

Sabancı of Rising Turkey

2012 Q3 Earnings Presentation

SABANCI

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Turkey Macro Outlook Update-Q3 2012

- A mild recovery in economic activity in the Q2 through external demand
- Deceleration in economic growth in the Q3
- Consumer driven growth solid, export and intermediate products demand stagnant
- Weak investment spending
- Weakening of global demand – especially in Euro area
- Quarterly seasonally adjusted industrial production expanded by 0.9 % q/q in Q3 while it expanded by 1.9% q/q in 2Q of 2012

Soft landing...

2013 Expectations

	<u>2011</u>	<u>2012(E)</u>	<u>2013(E)</u>
GDP Growth, %	8.5	3.2	3.5
Increase in CPI (%), annual	10.45	7.2	7.0
USD/TL, year end	1.89	1.85	1.95
Budget Deficit/GNP, %	(1.4)	(2.3)	(2.0)
1Y Bond Yield, year end, %	11.1	6.8	7.85
Current Acc. Balance/GNP, %	(9.9)	(7.4)	(7.2)

Moderate growth, stable FX environment, low inflation and improvement in current account balance

Calculation of EBITDA and Net Income Excluding Non-Operational Items

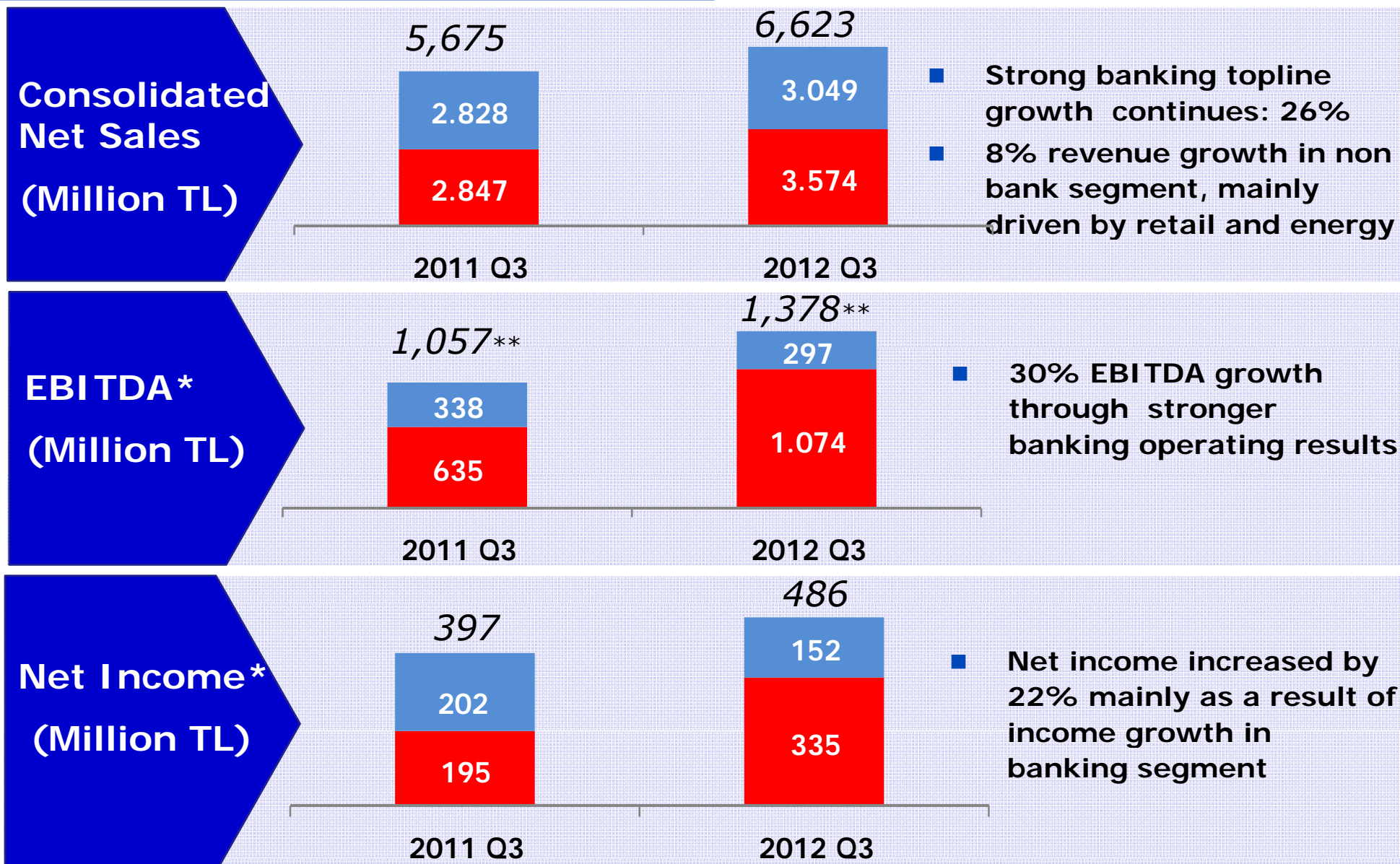
	2011 Q3	2012 Q3	
SALES	5.675	6.623	17%
EBITDA	1.167	1.371	
Restructuring Costs	-	(8)	
Fixed asset sale gains	111	-	
Goodwill income on Best Buy Acquisition	18	-	
Other	(19)	-	
EBITDA-EXCLUDING NON-OPERATIONAL ITEMS*	1.057	1.378	30%
NET INCOME	434	479	
Restructuring Costs	-	(7)	
Fixed asset sale gain	43	-	
Goodwill income on Best Buy Acquisition	12	-	
Tax income	1	-	
Other	(20)	-	
NET INCOME-EXCLUDING -NON OPERATIONAL ITEMS*	397	486	22%

* EBITDA and net income figures excluding non operational items will be discussed in the presentation

Results Snapshot-2012 Q3

BANK

NON-BANK



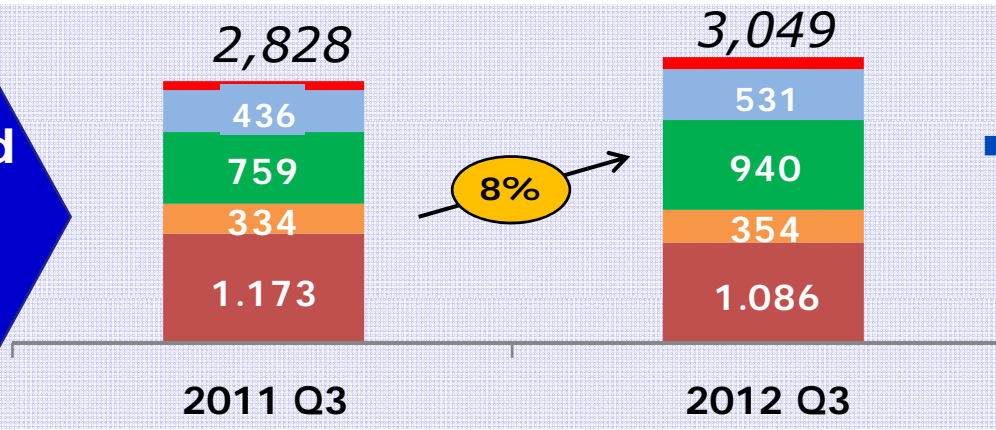
*2011 figures excludes non operational items amounting to 110 MTL gain at EBITDA level and 37 MTL at net income level, mainly coming from Akbank fixed asset sale gain. 2012 figures excludes 7 MTL expense at operating & net income level.

** Intersegment eliminations are 84 MTL for 2011 Q3 and 7 MTL for 2012 Q3.

Non-bank Results-Q3

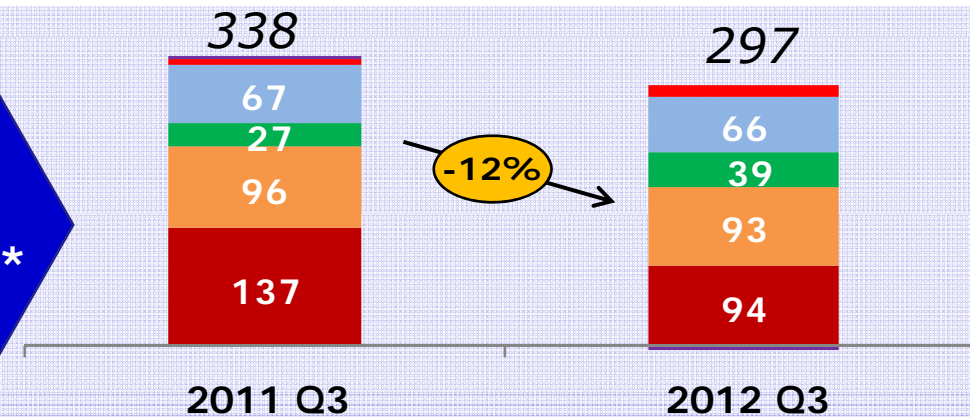
ENERGY	RETAIL	INSURANCE
INDUSTRY	CEMENT	OTHER

**Consolidated Net Sales
(Million TL)**



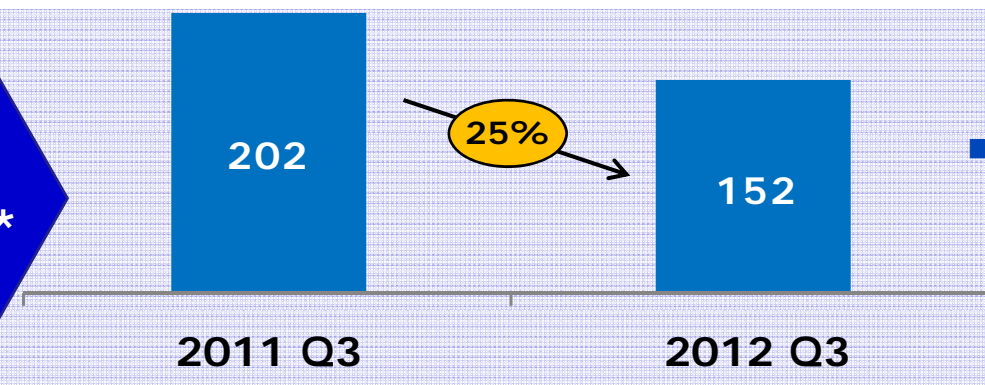
- Topline growth mainly driven by energy and retail

**EBITDA
(Million TL) ***



- EBITDA decrease due to industrials segment: Slowdown in export markets and foreign competition in fiber business.

**Net Income
(Million TL) ***



- Net income declined in parallel with EBITDA

*Excluding non operational items.

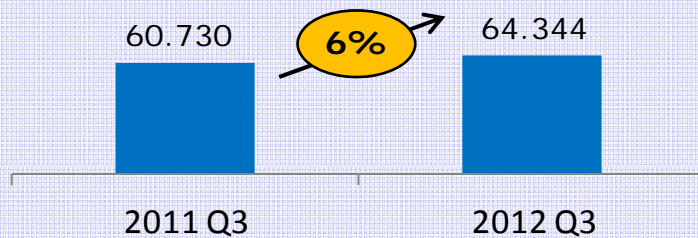
Energy

MILLION TL

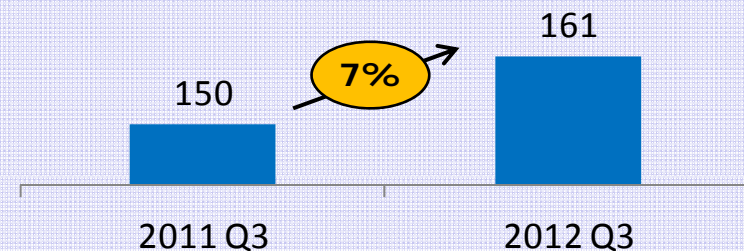
	2011 Q3	2012 Q3	% Change
SALES (NET)	471	564	19,7
COST OF SALES	(385)	(475)	23,4
OPERATIONAL EXPENSES	(43)	(48)	13,3
OTHER INCOME/(EXPENSE)	-	-	n.m.
OPERATING INCOME	44	41	(7,1)
EBITDA	67	66	(0,7)
EBITDA EXCLUDING NON OPERATIONAL ITEMS	67	66	(0,7)
EBITDA Margin (%)	14,2%	11,8%	

Stable operating profits despite challenging environment due to substantial NG price hikes

Electricity Demand (Gwh)



Market Prices (TL/MWh)



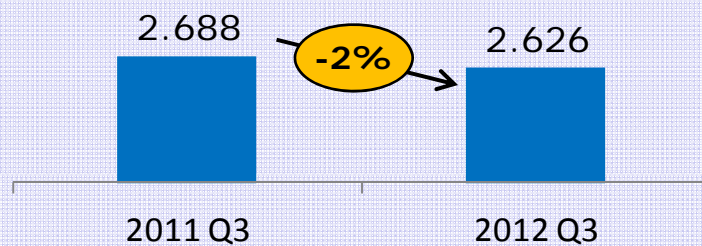
Enerjisa P&L

MILLION TL

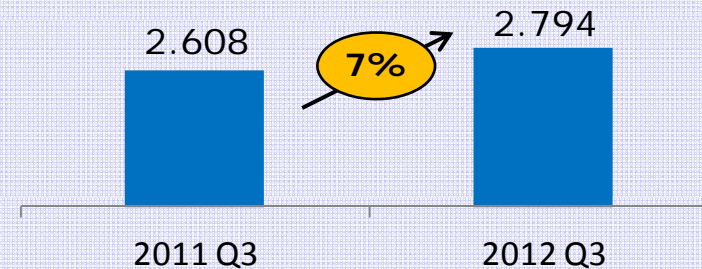
	2011 Q3	2012 Q3	% Change
SALES (NET)	942	1.128	19,7
EBITDA	133	133	(0,7)
NET INCOME	(104)	29	128,1
EBITDA Margin (%)	14,2%	11,8%	

Flat sales volume reflecting new sales strategy in generation business and increasing sales in distribution

Generation&Trading Sales Volume (Gwh)



Distribution Business Retail Sales(Gwh)



Enerjisa Balance Sheet

MILLION TL	31.12.2011	30.09.2012	% Change
CASH AND CASH EQUIVALENTS	307	543	76,7
TRADE RECEIVABLES	460	521	13,3
OTHER CURRENT ASSETS	457	483	5,6
TOTAL CURRENT ASSETS	1.224	1.547	26,4
PROPERTY, PLANT AND EQUIPMENT	4.309	5.452	26,5
INTANGIBLE ASSETS	1.992	1.953	(1,9)
OTHER NONCURRENT ASSETS	1.279	1.442	12,7
TOTAL NONCURRENT ASSETS	7.580	8.847	16,7
TOTAL ASSETS	8.804	10.394	18,1
SHORT TERM BANK BORROWINGS	1.224	1.354	10,6
TRADE PAYABLES	579	600	3,7
OTHER CURRENT LIABILITIES	230	156	(32,3)
TOTAL CURRENT LIABILITIES	2.033	2.110	3,8
LONG TERM BANK BORROWINGS	2.668	3.017	13,1
OTHER NON CURRENT LIABILITIES	596	624	4,6
TOTAL NON CURRENT LIABILITIES	3.264	3.640	11,5
TOTAL EQUITY	3.507	4.644	32,4
TOTAL LIABILITIES AND EQUITY	8.804	10.394	18,1

Strong balance sheet

Enerjisa-Details for Valuation (as of 30.09.2012)

MILLION TL	INVESTED CAPITAL	%	EQUITY	DEBT
OPERATIONAL PROJECTS & DISTRIBUTION	5.084	56%	2.680	2.403
ONGOING INVESTMENTS	3.931	44%	1.963	1.967
TOTAL	9.014		4.644	4.371

Enerjisa's total invested capital exceeded 9 billion TL...

Retail

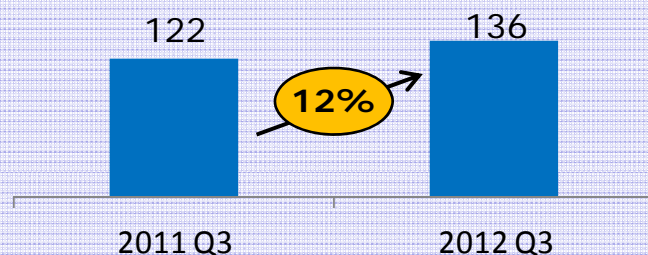
MILLION TL

SALES (NET)
COST OF SALES
OPERATIONAL EXPENSES
OTHER INCOME/(EXPENSE)
OPERATING INCOME
EBITDA
EBITDA EXCLUDING NON OPERATIONAL ITEMS
EBITDA Margin (%)

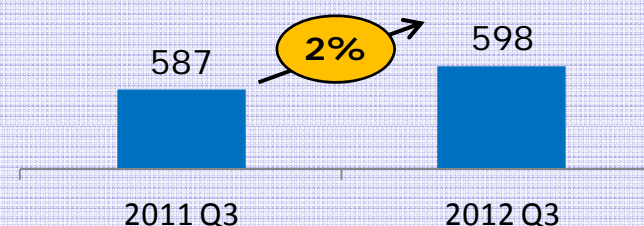
2011 Q3	2012 Q3	% Change
761	941	23,7
(595)	(753)	26,7
(158)	(169)	7,5
23	3	(85,9)
31	21	(31,6)
45	36	(19,9)
27	39	41,8
3,6%	4,1%	

Top line growth continues with improving profitability...

Electronics Retail Sales Area (000 m²)



Food Retail Sales Area (000 m²)

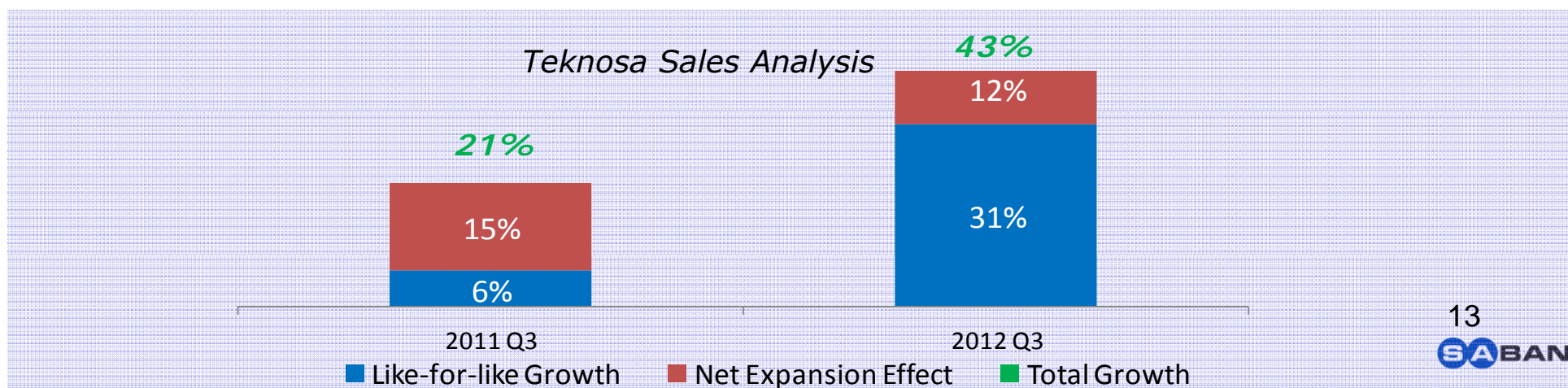


Teknosa

MILLION TL

	2011 Q3	2012 Q3	% Change
SALES (NET)	404	586	45,0
EBITDA	42	30	(27,4)
EBITDA EXCLUDING NON OPERATIONAL ITEMS	24	30	26,5
NET INCOME	27	13	(51,0)
NET INCOME EXCLUDING NON OPERATIONAL ITEMS	8	13	54,4
EBITDA Margin (%)	5,9	5,2	

Strong like-for-like growth continues...



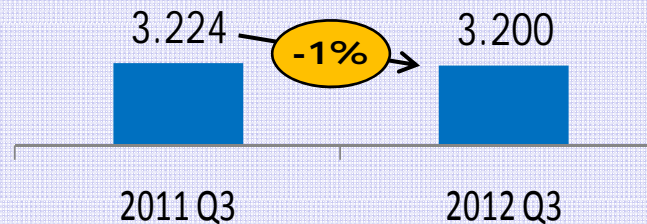
Cement

MILLION TL

	2011 Q3	2012 Q3	% Change
SALES (NET)	334	355	6,0
COST OF SALES	(241)	(266)	10,5
OPERATIONAL EXPENSES	(14)	(15)	5,6
OTHER INCOME/(EXPENSE)	1	1	13,0
OPERATING INCOME	80	74	(7,5)
EBITDA	96	93	(3,5)
EBITDA EXCLUDING NON OPERATIONAL ITEMS	96	93	(3,5)
EBITDA Margin (%)	28,8%	26,2%	

Maintaining quantities and profitability in the competitive market...

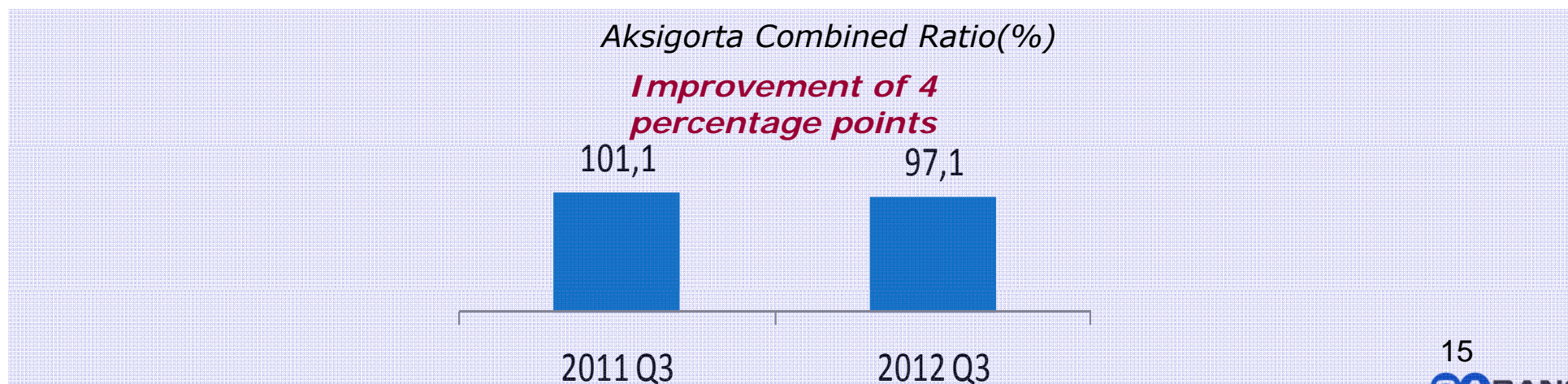
Cement Sales(000 tones)



Insurance

MILLION TL	2011 Q3	2012 Q3	% Change
SALES (NET)	96	128	33,9
COST OF SALES	(103)	(110)	7,3
OPERATIONAL EXPENSES	(18)	(22)	25,6
OTHER INCOME/(EXPENSE)	32	15	(51,6)
OPERATING INCOME	7	11	55,7

Solid operating results

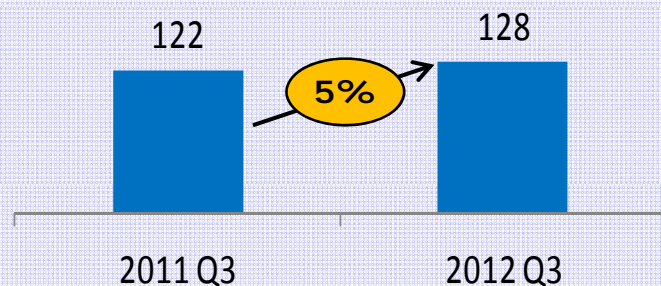


Avivasa

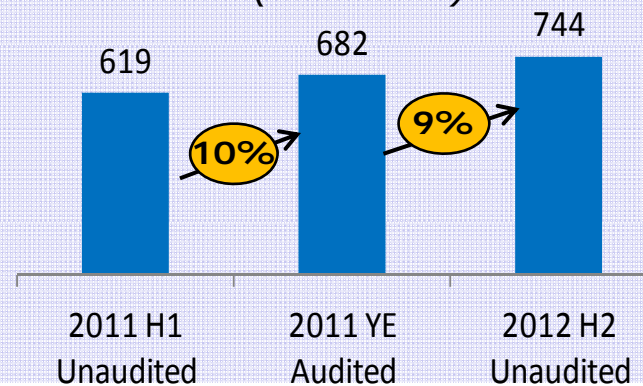
MILLION TL	2011 Q3	2012 Q3	% Change
SALES (NET)	34	45	33,8
OPERATING INCOME	10	13	23,2
NET INCOME	19	14	(24,2)
AUM	2.913	3.763	29,2

20% increase in Market Consistent Embedded Value

Net Contribution (million TL)



Market Consistent Embedded Value (million TL)



Industrials

MILLION TL

	2011 Q3	2012 Q3	% Change
SALES (NET)	1.175	1.086	(7,5)
COST OF SALES	(983)	(961)	(2,3)
OPERATIONAL EXPENSES	(88)	(94)	6,7
OTHER INCOME/(EXPENSE)	(11)	20	n.m.
OPERATING INCOME	94	52	(44,4)
EBITDA	127	89	(30,5)
EBITDA EXCLUDING NON OPERATIONAL ITEMS	137	94	(31,5)
EBITDA Margin (%)	11,6%	8,6%	

Profitability declined due to the challenges arising in export markets and foreign competition.

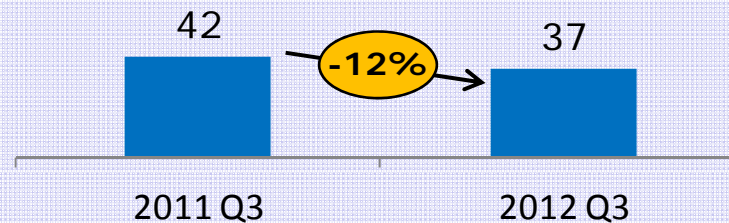
Kordsa Global

MILLION TL

	2011 Q3	2012 Q3	% Change
SALES (NET)	426	367	(13,8)
EBITDA	54	43	(20,6)
NET INCOME	20	7	(62,7)
EBITDA Margin (%)	12,7	11,7	

Global slowdown affected the demand and margins...

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



Brisa

MILLION TL

SALES (NET)

EBITDA

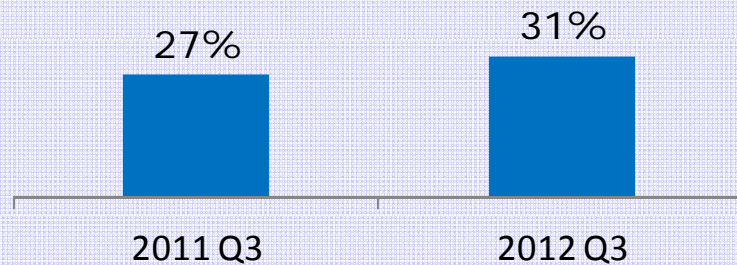
NET INCOME

EBITDA Margin (%)

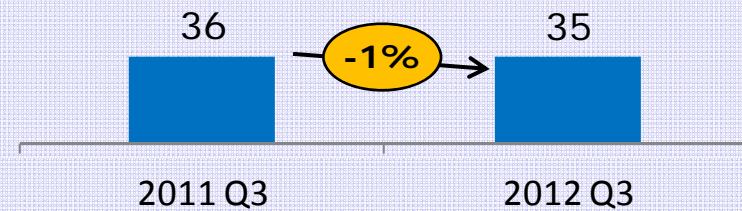
2011 Q3	2012 Q3	% Change
339	365	7,7
42	57	35,4
20	24	19,9
12,3	15,5	

Gain in market share continues...

Market Share (Replacement-%)



Tire Sales (000 tones)



Net Sales

MILLION TL	2011 Q3	2012 Q3	% Change
<i>TOTAL</i>	<i>5.675</i>	<i>6.623</i>	<i>16,7</i>
BANK	2.847	3.574	25,5
NON-BANK	2.828	3.049	7,8
ENERGY	436	531	21,9
RETAIL	759	940	23,7
CEMENT	334	354	6,0
INSURANCE	96	128	34,0
INDUSTRY	1.173	1.086	(7,4)
OTHERS	30	10	(68,1)

Strong revenue growth continues...

EBITDA (EXCLUDING NON OPERATIONAL ITEMS)

	2011 Q3	% Margin	2012 Q3	% Margin	% Change
TOTAL	1.057	18,6%	1.378	20,8%	30,4%
BANK	635	22,2%	1.074	29,9%	69,2%
NON-BANK	338	11,8%	297	9,6%	-12,0%
ENERGY	67	14,2%	66	11,8%	-0,6%
RETAIL	27	3,6%	39	4,1%	41,8%
CEMENT	96	28,8%	93	26,2%	-3,4%
INSURANCE	8	8,2%	12	9,4%	52,7%
INDUSTRY	137	11,6%	94	8,6%	-31,5%
OTHER	3	9,4	(6)	n.m.	<i>n.m.</i>
INTERSEGMENT ELIM.	84		6		

Leverage and Consolidated FX Position

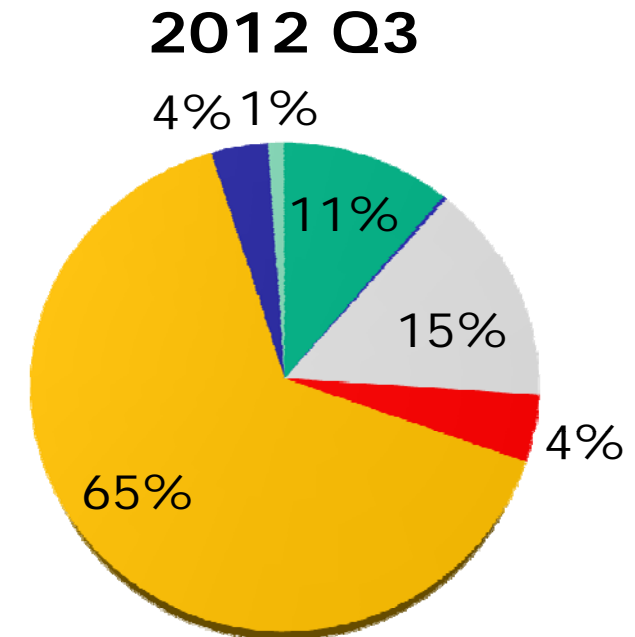
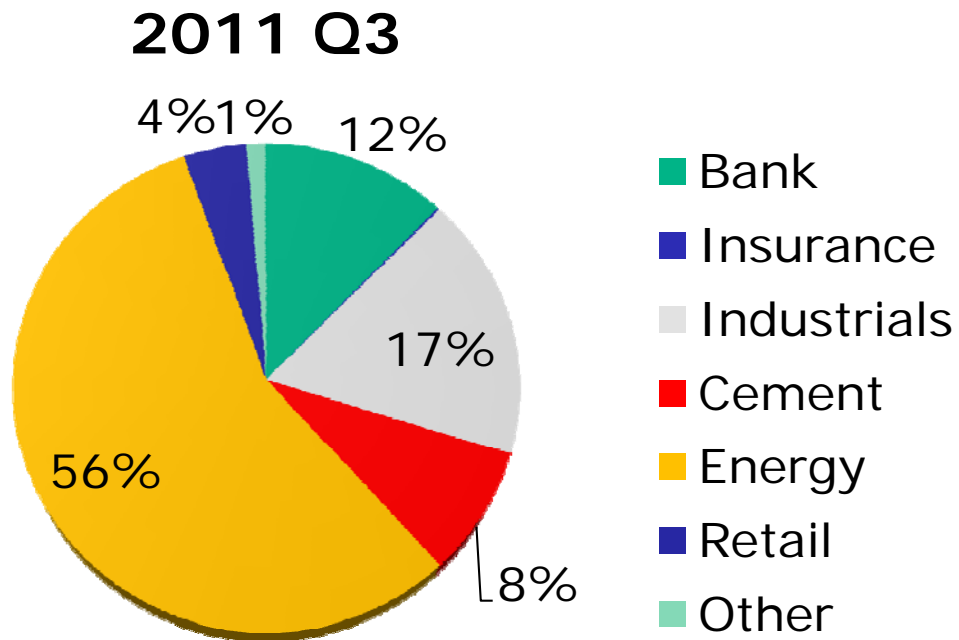
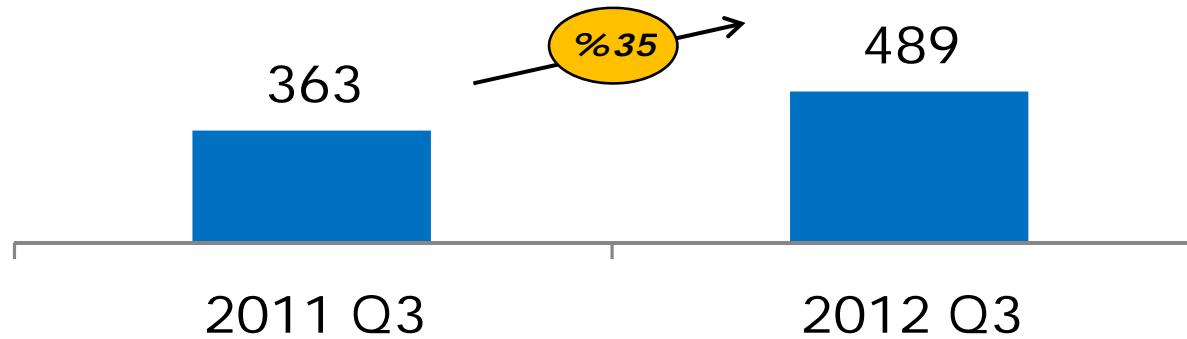
NET FX POSITION (excl. bank)	Million USD	
	December 31, 2011	September 30, 2012
ENERGY	(881)	(991)
INDUSTRY	(144)	(159)
CEMENT	(5)	26
RETAIL	13	(1)
HOLDING, INSURANCE & OTHER	579	430
TOTAL	(438)	(695)
TOTAL *	1	(190)

NET DEBT / (CASH) (excl. bank & ins.)	Million USD	
	December 31, 2011	September 30, 2012
ENERGY	950	1.074
INDUSTRY	624	782
CEMENT	145	255
RETAIL	(130)	(41)
HOLDING & OTHER	(572)	(553)
TOTAL	1.017	1.517

* Capitalized borrowings of Energy segment amounting to 460 M USD and other FX assets/liabilities that do not create FX gain/loss are excluded (Capitalized borrowings Dec 31, 2011: 399 M USD).

Low FX exposure and high debt capacity...

Organic Growth / Investments (Million TL)



Investments continued in all segments led by energy...

Sabancı of Rising Turkey

Q&A

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