

OTOKAR with the results of 2014

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

Highlights of 2014

- Otokar, generated TRY 1 billion 232 million total revenue in 2014. Total sales was decreased by 12% compared to the same period of last year. Otokar's 2014 domestic and export revenue was respectively realized at the amount of TRY 994,2 million and TRY 237,4 million.
- Otokar generated TRY 72,8 million net profit with a net margin of 5,9% in 2014.
- In 2014, Otokar's production and sales units were 4.689 and 4.744 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 TRY (thousands)	2013 TRY (thousands)	Change
Net Sales	1.231.634	1.401.553	(12%)
Cost of Sales	(919.529)	(1.086.542)	(15,4%)
Gross Profit	312.105	315.011	(1%)
Operating Expenses	(190.186)	(157.024)	21,1%
Operating Profit	121.919	157.987	(22,8%)
Financial Expenses	(40.135)	(50.045)	(19,8%)
Income/(loss) before minorities & taxes	81.784	108.248	(24,4%)
Taxation	(9.013)	(11.687)	(22,9%)
Net Profit	72.771	96.562	(24,6%)
EBITDA	165.706	196.233	(15,5%)

Net Sales

The total sales revenue of Otokar in 2014 was TRY 1 billion 232 million, by 12% 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 39%. Despite that fall, the largest contribution in domestic sales revenue still came from midibus&bus with the share of 33%. However, the domestic sales, constituting the 81% of total sales, decreased by 15,4% compared to the previous year's same period. In 2014, the share of defence industry vehicles sales in domestic sales revenue was 27% with the increase of 10,5%. 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

2014 has been realized 147% more than its total sales of the previous year. On the other hand trailer sales increased by 107% compared to the same period of the previous year. 19% of total sales was generated from export sales in 2014.

Considering the share of segments in total revenue terms, the leader segment was the midibus&bus group with a share of 35% with TRY 435,3 million in revenue and it was followed by defence industry vehicles segment with a share of 30% with TRY 368,3 million in revenue.

	2014 TRY (thousands)	2013 TRY (thousands)	Change (%)
Domestic Sales	994.227	1.175.900	(%15,4)
Exports	237.407	225.653	%5,2
Total	1.231.634	1.401.553	(12%)

Profitability

Gross profit was TRY 312,1 million in 2014, with a gross margin of 25,3%. The same figures in 2013 were TRY 315 million and 22,5% respectively. Operating profit was TRY 121,9 million in 2014 with an operating margin of 9,9%. The same figures in 2013 were TRY 158 million and 11,3% respectively. The company's EBITDA was TRY 165,7 million in 2014 with an EBITDA margin of 13,5%. The same figures in 2013 were TRY 196,2 million and 14% respectively. Otokar's net profit was TRY 72,8 million in 2014, having a net margin of 5,9%. The same figures in 2013 were TRY 96,6 million and 6,9% 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 like the previous years. Total investment expenditure of Otokar was realized over USD 4.5 Million in 2014.

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 April – Malaysia DSA, in May - Kazakstan KADEX and Bulgaria HEMUS, in June – France EUROSATORY, in July – Tanzania Land Forces East Africa, in September – Azerbaijan ADEX and South Africa AAD, in October Colombia EXPO DEFENSA, and in November Indonesia INDO DEFENCE. In addition to these, Otokar attended Erbil Auto Show fair in March 2014, Busworld İstanbul fair in April 2014, in May 2014 TırExpo, in June - Transport Public 2014-Paris, in July RDA Workshop-Cologne Germany, in September - IAA-Hannover, in October France Autocarexpo 2014 and in Spain FIAA Madrid, in November England Euro Bus Expo 2014 fair with its commercial vehicles. Otokar has a backlog volume of TRY 239 million, USD 1,9 million and EUR 16,8 million as of January, 2015.

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. Production of PV1 and PV2 prototypes which will be used for final acceptance and qualification tests has been completed in 2014

FINANCIALS

OTOKAR IFRS	2014 TRY	2013 TRY
Summary Balance Sheet	(thousands)	(thousands)
Current Assets	672.059	797.944
Current Liabilities	634.919	669.408
Working Capital	37.140	128.535
Property, Plant & Equipment –Net	112.260	120.843
Total Assets	1.235.552	1.375.250
Total Liabilities	991.225	1.101.980
Shareholders' Equity	244.327	273.270

OTOKAR IFRS	2014	2013
Financial Ratios		
Current Ratio	1.06	1.19
Liquidity Ratio	0.64	0.74
Current Assets / Total Assets	0.54	0.58
Current Liabilities / Total Liabilities	0.51	0.49
Current&Non-current Liabilities / Total Assets	0.80	0.80

OTOKAR IFRS	2014 TRY	2013 TRY
Summary Statement of Cash Flow	(thousands)	(thousands)
Cash and Cash Equivalents at the Beginning of the Period	8.884	47.906
Net Cash Provided by Operating Activities	350.388	(53.000)
Net Cash Used in Investment Activities	(52.712)	(62.123)
Pre-Financing Cash Flow	297.676	(115.123)
Net Cash Obtained From Financing Activities	(262.032)	76.101
Net Increase in Cash and Cash Equivalents	35.644	(39.022)
Cash and Cash Equivalents at the End of the Period	44.528	8.884

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