

OTOKAR with the results of 3Q 2013

In this report we submit 3Q 2013 figures to compare with 3Q 2012 figures. 3Q 2013 & 3Q 2012 financial results published in this press release are prepared according to International Financial Reporting Standards.

Highlights of 3Q 2013

- Otokar increased its revenues by 50% and generated TRY 1 billion 7 million total revenue in 3Q 2013. Otokar's 3Q 2013 domestic revenue was TRY 861 million and export revenue was TRY 147 million.
- Otokar generated TRY 67 million net profit with a net margin of 6,7% in 3Q 2013.
- In the 3Q of 2013, Otokar's production and sales units were 4118 and 4027 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	3Q 2013 TRY (thousands)	3Q 2012 TRY (thousands)	Change
Net Sales	1.007.821	670.684	50%
Cost of Sales	(783.132)	(517.769)	51%
Gross Profit	224.689	152.914	47%
Operating Expenses	(120.097)	(73.095)	64%
Operating Profit	104.591	79.818	31%
Financial Expenses	(30.566)	(21.240)	44%
Income/(loss) before minorities & taxes	74.025	58.577	26%
Taxation	(6.684)	(3.312)	102%
Net Profit	67.340	55.265	22%
EBITDA	132.380	100.233	32%

Net Sales

The total sales revenue of Otokar in 3Q 2013 is TRY 1 billion 7 million, by 50% increase compared to the last year's same period. By the end of 3Q of 2013, total revenue has reached a level which it was at the end of 2012. The rise in total revenue stemmed from the increase in total revenue of the midibus&bus by 113%. Similarly the domestic sales, constituting the 85% of total sales, increased by 66%. The largest contribution to the increase in domestic sales came from midibus&bus group and armoured tactical vehicle segment with growth ratios of 123% and 55% respectively. As

armoured tactical vehicle segment has the largest contribution to the export revenue with its 45% share, in the meantime, midibus&bus group has increased its total revenue by %49 and increased its share in the export revenue to %36.

Considering the share of segments in total revenue terms, the leader segment was the midibus&bus group with a share of 55% with TRY 556 million in revenue and it was followed by armoured tactical vehicles segment with a share of 20% with TRY 206 million in revenue. Whereas the export sales leader was armoured tactical vehicles with TRY 68 million in revenue, the leader of the domestic sales was midibus&bus segment with TRY 500 million revenues. Defence vehicle exports constituted 51% of all export revenues by itself. The commercial vehicle sales have the largest portion in the domestic revenues with its 64% share.

	3Q 2013 TRY (thousands)	3Q 2012 TRY (thousands)	Change %
Domestic Sales	860.804	518.533	%66
Exports	147.016	152.150	(%3)
Total	1.007.821	670.684	%50

Profitability

Gross profit was TRY 225 million in 3Q 2013, with a gross margin of 22,3%. The same figures in 3Q 2012 were TRY 153 million and 22,8% respectively. Operating profit was TRY 105 million in 3Q 2013 with an operating margin of 10,4%. The same figures in 3Q 2012 were TRY 80 million and 12% respectively. The company's EBITDA was TRY 132 million in 3Q 2013 with an EBITDA margin of 13%. The same figures in 3Q 2012 were TRY 100 million and 14,9% respectively. Otokar's net profit was TRY 67 million in 3Q 2013, having a net margin of 6,7%. The same figures in 3Q 2012 were TRY 55 million and 8,2% 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 4,5 Million in 3Q 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. Otokar's 2013 total revenue increase target was revised to 25% from 10%. 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 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 Journées and Turkey-Public Transportation Vehicle Fair. Otokar has a backlog volume of USD 28 million, EUR 9 million and TRY 328 million as of September 30, 2013 which will be delivered between 2013 and 2014.

The first stage of total 78.5-month Main Battle Tank project is concept design was finished in 2011 and then detailed design phase has started. In May 2011, the first mock-up of Altay was exhibited in

IDEF İstanbul 2011 Defense Fair. 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. The conceptual design and detailed design phases of the project was completed in September 2013 and the “Prototype Production and Qualification” phases has started.

FINANCIALS

OTOKAR IFRS Summary Balance Sheet	3Q 2013 TRY (thousands)	3Q 2012 TRY (thousands)
Current Assets	792.567	789.749
Current Liabilities	673.263	773.165
Working Capital	119.303	16.584
Property, Plant & Equipment –Net	121.678	122.099
Total Assets	1.302.266	1.076.571
Total Liabilities	1.058.377	857.822
Shareholders’ Equity	243.888	218.749

OTOKAR IFRS Financial Ratios	3Q 2013	3Q 2012
Current Ratio	1.18	1.02
Liquidity Ratio	0.70	0.65
Current Assets / Total Assets	0.61	0.73
Current Liabilities / Total Liabilities	0.64	0.90
Current&Non-current Liabilities / Total Assets	0.81	0.80

OTOKAR IFRS Summary Statement of Cash Flow	3Q 2013 TRY (thousands)	3Q 2012 TRY (thousands)
Cash and Cash Equivalents at the Beginning of the Period	47.906	4.470
Net Cash Provided by Operating Activities	(19.836)	10.180
Net Cash Used in Investment Activities	(45.182)	(46.463)
Pre-Financing Cash Flow	65.018	(36.283)
Net Cash Obtained From Financing Activities	21.915	42.333
Net Increase in Cash and Cash Equivalents	(43.102)	6.050
Cash and Cash Equivalents at the End of the Period	4.803	10.520

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