**Arçelik expands its business further into Asia with major acquisition**

*Arçelik, a global player in the home appliances industry, has signed an agreement to acquire Dawlance, Pakistan’s leading white goods manufacturer.*

*Acquisition will help drive Arçelik’s growth strategy in emerging markets and its goal to create strong presence in Asia Pacific region, following its recent investment in Thailand.*

**Istanbul, June [XX], 2016** — Arçelik A.Ş. ([ARCLK](https://www.google.com/search?espv=2&biw=1119&bih=494&q=IST:ARCLK&stick=H4sIAAAAAAAAAOMQUOLRT9c3NMowKjQ1LEkGAFo3KXYQAAAA&sa=X&ved=0ahUKEwiypoqYzqXKAhWFdD4KHaRqBCAQsRUIiAEwDg):IST), a global leader in the home appliances industry, has today announced the $258 million acquisition of Dawlance, Pakistan’s market-leading home appliance brand, as part of its global expansion into fast-growth opportunity markets.

The transaction will give Arçelik, which is owned by Koç Group (KCHOL:IST), Turkey’s largest industrial conglomerate, a significant presence in the world's sixth most populous country at a time of increased economic growth.

Pakistan's economy is forecast to grow around 5 per cent annually for the next three years. It has increasingly prosperous working and middle class, with many aged 20-40, and is rapidly urbanizing, all of which is very favourable for Arçelik.

The acquisition is expected to close by the end of 2016 subject to fulfilment of closing conditions including regulatory approvals.

Dawlance was founded in Karachi in 1980 and remains a privately-owned company. It has two manufacturing sites in Karachi and one in Hyderabad, supporting 3,000 staff across an extensive distribution, sales and service network.

Dawlance is the number one brand in refrigeration and microwaves in Pakistan, second in air conditioning and third in the laundry categories. It reported 2015 revenues of $221 million and EBITDA of $45 million.

**Levent Çakıroğlu, CEO of Koç Holding**, said: Arçelik has always been a source of pride for Koç Holding thanks to its leading position in Turkey and its achievements on a global scale. Among our companies, the one that accelerates the global growth strategy of our Group the most is Arçelik, undoubtedly. Consolidating the vision of our group, Arçelik has made a significant investment in Pakistan in line with its global growth strategy. I believe this investment will further strengthen Turkey-Pakistan economic ties. Through the incorporation of Dawlance into our group, we will gain a strong and strategic foothold in Pakistan, a promising economy. As Koç Holding, we will continue to support Arçelik’s quest to grow globally through other acquisitions.

**Fatih Ebiçlioğlu, President of Consumer Durables Group of Koç Holding,** said: “Pakistan is the sixth most populous country in the world with a population of 200 million people. Particularly, its young population, increasingly growing economy, makes it an enticing prospect as a market in the region. With the acquisition of Dawlance in Pakistan, Arçelik will employ a total workforce of 30.000 worldwide and will have a global production base of 18 manufacturing facilities including Turkey, Romania, Russia, China, South Africa and Thailand. Our acquisition is also a powerful example of south-south cooperation, representing a technology and know-how transfer between developing countries. In this regard, Arçelik is making a valuable contribution to Turkey’s economy with this strategic investment and acquiring a market leader with very strong financials.”

**Hakan Bulgurlu, CEO of Arçelik**, said:

“Arçelik is progressing steadily on a global path and aspires to be a truly global player in its industry. Through the last decade we have consistently expanded our global outreach. We have doubled our sales turnover over the last 5 years and we retain our fast growth in all the markets we operate.

We pride ourselves on developing products, which make a real difference to our customers’ lives and have more than 1,000 engineers in our R&D centres in Turkey, Taiwan and Cambridge, in the UK. We also expect to open more centres soon in Germany and the USA”.

“Our track record in research and development allied to our geographical manufacturing advantages and economies of scale mean we are well-placed to service both European and Asian markets. Arçelik’s recent investments in Thailand and Pakistan are providing a strong platform for growth in South East Asia as European markets reach saturation point for white goods and long-term economic malaise continues.

“By combining our global expertise and innovation with Dawlance’s excellent local management team, we will strengthen Dawlance’s product offering and brand position. We expect clear advantages to emerge in the development and manufacturing of products for Pakistan and potentially further afield.”

Arçelik, led by its global brands Beko and Grundig, has been extending its global footprint over the past years by acquiring strong regional brands in developing markets.

Economic growth in Pakistan is leading to more disposable income and purchasing power whilst technological advances are making white goods more efficient and more affordable. Pakistan’s rapid urbanization and social development is seeing the emergence of more single family dwelling, creating more demand for consumer appliances.

**ABOUT ARÇELİK**

Arçelik is a global consumer durables company serving customers in 133 countries. Arçelik is owned by Koç Holding, a Fortune 500 company and Turkey's largest industrial conglomerate, which has leading positions with strong competitive advantages in various sectors, such as energy, automotive, consumer durables and finance.

Arçelik recorded a consolidated turnover of USD 5,2 billion in 2015. At home in Turkey, Arçelik is the sustained market leader in white goods, consumer electronics and air-conditioning. In the international arena Arçelik Group is the third largest player in its industry across Europe. Its 10 brands (Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy and Altus) offer consumers energy efficient and innovative home appliances. In South Africa, Defy is the number one brand and in Romania Arctic is the leader brand.

Beko is the number 1 brand in European freestanding home appliances and maintains its leadership in the UK. Beko is a global premium partner of Barcelona Football Club. Arçelik, headquartered in Istanbul, Turkey, is listed on the Istanbul Stock Exchange (IST: ARCLK).

For more information on Arçelik, please visit: [www.arcelikas.com](http://www.arcelikas.com)

**ABOUT DAWLANCE**

Dawlance, established in 1980, is a leading manufacturer of household appliances in Pakistan and operates in five categories: refrigerators, air-conditioners, micro-wave ovens, washing machines and freezers. It has been recognized as the 3rd most favorite brand of Pakistan, among all industries, according to an independent consumer survey.