

OTOKAR REPORTS 1H 2012 RESULTS

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

Highlights of 1H 2012

- Otokar generated TL 435.2 million total revenues in 1H 2012. Otokar's 1H 2012 domestic revenues were TL 324.5 million and export revenues were TL 110.7 million.
- Otokar generated TL 36.9 million net profit with a net margin of 8% in 1H 2012.
- In the 1H 2012, Otokar's production and sale units were 2038 and 2084 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	1H 2012 TL (thousands)	1H 2011 TL (thousands)	TL Based Change
Net Sales	435.201	389.723	12%
Cost of Sales	(334.169)	(303.764)	10%
Gross Profit	101.032	85.959	18%
Operating Expenses	(56.888)	(51.061)	11%
Operating Profit	44.145	34.899	26%
Income/(loss) before minorities & taxes	38.406	32.252	19%
Taxation	-1.472	-4.470	-67%
Net Profit	36.933	27.782	33%
EBITDA	57.157	44.411	29%

Net Sales

The total sales revenue of Otokar in the 1H 2012 is TL 435.2 million. Otokar increased its exports by 52% in 1H 2012 and the rise stemmed from the rise by 69% in armoured tactical vehicles sales. In 1H 2012, the share of the exports in total revenues is 25% and the figure Otokar produced in exports was about TL 110.7 million. The same figures were 19% and TL 72.6 million in 1H 2011. Lastly, the domestic revenue of 1H 2012 increased by -11%.

Considering the shares of segments in total revenue terms, the leader segment was the midibus and bus with a share of 37% with TL 158.9 million in revenue and it was followed by armoured tactical vehicles segment with a share of 29% with TL 126.3 million in revenue. Whereas the export sales

	1H 2012 TL (thousands)	1H 2011 TL (thousands)	Change %
Domestic Sales	324.497	317.121	2%
Exports	110.704	72.602	52%
Total	435.201	389.723	12%

leader was armoured tactical vehicles with TL 84.9 million in revenues, the leader of the domestic sales was midibus and bus segment with TL 137.2 million revenues. Armoured tactical vehicle exports constituted 77% of all export revenues by itself. In the domestic revenues the largest revenue derived from midibus & bus with a share of 42%. In 1H 2012, the commercial vehicles constituted 49% of the total sales and 58% of domestic sales. Also 77% of the export revenues stemmed from the defensive vehicles.

Profit

Gross profit was TL 101.0 million in 1H 2011, with a gross margin of 23%.

Operating profit was TL 44.1 million in 1H 2012 with an operating margin of 10%.

The company's EBITDA was TL 57.2 million in 1H 2012, having an EBITDA margin of 13%.

Otokar's net profit was TL 36.9 million in 1H 2012, having a net margin of 8%.

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 11.4 Million in 1H 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 and better. In order to reach these targets, Otokar has a backlog volume of USD 124.7 million as of June 2012.

On the tank project side, things are going as planned . The first stage of the project was 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 Defense Fair. On Mar 29, 2012 Otokar established the first Tank Testing Center of Turkey in Arifiye Plant. The second stage is detailed design of Altay and by the end autumn of 2012 Otokar aims to be presenting the first prototype of Altay.

FINANCIALS

OTOKAR IFRS Balance Sheet	1H 2012 TL (thousands)	1H 2011 TL (thousands)
Current Assets	756.275	521.866
Current Liabilities	739.125	524.701
Working Capital	17.150	(2.835)
Property, Plant & Equipment -Net	118.627	102.294
Total Assets	1.035.391	760.767
Total Liabilities	833.109	574.485
Shareholders Equity	202.281	186.283

OTOKAR IFRS Balance Sheet	1H 2012
Current Ratio	1.02
Liquidity Ratio	0.68
Current Assets / Total Assets	0.73
Current Liabilities / Total Liabilities	0.89
Total Liabilities / Total Liabilities & Shareholders' Equity	0.80

OTOKAR IFRS Statement of Cash Flow	1H 2012 TL (thousands)
Cash and Cash Equivalents at the Beginning of the Period	4.470
Net Cash Provided by Operating Activities	28.189
Net Cash Used in Investment Activities	(28.801)
Pre-Financing Cash Flow	(613)
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	29.169
Net Increase in Cash and Cash Equivalents	28.556
Cash and Cash Equivalents at the End of the Period	33.027

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