

**KOÇ HOLDING STRONGLY ENTERED ITS 85TH YEAR:
IT'S NET PROFIT ROSE TO 1,734 MILLION TL, AND 5000 MORE PEOPLE WERE
EMPLOYED**

The Koç Community, which will celebrate its 85th year this year, made a powerful start to the year. The consolidated sales revenue of Koç Holding, reached 53,812 million TL and the group raised its net profit to 1,734 million TL. With a combined investment of 1,881 million TL, 5,000 additional jobs were provided, the number of employees reaching 73,000.

Turgay Durak, CEO of Koç Holding, stated in his comments that the company, drawing its power from the Turkish economy, continued to achieve successful financial and operational results during 2010 as Turkey displayed powerful growth, despite the fluctuations of the global markets.

Koç Holding closed the year in profit; it created 5,000 new jobs, and invested a total of 1,881 million TL

Turgay Durak, CEO of Koç Holding, commented that they had 1,881 million TL of combined investments within the Community in the year 2010, and that thanks to new investments and increased usage of capacity, they were able to open up new work areas for 5,000 people. Durak pointed out that the total number of employees employed domestically and overseas by Koç Holding had reached 73,000 people by the end of 2010.

Durak said that Koç Holding's consolidated sales revenue was 53,812 million TL, an increase of 20 percent, the operating margin reached 4,105 million TL, an increase of 18 percent, and the profit accrued to their parent company for the period rose to 1,734 million TL, an increase of 21 percent.

R&D investments will continue increasing

Durak, emphasizing that they gave great importance to R&D investments, expressed that Koç Holding's aim is to focus on innovative products and services, be environmentally-conscious, energy efficient, pioneer new technology and innovate in the industries they are active in. Durak continued that they were glad that the companies of the Koç Community had realized 8 percent of the total applications of national companies and individuals in Turkey in the year 2010, applying for over 250 patents.

Successful financial and operational performance

Durak pointed out that they welcomed the successful performance in all main branches of industry they are active in. He stated the following with regard to these activities:

“Tüpraş continued his strategy supported by his strong operational and financial constitution, high storage capacity and broad distribution web, continued to apply cost-reduction and efficiency-increasing projects. Thus, despite the difficulties seen in the global refining industry, he achieved his profitability aims. The company continues to work on “the fuel-oil transformation project”, scheduled to be completed by 2014 and valued at approximately 2 billion dollars, which it is hoped will provide additional added-value.

Aygaz , maintained its position as the leader in the market while conserving its market share at roughly 30 percent. OPET, on the other hand, due to making investments of 277 million dollars, raised its market share to 17 percent.

Partnership has been secured with the American energy company AES with the aim of meeting both the increase in energy demand and power consumption, one of the most vital positive growth industries of our country.

Yapı Kredi, focusing on growth, customer satisfaction, commercial efficiency and profitability, increased its consolidated net profit by 45 percent, more than any other bank. Without making any concessions in profitability in a highly competitive environment, Yapı Kredi also realized the highest growth among rival banks, reporting 40 percent growth in credits and 27 percent in deposits.

Arçelik, the leader of the consumer-durables industry with the broadest service network in Turkey, maintained its leadership in the markets of white goods, air-conditioners and TVs in 2010. Arçelik continued to show a higher than industry-norm through competitive production capabilities, effective management of capital and improvements in inventory management, and has continued to present innovative products to the market with its R&D-focused endeavors.

Our automotive companies continued to be the driving force of the industry, holding a share of 50 percent of the export market and 52 percent in domestic vehicles. Ford Otosan maintained its position as leader of the market for the 9th successive year. It recently announced an investment plan valued at 630 million dollars for the production of the new Transit series. Tofaş on the other hand gained second position in the automobile and light-

commercial-vehicle market, while bringing the New Fiat Doblo to the market. With exclusive ownership of the intellectual property rights to this brand, Tofaş increased the number of global brands it produces to five, adding new agreements with Opel and Vauxhall in the project.

In the framework of the nationalization strategy of the Defense Industry, both Otokar and RMK Marine continue to be two of the Group's strategic business units, having increased their market share through high-value, high-technology projects in ground and naval defense. One of our most important aims in this field is to broaden the exportation activities in the area.

Combined Export Income reached 7,6 billion dollars, an increase of 29 percent

Turgay Durak said that, besides the successful domestic and overseas performance, the combined export income also performed well, increasing by 29 percent to a total of 7,6 billion dollars, despite the difficult and demanding conditions in the overseas market and the strong progress of the Turkish lira.

Durak : "The market share of Arçelik increased to 5,3 percent in Western Europe, while its market share increased to 16,4 percent in England, it has come to be seen as the market leader in refrigerators and the second player in white goods in general. We will continue to diversify the export markets in the upcoming period as well, with the aim of being minimally affected by regional economic fluctuations"

Koç Community will celebrate its 85th Year

Turgay Durak stated that in 2011 the Koç Community will celebrate its 85th year since it was founded and will continue to create added-value at the highest level, adding that they will continue to convert new developments in Turkey and in the world into opportunities and be the pioneering power of the economy of our country.