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**KOÇ HOLDING POSTS TL 24.6 BILLION CONSOLIDATED TURNOVER  
AND TL 1.1 BILLION NET PROFIT FOR THE PARENT COMPANY  
IN THE FIRST QUARTER OF 2018**

**KOÇ HOLDING CEO LEVENT ÇAKIROĞLU:**

**“WE HAVE MAINTAINED OUR INVESTMENTS IN THE FIRST QUARTER OF THE YEAR, SUPPORTED BY OUR BELIEF IN TURKEY’S FUTURE, OUR RESILIENT BALANCE SHEET STRUCTURE AND DISCIPLINED RISK MANAGEMENT. OUR SUSTAINED GROWTH IS MATCHED BY OUR INCREASED COMPETITIVENESS IN DOMESTIC AND INTERNATIONAL MARKETS. COMBINED INVESTMENTS TOTALLING TL 1.6 BILLION MEAN OUR TOTAL INVESTMENTS OVER THE PAST FIVE YEARS NOW EXCEEDS TL 35 BILLION. CONFIDENT OF THE LONG-TERM GROWTH POTENTIAL OF THE BANKING SECTOR IN TURKEY, WE HAVE DECIDED TO RAISE YAPI KREDİ’S CAPITAL BY TL 4.1 BILLION, WHICH WILL MAKE IT THE LARGEST CAPITAL ISSUE OF THE PAST DECADE IN THE TURKISH BANKING SECTOR.”**

Koç Holding has posted total consolidated turnover of 24.6 billion Turkish liras and net profits of 1.1 billion Turkish liras for the parent company in the first quarter of 2018. It has also made combined investments totalling 1.6 billion Turkish liras in the same period, a 40% increase year on year. Assessing Koç Holding’s financial results for the first quarter, Koç Holding CEO Levent Çakiroğlu says: ‘Our activities are shaped by our objective of creating long-term value and our global vision. We have maintained our investments in the first quarter of the year, supported by our belief in Turkey’s future, our resilient balance sheet structure and disciplined risk management. Our sustained growth is matched by our increased competitiveness in domestic and international markets. The contribution of our digital transformation programme across the Koç Group is one of the factors that reinforces our competitiveness and power in every field.’

**Levent Çakiroğlu: ‘Our resolve to continue to invest contributes to our financial results.’**

Highlighting the sustained contribution of investments made over many years to the financial results of the Koç Group, Çakiroğlu says, ‘Our combined investments totalling 1.6 billion Turkish liras in the first quarter of the year represents a 40% increase year on year, and our total investment over the past five years is now over TL 35 billion. This acceleration will carry on unabated through the rest of the year.’ He adds, ‘Entek has now taken over the Menzelet and Kılavuzlu hydroelectric plants, which is a major step in the renewable energy sector. In the meanwhile, confident of the long-term growth potential of the banking sector in Turkey, we have decided to raise Yapı Kredi’s capital by TL 4.1 billion, which will make it the largest capital issue of the past decade in the Turkish banking sector.’

Remarking on the commitment to maintain international growth in line with the Koç Group’s global vision, Levent Çakiroğlu says, ‘Otokoç has partnered with the Avis-Budget Group to acquire the Avis-Budget operation in Greece. Arçelik has speeded up the infrastructure work on the refrigerator plant in India scheduled to go into production in the second half of 2019; in the meanwhile, the drive to commission this year the first 4.0 industry standard washing machine plant in Romania proceeds at full speed.’

**Levent Çakırođlu: ‘All our companies have maintained their solid performance by focusing on sustainability.’**

The Koç Group sustained its strong position in all areas of activity in the first quarter of 2018, notes Çakırođlu and says, ‘Despite investment and planned maintenance stoppages in the refinery, Tüpraş met demand in full. Aygaz remained as the market leader with LPG sales totalling 489,000 tonnes. Opet, in the meantime, increased its petrol station inventory to 1,581, successfully maintaining its 18% market share.’

Çakırođlu continues, ‘We maintain our position as the leader of the Turkish automotive sector even as we strengthen our position in exports thanks to the success of our models. Ford Otosan grew exports by 10% year on year and retained its export leader position in the automotive sector. Ford Otosan manufactures 81% of Transit models, which helped the company reinforce its market leadership in Europe. Tofaş grew its domestic market share with the Egea Sedan that proved to be Turkey’s most popular passenger car in 2016 and 2017. Türk Traktör produced 72% of Turkey’s total tractor output and effected 94% of Turkey’s tractor exports.’

Despite the contraction of the domestic consumer durables sector due to the base effect in the first quarter of the year, Arçelik still grew total income by 14%, partly due to solid export performance, remarks Çakırođlu and draws attention to Beko’s growing market share in Europe. Beko is now the second best-selling brand in the European market.

Emphasising the continued contribution Yapı Kredi makes to Turkey’s economy, Çakırođlu remarks, ‘Thanks to the balanced growth in all segments, Yapı Kredi’s cash and non-cash credit volumes have risen by 13% to TL 289 billion. Return on tangible equity was 17.1%.’

**Levent Çakırođlu: ‘Our digital transformation programme is successfully implemented.’**

Describing the Digital Transformation Programme that was launched in 2016 as an ongoing strategic priority for the Koç Group, Çakırođlu emphasises the focus on advancing technological and innovation capacities in a wide range of sectors from banking through to the automotive and adds, ‘As of March 2018, Yapı Kredi grew its digital platform client base by 29% over the year, and mobile banking client base by 44%. The share of digital channels in non-cash transactions has reached 95%. The Fiat, My Road Companion Connect app launched by Tofaş in Turkey will enable motorists to access a wide range of vehicle information and services. Initially exclusive to the Fiat Egea family, this first remote access platform in its class will also be offered to Doblo and Fiorino drivers from June 2018 onwards.’ The Industry 4.0 digital transformation and smart factory apps used in Ford Otosan’s Gölcük and Yeniköy plants are crucial to Turkish industry, states Çakırođlu and continues, ‘Monitoring closely the requirements of the age and the constantly changing and transforming customer expectations as it does, Koçtaş grew its registered client turnover rate by 14% to 83% year on year.’ Underlining the determination of Arçelik to press ahead with technological and innovative systems across the globe and not just in Turkey, Çakırođlu remarked that technological and modernisation investments would proceed in Pakistan’s Dawlance plant that has now completed one full year in operation.