

### OTOKAR REPORTS 2008 RESULTS

#### “Successful Results by Newly Designed Commercial Products and Defensive Vehicles”

In this report we submit **2008** figures to compare with **2007** figures. 2007 & 2008 financial results published in this press release are prepared according to International Financial Reporting Standards.

#### Highlights of 2008

- The recorded net sales of 2008 was USD **371** million, implying a 12.2 % increase compared to the end of 2007. Export revenues comprised of 31 % of total sales with an amount of USD 115.0 million, highest level for the past five years. 14.4 % increase was realised in export revenues in 2008 compared to 2007.
- Otokar generated USD **27.0** million net profit with a net margin of **7.3%** in 2008. These rises were stemmed from a total sales revenue of USD 262.4 million from armoured tactical vehicle and midibus&bus revenues which constituted the 70.7% of the total sales.
- As of unit sales, sales volume obtained in 2008 was 4.017 vehicles. This period’s dominant segment was the midibus&bus segment with unit sales growth of 50.5 % and sales volume of 1.863 units, the highest sales unit of the past 10 years. The second important increase came in minibus segment with a 35.3 % increase. The increase in unit sales of armoured tactical vehicles was 26.5 % placing it in the third position.
- 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	2008 USD (thousands)	2007 USD (thousands)	USD Based Change
Net Sales	371.033	330.712	<b>12,19%</b>
Cost of Sales	-280.710	-241.813	<b>16,09%</b>
Gross Profit	90.316	88.890	<b>1,60%</b>
Operating Expenses	-47.629	-54.772	<b>-13,04%</b>
Operating Profit	42.686	34.119	<b>25,11%</b>
Income/(loss) before minorities & taxes	28.316	35.765	<b>-20,83%</b>
Taxation	-1.324	-7.446	<b>-82,21%</b>
Net Profit	26.992	29.058	<b>-7,11%</b>
<b>EBITDA</b>	<b>46.769</b>	<b>37.280</b>	<b>25,45%</b>

### *Net Sales*

The midibus&bus segment experienced an all-times high sales unit volume of 1.863 and the market share for midibus&bus has gone up from 26 % as of 2007 to 32 % in 2008. This remarkable growth on midibus&bus segment was stemmed from the innovative production policy and the sustainable growth in exports alongside domestic sales policy of Otokar. Midibus&bus total unit sales increased by 50.5 % in 2008 compared to the year-end of 2007. The increase in unit sales reflected on sales revenues as a greater increase of 78 %. The reason behind this was the new product of Otokar: Doruk. Otokar increased its domestic midibus&bus unit sales by 45 % and export unit sales by **73 %**. Otokar made another noteworthy increase in minibus unit sales. Although the minibus niche market has been in a downtrend of -17.4 %, Otokar increased its minibus unit sales from 368 to 498 units. The increase was stemmed from another new product of Otokar called M3000, especially in the first three quarters of the year, with sales of 226 units of M3000.

Otokar's 2008 year-end net sales revenue growth was 12.2 % supported by the domestic and export sales of both armoured tactical vehicles and midibus&bus. As a brief summary of the year 2008, Otokar grew in domestic market by its commercial vehicles and in exports by its defensive vehicles. 69 % of domestic revenues stemmed from commercial vehicles and 54 % of exports stemmed from defensive vehicle sales. The company realised USD 371 million sales revenues in 2008. The locomotive of the year 2008 was domestic sales revenue with its share of 69 % in comprise of sales, however on growth category, the growth in export sales revenue came first with its 14.4 % growth compared to the previous year, whereas the growth in domestic sales revenue was 11.2 %. Unlike the previous years' vehicle based revenue ranking lists, in 2008 cobra shared the first place with the midibus&bus segment because of the rigid increase in midibus&bus revenues. The share of midibus&bus segment was 35.5 % and the share of armoured tactical vehicles was 35.3 %. Midibus&bus segment with a share of 35.5 % enhanced its share 13.1 pps (from 22.4% to 35.5%) compared to 2007. Otokar raised its domestic and export sales of midibus&bus segment by 66.4% and 109.5% respectively. The launch of DORUK had an important role on both the domestic and export uptrend. Otokar has also expanded its sales revenue from minibus by 39.3% against the downtrend in the market. Also the main reason behind this was M3000 sales revenues.

In 2008, Otokar's export revenue was 14.4% greater than the year-end 2007. Otokar generated USD 115.0 million export revenue in 2008, whereas it was USD 100.6 million in 2007. In export sales, the most successful quarter as of export revenues was the

	<b>2008 USD (thousands)</b>	<b>2007 USD (thousands)</b>	<b>Change %</b>
Domestic Sales	256.000	230.160	11.23%
Exports	115.033	100.552	14.40%
<b>Total</b>	<b>371.033</b>	<b>330.712</b>	<b>12.19%</b>

3<sup>rd</sup> Quarter with USD 40.4 million, and the most successful quarter as of domestic sales was the 1<sup>st</sup> Quarter with USD 74.7 million. The share of midibus sales in export revenues of 2008 increased to 36.4%, whereas it was at 19.9% in 2007. This is a result of the sustainable export revenues policy via new dealership agreements. Otokar became in a more advantageous position in Euro zone due to the newly added countries to its dealership network such as Spain, Latvia and Slovenia. Against all these successful results in the midibus&bus segment, the admiral ship of Otokar in exports remained unchanged and armoured tactical vehicles -with its 54.2% share- was again the first in the ranking on export revenues basis.

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### *Profit*

Gross profit in 2008 was USD **90.3** million with a gross margin of **24.3%**.

Operating profit in 2008 was 25 % greater than the previous year and came in at USD **42.7** million whereas it was at USD 34.1 million in 2007. Operating margin also reached to **11.5%** in 2008, which was 10.3% in 2007.

The company's EBITDA was USD **46.8** million in 2008, having an EBITDA margin of **12.6 %**. The same figures were USD 37.3 million and 11.3 % respectively in 2007.

Otokar's net profit was USD **27.0** million with a net profit margin of **7.3 %**.

### *Investments*

In 2008, Otokar made a total of USD **61.9** million investment expenditures. The vast majority of this investment was spent on the purchase of the buildings and the land of Otoyol Sanayi A.Ş.(in liquidation). Otokar purchased the land and the buildings of Otoyol Sanayi A.Ş. (in liquidation) for the new R&D projects and especially for the tank project. Like the previous years, Otokar plans to make investment expenditure on R&D studies and technical innovations for an amount of USD 10 million in 2009.

### *Objectives*

By the signature of the final agreement of the first national tank production project on July 29, 2008 as the main contractor, Otokar is maintaining its assertive position in defence industry. On the defence industry issues, Otokar is interested in two big tenders of the Undersecretariat for Defence Industry totalling to 4.131 units of military vehicles. The first one was about meeting a total of 2720 units of Tactical Wheeled Vehicle requirement of the Turkish Land Forces. Otokar bid on this tender on 30 April 2008 and was selected for contract negotiations to supply the ¾ tones Command & Control (413 units) and ¾ tones Troop & Cargo Carrier (448 units). The second tender is for the procurement of 1411 units of military vehicles. The tender consists of 336 units of tactical wheeled armoured vehicles and 1075 units of weapon carrier vehicles.

The Turkish Main Battle Tank project is at full throttle. The advance for the first step of the R&D studies was received by Otokar and the work has started. Its contribution to Otokar's future is undeniable.

In addition to the points mentioned above, Otokar targets to maintain its profit margins at the same levels. Lastly, with its sustainable growth policy by attending all the main local&international, civil&defensive vehicle fairs, tenders, by continuing to develop its dealer network both at home and abroad and also by innovative and R&D oriented production, Otokar will always be among the leader firms of Turkey in exports and total revenues .

<b>OTOKAR IFRS Balance Sheet</b>	<b>2008 USD (thousands)</b>	<b>2007 USD (thousands)</b>
Current Assets	227.070	181.303
Current Liabilities	235.078	124.259
Working Capital	-8.008	57.043
Property, Plant & Equipment -Net	63.948	35.523
Total Assets	335.817	250.881
Total Liabilities	238.021	128.527
Shareholders Equity	97.796	122.354

<b>OTOKAR IFRS Balance Sheet</b>	<b>2008</b>
Current Ratio	0,97
Liquidity Ratio	0,64
Current Assets / Total Assets	0,68
Current Liabilities / Total Liabilities	0.99
Total Liabilities / Total Liabilities & Shareholders' Equity	0,71

<b>OTOKAR IFRS Statement of Cash Flow</b>	<b>2008 USD (thousands)</b>
Cash and Cash Equivalents at the Beginning of the Period	2.382
Net Cash Provided by Operating Activities	17.428
Net Cash Used in Investment Activities	-52.179
Pre-Financing Cash Flow	-34.750
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	75.952
Net Increase in Cash and Cash Equivalents	41.202
Cash and Cash Equivalents at the End of the Period	43.584

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