

THE KOÇ GROUP AT A GLANCE



CREATING ONE COMMON LEGACY OVER 90 YEARS

The corporate values set by our founder Vehbi Koç will continue to inspire the Koç Group in the future, just as they always have in the past.



CORPORATE VALUES

THE CUSTOMER IS THE FOCUS OF EVERYTHING WE DO.

OUR MOST IMPORTANT ASSET IS OUR PEOPLE.

HONESTY, INTEGRITY AND SUPERIOR BUSINESS ETHICS ARE THE FOUNDATIONS OF OUR BEHAVIOR.

TO BE "THE BEST" IS OUR ULTIMATE GOAL.

CREATION OF WEALTH FOR CONTINUOUS DEVELOPMENT IS OUR KEY OBJECTIVE.

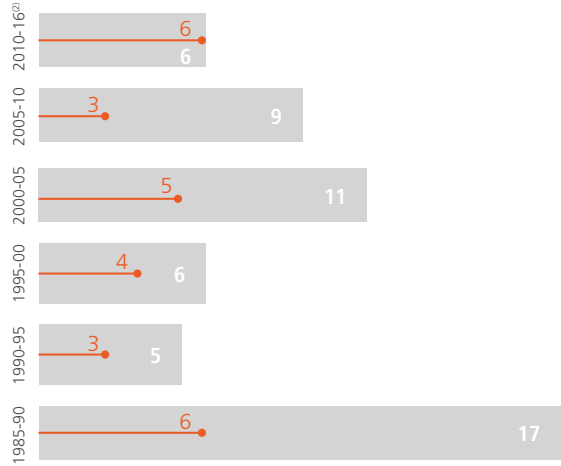
Vehbi Koç
Founder

TURKEY'S LEADING INVESTMENT HOLDING COMPANY

Combined Revenue/GDP → 6%⁽¹⁾

Total Exports/Turkey's Export → 9%⁽¹⁾

Total Market Capitalization on Borsa İstanbul → 20%⁽¹⁾



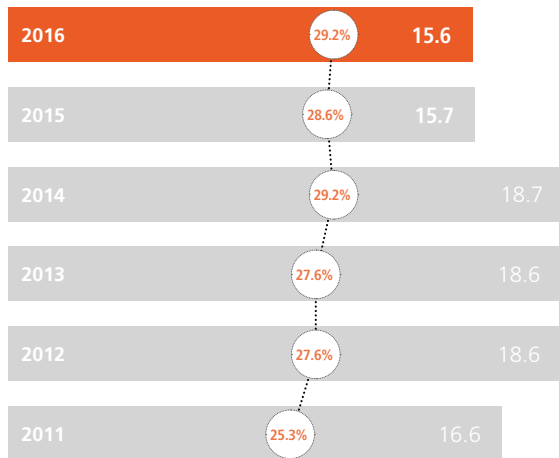
— GDP Growth (CAGR %)

■ Koç Group Growth (Revenues, Constant Prices - CAGR %)

⁽¹⁾ Data as of 2016, Market Capitalization as of 2016 year-end.

⁽²⁾ The growth rates incorporate 9 months results of 2016. The GDP figures for the years 2001-2016 have been adjusted according to the new GDP figures revised in December 2016 to align with the European Accounting System (ESA-2010).

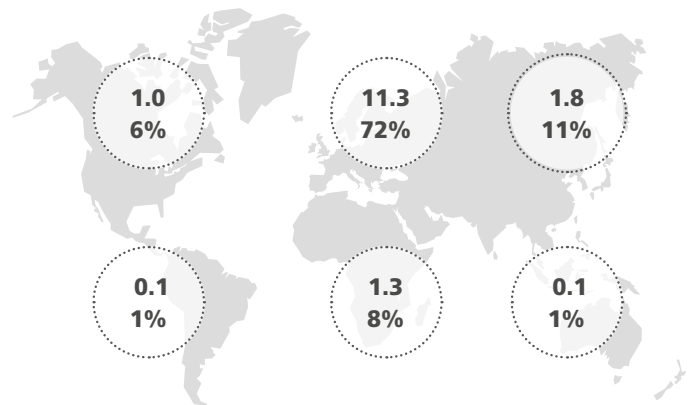
THE KOÇ GROUP INTERNATIONAL REVENUES (COMBINED-USD BILLION)



XX.X% → Share of International Revenues

Including Tüpraş, nearly 50% of the combined revenues (USD 25 billion) is not sensitive to the fluctuations in the domestic market.

2016 REGIONAL BREAKDOWN OF INTERNATIONAL REVENUES (COMBINED-USD BILLION)



TURKEY'S LEADING INVESTMENT HOLDING COMPANY

KOÇ HOLDİNG IS TURKEY'S LEADING INVESTMENT HOLDING COMPANY AND THE KOÇ GROUP IS TURKEY'S LARGEST INDUSTRIAL AND SERVICES GROUP IN TERMS OF REVENUES, EXPORTS, TAXES PAID, SHARE IN BORSA İSTANBUL'S MARKET CAPITALIZATION AND EMPLOYMENT GENERATION.

LEADER AND GLOBAL PLAYER

THE KOÇ GROUP FOCUSES ON SUSTAINABLE AND PROFITABLE GROWTH WITH CONSISTENT LEADERSHIP POSITIONS BOTH IN TURKEY AND IN THE REGION WITH THE AIM OF BECOMING AN IMPORTANT PLAYER WORLDWIDE.

CREATING VALUE FOR ITS STAKEHOLDERS FOR OVER 90 YEARS

GROWING STEADILY OVER THE PAST 90 YEARS DESPITE ECONOMIC VOLATILITY IN TURKEY, KOÇ HOLDİNG'S MAIN OBJECTIVE IS TO CREATE VALUE FOR ITS STAKEHOLDERS.

AMONG THE WORLD'S TOP 500 COMPANIES

Koç Holding is the only Turkish company in the Fortune Global 500 ranking.

THE LARGEST INDUSTRIAL GROUP OF TURKEY

Four of Turkey's five largest industrial enterprises are Koç Group companies.⁽³⁾

1. Tüpraş
2. Ford Otosan
3. Arçelik
5. Tofaş

TURKEY'S LARGEST EXPORTER

Four of Turkey's ten largest exporters are Koç Group companies, according to Turkish Exporters' Assembly data.⁽⁴⁾

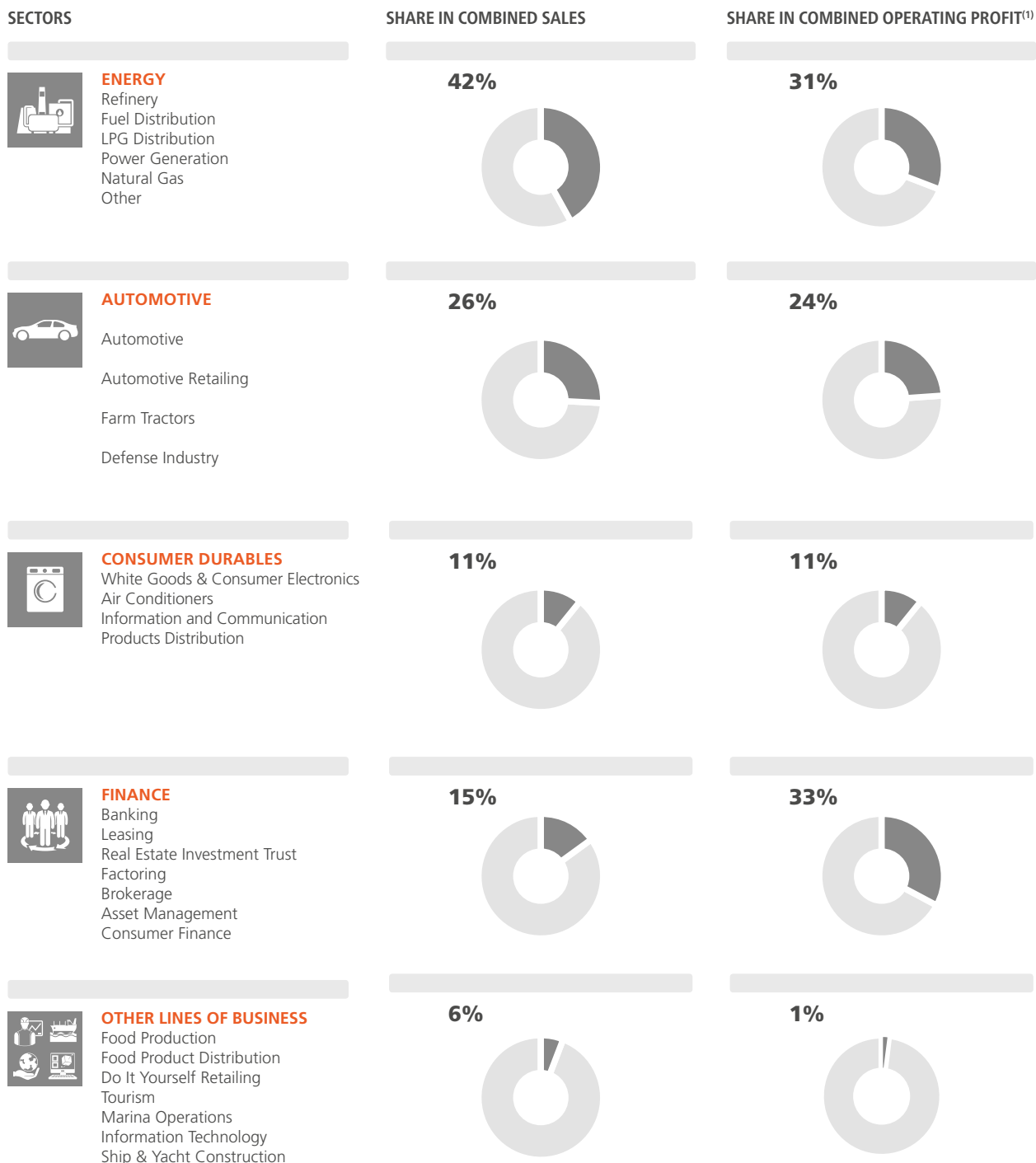
1. Ford Otosan
2. Tüpraş
6. Tofaş
7. Arçelik

⁽³⁾ Istanbul Chamber of Industry, Top 500 Industrial Corporations Survey (2016 report based on 2015 year-end results).

⁽⁴⁾ Turkish Exporters' Assembly Top 1,000 Exporters Survey (2016 report based on 2015 year-end results).

STRATEGICALLY POSITIONED IN LUCRATIVE BUSINESSES

Koç Holding has leading positions with strong competitive advantages in various sectors, such as energy, automotive, consumer durables and finance, which offer strong long-term growth potential.



⁽¹⁾ Excluding FX gains/losses and credit finance income/charges on trade receivables and payables.

COMPANIES/INTERNATIONAL PARTNERSHIPS	MARKET POSITION	COMPETITIVE ADVANTAGES
Tüpraş ⁽²⁾ Opet Aygaz ⁽²⁾ Entek Aygaz Doğal Gaz Akpa, Demir Export	Leader 2 nd - 17.7% Leader - 29%	<ul style="list-style-type: none"> • Strong refinery complexity • Wide range of crude oil processing capacity • Proximity to oil producers in the Middle East • Operating in a high demand environment • High storage capacity • Widespread LPG and fuel oil distribution network • Strong brand value • High and sustainable customer satisfaction
Ford Otosan ⁽²⁾ / Ford Motor Co. Tofaş ⁽²⁾ / Fiat Chrysler Automobiles Otokoç Otomotiv TürkTraktör ⁽²⁾ / Case New Holland Otokar ⁽²⁾	Leader - 22% ⁽³⁾ Leader Leader - 46.5% Leader	<ul style="list-style-type: none"> • 48% of Turkey's automotive production • 22% of domestic automotive sales • 47% of Turkey's automotive exports • High growth potential due to low penetration rates • Widest sales, post-sales and service network • Strong international partnerships • Highest number of R&D employees in Turkey's automotive industry • Ongoing investment program • Focus on efficiency and product diversification • Turkey's largest private capital defense company
Arçelik ⁽²⁾ Arçelik LG Klima / LG Electronics Bilkom	Leader Leader	<ul style="list-style-type: none"> • Low cost production centers: Turkey, Romania, Russia, China, South Africa, Thailand and Pakistan • Widest sales, post-sales and service network in Turkey • One of Europe's leading home appliance manufacturers • Exports to more than 100 countries around the world • Strong brand value • Focus on growth with the target of becoming a global brand • High and sustainable level of customer satisfaction • Patent champion of Turkey
Yapı Kredi Bankası ⁽²⁾ / UniCredit Yapı Kredi Leasing Yapı Kredi Koray ⁽²⁾ Yapı Kredi Faktoring Yapı Kredi Yatırım Menkul Değerler Yapı Kredi Portföy Yönetimi Koçfinans	4 th (4), Leader ⁽⁵⁾ - 22% Leader - 20% Leader - 18% 3 rd 2 nd 3 rd	<ul style="list-style-type: none"> • Deep rooted experience of 72 years • Continuously expanding, innovative service and branch network • Market leading bank with nearly 950 branches • Customer oriented, smart growth strategy • Strong and diversified funding base • Structured to deliver a wide range of services that meet all the financial needs of customers under one brand
Tat Gıda ⁽²⁾ / Kagome, Sumitomo Düzey Koçtaş / Kingfisher Setur, Divan, Mares ⁽²⁾ Setur Marinaları KoçSistem RMK Marine	Leader ⁽⁶⁾ Leader Leader	<ul style="list-style-type: none"> • Leadership positions in sectors with high growth potential • Strong brand values • Widespread distribution networks • Ongoing investments in line with growth opportunities

⁽²⁾ Publicly traded companies. ⁽³⁾ Ford Otosan, Tofaş and Otokar's share in total domestic automotive sales. ⁽⁴⁾ By asset size among private banks. ⁽⁵⁾ Credit card outstanding volume.

⁽⁶⁾ Tomato products, tomato paste, ketchup, premium pasta and pasteurized milk.

STRATEGIC PRIORITIES

The Koç Group integrates its management philosophy with its superior competitive advantages and long-term sustainable strategies.

BE ACTIVE IN THOSE SECTORS WHERE WE CREATE DIFFERENTIATION AND HAVE A COMPETITIVE ADVANTAGE

EXECUTION POWER

We combine our strong management philosophy with international partnerships and our superior competitive advantages with long-term strategies.



MINIMIZE SECTOR AND GEOGRAPHIC RISKS THROUGH A DIVERSIFIED PORTFOLIO STRUCTURE

RISK MANAGEMENT

Our robust balance sheet and diversified portfolio structure minimize sectoral and geographical risks. We are focused on efficiency and sustainable profitability.

MAKE THE MOST OF OUR BRAND STRENGTHS AND TECHNOLOGICAL COMPETENCE

SUSTAINABLE GROWTH

With the highest R&D spending in Turkey, we combine innovation with an extensive product range and enhance our competitiveness by offering our customers outstanding service quality.

DERIVE MAXIMUM BENEFITS FROM ECONOMIES OF SCALE BY BEING THE MARKET LEADER OR A CLOSE SECOND IN EVERY BUSINESS WE OPERATE

LEADERSHIP

We are leaders in sectors with high growth potential and low penetration levels with the strong brands we have created.

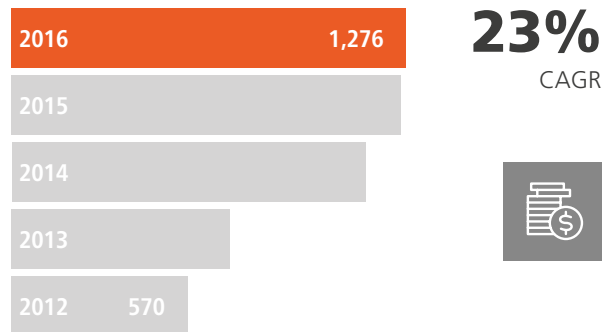
WHY ARE WE DIFFERENT?

Koç Group companies create difference as the symbol of confidence and success as well as being in leading positions in global markets.

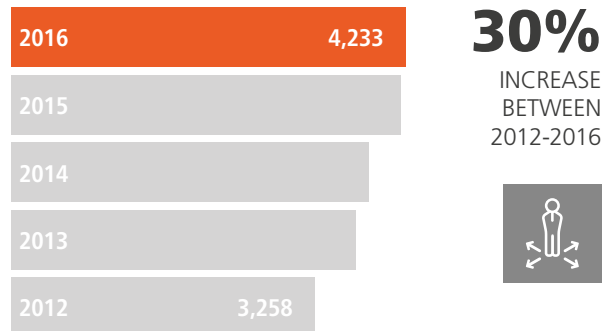
OUR SUCCESSFUL HISTORY FOR OVER 90 YEARS

- ✓ OUR LEADERSHIP POSITION IN THE SECTORS THAT HAVE HIGH GROWTH POTENTIAL
- ✓ HAVING THE WIDEST DISTRIBUTION NETWORK AND CUSTOMER DATABASE IN TURKEY
- ✓ OUR STRONG BRANDS THAT HAVE HIGH RECOGNITION
- ✓ OUR SERVICE QUALITY IN PRE-SALES, SALES, AND AFTER-SALES PROCESSES
- ✓ OUR IMAGE AS THE SYMBOL OF TRUST AND SUCCESS
- ✓ OUR LEADING POSITIONS IN GLOBAL MARKETS
- ✓ OUR STRONG INTERNATIONAL PARTNERSHIPS

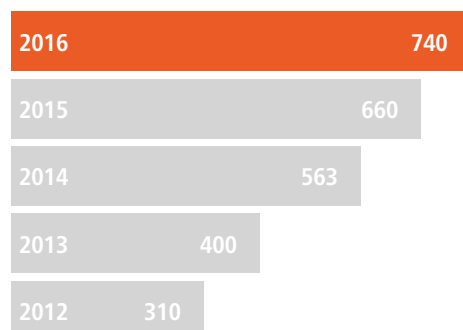
TOTAL R&D SPENDING OF KOÇ GROUP COMPANIES (TL-MILLION)



TOTAL R&D EMPLOYEES OF KOÇ GROUP COMPANIES



KOÇ GROUP'S PATENT APPLICATIONS BY YEAR



HIGHLY TRANSPARENT PORTFOLIO

Almost 90% of the net value of Koç Holding's assets is composed of publicly traded companies.



**TOTAL
REVENUES**

34,855
(TL million)



**SHARE OF
INTERNATIONAL
REVENUES**

18%

✓ Company **with 100%** of Turkey's current refining capacity.

✓ Europe's **7th** and the world's **26th** largest refining capacity

For detailed information...
www.tupras.com.tr



**TOTAL
REVENUES**

6,749
(TL million)



**SHARE OF
INTERNATIONAL
REVENUES**

7%

✓ Turkey's market **leader** since its inception in 1961.

✓ **A brand** closed identified with the LPG product

For detailed information...
www.aygaz.com.tr



**TOTAL
REVENUES**

18,289
(TL million)



**SHARE OF
INTERNATIONAL
REVENUES**

67%

✓ Turkey's export **champion**

✓ **Leader** in total commercial vehicles (excluding buses) in Turkey

For detailed information...
www.fordotosan.com.tr



**TOTAL
REVENUES**

14,236
(TL million)



**SHARE OF
INTERNATIONAL
REVENUES**

69%

✓ **Sole** automotive manufacturer in Turkey that produces both passenger vehicles and light commercial vehicles

✓ **Second** largest **R&D** capability of Fiat Chrysler Automobiles in Europe

For detailed information...
www.tofas.com.tr



**TOTAL
REVENUES**

3,443
(TL million)



**SHARE OF
INTERNATIONAL
REVENUES**

29%

✓ **Leader** of the Turkish tractor market

✓ **Most extensive** design and **sole** manufacturing center for some tractor models and transmissions

For detailed information...
www.turktraktor.com.tr

Otokar



TOTAL REVENUES

1,634
(TL million)



SHARE OF INTERNATIONAL REVENUES

27%

√ **Largest** private sector defense company in Turkey

√ **Leading** supplier of land vehicles to the Turkish Armed Forces

√ **Leader** of the Turkish bus market (in segments the Company is active)

For detailed information...
www.otokar.com.tr

Arçelik A.Ş.



TOTAL REVENUES

16,096
(TL million)



SHARE OF INTERNATIONAL REVENUES

60%

√ White goods and TV market **leader** in Turkey

√ **The market leader** in South Africa with its Defy brand; in Romania with its Arctic brand; in Pakistan with its Dawlance brand; in freestanding white goods market in Europe.

For detailed information...
www.arcelikas.com.tr

YapıKredi



ASSET SIZE

271
(TL billion)



RETURN ON AVERAGE EQUITY

12.2%
(12.8% Return on Average Tangible Equity)

√ **4th** largest among private banks in asset size

√ **Leader** in credit cards market in Turkey

√ **Leader** in financial leasing and factoring in Turkey

For detailed information...
www.yapikredi.com.tr

tat



TOTAL REVENUES

981
(TL million)



SHARE OF INTERNATIONAL REVENUES

9%

√ **Leading brand** in tomato paste, tomato products, ketchup, premium pasta and pasteurized milk in Turkey

For detailed information...
www.tatgida.com

FOCUS ON SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Integrating our sustainability strategy into our business models provide significant competitive advantage.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE MANAGEMENT

From year one, the Koç Group has been aware that corporate sustainability is only made possible with complete social welfare.

At the Koç Group, sustainability efforts are managed in a manner to foster business strategies and stakeholder engagement. Accordingly, three focus areas have been identified with the sustainability model: Management, Practice, and Communications.

Regarding the first focus area, the Koç Group aims to bring together all relevant teams so that they can review global trends and share their experiences as part of sustainability management efforts.

GLOBAL COMPACT

The United Nations Global Compact, signed by the late Mustafa V. Koç in 2006, is an international framework that demonstrates how social responsibility can be implemented in corporate operations and how it can be improved upon.

ENVIRONMENTALLY FRIENDLY PRACTICES AT KOÇ

The Koç Group is committed to compliance with international environmental laws, rules and standards in all its operations and activities. The Group aims to work for a world inhabitable today and in the future. To this end, the Group continually raises environmental awareness among employees, the community and suppliers, while shaping its business operations to become a leader in environmental performance.

- Climate change management
- Resource use efficiency management
- Environmentally-friendly product development
- Environmental protection and improvement

SOCIAL DEVELOPMENT

The Koç Group places great importance on improving social prosperity, in accordance with the expectations of its stakeholders. Accordingly, the Group manages social development efforts within a strategic framework and allocates its resources to a number of areas including gender equality, education, healthcare, the environment, culture and arts.

- Activities for gender equality
- For My Country- the main focus of the "For My Country" project is gender equality between 2015 and 2017.

CORPORATE SPONSORSHIP AND BRAND PROJECT

- Koç Sports Fest
- Sponsorship of the National Olympic Committee of Turkey
- KidZania - Earthquake Simulation Center
- International Nasreddin Hodja Cartoon Contest and Symposium
- Istanbul Biennial



VEHBI KOÇ FOUNDATION

Vehbi Koç Foundation was established in 1969 by Vehbi Koç as the first private foundation of the Turkish Republic.

Vehbi Koç Foundation continues to make a difference via institutions under the structure of the foundation and the projects that it supports.

EDUCATION

Since 1969, Vehbi Koç Foundation has awarded over 50,000 scholarships for equal opportunity in education, providing scholarship support to talented, successful students of limited financial means. A total of 6,026 students benefited from these scholarships in the 2015-16 academic year, including vocational education scholarships, financial aid for undergraduates and research grants.

- Preparations for the "Model School"
- Outstanding performance by Koç School and students
- Koç University launches Rahmi M. Koç Medal of Science award program

HEALTHCARE

The Vehbi Koç Foundation fulfills its responsibilities in the healthcare field through its hospitals, medical centers, and nursing schools.

- Professor Kamil Uğurbil receives the 15th Vehbi Koç Award
- Koç University Hospital Bone Marrow Transplantation Unit started to admit patients
- American Hospital – MD Anderson international partnership
- First Faculty of Nursing among foundation universities
- Koç University First Aid Training Center continues training programs

CULTURE

The museums and research centers of the Vehbi Koç Foundation shine a light on our cultural heritage and unearth the gems of history.

- AKMED: Serving researchers of Mediterranean civilizations
- Support from AKMED to researchers
- Byzantine Identity and the Other at ANAMED
- A year filled with art from Arter
- Construction of the Contemporary Art Museum continues
- Sadberk Hanım Museum continues museum training programs for children
- VEKAM presents the exhibition "Irony and Tension"



AWARDS AND ACHIEVEMENTS

Koç Group's achievements have been documented with local and international awards.

	AMONG THE WORLD'S TOP 500 COMPANIES	Koç Holding is the only Turkish company in the Fortune Global 500 ranking.
	KOÇ HOLDING AND 3 KOÇ GROUP COMPANIES IN THE WORLD'S TOP R&D INVESTORS	The European Commission's 2016 list for "World's Top 2,500 R&D Investors" based on R&D spending figures includes Koç Holding as well as three other Koç Group companies.
	EXPORT CHAMPIONS	The Koç Group put its stamp on the "Export Champions Award Ceremony" organized by the Turkish Exporters Assembly. Four Koç Group companies ranked first, second, sixth and seventh among the country's top 10 exporters in 2016.
	4 KOÇ GROUP COMPANIES RANK AMONG THE TOP 5 INDUSTRIAL CORPORATIONS	The Koç Group successfully maintains its position as Turkey's top industrial group. According to the Top 500 Industrial Enterprises Survey 2015 by the Istanbul Chamber of Industry, four Koç Group companies rank among the top five industrial corporations in Turkey.
	3 KOÇ GROUP COMPANIES IN THE TOP FIVE OF THE PATENT LEAGUE	At the 5 th Turkish Patent Awards Ceremony, Koç Group companies ranked 1 st , 3 rd and 4 th in the Patent League.
	4 AWARDS TO KOÇ GROUP COMPANIES AT R&D SUMMIT	At the 2015 R&D Centers Performance Index Awards during the 5 th Private Sector R&D Centers Summit organized by the Ministry of Science, Industry and Technology, Koç Group companies garnered four awards.
	THE MOST ADMIRED COMPANY	In 2016, as in 2015, Koç Holding topped the "Turkey's Most Admired Companies" survey carried out by Capital magazine among close to 1,600 managers from over 500 companies.
	THE MOST PRESTIGIOUS COMPANY	Koç Holding ranked first in the "Turkey Prestige Index – 2015" survey conducted by the Turkish Prestige Academy among 4,800 individuals from 20 different sectors.
	THE MOST IDEAL EMPLOYER	Koç Holding topped the "Turkey's Ideal Employers 2016" list, based on the votes of university students and young professionals. In this survey carried out by Universum, Koç Holding was designated as Turkey's most appealing employer by students from the faculties of economic and administrative sciences, engineering and IT, as well as social sciences.
	CARNEGIE MEDAL OF PHILANTHROPY	In recognition of its contributions to the society, Koç Family was deemed worthy of "Carnegie Medal of Philanthropy," considered to be one of the most prestigious philanthropy awards in the world.
	LEGION D'HONNEUR	Koç Holding's Honorary Chairman Rahmi M. Koç holds the "Legion D'Honneur," the highest decoration granted by the French government since 1802.
	KOÇ SPOR FEST GARNERS GOLD AND BRONZE AWARDS	Koç Holding was deemed worthy of the "Gold Prize" in the "Interactive Brand Experience" category of Ava Digital Awards, Turkey's largest youth festival, and the "Bronze Prize" in the "Non-Profit Campaigns" category at the Summit Awards.
	KAGİDER BİRE:BİR AWARD	Under the "For My Country" project, the "Start Ensuring Gender Equality With Your Words" advertisement, specially prepared for 8th of March World Women's Day, was deemed worthy of the "KAGİDER Bire:bir" social gender equality special award at the Felis Awards, granted in cooperation with the Women Entrepreneurs Association of Turkey (KAGİDER).

SHAREHOLDER AND INVESTOR RELATIONS

As of end-2016, Koç Holding was the most valuable company on Borsa İstanbul with a market capitalization of TL 34,995 million.

As a sign of the high shareholder value created by Koç Holding, Koç Holding stock trades with much lower discounts, at times even with premium, to its NAV compared to other holding companies both in Turkey and internationally.

Koç Holding stock have consistently outperformed BIST indices over the past five years.

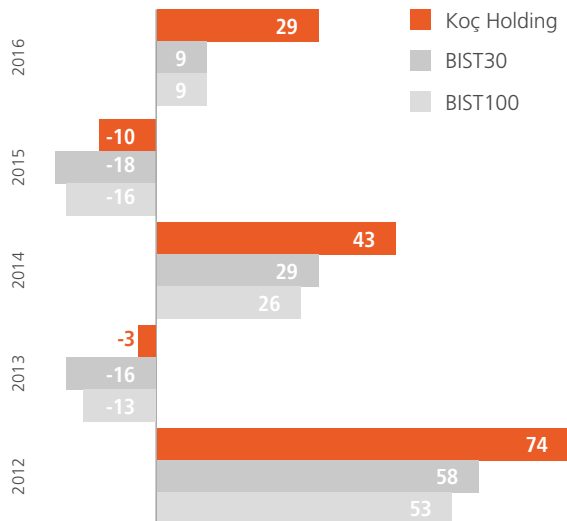
Koç Holding stock continued its consistent superior performance in 2016. The stock went up 29% in 2016, well outperforming the BIST-30 and BIST-100 indices, which rose by 9% in the same period.

As a result of the consistent high performance of Koç Holding stock, there was an increase in foreign investors' interest. The percentage of foreign holdings in Koç Holding's free float went up from 55.9% in 2009 to 83.6% as of year-end 2016. During the same period, the share of foreign investors in BIST as a whole went down from 67.2% to 63.4%.

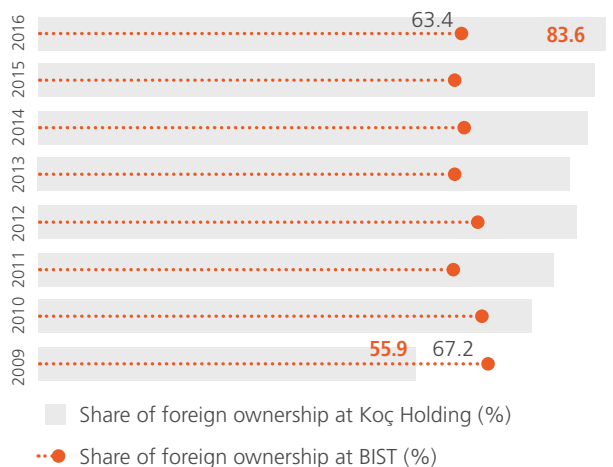
PREMIUM/DISCOUNT TO NET ASSET VALUE (%)

AVERAGE	2012	2013	2014	2015	2016
Koç Holding	-6	-3	+1	-2	-3
Peer Holding Average	-45	-34	-39	-35	-36

SHARE PERFORMANCE (ANNUAL CHANGE-%)



SHARE OF FOREIGN HOLDINGS IN FREE FLOAT (%)



FINANCIAL INFORMATION

The Koç Group focuses on sustainable and profitable growth.

COMBINED - TL MILLION	2012	2013	2014	2015	2016	2016 YOY CHANGE %
Revenues	116,588	123,478	133,467	149,621	161,792	8
Operating profit ⁽¹⁾	7,030	6,899	6,440	11,161	12,144	9
Earnings before interest, taxes, depreciation and amortization - EBITDA ⁽¹⁾	8,681	8,672	8,440	13,717	15,113	10
Profit for the year	6,254	7,481	6,642	8,936	9,092	2
Total assets	201,871	243,711	286,261	330,277	384,399	16
Capital expenditures	4,717	6,431	7,614	6,885	6,164	-10

CONSOLIDATED - TL MILLION	2012	2013	2014	2015	2016	2016 YOY CHANGE %
Revenues	65,666	66,182	68,622	69,492	70,932	2
Operating profit	3,811	3,727	3,222	6,677	6,949	4
Earnings before interest, taxes, depreciation and amortization - EBITDA	4,586	4,597	4,180	7,944	8,377	5
Profit for the year attributed to equity holders of the parent	2,324	2,680	2,710	3,568	3,460	-3
Total assets	48,688	58,790	63,941	72,985	88,071	21
Total equity	24,261	26,191	29,301	33,676	36,866	9
Equity attributed to equity holders of the parent	16,286	18,035	20,348	23,135	25,826	12
Capital expenditures	3,111	4,422	4,416	3,798	3,345	-12
Return on equity (%)	16.6	17.5	15.4	18.2	15.5	-2.7 ⁽²⁾
Current ratio	1.37	1.35	1.33	1.43	1.53	0.1 ⁽²⁾

REVENUES (CONSOLIDATED-TL MILLION)

2016 70,932

2015 69,492

2014 68,622

EBITDA⁽¹⁾ (CONSOLIDATED-TL MILLION)

2016 8,519

2015 8,237

2014 4,262

NET PROFIT⁽³⁾ (CONSOLIDATED-TL MILLION)

2016 3,460

2015 3,568

2014 2,710

⁽¹⁾ Excluding FX gains/losses and credit finance income/charges on trade receivables and payables.

⁽²⁾ Changes in ratios are given as percentage point differences.

⁽³⁾ Attributed to the equity holders of the parent.

Koç Holding IR Application



iPhone/iPad

Available on the
App Store

Android

ANDROID APP ON
Google Play

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