

### OTOKAR REPORTS 1H 2009 RESULTS

#### “Temporary Slowdown in Figures Before Better 3<sup>rd</sup> and 4<sup>th</sup> Quarters”

In this report we submit 1H 2009 figures to compare with 1H 2008 figures. 1H 2009 & 1H 2008 financial results published in this press release are prepared according to International Financial Reporting Standards.

#### Highlights of 1H 2009

- Otokar generated USD 59.3 million export revenues in 1H 2009, 25.5 % greater than 1H 2008. In addition to this, the share of the exports in revenues reached to 48 %, whereas it was 25 % and 31 % in 1H 2008 and FY 2008 respectively.
- In 1H 2009, the company recorded USD 124.6 million sales revenues. There is a decrease of 33.8 % in total revenues which was caused mainly because of the depreciation of Turkish Liras and temporary slowdown in economic activity. The decrease in revenues was lower than the contraction in the units of production and sales. The production units contracted by 52 % and also the decrease in unit sales was 51 %. This indicates the company’s conscious strategy to get rid of the expected economic stagnancy by focusing on lucrative products.
- The planned dividend payment that was agreed at the General Assembly for the year 2008 was TL.7.2 million which was paid on Apr 13, 2009.

#### Overview

| <b>OTOKAR<br/>IFRS<br/>P/L Statement Highlights</b> | <b>1H 2009<br/>USD<br/>(thousands)</b> | <b>1H 2008<br/>USD<br/>(thousands)</b> | <b>USD Based<br/>Change</b> |
|---|--|--|-----------------------------|
| Net Sales   | 124.588                                | 188.087                                | -34%                        |
| Cost of Sales                                       | 82.295                                 | 133.174                                | -38%                        |
| Gross Profit  | 42.293                                 | 54.913                                 | -23%                        |
| Operating Expenses                                  | 22.201                                 | 25.075                                 | -11%                        |
| Operating Profit                                    | 20.092                                 | 29.838                                 | -33%                        |
| Income/(loss) before minorities & taxes             | 10.023                                 | 35.550                                 | -72%                        |
| Taxation  | -274                                   | -6.053                                 | -95%                        |
| Net Profit  | 9.749                                  | 29.497                                 | -67%                        |
| <b>EBITDA</b>                                       | <b>23.084</b>                          | <b>31.911</b>                          | <b>-28%</b>                 |

### *Net Sales*

The total revenue of 1H 2009 was USD 124.6 million, 33.8 % lower than the same period of the previous year. Although the domestic sales decreased by 53.7 % in the 1.H'09, an upward movement in exports was maintained in the ratio of 25.5%.

OTOKAR continued to register the export revenues in spite of the worsening of global economic conditions. This year's leader segment was again armoured tactical products with its 47 % increased export revenues. Armoured tactical products have constituted 70.7 % of all export revenues by itself. Another noteworthy exports figure was the bus&midibus exports amounting to USD 10.9 million which is % 19.0 of the exports revenue.

|                | <b>1H 2009<br/>USD<br/>(thousands)</b> | <b>1H 2008<br/>USD<br/>(thousands)</b> | <b>Change<br/>%</b> |
|----------------|--|--|---------------------|
| Domestic Sales | 65.245                                 | 140.795                                | -54%                |
| Exports        | 59.342                                 | 47.291                                 | 25%                 |
| <b>Total</b>   | <b>124.588</b>                         | <b>188.087</b>                         | <b>-34%</b>         |

### *Profit*

Gross profit in 1H 2009 was USD 42.3 million with a gross margin of 33.9 %.

In 1.H'09, operating profit decreased by 32.7 % to USD 20.1 million with and operating margin of 16.1 %.

The company's EBITDA was USD 23.1 million and EBITDA margin was 18.5 % in 1.H'09.

Otokar's net profit was USD 9.7 million and net margin was 7.8 % in 1.H'09.

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 2008 was TL 7.2 million which was paid on 13.04.2009.

### *Investments*

The total investment expenditure of the year 2008 was realised as USD 61.9 million. For 2009, the planned investment expenditure figure is around USD 10-15 million to be spent firstly on R&D then on facilities to add new products to the product range. The investment figure performed in the first half of 2009 amounted to USD 4.000.000.

### *Objectives*

Otokar attended two big tenders of the Undersecretariat for Defence Industry totalling to 4.131 units of military vehicles. One of them is 1411 tactical wheeled armoured vehicle (336 units) and weapon carrier vehicle (1075units). It's expected that the results of the tender will be announced in the forthcoming months. The other tender was for the procurement of 2720 units of tactical wheeled vehicles and Otokar was honoured to produce 861 vehicles out of 2720 units. The official signature was signed on May 2009. The tender results will have a positive effect on the second half of 2009 and first half of 2010 revenues of Otokar. Otokar targets to generate a total revenue of USD 340 million for 2009. Also Otokar plans to generate total export revenues of USD 110 million. In 2009, Otokar continued the studies on new commercial vehicles to add to its product range. In this context previously Otokar presented the Doruk into the market. The last vehicle added to its product range was KENT. Otokar presented KENT to the market on June 2009 in order to meet the market demands in public transport market of 12-meter segment.

The foregoing effect of the depreciation in Turkish Liras is valid also on the following balance sheet items.

### FINANCIALS

| <b>OTOKAR<br/>IFRS<br/>Balance Sheet</b> | <b>1H 2009<br/>USD<br/>(thousands)</b> | <b>1H 2008<br/>USD<br/>(thousands)</b> |
|--|--|--|
| Current Assets                           | 250.821                                | 202.937                                |
| Current Liabilities                      | 252.694                                | 150.464                                |
| Working Capital                          | -1.873                                 | 52.473                                 |
| Property, Plant & Equipment -Net         | 62.744                                 | 33.722                                 |
| Total Assets                             | 355.660                                | 275.325                                |
| Total Liabilities                        | 256.034                                | 154.699                                |
| Shareholders Equity                      | 99.626                                 | 120.130                                |

| <b>OTOKAR<br/>IFRS<br/>Balance Sheet</b>                     | <b>1H 2009</b> |
|--|----------------|
| Current Ratio  | 0.99           |
| Liquidity Ratio  | 0.61           |
| Current Assets / Total Assets                                | 0.71           |
| Current Liabilities / Total Liabilities                      | 0.99           |
| Total Liabilities / Total Liabilities & Shareholders' Equity | 0.72           |

| <b>OTOKAR<br/>IFRS<br/>Statement of Cash Flow</b>                         | <b>1H 2009<br/>USD<br/>(thousands)</b> |
|---|--|
| Cash and Cash Equivalents at the Beginning of the Period                  | 40.909                                 |
| Net Cash Provided by Operating Activities                                 | 19.489                                 |
| Net Cash Used in Investment Activities                                    | -5.913                                 |
| Pre-Financing Cash Flow   | 13.576                                 |
| Net Cash Used in Financing Activities and Effect of Exchange Rate Changes | -10.588                                |
| Net Increase in Cash and Cash Equivalents                                 | 2.988                                  |
| Cash and Cash Equivalents at the End of the Period                        | 43.897                                 |

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