



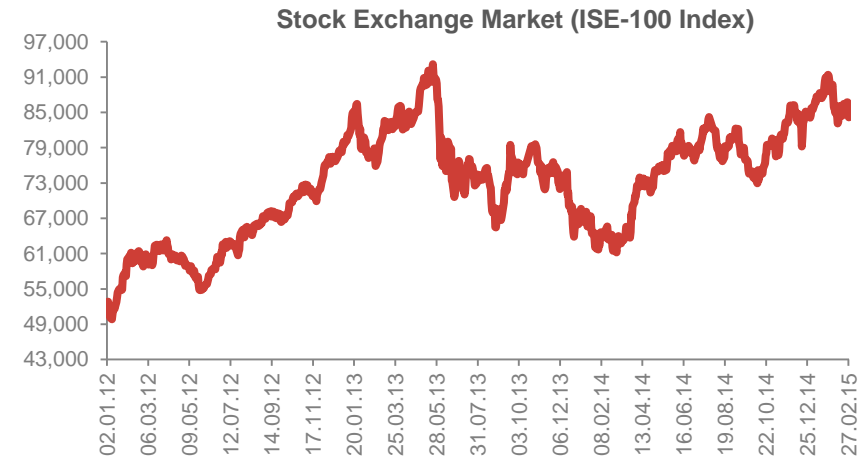
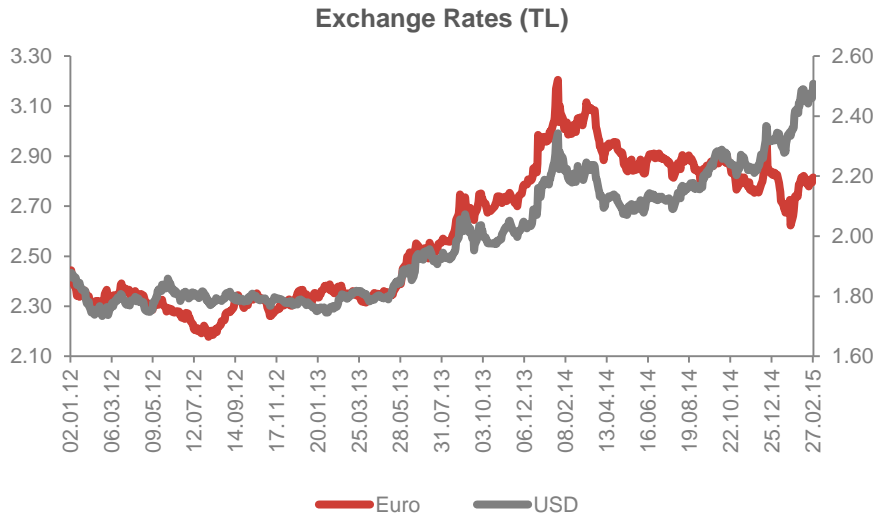
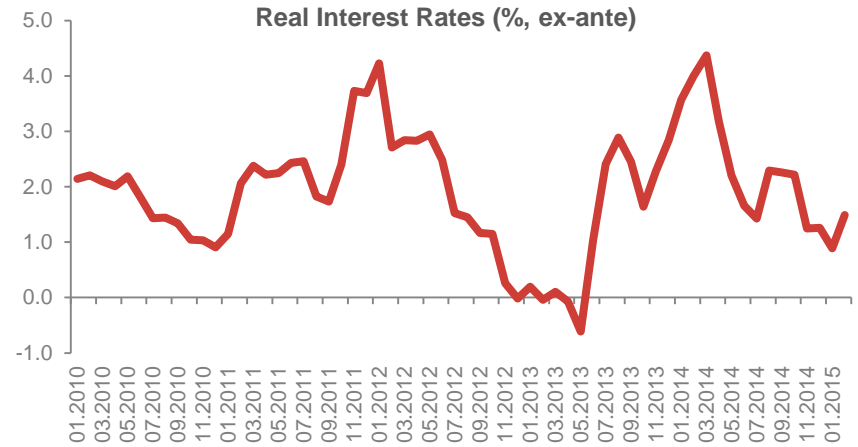
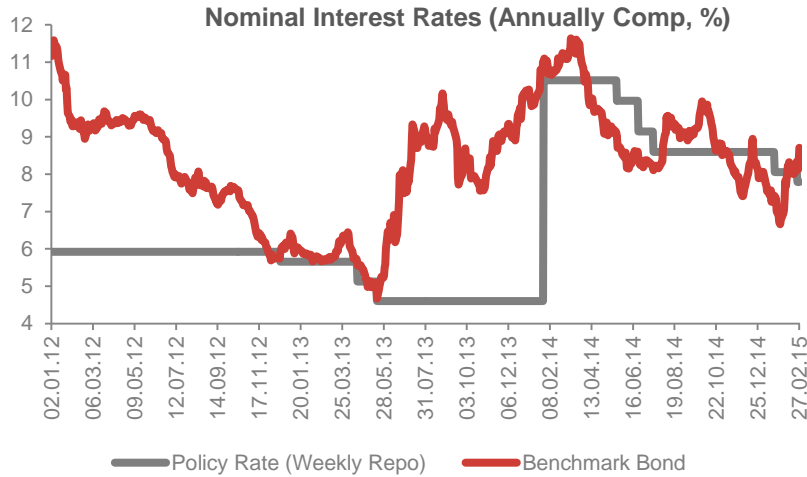
**Koç Holding**  
**2014 Earnings Presentation**

3 March 2015

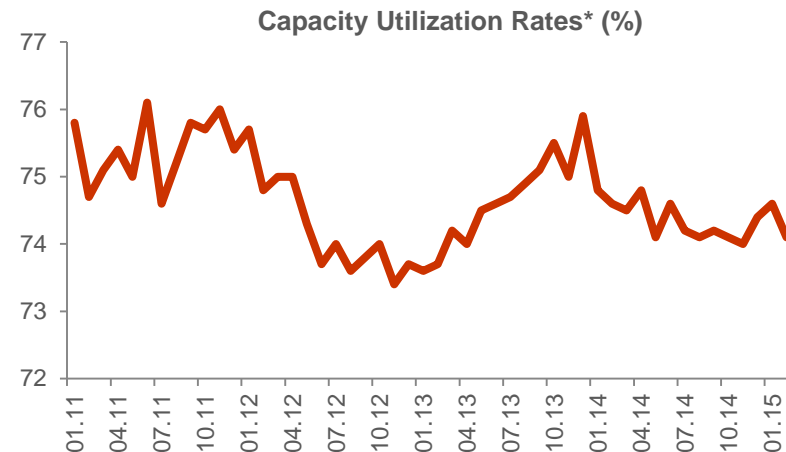
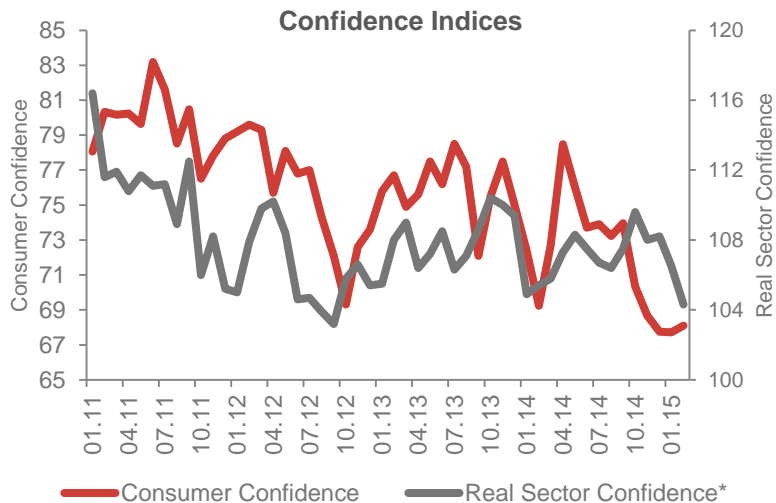
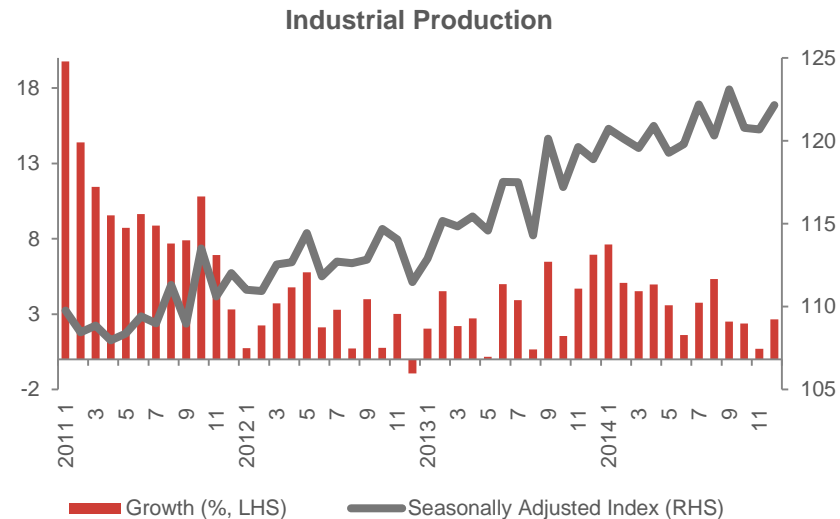
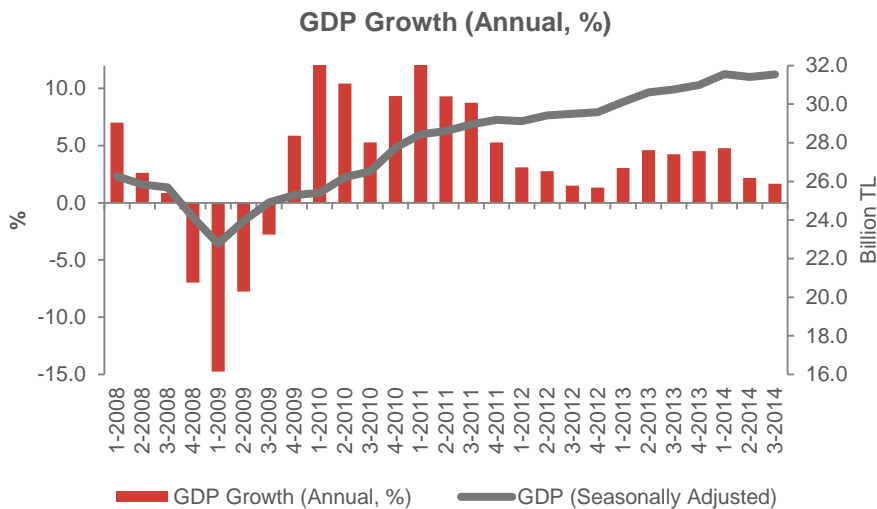
# 2014 Operating Environment



# Decline in oil prices has supported financial markets in Turkey until the controversy about Central Bank policy started in late January



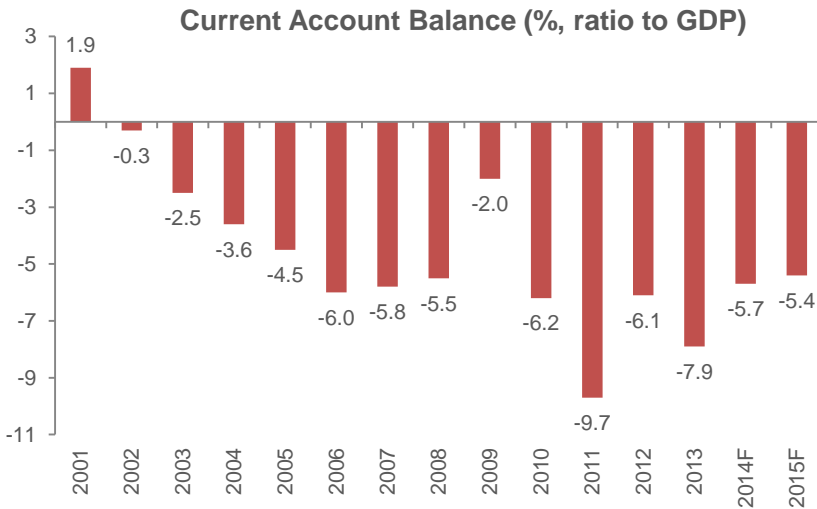
# Modest recovery in domestic demand and weakness in exports have kept confidence and economic activity at low levels



\* Seasonally adjusted

# Foreign trade deficit continued to decline in the fourth quarter, leading to a substantial improvement in the current account balance

	December 2014		Last 12 Months	
	\$ Billion	Annual Chg.	\$ Billion	Annual Chg.
<b>Exports</b>	13.3	1.2%	157.7	3.9%
<b>Imports</b>	21.8	-5.6%	242.2	-3.7%
<b>Trade Balance</b>	-8.5	-14.6%	-84.5	-15.4%

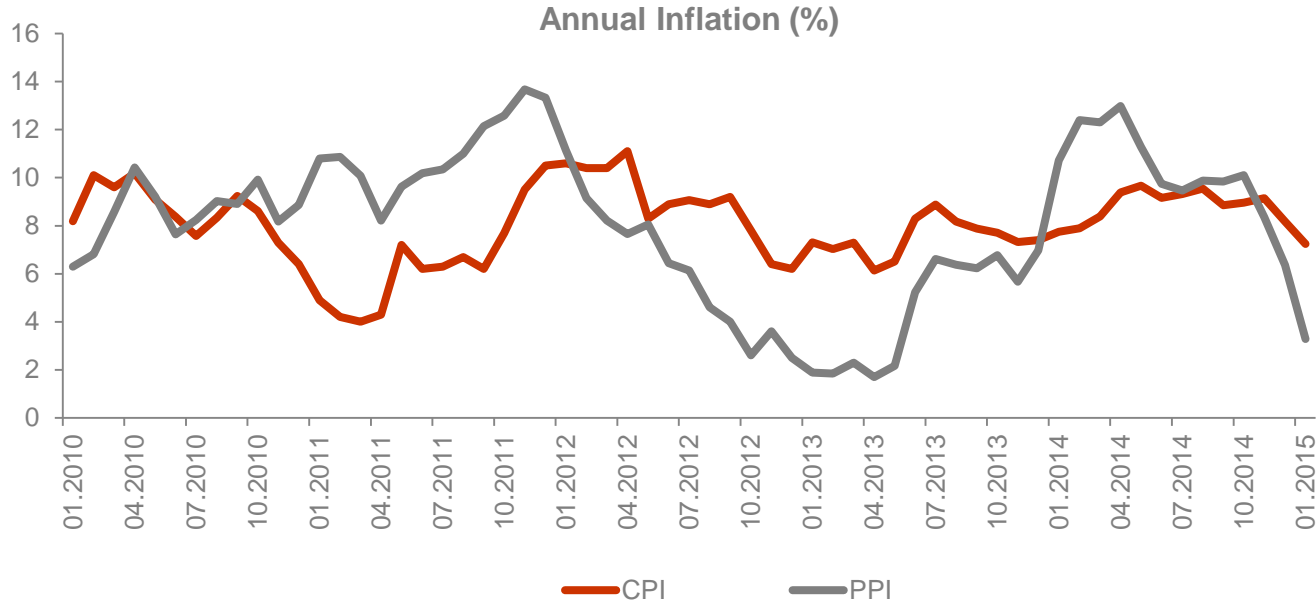


(\$mn)	2014 December	2013 December	2014 Annual	2013 Annual
<b>C/A Balance</b>	<b>-6.816</b>	<b>-8.349</b>	<b>-45.836</b>	<b>-64.658</b>
Capital Flows(net)	-2.201	-3.942	-43.190	-72.721
FDI (net)	912	1.137	5.483	8.830
Portfolio Inv. (net)	1.218	-229	19.987	23.986
Other Investment (net)	71	3.034	17.720	39.905
Net Errors & Omission	-1.020	687	2.244	2.796
Change in Official Reserves*	-5.636	-3.720	-468	10.763

\* (-) sign indicates an increase in reserves



# Positive impact of plunge in oil prices on inflation is being contained by weakness in TL



%	July	Aug	Sep	Oct	Nov	Dec	Jan 15
CPI (Annual)	9.3	9.5	8.9	9.0	9.2	8.2	7.2
CPI (Monthly)	0.45	0.09	0.14	1.90	0.18	-0.44	1.10
Core Inflation (Annual)	9.8	9.7	9.3	9.0	9.0	8.7	8.6
PPI (Annual)	9.5	9.9	9.8	10.1	8.4	6.4	3.3



**2014**  
**Koç Group**



## Energy – Residuum Upgrade Project (RUP) of Tüpraş

RUP is completed and will be full operational in 2Q15 with positive impacts in 2015 onwards



**White Product Yield**

- Improve white product yield to 80-85% (2014: 72%)



**CUR**

- Attain full capacity utilization (2014: 74.9%)



**Nelson Complexity**

- Make İzmit refinery the most complex refinery in Mediterranean and one of the most complex refineries globally



**Increase in Profitability**

- **Raise annual EBITDA of Tüpraş by c. US\$550mn**

**Increase in Free Cash Flow**

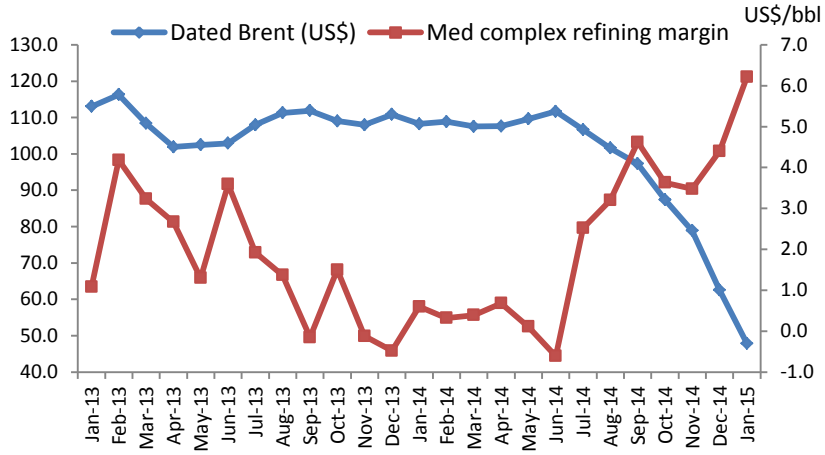
- **No major capex after RUP (US\$ 3bn investment)**  
Annual investment expectation (2015): U\$ 150-200mn





## Energy – Koç Group Companies

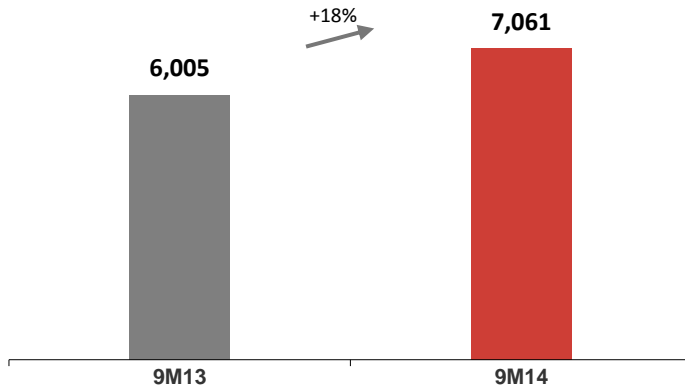
Refining margins were not impacted by falling oil prices



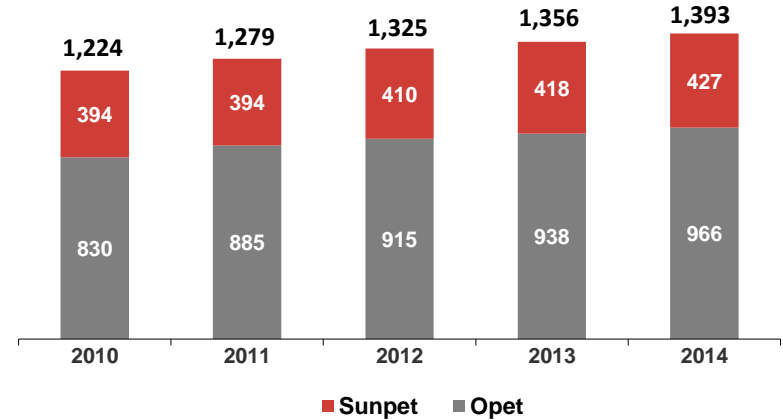
Tüpraş & Med Complex Margins – US\$/Barrel

	Tüpraş Clean Net Margin	Inventory Effect	Tüpraş Net Margin	Med Complex Margin
4Q13	1.92	0.11	2.03	0.30
4Q14	6.02	-1.45	4.56	3.84
2013	2.25	0.21	2.45	1.67
2014	3.74	-0.53	3.21	1.95

Aygaz Net Sales – TLmn

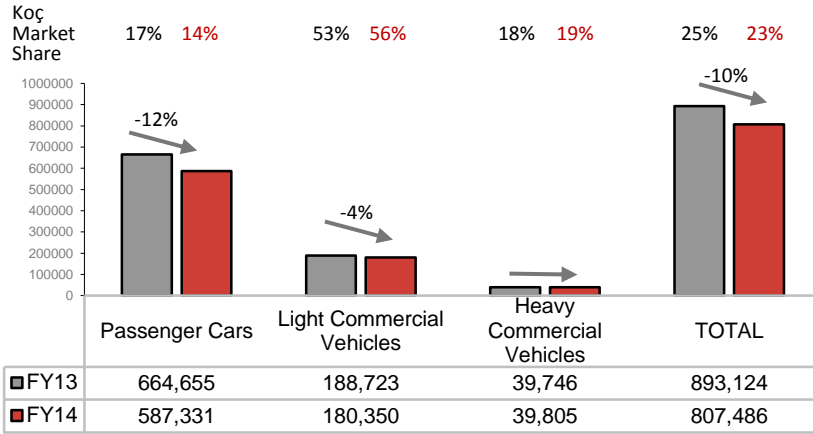


Opet Station Numbers



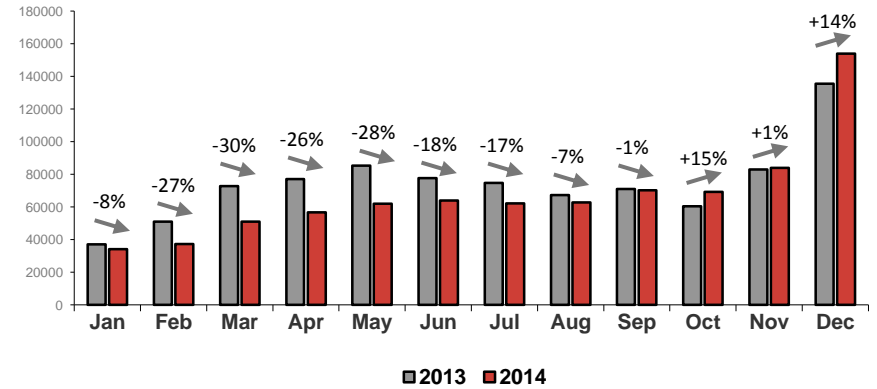
## Automotive – Ford Otosan & Tofaş vs Sector

Sales Units, Domestic Market \*



\* Source: AMA

Sales Development, Domestic Market \* – Units, Monthly



Koç Group Share – January-December 2014

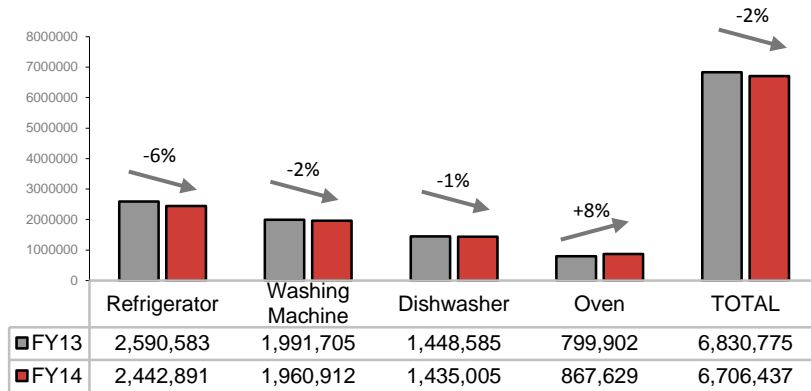
	Ford Otosan		Tofaş	
	Market Share	Rank	Market Share	Rank
Total Automotive*	11.6%	3	11.4%	4
PC	6.3%	6	7.3%	4
LCV	23.7%	2	43.1%	1
MCV	31.7%	1	9.8%	3
Heavy Truck	21.8%	2	---	-

\* Including Heavy Commercial Vehicles



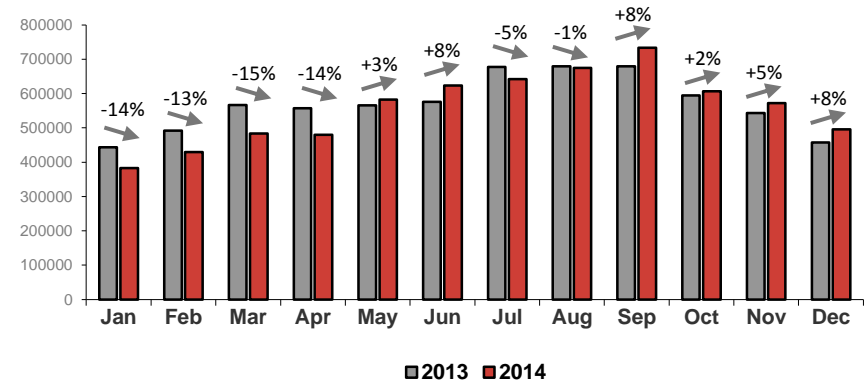
## Consumer Durables – Arçelik vs Sector

Sales Units, Domestic Market \*

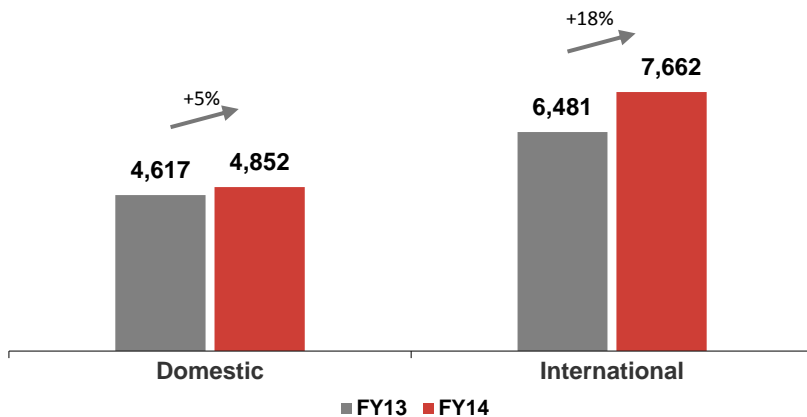


\* Source: WGMA

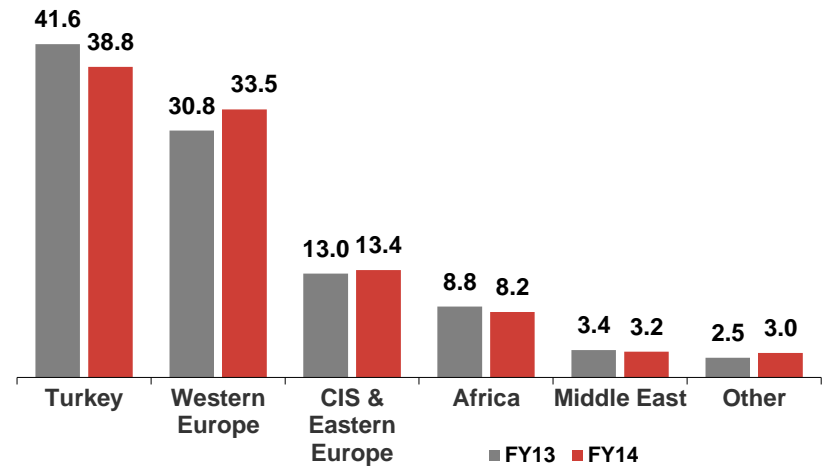
Sales Development, Domestic Market \* – Units, Monthly



Arçelik Revenues – TL million



Arçelik Regional Breakdown of Revenue – %



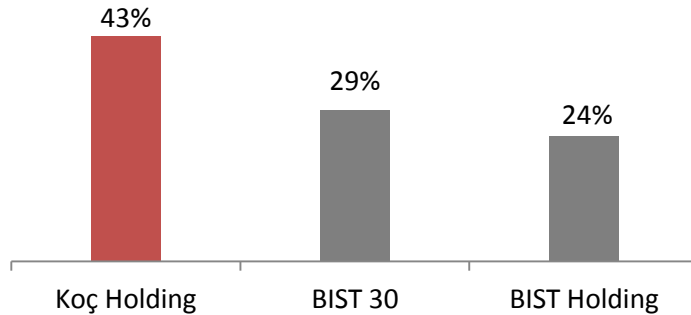
# Finance – Yapı Kredi Bank

	<h3>Strategic Guidelines</h3>	<h3>Results</h3>	
<h3>Accelerating Growth</h3>	<ul style="list-style-type: none"> <li>Increasing «natural market share» to 10%</li> <li>Remixing loan book towards more profitable segments</li> </ul>	<h4>Better than Guidance</h4> <h4>Market Share Gains</h4> <p>Loans: 9.5% (2013) to 10.2% (2014) Deposits: 9.1% (2013) to 10.0% (2014)</p>	<h4>In Line</h4> <h4>Loan Composition</h4> <p>2013: Retail 27%, Cards 19%, Corp/Comm 54% 2014: Retail 27%, Cards 14%, Corp/Comm 59%</p>
<h3>Strong Fundamentals</h3>	<ul style="list-style-type: none"> <li>CAR &gt;14% and Tier-1 &gt;10%</li> <li>LDR within comfortable band</li> </ul>	<h4>Better than Guidance</h4> <h4>CAR</h4> <p>CAR: 16.0% (2013) to 15.0% (2014) CT1: 11.6% (2013) to 10.9% (2014) T1: 11.1% (2013) to 10.9% (2014)</p>	<h4>In Line</h4> <h4>Loan / Deposit Ratio</h4> <p>2011: 97% 2012: 104% 2013: 104% 2014: 116% Sector, 112% YKB</p>
<h3>Solid Profitability</h3>	<ul style="list-style-type: none"> <li>Investing in growth while maintaining discipline in ordinary costs</li> <li>Increasing trend in quarterly net income</li> </ul>	<h4>In Line</h4> <h4>Cost / Income</h4> <p>YKB: 44% (2013) to 47% (2014, +3pp) Sector: 43% (2013) to 45% (2014, +2pp)</p>	<h4>In Line</h4> <h4>Net Income</h4> <p>1Q14: 429, 2Q14: 501, 3Q14: 513, 4Q14: 614</p> <h4>ROATE</h4> <p>YKB: 12.0%, Sector: 12.8%</p>
<h3>Resilient Asset Quality</h3>	<ul style="list-style-type: none"> <li>In line with sector NPL ratio evolution</li> <li>Stable CoR vs YE13</li> </ul>	<h4>Better than Guidance</h4> <h4>NPL Ratio</h4> <p>YKB: 3.5% (2013) to 3.4% (2014, -10bps) Sector: 2.6% (2013) to 2.8% (2014, +20bps)</p>	<h4>Better than Guidance</h4> <h4>Cost of Risk</h4> <p>2013: 1.27%, 2014: 1.17%</p>

LDR (inc TL bonds), Cost/Income and RoATE ratios for sector based on BRSA monthly data as of Dec'14  
 NPL ratio for sector based on BRSA weekly data as of 2 Jan'15  
 RoATE indicates return on average tangible equity (excl TL 979 mln goodwill)  
 Cost of Risk, cumulative = (Total Loan Loss Provisions-Collections)/Total Gross Loans

# Strong Relative Share Performance

## Strong stock performance (in TL) - 2014



## Robust outperformance of BIST indices

Stock performance (TL)	Koç Holding	BIST30	BIST100	BIST Holding
2014	43%	29%	26%	24%
2013	-3%	-16%	-13%	-7%
2012	74%	58%	53%	55%

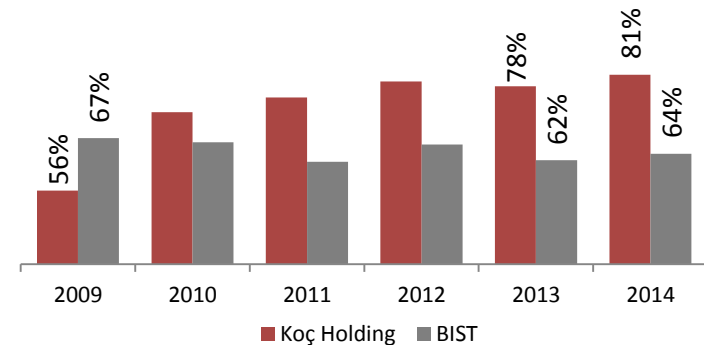
## Consistently low levels of NAV discount (yearly avg.)

	Koç Holding	Peer Group*
2014	+1%	-39%
2013	-3%	-42%
2012	-6%	-45%

\* Peer Group: Sabancı Holding, Dogan Holding, Yazıcılar Holding

## Sustainability via institutional investor base

### Share of foreign investment in free float



# 2014 Financial Results



## Group's Overall Financial Performance

TL million	Energy	Automotive	Consumer Durables	Finance	Other	2014 Total	Change Over 2013 Total
Combined Revenues *	68,343	26,829	12,942	16,838	8,514	<b>133,467</b>	8%
Combined Gross Profit	2,456	3,240	4,031	7,904	1,465	<b>19,095</b>	4%
Combined Operating Profit **	647	1,683	1,005	3,049	90	<b>6,474</b>	-6%
Combined Profit Before Tax	186	1,310	695	3,087	692	<b>5,971</b>	-17%
Combined Net Income	1,446	1,560	600	2,465	571	<b>6,642</b>	-11%
Consolidated Net Income ***	592	647	236	823	412	<b>2,710</b>	1%

\* Before intra-group revenue eliminations

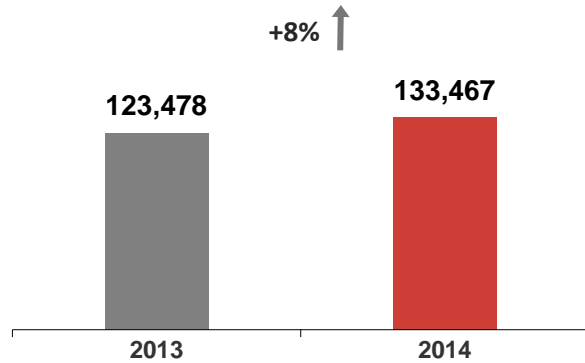
\*\* Excluding FX gains/losses and credit finance income/charges on trade receivables and payables (Combined operating profit reported in 2014 audited financial report is TL 6,350 mn)

\*\* Koç Holding's consolidated net income after the share of JV partners and non-controlling interests

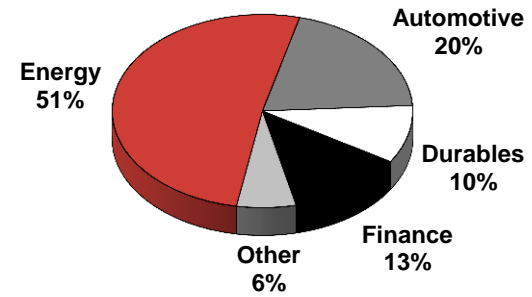


# Combined Revenues

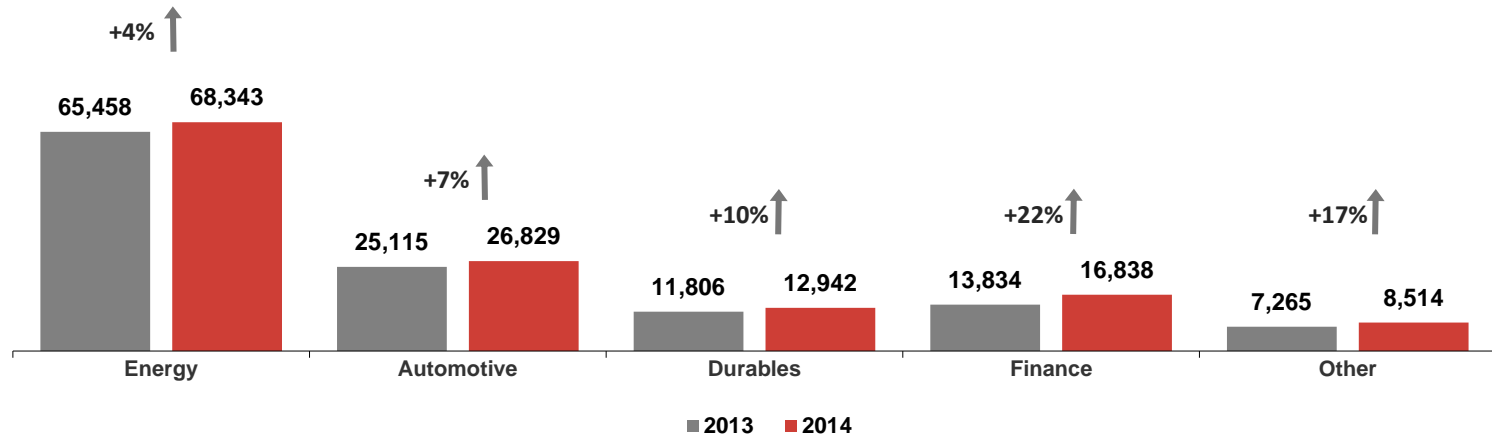
Combined Revenues – TLmn



Segmental Combined Revenues Breakdown – %



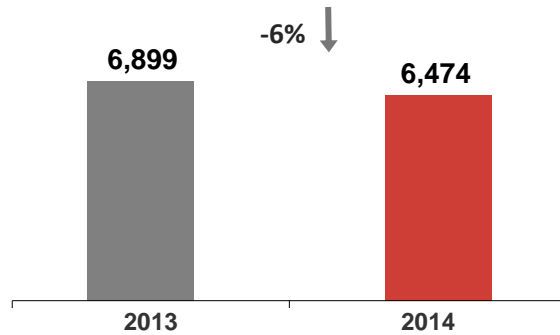
Segment Contribution to Combined Revenues – TLmn



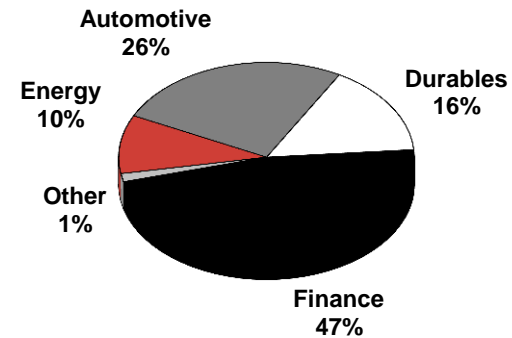


## Combined Operating Profit \*

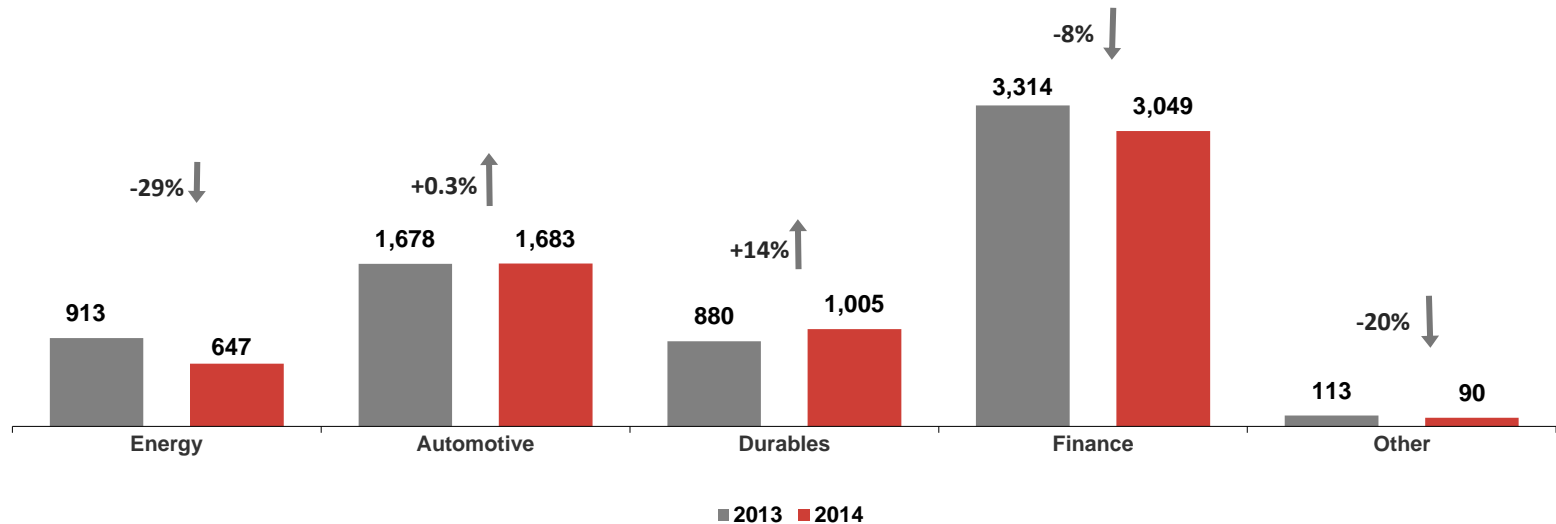
Combined Operating Profit – TLmn



Segmental Combined Operating Profit Breakdown – %



Segment Contribution to Combined Operating Profit – TLmn

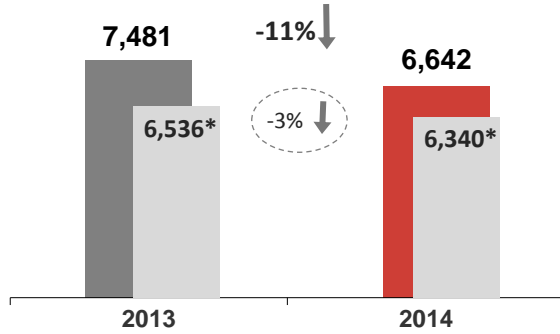


\* Excluding FX gains/losses and credit finance income/charges on trade receivables and payables

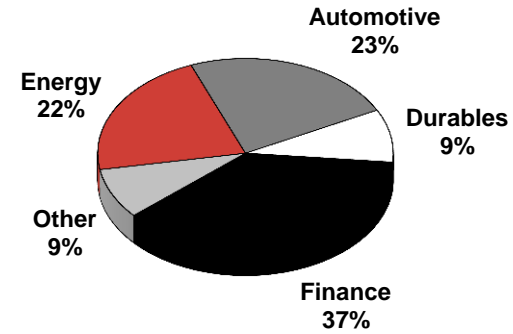


# Combined Net Income

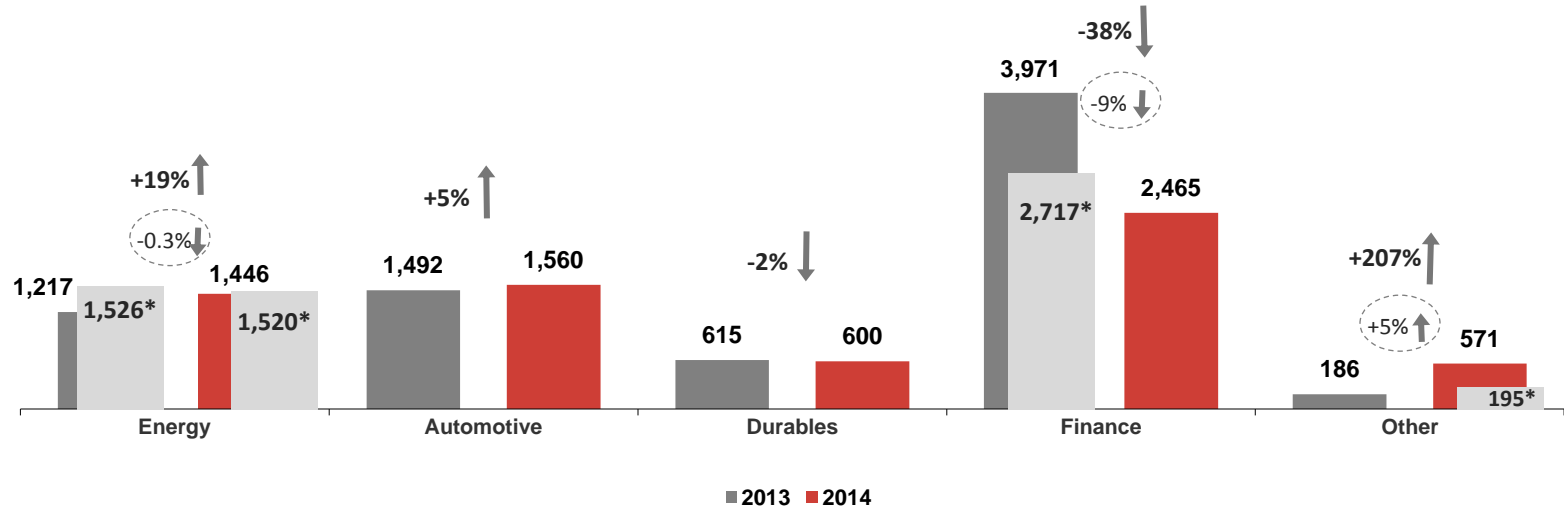
Combined Net Income – TLmn



Segmental Combined Net Income Breakdown – %



Segment Contribution to Combined Net Income – TLmn

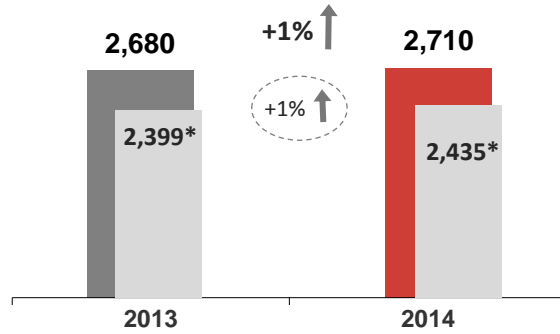


\* Excluding one-off items (2014: i.Fair value gain of Koç Holding's asset exchange transaction, ii.Tat Gıda's gain on sale of Maret segment and iii.Effects of tax settlement process on Tüpraş, Aygaz and Opet – 2013: i.Gain on sale of Yapı Kredi Sigorta and ii.Tüpraş' Competition Board fine)

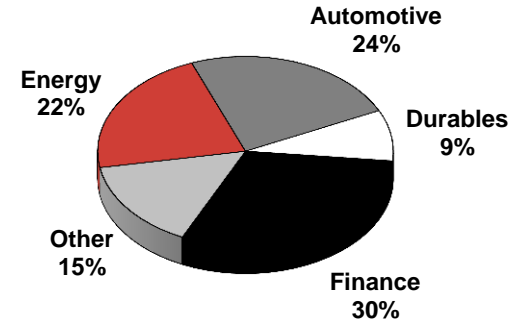


## Consolidated Net Income

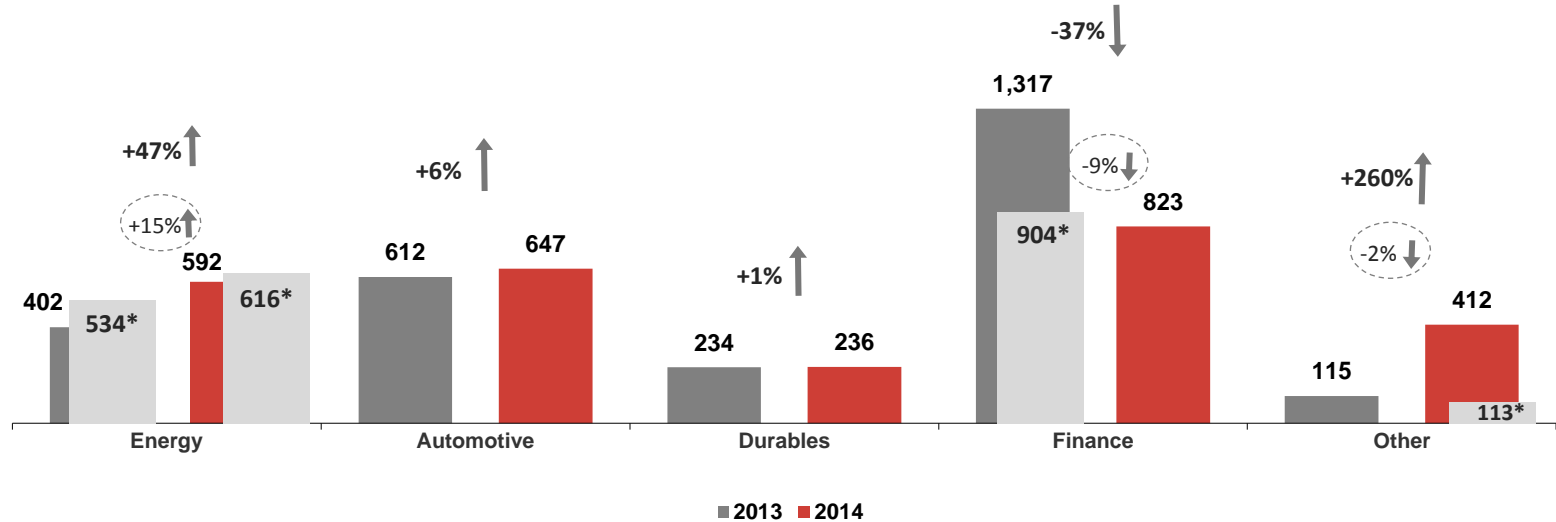
Consolidated Net Income – TLmn



Segmental Consolidated Net Income Breakdown – %



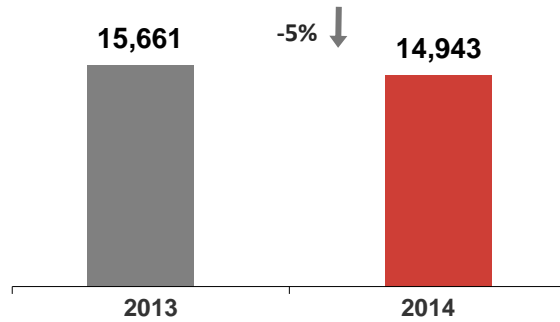
Segment Contribution to Consolidated Net Income – TLmn



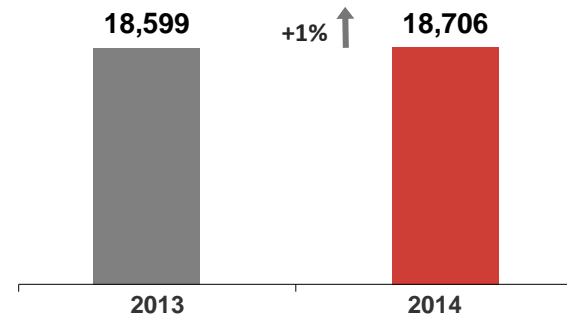
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## Combined Exports & International Sales

Combined Exports – US\$mn

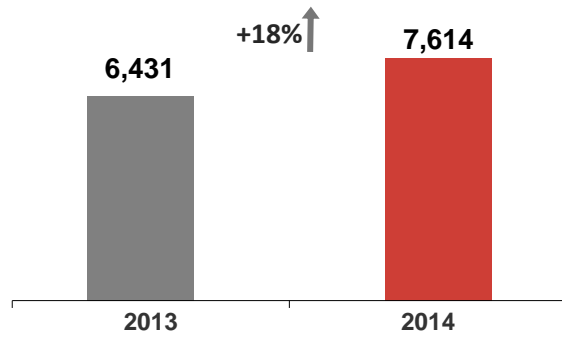


Combined International Sales – US\$mn

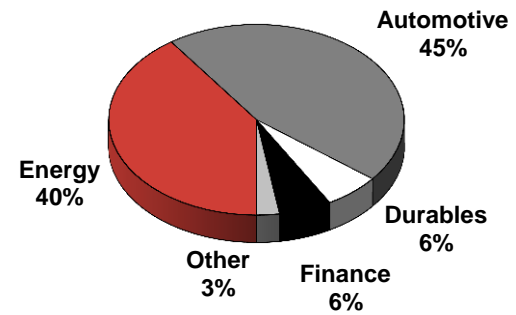


# Combined Investments

Combined Investments – TLmn



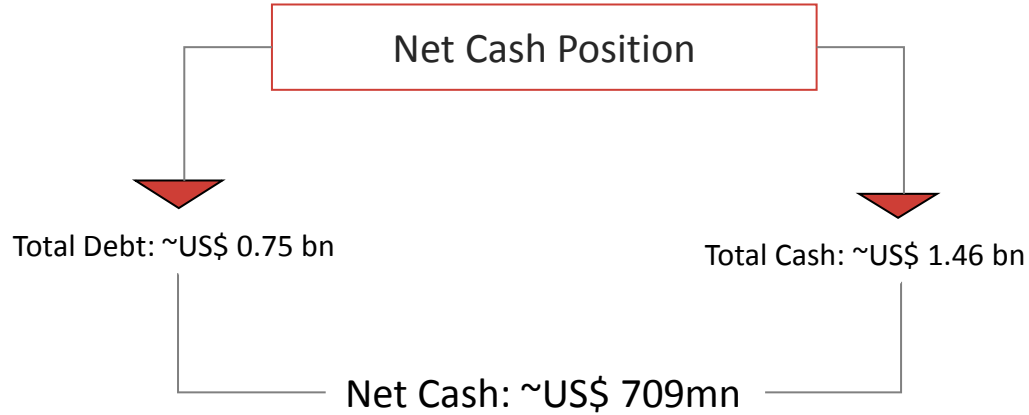
Segmental Investments Breakdown – %



# Koç Holding Net Cash Position

## Koç Holding Stand-Alone

31.12.2014



## Consolidated Net Debt / Cash Excl. Finance

9M14

~US\$ -3.4bn

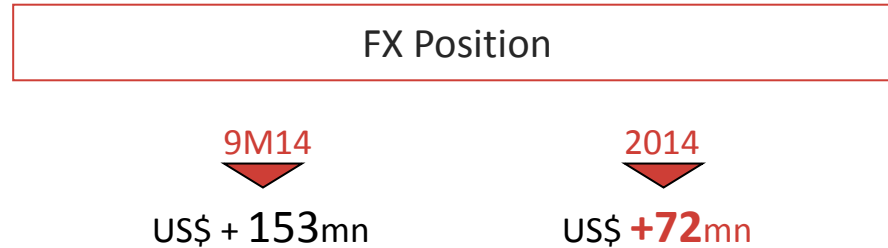
2014

~US\$ -3.3bn



# FX Position

## Koç Holding Stand-Alone



## Koç Holding Consolidated



\* The natural hedging mechanisms due to FX linked pricing of Tüpraş & Aygaz inventory account for ~US\$1.0bn. In addition to these effects, borrowing costs (including FX losses to a certain extent) on Tüpraş' ~US\$2.0bn RUP financing loan can be capitalised during the construction phase of the project.



## Consolidated Main Financial Indicators

	€ Mn*	US\$ Mn*	TL Mn	TL Mn	Change	Change
	31.Dec.2014	31.Dec.2014	31.Dec.2014	31.Dec.2013	%, TL	%, US\$
Revenues	23,615	31,365	68,622	66,182	▲ 4	▼ -10
Gross Profit	2,585	3,433	7,512	7,006	▲ 7	▼ -7
Operating Profit	1,115	1,481	3,239	3,727	▼ -13	▼ -24
Profit Before Tax	1,095	1,454	3,181	3,055	▲ 4	▼ -10
Taxes (net)	356	472	1,033	945	▲ 9	▼ -5
Net Income Before Non-controlling Interest	1,450	1,926	4,214	4,000	▲ 5	▼ -8
Non-controlling Interest	518	687	1,504	1,321	▲ 14	▼ -1
Net Income After Non-controlling Interest	933	1,239	2,710	2,680	▲ 1	▼ -12
Total Assets	22,668	27,574	63,941	58,790	▲ 9	▲ 0.1
Total Equity	10,388	12,636	29,301	26,191	▲ 12	▲ 3
Shareholders' Equity	7,214	8,775	20,348	18,035	▲ 13	▲ 4

\* 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 31 December 2014 (2.8207 TL=1 EUR and 2.3189 TL =1 USD); income statement items have been converted using the 2014 yearly average exchange rate (2.9059 TL=1 EUR and 2.1878 TL=1 USD).





## Q&A



## Disclaimer

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This presentation does contain forward-looking statements that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Koç Holding nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

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# Shareholder Structures as of December 2014

## 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: 43.70% (\*)

### SPV

KH share : 77.00%  
Aygaz: 20.00%  
Opet: 3.00%

### 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%

### TürkTraktör

KH share: 37.50%  
CNH Österreich GMBH : 37.50%  
Free float: 24.93%  
Other: 0.07%

### 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: 17.61%  
Free float: 25.19%

## Finance

### Koç Financial Services

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

### Yapı Kredi Bank

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

## Other

### Tat Gıda

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 :

[investorrelations@koc.com.tr](mailto:investorrelations@koc.com.tr)

► Funda Güngör Akpınar, Coordinator  
Investor Relations  
[fundag@koc.com.tr](mailto:fundag@koc.com.tr)  
+90 216 531 0535

► Gizem Bodur, Manager  
Investor Relations  
[gizemb@koc.com.tr](mailto:gizemb@koc.com.tr)  
+90 216 531 0533

► Neslihan Aycıl, Manager  
Investor Relations  
[neslihana@koc.com.tr](mailto:neslihana@koc.com.tr)  
+90 216 531 0516

[www.koc.com.tr](http://www.koc.com.tr)

The screenshot shows the Koc Holding Investor Relations website. The header includes the Koc logo and navigation links: About, Activity Fields, Investor Relations, Corporate Social Responsibility, and Koc Agenda. The main content area is titled 'Investor Relations' and features a large image of hands holding a pen over documents. Below the image, there are three news items: 'Koc Holding Holds 49th Annual...', 'KOC HOLDING REGISTERED A NET...', and 'BOTH MOODY'S and S&P ASSIGNED...'. The left sidebar contains a menu with categories: Stock Information & Investor Tools, Koc Holding Ratings, Corporate Overview & Governance, Presentations and Bulletins, Financial Statements & Statistics, Material Disclosures, Economic Update, KEYWORDS, Financials, Disclosure Policy, Annual Report, Credit Notes, Contact Us, Board of Directors, Shareholder Structure, Calendar, Material Disclosures, Economic Update, AGM, Presentations, Dividend Policy, Articles of Association, USEFUL TOOLS, and DISCLAIMER. The main content area is titled 'Investor Relations' and features a section 'Why Koc Holding?' with the text 'Strong commitment to Corporate Governance and Corporate Social Responsibility principles'. Below this, there are three columns of content: 'WEB-CAST' (Koc Holding 2013 9M13 Financial Results), 'AGM KIT' (10 April 2013), 'MATERIAL DISCLOSURES' (Latest IR news releases), 'PRESENTATIONS AND BULLETINS' (Latest Investor Presentation 1H13 Unlisted Financials), 'INVESTOR KIT' (Latest IR Tools), and 'ANNUAL REPORTS' (2013 Annual Report (PDF), 2012 Annual Report (WEB)). A stock price chart for KCHOL is displayed, showing a downward trend from 9.00 to 7.00. The page also includes a 'KEYWORDS' section, 'USEFUL TOOLS', and a 'DISCLAIMER'.

