

**MINUTES OF 48th ORDINARY GENERAL MEETING OF
OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. ON 15.03.2011**

Ordinary General Meeting of Otokar Otomotiv ve Savunma Sanayii Anonim Şirketi relating to the activity year 2010 has held on 15.03.2011, at 10:00, in Divan City Büyükdere Cad. No: 84 Gayrettepe İstanbul with the observation of Mr Ömer Kurtlar the representative of Ministry, who is appointed with 14.03.2011 dated and 13782 numbered letter of Republic of Turkey Ministry of Industry and Trade, Provincial Directorate of Industry and Trade İstanbul.

The invitation relating to the meeting is declared in 21 February 2011 – No: 7756 issue of the Turkish Trade Registry Gazette, 21 February 2011 issues of Milliyet and Dünya newspapers and in the internet site of our Company www.otokar.com.tr as deemed in the Law and Articles of Association and within the time.

It is understood by the examination of the list of attendants; 17.782.337.560 shares which correspond to 17.782.337.56 TL capital is represented in personal and 1.171.660 shares which correspond to 1.171,66 TL capital is represented by proxy and 17.783.509.220 shares are represented in total over the 24.000.000.000 shares which correspond to 24.000.000 TL capital and since the quorum is provided as per to the law and Articles of Association, the meeting has opened by Mr Kudret Önen.

Below decrees are decided in consequence of the negotiations pursuant to the agenda.

- 1- As the result of the election for the Chairing Board of the Meeting, Mr Kudret Önen is elected as the Chairman of General Meeting, Mr Metin Utkan and Mr İrfan Özcan is elected as the Vote Collection Officer and Mr Hüseyin Odabaş is elected as the Meeting Clerk by majority vote.

The chairman has greeted the participants and declared to negotiate the second article of the agenda.

- 2- The chairman has claimed to read the report summary of Independent External Audit Institution Güney Serbest Muhasebeci Mali Müşavirlik A.Ş., Report of the Board of Directors and Auditor's Report about 2010 activity year in accordance with the Article 2 of the agenda. Mr Kudret Önen, member of the Board of Directors has read the report of the Board of Directors and Mr M. Metin Utkan has read the Auditor's Report. The clerk has read the Independent External Audits report of Güney Serbest Muhasebeci Mali Müşavirlik A.Ş and financial statement audited in accordance with the International Financial Reporting Standards (IFRS) pursuant to "Communiqué relating to Accounting Standards on Capital Markets" of Capital Markets Board Serial XI-29 and negotiations has begun. After the negotiations financial statements prepared according to non-consolidated 2010 year IFRS principle and financial statements that prepared in accordance with tax procedure law has accepted with the majority of votes with 63.491.000 abstention votes of Ishares MSCI Turkey Investible Market, 2.454.000 abstention votes of Emerging Markets Small Capitalization Equity Index Non Lendable Fund B and 8.032.000 abstention votes of Emerging Markets Small Capitalization Equity Index Non Lendable Fund.

In addition pursuant to 10.12.2004 dated and 48/1588 numbered decree of the Capital Markets Board Corporate Management Principles Compliance report of the Company in the year 2010 has read and shareholders are informed.

- 3- The chairman represents to release members of the Board of Directors and auditors for the activities in the year 2010 separately to submit of the General Meeting. Members of the Board of Directors have released by not using votes that are born by their shares for with the majority of the votes.

4- Information on profit distribution policy that is summarized as "Profit distribution with the highest amount available with predictable and steady level except huge investment and serious economic crisis terms" has shared by determining Activity Reports and Corporate Management Principles Compliance Reports and aforementioned policy will be continued in the 2010 year and following years. Ishares MSCI Turkey Investible Market has abstained with 63.491.000 votes, IBM Savings Plan has abstained with 10.657.000 votes, Emerging Markets Small Capitalization Equity Index Non Lendable Fund B has abstained with 2.454.000, Markets Small Capitalization Equity Index Non Lendable Fund has abstained with 8.032.000 votes, NLCF FUND LP has abstained 48.820.000 votes and NEON LIBERTY has abstained with 182.700.000 votes.

5- The negotiations of the offer in the Report of the Company Board of Directors on the distribution of the 2010 year dividend has begun.

- According to the financial statements that are prepared in compliance with the regulations of Capital Markets Board and audited independently, 20.076.855 TL profit has determined, after allocating 701.459 TL deferred tax, 20.778.314 TL has remained.
- 36.775.509 TL net term profit has calculated according to the legal registries,
- According to Article 466 of the Turkish Commercial Code, since the current first order contingency reserve corresponds to 20 % of the capital, there is no need to allocate Primary Legal Contingency Reserve,
- The total distributable profit is 36.775.509 TL according to the legal registries,
- First dividend amount has calculated by adding 332.366 TL donation to 20.778.314 TL profit amount after the tax as 21.110.680 TL.
- The first dividend amount that will be distributed to the shareholders has determined as 4.222.136 TL by adding 20 % to this amount as implied in the Decree 4/138 and 08.02.2008 of the Capital Markets Board.

As the result of the negotiations, followings are determined:

- It is accepted with the majority of the votes as following in compliance with the provisions of Turkish Commercial Code, Capital Markets Legislation and Articles of Association for the net balance sheet profit 20.778.314 TL

- Primary Legal Contingency Reserve	0 TL
- Primary Dividend to Shareholders	4.222.136 TL
- Secondary Dividend to Shareholders	10.777.864 TL
- Secondary Order Legal Contingency Reserve	1.380.000 TL
- Extraordinary Contingency Reserve	<u>4.398.314 TL</u>
- Total Net Period Profit	20.778.314 TL

To compensate 15.000.000 TL part by the non-exception earnings of the current year,

- It is unanimously decided to distribute 15.000.000 TL cash dividend with 62,5 % rate (0,62500TL gross=net for 1TL share) for legally obligated entities and limited tax payer institutions who gets income via an office or permanent representative in Turkey and with 53.125 % rate to other shareholders (0,53125 TL gross=net for 1TL share) and to begin dividend distribution on 22.03.2011.

6- In accordance with the 6th article of the agenda relating to discussion on the election of the membership of the board of directors. The candidate declarations of Mr Halil İbrahim Ünver certified by 2nd Notary Public of Sakarya with 04.03.2011 and 3767 Roll Number,

Mr Osman Turgay Durak certified by 4th Notary Public of Kadıköy with 21.01.2011 and 5481 Roll Number, Mr Taylan Bilgel certified by 2nd Notary Public of Sakarya with 04.03.2011 and 2944 Roll Number, Mr Ali Tarık Uzun certified by 4th Notary Public of Kadıköy with 21.01.2011 and 5483 Roll Number, Mr Alpay Bağrıaçık certified by 4th Notary Public of Kadıköy with 21.01.2011 and 5460 Roll Number, Mr Ahmet Serdar Görgüç certified by 2nd Notary Public of Sakarya with 07.03.2011 and 3874 Roll Number, Mr Tuğrul Kutadgobilik certified by 2nd Notary Public of Sakarya with 04.03.2011 and 3768 Roll Number have seen by the representative of the Ministry of Industry and Trade. As the result of the election the member number of the board of directors have determined as 8. Mr Kudret Önen, the proxy of Koç Holding A.Ş. and who have attended general meeting physically, Mr. Osman Turgay Durak, Mr Alpay Bağrıaçık, Mr Ali Tarık Uzun, Mr Taylan Bilgel, Mr Ahmet Serdar Görgüç and Mr Tuğrul Kutadgobilik who have not attended general meeting and have candidate declarations, Halil İbrahim Ünver the proxy of Ünver Holding A.Ş. have elected with the majority of the votes until the General Meeting that will be held to examine the 2011 accounts.

Information on the CVs of the members of the Board of Directors have shared.

- 7- In accordance with the 7th article of the agenda relating to discussion on the election of the auditors. The candidate declaration of Mr Mehmet Apak certified by 4th Notary Public of Kadıköy with 05.01.2011 and 00723 Roll Number has seen by the commissar of the Ministry of Industry and Trade. As the result of the election the member number of the Auditors have determined as 2 and Mr Mehmet Çağlar and Mr Mustafa Metin Utkan have unanimously elected until the General Meeting that will be held to examine the 2011 accounts.
- 8- It is decided with the majority of the votes to pay gross 750 TL to the members of the Board of Directors, gross 400 TL to the Auditors monthly. College Retirement Equities Fund Llc. has abstained with 150.000 votes.
- 9- Information about 332.366 TL donations to the foundations and associations has shared with the general meeting. IBM Savings Plan has abstained with 10.657.000 votes, Ishares MSCI Turkey Investible Market has abstained with 63.491.000 votes, Emerging Markets Small Capitalization Equity Index Non Lendable Fund B has abstained with 2.454.000, Markets Small Capitalization Equity Index Non Lendable Fund has abstained with 8.032.000 votes, NLCF FUND LP has abstained 48.820.000 votes and NEON LIBERTY has abstained with 182.700.000 votes.
- 10- Information about the descriptions in the postscript of balance sheet No 25 about related parties of the Company has shared.
IBM Savings Plan has abstained with 10.657.000 votes, Ishares MSCI Turkey Investible Market has abstained with 63.491.000 votes, Emerging Markets Small Capitalization Equity Index Non Lendable Fund B has abstained with 2.454.000, Markets Small Capitalization Equity Index Non Lendable Fund has abstained with 8.032.000 votes, NLCF FUND LP has abstained 48.820.000 votes and NEON LIBERTY has abstained with 182.700.000 votes.
- 11- In accordance with the Communiqué on Independent Audit Standards in Capital Market that is released by the Capital Markets Board, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) has elected for the audits that will be performed in 2011 by the majority of the votes for 1 year. College Retirement Equities Fund Llc. has abstained with 150.000 votes.

- 12- It is accepted by the majority of the votes that to grant of permission to the Board of Directors pursuant to the articles 334 and 335 of the Turkish Commercial Code to grant permission to the Members of the Board of directors to carry out such businesses falling into the scope of the subject of the Company personally or on behalf of others and to invest in such companies which are engaged in such businesses.
- 13- Chairman of the General Meeting has claimed to vote to give authority to the Chairing Board to sign the Minutes of the General Meeting on behalf of the Shareholders and to the effect that it be deemed suffice.
- 14- Greetings have presented for the result of the General Meeting and wish of success has presented for the following years.

IBM Savings Plan has abstained with 10.657.000 votes, Ishares MSCI Turkey Investible Market has abstained with 63.491.000 votes, Emerging Markets Small Capitalization Equity Index Non Lendable Fund B has abstained with 2.454.000, Markets Small Capitalization Equity Index Non Lendable Fund has abstained with 8.032.000 votes, NLCF FUND LP has abstained 48.820.000 votes and NEON LIBERTY has abstained with 182.700.000 votes.

Herein minutes have arranged at the meeting place, it has read and signed. 15 March 2011

Commissar of Ministry of
Industry and Trade
ÖMER KURTLAR
Signature

Chairman of the General Meeting
KUDRET ÖNEN
Signature

Vote Collection Officer
M. METIN UTKAN
Signature

Vote Collection Officer
IRFAN ÖZCAN
Signature

Clerk of General Meeting
HÜSEYİN ODABAŞ
Signature

PROFIT DISTRIBUTION PROPOSAL FOR THE ACCOUNT PERIOD OF 01.01.2010-31.12.2010

According to our financial statements pertaining to the account period of 01.01.2010-31.12.2010 which have been issued by the Company in compliance with the International Financial Reporting Standards and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the provisions of the “Communiqué” XI-29 of the Capital Market Board, “Non-consolidated Net Profit in the Period” amounting to 20.778.314 TL has been earned. Our proposal for the profit distribution prepared by taking into account our long term corporate strategy, the capital requirements of the Company, the investment and financing policies, and the profitability and cash position is given below. As per the resolution to be taken by the General Meeting, payment of the dividend will start on 22.03.2011

Otokar Otomotiv ve Savunma Sanayi A.Ş. Profit Distribution Statement 2010 (TL)			
1. Paid-up/Issued Capital			24.000.000
2. Total Legal Contingency Reserves (based on the Statutory Records)			16.738.147
Information about any privilege provided in the articles of association regarding the profit distribution			
		According to the Capital Market Board	According to the Statutory Records
3.	Profit in the Period	20.076.855	41.357.029
4.	Taxes Payable (-)	701.459	- 4.581.519
5.	Net Profit in the Period (=)	20.778.314	36.0775.509
6.	Losses in Previous Years (-)		
7.	Primary Contingency Reserve (-)		
8.	NET DISTRIBUTABLE PROFIT IN THE PERIOD (=)	20.778.314	36.775.509
9.	Donations made during the year (+)	332.366	
10.	Net distributable profit in the period plus the donations based on which the primary dividend is calculated	21.110.680	
11.	Primary dividend to shareholders	4.222.136	
	-Cash	4.222.136	
	-Gratis Shares		
	-Total	4.222.136	
12.	Dividend Paid to Holders of Preferential Shares		
13.	Dividend to members of the board of directors, employees, etc.		
14.	Dividend to holders of dividend shares		
15.	Secondary Dividend to Shareholders	10.777.864	
16.	Secondary Statutory Reserve	1.380.000	
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVE	4.398.314	20.395.509
20.	Other Funds Proposed to be Distributed		-

INFORMATION ON DIVIDEND				
DIVIDEND INFORMATION PER SHARE				
	GROUP	TOTAL AMOUNT OF DIVIDEND (TL)	DIVIDEND PER SHARE AT PAR VALUE OF TL 1.00	
			AMOUNT (TL)	RATE (%)
GROSS	-	15.000.000	0,62500	62,500
	TOTAL	15.000.000	0,62500	62,500
NET	-	12.750.000	0,53125	53,125
	TOTAL	12.750.000	0,53125	53,125
THE RATE OF DISTRIBUTABLE DIVIDEND TO DONATIONS ADDED PERIOD PROFIT				
AMOUNT OF DIVIDEND THAT DISTRIBUTED TO SHAREHOLDERS (TL)		THE RATE OF DISTRIBUTABLE DIVIDEND DISTRIBUTED TO THE SHAREHOLDERS TO DONATIONS ADDED PERIOD PROFIT %		
15.000.000		71,05		