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KOÇ HOLDING POSTS TL 45,5 BILLION CONSOLIDATED TURNOVER AND TL 2,5 BILLION NET PROFIT FOR THE PARENT COMPANY IN THE FIRST HALF OF 2017

KOÇ HOLDING CEO LEVENT ÇAKIROĞLU:

“OUR FOCUS ON PRODUCTION, EMPLOYMENT, INNOVATION AND EXPORT GROWTH CONTINUES UNABATED AS WE CONTINUE TO INVEST BOLSTERED BY OUR CONFIDENCE IN TURKEY. WE HAVE MADE COMBINED INVESTMENTS TOTALLING TL 2,9 BILLION IN THE FIRST HALF OF THE YEAR AND GROWN OUR COMBINED EXPORTS IN USD TERMS BY 19% YEAR-ON-YEAR IN THE SAME PERIOD. WE WILL CONTINUE TO EXPAND IN THE NEXT PERIOD GUIDED BY OUR VISION FOR GLOBAL GROWTH.”

Koç Holding has posted total consolidated turnover of 45,5 billion Turkish liras and net profits of 2,5 billion Turkish liras for the parent company in the first half of 2017. It has also made combined investments totalling 2,9 billion Turkish liras in the same period. Assessing Koç Holding’s financial results for the first half of 2017, Koç Holding CEO Levent Çakiroğlu says: “Our focus on production, employment, innovation and export growth continues unabated as we continue to invest bolstered by our confidence in Turkey. Our combined investments in the past five years exceed 30 billion Turkish liras. Koç Group companies have again led the sales, patent and export lists this year. We place great value on our enormous contribution to the Turkish economy. We will continue to expand in the next period guided by our vision for global growth.”

Levent Çakiroğlu: “We continue to be the powerhouse of the Turkish economy as we maintain our export drive.”

Remarking on the continued success of the Koç Group in the first half of the year and its position as the powerhouse of the Turkish economy, Levent Çakiroğlu adds: “We have increased our combined exports in USD terms by 19% year-on-year in this period. Our export performance in the automotive sector remains solid. We are justifiably proud of having shipped 200,000 vehicles to date thanks to the addition of the Hatchback and Station Wagon models to the Egea family created by the Tofaş engineers and workforce. The strong performance of the Fiat Egea has lifted Tofaş’ total export sales in the first half of the year by 14% year-on-year in the same period. Ford Otosan, in the meanwhile, grew exports by 12% in the first half of 2017, increased market share and played a major role in Ford’s continued leadership in the European light commercial vehicles market. Ford Otosan built 82% of the Transit family of vehicles sold in Europe in this period. Türk Traktör exported 6.049 vehicles

in the first half of the year, which equates to 87% of Turkish tractor exports. The USA remains the biggest market for Türk Traktör. In the first half of 2017, Tüpraş continued to work at full capacity and grew sales by 5.1%. Benefiting from strong domestic demand, Arçelik grew sales in Turkey by 26.5% and international turnover by 31.7%. Arçelik's biggest export market is Europe; its share continued to grow in the built-in appliances segment on the continent. The agreement to partner Voltas, a company in the industrial giant Tata Group, to manufacture and sell in India will expand Arçelik's reach into the world's second most populous market of 1.3 billion. We are convinced that this agreement will open a new page in Arçelik's global growth. Yapı Kredi, in the meanwhile, not only enjoyed strong financial performance, but also continued to offer innovative and pioneering digital banking solutions. The updated mobile app offered customers a multitude of ground-breaking services. These accomplishments in the first half of the year conferred upon Yapı Kredi five major awards given by Global Finance, one of the most prestigious publications in the world. They include The Most Innovative Digital Bank in Europe and Best Consumer Digital Bank in Turkey."

Levent Çakıroğlu: "Successful share sales contribute to the growth and deepening of capital markets."

Commenting on the successful share sales in the first half of the year, Levent Çakıroğlu continues: "The solid economic environment in Turkey since the beginning of 2017 has created the right basis for public offerings and secondary market transactions. Lower public ownership ratios traditionally indicate the development potential of capital markets; these ratios had risen to 40% in Turkey, whereas Koç Holding had remained around the 22% mark. Our investments in the past five years, encouraged by our belief and trust in Turkey, have helped lift Koç Holding shares to their highest values to date. Another positive development was the strength of the financial markets in this period, which enabled the sale of shares equivalent to 4.2% of capital, raising Koç Holding's public ownership from 22.2% to 26.5% and bringing in US\$ 475 million. Although still below the average public ownership ratio on the Istanbul Stock Market, this sale has given our shares depth and raised our weighting on certain foreign indices. The MSCI Index, for example, has raised our weighting from 25 to 30, which alone has provided approximately US\$30 million in additional funds. Such successful share sales are a major indication of foreign investor trust in our country and contribute enormously to the growth and deepening of capital markets."