**Arçelik A.Ş. Breaks Ground on Its First Industry 4.0. New Plant in Romania**

On June 2,2017 the management representatives from Koç Holding, Arçelik Group and Arctic have gathered at the ceremony that marked the beginning of the construction works on the new washing machine production unit in Romania.

The ceremony took place at the site of the new factory, in Ulmi, Dambovita county, in the presence of Fatih Kemal Ebiçlioğlu, President of Durable Goods at Koç Holding, Hakan Bulgurlu, Chief Executive Officer at Arçelik Group, Oğuzhan Öztürk, Chief Production & Technology Officer at Arçelik Group and Ragip Balcioğlu, Chief Commercial Officer – International at Arçelik Group, alongside other leader members of Arçelik Group.

The new factory will be Arçelik’s first ever factory to be built in accordance with the concept and the principles of Industry 4.0., which represents the fourth industrial revolution in the history of humankind.

In relation to the benefits to be expected from this investment, Fatih Ebiclioglu, President of Durable Goods at Koç Holding, stated: “In addition to meeting our long-term demand in washing machines, we expect the factory to produce units of superior quality in a much more efficient manner, due to its Industry 4.0. compliance and high automation. We also expect to realize logistics synergies and shorter lead-times for our European customers. We believe that these are very big wins for Arçelik and Romania as a whole.”

With regards to the Romania investment, Fatih Ebiclioglu said: “Romania is a second home for all of us at the Arçelik Group. Arctic is the first subsidiary of our Group outside Turkey, purchased in 2002. The teams we have here changed the face of Arctic and the white goods industry in Romania as a whole.”

Hakan Bulgurlu, Chief Executive Officer at Arçelik Group, said: “We believe that it should be one target: making Beko number one in Europe. This should be a 5 years’ goal for all of us.”

Hakan Bulgurlu thanked all the people involved in this project for the effort, dedication and hard work and said he had no doubt every objective will be accomplished. He also mentioned Arctic refrigerators factory as being one of the most efficient factory in the whole Arçelik manufacturing ecosystem, on which occasion he expressed his confidence in replicating this success story for the new washing machine factory.

Oğuzhan Öztürk, Chief Production & Technology Officer at Arçelik Group, compared the new factory with a contemporary art museum for other appliances manufacturers. He added: “Our very clear objectives with this state of art factory are the following: huge productivity increase, quality increase, flexibility increase.” He ended by encouraging everyone to show the world what will be the future of the washing machine production.

Nihat Bayiz, Country Manager of Arctic, thanked both Koç Holding and Arçelik Group management for choosing Romania as the beneficiary of this new, innovative investment which will bring immense value to Group’s local operations.

Nihat Bayiz emphasized that the industry 4.0. concept will facilitate increased production speed, quality, efficiency and flexibility. “Moreover, our core ERP system will be fully integrated with our product lifecycle management system and ultimately Arçelik’s first MES system will be integrated to both ERP and PLM. All these will give us an opportunity to give better services to customers with better lead time, increased competitiveness and significant improved quality”, Nihat Bayiz added.

The new washing machine factory marks an important milestone for the Arçelik Group, as it is the first step in turning Romania into a global powerhouse in the consumer durables industry. The new greenfield washing machine plant in Ulmi is one of the most significant investments in recent years in Dambovita county and in Romania, with expected positive impact both on the local community and on the national economy.