

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

Material Disclosure (General Disclosure)

Publish Date:20.02.2017

Disclosure Type: Material Disclosure

Year:

Period:

Summary Info	Incorporation of a Joint Venture Company in United Arab Emirates and Signing of a Supply Contract
Is this a update disclosure?	No
Is this a corrected disclosure?	No
Date of previous material disclosure?	27.09.2016
Is this a delayed disclosure?	Yes

Additional Disclosure

In connection with our material event disclosure dated 27.09.2016 and as a result of the work we have conducted in UAE, a Shareholders Agreement has been signed between Otokar LS and HVI. With this Shareholders Agreement, the framework of operation and management principles of our joint venture company Al Jasoor Heavy Vehicles Industries LLC (Al Jasoor) are defined and according to the Shareholders Agreement Agreement, initial capital of Al Jasoor is determined as AED 36.730.000 (approximately 36,6 million Turkish Liras) and share of Otokar LS and HVI will be 49% and 51% respectively.

On the other hand, as a result of the work carried out by Otokar and Tawazun, Al Jasoor has been awarded to supply 8x8 armoured vehicles for the use of UAE Armed Forces and also UAE Armed Force's future 8x8 armoured vehicle needs are expected to be met by Al Jasoor. In the first phase, a 6 year contract has been signed between UAE Armed Forces and Tawazun for a total of USD 661 million and this contract will be transferred to Al Jasoor. Revenues that Otokar will directly generate within the scope of project will be consist of vehicles, CKD sales, technical consultancy and similar services and dividends from Al Jasoor.

This statement has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this disclosure statement, the Turkish version shall prevail.

We hereby declare that our above statement is in conformity with the principles included in the Capital Market Board's Material Disclosures Communiqué, that it exactly reflects the entire information we received; that the information complies with our records, books and documents; that we have endeavored to obtain the correct and complete information relative to this subject and that we are responsible for the declarations made in this regard.