

**OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.**  
**Material Event Disclosure –New Business Relation**

**Summary Info: AGREEMENT WITH OGHAB**

Is this a update disclosure	No
Is this a corrected disclosure	No
Date of previous material disclosure related to the subject	-
Is this a delayed disclosure	No

**Content of disclosure**

Nature of the Party with whom New Business Relation Has Started/Will Start : Customer

Customer's/Supplier's Name Last Name/Trade Name : OGHAB Afshan Industrial and Manufacturing Co.

If any, share of Customer/Supplier in the Net Sales/Cost Of Good Sold of the company's latest Balance Sheet shared with public : -

If any, share of Customer/Supplier in the trade receivables/payables of the company's latest Balance Sheet shared with public : -

Anticipated date for the start of New Business Relation :16.12.2016

If any, material conditions of the agreement : Stated in Additional Disclosure Section

The Impact of New Business Relation on the Company Activity : Revenue increase

**Additional disclosures**

Otokar has signed an agreement concerning CKD parts sale and technology and license utilisation of Navigo midibus with OGHAB AFSAN company which is established in Iran.

The agreement has been signed for 3 years and has an extension option of 2 years. Navigo vehicles will be exported to OGHAB as CKD kits by our company and assembly of vehicles in Iran , sales and marketing under the Otokar brand will be done by OGHAB. For the periods of after the first year of the agreement, provided the vehicles complies with local legal obligations, there is a guarantee of purchase for minimum 500 vehicles under the agreement. There is no guarantee of purchase for the first year and if the current conditions would be valid within the scope of the guarantee of purchase within the the following periods, it would be possible to obtain a turnover of approximately 50 million TL annually. The sales volume and the turnover will be related with local legal homologation requirements and local market demands.

Within the scope of the signed technology transfer agreements, Otokar will receive 500.000 EUR as a license fee and royalty payments in varying amounts for localized parts in each CKD kit to be procured from Iran in the future instead of Otokar.

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 Communique , 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.