



**Koç Holding
Investor Presentation**

January 2011



Sustainable Track Record in Overperforming the Turkish Economic Growth Rates

Leading Conglomerate in Turkey



* As of 30 September 2010

** As of year-end 2010

Strong Standing in Global Rankings



Global 500

Ranking

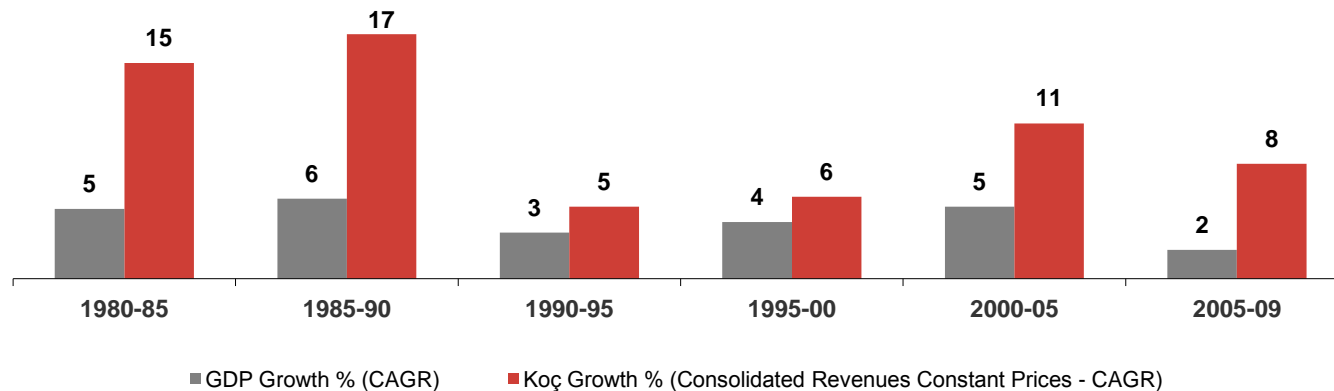
- 2009 : 273
- 2008 : 172
- 2007 : 186
- 2006 : 190
- 2005 : 358
- 2004 : 389



European 500 Listed Companies

- 2009 : 71
- 2008 : 56
- 2007 : 46
- 2006 : 49

Successful Track Record for over 80 Years





Unrivaled Competitive Advantages

Largest distribution network



- ~11,000 dealers and after-sales services
 - ~ 860 bank branches
-

Largest customer database



- Large customer database in different business segments together with strong CRM capabilities, enabling efficient up & cross-selling
-

Leadership positions in low-penetrated consumer- driven sectors



- 30% of automotive sales (#1)
 - Over 50% of white goods sales (#1)
 - 20% of credit cards (#1-outstanding volume)
 - 70% of oil demand (#1-sole refinery)
 - 17% of petroleum distribution (#3)
 - 30% of LPG distribution (#1)
-



Strategic Targeting Geared Towards Efficiency, Leadership, Innovation & Reputation

Strategic Principles

- Focus on those sectors where we can create a differential competitive advantage
- Grow in sectors where we can leverage our strong brands & technological prowess
- 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 sector & geography-specific risks



Focused Growth Strategy

Energy



Main Companies

Tüpraş* / Aygaz* / Opet / Entek

Share in Consolidated Revenues

58%

Share in Operating Profit

32%

Domestic Market Position – Market Share

Sole petroleum refiner in Turkey

#1 in LPG distribution - 30%

#3 in petroleum products distribution - 17%

Automotive



Main companies

Ford Otosan* / Tofaş* / Türk Traktör* / Otokar*

International Alliances

Ford Motor Co. / Fiat Auto S.P.A.

Case New Holland

Share in Consolidated Revenues

13%

Share in Operating Profit

11%

Domestic Market Position – Market Share

#1 in total automotive - 30%

#1 in passenger cars - 19%

#1 in commercial vehicles - 51%

#1 in farm tractors - 51%

#1 in automotive retailing

Consumer Durables



Main Companies

Arçelik*

International Alliances

LG Electronics (Air conditioner manufacturing)

Share in Consolidated Revenues

14%

Share in Operating Profit

16%

Domestic Market Position – Market Share

#1 in refrigerators, washing machines,

dishwashers and ovens – over 50%

#1 in TVs - 41%

Finance



Main Companies

Yapı Kredi Bankası*

International Alliances

UniCredit

Share in Consolidated Revenues

9%

Share in Operating Profit

36%

Domestic Market Position – Market Share

#4 in total banking assets among private banks

#1 in credit cards - 20% (outstanding volume)

#1 in leasing - 21%

#1 in factoring - 30%

#2 in asset management - 19%

Others

Main Companies

Tat Konserve* (Food) / Koçtaş (DIY Retailing) / Marmaris Altinyunus* (Tourism) / Koç Sistem (IT)

Share in Consolidated Revenues : 5%

Share in Operating Profit : 4%

* Listed companies



Koç Holding in the Energy Sector



Vision & Strategies

- Maximize efficiency and increase profitability through
 - new investments in existing business units such as residuum upgrade project
 - new technology, product and service offerings
 - operational efficiencies and profit enhancement programs
 - optimization of product mix and refinery capacity utilization
 - potential new investments opportunities in different fields including electricity generation and renewable energy
- Exploit synergies between businesses



Energy Companies – Competitive Advantages



- Turkey's sole refiner and largest industrial company
- 4 refineries (izmit, izmir, Kırıkkale, Batman)
- Supplying 70% of the total domestic demand
- 8th largest in Europe with 28 million tons/year total capacity
- The largest in Emerging Europe



- Market leader in Turkey since its establishment in 1961 (30% group market share)
- Europe's 5th largest LPG distributor



- Turkey's fastest growing fuel distribution company
- 3rd in the market with 17% share

Brands and Distribution



- 2,111 cylinder LPG dealers
- 1,180 autogas stations



Total of
1,182 stations

Other Operations



- Power generation company
- 303MW installed capacity
(natural gas combined cycle)



- Mining company, operating iron and coal mines, stone quarries



Koç Holding in the Automotive Sector

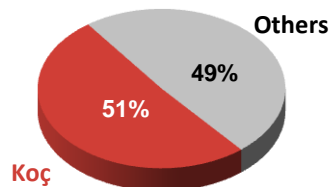


Vision & Strategies

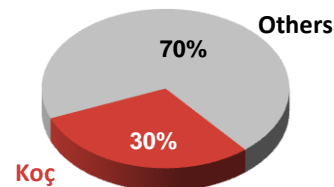
- To become a “Regional Production Base”
- Assume full product development responsibility
- Grow as a multi-brand dealership chain in retailing
- Maximize efficiency through economies of scale and high capacity utilization rate

Leader in Turkey

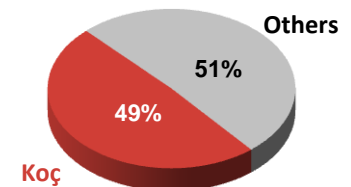
Turkey’s Motor Vehicle Production



Turkey’s Domestic Motor Vehicle Sales



Turkey’s Motor Vehicle Exports





Automotive Companies – Competitive Advantages

FORD OTOSAN

- Turkey's largest manufacturer and exporter of commercial vehicles
- 50-50 JV with Ford
- Turkey's market leader in total automotive
- 7th consecutive year as the best assembly plant in Ford Europe
- 4th consecutive year as the best powerplant manufacturer worldwide



- Passenger car and LCV manufacturer
- 50-50 JV with Fiat
- The first Fiat company among 170 companies to reach silver status in WCM with the highest score



TürkTraktör

- Manufacturer of farm tractors
- 50-50 JV with Case New Holland
- Domestic market leader (51% market share)
- 5th largest manufacturer in Europe



Otokar

- Manufacturer of buses, trailers and military vehicles

Otokoç

- Turkey's leading automotive retail chain



Koç Holding in the Consumer Durables Sector



Vision & Strategies

- Grow globally by acquisitions and organic growth
- Leverage technology development capabilities to improve brand positioning
- Improve operational efficiency in domestic and international operations to improve profitability in consumer electronics
- Maintain domestic market leadership
- Increase R&D capabilities, focus on product development

Leading Positions

Over 50% market share
in white goods sales

41% market share in TV
sales



Consumer Durables Companies – Competitive Advantages



- Turkey's market leader
- Domestic network of 3,500 dealers and 600 after sales service stations
- 19.5 million units/year manufacturing capacity in Turkey, Romania, Russia and China
- 3rd largest household appliances company in Europe
- 2nd in European white goods patent application list



- Air-conditioner manufacturer
- 50-50 JV with LG Electronics
- Turkey's market leader

Brands



Turkey's #1 brand (AC Nielsen spontaneous brand recognition & most recalled brand for over 10 consecutive years)



Among the world's top 10 white goods brand





Koç Holding in the Finance Sector



Vision & Strategies

- Yapı Kredi Bank aims to grow above sector both in volumes and revenues while maintaining strong focus on customer satisfaction
- The Bank's main strategic priorities are;
 - Growth & Commercial Effectiveness
 - Cost & Efficiency Improvements
 - Asset Quality
 - Sustainability



Finance Companies – Competitive Advantages



- Turkey's 4th largest private bank (in terms of total assets)
- 50-50 JV with UniCredit
- ~ 860 Branches
- #1 in credit cards (outstanding volume)
- Leading companies in asset management, insurance, leasing & factoring

WORLD



#1 in Leasing



#1 in Factoring



#2 in Health
Insurance



#2 in Asset
Management



#3 in Pension
Funds

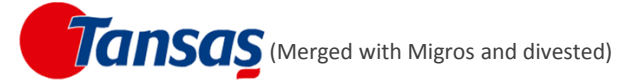




Portfolio Restructuring ahead of the Crisis in line with Changing Economic Dynamics

US\$ 6.6 billion

Acquisitions in
core sectors



US\$ 3.0 billion

Proceeds through
proactive disposals

MiGROS



Döktaş



DemirDöküm



DEMİRAD

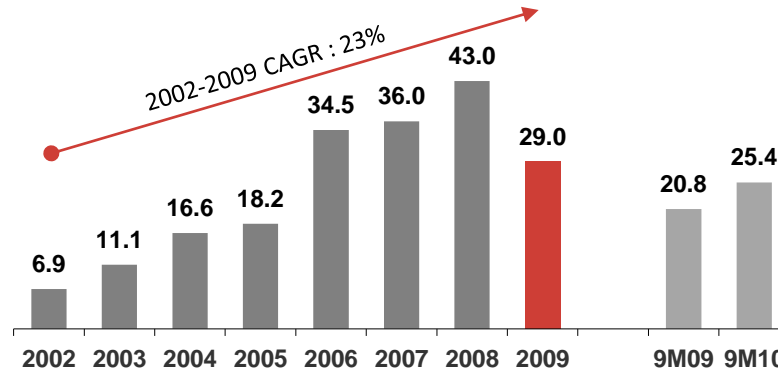
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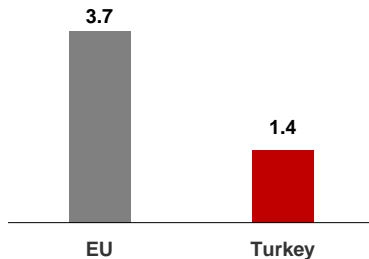
Strongest Beneficiary of the High Growth Environment with Leading Positions in Underpenetrated Markets

Revenues – Consolidated-US\$bn



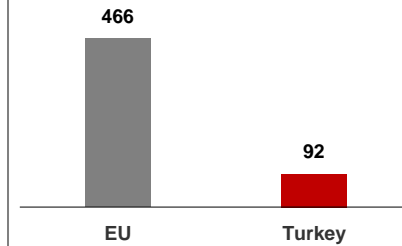
Further strong growth potential due to leading positions in low-penetrated business lines

Per Capita Energy Consumption
Toe



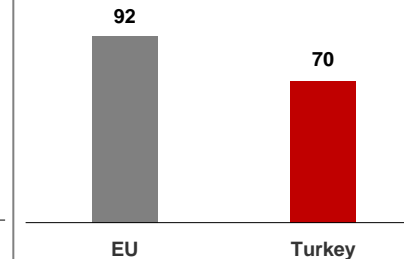
Source : Eurostat - 2007

Car Ownership per '000



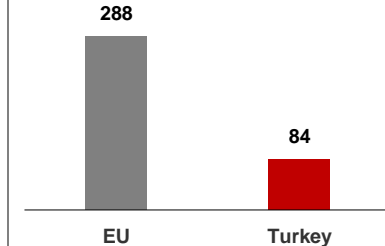
Source : SMMT - 2006

White Goods Penetration %



Source : Euromonitor, Arçelik - 2009

Loans + Deposits / GDP
%

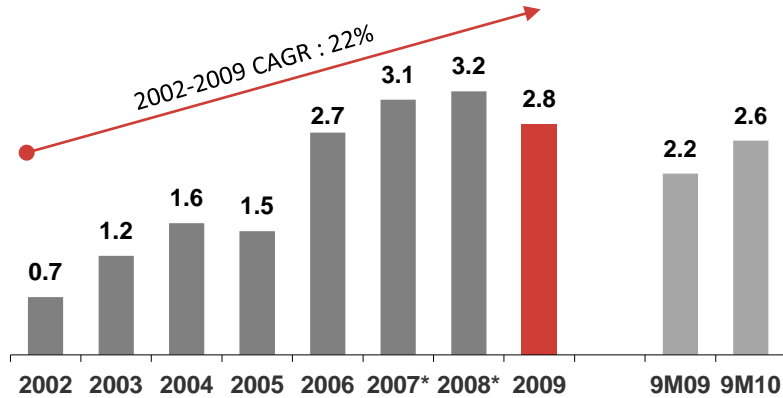


Source : ECB, BRSA - 2008

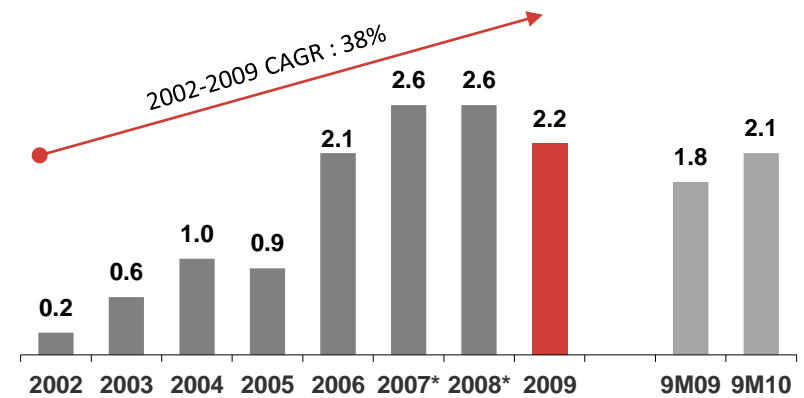


Strong Margins Despite Global Turmoil

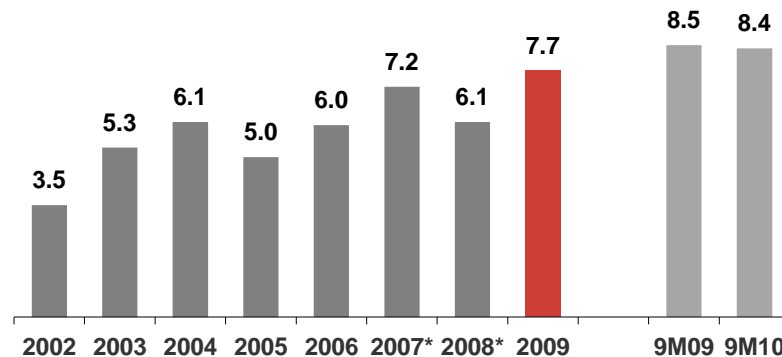
EBITDA – Consolidated-US\$bn



Operating Profit – Consolidated-US\$bn



Operating Margin – %

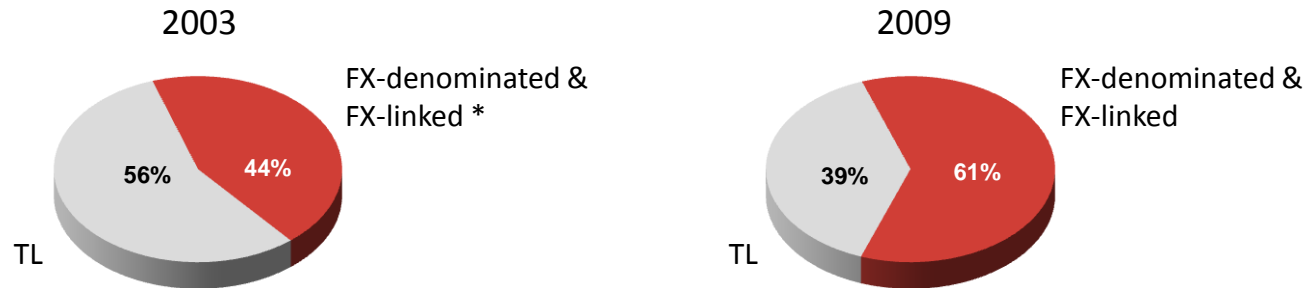


* Normalized: Excluding one-off items



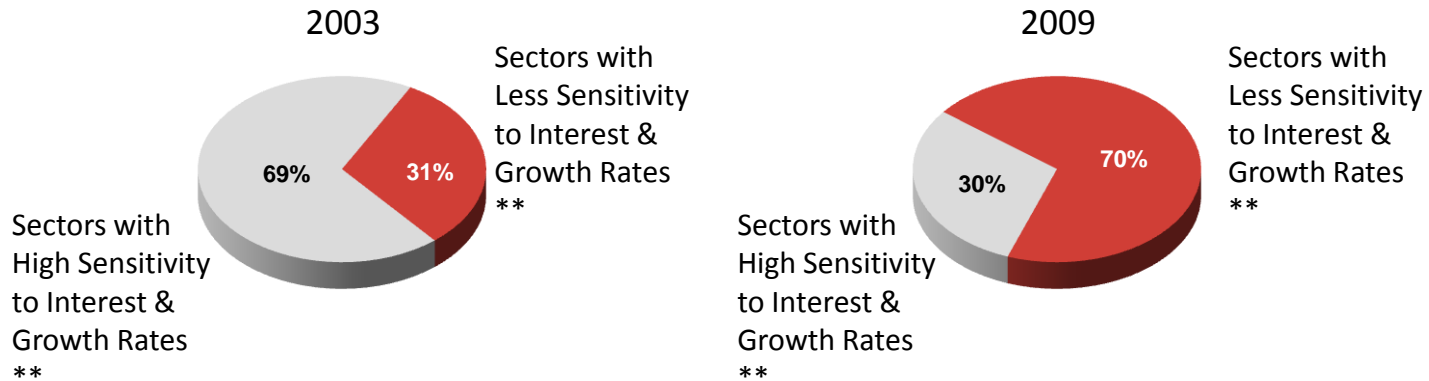
Optimal Portfolio Allocation with High Resilience Against Market Volatility

Revenues – %



* FX-linked revenues: Domestic revenues of the energy segment

Operating Profit – %

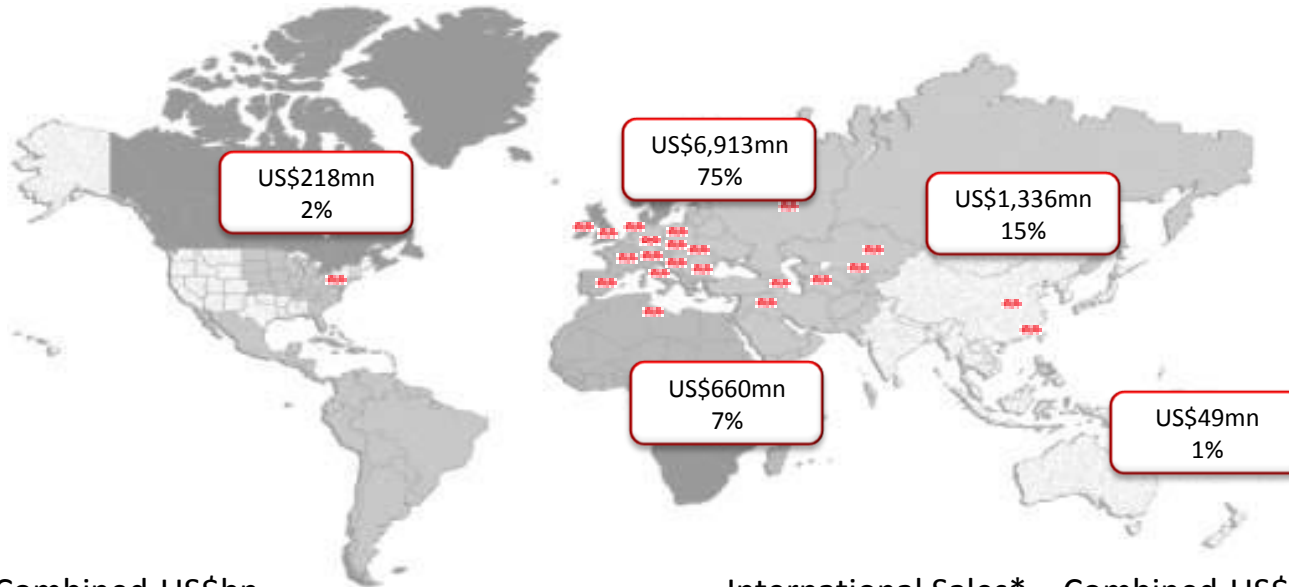


** High Sensitivity to Interest & Growth Rates : Automotive, Consumer Durables
Less Sensitivity to Interest & Growth Rates : Energy, Finance



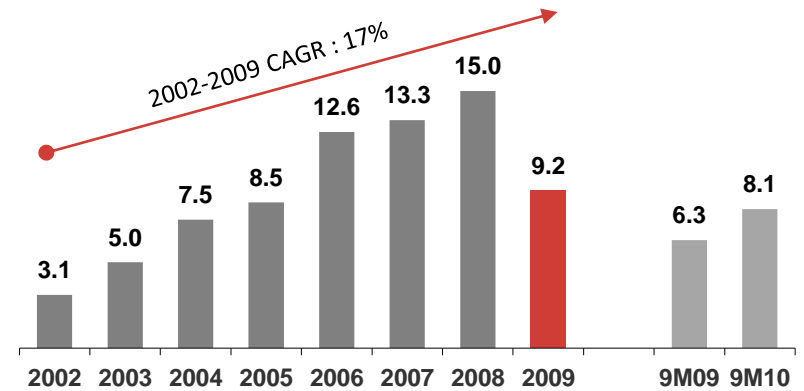
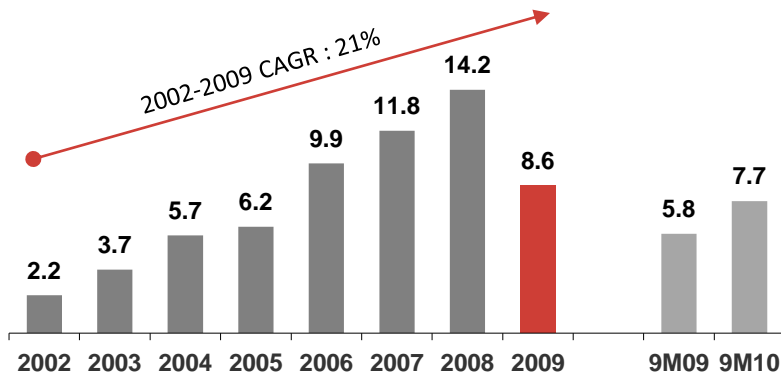
Strong Global Reach

International Sales 2009 Regional Breakdown



Exports – Combined-US\$bn

International Sales* – Combined-US\$bn



* International sales: Exports + International Revenues



Leader in R&D and Technology Investments

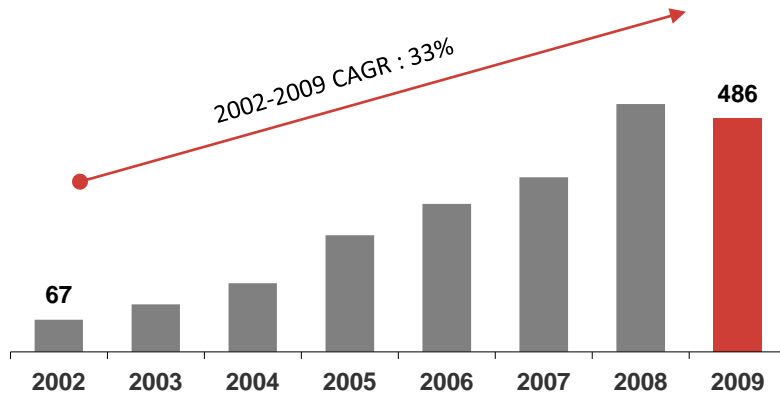
16%

of private sector
R&D investments

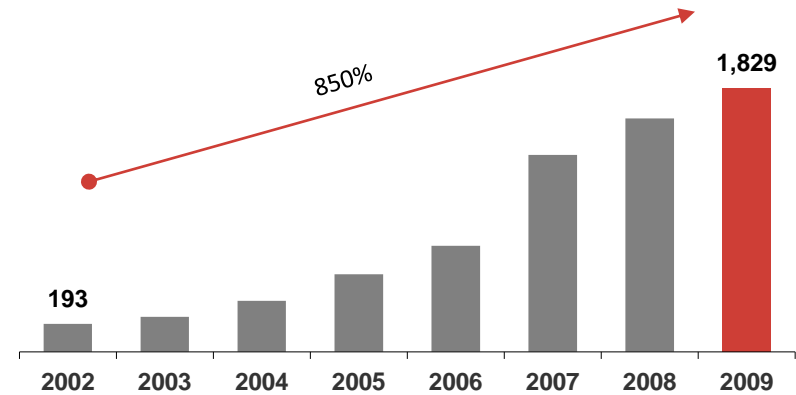
8%

of all patent applications filed
with the Turkish Patent Institute

Koç Group Total R&D Investments – TLmn



Koç Group Companies' Patent Portfolio *



* Cumulative



The first Turkish company in EU Industrial R&D Investment Scoreboard
(2010: # 355 among non-EU companies)



Strong Liquidity and Well-Managed Risk

Koç Holding Stand-Alone

30.09.2010



2011-2013 Redemption Schedule

US\$ 225 mn – to be paid in equal annual installments of US\$ 75 mn each January

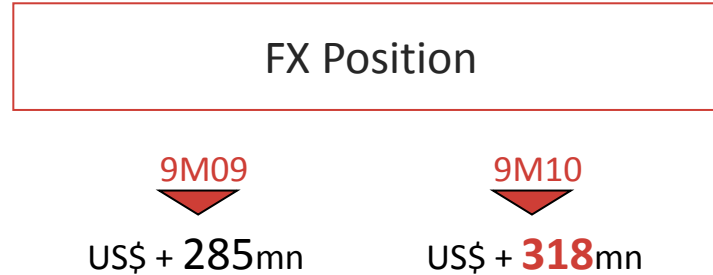
Consolidated Net Debt / Cash Excl. Finance



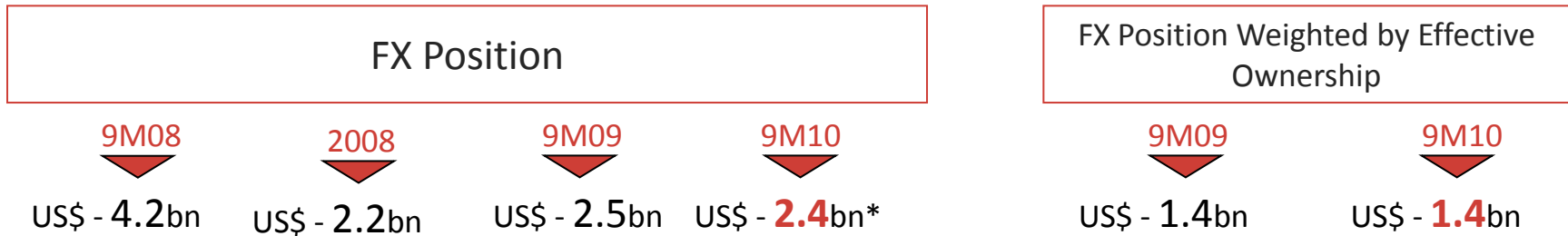


Resilient Against FX Volatility

Koç Holding Stand-Alone



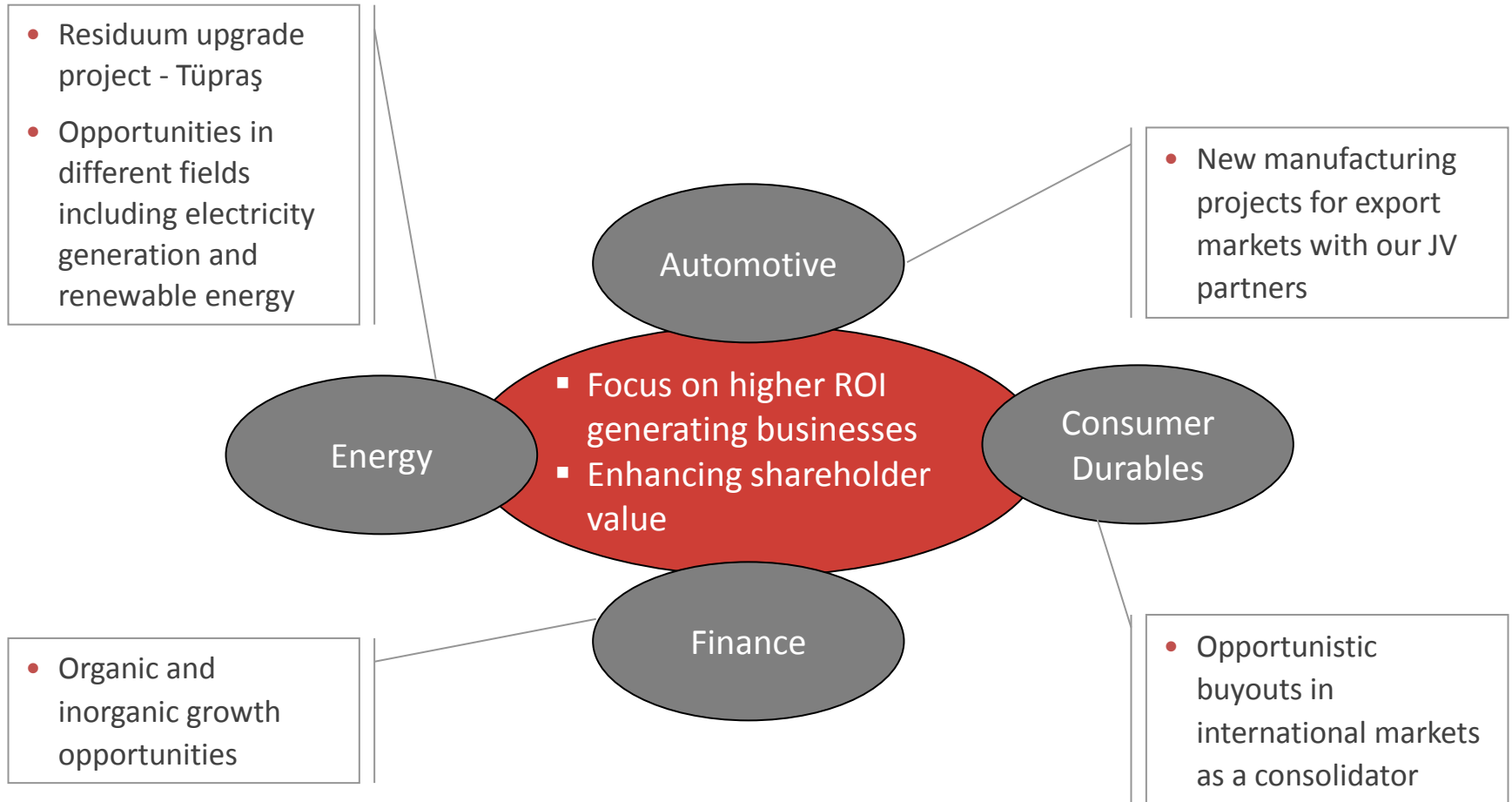
Koç Holding Consolidated



* The natural hedging mechanisms due to FX linked pricing of Tüpraş, Opet & Aygaz inventory and take-or-pay agreements of Tofaş account for ~US\$ 1.5bn.



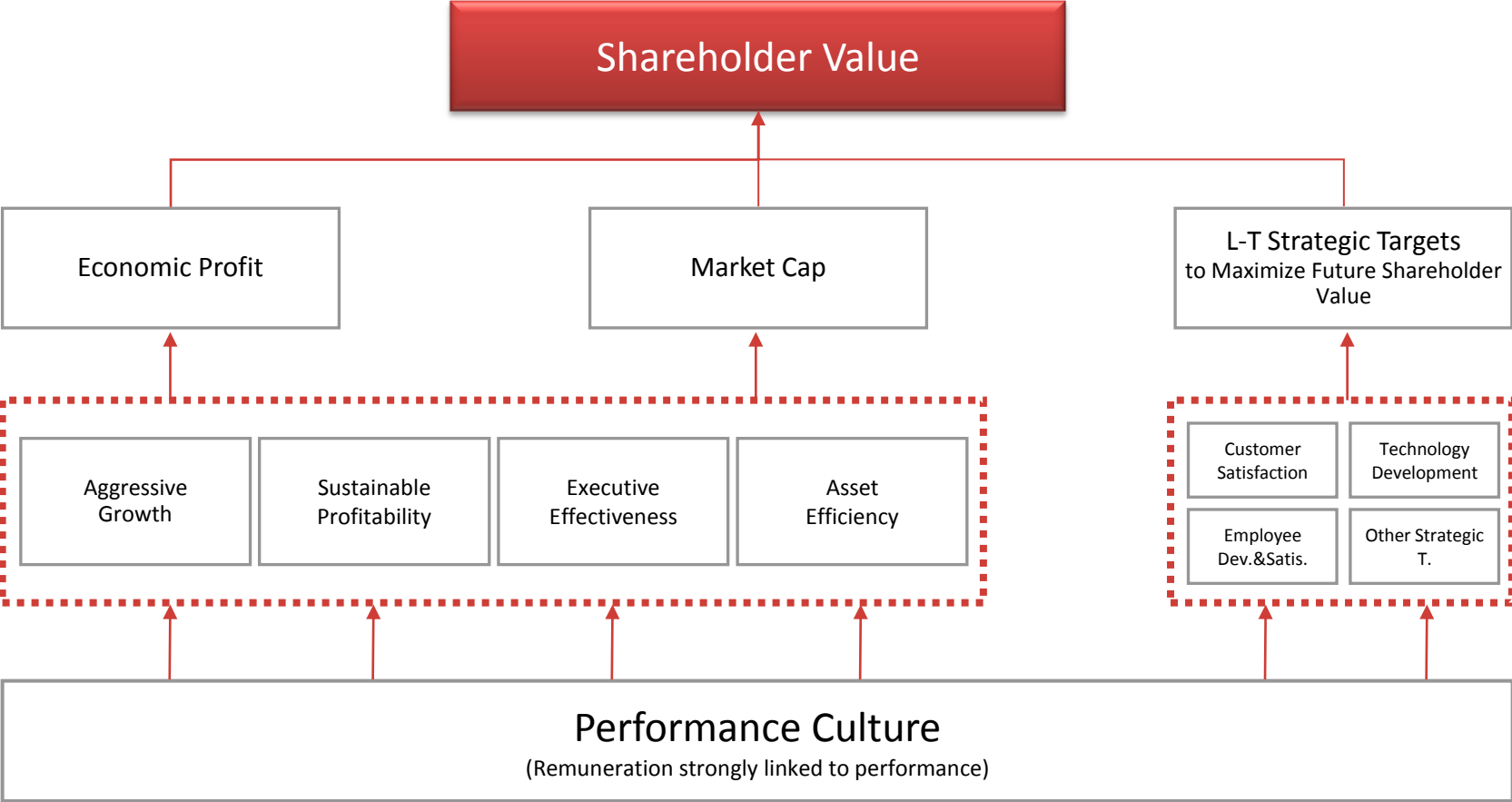
Potential Investment Areas





Main Goal: Maximizing Shareholder Value

One of the few Turkish Companies which Links Executive Compensation to Share Performance





Value Proposition to Investors

- Best proxy to the Turkish Economy

- Strong commitment to Corporate Governance and Corporate Social Responsibility

- Leading positions in core sectors and new investment and M&A opportunities

- Strong top-line growth enabling the benefits of economies of scale

- High resilience against volatility and risks

- Focus on high margin revenue streams and shareholder value

- Superior and sustainable improvement in operational performance



Commitment to Corporate Governance

A Pioneer in Corporate Citizenship

- Voluntary commitment and proactive approach to principles of good corporate governance
- Executive compensation based on economic profit and share performance
- One of the first local companies in Turkey to have independent members on its Board of Directors
- Separate CEO and Chairman roles
- Corporate Governance, Management, Human Resources and Audit Committees
- Corporate Governance Committee to actively monitor changes in the regulation and ensure adaptation of the highest level of standards
- One of the first Turkish conglomerates to participate in the UN Global Compact

Corporate Social Responsibility



One of the first Turkish companies to sign the UN Global Compact which confirms Koç Group's commitment to Corporate Citizenship



Supporting vocational education; 7-year project developed to contribute to the creation of a skilled labor force. Koç Holding has pledged to grant 8,000 students scholarships throughout their education, while providing internship opportunities and priority in employment.



FOR MY COUNTRY!

“For My Country” Day; Grassroots initiative organized annually since 2006, to spread social responsibility efforts through the workforce and distribution network.



The Koç Family is awarded the Carnegie Medal of Philanthropy for their exceptional and sustained record of philanthropic contributions to the society.



Corporate Social Responsibility

Contributing to Turkey's Development through Philanthropic Activities



Vehbi Koç Foundation



- Established in 1969 to make philanthropic endowments for the public good; to create sustainable and replicable projects and programs in education, healthcare and culture
- Assets: \$1.2 billion

Education



- The Koç Schools
- Koç University (over \$190 million investment)
- Turkish Education Foundation (TEV)
- TEGV (Educational Volunteers)

Health Care



- The American Hospital
- Semahat Arsel Nursing Education and Research Center

Culture



- Sadberk Hanım Museum
- Rahmi M. Koç Museum İstanbul and Ankara
- Suna-İnan Kiraç Research Center for Mediterranean Civilization
- Vehbi Koç and Ankara Research Center (VEKAM)

Environment



- DenizTemiz/Turmepa (Turkish Marine Environment Protection Association)
- TEMA (Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats)



Appendix



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Financial Performance

Revenues



- TL38,475mn (US\$25,409mn)
- 18% YoY increase in TL terms and 22% in US\$ terms

Operating Profit



- TL3,250mn (US\$2,146mn)
- 16% YoY increase in TL terms and 21% in US\$ terms

EBITDA



- TL3,973mn (US\$2,624mn)
- 15% YoY increase in TL terms and 19% in US\$ terms

Profit Before Tax



- TL3,233mn (US\$2,135mn)
- 27% YoY increase in TL terms and 32% in US\$ terms

Net Income



- TL1,425mn (US\$941mn)
- 26% YoY increase in TL terms and 30% in US\$ terms

Margins



- EBITDA margin was 10.3%
- Operating profit margin was 8.4%



Main Financial Indicators

	€ Mn*	US\$ Mn*	TL Mn	TL Mn	Change	Change
	30.Sep.2010	30.Sep.2010	30.Sep.2010	30.Sep.2009	%, TL	%, US\$
Revenues	19,308	25,409	38,475	32,707	▲ 18	▲ 22
Gross Profit	3,360	4,422	6,695	6,712		▲ 3
EBITDA	1,994	2,624	3,973	3,459	▲ 15	▲ 19
Operating Profit	1,631	2,146	3,250	2,794	▲ 16	▲ 21
FX Gain / (Loss)	-13	-17	-26	24		
Net Interest Income / (Expense)	-18	-23	-35	-308		
Other Financial Income / (Expense)	22	29	44	36		
Profit Before Tax	1,622	2,135	3,233	2,546	▲ 27	▲ 32
Taxes (net)	305	401	608	462	▲ 32	▲ 36
Net Income before minority interest	1,317	1,734	2,625	2,084	▲ 26	▲ 31
Minority Interest	602	793	1,200	950	▲ 26	▲ 31
Net Income	715	941	1,425	1,133	▲ 26	▲ 30
Total Assets	37,572	51,144	74,220	** 66,386	▲ 12	▲ 16
Shareholders' Equity	6,193	8,430	12,233	** 11,170	▲ 10	▲ 14

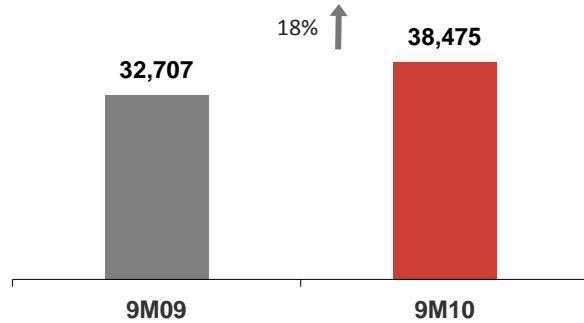
* EUR and USD amounts presented above are translated from TL for convenience purposes only and do not form part of these consolidated financial statements. Balance sheet items have been converted at the official TL exchange rate announced by the Central Bank of Turkey at 30 September 2010 (1.9754 TL=1 EUR and 1.4512 TL =1 USD); income statement items have been converted using the average exchange rate (1.9927 TL=1 EUR and 1.5142 TL=1 USD).

** As of December 31, 2009

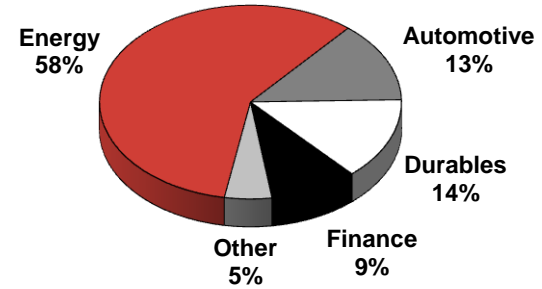


Continued Growth in Top Line

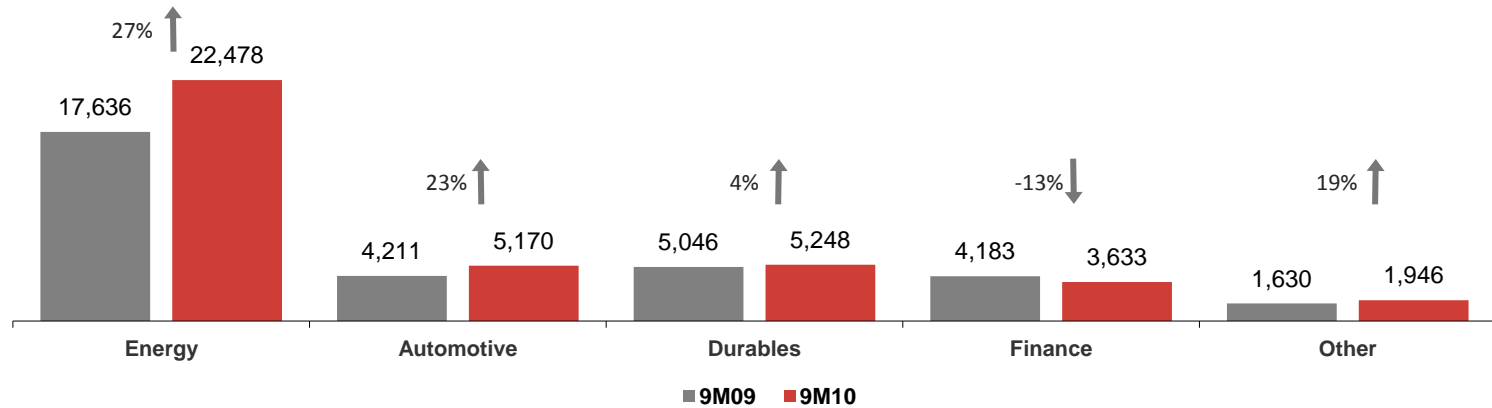
Revenues – TLmn



Share of Segment Revenues – %



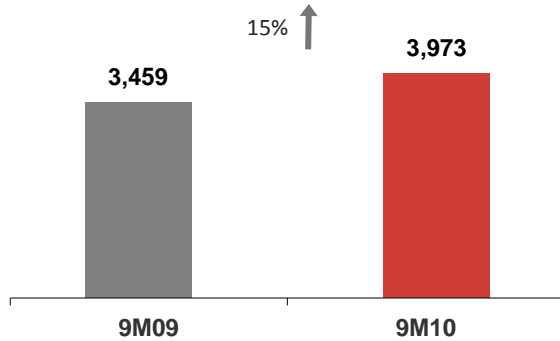
Segment Contribution to Revenues – TLmn



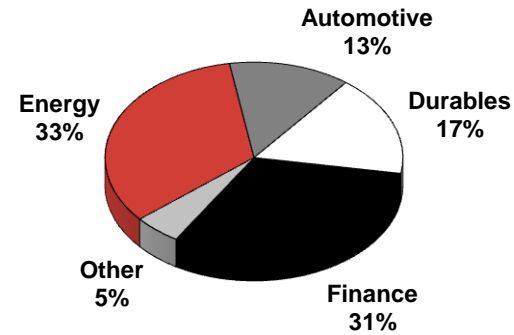


Balanced EBITDA Breakdown

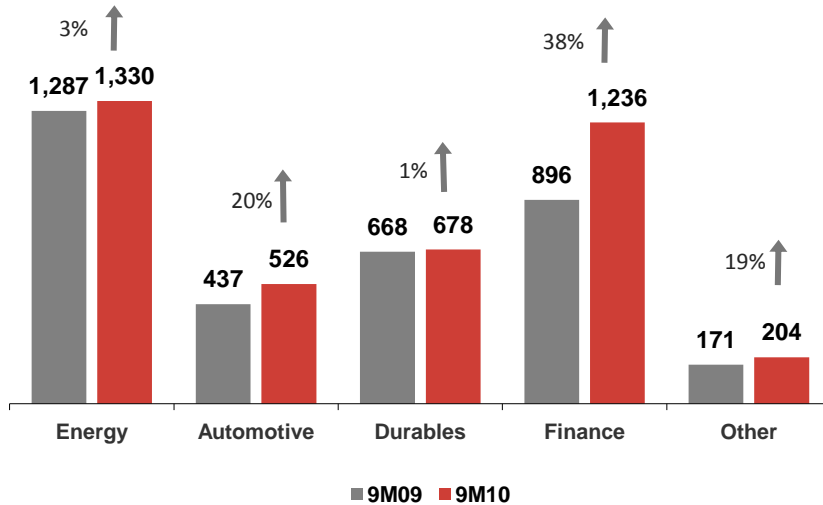
EBITDA – TLmn



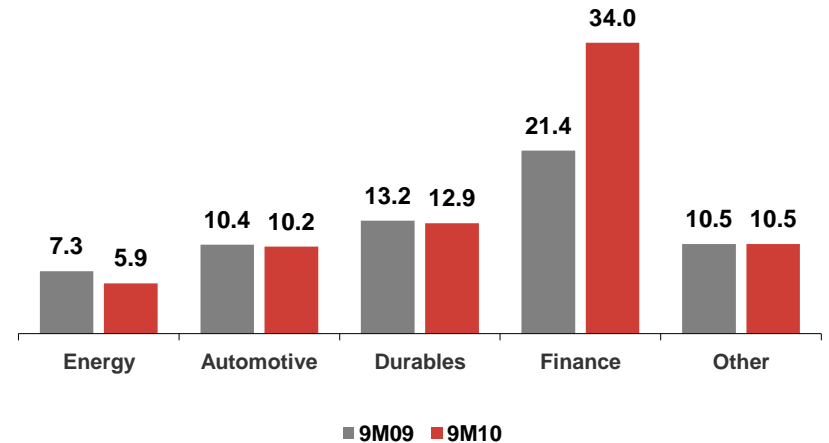
Segmental EBITDA Breakdown – %



Segment Contribution to EBITDA – TLmn



EBITDA Margin by Segment – %

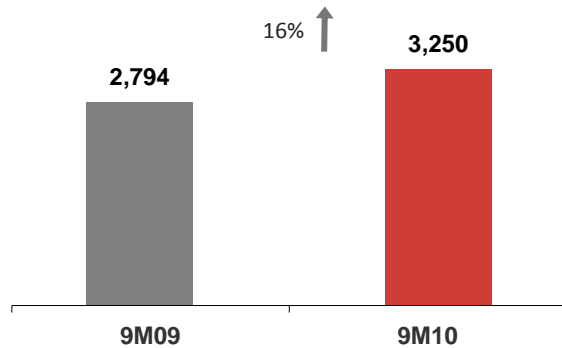




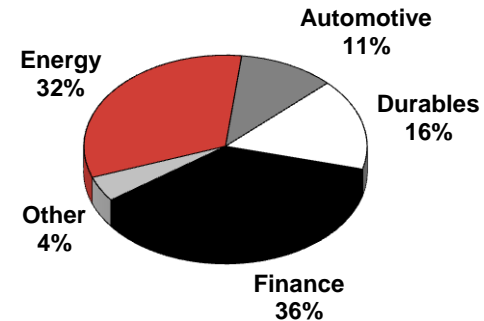
16% Increase in Operating Profit

Operating Profit TL mn	Energy	Automotive	Consumer Durables	Finance	Other	Consolidated Total
9M10	1,052	357	528	1,167	145	3,250

Operating Profit – TLmn



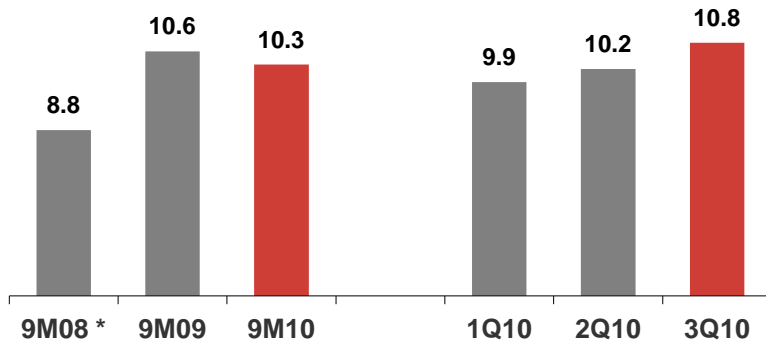
Segmental Operating Profit Breakdown – %



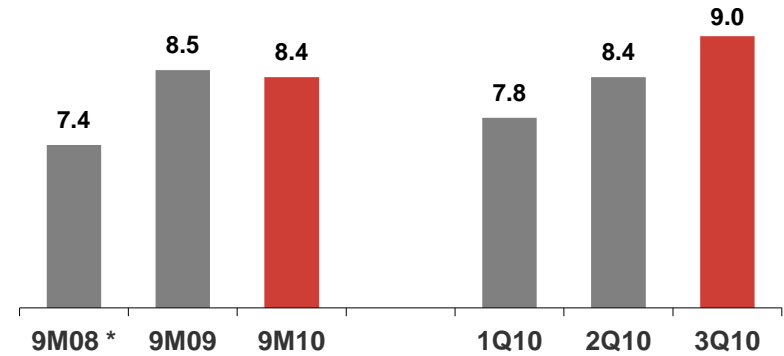


Sustainable Margin Performance

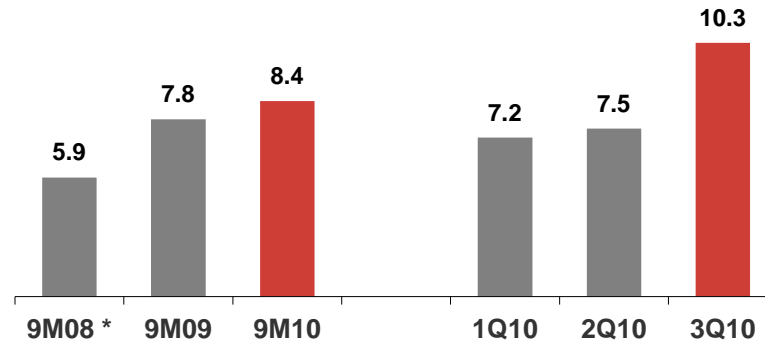
EBITDA Margin – %



Operating Margin – %



Profit Before Tax Margin – %



* Normalized



Shareholder Structures as of September 2010

Koç Holding

Koç Family: 68.51%
Free Float: 22.35%
Vehbi Koç Foundation: 7.15%
Koç Pension Fund: 1.99%

Energy

Tüpraş

SPV share: 51.00%
Free float: 49.00%

KH share: 42.67% (*)

SPV

KH share : 75.00%
Aygaz: 20.00%
Opet: 3.00%
Shell: 2.00%

Aygaz

KH share: 40.68%
Other Koç: 10.53%
Liquid Pet. Co.: 24.52%
Free float: 24.27%

Opet

Tüpraş: 40.00%
Other Koç: 10.00%
Öztürk Group: 50.00%

Automotive

Ford Otosan

KH share: 38.46%
Ford: 41.04%
Other Koç: 2.58%
Free float: 17.93%

Tofaş

KH share: 37.59%
Fiat: 37.86%
Other Koç: 0.27%
Free float: 24.29%

Türk Traktör

KH share: 37.72%
Other Koç: 2.09%
CNH NV : 37.50%
Free float: 22.69%

Otokar

KH share: 44.68%
Ünver Hold.: 24.81%
Other Koç: 3.29%
Free float: 27.22%

Consumer Durables

Arçelik

KH share: 40.51%
Other Koç: 16.69%
Burla Group: 19.53%
Free float: 23.26%

Finance

Koç Financial Services

KH share: 37.55%
Other Koç: 12.45%
Bank Austria Creditanstalt: 50.0%

Yapı Kredi Bank

KFS: 81.80%
Free float: 18.20%
KH share: 32.89% (*)

Other

Tat Konserve

KH share: 43.65%
Other Koç: 9.69%
Partner: 5.26%
Free float: 41.41%

(*) Effective stake indirectly through subsidiaries



For Further Questions, Please Contact :

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Publications
Investor Presentation - May 2010
E-Book 2010

Financial Kit
Please click to download the latest IR
Tools

Annual Reports
2010 Annual Report (PDF)
2010 Annual Report (Web)

Symbol KCHOL

Last	Low	High	Vol TR/mn
5.50	5.30	5.50	2.24

Calendar
August 2010

Share Price Calculator

Stock Charting

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