

March 30, 2017

**KOÇ HOLDING HOLDS ITS 53rd ANNUAL GENERAL MEETING**

**Celebrating its 90th anniversary, Koç Holding held its 53rd Annual General Meeting attended by members of the Koç family, Koç Holding managers and shareholders on Thursday, 30 March at its corporate headquarters in Nakkaştepe. During the meeting, the Board presented its report and the 2016 Koç Holding Annual Report was handed out to the assembly.**

**Rahmi M. Koç: “We, at the Koç Group, have always believed Turkey was destined to be one of the leading economies of the World.”**

In his Annual Report message, Koç Holding Honorary Chairman Rahmi M. Koç assessed the events of 2016 on stages both local and global. Having frequently drawn attention to inequality of income distribution on various platforms despite efforts to improve the economy in certain countries and regions, Rahmi M. Koç stated: “Sectarian and power conflicts and terrorist attacks led to the emergence of nationalist, factionalist, protectionist and isolationist political movements in many countries. It is essential to solve our internal issues as a matter of priority in order to safeguard against threats even as we make use of potential opportunities in such a global environment. The increasingly worrying and exhausting social polarization and deepening divisions of opinion need to be addressed as a matter of urgency. It is vital to focus on the republic, democracy, secularism and modernity; in other words, the principles and values upon which our national reputation was built, and united our people for decades. It is also crucial to implement rational economic and social policies along with structural reform. We, at the Koç Group, have always believed Turkey was destined to be one of the leading economies of the world, a belief based on the country’s strong demographics, dynamic and entrepreneurial commercial sector, well-trained and committed human capital and attractive geographic position. Bolstered by our trust in Turkey’s great potential and defying all uncertainty, we have continued investing over the past five years, and have come through with flying colors. We will continue to assess the opportunities and threats that lie ahead as we grow the value we generate for our shareholders and country.”

**Ömer M. Koç: “Our achievements are not just the companies and products we have created, but also the values we have consistently represented for 90 years.”**

Drawing attention to the significance of the year 2016 for the Koç Group, Chairman Ömer M. Koç added: “We were shaken with the deep sorrow and shock of unexpectedly losing my beloved older brother Mustafa Koç at the beginning of the year. I would like to take this opportunity to remember him with love, longing and compassion once again.” Highlighting 2016 as a year that had witnessed historical developments both in Turkey and the world, Ömer M. Koç stated: “In addition to enduring heinous terrorist attacks, Turkey also suffered a failed coup attempt that will always be a mark of disgrace on our nation’s history. In order

to never repeat the grave tragedy that we lived through on July 15th, it is incumbent on us all to raise ‘generations with a free mind and a free conscience,’ as our great leader Mustafa Kemal Atatürk envisioned.” Underlining that 2016 also had the distinction of being the Group’s 90th anniversary, Ömer M. Koç continued: “These 90 years, every moment of which was filled with hard work, determination and enthusiasm, together form a picture of great success, created jointly by the Koç family, employees, dealers and business partners. This success transcends mere commercial accomplishment - it represents commitment to our country, people, and values as well as hard work. Our achievements are not just the companies and products we have created, but also the values we have consistently represented for 90 years. Our deep-rooted culture that emphasizes strong corporate governance and our commitment to ethical business principles and universal values form the foundation on which we stand firmly under all circumstances and in the face of any challenges we encounter. The core principles of the Group’s leadership are our long-term perspective, our commitment to advancing our country and working with our stakeholders to create shared value, and our passion to be the best no matter what. This standard flag that we have been bearing proudly for many years is the greatest value that we have created for our country.”

**Ömer M. Koç: “Innovation and leadership are the deepest-rooted traditions of the Koç Group.”**

Commenting on the major changes affecting the business world across the globe, Ömer M. Koç said: “The rules of competition are quickly evolving. A new technological transformation is paving the way for a fundamental overhaul of the economic order and basic production philosophy that we have been accustomed to for the last hundred years. Companies that position themselves correctly and harness technology effectively will inevitably gain competitive power and become more influential within this time of disruptive change. We will see fierce competition for highly competent, well qualified human capital in the period that lies ahead. I am of the opinion that we will have a bright, modern future only to the extent that we can raise generations who will keep up with, and even lead, the frantic pace of development and change in the world. Organizations that can position their technological and human capital competence within the bounds of their respective capacity and capability will play a major role in shaping the future. Within this context, the Koç Group continues to closely monitor and embrace the prevailing concepts of the times, as it aims to maintain its pioneering role. Innovation and leadership are the deepest-rooted traditions of the Koç Group. As we move ahead toward our 100th anniversary with confident strides, we continue to grow, powered by our focus on corporate governance, globalization, technology, R&D and innovation. In 2016, the Koç Group continued to undertake new investments, expand steadily, and increase its competitive edge with determination and courage despite the rise of uncertainties and turbulence.”

**Levent Çakıroğlu: “Our priority is to prepare not only for the next five or ten years, but for future generations.”**

Pointing to the extraordinary achievements of the Koç Group companies in his Annual Report message, CEO Levent Çakıroğlu remarked on the profitable, risk-resistant, steady growth of the Koç Holding portfolio and added: “Many political, economic, technological and social developments that will shape our future are witnessed today. Leveraging our philosophy of pioneering change, and always undeterred by challenges, we will proceed

swiftly and resolutely as we have managed to do now for over 90 years. Our priority is to prepare not only for the next five or ten years, but for future generations; to this end, we embrace constant rejuvenation even as we raise the bar. Last year, Koç Holding was rated the most valuable company on the Borsa Istanbul. The proportion of foreign investors in Koç Holding's publicly traded shares continued to rise, climbing to 83.6%. Koç Holding stocks traded at a mere discount of 3% to its NAV. Despite challenging market conditions, we issued a seven-year Eurobond on highly attractive terms last year. We have also maintained our investment grade rating from credit rating agencies S&P and Moody's in the face of all adversity. We take great pride in being Turkey's biggest investor in research, development and innovation, amounting to 12% of total private sector investment in research and development, and the highest number of patent applications. We have spent approximately TL 7 billion in research and development in the last ten years. The EU Industrial R&D Investment Scoreboard, an analysis of 2,500 companies around the world with the largest R&D spend, includes Koç Holding and three Koç Group companies."

### **New Board of Directors Elected**

The members of the Board of Directors, elected at the 53rd Annual General Meeting are as follows:

Rahmi M. Koç	Honorary Chairman
Ömer M. Koç	Chairman
Ali Y. Koç	Vice Chairman
Semahat S. Arsel	Member
Temel K. Atay	Member
Dr. Bülent Bulgurlu	Member
Caroline N. Koç	Member
İpek Kıraç	Member
Levent Çakıroğlu	Member
Prof. Dr. John H. McArthur	Member
Prof. Dr. Heinrich V. Pierer	Member
Dr. Kwok King Victor Fung	Member
Muharrem Hilmi Kayhan	Non-executive Member
Kutsan Çelebican	Non-executive Member
Mustafa Kemal Olgaç	Non-executive Member
Jacques Albert Nasser	Non-executive Member
Anne Lauvergeon	Non-executive Member
Ömer Dinçök	Non-executive Member