

OTOKAR with the results of 2013

In this report we submit the end of 2013 figures to compare with the end of 2012 figures. 2013 & 2012 financial results published in this press release are prepared according to International Financial Reporting Standards.

Highlights of 2013

- Otokar increased its revenues by 40% and generated TRY 1 billion 402 million total revenue in 2013. Otokar's 2013 domestic revenue was TRY 1 billion 177 million and export revenue was TRY 225 million.
- Otokar generated TRY 96,5 million net profit with a net margin of 6,9% in 2013.
- In the 2013, Otokar's production and sales units were 5.609 and 5.554 respectively.
- The planned dividend payment that was agreed at the General Assembly for the year 2012 was TRY64.0 million was paid on Apr 03, 2013.

Overview

| OTOKAR IFRS P/L Statement Highlights | 2013 TRY (thousands) | 2012 TRY (thousands) | Change |
|---|-------------------------------------|-------------------------------------|---------------|
| Net Sales | 1.401.553 | 1.004.492 | 40% |
| Cost of Sales | (1.086.542) | (780.994) | 39% |
| Gross Profit | 315.011 | 223.498 | 41% |
| Operating Expenses | (157.024) | (111.018) | 41% |
| Operating Profit | 157.987 | 112.480 | 40% |
| Financial Expenses | (50.045) | (28.313) | 77% |
| Income/(loss) before minorities & taxes | 108.248 | 84.182 | 29% |
| Taxation | (11.687) | (5.906) | 98% |
| Net Profit | 96.562 | 78.277 | 23% |
| EBITDA | 196.233 | 140.467 | 40% |

Net Sales

The total sales revenue of Otokar in 2013 is TRY 1 billion 402 million, by 40% increase compared to the previous year's same period. The rise in total revenue stemmed from the increase in total revenue of the midibus&bus by 76%. Similarly the domestic sales, constituting the 84% of total sales, increased by 58%. The largest contribution to the increase in domestic sales came from midibus&bus group and defence industry vehicles segment with growth ratios of 83% and 53% respectively. As defence industry vehicles segment has the largest contribution to the export

revenue with its 49% share, in the meantime, midibus&bus group has increased its total revenue by %38 and increased its share in the export revenue to %41.

Considering the share of segments in total revenue terms, the leader segment was the midibus&bus group with a share of 51% with TRY 710 million in revenue and it was followed by defence industry vehicles segment with a share of 36% with TRY 501 million in revenue. Whereas the export sales leader was defence industry vehicles with TRY 111 million in revenue, the leader of the domestic sales was midibus&bus segment with TRY 618 million revenues. Defence vehicle exports constituted 49% of all export revenues by itself. The commercial vehicle sales have the largest portion in the domestic revenues with its 58% share.

| | 2013 TRY (thousands) | 2012 TRY (thousands) | Change (%) |
|----------------|-------------------------------------|-------------------------------------|-----------------------|
| Domestic Sales | 1.176.613 | 744.808 | %58 |
| Exports | 225.505 | 260.165 | (%13) |
| Total | 1.401.553 | 1.004.492 | %40 |

Profitability

Gross profit was TRY 315 million in 2013, with a gross margin of 22,5%. The same figures in 2012 were TRY 223 million and 22,2% respectively. Operating profit was TRY 158 million in 2013 with an operating margin of 11,3%. The same figures in 2012 were TRY 112 million and 11,2% respectively. The company's EBITDA was TRY 196,2 million in 2013 with an EBITDA margin of 14%. The same figures in 2012 were TRY 140,5 million and 14% respectively. Otokar's net profit was TRY 96,6 million in 2013, having a net margin of 6,9%. The same figures in 2012 were TRY 78 million and 7,8% respectively.

Otokar has continued to pay dividends to its shareholders as in previous years. The dividend payment for the year 2012 was paid on April 03, 2013 as TRY 64 million. Dividend payment percentages for the last three years were like the following: from the profit of 2010, 2011 and 2012 the dividends distributed in 2010, 2011 and 2012 were: 62,5%, 200% and 266,67% respectively.

Investments

Otokar has continued to invest on R&D activities field in 2013 like the previous years. Total investment expenditure of Otokar was realized over USD 8 Million in 2013.

Objectives

Otokar aims to provide its growth with the products of which design, intellectual and property rights owned by itself. Otokar determines its strategies as follows: to grow in defence industry, to enhance the share of the exports in total revenue and to produce new models for the market needs. As of 3Q 2013, Otokar's 2013 total revenue increase target was revised to 25% from 10% and by the end of year, with a better performance than our target, we realized %40 increase in total revenue. In line with stated targets Otokar attended in the following fairs with its defence vehicles: in February-Abu Dhabi IDEX 2013, in April 2013-Rio de Janeiro LAAD, in May-Istanbul IDEF 2013, in September 2013-London DSEI 2013 and Poland MSPO 2013, in November 2013-Thailand International Defence&Security Fair. In addition to these, Otokar attended in the following fairs with its commercial vehicles: in May 2013-UITP Switzerland, in June 2013-Azerbaijan Road&Traffic, France-28'E Journess and Turkey-Public Transportation Vehicle Fair, in October-2013- Belgium Busworld Fair, in November-2013 Istanbul- COMVEX, in December 2013 Istanbul-6.Transist Transportation Symposium and Fair. Otokar has a backlog volume of TRY 174 million as of December 31, 2013.

The conceptual design and detailed design phases of total 78.5-month Main Battle Tank project were completed and third and the last phase “Prototype Production and Qualification” was started in 2nd half of 2013. On March 29, 2013 Otokar established the first Tank Test Center of Turkey, which is also one of the most modern center in the world, in Arifiye Plant with the attendance of Minister of National Defence of Turkey .On November 15, 2012, test drives of two prototypes carried out in Arifiye Otokar plant during a ceremony honored by the Prime Minister of Turkey.

FINANCIALS

| OTOKAR IFRS | 2013 TRY | 2012 TRY |
|----------------------------------|---------------------|---------------------|
| Summary Balance Sheet | (thousands) | (thousands) |
| Current Assets | 797.944 | 680.169 |
| Current Liabilities | 687.045 | 530.142 |
| Working Capital | 110.899 | 150.027 |
| Property, Plant & Equipment –Net | 120.843 | 125.112 |
| Total Assets | 1.375.250 | 1.037.425 |
| Total Liabilities | 1.101.980 | 795.692 |
| Shareholders’ Equity | 273.270 | 241.733 |

| OTOKAR IFRS | 2013 | 2012 |
|--|-------------|-------------|
| Financial Ratios | | |
| Current Ratio | 1.16 | 1.28 |
| Liquidity Ratio | 0.73 | 0.81 |
| Current Assets / Total Assets | 0.58 | 0.65 |
| Current Liabilities / Total Liabilities | 0.62 | 0.67 |
| Current&Non-current Liabilities / Total Assets | 0.80 | 0.77 |

| OTOKAR IFRS | 2013 TRY | 2012 TRY |
|--|---------------------|---------------------|
| Summary Statement of Cash Flow | (thousands) | (thousands) |
| Cash and Cash Equivalents at the Beginning of the Period | 47.906 | 4.470 |
| Net Cash Provided by Operating Activities | (32.814) | 70.145 |
| Net Cash Used in Investment Activities | (61.800) | (69.591) |
| Pre-Financing Cash Flow | (94.614) | 555 |
| Net Cash Obtained From Financing Activities | 55.592 | 42.881 |
| Net Increase in Cash and Cash Equivalents | (39.022) | 43.435 |
| Cash and Cash Equivalents at the End of the Period | 8.884 | 47.906 |

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