

Otokar

INVESTOR RELATIONS PRESENTATION

31.12.2011

- ✓ Company Profile
- ✓ Highlights of 2011
- ✓ Financials
- ✓ Market Evaluation
- ✓ Annex
- ✓ **Otokar** in 2015



ADAPAZARI / ARIFIYE PLANT

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.

After the merge with Istanbul 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.



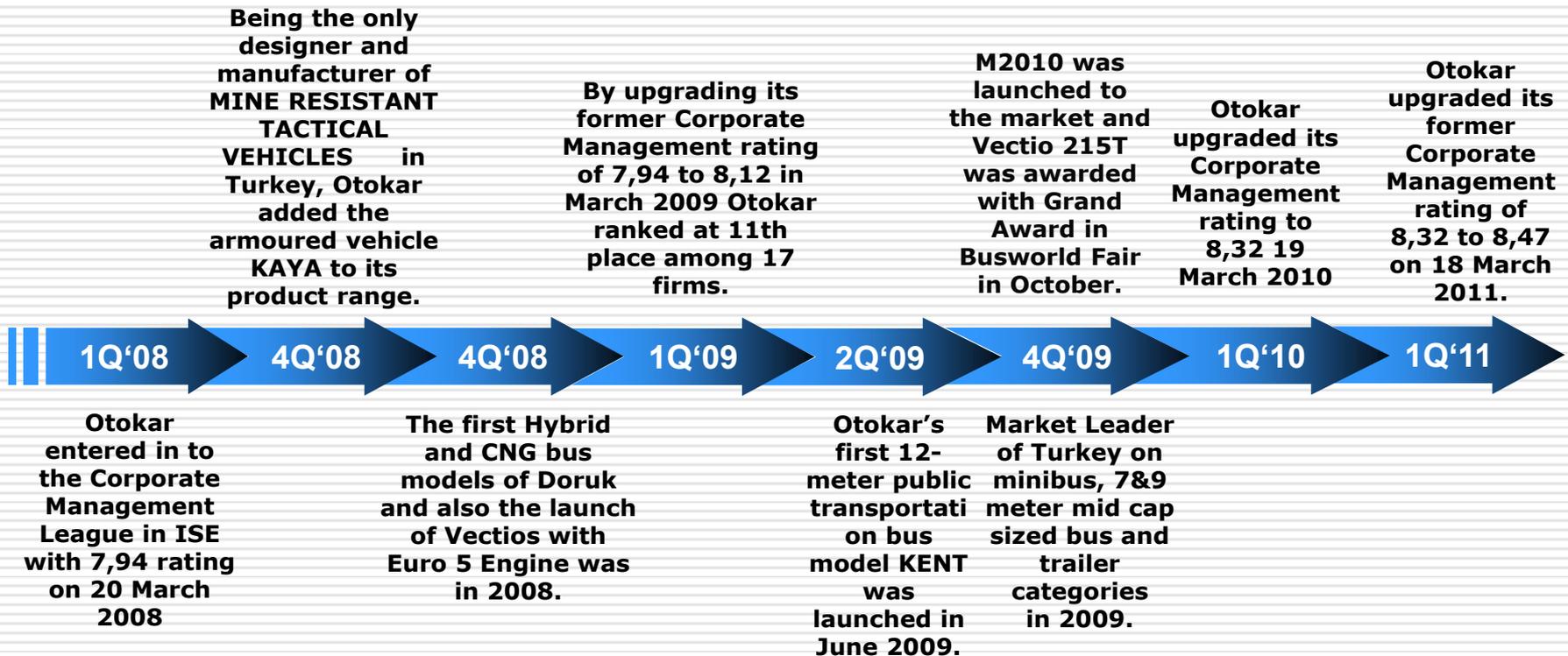
In early 70s, Koç Group became the major shareholder of Otokar and began to manage the company.

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

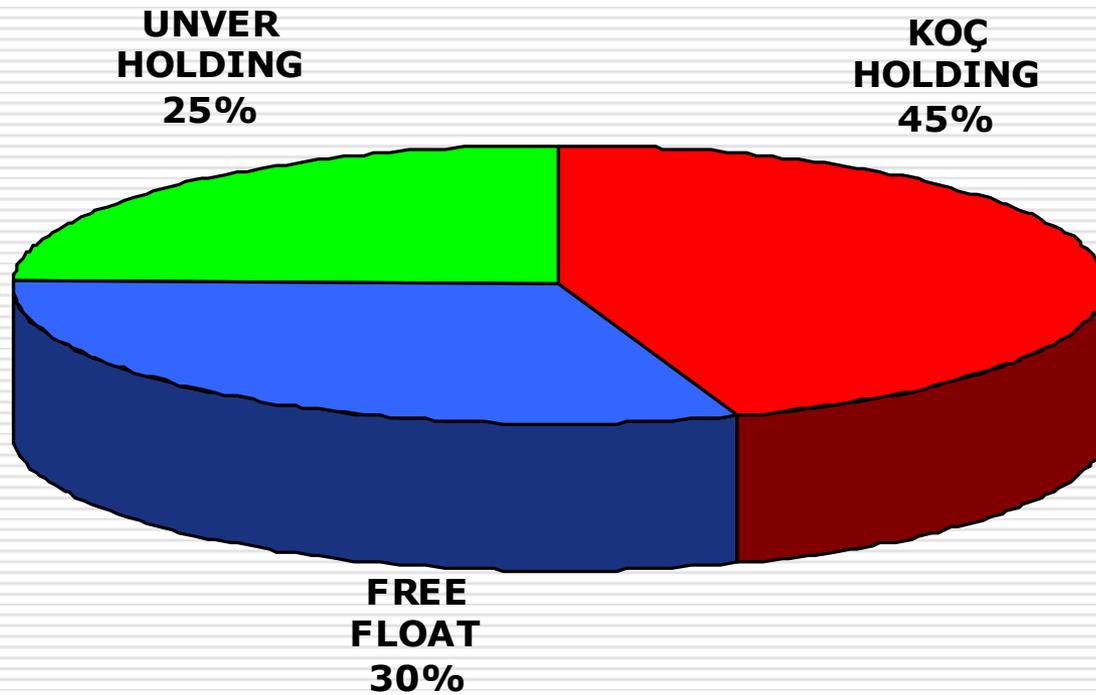
The Public offer of Otokar was realized in 1995.

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

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.



- ◆ **Otokar** is among the leading companies of Turkey on both commercial and defence industry sides with its 49 years' experience.
- ◆ **Otokar** is quoted in ISE since 1995 and 30% 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 over 300 engineers in its 1000m² R&D department.
- ◆ **Otokar** has integrated logistic support for its customers:
 - In Turkey, at 7 regions, 132 authorized service stations.
 - At 20 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. It attended in 5 fairs in 2011.
- ◆ **Otokar** realized over 1 billion \$ defense industry deliveries including exports in last 21 years and 456 million \$ of this derived from exports in last 8 years.



➤ COMMERCIAL VEHICLES

- **Minibus**



- **Mid Cap Sized Bus**



- **Buses**



- **Trailer, Semi-trailer & Tankers**



➤ DEFENCE VEHICLES

- **Land Rover 4x4 Land Vehicles**



- **Armoured Internal Security Vehicles**



- **Mine Resistant Armoured Tactical Vehicle: KAYA**



- **6x6 and 8x8 Armoured Tactical Vehicle: ARMA**



- **Armoured Tactical Vehicles**



➤ **COMMERCIAL VEHICLES**

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

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 AND BUSES FROM 5,5 METER TO 12 METER 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**
 - ◆ **Scorpion**
 - ◆ **Cobra**
 - ◆ **Discreetly Armoured Station Wagon**
 - ◆ **Armoured Internal Security Vehicle**
 - ◆ **8x8 tactical armoured vehicle**
 - ◆ **Mine Resistant Troop Carrier: Kaya**
 - ◆ **Arma 6X6 and 8X8**

- **Tank in Near Future**

OTOKAR

OTOKAR, LEADER COMPANY IN DESIGN, TEST, INTEGRATION AND PRODUCTION OF MILITARY TACTICAL VEHICLES, AFTER THE 21 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.

Otokar's Profile Recently Launched Products



- Doruk 230DG
- Doruk 160LE Hibra
- Vectio / Doruk 215T



- 6X6 Armoured Tactical Vehicle: ARMA
- 8X8 Armoured Tactical Vehicle: ARMA

- Mine Resistant Armoured Tactical Vehicles: KAYA



- 12-meter Low Floor Public Transport Vehicle: KENT 290LF

- M2010 / Centro



"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 first mock-up of Altay was exhibited in IDEF-11.



R&D

- 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, Navigo, 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, 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 R&D Center and Design Awards

- Jury's Special Award, Busworld Fair 2011
- Otokar designed vehicles constitutes 85% of the total revenue
- "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
- "Good Design Award", Design Turkey 2008 for DORUK 190LE
- Industrial Design "Honour Award" by Mimar Sinan University in 1999
- "Award of New Articles" by the Undersecretariat of Foreign Trade in 1996



ADAPAZARI / ARIFIYE PLANT



Total area 552.000 m²
Total closed area 141.303 m²





Otokar's defence vehicles are actively in use over 20 countries and also over 30 countries the commercial vehicles of Otokar are in use.



-
- 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

- Otokar increased its total revenues by 52% and raised to USD520 mio. Otokar generated USD32,8 mio net profit with a net margin of 6,6%.
- Successful results in both commercial and defensive vehicle sales:
- ❖ Leadership in all niche market bus categories. Sultan (domestic version of Navigo) is the leader of 7mt midibus market of Turkey with its 43,2% share. Doruk (dom.ver. of Vectio) is the leader of the 9&10mt bus segment with its 77,1% share and also KENT is the new leader of 12-meter public transport bus segment with 35,8% share in 1H 2011.
- ❖ Trailer sales revenues increased by 135% and 7-12m buses by 102% and armored tactical vehicles by 103%.
- Deliveries and new orders from Defence Industry:
The backlog figure will be delivered in near future reached to USD 120.1 million. Otokar has signed a second agreement in less than 12 months for its newly presented armored tactical vehicle ARMA.
- Otokar received R&D Centre Document in Feb. 2011.
- Otokar's 8,32 Corporate Management rating upgraded to 8,47 in March 2011.
- Otokar Europe SAS was established in France for sale of commercial vehicles throughout Europe.

Otokar at IDEX and IDEF with its Armored Vehicles

Otokar, presented its new armoured vehicle 6x6 "ARMA", worldwide known 4x4 "COBRA" and its mine resistant troop carrier "KAYA" at the show in Abu Dhabi, Feb-2011 and in addition to these models, Turkish battle tank Altay was in IDEF Istanbul with a full-scale model in May-2011. Otokar signed a second contract valued USD 63,2 mio for its newly emerged arm.tact.veh. ARMA in a period shorter than one year.



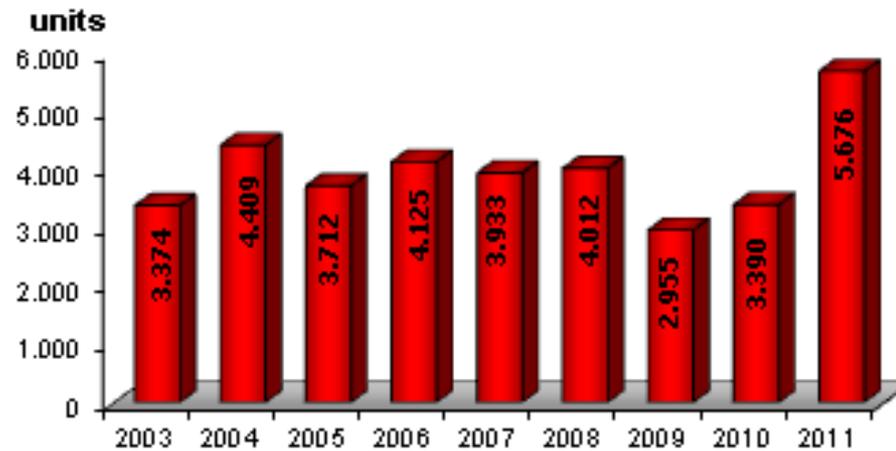
12M BUS: KENT/TERRITO

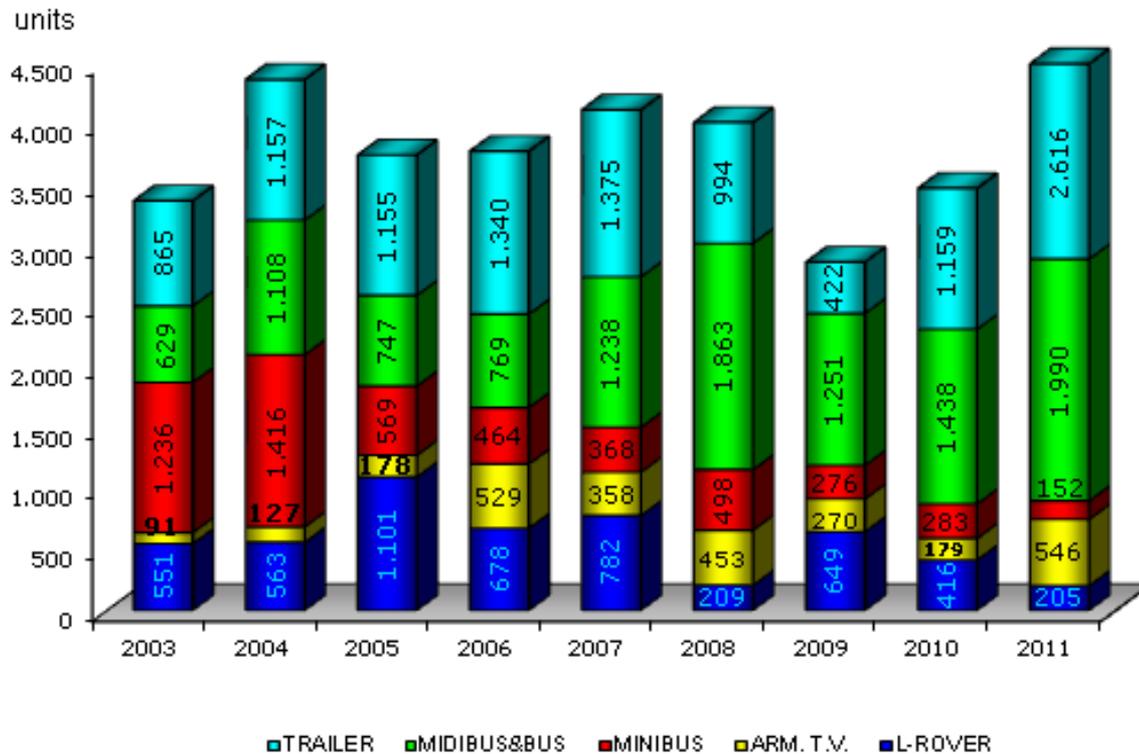
The deliveries of the 'Erguvan' KENTs to İstanbul Otobüs AŞ. was realised in two parties in 2011.

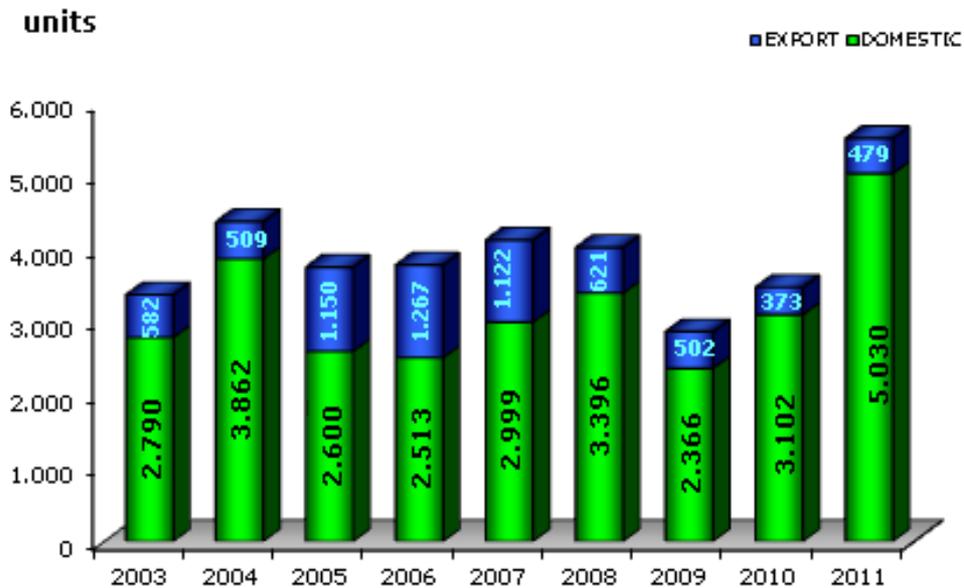


Total Revenue	532,8
EBITDA	54,3
Net Profit	32,8
Shareholders' Equity	112,9
ROE (%)	25,7
Gross Margin (%)	22,0
Operating Margin (%)	8,0
EBITDA Margin (%)	10,2
Net Margin (%)	6,2
Current Ratio	1,05
Total # of Employees	1519

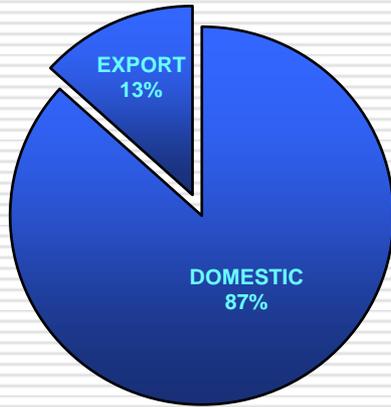
As of 31.12.2011
(USD mio)



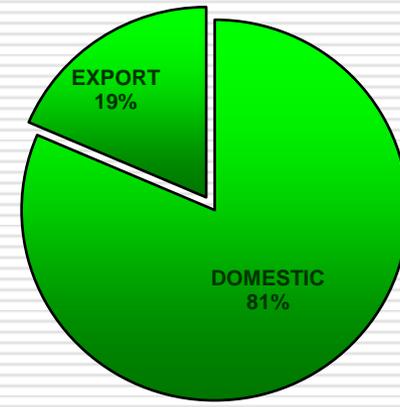


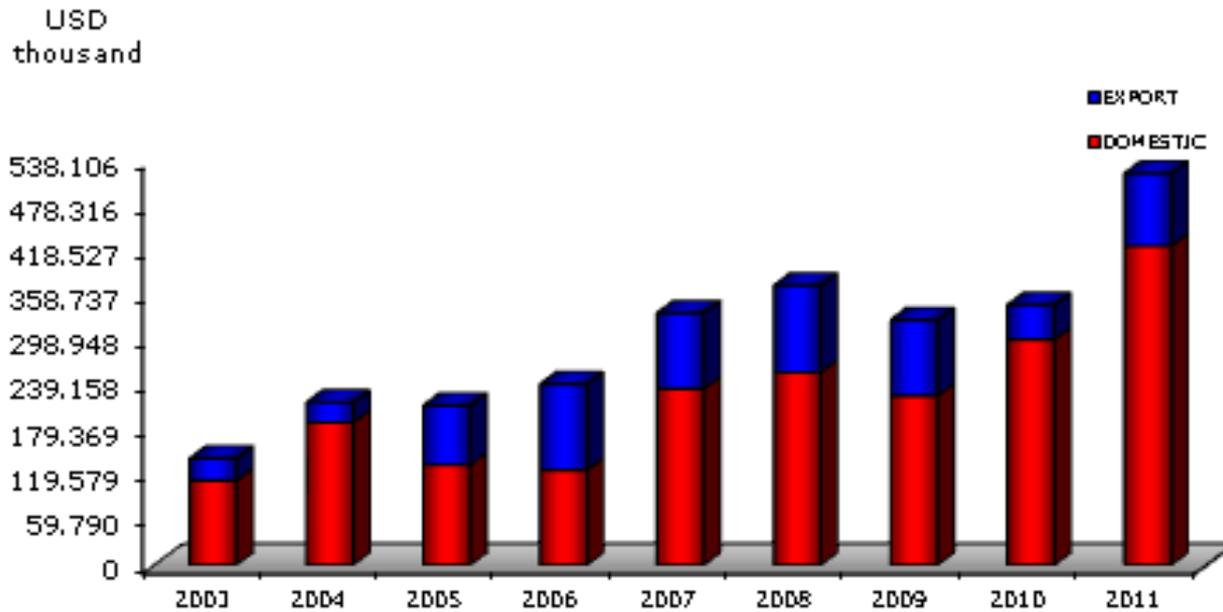


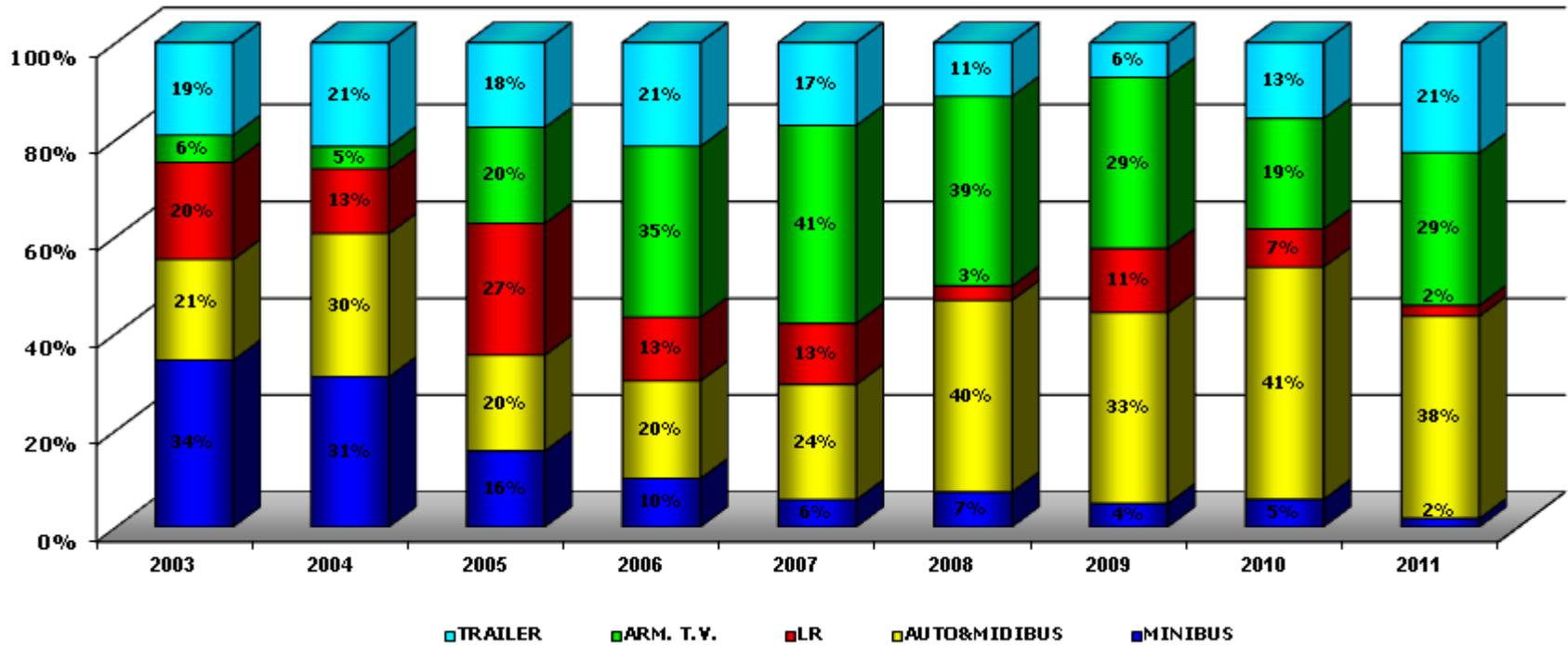
DISTRIBUTION OF REVENUES 2010

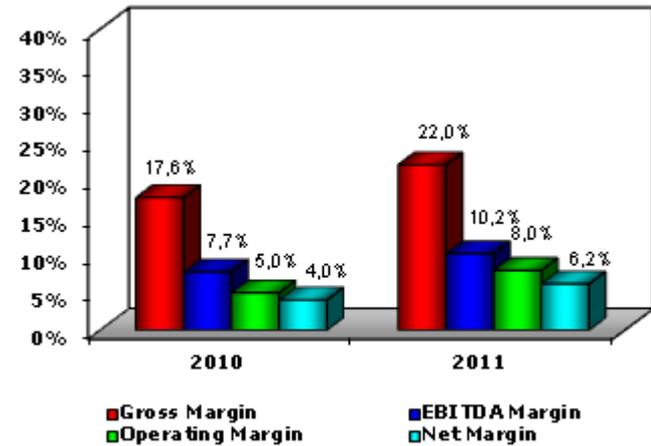
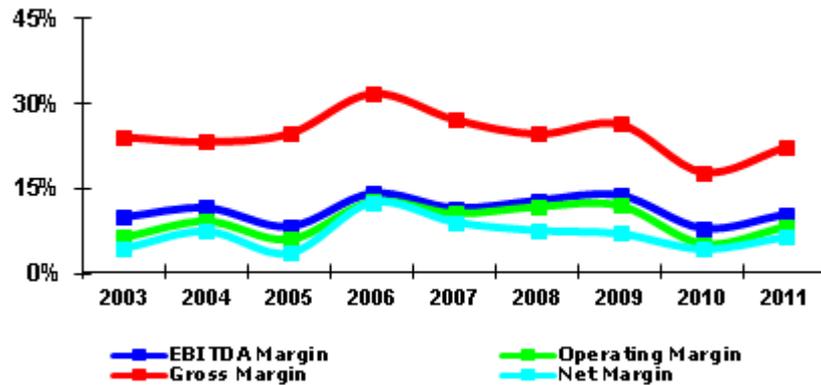


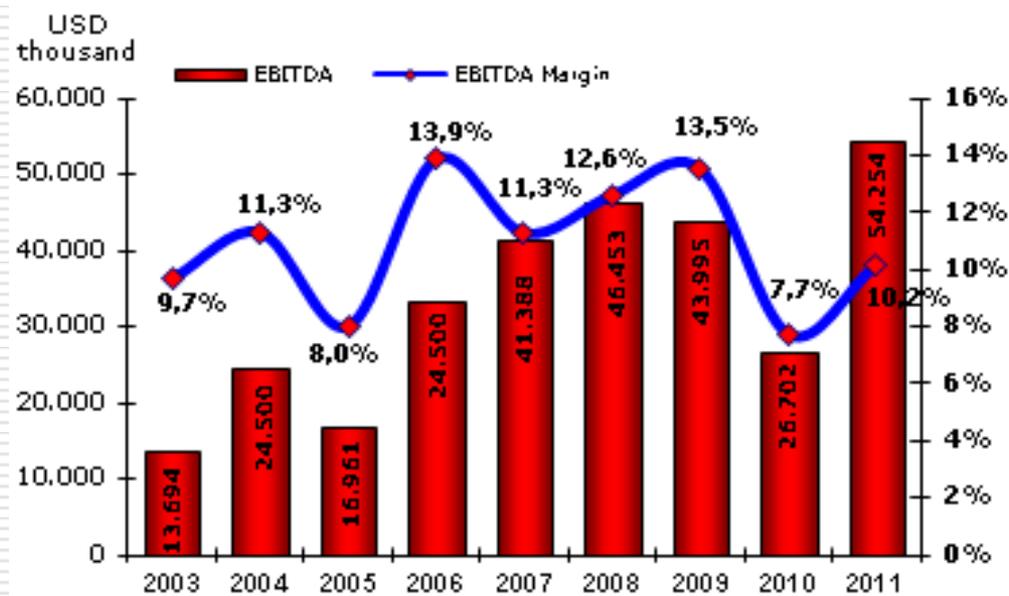
DISTRIBUTION OF REVENUES 2011

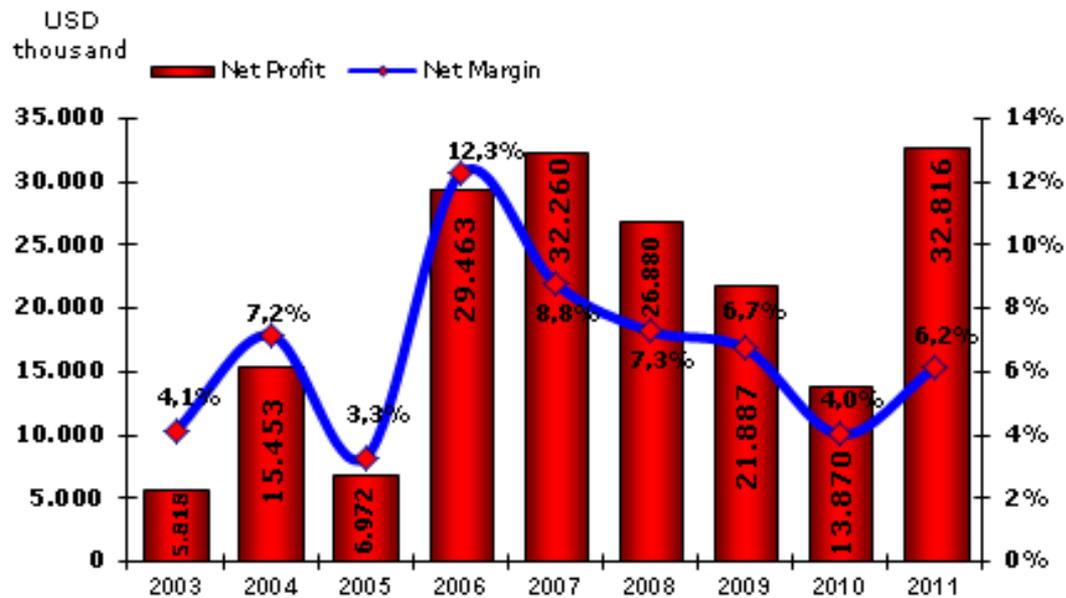


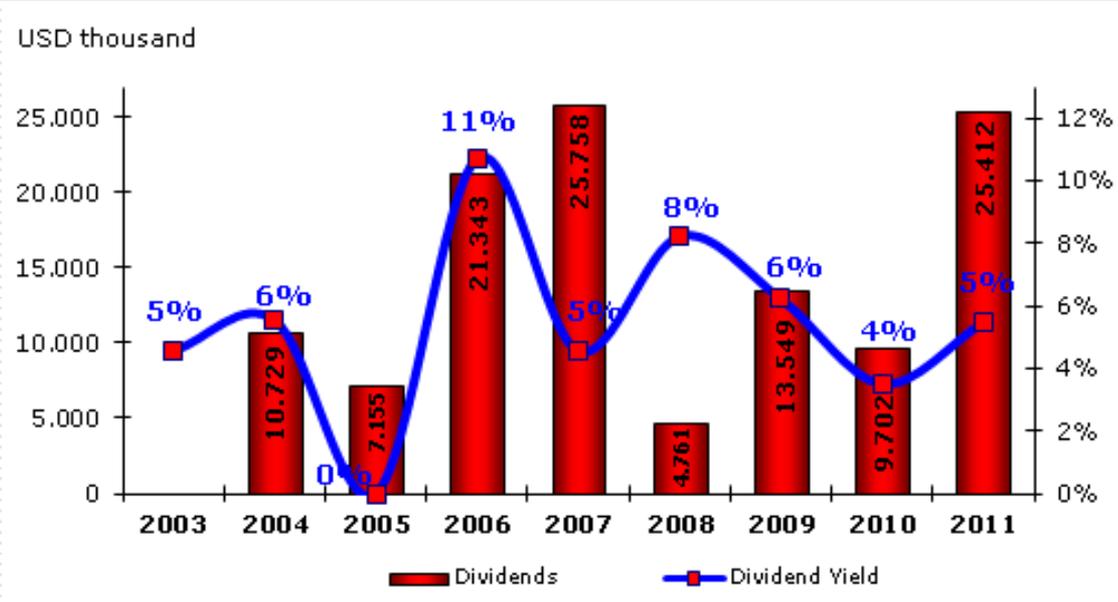


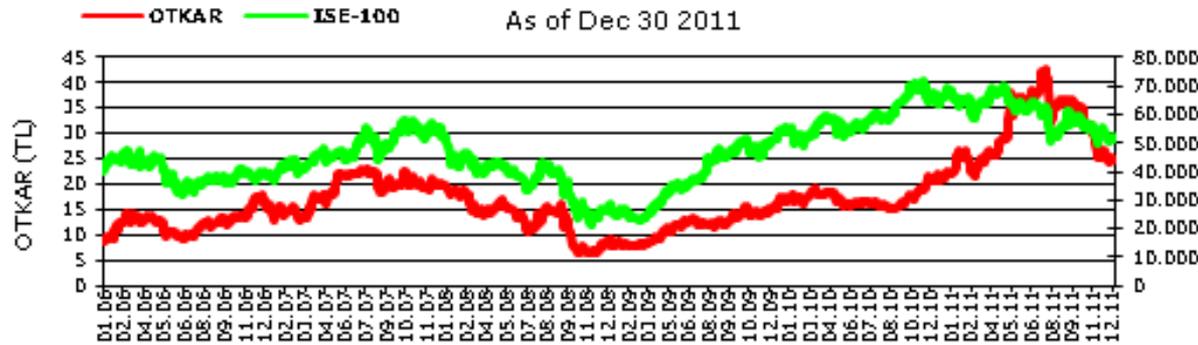


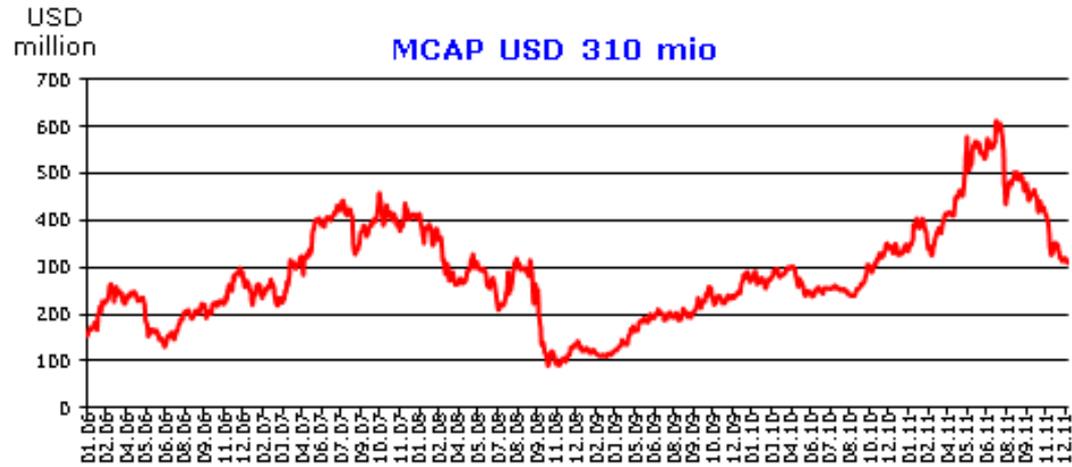


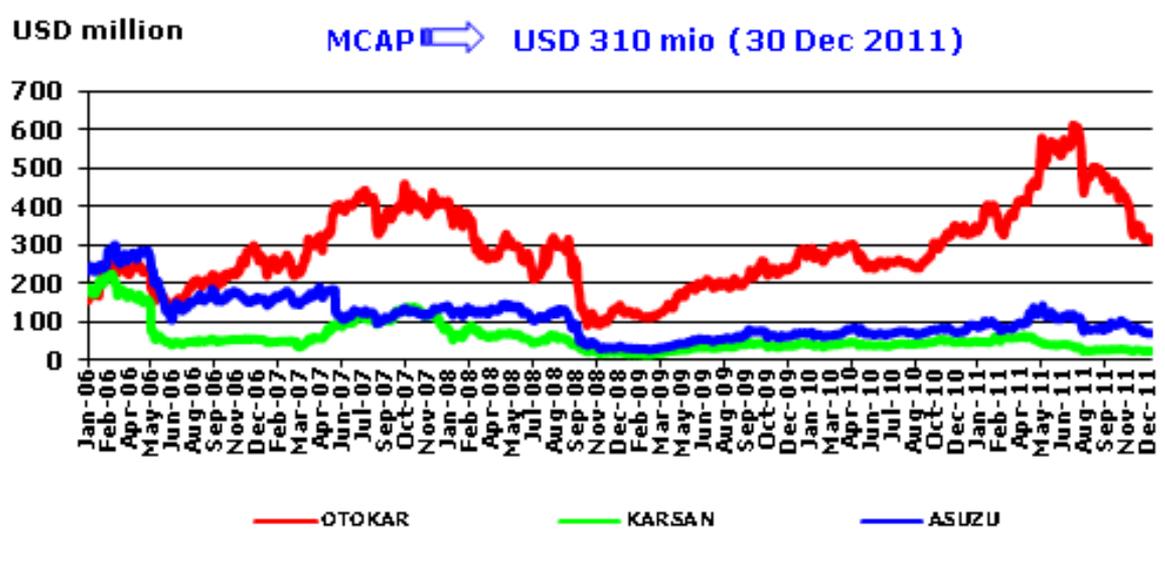


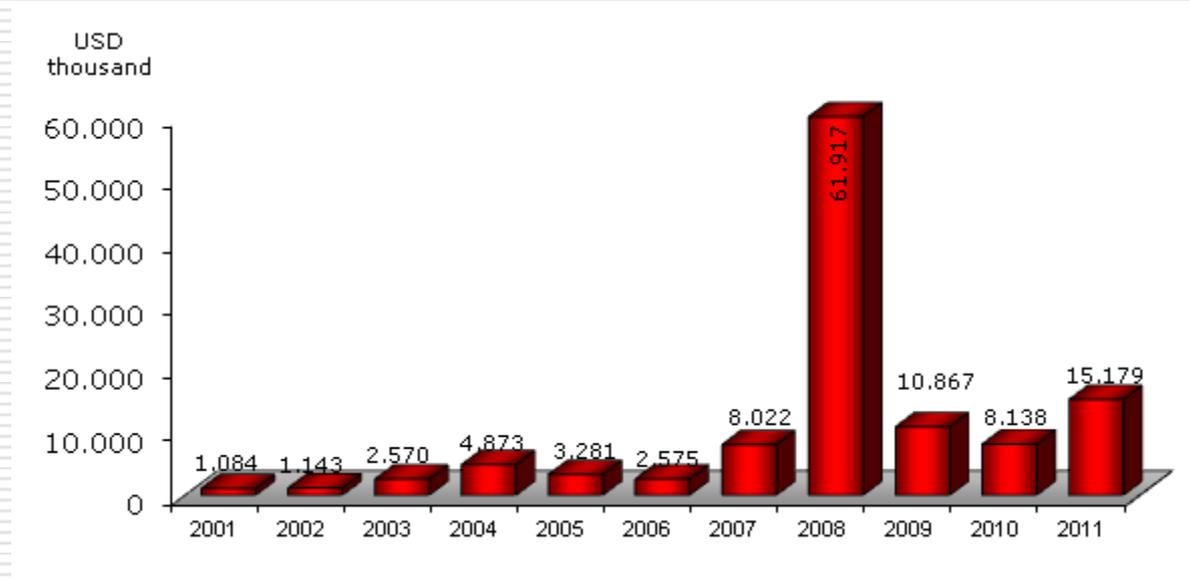












- ✓ Summary Profit & Loss Statement (IFRS)
- ✓ Summary Balance Sheet (IFRS)
- ✓ Summary Cash Flow Statement (IFRS)
- ✓ Most recent Sales Volume and Production Figures
- ✓ Summary Working Capital

ANNEX SUMMARY-Profit&Loss Statement

US\$thousand (IFRS)	Dec 31 2011	Dec 31 2010
Domestic Revenues	436.390	299.487
Export Revenues	96.439	45.877
Net Sales Revenues	532.829	345.364
Cost of Sales	-415.733	-284.557
Gross Profit	117.096	60.807
Operating Expenses	-74.709	-43.691
Operating Profit/Loss	42.387	17.116
Income/Loss before minorities&taxes	36.963	13.401
Tax	-4.146	468
Net Profit	32.816	13.870

SUMMARY-Balance Sheet

US\$ thousand (IFRS)	31-Dec-2011	31-Dec-2010
Current Assets	304.686	279.170
Cash and Cash Equivalents	2.367	72.163
Receivables	114.248	88.125
Trade Receivables from Related Parties	10.515	12.219
Trade Receivables from Other Parties	103.733	75.907
Other Receivables	0	0
Inventories	89.233	65.049
Receivables from Operations Related to the Coming Years	23.277	14.648
Derivative Financial Instruments	4.777	97
Other Current Assets	70.785	39.066
Non-Current Assets	147.771	131.981
Trade Receivables	43.123	26.800
Other Receivables	3	4
Financial Investments	127	0
Property, Plant & Equipment - net	59.982	64.125
Intangible Assets	37.839	35.913
Deferred Tax Asset	6.696	5.139
Total Assets	452.457	411.151
Current Liabilities	290.486	234.982
Financial Liabilities	51.283	24.584
Trade Payables	41.556	30.764
Trade Payables Other Parties	38.864	23.392
Trade Payables to Related Parties	2.693	2.184
Other Payables	82.021	104.806
Government Incentives and Grants	329	233
Tax Liabilities from Net Income for the Period	1.636	2.963
Provisions	109.301	67.019
Other Current Liabilities	4.359	4.613
Non Current Liabilities	49.023	63.943
Financial Liabilities	43.661	58.781
Government Incentives and Grants	539	577
Employee benefits	4.823	4.585
Shareholders' Equity	112.948	112.226
Total Liabilities & Shareholders' Equity	452.457	411.151

US\$thousand (IFRS)	31-Dec-11	31-Dec-10
Cash and Cash Equivalents at the beginning of the period	66.753	21.281
Net cash provided by operating activities:	-47.883	99.976
Net cash used in investing activities	-29.513	-16.320
Pre-financing cash flow	-77.396	83.656
Net cash used in Financing Activities and Effect on Exchange Rate Changes	13.318	-30.467
Net decrease/increase in Cash and Cash Equivalents	-64.078	53.189
Cash and cash equivalents at the end of the period	2.675	74.470

USD thousand	Dec 31 2011	Dec 31 2010
Trade Receivables	177.859	118.599
Inventories	100.850	67.128
Trade Payables	46.966	31.747
Total Working Capital	231.743	153.979

- ❖ Revenue more than 600 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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