5% |
| E (Luxury) | 7.564 | 43,2% | 5.685 | 34,1% | -24,8% |
| F (Upper Luxury) | 3.009 | 79,5% | 2.420 | 82,0% | -19,6% |
| Total | 340.361 | 61,5% | 333.969 | 61,0% | -1,9% |

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| End of October 2017 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Total | Share |
|---------------------------|----------------|----------------|--------------|--------------|--------------|--------------|---------------|----------------|---------------|
| Segment | S/D | H/B | S/W | MPV | CDV | Sport | SUV | | |
| A (Mini) | 0 | 1.799 | 0 | 0 | 0 | 0 | 0 | 1.799 | 0,3% |
| B (Entry) | 38.676 | 99.735 | 5.506 | 755 | 8.973 | 165 | 15.509 | 169.319 | 30,9% |
| C (Compact) | 169.513 | 51.751 | 1.546 | 4.601 | 0 | 200 | 55.684 | 283.295 | 51,8% |
| D (Medium) | 49.291 | 2.223 | 334 | 11 | 0 | 3.882 | 17.338 | 73.079 | 13,4% |
| E (Luxury) | 12.241 | 6 | 518 | 24 | 0 | 200 | 3.675 | 16.664 | 3,0% |
| F (Upper Luxury) | 565 | 0 | 0 | 0 | 0 | 143 | 2.245 | 2.953 | 0,5% |
| Total | 270.286 | 155.514 | 7.904 | 5.391 | 8.973 | 4.590 | 94.451 | 547.109 | 100,0% |
| | 49,4% | 28,4% | 1,4% | 1,0% | 1,6% | 0,8% | 17,3% | 100,0% | |

| End of October 2016 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Total | Share |
|---------------------------|----------------|----------------|--------------|--------------|--------------|--------------|---------------|----------------|---------------|
| Segment | S/D | H/B | S/W | MPV | CDV | Spor | SUV | | |
| A (Mini) | 0 | 1.820 | 0 | 0 | 0 | 0 | 0 | 1.820 | 0,3% |
| B (Entry) | 40.090 | 105.171 | 4.407 | 1.209 | 9.492 | 159 | 16.288 | 176.816 | 32,0% |
| C (Compact) | 155.875 | 64.032 | 976 | 6.746 | 0 | 557 | 43.595 | 271.781 | 49,1% |
| D (Medium) | 56.833 | 205 | 360 | 6 | 0 | 4.728 | 19.253 | 81.385 | 14,7% |
| E (Luxury) | 12.839 | 6 | 19 | 81 | 0 | 251 | 4.328 | 17.524 | 3,2% |
| F (Upper Luxury) | 734 | 0 | 0 | 0 | 0 | 275 | 2.776 | 3.785 | 0,7% |
| Total | 266.371 | 171.234 | 5.762 | 8.042 | 9.492 | 5.970 | 86.240 | 553.111 | 100,0% |
| | 48,2% | 31,0% | 1,0% | 1,5% | 1,7% | 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) | | -1,2% | | | | | | -1,2% |
| B (Entry) | -3,5% | -5,2% | 24,9% | -37,6% | -5,5% | 3,8% | -4,8% | -4,2% |
| C (Compact) | 8,7% | -19,2% | 58,4% | -31,8% | | -64,1% | 27,7% | 4,2% |
| D (Medium) | -13,3% | 984,4% | -7,2% | 83,3% | | -17,9% | -9,9% | -10,2% |
| E (Luxury) | -4,7% | 0,0% | 2626,3% | -70,4% | | -20,3% | -15,1% | -4,9% |
| F (Upper Luxury) | -23,0% | | | | | -48,0% | -19,1% | -22,0% |
| Total | 1,5% | -9,2% | 37,2% | -33,0% | -5,5% | -23,1% | 9,5% | -1,1% |

At the end of October 2017, 83.1% 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 51.8% has the highest sales volume (283,295) and Segment B follows it with a share of 30.9% (169,319).

At the end of October 2017, when evaluated according to frame type, most preferred body type was again Sedan (49.4%, a quantity of 270,286). Following Sedan passenger cars are Hatchback frame with a share of 28.4% and a sales volume of 155,514 and SUV with a share of 17.3% and total sales volume of 94,451.

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At the end of October 2017, automatic transmission passenger car sales numbers, in comparison to the same period in 2016, increased by 2.8%. Automatic transmission passenger car sale shares at the end of October 2017, in comparison to the same period of the previous year, increased from 57.2% to 59.5% (a number of 325,423).

| AUTOMATIC TRANSMISSION | End of October 2016 | | End of October 2017 | | Change |
|-------------------------|---------------------|----------------------|---------------------|----------------------|-------------|
| | Qty | Share in the Segment | Qty | Share in the Segment | |
| A (Mini) | 1.477 | 81,2% | 1.423 | 79,1% | -3,7% |
| B (Entry) | 71.639 | 40,5% | 73.631 | 43,5% | 2,8% |
| C (Compact) | 149.592 | 55,0% | 168.208 | 59,4% | 12,4% |
| D (Medium) | 72.413 | 89,0% | 62.549 | 85,6% | -13,6% |
| E (Luxury) | 17.521 | 100,0% | 16.659 | 100,0% | -4,9% |
| F (Upper Luxury) | 3.785 | 100,0% | 2.953 | 100,0% | -22,0% |
| Total | 316.427 | 57,2% | 325.423 | 59,5% | 2,8% |

At the end of October 2017, when evaluated according to body type, Van's with a share of 69.9% had the highest sales volume (120,216), Light trucks followed them with a share of 12.1% (20,774) while the share of Minibuses was 9.2% (15,791) and the share of Pick-ups was 8.8% (15,205) in light commercial vehicle market.

| LIGHT COMMERCIAL VEHICLE BODY TYPE ANALYSIS | End of October 2016 | | End of October 2017 | | Change |
|---|---------------------|---------------|---------------------|---------------|-------------|
| | Qty | Segment | Qty | Segment | |
| VAN | 117.699 | 70,7% | 120.216 | 69,9% | 2,1% |
| LIGHT TRUCK | 19.569 | 11,8% | 20.774 | 12,1% | 6,2% |
| MINIBUS | 15.143 | 9,1% | 15.791 | 9,2% | 4,3% |
| PICK-UP | 13.977 | 8,4% | 15.205 | 8,8% | 8,8% |
| Total | 166.388 | 100,0% | 171.986 | 100,0% | 3,4% |

OVERVIEW OF 2017/2018:

According to October 2017 estimations of IMF World Economic Outlook Report, growth estimation for the world increased to 3.6% in 2017 and to %3.7 in 2018. The report suggests that the growth rates of the U.S., locomotive of the world economy will be 2.2% in 2017, %2.3 in 2018. The figures for Europe, which is crucial for the Turkish economy, are estimated to increase by 2.1% in 2017 and %1.9 in 2018.

LMC Automotive, by 2017's 3rd quarter, has published 2017 expectations and world passenger car market estimations for 2018. According to the 3rd quarter results of 2017, world total passenger car market is expected to show an increase of 2.0% in comparison to the previous year and to reach a number of 98 M. In 2018, world automotive market is expected to show an increase of 1.9% in comparison to 2017 and reach a number of 100 M.

LMC Automotive, by 2017's 3rd quarter, has published 2017 expectations and world automotive manufacture estimations for 2018. According to the 3rd quarter results of LMC Automotive, 2017 world automotive manufacture is expected to show an increase of 2.4% in comparison to the previous year and reach a number of 98.6 M. In 2018, world automotive manufacture is expected to show an increase of 1.3% and reach a number of 100 M in comparison to 2017.

Turkey's growth rate is expected to be 5.5% in 2017 and 2018 according to the Medium-term Programme that was announced in October 2017. In IMF World Economic Outlook Report's October 2017 estimates, Turkey's growth rate is expected to be 5.1% in 2017 and 3.5% in 2018.

We foresee that the automotive industry's total market for the year 2017 and 2018 to be between **950 thousand-1 million** in quantity.