

OTOKAR REPORTS 1Q 2012 RESULTS

In this report we submit 1Q 2012 figures to compare with 1Q 2011 figures. 1Q 2012 & 1Q 2011 financial results published in this press release are prepared according to International Financial Reporting Standards.

Highlights of 1Q 2012

- Otokar generated USD 96.0 million total revenues in 1Q 2012, 2% greater than 1Q 2011. Otokar's 1Q 2012 domestic revenues were USD 73.3 million and export revenues were USD 22.7 million. The increase in total revenues stemmed from the rise in sales of midibus&bus vehicles.
- Otokar generated USD 3.5 million net profit with a net margin of 4% in 1Q 2012.
- In the 1Q 2012, Otokar's production and sale units were 892 and 940 respectively.
- The planned dividend payment that was agreed at the General Assembly for the year 2011 was TL.48.0 million was paid on Mar 21, 2012.

Overview

OTOKAR IFRS P/L Statement Highlights	1Q 2012 USD (thousands)	1Q 2011 USD (thousands)	USD Based Change
Net Sales	95.989	93.993	2%
Cost of Sales	(78.192)	(72.738)	7%
Gross Profit	17.797	21.255	-16%
Operating Expenses	(13.288)	(14.352)	-7%
Operating Profit	4.509	6.903	-35%
Income/(loss) before minorities & taxes	3.415	6.512	-48%
Taxation	122	-657	-119%
Net Profit	3.537	5.855	-40%
EBITDA	8.025	9.890	-19%

Net Sales

The total revenues of 1Q 2012 is USD 96.0 million, 2% greater than the same period a year ago. The domestic revenues of 1Q 2012 rose by 5%. In 1Q 2012, the share of the exports in total revenues was 24% and the figure Otokar produced in exports was about USD 22.7 million. The significant growth among the export revenues came from midibus&bus sales with a rise by 333%. On the domestic side also, the increases by 46% and 47% in midibus&bus and the other revenues mainly consisting of the spare part and after-sales revenues was noteworthy.

On the shares in total revenue terms, the leader segment was the midibus and bus with a share of 43% and it was followed by armoured tactical vehicles and trailer segments with shares of 18% and 14% respectively. Whereas the export sales leader was armoured tactical vehicles with USD 15.8 million

	1Q 2012 USD (thousands)	1Q 2011 USD (thousands)	Change %
Domestic Sales	73.328	69.694	5%
Exports	22.660	24.298	-7%
Total	95.989	93.993	2%

revenues, the leader of the domestic sales was midibus and bus segment with USD 34.9 million revenues. Armoured tactical vehicle exports constituted 70% of all export revenues by itself. And in the domestic revenues the largest revenue derived from midibus&bus with a share of 48%. In 1Q 2012, the commercial vehicles constituted 57% of the total sales and 66% of domestic sales. Also 70% of the export revenues was stemmed from the defensive vehicles.

Profit

Gross profit was USD 17.8 million in 1Q 2011, with a gross margin of 19%.

Operating profit was USD 4.5 million in 1Q 2012 with an operating margin of 5%.

The company's EBITDA was USD 8.0 million in 1Q 2012, having an EBITDA margin of 8%.

Otokar's net profit was USD 3.5 million in 1Q 2012, having a net margin of 4%.

The company has continued to pay dividends to its shareholders as in previous years. The planned dividend payment that was agreed at the General Assembly for the year 2011 was TL 48.0 million which was paid on 21.03.2012. Dividend payment percentages for the last three years were like the following: From the profit of 2009, 2010 and 2011 the dividends distributed in 2010, 2011 and 2012 were: 85%, 62.5% and 200% respectively.

Investments

The total investment expenditure of Otokar was realised about USD 3.7 Million in 1Q 2012 which was spent on machinery and equipment investment for the R&D Center and modernisation processes. For the full year 2012, the planned investment expenditure figure is around USD 17.5 million which is planning to be spent on modernization and renovation of existing products and also on purchase of additional devices for production units.

Objectives

Otokar realizes its growth with the products of which intellectual property rights are owned by Otokar. Again for the year 2012 Otokar aims to grow with these products. Otokar determines its strategies as: To Grow in Defence Industry, To Enhance the Share of the Exports in Total Revenues and To Produce New Models the market needs. Despite the general opinion about 2012 is to be a stagnant or even worse year than 2011, especially with its already signed contracts Otokar aims to keep the 2011 revenues same as in 2012. In order to reach these targets, the first export agreement

of the year 2012, was about USD 12.5 million, signed with a new country. And very recently on Mar 29, 2012 Otokar established the first Tank Testing Center of Turkey in Arifiye Plant.

On the tank project side, the first stage of the project finished in 2011. The first stage was about the conceptual design of the Altay Main Battle Tank. In 2011, a model of Altay in exact size was exhibited in IDEF İstanbul 2011. The second stage is detailed design of Altay and by the end of 2012 Otokar aims to be presenting the first prototypes of Altay.

FINANCIALS

OTOKAR IFRS Balance Sheet	1Q 2012 USD (thousands)	1Q 2011 USD (thousands)
Current Assets	394.481	297.147
Current Liabilities	401.582	321.071
Working Capital	(7.102)	(23.924)
Property, Plant & Equipment -Net	64.733	63.128
Total Assets	550.677	435.831
Total Liabilities	453.843	327.521
Shareholders Equity	96.834	108.309

OTOKAR IFRS Balance Sheet	1Q 2012
Current Ratio	0.98
Liquidity Ratio	0.66
Current Assets / Total Assets	0.72
Current Liabilities / Total Liabilities	0.88
Total Liabilities / Total Liabilities & Shareholders' Equity	0.82

OTOKAR IFRS Statement of Cash Flow	1Q 2012 USD (thousands)
Cash and Cash Equivalents at the Beginning of the Period	2.522
Net Cash Provided by Operating Activities	28.193
Net Cash Used in Investment Activities	(7.954)
Pre-Financing Cash Flow	20.240
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	3.353
Net Increase in Cash and Cash Equivalents	23.593
Cash and Cash Equivalents at the End of the Period	26.114

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