

OTOKAR REPORTS 1Q 2009 RESULTS

“Remedy for the Crisis: Concentration on Exports and Defense Revenues”

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

Highlights of 1Q 2009

- Otokar generated USD 41.8 million export revenues in 1Q 2009, 117 % greater than 1Q 2008. In addition to this, the share of the exports in revenues reached to 59 %, whereas it was 21 % and 31 % in 1Q 2008 and FY 2008 respectively. The significant growth in export revenues stemmed from the growth in armoured tactical vehicle export revenues. A similar situation is encountered in comprise of sales in terms of defensive or civilian. The portion of defense products in total revenues was 75 % in 1Q 2009, whereas it was 45 % and 38 % in 1Q 2008 and FY 2008 respectively.
- In 1Q 2009, the company recorded USD 71.2 million sales revenue. There is a decrease of 24.2 % in total revenues which was caused mainly because of the depreciation of Turkish Liras. However the decreases in both the production and sales units are approximately 60 %. This indicates that the company focused on lucrative products in order to deal with the expected contraction in demand due to crisis in the markets.
- The planned dividend payment that was agreed at the General Assembly for the year 2008 is TL.7.2 million which will be paid on Apr 13, 2009.

Overview

OTOKAR IFRS P/L Statement Highlights	1Q 2009 USD (thousands)	1Q 2008 USD (thousands)	USD Based Change
Net Sales	71.238	93.965	-24%
Cost of Sales	41.685	69.543	-40%
Gross Profit	29.544	24.422	-21%
Operating Expenses	14.254	13.000	10%
Operating Profit	15.300	11.422	34%
Income/(loss) before minorities & taxes	9.802	17.524	-44%
Taxation	-963	-3.587	-73%
Net Profit	8.839	13.937	-37%
EBITDA	16.263	12.400	31%

Net Sales

The total revenue of 1Q 2009 is USD 71.2 million, %24 lower than the same period a year ago. Although the sales of civilian product range decreased in the 1.Q'09, an upward movement in defensive segment almost compensated the gap. An Otokar engineering product Cobra revenues ranked first in total revenues of Otokar with a share of 61.4 %.

Otokar has generated USD 41.8 million export revenues in 1Q 2009, 117 % greater than 1Q 2008. This year's export revenues again stemmed from armoured tactical products. Armoured tactical products have constituted 89% of all export revenues by itself. It must also be noted that Otokar's auto&midibus exports -USD 2.4 million- was almost the same as 1.Q'08 figures, unlike the considerable decrease in domestic revenues of auto&midibus. In other words Otokar's auto&midibus export revenues was not affected as much as the domestic revenues. This proves the concentration on exports during dull periods in the domestic market , is the correct road to travel.

	1Q 2009 USD (thousands)	1Q 2008 USD (thousands)	Change %
Domestic Sales	29.407	74.685	-61%
Exports	41.831	19.280	117%
Total	71.238	93.965	-24%

Profit

Gross profit in 1Q 2009 was USD 29.6 million, 21 % above the same period a year ago. Gross margin was 41.5 %, whereas it was % 26 in 1Q 2008.

Operating profit increased 34 % to USD 15.3 million in 1.Q'09. Operating margin also increased to 21.5 % in 1.Q'09 from 12.2 % in 1.Q'08.

The company's EBITDA was USD 16.3 million in 1.Q'09, having an EBITDA margin of 22.8 %. The same figures were USD 12.4 million and 13.2 % respectively.

Otokar's net profit was USD 8.8 million in 1.Q'09, having a net margin of 12.4 %.

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 2008 was TL 7.2 million which will be 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 which is planning to be spent on modernization & renovation of existing products and also on purchase of additional devices for production units.

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). Its result will be announced in 2009. 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 will be 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 produce total revenue of USD 340 million for 2009. Also Otokar plans to produce total export revenues of USD 140 million. In the year 2009, Otokar continues the studies on new civil vehicles to add to its product range. In this context previously Otokar presented the Doruk, M3000 to the market.

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

FINANCIALS

OTOKAR IFRS Balance Sheet	1Q 2009 USD (thousands)	1Q 2008 USD (thousands)
Current Assets	268.335	202.216
Current Liabilities	268.110	142.103
Working Capital	224	60.113
Property, Plant & Equipment -Net	56.295	31.920
Total Assets	367.124	271.514
Total Liabilities	270.867	145.938
Shareholders Equity	96.256	125.575

OTOKAR IFRS Balance Sheet	1Q 2009
Current Ratio	1.00
Liquidity Ratio	0.70
Current Assets / Total Assets	0.73
Current Liabilities / Total Liabilities	0.99
Total Liabilities / Total Liabilities & Shareholders' Equity	0.74

OTOKAR IFRS Statement of Cash Flow	1Q 2009 USD (thousands)
Cash and Cash Equivalents at the Beginning of the Period	39.047
Net Cash Provided by Operating Activities	24.888
Net Cash Used in Investment Activities	-1.899
Pre-Financing Cash Flow	22.989
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	37.201
Net Increase in Cash and Cash Equivalents	60.190
Cash and Cash Equivalents at the End of the Period	99.238

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