

**INFORMATION MEMORANDUM FOR YEAR 2007**  
**ORDINARY GENERAL ASSEMBLY**

Koç Holding's 2007 Ordinary General Assembly Meeting shall be held on April 29, 2008 at 16:00 at Koç Holding headquarters located at Aziz Bey Sok No.1 Kuzguncuk - Üsküdar, Istanbul.

Our shareholders, whose shares have been registered as per the arrangements of the Central Registry Agency (CRA), will be entitled to attend the General Assembly with entrance cards which they can obtain upon registering their names in the General Assembly Blockage List as per CRA arrangements. Shareholders who fail to register themselves in the Blockage List at CRA are, by law, not permitted to attend the meeting.

Our shareholders who fail to register their shares shall not be entitled to exercise their shareholder rights as they will not be entitled to attend the General Assembly Meetings until they get their shares registered as per the Capital Markets Regulation, Provisional Article 6. Applications submitted for attending the General Assembly Meeting by investors who fail to have their shares registered can only be considered after the registry of their shares.

Shareholders who will be unable to attend the meeting in person can exercise their voting rights by appointing proxies by completing the proxy form, which is available at our Company headquarters as well as our company website [www.koc.com.tr](http://www.koc.com.tr), to fulfill the other requirements stipulated by Communiqué Series IV, No.8 of the Capital Markets Board and to submit the notarized proxy form to the Company's headquarters so that they through attorneys.

Vote by open ballots shall be employed through the raising of hands in voting the Agenda Articles at the General Assembly Meeting.

Koç Holding shares have been divided into two groups as Group A and B. Each Group A registered share is entitled to 2 votes at the General Assembly Meeting. 468,442,665.49 Group A shares representing 26.83% of the issued capital account for 42.31% of the total voting rights. Group B shares each of which is entitled to 1 vote and which represent 73.17% of the capital are 1,277,257,334.51 in quantity, and account for 57.69% of the total voting rights.

The Reports of the Board of Directors and the Audit Board for 2007 and the proposal related to the distribution of net profit shall be available at the Company's headquarters and the Company web site [www.koc.com.tr](http://www.koc.com.tr) for examination by the shareholders starting from 15 days before the General Assembly date, while Independent Auditor Report, Balance Sheet and Income Statement and the meeting agenda shall be available as above starting from April 9, 2008.

All stakeholders and the media (press-broadcast organs) are invited to our General Assembly Meeting.

## STATEMENTS RELATING TO GENERAL ASSEMBLY AGENDA

### 1. Opening and Election of the Presiding Committee

The Chairman and the Presiding Committee to direct the General Assembly shall be elected within the framework of the “Turkish Commercial Code” (TCC) and the “Regulation on General Assemblies of Capital Stock Companies and Commissioners of the Ministry of Industry and Commerce to be present at such Meetings” (the Regulation).

### 2. Reading of and deliberations on the Board of Directors' Report, Auditors' Report and the independent audit report of Independent External Audit Company Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) on the activities and accounts of the year 2007, approval of Board Directors' proposal about the Balance Sheet and the Income Statement for the year 2007, approval after modification or rejection

The report of the Board of Directors and the Auditors' Report submitted for the purpose of informing the shareholders as per the provisions of TCC and the Regulation and the summary of the independent auditor's report which has been available at the Company's headquarters and the website [www.koc.com.tr](http://www.koc.com.tr) for examination by the shareholders since April 8, 2008 shall be read out at the General Assembly and presented to shareholders for discussion and approval. The above mentioned reports, the Annual Report including the Corporate Governance Compliance Report and other relevant documents have been presented at the Company's website for examination by the shareholders.

### 3. Approval of changes in Board of Directors memberships within the year as per Article 315 of the Turkish Commercial Code

As Bülent Özaydınlı, a member of the Board of Directors resigned on October 17, and W. Wayne Booker, an independent member of the Board of Directors died on October 22 within the year 2007, Ali Yıldırım Koç and as independent member Heinrich Karl Friedrich Eduard Dr. Pierer Von Esch have been elected to complete the terms of office of the said members within the framework of the Turkish Commercial Code, Article 315 at a meeting of the Board of Directors held on 30.01.2008.

The following backgrounds of the new members of our Board of Directors shall be presented at the meeting, and the assignment shall be submitted to the General Assembly for approval.

Prof. Dr. Heinrich V. Pierer was born in 1941 in Germany. Having graduated from the Law Department of Erlangen-Nuremberg University, Pierer started working at Siemens AG in 1969. Having assumed important roles at Siemens AG, Pierer was assigned as the Chairman of the Supervisory Board of Siemens between 2005 and 2007. Prof. Heinrich V. Pierer acted as the Chairman of German Business World Asian-Pacific Committee between 1993 and 2006, and was awarded the degree of doctor of philosophy in Industrial Economy with honors by the Erlangen Friedrich Alexander University.

Ali Y. Koç was born in 1967. Having worked at Ramerica International, Inc. as a coordinator between 1991 and 1992, Ali Koç attended Securities Analyst Training Program at Morgan Stanley Group. Ali Koç became New Business Development Coordinator reporting to Koç Holding A.Ş. Head of Strategic Planning Group in 1997, and acted as Information Group Executive Committee Chairman and New Business Development Coordinator at Koç Holding A.Ş. between 2000 and 2002. Having worked as the President of Information Technology Group at Koç Holding A.Ş. between 2002-2006, Koç was assigned as the President of Corporate Communications and Information Technology Group of Koç Holding A.Ş. in 2006.

#### **4. Discharge from liability of the Members of the Board of Directors and Auditors in respect of the duties performed during the year 2007**

As per the provisions of TCC and the Regulation, the discharge from liability of Members of the Board of Directors and the Board of Auditors for their activities and accounts in Year 2007 shall be submitted to the General Assembly for approval.

#### **5. Informing our shareholders about the dividend distribution policy in accordance with the Corporate Governance Principles**

The dividend distribution policy of our Company, which is presented below, shall be submitted to the General Assembly for information purposes and has already been posted on the Investor Relations section of our Company website [www.koc.com.tr](http://www.koc.com.tr).

Our Company conducts dividend distribution within the framework of the provisions of the Turkish Commercial Code, Capital Markets Regulations, Tax Regulations and other relevant legislations as well as those articles of the Articles of Association governing the distribution of profits.

In determining dividend distribution, the long-term strategy of our Group, capital requirements of our Company, our affiliates and subsidiaries, investment and financing policies, profitability and cash position are taken into consideration.

In principle, 20% of the “distributable profit for the period” calculated as per the Capital Markets Regulations and other relevant legislation is distributed in cash or as bonus issue based on the net profit for the period as shown on the financial statements prepared as per the Capital Markets Regulations and subjected to independent audit.

If the distributable profit calculated as above is less than 5% of the issued capital, then no dividend distribution takes place.

Dividends to be distributed as per the decision taken at the General Meeting can be paid out fully in cash or fully as bonus issue, or partially in cash and partially as bonus issue.

If dividend distribution is in cash, it is completed until the end of the fifth month following the end of the respective fiscal period, at the latest, or if it is in the form of bonus issue, it is completed until the end of sixth month, at the latest.

In accordance with the dividend distribution policy, the dividends are allocated equally among all the shares existing in the respective fiscal period.

Pursuant to article 32 of our Articles of Association, no less than 1% and no more than 2% of the amount remaining after the allocation of the first series of legal reserve fund, financial obligations, and dividend to be withheld under the Capital Market Regulations from the pre-tax earnings is provided to Koç Holding Pension Fund. Additionally, without prejudice to the first dividend established under the Capital Markets Legislation, after the first series of legal reserve fund, financial obligations and 5% of the paid-in capital are deducted from the pre-tax earnings, 3% of the remaining amount is allocated to holders of dividend-right certificates.

**6. Approval, approval after modification or rejection of the Board of Directors' proposal about the distribution of dividends from 2007 earnings,**

According to the financial statements prepared by our Company for the period between 01.01.2007 – 31.12.2007 in compliance with the International Financial Reporting Standards as per the Communiqué of the Capital Market Board Series IX, No.25 and audited by the independent audit company Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., TRY 2.3 trillion of “Consolidated Net Period Profit” has been obtained; and our dividend distribution proposal that will be prepared considering the long-term strategy of our Group, capital requirements of our Company, our affiliates and subsidiaries, investment and financing policies, profitability and cash position, shall be announced on the website [www.koc.com.tr](http://www.koc.com.tr) following the respective Board of Directors decision.

**7. Replacement or re-election of the Board of Directors' Members whose term of office has expired, determination of the number of members and their term of office**

Members of the Board of Directors shall be elected taking into account the principles governing the election of Board of Directors described in our Articles of Association as per TCC and the Regulation.

Pursuant to Article 18 of the Articles of Association, the Holding is directed by a Board of Directors consisting of 9 – 15 members to be elected for a maximum period of three years by the General Assembly in accordance with the provisions of the Turkish Commercial Code. The General Assembly may decide upon the re-election of the Board of Directors even if its term of office has not expired. Information shall be provided at the General Assembly about the background of candidate members.

**8. Re-election or replacement of the Auditors who shall serve until the Ordinary General Assembly to be held to examine activities and accounts of the year 2008**

Auditors shall be elected taking into account the provisions of the Articles of Association as per TCC and the Regulation.

Pursuant to the Articles of Association, Article 21, the Holding will have 1 - 3 auditors elected from among shareholders or third parties by the General Assembly to serve for a period of one year. An auditor whose term of office expires can be re-elected. If an auditor is elected by the General Assembly, then an alternate auditor may be elected to serve when the primary auditor is unable to fulfill his duties.

**9. Determination of the monthly gross compensation of the Chairman, members of the Board and Auditors**

Monthly gross compensation of the Chairman, members of the Board and auditors shall be determined as per the TCC and the Regulation as well as the principles of our Articles of Association.

#### **10. Presentation of information to the General Assembly on the donations and the support provided by the Company to foundations and associations in 2007 with the purpose of social responsibility**

In accordance with Communiqué Series IV, No.27, Article 7 of the Capital Markets Board, donations made within the year should be submitted to the General Assembly for information. This matter is not subject to approval by the General Assembly, but only bears an informative purpose.

A donation amounting to TRY 15,791.5 has been made in 2007 in accordance with the relevant provisions of the Articles of Association.

#### **11. Approval of the Board of Directors' selection of an independent audit company pursuant to the Capital Markets Legislation**

Pursuant to Communiqué Series: X, No.22, Part Three, Article 6 of the Capital Market Board, the election of an independent audit company by the Board of Directors should be presented to the General Assembly for approval.

At the meeting of the Board of Directors dated 09.04.2008, it has been decided to sign a contract with Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) to perform the independent audit of the year 2008, and this selection shall be presented to our shareholders for approval during the General Assembly.

#### **12. Proposal to grant permission to the Chairman and the members of the Board of Directors to perform the transactions covered by the scope of activities of the Company directly or indirectly, and to become shareholders in companies performing such transactions, and to conduct other transactions as set forth in sections 334 and 335 of the Turkish Commercial Code**

As a resolution of the General Assembly is required in order for the members of the Board of Directors to perform any transaction within the framework of TCC Section 334 entitled "Prohibition to Transact with the Company" and Section 335 "Prohibition to Compete", the grant of such permission shall be presented to the shareholders for approval during the General Assembly.

#### **13. Authorization of the Presiding Committee to sign the meeting minutes of the General Assembly**

Pursuant to TCC and the Regulation, the matter of authorizing the Presiding Committee to draw up minutes of the decisions taken during the General Assembly shall be presented to the shareholders for approval.

#### **14. Requests**