

# Koç Group spends more than any other corporation in Turkey on R&D.

## RESEARCH & DEVELOPMENT

**Koç Holding is the world's 506<sup>th</sup> company by R&D investment according to the EU Industrial R&D Investment Scoreboard 2010 with consolidated R&D investments of €118 million made in 2009.**

Koç Group aims to enhance its core competencies by leading technology and innovation in its business lines and focuses on developing innovative, environment-friendly, energy-efficient products and services.

Koç Group increased its R&D investments from TL70 million in 2002 to over TL500 million in 2008 and continued to make the highest R&D investments in Turkey compared to any other corporation with over TL450 million spent in 2009 and 2010. Koç Group's share in private sector R&D investments in Turkey is 12-15% each year.

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Koç Holding fortifies its strengths with its R&D culture and the Company has 13 R&D centers certified by the Ministry of Industry and Commerce. Koç Technology Board was established in 2005 with the objective to transfer know-how on technology management, spread the use of best practices within the Group and to develop joint R&D projects among Group companies in order to expand their R&D and technology management capabilities. Koç Holding believes that in the longer term, R&D is a significant contributor to creating a competitive edge and will continue to carry out its activities in cooperation with the universities, suppliers and SMEs.

### Landmark achievements in automotive

Ford Otosan is the first company to initiate R&D activities in Turkey. Today, the Company owns the technological capability to assume the end-to-end product development of a vehicle and exports the models that it develops to 70 countries in 5 continents.

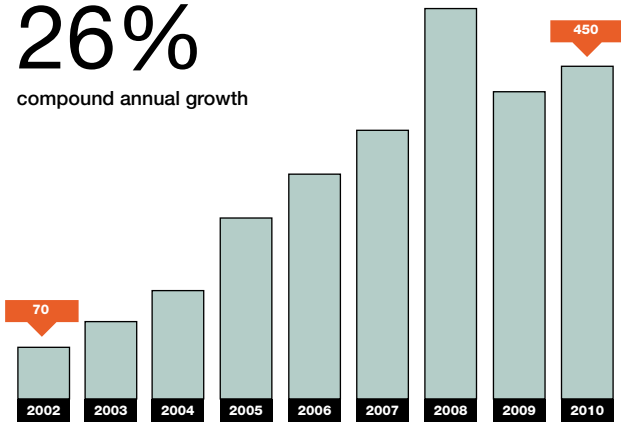
Tofaş R&D center is Fiat's 2<sup>nd</sup> largest in Europe and 3<sup>rd</sup> largest in the world. The Company fully owns the intellectual and industrial property rights and holds the design responsibility for the MiniCargo and new Doblo models. With a ratio of annual R&D spending to net revenues as high as 4-6%, Tofaş has exceeded global standards in terms of R&D investments.

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### Koç Group Total R&D Expenditures (TL million)

# 26%

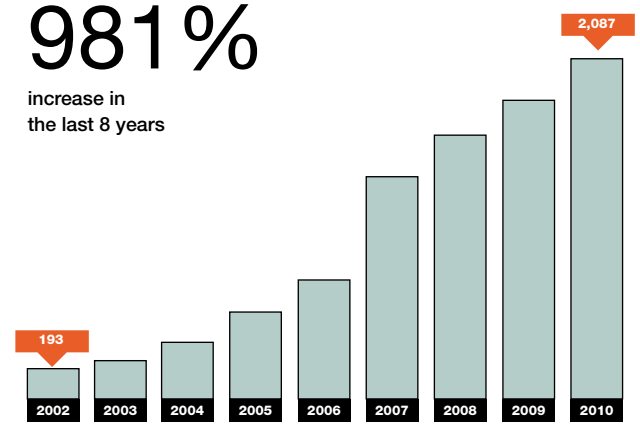
compound annual growth



### Koç Group Companies' Patent Portfolio (Cumulative)

# 981%

increase in  
the last 8 years



### Leaders of the patent league

Patent culture and intellectual property rights are important indicators of ownership of technology. Every year Koç Group companies file over 200 patent applications. Arçelik owns more than one third of international patent applications from Turkey with over 140 filings every year. Arçelik is the first and only Turkish company to be listed among the World Intellectual Property Organization's 2008 list of top 500 companies with the highest patent applications. The Turkish Patent Institute awarded Arçelik in 2010 for the **highest number of patent application filings, highest number of patent registrations, and highest number of international patent applications** made in 2009. Ford Otosan was also awarded and ranked **3<sup>rd</sup> in the number of patent application filings and number of patent registrations.**

In 2010, Koç Group submitted over **250** patent applications, where Arçelik took the lead with **142** applications, followed by Ford Otosan with **50**, Tofaş with **20** and Türk Traktör with **18** applications. Consequently, Koç Group submitted 8% of the total number of patent applications received by the Turkish Patent Institute in 2010.

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