

OTOKAR with the results of 2014 1Q

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

Highlights of 2014 1Q

- Otokar generated TRY 283,2 million total revenue in 2014 1Q. Total sales was decreased by 15% compared to the same period of last year. Otokar's 2014 1Q domestic and export revenue was respectively realized in the amount of TRY 275,4 million and TRY 7,8 million.
- Otokar generated TRY 9,1 million net profit with a net margin of 3% in 2014 1Q.
- In 2014 1Q, Otokar's production and sales units were 1.371 and 1.289 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 1Q TRY (thousands)	2013 1Q TRY (thousands)	Change
Net Sales	283.246	334.378	(15,3%)
Cost of Sales	(225.101)	(260.363)	(13,5%)
Gross Profit	58.145	74.015	(21,4%)
Operating Expenses	(36.369)	(35.961)	1,1%
Operating Profit	21.776	38.054	(42,8%)
Financial Expenses	(11.188)	(7.659)	46,1%
Income/(loss) before minorities & taxes	10.624	30.488	(65,2%)
Taxation	(1.478)	(4.366)	(66,1%)
Net Profit	9.146	26.122	(65%)
EBITDA	32.580	47.049	(24%)

Net Sales

The total sales revenue of Otokar in 2014 1Q was TRY 283,2 million, by 15% 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 36%. In spite of this, the domestic sales, constituting the 97% of total sales, increased by 1,2%. The largest contribution in domestic sales revenue came from defence industry vehicles segment with growth ratios of 59%. In the commercial side, light truck Atlas launched in the middle of 2013 and trailer sales were important contributors to domestic sales

revenue. Since Atlas light truck was not launched during the first period of 2013, there was no revenue generated from this segment in the previous year's same period. On the other hand trailer sales increased by 67% compared to the same period of last year. 3% of total sales was generated from export sales in 2014 1Q. All export revenue stemmed from the sale of midibus&bus group.

Considering the share of segments in total revenue terms, the leader segment was the midibus&bus group with a share of 41% with TRY 116 million in revenue and it was followed by defence industry vehicles segment with a share of 36% with TRY 102 million in revenue.

	2014 1Q TRY (thousands)	2013 1Q TRY (thousands)	Change (%)
Domestic Sales	275.404	272.241	1%
Exports	7.841	62.136	(87%)
Total	283.245	334.377	15%

Profitability

Gross profit was TRY 58 million in 2014 1Q, with a gross margin of 21%. The same figures in 2013 1Q were TRY 74 million and 22% respectively. Operating profit was TRY 21,7 million in 2014 1Q with an operating margin of 8%. The same figures in 2013 1Q were TRY 38 million and 10% respectively. The company's EBITDA was TRY 32,6 million in 2014 1Q with an EBITDA margin of 11,5%. The same figures in 2013 1Q were TRY 47 million and 14% respectively. Otokar's net profit was TRY 9,1 million in 2014 1Q, having a net margin of 3%. The same figures in 2013 1Q were TRY 26,1 million and 8% 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 609 Thousand in 2014 1Q.

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. Although 2014 has started extremely challenging, Otokar generated 15% more sales revenue than targeted figures for the first period of 2014. 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 with its commercial vehicles. Otokar has a backlog volume of TRY 192 million and USD 24,6 million as of March 31, 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 1Q TRY (thousands)	2013 1Q TRY (thousands)
Current Assets	820.896	762.561
Current Liabilities	863.095	674.531
Working Capital	(42.199)	88.030
Property, Plant & Equipment –Net	117.662	122.969
Total Assets	1.384.099	1.171.260
Total Liabilities	1.203.183	968.223
Shareholders' Equity	180.916	203.036

OTOKAR IFRS Financial Ratios	2014 1Q	2013 1Q
Current Ratio	0.95	1.13
Liquidity Ratio	0.53	0.71
Current Assets / Total Assets	0.59	0.65
Current Liabilities / Total Liabilities	0.71	0.70
Current&Non-current Liabilities / Total Assets	0.87	0.83

OTOKAR IFRS Summary Statement of Cash Flow	2014 1Q TRY (thousands)	2013 1Q TRY (thousands)
Cash and Cash Equivalents at the Beginning of the Period	8.884	47.906
Net Cash Provided by Operating Activities	239.859	(33.357)
Net Cash Used in Investment Activities	(10.182)	(16.811)
Pre-Financing Cash Flow	229.677	(50.168)
Net Cash Obtained From Financing Activities	(177.622)	6.886
Net Increase in Cash and Cash Equivalents	52.055	(43.283)
Cash and Cash Equivalents at the End of the Period	60.939	4.623

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