

Otokar

INVESTOR PRESENTATION

(25.04.2014)

Prepared based on 2013 1Q financial results

ABOUT US

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- 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

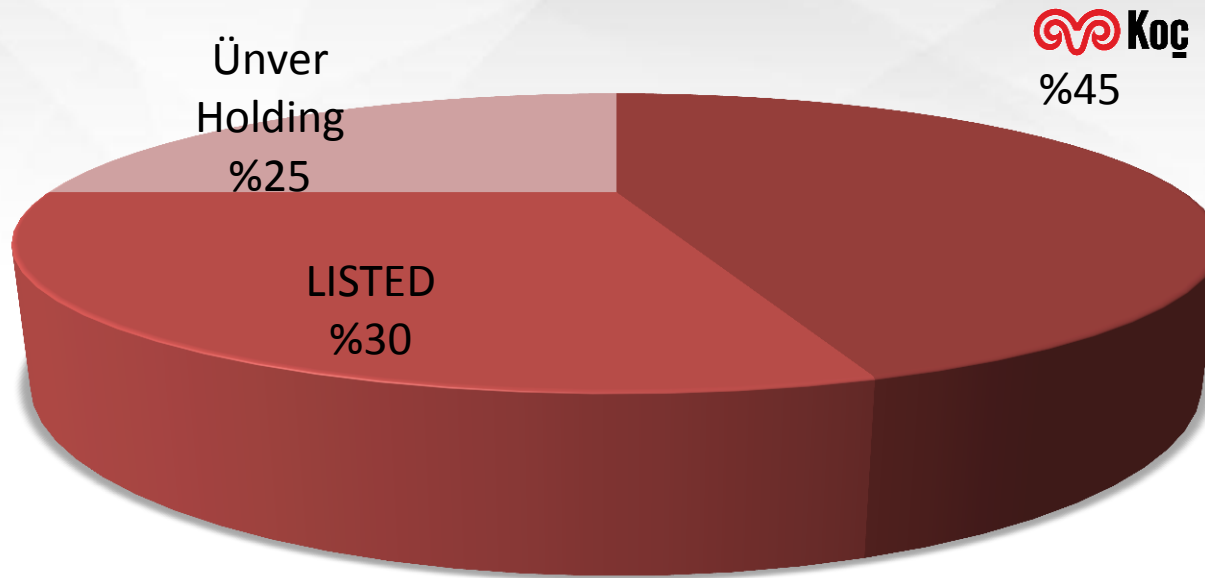
- Turkey's first intercity bus
- The first Turkish Armoured Vehicle production
- Partnering with Koç Group

- 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

Certificates

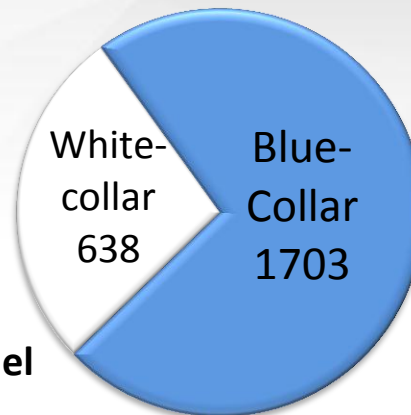
ISO 9001 Quality Standard

ISO 14001 Environment Standard

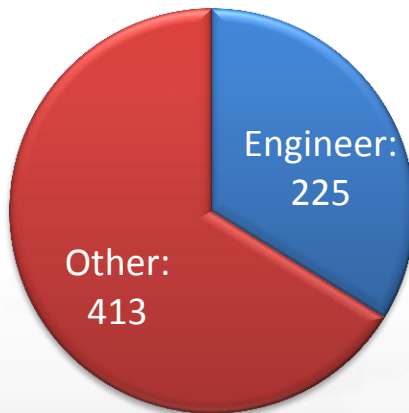
AQAP 2110 Military Quality Assurance Certificate

Facility Security Certificate with National and NATO Secrecy Degree

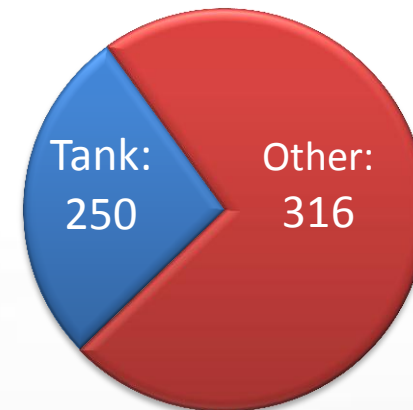
2341 Employee



638 White-Collar Personnel



566 R&D Centre Personnel



Number of Employee

Otokar



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!





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

Suitable minibuses
for disabled people
in transportation



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

Otokar

- 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

2007

DORUK Hibra

**Turkey's first
hybrid bus**



2009

DORUK DG

**Turkey's first natural
gas powered mid-sized
bus**



2011

KENT DG

12 m CNG bus



2012

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

Otokar

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
KESKİN UKKS
OPEN TURRETS
INTERNAL SECURITY TURRET
WEAPON STATIONS (MİLAN
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.



ALTAY Project

Otokar

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





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



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



Balance Sheet

Otokar

31.03.2014

Total Assets (TRY)		Total Liabilities&Shareholders Equity (TRY)	
Current Assets	820.895.864	S.T. Liabilities	863.095.224
Fixed Assets	563.203.862	L.T. Liabilities	340.087.839
		Shareholders Equity	180.916.663
Total	1.384.099.726	Total	1.384.099.726

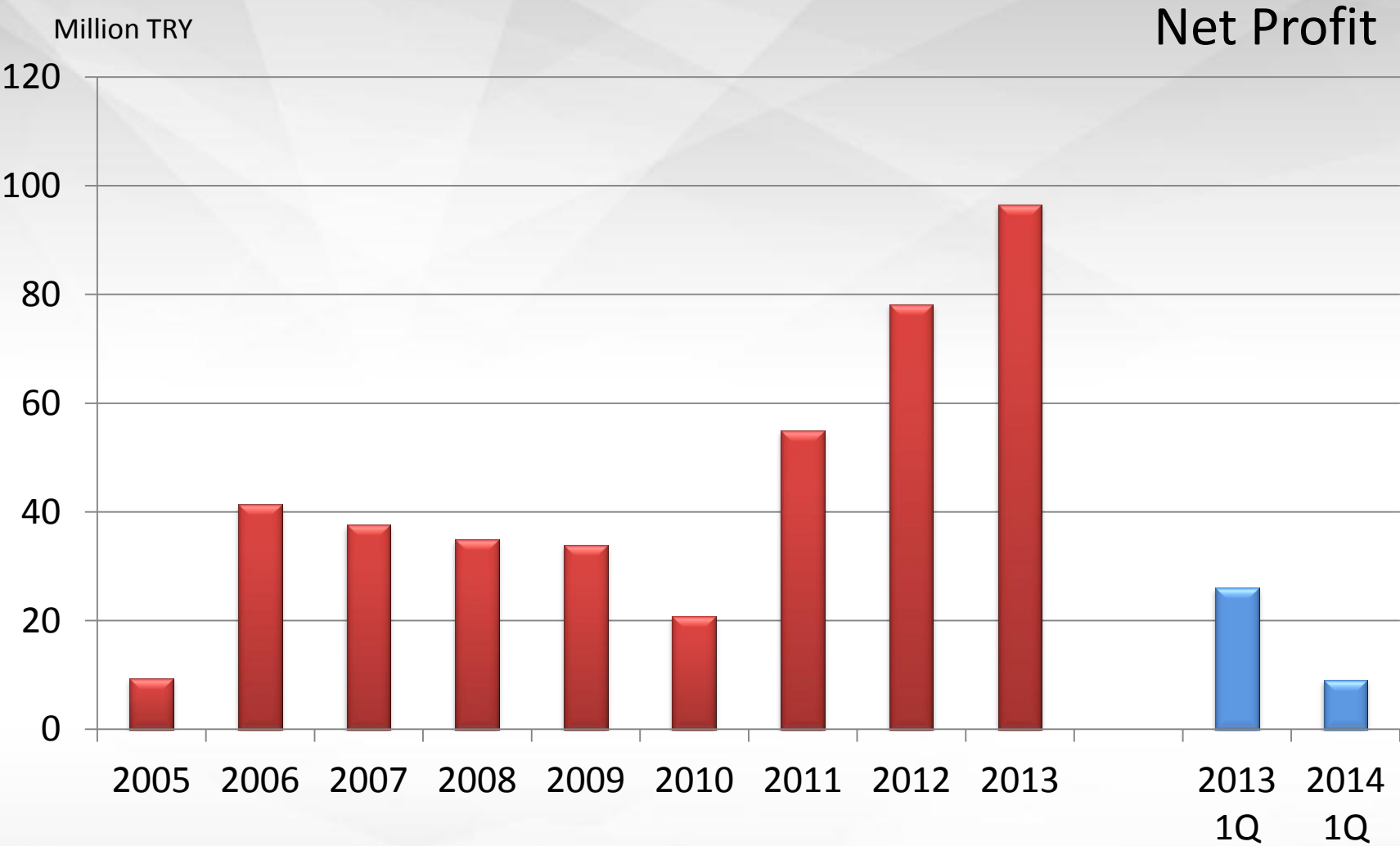
Income Statement

Otokar

TRY thousands (UFRS)	31.Mar.2014	31.Mar.2013
Net Sales	283.246	334.378
Cost of Sales	(225.101)	(260.363)
Gross Profit	58.145	74.015
Operating Costs	(36.369)	(35.969)
Operating Profit	21.776	38.046
Finacial Expenses	(11.188)	(7.65)
Profit Before Taxes	10.624	30.488
Taxes	(1.478)	(4.366)
Net Profit	9.146	26.122

Net Profit

Otokar



Cash Flow Statement

Otokar

TRY thousand (IFRS)	31.Mar.2014	31.Mar.2013
Cash and Cash Equivalants at the begining of the period	8.884	47.906
Net cash provided by operating activities	239.859	(33.357)
Net cash used in investing activities	(10.182)	(16.811)
Pre-financing cash flow	229.677	(50.168)
Net cash used in Financing Activities	(177.622)	6.886
Net decrease/increase in Cash and Cash Equivalents	52.055	(43.283)
Cash and cash equivalents at the end of the period	60.939	4.623

TRY thousands	31.Mar.2014	31.Mar.2013
Current Assets	820.896	762.561
S. T. Liabilities	863.095	674.531
Working Capital	(42.199)	88.030

Net Financial Debts

Otokar

TRY thousand	31.Mar.2014	31.Mar.2013
Cash and Equivalents	60.939	4.623
Trading Securities	0	0
Other	0	0
Total Financial Assets	60.939	4.623

TRY thousand	31.Mar.2014	31.Mar.2013
S.T. Bank Loans	150.225	120.409
L.T. Bank Loans	253.000	243.392
Total Financial Debts	403.225	363.801

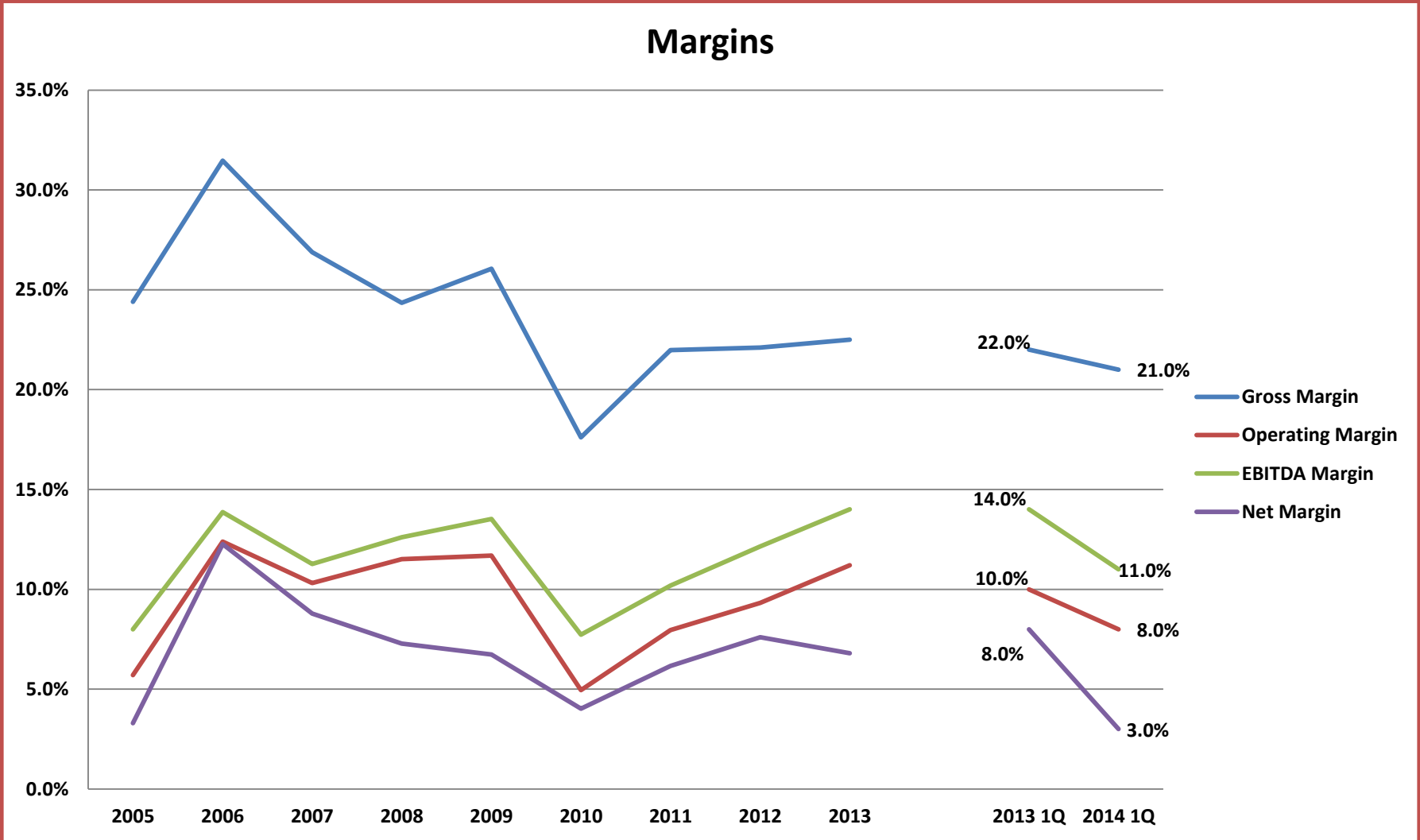
TRY thousand	31.Mar.2014	31.Mar.2013
Net Financial Debts	342.286	359.178

Financial Ratios And Margins

Otokar

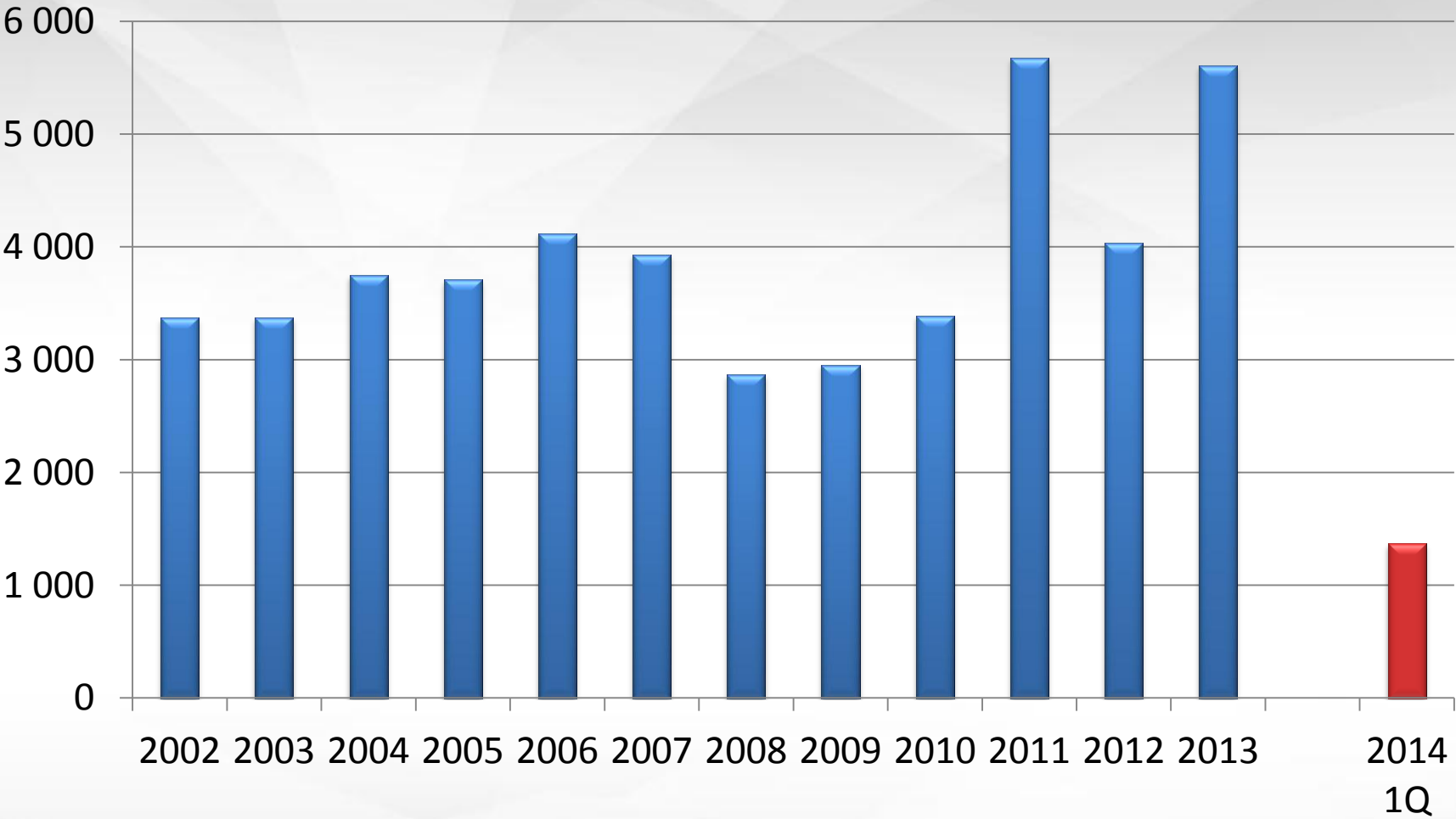
Financial Ratios	Mar.2014	Mar.2013
Current Ratio	0,95	1,13
Liquidity Ratio	0,53	0,71
Return On Equity	5 %	12 %
Return on Assets	0,66 %	3 %
Cur.Assets/Tot.Assets	59 %	65 %
Short Term Lia./Tot. Lia.	71 %	70 %
Tot.Lia./Tot.Assets	87 %	83 %

Margins	Mar.2014	Mar.2013
Gross Margins	21 %	22 %
Operating Margin	8 %	10 %
EBITDA Margin	12 %	13 %
Net Profit Margin	3 %	8 %



Production Units

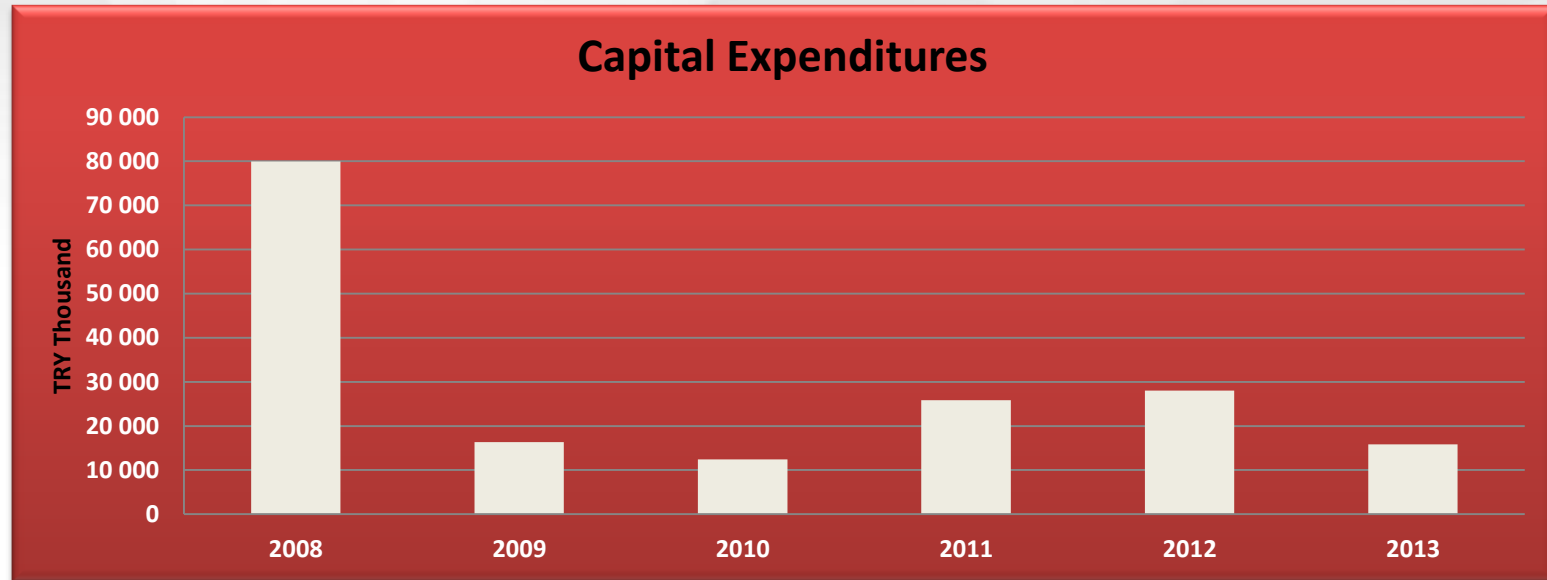
Otokar

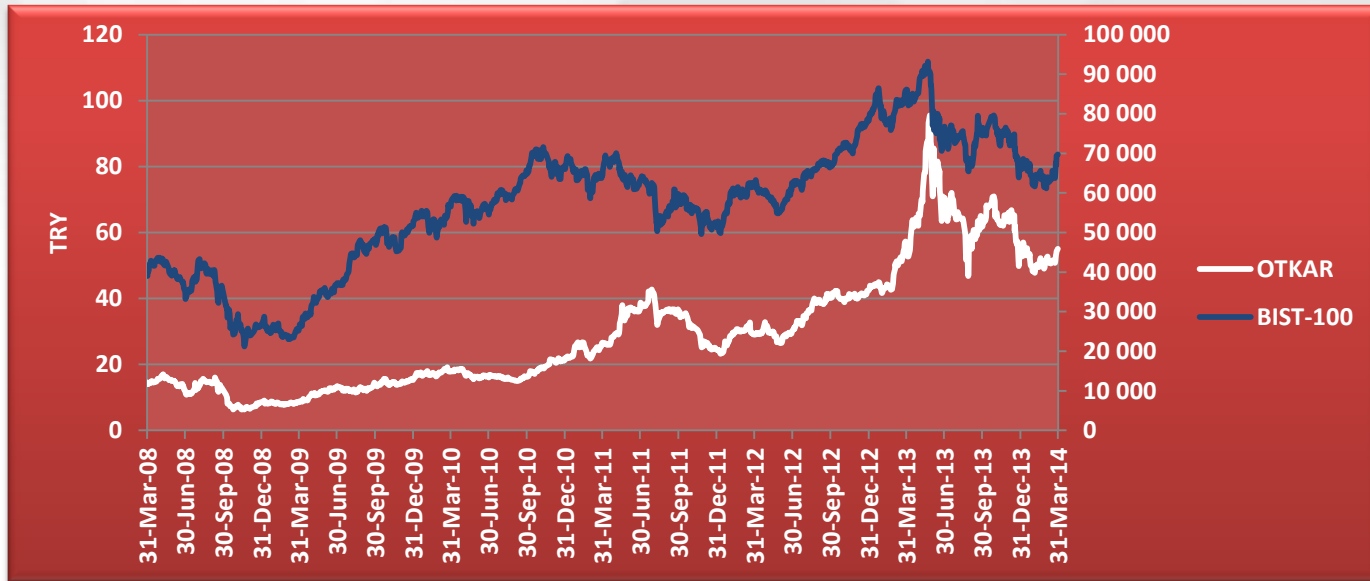


Revenue Distribution

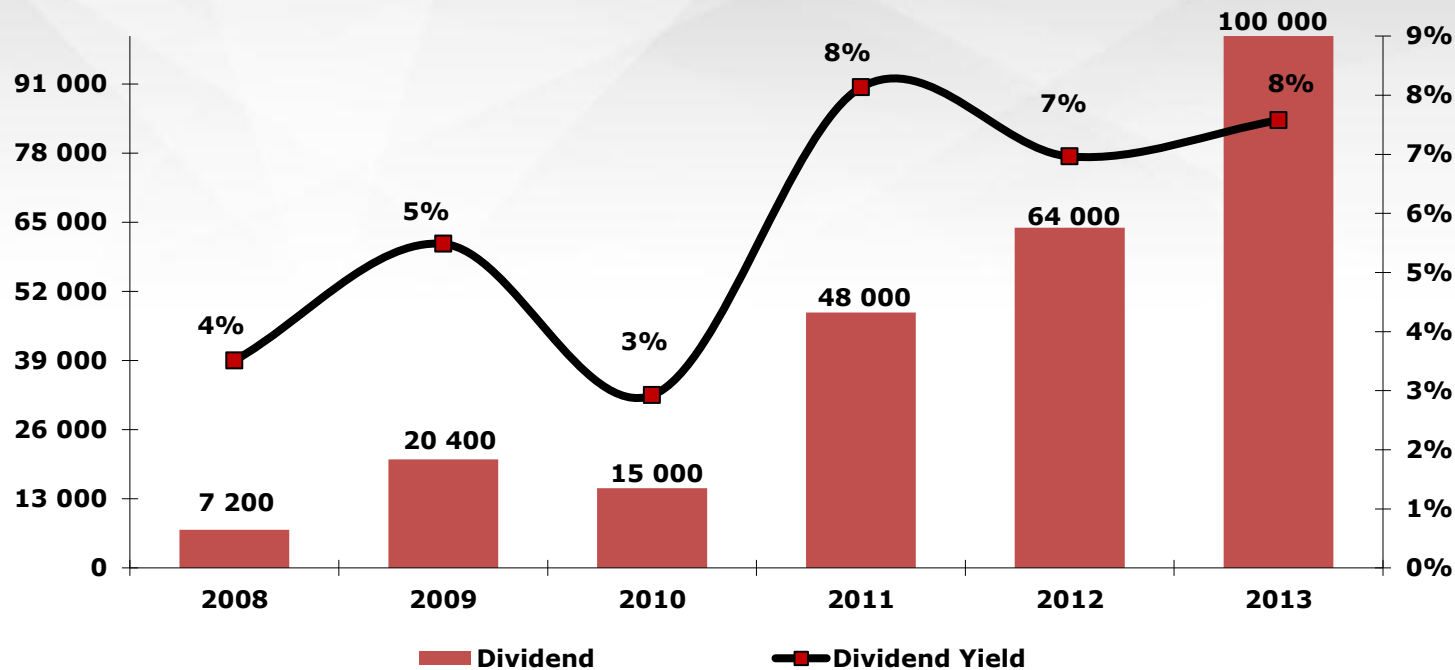


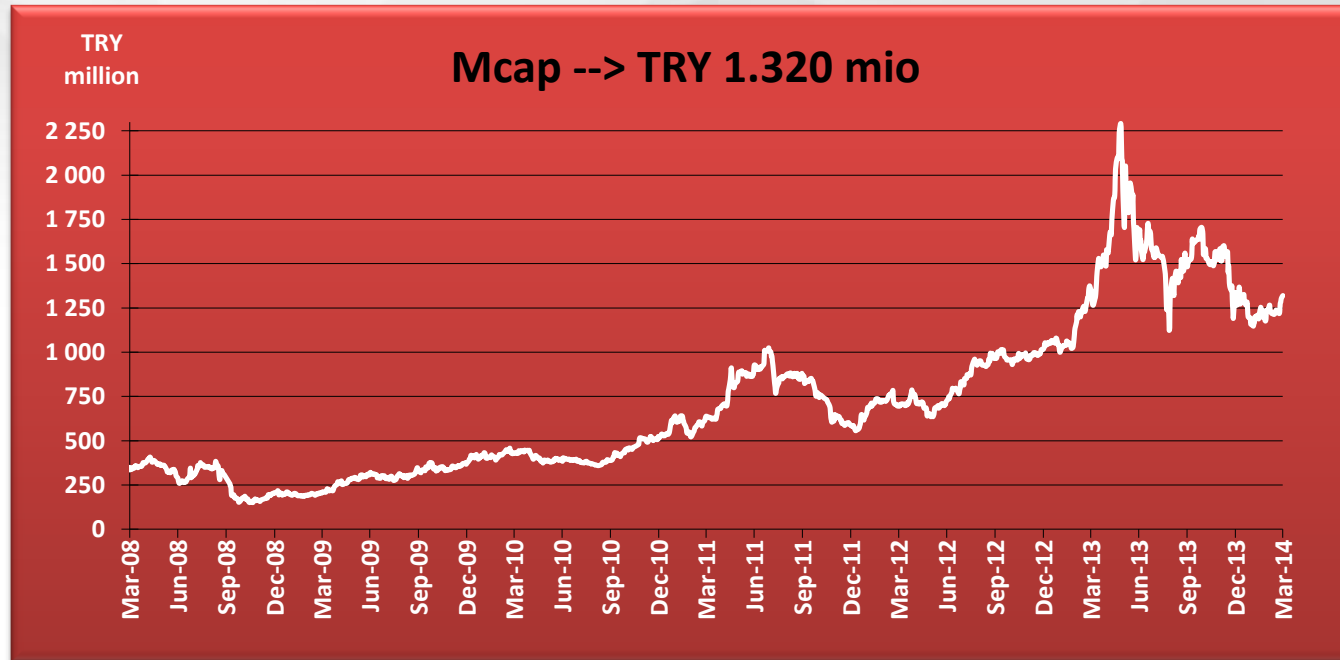


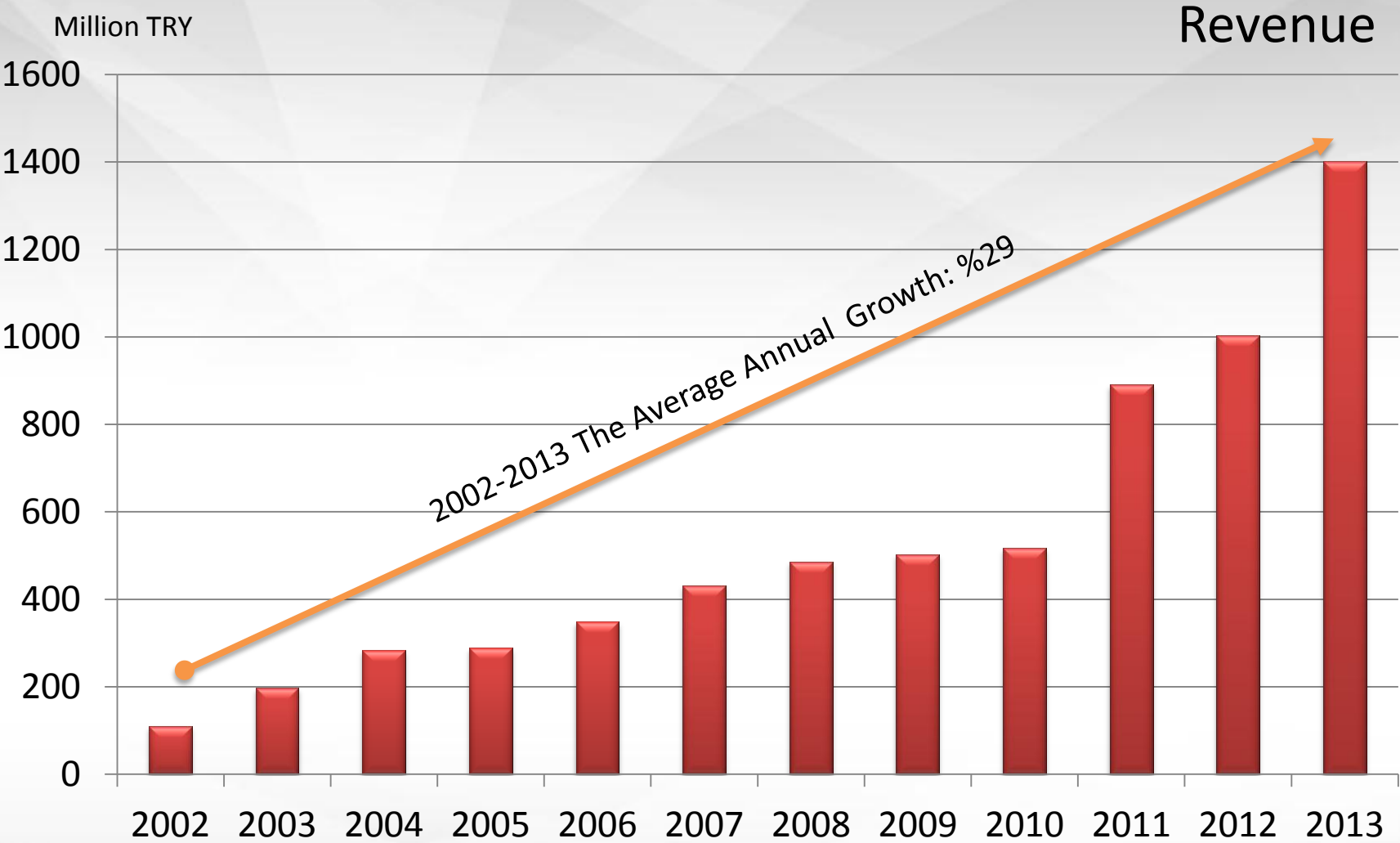




TRY thousand







Growth With Products Which License Rights Belong to OTOKAR

Otokar

%87

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

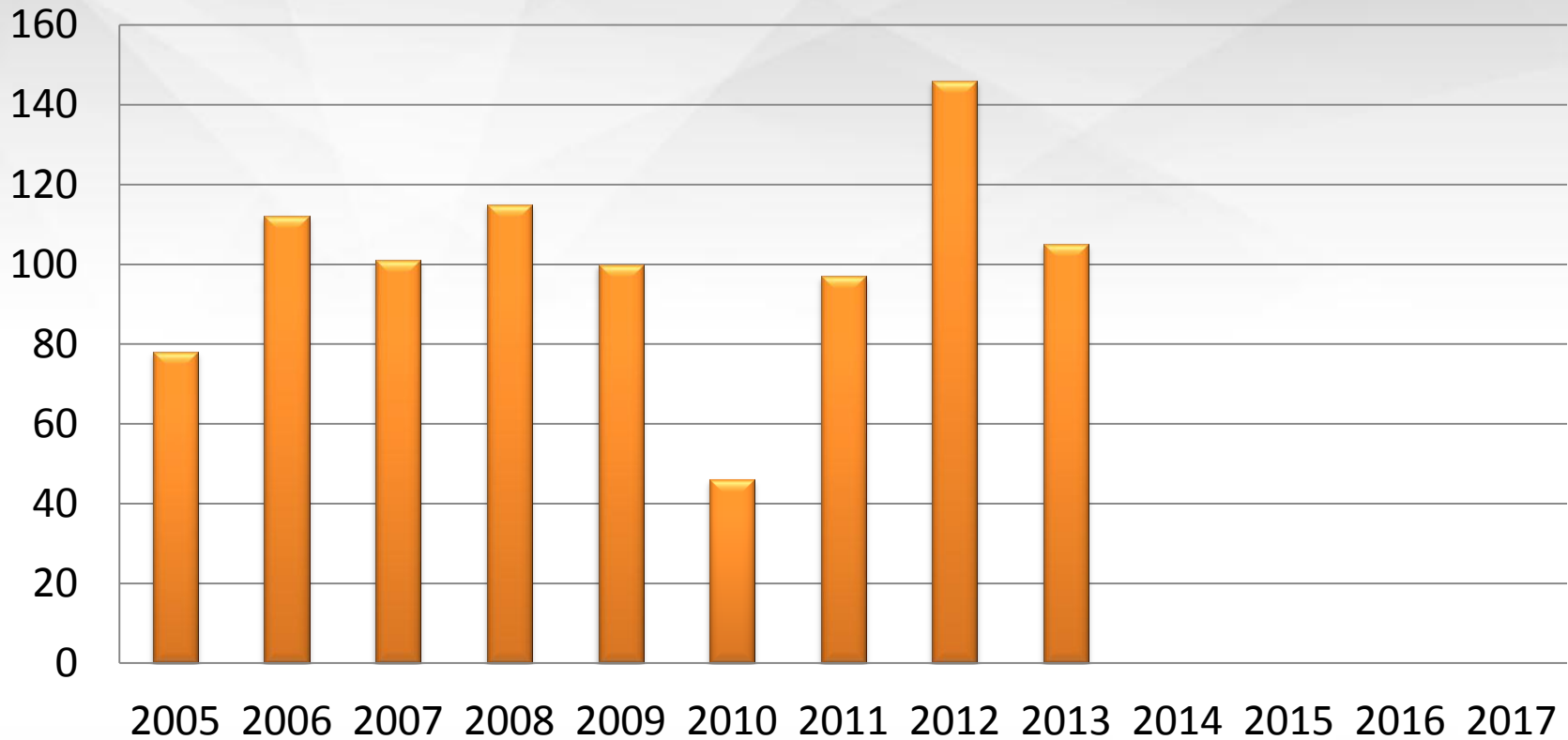


- Otokar branded vehicles in nearly 60 countries, on 5 continents
- Sales and service network spread over more than 200 destinations

Growth in Export Markets

Otokar

Million 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

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