

Otokar

INVESTOR PRESENTATION

(24.07.2014)

Prepared based on 2013 1H financial results

ABOUT US

- INTRODUCTION
- VISION & MISSION
- BRIEF HISTORY
- SHAREHOLDER STRUCTURE
- PRODCUTION PLANT
- EMPLOYEE PROFILE
- PRODUCT RANGE
- ALTAY PROJECT
- R&D and TEST CENTRE

FINANCIAL INDICATORS

- FINANCIAL STATEMENTS & RATIOS
- PRODUCTION-SALES-REVENUE-BACKLOG
- CAPITAL EXPENDITURE
- STOCK and DIVIDEND PERFORMANCE
- MARKET CAPITALISATION

LONG-TERM OBJECTIVES

- SUSTAINABLE GROWTH
- GROWTH WITH PRODUCTS WHICH LICENSE RIGHTS BELONG TO OTOKAR
- GROWTH IN EXPORT MARKETS
- SHAREHOLDER VALUE CREATION

Turkey's the **largest** private and 100% domestically owned company in defense industry

A **global company**, intellectual property rights belong to itself and its products are in use on 5 continents and in more than 60 countries

Turkish Armed Forces' **leading** supplier and exporter of land platforms

Turkey's **market leader** in passenger bus segment with a capacity of 25 people and over for the last 4 years

Vision

- Otokar preserves the local and national characteristics of its products by developing its technology in-house, and aims at the continued satisfaction of its customers, employees, and shareholders by embracing a total excellence philosophy.

Mission

- The key mission of Otokar is to design, manufacture and market commercial vehicles and various defence industry products developed in line with customer expectations that have global competitive power.

Brief History

Otokar



1963

1970s

1980s

1990s

2000s

2010s

- Establishment
- Production of buses under the license of Magirus-Deutz

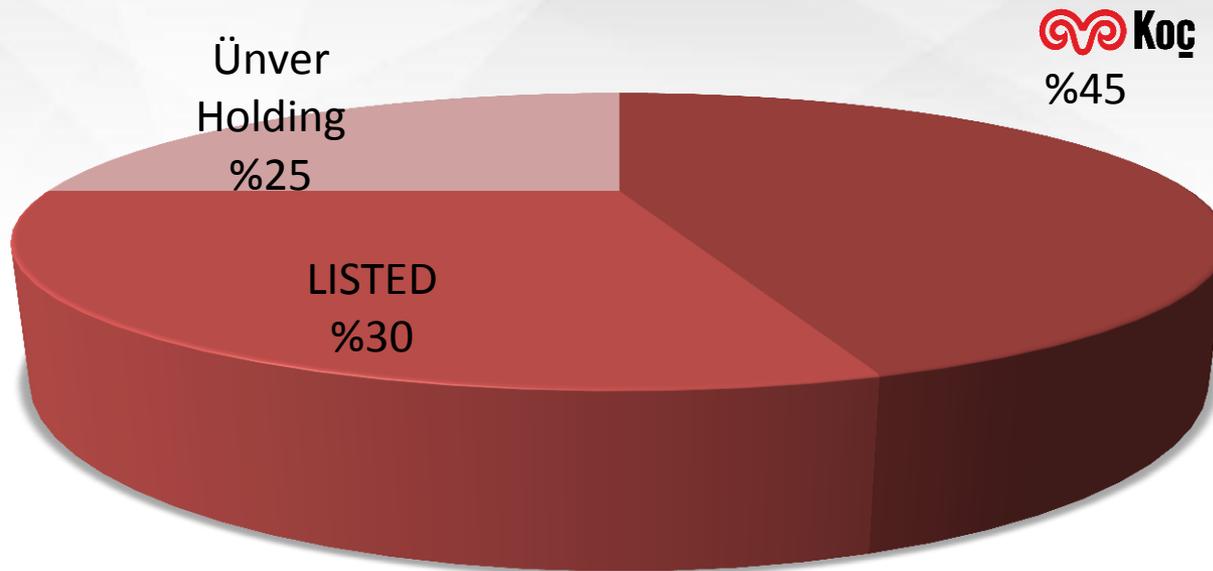
- Turkey's first intercity bus
- The first Turkish Armoured Vehicle production
- Partnering with Koç Group

- Production of 4x4 tactical vehicle under the license of Land Rover

- Military armoured vehicles by own desing
- Turkey's first export of tactical armoured vehicle
- Sakarya plant/factory

- Merge with the İstanbul Fruehauf A.S.
- Production of small and mid buses
- Turkey's first hybrid bus
- **The prime contractor of ALTAY Project**

- Production of City Buses
- Multi-wheeled armoured tactical vehicle family
- Turkey's first electric bus
- Atlas Light Truck
- Tracked Armoured Vehicle



No foreign partner, independent and has the technology.



552,000 m² plant, employee about 2500

Capacity of

4200 Land Vehicle

900 Tactical Armoured Vehicle

4600 Autobus + Minibus

1400 Trailer ve Semi-trailer

1600 Light Truck

Certificates

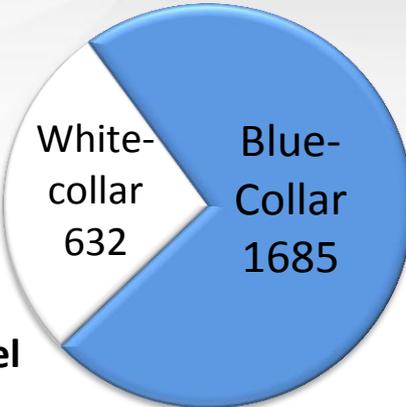
ISO 9001 Quality Standard

ISO 14001 Environment Standard

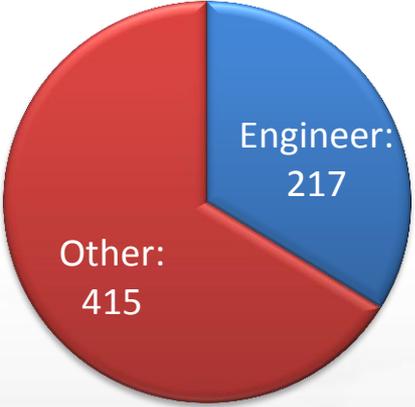
AQAP 2110 Military Quality Assurance Certificate

Facility Security Certificate with National and NATO Secrecy Degree

2317 Employee



632 White-Collar Personnel



568 R&D Centre Personnel



Number of Employee

Otokar



Product Range

Commercial Vehicles

Defense Industry

Public Transport



Models

KENT / DORUK /
SULTAN / M-2010 /
CENTRO / NAVIGO /
VECTIO / TERRITO

Logistic Vehicles



Models

FRUEHAUF / OTOKAR

Light Truck



Models

OTOKAR ATLAS



Models

LAND ROVER DEFENDER / ARMOURD
PERSONAL CARRIER / URAL / COBRA /
COBRA II / KAYA / KAYA II / KALE /
ARMA 6x6 / ARMA 8x8 / INTERNAL
SECURITY VEHICLE / TULPAR / ALTAY

Otokar, Turkey's the most preferred bus brand for the fourth time!

About 30 thousand buses, carrying millions of passengers in nearly 40 countries!

Otokar





M-2010



SULTAN / NAVIGO



DORUK / VECTIO



TERRITO



KENT

A wide product range
from intercity
transport to personnel
and tourism transport

Special Products

Researches for
Alternative fuels

M-2010 / CENTRO

Otokar

Suitable minibuses
for disabled people
in transportation



TEMPO

Otokar

The small bus with
low operating and
investment costs
designed for service
and personnel
transport



SULTAN / NAVIGO

Otokar

- Turkey's best-selling small bus
- Different models for intercity transport, service and tourism transport



DORUK / VECTIO

- Turkey's market leader in medium-sized buses
- "Grand Award" prize in Europe
- Different models for intercity transport, service and tourism transport



- Turkey's most preferred 12 m. intercity bus
- 2 Design Award in Europe and Turkey



TERRITO

Otokar

The 12-meter
bus developed
for the
European
market



Alternative Fueled Buses

Otokar



DORUK Hibra

Turkey's first hybrid bus



DORUK DG

Turkey's first natural gas powered mid-sized bus



KENT DG

12 m CNG bus



DORUK ELECTRA

Turkey's first electric bus



About 25 thousands of semi-trailer that provides transportation service in the roads of the world!

Curtainsider Trailers



- TIRLINER
- EUROSLIDER
- SPEEDSLIDER
- MEGALINER
- ECOTIR
- ECOLINER

Van Type Trailer



- ICELINER
- TEXTILE CARRIER

Tanker Trailer



- ADR CERTIFICATED TANKER
- TRAILER AND TRUCK-TOP APPLICATIONS

Internal Logistic Tools



- CONTAINER CARRIER
- PLATFORM TRAILER
- ROLL CARRIER
- TIPPER CHASIS

Curtainsider Trailer

Otokar

Customer-oriented
solutions in the
transportation of dry
load



Van Type Trailer

For 12 years, most commonly preferred refrigerated trailer in Turkey for transport of perishable goods in hygienic and safe condition



Tanker

Otokar

- Turkey's first ADR certificated trailer
- Wide product range and proficiency



Light Truck

Otokar



A light truck, with high payload capacity and low operating cost





More than 28.000 military vehicle serving in 4 continents and in nearly 30 countries

Tactical Wheeled Vehicles

TWV



Land Rover
Defender

TWAV

4x4



APC
URAL
COBRA
COBRA II
KAYA
KAYA II
KALE
ISV

6x6



ARMA 6X6

8x8



ARMA 8X8

Tracked Vehicles

TAV



TULPAR

MBT

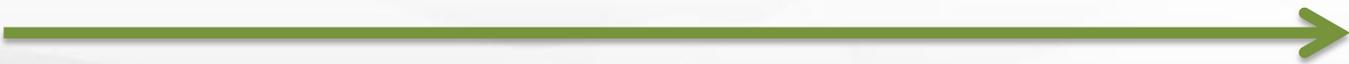


ALTAY

Turret Systems



MIZRAK UKKS
KESKIN UKKS
OPEN TURRETS
INTERNAL SECURITY TURRET
WEAPON STATIONS (MILAN
TOW)
UCOK
BOZOK
BASOK



Land Vehicles from 3/4 ton to 60 tons

APC (Armoured Personnel Carrier)

Otokar

Actively in use in
12 countries
including Turkey



Otokar's armoured tactical wheeled vehicle which is successful on Internal Security Operations, low silhouetted and quick

The optimal solution on issues such as strategic areas and border control, convoy protection and patrol



Armoured tactical vehicle which has worldwide competitiveness with its unique design, mobility, survivability and superior protection



The new member
of COBRA family
the most well-
known vehicle of
Otokar...

Large internal
volume, high
protection.



Otokar's new armoured tactical wheeled vehicle that is suitable for safety and internal security usage.



KAYA Mine Resistant Vehicle

Otokar

The mine resistant vehicle which provides maximum mine and ballistic protection in all types of terrain, offers great mobility



KAYA II Personnel Carrier

Otokar

The mine resistant personnel carrier vehicle that consists of single cabin with its monocoque body



KALE Mine Resistant Vehicle

Otokar

Mine resistant
personnel carrier



ARMA is new generation modular multi-wheel configuration armoured vehicle with high level of ballistic and mine protection



ARMA 6X6

Otokar

Arma 6x6, with its large internal volume, amphibious capability and low silhouette



Armoured combat vehicle
ARMA 8x8, provides high
protection and large
internal volume



A new generation tracked armoured vehicle which ends Turkey's dependence on foreign sources and its all intellectual property rights belong to OTOKAR



INTERNAL SECURITY VEHICLE

Otokar

The armoured tactical vehicle specifically designed and developed with the aim of internal security in cities and living areas.



A worldwide brand in tactical vehicles.



- Since 1989, Otokar has been working on turret systems to meet the needs and demands of current and potential users in land systems with trained manpower and R&D investments.
- Otokar has nearly 25 years of experience and expertise on the subjects of original design and integration of different turrets.
- Otokar's 4x4, 6x6, 8x8 and tracked vehicles serve as ideal platforms for different types of turret.

Otokar is the PRIME CONTRACTOR of Turkish Main Battle Tank Project ALTAY.



The project continues in accordance with the planned timetable.



- Otokar's R&D, establishment dates back to 1970's, today, designing and manufacturing Turkey's vehicle.
- Otokar's R&D works for products whose intellectual rights belong to itself, with the vision of having and dominating the technology.



- CAD programs for product developments
- The Prototype workshops and softwares
- Computer-aided analysis and simulation softwares
- Test-purpose setup and software



Otokar Test Centres



Dinometer Air-conditioned Test Centre; Turkey's first and only, one of the few facilities in Europe

Turkey's the highest capacity hydraulic road simulator



Turkey's the biggest and the world's most modern Electromagnetic Compatibility Testing Centre



Otokar Test Centres

One of the world's most advanced and modern ballistic laboratories and mine testing equipments



30.06.2014

Total Assets (TRY)		Total Liabilities&Shareholders Equity (TRY)	
Current Assets	806.975.680	S.T. Liabilities	714.829.557
Fixed Assets	562.278.696	L.T. Liabilities	436.074.037
		Shareholders Equity	218.350.782
Total	1.369.254.376	Total	1.369.254.376

Income Statement

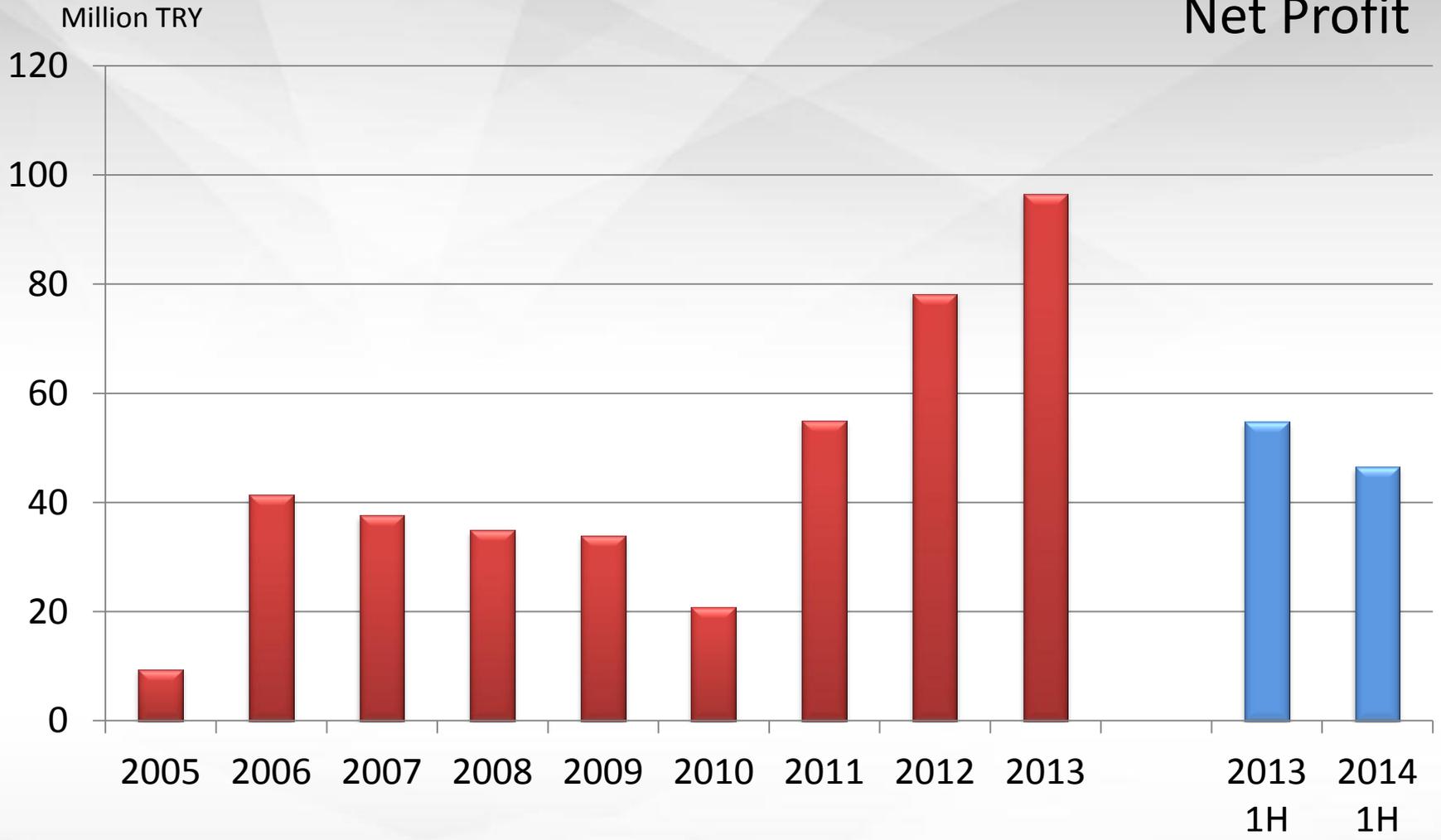
Otokar

TRY thousands (IFRS)	30.Jun.2014	30.Jun.2013
Net Sales	641.430	709.055
Cost of Sales	(481.828)	(551.119)
Gross Profit	159.602	157.936
Operating Costs	(83.310)	(79.513)
Operating Profit	76.292	78.423
Finacial Expenses	(21.252)	(17.400)
Profit Before Taxes	55.040	61.023
Taxes	(8.591)	(6.141)
Net Profit	46.448	54.882

Net Profit

Otokar

Net Profit



Cash Flow Statement

Otokar

TRY thousand (IFRS)	31.Mar.2014	31.Mar.2013
Cash and Cash Equivalants at the beginning of the period	8.884	47.906
Net cash provided by operating activities	92.152	83.397
Net cash used in investing activities	(24.086)	(31.171)
Pre-financing cash flow	68.066	52.226
Net cash used in Financing Activities	(69.414)	33.345
Net decrease/increase in Cash and Cash Equivalents	(1.347)	85.571
Cash and cash equivalents at the end of the period	7.537	133.477

TRY thousands	30.Jun.2014	31.Dec.2013
Current Assets	806.975	797.943
S. T. Liabilities	714.829	687.045
Working Capital	92.146	110.898

Net Financial Debts

Otokar

TRY thousand	30.Jun.2014	30.Jun.2013
Cash and Equivalents	7.536	133.477
Trading Securities	0	0
Other	0	0
Total Financial Assets	7.536	133.477

TRY thousand	30.Jun.2014	30.Jun.2013
S.T. Bank Loans	172.368	140.963
L.T. Bank Loans	348.568	332.047
Total Financial Debts	520.936	473.010

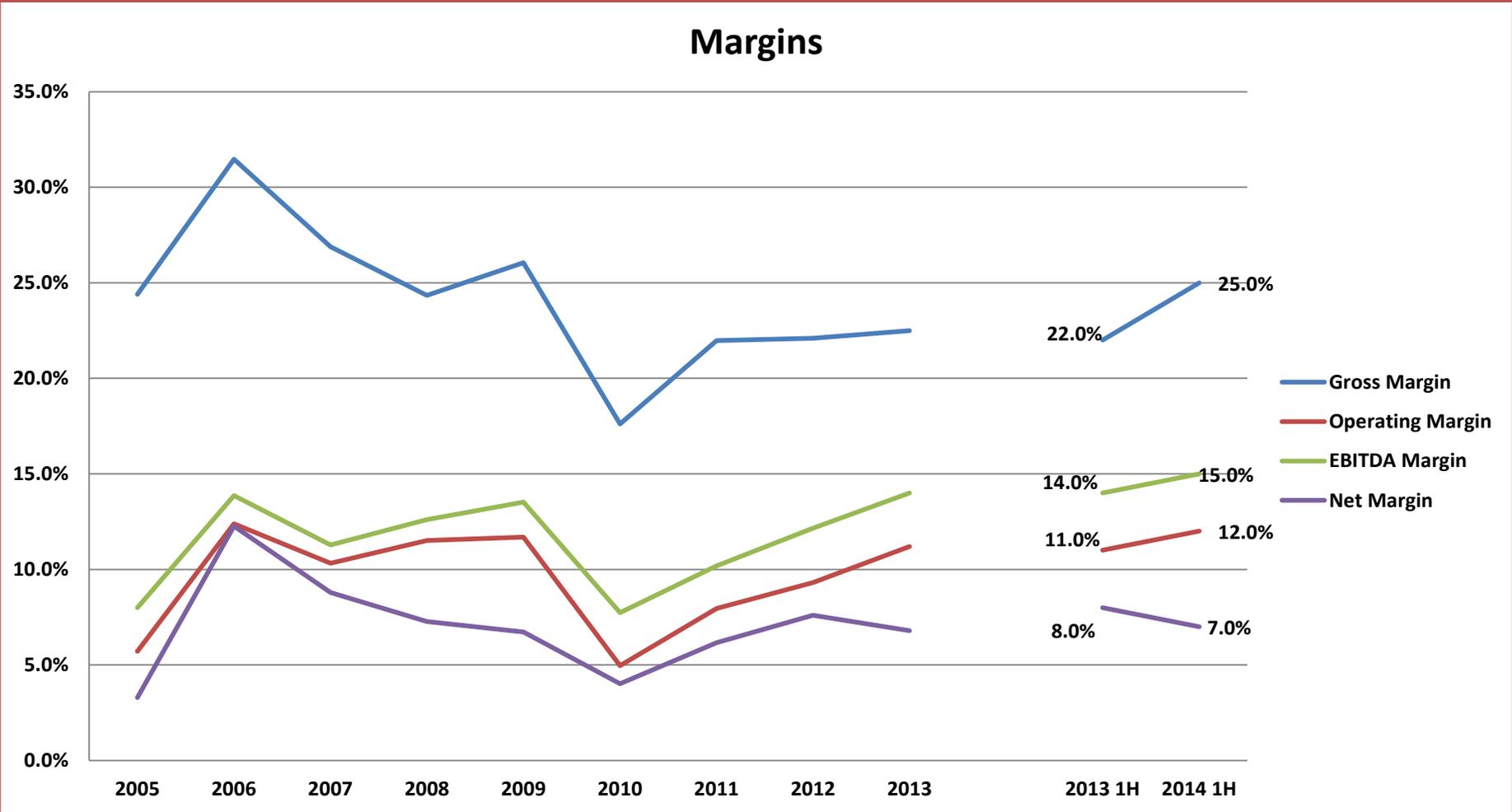
TRY thousand	30.Jun.2014	30.Dec.2013
Net Financial Debts	513.400	473.010

Financial Ratios And Margins

Otokar

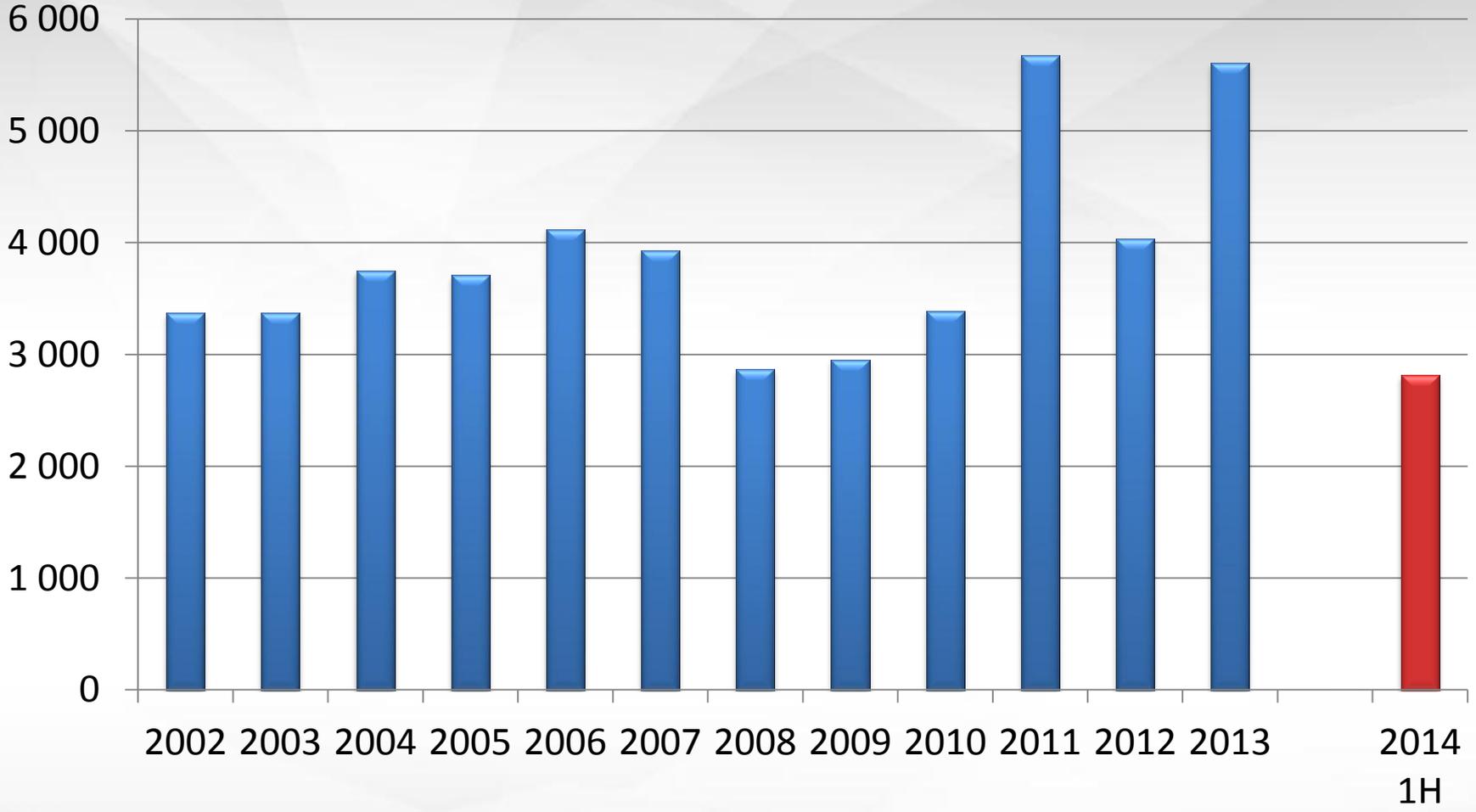
Financial Ratios	Jun.2014	Jun.2013
Current Ratio	1,13	1,13
Liquidity Ratio	0,66	0,76
Return On Equity	21 %	22 %
Return on Assets	3,4 %	4 %
Cur.Assets/Tot.Assets	59 %	64 %
Short Term Lia./Tot. Lia.	62 %	68 %
Tot.Lia./Tot.Assets	84 %	83 %

Margins	Jun.2014	Jun.2013
Gross Margins	25 %	22 %
Operating Margin	12 %	11 %
EBITDA Margin	15 %	14 %
Net Profit Margin	7 %	8 %



Production Units

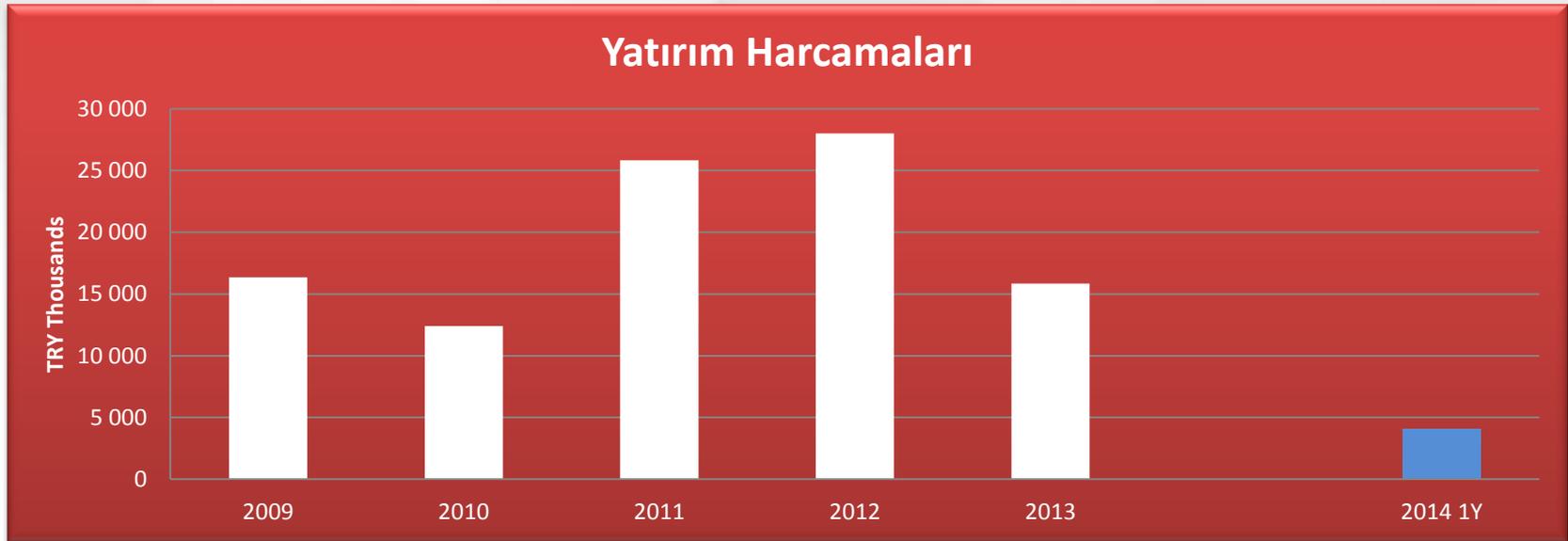
Otokar



Revenue Distribution

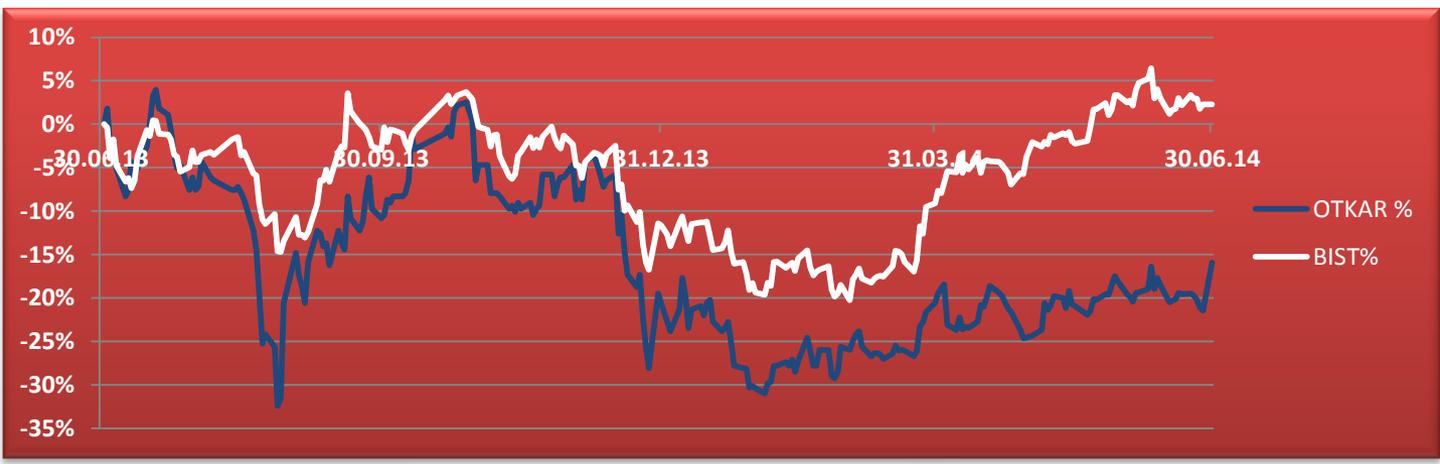
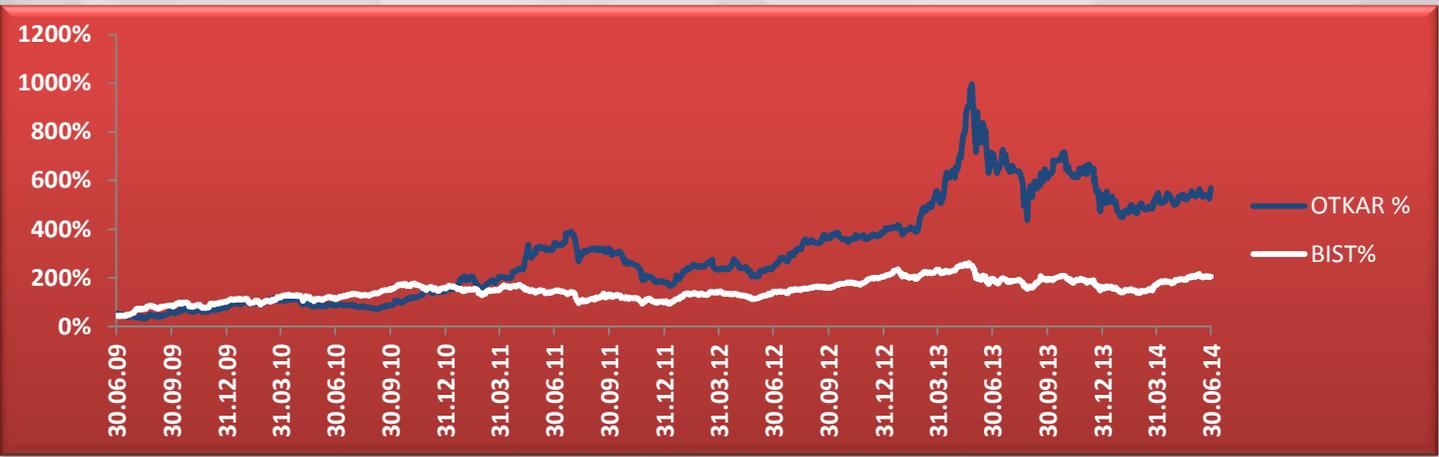






Stock Performance

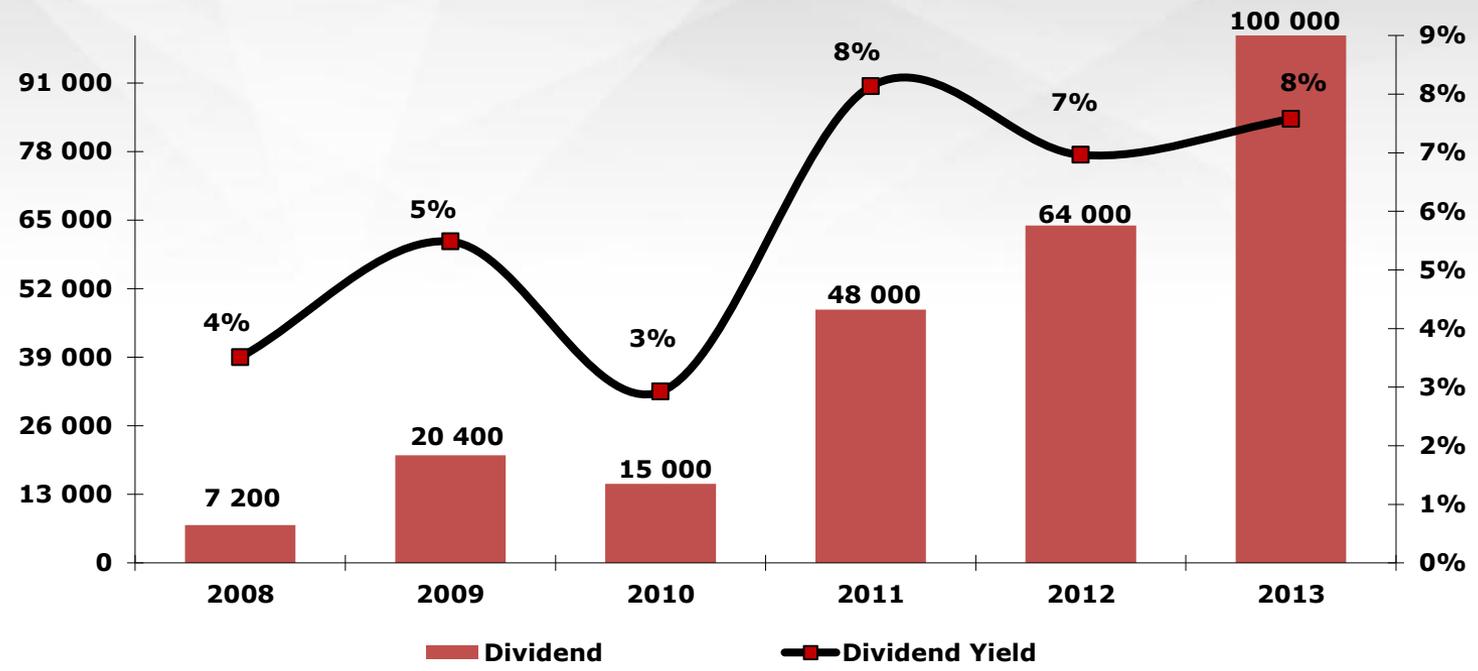
Otokar



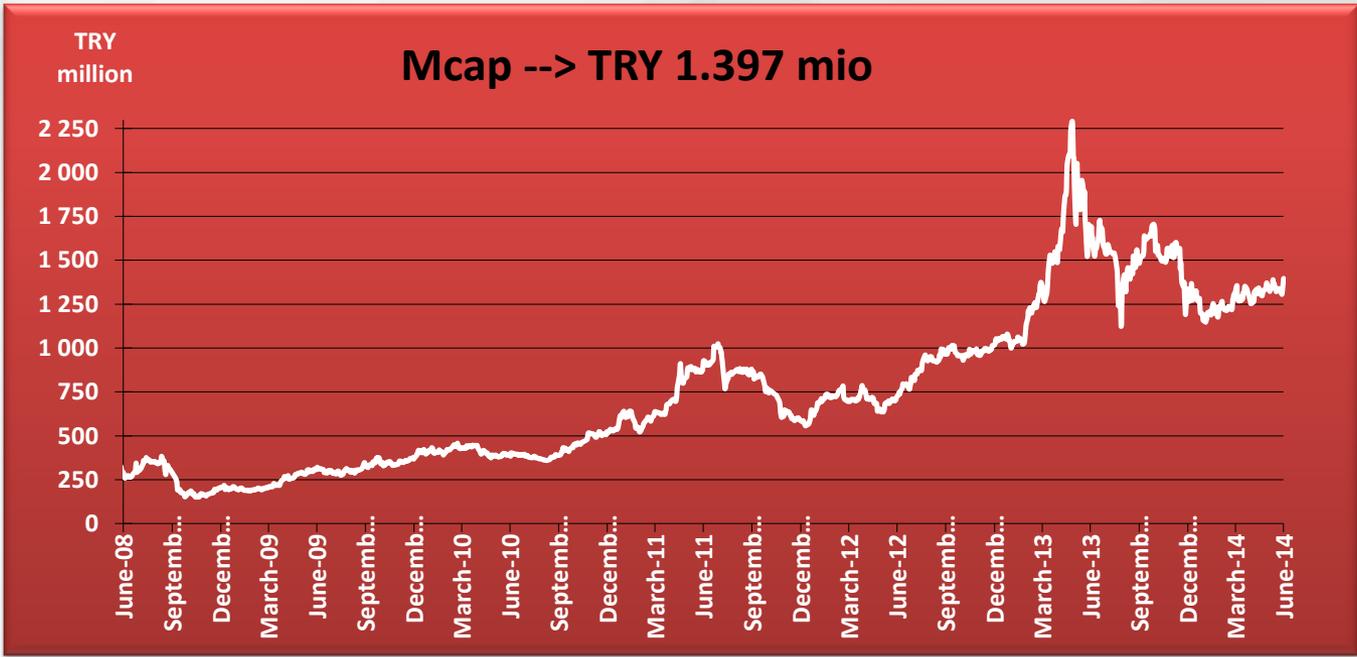
Dividend

Otokar

TRY thousand



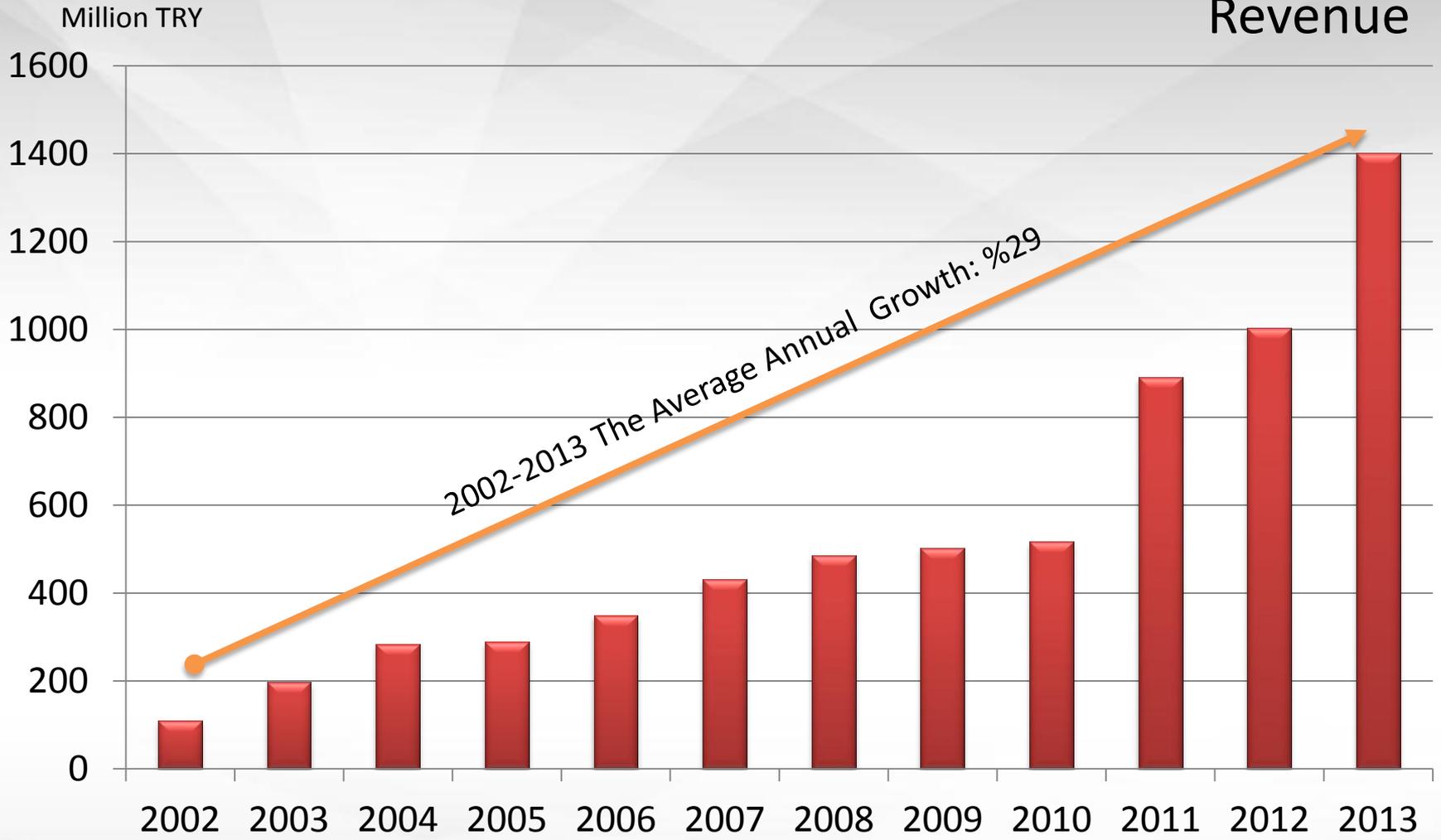
Market Capitalisation



Sustainable Growth

Otokar

Revenue



Growth With Products Which License Rights Belong to OTOKAR

%88

The share of Otokar designed vehicle sales in turnover.

81

Number of owned patents and industrial designs



Otokar Europe was established in 2011 in France, in order to support bus sales in Europe.

Growth in Export Markets

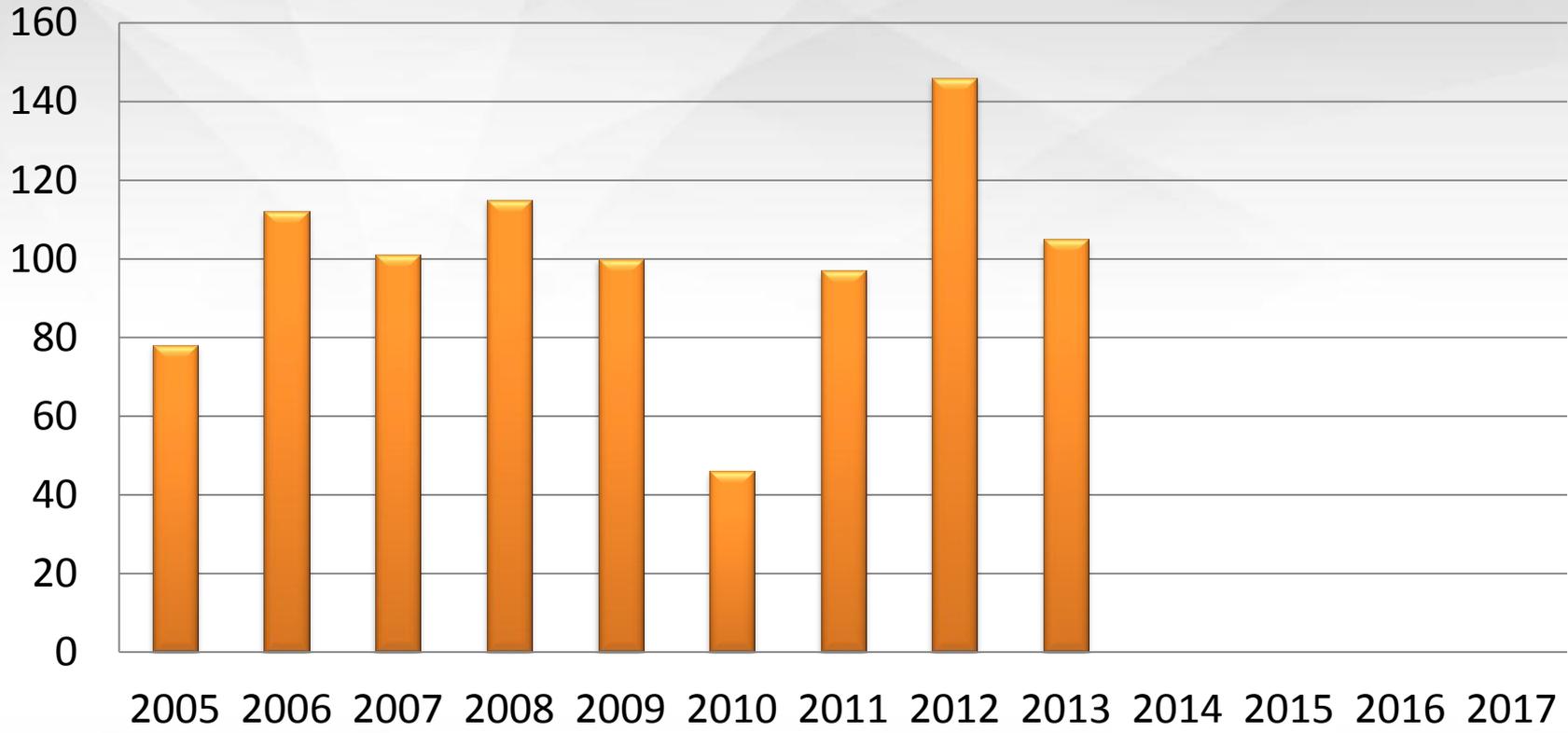


- Otokar branded vehicles in nearly 60 countries, on 5 continents
- Sales and service network spread over more than 200 destinations

Growth in Export Markets

Otokar

Millon USD



- Continuously increase revenue to ensure high and sustainably dividend yield
- In the framework of our corporate governance and professional management principles, we aim to move further up our company's market value

- ✓ **Dođan Seçkinler**
Finance & IR Manager
+90 264 229 22 44 – 6300
dseckinler@otokar.com.tr
- ✓ **Öktem Söylemez**
IR Officer
+90 264 229 22 44 – 6316
osoylemez@otokar.com.tr

Please visit www.otokar.com.tr



Disclaimer: This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither OTOKAR nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.