

Otokar

INVESTOR RELATIONS PRESENTATION

30.06.2009



- ✓ Company Profile
- ✓ Highlights of 2009
- ✓ Financials
- ✓ Market Evaluation
- ✓ Guide & Targets of 2009
- ✓ Annex
- ✓ Otokar in 2010

Otokar was founded as Turkey's first intercity bus manufacturer.

In mid 80s, Otokar manufactured the first Turkish armoured vehicle as a cash carrier

In early 90s, Otokar combined its armour technology with its experience in military vehicles by developing Turkey's first 4x4 light-armoured tactical wheeled vehicles

In 2003 Sultan midibuses were added to the commercial product range.



In early 70s, Koç Group became the major shareholder of Otokar and began to manage the company.

In 1987, Otokar started to manufacture 4x4 tactical vehicles under license from Land Rover-UK

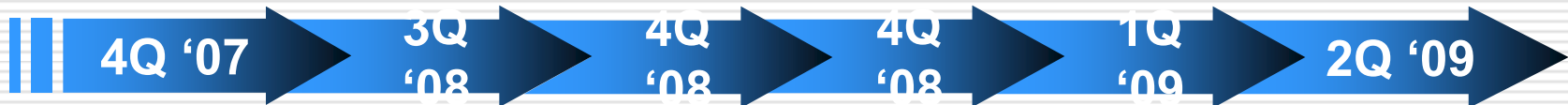
The Public offer of Otokar was realized in 1995.

After the merge with Ist.Fruehauf in 2002, trailers were added to the product range.

Launch of the new midsize bus for 35 seats named DORUK/VECTIO was on 4th quarter of 2007

Being the only designer and manufacturer of MINE RESISTANT TACTICAL VEHICLES in Turkey, Otokar added the armoured vehicle KAYA to its product range

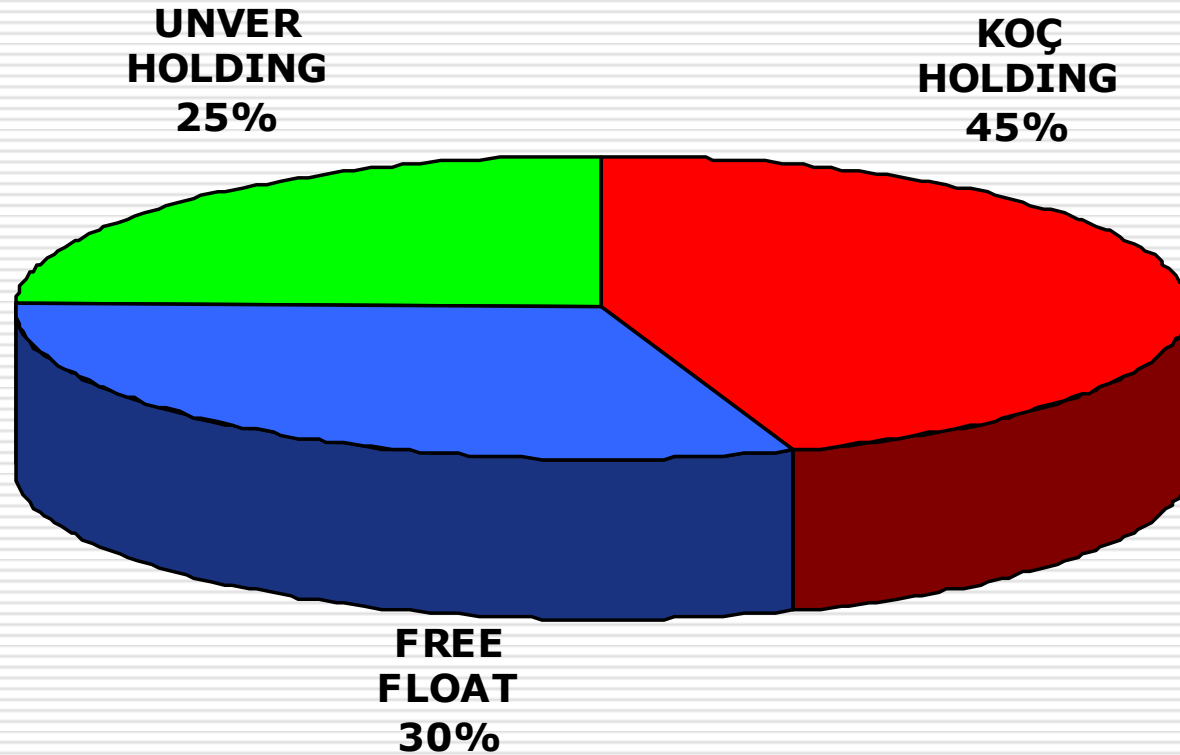
By upgrading its former Corporate Management rating of 7,94 to 8,12 in March 2009 Otokar ranked at 11th place among 17 firms.



Otokar signed the agreement as the prime contractor of the Altay Main Battle Tank Project to design the first national tank of Turkey on 29 July 2008.

The first Hybrid and CNG bus models of Doruk and also the launch of Vectios with Euro 5 Engine was in 2008.

Otokar's first 12-meter public transportation bus model KENT was launched in 2009.



The Firsts of Turkey:

- ♦ Intercity buses of Turkey
- ♦ Domestically manufactured minibus
- ♦ Domestic armoured vehicle
- ♦ Armoured vehicle exporter company of Turkey
- ♦ 4x4 tactical vehicle production
- ♦ 8x8 tactical armoured vehicle: Otokar-Yavuz
- ♦ Hybrid bus: Doruk 160LE Hibra
- ♦ Mine resistant tactical vehicle: KAYA
- ♦ National Main Battle Tank of Turkey: ALTAY(in 2015).

- ♦ Otokar is among the leading companies of Turkey on both commercial and defence industry sides with its 45 years' experience
- ♦ Otokar is quoted in ISE since 1995 and 30,51% share of Otokar is traded on ISE.
- ♦ Otokar's capex volume is around 10-15 mio \$ per annum. Otokar's R&D activities is realized by its R&D department of 200 employee.
- ♦ Otokar has integrated logistic support for its customers:
 - In Turkey, at 7 regions, 40 authorized service stations
 - At 18 countries Otokar vehicles are fully supported
 - Otokar also presents 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.
- ♦ Otokar realized over 1 billion \$ defense industry deliveries including exports in last 20 years and 410 million \$ of this derived from exports in last 7 years

Otokar's Profile Recently Launched Products

- Navigo 185 LX
- Doruk 230DG
- Otokar brand ADR tanker
- Doruk 160LE Hibra
- Mine Resistant Armoured Tactical Vehicles: KAYA
- Vectio / Doruk 215T
- Otokar's First 12-meter Public Transport Vehicle: KENT



➤ COMMERCIAL VEHICLES

- **Minibuses**



- **Midibuses**



- **Buses**



- **Trailer/Semi-trailers**



➤ DEFENCE VEHICLES

- **Land Rover 4x4
Land Vehicles**



- **Armoured Internal
Security Vehicles**



- **Mine Resistant Armoured
Tactical Vehicles**



- **Armoured Tactical Vehicles**



**OTOKAR IS ONE OF THE BIGGEST COMPANIES OF TURKEY IN
COMMERCIAL VEHICLE INDUSTRY.**

**ON COMMERCIAL SIDE OTOKAR'S PRODUCT RANGE CONSISTS OF
MINIBUSES, MIDIBUSES, BUSES, TRAILERS, SEMI-TRAILERS AND
TANKERS.**

➤ **COMMERCIAL VEHICLES**

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

MINIBUSES and MIDIBUSES



BUSES



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.

OTOKAR

OTOKAR, LEADER COMPANY IN DESIGN, TEST, INTEGRATION AND PRODUCTION OF MILITARY TACTICAL VEHICLES, AFTER THE 20 YEARS DEFENSE INDUSTRY EXPERIENCE, SCORED ALMOST 1 BILLION USD 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.

ADAPAZARI / ARİFİYE PLANT



Total area 552.000 m²
Total closed area 141.303 m²

➤ **DEFENCE PRODUCT RANGE**

- **Land Rover Defender**
- **Armoured Vehicles**
 - ♦ **Armoured Personnel Carrier**
 - ♦ **Scorpion**
 - ♦ **Cobra**
 - ♦ **Discreetly Armoured Station Wagon**
 - ♦ **Armoured Internal Security Vehicle**
 - ♦ **Mine Resistant Troop Carrier: Kaya**
 - ♦ **Yavuz 8X8**
- **Tank in Near Future**

- Land Rover Defender
- Since 1987
- Production:23000 Exports:8000 (in 20 years)



DEFENDER 90

- General Service
- ATGM
- Gun Ship

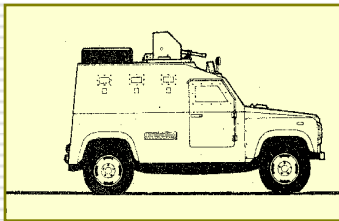
DEFENDER 110

- Command Control Vehicle
- FFR
- Station Wagon
- Soft Top Vehicle
- Pickup
- Box Body
- Heavy Duty Pickup
- EOD
- Narcotic Vehicle
- Ambulance
- Recovery
- Engerek-Special
- Forces
- Discreetly Armoured SW
- Various Weapon Platforms

DEFENDER 130

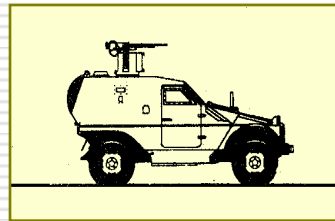
- Pickup With Personnel Cabin
- Rapier TFU
- Rapier TRT
- Rapier Fast
- Stinger Manpad
- Troop Carrier
- Ambulance

- Armoured Tactical Vehicles: APC, Scorpion and Cobra
- Since 1988, 1997



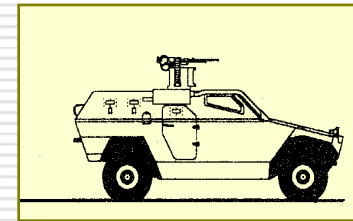
Armoured Personnel Carrier

- General Duty
- Ambulance
- Armoured Maintenance



Scorpion

- Night Vision Patrol Vehicle
- Patrol Vehicle With Thermal Camera
- Personnel Carrier



Cobra

- Personnel Carrier
- Recon. Vehicle With Weapon
- Command Control Vehicle

OTOKAR ARMoured PERSONNEL CARRIER MODELS



**Armoured
Personnel
Carrier**



**Armoured
Maintenance
Vehicle**



Armoured Ambulance

OTOKAR SCORPION MODELS



**Scorpion - 7.62mm
Single Machine
Gun Ows**



**Scorpion
Internal
Security
Vehicle**



**Scorpion
7.62mm
Twin
Machine
Gun
With Flir**



**Scorpion
Ground
Surveillance**

COBRA



'COBRA' 40mm Automatic Grenade Launcher



Inventory Entrance Date: July 1997

NATO Stok No: 2320-27-005-7064

Vehicle Technical Specifications:

- Continuous 4x4 Wheel Drive
- 6.5lt, 190 PS Turbo Diesel Engine
- 6300kg Combat Weight
- 9+1 Persons
- With Night Vision System and 40mm AGL or 12.7mm Turret
- Central Tyre Inflation

'COBRA' With 12,7mm Gun Turret



Inventory Entrance Date: July 1997

NATO Stok No: 2320-27-005-7063

Vehicle Technical Specifications:

- Continuous 4x4 Wheel Drive
- 6.5lt, 190 PS Turbo Diesel Engine
- 6300kg Combat Weight
- 8+1 Persons
- With Thermal Camera or Night Vision
- 12.7mm Turret
- Central Tyre Inflation

COBRA 'Amphibious Version'



Vehicle Technical Specifications:

- Continuous 4x4 Wheel Drive
- 6.5lt, 190 PS Turbo Diesel Engine
- 6300kg Combat Weight
- 6+1 Persons
- 12.7mm Turret Thermal Camera or Night Vision System
- Hybrid Cooling System, Automatic Bilge Pumps, With Surge Plates, Hydrostatic Driven Amphibious Kit
- Central Tyre Inflation

COBRA

Armoured Reconnaissance/Surveillance Vehicle

Inventory Entrance Date :1999

Vehicle Technical Specifications:

- Continuous 4x4 Wheel Drive
- 6.5lt, 190 Ps Turbo Diesel Engine
- 6300kg Combat Weight
- 2+1 Persons
- Land Watching Radar, 2.Generation TH Camera, Day Vision Camera, Target Coordinate Determination System
- Geographical Information System, Data Base, Formatted Message
- Radio (9600VHF, SK-4000) Image Transfer S (W/MW Link), Desert Phone
- Central Tyre Inflation System



COBRA Command Control Vehicle



Inventory Entrance Date: 1999

Vehicle Technical Specifications:

- Continuous 4x4 Wheel Drive
- 6.5lt, 190 PS Turbo Diesel Engine
- 6300kg Combat Weight
- 2+1 Persons
- Geographical Information System, Data Base, Image Clarity System, Combat Information Gathering System
- Radio (9600VHF, SK-4000) Image Transferring System (W/MW Link), Desert Phone, SATCOM Terminal
- GPS Transmitter
- Central Tyre Inflation

COBRA EOD Vehicle



Inventory Entrance Date: 2000

Vehicle Technical Specifications:

- Continuous 4x4 Wheel Drive
- 6.5lt, 190 Ps Turbo Diesel Engine
- 6300kg Combat Weight
- 4+1 Persons
- EOD Equipments
- NBC Kit
- Internal Driven Dozer Blade
- 12.7mm M82A1 Sniper Mounted Cupola
- Central Tyre Inflation

INTERNAL SECURITY VEHICLE



14 TON CLASS ARMoured VEHICLE
DESIGNED FOR THE INTERNAL SECURITY OPERATIONS

KAYA
Mine Resistant Troop Carrier





YAVUZ 8X8

ALTAY
Main Battle Tank of Turkey



"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.



OTOKAR

**BESIDES THE CAPABILITIES IN THE SYSTEM
INTEGRATION, OTOKAR HAS A GREAT
EXPERIENCE IN DESIGN VERIFICATION
TESTS BEFORE DELIVERY.**

COBRA PERFORMANCE TESTS



COBRA USA TESTS



PROTECTION

MINES



EXPLOSIVE TESTS UNDER VEHICLE



REFERENCES OF OTOKAR

National and foreign customer list of Otokar who use Otokar's defence products at last 5 years period:

NATIONAL CUSTOMERS

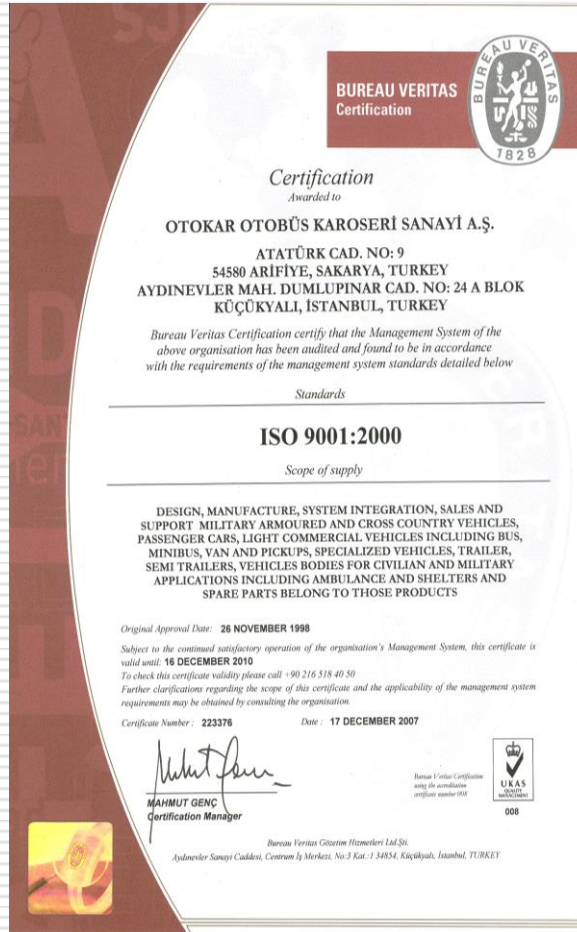
LAND FORCES COMMAND
NAVAL FORCES COMMAND
AIR FORCES COMMAND
GENERAL COMMAND OF
GENDARMERIE
TURKISH POLICE
SPECIAL FORCES COMMAND
OHAL REGION GOVERNERSHIP

FOREIGN CUSTOMERS

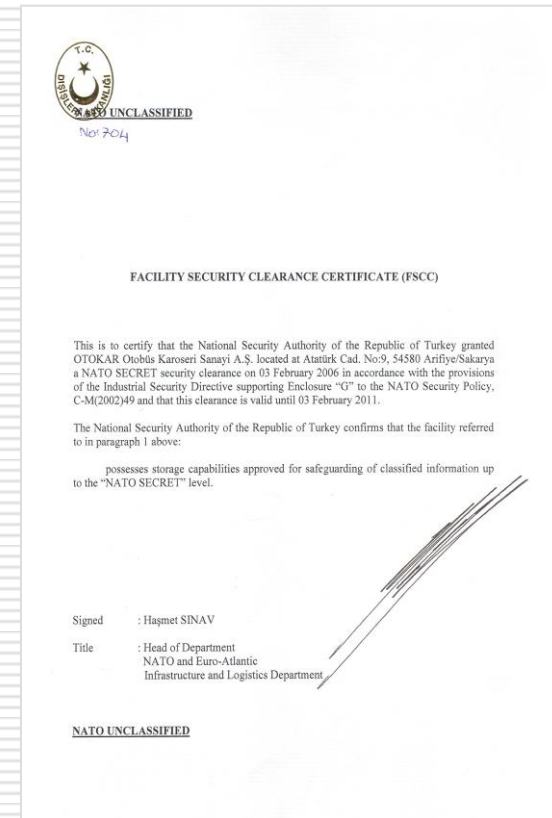
TUNUS DEFENSE MINISTRY
ALGERIA DEFENSE MINISTRY
USA-SPECIAL FORCES COMMAND
ENGLAND DEFENSE MINISTRY
MACEDONIA DEFENSE MINISTRY
ALBANIA DEFENSE MINISTRY
NATO-SHAPE COMMAND
IRAQ DEFENSE MINISTRY
PAKISTAN DEFENSE MINISTRY
PAKISTAN RANGERS
NATO-SEEBRIG
GEORGIA DEFENSE MINISTRY
MALDIV REPUBLIC
BAHREYN NATIONAL GUARDS COMMAND
UAE INTERNAL AFFAIRS MINISTRY
KAZAKISTAN DEFENSE MINISTRY

QUALITY ASSURANCE

OTOKAR HAS, ISO 9001 QUALITY ASSURANCE STANDARD, AQAP 2110 MILITARY QUALITY ASSURANCE STANDARD AND ISO 14001 ENVIRONMENTAL STANDARD CERTIFICATES.



OTOKAR HAS NATIONAL SECRET AND NATO SECRET LEVEL SECURITY CERTIFICATES.





OTOKAR, HAS BEEN GRANTED THE "GOOD DESIGN AWARD" FOR DORUK 190LE MODEL IN DESIGN TURKEY INDUSTRIAL DESIGN AWARDS ORGANIZED FOR THE FIRST TIME WITH COOPERATION OF THE GOVERNMENT, INDUSTRY AND DESIGNERS.





Otokar's defence vehicles are actively used in armies of 15 countries, and also in over 30 countries the commercial vehicles of Otokar are in use.



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 persistence 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 2009 1H

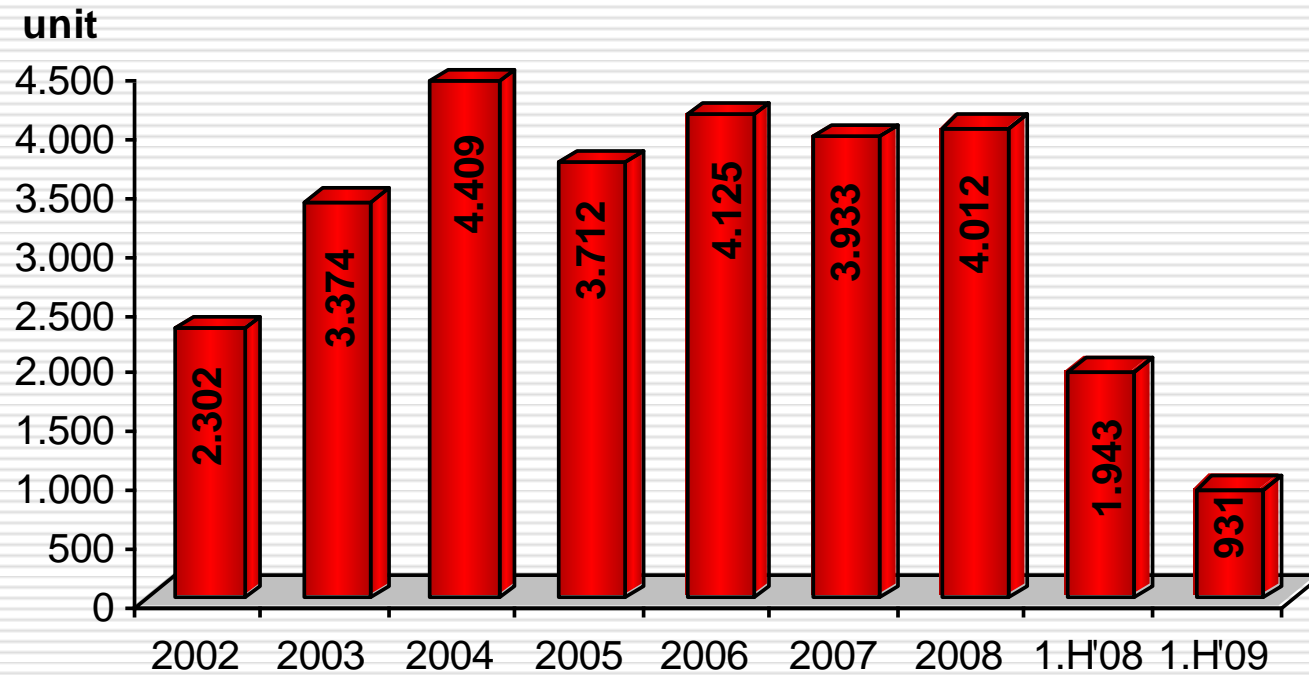
- 25% growth in export revenues through not only defensive vehicles but also midibus sales, 48% share of exports in total revenues.
- Defence Industry: 861 Command Control Vehicle Procurement Agreement signed in May 2009.
- Successful results in productivity by 6 Sigma Studies and start of SAP automation system
- Otokar's 7,94 Corporate Management rating upgraded to 8,12 in March 2009 and ranked at 11th place in 17 firms.
- New models launched in 2009: Doruk 230DG, Doruk 215T, and KENT.

Otokar's Financials

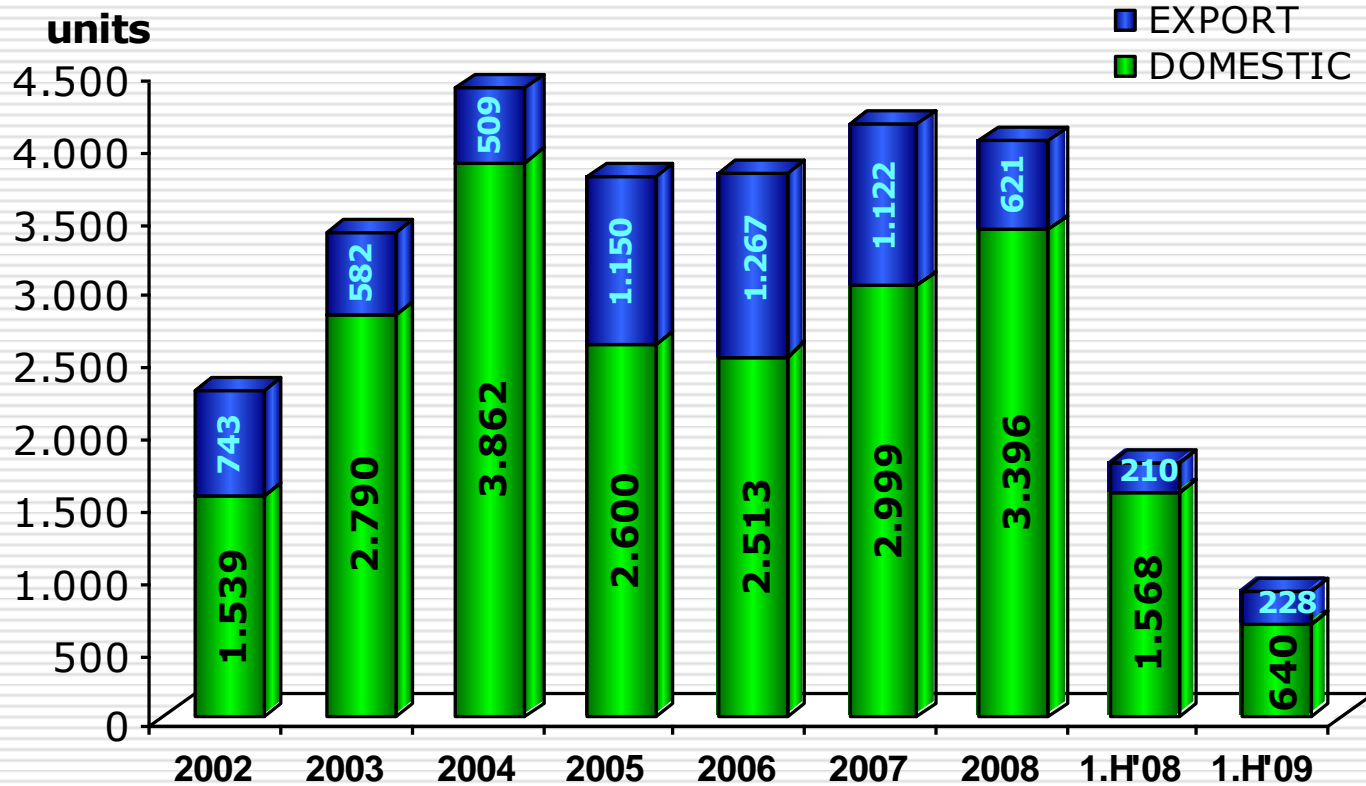
Financial Indicators

Total Revenue	125
EBITDA	23,1
Net Profit	9,7
Shareholders' Equity	99,6
ROE (%)	10,3
Gross Margin (%)	33,9
Operating Margin (%)	16,1
EBITDA Margin (%)	18,5
Net Margin (%)	7,8
Current Ratio	0,99
Total # of Employees	1 177

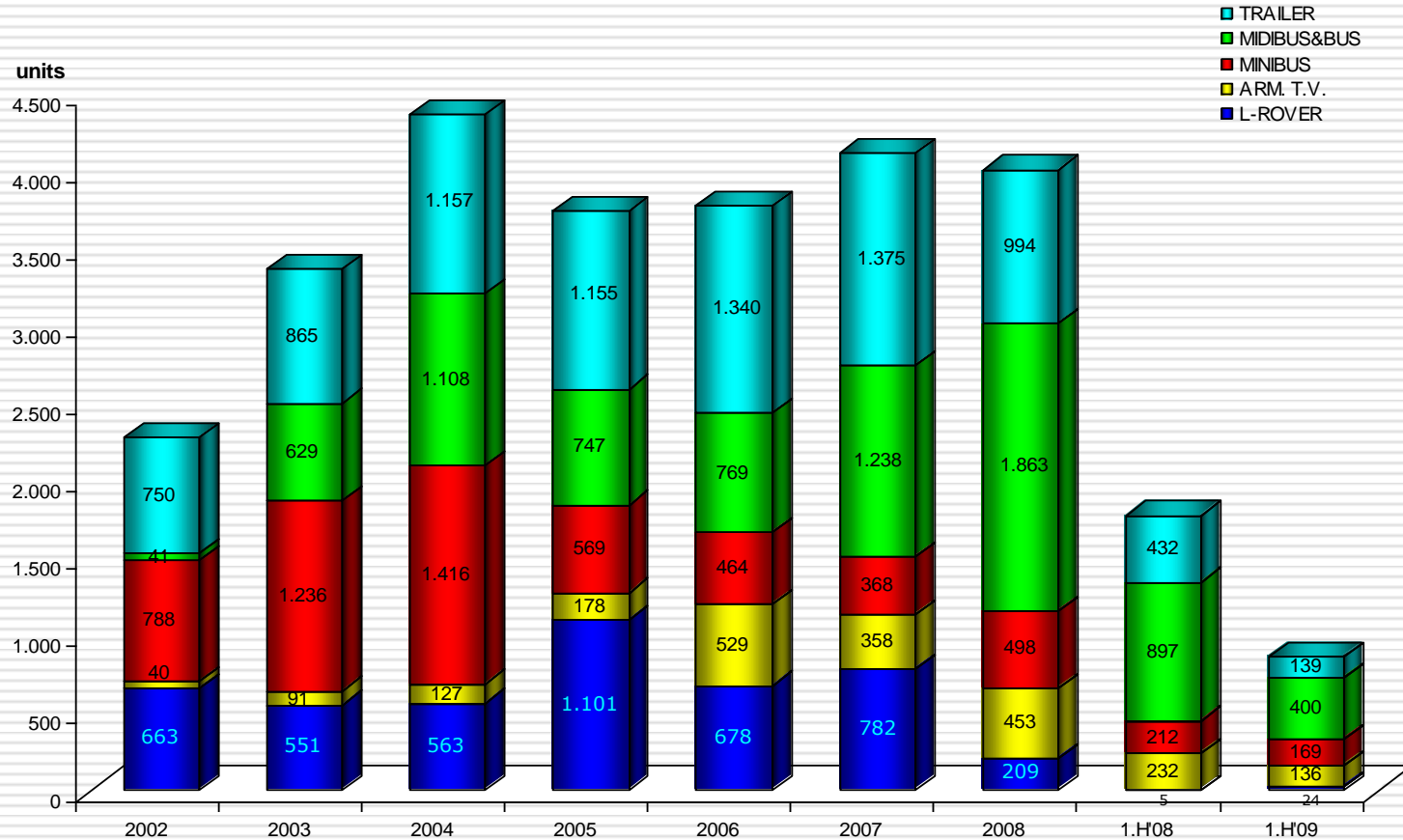
As of 30.06.2009
(USD mio)



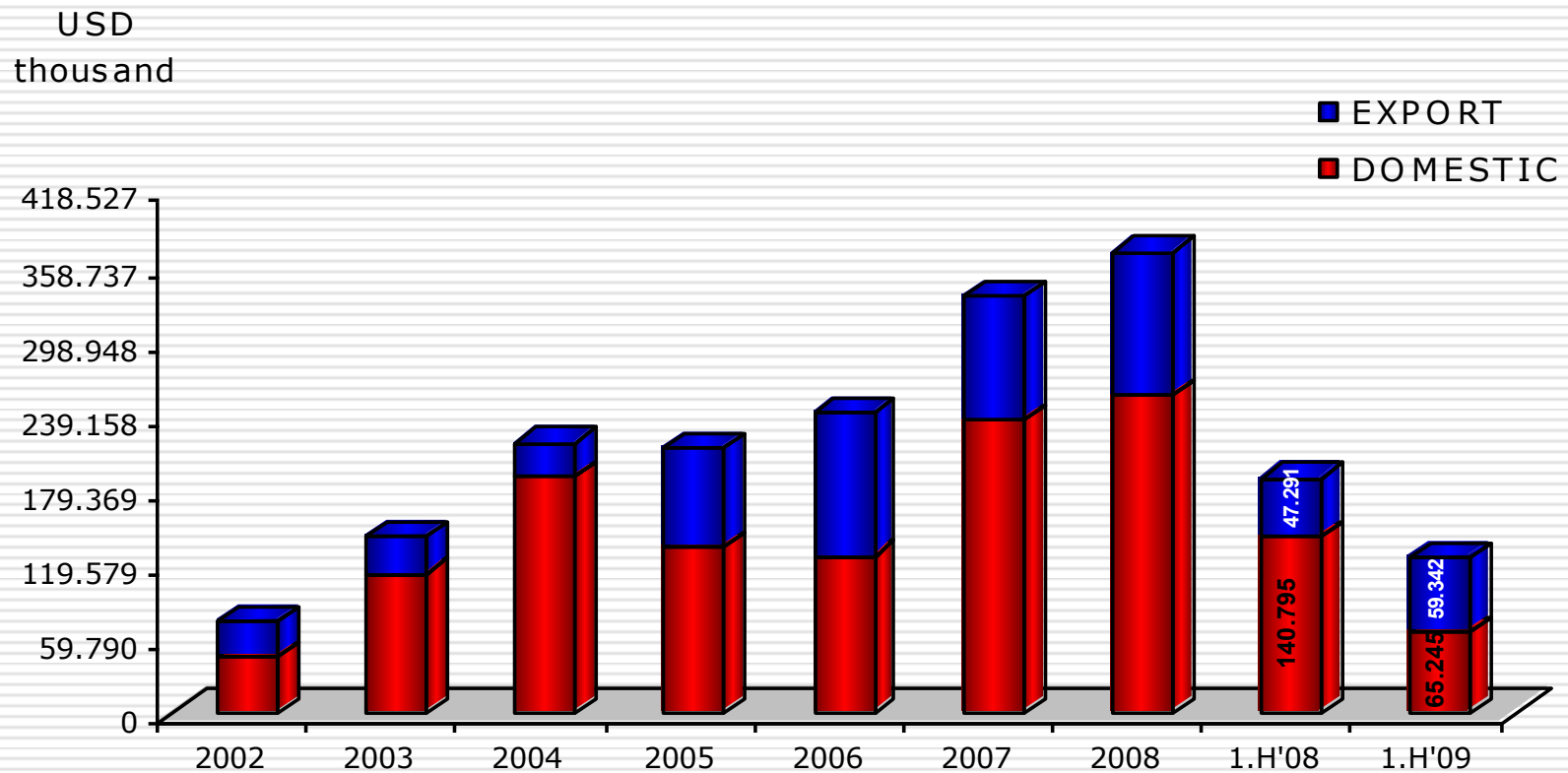
Otokar's Financials Sales Units-Distribution



Otokar's Financials Sales Unit-Comparison

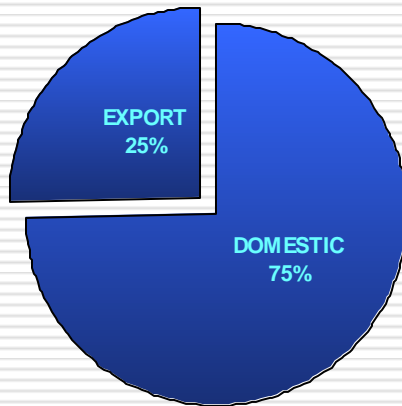


Otokar's Financials Revenue-Distribution

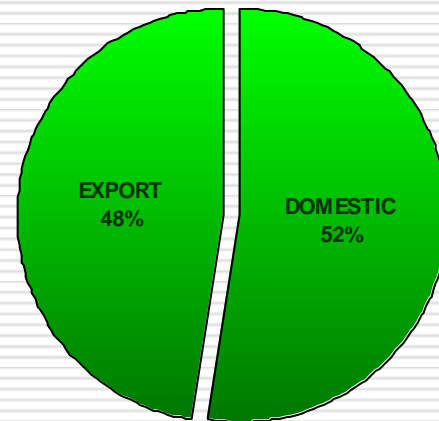


Otokar's Financials Revenue-Distribution

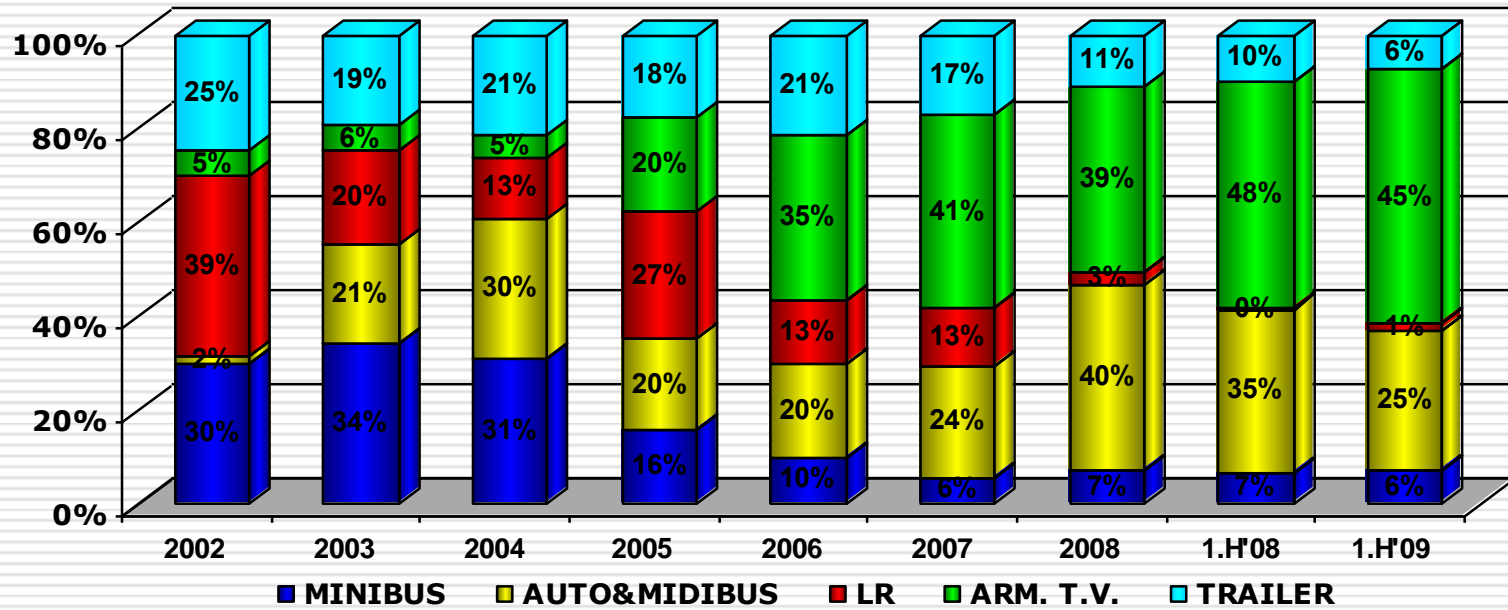
DISTRIBUTION OF REVENUES 1.H'08

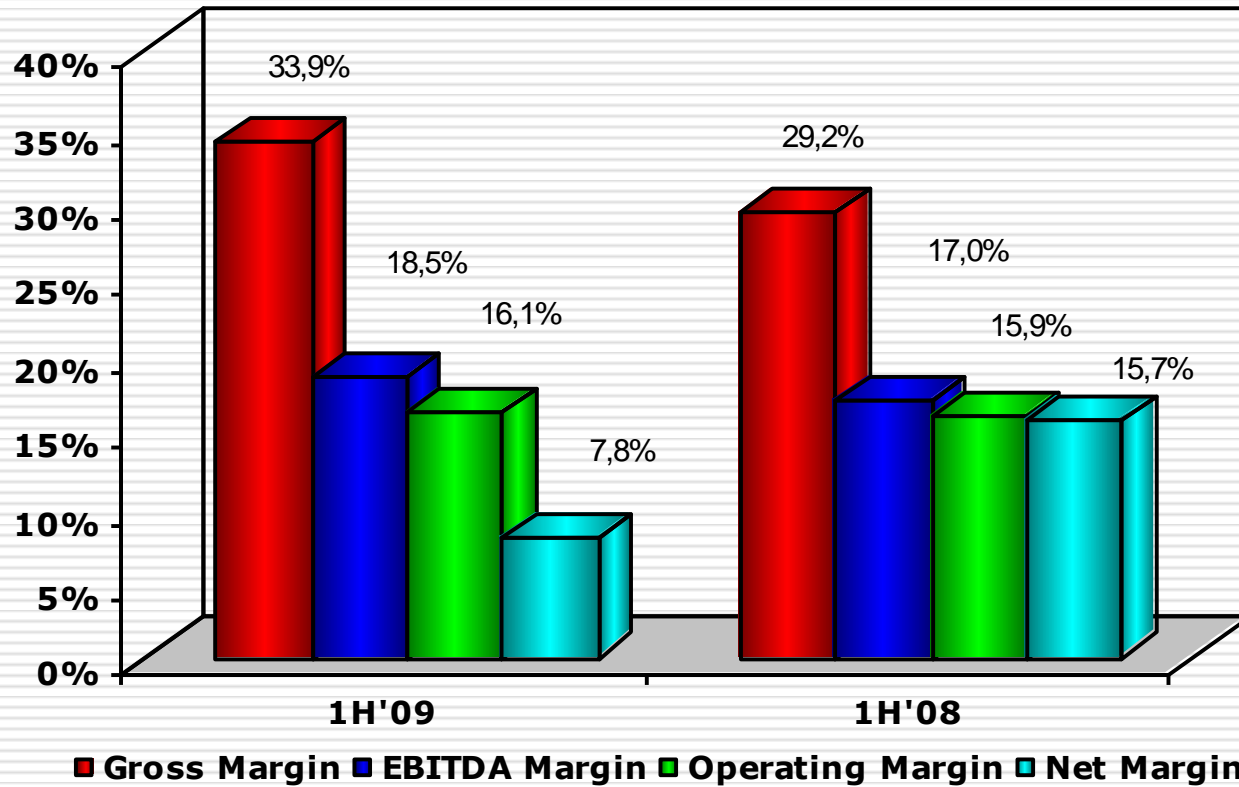


DISTRIBUTION OF REVENUES 1.H'09



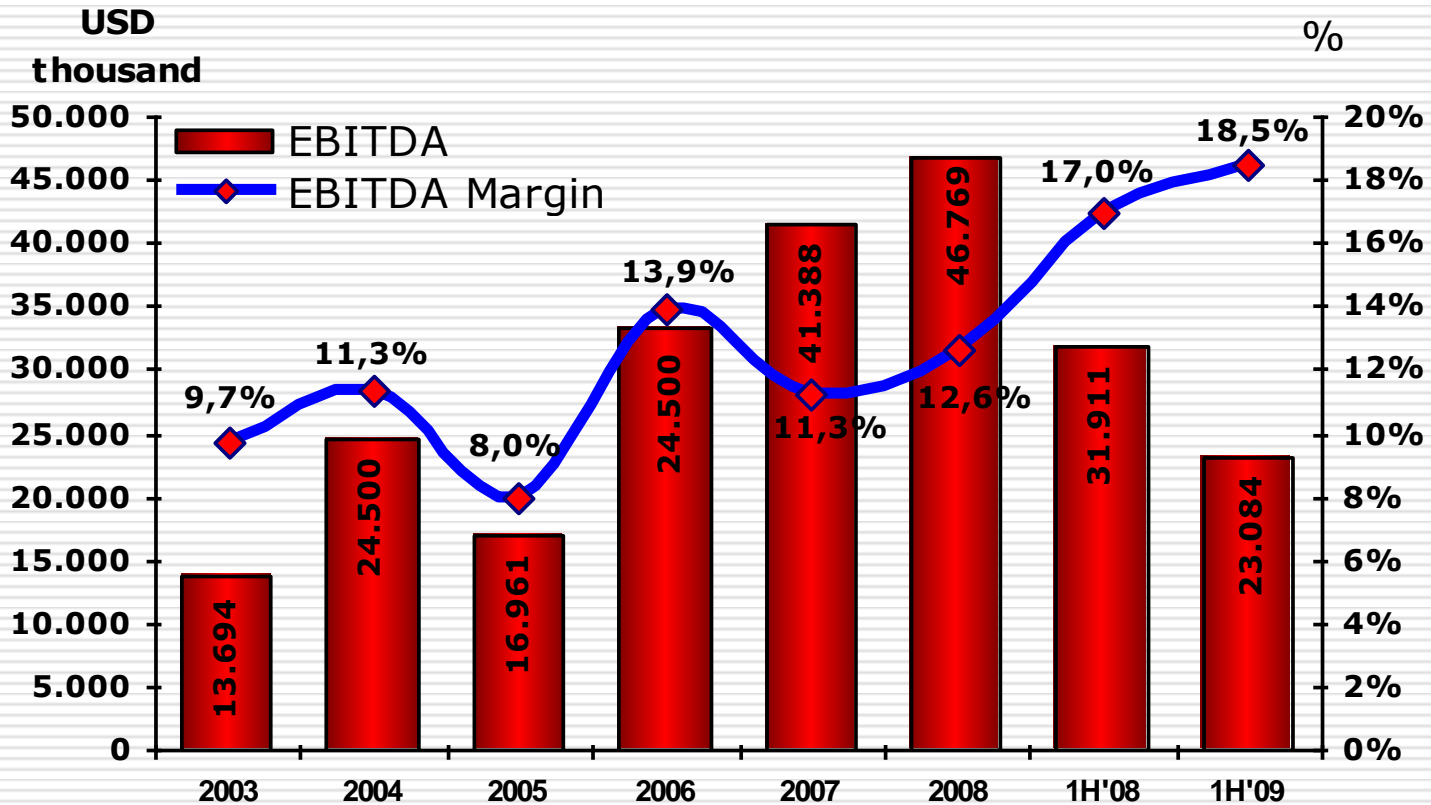
Otokar's Financials Revenue-Composition



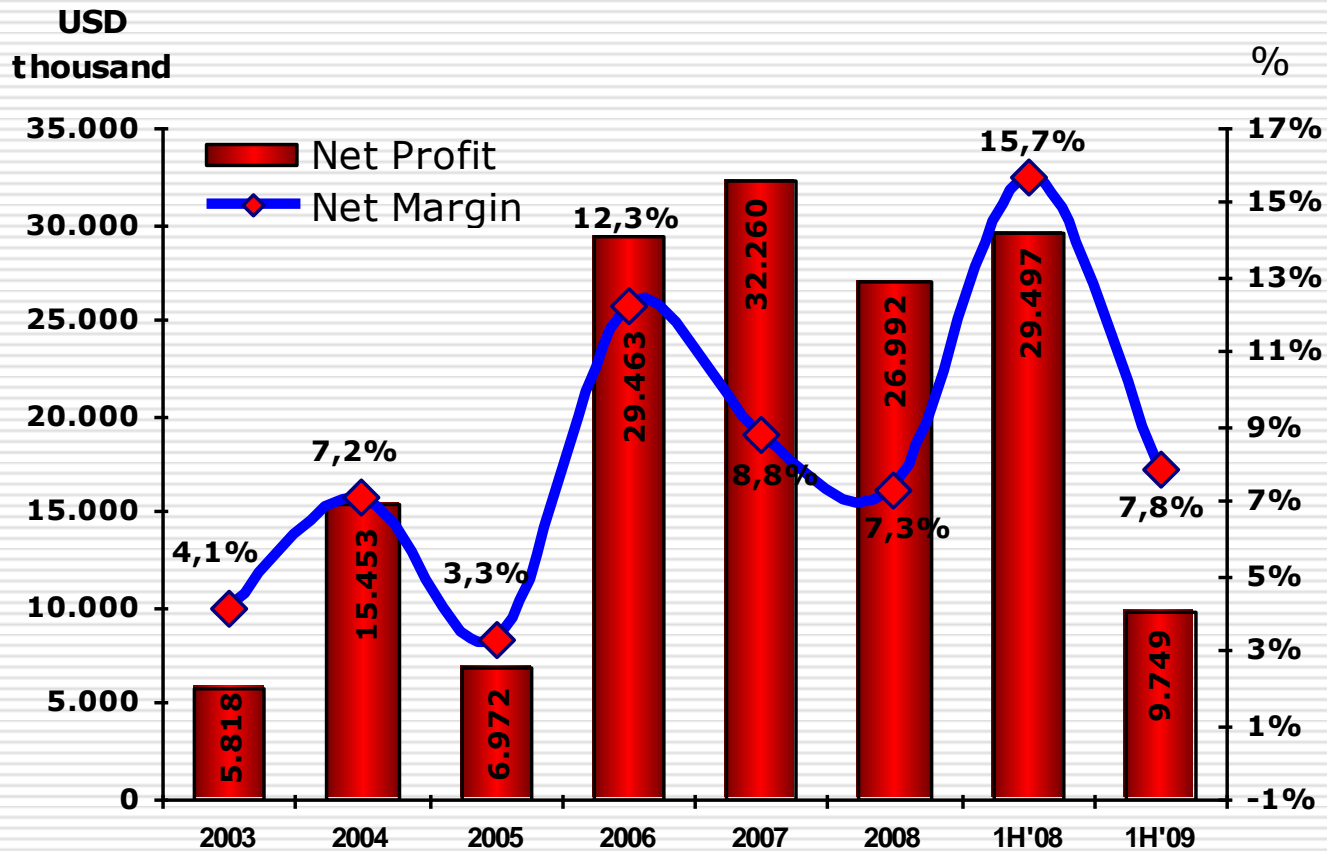


Otokar's Financials

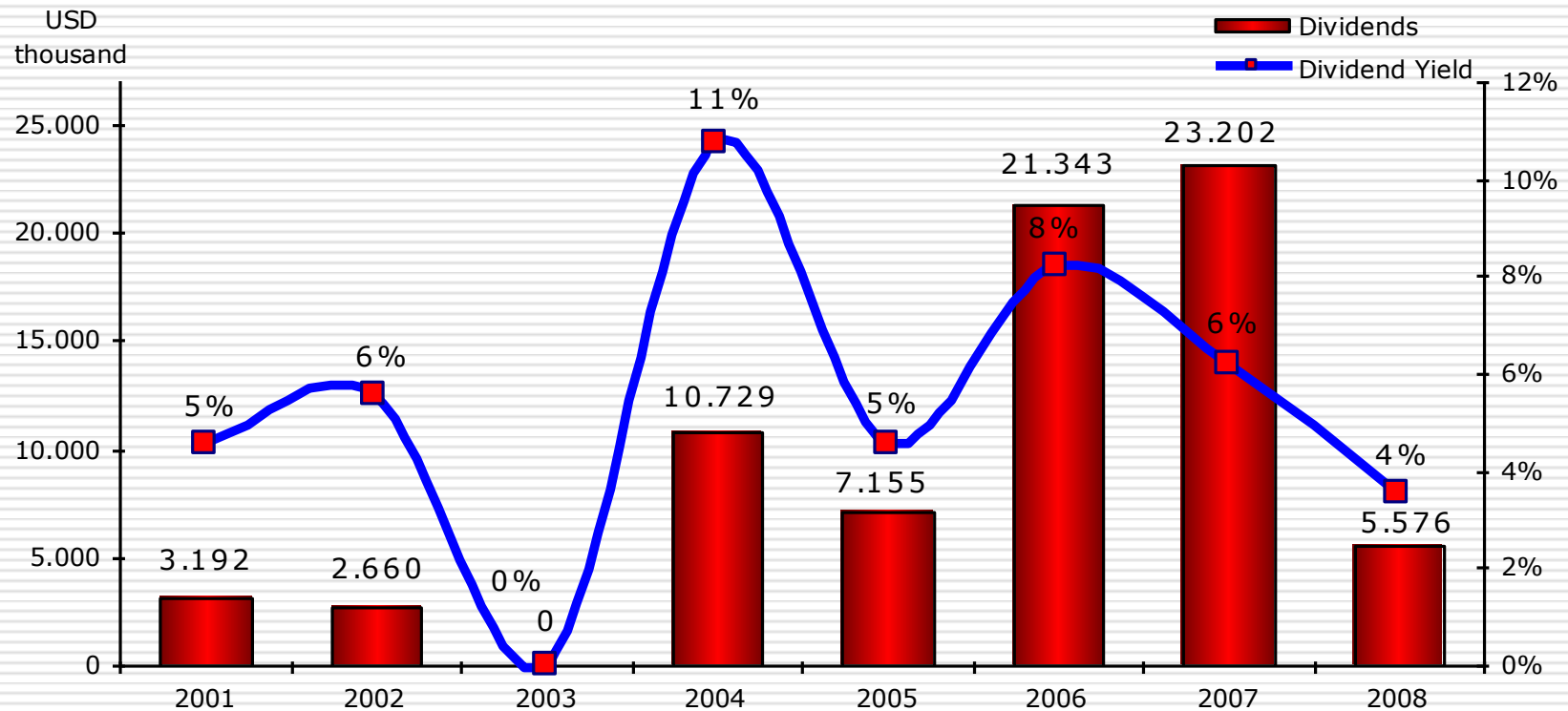
Ebitda & Ebitda Margins



Otokar's Financials Net Profit & Net Margin

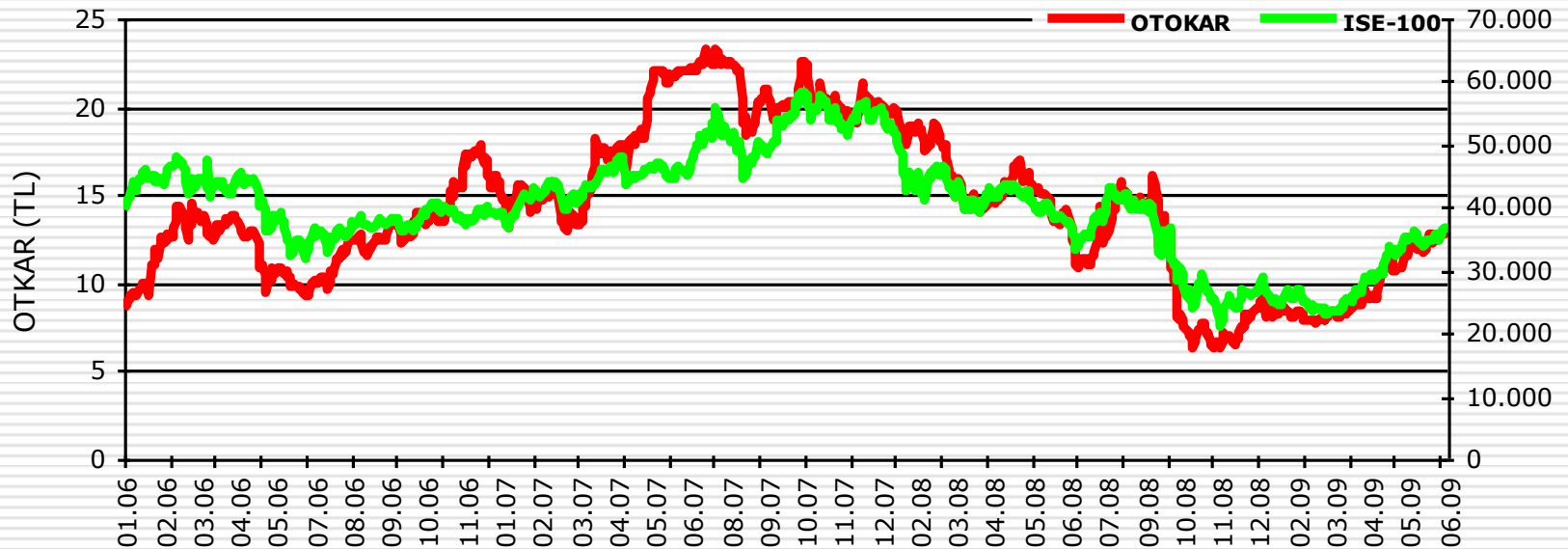


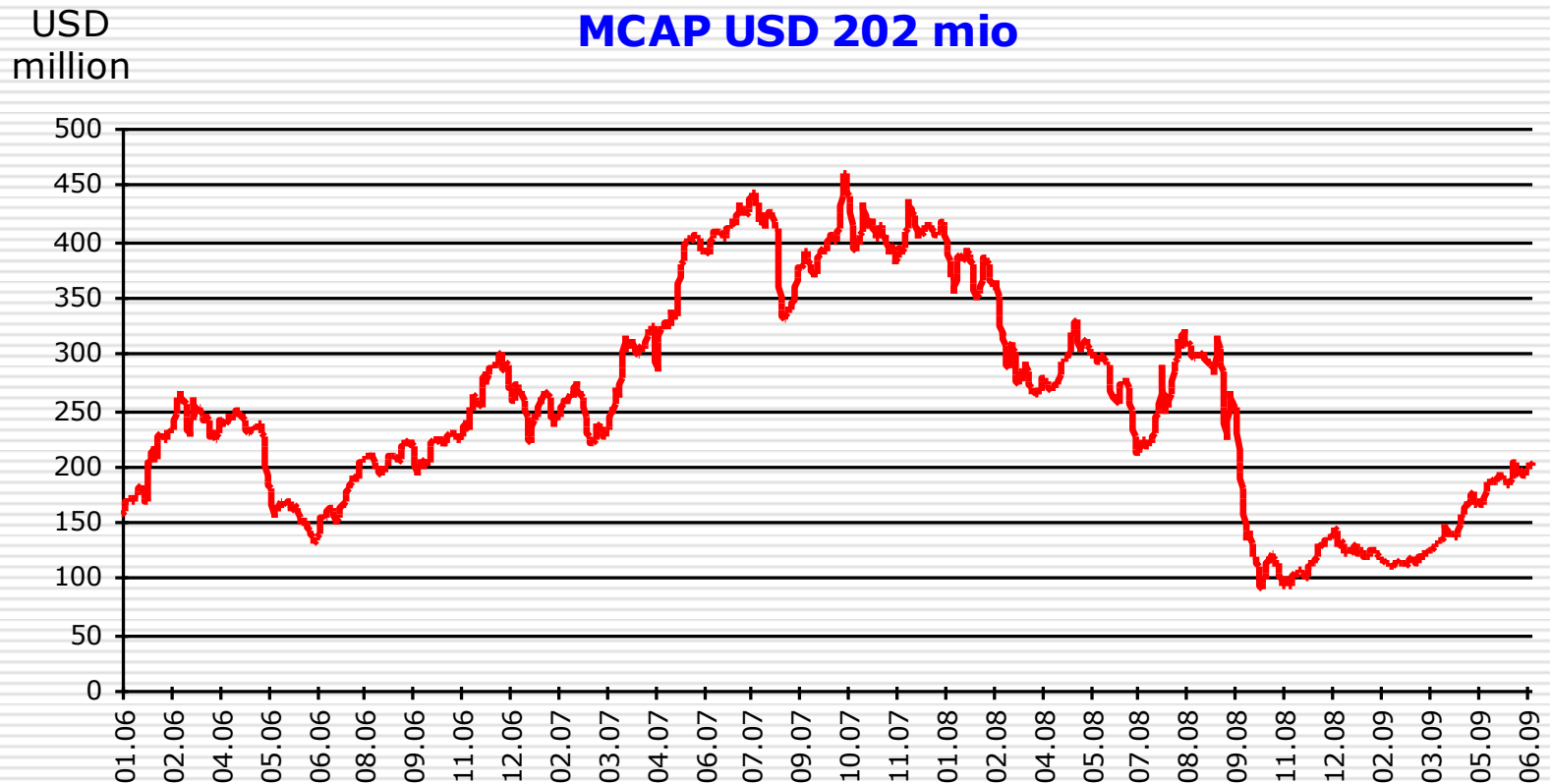
Otokar's Financials Dividend Performance

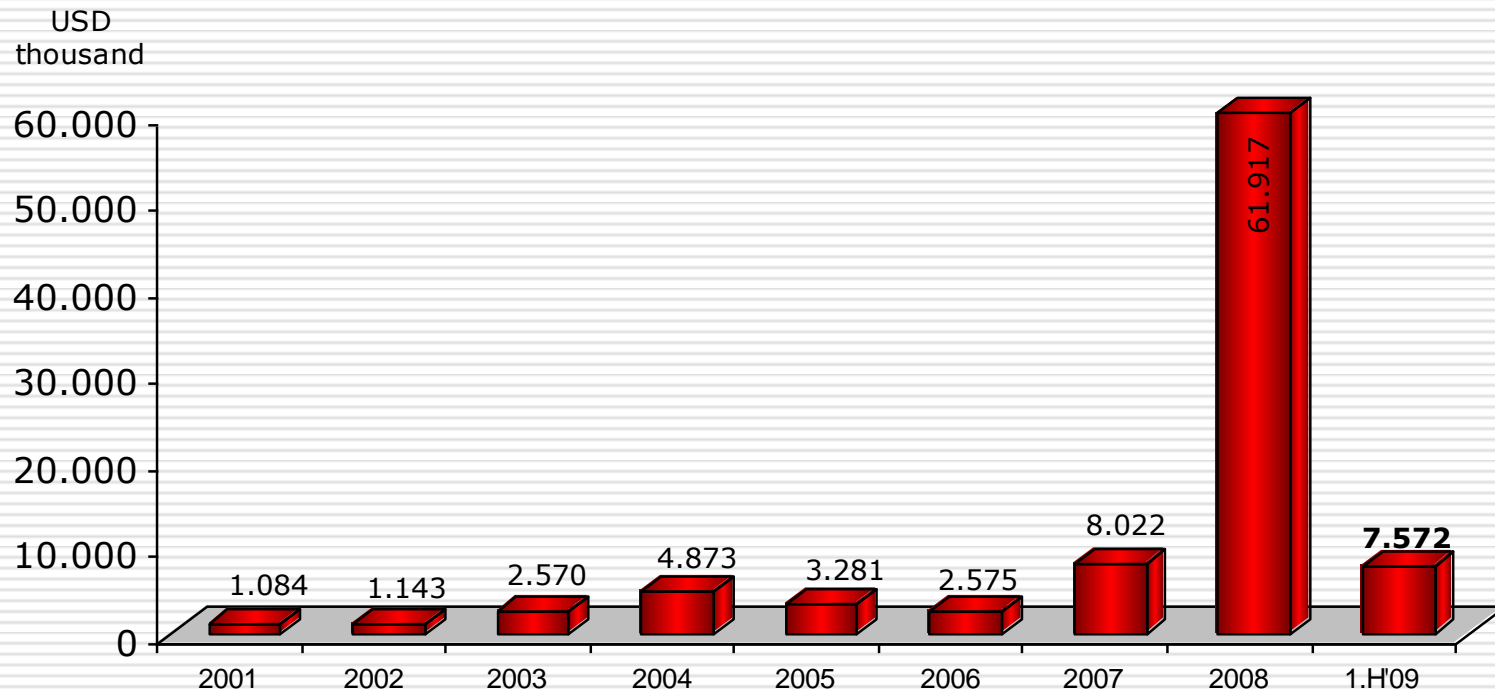


Otokar's Financials Stock Performance

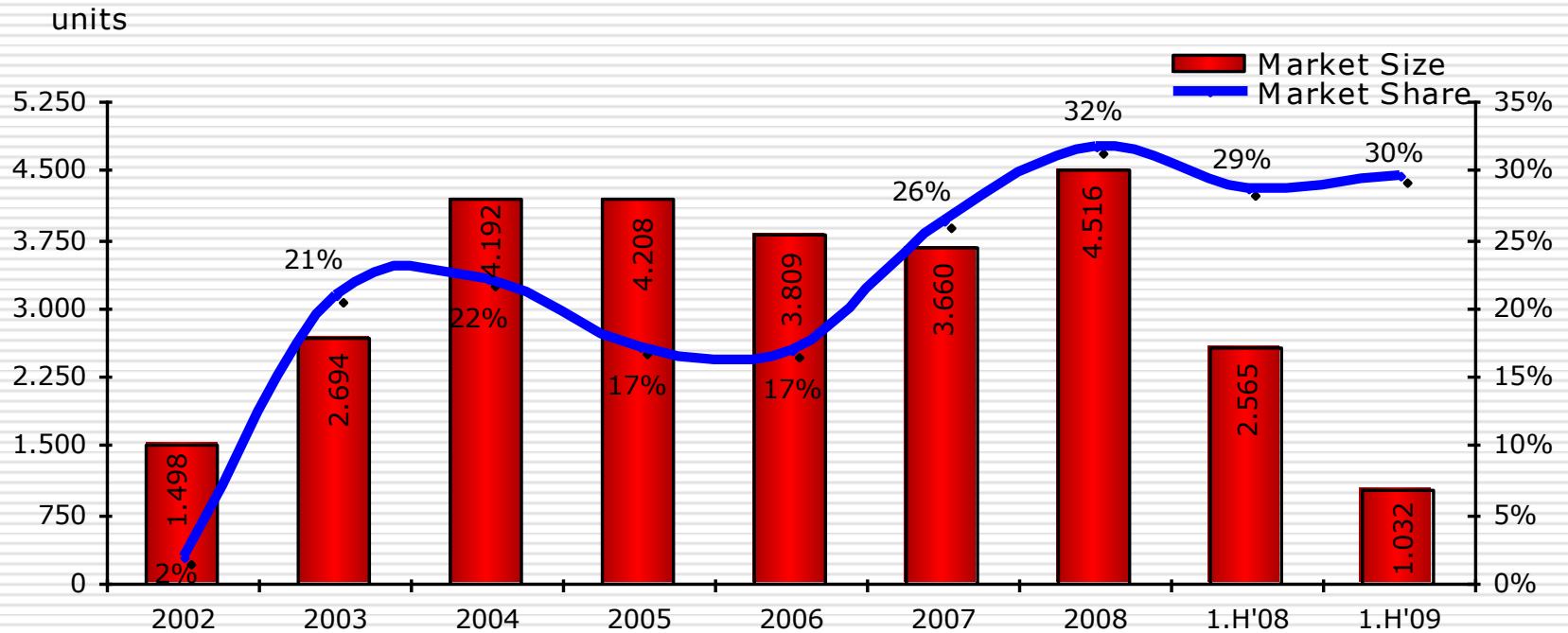
As of June 30 2009

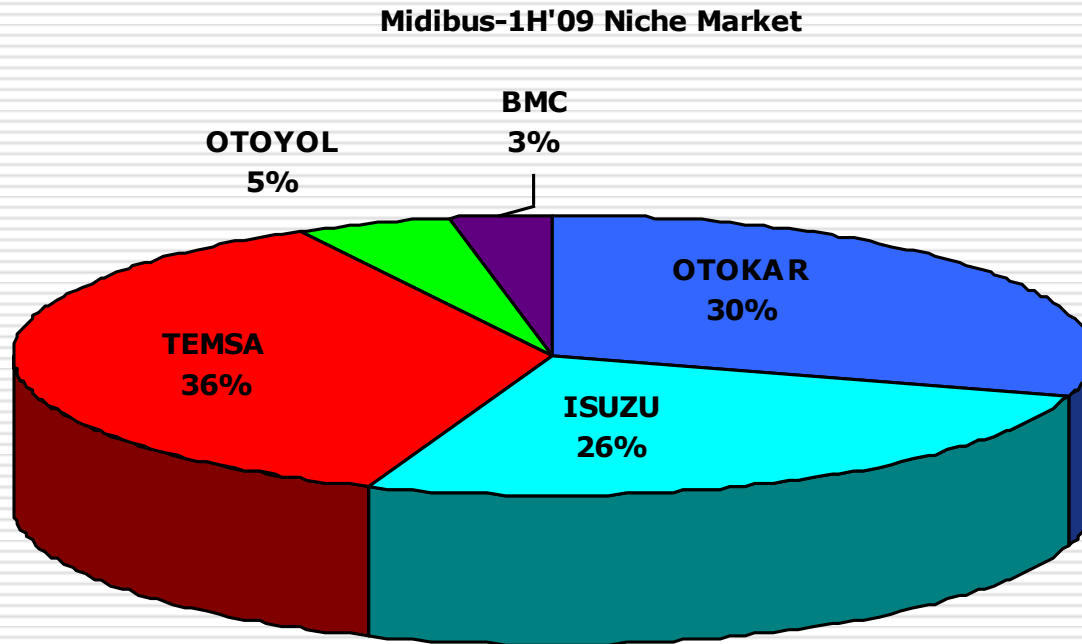




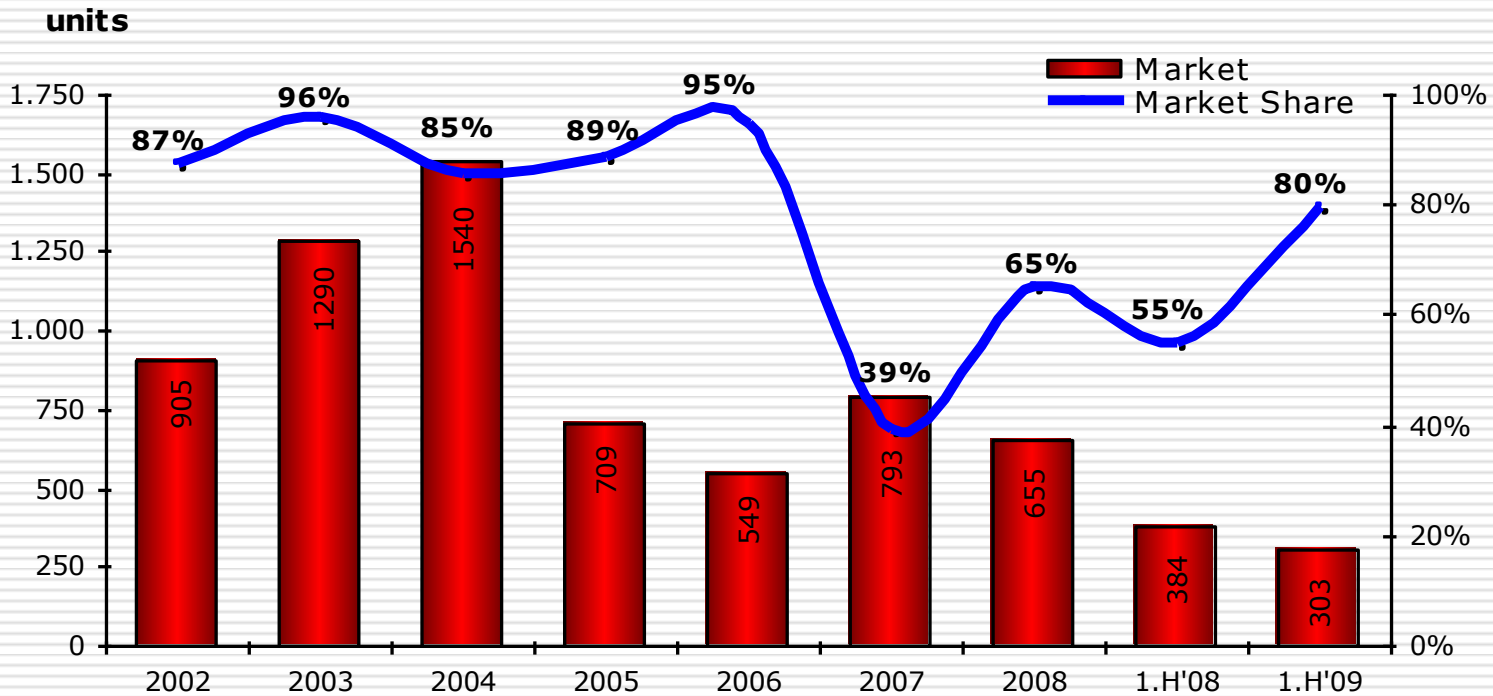


Midibus-Bus - Niche Market

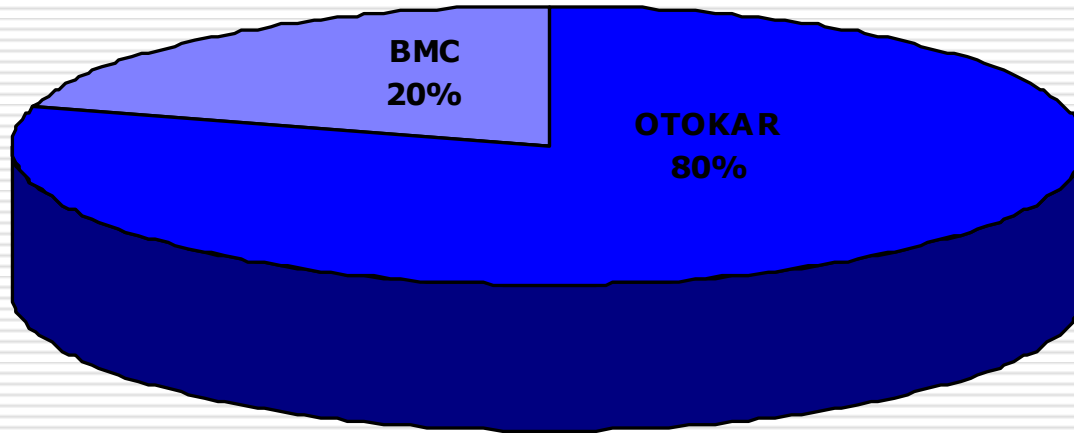




Minibus - Niche Market



Minibus-1H'09 Niche Market



- Vehicles with higher margins to new markets
- New models for commercial vehicles with the support of R&D
- Exports of new models of Vectio & Navigo to abroad
- Tender Result of the Undersecretariat for Defence Industries may be announced till the end of the year 2009

- ❖ **Revenue** **330 million USD**
- ❖ **Exports** **100 million USD**
- ❖ **Capex** **10-15 million USD**

- ✓ Summary Profit & Loss Statement (IFRS)
- ✓ Summary Balance Sheet (IFRS)
- ✓ Summary Cash Flow Statement (IFRS)
- ✓ Most recent Sales Volume and Production Figures
- ✓ Summary Working Capital

ANNEX SUMMARY-Profit&Loss Statement

US\$thousand (IFRS)	June 30 2009	June 30 2008
Domestic Revenues	65.245	140.795
Export Revenues	59.342	47.291
Net Sales Revenues	124.588	188.087
Cost of Sales	-82.295	-133.174
Gross Profit	42.293	54.913
Operating Expenses	-22.201	-25.075
Operating Profit/Loss	20.092	29.838
Income/loss before minorities&taxes	10.023	35.550
Tax	-274	-6.053
Net Profit	9.749	29.497

SUMMARY-Balance Sheet

US\$ thousand (IFRS)	30 June 2009	31 Dec 2008
Current Assets	250.821	227.070
Cash and Cash Equivalents	46.223	43.584
Receivables	68.244	90.295
Trade Receivables from Related Parties	13.017	14.893
Other Trade Receivables	55.227	75.402
Other Receivables	50	0
Inventories	96.210	77.396
Financial Investments	1.377	0
Receivables from Operations Related to the Coming Years	23.066	0
Other Current Assets	15.652	15.794
Non-Current Assets	104.838	108.748
Trade Receivables	19.099	24.875
Other Trade Receivables	19.099	24.875
Financial Assets	-	1.393
Property, Plant & Equipment - net	62.744	63.948
Intangible Assets	20.087	15.568
Deferred Tax Liabilities	2.904	-
Total Assets	355.660	335.817
Current Liabilities	252.694	235.078
Bank Borrowings	140.388	139.081
Other Financial Liabilities	160	0
Payables	19.680	36.907
Trade Payables to Related Parties	1.449	8.505
Other Trade Payables	18.231	28.071
Due to Related Parties	1.449	8.505
Other Payables	65.290	49.794
Provision	25.457	6.348
Other Current Liabilities	1.719	2.949
Non Current Liabilities	3.340	2.943
Provision	-	-
Reserve for Retirement Pay	3.340	2.943
Deferred Tax Liabilities	-	-
Other Non-Current Liabilities	-	-
Shareholders' Equity	99.626	97.796
Total Liabilities & Shareholders' Equity	355.660	335.817

SUMMARY-Cash Flow Statement

US\$thousand (IFRS)	30 June 2009	30 June 2008
Cash and Cash Equivalents at the beginning of the period	40.909	2.936
Net cash provided by operating activities:	19.489	-22.948
Net cash used in investing activities	-5.913	-7.790
Pre-financing cash flow	13.576	-30.737
Net cash used in Financing Activities and Effect on Exchange Rate Changes	-10.588	30.289
Net decrease/increase in Cash and Cash Equivalents	2.988	-449
Cash and cash equivalents at the end of the period	43.897	2.488

ANNEX SUMMARY-Cash Flow Statement

USD thousand	June 30 2009	June 30 2008	USD thousand	June 30 2009	June 30 2008
Cash&Cash Equivalents	43.897	2.488	ST Bank Borrowings	133.323	86.791
Marketing Securities	0	0	LT Bank Borrowings	0	0
Other	0	0		0	0
Total Financial Assets	43.897	2.488	Total Financial Liabilities	133.323	86.791
Net Financial Debt (\$ thousand)			June 30 2009	June 30 2008	
			89.426	84.303	

Most Recent Sales&Production Figures

Sales Revenues-Comparison					
US\$ thousand	30.06.2008 actual	30.06.2009 actual	30.06.2009 budgeted	Increase Decrease %	Actual vs Budget %
Domestic	140.795	65.245	62.552	-54	4
Export	47.291	59.342	53.182	25	10
Total	188.087	124.588	115.734	-34	7
Production - Comparison					
Units	1.778	868	791	-51	9

ANNEX SUMMARY-Working Capital

USD thousand	June 30 2009	June 30 2008
Trade Receivables	82.947	104.091
Inventories	91.368	105.538
Trade Payables	18.689	31.240
Total Working Capital	155.626	178.389

- ❖ Revenue more than 350 million USD
- ❖ Exports to be the 1/3 of the revenue
- ❖ Growth with the products of which industrial and property rights belonging to Otokar
- ❖ High dividend yield
- ❖ Increasing the company market value
- ❖ Satisfied shareholders

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