

Otokar

INVESTOR RELATIONS PRESENTATION

30.09.2013

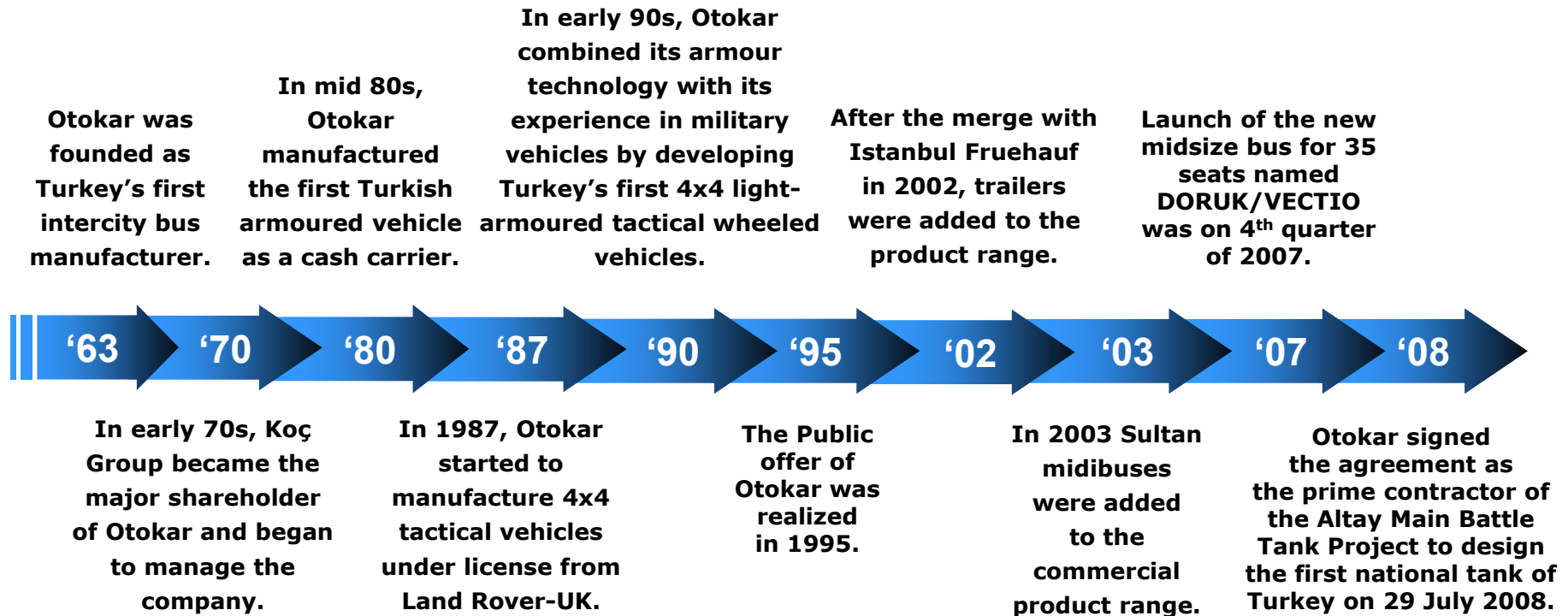
- ✓ Company Profile
- ✓ Highlights of 2013
- ✓ Financials
- ✓ Market Evaluation
- ✓ Annex
- ✓ **Otokar** in 2015

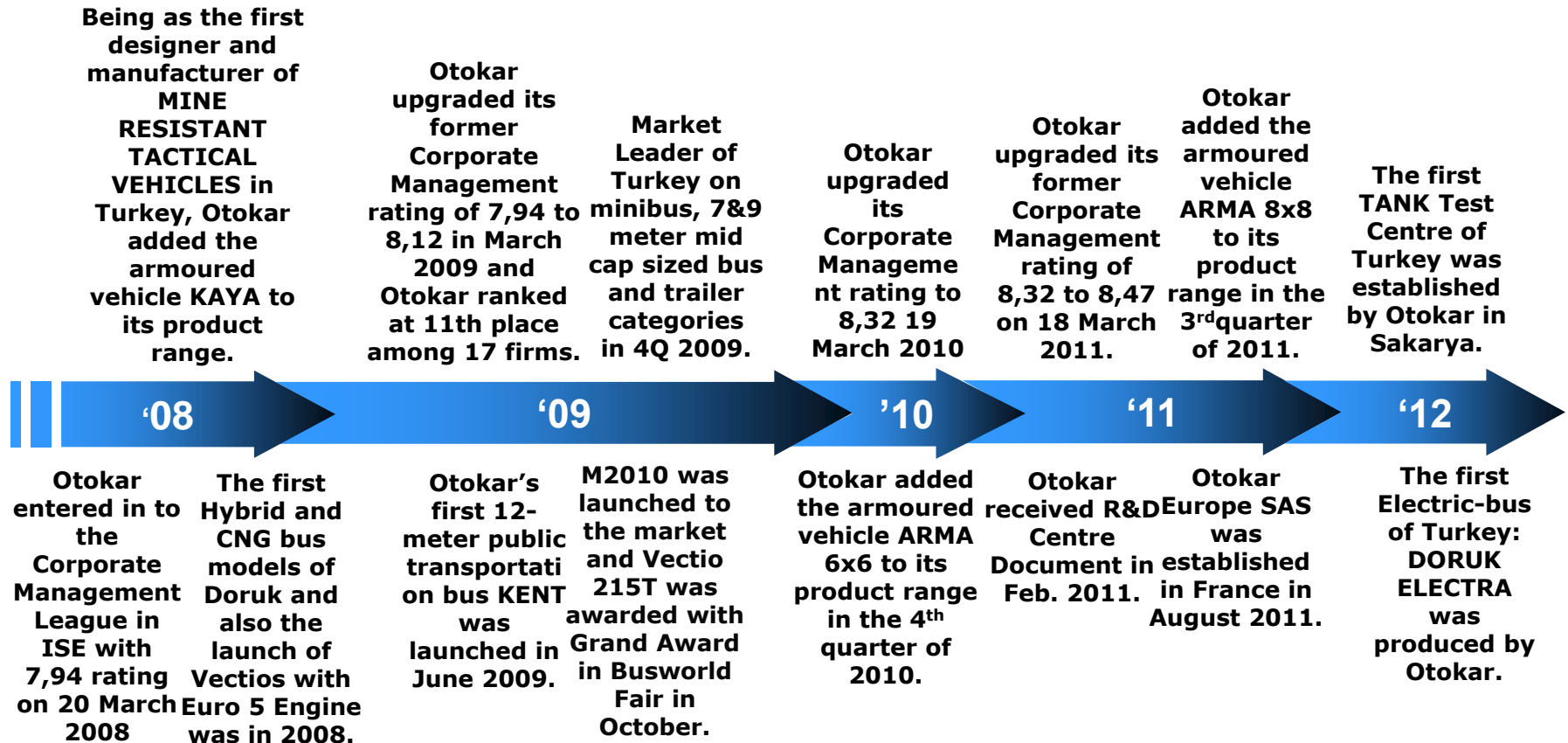


ADAPAZARI ARİFİYE PLANT

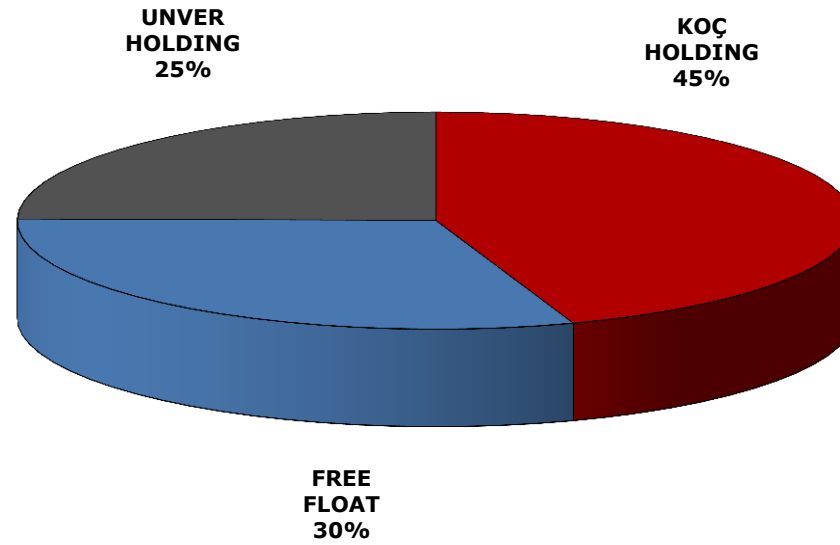
Total area 552.000 m²
Total closed area 141.303 m²







- ♦ **Otokar** is among the leading companies of Turkey on both commercial and defence industry sides with its 50 years' experience.
- ♦ **Otokar** is quoted in ISE since 1995 and 30% share of **Otokar** is traded on ISE.
- ♦ **Otokar's** capex volume is around USD 10-15 mio per annum. **Otokar's** R&D activities is realized by 149 engineers in its 1000m² R&D department.
- ♦ **Otokar** has integrated logistic support for its customers:
 - In Turkey, at 7 regions, 114 authorized service stations.
 - At 19 countries **Otokar** vehicles are fully supported.
 - **Otokar** also provides spare part, driver training, maintenance training, technical literature and all kinds of aftersales support.
- ♦ Since 1990 **Otokar** regularly attends in both defence industry & commercial fairs all over the world. It attended in 9 fairs in 2013.
- ♦ In last 25 years, **Otokar** realized over USD 1,5 billion defense industry deliveries including exports and USD 875 million of this derived from exports in last 9 years.



➤ COMMERCIAL VEHICLES

- Minibus



- Mid Cap Sized Bus



- Buses



- Trailer, Semi-trailer & Tankers



- Light Truck



➤ DEFENCE VEHICLES

- Land Rover 4x4 Land Vehicle



- Armored Internal Security Vehicles



- Mine Resistant Armored Tact.Veh: KAYA



- Mine Resistant Arm. Troop Carrier: KALE



- 6x6 and 8x8 Arm. Tact. Veh:ARMA

- 4x4 Arm. Tact. Veh: APC, APV, Cobra



- Tracked Arm. Troop Carrier: TULPAR



➤ **COMMERCIAL VEHICLES**

- **Minibuses**
- **Midibuses**
- **Buses**
- **Trailer/Semi-trailers, Tankers**
- **Light Truck**

ONE OF THE BIGGEST COMPANIES OF TURKEY IN COMMERCIAL VEHICLE INDUSTRY.

THE MARKET LEADER OF BUS CATEGORIES FROM 7 TO 12-METER.

ON COMMERCIAL SIDE OTOKAR HAS A WIDE PRODUCT RANGE CONSISTING OF MINIBUSES, MIDIBUSES, BUSES FROM 5,5 METERS TO 13 METERS, LIGHT COMMERCIAL TRUCKS AND ALSO TRAILERS, SEMI-TRAILERS AND TANKERS.



Besides the success in commercial vehicles and the ability in special vehicles, **Otokar** proved its world class design and production capability in military tactical vehicles.

➤ **DEFENCE PRODUCT RANGE**

- **Land Rover Defender**
- **Armoured Vehicles**
 - ♦ **Armoured Personnel Carrier and Ural**
 - ♦ **Akrep**
 - ♦ **Cobra and Cobra II**
 - ♦ **Discreetly Armoured Station Wagon**
 - ♦ **Armoured Internal Security Vehicle**
 - ♦ **Mine Resistant Arm.Tact. Troop Carrier: Kaya and Kale**
 - ♦ **Armored Tact.Veh: Arma 6X6 and 8X8**
 - ♦ **Tracked Arm. Troop Carrier: TULPAR**
- **Tank in Near Future : Altay**

OTOKAR, LEADER COMPANY IN DESIGN, TEST, INTEGRATION AND PRODUCTION OF MILITARY TACTICAL VEHICLES, AFTER THE 25 YEARS DEFENSE INDUSTRY EXPERIENCE, SCORED ALMOST USD 1,5 BILLION DELIVERY INCLUDING EXPORTS.

AFTER THE MERGER OF ISTANBUL FRUEHAUF FACTORY AND ALSO THE LAND AND FACTORY PURCHASE OF FORMER OTOYOL AŞ, OTOKAR INCREASED ITS PRODUCTION AREA AND BECAME THE MOST IMPORTANT AND BIGGEST DEFENSE INDUSTRY COMPANY IN TURKEY.

Otokar's Profile

Recently Launched Products



- **ATLAS Light Commercial Truck**
- **TEMPO Short Haul Bus**
- **URAL The New Armored Personnel Vehicle**
- **COBRA II**
- **KAYA II The New Mine Resistant Armored Tactical Vehicle**
- **TULPAR The First Tracked Troop Carrier Vehicle of Otokar**



"Prime Contractor of the 1st National Main Battle Tank of Turkey"

- A feasibility study was performed so that a Main Turkish Battle Tank can be designed and produced locally with a genuine model to meet the needs.
- A tender was opened for the preparation of the design and the prototype of the Main Turkish Battle Tank.
- The result of this tender was announced on March 30, 2007 and **Otokar** was honoured for the negotiations.
- The agreement was signed on July 29, 2008 at the manufacturing plant of **Otokar** in attendance of the Prime Minister Recep Tayyip Erdoğan.
- The budget for design, prototype production, tests and qualification of the ALTAY Tank is declared to amount to USD 494 million. The period for this phase is 78,5 months.
- The conceptual design stage was finished in 2010 and detailed design stage started.
- The 1st mock-up of Altay was exhibited in IDEF-11 (May 2011).
- The 1st tank test center of Turkey was established within Otokar.
- The first two prototype of Altay was presented. (Nov 2012)
- The conceptual design and detailed design phases of the project was completed in September 2013 and the "Prototype Production and Qualification" phases has started.

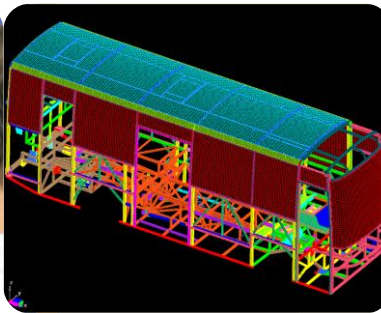
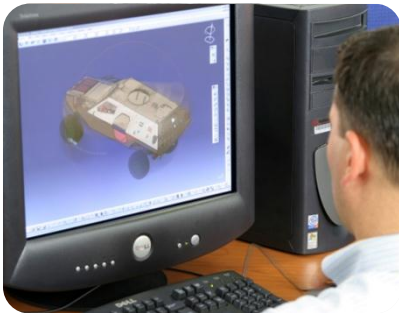


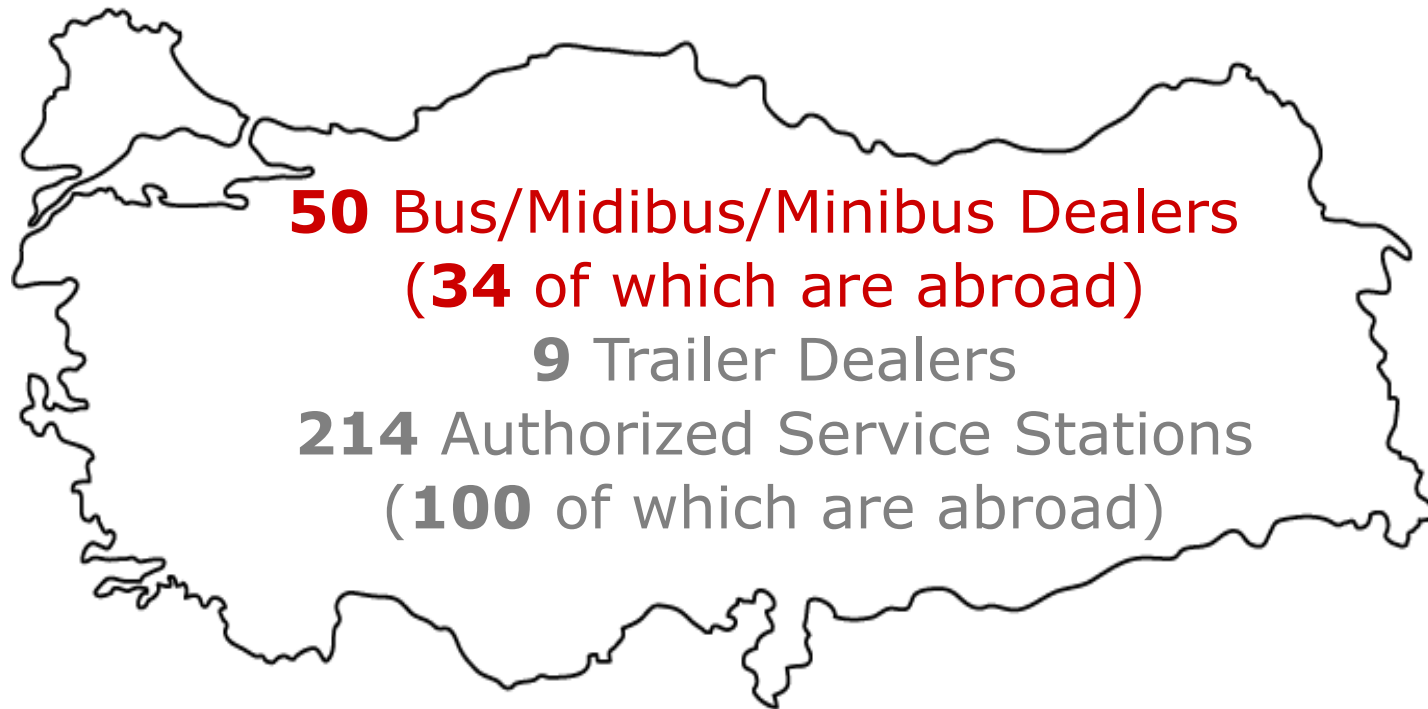
Otokar's Profile Research & Development

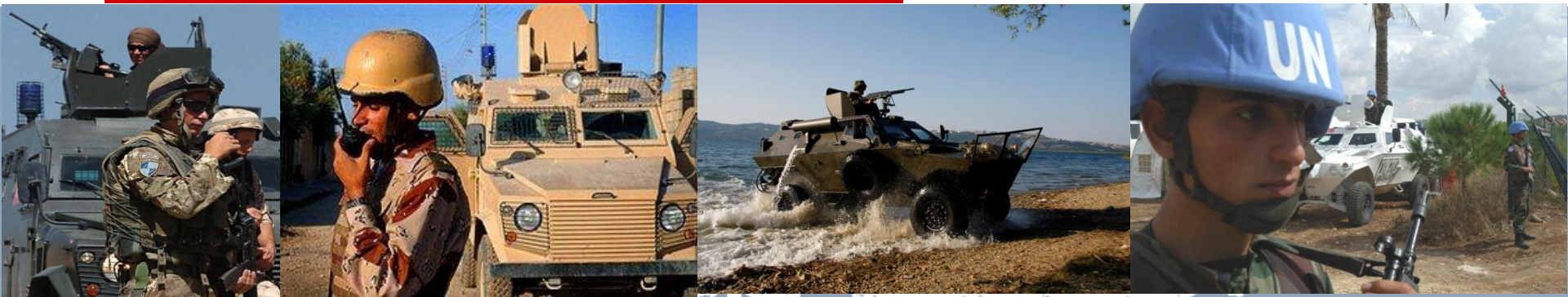
- R&D activities have been attached great importance in **Otokar** since its foundation.
- In addition to extending the present product range, **Otokar** also applies a permanent R&D process in terms of designing military, semi-military and commercial original products in parallel with the demands of the domestic and foreign markets.
- **Otokar's** small bus, Sultan, which has changed the small bus standards in Turkey, and **Otokar's** armored vehicles such as ZPT, Cobra, Kaya, Arma have been completely designed and developed by R&D Department.
- **Otokar** R&D Center, has an enclosed area of 1000 m². On the other hand, it is equipped with prototype manufacture areas, special paint house, and Hydraulic Road Simulator enabling faster testing of the manufactured vehicles employing the state-of-the-art technology, test equipment and computer systems to create and evaluate information.
- Having proved itself in the realm of R&D, **Otokar** was awarded with "Award of New Articles" by the Undersecretariat of Foreign Trade in 1996 and with "Mimar Sinan University Industrial Design Honorary Prize" in 1999.
- **Otokar's** next goal is to design vehicles employing virtual reality simulations in computer environment, thus developing better quality products in a shorter period.
- **Otokar** received R&D Centre Document in Feb. 2011.
- Otokar designed vehicles constitutes 85% of the total revenue.



- **2013** : The Cleanest Industry Plant of Turkey Award, Ministry of Environment & Urban Planning
- **2011** : Jury's Special Award for KENT bus, Busworld Fair
- **2010** : "Good Design Award", Design Turkey 2010 for KENT 290LF
- **2009**: Busworld Kortrijk European Coach and Bus Week (ECW) Grand Award in Midi Coach category for DORUK 215T
- **2008**: "Good Design Award", Design Turkey 2008 for DORUK 190LE
- **1999**: Industrial Design "Honour Award" by Mimar Sinan University
- **1996**: "Award of New Articles" by the Undersecretariat of Foreign Trade







Otokar branded vehicles are used actively on 5 continents. Defence vehicles are in nearly 30 countries and commercial vehicles are also over 45 countries.



Otokar's Profile Competitive Advantages

-
- | | | |
|---|--|--|
| ▪ Having products which the industrial and ownership rights belong to Otokar |  | ▪ Unique in Defence Industry |
| ▪ Working with well known brand names |  | ▪ Product reliability in markets |
| ▪ Flexible plant capacity |  | ▪ Capability to react urgent defence oriented orders |
| ▪ Ability to offer custom designs |  | ▪ Customer satisfaction guaranteed |
| ▪ Strategic location |  | ▪ Lower Logistic Cost |
| ▪ Low engineering costs |  | ▪ Lower unit cost |
| ▪ Test and Design Center |  | ▪ Shorter test time for vehicles |

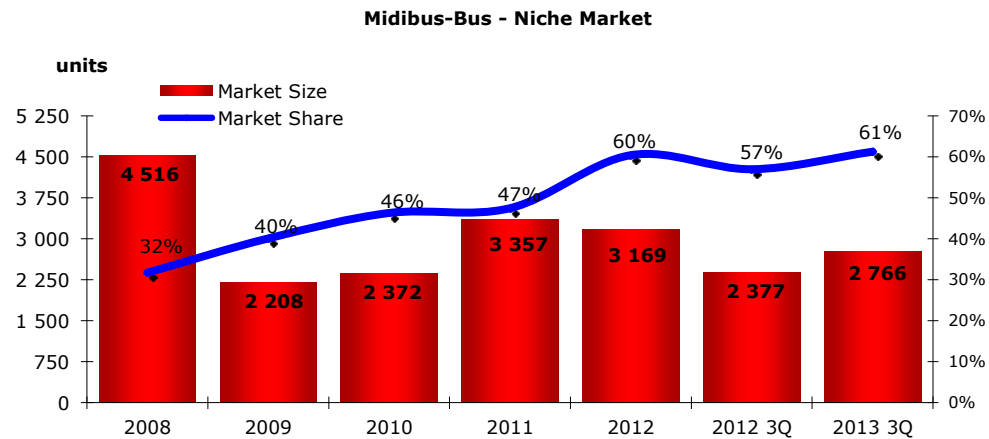
- Developing its own technology
- Preserving the local and national identity of its own products.
- Targeting persistent satisfaction of customers, employees and partners with total excellence philosophy.
- Designing, manufacturing and marketing commercial vehicles and various defence industry products in line with the requirements of the customers with a worldwide competitiveness
- Sustainable growth by exports of commercial vehicles in Europe through dealers network; by increasing exports of defense vehicles; by increasing domestic market share

HIGHLIGHTS OF 2013

- By the end of 3Q 2013, total revenues have reached to TRY 1.007 mio. which was greater than the whole year 2012. Otokar generated TRY 67,3 mio net profit with a net margin of 6,7%.
- Otokar's 8,68 Corporate Management rating upgraded to 9,10 in March 2013.
- Successful results in bus&midibus sales:
 - ❖ In 3Q 2013 bus&midibus total sales increased by 113% compared to 3Q 2012.
 - ❖ Continuation in the leadership in 7 to 9-meter local bus market. In 7-meter segment Sultan (Navigo) is the market leader with 59,7% share which was 56,4% in 3Q 2012. In 9&10mt bus segment Doruk (Vectio) is the market leader with its 83% share which was 61,1% in 3Q 2012. In addition to these, Otokar was also the market leader in 12-meter public transport buses with 37% share with its KENT.
- The backlog from several buyers:

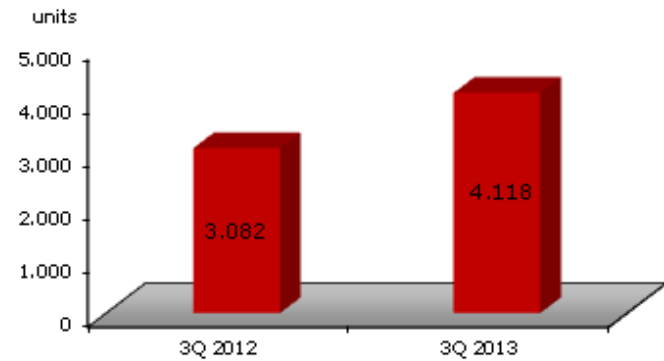
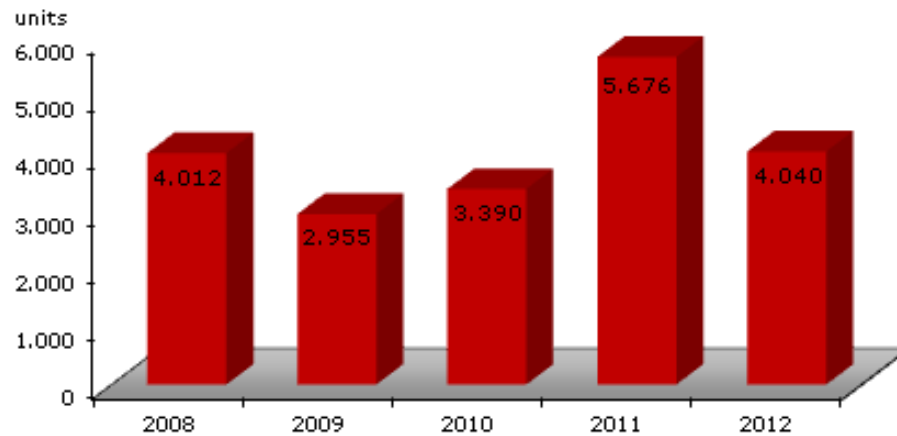
As of September 2013, the backlog figure to be delivered in near future reached to USD 206 mio. The distribution of this total figure in their own currencies are TRY 338 mio, EUR 9 mio and USD 28 mio. The backlog figure consists of 6x6 ARMA, 4x4 Cobra, Internal Security Vehicle, APV, Land Rover for several buyers and KENT for Istanbul Municipality.
- Atlas, Tempo, Ural, Cobra II, Kaya II and Tulpar was entered into the product range.

Sustainable Leadership in midcap sized Bus Market



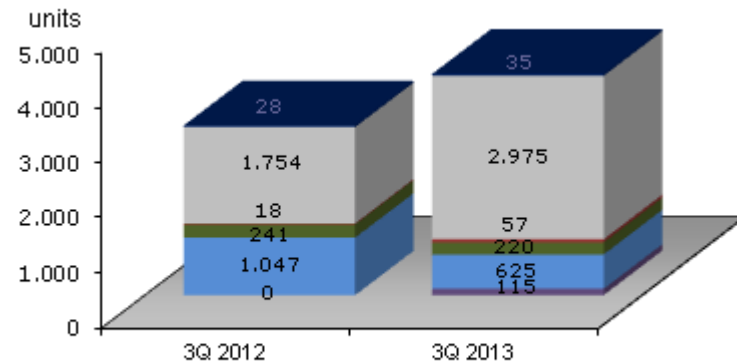
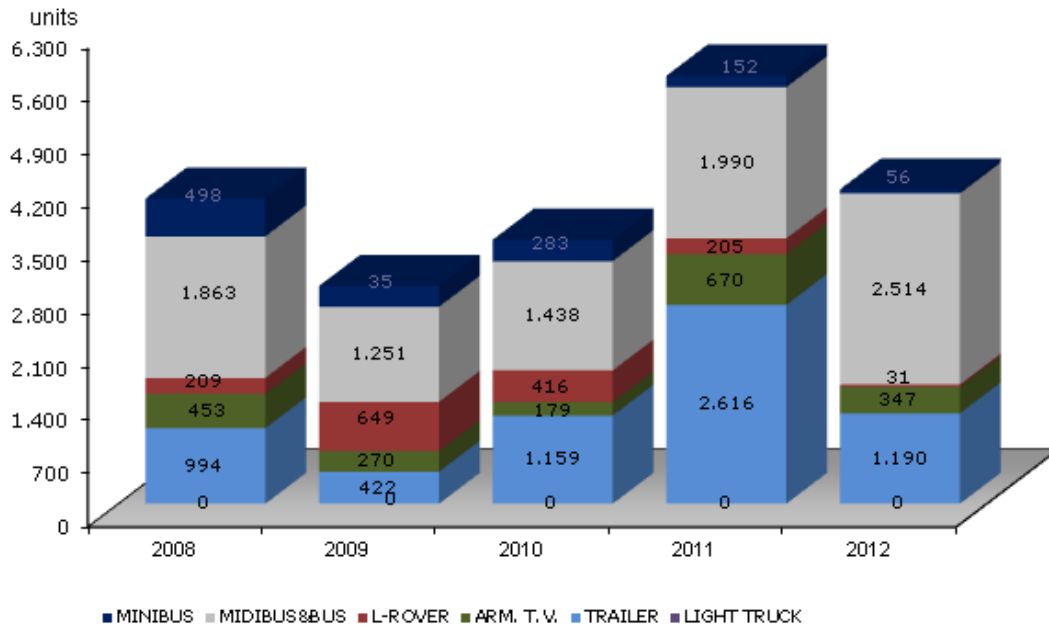
	2012	2011	2013 3Q	2012 3Q
Total Revenue	1.004,5	890,5	1.007,8	670,7
EBITDA	122,1	90,7	132,4	100,2
Net Profit	76,4	54,8	67,3	55,3
Shareholders' Equity	241,7	213,3	243,9	218,7
ROE (%)	31,6	25,7	27,6	24,4
Gross Margin (%)	22,1	22,0	22,3	22,6
Operating Margin (%)	9,3	8,0	10,4	9,9
EBITDA Margin (%)	12,2	10,2	13,1	12,9
Net Margin (%)	7,6	6,2	6,7	8,0
Current Ratio	1,3	1,0	1,18	1,02
Total # of Employees	2281	1519	2546	2172

(TRY mio)

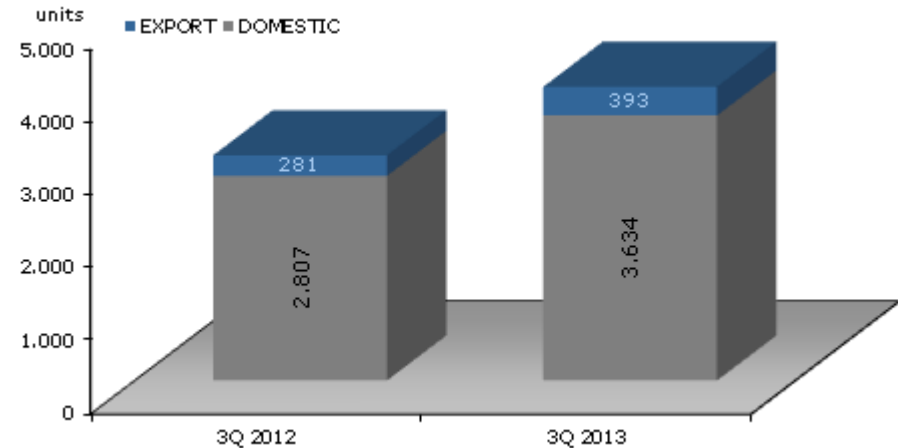
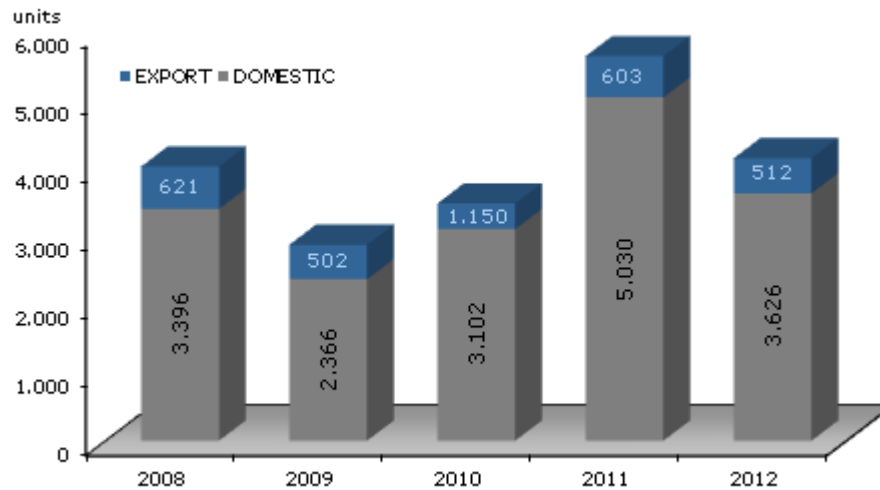


Otokar's Financials

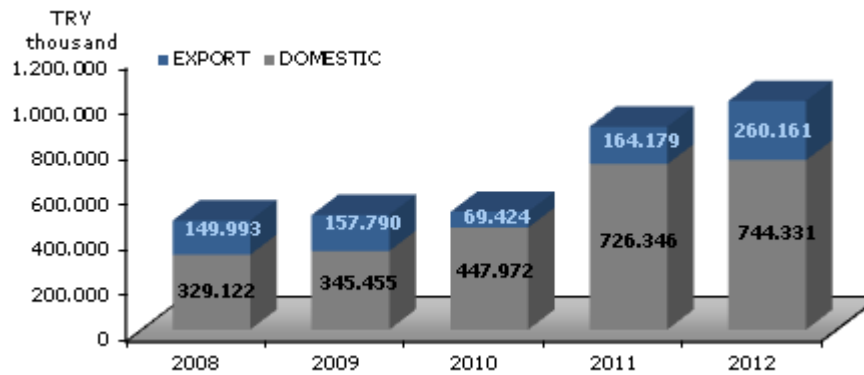
Sales Units-Distribution



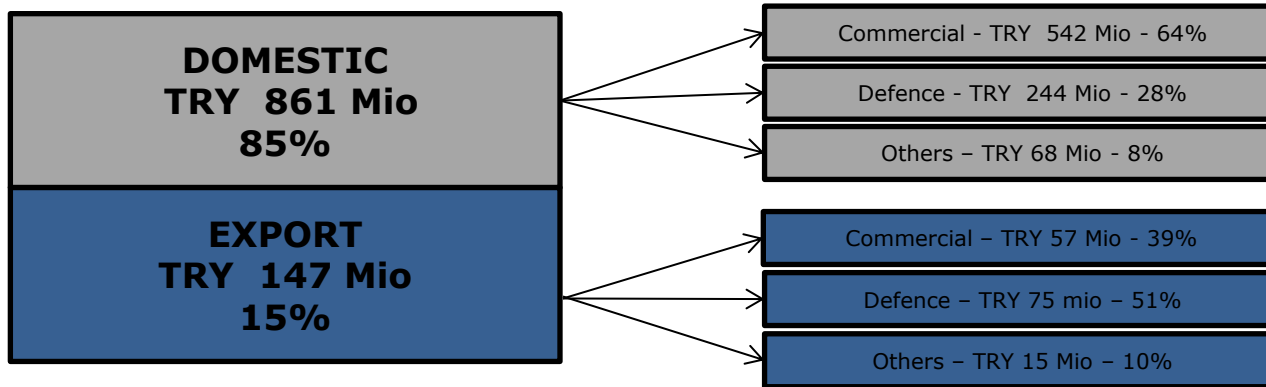
Otokar's Financials Sales Unit-Distribution



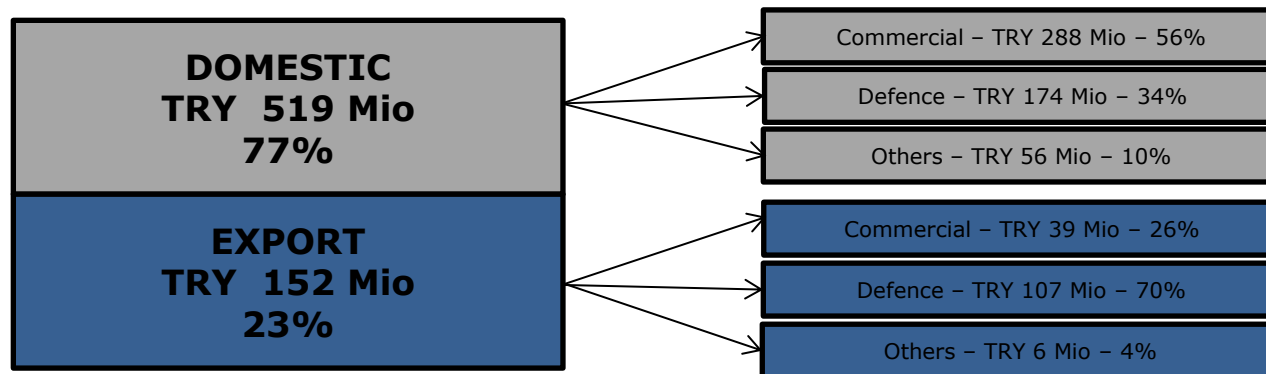
Otokar's Financials Revenue-Distribution

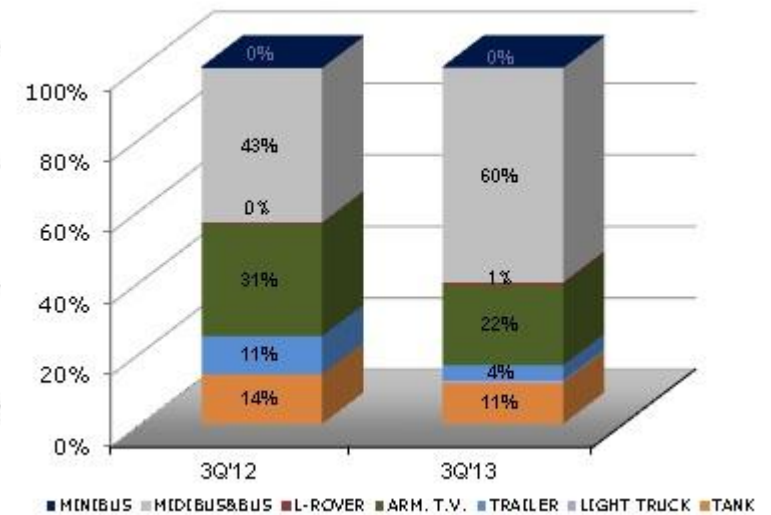
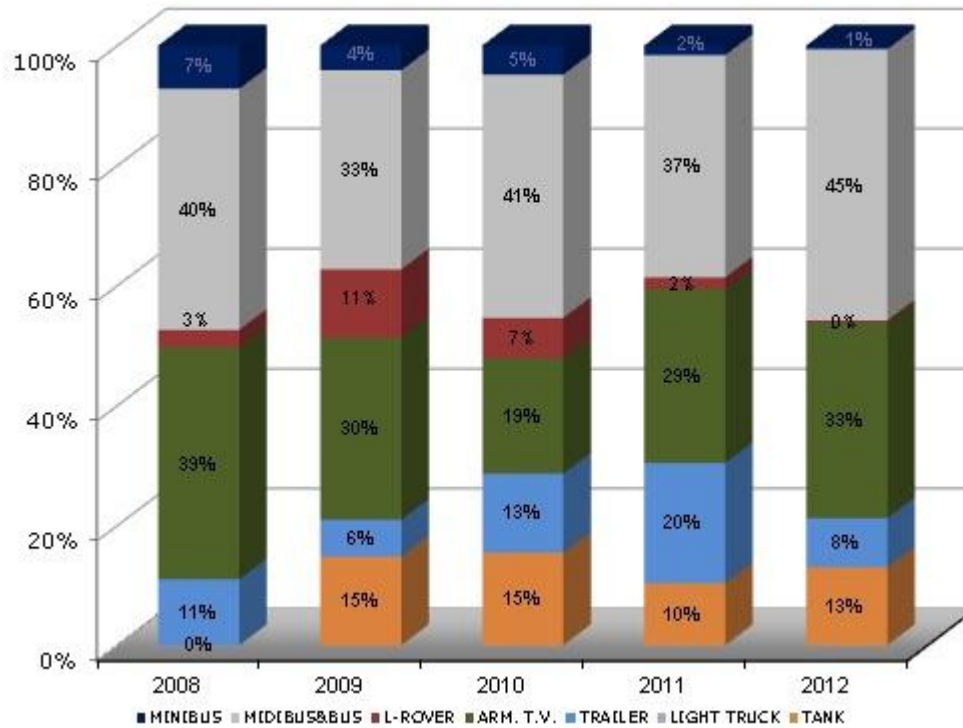


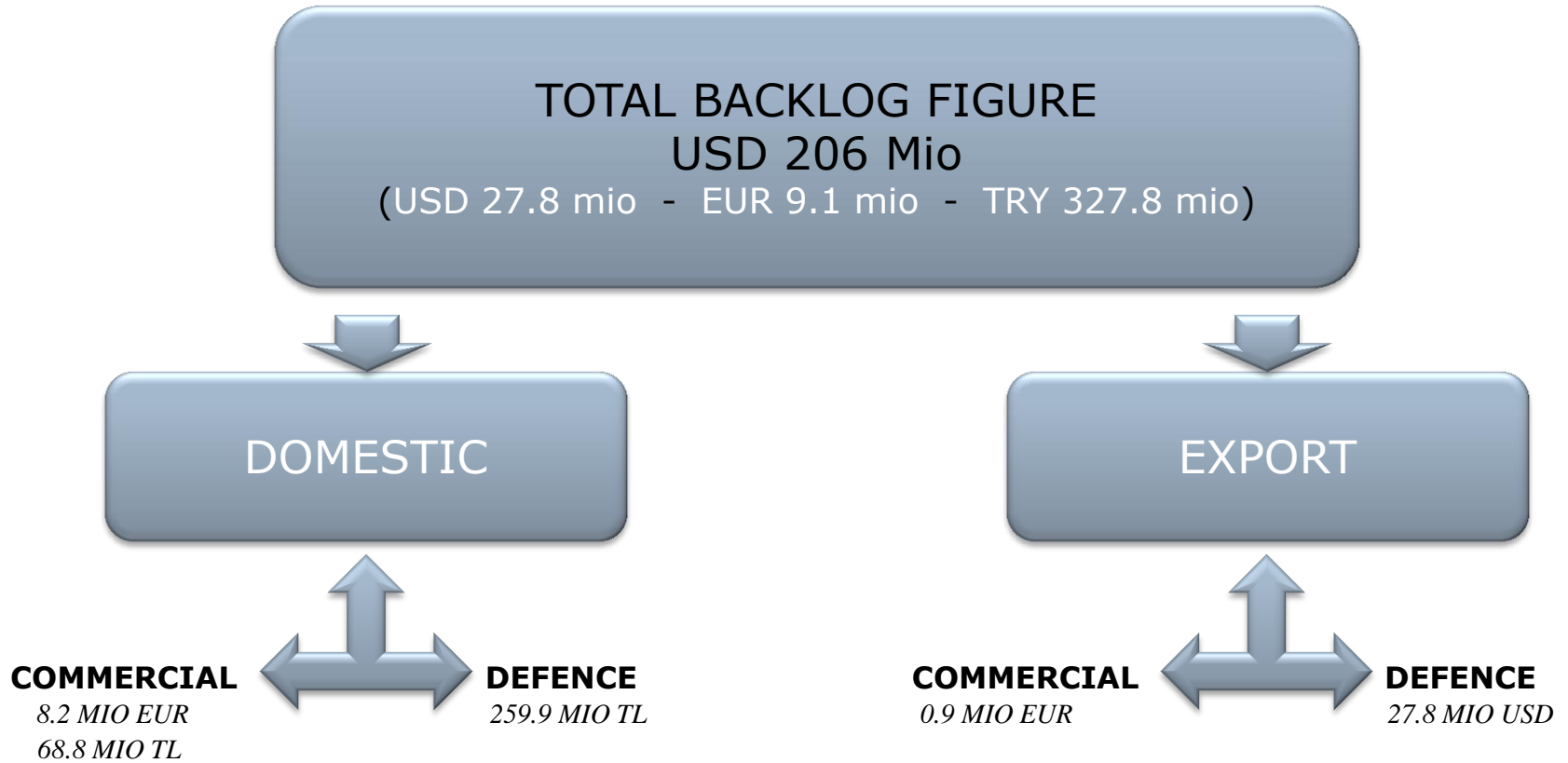
DISTRIBUTION OF REVENUES 3Q 2013



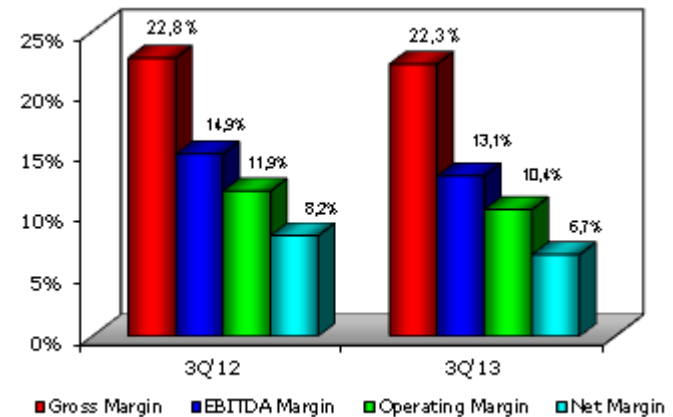
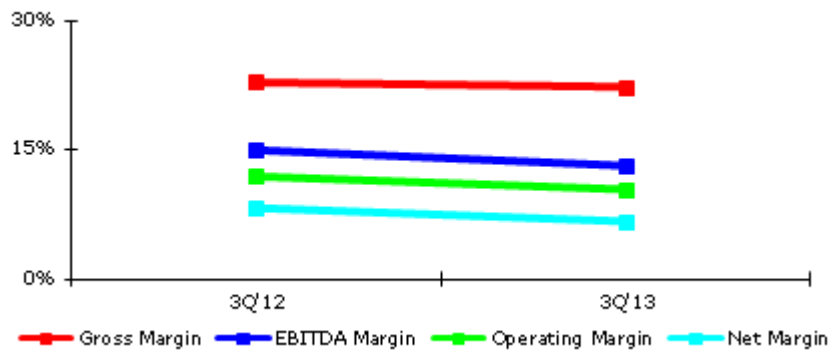
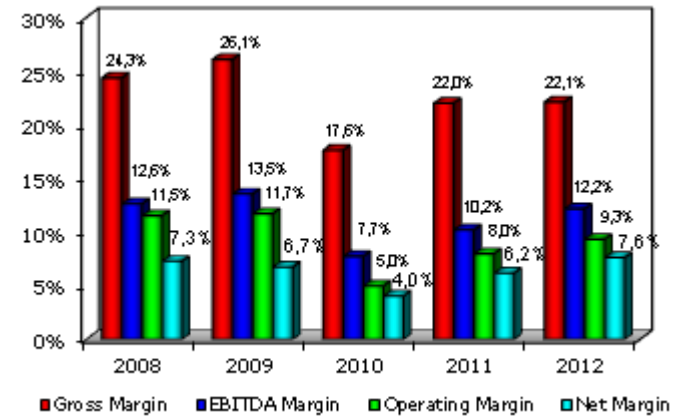
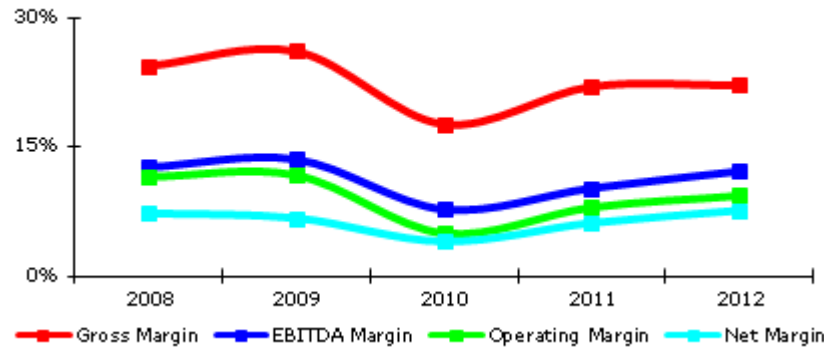
DISTRIBUTION OF REVENUES 3Q 2012



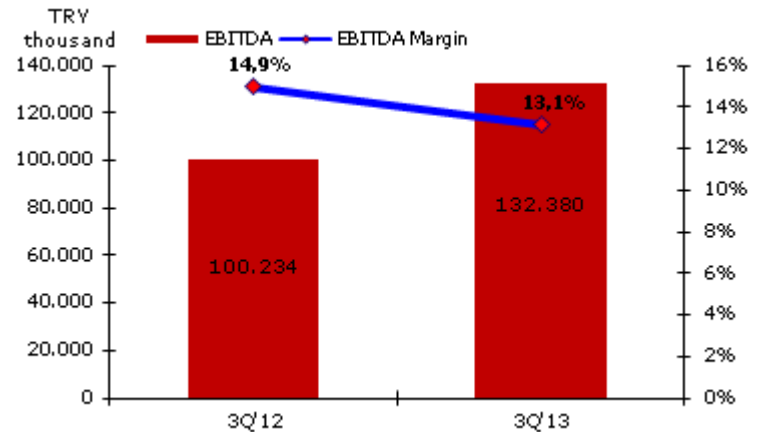
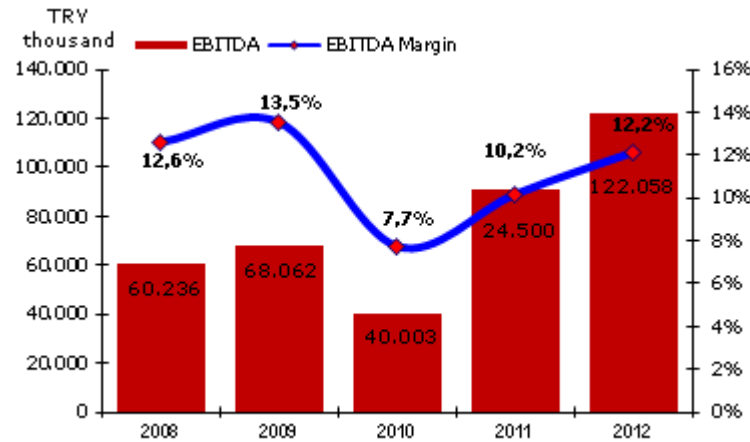




Otokar's Financials Margins

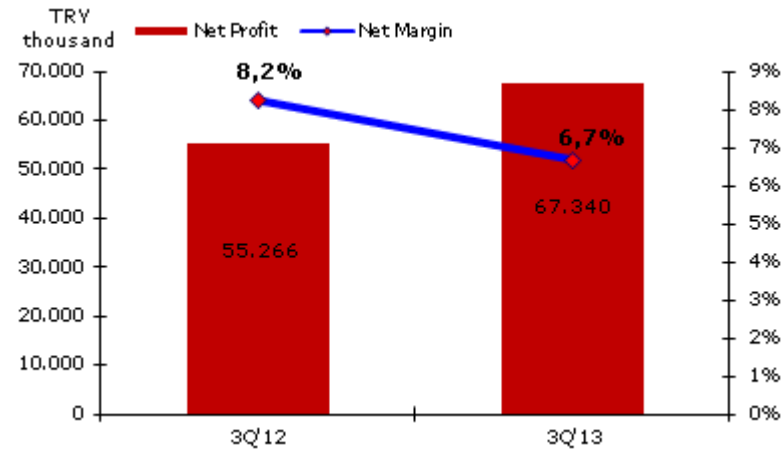
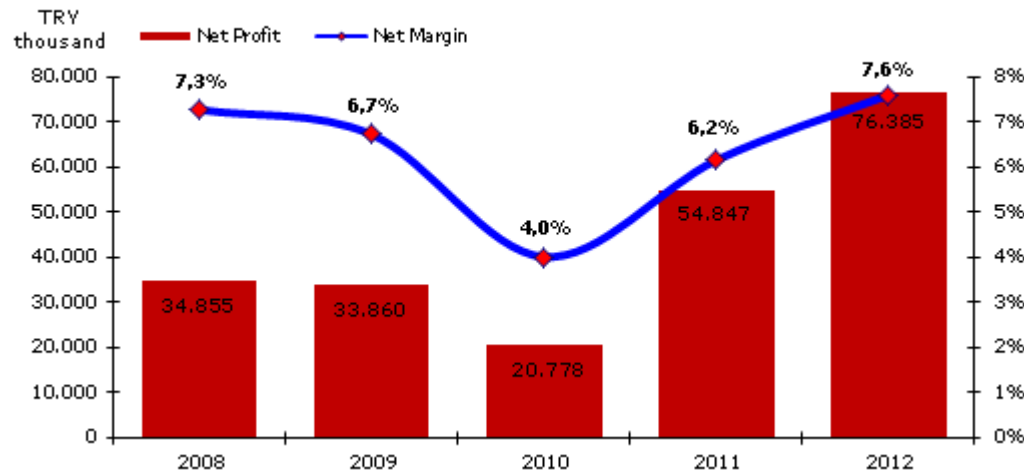


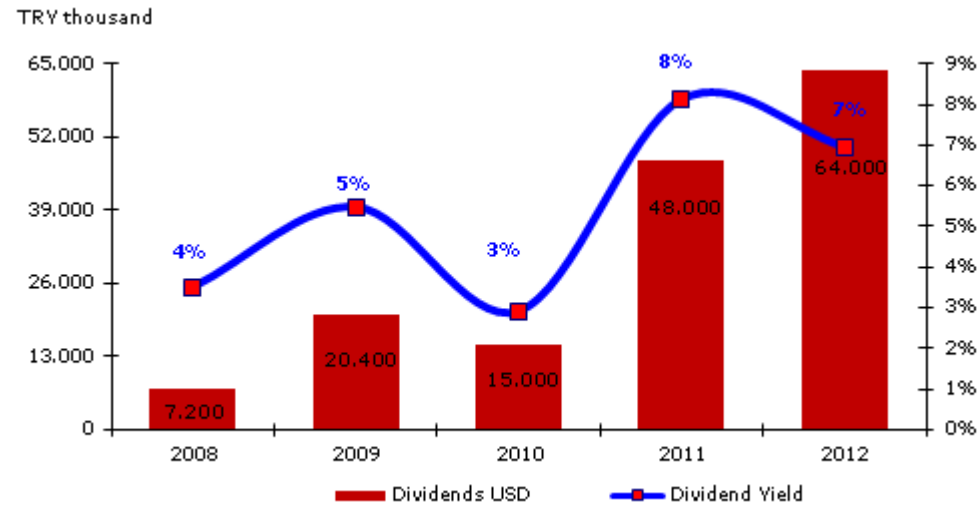
Otokar's Financials Ebitda & Ebitda Margins

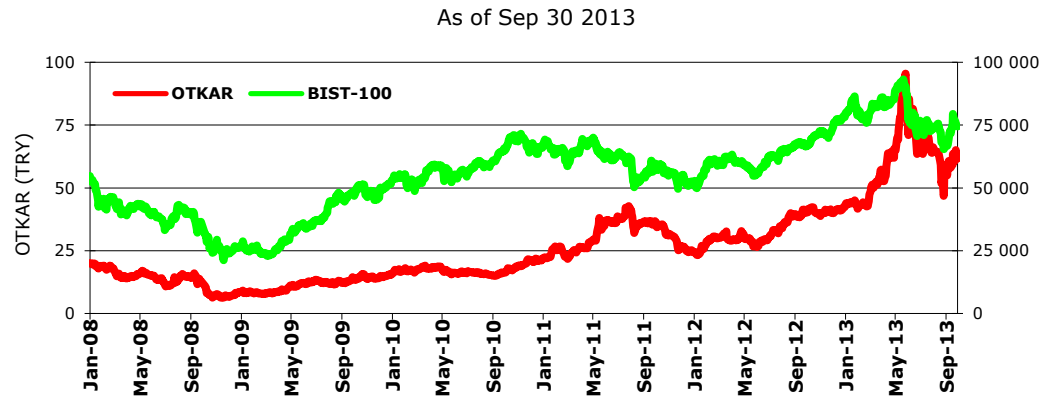


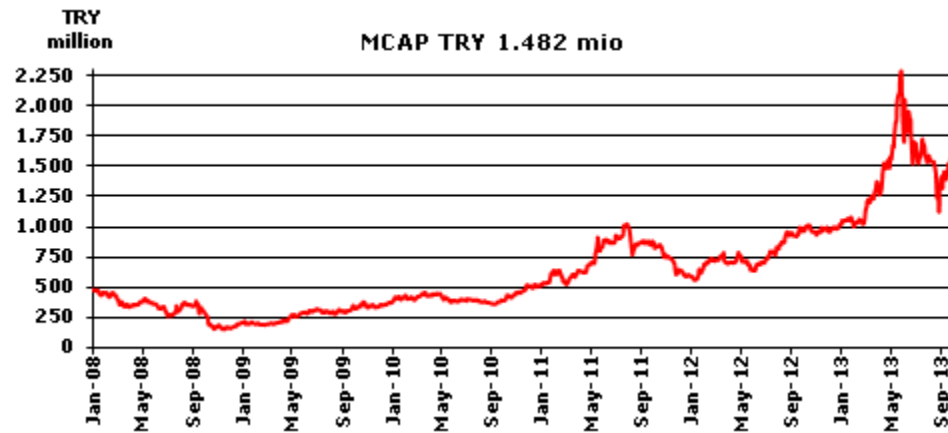
Otokar's Financials

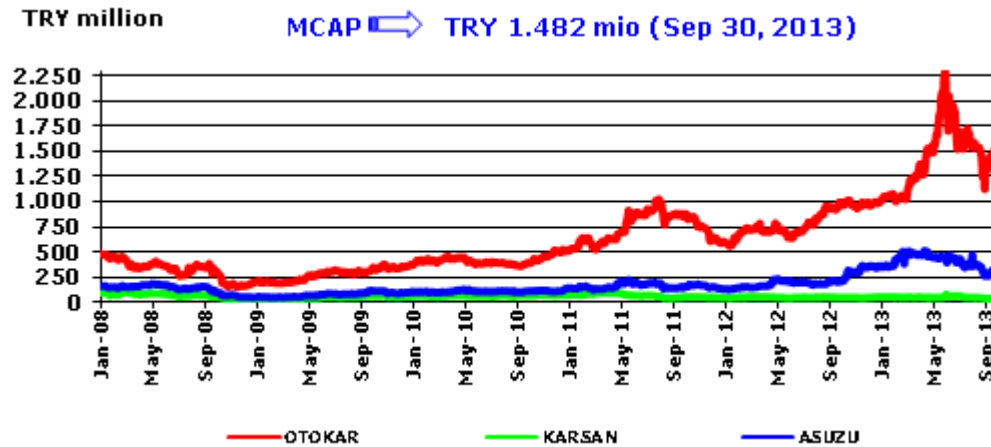
Net Profit & Net Margin

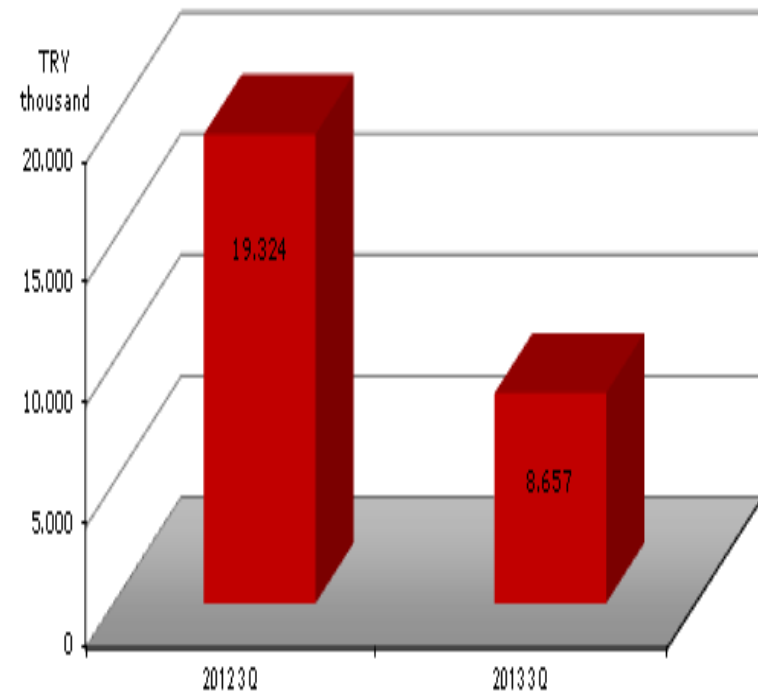
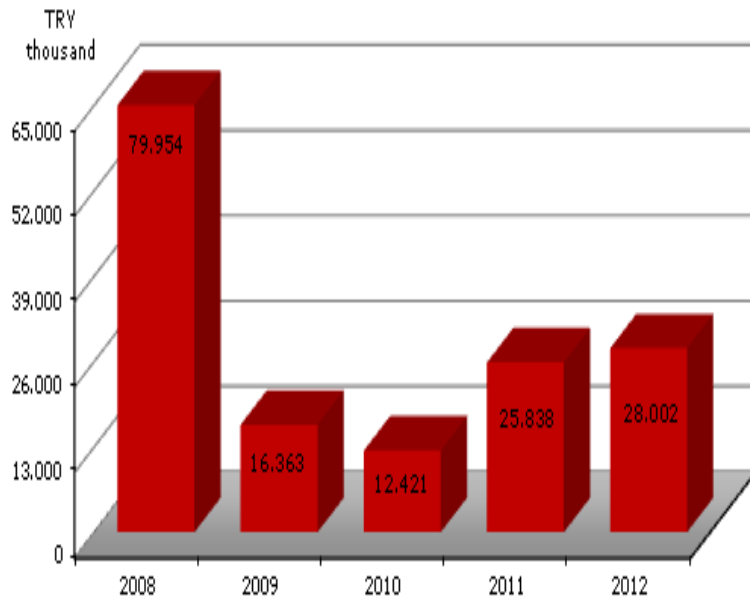












- ✓ Summary Profit & Loss Statement (IFRS)
- ✓ Summary Balance Sheet (IFRS)
- ✓ Summary Cash Flow Statement (IFRS)
- ✓ Summary Working Capital

TRY thousand (IFRS)	30-Sep-2013	30-Sep-2012
Domestic Revenues	860.805	518.534
Export Revenues	147.017	152.151
Net Sales Revenues	1.007.821	670.684
Cost of Sales	-783.132	-517.770
Gross Profit	224.689	152.915
Operating Expenses	-120.098	-73.096
Real Operating Profit/Loss	104.591	79.819
Income/loss before minorities&taxes	74.025	58.578
Tax	-6.685	-3.312
Net Profit	67.340	55.266

ANNEX SUMMARY-Balance Sheet

TRY thousand (IFRS)	30-Sep-2013	31-Dec-2012
Current Assets	792.567	680.169
Cash and Cash Equivalents	4.803	47.906
Receivables	374.625	224.694
Other Receivables	44	2
Inventories	323.581	252.633
Prepaid Expenses	72.738	133.454
Other Current Assets	16.776	21.481
Non-Current Assets	509.700	357.256
Trade Receivables	143.654	59.398
Other Receivables	54	48
Receivables from Operations Related to the Coming Years	82.284	61.325
Financial Investments	239	239
Property, Plant & Equipment - net	121.679	125.112
Intangible Assets	118.615	100.042
Deferred Tax Liabilities	43.175	11.092
Total Assets	1.302.267	1.037.425
Current Liabilities	673.263	530.142
Bank Borrowings	112.396	50.093
Derivative Financial Liabilities	2.813	2.193
Payables	107.423	85.027
Trade Payables to Related Parties	5.356	8.989
Other Trade Payables	102.067	76.038
Provision for Employee Benefits	7.198	17.166
Other Payables	10.786	1.441
Deferred Income	341.757	146.856
Government Incentives and Grants	1.008	671
Tax Liabilities from Net Income for the Period	9.976	-
Current Liabilities Provision	79.201	225.619
Other Current Liabilities	705	1.077
Non Current Liabilities	385.115	265.550
Bank Borrowings	303.372	236.100
Government Incentives and Grants	5.404	2.333
Non Current Provisions	27.464	21.474
Reserve for Retirement Pay	21.218	17.030
Provision	6.246	4.444
Deferred Income	48.875	5.644
Shareholders' Equity	243.889	241.733
Total Liabilities & Shareholders' Equity	1.302.267	581.973

ANNEX SUMMARY-Cash Flow Statement

TRY thousand (IFRS)	30-Sep-13	30-Sep-12
Cash and Cash Equivalants at the begining of the period	47.906	4.470
Net cash provided by operating activities:	-19.836	10.181
Net cash used in investing activities	-45.182	-46.464
Pre-financing cash flow	-65.019	-36.283
Net cash used in Financing Activities and Effect on Exchange Rate Changes	21.916	42.334
Net decrease/increase in Cash and Cash Equivalents	-43.103	6.050
Cash and cash equivalents at the end of the period	4.803	10.521

TRY thousand	Sep 30 2013	Sep 30 2012	TRY thousand	Sep 30 2013	Sep 30 2012
Cash&Cash Equivalents	4.803	10.521	ST Bank Borrowings	112.396	201.404
Marketing Securities	0	0	LT Bank Borrowings	303.372	70.348
Other	0	0		0	0
Total Financial Assets	4.803	10.521	Total Financial Liabilities	415.768	271.752

Net Financial Debt (TRY thousand)

Sep 30 2013 **Sep 30 2012**
410.965 **261.231**

TRY thousand	Sep 30 2013	Sep 30 2012
Current Assests	792.567	789.750
Current Liabilities	673.263	773.165
Working Capital	119.304	16.584

- ❖ Revenue more than 750 million USD
- ❖ Exports to be the 1/3 of the revenue
- ❖ Growth with the products of which industrial and property rights belongs to Otokar
- ❖ High dividend yield
- ❖ Increasing the company market value
- ❖ Satisfied shareholders

✓ **Hüseyin Odabaş**

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