

OTOKAR REPORTS 3Q 2009 RESULTS

“The Light at the End of the Tunnel”

In this report we submit 3Q 2009 figures to compare with 3Q 2008 figures. 3Q 2009 & 3Q 2008 financial results published in this press release are prepared according to International Financial Reporting Standards.

Highlights of 3Q 2009

- Otokar generated USD 201.7 million total revenues in 3Q 2009. In 3Q 2009, the company recorded USD 125.9 million domestic and USD 75.8 million export revenues. Consequently, the share of the exports in revenues reached to 38 %, whereas it was 30 % in 3Q 2008.
- The slowdown in the economic activity did not disappear and the negative effects of this continued to be seen on unit sales and revenue datas. However the light at the end of the tunnel appeared and the momentum of the decline decreased in this quarter. The decrease in total revenues of 3Q 2009 was 30.8 %, whereas it was 33.8 % in 1H 2009. The decrease in revenues was again lower than the contraction in the unit sales. The unit sales contracted by 49.9 %. This indicates the company’s conscious strategy to get rid of the expected economic stagnancy by focusing on lucrative products.
- On the other hand, in parallel with the decrease in net sales, the cost of sales and the operating expenses figures also decreased by 34.2 % and 9.3 % respectively.
- The planned dividend payment that was agreed at the General Assembly for the year 2008 was TL.7.2 million which was paid on Apr 13, 2009.

Overview

OTOKAR IFRS P/L Statement Highlights	3Q 2009 USD (thousands)	3Q 2008 USD (thousands)	USD Based Change
Net Sales	201.652	291.363	-30,8%
Cost of Sales	(143.047)	(217.258)	-34,2%
Gross Profit	58.605	74.105	-20,2%
Operating Expenses	(33.792)	(37.239)	-9,3%
Operating Profit	24.813	36.866	-32,7%
Income/(loss) before minorities & taxes	12.699	38.650	-67,1%
Taxation	(44)	(6.188)	-99,3%
Net Profit	12.654	32.462	-61,0%
EBITDA	28.250	39.505	-28,5%

Net Sales

The total revenue of 3Q 2009 was USD 201.7 million, 30.8 % lower than the same period of the previous year. Although the domestic sales decreased by 53.7 % in the 1.H'09, an upward movement was maintained in 3Q 2009 and the momentum of decrease in domestic sales has slowed down to the 38.2%. Due to continuation of the global crisis, export revenues declined by 13.7 % in 3Q 2009. As a result, the total revenues decreased by 30.8% in 3.Q'09 whereas the decrease in total sales was 33.8 % in 1.H'09.

This year's leader segment in total revenues was the armoured tactical vehicle sales with 35.0 % share. Armoured tactical products' leadership in total revenues was mainly derived from its 66.7 % share in export revenues. However the leader category in domestic sales was bus and midibus category with its 23.1 % share.

	3Q 2009 USD (thousands)	3Q 2008 USD (thousands)	Change %
Domestic Sales	125.879	203.585	-38.2%
Exports	75.773	87.778	-13.7%
Total	201.652	291.363	-30.8%

Profit

Otokar's gross profit in 3Q 2009 was USD 58.6 million with a gross margin of 29.1 %.
The Operating profit in 3Q 2009 was USD 24.8 million with an operating margin of 12.3 %.
The EBITDA in 3Q 2009 was USD 28.3 million with an EBITDA margin of 14.0 %.
The net profit in 3Q 2009 was USD 12.7 million with a net margin of 6.3 %.

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 was paid on 13.04.2009.

Investments

The investment figure performed in the first three quarter of the year 2009 has already amounted to USD 9.000.000.

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). It's expected that the results of the tender will be announced in the forthcoming months. 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 shipments have already been started at the end of the 3Q 2009. The tender results will have a positive effect on the last quarter of 2009 and first half of 2010 revenues of Otokar.

Otokar targets to generate total revenue of USD 340 million for 2009. Also Otokar plans to generate total export revenues around USD 100 million.

Otokar continues to launch the needs of the market on commercial side. Although there is a decrease in domestic sales together with the stagnancy in the domestic market, Otokar has continued its R&D studies regarding the new products. The presentation of the new minibus M2010, KENT and Doruk 215T are the proofs of this policy. Otokar presented the Doruk series and KENT public transport vehicles into the market. KENT, as the last vehicle added to its big bus product range on June 2009, targeted to meet the market demands in public transport market of 12-meter segment. Also Doruk 215T is the new 10-meter bus of Otokar for intercity tourism needs. And last but not least, M2010 is the new minibus of Otokar a modern version of M2000 which is very commonly used in public transport. Even though there is no export activities regarding the

minibuses till now, since this product was produced in accordance with the European transportation standards and the export operation of M2010 under the name of Centro is also planned. In addition these developments in product development side, Otokar also continues to attend in both military and commercial fairs. Otokar attended to 6 fairs in the first 9 months of 2009. 4 of them were military and 2 of them were commercial fairs. The fairs Otokar attended so far are:1-IDEX 2009 Abu Dhabi, 2-Bahrain Security Forum and Exhibition 2009, 3-DSEI 2009 London, 4-IDEF Defence Industry Fair-Istanbul, 5-LPG and Pressurized Natural Gas Services and Technology Fair-Istanbul, 6-Busworld 2009-Belgium.

FINANCIALS

OTOKAR IFRS Balance Sheet	3Q 2009 USD (thousands)	3Q 2008 USD (thousands)
Current Assets	337.119	233.851
Current Liabilities	338.622	224.746
Working Capital	(1.503)	9.105
Property, Plant & Equipment -Net	64.705	78.667
Total Assets	449.652	353.104
Total Liabilities	342.284	229.151
Shareholders Equity	107.368	123.954

OTOKAR IFRS Balance Sheet	3Q 2009
Current Ratio	1.00
Liquidity Ratio	0.70
Current Assets / Total Assets	0.75
Current Liabilities / Total Liabilities	0.99
Total Liabilities / Total Liabilities & Shareholders' Equity	0.76

OTOKAR IFRS Statement of Cash Flow	3Q 2009 USD (thousands)
Cash and Cash Equivalents at the Beginning of the Period	44.475
Net Cash Provided by Operating Activities	40.536
Net Cash Used in Investment Activities	(11.605)
Pre-Financing Cash Flow	28.931
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	(7.130)
Net Increase in Cash and Cash Equivalents	21.801
Cash and Cash Equivalents at the End of the Period	66.276

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