

United by a broad vision,  
we cooperate with our business  
partners to create new brands in food,  
DIY retailing, tourism and IT.



Marcos Bekhit  
Divan Group  
CEO



Gönül Şamdan  
Tat Konserve  
Weighing Operator in Packing Unit

OTHER

Leader in tomato products in Turkey

Leader in DIY retailing in Turkey

Turkey's highest marina capacity

Leader in tourism in Turkey

Leader in IT in Turkey



Ceyhan Yıldam  
Koçtaş  
Assistant Store Manager

Deniz Dedeoğlu  
RMK Marine  
Electrical Maintenance Foreman

Burcu Özüyi  
Koç IT Group  
Human Resources Specialist

# We are one of Turkey's largest food companies.

## TAT KONSERVE

**Total Revenues**  
\$525 million

**Domestic Market Position**  
Leader in the tomato paste, tomato products, premium pasta, and ketchup markets

2<sup>nd</sup> in the mayonnaise and pasteurized milk markets

3<sup>rd</sup> in the delicatessen market

**International Position**  
Exports to 32 countries

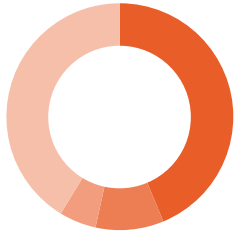
**Share of foreign revenues**  
6%

**EBITDA**  
\$39 million

**Gross Profit Margin**  
18.3%

**Operating Profit Margin**  
5.3%

**Shareholder Structure:**  
Koç Holding 43.65%  
Other Koç 9.69%  
Foreign Partner 5.26%  
Free Float 41.2%



[www.tat.com.tr](http://www.tat.com.tr)

Tat Konserve is one of Turkey's largest food companies. Founded in 1967, the Company has consolidated Tat, Sek, Maret and Pastavilla brands under a single roof in 2003.

### Important Developments in the sector in 2010

The Law on "Veterinary Services, Plant Health, Food and Animal Feed" (No. 5996) went into effect in June 2010. The enactment of this Law was one of the preconditions for negotiations with the European Union on the "Food Safety, Plant and Animal Health Chapter", the 12<sup>th</sup> of 35 chapters that Turkey and the EU are negotiating under Turkey's full EU membership process. All responsibility for ensuring end-to-end food safety now lies with the producer, as is required by the EU harmonization process. The new Law requires technological upgrading and is expected to increase the tendency towards packaged foods in the market, indicating that food producers will require additional investments and packaging suppliers will have to invest in raising their capacity and in new technology. Unfair competition and black market production will be reduced as the primary sector increases its economies of scale and emphasizes industrial production. Turkish food exports to the EU as well as to the countries that import based on EU standards, are expected to get easier.

The food sector became an issue in Turkey in 2010 as price increases in milk spread to red meat. Prices fell with the import of live animals and meat.

Tat began making investments in recent years so as to best position itself amid these developments while it provides well-processed packaged products to a market that is expected to grow significantly.

### The support of Harranova reinforces Tat's position

A decline in tomato harvest yields in 2010 caused tomato and tomato paste prices to rise. The Harranova company's tomato and tomato paste production provided Tat with significant support in domestic and export markets.

In 2010, Tat increased its revenues by 13% to reach TL787 million. Gross profit increased by 3% to reach TL144 million, while Tat's shareholders' equity continued to rise and reached TL233 million.

Tat continued to increase its domestic market shares in 2010, raising its revenue in the markets it already leads-tomato products, tomato paste, ketchup and premium pasta products-and expanding its market share of dairy products-milk, UHT milk and yoghurt-areas in which it aims for leadership.

In 2011, Tat plans to introduce new products, particularly SEK-branded ones, and to make innovation in other product categories.



## DÜZEY

Düzey was established in 1975 for marketing perishable goods and became one of the leading companies in its sector by continuously expanding its distribution network, increasing its revenues, profits and enhancing its operations. Düzey operates its own sales and distribution network in six regions and complements its network with 50 distributors in the areas where it does not have its own operations. With over 35 years of experience, strong distribution network and infrastructure, Düzey reaches 50,000 customers countrywide. Its portfolio contains an average of 970 products, including Tat, Maret, Sek and Pastavilla brands.

# We are the leading DIY retailer in Turkey.

## KOÇTAŞ

Koçtaş is a major player in the Turkish DIY market with a total sales area of 160,000 m<sup>2</sup>. Its 30 stores in 18 provinces offer consumers a wide variety of products procured from more than 1,000 domestic and foreign suppliers. The Company has changed its market positioning to “home renovation and improvement” and it now meets customer needs from a single service point.

### 2010 highlights

Koçtaş has been expanding its new shopping center projects in Anatolia, aiming to benefit from the first-mover advantage and reinforce its market leadership position. Four new stores were opened in 2010, in Afyon, Gebze, Bursa and Adapazarı. The Company's Bodrum store, which opened in 1999, relocated in February 2010. This move brought an expansion in both store sales area and car parking capacity. Overall, new and bigger stores increased Koçtaş's total sales area by 24,000 m<sup>2</sup> in 2010 to reach 160,000 m<sup>2</sup> and contributed to a 21% growth in revenue and a 14% growth in number of customers to 8.8 million.

Koçtaş's brand awareness reached a phenomenal 99% as a result of broadening geographical reach and intensive advertising. The Company encourages consumer spending by marketing an extensive range of products at affordable prices with such messages as “homes that become beautiful for less” and “small price, big change”. In a study conducted in September with the collaboration of Shopping Center Investor Association and GfK on shopping center visitors, Koçtaş was named “The most Liked and Preferred Brand in Shopping Centers” in the furniture - decoration category. An international jury named Koçtaş a “Superbrand” in their research on Turkey's super brands, conducted in June 2010.

Koçtaş restructured its Turn-Key Home Improvement Services organization in 2010 and extended this service to Antalya and Bodrum, after Istanbul, Ankara and Izmir. In late 2010, the Company added insulation services to those it already offered for bathroom-kitchen renovation and tile-and-parquet-laying.

Koçtaş's internet sales channel grew significantly in 2010. Established in 2007, the company website received five million visits in 2010 and handled 30,000 sales transactions.

### 2011 and beyond

Koçtaş differentiates itself from its competitors by working with foreign partners to introduce new products to the Turkish market and through the knowledge it has acquired over many years of Turkish consumers' habits. In the same vein, the Company aims to increase the use of in-store presentation of trends using its extensive product range.

Koçtaş plans new store openings in 2011 as part of its nationwide expansion strategy to raise its brand awareness. An important component of the Company's strategy is maintaining high levels of customer satisfaction by offering an extensive product range at reasonable prices. Koçtaş intends to expand projects which were initiated in 2010, that target university students and newlyweds.

Koçtaş plans to open eight new stores in 2011 and aims to increase its revenues by 30%, reaching TL1 billion.

As the leader in home improvement retailing, Koçtaş's goal is to enlarge Turkey's home improvement market and to retain its leadership in this growing market. The Company plans to reach this goal by offering consumers a variety of innovative options, by making home improvement affordable for every pocketbook, and by expanding nationwide.

Koçtaş plans to open eight new stores in 2011 and aims to increase its revenues by 30%, reaching TL1 billion.



# We are the leaders of our sectors.

## SETUR

Setur Turizm has been Turkey's premier travel agency since 1973. Its range of activities included airline ticketing, domestic and international tour operations, incoming services, congress and seminar organizations, on-line travel services, cruise travel, study abroad, and visa services.

Setur is the Turkish representative of BCD Travel, which provides corporate ticketing services from over 1,300 offices in 96 countries. Setur is also the Turkish representative office for Abercrombie and Kent, the international brand leader in luxury travel, and for Orient Express, Uniglobal and Costa.

In Turkey, Setur provides services at nearly 150 locations, with five agents, 24 authorized agents, more than 100 BookinTurkey virtual agents and five offices offering British visa services. Setur also provides services in 29 countries with 59 partner agents.

In 2010, Setur received recognition from Superbrands as a "Super Brand", one more time and garnered other awards such as Capital magazine's "Best Travel Agency", and the Skåll Association's "Best Travel Agency", "Best International Tours Travel Agency" and "Best On-line Travel Portal".



The sector leader, with a 27% market share in 2010, Setur Marinas had an occupancy rate of 109% at its marinas.

Setur aims to expand its call center which was developed to provide travel services for banks through new agreements and to become the leader in this sector. Furthermore, the Company intends to increase its domestic market share in the BookinTurkey internet agency by expanding internationally. In addition, Setur plans to grow in the personal travel market through a new system that went into operation in 2010.

### Duty-Free shops

The impact of the economic crisis in Europe continued in the duty-free shopping sector in 2010. However, the Turkish market delivered positive results because of favorable developments in tourism and the Turkish economy, despite the negative effects of duty-free limits and a number of natural disasters.

In 2010, the Company's operations were performed at 18 centers-six airports, six border gates, and six ports-with 534 personnel.

Setur will continue its international projects in 2011. The Company was among one of four companies chosen to tender for the operation of duty-free shops at Lyon Airport in France and it submitted its proposal on 15 February 2011. Efforts are under way to open a store in Erbil, Iraq and the project will be completed in 2011.

## SETUR MARINAS

### Leader of the Turkish marina sector with a 27% market share

Setur Marinas provide world-class service around Turkey's coasts. The sector leader, with a 27% market share in 2010, the Company had an occupancy rate of 109% at its marinas, which are in Kalamış and Fenerbahçe in Istanbul, Yalova, Ayvalık, Çeşme, Kuşadası, Marmaris and Finike. In July 2010, the Company opened its Yalova Marina.

### 2011 and beyond

Setur Marinas aims to acquire at least one marina abroad and to become an international brand while maintaining its leading position in Turkey by increasing its market share. The Company has a strong financial structure and it is closely following marinas that are available for sale in Turkey and abroad.

At the beginning of the 2011 season, Setur Marinas, in conjunction with the Mak-Yol Group, plans to open Kaş Marina which has 450 berths and a 150-vessel dry dock capacity. The first phase of Kuşadası Marina modernization project has already started. Discussions regarding new projects are on-going.

## DİVAN GROUP

Since 1956, the Divan brand has led the sectors in which it does business. Its powerful brand image, customer satisfaction, customer loyalty and trust have come to the fore.

The Divan Group concluded a “soft branding” agreement with the Preferred Hotel Group in 2010, a year marked by pioneering steps. This agreement is intended to raise brand awareness, accessibility, and the competitiveness of its hotels internationally. The Divan Group attended the most important fairs in the sector for the first time in 2010 as a means to enhance awareness of the hotel chain internationally. These fairs include the World Travel Market (WTM) in London and EIBTM in Barcelona.

Divan was responsible for food and beverage catering at the Formula 1 racing at Istanbul Park in 2010, as it has been in the previous years, serving about 45,000 people. Divan Çorlu hotel was opened in Tekirdağ and the Group’s second hotel in Ankara, the 19-room boutique hotel Divan Çukurhan, was also opened in 2010.

Divan Istanbul is an Istanbul landmark and the flagship of the Divan brand. The hotel will re-enter service in the second half of 2011, following a complete rebuilding to replace the original 1950s structure. Divan Bursa and Divan Erbil will also be opened in the first half of 2011. An agreement for Divan Altunizade Hotel has been signed while another for the Divan Diyarbakır Hotel is imminent, and these hotels are scheduled to be opened towards the end of 2011. The agreement for Divan Adana Hotel is also about to be signed and it is scheduled to be opened in 2013. The lease for Divan Mares Hotel has been renewed for three years.

### Targets and strategies for 2011

Divan Group has set its 2011 sights on expanding its operations in urban hotel management and on opening more new hotels. The Company also plans to increase its exports through distributorships in various countries, particularly in the Middle East.

Divan Group aims to grow in the hotel management sector by incorporating new hotels within its organizational structure by creating a nationwide chain of preferred hotels through management and leasing agreements in city centers. The Group also plans to open hotels abroad by promoting the Divan brand in hotel management internationally.

## RAM DIŞ TİCARET

### Leading foreign trade for 40 years

Ram Dış Ticaret A.Ş. celebrated its 40<sup>th</sup> anniversary in November 2010. Its extensive experience in foreign trade over the years makes the Company the first name in foreign trade. Founded in 1970, it is proud to be called the “school of foreign trade” and has made major contributions to the development of Turkish exports through its own exports and through the innumerable personnel it has trained.

Ram conducts its operations in compliance with Koç Group’s ethical rules and principles. The Company’s compliance is confirmed since 2009 through inspections by the international organization Trace International, which has certified Ram’s success.

Ram has rapidly adapted to fluctuating market conditions in the face of the global financial problems and it maintained its profitability and growth in 2010. The Company has added new, culturally appropriate products and services to its portfolio through representatives and offices in Azerbaijan, Kazakhstan, Uzbekistan and Algeria. Apart from these, Ram is seeking success in new markets by working alongside consumers with a dynamic team that understands their needs and knows their culture.

Ram’s main operations in 2010 included exporting to neighboring countries, Boeing Commercial Aircraft and Air Cushion USA consultancy in the Turkic Republics, central procurement transactions of iron and steel, and providing services to Koç Holding and other suppliers in Azerbaijan, Algeria, Iraq, Kazakhstan and Uzbekistan, as well as offering business development, sales and marketing services in Central and South American markets. Key sectors Ram serviced in 2010 were energy, automotive, food, defense industry, iron-steel, aviation and general trade.

In 2010, energy remained the leading sector at Ram, as it was in the entire world. Ram successfully exported to neighboring countries the products of Tüpraş, Turkey’s only refinery. Exports of petroleum products -mainly diesel and unleaded gasoline -have been provided since 2008 and increased in 2010.

Activities in the food sector mostly comprised exports of fresh and dry food to neighboring countries and imports of fresh fruit from Argentina, Chile and Costa Rica. A similar project is being conducted for the export and transit markets. After the permission to import meat was granted in 2010 in Turkey, Ram began importing fresh meat from various European Union countries, an activity that it is still continuing. In addition, research is underway into the possibility of importing livestock.

Under general commercial activities, the Company sells imported and/or local goods in domestic markets. The Company imports promotional materials used in the marketing of fast moving consumer goods.

Ram provides coordination services to Group companies and to their suppliers which operate in subsidiary industry in order to meet their iron and steel needs. Domestic central procurement of iron and steel products continued to benefit them.

In the aviation sector, sales and marketing consultancy services for Boeing passenger airplanes in Azerbaijan, Uzbekistan, Kazakhstan, Kirghizstan and Tajikistan was extended this year to include Turkmenistan.



## RMK MARINE

### Pioneer in ship and yacht construction

Founded in 1974 and named RMK Marine after joining Koç Holding in 1997, the Company provides ship and yacht construction, maintenance and repair services in Tuzla, Istanbul. One of the largest private shipyards in Turkey, RMK Marine sets its sights on quality and high value-added projects. It aims to compete in the international arena with its expertise and product range in building a diverse range of vessels including tankers, deep-sea service ships, tugboats, military vessels and super yachts.

RMK Marine became the first private Turkish shipyard to offer design and solutions within its own organization through its highly developed design and electronic systems departments.

RMK Marine is one of two military shipyards in Turkey to have received the "AQAP 2110 Industrial Quality, Safety and Inspection Certificate" under the Quality Management System. This certificate confirms RMK Marine as Turkey's first private sector shipyard to have its design proficiency certified.

### Largest military vessel contract

RMK Marine won the Undersecretariat for Defense Industries' tender for the construction of four search and rescue vessels for the Coast Guard-the largest military vessel project ever awarded to the private sector in Turkey. The first ship, Dost, was launched in June 2010 and is scheduled for delivery in September 2011. The second ship, Güven, was launched in December 2010. Umut and Yaşam will be delivered in 2012.

The Defense Industry Undersecretariat Strategy Document described the RMK Marine shipyard having the capacity to "build every size of warship".

### Revenues up 24%

Despite the impact of the economic crisis on the shipbuilding sector since 2008, RMK Marine's revenues increased by 24% to reach TL251 million in 2010.



### World brand in super yacht

In what amounts to the international super yacht Oscars, the RMK Marine-built Nazenin V garnered the "Jury Special Prize" in the "Best Sailboat in the 45-m Class" category at the "World Super Yacht Awards" for its superior quality and craftsmanship of construction. RMK Marine has established itself as one of the most important shipyards in the world through applying its skills and high-tech know-how to all of the vessels that are launched and being manufactured.

RMK Marine is leading the way in Turkey with the continued construction of Oyster super yachts under a production agreement with the world-renowned British Oyster Company in 2007. Delivery of the first yacht is planned for 2011.

### 2011 and beyond

The Company's strategy is to make RMK Marine the leading brand in Turkey's ship and yacht building sector and an internationally renowned shipyard, as well as confirming it as a successful contender in military ship tenders and a leading supplier to the defense industry.

## KOÇSİSTEM

### 2010 IT solutions leader in outsourcing services and systems integration

Since 1945, KoçSistem has fulfilled its customers' IT needs through reliable, lasting and innovative partnerships and has met their sustainable growth goals by "creating a difference" and "providing end-to-end service" strategies.

According to the International Data Corporation's "Market Analysis: Turkey IT Services 2010-2014 Forecast and 2009 Vendor Shares" report, KoçSistem was the leader in Turkey in outsourcing services markets and 2<sup>nd</sup> in system integration.

KoçSistem closed 2010 with the highest revenue in its 65-year history. The Company grew by 45% on TL basis and 49% on US dollar basis.

### KoçSistem enters the international arena

KoçSistem accelerated its investment in Pixage, new generation digital broadcasting software, in 2010. In addition to the 900 Arçelik and Beko dealers, Pixage is used by Fida Film in 46 movie theaters in various provinces. Eighteen English Premier and Championship League stadiums have also chosen the Pixage technology. KoçSistem will use Pixage at Galatasaray Sports Club's Türk Telekom Arena to operate score boards and pitch-side advertising panels and in the LCD televisions in the box seats.

KoçSistem developed the Sitelink solution, a first in the mobile telecom sector, in 2010. Sitelink is a smart system that facilitates remote monitoring of more than 20 environmental indicators, such as control and security camera systems, temperature, humidity and movement for the safety of GSM base stations, and allows immediate control and intervention.

### Turkey's first self-service cloud informatics service

KoçSistem took the lead in cloud computing in 2010 by launching the Virtual Data Center, Turkey's first self-service cloud informatics service. The Company provides its clients with an alternative to a physical on-site server for their information processing and storage resources for a monthly fee. KoçSistem maintained its market leadership in the data center services field through new projects obtained in competition with international players. Growing by roughly 70% in this field, the Company is now in the same league with the global players.

### Samsun Call Center

Callus, KoçSistem's call center outsourcing company, increased its revenues by 46% in 2010. The 500-seat Samsun Call Center, which was opened in May 2010, is running at 95% capacity. Further investment will be made in Samsun Call Center, to raise Callus's seating to 1,500, in the first quarter of 2011. Callus will provide about TL20 million annual revenues to the economy of Samsun

Callus is a sector leader for its certifications, which include ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction-Complaint Management System and EN 15838 Call Center Procedures Management System certificates.

### Certified standards at KoçSistem

KoçSistem is the sector leader in certifications. The Company holds ISO 10002 Customer Satisfaction-Complaint Management System, ISO 14001 Environment Management System and OHSAS Occupational Health and Safety System certifications, and, expanding its scope, the ISO 20000 IT Service Management certificates.

### Business partners award KoçSistem

KoçSistem with its unique services and solutions that "create a difference" gained a competitive edge in 2010 and became the fastest growing company in the sector. The company garnered many awards in 2010, including the "IBM Outstanding Services Business Partner Award", the "Avaya Call Center Excellence Award", the "Cisco Corporate Customers Business Partner of the Year Award", the "Best HP Software Business Partner in 2010", the "2010 IBM System Integrator of the Year Award", the "Oracle Business Partner Achievement Award", the "IMI Istanbul Call Center Best Use of Call Center Technology Award", and the "SAP Forum 2010 Project of the Year Award". Turkey's first R&D center in IT KoçSistem R&D and innovation center is the first of its kind and aims to create competitive products at international standards.

## KOÇ.NET

### Integrated communication solutions

Koç.net aims to become Turkey's leading alternative telecom operator. In line with this goal, it offers integrated telecommunication solutions that meet the needs of its customers through its improved infrastructure, technology, expert team, high service quality, and an extensive service portfolio. Koç.net offers its customers telephone and data services (access and security services, hosting and ASP services, campus solutions, multimedia services, local, international and GSM services).

Koç.net works with Turkey's incumbent fixed line operators and all GSM operators as well as more than 100 international operators as part of its telephone services. To develop international business opportunities, the Company has operated the POP (Point of Presence) in Frankfurt since 2006 and has successfully maintained partnerships with such global giants as Tata, British Telecom, KPN (Royal Dutch Telecom), Global Crossing, and Bezeq.

Koç.net, which has served the corporate market since its establishment, began concentrating on the retail market and launched the BiRi brand in August 2008.

### Largest independent operator in Turkey

Koç.net is the largest independent alternative operator in the corporate data market and in telephone services. Though it was last to enter the market, it obtained the highest market shares in the ADSL market and in the export-based total sales segment because of the increase in subscriptions to BiRi, in 2010.

Koç.net markets its corporate products through direct sales, Koç.net solution partners, and the Kobiline portal. BiRi brand individual products are sold by Koç.net, Arçelik, Beko, Keysmart, Apple Premium, Faturavizyon, Altus, Kredixshop and Index authorized dealers (roughly 4,500 in number).

### New services in 2010

Koç.net concentrated on new developments in 2010 and extended its service range by launching group messaging, e-mail marketing, live broadcast and web-TV infrastructure services.

Regulatory developments in 2010 led Koç.net to concentrate on the infrastructure and integration needed for fixed telephone number allocation/transfer and ADSL. In response to demand from both individual and corporate customers, Koç.net began to allocate Koç.net telephone numbers to them. In addition, procedures for the transfer of customers' fixed line telephone numbers to the Koç.net network were initiated. The infrastructure for ADSL service was completed in 2010 and it will be offered to individual and corporate customers in 2011.

Koç.net obtained licenses in 2009 to offer "Cable Broadcast Service" and "Internet Mobile Network Service", and is working on developing related business models and partnerships in 2011. Koç.net's long-term strategy is to provide new technology and services paralleling current trends to the retail market as well as the rapidly growing SME market, in addition to providing its existing corporate services. Moreover, through convergence in telecommunication services, it aims to become a service provider with a full range of mobile and fixed line communication services, along with value-added services.

## BİLKOM

Bilkom has been operating in the information technology sector for over 25 years. Through its "value-added distributor strategy", it has successfully provided all the marketing, sales, channel development and after-sales support of leading global IT brands in its own sector throughout Turkey.

Bilkom expanded its mobility focused product portfolio in 2010, thereby strengthened the Company's structure even further and increased revenues by 50%.

Bilkom is the only Apple-authorized dealer in Turkey; to conduct marketing and sales of Apple products, first and foremost being the portable and desktop Apple computers, iPad, and iPod products. The Company made important inroad in the Turkish IT market, as it introduced the revolutionary iPad tablet computers to Turkish consumers in December 2010.

In 2010, Bilkom became the authorized distributor of Adobe, a leading software brand.

Bilkom provides effective access to many segments through its 100 plus corporate business partners. Bilkom made nearly 20% of its 2010 Apple computer sales in the education segment and it conducted the largest distance-learning project in Europe using Apple "podcasting" technology.

Bilkom reaches its customers with more than 700 sales points.

The importance that Bilkom places on after-sales satisfaction is demonstrated by its top-notch after-sales service provided by its authorized service centers nationwide. It is continually expanding its service structure to ensure the availability of access points where the final user can get technical service and support.

## ZER MERKEZİ HİZMETLER

Since 2003, Zer Merkezi Hizmetler has been providing marketing, services, supplies and logistics procurement to Koç Group companies and adding further value created by the synergies and scale of centralized procurement.

The Company operates in a framework of ensuring continuity in existing work, raising potential through maximizing use, increasing stakeholder satisfaction, and being a center of excellence.

Zer Merkezi Hizmetler was awarded the Istanbul Chamber of Commerce's "2009 Traditional Award to Successful Tax Payers".

