

2017 1H FINANCIAL RESULTS

Dear Stakeholders,

By 39% increase compared to the same period of previous year, Otokar generated TRY 961,2 million in 2017 1H.

Sales (Thousand TRY)	2017 1H	2016 1H	Change (%)
Domestic	759.511	492.336	54,3%
Export	201.717	201.335	0,2%
Total	961.228	693.670	38,6%

In 2017 1H, Otokar's production and sales units were 1.271 and 1.466 respectively.

Units	2017 1H	2016 1H	Change (%)
Production	1.271	1.335	(5%)
Sales	1.466	1.598	(8%)

SUMMARY FINANCIAL STATEMENTS

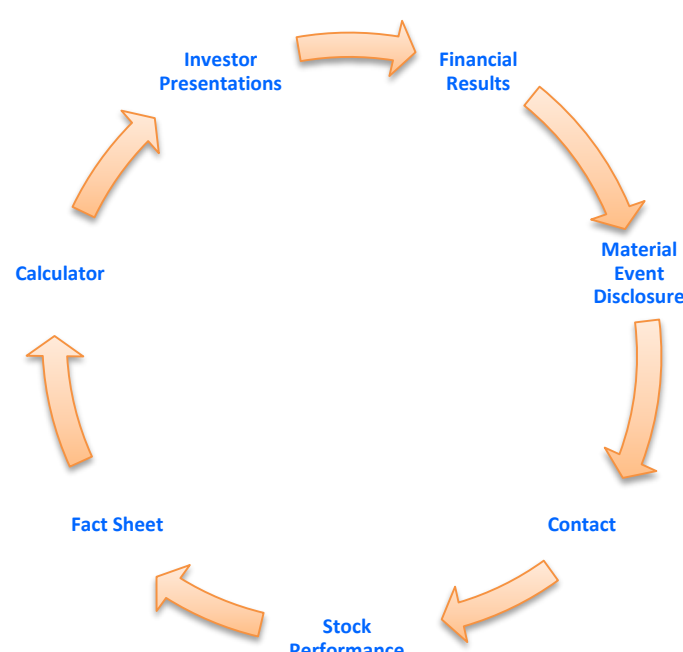
Income Statement (Thousand TRY)	2017 1H	2016 1H	Change (%)
Net Sales	961.228	693.670	38,6%
Cost of Sales	(742.962)	(518.673)	43,2%
Gross Profit	218.266	174.997	24,7%
Operating Expenses	(133.898)	(119.995)	11,6%
Operating Profit	84.368	55.002	53,4%
Financial Expenses	(57.509)	(36.323)	58,3%
Income(loss) before min&taxes	28.080	18.691	50,2%
Taxation	0	(2.953)	(100,0%)
Net Profit	28.080	15.738	78,4%
EBITDA	114.469	76.276	50,1%

Balance Sheet (Thousand TRY)	2017 1H	2016 1H
Current Assets	1.485.791	1.293.742
Current Liabilities	867.126	1.000.542
Working Capital	618.665	293.201
Property, Plant & Equipment –Net	99.441	103.870
Total Assets	1.839.166	1.665.317
Total Liabilities	1.629.720	1.476.753
Shareholders' Equity	209.446	188.564

Statement of Cash Flow (Thousand TRY)	2017 1H	2016 1H
Cash and Cash Equivalents at the Beginning of the Period	38.598	62.960
Net Cash Provided by Operating Activities	(254.019)	(16.810)
Net Cash Used in Investment Activities	(42.697)	(31.808)
Pre-Financing Cash Flow	(296.716)	(48.618)
Net Cash Obtained From Financing Activities	317.861	21.891
Net Increase in Cash and Cash Equivalents	21.429	(26.781)
Cash and Cash Equivalents at the End of the Period	60.027	36.179

Financial Ratios	2017 1H	2016 1H
Current Ratio	1,71	1,29
Liquidity Ratio	1,16	0,76
Current Assets / Total Assets	0,81	0,78
Current Liabilities / Total Liabilities	0,47	0,60
Current&Non-current Liabilities / Total Assets	0,89	0,89

Margins	2017 1H	2016 1H
Gross Margin	22,7%	25,2%
Operating Margin	8,8%	7,9%
EBITDA Margin	11,9%	11,0%
Net Margin	2,9%	2,3%



Dividend;

Year	Profit for the Period (TRY)	Dividend Amount (Thousand TRY)	Dividend Yield
2016	69.725.866	60.000	%2
2015	79.506.151	72.000	%3
2014	72.771.198	80.000	%4
2013	96.561.743	100.000	%8
2012	76.384.978	64.000	%7

Otokar has continued to pay dividends to its shareholders as in previous years. The planned dividend payment that was agreed at the General Assembly, dated 24.03.2017, for the year 2016 was TRY 60.0 million was paid on Apr 04, 2017.

Altay Tank Project

Within the scope of Turkish Main Battle Tank Project ALTAY, which the contract was signed in 2008, production of PV1 and PV2 prototypes which will be used for final acceptance and qualification tests has been completed in 2014. System qualification tests, one of the most important process within the scope of the third and the last phase "Prototype Production and Qualification", were executed successfully between April,2015 and March,2017 and additionally, under related article of the existing contract, proposal for Altay Project Phase II Serial Production Stage related with production of 250 tanks and its Integrated Logistics Support activities has been submitted to Undersecretariat for Defence Industries (SSM) on 18.01.2016 and the BAFO (Best And Final Offer) has been submitted to SSM on 29.08.2016. It has been reported to our company by SSM on 09.06.2017, that the offer has been evaluated in all aspects of administrative, financial and technical however due to not being able to agree upon in the terms of contract, especially price is being in the first place, it is notified that our offer was not approved and the requirement for the project has been decided to be fulfilled with a new tender. The request for Altay serial production proposal document was released on July,2017 by SSM and Otokar was invited to the tender.

Investments

Otokar has continued to invest on R&D activities field in 2016 like the previous years. Total investment expenditure of Otokar was realized over USD 5 Million in 2016.

Fairs;

Otokar attended with its defence vehicles in February 2017 United Arab Emirates IDEX 2017, in April 2017 LAAD 2017 in Brasil and in May 2017 IDEF 2017 in Istanbul and with its commercial vehicles in April 2017 in Berlin Bus2Bus and in May 2017 UITP Montreal fairs.

DISCLAIMER

This Bulletin is prepared for our stakeholders to get the informations about the activities of our company easier, containing the summary informations in the 2017 1H financial statements that are disclosed on Public Disclosure Platform. In case of a discrepancy between this bulletin and the financial statements, financial statements shall prevail.