

OTOKAR with the results of 2014 1H

In this report we submit 2014 1H figures to compare with 2013 1H figures. 2014 1H & 2013 1H financial results published in this press release are prepared according to International Financial Reporting Standards.

Highlights of 2014 1H

- Otokar generated TRY 641,4 million total revenue in 2014 1Q. Total sales was decreased by 9,5% compared to the same period of last year. Otokar's 2014 1H domestic and export revenue was respectively realized in the amount of TRY 549,6 million and TRY 91,8 million.
- Otokar generated TRY 46,4 million net profit with a net margin of 7,2% in 2014 1H.
- In 2014 1H, Otokar's production and sales units were 2.814 and 2.665 respectively.
- The planned dividend payment that was agreed at the General Assembly for the year 2013 was TRY100.0 million was paid on Apr 04, 2014.

Overview

OTOKAR IFRS P/L Statement Highlights	2014 1H TRY (thousands)	2013 1H TRY (thousands)	Change
Net Sales	641.430	709.055	(9,5%)
Cost of Sales	(481.828)	(551.119)	(12,5%)
Gross Profit	159.602	157.936	1%
Operating Expenses	(83.310)	(79.513)	4,7%
Operating Profit	76.292	78.423	(2,7%)
Financial Expenses	(21.252)	(17.400)	22,1%
Income/(loss) before minorities & taxes	55.040	61.023	(9,8%)
Taxation	(8.591)	(6.141)	39,9%
Net Profit	46.448	54.882	(15,4%)
EBITDA	97.910	96.292	1,7%

Net Sales

The total sales revenue of Otokar in 2014 1H was TRY 641,4 million, by 9,5% decrease compared to the previous year's same period. The fall in total revenue mainly stemmed from the decrease in total revenue of the midibus&bus by 42,8%. Though, the domestic sales, constituting the 86% of total sales, decreased by 10% compared to the previous year's same period. The largest contribution in domestic sales revenue came from defence industry vehicles segment with growth ratios of 35%.

In the commercial side, light truck Atlas launched in the middle of 2013 and trailer sales were important contributors to domestic sales revenue. Atlas truck sales for the first six months of 2014 has been realized 25% more than total sales of last year. On the other hand trailer sales increased by 118% compared to the same period of last year. 14% of total sales was generated from export sales in 2014 1H.

Considering the share of segments in total revenue terms, the leader segment was the midibus&bus group with a share of 35% with TRY 226 million in revenue and it was followed by defence industry vehicles segment with a share of 29% with TRY 186 million in revenue.

	2014 1H TRY (thousands)	2013 1H TRY (thousands)	Change (%)
Domestic Sales	549.670	611.239	(%10)
Exports	91.760	97.815	(%6)
Total	641.430	709.054	(9,5%)

Profitability

Gross profit was TRY 159,6 million in 2014 1H, with a gross margin of 24,9%. The same figures in 2013 1H were TRY 157,9 million and 22,3% respectively. Operating profit was TRY 76,3 million in 2014 1H with an operating margin of 11,9%. The same figures in 2013 1H were TRY 78,4 million and 11,1% respectively. The company's EBITDA was TRY 97,9 million in 2014 1H with an EBITDA margin of 15,3%. The same figures in 2013 1H were TRY 96,3 million and 13,6% respectively. Otokar's net profit was TRY 46,4 million in 2014 1H, having a net margin of 7,2%. The same figures in 2013 1H were TRY 54,9 million and 7,7% respectively.

Otokar has continued to pay dividends to its shareholders as in previous years. The dividend payment for the year 2013 was paid on April 04, 2014 as TRY 100 million. Dividend payment percentages were 200%, 266,67% and 416,67% for the years 2011, 2012 and 2013 respectively.

Investments

Otokar has continued to invest on R&D activities field in 2014 1Q like the previous years. Total investment expenditure of Otokar was realized over USD 1.8 Million in 2014 1H.

Objectives

Otokar aims to provide its growth with the products of which design, intellectual and property rights owned by itself. Otokar determines its strategies as follows: to grow in defence industry, to enhance the share of the exports in total revenue and to produce new models for the market needs. In line with stated targets Otokar attended in the following fairs with its defence vehicles: in January - Bahrain BIAS 2014, in March 2014-Chile FIDAE 2014. In addition to these, Otokar attended Erbil Auto Show fair in March 2014, Busworld İstanbul fair in April 2014 and TırExpo fair in May 2014 with its commercial vehicles. Otokar has a backlog volume of TRY 110 million and USD 1,9 million as of June 30, 2014.

The conceptual design and detailed design phases of total 78.5-month Main Battle Tank project were completed and third and the last phase "Prototype Production and Qualification" was started in 2nd half of 2013. On March 29, 2013 Otokar established the first Tank Test Center of Turkey, which is also one of the most modern center in the world, in Arifiye Plant with the attendance of Minister of National Defence of Turkey .On November 15, 2012, test drives of two prototypes carried out in Arifiye Otokar plant during a ceremony honored by the Prime Minister of Turkey.

FINANCIALS

OTOKAR IFRS Summary Balance Sheet	2014 1H TRY (thousands)	2013 1H TRY (thousands)
Current Assets	806.875	884.400
Current Liabilities	714.829	780.199
Working Capital	92.146	104.201
Property, Plant & Equipment –Net	115.945	121.839
Total Assets	1.369.254	1.383.818
Total Liabilities	1.150.903	1.152.372
Shareholders' Equity	218.351	231.446

OTOKAR IFRS Financial Ratios	2014 1H	2013 1H
Current Ratio	1.13	1.13
Liquidity Ratio	0.66	0.76
Current Assets / Total Assets	0.59	0.64
Current Liabilities / Total Liabilities	0.62	0.68
Current&Non-current Liabilities / Total Assets	0.84	0.83

OTOKAR IFRS Summary Statement of Cash Flow	2014 1H TRY (thousands)	2013 1H TRY (thousands)
Cash and Cash Equivalents at the Beginning of the Period	8.884	47.906
Net Cash Provided by Operating Activities	92.152	83.397
Net Cash Used in Investment Activities	(24.086)	(31.171)
Pre-Financing Cash Flow	68.066	52.226
Net Cash Obtained From Financing Activities	(69.414)	33.345
Net Increase in Cash and Cash Equivalents	(1.347)	85.571
Cash and Cash Equivalents at the End of the Period	7.537	133.477

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