



COMMITTED TO  
MAKING A DIFFERENCE

**Koç Holding A.Ş.**  
Annual Report 2009

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## Strategic Principles

- Focus on those sectors where we can create a differential competitive advantage
- Grow in sectors where we can leverage our strong brands and technological competence
- Derive maximum benefits from economies of scale by being the market leader or a close second in every business we operate
- Achieve the optimum portfolio diversification, where we can balance out and minimize sector and geography-specific risks

### Energy

#### Main Companies

Tüpraş <sup>(1)</sup>	Mogaz
Aygaz <sup>(1)</sup>	Entek
Opet	Demir Export

#### Market Position and Market Share

- Sole refinery (70% of Turkey's fuel demand)
- 8<sup>th</sup> largest refinery in Europe
- 3<sup>rd</sup> in fuel distribution (17%)
- 1<sup>st</sup> in LPG distribution (30%)
- 5<sup>th</sup> largest LPG distributor in Europe

### Automotive

#### Main Companies

Ford Otosan <sup>(1)</sup>	Otokar <sup>(1)</sup>
Tofaş <sup>(1)</sup>	Otokoç Otomotiv
Türk Traktör <sup>(1)</sup>	

#### Market Position and Market Share

- 1<sup>st</sup> in total automotive (31%)
- 1<sup>st</sup> in passenger cars (17%)
- 1<sup>st</sup> in commercial vehicles (54%)
- 1<sup>st</sup> in farm tractors (52%)
- 1<sup>st</sup> in automotive retailing
- 5<sup>th</sup> largest manufacturer of farm tractors in Europe

#### International Alliances

Ford Motor Co.	Case New Holland
Fiat Auto S.p.A	

Share in Consolidated Revenues: 55%



Share in Operating Profit: 39%



Share in Consolidated Revenues: 13%



Share in Operating Profit: 12%



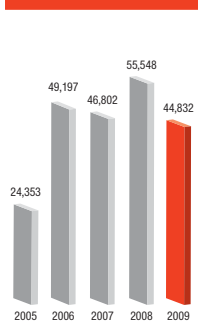
### Koç Holding

is Turkey's largest industrial and services group in terms of revenues, exports and number of employees.

Following the average annual growth rate of 23% in U.S. dollar terms over the past seven years, Koç Holding ranks among the 60 largest publicly traded companies in Europe and 200 largest companies in the world.

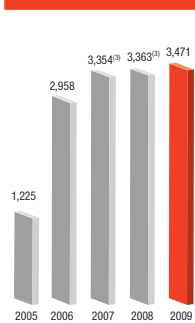
Koç Holding has leading positions in energy, automotive and finance sectors in Turkey, while holding strong and leading positions both domestically and internationally in consumer durables. It has strong competitive advantages which offer strong long term growth potential.

#### Consolidated Revenues (TL Million)



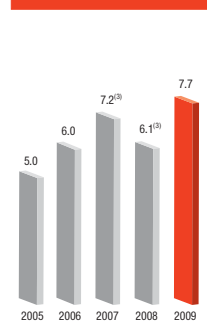
**16%** average compound revenue growth p.a. in the last four years

#### Operating Profit<sup>(2)</sup> (TL Million)



**30%** average compound revenue growth p.a. in the last four years

#### Operating Profit Margin (%)



**2.7** points increase in operating margin in the last four years

(1) Listed companies

(2) Pre-2007 figures have been adjusted as per CMB's new reporting format

(3) Excluding one-off capital gains from the sale of subsidiaries

## Main Competitive Advantages

- We stand as a symbol of trust and achievement and our powerful brands command strong recognition
- We have leading positions in sectors with high growth potential and low penetration levels
- We control Turkey's largest distribution network and customer database, facilitating strong CRM capabilities
- We provide the highest quality sales and after-sales service
- We occupy leadership positions in global markets and have long-standing international partnerships

Consumer Durables	Finance	Other
<b>Main Companies</b> Arçelik <sup>(1)</sup> Arçelik-LG	<b>Main Companies</b> Koç Finansal Hizmetler Yapı Kredi Bankası <sup>(1)</sup> Yapı Kredi Sigorta <sup>(1)</sup> Yapı Kredi Emeklilik Yapı Kredi Finansal Kiralama <sup>(1)</sup> Yapı Kredi Yatırım Menkul Değerler Yapı Kredi Yatırım Ortaklığı <sup>(1)</sup> Yapı Kredi Faktoring Yapı Kredi Portföy Yönetimi UniCredit Menkul Değerler Koç Tüketici Finansmanı (Koçfinans)	<b>Main Companies</b> Tat Konserve <sup>(1)</sup> Düzey Koçtaş Tanı Setur Setur Marinaları Divan Grubu Koç Sistem Koç.net Bilkom Mares <sup>(1)</sup> RMK Marine
<b>Market Position and Market Share</b> <ul style="list-style-type: none"> <li>■ 1<sup>st</sup> in refrigerators, washing machines, dishwashers and ovens</li> <li>■ 1<sup>st</sup> in TVs</li> <li>■ 1<sup>st</sup> in air conditioners</li> <li>■ 3<sup>rd</sup> largest household appliances company in Europe</li> <li>■ Turkey's and Europe's largest integrated air-conditioner manufacturer</li> </ul>	<b>Market Position and Market Share</b> <ul style="list-style-type: none"> <li>■ 4<sup>th</sup> in banking (private banks asset size)</li> <li>■ 1<sup>st</sup> in credit cards (21% in issuing volume)</li> <li>■ 1<sup>st</sup> in insurance (20% in health, total premium production)</li> <li>■ 1<sup>st</sup> in leasing (16%)</li> <li>■ 1<sup>st</sup> in factoring (27%)</li> <li>■ 2<sup>nd</sup> in asset management (18%)</li> <li>■ 3<sup>rd</sup> in private pension funds (15% in terms of fund size)</li> </ul>	<b>Market Position and Market Share</b> <ul style="list-style-type: none"> <li>■ 1<sup>st</sup> in DIY retailing</li> <li>■ 1<sup>st</sup> in tomato products</li> <li>■ Turkey's highest marina capacity</li> </ul>
<b>International Alliances</b> LG Electronics	<b>International Alliances</b> UniCredit	<b>International Alliances</b> B&Q Kagome Sumitomo Kaneka Seeds
Share in Consolidated Revenues: 15% Share in Operating Profit: 18% 	Share in Consolidated Revenues: 12% Share in Operating Profit: 27% 	Share in Consolidated Revenues: 5% Share in Operating Profit: 4% 

## Koç Holding A.Ş. Key Performance Indicators

	2009 <sup>(2)</sup>	2008 <sup>(3)</sup>	2009 <sup>(2)</sup>	2008 <sup>(3)</sup>	2009	2008	Change (%)		
	(USD million)		(EUR million)		(TL million)		USD	EUR	TL
<b>Revenues</b>	<b>28,978</b>	<b>42,964</b>	<b>20,847</b>	<b>29,300</b>	<b>44,832</b>	<b>55,548</b>	-33	-29	-19
Non-Finance Sectors	25,500	38,428	18,345	26,207	39,450	49,683	-34	-30	-21
Finance Sector	3,479	4,536	2,503	3,093	5,382	5,864	-23	-19	-8
<b>Operating Profit</b>	<b>2,244</b>	<b>3,897</b>	<b>1,614</b>	<b>2,657</b>	<b>3,471</b>	<b>5,038</b>	-42	-39	-31
Non-Finance Sectors	1,627	3,226	1,171	2,200	2,517	4,171	-50	-47	-40
Finance Sector	616	671	443	457	954	867	-8	-3	10
<b>Profit Before Tax From Continuing Operations</b>	<b>2,042</b>	<b>2,383</b>	<b>1,469</b>	<b>1,625</b>	<b>3,159</b>	<b>3,081</b>	-14	-10	3
<b>Net Income</b>	<b>1,707</b>	<b>1,994</b>	<b>1,228</b>	<b>1,360</b>	<b>2,641</b>	<b>2,578</b>	-14	-10	2
Minority Interest	783	429	563	292	1,211	554	83	93	118
Attributable to equity holders of the parent	924	1,565	665	1,067	1,429	2,024	-41	-38	-29
<b>Total Assets</b>	<b>44,090</b>	<b>42,908</b>	<b>30,730</b>	<b>30,311</b>	<b>66,386</b>	<b>64,890</b>	3	1	2
<b>Total Equity</b>	<b>12,474</b>	<b>10,667</b>	<b>8,694</b>	<b>7,535</b>	<b>18,782</b>	<b>16,132</b>	17	15	16
Minority Interest	5,056	4,220	3,524	2,981	7,612	6,382	20	18	19
Shareholders' Equity	7,418	6,447	5,171	4,554	11,170	9,749	15	14	15

(1) Listed companies.

(2) Convenience translation with 2009 average exchange rates (TL 1.5471 = USD 1 and TL 2.1505 = EUR 1) for income statement items (including net income) and 2009 year-end exchange rates (TL 1.5057 = USD 1 and TL 2.1603 = EUR 1) for balance sheet items.

(3) Convenience translation with 2008 average exchange rates (TL 1.2929 = USD 1 and TL 1.8958 = EUR 1) for income statement items (including net income) and 2008 year-end exchange rates (TL 1.5123 = USD 1 and TL 2.1408 = EUR 1) for balance sheet items.



## Koç Holding: Over 80 Years of Building

Koç Holding is Turkey's largest industrial and services group in terms of revenues, exports and number of employees. Following the average annual growth rate of 23% in U.S. dollar terms over the past 7 years, Koç Holding ranks among the 60 largest publicly traded companies in Europe and 200 largest companies in the world. Koç Holding has leading positions in energy, automotive and finance sectors in Turkey, while holding strong and leading positions both domestically and internationally in consumer durables. It has strong competitive advantages which offer strong long term growth potential.

Our main objective is to focus on larger investments with higher returns in our core sectors; augment our leadership positions in our strategic business lines; lead change to increase our sustainability, efficiency and profitability; use our technological competence to increase our competitive edge; export our brands to the global league with a vision to be among the most powerful in their respective fields; achieve strong growth in international markets; draw upon early warning signals and our unmatched customer database to proactively manage risks while making the best use of potential opportunities.



## Koç Holding Making a Difference

- The only Turkish company in "Fortune Global 500" list, rising to 172<sup>nd</sup> place in the 2008 rankings
- Europe's 56<sup>th</sup> largest public company according to Handelsblatt 2008 rankings
- Combined revenues corresponding to 7% of Turkey's GDP
- Exports corresponding to 8% of Turkey's total exports
- Turkey's largest industrial conglomerate. According to Istanbul Chamber of Industry's "Turkey's Top 500 Industrial Enterprises 2008" listing, five of the top ten companies are Koç Group companies
- Among Turkey's three most transparent companies according to the annual "Turkish Transparency and Disclosure Survey" conducted by Sabancı University Corporate Governance Forum and Standard and Poor's
- Listed on Boston Consulting Group's "2009 BCG 100 New Global Challengers: How Top Companies from Rapidly Developing Economies are Contending for Global Leadership"
- Rated as "One of the international companies with the most competitive power in China" according to the China International Institute of Multinational Corporations (CIIMC)
- The first Turkish company in the annual list of "World's Most Admired Companies" by the Hay Group and Fortune magazine among companies from 25 countries
- Among the world's top 1000 companies by R&D investment according to the "EU Industrial R&D Investment Scoreboard" for the 4<sup>th</sup> consecutive year rising to 427<sup>th</sup> place; of the three Turkish companies on the list, two are Koç Group companies
- The Koç Family was honored with one of the most prestigious international awards of its kind, the Andrew Carnegie Medal of Philanthropy, in October 2009 for their philanthropic contributions to the society
- Our "Vocational Education: A Top Matter for the Nation" Project was garnered a silver award in 2009 Magellan Awards by League of American Communications Professionals LLC (LACP)
- Our "Vocational Education: A Top Matter for the Nation" Project received an award in "The Best Volunteer Project" category of the "Awards from the Heart 2009" organization held by The Corporate Volunteer Association