

Tire, Tire Reinforcement Materials and Automotive

TIRE

BRISA

Established in 1974, Brisa (formerly known as Lassa) began mass production in 1978. In 1988, Brisa was established as a 50/50 joint venture between the Sabancı Group and the Bridgestone Corporation of Japan.

Brisa produces more than 500 different types of tires under the Lassa and Bridgestone brand names that vary in design, type and size to accommodate various vehicle groups - from passenger cars to earthmoving equipment. Its integrated tire production facilities are located on a covered area of 300,000 square meters. With the investment decision made in 2004, Brisa targeted an increase in its capacity by 70% in terms of quantity within five years. The largest portion of the additional facilities was completed and the opening ceremony was held in 2005.

A network of more than 550 exclusive dealers market the tires throughout Turkey. Brisa tires are mounted as original equipment on Toyota, Fiat, Renault, Ford, Mercedes Benz, Mitsubishi, Honda and Hyundai motor vehicles. Maintaining its leading position in the domestic market, Brisa –with the Lassa brand– is increasing its presence in international markets by continuously entering new markets and building brand equity. Brisa products are marketed and sold in more than 30 European, Middle Eastern and Near Eastern countries.

The state-of-the-art R&D Center at Brisa works in coordination with Bridgestone's Technical Center in Tokyo; it has integrated Bridgestone technology into Brisa and plays a vital role in reinforcing its competitive edge in world markets.

In 1993, Brisa became the first winner of the National Quality Award in Turkey. In 1996, Brisa's dedication to business excellence was rewarded with the prestigious European Quality Award, making Brisa the first Turkish company and the first tire company in Europe to receive this honor.

Brisa recorded net sales revenue of US\$ 434 million during fiscal year 2005.

The Company's shares are listed on the Istanbul Stock Exchange with a free float of 10%.

TIRE REINFORCEMENT MATERIALS

KORDSA INTERNATIONAL, LLC

Kordsa International, LLC, headquartered in Wilmington, Delaware, began operations in January 2001. Kordsa International has been 100% owned by Sabancı Holding since the acquisition of DuPont shares in April 2005. Kordsa International is the world's largest supplier of industrial nylon polyester yarn and tire cord fabric with an annual sales turnover of over US\$ 700 million and operations in Europe, Middle East, Africa, North and South America.

Kordsa International is the market leader for the production of heavy decitex industrial nylon and polyester used primarily in the tire industry. Kordsa's principal customers include all of the leading manufacturers of tires and mechanical rubber goods. Major products manufactured by Kordsa include industrial nylon and polyester yarn; single-end treated cord, greige and dipped tire cord fabric. Kordsa's products are used in a vast number of applications; the most common usage is for tires, hoses, conveyor belts, V-belts, fiber optics and paper felt.

Kordsa International operates at nine manufacturing sites in seven countries and one marketing company serving three regions.

Region 1 (Europe, Middle East and Africa)

Kordsa-Turkey: Established in 1973, the Company is 88% owned by Kordsa International with the remaining 12% in free float on the Istanbul Stock Exchange (ISE). Kordsa-Turkey is headquartered in Istanbul and operates a manufacturing plant in Izmit. Kordsa has an annual production capacity of 28,000 tons of tire-cord fabric, 4,000 tons of industrial fabric and 38,000



tons of nylon 6.6 industrial yarn. With the Sakosa merger in 2005, Kordsa-Turkey added 20,000 tons HMLS polyester capacity. The Company exports nearly 90% of its output.

Nile Kordsa-Egypt: Established in 1993 and located in Cairo, the Company is 51% owned by Kordsa-Turkey. It has an annual production capacity of 6,000 tons of tire cord fabric using Kordsa fabric.

Kian Kordsa-Iran: This Company was acquired in 2001 and is 60% owned by Kordsa-Turkey. With an annual production capacity of 6,000 tons of tire cord fabric, it serves mainly the local market.

Interkordsa-Germany: Located in Mühlhausen, the Company is 80% owned by Kordsa-Turkey. Interkordsa is a leading producer of single-end cord and a major supplier in Europe.

Kordsa-Germany: A wholly owned subsidiary of Kordsa-Turkey, the Company serves European Union yarn customers from the heart of Europe. It functions as a distributor and resale office for Kordsa-Turkey.

Region 2 (North America)

Kordsa Inc.-Chattanooga: Located in Tennessee, USA, the Company is the leading industrial nylon 6.6 yarn producer using Kordsa technology. This facility has an annual production capacity of 50,000 tons.

Kordsa Inc.-Laurel Hill: Wholly owned by Kordsa International, this tire cord fabric manufacturing facility has a twisting and weaving capacity of 10,000 tons and a 13,000 ton dipping capacity. It is located in Laurel Hill, North Carolina and serves the US market. The facility is in the process of modernizing its twisting and weaving operations to increase efficiency and output.

Kordsa Inc.-Whiteville: Wholly owned by Kordsa International, this single-end cord production facility has an annual capacity of 1,500 tons and is located in Whiteville, North Carolina. It serves the Continental American markets using the latest technology developed by Interkordsa-Germany.

Region 3 (South America)

Kordsa-Brazil: Owned 100% by Kordsa International, the Company produces both yarn and fabric. After its modernization and expansion, Kordsa-Brazil's capacity has now reached 12,000 tons of nylon 6.6 yarn, 9,000 tons of twisting and weaving and 12,000 tons dipping.

Kordsa-Brazil has also 18,000 tons of polyester capacity added after the Cobafi merger in 2005. It serves the South American market.

Kordsa-Argentina: Owned 100% by Kordsa International, this Company produces both yarn and fabric. It has a production capacity of 12,000 tons of nylon 6.6 yarn and 9,000 tons for twisting and weaving. Similar to its counterpart in Brazil, Kordsa-Argentina has modernized twisting and weaving facilities, which enable it to supply the highest quality tire cord fabrics.

Brisa produces more than 500 different types of tires under the Lassa and Bridgestone brand names that vary from passenger cars to earthmoving equipment. The Company is maintaining its leading position in domestic market and reinforcing its competitive edge in world markets with its continually extending product spectrum.

Kordsa International is a true global leader, with its vision for growth focused on Asia and polyester investments. In line with this vision, the Company is in the process of establishing the Kordsa Global structure, as well as a move to place its Headquarters in Istanbul in 2006.

BEKSA

In 1987, Beksa was established as a 50/50 joint venture between the Sabancı Group and Bekaert of Belgium, the largest independent steel wire manufacturer in the world. Beksa produces steel cord, an integral component in the production of tires, bead wire, hose wire, spring wire, barbed wire and dramix. In addition to these own products, Beksa markets Bekaert originated products such as fencing systems, building materials, industrial wire and window film.

Beksa is dedicated to the principles of Total Quality Management (TQM) that it believes is necessary to maintain both a competitive edge and a leadership position in world markets. Beksa won the EFQM European Quality Award for Small and Medium-Size Enterprises in 1997.

Beksa has the largest market share in its own territory. After investments in 2005 targeting capacity increase, Beksa increased its steel cord production capacity to 32,500 tons. In 2005, the Company's revenues were € 89 million.

AUTOMOTIVE

TEMSA

Temsa, established in 1968, began operations in 1984 with the signing of a technical license and distributorship agreement with Mitsubishi Motors Corporation of Japan.

Temsa's Adana plant has an annual production capacity of 1,000 buses and coaches, 2,000 midibuses and midicoaches and 7,500 light trucks.

In addition to its production activities, Temsa is also the sole distributor of Mitsubishi and Komatsu products in Turkey.

Having initiated production at the Adana facilities in 1987, Temsa has continued to manufacture Temsa Diamond, Temsa Safir coaches, Temsa Powerbus midicoaches, Temsa Prestij midibuses and Mitsubishi Fuso Canter light trucks for the Turkish market. In the last quarter of 2005, the Company launched a new vehicle, Temsa Metropol, specially designed for the urban public transport market.

For the European market, the Company manufactures Temsa Diamond, Temsa Safari, Temsa Tourmalin and Temsa Opalin originally developed and designed by the Company utilizing a flexible production approach with a variety of engines and drive train components. Today, coaches and midicoaches manufactured by Temsa are the vehicle of choice in more than 40 countries, many of which are EU members.

International sales and marketing operations of Temsa are carried out by Temsa Europe located in Belgium and through seven representative offices and 34 distributors throughout the world.

Temsa currently exports 71% of its annual bus production. As an independent Turkish branded automotive firm in the European market, the Company is aiming a 10% market share in its own segments with Temsa buses, coaches and midicoaches.

Within the framework of the distributorship agreement with Mitsubishi, Temsa is also engaged in sales, service and spare parts operations through 40 authorized dealers across the country for Mitsubishi passenger cars, pick-ups and panel van





light commercial vehicles and Mitsubishi Fuso Canter light trucks. Canter light trucks, the market leader in their own segment, are produced at the Company's Adana plant.

Temsa has been supplying Komatsu construction equipment and forklifts to Turkish industries and has been the distributor of Komatsu for 23 years. Temsa became the leading firm in the sector in 2005 by applying the customer-focused Samurai lean marketing model.

Temsa carries out production and sales operations in compliance with the ISO 9001-2000 Quality Management System. Temsa was the first company in the Turkish automotive sector to receive the TS 18001 Occupational Health and Safety Management System Certificate (OHSAS) by the Turkish Standards Institute. Temsa also received the ISO 14001 Environmental Management System Certificate in 2005.

In 2005, Temsa's capital expenditure was US\$ 29 million. The Company generated revenues of US\$ 602 million, of which, US\$ 131 million were from exports.

TOYOTASA

In October 2000, Toyotasa was established as a joint venture between Sabancı Holding (65%), Toyota Motor Corporation (25%) and Mitsui & Company (10%). This Company is the exclusive distributor for Toyota products in Turkey and performs marketing, sales and after-sales services of locally produced

Corolla automobiles, imported vehicles such as Avensis, Yaris, RAV4, Land Cruiser and Camry plus spare parts.

Toyota vehicles are marketed, distributed and serviced by exclusive dealerships operating Toyota Plazas throughout the country. These facilities are established and operated with a philosophy that embraces high quality, advanced technology and reliability. Offering full service to customers, they provide world-class sales and service with authorized spare parts and approved used car availability.

Since its establishment, Toyotasa has regularly increased its market share thanks to proactive marketing and sales strategies. In 2005, Toyotasa achieved a 6.7% market share by increasing sales volume for the fourth consecutive year and breaking a new sales record.

Moreover, Toyotasa achieved significant improvements in both brand image and customer satisfaction as a result of effective marketing activities and CRM applications.

Toyotasa continues to make ambitious plans for the coming years. Although, no growth is estimated in the market in 2006, Toyotasa has targeted an increase in its sales volume by 10% and, within the next three years, will become one of the top three best selling brands in Turkey.