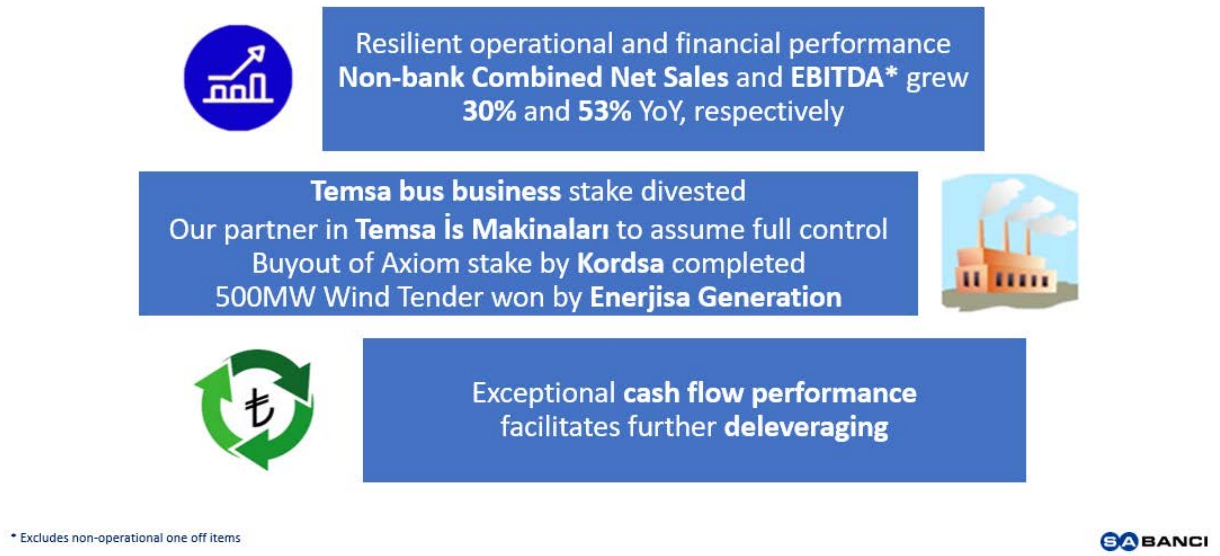
2019 Q2

EARNINGS RELEASE

2019 - Q2 Highlights



- Second quarter of 2019 has been another consecutive successful quarter for Sabancı Holding with strong operational and financial performance. Nonbank Combined Net Sales and EBITDA grew by 30% and 53% YoY, respectively. This performance was mainly driven by Energy, Insurance and Industrial segments. Major impact came from non-listed Enerji Generation business, repeating the success of the previous quarter.
- More focused portfolio and inorganic growth initiatives continued during the second quarter. Holding's stake in Temsa bus business was sold, for 183 MTL in May. Enterprise Value of the Company (EV) was set at 825 MTL, implying a market cap of 375 MTL. In the same month, Marubeni Corporation applied to the antitrust board to increase its stake in Temsa construction equipment distribution business, to 90%. The transaction has been finalized at the beginning of August.
- And recently, Kordsa completed the previously announced buyout of Axiom Materials for 178.3 MUSD. With this investment, Kordsa became the only worldwide qualified manufacturer of ceramic matrix composites for aerospace industry, and evolved one step further in the composite supply chain as both fabric and prepreg manufacturer.
- Additionally, the tender to build 500MWs of wind farms in 2 regions that qualifies for dollarized Feed in Tariff for next 15 years was won. These opportunities will be used to grow renewable energy business without taking any price risk.
- Strong cash generation continued to facilitate the deleveraging trend on the non-bank side. Adjusted for the IFRS16 impact, Net Debt to EBITDA level declined to 2.2x by the end of 2Q 2019 compared to 2.4x by the end of 1Q19. Without capital increase at Akbank, it would have declined to 2.1 times.
- As recently announced, Mr. Mehmet Göçmen has decided to leave his duties as of July 31st and Mr. Cenk Alper has been appointed as Member of the Board of Directors and CEO of Sabancı Holding, effective from August 1st.

Mr. Alper has been in the group since 1996 and has been a member of the top management and the Executive Committee of Sabancı Holding since 2017. This internal succession is a significant indication of continuity of the strategic path set forth in last 2 years and execution of initiatives will continue to create more value to all stakeholders under Mr. Alper's leadership.

2019 – Remarkable cash generation supports deleveraging

OPERATIONAL CASH FLOW (MTL)*

	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
Energy	970	1.473	52%	1.263	2.884	128%
Cement	125	212	70%	118	122	3%
Retail	90	216	140%	-293	261	189%
Retail - Adjusted for Comparison**	90	100	11%	-293	33	111%
Industrials - Excludes Temsa Bus	279	342	23%	351	618	76%
TOTAL	**1.464**	**2.243**	**53%**	**1.439**	**3.885**	**170%**

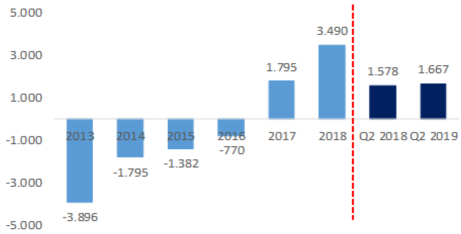
FREE CASH FLOW (MTL)*

	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
Energy	495	1.138	130%	345	1.845	435%
Cement	20	115	475%	42	17	-60%
Retail	885	168	-81%	624	187	-70%
Retail - Adjusted for Comparison**	885	52	-94%	624	-41	-107%
Industrials - Excludes Temsa Bus	177	245	38%	169	483	186%
TOTAL	**1.578**	**1.667**	**6%**	**1.178**	**2.532**	**115%**

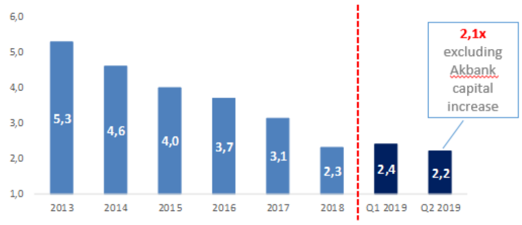
* Management reporting, excludes Insurance, Banking, Other segment and Temsa Bus

** 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

- Q2 results show that outstanding cash flow generation performance has been sustained and even exceeded Q1 figures.
- Healthy supply chain – including distribution channels – and prudent risk management on the receivables side along with the outperformance in the operational profitability were the main pillars of successful operating cash flow performance. In the second quarter, operational cash flow of 2.2 bn TL and free cash flow of almost 1.7 bn TL was posted. Energy segment has been the main driver of this strong cash generation, while the cement segment also contributed positively as it has recovered significantly compared to the previous quarter. At the FCF level, retail segment's Q2 2018 figures include asset sales. Having a major impact at the FCF level, Carrefoursa has sold its real estates in Anatolian side of Istanbul with a price tag of 835 MTL. Adjusted for this impact, FCF improvement is 124% QoverQ.
- With this strong Free Cash Flow generation, Leverage ratio continued to decline. Adjusted for the IFRS16, Combined Net Debt to EBITDA for the Non-Bank declined to 2.2 times by the end of 2Q 2019 compared to 2.4 times at the end of 1Q 2019.
- Sabancı net cash position, standalone at Holding Level, is at 1.5 billion TL mainly in hard currencies. Total non-bank combined cash /excluding Insurance and Philsa / stands at 7.1 billion TL while the Float at insurance companies totals 3.4 billion TL.

Continual outstanding non-bank performance

Combined Net Sales

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
TOTAL*	19.990	24.688	24%	38.709	47.982	24%
BANK	9.210	10.665	16%	17.172	21.363	24%
NON-BANK*	10.779	14.023	30%	21.537	26.619	24%

High renewable generation volume and regulated electricity sales

FX linked revenues in Industrials

Combined EBITDA

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
TOTAL*	3.600	4.454	24%	7.304	8.708	19%
BANK	1.819	1.733	-5%	4.076	3.804	-7%
NON-BANK*	1.781	2.721	53%	3.228	4.903	52%

Strong Energy Generation profitability

Improved combined ratio in Insurance

Consolidated Net income

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
TOTAL*	940	963	2%	1.834	1.991	9%
BANK	543	514	-5%	1.235	1.130	-8%
NON-BANK*	397	448	13%	599	861	44%

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

Energy and Industrials main contributors of bottom line

- Q2 non-bank figures show that 30% growth in top line; 53% growth in EBITDA and 13% growth in net income level was achieved.
- Q2 sales growth was mainly driven by strength in energy, industrials, and insurance segments.
- On the Combined EBITDA level, the Non-bank side grew by 53% YoY, mainly with strong margin improvement in the Energy segment due to mix change towards high margin renewables, high availability and success in ancillary services in generation along with the FX linked revenue stream in Industrials.
- Non-bank net income rose by 13% YoY. Energy, industrials, and insurance segments have been the main contributors, while contribution from the Energy Generation is significant compared to other business lines.

Net Sales

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
TOTAL*	19.990	24.688	*24%*	38.709	47.982	*24%*
BANK	9.210	10.665	*16%*	17.172	21.363	*24%*
NON-BANK*	10.779	14.023	*30%*	21.537	26.619	*24%*
ENERGY	4.754	6.569	*38%*	9.912	12.400	*25%*
CEMENT	955	959	*0%*	1.703	1.702	*0%*
RETAIL	2.132	2.564	*20%*	4.089	4.781	*17%*
INSURANCE	889	1.276	*44%*	1.961	2.511	*28%*
INDUSTRIALS	2.010	2.547	*27%*	3.771	5.030	*33%*
OTHER*	40	108	*173%*	100	194	*93%*

* Holding dividend income excluded

- Energy, Industrials, and Insurance segments were the key drivers of the top line growth in the second quarter.
- In Energy segment, 38% topline growth was mainly driven by higher FX based feed-in-tariff revenues in the generation business and significantly higher regulated electricity sales prices in the retail business, increased Regulated Asset Base and higher return due to inflation in distribution side has also supported this growth.
- In Industrials segment, topline increase of 27% boosted by higher export revenues.
- Insurance segment topline posted a remarkable 44% growth, with higher written premiums due to price impact in non-life business.
- Retail segment revenues increased by 20% in the second quarter due higher average basket size growth led by inflation and strong LfL customer growth in food retail side.
- On the other hand, Cement segment sales remained flat despite unfavorable domestic demand, which was successfully offset by export revenues.

EBITDA

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
TOTAL*	**3.600**	**4.454**	**24%**	**7.304**	**8.708**	**19%**
BANK	1.819	1.733	-5%	4.076	3.804	-7%
NON-BANK*	**1.781**	**2.721**	**53%**	**3.228**	**4.903**	**52%**
ENERGY	1.124	1.762	57%	2.019	3.265	62%
CEMENT	248	166	-33%	409	260	-36%
RETAIL	27	196	618%	35	326	823%
RETAIL-Adjusted for Comparison**	27	80	192%	35	98	178%
INSURANCE	103	155	50%	207	316	53%
INDUSTRIALS	293	448	53%	584	763	31%
OTHER*	-14	-5	64%	-26	-26	2%

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

- In the second quarter, Energy segment once again distinguished itself owing primarily to its optimal generation portfolio composition, operational efficiencies and prudent financial management. The segment – particularly the generation side – has achieved excellent YoY performance with the help of higher renewable sales volumes due to hydrology. On the distribution side increased Regulated asset base and higher return on investment positively impacted the YoY EBITDA performance. As a result of 57% improvement YoY, Energy segment now accounts for 65% of total non-bank EBITDA for the quarter.
- In Industrials segment, hard currency Kordsa business, increased export in other Industrial segment companies along with stabilized bottom-line profitability in tobacco business supported a robust 53% YoY EBITDA growth.
- Strong technical income and improved combined ratio especially at non-life side boosted the EBITDA of the Insurance segment, resulting in a 50% YoY increase.
- In Cement business, weakness in domestic demand and higher production costs resulted in a 33% YoY contraction in EBITDA, but the segment EBITDA improved compared to Q1 as a result of increased export business.
- Retail segment profitability improved on the back of high LfL revenue growth with supplier backed promotions and improved operational profitability of food retail business thanks to cost optimization initiatives taken last year. The IFRS16 impact at the EBITDA level totaled 116 MTL for the quarter. When adjusted for comparison, the improvement is still remarkable with respect to last year.

CONSOLIDATED NET INCOME

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
CONSOLIDATED NET INCOME*	**940**	**963**	**2%**	**1.834**	**1.991**	**9%**
BANK	543	514	-5%	1.235	1.130	-8%
NON-BANK	**397**	**448**	**13%**	**599**	**861**	**44%**
ENERGY	100	315	214%	130	635	387%
CEMENT	60	-9	-114%	91	-8	-109%
RETAIL	-48	-76	-58%	-108	-168	-56%
RETAIL-Adjusted for comparison**	-48	-65	-34%	-108	-145	-35%
INSURANCE	34	52	51%	66	102	55%
INDUSTRIALS	90	130	46%	181	180	0%
OTHER	160	36	-78%	238	120	-50%

*Excludes non-operational one off items

**Adjusted for IFRS16 impact

- Energy segment yet again benefited from strong operational profitability of the Generation business in the second quarter, resulting in a hefty 214% rise in the segment's net income. Hedged FX Position, decreased net debt and related interest expenses at the Generation business were the main drivers of the excellent results at bottom line.
- Insurance segment net income posted a 51% growth, supported by strong financial income mainly due to increased float and higher average yields.
- In Industrials segment, net income increased by 46% compared to last year with the topline growth and strong operational excellence focus reflected positively on net profits.
- Cement and Retail segments recorded net losses in Q2 primarily due to higher financial expenses.
- Other segment's net profit recorded a 78% decrease on y-o-y due to lower FX and interest rate gains at the Holding as a result of lower net cash position and lower volatility in TL.

SEGMENT HIGHLIGHTS

Energy

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
SALES	4.754	6.569	38%	9.912	12.400	25%
EBITDA*	1.124	1.762	57%	2.019	3.265	62%
NET INCOME*	251	662	164%	350	1.362	289%
EBITDA* MARGIN	23,6%	26,8%		20,4%	26,3%	

*Excludes non-operational one off items

- In second quarter, combined Energy segment showed strong operational performance with 57% growth in combined EBITDA and a 164% increase in the bottom-line. The Energy segment recorded a combined net income of 662 MTL during the 2Q 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 2Q 2019, Enerjisa Enerji's EBITDA increased by 13% YoY. At the distribution side, increased Regulated Asset Base (up by 20% YoY) positively affected financial income. However, the high base impact resulting from 242 MTL IFRIC 12 income recorded in 2Q18 led to lower EBITDA growth.
- The retail business has benefited from increased regulated segment revenues mainly due to increased sales prices stemming from YoY rise in procurement costs.
- In generation business, an extraordinary first half was experienced. The High water flow in the first quarter continued in second quarter as well. In addition to high renewable generation volume, Generation company also benefited from the higher USD/TRY rates as all of the renewable portfolio is sold via feed-in-tariff. Moreover, Generation business benefited from its flexible asset base and created a significant dispatch revenue in the 2nd quarter.
- Going forward, the demand growth and spot market prices will be an important factor to watch out for overall 2019 performance. However, based on current expectations, 2019 is expected to be an extraordinary year in terms of hydro generation volume.
- For 2019, inflation continues to be one of the most important factors to watch for the Energy distribution side.
- For the upcoming quarters, although Enerjisa Generation has hedged nearly all of its FX position and Enerjisa Enerji has secured most of its 2019 funding requirements, developments in FX volatility and financing costs will be monitored.

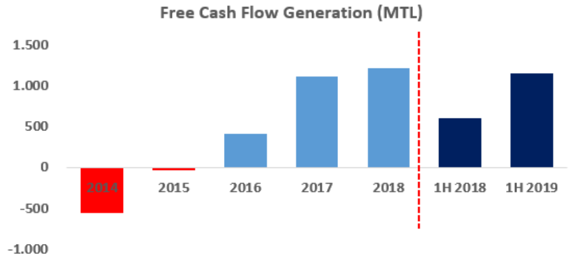
Enerjisa Üretim Santralleri A.Ş.

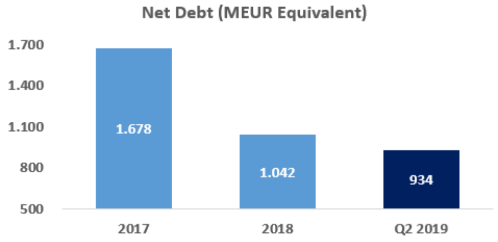
MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
Net sales	997	1.726	73%	2.085	3.073	47%
EBITDA*	**344**	**880**	**156%**	**627**	**1.536**	**145%**
EBITDA* margin (%)	**34%**	**51%**	**16,5pp**	**30%**	**50%**	**19,9pp**
Depreciation	109	111	2%	217	221	2%
Financial Income/(expense)	-280	-227	19%	-571	-335	41%
Net income*	**-2**	**500**	**n.m.**	**-96**	**904**	**n.m.**

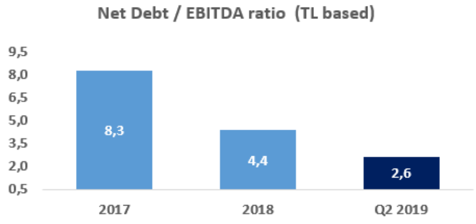
**Excludes non-operational one off items*

- Second quarter was again 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 increased by 5%.
- The EBITDA improvement in the second quarter was mostly driven by higher renewable generation. Renewable assets generated 339 MTL positive EBITDA increase YoY, mainly due to high water inflow and higher USD/TRY rate.
- Additionally, Company utilized the agility of strong water inflow with the advantage of its geographically dispersed and technologically well balanced asset portfolio in ancillary services. The ancillary services are basically services provided to the system to balance national grid frequency in the secondary markets and also to balance the power among different geographic regions in Turkey. In this period, electricity generation was concentrated in the Eastern side of Turkey through hydro assets and the electricity demand was concentrated in the Western side of Turkey as population density and industrial production concentration lies in the West.
- This efficient use of asset flexibilities led to 170 MTL higher dispatch contribution during the quarter.
- The capacity payments continued to contribute to Enerjisa Generation in the second quarter. Meanwhile, weak spark spread had a negative 23 MTL impact on the EBITDA YoY. Tufanbeyli plant benefited from the higher EUAS sales prices and higher availability and recorded a 62 MTL higher EBITDA compared to previous year.
- All in all, EBITDA has increased by 156% in second quarter and Enerjisa Generation has recorded 500 MTL net income during the quarter thanks to company's active hedging policies, decreased leverage and Tufanbeyli's tax incentive impact.
- Recall that, generation business is predominantly USD linked and economically almost 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 are used. Enerjisa Generation has started to hedge part of its lignite revenues following the new dollarized lignite PPA mechanism. Nearly all of the generation company's short FX position was hedged in second quarter.

Enerjisa Üretim Santralleri A.Ş. – Deleveraging momentum does not lose steam







- 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 934 MEUR as of June 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 2,6 times by the end of second quarter.
- Overall, it's fair to say that, despite challenging macro conditions, deleveraging of generation company is on track.

Cement

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
SALES	955	959	0%	1.703	1.702	0%
EBITDA*	248	166	-33%	409	260	-36%
NET INCOME*	123	-21	-117%	188	-30	-116%
EBITDA* MARGIN	25,9%	17,3%		24,0%	15,3%	

Excludes non-operational one off items

- Based on Turkish Cement Manufacturers Association data, Turkish domestic cement demand posted 42% decline during the first 4 months of the year.
- In Q2, cement business domestic volumes declined 37% YoY, outperforming the domestic market. Volume losses were partly compensated with exports. Export volumes grew 83% YoY, bringing the total sales volume contraction in the 2nd quarter down to 7%.

- Despite weak domestic volumes, revenues remained stable in Q2 with the support of higher y-o-y domestic price levels and FX based pricing for exports.
- On the cost side, production costs increased substantially YoY due to higher fuel and electricity prices, and those cost increases were not reflected into cement prices, resulting in a significant drop in margins.
- In line with the increase in their financial debt burden, both companies experienced higher interest rate expenses compared to one year ago. Hence, cement businesses closed the quarter with a net loss of 21 MTL, compared to 123 MTL net profit one year ago.
- Looking forward, potential weakness in domestic demand is likely to prevail as headwinds for Turkish cement producers are not over yet. However, both companies' export oriented products such as white cement and logistics advantage will continue to compensate for the depressed domestic market conditions.

Retail

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
SALES	2.132	2.564	20%	4.089	4.781	17%
EBITDA*	27	196	618%	35	326	823%
EBITDA** - Adjusted for comparison	27	80	192%	35	98	178%
NET INCOME*	-94	-142	-51%	-211	-315	-49%
NET INCOME** - Adjusted for comparison	-94	-121	-29%	-211	-272	-29%
EBITDA* MARGIN	1,3%	7,6%		0,9%	6,8%	
EBITDA** MARGIN - Adjusted for comparison	1,3%	3,1%		0,9%	2,1%	

*Excludes non-operational one off items

**Adjusted for IFRS16 impact

- Operating performance of the retail segment has continued to be on track in Q2 and EBITDA for the quarter increased from 27 MTL last year to 196 MTL. In Q2, IFRS16 impact at the EBITDA level amounted to a positive 116 MTL; 35 MTL for Teknosa and 81 MTL for Carrefoursa. Adjusted for comparison, retail segment EBITDA for the quarter increased 192% compared to last year on the back of increased basket size and higher customer LfL growth in food retail, while EBITDA margin of the segment (adjusted for comparison) improved from 1,3% to 3,1% QoQ.
- Promotional sales reaching almost 40% of total sales in food retail and incentives on Special Consumption Tax on White Goods and Consumer Electronics as well as supportive regulations on credit card instalments in electronics retail helped the segment's revenue increase.
- With the management change at Carrefoursa last year, a turnaround program mainly focusing on customer traffic improvement, assortments, store refurbishment, cost optimization and operational excellence had been started. Those initiatives led the operating margin improvement on the food retail side. Another transformation program was recently deployed in Teknosa with

focus on improving both customer experience and traffic along with the profitability of the electronic retail business and developing the company for future to cater the customer needs.

- Overall, initiatives that have been taken and will be taken in retail companies are expected to support efficiency, profitability, and growth gradually. Profitability improvement with customer LfL increase, better shopping experience, margin expansion, and efficient operations will be focus for retail companies.
- Despite improving operational profitability of the segment, higher financing expenses related to inventory purchase discounts, trade payable discounts, credit card commissions and overall higher interest rates compared to one year ago hurt the bottom lines of companies in the segment.

Insurance

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
SALES	889	1.276	44%	1.961	2.511	28%
EBITDA	103	155	50%	207	316	53%
LIFE	43	41	-5%	75	89	19%
NON-LIFE	60	114	89%	132	227	72%
NET INCOME*	90	137	53%	173	269	56%
LIFE	52	64	23%	89	124	40%
NON-LIFE	37	73	95%	84	145	73%

*Excludes non-operational one off items

- At Insurance business, very strong net earnings growth was observed, with over 37% RoE levels.
- On the non-life side, premium production grew by 46% YoY in Q2, mainly driven by Non-Motor and Motor Third Party Liability (MTPL) products.
- During the quarter, combined ratio dropped to 95% compared to 99% one year ago thanks to the improvement in loss ratio. Improved performance in motor segment, Motor-Own-Damage and MTPL, contributed to Underwriting profitability. In terms of gross written premiums business mix, as of Q2, MTPL deficit was closed and target in all products was achieved.
- In Q2, financial income jumped by 109%, thanks to elevated interest rates and a larger cash generating MTPL portfolio.
- Float on non-life side reached 2,2 bn TL compared to 1,7 bn TL one year ago, while the average yield was at 24% compared to 18% one year ago.
- As a result, net profit reached 73 MTL in Q2 with 95% year over year increase and resulted in a very strong RoE of 48% for the non-life side.
- On the life and pension side, Avivasa maintains its leadership at pension Assets Under Management (AuM) as of June with a market share of 19,0%.
- The Pension Assets Under Management-AuM (including auto-enrolment) has grown by 22% and reached 19,6 bn TL as of June.

- In Q2, total protection Gross Written Premium grew 33% compared to last year same quarter, driven by 26% and 50% growth rates in bankassurance and retail channels respectively, with focus on standalone products (RoP).
- In Q2, net technical profit decreased by 9% compared to one year ago due to the 17% rise in general expenses, driven by higher personnel expenses. Combined with the 69% YoY jump in financial income thanks to increased float and higher average yield, net income increased by 23% YoY and reached 64 MTL in Q2, generating an RoE of 37,3% up from 35,4% one year ago.
- Furthermore, float on the life and pension side reached 1,2 bn TL compared to 0,7 bn TL one year ago, while the yield was at 24% compared to 15% one year ago.
- Overall, with the help of solid increase in net financial income, insurance segment bottom line increased by 53% and reached 137 MTL, proving the resilience of its business models.

Industrials

BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
SALES	**2.010**	**2.547**	**27%**	**3.771**	**5.030**	**33%**
EBITDA*	**293**	**448**	**53%**	**584**	**763**	**31%**
BRİSA	102	139	37%	207	262	26%
KORDSA	145	216	49%	267	413	55%
PHILSA	42	40	-4%	85	39	-54%
TEMSA BUS	-30	31	202%	-38	10	126%
OTHER	35	22	-36%	63	39	-38%
NET INCOME*	**115**	**192**	**66%**	**240**	**269**	**12%**
BRİSA	12	19	63%	23	17	-28%
KORDSA	83	106	28%	154	217	41%
PHILSA	42	40	-4%	85	39	-54%
TEMSA BUS	-37	12	133%	-52	-23	56%
OTHER	16	14	-13%	29	19	-34%
EBITDA* MARGIN	**14,6%**	**17,6%**		**15,5%**	**15,2%**	

- Industrial segment has benefited from higher FX linked revenues, resulting in top line growth 27% in Q2. Significant contribution from Kordsa's globally diversified revenue stream and Brisa's increased export sales channel, compensated the contraction in local market demand.
- It's also worth mentioning that Kordsa's acquisition of composite business in the US by June 2018 reinforced the topline progress.
- In 2Q 2019 the EBITDA improvement was mostly driven by Kordsa, as it took advantage of favorable raw material prices, lower conversion costs, Emerging Market footprint and improved gross profit margins plus contribution from the new composite companies. Brisa continued to benefit from operational excellence focus and had a solid support from operating profits, which offset margin losses at gross profit level.

- In addition to contributions of Kordsa and Brisa, the positive impact from the bus manufacturing business due to destocking of at hand inventory and as the provisions for doubtful receivable provision expenses did not recur in this period, led the EBITDA for the industrial segment to expand 53% YoY during the quarter.
- Coming down to the bottom line, net profit increased by 66% in Q2, as the topline growth and strong operational excellence focus reflected positively on net profits.
- Holding's %48,7 stake in Temsa was sold and 183 MTL was received from this transaction. According to the IFRS books, 66 MTL one-off sales loss from this transaction was accounted.
- Temsa Bus sale decision was made after careful evaluation of issues such as low EBITDA margin, cash conversion period longer than one year and high financing need of the company.

FX Position

	MILLION EURO	
CONSOLIDATED NET FX POSITION (excl. Bank)	Dec 31, 2018	Jun 30, 2019
ENERGY	-43	31
INDUSTRIALS	16	2
CEMENT	0	5
RETAIL	1	-1
INSURANCE	20	26
HOLDING & OTHER	284	234
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	278	296

Holding Only Cash Position by the end of Q2 2019 →1.5BTL

- By the end of second quarter; FX position stands at 296 million EUR long.
- Holding only cash position stands at 1.5 Billion TL.

2019 Guidance – Unchanged despite positive outlook

		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.

- First half results indicate 24% growth in top line and 52% growth in Nonbank EBITDA, comfortably above 2019 guidance of 10-20% growth in combined non-bank top line and EBITDA.
- Despite these promising results so far, remaining cautious and maintaining guidance for 2019 is preferred. However, year-end guidance was based on a weaker Turkish Lira estimate than the current levels, therefore depending on the trend in currency going forward, upsides or downsides in financial results compared to guidance might be faced.
- Holding's confidence in business lines remains unchanged as diverse business portfolio is believed to constitute a sustainable platform to deliver powerful results. However, volatile market conditions and factors that were extraordinarily strong in the first half such as excellent hydrology, prompted the Holding to remain at the defensive side and monitor leading segments' performances in the upcoming quarters.

2019 – Sabancı Holding Discount to NAV

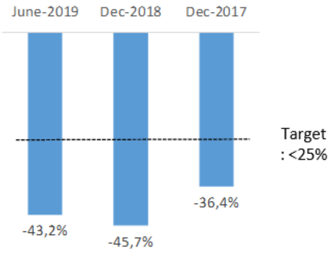
USDmn Companies	Direct Stakes (%)*	June-2019 Mcap	June-2019 Value of Stake	June-2019 % of NAV	Dec-2018 Value of Stake	Dec-2018 % of NAV
Akbank	40,8%	6.139	2.502	46,7%	2.117	39,6%
Enerjisa Enerji	40,0%	1.130	452	8,4%	456	8,5%
Aksigorta	36,0%	236	85	1,6%	76	1,4%
Avivasa	40,0%	281	112	2,1%	105	2,0%
Akçansa	39,7%	209	83	1,5%	106	2,0%
Çimsa	54,5%	146	80	1,5%	105	2,0%
Brisa	43,6%	315	138	2,6%	160	3,0%
Kordsa	71,1%	409	291	5,4%	256	4,8%
Yünsa	57,9%	23	13	0,2%	14	0,3%
Carrefoursa	50,6%	386	196	3,7%	233	4,4%
Teknosa	60,3%	48	29	0,5%	37	0,7%
Total Listed			**3.979**	**74,3%**	**3.666**	**68,5%**
Enerjisa Üretim	50,0%	1.005	502	9,4%	492	9,2%
Temsa**			12	0,2%	40	0,7%
Philsa	25,0%	1.820	455	8,5%	507	9,5%
Other			148	2,8%	157	2,9%
Total Non-listed			**1.118**	**20,9%**	**1.195**	**22,3%**
Total			**5.097**	**95,2%**	**4.861**	**90,9%**
Sabancı Holding Net Cash			256	4,8%	487	9,1%
Sabancı Holding NAV			5.353	100,0%	5.348	100,0%
Sabancı Holding Mcap			**3.043**		**2.905**	
Sabancı Holding Discount			**-43,2%**		**-45,7%**	

Source: Bloomberg, Sabanci Holding Finance Department

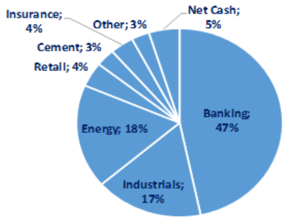
*Enerjisa Generation and Temsa are valued at Book Value, while Philsa valuation is based on Sell-side analyst estimates

**Temsa includes Temsa Motorlu Araçlar and Temsa İş Makinaları

NAV* Discount



Breakdown of NAV* (June 2019)



SABANCI

APPENDIX-CONSOLIDATED FINANCIALS

Balance Sheet (000 TL)

	30.06.2019	31.12.2018
ASSETS		
Current Assets	**208.578.468**	**185.300.225**
Cash and Cash Equivalents	23.956.207	23.657.667
Financial Assets	22.432.636	15.837.844
- Financial assets measured of fair value through profit or loss	7.204.001	6.869.025
- Financial assets measured of fair value through other comprehensive income	11.947.437	5.450.262
- Financial assets measured of amortised cost	3.239.929	3.518.557
- Time deposits	41.269	-
Trade Receivables	1.783.904	2.010.806
Receivables from Finance Sector Operations	118.317.913	104.749.857
Reserve Deposits with the Central Bank of the Republic of Turkey	29.551.282	26.433.745
Other Receivables	2.861.819	1.784.144
Derivative Financial Instruments	5.130.469	5.147.767
Inventories	3.184.156	2.944.845
Prepaid Expenses	935.059	900.603
Current Tax Assets	1.255	16.167
Other Current Assets	417.294	1.802.560
	208.571.994	**185.286.005**
Assets Classified As Held for Sale	6.474	14.220
Non-current Assets	**185.612.248**	**186.386.046**
Financial Assets	49.509.267	47.654.602
- Financial assets measured of fair value through other comprehensive income	41.598.605	38.909.591
- Financial assets measured of amortised cost	7.910.662	8.745.011
Trade Receivables	1.934	126.256
Receivables From Finance Sector Operations	97.579.594	101.849.702
Other Receivables	3.059.789	3.054.550
Derivative Financial Instruments	17.247.003	17.540.849
Investments Accounted Through Equity Method	6.954.598	6.756.459
Investment Property	154.460	136.930
Property, Plant and Equipment	6.717.092	6.626.678
Asset Right on Use	1.882.896	-
Intangible Assets	2.055.242	2.108.876
- Goodwill	905.684	849.215
- Other Intangible Assets	1.149.558	1.259.661
Prepaid Expenses	16.043	20.991
Deferred Tax Assets	317.423	372.640
Other Non Current Assets	116.907	137.513
Total Assets	**394.190.716**	**371.686.271**

LIABILITIES		
Short Term Liabilities	**274.010.951**	**255.444.010**
Financial Liabilities	15.664.796	9.726.191
Current Portion of Long-Term Financial Liabilities	15.572.328	20.815.668
Lease Liabilities	256.356	-
Trade Payables	3.893.977	3.372.749
Payables from Finance Sector Operations	226.178.189	205.815.346
Payables Related with Employee Benefits	134.338	93.671
Other Payables	7.137.194	6.142.410
Derivative Financial Instruments	3.313.125	5.348.337
Deferred Income	246.357	291.868
Income Taxes Payable	257.401	62.396
Short Term Provisions	587.306	1.006.206
- Short Term Provisions for Employee Benefits	351.581	327.351
- Other Short Term Provisions	235.725	678.855
Other Short Term Liabilities	766.685	2.764.894
	274.008.052	**255.439.736**
Liabilities Classified As Held for Sale	2.899	4.274
Long Term Liabilities	**59.386.711**	**59.846.465**
Financial Liabilities	32.539.962	35.222.289
Lease Liabilities	1.704.866	-
Payables from Finance Sector Operations	12.068.276	13.818.904
Other Payables	3.577.433	2.372.596
Derivative Financial Instruments	8.241.112	7.583.133
Deferred Income	101.746	116.833
Long Term Provisions	484.606	452.305
- Long Term Provisions for Employee Benefits	461.664	448.045
- Other Long Term Provisions	22.942	4.260
Income Taxes Payable	5.558	-
Deferred Tax Liabilities	659.244	185.504
Other Long Term Liabilities	3.908	94.901
EQUITY	**60.793.054**	**56.395.796**
Equity Attributable to the Parent	**30.523.393**	**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	(80.754)	(74.784)
- Actuarial Gains/Losses	(80.754)	(74.784)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss	(406.200)	(370.833)
- Currency Translation Reserve	1.622.061	1.382.776
- Gains / Losses on Hedge	(786.906)	(535.681)
- Revaluation Reserve	(1.241.355)	(1.217.928)
Restricted Reserves	1.174.568	1.050.078
Retained Earnings	22.590.645	19.556.239
Net Income for the Period	1.946.202	3.830.335
Non-controlling Interests	**30.269.661**	**27.105.829**
TOTAL EQUITY AND LIABILITIES	**394.190.716**	**371.686.271**

Income Statement (000 TL)

	30.06.2019	30.06.2018
CONTINUING OPERATIONS		
Sales (net)	9.101.548	7.344.526
Cost of Sales (-)	(7.178.311)	(5.786.878)
Gross Profit From Non-Financial Operations	**1.923.237**	**1.557.648**
Interest, Premium, Commission and Other Income	21.270.670	17.101.507
Interest, Premium, Commission and Other Expense (-)	(14.250.900)	(10.216.024)
Gross Profit From Financial Operations	**7.019.770**	**6.885.483**
GROSS PROFIT	**8.943.007**	**8.443.131**
General Administrative Expenses (-)	(3.741.707)	(3.306.966)
Marketing, Selling and Distribution Expenses (-)	(1.108.715)	(949.387)
Research and Development Expenses (-)	(7.430)	(6.985)
Other Income From Operating Activities	604.317	804.097
Other Expense From Operating Activities (-)	(591.744)	(432.638)
Share of Profit of Investments Accounted for using the Equity Method	805.667	369.220
OPERATING PROFIT	**4.903.395**	**4.920.472**
Income From Investing Activities	36.308	730.708
Expense From Investing Activities (-)	(66.935)	(9.681)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)	**4.872.768**	**5.641.499**
Financial Income	46.749	7.895
Financial Expenses (-)	(586.719)	(327.538)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**4.332.798**	**5.321.856**
Tax Income / (Expense) from Continuing Operations		
Current Tax Expense	(563.762)	(848.845)
Deferred Tax Income / Expense	(227.764)	(208.969)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	**3.541.272**	**4.264.042**
DISCONTINUED OPERATIONS		
Net Income After Tax From Discontinued Operations	(60)	27
NET INCOME FOR THE PERIOD	**3.541.212**	**4.264.069**
ALLOCATION OF NET INCOME		
- Non-controlling Interests	1.595.010	2.042.383
- Equity Holders of the Parent	1.946.202	2.221.686
Earnings per share - hundreds of ordinary shares (TRY)	0,95	1,09
Earnings per share from continuing operations - hundreds of ordinary shares (TRY)	0,95	1,09

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