

OTOKAR with the results of 1H 2013

In this report we submit 1H 2013 figures to compare with 1H 2012 figures. 1H 2013 & 1H 2012 financial results published in this press release are prepared according to International Financial Reporting Standards.

Highlights of 1H 2013

- Otokar increased its revenues by 63% and generated TRY 709 million total revenues in 1H 2013. Otokar's 1H 2013 domestic revenues were TRY 611 million and export revenues were TRY 98 million.
- Otokar generated TRY 55 million net profit with a net margin of 8% in 1H 2013.
- In the 1H of 2013, Otokar's production and sales units were 2799 and 2809 respectively.
- The planned dividend payment that was agreed at the General Assembly for the year 2012 was TRY64.0 million was paid on Apr 03, 2013.

Overview

OTOKAR IFRS P/L Statement Highlights	1H 2013 TRY (thousands)	1H 2012 TRY (thousands)	Change
Net Sales	709.055	435.201	63%
Cost of Sales	-551.119	-332.800	66%
Gross Profit	157.936	102.401	54%
Operating Expenses	-79.513	-48.361	64%
Operating Profit	78.423	54.040	45%
Income/(loss) from Investment activities	215	97	122%
Income/(loss) before minorities & taxes	61.024	40.636	50%
Taxation	-6.141	-1.918	220%
Net Profit	54.883	38.718	42%
EBITDA	96.292	67.053	44%

Net Sales

The total sales revenue of Otokar in 1H 2013 is TRY 709 million, by 63% increase compared to the last year's same period. The rise in total revenues stemmed from the increase in total revenues of the midibus&bus by 149%. Similarly, domestic sales constituting the 86% of total sales nearly doubled the same period of the last year with an increase of 88%. The largest contribution to the increase in domestic sales came from midibus&bus group and armoured tactical vehicle segment with growth ratios of 165% and 148% respectively. Midibus&bus segment has also the largest contribution to the export revenue with its 44% growth of sales.

Considering the share of segments in total revenue terms, the leader segment was the midibus&bus group with a share of 56% with TRY 395 million in revenue and it was followed by armoured tactical vehicles segment with a share of 23% with TRY 161 million in revenue. Whereas the export sales leader was armoured tactical vehicles with TRY 58 million in revenues, the leader of the domestic sales was midibus&bus segment with TRY 364 million revenues. Defence vehicle exports constituted 61% of all export revenues by itself. The commercial vehicle revenues have the largest portion in the domestic revenues with its 65% share.

	1H 2013 TRY (thousands)	1H 2012 TRY (thousands)	Change %
Domestic Sales	611.239	324.497	88%
Exports	97.816	110.704	(12%)
Total	709.055	435.201	63%

Profitability

Gross profit was TRY 158 million in 1H 2013, with a gross margin of 22%. The same figures in 1H 2012 were TRY 102 million and 24% respectively. Operating profit was TRY 78 million in 1H 2013 with an operating margin of 11%. The same figures in 1H 2012 were TRY 54 million and 12% respectively. The company's EBITDA was TRY 96 million in 1H 2013 with an EBITDA margin of 14%. The same figures in 1H 2012 were TRY 67 million and 15% respectively. Otokar's net profit was TRY 55 million in 1H 2013, having a net margin of 8%. The same figures in 1H 2012 were TRY 39 million and 9% respectively.

Otokar has continued to pay dividends to its shareholders as in previous years. The dividend payment for the year 2012 was paid on April 03, 2013 as TRY 64 million. Dividend payment percentages for the last three years were like the following: from the profit of 2010, 2011 and 2012 the dividends distributed in 2010, 2011 and 2012 were: 62,5%, 200% and 266,67% respectively.

Investments

Otokar has continued to invest on R&D activities field in 2013 like the previous years. Total investment expenditure of Otokar was realized over USD 2,5 Million in 1H 2013.

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 revenues and to produce new models for the market needs. Otokar targets to increase its total revenues 10% by the end of 2013. In line with stated targets Otokar attended in the following fairs with its defence vehicles: in February-Abu Dhabi IDEX 2013, in April 2013-Rio de Janeiro LAAD, in May-Istanbul IDEF 2013. In addition to these Otokar attended in the following fairs with its commercial vehicles: in May 2013-UITP Switzerland, in June 2013-Azerbaijan Road&Traffic and France-28'E Journess. Otokar has a backlog volume of USD 96 million as of June 30, 2013.

The first stage of total 78.5-month Main Battle Tank project is concept design was finished in 2011 and then detailed design phase has started. In May 2011, the first mock-up of Altay was exhibited in IDEF İstanbul 2011 Defense Fair. 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. Furthermore in 2012 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 .

FINANCIALS

OTOKAR IFRS	1H 2013 TRY	1H 2012 TRY
Summary Balance Sheet	(thousands)	(thousands)
Current Assets	884.400	756.275
Current Liabilities	780.199	739.125
Working Capital	104.201	17.150
Property, Plant & Equipment –Net	121.840	118.627
Total Assets	1.383.818	1.035.391
Total Liabilities	1.152.372	833.109
Shareholders' Equity	231.446	202.281

OTOKAR IFRS	1H 2013	1H 2012
Financial Ratios		
Current Ratio	1.13	1.02
Liquidity Ratio	0.77	0.68
Current Assets / Total Assets	0.64	0.73
Current Liabilities / Total Liabilities	0.68	0.89
Current&Non-current Liabilities / Total Assets	0.83	0.80

OTOKAR IFRS	1H 2013 TRY	1H 2012 TRY
Summary Statement of Cash Flow	(thousands)	(thousands)
Cash and Cash Equivalents at the Beginning of the Period	47.906	4.470
Net Cash Provided by Operating Activities	(91.624)	28.189
Net Cash Used in Investment Activities	(31.065)	(28.801)
Pre-Financing Cash Flow	60.558	(613)
Net Cash Obtained From Financing Activities	25.013	29.169
Net Increase in Cash and Cash Equivalents	85.572	28.556
Cash and Cash Equivalents at the End of the Period	133.478	33.027

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