

Annual Report
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Otokar Experience
Creating
Difference
45 years

Speed...

Definition and limits of the competition are being expanded; currently “speed” has become much more important than ever before.

Now, everybody lives in speedy manner... Now, the faster wins, but not the fast one. One must be running to survive, while running even faster to achieve success.

Contemporary living requires more than coping with prevailing speed for progress and growth, it requires to define and manage speed, to be the first in new markets, to realize better and faster sales, to manage the market's speed of change and to offer timely and best solutions to customers.



OTOKAR

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Otokar in Brief

Otokar Otobüs Karoseri Sanayii A.Ş. has been offering special solutions with its own technology, design and applications in the automotive industry in line with the requirements of the customers since 1963. Being a member of Koç Group, Otokar has been operating in its factory of 169.000 m² in Arifiye, Sakarya with 1124 employees. Otokar today manufactures minibuses, medium size buses, semi-trailers, tactical wheeled armoured vehicles and off-road vehicles.

Vision

Otokar develops its own technology and preserves the local and national identity of its products. It targets persistence satisfaction of customers, employees and partners with total excellence philosophy.

Mission

Main duty of Otokar is to design, manufacture and market commercial vehicles and various defence industry products in line with the requirements of the customers with a worldwide competitiveness.

Principles

Otokar aims at satisfaction of customers, sound growth and supply of products and services in universal quality and standards in accordance with the targets and principles established by the Koç Group. It targets to be a symbol of reliability, consistency and respectability for the country, customers, partners and subsidiary industry. Otokar regards the customers as a valuable asset. It works to be the best at all times. It believes that its most important capital is the human resources. It abides by the business ethics and working principles to create funds for continuous growth with the aim of delivering power to the Turkish economy from which it gets its power.

Chairman's Letter: MANAGING SPEED



Dear shareholders,

Our aim is to improve added value and earning we generate for our customers, shareholders and stakeholders. Every year, we set more challenging targets compared to the previous year and we are achieving greater self-improvement to bring Otokar to higher position. Definition and limits of the competition are being expanded; currently “speed” has become much more important than ever before.

Now, everybody lives in speedy manner ... Now, the faster wins, but not the fast one. Now we must be running to survive, while running even faster to achieve success. Inspired by these opinions, in 2007 we strived to be faster, to achieve better and to create more added values. Therefore, the concept of our Annual Report is defined as “speed”; we present you herewith the way we rapidly introduced the best appropriate solutions to customers' expectations, how we accomplished to be one step ahead in competition through our solutions, and our studies oriented towards productivity and protection of resources to attain sustainable growth within the environment of dazzling speed.

Considering the year 2007 in general terms, the automotive industry focused on export activities as result of decreasing demand in domestic market due to external influences. The decrease in heavy commercial vehicles was less severe due to internal dynamics of the sector. For Otokar, particularly the trend towards using busses for public transportation and the emergence of the trend for transition from trucks to semi-trailer trucks in logistics, based on steps taken within the process of accession to the European Union were the factors decreasing these effects.

In the defence industry, the nationalism policy in domestic market and emerging need for Otokar vehicles, which were developed through investments, yielded positive effects on the sector development, while the presence and acceptance of the Turkish defence industry in international arena made positive effects on demand.

Accordingly, we defined our strategies to expand the product range with vehicles meeting the market requirements and to enter into new markets backed by different approaches in order to get maximum benefit from latest developments and to minimise the adverse effects of external influences.

I am pleased to say that we have successfully attained our targets with these strategies and reached a turnover at the level of YTL 428 thousand with a growth of 27 percent. We have also successfully attained our target of obtaining one third of our turnover from the export activities which were realized as US\$ 100 million.

Otokar's ability to envisage the developments in market and to shape the market with its new products developed through its engineering and research and development efforts, being the owner of intellectual property rights thereon, has played important role to realise such success.

The models, including Doruk series in bus range, M-3000 in minibus range, Elliptic Tanker with ADR, Dampera and Iceliner in semi-trailer range, all designed and put into mass production within the framework of the customers' expectations and potential requirements to arise in the long term, became new members of our product range.

In international markets, we found out the niche areas and set our target as the European market for public transportation. We have expanded the sales and service network of our buses throughout Europe which are the leader in their own class in France. As result of these studies, our buses are currently used in several countries, such as Italy, Germany, France, Greece, Bulgaria, Rumania, Switzerland, Czech Republic, etc.

In 2007, we enjoyed the outcomes of R&D studies and technological investments we made in the defence industry and continued to develop new models in line with the customer needs and to sign agreements for meeting remarkable orders by the defence industry. Most important among these is the order placed in March for Cobra armoured vehicle, constituting the biggest order received by Otokar all at once up to date. In addition to the foregoing, Otokar has also executed different military vehicle agreements the deliveries of which will be completed in next two years, with total amount exceeding US\$ 250 million. We were proud for penetration into two markets, as a step towards our targets, with the armoured vehicle Cobra, which has proven itself in the world markets through signing such agreements.

Our greatest strength which enabled us to realise such achievements based on our customer-oriented approach and to meet the market requirements in a speedy way was our capacity of engineering and research & development ...

In the year 2007, we have obtained one of the greatest rewards for our strength and our experience in the defence industry. Otokar has recently been selected as the main contractor candidate for the design, prototype development, testing and validation of the first Turkish National Main Battle Tank in scope TLFC's requirements. By using the technology and know-how developed for 20 years in the area of defence, Otokar will mobilize its engineering power and R&D facilities and mobilise other local subcontractors to design a battle tank that will fully meet the requirements of the Turkish Armed Forces.

Another important development we experienced in the year 2007 was that our R& D and testing resourced offered us further opportunities for development of new and concept products, while providing us competitive edge through offering solutions for expectations in the most rapidly and appropriate manner. Thanks to such possibilities, we have the chance to design Doruk Hibra today, the first hybrid bus of Türkiye, improving our customers' vision; even there is no demand for the said product.

I believe that, in 2008, our new products added to our range of product in this year will meet the developing requirements of the markets in the best manner and we will offer the solutions to emerging expectations in the speediest manner.

Our target is to define and manage the prevailing speed offering the most appropriate solutions to expectations of our customers, but not just coping with the speed in the market.

We are sure that we will reap the harvest of our studies conducted in this respect in very near future. Envisaging that the importance of carriage of dangerous goods, the trend to return from truck to semi-trailer trucks and the growth trend in city bus in the domestic market shall continue in the following years, we aim to attain success in both domestic and international and in different models.

We aim to grow both in domestic and international defence industry relying on various facts, as that the armoured vehicles, already being present in various countries, constitute good reference and the nationalisation policy is followed for defence industry in the domestic market.

Following the agreement, we will accomplish our duty in the best manner based on our experience and capabilities for the first National Tank of Turkey.

We strive to maintain our sustainable growth in long term and to generate revenue for our esteemed shareholders based on business results, in order to ensure the continuation of your confidence and belief in our Company in the year 2008, as well, which is the 45th anniversary of our incorporation.

I hope that our 45th anniversary shall be a fast year full of success for Otokar.

Sincerely,



Kudret Önen
Chairman of the Board of Directors

Members of the Board of Directors



Kudret ÖNEN
Chairman

Mr Önen, born in 1953, university graduate, serving at Head of Koç Holding Inc., as Head of Defence Industry and Other Automotive Group.



Halil İbrahim ÜNVER
Vice Chairman

Mr Ünver, born in 1950, university graduate, serving at Chairman of Ünver Holding Inc.



Dr. Bülent BULGURLU
Member

Mr Bulgurlu, born in 1947, university graduate, serving as Member of the Board and CEO of Koç Holding Inc.



Alpay BAĞRIAÇIK
Member

Mr. Bağrıaçık, born in 1938, university graduate, served at Koç Holding Inc. as Head of Audit and Financial Group, retired in 2002 as Member of the Board and Consultant.



Ali Tarık UZUN
Member

Mr Uzun, born in 1964, university graduate, serving at Koç Holding Inc. as Head of Auditing Group



A. Serdar GÖRGÜÇ
Member, General Manager

Mr Görgüç, born in 1959, university graduate, serving as General Manager of Otokar Otobüs Karoseri Inc.



Taylan BİLGEL
Member

Mr Bilgel, born in 1942, university graduate, serving as Chairman of Orta Anadolu Otomotiv Ticaret ve Sanayi Inc.

Members of the Board of Auditors



Serkan ÖZYURT
Auditor

Mr Özyurt, born in 1968, university graduate, serving as Coordinator at the Auditing Group of Koç Holding Inc.



Metin UTKAN
Auditor

Mr Utkan, born in 1940, university graduate, serving as Certified Financial Counsellor as the Chairman and Founding Member of Utkan Certified Financial Counselling Company.

More Rapid Design, More Rapid Solution... Right Product for Right Customer

Analysing well the needs of the market and converting the expectations into demand, Otokar has effectively continued its studies for the development of its product range in the year 2007.

Technology for Speed

Having shaped the year 2007 with its innovative products being the first, Otokar has proven its justified challenge in its engineering and research-development studies.

Established to reproduce the actual road conditions at test stands for the vehicles designed and produced or to be produced by Otokar engineers and to ensure the performance of tests in a more speedy, safe and controllable environment, "Otokar R&D Centre" has played important role in these studies. Backed by this centre which was an important step in the development of the strong R&D team and resources of Otokar, Otokar improved its test possibilities and were enabled to introduce new products to the market in a speedier manner.

In the year 2007, Otokar presented its capacity in this field at the exhibitions, IDEF and Hannover Messe, the leading technology fair of the Europe. In both exhibitions, examples representing the technology and knowledge behind the success of Otokar in the field of automotive were exhibited.



9 Meter Has Never Been More Attractive...

Envisaging that the need for transportation would increase upon deployment of the settlement units towards the locations far from the city centres and that the public transportation vehicles would gain more importance paralleling the increase in the population, Otokar had started its studies on new bus series 3 years ago.

Studies were focused on medium-sized buses with higher manoeuvrability and being more cost-effective, compared to that of coaches, in narrow streets in centrum where coaches have difficulty to enter into and which have higher passenger carrying capacity than the minibuses.



Being aware of its growth potential in the future, Otokar has completed the first prototypes of the 9 meter bus series Doruk and added it as a new series to its range of products in the year 2007.

An incentive was obtained from TÜBİTAK (the Scientific and Technical Research Council of Türkiye) for the technology development studies conducted to develop the body structure of Doruk and to ensure that it is easily discriminated in respect of modularity. Advanced software and analysis capacity of Otokar were used for the developments in design and engineering. Prior launching its new bus Doruk to the market, Otokar has presented the prototype of the vehicle to 130 users and improved it further in line with the needs and expectations of the customers. The result is a completely tested, reliable and cost-effective product.

Foreseeing the evolving trend towards 9-meter public buses particularly in the Anatolia, Otokar focused on the city bus model of Doruk and introduced it to customers by a road show throughout Turkey.

The product was appreciated and drew attention at each location, where the users reached the consensus that Doruk is an economic bus for public transportation, after having tested it and witnessed its fuel saving feature. The sales began in September and Doruk has drawn remarkable interest of the users.



Otokar developed various models within the Doruk series, addressing different fields of use, such as intercity bus, urban bus and city busses.

The two new models introduced in the year 2007 and expected to be offered for sale in the year 2008 are aimed to become priority choice within a short period. With its low bottom entrance, its design suitable for disabled passengers, automatic gearbox and independent front axle, Doruk 190LE offers transportation solutions suitable to the conditions of the Turkish market and complying with the European standards. On the other hand, Doruk 190S is an economic solution for intercity transportation with its 35 passenger capacity.



M-3000: the Most Rapid Solution to Meet the Needs in Mardin

Otokar which is the priority preference of the public transportation throughout Türkiye has offered the most appropriate solution for the needs and expectations of the customers in the speediest way.

The increased passenger capacity in Mardin, where coaches cannot be used effectively due to the historical structure and the city layout, was responded by Otokar through the new minibuss series being studied on for a certain time period. M-3000 was developed according to the requirements of Mardin and the model for 19 passengers was presented to serve in Mardin. Following the Mardin delivery, the new minibuss, with alternatives of 14 and 19 passenger capacities, was offered for sale in December throughout Turkey.



First Hybrid Bus of Turkey

While continuing to develop new products on one hand, Otokar kept on trying new technologies for its products, which is the common practice of the leading automotive companies of the world.



Doruk 160LE Hibra presented in the year 2007 is the outcome of these studies and this strategy... Doruk 160LE Hibra which is a prototype bus designed by Otokar in the field of heavy commercial vehicle was developed on the Doruk LE series bus of Otokar. This vehicle is the first hybrid bus prototype of Turkey...

This new bus prototype, using the hybrid technologies being gradually widespread in the world, runs both electrically and with diesel. As compared with the busses running with fossil fuels only, it ensures low level of both fuel consumption and waste gases such as NOx and CO2. Being nature-friendly with this feature, the bus causes lesser environmental pollution by preserving natural resources. Furthermore, hybrid bus provides the customer with such advantages as lower operating costs and lower fuel saving at levels of 20 percent.



Doruk Hibra, considered to be a good example for the level of technology and design ability attained by Otokar in automotive industry, is also an important development for the whole sector due to ownership of such technology by Otokar and its ability to implement it, and the ability of a Turkish automotive company to design and develop such a products using its own engineering capability.

Pioneer for Carriage of Dangerous Goods

In Türkiye, carriage of dangerous goods is realised with the tankers, most of which have no certification and being produced for general transportation purposes, which leads to irremediable risks such as fire, environmental pollution or explosion in a possible accident. Furthermore, due to lack of using latest advanced transportation technologies at tanker site, including but not limited to electronic level measurement, electronic sealing and prevention of mixture, brings about economic risks such as smuggling and mixing of products with each other.

Otokar meets the needs in this field with new models and technologies added to its current range of products. Having produced the first ADR certified tanker semi-trailer in Türkiye, Otokar has maintained its market leadership for the last two years. The tankers are produced in accordance with ADR (The European Agreement concerning the International Carriage of Dangerous Goods by Road) standards which can be defined as the chain of standards introduced for ensuring that the hazardous substance transportation is made in safe and environment-friendly manner.



Considering the increasing importance of ADR and that the ADR certification will be a requirement within the context of the new regulation which will become effective in 2009, Otokar continued its studies to expand its product range. In the year 2007, the applications such as the "OTOKAR" branded new elliptic tanker semi-trailer which is comparatively light with improved stability and high volume of transportation and the aluminium tanker-on-truck with ADR which is the first in Turkey were added to its range of products.

In addition to its new tanker designs, Otokar has put into practice its electronic sealing, interference prevented electronic level measurement and satellite monitoring systems on the tanker semi-trailer vehicles for the first time in Turkey. Thus, it offered more reliable tankers which are capable to make exact measurement for appreciation of its customers.

A new impulse in Carriage of Perishable Foodstuff

Preserving its leadership at the market during the last 7 years thanks to the semi-trailers it has produced in the field of perishable foodstuff transportation, Otokar continued to develop its products in the year 2007 anticipating the changing and developing needs of its customers.

At the end of the last year, Otokar introduced innovations for the Iceliner vehicles depending on the market requirements and the increasing business volume. With the new Fruehauf Iceliner vehicles, different inner volume and height alternatives were presented depending on the trailer preferences of the customers.



In order to ensure that the applicable regulations about the carriage of the perishable foodstuff in the European Union are also applied in Türkiye and that the foodstuff transportation is made under hygienic conditions, Otokar endeavours to perform the duties it assumed under the Association of Trailer Producers and for transition of the contemporary way of transportation within the organization, further to its studies for product development.

In order to establish awareness in this respect and to promote its new products in this field, Otokar met with its customers at the meetings organized in November 2007 at Gaziantep, Antakya and Mersin.

A New Solution for the Growing Construction Industry

Envisaging the increase in need for the semi-trailer vehicles of damper model taking into consideration the developments in the construction and building sector, Otokar carried out new product studies in this field in the year 2007. The most prominent feature of Dampera, developed by Otokar in accordance with the demands and expectations of its customers, is the introduction of large volume, functionality, security, ease of use and aesthetic appearance in addition to low empty weight and high carrying capacity provided for the customers.

Orders Placed Following the Introduction of New Models

Otokar continued to enjoy the return of its research & development studies and investments made on technology regarding the defence industry. In 2006 the company surpassed Otokar record for armoured vehicles and in 2007 carried on the developments in its existing product range in accordance with the customers' expectations and needs.

In the year 2007, Otokar has been awarded with important defence industry orders. The most interesting one of these agreements was the order received in March for the armoured vehicle Cobra. With its total amount of YTL 167,5 million, together with spare parts and training sessions, this order was the highest one which Otokar has obtained all at once up to date.

The Cobra tactical wheeled armoured vehicles, the subject matter of the order, are produced using state-of-art technology, completely developed by the Turkish engineers; and are actively and successfully serving under various geographical and climate conditions of Türkiye and rest of the world.



New Areas, New Geographical Regions

Turkish National Main Battle Tank Project

Otokar has recently been selected as the main contractor for the design, prototype development, testing and validation of the first Turkish National Main Battle Tank in scope TLFC's requirements.

Otokar is proud of to be selected as main contractor for the design, development and qualification of the Turkish National Battle Tank. By using the technology and know-how developed for 20 years in the area of defence, Otokar will mobilize its engineering power and R&D facilities and mobilise other local subcontractors to design a tank that will fully meet the requirements of the Turkish Armed Forces.

This project will also enable Otokar and Turkish industry to extend its armoured technology and know-how which will contribute its any other future tactical armoured vehicles designs



Otokar has recently started the contract negotiations. It is expected that the contract negotiations will be completed in the year 2008.

New Developments in Defence Industry

Adopting the principle of increasing the export potential and entering into new markets as a strategy parallel to the targets of Koç Group, Otokar executed a defence industry agreement with total amount of over US\$ 250 million in the year 2007. Acting decisively to enter new markets as a Turkish brand, the company realised armoured vehicle sales in two new markets during 2007. Two further countries, as well, have preferred the Turkish design and construction armoured vehicle Cobra for their armed forces.



Expansion in Europe

Defining the Europe as its priority target market, Otokar proceeded towards its target making assertive steps during the last 3 years. Being the leader in France market for 7-meter category, Otokar has continued to expand its bus sales and service network towards new countries in the year 2007. Recently, the company has executed distributorship agreements with leading automotive companies in the month October.



Tracing the market meticulously in respect of new products, Otokar has found out as result of its studies that the trend in both European as well as in many other industrialized countries was directed towards the more usable buses of 9 meter with higher carrying capacity as compared to small buses and more economic than coaches. Otokar has designed the Vectio brand busses in line with this finding. Otokar aims to attain success with Vectio, as it did with Navigo series busses, different models of which are being used in many countries throughout the Europe, in next period.

Otokar has displayed the new models of the range of 9 meter Vectio busses in Busworld Kortrijk, which is the leading bus exhibition of the Europe, as well as displaying them in local fairs in which it has participated via its distributors.



Realizing bus sales in different geographies outside the Europe, this year Otokar was also preferred by Cabo Verde islands located at the western side of Africa.

Going Ahead Together

Communication with Strategic Partners

Being aware of the importance of joint growth and joint development in the sector, Otokar continued the cooperation and data exchange with the authorized sales and service network, its suppliers and the non-governmental organizations.

Meeting its authorised sales and service network during the year, the Company organised training sessions on various topics, such as innovations and new products, management and operation, further to due diligence and data exchange.

Being aware of its corporate social responsibility in the fields of its business scope, Otokar continued its active studies in various non-governmental organisations.

Close to Customers

Otokar participated in lots of commercial and military exhibitions organized in Turkey and other countries in the year 2007 for the purpose of to introduce its new models and the developments made for its vehicles to its customers and to establish establishing vis a vis relations with them.

Otobüs Fuarı 2007: Otokar exhibited its Sultan branded buses in the bus exhibition which was organized in January in Istanbul and which has drawn great interest of especially the city bus cooperatives and users.

Busworld Istanbul: Otokar launched its 9 meter Doruk range of products in the Busworld Istanbul.

Busworld Kortrijk: Targeting to grow in the European market with its Navigo and Vectio bus series, Otokar continued its promotional activities in these markets also during the year 2007. In the Belgian organisation of the Busworld Fairs, which is one of the leading exhibitions of the Europe, Otokar displayed the Navigo buses and the new models of the Vectio range of products. Concentrating on the distributorship in Europe, at Busworld Kortrijk Otokar executed distributor agreements with 7 companies for the German market. Furthermore, the French distributor of Otokar has realised the delivery of the Fast Concept Car 100 Navigo bus at the exhibition.



İzmir International Fair: Otokar participated in the 76th İzmir International Fair, one of the most essential exhibitions of Turkey, with its products such as Sultan, Doruk 190H and Doruk 190S, and its new damper semi-trailer Dampera and the tanker with Fruehauf ADR.

CV Istanbul: In the commercial vehicle exhibition organized by the associations named OSD, TAID and TAYSAD, Otokar presented all of its commercial product varieties for appreciation of the visitors. Doruk 160LE Hibra which is the first hybrid bus prototype of Turkey and Otokar Elliptic Tanker which is the first ADR certified Elliptic Tanker semi-trailer were displayed at the fair for the first time and received great interest.



IDEX: At IDEX 2007 which was held in February in the United Arab Emirates and is the largest defence industry fair of the Middle East, Otokar displayed its Armoured Internal Security Vehicle, the 20 mm Automatic Gun Platform model of the world famous tactical wheeled armoured vehicle Cobra and armoured personnel carrier Otokar APC.



IDEF: At IDEF organised in May 2007 in Ankara, Otokar displayed TAS Rocket Tower Cobra, 20 mm Automatic Gun Platform Cobra, Cobra EOD and Amphibious Cobra models of the world famous tactical wheeled armoured vehicle Cobra, and Otokar-Yavuz which is the first 8x8 armoured vehicle of Turkey. Otokar has presented the design and engineering capabilities of its armoured vehicles, which are known throughout the world and which has gained lots of successes, for appreciation of the visitors for the first time. Furthermore, Otokar introduced the technologies used for design of the Otokar military vehicles to M. Vecdi Gönül, Minister of National Defence and Murad Bayar, Undersecretary of Defence Industry who have visited the Otokar stand.



DSEI: At DSEI 2007 organised in September in England, Otokar displayed the Otokar APC vehicle and a new model of its world famous tactical wheeled armoured vehicle Cobra for the first time.



Fast and In-Situ Service

Designing its vehicles according to the needs of its customers, Otokar maintained its support to its customers through after sale services. After sale services offered to Otokar customers through "Clinical Days" were carried on in 2007 in various cities. Trabzon, Antalya, Erzurum, Çorlu/Tekirdağ and Diyarbakır were the cities where the said Clinic Days were organized in this year.

Acting with its mission being always the pioneer and creating differences, Otokar offered the buffer-to-buffer diagnostic and maintenance services to bus users, supported by huge discounts, at such "Clinical Days", imposing a different point of view to the after-sale services. The Otokar customers participating in the Clinic Days found the opportunity to communicate their comments on the vehicles and to get answer to their questions related to the vehicles.

In Pursuit of Productivity, Aware of Its Responsibility

Increasing the Productivity, Setting the Speed

Otokar continued to yield successful results to improve its speed in activities with different practices made to increase the productivity and to reduce the costs. In 2007, studies began in various areas, like SAP studies, which were initiated in 2007 for logistics and accounting process, and the Intranet “portokar” has become operational which improves the internal communication and data exchange while allowing effective use of information. In addition to the foregoing, the receipt of positive results in the projects started in the previous years was continued.

Hand in Hand towards Excellence

Having generated revenue amounting to US\$ 1 million through the projects completed in the year 2006 within the scope of the 6 Sigma studies started with the slogan “hand in hand towards excellence”, Otokar increased the revenue up to US\$ 1.6 million in the year 2007 with new projects and the growing 6 Sigma team.

In 2007, Otokar added 1 Black Belt and 9 Green Belts to the 6 Sigma team and increased the number of the projects expanding the scope of the 6 Sigma studies. Focused on production process in first two years of 6 Sigma studies, initiated in 2004, the Company widespread the 6 Sigma implementations to non-production processes in last two years with the projects designed on the improvement of logistics, purchasing and planning processes. Additional revenue generated through only the projects realised in 2007 reached US\$ 1.6 million, excluding the ongoing revenue generating effects of the projects realised in previous years.

Otokar Waiting for Suggestions

The Otokar Reward Proposal System became operational in 2006 and increased the productivity while making positive contributions for increasing the dedication and motivation of the employees. More than 700 suggestions were received in the year 2007 for the system initiated with the motto “Otokar waiting for your suggestions and rewards for you”.

Investment in Human Resources

Being aware of the fact that human resource is its most important capital, Otokar continued its studies for the development and satisfaction of its employees. While encouraging the employees to be more active through the Reward and Proposal System, important steps were taken in the development of the employees through training and career planning programs for their personal and career development, in addition to the coaching studies and training academies. The studies increasing satisfaction were also supported by clubs, reward ceremonies and social activities.



Responsibility While Growing Speedily

Adhering to the principle that the corporate social responsibility studies are inevitable for the sustainable growth, Otokar continued its studies in this field for the protection and development of the existing resources. Adopting the Global Compact, to which its parent company Koç Holding is a party, Otokar continued to make contribution for the development of the human rights and business standards, protection of the environment and strengthening of the struggle against fraud including the principles of the said Global Compact in its daily activities.

Responsible Neighbour

While providing contribution to the regional and national economy within the framework of the principles of Koç Group, Otokar continued to handle the needs of the neighbourhood it acts in with necessary sensitivity. Within this framework, the Company concentrated social responsibility studies primarily on the region where it operates and realised different projects during the year.

“For My Country”: With this project, it is aimed to determine one requirement in the region every year and to meet such requirement through common contribution of the employees and the company within the Koç Group, accordingly in 2007 efforts were made for the satisfaction of the requirements of both 37 girls living in the Hızırtepe Girl Education Dormitory in Sakarya and the general requirements of the dormitory.

Nursing Home: Repair works were carried out at and material shortages of the “Sakarya Benefactors' Association Nursing Home” with 70 old-age residents were removed.

Blood Donation: Otokar employees have provided support for the blood donation project of Kızılay (the Red Crescent in Turkey) in the presence of the company doctor and larger section of the employees has made blood donation voluntarily.

Support to Sports: Meeting the accommodation expenses of the Basketball Young National Team which will participate in the International 10th Hikmet Erdem Tournament realized in the Sakarya Atatürk Closed Sports Hall in the year 2007, Otokar has also given assistance to the promotion of Sakarya and the sport.

Encouragement of Next Generation

Giving considerable importance to the development of the cooperation between the universities and the industry and strengthening the research-development activities in the country, in 2007 Otokar has realised two different sponsorships in order to give support to the universities for the development of the technology. Otokar provided material source to the “Hi-Tech Racing Team” of the students of Middle East Technical University for their vehicles operated by hydrogen and to the “Saitem Team” of the students of Sakarya University as sponsor. The technical employees of Otokar has voluntarily given assistance for these sponsorships and shared their technical knowledge accumulations with the students.



Furthermore, Otokar has also played an active role in the issues such as giving assistance to the vocational education schools and providing the possibility of training at the factory for the development of the vocational high school students and creation of qualified workforce in the industry within the scope of the Country Issue Project of the Vocational High School of the Koç Group.

Preserving the Resources

Assuming the improvement of environmental consciousness and fulfilment of environmental responsibilities as its duty, Otokar has designed the first environment-friendly hybrid bus of Turkey in the year 2007 in line with its principle to consider new technologies to serve the protection of environment and social life, while meeting the customers' expectations with its activities and products.

In the year 2007, Otokar has conducted environment related activities such as enlargement of the waste area, improvements in the dye applications and ISO 14001 audits within its own organization, as well as realised the projects such as organisation of an environment meeting with auxiliary industries, ISO 14001 training and execution of the environmental supervisions of the auxiliary industries for the purpose to widespread the environmental awareness. In addition to the foregoing, the “Eko-Kar Environment Club” established by the employees in respect of environmental issues, organised training programs on the topic “Energy Saving at Houses and Environmental Awareness” at the primary education schools in the neighbourhood.

