

Sabancı of Rising Turkey

2013 Q1 Results Earnings Presentation

SABANCI

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The Effects of New IFRS Standards Regulating Consolidation

Standards Regulating Consolidation

- The new IFRS standards (IFRS 10& IFRS 11) changed Sabancı Holding's Net Sales, Operating Profit and EBITDA figures and footnotes.
- In accordance with the new practice of consolidation:
 - The revenues, EBITDA, debt, FX risk of JV's which are jointly controlled will not be included in Sabancı Holding financial statements:
 - Enerjisa
 - Akcansa
 - Brisa
 - Aksigorta
 - Avivasa
 - Carrefoursa
- Only net income figures of these companies included in the financial statements of Sabancı Holding in a single line as "Income of Investments Accounted for Under Equity Method"

2013 Disclosures Under New IFRS Standards

-Sabancı is announcing its financial statements in accordance with the new IFRS starting from **this quarter, Q1 2013.**

-Additional disclosures:

- Financial statements prepared according to the previous IFRS application for all the quarters of 2013

- More detailed segment note including details of subsidiaries and JVs

Turkey Macro Outlook Update-Q1 2013

- Moderate recovery in domestic demand: Increase in production and imports of consumption and investment goods.
- Strong recovery in consumption demand: Rising consumer confidence, increasing consumer loans growth rate, white goods and automobile sales.
- Weaker recovery in investment demand: Stable business confidence index and capacity utilization rate in manufacturing and sales of commercial vehicles.
- Exports resilient, but growth rate lower than last year. Imports started to accelerate; effect of net exports on growth limited.
- Moderate recovery in industrial production: Recovery in domestic demand not fully reflected in production due to inventory depletion and increase in imports.

2013 Expectations

	<u>2012</u>	<u>2013(E)</u>
GDP Growth, %	2.2	3.5
Change in CPI (%), annual	6.2	6.3
USD/TL, year end	1.783	1.876

Growth picks up moderately, inflation remains within target interval, FX rates remain stable in line with CBT policies ...

Calculation of Net Income Excluding Non-Operational Items

MILLION TL	2012 Q1	2013 Q1
NET INCOME	296	570
Akbank Turkish Competition Board Penalty	-	53
Other	-	(15)
NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS*	296	609

** Net income figures excluding non operational or non recurring items will be discussed in the presentation*

Results Snapshot

GROUP

NON-BANK

Operating Profit*
(Million TL)

1.233

74%

2.143

2012 Q1

2013 Q1

- High growth in operating profit.

Net Income**
(Million TL)

296

106%

609

2012 Q1

2013 Q1

- Consolidated net income more than doubling.

Net Income**
(Million TL)

72

167%

192

2012 Q1

2013 Q1

- Non-bank net income growth exceeding consolidated net income growth.

Stellar growth both in bank and non-bank segments.

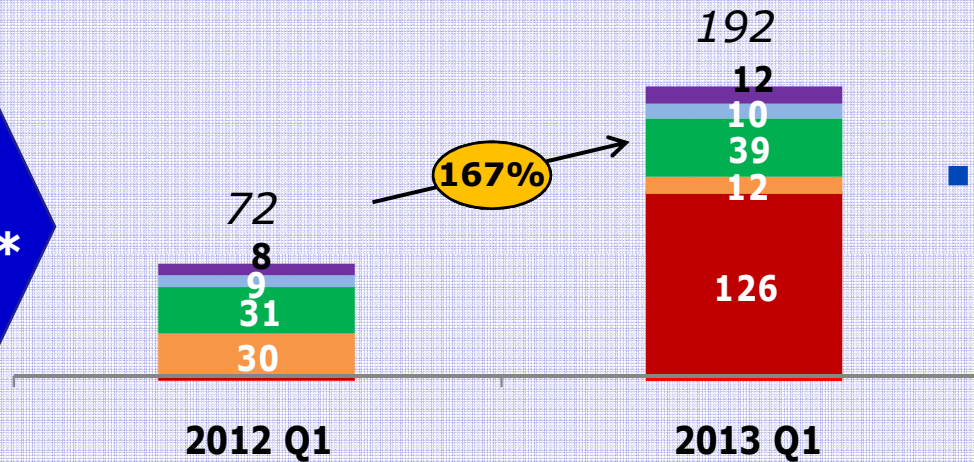
* Total before consolidation (combined).

**2013 consolidated figures excludes non operational items amounting to 38 MTL loss at net income level, mainly due to Akbank Turkish Competition Board Penalty expense.

Non-bank Results-2013 Q1

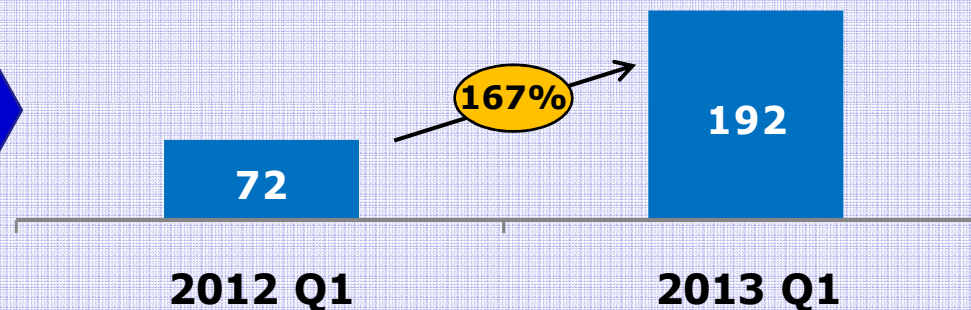
CEMENT	ENERGY	OTHER
	INDUSTRY	INSURANCE

**Net Income
(Million TL)***



- Net Income of non-bank segment increased significantly y-o-y.

**Net Income
(Million TL)***



**Excluding non operational items.*

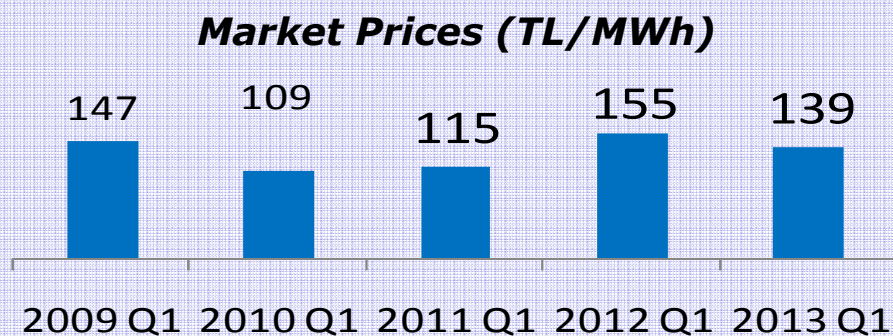
Sabancı Holding- Corporate Actions

- Finalization of partnership with E.ON in the energy business
 - Installed capacity target for electricity generation will increase to 7,500 MW in 2020 to fuel growth in the attractive business line.
- Acquisition of electricity distribution regions
 - Enerjisa will be one of the largest players in electricity distribution.
- Acquisition of controlling shares in Carrefoursa
 - Sabancı Holding increased its share to 51% in the company, taking over control and responsibility for the operations.
- Sale of Diasa
 - Sabancı Holding and Dia agreed to sell their shares in Diasa and exited the sector which did not provide profitable growth potential.
- Sale of Olmuksa
 - Sabancı Holding sold its shares in Olmuksa to the other major shareholder International Paper in January
- Restructuring of Temsa
 - Temsa's three business lines were separated to provide focus on effective management

Energy

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	1.126	1.272	13%	-	-	-
COST OF SALES	(1.010)	(1.055)	4%	-	-	-
OPERATIONAL EXPENSES	(86)	(106)	23%	-	-	-
OTHER INCOME / (EXPENSE)	1	3	297%	-	-	-
OPERATING INCOME	28	114	301%	31	39	26%
EBITDA	76	170	123%	-	-	-
EBITDA EXCLUDING NON OPERATIONAL ITEMS	76	170	123%	-	-	-
NET INCOME	62	78	25%	31	39	26%
EBITDA Margin (%)	6,8%	13,4%		-	-	

Topline growth and margin improvement despite declining market prices...

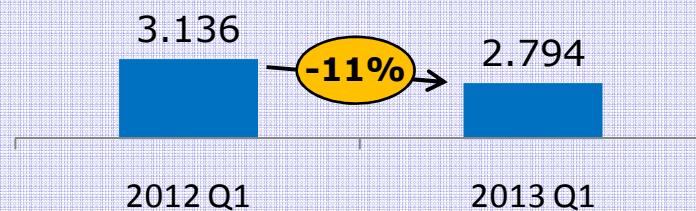


Enerjisa

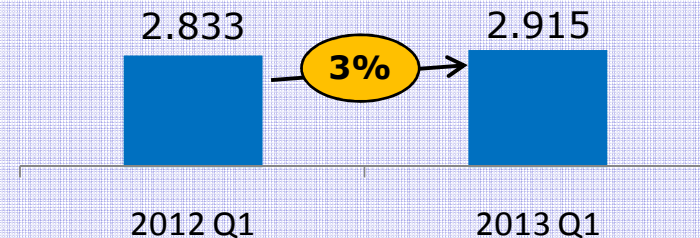
MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	1.126	1.272	13%	-	-	-
EBITDA	76	170	124%	-	-	-
NET INCOME	62	78	25%	31	39	26%
EBITDA Margin (%)	7%	13%		-	-	

Sales volume increase driven by both positive distribution performance, margin improvement due to generation margin increase

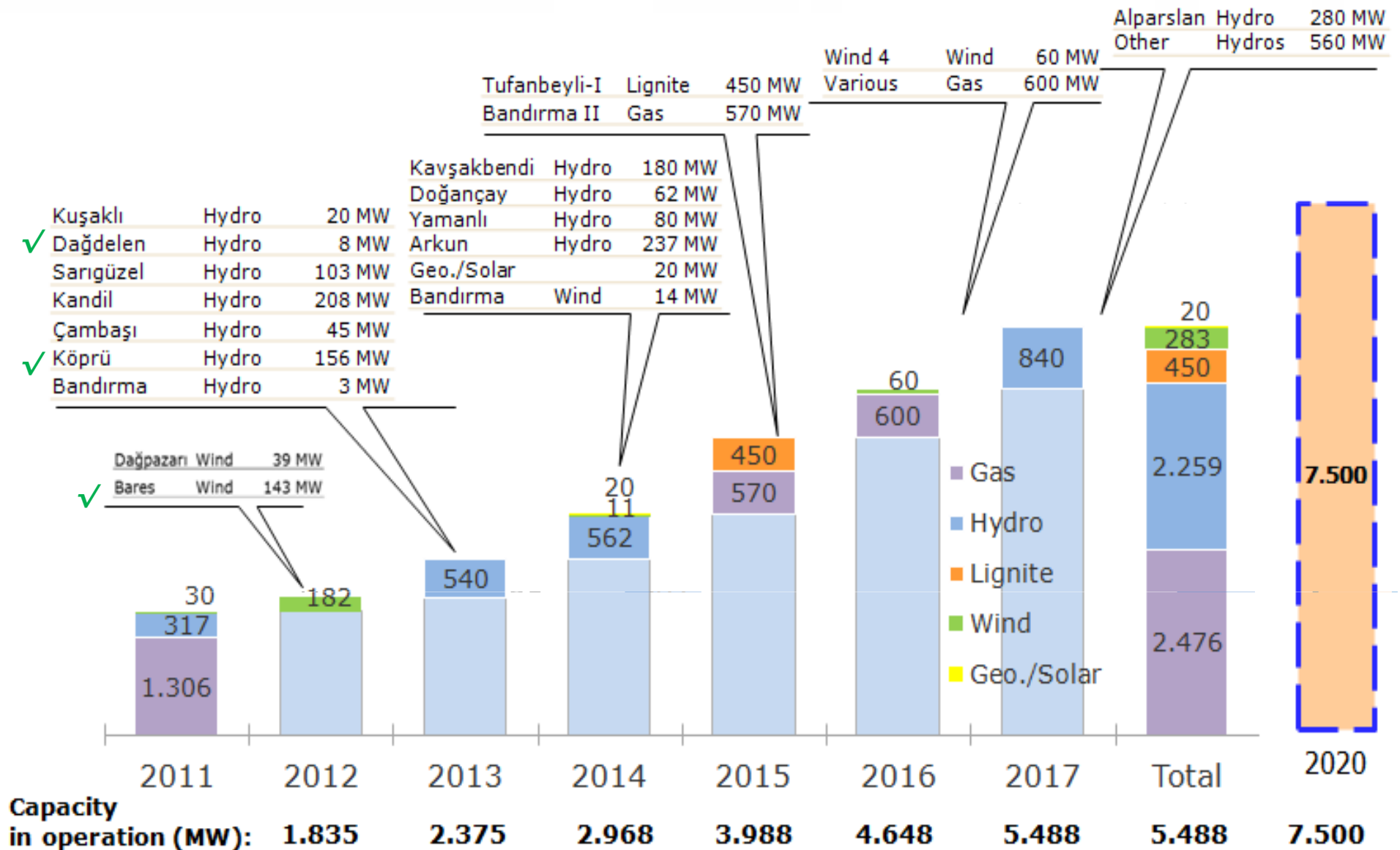
Generation&Trading Sales Volume (Gwh)



Distribution Business Retail Sales(Gwh)



Enerjisa Projects



Increasing diversified asset portfolio through new investments.

Enerjisa Balance Sheet

MILLION TL

CASH AND CASH EQUIVALENTS
TRADE RECEIVABLES
OTHER CURRENT ASSETS
TOTAL CURRENT ASSETS
PROPERTY, PLANT AND EQUIPMENT
INTANGIBLE ASSETS
OTHER NONCURRENT ASSETS
TOTAL NONCURRENT ASSETS
TOTAL ASSETS
SHORT TERM BANK BORROWINGS
TRADE PAYABLES
OTHER CURRENT LIABILITIES
TOTAL CURRENT LIABILITIES
LONG TERM BANK BORROWINGS
OTHER NON CURRENT LIABILITIES
TOTAL NON CURRENT LIABILITIES
TOTAL EQUITY
TOTAL LIABILITIES AND EQUITY

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)		
2012 YE	2013 Q1	% Change
348	400	15%
547	652	19%
307	338	10%
1.203	1.390	16%
6.035	6.508	8%
1.943	2.663	37%
1.766	1.008	-43%
9.744	10.180	4%
10.947	11.570	6%
1.449	1.449	0%
780	596	-24%
182	247	36%
2.411	2.293	-5%
3.126	3.157	1%
731	709	-3%
3.858	3.866	0%
4.678	5.412	16%
10.947	11.570	6%

Continuing investments ...

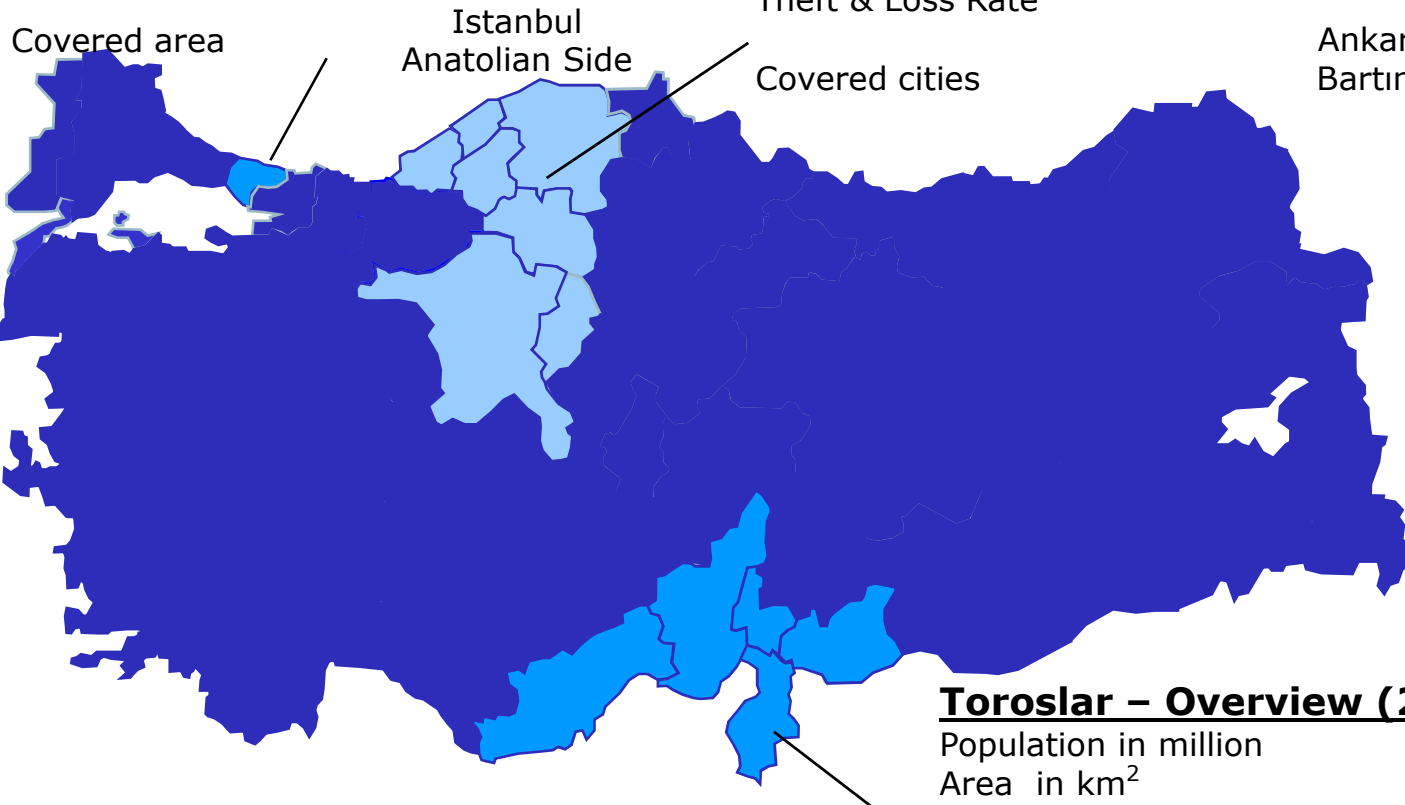
Distribution Regions – Toroslar, Ayedaş and Başkent

Ayedaş – Overview (2011)

Population in million	4.8
Area in km ²	1,869
Subscribers in million	2.4
Electricity sales in TWh	7.8

Başkent EDAŞ – Overview (2012)

Population in million	6.9
Area in km ²	63,398
Subscribers in million	3.56
Electricity sales in TWh	11
Theft & Loss Rate	8.2%



Ankara, Zonguldak, Karabük, Bartın, Kastamonu, Kırıkkale, Çankırı

Toroslar – Overview (2011)

Population in million	7.6
Area in km ²	46,598
Subscribers in million	2.9
Electricity sales in TWh	14.0

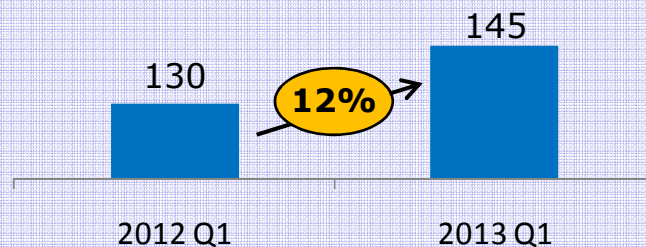
Covered cities Adana, Gaziantep, Hatay, Kilis, Mersin, Osmaniye

Retail

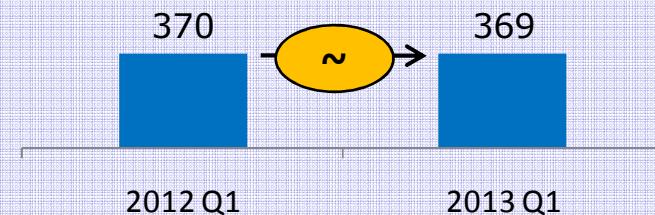
MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	1.060	1.258	19%	456	659	44,6%
COST OF SALES	(828)	(1.003)	21%	(362)	(548)	51,5%
OPERATIONAL EXPENSES	(235)	(250)	6%	(85)	(99)	16,5%
OTHER INCOME / (EXPENSE)	10	5	(50%)	10	5	-45,4%
OPERATING INCOME	8	9	20%	16	15	-6,8%
EBITDA	29	31	5%	25	24	-1,6%
EBITDA EXCLUDING NON OPERATIONAL ITEMS	29	31	5%	25	24	-1,6%
NET INCOME	(11)	(24)	(221%)	(2)	(8)	N.M
EBITDA Margin (%)	3%	2%		5%	4%	

Strong top line growth driven by electronics retail business...

Electronics Retail Sales Area (000 m²)



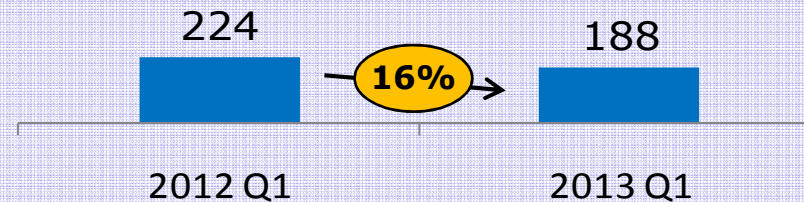
Food Retail Sales Area (000 m²)



Diasa

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS		
	2012 Q1	2013 Q1	% Change
SALES (NET)	247	216	(13%)
EBITDA	(4)	(15)	(275%)
EBITDA EXCLUDING NON OPERATIONAL ITEMS	(4)	(15)	(275%)
NET INCOME	(12)	(25)	(108%)
EBITDA Margin (%)	(2)	(7)	

Diasa Retail Sales Area (000 m²)



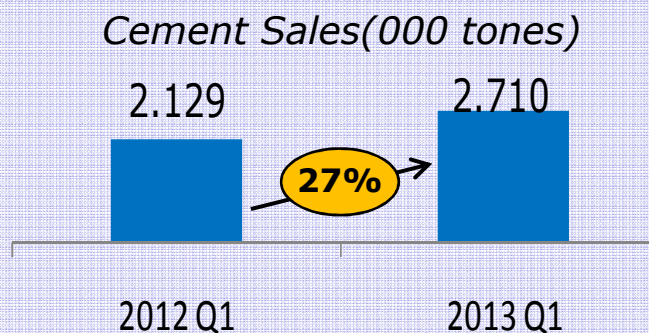
Cement

MILLION TL

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	351	424	21%	132	190	44%
COST OF SALES	(292)	(361)	24%	(108)	(158)	46%
OPERATIONAL EXPENSES	(23)	(24)	5%	(11)	(12)	9%
OTHER INCOME/(EXPENSE)	(1)	12	N.M	(1)	(1)	0%
OPERATING INCOME	34	51	50%	18	25	37%
EBITDA	60	80	35%	24	34	42%
EBITDA EXCLUDING NON OPERATIONAL ITEMS	60	80	35%	24	34	42%
NET INCOME	20	32	62%	9	10	12%
EBITDA Margin (%)	17%	19%		18%	18%	

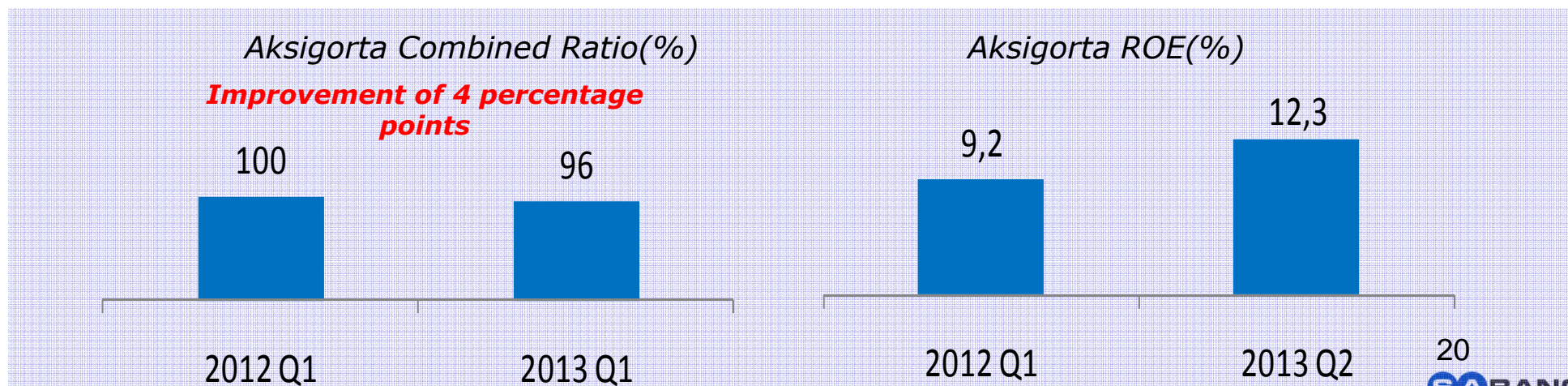
Please note that the EBITDA figure in Q1 2013 includes 13.1 MTL of dividend income. Excluding this amount EBITDA margin decreased slightly to 15.8% from 17.1%.

Increasing topline and profitability with the help of robust construction market...



Insurance

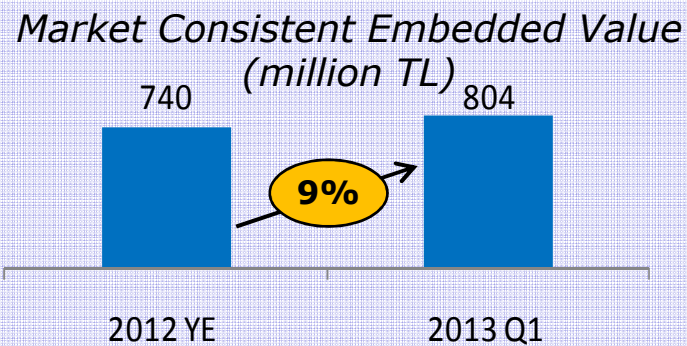
MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	418	471	12%	-	-	-
COST OF SALES	(364)	(422)	16%	-	-	-
OPERATIONAL EXPENSES	(51)	(59)	17%	-	-	-
OTHER INCOME/(EXPENSE)	15	35	143%	-	-	-
OPERATING INCOME	18	25	36%	8	12	53%
EBITDA	20	27	33%	-	-	-
NET INCOME	19	27	46%	8	12	50%



MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	48	60	24%	-	-	-
OPERATING INCOME	9	10	15%	5	8	81%
NET INCOME	9	17	81%	5	8	81%

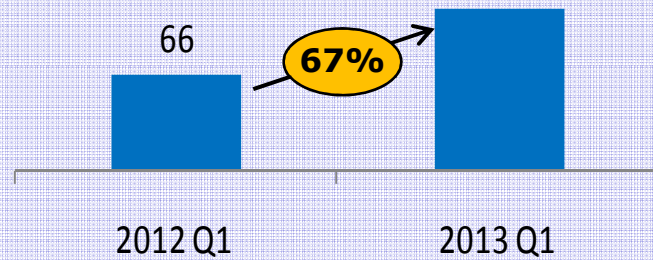
	2012 YE	2013 Q1	% Change
AUM (Milyon TL)	4.046	4.302	6%

6% increase in AUM...

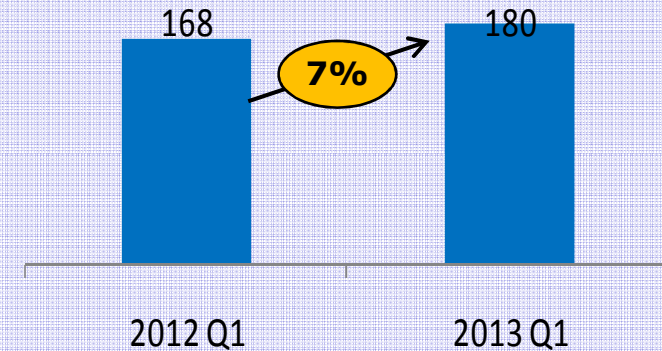


Solid Growth with the New Pension Incentives

Net Contribution Excluding One Time Fund Transfer (million TL)

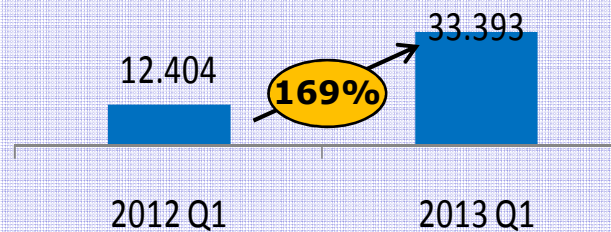


Net Contribution (million TL)



Robust growth with the new incentivization scheme...

Number of new participants



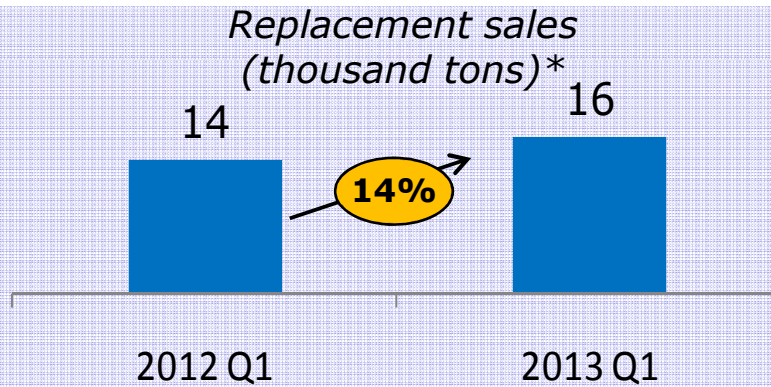
Industrials

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	1.336	1.288	-4%	1.015	964	-5%
COST OF SALES	(1.132)	(1.103)	-3%	(874)	(863)	-1%
OPERATIONAL EXPENSES	(123)	(133)	8%	(81)	(85)	5%
OTHER INCOME/(EXPENSE)	6	7	22%	6	6	9%
OPERATING INCOME	86	58	-32%	71	34	-52%
EBITDA	130	110	-15%	92	55	-40%
EBITDA EXCLUDING NON OPERATIONAL ITEMS	130	110	-15%	92	55	-40%
NET INCOME	46	28	-38%	30	12	-59%
EBITDA Margin (%)	10%	9%		9%	6%	

Decreasing profitability due to the challenges in export markets and increasing competition, but local demand is robust

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	321	319	-1%	-	-	-
EBITDA	37	55	48%	-	-	-
NET INCOME	13	26	103%	6	11	103%
EBITDA Margin (%)	12%	17%		-	-	

Very strong profitability growth driven by increased replacement sales and favorable raw material prices ...

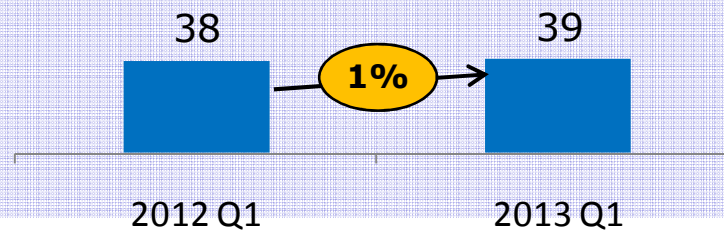


Kordsa Global

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
SALES (NET)	396	357	(10%)	396	357	(10%)
EBITDA	56	21	(63%)	56	21	(63%)
NET INCOME	29,3	0,4	(99%)	26,7	0,4	(99%)
EBITDA Margin (%)	14%	6%		14%	6%	

Raw material price in Q1 depressed profitability...

Tire Cord, Fabric and Yarn Sales Quantity (000 tones)



Consolidated Net Sales

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
TOTAL	7.837	9.095	16%	4.801	5.581	16%
BANK	3.177	3.759	18%	3.177	3.759	18%
NON-BANK	4.660	5.337	15%	1.635	1.831	12%
ENERGY	1.128	1.272	13%	-	-	-
RETAIL	1.060	1.258	19%	456	659	45%
CEMENT	351	424	21%	132	190	44%
INSURANCE	418	471	13%	-	-	-
INDUSTRIALS	1.336	1.288	-4%	1.015	964	-5%
OTHERS	367	624	70%	32	18	-45%

Strong revenue growth continues...

EBITDA (EXCLUDING NON OPERATIONAL ITEMS)

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	2012 Q1	2013 Q1	% Change	2012 Q1	2013 Q1	% Change
TOTAL	1.374	2.393	74%	826	1.516	83%
BANK	729	1.322	81%	729	1.322	81%
NON-BANK	645	1.066	65%	136	112	-17%
ENERGY	76	170	124%	-	-	-
RETAIL	29	31	5%	25	24	-2%
CEMENT	60	80	35%	24	34	42%
INSURANCE	20	27	33%	-	-	-
INDUSTRIALS	130	110	-15%	92	55	-40%
OTHERS	330	648	96%	-5	-1	N.M

***Significant operational income improvement in energy, bank and insurance...**

Leverage and FX Position

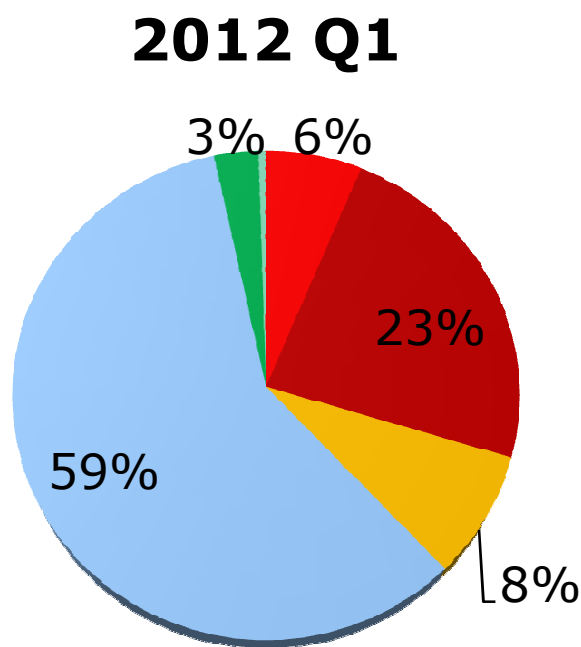
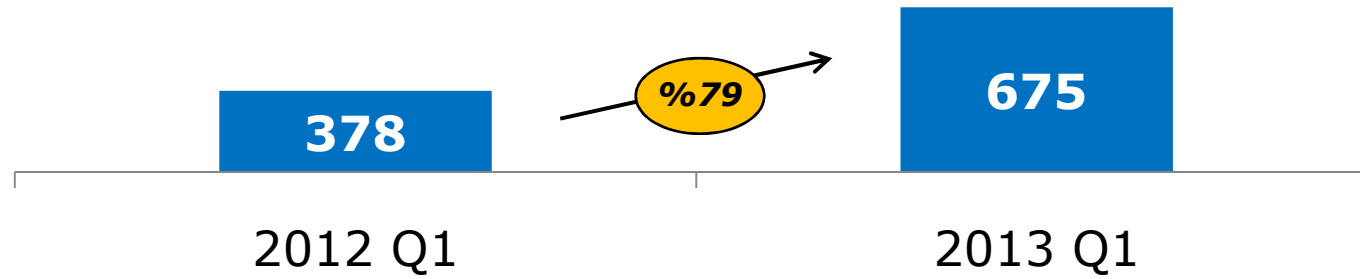
		Million Euro	
NET FX POSITION (excl. bank)		December 31, 2012	March 31, 2013
SEGMENT TOTALS			
ENERGY		(1.700)	(1.695)
INDUSTRY		(74)	(107)
CEMENT		4	5
RETAIL		(10)	3
HOLDING,INSURANCE&OTHER		378	273
TOTAL CONSOLIDATED*		(209)	(270)
		Million Euro	
NET DEBT / (CASH) (excl. bank & ins.)		December 31, 2012	March 31, 2013
SEGMENT TOTALS			
ENERGY		1.799	1.819
INDUSTRY		716	776
CEMENT		240	276
RETAIL		(153)	(121)
HOLDING&OTHER		(445)	(585)
TOTAL**		1.072	1.071

* Capitalized borrowings of Energy segment amounting to 358 M Euro and other FX assets/liabilities that do not create FX gain/loss are excluded (Capitalized borrowings Dec 31, 2012: 366 M Euro).

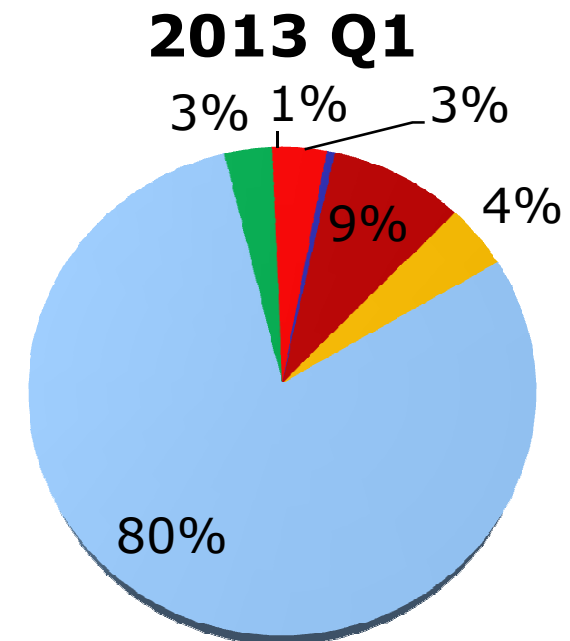
** Total net debt position affecting the consolidated net income

Low FX exposure and high debt capacity...

Organic Growth / Investments (Million TL)



- Bank
- Industrials
- Cement
- Energy
- Retail
- Other



Investments continued in all segments led by energy...



2013 Update

2013 Combined Guidance

	<u>Sales</u>	<u>EBITDA</u>
Energy	~ + 10%	~ +45-50%
Cement	~ + 5-10%	~ + 5-10%
Retail	~ +10%	~ +5%
Insurance	~ +15%	~ +30%
Industrials	~ +10%	~ +15%

Sabancı of Rising Turkey

Q&A

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