

### OTOKAR REPORTS 1Q 2006 RESULTS

#### “Export oriented revenue growth”

In this report we submit 1Q 2005 figures to compare with 1Q 2006 figures. 1Q 2005 & 1Q 2006 financial results published in this press release are prepared according to International Financial Reporting Standards.

#### Highlights of 1Q 2006

- The generated total revenue in 1Q 2006 was USD 50,9 million, %37 higher than the company's last year's total revenue level. Export revenues increased by %70 in the first quarter of 2006 compared to 1Q05.
- Sales volume was 818 units of vehicles of which %35 belonged to defense product range of the company.
- In 1Q06, Otokar increased its profitability to substantial level. The net profit was recorded as 4,8 million USD %3750 higher than its last year's level. 1Q06's net margin obtained as % 9,4 whereas it was %0,3 in1Q05.
- High profitability enabled company to get higher EBITDA level in 1Q06. The company's EBITDA in 1Q06 was 7,1 million USD %244 higher than 1Q05. EBITDA margin rose from %5,6 in 1Q05 to %14 in1Q06.
- Dividends for the year 2005 will be paid on 15.05.2006.

#### Overview

<b>OTOKAR IFRS P/L Statement Highlights</b>	<b>1Q 2006 USD (thousands)</b>	<b>1Q 2005 USD (thousands)</b>	<b>USD Based Change</b>
Net Sales	50.856	37.032	37%
Cost of Sales	-35.089	-26.636	32%
Gross Profit	15.766	10.397	52%
Operating Expenses	-9.715	-9.592	1%
Operating Profit	6.051	805	652%
Income/(loss) before minorities & taxes	6.934	235	2847%
Taxation	-2.171	-112	1845%
Net Profit	4.763	124	3750%
<b>EBITDA</b>	<b>7.120</b>	<b>2.067</b>	<b>244%</b>

### *Net Sales*

The total revenue of 1Q06 was USD 50,9 million, %37 higher than the same period a year ago. Main drive for revenue growth in 1Q06 was exports stemmed from the tenders acquired for the defense products from abroad. The giant defence order with an amount of USD 88,4 million taken last year is planned to be completed till the end of 2006.

Otokar generated USD 29,5 million export revenues in 1Q 2006, 70% greater than 1Q 2005. In 1Q06 58% of the total revenues came from exports. Otokar's own design armoured defence vehicles ranked first in the share of total export revenues in 1Q06.

	<b>1Q 2006 USD (thousands)</b>	<b>1Q 2005 USD (thousands)</b>	<b>Change %</b>
Domestic Sales	21.364	19.706	8%
Exports	29.492	17.327	70%
<b>Total</b>	<b>50.856</b>	<b>37.032</b>	<b>37%</b>

Main export regions of the company were Europe, North Africa, Middle East and Gulf Region countries. Distribution network for OTOKAR "NAVIGO" midibuses in European countries like France, Italy, Romania and Bulgaria was established last year. Their share in total export revenues was %9 in 1Q06.

The company's domestic revenues also increased compared to same period in 2005. Domestic revenue growth rate was %8 and mainly stemmed from the increase in trailer sales.

### *Profit*

Gross profit in 1Q 2006 was USD 15,8 million, %52 above the same period a year ago. Gross margin was %31 whereas it was %28 in 1Q 2005.

Operating profit increased by %652 to USD 6 million in 1Q06 from USD 805 thousand in 1Q05. Operating margin of 1Q06 was %12 while it was %1 in 1Q05.

High profitability enabled company to get higher EBITDA level in 1Q06. The company's EBITDA in 1Q06 was USD 7,1 million %244 higher than 1Q05. EBITDA margin rose from %5,6 in 1Q05 to %14 in 1Q06.

Otokar's net profit was USD 4,8 million in 1Q 2006. The company experienced massive profit increase in 1Q06 compared to 1Q05. 1Q06's profit was %3672 higher than 1Q05's. Compared to last year net profit margin of 0,3%, 1Q06's net margin of 9,4% also proves the company's profitability increase in 1Q06.

Like the years before, the company is going to pay dividends to its shareholders on 15.05.2006 for the year 2005.

### *Investments*

Otokar's realized capital expenditure in 1Q06 was USD 0,3 million. This amount mainly spent on routine machinery repairment, plant fixing & maintenance and also on modernization and renovation of existing products. The total capex planned for the year 2006 is around USD 3 million for the same purposes stated above.

### *Objectives*

Otokar aims USD 265 million total revenue together with an export revenue of over USD 100 million for the year of 2006 which are composed of all signed contracts.

The company obtained the highest EBITDA margin (14%) in 1Q06 among the past 5 years and aims to maintain the same margin level till the end of 2006.

According to the government's new draft tax law, corporate tax rate is going to be reduced from 30% to 20% in 2006. The company is expecting that %10 tax cut will have a positive effect on the profitability in 2006.

Last year and in the first quarter of 2006 the company met the high demand for its defense vehicles from abroad and increased the revenue came from that product range. Recently, military based demands from export markets have been evaluated by the company and the negotiations have been held with our clients.

Except for the planned revenue growth expected from defense side, Otokar continue to add new models of Sultan midibuses to its civilian vehicle product range. For example *Sultan Maxi*, a new model midibus for 31 passengers is ready to enter the market for the coming days. It will be displayed in the Istanbul Commercial Vehicles Exhibition this month. Beside midibuses, R&D studies for trailers and minibuses are also held by our engineers. Otokar's new model trailers under the new brand name of OTOKAR together with the ones produced as FRUEHAUF will also be in the trailer market in 2006.

### FINANCIALS

<b>OTOKAR IFRS Balance Sheet</b>	<b>1Q 2006 USD (thousands)</b>	<b>1Q 2005 USD (thousands)</b>
Current Assets	111.838	112.683
Current Liabilities	71.501	73.007
Working Capital	40.337	42.096
Property, Plant & Equipment -Net	29.975	31.709
Total Assets	157.948	158.564
Total Liabilities	76.033	77.046
Shareholders Equity	81.915	81.518

<b>OTOKAR IFRS Balance Sheet</b>	<b>1Q 2006</b>
Current Ratio	1,56
Liquidity Ratio	1,04
Current Assets / Total Assets	0,71
Current Liabilities / Total Liabilities	0,94
Total Liabilities / Total Liabilities & Shareholders' Equity	0,48

<b>OTOKAR IFRS Statement of Cash Flow</b>	<b>1Q 2006 USD (thousands)</b>
Cash and Cash Equivalents at the Beginning of the Period	6.607
Net Cash Provided by Operating Activities	245
Net Cash Used in Investment Activities	-87
Pre-Financing Cash Flow	159
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	-4.207
Net Decrease in Cash and Cash Equivalents	-4.048
Cash and Cash Equivalents at the End of the Period	2.559

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