

## Koç Group's R&D Focus

One of the most important strategic objectives Koç Group has put in place in order to reach its ambitious growth targets is "the necessity for each company to possess its own technology."

To own technology means to be a company that creates and leads change instead of just following it. Koç Group companies are at the forefront of R&D and innovation in Turkey in order to create and possess their own technologies. The Group's R&D expenditures account for one-fifth of total private sector spending on R&D in Turkey. The total number of R&D staff working in Koç Group companies is over 2,000 and this number is increasing every year.

Patent culture and intellectual property rights are an important indicator of ownership of technology. Every year Koç Group companies file over 200 patent applications. Arçelik, Grundig Elektronik, Ford Otosan and Tofaş are always in the forefront of the Turkish patent league.

More than half of the patent applications made from Turkey to the World Intellectual Property Organization are made by Koç Group companies.

Our automotive companies which have strong international partners such as Ford Motor Co. and Fiat S.p.A. manufacture certain models whose intellectual property rights they own; and conduct all R&D operations for some models from Turkey. Koç Group companies have been pioneers in increasing cooperation between universities and industry and developing many R&D projects with universities. Currently there are about 100 R&D projects that are jointly run by Koç Group companies and universities.

Koç Technology Board has been established with the aim of spreading the know-how of specialized companies regarding R&D and innovation primarily throughout the Koç Group and also throughout Turkey. This Board is composed of the R&D managers of all Koç Group companies and is implementing plans to bring the quality and scope of the Group's R&D work up to international standards.

