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KOÇ HOLDING CONTINUES TO CREATE VALUE FOR TURKEY**ASSESSING THE FINANCIAL RESULTS FOR THE FIRST HALF OF 2013****TURGAY DURAK, CEO OF KOÇ HOLDING, SAID,****“KOÇ GROUP CONTINUES TO MAKE BEST USE OF RESOURCES TO DELIVER INVESTMENTS THAT CREATE VALUE FOR OUR COUNTRY AND OUR SHAREHOLDERS.”**

Koç Holding registered consolidated profit before tax of 1.230 million Turkish lira and net profit after non-controlling interest of 1.038 million Turkish lira in the first half of 2013. "Koç Group strives to create value for our country in keeping with its strategy of sustainable growth while continuing to maintain investments with a long-term perspective since the day it was founded. We endeavor to make the greatest contribution to our country while implementing risk management and cost saving measures in the short term," said Turgay Durak, CEO of Koç Holding.

Investments Pick Up Speed, R&D Remains Essential

On assessing the results of the first half of 2013 for Koç Holding, Turgay Durak, CEO of Koç Holding, said Koç Holding had moved up five places to be ranked number 217 in the Fortune Magazine's Global 500 list as the only Turkish company this year. He added that the Koç Group companies had continued to take significant strides towards growth by gaining strength both domestically and in foreign markets. Turgay Durak emphasized the planned combined investment of 6.8 billion Turkish lira for 2013 was at full speed. "Combined investments rose by more than 50% in the first half of the year to reach 2,6 billion Turkish lira, up from 1,8 billion Turkish lira year-on-year. While combined investment amount for the past five years reached 14.6 billion Turkish lira," he said. Turgay Durak stressed 2013 as a crucial year of investment for Koç Holding. "Tüpraş is going through a substantial investment period. All of the main equipment has been delivered and assembly operations are now in the last stages in the \$2.7 billion Resid Upgrading (Fuel Oil Conversion) Project. After commissioning, this project will transform Tüpraş Izmit Refinery into one of the most complex facilities in the world and in addition to making a contribution to the economy in general through \$1 billion positive contribution to the current account deficit. The project already consumed \$1.8 million of investment as of the first half of 2013 and reached an overall progress rate of 77.5%. The project is scheduled for completion by November 2014 and will produce 3.5 million tons of high quality white gas. When the Tüpraş refineries are working at full capacity they will meet a significant portion of Turkey's diesel fuel needs, which is currently mostly met by foreign resources," he said. Turgay Durak pointed out that Doblo line vehicles produced in the Tofaş Bursa facility are set to be exported to the US as of the end of 2014. "Around 175,000 vehicles are projected for export between 2014 and 2021 within the scope of the Doblo US Project," Durak stated. Turgay Durak reminded us that following the Transit Custom model that was introduced by Ford Otosan last year, the New Transit is scheduled for the end of this year. "In addition, developments and new facility investments for a new commercial vehicle will be carried out throughout the year before production begins in 2014." Turgay Durak spoke of the Ford Otosan Engineering Center, of which the foundations were laid recently, and underlined its importance for the Turkish automotive industry, stating that Koç Group constantly strengthened its local and international competitiveness by pioneering technology and innovation in all of the industries it is involved in.

"Koç Group commits the highest R&D expenditure in Turkey, and as such, it adamantly continued R&D operations in the first half of the year," said Turgay Durak.

We attach importance to creating jobs

Turgay Durak said employment figures have kept rising since the beginning of the year despite of all the troubles experienced in global markets. "The number of people employed by the Group rose to 86,070 with the addition of 4,754 people since the New Year. We pursue our business activities with the faith we have in our country and the future.

Group companies differentiate themselves with thriving export figures

Turgay Durak emphasized the need to build leading Turkish companies with global reaches in order to enhance Turkey's brand value and he expressed the significance of this vision for Koç Group. Turgay Durak highlighted the Group's activities that are carried as part of this vision. "Koç Group accounts for ten percent of the country's total exports. It is responsible for half of the country's automotive and white goods production as well as its exports. Tüpraş took the number one spot in the 2012 Export Champions list of the Turkish Exporters Assembly, while Ford Otosan, Arçelik and Tofaş solidified our pride by ranking among the top-ten exporters," he remarked.

We Instill a National Awareness: No Barriers For My Country

Turgay Durak said Koç Group pursued valuable social responsibility projects with full support of all stakeholders. He underlined that the For My Country - No Barriers Project was realized in collaboration with the United Nations Development Program and the Alternative Life Association and that it has spread throughout the country in waves with backing from Koç Group employees and For My Country Ambassador dealers. He pointed out that since the start of the project in May 2012, over 66,000 people have participated in the Correct Approach to Disability Trainings held in Koç Group companies in 29 cities. He continued, "In addition to building social awareness regarding the disabled, we also aim to become a role model for projects that will help improve their quality of life. Koç Group companies, our dealers and personnel continue to work with devotion. We are elated to have achieved in one and a half years one of our two-year objectives; to provide awareness training to 70 percent of all Koç Group personnel. In addition to expanding these training sessions, we have a number of other objectives that will reflect on daily life. Up until now, we have handled the project with an integral perspective and have taken steps to establish the necessary physical conditions in the workplace and in our areas of operation. We have developed products and services as supportive practices, while delivering social responsibility projects. Our efforts continue at full speed. In the second year of our project, we are determined to push forward with practices that will encourage the development of 'Disabled Friendly' products and services, improve physical conditions, and support participation of disabled people in social life."

Preparations Gain Speed for the Vehbi Koç Foundation Contemporary Art Museum

Turgay Durak pointed out the Vehbi Koç Foundation as a crucial part of the Koç Group and reminded us of the work that it has completed to bolster the development of our country, as well as setting the best examples and creating solutions for social needs. He explained that the construction of the Koç University School of Medicine, Health Sciences Campus continued and the preparations for the Vehbi Koç Foundation Contemporary Art Museum have gained speed. "I would like to take this occasion to announce Grimshaw Architects as the winner of the contest for the design of our museum," Turgay Durak said. "We believe the museum will make a significant contribution to Istanbul as a modern civil architecture project."

