

Dear Guests,

Welcome to our meeting where we would like to share with you the significant developments in 2005 and our objectives and expectations in 2006.

2005 was a year of significant investments for our group in which we have completed many important projects and started to gather the promising fruits of planned working. Driven by the attempts we made in 2005 and the developments we have planned for 2006, we would like to shift our vision from being one of the leading companies in Europe to being a global player. This is the starting point of our plans, strategies and objectives. Therefore, the theme of our meeting today is "The world is my playfield".

Before giving details of the subjects related to Koç Group, it will be fine to talk about the kind of developments that we have gone through in Turkey and the circumstances under which we have grasped the opportunities as a group.

We can say that 2005 was a positive year both for our group and for our country. Last year there was a significant increase in the number of indicators showing that Turkey has created an environment of political stability and economic growth.

Above all, we can say that we have totally overcome a problem that had been pressurizing Turkish economy for many years. After an interval of 33 years, inflation rate has been finally reduced to single digit figures again and the big difference between the government and the market expectations has disappeared. With increasing confidence in the independence of the Central Bank and in the objectives, we have made inflation targeting for 2006 in which we hope to have positive results.

The rate of budget deficit to GNP has fallen below the European Union Maastricht criterion of 3% after so many years and has been calculated as 2% in 2005. There has been non-interest excess in the consolidated budget for the last 5 years. In the next two years, there is an expected excess in the general budget in parallel to the reduction in real interests. These are all developments that we were looking forward to a few years ago...

Furthermore, there has been fast growth in line with these developments.

While inflation rate is falling and there have been strict financial policies, Turkish economy, driven by the increase in productivity, has grown more than 7% in the last five years and become one of the top three fast developing economies in the world.

Turkey, which is 19th biggest economy in the world, will hopefully rise to the 16th-17th place in 2006 with 382 billion dollars of national income, leaving countries such as Switzerland and Sweden behind.

Shortly, we can say that if correct policies are followed, we will totally leave behind the high inflation – fast growth – economic crisis cycle that our economy has been suffering for years.

However, now, seeing and knowing the positive results of stable practices we must have the skills to build the future on this positive experience.

Positive developments may continue only if we focus on factors that will sustain the existing stable structure and economic growth in the near future. These factors include political stability, EU negotiation process and financial discipline.

Political stability means the need for Turkey to maintain the stability in itself as well as assuming a balancing role in the global platform. The recent caricature crisis proved that our country which has close relations with both the Western and the Islamic world can have a very significant role in the fast changing global social and political dynamics. However, regardless of such sudden crises, Turkey must develop new strategies and policies and make action plans within the framework of a long term vision in conformance to the changing conditions in the world.

European Union negotiation process that is one of the determining factors in the near future will not be an easy process. Harmonization and structural change will take time and will be difficult for some sections of society. However, it is very important for the future of Turkish economy in order to continue the negotiations in a positive manner. It is a reliable development that the negotiation process is progressing faster than expected in a serious working environment.

We know that membership negotiations have positive influence on a country's economy even at the starting phase. There are striking developments in these areas in Poland, Hungary, Czech and Slovak Republics which have recently joined the Union. For example, while the annual average direct investment for each country was 1.4 billion dollars in the period of five years before 1998 when the negotiations started, this figure rose to about 4 billion dollars in the period of five years following the negotiation period. In our country direct capital investments which were 2.7 billion dollars in 2004 have become about 9 billion dollars in 2005 where there were significant developments in the process of starting the negotiations. This figure is equal to the total of 4 years between 2001 and 2004.

The amount of investments made in the candidate countries are multiplied during negotiation periods, and as a natural consequence of these developments, the ratio of cumulative direct investments to the national income at the end of 2003 has become 39% in Czech Republic, 33% in Poland, Hungary and Slovakia. In our country this ratio is 6.5% at the end of 2004 and 8% at the end of 2005. These indicators demonstrate the importance of negotiation process and the opportunities for our country.

If the EU negotiation process is put to proper use, we believe that we will make much progress in minimizing many risks that we are faced with today. Financial and political discipline, sustainable growth, foreign capital entry and successful privatizations are the first examples that come to mind. As we have mentioned before, we have all witnessed the developments that were achieved after the EU negotiations.

On the other hand, the intense competitive environment that emerged with this process and that is believed to intensify in the future forces us to increase the

efficiency everywhere. This competition will unavoidably bring about new investments and new investments will in return lead to increased employment.

Today the highest risk factor of Turkey is the current deficit. As we have mentioned before, sound financing of current deficit may be achieved through direct foreign capital investments. As the credibility of Turkey increases with the influence of the EU negotiations, and with the support of direct investments, the existing current deficit will not become a payment balance problem and there will be no problems in the financing of this deficit. We must remember that one of the main reasons why the current deficit grew in 2005 to reach high levels is increasing oil prices and we must know that an important increase in imports is the result of oil imports. While the current deficit was 15.6 billion dollars in 2004, it increased to become 22,8 billion dollars in 2005. Almost all of this increase is the result of 7 billion dollars increase in the oil invoice of Turkey as compared to last year, because of the increase in oil prices. The direct foreign capital amount that entered Turkey in the same period was about 9 billion dollars. The input of direct foreign capital investment has important contributions to financing the current deficit.

It will not be good to relax seeing that the current deficit is easily financed today. Any future slowdown in the input of foreign capital and a weakness in the trust environment can put us into a difficult situation. Therefore, while both the Government and the public are responsible for maintaining the environment of trust and stability to minimize the current deficit, it is unavoidable to take structural measures. The main target should be improving the investment environment for the entire private sector so that competitive power will increase and encouraging more direct investment and export-oriented capital input and investment for products with high added value. With the opportunities, Turkey should become the production paradise closest to the EU and this positive environment should be promoted and well described by a good and organized Institution. Turkey must aim to become the production centre of the EU. We have to make an opportunity out of the economic fall that Europe has been experiencing and, without repeating their mistakes, we have to improve our competitive power by encouraging investment.

The outcomes of negotiation process are the basis of the powerful acceleration that is experienced in the full membership period. EU membership vitalizes countries' economy and increases their level of income. Considering the national income per capita, Greece has increased its level of welfare after 1981 and Spain and Portugal after 1986 when they became members. Among these countries that make use of the EU funds and receive significant direct investment, between 1986 and 2004, the welfare level of Greece increased from 62% to 82% of the EU average. In Portugal this ratio increased from 55% to 75% and in Spain from 71% to 98%. In Turkey this ratio is unfortunately at the level of 29%.

Another determinant in the near future will surely be financial discipline. The positive developments witnessed in financial discipline in the last five years deserve recognition. In five years, the ratio of budget deficit to national income has fallen from 17% to 2%; real interests were reduced from 35% to 8%; tax revenues have increased about 5% per annum on real basis.

The fact that all these developments are being supported by structural reforms makes us feel optimistic about sustainability of financial discipline and shows that economic fragility has been reduced.

Therefore, we can say that the most important requirements for the stable environment that we hope continues in 2006 and later on are to maintain the financial discipline by carrying out the relations with IMF in the same manner and to quickly complete the structural arrangements such as social security and taxation. Because 2007 is the year of elections, we would like emphasize that starting to implement "election economy" just like we were used to in the previous years will give damage to stability which is hard to recover. We have to remember from our past experiences that populist approaches harm the environment of trust and that the environment of trust is not as quickly recovered as it has been ruined.

In the near future, efficiently implementing structural changes and arrangements on micro basis will be the most important topic on our agenda. In that context, top priority will be given to fast implementation of measures that must be taken to bring real economy and investments to life.

When it comes to protecting the competitive power of real sector, I would like to share with you our opinions about the foreign exchange rates that have recently remained constant in spite of some fluctuations, and therefore, about the value of YTL.

The valuation of Turkish Lira is something my generation does not know about. Maybe because we are used to the times in the past when Turkish Lira was continuously devaluated, now we find it hard to understand how Turkish Lira can be valuable. In the past, there was no confidence in the future and therefore in the money of the country and the continuous escape from TL created demand for foreign currencies and TL lost power.

In fact the high demand for the TL is the indicator of the trust that domestic and foreign investors have for the future of Turkey. This development should give us hope for the future; however, in order to have more exports than imports, we must encourage with all our facilities the investments for exporting the products that are less dependent on importation and have high added value. We should keep in mind that no investment means no taxation, no employment, no reduction in current deficit, no exportation, no decrease of inflation and interest rates. If the current policies are followed in the near future, TL will remain in a strong position. The only way to protect our competitive power is to increase efficiency and to increase exports with high added value.

In short, Turkey has started the process of sustainable growth. In order for us to make the best use of the opportunity that we have grasped, we have to manage and give direction to change and to the future. Industrial strategy of Turkey should be designed with a more serious understanding of planning than we have today, looking not only at today and at Turkey, but considering the current and potential developments in the world, the scientific and technological trends, the interaction with other sectors, and the changes and requirements in the social structure. The EU

negotiations process must be aimed at giving economy an annual average growth acceleration of 7-8%.

Koç Group believes that Turkey is at a positive turning point. Koç Group is a group that has initiated significant investments and has plans for high growth. Although we have the opportunity to do investments in many parts of the world and we have been doing investments abroad, we are more focused on Turkey for investment. Because we have true confidence in Turkey and its future and we prove this confidence by initiating important investments and projects. Today, as one of the biggest groups in Turkey; we base our strategy on sustainable and profitable growth model in fields of activity with high potential for growth.

Dear Press Members,

Now I would like to take you 4 years back. We held our 7th Press and Public Information Meeting on March 28th 2002. Let us remember some of what we have said in this meeting which was held right after a deep economic crisis;

“As Koç Group we want to believe, and actually believe, that economic crisis has created an opportunity for Turkey and that the Government will implement the entire structural reforms in a determined manner.”

“As Koç Holding, we made an extensive self-assessment in 2001 considering that economic crisis has created an opportunity to review the objectives of the Group.”

We have listed the strategic decisions we have made at the end of this study as follows:

- To focus on and go deep into some sectors and businesses; and to quit some businesses
- To be the leader in all of our operational areas in Turkey and in our geographical region
- To increase our competitive power both in Turkish and international markets. To obtain half of our revenues from foreign markets
- To be brave enough to perform our duties to bring Turkish brands, products and services to the positive level they deserve in the international markets
- To increasingly continue to do investments in R&D and technology

We have shared our strategies at business unit level:

- To be the production centre of Europe in automotive sector,
- To be one of the biggest in Europe through international growth in durable consumption goods,
- To continue to be the domestic leader in retail sector, to facilitate our growth abroad,
- To have a more assertive position in food sector through restructuring,
- To make attempts in Energy and Telecommunication,
- To be a leader in informatics,
- To reach higher levels in Turkish finance sector,

- To make attempts in tourism in parallel to the increasing significance of Turkey.

At the end of the above, we showed you the following graphic and said that our objective was to become one of the top 200 companies in the world and that we can achieve this in about 2016 with an annual growth rate of about 14%.

In this graphic, the turnover we targeted for 2010 was 18.7 billion \$. In practice, our estimated consolidated turnover for 2005 was realised at the level that we had targeted for 2010. And our estimated consolidated turnover for 2006 is about 36 billion \$, which is above the level we have targeted for 2015. These results mean that we will have reached our target to be one of the top 200 companies of the world 10 years before the planned date. These positive deviations in our estimates are the results of the facts that Turkish economy has recovered faster than expected and that the expected opportunities were realised one after the other and earlier than planned and that we were able to make use of these opportunities.

I would like to add that our main aim is to increase our profit and the value we have created. Increasing the turnover is an effective tool that we use to achieve this aim. The expansion of our activities both increases our potential to create value and contributes to our competitive edge with the synergy and power it brings.

The profit growth we have realised in the past period was more than the growth of our turnover. Consolidated activity profit without amortisation increased to be 1.5 billion dollars in 2005. It is aimed to make it 3 billion dollars with a 100% increase in 2006.

The thing that we particularly care for is the balance among the shares that our fields of activity have in our total profitability. When we consider the objectives for 2006, our most profitable business unit will be accounting for about 1/4 of the combined profit before taxation. The 4 most profitable business units, namely Automotive, Durable Consumption Goods, Finance and Energy, have about the same contributions to the profit of the group. This balanced structure makes our group more resistant to risks.

2005 was surely the year in which we have made the most important steps in line with our strategic plan. Now I would like to share with you our group activities in 2005 and group objectives for 2006 in relation to each sector.

In automotive sector, the most important development for our group in 2005 was Tofaş's initiating Minicargo and D200 projects. 2006 will be an important year in which we will be doing investments related to these projects. Production will start in 2007.

Ford Otosan was the leader in Turkish automotive market in 2005, like it has been previously, and Tofaş had the third place.

Total vehicle production figure increased by 12% to become 430 thousand pieces, which is the highest level. While our companies maintain their strong positions in the domestic market, they are ready to implement projects to take their product development success beyond the boundaries of Turkey. An example of these

projects is that Tofaş products started to be manufactured in Russia and Tofaş will be exporting to Russia. We hope to share with you other examples in a near future.

In 2005, we made attempts to merge the management of our automotive retail companies Birmot and Otokoç and to become the distributor of Ferrari and Maserati brands. In 2006, we will continue to work on developing our brand portfolio.

In Durable Consumption goods sector, Arçelik has become a white goods manufacturer that holds the 4th place in Europe and is the most profitable one in the world with its unbeatable leadership in the Turkish market and with consolidated sales abroad which were more than 1 billion € in 2005. This year Arçelik will operate the production plant that it started to build in Russia in 2005 and will increase its total production capacity to 11 million pieces per annum. The plant in Russia will be second foreign production plant in Arçelik, following the one in Romania. We are planning to build the third in China. Arçelik's efforts are expected to give results this year.

Besides production investments, one of the most important factors that make Arçelik successful is the power to create technology and innovation. In the last three years, 13% of the patent applications in our country and 28% of the patent applications from Turkey to the European patent office were made by Arçelik.

Beko Elektronik, which is the second biggest TV manufacturer of Europe, will start its production activity in Russia in 2006. The plant which will be collocated with Arçelik's plant will have an initial capacity of 700 thousand pieces/year.

Russia is a market which has very significant potential for us It is exciting to have the objective of being the leader in this market with Beko brand in durable consumption goods following the retail sector.

The performance of Grundig brand in Germany had progressed after the brand was owned by Beko Elektronik and the TV market share climbed from 3 percent to 9 percent. We plan to see this effectiveness of Grundig in Germany being reproduced in 2006 in other countries as well, and particularly in Turkey.

In parallel with the movements in construction sector and the increase in natural gas usage, one of our companies that had the fastest growth in 2005 was Demirdöküm with 25% increase in its sales. Demirdöküm which will continue to grow in 2006, will move the panel radiator production plant it has purchased in Germany to Bozüyük and start operations to become the biggest producer in Europe in this sector.

Demirdöküm is the owner of our first production plant in China. Our company exports to Turkey and to other countries some of the products made in China while marketing in China the combis and panel radiators made in Turkey.

Migros company is the leading Turkish company in retail sector and reinforced its leading position by acquiring Tansaş, which is one of the assertive sector companies, and made a big difference to its competitors.

We plan to complete the work for the merger of two companies in June. As we have mentioned before, Tansaş and Macrocenter brands will continue to be used after the merger and they will preserve their identity.

It is expected that fast growth will continue with the contribution of the efficiency created by the integration of two companies and that 70 new shops will be opened within the country in 2006.

Our leadership in this sector is not limited to Turkey. We have also been growing fast abroad. In 2005 we opened 17 new shops and 4 shopping centres. We have activities in Macedonia as the fifth country, following Russia, Azerbaijan, Kazakhstan and Bulgaria. For 2006, we are planning to open 31 shops and 7 shopping centres, add Ukraine to the country portfolio and increase domestic turnover to beyond 900 million \$. Our target for 2007 is 1.2 billion dollars.

Total turnover of Migros and Tansaş in 2005 including domestic and foreign businesses is 3.2 billion dollars. In 2006, total domestic and foreign turnover will become 3.7 billion \$ and, with organic growth and company acquisitions, our turnover in the sector will be doubled in two years.

Our Koçtaş company that operates in another branch of the retail sector is doing rapid investments. Şişli shop which was opened in 2005 will be joined with 3 others in 2006, 2 of which are large shops of 9000 sqm, to become the sector leader.

The raki production plant established in Manisa Alaşehir with an investment of 18 million dollars by the partnership of Tat-Tariş started operations in 2005. Products of this plant have been launched under the brands of Mercan and Fasil.

In tourism sector, in 2005 we purchased Marmaris Netsel Yacht Marina which is the biggest one in our country. With this eighth link that was added to the chain of marinas, Setur reinforced its leading position in the sector. Divan opened its 6th hotel, namely Divan City İstanbul. In 2006, Divan City Ankara hotel will be opened. As for the energy sector...

Our Aygaz company which is the leader of Turkish LPG market continues to be one of the locomotive companies in our group by playing an important role in the acquisition of Opet in recent years and of Tüpraş this year. Aygaz will develop its activities in 2006 to continue its leading position in the market not only in terms of sales volume but also in the areas of innovation, servicing and safety.

Opet continued its fast growth in the fuel distribution market by opening 69 stations in 2005 and increasing its market share. 80 new stations are going to be opened in 2006. With the Marmara Terminal investment that will be completed this year, Opet is going to have the biggest storage capacity in Turkey and gain a significant competitive edge.

Dear Press Members,

The most important attempt of our Group in 2005 is winning the tender for the privatisation of 51% share of Tüpraş which is the largest industrial organisation in Turkey.

There is one message that we keep conveying in the Press and Public Information Meetings, 14th of which is being held today: “We have confidence in the future of Turkey and we have been working for that future.”

We give top priority to growing abroad; however, our country which is at the beginning of a new period goes on to be one of the most attractive areas for investment. This is proven by the increase observed in foreign investments since 2005. The fact that we purchased Tüpraş for a price which was higher than the Stock Exchange Price at the date of tender is the result of the confidence we feel for the future of our country.

I do not feel the need to repeat the information about the size and the strategic significance of Tüpraş and about the tender details. I will rather be talking about the current developments in Tüpraş and the future plans.

However, I would like to remind you that the tender which was organised by the Privatisation Administration according to the applicable legislation and which was attended by 9 domestic and foreign investors was held transparently in a competitive environment and as a result Koç Holding-Aygaz-Opet-Shell partnership was awarded the contract with the highest offer of 4.14 billion dollars.

Although there was the option of paying in instalments after the contract was awarded, we have always targeted to make payment in advance and our financing efforts were directed towards that aim. We had to ask for period extension because the price was high and because the period was divided by the religious festival and the Christmas holiday of foreign banks. Upon completion of the procedures, we paid the entire tender value to the PA in cash and lump sum, signed the share transfer contract and took over the shares.

I would to draw your attention to something; although there were various interpretations of the situation, the reason why the transfer process was performed at a late hour is that money transfer is only possible late in the day because of the time difference between America and our country and that it is obligatory to perform the share transfer on the same day.

As a result, share transfer was made only after all legal permits were obtained following the completion of tender, legal processes and obligations were fulfilled and all procedures were duly executed. Right after the share transfer that was done on January 26th, new company Board was established, General Manager and other top management positions were appointed and the company was taken under control. There was no interruption or breakdown of activities. Non-contracted personnel have been retained except for those who resigned willingly and those who retired. All of the contracted personnel continue working.

Koç Group has encouraged syndication of employees in business life and at the beginning syndicates received invitations from many of our companies. Koç Holding had always supported the syndication right of employees. Except for the negative situations created by ideological approaches, the continuous peace of working in our workplaces had important contributions to the success and development of our companies and today we have 89.000 employees. Tüpraş is a company that we have embraced in this respect. Furthermore, according to the specification of Tüpraş tender, all rights of contracted syndicate personnel have been retained and we are still working with them.

Our aim is to improve the activities of Tüpraş. The reason why we purchased the company for a price which is higher than the current market value is our belief that with new investments we can increase efficiency and production in order to create more resources. In the Board meeting on February 6th, right after we took over the company management, important resolutions have been made about the company activities, in relation to investment plans and human resources policies.

It has been resolved that the outstanding investments corresponding to about 400 million dollars should continue and, in addition, an environmental investment of about 25 million dollars should be made in refineries in 2006. Moreover, in order to determine the future investment requirements of the company, company management has been appointed to make a feasibility study for improving the product quality of Batman refinery and increasing its capacity; assessing the current operating facilities of Körfez Petrochemical Plant; and making a new refinery investment as well as increasing the current capacity in consideration of the fuel oil needs and consumption in Turkey and the surrounding countries. Similarly, it has been planned to recruit non-contracted and contracted personnel in the following months in order to be employed in the new units and investments to be operated. Our aim is to improve the current position of Tüpraş and to make it a Europe-wide player.

I would like to clarify the resolution of the State Council to stay the execution. A series of lawsuits have been started against the State Council in which we are not direct parties. All of the requests for staying the execution in relation to these lawsuits have been rejected. The rejection of the request for staying the execution in relation to the lawsuit against Tüpraş's privatisation has been acknowledged by the court of appeal. Another request for staying the execution which is related to another lawsuit associated with the cancellation of tender specifications and which was rejected by the State Council before, has been cancelled by the court of appeal because the clause in the specifications was "public benefit was observed by omitting provisions such as the continuity of investment and production and the restriction of selling the shares. The fundamentals of lawsuits are being considered. We have not been involved and are not going to be involved in arguments that we are being drawn into but we are not a party of in an environment where legal processes are going on, however, in this case we expect all parties to be as sensitive and show as much respect to the legal process. We cannot act illegally as the Koç Group. We have taken over Tüpraş in a totally legal manner and by fulfilling all our obligations, and since then we have been managing it within the framework of commercial rules and principles as can be expected from a merchant with common sense. We will continue to do so in order to contribute to the country's economy in this sector, just as we contribute in the other sectors.

Tüpraş is an important asset for the country. At that point all sections of the public should act with common sense. Everyone must be sensitive and responsible regarding the initiatives, statements and publications that can lead to reduction of productivity in Tüpraş.

I would like to remind once again that people who call for respect for the laws must be respectful to the laws themselves and they have to conform to legal processes instead of making their comments about the practices and trying to give direction to the public and other channels.

Another big investment that we achieved in 2005 is the acquisition of the majority shares of Yapı Kredi Bank. We have continuing restructuring efforts to ensure organisational integration among our banks. As one of the biggest financial groups in Turkey, our teams are developing new projects everyday in order to give premium services to more than 7 million customers.

Our aim is to join the powerful brands and products of YKB, the powerful reputation of Koç Group and the global banking experience of Unicredit in order to make Koçbank and YKB market leaders in the areas of growth and added value.

This purchase did not only benefit our group. In a period when the country's economy is about to recover from its fragility, the elimination of the risk of negative developments in one of the biggest domestic banks relaxed the banking sector, cleared the ambiguity and increased the confidence in the Turkish banking sector. It started foreign capital entry in the banking sector and the price that we paid to the minority shareholders of the bank for the purchase was an important gain for the bank with which some stagnant actives were transformed to cash.

Dear Guests,

This was part of the attempts our group made in 2005 and of the activities we planned for 2006. Now I would like to present you some information about our work in the field of Social Accountability, which is not as much mentioned but is as much important.

We are a group that has adapted the basic principle of our founder Vehbi Koç, which is "I exist if my country exists". Therefore, institutional social accountability is a natural building stone of the business culture in the entire group and the companies. Our activities in this area are based on the principle of taking from the society and returning it with added value and producing business and benefits in that direction.

The core of our efforts in the field of social accountability has focused around 3 basic areas of improvement, namely education, culture and health.

Particularly in the field of education, we are continuing the support that started with the opening of the first dormitory by providing scholarship to thousands of students today.

Another thing that gives us pride in the field of education is our project for 13 schools. 12 thousand students are being educated in the 13 primary schools that Vehbi Koç Foundation has built in various parts of the country using “build – operate – take control” principle.

This year a faculty building construction started in Adıyaman with the cooperation of Koç Holding and Vehbi Koç Foundation.

With another project, we are planning to reach 100 thousand children with SizinKiler which is an event that children can watch free of charge in Anatolia and İstanbul. Also, as you know, for 7 seven years we have been very happy to be the sponsor of International April 23rd Children’s Festival organised by Turkish Radio and Television.

Apart from that, Koç Holding has undertaken the repair of Seddülbahir Castle in Çanakkale which is one of the most important and outstanding pieces of our national historical heritage.

Through its companies, the Vehbi Koç Foundation and the non-governmental organisations that it supports, Koç Group is the one that saves the most time and budget for social accountability projects in Turkey.

All of our companies including Arçelik, Aygaz, Opet, Ford Otosan and Tofaş have been initiating important projects in the field of institutional social accountability.

In a period of time when we have been making efforts to integrate with the European Union and we have been engaged in significant attempts besides our domestic projects that have been going on for many years, we believe that each of us has an important role to play in correctly promoting our country and history in international platform. Social accountability efforts of our group are directed with the help of this awareness.

Last year an agreement for 10 years was signed among Koç Holding, the Ministry of Culture and the Smithsonian Foundation. The agreement suggested the organisation of several joint exhibitions for 10 years in order to promote Turkish culture to the whole world and the global cultures to Turkey. Within the framework of this agreement, an exhibition titled “Style and Status” was held in Washington DC last October based on Ottoman kaftans and it lasted until the end of last month.

Another valuable project that is special for all of us is remaking the Atatürk statue exhibited in Madame Tussauds Museum in conformance to the original.

During 2005, we completed many important projects similar to those mentioned above which I know you have been following closely.

In our 80th year, we will continue to be the leader with our projects in the field of institutional social accountability besides the developments in economic sector. Apart from the social accountability efforts within the country, we will be developing projects aimed at promoting Turkey in international platform. As I have mentioned above, we are going to share the details of these developments in time.

Dear Press Members,

Now, I would like to give you some information about the results of our activities in 2005 and our objectives for 2006.

	2000	2001	2002	2003	2004	2005	2006
Combined Turnover							
mio \$	9.172	8.051	10.600	17.800	28.300	31.249	51.515
		-12	32	68	59	10	65
mio YTL*	20.614	20.564	23.495	29.570	39.708	41.930	69.545
		0	14	26	34	6	66
mio €	9.961	9.140	10.171	14.238	20.791	26.412	42.929
		-8	11	40	46	27	63
<u>Consolidated Turnover</u>							
mio \$	6.580	6.291	6.789	11.107	16.589	18.800	35.954
		-4	8	64	49	13	91
mio YTL*	14.789	16.067	15.049	18.452	23.276	25.249	48.538
		9	-6	23	26	8	92
mio €	7.146	7.141	6.515	8.884	12.187	15.876	29.962
		0	-9	36	37	30	89

* 2000-2005 YTL figures are for the end of 2005

Combined Foreign Turnover

mio \$	1.454	1.978	3.116	4.978	7.472	8.518	12.320
		36	57	60	50	14	45
mio €	1.584	2.216	3.283	4.411	6.013	6.842	10.266
		40	48	34	36	14	50

Combined Export Turnover

mio \$	914	1.496	2.265	3.737	5.680	6.183	9.512
		64	51	65	52	9	54
mio €	995	1.676	2.387	3.311	4.570	4.967	7.927
		68	42	39	38	9	60

Our Share in the Exports of

Turkey						%8,5	%12,2
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Combined Investment
Expenditure

mio \$	600	375	455	537	651	956	1.724
		-38	21	18	21	47	80
mio €	653	420	480	475	524	768	1.437
		-36	14	-1	10	47	87
Including Purchases mio \$						2.793	5.884

Number of Personnel

Person	46.742	43.314	50.130	53.605	60.352	80.826	92.098
		-7	16	7	13	34	14

It is not possible for me to share with you the exact figures of profitability at this point. However, as I have mentioned before, our profitability improves faster than our turnover increase. For example, our consolidated activity profit before amortisation will be 3 billion dollars in 2006, having increased more than 20% per annum since 2000.

Dear Guests,

At the beginning of my speech, I told about the meaning of our organising this meeting with the theme of "The world is my playfield". The figures above prove that Koç Holding is a global company by size. According to our results for year 2004, we are the 389th biggest company in the world. If we reach our targets for 2006, we will be one of the top 200 companies in the world.

The revenues we obtain from outside Turkey account for a significant part of our total revenues;

- Large volume export projects that we have realised and are realising in automotive sector, the foreign production projects that we have been working on;
- Our deep-rooted and widespread existence in Europe in the field of Durable Consumption goods, our production investment in Russia, our new market targets such as China and America;
- Our retail operations abroad which have been growing and spreading fast;
- Our energy activities abroad that started in Bulgaria

clearly demonstrate the level the our group has reached at international arena.

We also plan to be a global company in terms of our style of business. We are determined to reach the highest international standards in areas of corporate management, transparency, social accountability, human resources quality.

In order to maintain our profitable and fast growth, we have to focus more on growing abroad in all businesses in the coming period. The size that we have reached in Turkey with the help of the investments we completed in 2005 gives us the drive and the acceleration that we need. Backed by this support and in line with our strategic plan, we are going to continue taking the steps that will make our group one of the leading companies in the world. This way, we will also be contributing to the development of our country which has entered a new period.

I would like to repeat with pride something that we have always said: We trust in the future of Turkey and we have been working for this future for 80 years...

Thank you for listening to me.