

PRESS REVIEW

Passenger Car and Light Commercial Vehicle Market

showed an increase of 1.5% in the first 6 months of 2016.

While Passenger Car Market Increased By 3%, Light Commercial Vehicle Market Decreased By 4%.

In the first six months of 2016, Turkey's passenger car and light commercial vehicle total market increased by 1.45% compared to the same period of the previous year, to 438,817. A total market sales figure of 432,550 had been reached in the six-month period of 2015.

Passenger car sales went up by 3.24% in the first six-months of 2016, compared to the same period of the previous year, to 338,482. The sales had reached 327,846 in the same period of 2015.

In the first six months of 2016, light commercial vehicle market decreased by 4.17%, in comparison to the previous year, to 100,335. The sales had reached 104,704 in the same period of the previous year.

Passenger Car and Light Commercial Vehicle Market

Achieved a growth of 6% in June, 2016.

Passenger Car Market Has Increased By 5%, Light Commercial Vehicle Market Has Increased By 11%.

Passenger car and light commercial vehicle market reached 91,540 in June 2016. The sales went up in a ratio of 6.25% in comparison to the total number of 86,158 in June 2015 in the passenger car and light commercial vehicle market.

In June 2016, passenger car sales went up by 4.94% in comparison to the same month of the previous year and reached 71,111. The sales had reached 67,766 in the previous year.

Light commercial vehicle market increased by 11.08% in June 2016 compared to June 2015 and reached 20,429. Last year, the sales had reached 18,392.



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An increase of 3.82% in the sales of passenger cars below 1600cc was observed as of June 2016. A decrease of 5.27% in the sales of passenger cars with a 1600-2000cc engine volume was observed in the same period. As for the sales of the passenger cars over 2000cc, a decrease of 26.23% was observed. 19 electric vehicles were sold in the first six months of 2016.

When classified according to the average emission values of the passenger car market, the passenger cars between 100-120g/km took the largest piece of the pie with a ratio of 46.57% and with a number of 157,631 in the end of June 2016.

Diesel passenger car sales grabbed a share of 63.44%, while the automatic transmission passenger cars increased to 57.31% in the end of June 2016.

81.69% of the passenger car market segment consisted of the passenger cars in the A, B and C segments whose tax ratios are low again in the end of June 2016. When evaluated according to the segments, Segment C with a share of 50.11% reached the highest sales volume (169,625). When evaluated according to the frame types, most preferred body type was Sedan again (48.85%, a quantity of 165,364).

When evaluated according to the body types in Light Commercial Vehicle Market, Van's with a share of 70.76% had the highest sales volume (70,998), Light trucks followed them with a share of 11.98% (12,025) while the share of Minibuses was 9.46% (9,494) and the share of Pick-ups was 7.79% (7,818) in the end of June 2016.

In the second half of 2016;

- ✓ The monetary policy that is going to be followed by U.S. Federal Reserve Bank (FED) depending on the economic progress,
- ✓ Political and economic progress in EU after Brexit,
- ✓ The monetary policy that is going to be followed by European Central Bank (ECB) in parallel with economic progress in EU,
- ✓ Developments in China and their influence on developing countries,
- ✓ Improvement in inflation and current account deficit in Turkey,
- ✓ Geopolitical developments,
- ✓ Steps that are going to be taken in respect of structural reforms,
- ✓ Improvement and growth rates of economic activity

will be decisive.

We foresee that the total market of the automotive industry for the year 2016 to be between **950 thousand to 1 million in quantity.**

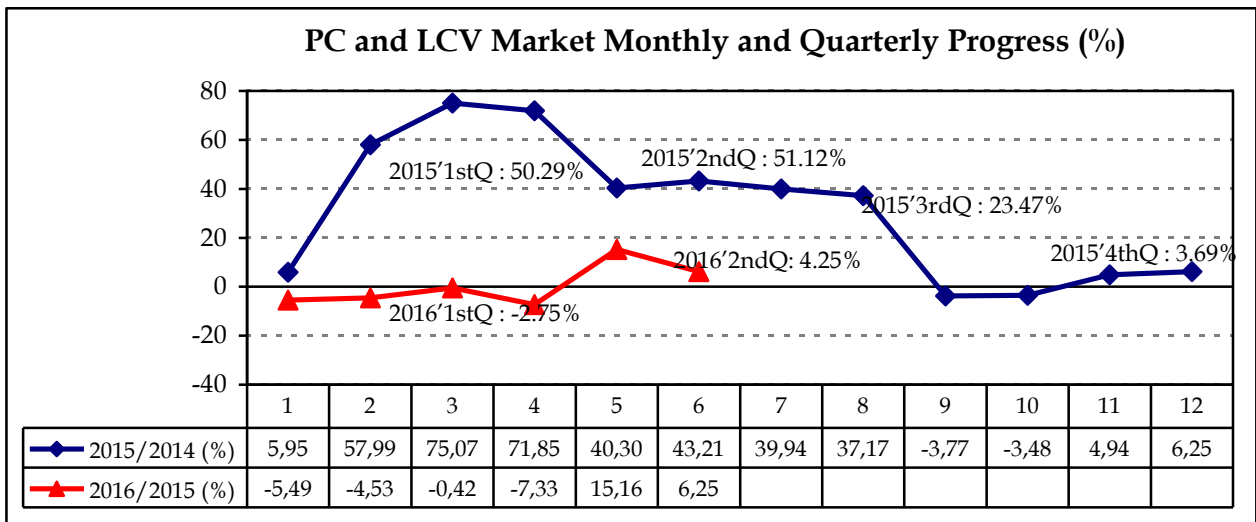
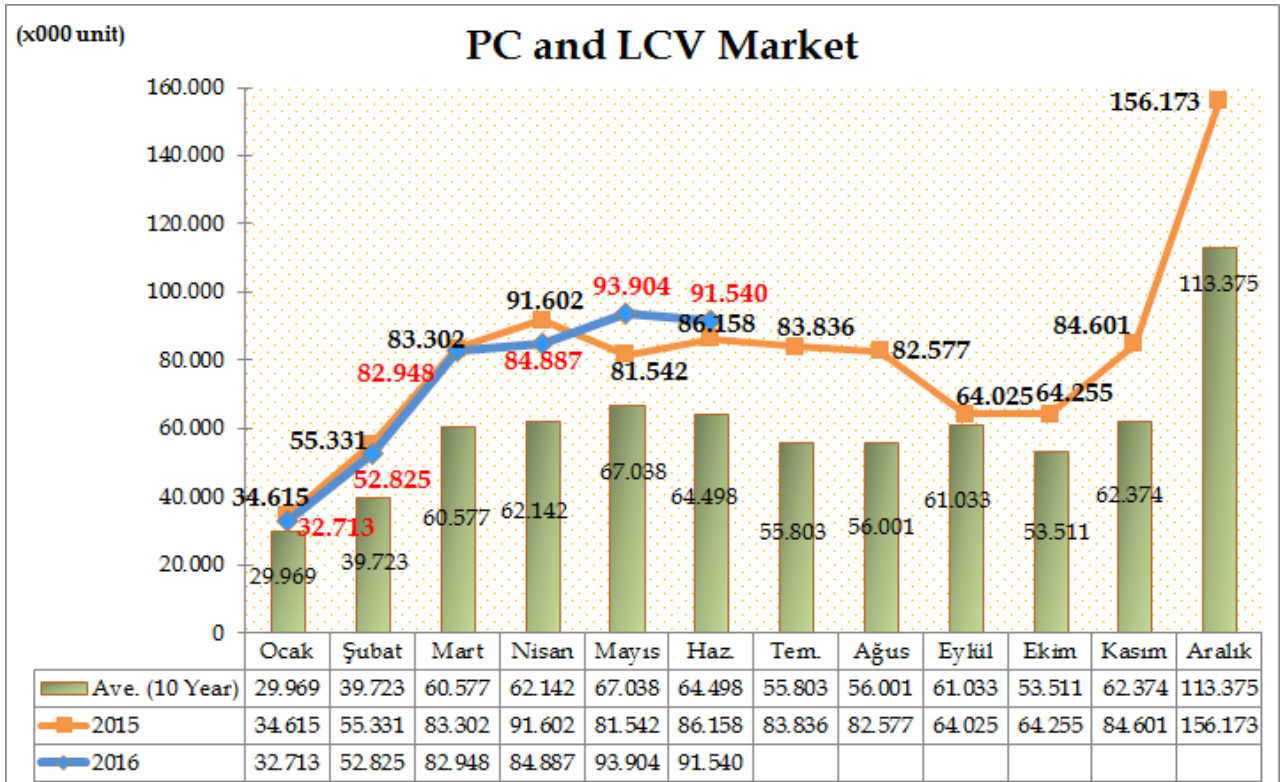
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Turkey's passenger car and light commercial vehicle total market presented a sales number of 438,817 in the first six months of 2016. In comparison to the total number of 432,550 in the passenger car and light commercial vehicle market in the same period of 2015, the sales went up in a ratio of 1.45%.

Passenger car and light commercial vehicle market presented a sales number of 91,540 in June 2016. In comparison to the total number of 86,158 in the passenger car and light commercial vehicle market in June 2015, the sales went up in a ratio of 6.25%.

Passenger car and light commercial vehicle market showed an increase of 41.93% in comparison to the average 10-year June sales.

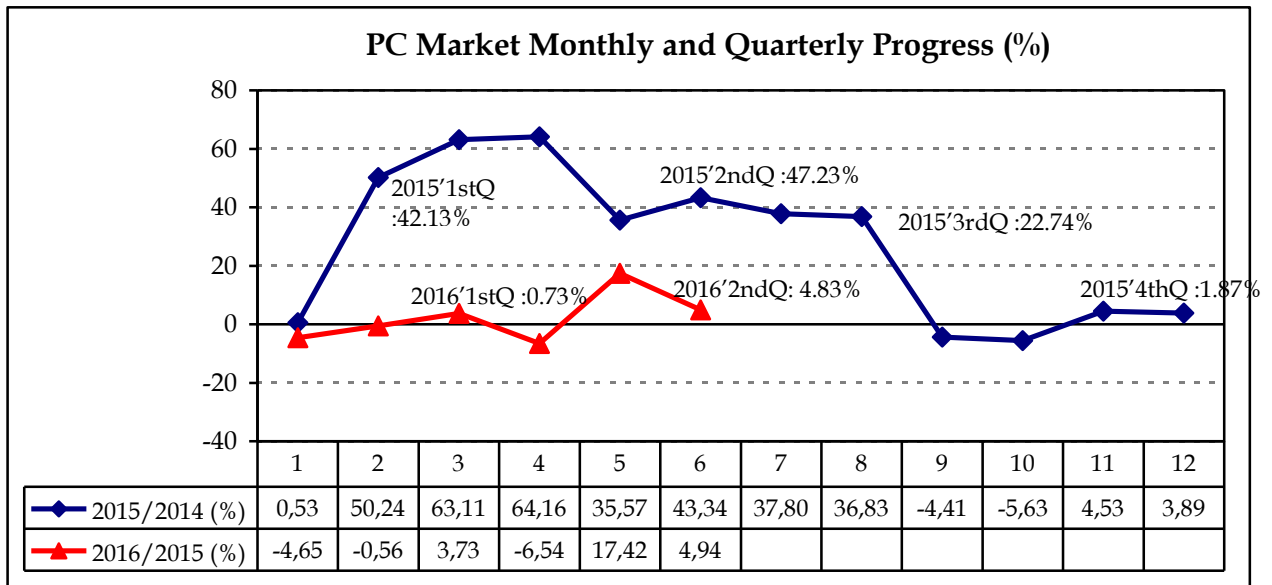
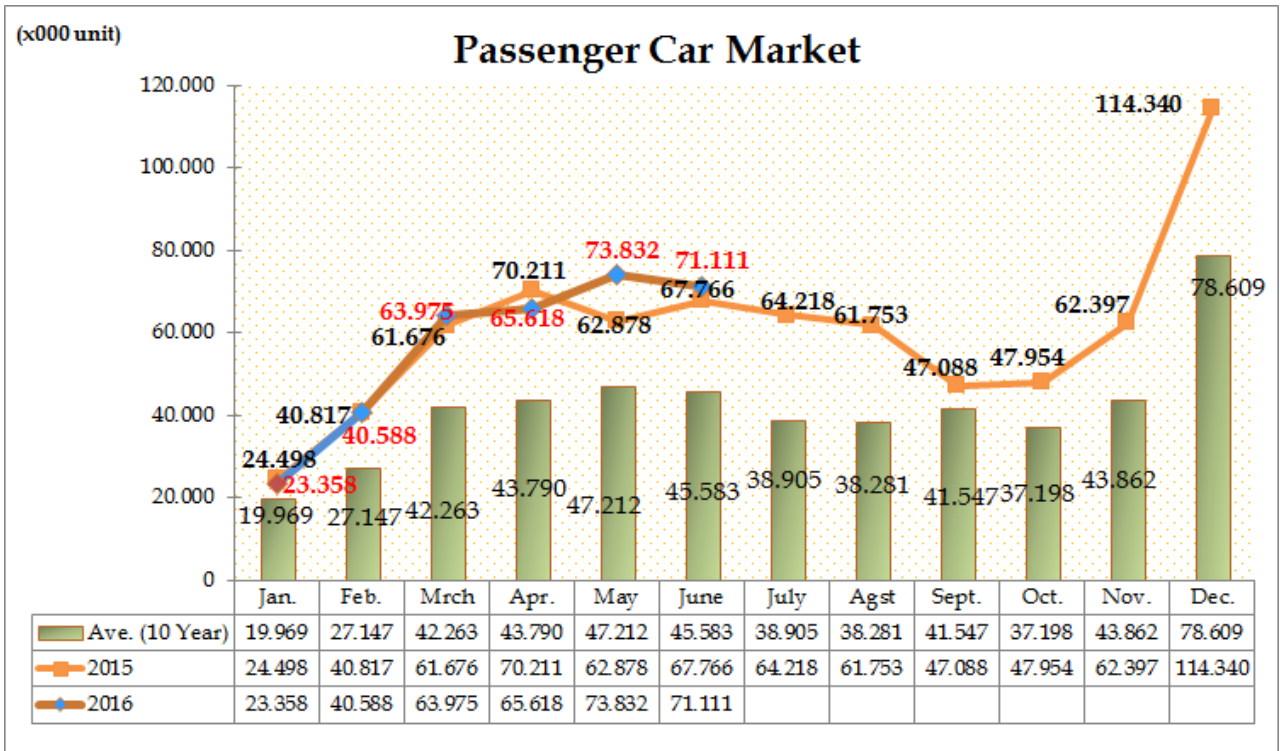


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In the first six months of 2016, Passenger car sales went up by 3.24% in comparison to the same period of the previous year and reached 338,482 in Turkey's automotive market. The sales had reached 327,846 in the same period of the previous year.

In June 2016, passenger car sales went up by 4.94% in comparison to the same month of the year before and reached 71,111. The sales had reached 67,766 in June of the previous year.

The passenger car market showed an increase of 56.0% in comparison to the average 10-year June sales.

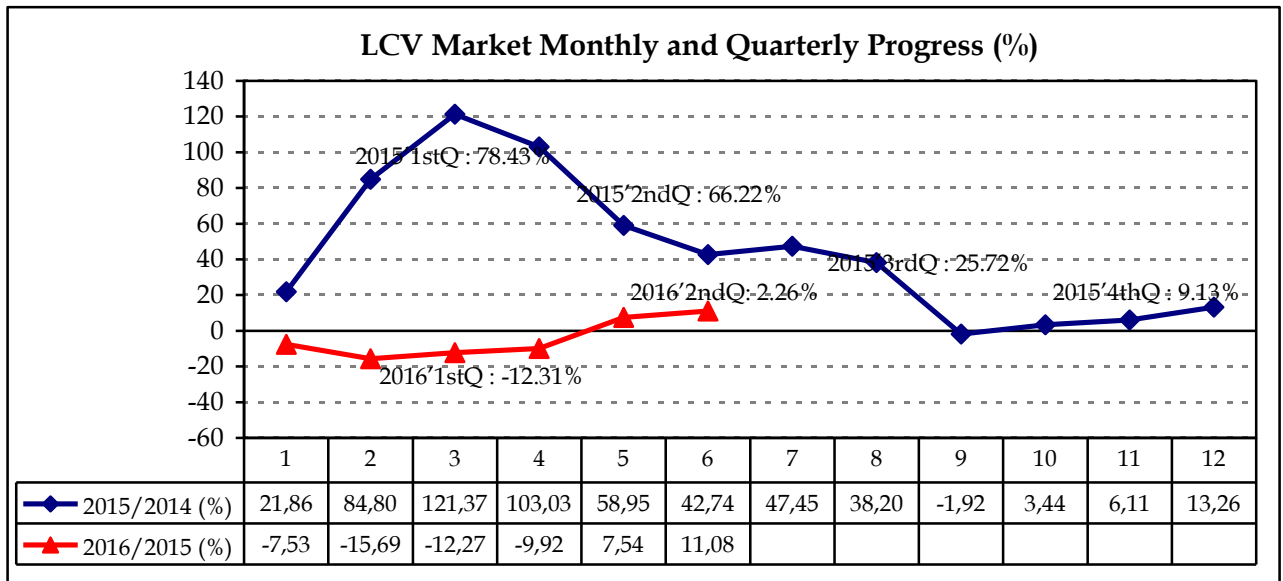
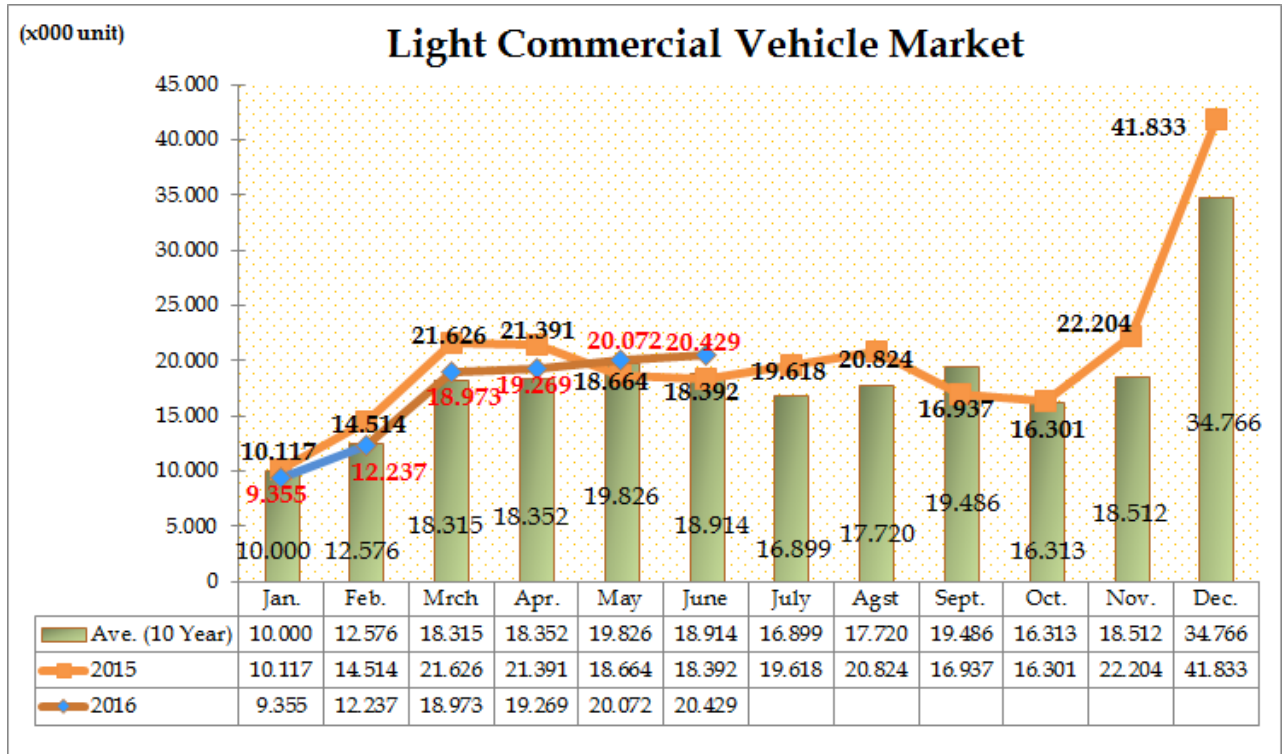


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In January-June period of 2016, light commercial vehicle sales decreased by 4.17% in comparison to the same period of the previous year, to 100,335 in Turkey's automotive market. The sales had reached 104,704 in the same period of the previous year.

In June 2016, light commercial vehicle sales increased by 11.08% in comparison to the same month of the previous year, to 20,429. The sales had reached 18,392 in June 2015.

The light commercial vehicle market showed an increase of 8.01% in comparison to the average 10-year June sales.



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When the end of June 2016 passenger car market is studied in terms of engine volume, the biggest slice of the pie was gotten by passenger cars under 1600cc with a ratio of 96.31% and a number of 325,993. Passenger cars between 1600 to 2000cc followed them with a ratio of 3.06% and passenger cars above 2000cc with a ratio of 0.62%. In comparison with the same period of 2015, an increase of 3.82% in the sales of passenger cars below 1600cc and a decrease of 5.27% in the sales of passenger cars with a 1600-2000cc engine volume was observed. As for the sales of passenger cars over 2000cc, a decrease of 26.23% was observed. 2 electric cars below 85kW engine power and 17 electric cars above 121 kW engine power were sold in the first six months of 2016.

ENGINE VOLUME	ENGINE TYPE	End of June 2015		End of June 2016		Change	SCT	VAT
		Qty	Segment	Qty	Share			
≤ 1600cc	B/D	314,008	95.78%	325,993	96.31%	3.82%	45%	18%
1601cc - ≤ 2000cc	B/D	10,937	3.34%	10,361	3.06%	-5.27%	90%	18%
≥ 2001cc	B/D	2,859	0.87%	2,109	0.62%	-26.23%	145%	18%
≤ 85 kW	ELECTRIC	12	0.00%	2	0.00%		3%	18%
86kW - ≤ 120kW	ELECTRIC	0	0.00%	0	0.00%		7%	18%
≥ 121kW	ELECTRIC	30	0.01%	17	0.01%		15%	18%
Sum		327,846	100.00%	338,482	100.00%	3.24%	TAX RATES	

When the end of June 2016 passenger car market is studied in terms of average emission values, passenger cars between 100-120 gr/km have the highest share of 46.57% (157,631) and passenger cars between 120-140 gr/km followed them with a share of 24.70% (83,612).

CO2 AVERAGE EMISSION VALUES (gr/km)	End of June 2015		End of June 2016		Change
	Qty	Share	Qty	Share	
< 100 gr/km	32,200	9.82%	44,437	13.13%	38.00%
≥ 100 - < 120 gr/km	138,358	42.20%	157,631	46.57%	13.93%
≥ 120 - < 140 gr/km	96,470	29.43%	83,612	24.70%	-13.33%
≥ 140 - < 160 gr/km	47,532	14.50%	41,845	12.36%	-11.96%
≥ 160 gr/km	13,286	4.05%	10,957	3.24%	-17.53%
Sum	327,846	100.00%	338,482	100.00%	3.24%

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In comparison to the previous year, **diesel passenger car sales** increased by 7.79% **at the end of June 2016**. When compared to the same period of 2015, diesel share in passenger car sales at the end of June 2016 increased from 60.76% to 63.44% (214,724).

DIESEL	End of June 2015		End of June 2016		Change
	Qty	Share in Segment	Qty	Share in Segment	
A (Mini)	9	0.41%	0	0.00%	-100.00%
B (Entry)	58,185	56.83%	65,324	61.73%	12.27%
C (Compact)	108,817	63.63%	111,581	65.78%	2.54%
D (Medium)	25,540	64.74%	30,967	63.55%	21.25%
E (Luxury)	4,728	44.33%	4,943	45.49%	4.55%
F (Upper Luxury)	1,923	90.24%	1,909	80.11%	-0.73%
Sum	199,202	60.76%	214,724	63.44%	7.79%

In comparison to the same period of 2015, **sales number of passenger cars with automatic transmission** increased by 20.05% at the end of June 2016. When compared to the same period of 2015, passenger cars with automatic transmission sales share increased from 49.29% to 57.31% at the end of June 2016 (a number of 193,991).

AUTOMATIC TRANSMISSION	End of June 2015		End of June 2016		Change
	Qty	Share in Segment	Qty	Share in Segment	
A (Mini)	1,639	74.81%	850	80.80%	-48.14%
B (Entry)	33,432	32.65%	42,254	39.93%	26.39%
C (Compact)	80,518	47.08%	93,745	55.27%	16.43%
D (Medium)	33,213	84.19%	43,894	90.08%	32.16%
E (Luxury)	10,663	99.97%	10,865	100.00%	1.89%
F (Upper Luxury)	2,131	100.00%	2,383	100.00%	11.83%
Sum	161,596	49.29%	193,991	57.31%	20.05%

81.69% of the **passenger car market segment** again consisted of the passenger cars in A, B and C segments whose tax ratios are low again **at the end of June 2016**. When evaluated according to the segments, Segment C with a share of 50.11% has the highest sales volume (169,625) and Segment B follows it with a share of 31.27% (105,829).

When the end of June 2016 Passenger Car Market is evaluated according to the frame type, the most preferred body type was Sedan again (48.85%, a quantity of 165,364). Following Sedan, passenger cars with Hatchback frame had a share of 30.09% with a sales volume of 101,856 and SUV cars had a share of 15.69% with a sales volume of 53,103.

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When the end of June 2016 Light Commercial Vehicle Market is evaluated according to the body type, Van's with a share of 70.76% had the highest sales volume (70,998), Light trucks followed them with a share of 11.98% (12,025) while the share of Minibuses was 9.46% (9,494) and the share of Pick-ups was 7.79% (7,818).

LIGHT COMMERCIAL VEHICLE BODY TYPE ANALYSIS	End of June 2015		End of June 2016		Change
	Qty	Share	Qty	Share	
VAN	74,825	71.46%	70,998	70.76%	-5.11%
LIGHT TRUCK	12,855	12.28%	12,025	11.98%	-6.46%
MINIBUS	11,010	10.52%	9,494	9.46%	-13.77%
PICK-UP	6,014	5.74%	7,818	7.79%	30.00%
Sum	104,704	100.00%	100,335	100.00%	-4.17%



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OVERVIEW OF 2016;

According to April 2016 estimations of IMF World Economic Outlook Report, 2016 growth estimation for the World is 3.2%. The report suggests that 2016 growth rates of the U.S., pacemaker of the world economy will be 2.4%. The figures for Europe are estimated to increase by 1.5% in 2016 which is crucial for the Turkish economy.

LMC Automotive, by 2016, 1st quarter, has published 2016 expectations and World passenger car market estimations for 2017. According to the 1st quarter results of 2016, World total passenger car market is expected to show an increase of 2.9% in comparison to the last year and to reach a number of 95.0 M. In 2017, World automotive market is expected to show an increase of 2,2% and reach a number of 97.0 M in comparison to 2016.

LMC Automotive, by 2016, 1st quarter, has published 2016 expectations and World automotive manufacture estimations for 2017. According to the 1st quarter results of LMC Automotive, 2016 World automotive manufacture showed an increase of 3.1% in comparison to the last year and reached a number of 94.7 M. In 2017, World automotive manufacture is expected to show an increase of 2.3% and reach a number of 96.8 M in comparison to 2016.

According to the Medium Term Program published in January 2016, Turkey's growth rate is expected to be around 4.5% in 2016. According to IMF estimations, Turkey's growth rate for 2016 is expected to be 3.8%.

We foresee that the automotive industry's total market for the year 2016 to be between **950 thousand and 1 million in quantity.**