

REPORT FROM KOÇ HOLDİNG FOR THE FIRST 9 MONTHS

As of the end of September 2006, main activity revenues of Koç Holding increased by 111% as compared to the previous year to become 36.1 billion YTL; and net profits from main activities increased by 165% to become 2.3 billion YTL. About 11% of the increase in Koç Holding main activity revenues is accounted for by current and 90% by new business and about 43% of the increase in the net profits from main activities is accounted for by current and 85% by new business. In July-September period, coupled with the effect of the recovery in foreign currency exchange rates, Koç Holding obtained 830 million YTL net profit for the period, significantly decreased the adverse effects of the fluctuation in the second half of the year on the profitability level and increased its profit before taxation in the first nine months to 1.2 billion YTL and its net profit for the period to 7 million YTL. The authorities said that, when the effect of the fluctuation in foreign currency on the net profit was corrected, the profit before taxation increased by 111% as compared to the same period in the previous year from 974 million YTL to 2,055 million YTL.

Koç Holding CEO Bülend Özyaydınlı said that 2006 was a very difficult year for financial markets; high real interests and fluctuations in foreign currency adversely affected many companies and sectors; however, as Koç Group, they continued to grow in all main activity areas and multiplied their main activity profits by two and a half. Özyaydınlı stated that since 2001, Koç Holding has been performing its operations based on the theme of being close to the consumer, in line with the strategic plan, and has reached a portfolio that is more resistant to potential waves and shocks that caused a reduction in consumer demands in Turkey after Tüpraş has been purchased and emphasised that they shall continue their customer based growth strategies and pursue their objective to become a leader in the sector and in service quality.

Özyaydınlı said that within the framework of long-term strategic decisions and changing economic conjuncture, they have been implementing step by step plans to stop operating in some sectors in order to apply a more focused, efficient, profitable and sustainable growth model.

Saying that the loan provided for Tüpraş, which significantly influenced the income chart, has been supplied under very suitable conditions in terms of both interest and maturity, Özyaydınlı explained that because of the long-term structure of the loans, the short-term fluctuations in foreign currency affected only their records, and there is not a realised loss since the actual repayments have not started yet. Knowing that the publicised Koç Group companies make up 18% of the İMKB-100 index, Özyaydınlı stated that they always cared for protecting minority rights and in order to reduce the direct burden of the loan, they did not plan to choose the alternative of having the debt undertaken by Tüpraş.

SEPTEMBER 30TH 2006 – KOÇ HOLDİNG SUMMARY FINANCIAL CHART	30-09-06 mn YTL	30-09-05 mn YTL	% Change
Revenues from main activities	36,120	17,133	111
Net Profit from Main Activity	2,329	879	165
Profit / (loss) before Taxation	1,173	990	19
Profit / loss before Taxation corrected by income / expense from foreign currency differences	2,055	974	111
Net Profit / (Loss) for the period	7	433	