KOCTAS

May 16th, 2012

Istanbul

Index

- Macroeconomic Environment
- Retail Market in Turkey
- Business Highlights
- Commercial Overview

Economy, People and Society

	United Kingdom	France	Poland	Turkey
Population - mn*	63,0	65,6	38,4	74,8
Age Structure				
0-14	17,3%	18,5%	14,7%	26,6%
15-64	66,2%	64,7%	71,6%	67,1%
>65	16,5%	16,8%	13,7%	6,3%
Population Growth**	0,6%	0,5%	-0,08%	1,2%
Median age (years)**	40,0	39,9	38.5	28,5
GDP (purchasing power parity) - bn USD***	2.250	2.214	765,6	1.026,0
GDP (official exchange rate) - bn USD***	2.481	2.808	531,8	763,1
GDP - real growth rate***	1,1%	1,7%	3,8%	8,5%
GDP - per capita - USD***	35.900	35.000	20.100	10.444

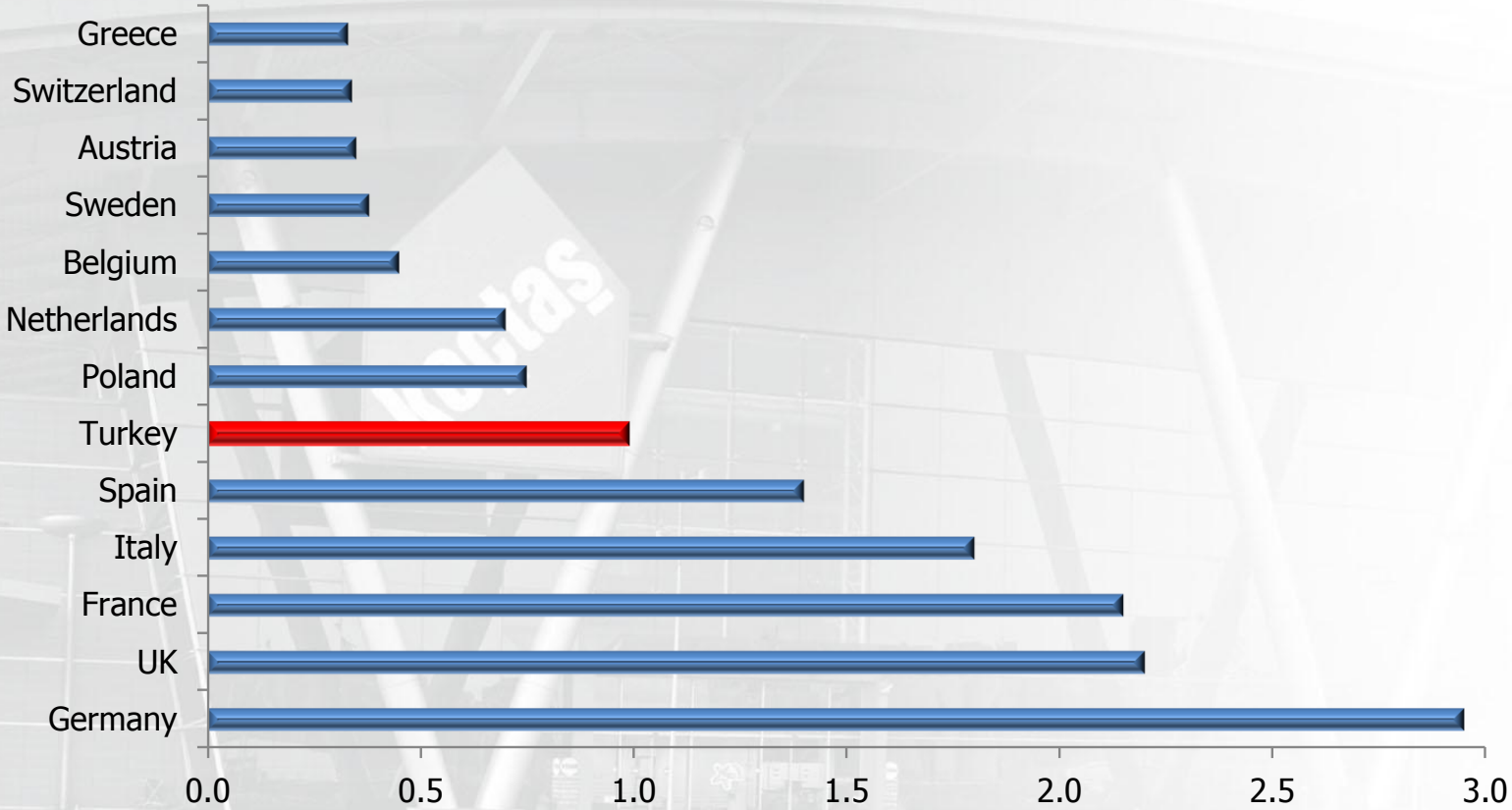
Source: *CIA – The World Factbook,*

**July 2012 estimation; **2012 estimation; ***2011*

With 75 million population and 8,5% growth in 2011, Turkey has the 16th largest economy in the world.

Europe's Biggest Economies

(GDP based on Purchasing Power Parity, Trillion Dolar, 2010)

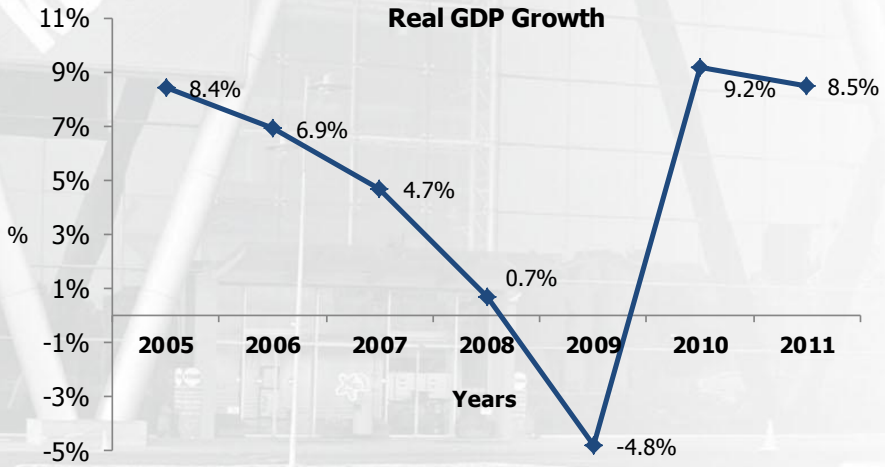


Source: IMF, World Economic Outlook, September 2011

Turkish economy is the 6th largest economy in Europe.

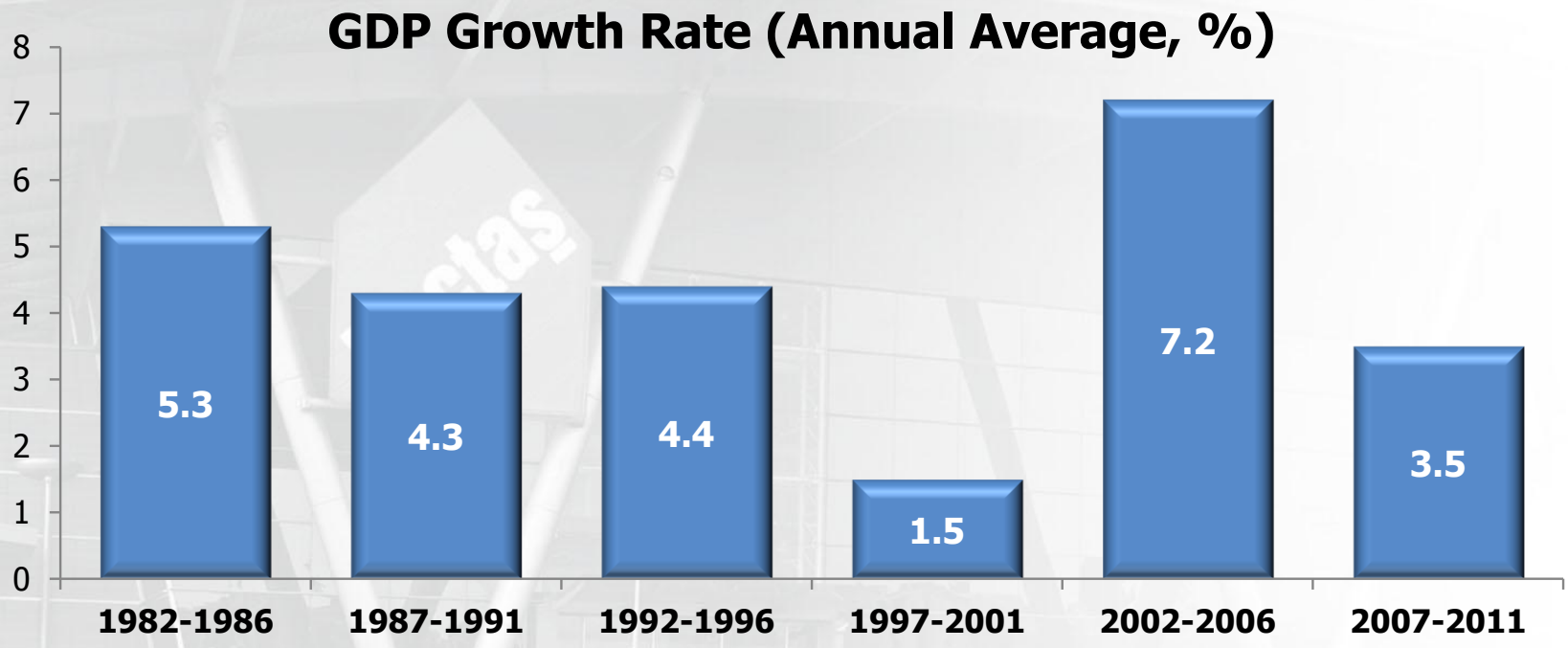
Sectoral Based GDP Growth

GDP Growth (%)	Agriculture, hunting and forestry	Manufacturing	Construction	Wholesale and retail trade	Transport, storage and communication	Home ownership	Real estate, renting and business act.	Other	Total
Q1	3.8%	22.0%	9.0%	21.2%	12.7%	1.8%	12.8%	5.5%	12.6%
Q2	2.8%	15.4%	21.7%	14.0%	10.4%	1.7%	10.5%	5.7%	10.4%
Q3	0.9%	7.2%	23.7%	7.5%	6.0%	2.6%	2.2%	2.6%	5.3%
Q4	4.5%	11.3%	18.7%	13.4%	13.8%	1.3%	4.5%	5.2%	9.3%
2010 growth	*2.4%*	*13.6%*	*18.3%*	*13.6%*	*10.6%*	*1.8%*	*7.6%*	*4.7%*	*9.2%*
Q1	7.1%	14.9%	15.3%	17.3%	12.4%	2.0%	10.3%	8.3%	11.9%
Q2	5.0%	9.1%	13.0%	14.2%	12.4%	1.8%	7.2%	6.3%	9.1%
Q3	4.2%	9.2%	10.2%	11.5%	12.0%	1.3%	10.2%	7.8%	8.4%
Q4	6.7%	5.2%	7.0%	3.9%	6.8%	2.5%	9.3%	3.9%	5.2%
2011 growth	*5.2%*	*9.4%*	*11.2%*	*11.4%*	*10.8%*	*1.9%*	*9.3%*	*6.5%*	*8.5%*



Despite the slowdown in the last quarter, GDP growth was realized by 8.5% at the end of the year 2011. Wholesale & retail trade sector growth was 11.4% in 2011. The annual GDP growth expectation is between 1.5-4% for year-end 2012.

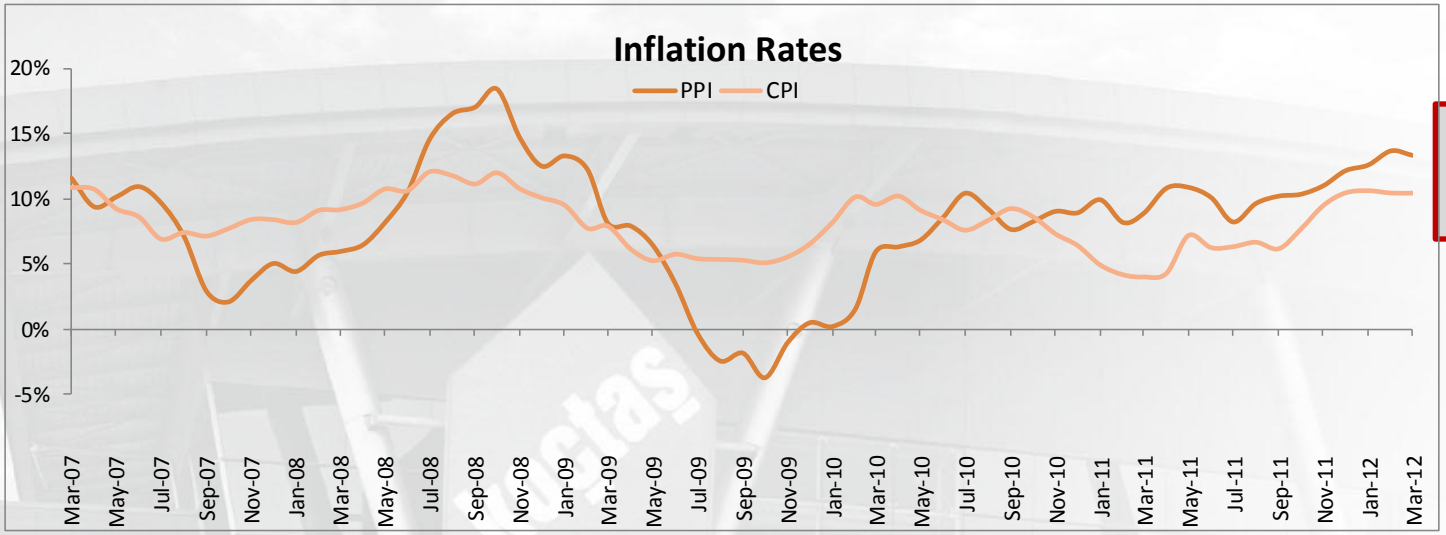
GDP Growth Rate



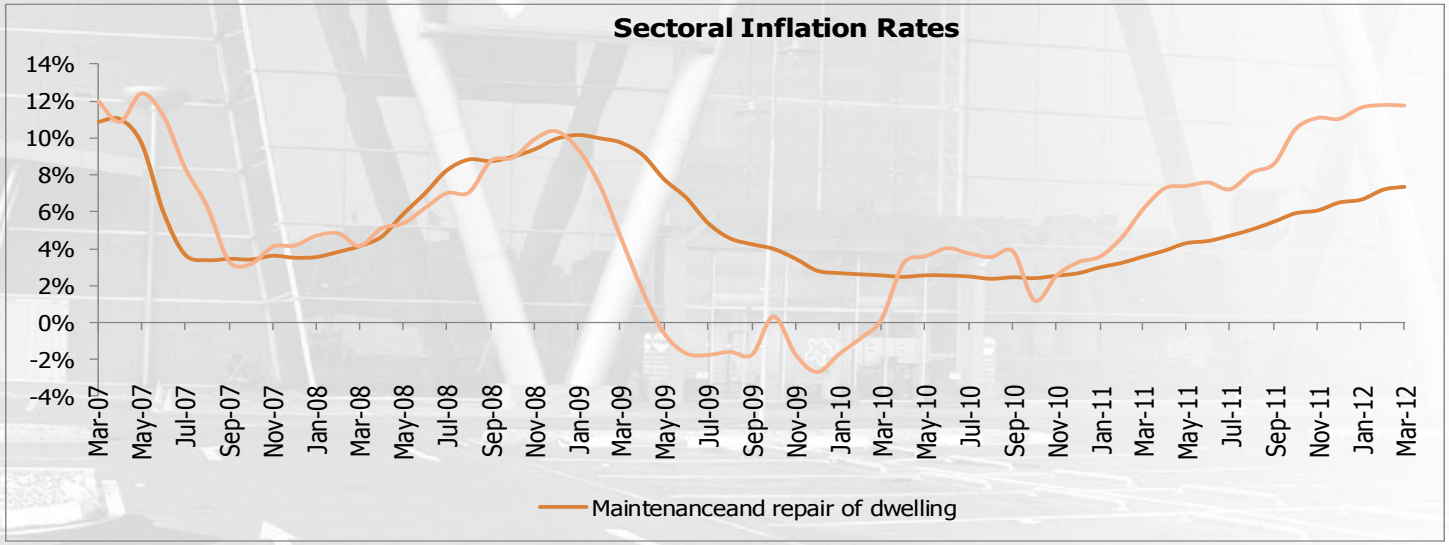
Source *:* TURKSTAT, Undersecretariat of Treasury

Annual average GDP growth of Turkey ise 3.5% between 2007 and 2011 mainly due to the global economic crisis especially in 2008 and 2009

Inflation

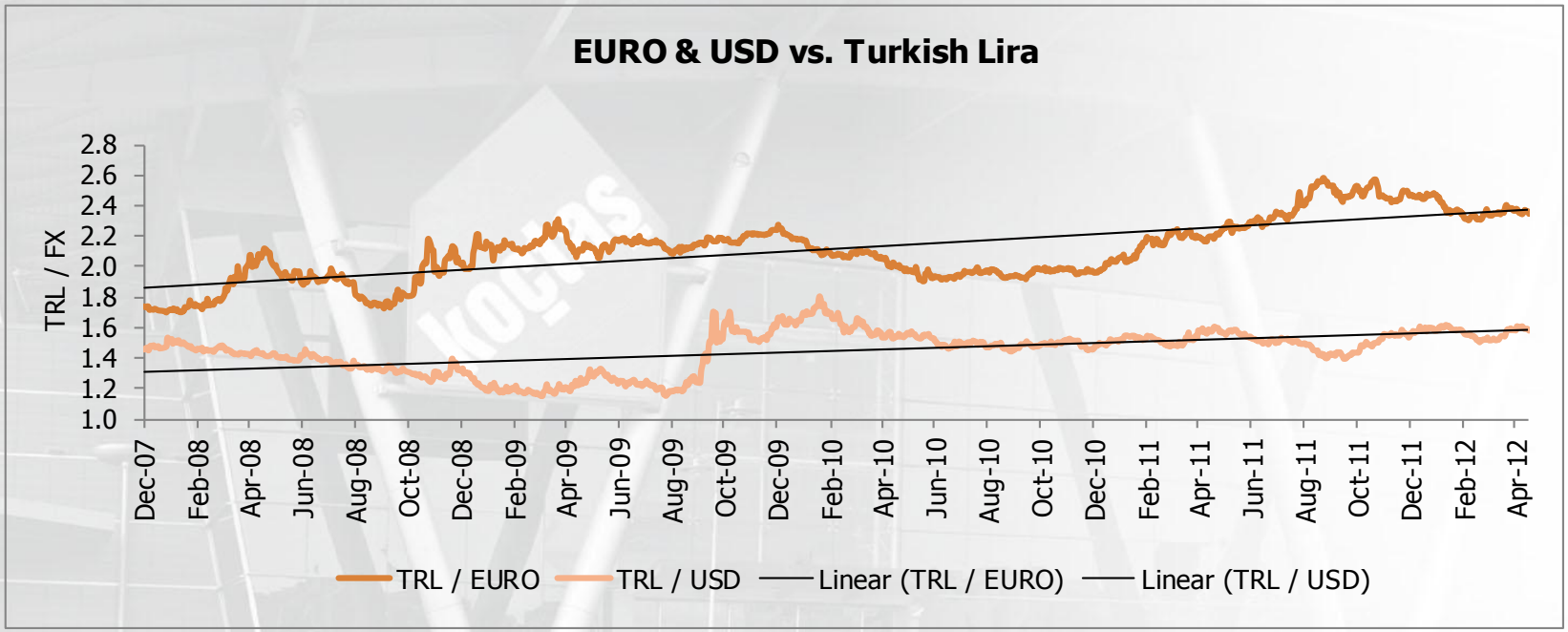


- CPI (YoY): 10.4%
- PPI (YoY): 8.2%



- Housing maintenance and repair : 7.36%
- Furniture, household equipment and house maintenance services : 11.76%

Foreign Exchange Rates



➲ EURO apreciated by 8% and USD apreciated by 14% compared to April 2011

Koc Group

Overview:

- The only Turkish company in "Fortune Global 500" list, rising to 250nd palace in the 2010 rankings.
- The Group was named as `Most Admired Company` in the world in the energy sector in Fortune's 2012 rankings.
- Combined revenues corresponding to 9% of Turkey's GDP in 2011.
- Consolidated revenues were TL75,740m in 2011 with TL5,490m operating profit.
- Exports corresponding to 11% of Turkey's total exports.
- Operates in 23 countries in automotive, durable goods, food, retailing, energy, financial services, tourism, construction and IT industries.
- The Group employed 80,987 poeple, of which 73,339 work in Turkey and 7,648 abroad.

International Alliances:

Index

- Macroeconomic Environment
- Retail Market in Turkey
- Business Highlights
- Commercial Overview

Position of Retail Sector in Turkey

✓ Retail Sector is the 4th biggest sector after energy, education and health sectors in Turkey, estimated sector size is around 200 billion dollars and the share of organized retail sector is 40% in total.

✓ According to the studies, as of 2010, there are 2.7 million employess working in retail sector in Turkey.

✓ The number of Shopping Malls in Turkey exceeded 298 at the end of the 2011 and it is expected to be 360 as of 2013. The rentable areas in malls were 6.7 million sqm at the end of 2010 and they are also going to be 10 million sqm in 2013.

✓Turkish retail sector is the 7th biggest sector in Europe and 10th in the world.

Home Improvement Market in Turkey

Praktiker (10 stores)

Koçtaş (37 stores)

IKEA (5 stores)

LEROY MERLIN (2 stores)

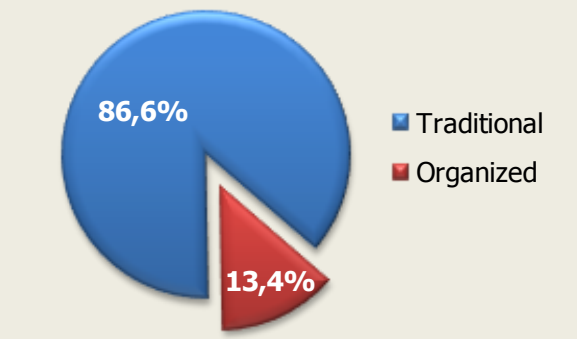
HI MARKET

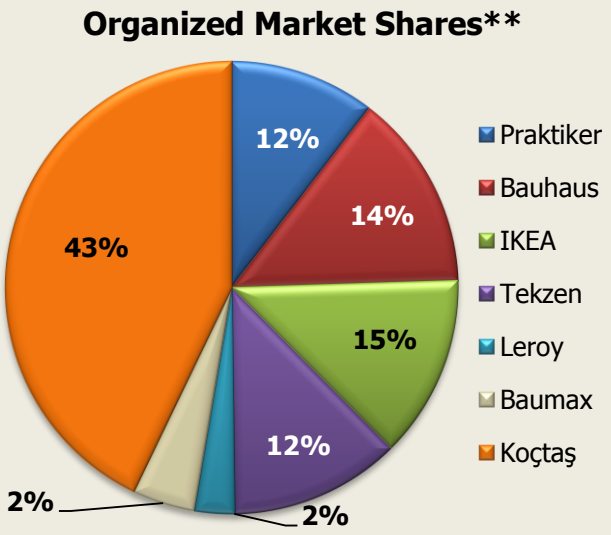
$10 bln

bauMax (5 stores)

TEKZEN (79 stores)

BAUHAUS (7 stores)

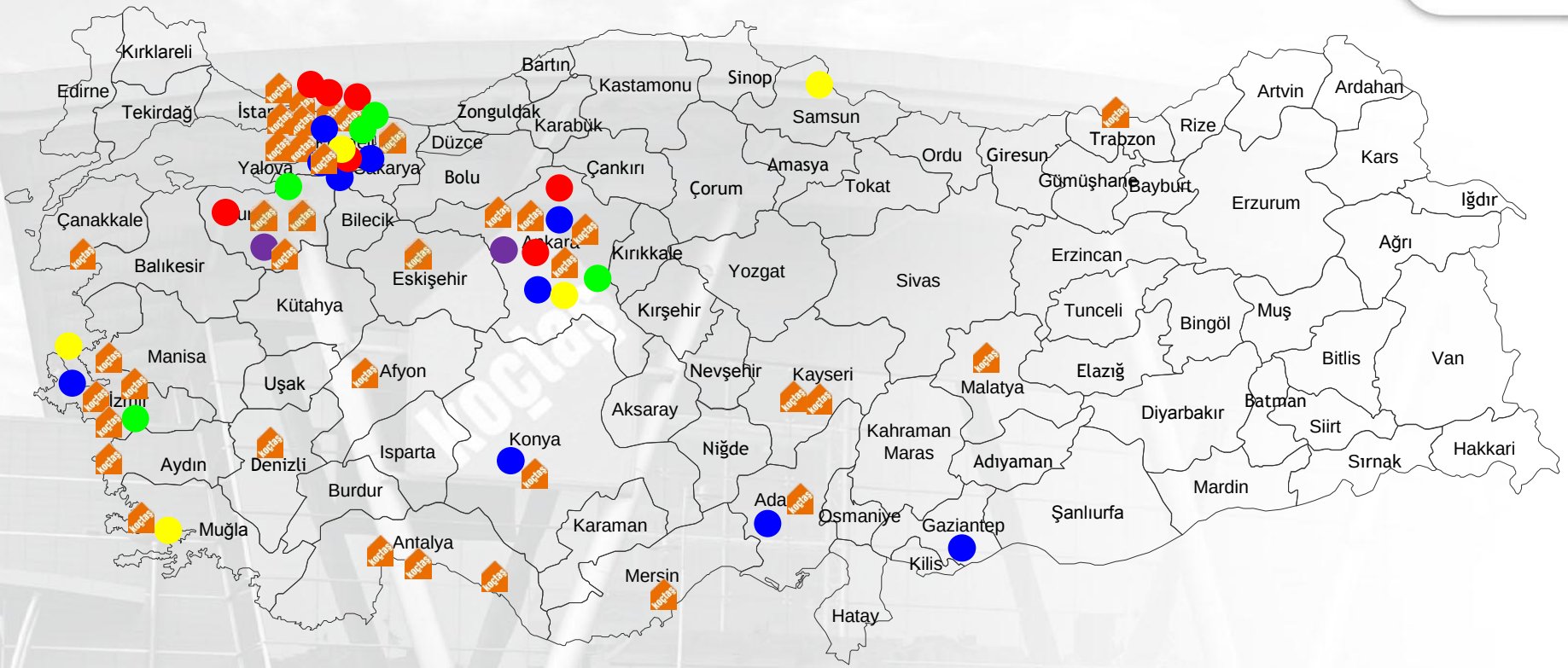




** As of March 2012*

*** No official data for 2011 and available calculations are based on estimations.*

Competition Overview



	koçtaş	Praktiker	BAUHAUS	IKEA	TEKZEN	LEROY MERLIN	bauMax
Store number	37	10	7	5	79	2	5
Cities	19	6	3	4	40	2	5

Index

- Macroeconomic Environment
- Retail Market in Turkey
- Business Highlights
- Commercial Overview

Koçtaş Timeline

1955 — Founded by Vehbi Koc as a wholesale retailer.

1996 — Entered into the Home Improvement retailing business.

2000 — 50%-50% JV agreement with Kingfisher Group.

2001 — Opening of first large format store in Kartal, Istanbul.

2005 — Opening of first shopping mall store in Sisli, Istanbul.

2011

As of December 2011, total store numbers reached to 36 in 19 cities with 185k sqm selling space and Total net sales are £332m.

In 2011, DIY & Home Improvement market constitutes 13.4% of the total market and Koctas's share is about 43% in organized market.

The first new concept store of Eryaman was opened in October 2011.

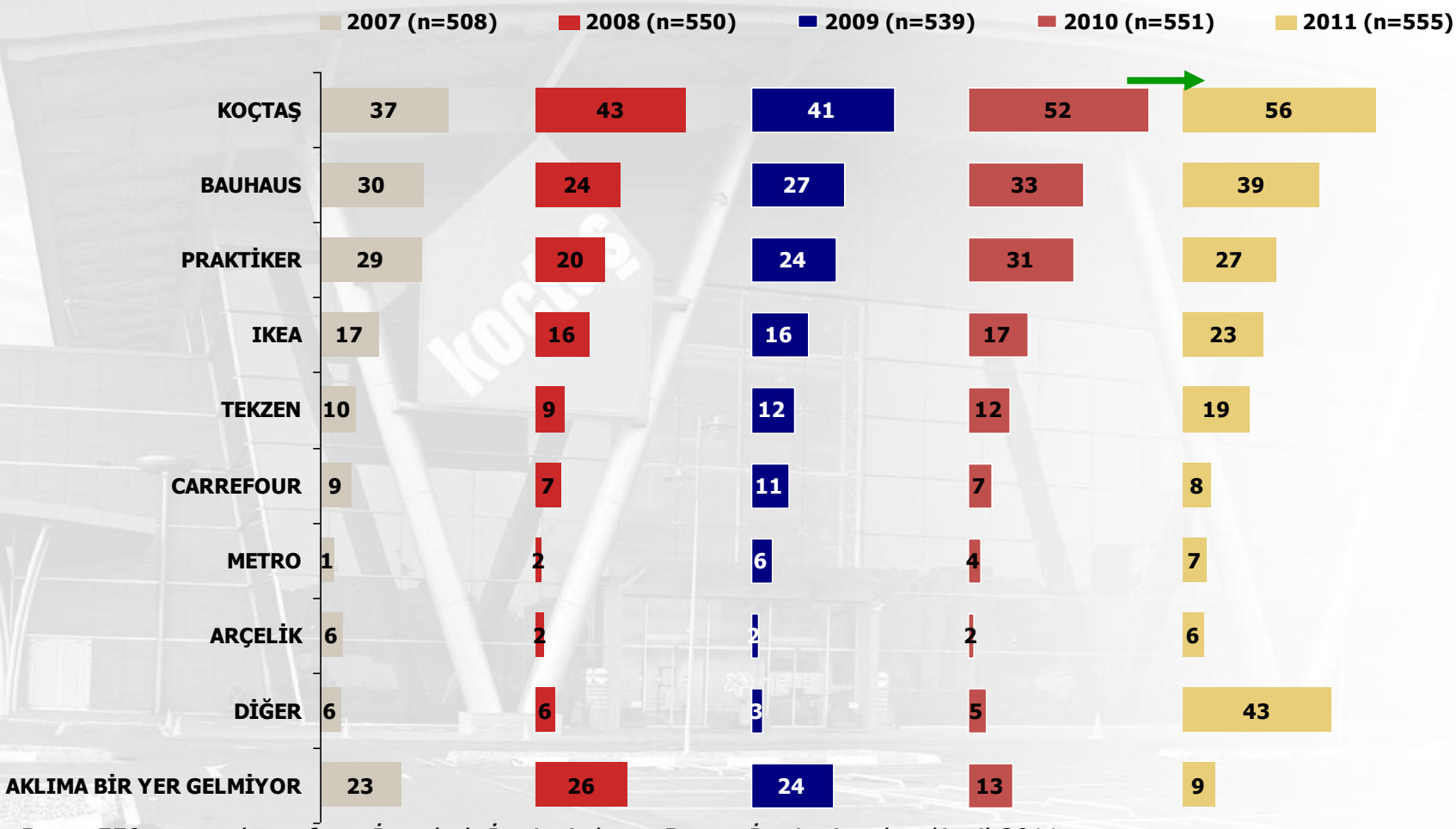
2012 Mar — In the first quarter of 2012, total selling space reached to 190k sqm with the opening of Gaziemir store in İzmir that is our 37th store in Turkey.

Index

- Macroeconomic Environment
- Retail Market in Turkey
- Business Highlights
- Commercial & Marketing Overview

Brand Awareness (Unaided Recall)

What is the first brand you remembered in home improvement and diy sector?



Base: 550 respondents from İstanbul, İzmir, Ankara, Bursa, İzmit, Antalya /April 2011

CRM Activities ytd 2012

%50 of turnover with parocards

Min 300 CRM campaigns yearly

600.000 SMS yearly

500.000 Mailing yearly

2,5 million KOCTAS KART alive!
%50 0f them are ACTIVE!

- **30.000 trade cardholders** approx.
- Min 12% of total sales with trade cards

136 cards in 2011

600 active cards, March YTD

- 5% paropoint gift
- 10% discount for Fabel paints
- Special campaigns for paint shopping