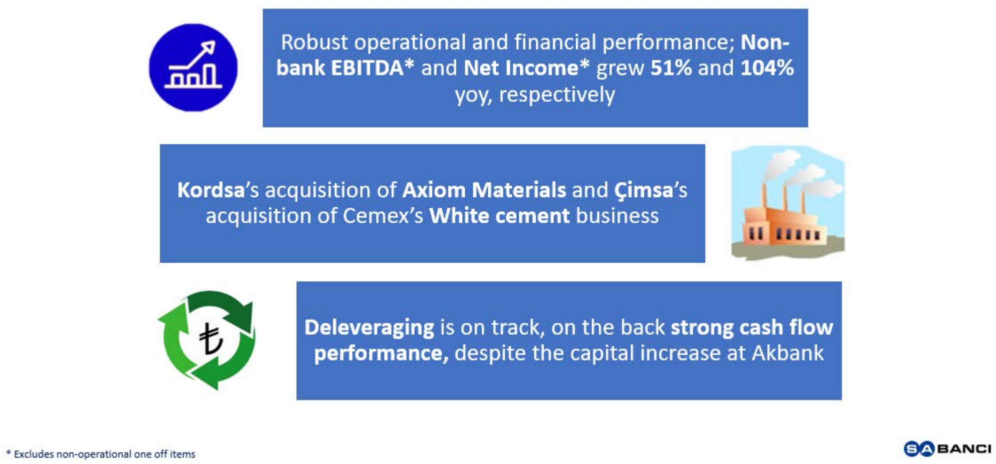
2019 Q1

EARNINGS RELEASE

Key Developments in Q1 2019



- During the first quarter, solid operational and financial performance in Group businesses continued. Nonbank EBITDA grew 51%, while net income jumped 104% y-o-y. The strong performance was mainly driven by Energy segment and major impact comes from non-listed Energy Generation business.
- Secondly, inorganic growth has gained momentum during the quarter. In addition to Kordsa's decision to acquire Axiom Materials during the quarter for around US$ 175 mn, Çimsa's acquisition of Cemex's white cement business in Spain, including its Buñol plant, for around US$180 mn was announced. With the integration of the Buñol white cement plant to Group's production and distribution networks, white cement production capacity will increase by 40%, paving the way for Çimsa becoming the world's largest white cement company.
- Thirdly, with the focus on cash generation, the deleveraging trend on the non-bank side has been on track, despite the capital increase at Akbank. Adjusted for the IFRS16 impact in Retail segment, net debt to EBITDA level remained broadly unchanged at 2.4 times by the end of Q1 2019, compared to 2.3 times at the end of 2018. Without capital increase at Akbank, net debt to EBITDA would have declined to 2.3 times by the end of Q1.

2019 - Strong Cash Generation Sustained the Leverage Ratio

OPERATIONAL CASH FLOW (MTL)*

	Q1 2018	Q1 2019	% Change
Energy	293	1.411	382%
Cement	-7	-65	-829%
Retail	-382	42	111%
Retail - Adjusted for Comparison**	-382	-70	82%
Industrials	43	383	791%
TOTAL	**-53**	**1.772**	**3443%**

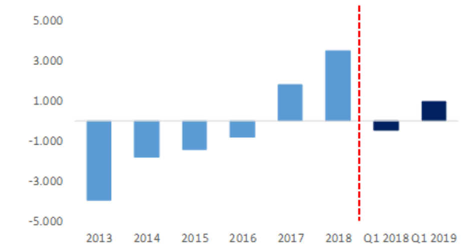
FREE CASH FLOW (MTL)*

	Q1 2018	Q1 2019	% Change
Energy	-150	707	571%
Cement	22	-81	-468%
Retail	-262	18	107%
Retail - Adjusted for Comparison**	-262	-94	64%
Industrials	-46	309	772%
TOTAL	**-436**	**954**	**319%**

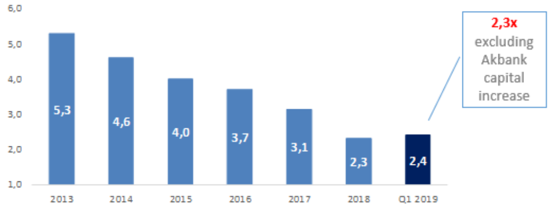
* Management reporting, excludes insurance, banking, and other segment

**Adjusted for IFRS16 impact

Free Cash Flow, Combined for Non Bank**



Combined Net Financial Debt to Non-Bank EBITDA**



** Excludes banking, other segment and net cash position of insurance

EBITDA excludes one-offs and IFRS16 impact in retail segment

SABANCI

- An excellent cash flow generation was achieved in 2018 and the Q1 2019 results show that outstanding performance on the cash flow front has been sustained so far in 2019.
- Focus on cash generation, healthy management of whole supply chain, including distribution channels and prudent risk management on the receivables side along with the outperformance in the operational profitability resulted in significant operating cash flow. In the first quarter, operational cash flow of TL 1,8 bn and free cash flow of almost TL 1 bn was posted. Strong operational results at Enerjisa Generation, cash conversion improvement in Energy Retail and substantial improvement in working capital requirement at Temsa bus business and Kordsa were the main drivers of this strong cash generation.
- Thanks to this strong cash generation, the leverage ratio was sustained, despite significant headwinds, such as weak TL and high interest rates, and the capital increase of TL 1,2 bn to Akbank during the quarter.
- Adjusted for the IFRS16 impact in Retail segment, Combined Net Debt to EBITDA for the Non-Bank remained broadly unchanged at 2.4 times by the end of Q1 2019, compared to 2.3 times at the end of 2018. Without capital increase at Akbank, net debt to EBITDA would have been 2.3 times by the end of Q1.
- Sabancı, standalone at Holding level, has a net cash position of TL 1,6 bn, which is mainly in hard currency. Total non-bank combined cash amount of the Group companies excluding insurance and PHILSA/PMSA stands at TL 8,3 bn, while Float at insurance companies totals at TL 3,1 bn.
- Looking into the upcoming quarters, focus on cash management will continue during 2019; and operating cash flow is projected to improve further this year.

A Solid Start to the Year

Combined Net Sales

MILLION TL	Q1 2018	Q1 2019	% Change
TOTAL*	18.719	23.294	24%
BANK	7.962	10.698	34%
NON-BANK*	10.757	12.596	17%

Driven by Industrials and Energy

Higher renewable volumes in Energy

Stronger exports and FX linked businesses

Combined EBITDA

MILLION TL	Q1 2018	Q1 2019	% Change
TOTAL*	3.704	4.250	15%
BANK	2.257	2.071	-8%
NON-BANK*	1.447	2.179	51%

Strong Energy Generation profitability

Robust technical profit in Insurance

IFRS 16 impact in Retail: +TL112 mn

Consolidated Net income

MILLION TL	Q1 2018	Q1 2019	% Change
TOTAL*	894	1.028	15%
BANK	691	616	-11%
NON-BANK*	202	412	104%

Boosted by Energy and Insurance

EBITDA backed by lower financial expenses

*Excludes non-operational one off items. Holding dividend income is excluded

- Looking at nonbank figures, 17% growth in top line; 51% growth in Nonbank EBITDA and 104% growth in net income in Q1 was posted.
- As in previous quarters, Q1 sales growth was driven mostly by B2B segments, such as industrials and energy. FX linked revenue streams in these segments have driven the growth, namely renewable generation volume and exports in industrials.
- Combined EBITDA of nonbank grew by 51% y-o-y, owing mainly to strong margin improvement in energy segment due to higher contribution from hydro fleet, and ongoing operational excellence focus, and disciplined cost management throughout segments.
- IFRS 16 impact is only significant on Retail segment for 2018 comparison of non-bank performance. In Retail segment, the IFRS16 impact totaled a positive 112 mn TL, contributing to the nonbank EBITDA growth.
- Looking into the bottom line, non-bank net income doubled during the quarter. Energy segment has been the main driver of this strong performance on the back of strong operational profitability and lower financial expenses due to decrease in leverage and hedged FX position.

Net Sales

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS
(COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
TOTAL*	18.719	23.294	*24%*
BANK	7.962	10.698	*34%*
NON-BANK*	10.757	12.596	*17%*
ENERGY	5.158	5.831	*13%*
CEMENT	748	744	*-1%*
RETAIL	1.957	2.217	*13%*
INSURANCE	1.073	1.236	*15%*
INDUSTRIALS	1.761	2.482	*41%*
OTHER*	61	86	*42%*

* Holding dividend income excluded

- The key drivers of the top line growth in the first quarter, were Industrials and Energy, with 41% and 13% growth year-over-year respectively.
- For Energy segment, topline growth was mainly driven by Energy generation business on the back of higher FX linked renewable sales volume, especially from hydro as a result of higher than expected water inflow due to rains and early melting.
- In Industrials, higher year over year prices and stronger exports, hence stronger FX linked revenues, drove the 41% growth in the topline.
- Retail top line posted 13% revenue growth in the first quarter mainly due to strong food retail sales.
- Insurance segment topline posted 15% growth in the first quarter, driven mainly by life and pension business.
- On the other end of the spectrum, Cement segment revenues declined by 1%, due to significant contraction in domestic cement consumption.

EBITDA

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
TOTAL*	3.704	4.250	15%
BANK	2.257	2.071	-8%
NON-BANK*	1.447	2.179	51%
ENERGY	895	1.503	68%
CEMENT	161	94	-42%
RETAIL	8	130	1512%
RETAIL - Adjusted for Comparison**	8	19	130%
INSURANCE	104	161	55%
INDUSTRIALS	291	310	7%
OTHER*	-12	-21	-68%

*Holding dividend income is excluded
**Adjusted for IFRS16 impact
EBITDA excludes non-operational one off items

- Compared to its peers, Group's energy segment differentiates itself through optimal generation portfolio, operational efficiencies, and prudent financial management. In Q1, the segment, particularly the generation side, has boosted its y-o-y performance strongly with the help of higher renewable sales volumes due to higher inflows, higher availability despite heavy winter conditions, and higher dispatch contribution thanks to competitive bidding strategy. With this performance, Energy now accounts for 69% of total non-bank EBITDA for the quarter.
- Looking into the Cement business, significant contraction in domestic demand and increased production costs led the Cement segment EBITDA to contract 42% y-o-y in Q1.
- At Industrial segment, high topline growth, favorable raw material prices, lower conversion costs, Emerging Market footprint and ongoing strong operational excellence focus had a solid support for operating profits.
- In tobacco business, increased raw material costs and inability to reflect cost increase into prices hurt the company's margins. PHILSA/PMSA is consolidated by equity pick up method and its net income is included into Industrial segment's combined EBITDA. Due to contraction in PHILSA/PMSA's contribution, EBITDA for the industrial segment increased by just 7% y-o-y during the quarter. The negative impact of PHILSA/PMSA is 44 Million TL y-o-y basis on both EBITDA and Net Income level.
- In Insurance segment, strong technical income at life and non-life boosted the EBITDA.
- Retail segment profitability improved on the back of high LfL revenue growth (particularly in food retail) and restrained operational expenses. Also the IFRS16 impact at the EBITDA level totaled TL 112 mn for the quarter. When adjusted for comparison, EBITDA still displays improvement with respect to last year.

CONSOLIDATED NET INCOME

MILLION TL	Q1 2018	Q1 2019	% Change
CONSOLIDATED NET INCOME*	**894**	**1.028**	**15%**
BANK	691	616	-11%
NON-BANK	**202**	**412**	**104%**
ENERGY	30	321	958%
CEMENT	31	0	-100%
RETAIL	-60	-92	-55%
RETAIL-Adjusted for comparison**	-60	-81	-36%
INSURANCE	31	50	59%
INDUSTRIALS	91	50	-46%
OTHER	78	85	8%

*Excludes non-operational one off items

**Adjusted for IFRS16 impact

- Energy segment benefited from strong operational profitability growth both in Generation and Distribution businesses. On top of this, hedged FX Position, decreased net debt and related interest expenses at the Generation business supported the bottom line of the segment. As a policy at least ~75% of short FX position is hedged and the FX gains and losses are recorded for the unhedged portion. In the First quarter, the hedged FX position was ~90%.
- In Industrials segment, net profit dropped 46% in Q1, due to the decreasing profitability in tobacco business and increased financial expenses related to the new acquisitions and low profitability of bus manufacturing business.
- Insurance segment bottom-line rose 59% y-o-y, supported by increased financial income due to elevated interest rates.

SEGMENT HIGHLIGHTS

Energy

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
SALES	5.158	5.831	13%
EBITDA*	895	1.503	68%
NET INCOME*	99	701	607%
EBITDA* MARGIN	17,4%	25,8%	

*Excludes non-operational one off items

- Combined numbers of both Upstream and Downstream businesses of Energy are provided in the table above. In Q1 both Energy businesses showed strong operational performance with 68% growth in combined EBITDA and a six-fold increase in combined net income. The Energy segment recorded a combined net income of 701 MTL during the Q1 2019, creating a significant contribution to the Sabancı Holding bottom-line.
- In Distribution & Retail business, Enerjisa Enerji, continued to benefit from increasing Regulated Asset Base in addition to high inflation.
- In Q1 2019, Enerjisa Enerji's EBITDA increased by 38% yoy. Looking at the y-o-y improvement on the distribution side, main drivers were 1) increased Regulated Asset Base (up by 43% yoy), 2) higher inflation, and 3) higher theft accrual & collection performance.
- The retail business has benefited from increased regulated segment gross margins, despite the 14% yoy decline in regulated sales volume in 1Q19.
- In generation business, the major development of the quarter was the yoy jump in hydroelectric power plant generation volume due to the increased water inflow. In addition to higher renewable volume, Generation company also benefited from higher USD/TRY rates as all of Enerjisa Generation's renewable portfolio is sold via feed-in-tariff. Moreover, Enerjisa benefited from its flexible asset base and generated a significant dispatch revenue in the quarter.
- Going forward, the water inflow in the remainder of the year will be an important factor to watch out for overall 2019 performance. However, looking at current expectations, 2019 is expected to be significantly above 2018 in terms of hydro generation volume. Yet, the rate of increase should be nowhere near the 123% rise recorded in the first quarter.
- For 2019, inflation continues to be one of the most important factor to watch for the Energy distribution side.
- For the upcoming quarters, although Enerjisa Generation has hedged most of its FX position and Enerjisa Enerji has secured most of its 2019 funding requirement, developments in FX volatility and financing costs will be monitored.

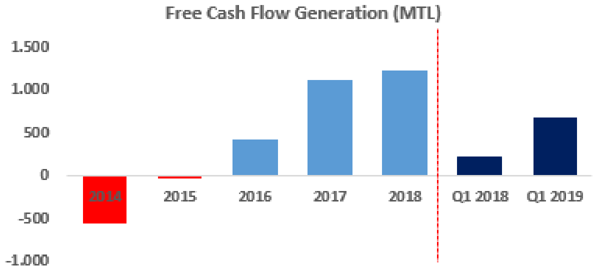
Enerjisa Üretim Santralleri A.Ş.

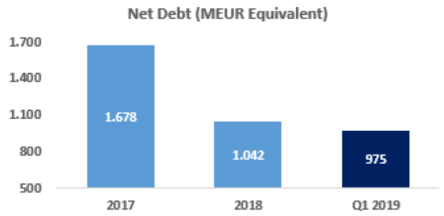
MILLION TL	Q1 2018	Q1 2019	% Change
Net sales	1.092	1.348	23%
EBITDA*	**283**	**655**	**131%**
EBITDA* margin (%)	**26%**	**49%**	**22,7pp**
Depreciation	108	110	2%
Financial Income/(expense)	-291	-111	62%
Net income*	-94	**403**	**530%**

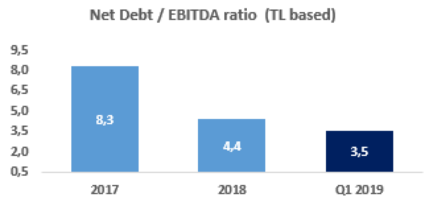
* One off items excluded based on Sabancı Holding one off definition

- Q1 was an extraordinary quarter for Generation Business both in terms of operational profitability and net income.
- Due to the decline in spark spreads, composition of generation by source has changed from natural gas to renewable, which benefit from USD linked Feed-in-Tariff. Overall, Generation volume decreased by 5%, however, coupled with decrease in procurements from the market, which has limited impact on profitability, the overall sales volume declined by 32% yoy.
- The EBITDA improvement in Q1 was mostly driven by higher renewable generation. Renewable assets generated 351 MTL positive EBITDA increase y-o-y, mainly due to high water inflow and higher USD/TRY parity. Additionally, efficient use of asset flexibilities led to 52 MTL higher dispatch contribution during the quarter. The capacity payments continued to contribute to Enerjisa Üretim in the first quarter. Meanwhile, weak spark spread had a negative 27 MTL impact on the EBITDA y-o-y. Tufanbeyli plant suffered from the lower availability due to record harsh winter conditions and earthquakes in the region and recorded a 10 MTL lower EBITDA compared to previous year.
- All in all, EBITDA has increased by 131% in Q1 and Enerjisa Generation has recorded 403 MTL net income during the quarter thanks to company's active hedging policies, decreased leverage, and Tufanbeyli's tax incentive impact.
- Generation business is predominantly USD linked and economically nearly fully hedged for the current EUR debt in the balance sheet. But from the accounting perspective EUR/USD forward contracts and hedge accounting for the short FX position is used. Enerjisa Üretim has started to hedge part of its lignite revenues following the new lignite PPA mechanism. Nearly 90% of the generation company's short FX position was hedged in Q1.

Enerjisa Üretim Santralleri A.Ş. – Outstanding Free Cash Flow Generation; Deleveraging on track







- Enerjisa Generation Company has been continuously increasing its free cash flow, thanks to improvements in its operations and finalization of major projects.
- With the funds generated, the Company has reduced its net debt level to 975 MEUR as of March 2019, from 1.04 bn EUR at the beginning of the year. Net Debt to EBITDA continued its declining trend from 4,4 times by end 2018 to 3,5 times by the end of first quarter.
- Overall, despite challenging conditions, deleveraging of generation company is on track.

Cement

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
SALES	748	744	-1%
EBITDA*	161	94	-42%
NET INCOME*	65	-9	-115%
EBITDA* MARGIN	21,5%	12,6%	

*Excludes non-operational one off items

- Based on Turkish Cement Manufacturers Association data, Turkish domestic cement demand posted 47% decline during the first 2 months of the year.
- In Q1, cement business domestic volumes declined 44% y-o-y which is broadly in line with the domestic market contraction. However, volume losses were partly compensated with exports. Export volumes grew 92% y-o-y and this brought the total sales volume contraction during the quarter to 13%.
- Despite the weak domestic volumes, revenues only declined by 1% in Q1 with the support of higher y-o-y price levels and FX based pricing for exports.
- On the cost side, production costs increased sharply due to higher fuel and electricity prices, and those cost increases were not reflected into cement prices, which caused significant drop in margins.
- Furthermore, inorganic growth has gained momentum during the quarter. Çimsa's acquisition of Cemex's white cement business in Spain, including its Buñol plant, was announced. The acquisition will increase white cement production capacity by 40%, paving the way for Çimsa becoming the world's largest white cement company. The closure of the deal is expected to be by the end of this year as the regulatory approvals span to a wide geography, due to business acquisition in countries ranging from Europe to LATAM.
- Looking forward, potential weakness in domestic demand is likely to continue as the main headwinds for Turkish cement producers. However, with the Group's cement plants' sea access, its partners' global sales network and export oriented products, such as white cement, focus will continue to be on exports to compensate any weakness in the domestic market.

Retail

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
SALES	1.957	2.217	13%
EBITDA*	8	130	1512%
EBITDA** - Adjusted for comparison	8	19	130%
NET INCOME*	-117	-172	-48%
NET INCOME** - Adjusted for comparison	-117	-152	-30%
EBITDA* MARGIN	0,4%	5,9%	
EBITDA** MARGIN Adjusted for comparison	0,4%	0,8%	

*Excludes non-operational one off items

**Adjusted for IFRS16 impact

- Operating performance of the retail segment has continued to be on track in Q1, excluding the seasonality, and EBITDA for the quarter increased from TL 8 mn last year to TL 130 mn. However, the IFRS16 impact at the EBITDA level amounted to a positive TL 112 mn in Q1; TL 35 mn for Teknosa and TL 77 mn for Carrefoursa. Hence, adjusted for comparison, retail segment EBITDA for the quarter increased to TL 19 mn from TL 8 mn a year ago.
- Food retail operations have been the main driver of the segment's decent performance, with quarterly EBITDA continuing to improve year over year. With a new management team being in charge, restructuring programme was implemented successfully at the company during 2018. Double digit LFL sales growth and costs discipline led to significant improvement in the company's EBITDA y-o-y.
- Meanwhile, electronics retail operation posted relatively weak results in Q1. As the company sells discretionary consumer products, weak consumer sentiment, high product prices on the back of TL depreciation, and high borrowing costs have taken its toll on the operating results.
- Despite positive operating profitability of the segment, high interest rates and the related financial expenses hurt the bottom lines of companies in the segment.
- Overall, initiatives that have been taken in retail companies are expected to continue supporting profitability over the coming quarters. Cost optimization, working capital management, cash creation and deleveraging will continue to be the major focus area in retail business.

Insurance

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
SALES	1.073	1.236	15%
EBITDA	104	161	55%
LIFE	32	48	50%
NON-LIFE	71	113	59%
NET INCOME	83	132	59%
LIFE	36	60	64%
NON-LIFE	47	72	55%

- At Insurance business, very strong net earnings growth was posted, with over 30% RoE levels.
- On non-life side, premium production grew by 14% year-on-year in Q1, mainly driven by low penetrated products such as Non-Motor and Health.
- During the quarter, combined ratio came in at 102%, which is significantly lower than its level in Q4 that peaked to around 106%, thanks to improved loss ratio. Turnaround in Motor-Own-Damage segment's profitability compared to the earlier quarters was noteworthy in Q1.
- Similar to the trend in earlier quarters, Group's strategy to grow in Motor Third party Liability (MTPL) has continued to pay off handsomely during the high interest rate environment. In Q1, financial income jumped by 130%, thanks to the elevated interest rates and a larger cash generating MTPL portfolio. Float on non-life side reached TL 2,0 bn compared to TL 1,6 bn one year ago, while the average yield was at 24% compared to 14% one year ago.
- As a result, Net profit reached 72 mn TL in Q1 with 55% year over year increase and resulted in a very strong RoE of 42%.
- On the life and pension side, Avivasa continues its pension Assets Under Management (AuM) leadership as of March 2019.
- The Pension Assets Under Management-AuM (including auto-enrolment) has grown by 12% and reached 17,9 billion TL as of March 19. Similar to the trend in second half of 2018, the growth in AuM has been slow in Q1, due to the exits and low contribution figures because of high interest rate environment.
- In Q1, total life and personal accident GWP growth rate is 26% which is a good performance compared to the rest of the market. Credit linked business is dominating the market place with 70% share, whereas this ratio stands at 27% at AvivaSA. Diversified channels is the underlying reason for 26% growth in protection premium vs. the single digit growth in the market.
- In Q1, total technical profit increased by 24% YoY, driven by 36% rise in life protection, 62% rise in personal accident and 17% increase in pension technical profits. Meanwhile, general expenses increased 26% y-o-y and resulted in 20% rise net technical profit in Q1 compare to last year.
- Lastly, 76% YoY jump in investment income in Q1 thanks to high interest rate environment have boosted bottom-line of life and pension business overall. As a result, net income increased by 64% YoY and reached 60m TL in Q1, while RoE reached 33% which is up 2.7pp YoY.

- Furthermore, float on the life and pension side reached TL 1,1 bn compared to TL 0,7 bn one year ago, while the yield was at 25% compared to 15% one year ago.
- Overall, with the help of solid increase in float and the net financial income, insurance segment bottom line increased by 59% and reached 132m TL in Q1.
- To conclude, despite having a challenging operating environment, the insurance segment has continued to post strong bottom-line, and highlighted the resilience of its business models.

Industrials

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2018	Q1 2019	% Change
SALES	1.761	2.482	41%
EBITDA*	291	310	7%
BRİSA	106	122	16%
KORDSA	122	197	61%
PHILSA	43	-1	-102%
OTHER	21	-8	-139%
NET INCOME*	124	77	-38%
BRİSA	11	-3	-123%
KORDSA	71	111	56%
PHILSA	43	-1	-102%
OTHER	-1	-30	-2240%
EBITDA* MARGIN	16,5%	12,5%	
CASH CONVERSION RATIO**	14,8%	123,4%	

- Industrial segment's top line grew by 41% in Q1, on the back of export businesses and TL depreciation.
- Kordsa and Brisa were the main drivers of this top line growth, thanks to Kordsa's exposure to the global markets and Brisa's increased export revenues. Also Kordsa's acquisition of composite business in the US by June 2018 supported the topline growth.
- On the EBITDA level, high topline growth, favorable raw material prices, lower conversion costs, Emerging Market footprint and ongoing strong operational excellence focus had a solid support for operating profits of the segment.
- However, in tobacco business, rise in raw material costs and the company's inability to reflect the cost increase into its prices hurt the EBITDA and net income. PHILSA/PMSA is consolidated by equity pick up method and its net income is included into Industrial segment's EBITDA. As a result, due to contraction in PHILSA/PMSA`s contribution and ongoing weakness at bus manufacturing business' profitability, EBITDA for the industrial segment increased only by 7% y-o-y during the quarter.
- Coming down to the bottom line, net profit dropped 38% in Q1, due to the decreasing profitability in tobacco business and increased financial expenses related to the new acquisitions and low profitability of bus manufacturing business.
- Lastly, primary focus in the industrial segment has been the cash generation and working capital management. And on those metrics, strong performance was achieved. As of Q1 2019, internal KPI of cash conversion ratio calculated by the operating cash flow divided by EBITDA, has continued to be significantly higher than the level of EBITDA.

- In line with Group's capital allocation strategy to expand in high value and high growth businesses, new acquisition over Kordsa US was announced. Group's strategic plan to grow in Composite business through Kordsa and become one of the global leaders has been executed one by one throughout last year. And in February this year, Axiom acquisition in US for around US$ 175 mn was announced that will enable upward integration in the supply chain. Currently the CFIUS approval process started in US and as the approval is in place, which may take around 2 months, the deal can be finalized.

FX Position

CONSOLIDATED NET FX POSITION (excl. Bank)	MILLION EURO	
	Dec 31, 2018	Mar 31, 2019
ENERGY	-43	-1
INDUSTRIALS	16	11
CEMENT	0	-1
RETAIL	1	-4
INSURANCE	20	26
HOLDING & OTHER	284	254
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	278	286

Holding Only Cash Position by the end of 1Q 2019 →1.6BTL

- As of the first quarter; FX position stands at 286 million EUR long.
- Holding only cash position stands at TL 1,6 bn. However, in January 2019, Sabancı Holding participated in Akbank’s capital increase and contributed TL 1,2 bn of cash to the bank.

2019 Guidance – Keeping the 2019 Guidance intact

		Growth Guidance
SABANCI HOLDING COMBINED NON-BANK *	SALES	10-20%
	EBITDA	10-20%

* Excludes one off items.

** Sabanci Group plans to invest approximately 6 Billion TL in 2019, excluding any strategic M&A opportunities that may arise within the year.

- The Q1 results, which show 17% growth in top line and 51% growth in Nonbank EBITDA are clearly suggesting an upside to the 2019 guidance of 10-20% growth in combined non-bank top line and EBITDA.
- Despite there can be upside to the guidance, the yearend expectations are kept intact.
- Although our businesses are very decent and our diverse business portfolio will continue to create a robust platform to deliver strong figures, as always, to remain at the cautious side due to the volatiliy in the markets, the revision to our guidance will be assessed in the upcoming quarters.

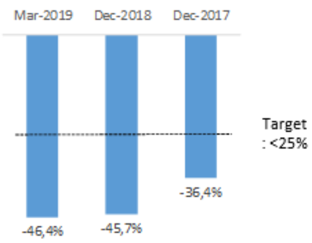
2019 – Sabancı Holding Discount to NAV

USDmn Companies	Direct Stakes (%)*	Mar-2019 Mcap	Mar-2019 Value of Stake	Mar-2019 % of NAV	Dec-2018 Value of Stake	Dec-2018 % of NAV
Akbank	40,8%	5.834	2.377	44,9%	2.117	39,6%
Enerjisa Enerji	40,0%	1.082	433	8,2%	456	8,5%
Aksigorta	36,0%	234	84	1,6%	76	1,4%
Avivasa	40,0%	307	123	2,3%	105	2,0%
Akçansa	39,7%	221	88	1,7%	106	2,0%
Çimsa	54,5%	159	87	1,6%	105	2,0%
Brisa	43,6%	392	171	3,2%	160	3,0%
Kordsa	71,1%	359	256	4,8%	256	4,8%
Yünsa	57,9%	24	14	0,3%	14	0,3%
Carrefoursa	50,6%	418	211	4,0%	233	4,4%
Teknosa	60,3%	52	31	0,6%	37	0,7%
Total Listed			**3.874**	**73,2%**	**3.666**	**68,5%**
Enerjisa Üretim	50,0%	944	472	8,9%	492	9,2%
Temsa	48,7%	77	37	0,7%	40	0,7%
Philsa	25,0%	1.888	472	8,9%	507	9,5%
Other			150	2,8%	157	2,9%
Total Non-listed			**1.131**	**21,4%**	**1.195**	**22,3%**
Total			**5.006**	**94,5%**	**4.861**	**90,9%**
Sabancı Holding Net Cash			289	5,5%	487	9,1%
Sabancı Holding NAV			5.295	100,0%	5.348	100,0%
Sabancı Holding Mcap			**2.840**		**2.905**	
Sabancı Holding Discount			**-46,4%**		**-45,7%**	

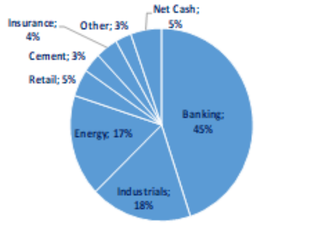
Source: Bloomberg, Sabanci Holding Finance Department

*Enerjisa Generation is valued at Book Value, while Temsa and Philsa valuations are based on Sell-side analyst estimates

NAV* Discount



Breakdown of NAV* (Mar 2019)



APPENDIX-CONSOLIDATED FINANCIALS

Balance Sheet (000 TL)

	31.03.2019	31.12.2018
ASSETS		
Current Assets	**213.842.478**	**185.300.225**
Cash and Cash Equivalents	29.807.350	23.657.667
Financial Assets	17.511.385	15.837.844
- Financial assets measured of fair value through profit or loss	7.037.953	6.869.025
- Financial assets measured of fair value through other comprehensive income	7.111.655	5.450.262
- Financial assets measured of amortised cost	3.361.777	3.518.557
Trade Receivables	2.054.985	2.010.806
Receivables from Finance Sector Operations	116.719.933	104.749.857
Reserve Deposits with the Central Bank of the Republic of Turkey	33.635.451	26.433.745
Other Receivables	2.704.536	1.784.144
Derivative Financial Instruments	6.082.197	5.147.767
Inventories	3.206.890	2.944.845
Prepaid Expenses	1.013.630	900.603
Current Tax Assets	20.911	16.167
Other Current Assets	1.077.496	1.802.560
	213.834.764	**185.286.005**
Assets Classified As Held for Sale	7.714	14.220
Non-current Assets	**191.445.381**	**186.386.046**
Financial Assets	53.346.311	47.654.602
- Financial assets measured of fair value through other comprehensive income	44.617.528	38.909.591
- Financial assets measured of amortised cost	8.728.783	8.745.011
Trade Receivables	95.116	126.256
Receivables From Finance Sector Operations	98.818.169	101.849.702
Other Receivables	2.686.942	3.054.550
Derivative Financial Instruments	18.393.249	17.540.849
Investments Accounted Through Equity Method	6.560.272	6.756.459
Investment Property	144.875	136.930
Property, Plant and Equipment	6.755.077	6.626.678
Asset Right on Use	1.932.748	-
Intangible Assets	2.142.646	2.108.876
- Goodwill	861.744	849.215
- Other Intangible Assets	1.280.902	1.259.661
Prepaid Expenses	22.069	20.991
Deferred Tax Assets	393.910	372.640
Other Non Current Assets	153.997	137.513
Total Assets	**405.287.859**	**371.686.271**

LIABILITIES		
Short Term Liabilities	**277.422.118**	**255.444.010**
Financial Liabilities	16.670.507	9.726.191
Current Portion of Long-Term Financial Liabilities	20.343.494	20.815.668
Lease Liabilities	298.654	-
Trade Payables	3.687.818	3.372.749
Payables from Finance Sector Operations	222.711.914	205.815.346
Payables Related with Employee Benefits	124.362	93.671
Other Payables	7.142.749	6.142.410
Derivative Financial Instruments	3.931.677	5.348.337
Deferred Income	264.766	291.868
Income Taxes Payable	91.793	62.396
Short Term Provisions	927.324	1.006.206
- Short Term Provisions for Employee Benefits	284.919	327.351
- Other Short Term Provisions	642.405	678.855
Other Short Term Liabilities	1.220.856	2.764.894
	277.415.914	**255.439.736**
Liabilities Classified As Held for Sale	6.204	4.274
Long Term Liabilities	**69.134.952**	**59.846.465**
Financial Liabilities	33.030.252	35.222.289
Lease Liabilities	1.686.829	-
Payables from Finance Sector Operations	20.616.445	13.818.904
Other Payables	4.422.297	2.372.596
Derivative Financial Instruments	8.016.248	7.583.133
Deferred Income	99.399	116.833
Long Term Provisions	489.026	452.305
- Long Term Provisions for Employee Benefits	482.921	448.045
- Other Long Term Provisions	6.105	4.260
Income Taxes Payable	11.494	-
Deferred Tax Liabilities	693.415	185.504
Other Long Term Liabilities	69.547	94.901
EQUITY	**58.730.789**	**56.395.796**
Equity Attributable to the Parent	**29.387.392**	**29.289.967**
Share Capital	2.040.404	2.040.404
Adjustment to Share Capital	3.426.761	3.426.761
Share Premium	22.237	22.237
Treasury Shares (-)	(190.470)	(190.470)
Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	(80.199)	(74.784)
- Actuarial Gains/Losses	(80.199)	(74.784)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss	(664.160)	(370.833)
- Currency Translation Reserve	1.524.672	1.382.776
- Gains / Losses on Hedge	(604.967)	(535.681)
- Revaluation Reserve	(1.583.865)	(1.217.928)
Restricted Reserves	1.136.788	1.050.078
Retained Earnings	22.639.019	19.556.239
Net Income for the Period	1.057.012	3.830.335
Non-controlling Interests	**29.343.397**	**27.105.829**
TOTAL EQUITY AND LIABILITIES	**405.287.859**	**371.686.271**

Income Statement (000 TL)

	31.03.2019	31.03.2018
CONTINUING OPERATIONS		
Sales (net)	4.288.335	3.407.160
Cost of Sales (-)	(3.417.461)	(2.704.894)
Gross Profit From Non-Financial Operations	**870.874**	**702.266**
Interest, Premium, Commission and Other Income	10.662.441	7.914.655
Interest, Premium, Commission and Other Expense (-)	(6.948.161)	(4.325.367)
Gross Profit From Financial Operations	**3.714.280**	**3.589.288**
GROSS PROFIT	**4.585.154**	**4.291.554**
General Administrative Expenses (-)	(1.854.245)	(1.480.864)
Marketing, Selling and Distribution Expenses (-)	(555.272)	(464.465)
Research and Development Expenses (-)	(2.678)	(2.429)
Other Income From Operating Activities	334.346	242.784
Other Expense From Operating Activities (-)	(291.982)	(167.085)
Share of Profit of Investments Accounted for using the Equity Method	384.638	149.873
OPERATING PROFIT	**2.599.961**	**2.569.368**
Income From Investing Activities	21.550	181.518
Expense From Investing Activities (-)	(439)	(352)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)	**2.621.072**	**2.750.534**
Financial Income	27.605	6.712
Financial Expenses (-)	(275.810)	(151.403)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**2.372.867**	**2.605.843**
Tax Income / (Expense) from Continuing Operations		
Current Tax Expense	(106.877)	(351.683)
Deferred Tax Income / Expense	(338.025)	(163.086)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	**1.927.965**	**2.091.074**
DISCONTINUED OPERATIONS		
Net Income After Tax From Discontinued Operations	(22)	25
NET INCOME FOR THE PERIOD	**1.927.943**	**2.091.099**
ALLOCATION OF NET INCOME		
- Non-controlling Interests	870.931	1.024.711
- Equity Holders of the Parent	1.057.012	1.066.388
Earnings per share - hundreds of ordinary shares (TRY)	0,52	0,52
Earnings per share from continuing operations - hundreds of ordinary shares (TRY)	0,52	0,52

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