

OTOKAR REPORTS 2006 3Q RESULTS

“Sustainable growth in export revenues”

In this report we submit 3Q 2006 figures to compare with 3Q 2005 figures. 3Q 2005 & 3Q 2006 financial results published in this press release are prepared according to International Financial Reporting Standards

Highlights of 2006 3Q

- The recorded net sales of 3Q06 was USD 182.5 million, implying a 22% increase compared the same period of last year. Export revenues comprised of 54% of total sales with an amount of USD 98.6 million. 77% increase was realized in export revenues in 3Q06 compared to 3Q05.
- Sales volume obtained in 3Q06 was 2.832 vehicles. %37 of unit sales was defense vehicles while the rest was commercial vehicles. The highest unit sale growth was observed in armored tactical vehicles with 321% rate.
- The company has experienced high profitability during 2006. All margins were higher than their last year levels.
- Generated net profit for the first nine months was USD 27.5 million with a net margin of 15,1%, highest level for the past 5 years. 348% profit growth was recorded in 3Q06.
- The attained EBITDA for the 3Q06 was USD 30 million 128% higher than its 3Q05 level. EBITDA margin rose from %8,8 in 3Q05 to %16,4 in 3Q06.

Overview

OTOKAR IFRS P/L Statement Highlights	2006 3Q USD (thousands)	2005 3Q USD (thousands)	USD Based Change
Net Sales	182.552	150.197	22%
Cost of Sales	-120.721	-112.445	7%
Gross Profit	61.831	37.752	64%
Operating Expenses	-33.878	-28.435	19%
Operating Profit	27.953	9.317	200%
Income/(loss) before minorities & taxes	34.074	8.544	299%
Taxation	-6.549	-2.405	172%
Net Profit	27.525	6.139	348%
EBITDA	30.016	13.190	128%

Net Sales

OTOKAR succeeded %22 net sales growth by focusing on export markets both in defence vehicles and commercial vehicles in the first nine months of 2006. The company experienced USD million 182.5 net sales revenue.

The company significantly increased its export revenues in 3Q06 by %77. The total share of exports was %54 in 3Q06 while it was %37 last year. The impact of the big export defence order of USD 88.4 million on revenues was unsuspectingly great in 3Q06. Almost all the shipments were delivered to the customer in 3Q06.

	2006 3Q USD (thousands)	2005 3Q USD (thousands)	Change %
Domestic Sales	83.945	94.467	-11%
Exports	98.606	55.730	77%
Total	182.552	150.197	22%

The share of defense vehicles in total revenues in 3Q06 was 49%. Since OTOKAR has turned into a significant player in defence industry, the expansion of exports was mainly to North Africa, Middle East and Gulf Region countries.

Except for the export of defense vehicles to the stated regions above, the contribution of export of commercial vehicles to European countries like France, Italy, Romania and Bulgaria, via established distribution network was also observable in 3Q06 compared to last year.

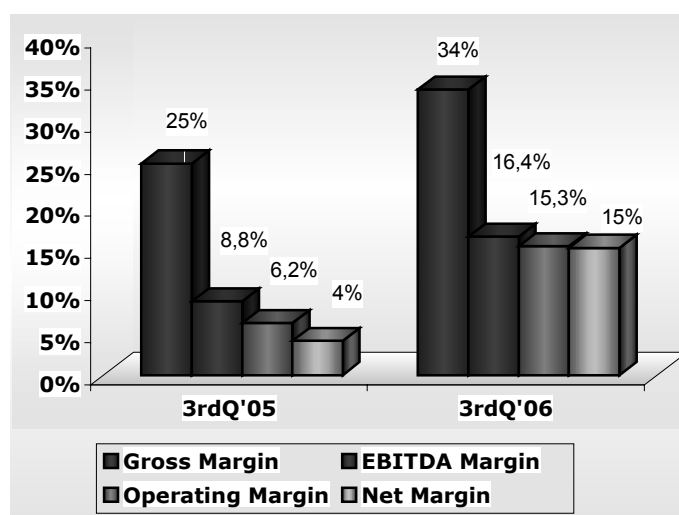
Profit

Boost in revenues due to the increase in sales of high margin products in the product range of the company, produced excessive margins in the first nine months of 2006.

The company had USD 61.8 million gross profit with a margin of %34. Its gross profit in 3Q06 was USD 61,8 million, %64 higher than 3Q05.

The operating profit was obtained as USD 28 million in 3Q06, %200 higher than same period of last year. Operating margin went up to %15,3 in 3Q06 from %6,2 in 3Q05.

A considerable progress in company's EBITDA level was observed in 3Q06. It rose from USD 13 million in 3Q05 to USD 30 million in 3Q06 by %128. The EBITDA margin almost doubled from %8,8 in 3Q05 to %16,4 in 3Q06.



The most impressive growth was experienced in the net profit of the company. Net profit was attained as USD 27,5 million with %348 growth. Net margin also showed a great progress by rising from %4 in 3Q05 to %15 in 3Q06.

Investments

The total capex planned for the year 2006 is around USD 3 million to be spent on modernization & renovation of existing products and also on purchase of additional testing devices for Test and Design Centre. USD 1,7 million of planned capex was realized in the first nine months of 2006.

Objectives

2006-end year total revenue target of USD 250 (YTL 350 million) million together with an export revenue target of over USD 100 million is still accurate for the company. Otokar is persistent to keep its 3Q06 EBITDA level also for 2006.

In the international area of defense market, Otokar's land vehicles and armored tactical vehicles are in constant demand. The company also proved its reliability and confidence to meet the big amount defense orders by completing its largest export order of USD 88,4 million even one year before its contract date. Otokar has been taking place in many local and national defense tenders and projects.

The company's progress in commercial vehicles is also going on. Otokar continues to add new models of midibuses to its civilian vehicle product range. A new model midibus for 35 passengers was launched to the market. Furthermore, the sales for new model trailers under the brand name of "Otokar" also started in 3Q06 and are demanded by its clients.

OTOKAR IFRS Balance Sheet	2006 3Q USD (thousands)	31.12.2005 USD (thousands)
Current Assets	122.068	111.688
Current Liabilities	73.676	73.680
Working Capital	48.393	38.008
Property, Plant & Equipment -Net	28.492	30.868
Total Assets	171.250	155.347
Total Liabilities	77.647	78.102
Shareholders Equity	93.604	77.245

OTOKAR IFRS Balance Sheet	2006 3Q
Current Ratio	1,66
Liquidity Ratio	0,73
Current Assets / Total Assets	0,71
Current Liabilities / Total Liabilities	0,95
Total Liabilities / Total Liabilities & Shareholders' Equity	0,45

OTOKAR IFRS Statement of Cash Flow	2006 3Q USD (thousands)
Cash and Cash Equivalents at the Beginning of the Period	6.237
Net Cash Provided by Operating Activities	762
Net Cash Used in Investment Activities	-1.052
Pre-Financing Cash Flow	-290
Net Cash Used in Financing Activities and Effect of Exchange Rate Changes	-4.759
Net Decrease in Cash and Cash Equivalents	-5.049
Cash and Cash Equivalents at the End of the Period	1.188

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