

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. / OTKAR [] 26.02.2015

Material Disclosure (Board Decision on Dividend Distribution)

Company Address : Atatürk St. No. 6 54580 Arifiye - Sakarya
Phone and Fax No. : (264) 229 22 44 / (264) 229 22 42
Company's Investor Relations Section Phone and Fax No. : (264) 229 22 44 / (264) 229 22 42
Is this a update disclosure? : No
Is this a delayed disclosure? : No
Subject : 2014 Dividend Distribution Proposal
Company Address : Atatürk St. No. 6 54580 Arifiye - Sakarya
Phone and Fax No. : (264) 229 22 44 / (264) 229 22 42

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|-------------------------------|-------------------|
| | |
| Date of Board Decision | 26.02.2015 |

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| | |
| Proposed Cash Dividend Payment Type | Cash |

| Share Group Information | Proposed Dividend Per Share For 1 TL Nominal Value - Gross (TRY) | Proposed Dividend Per Share For 1 TL Nominal Value - Net (TRY) |
|--------------------------------|---|---|
| OTKAR(Old),TRAOTKAR91H3 | 3,3333300 | 2,8333300 |

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|--|
| Proposed Distribution Date of Cash Dividend |
| 02.04.2015 |

| Share Group Information | Proposed Dividend Distribution Amount As Shares (TRY) | Proposed Dividend Distribution Amount As Shares (%) |
|--------------------------------|--|--|
| OTKAR(Old),TRAOTKAR91H3 | 0,000 | 0,00000 |

ADDITIONAL DISCLOSURES:

At the Board of Directors Meeting of our Company held on 13.02.2015, the financial statements that cover 1 January – 31 December 2014 fiscal year, prepared by the management of Otokar Otomotiv ve Savunma Sanayi A.Ş. in accordance with the Turkish Accounting Standarts / Turkish Financial Reporting Standarts and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst & Young Global Limited), have been reviewed, accepted and approved to be presented in the General Assembly.

As a result of examination of the financial statements and statutory records prepared by Otokar Otomotiv ve Savunma Sanayi A.Ş. in accordance with the principles of Tax Procedure Law;
According to the financial statements prepared in accordance with TFRS/TAS, the net income for the period has been realized at the amount of TRY 72.771.198, according to Tax Procedure Law net income for the period has been realized at the amount of TRY 48.926.836;

a. Since the legal reserve amount have reached the limit of 20% of the capital according to Tax Procedure Law, The legal reserves that has to be allocated in accordance with the article 519 of Turkish Commercial Code at the percentage of %5 is not going to be allocated for the year 2014.

With the addition of the donations at the amount of TRY 1.859.414, to the amount of TRY 72.771.198 net profit for the period in the financial statements prepared in accordance with TFRS/TAS, the dividend basis have reached TRY 74.630.612 and according to the records in accordance with Tax Procedure Law, net profit for the period has been realized at the amount of TRY 48.926.836. Thus, the total distributable net income has been reached at the amount of TRY 246.147.031 .

Accordingly,

b. In accordance with the Capital Market Legislation, clause 19 of Articles of Association and the Dividend Distribution Policy of the company that was confirmed by the shareholders in the General Assembly dated 28.03.2014, the dividend distribution is going to be realized as following;

TRY 37.315.306 primary dividend to shareholders,

TRY 28.949.419 secondary dividend to shareholders

TRY 13.735.275 the dividend distribution from retained earnings,

TRY 7.880.000 to allocate secondary legal reserves,

Secondary legal reserves at the amount of TRY 6.506.473 is going to be allocated from current year net profit and the amount of TRY 1.373.527 is going to be allocated from retained earnings;

c. The payment of total amount of TRY 80.000.000 the primary and the secondary dividend to distribute to shareholder is going to be in cash.

d. In the case of acceptance of the dividend distribution proposal in the General Assembly, in accordance with the statutory records of the company, TRY 44.588.033 of the TRY 80.000.000 total dividend to be distributed to the shareholders is going to be distributed from current year's net income and the balance TRY 35.411.967 dividend is going to be distributed from retained earnings; TRY 4.338.803 of the TRY 7.880.000 total secondary legal reserves is going to be allocated from current year's net income and the balance TRY 3.541.197 is going to be allocated from extraordinary reserves;

e. The dividend payment is going to be for each share with the nominal value of TRY 1 at the amount of TRY 3,3333 gross=net dividend and the ratio of 333,33 % for fully responsible institutions and the institutions that obtained dividend through the permanent representative or registered office in Turkey, and to be for each share with the nominal value of TRY 1 at the amount of TRY 2,83333 net dividend and the ratio of 283,33% for other shareholders.

f. The Dividend Distribution date has been set to be realized at 02.04.2015;

The above mentioned items has been decided to be submitted to shareholders for approval at the Annual General Meeting of the company on March, 2015.

We hereby declare that our above statement is in conformity with the principles included in the Capital Market Board's Material Disclosures Communique , that it exactly reflects the entire information we received; that the information complies with our records, books and documents; that we have endeavored to obtain the correct and complete information relative to this subject and that we are responsible for the declarations made in this regard.