



2016 Q1 Earnings Presentation

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- Robust operational performance in **Enerjisa**. **Enerjisa** Retail has a strong base effect in Q1 2015.
- Despite additional capacity in the market, increased profitability in **Cement** mainly due to volume growth and successful regional and product diversification strategy.
- Operational efficiencies, export competitiveness and favorable commodity prices boosting profitability in **Industrials**.
- Challenging Q1 for food **Retail**. Action plan to improve profitability. Step jump in like-for-like growth in technology **Retail**.
- Strong growth and operational profitability sustained in the **Pension** business.
- No additional provisions in **Non-Life Insurance** business.

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

MILLION TL	Q1 2015	Q1 2016	% Change
TOTAL	11.797	13.607	15%
BANK	4.258	5.273	24%
NON-BANK	7.539	8.335	11%
ENERGY	3.039	3.270	8%
CEMENT	534	583	9%
RETAIL	1.444	1.872	30%
<i>RETAIL-Adjusted for comparison*</i>	1.444	1.697	17%
INSURANCE	513	570	11%
INDUSTRIALS	1.131	1.245	10%
OTHER	877	796	-9%

Strong topline growth in all segments

* Excluding the effects of Kiler acquisition

EBITDA (Excluding Non Operational Items)

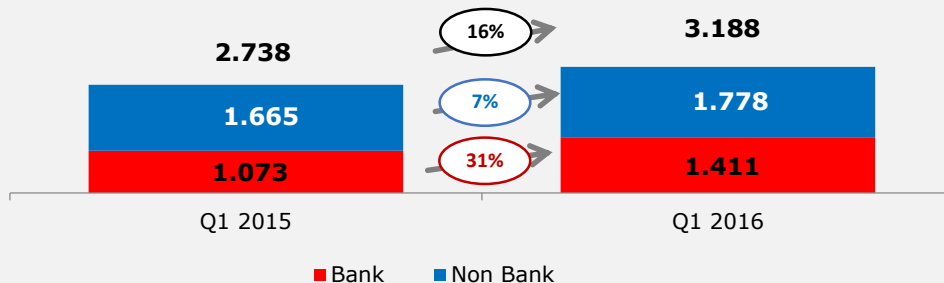
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EBITDA - MILLION TL	Q1 2015	Q1 2016	% Change
TOTAL	2.738	3.188	16%
BANK	1.073	1.411	31%
NON-BANK	1.665	1.778	7%
ENERGY	451	576	28%
CEMENT	139	154	11%
RETAIL	34	3	-90%
<i>RETAIL-Adjusted for comparison*</i>	34	21	-39%
INSURANCE	26	49	89%
INDUSTRIALS	189	250	32%
OTHER	825	746	-10%

**Strong operational performance in
Energy, Industrials and Cement**

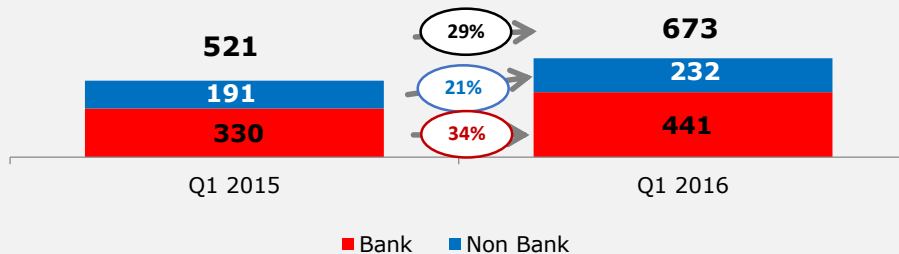
* Excluding the effects of transactions of Kiler acquisition

COMBINED EBITDA* (MILLION TL)



○ Strong profitability growth

COMPARATIVE CONSOLIDATED NET INCOME** (MILLION TL)



○ Sustained growth in Industrials and Cement positively affecting non-bank bottom line

*Total before consolidation (combined).

** Consolidated figures exclude non operational items and adjusted for comparison purposes

MILLION TL	Q1 2015	Q1 2016	% Change
CONSOLIDATED NET INCOME*	205	219	6%
ENERGY	92	83	-9%
<i>ENERGY-Adjusted for comparison**</i>	85	75	-12%
CEMENT	41	44	7%
RETAIL	-5	-42	N.M
<i>RETAIL-Adjusted for comparison**</i>	-5	-20	N.M
INSURANCE	12	16	35%
INDUSTRIALS	85	123	45%
<i>INDUSTRIALS-Adjusted for comparison**</i>	78	123	58%
OTHER	-20	-5	N.M
CONSOLIDATED NET INCOME-Adjusted for comparison**	191	232	21%

**Consolidated Net Income Adjusted for Comparison - Excluding the effect of Sasa transaction, Kiler acquisition and Enerjisa Tufanbeyli tax incentive*

Operational excellence, low commodity prices and strong demand growth boosted profitability in Cement and Industrials

* Excluding non-operational items.

** Consolidated figures exclude non-operational items and includes adjustments for comparison purposes

Current Assessment

Critical to Watch

Distribution

- Robust operational performance

- Expansion of Regulated Asset Base

Retail

- Low electricity prices positively impacting operational profitability in free market
- Large industrials switching to bilateral agreements from the regulated tariff

- Free market volume growth
- Renewable tariff effect on free market

Generation

- ~1.440 MW renewable capacity allocated to renewable tariff (YEKDEM)
- Hedged electricity prices in long-term contracts are higher than baseload prices. However, positive effect is lower than in 2015
- Trading operations continue to support profitability

- Bandırma 2 & Tufanbeyli lignite plant to be operational
- Low Spot Prices and Spark Spreads

Financing

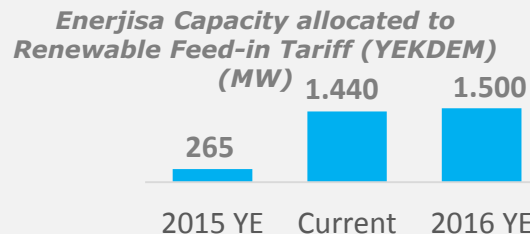
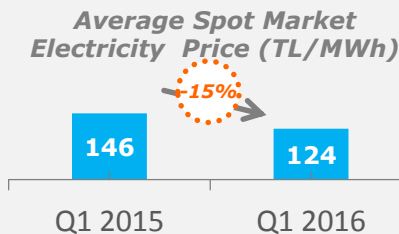
- Successful management of FX exposure with forward contracts

- Proactive FX risk management maintained
- Interest rates

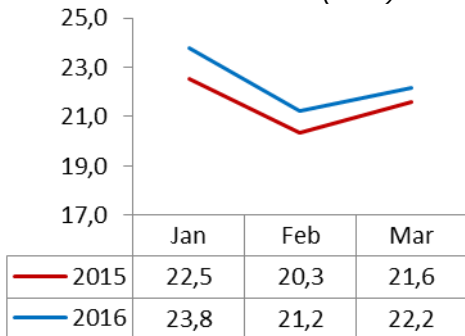
MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	3.039	3.270	8%	0	0	N.M
EBITDA*	451	576	28%	92	83	-9%
NET INCOME*	184	167	-9%	92	83	-9%
NET INCOME** - Adjusted for comparison	170	150	-12%	85	75	-12%
EBITDA MARGIN	14,9%	17,6%				

*Excludes non-operational one off items.
 **Tax Incentive regarding Tufanbeyli Lignite Plant is recalculated based on the changes in economic assumptions; the incentive itself is not treated as a one-off item in the financials; excluded only for comparison purposes

Robust double-digit EBITDA growth offset by higher financing costs

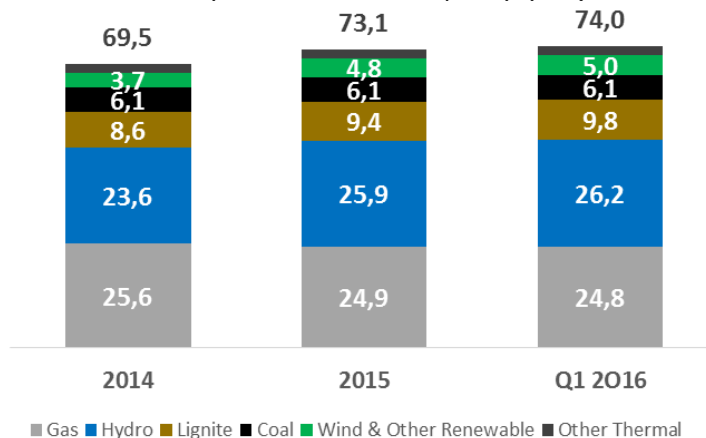


Demand (TWh)

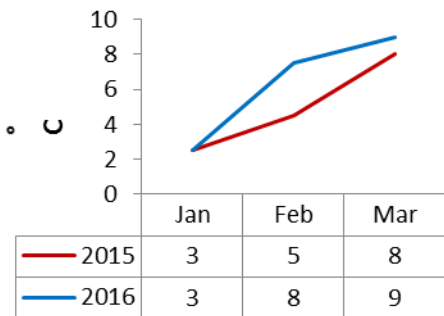


Q1'16 vs Q1'15:
4,2% growth

Turkey Total Installed Capacity (GW)

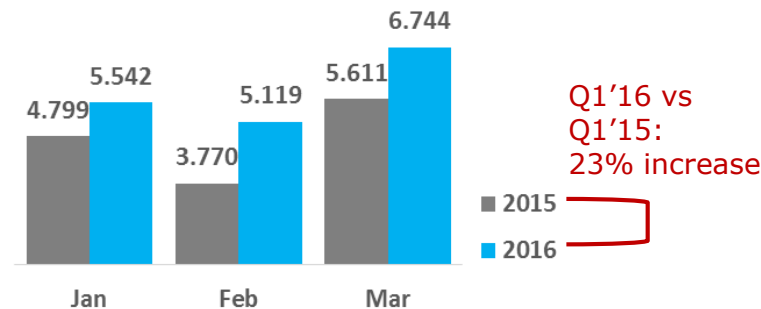


Average Temperatures



Average Q1'16 vs Q1'15 Δ:
+1 increase

Turkey Hydro Generation (GWh)



Q1'16 vs Q1'15:
23% increase

Robust growth in hydro generation affecting market prices

MILLION TL	Q1 2015	Q1 2016	% Change
SALES	566	796	41%
EBITDA	115	258	125%
EBITDA MARGIN	20,3%	32,4%	

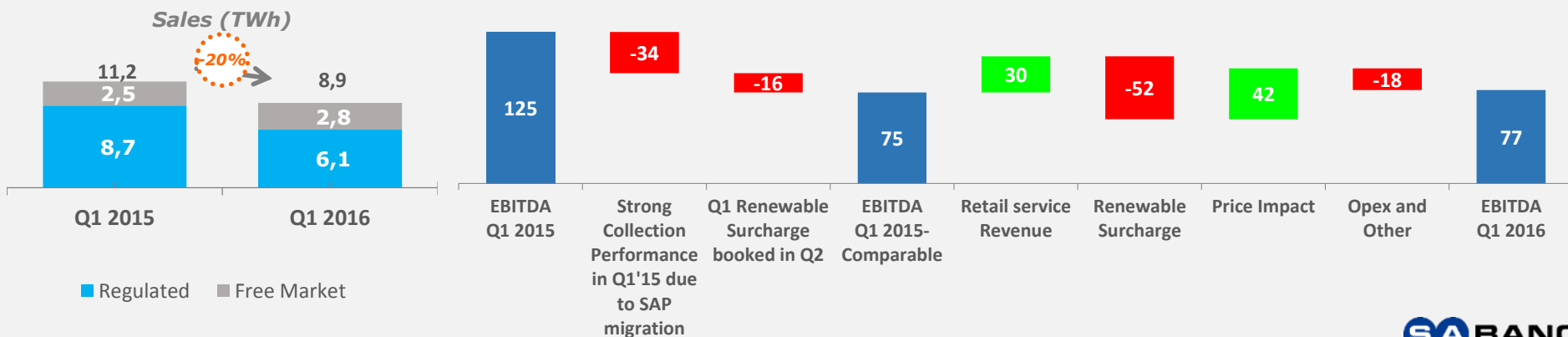
Robust profitability in 2016 driven by the new tariff and higher Regulatory Asset Base

*Regulatory Asset Base (RAB)
in accordance with IFRS (MTL)*



MILLION TL	Q1 2015	Q1 2016	% Change
SALES	2.872	2.623	-9%
EBITDA	125	77	-38%
EBITDA MARGIN	4,3%	2,9%	

Strong base effect in Q1 2015 with non-recurring operational items

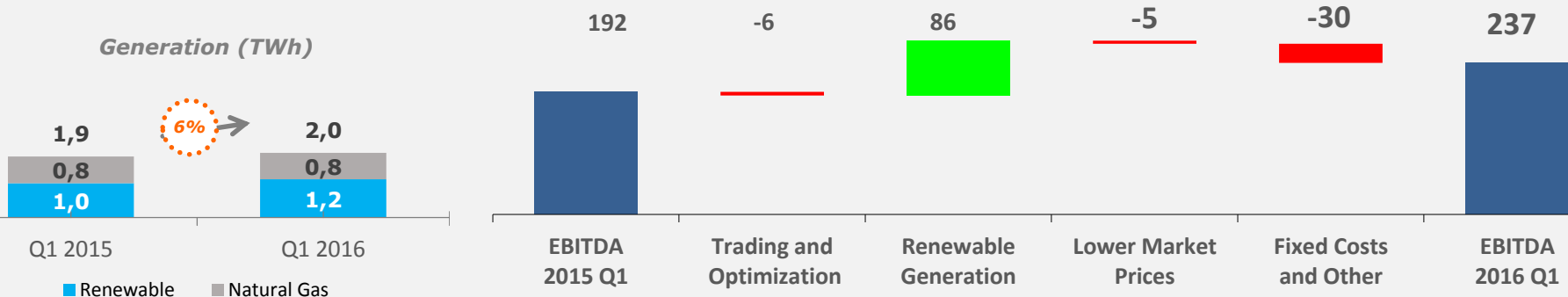


MILLION TL	Q1 2015	Q1 2016	% Change
SALES	690	977	42%
EBITDA*	192	237	23%
EBITDA MARGIN	27,8%	24,3%	

* Excluding non operational items

Despite low spot prices, jump in profitability thanks to sales on the renewable tariff

Generation (TWh)

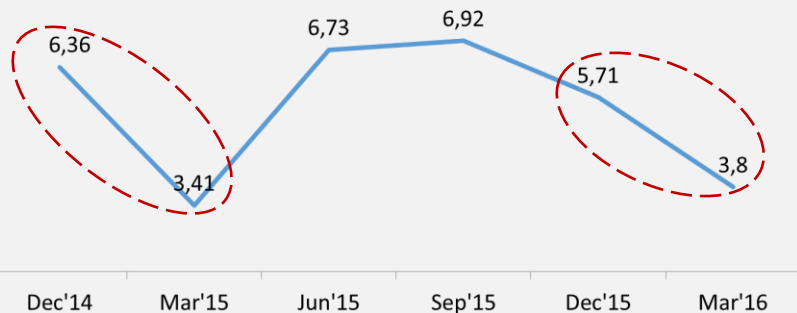


MILLION TL	2015 YE	2016 Q1	% Change
Cash	258	415	61%
Trade Receivables	1.987	2.060	4%
Other Current Assets	1.579	1.558	-1%
TOTAL CURRENT ASSETS	3.824	4.033	5%
Fixed Assets	16.140	16.140	0%
Other Non Current Assets	6.865	7.084	3%
TOTAL NONCURRENT ASSETS	23.005	23.225	1%
TOTAL ASSETS	26.830	27.258	2%
Short Term Bank Borrowings	2.803	2.899	3%
Trade Payables	1.243	1.305	5%
Other Current Liabilities*	2.421	2.272	-6%
TOTAL CURRENT LIABILITIES	6.467	6.475	0%
Long Term Bank Borrowings	8.611	8.744	2%
Other Non Current Liabilities	2.312	2.444	6%
TOTAL NON CURRENT LIABILITIES	10.923	11.188	2%
TOTAL EQUITY	9.440	9.594	2%
TOTAL LIABILITIES AND EQUITY	26.830	27.258	2%

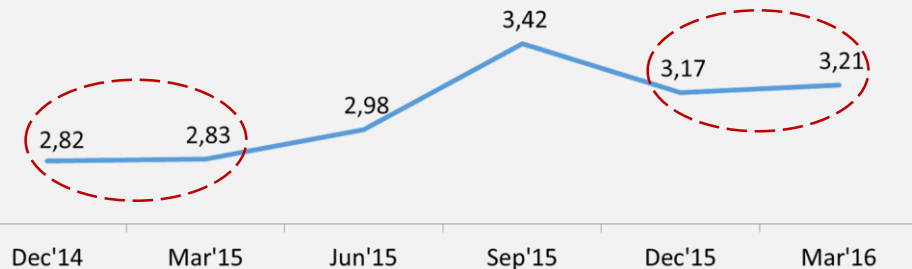
* Includes, in total 1,2 bn TL debt to Privatization Authority

Enerjisa Financing Cost Drivers

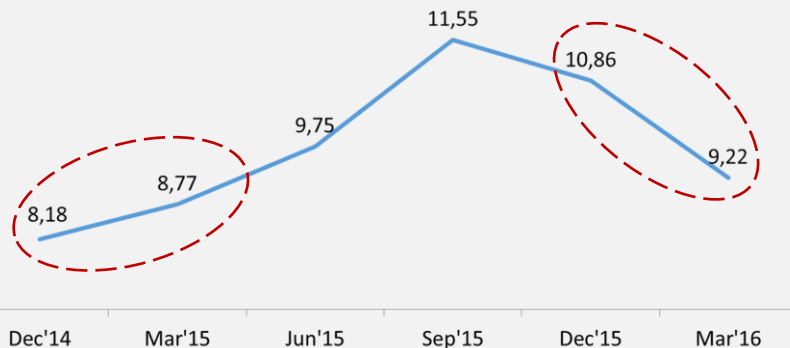
Change in PPI (%)



EUR/TL



2 Year Turkish Government Bond Rate (%)



Operational FX Gain / Loss & Interest Expense (Net)
Interest Expense (Net)
Fx Gain/ Loss
Total Financial Expenses

	Q1 2015	Q1 2016
Operational FX Gain / Loss & Interest Expense (Net)	34	10
Interest Expense (Net)	-156	-218
Fx Gain/ Loss	-6	-58
Total Financial Expenses	-129	-266

Successful FX risk management

Million	Enerjisa Loans*		
	Original Currency		Total TL Equivalent
	TL	EUR	
Generation	483	1.964	6.782
Distribution	5.846	81	6.106
Total	6.329	2.044	12.889

Million	Original Currency		
	Original Currency		Total TL Equivalent
	TL	EUR	
Fixed	4.068	878	6.884
Floating	1.096	1.167	4.839
PPI Indexed	1.166	-	1.166
Total	6.329	2.044	12.889

Cash	415
Net Debt	12.474

* Enerjisa loans' principals only

Stabilization of leverage with wrap-up of generation investments.

Cement

Current Assessment

- *Strong volume growth in Q1*
- *Low freight and fuel costs sustained*
- *Strong prices in regions other than Mediterranean*
- *Profitable white cement operations*

Neutralizing the impact of:

Significant new capacity by competitors in Mediterranean Region

Critical to Watch

- *Highly competitive landscape to continue*
- *Differentiation of Sabancı Companies through higher value added products (white cement, specialized products)*
- *New investments in Afyon & Eskişehir plants at Çimsa*
- *Construction permits and progress of infrastructure projects*
- *Interest rates driving real estate demand and investments*
- *Export Markets*

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

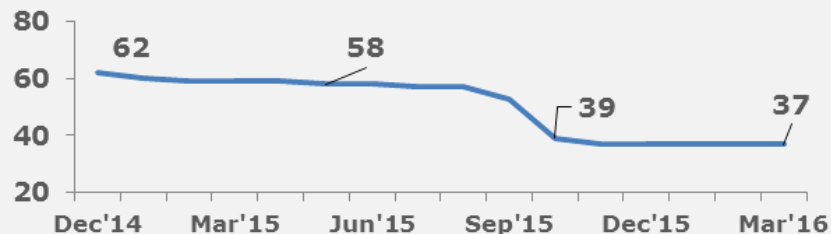
CONTRIBUTION TO CONSOLIDATED FINANCIALS

MILLION TL

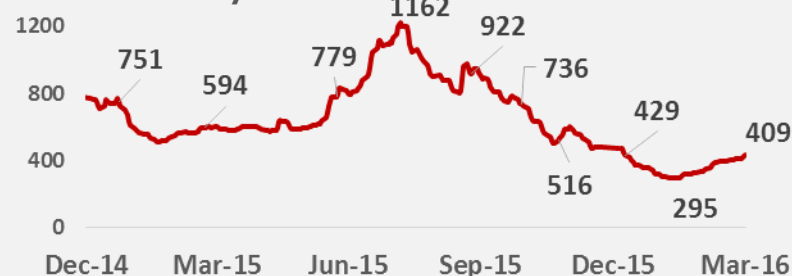
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	534	583	9%	235	254	8%
EBITDA	139	154	11%	81	94	15%
NET INCOME	90	98	9%	41	44	7%
EBITDA MARGIN	26,1%	26,5%				

Sustained topline growth and profitability through strong volume and lower fuel costs.

PACE Index (Petroleum prices- USD/ton)



Baltic Dry Index



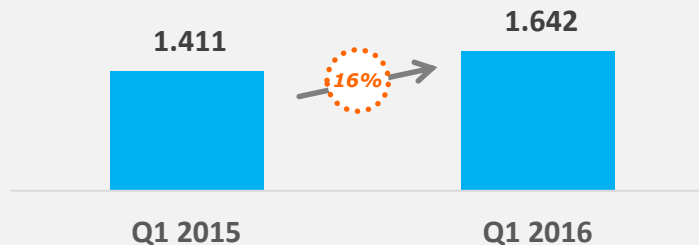
**TOTAL BEFORE CONSOLIDATION
ADJUSTMENTS (COMBINED)**
**CONTRIBUTION TO
CONSOLIDATED FINANCIALS**

MILLION TL

	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	299	329	10%	0	0	N.M
EBITDA	79	81	3%	27	27	3%
NET INCOME	67	69	3%	27	27	3%
EBITDA MARGIN	26,3%	24,5%				

Topline growth driven by strong volume

Cement Sales Volume (kton)



TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

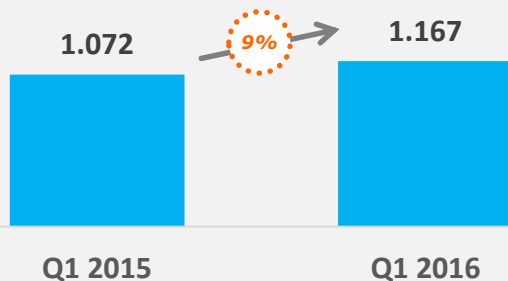
CONTRIBUTION TO CONSOLIDATED FINANCIALS

MILLION TL

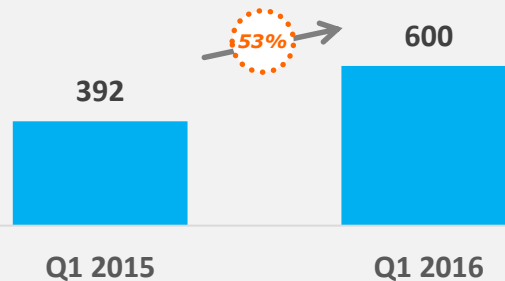
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	235	254	8%	235	254	8%
EBITDA	61	74	21%	61	74	21%
NET INCOME	38	41	8%	19	22	15%
EBITDA MARGIN	25,9%	29,0%				

Product and regional diversification

Cement Sales (kton)



Ready Mix Sales (kton)



Current Assessment

- *New management working on increasing profitability in food retail. Store optimization, efficiency and organic top-line growth through increased traffic are top priorities*
- *New products and services in the technology retail business*
- *Minimum wage increase affects the cost base of the companies*

Critical to Watch

- *Management action plan in food retail*
- *Consumer sentiment to drive spending level*
- *Effect of minimum wage increase on consumer spending*
- *LfL growth in the sector*

Retail

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	1.444	1.872	30%	1.443	1.871	30%
EBITDA*	34	3	-90%	34	3	-90%
NET INCOME*	-8	-81	N.M	-5	-42	N.M
NET INCOME** - Adjusted for comparison	-8	-38	N.M	-5	-20	N.M
EBITDA MARGIN	2,4%	0,2%				

*Excludes non operational items

** Excludes non operational items and Kiler acquisition effect

Profitability impacted by food retail

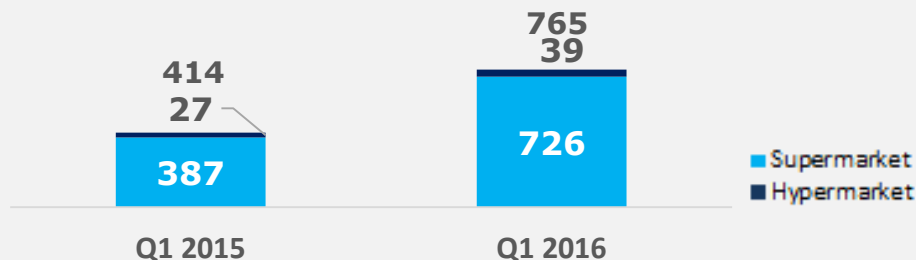
MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	779	1.097	41%	779	1.097	41%
EBITDA*	25	-8	N.M	25	-8	N.M
EBITDA** - Adjusted for comparison	25	9	-62%	25	9	-62%
NET INCOME*	3	-68	N.M	1	-35	N.M
NET INCOME** - Adjusted for comparison	3	-25	N.M	1	-13	N.M
EBITDA** MARGIN	3,2%	0,9%				

*Excludes non operational items

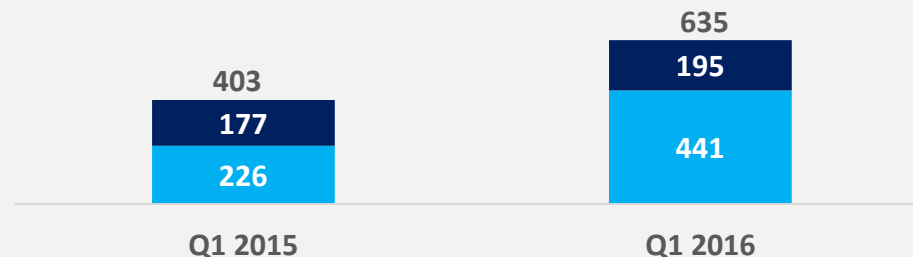
** Excludes non operational items and Kiler acquisition effect

Focus on key areas to improve profitability

Number of Carrefoursa Stores



Net Sales Area (k sqm)



1. Assortment - *Improvement in assortment*

2. Reduce stockouts - *Optimum stock levels*

3. Pricing actions/perception – *Customer-oriented pricing*

4. Costs - *Right sizing, energy costs, product losses*

5. Store optimization - *Optimizing store network, bottom slicing*

+ Kiler integration – *Making the shopping experience look and feel more like Carrefoursa.*

External factors impacting the business:

- *Minimum wage increase*
- *Reduced traffic in shopping malls bringing down LfL for hypermarkets*

Insurance

Current Assessment

- *Strong performance of bancassurance channel*
- *Acceleration in the growth of life premiums*
- *Sustained high growth in pension*
- *No additional reserves for MTPL and minimum wage*
- *The share of non-life MTPL market share lower than 1%.*

Critical to Watch

- *Consumer loan growth*
- *Claims management & claims ratio*

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	513	570	11%	0	0	N.M
EBITDA	26	49	89%	12	16	35%
NET INCOME	29	42	45%	12	16	35%

Normalization of non-life insurance profitability.

TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)

CONTRIBUTION TO CONSOLIDATED FINANCIALS

MILLION TL

SALES

EBITDA

NET INCOME

Q1 2015 Q1 2016 % Change

58 71 22%

25 28 11%

29 28 -5%

Q1 2015 Q1 2016 % Change

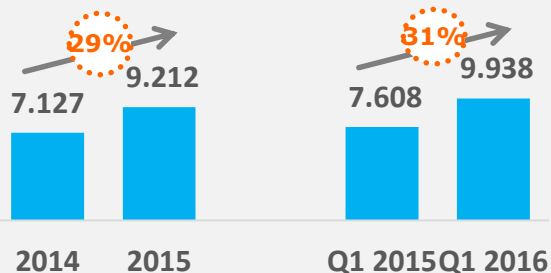
- - N.M

12 11 -8%

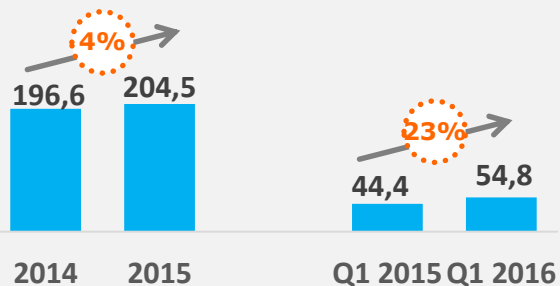
12 11 -8%

**FX loss in 2016 resulted in lower financial income.
Operational profitability remains strong.**

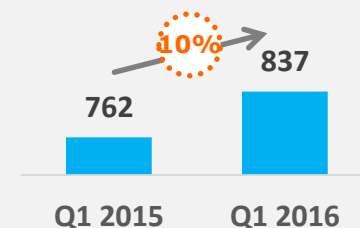
Assets Under Management (MTL)



Gross Written Premiums (MTL)



of Total Participants('000)

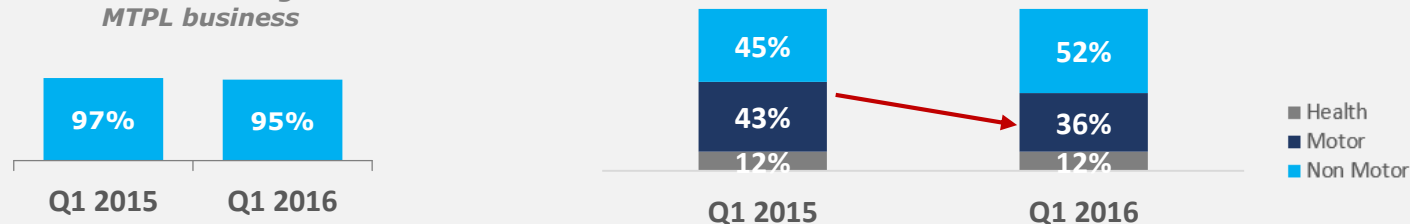


MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	456	499	10%	-	-	N.M
EBITDA	1	22	1817%	-0	5	N.M
NET INCOME	-0	14	N.M	-0	5	N.M

**No additional reserves; normalization of profitability.
Traffic market share shrunk to 1%**

Decreasing Share of Motor in Aksigorta

*Combined Ratio excluding one off and
MTPL business*





Current Assessment

- *Operational excellence and efficiency*
- *Improvement in European demand*
- *Low raw material prices*
- *Volume growth in Kordsa*
- *Robust but normalizing automotive market*
- *Lower winter tyre demand due to warm winter*

Critical to Watch

- *Turkish Lira and other EM currencies*
- *Pricing / Commodity prices*
- *Pace of European and US growth*

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	1.131	1.245	10%	742	843	14%
EBITDA*	189	250	32%	144	192	33%
NET INCOME*	126	171	36%	85	123	45%
<i>NET INCOME* - Adjusted for comparison</i>	112	171	52%	78	123	58%
EBITDA MARGIN	16,7%	20,1%				

*Excludes non operational items

**Strong results through operational excellence and efficiency
coupled with favorable raw material prices**

STANDALONE FINANCIALS

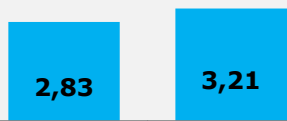
CONTRIBUTION TO CONSOLIDATED FINANCIALS

MILLION TL

	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	385	488	27%	385	488	27%
EBITDA*	45	78	72%	45	78	72%
NET INCOME*	14	64	375%	10	38	293%
EBITDA MARGIN	11,7%	16,0%				

Continued margin expansion and top line growth at Kordsa

Average €/TL



Q1 2015 Q1 2016

Average USD/BRL



Q1 2015 Q1 2016

Average USD/IDR



Q1 2015 Q1 2016

TCF Sales Volume
(Indexed to 100)



Q1 2015 Q1 2016

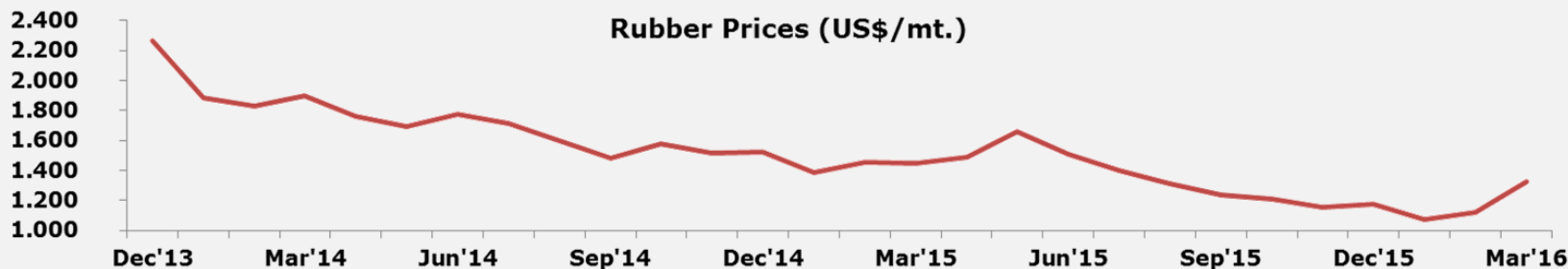
Yarn and Other Volume
(Indexed to 100)



Q1 2015 Q1 2016

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
	Q1 2015	Q1 2016	% Change	Q1 2015	Q1 2016	% Change
SALES	389	402	3%	-	-	N.M
EBITDA	58	68	17%	12	10	-20%
NET INCOME	28	23	-20%	12	10	-20%
EBITDA MARGIN	14,9%	16,9%				

Low commodity prices supporting operational profitability.
 Bottom line impacted by higher financial expense.

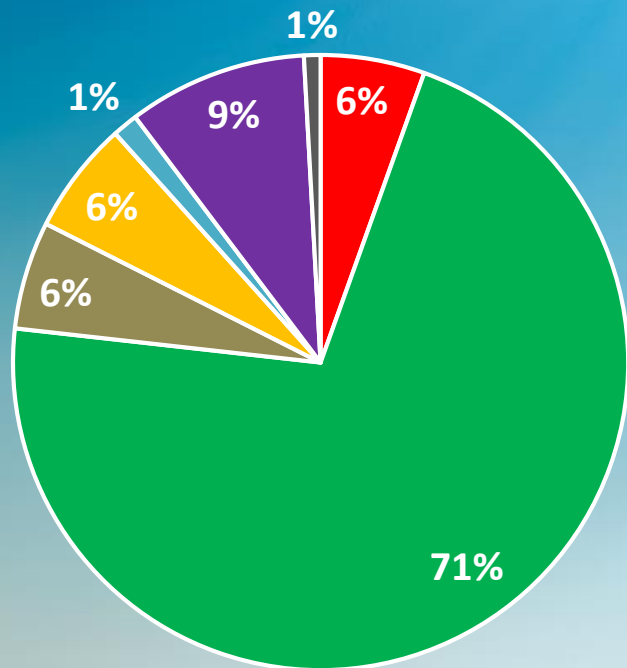


CONSOLIDATED NET FX POSITION (excl. Bank) M€	MILLION EURO	
	DEC 31, 2015	MAR 31, 2016
ENERGY*	-124	-191
INDUSTRIALS	2	0
CEMENT	-1	6
RETAIL	-4	-1
HOLDING	115	143
INSURANCE & OTHER	13	15
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	1	-29

**Capitalized borrowings of Energy segment amounting to 506 MEUR and the other FX assets/liabilities that do not create FX gain/loss are excluded
Holding Only Cash Position is 1.044 MTL*

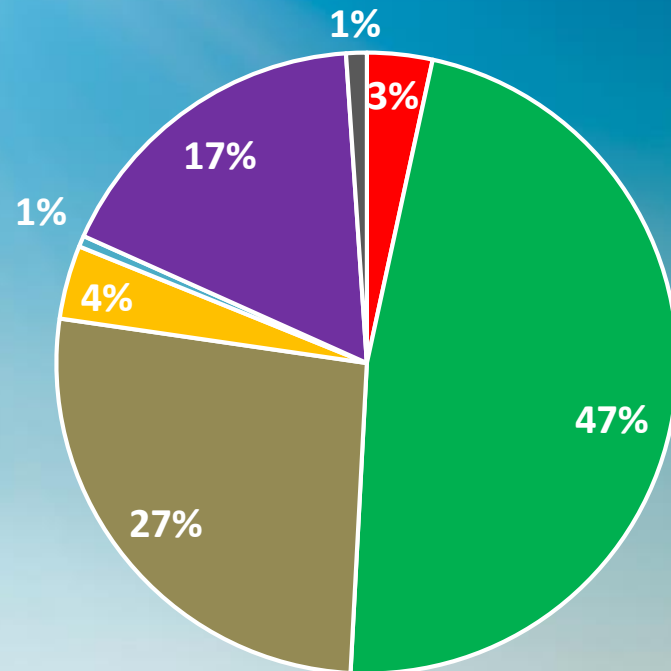
Minimal FX exposure at the consolidated level

Q1 2015 :766 MTL



- BANK
- ENERGY
- CEMENT
- RETAIL
- INSURANCE
- INDUSTRIALS
- OTHER

Q1 2016 :673 MTL



	2015 Q1	2016 Q1
NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS	535	659
Energisa gain on asset sale	52	0
Carrefoursa gain on asset sale;SAP transition;litigation resolution;restructuring	56	-13
Temsa gain on asset sale	5	0
Other	0	-6
NET INCOME	648	641
NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS - Adjusted for Comparison*	521	673

* Consolidated figures exclude non operational items and adjusted for comparison purposes

No major non-operational items in 2016 Q1

		2016 Growth Guidance
SABANCI HOLDING COMBINED NON-BANK *	SALES	10-15%
	EBITDA	20-30%
INDUSTRIALS*	SALES	10-20%
	EBITDA	5-10%
ENERGY*	SALES	10-15%
	EBITDA	40-50%

Maintaining our guidance

* One off items and Other segment excluded

Q&A