

GLOSSARY AND COMPANY DEFINITIONS

Acronym	Term	Definition	Other Info
A			
ADC	Alternative Delivery Channels	Alternative channels other than branches used for banking transactions, such as ATMs and internet banking.	
	Affiliate	A type of inter-company relationship in which one of the companies owns less than a majority of the other company's stock, or a type of inter-company relationship in which at least two different companies are subsidiaries of a larger company.	
B			
	Bonus issue	Distribution of free shares to existing shareholders as part of a capital increase, where the distributable profit for a certain year is retained by the company and added to the capital.	
	Bottom line	Refers to a company's net earnings, net income or earnings per share (EPS).	
BRSA	Banking Regulation and Supervision Agency	BRSA is an independent decision making mechanism, a public legal entity with administrative and financial autonomy whose aim is to improve the effectiveness of regulation and supervision of the Turkish banking system.	
C			
CAGR	Compound Annual Growth Rate	The year-over-year growth rate of an investment over a specified period of time. The compound annual growth rate is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered.	
Capex	Capital expenditure	Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.	
CAR	Capital adequacy ratio	A measure of a bank's capital expressed as a percentage of a bank's risk weighted credit exposures. It is used to protect depositors and promote the stability and efficiency of financial systems around the world.	
CBT	Central Bank of the Republic of Turkey		www.tcmb.gov.tr
CKD	Completely knocked down	Fully disassembled automobiles that are required to be assembled by the end user or the reseller.	
CMB	Capital Markets Board	Capital Markets Board of Turkey (CMB) is the regulatory and supervisory authority in charge of the securities markets in Turkey.	www.spk.gov.tr
CRA	Central Registry Agency	Turkish authority with an independent legal status responsible for safekeeping the capital market securities and the associated rights in dematerialized form.	www.mkk.com.tr
CRM	Customer relationship management	Those aspects of a business strategy which relate to techniques and methods for attracting and retaining customers.	
CUR	Capacity utilization rate	Percentage of the production capacity actually used for production during a month, quarter, year.	
D			
DAC	Divide and Cool	Dividable cooling technology introduced by Arçelik that allows users to connect four fridge, freezer and cooling units to a single outdoor compressor.	
	Divestiture	Disposition or sale of an asset by a company.	
	Dividend	Distribution of a portion of a company's after-tax profits, decided by the board of directors, to its shareholders out of the company's current or retained earnings.	
	Dividend yield	A financial ratio that shows how much a company pays out in dividends each year relative to its share price.	
DIY	Do-it-yourself		
	Downstream	The oil and gas operations that take place after the production phase through to the point of sale.	
E			
EBITDA	Earnings before interest, taxes, depreciation and amortization	An indicator of a company's financial performance which can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.	
	Economic profit	Net profit in excess of the cost of capital.	
G			
	GAP Region / Project	A multisector and integrated development project aimed at bringing sustainable development in Southeast Turkey. There are various state subsidies to incentivize investments in this region. Tat K conserve, which is Koç Group's food company, has initiated Turkey's and the region's largest agricultural and industrial investment with its Harranova Project.	
	Guidance	Information that a company provides as an indication or estimate of its outlook.	
H			
HNWI	High net worth individuals	A classification used by the financial services industry to denote an individual or a family with high net worth.	
	Hurdle rate	The minimum amount of return that a company requires as a threshold before they make an investment.	
I			
	Inorganic growth	A growth in the operations of a business that arises from mergers or acquisitions, rather than an increase in the companies own business activity.	
	Integrated oil company	An oil company that combines upstream activities, which include exploration and production, with downstream operations.	
IPR	Intellectual property rights	The set of intangibles owned and legally protected by a company from outside use or implementation without consent. Intellectual property can consist of patents, trade secrets, copyrights and trademarks, or simply ideas.	
ISE	Istanbul Stock Exchange	The ISE is the only securities exchange in Turkey established to provide trading in equities, bonds and bills, revenue-sharing certificates, private sector bonds, foreign securities and real estate certificates as well as international securities.	www.imkb.gov.tr
J			
JV	Joint venture	The cooperation of two or more businesses--each agreeing to share profit, loss and control--in a specific enterprise.	
L			
LCV	Light commercial vehicle	Vehicles with a Gross vehicle mass (GVM) of up to 3.5 tonnes.	
M			
Mcap	Market capitalization	On-going market valuation of a public company, calculated by multiplying the number of outstanding shares with the current per share market price.	
MCV	Medium commercial vehicle		

Acronym	Term	Definition	Other Info
N			
NAV	Net asset value	The total value of a company's assets less the total value of its liabilities. It is one of the main drivers of investing in a holding company.	
NC	Nelson Complexity	Nelson complexity index is a measurement of the investment intensity and value addition of a refinery. A high NC indicates that the refinery is able to produce higher value-added products.	
	Net cash/debt	Gross cash minus gross debt of the company.	
NIM	Net interest margin	Within the context of banking, net interest margin is the difference between the interest income and the interest expense.	
	Normalized	Adjusted for any one-off items.	
NPL	Non-performing loan	Loans that are in default or close to being in default.	
O			
	Operating profit	The profit earned from a firm's normal core business operations. This value does not include any profit earned from the firm's investments (such as earnings from firms in which the company has partial interest) and the effects of interest and taxes.	
Opex	Operating expense	A category of expenditure that a business incurs as a result of performing its normal business operations.	
	Organic growth	Expansion of a firm's operations from its own (internally generated) resources, without resorting to acquisition of other firms.	
P			
	Paid-up capital	The total amount of shareholder capital that has been paid in full by shareholders.	
PC	Passenger car		
R			
RoAE	Return on Average Equity	Measure of a company's profitability by calculating the amount of net income generated as a percentage of average shareholders' equity.	
RoE	Return on Equity	The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.	
		A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. To calculate ROI, the benefit (return) of an investment is divided by the cost of the investment; the result is expressed as a percentage or a ratio.	
Rol	Return on Investment		
S			
SPA	Share purchase agreement		
	Shareholder value	The value delivered to shareholders because of management's ability to grow earnings, dividends and share price. In other words, shareholder value is the sum of all strategic decisions that affect the firm's ability to efficiently increase the amount of free cash flow over time.	
SKD	Semi-knocked down	Partly disassembled automobiles that are required to be assembled by the end user or the reseller.	
SME	Small and medium enterprises		
SPV	Special purpose vehicle		
	Stakeholder	One who has a share or an interest in an enterprise.	
	Subsidiary	A company whose voting stock is more than 50% controlled by another company, usually referred to as the parent company.	
T			
TCC	Turkish Commercial Code		
TL/TRL	Turkish Lira		
	Top line	A reference to the gross sales or revenues of a company.	
U			
	Upstream	Operations stages in the oil and gas industry that involve exploration and production.	
Y			
YTL	New Turkish Lira	Currency used by the Republic of Turkey between 1 January 2005 and 31 December 2008 as part of the re-denomination of the Turkish Lira by dropping	

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www.tcmb.gov.tr

KOÇ GROUP COMPANIES

Name	Istanbul Stock Exchange Code	Description	Website
Akpa	Unlisted	LPG distribution, wholesale marketing of petroleum products and retail and wholesale sales of consumer durables	
Arçelik	ARCLK.IS	Manufacturer of household appliances	www.arcelikas.com.tr
Arçelik - LG Klima	Unlisted	Air conditioner manufacturing JV with LG	
Ark İnşaat	Unlisted	Provides civil engineering seervices mainly for Koç Group companies	
Aygaz	AYGAZ.IS	LPG sourcing, storage, filling and distribution company	www.aygaz.com.tr
Aygaz Doğal Gaz	Unlisted	Sales, transportation and distribution of compressed natural gas and wholesale and transportation of liquefied natural gas.	
Beldeyama	Unlisted	Turkey's leading manufacturer and exporter of two-wheeled vehicles. Partnership with Yamaha.	
Bilkom	Unlisted	Sole authorized distributor of Apple products in Turkey	
Demir Export	Unlisted	Mining company	
Divan Group	Unlisted	Operating in hospitality business (<i>hotels, restaurants, patisserie and catering services</i>)	
Düzey	Unlisted	Food products distribution company	
Enerji Yatırımları (EYAŞ)	Unlisted	The special-purpose company established in 2006, which purchased 51% of Tüpraş	
Entek	Unlisted	Electricity production company	
Ford Otosan	FROTO.IS	Motor vehicle manufacturing JV with Ford	www.fordotosan.com.tr
KFS / Koç Financial Services	Unlisted	JV with Unicredit. Umbrella company for Koç Holding companies operating in financial services	
Koçfinans	Unlisted	Turkey's first consumer financing company	
Koç.net	Unlisted	Alternate telecommunications operator	
Koçtaş	Unlisted	Do-it-yourself stores chain	
KoçSistem	Unlisted	IT sytems integrator	
Mogaz	Unlisted	Koç Group's second LPG company	
Opet	Unlisted	Petroleum products distribution and marketing company	
Otokar	OTKAR.IS	Commercial and military vehicle manufacturing	www.otokar.com.tr
Otokoç	Unlisted	Automotive retailing and car rental company	
Promena	Unlisted	Provides procurement services	
Ram Dış Ticaret	Unlisted	International trading company	
RMK Marine	Unlisted	Ship and yacht construction, repair and maintenance services	
Setur	Unlisted	Tourism and ticketing company	
Setur Marinas	Unlisted	Leader of the Turkish marina sector with seven marinas and 28% of Turkey's total marina capacity	
Tat Konserve	TATKS.IS	Food production company	www.tat.com.tr
Tanı	Unlisted	Koç Group's CRM company	
Tofaş	TOASO.IS	Motor vehicle manufacturing JV with Fiat	www.tofas.com.tr
Tüpraş	TUPRS.IS	Petroleum refining company	www.tupras.com.tr
Türk Traktör	TTRAK.IS	Farm tractor manufacturing JV with CNH	www.turktraktor.com.tr
Yapı Kredi Bank	YKBNK.IS	Turkey's first privately-owned bank. Currently the 4th largest private bank in terms of asset size	www.yapikredi.com.tr
Zer (<i>formerly Beko Ticaret</i>)	Unlisted	Media buying and outsourcing services	