2016 Q2 Earnings Presentation

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Key Highlights

– Robust operational performance in **Energy** thanks to retail and distribution businesses

– Price and volume growth and favorable costs supported profitability in **Industrials,** especially for Kordsa.

– Some early wins in action plan in **Food Retail.** Inventory clean-up costs overshadow strong like-for-like growth in **Technology Retail.**

– Strong growth and operational profitability sustained in the **Pension** business.

Energy provides 52% of Combined Non-Bank EBITDA

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Net Sales

MILLION TL	Q2 2015	Q2 2016	% Change	H1 2015	H1 2016	% Change
	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)					
TOTAL	11.389	13.279	*17%*	23.186	26.886	*16%*
BANK	4.640	5.603	21%	8.898	10.876	22%
NON-BANK	**6.749**	**7.675**	**14%**	**14.288**	**16.010**	**12%**
ENERGY	2.641	2.931	11%	5.680	6.201	9%
CEMENT	740	739	0%	1.274	1.322	*4%*
RETAIL	1.584	1.940	22%	3.029	3.811	26%
RETAIL-Adjusted for comparison*	1.584	1.768	12%	3.029	3.465	14%
INSURANCE	499	548	10%	1.013	1.118	10%
INDUSTRIALS	1.262	1.417	12%	2.392	2.662	11%
OTHER	22	100	353%	899	896	0%

** Excluding the effects of Kiler acquisition*

Top line growth on the back of Energy, Retail and Industrials businesses

EBITDA (Excluding Non Operational Items)

MILLION TL	Q2 2015	Q2 2016	% Change	H1 2015	H1 2016	% Change
	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)					
TOTAL	**1.979**	**2.685**	**36%**	**4.716**	**5.873**	**25%**
BANK	1.000	1.639	64%	2.073	3.050	47%
NON-BANK	**979**	**1.046**	**7%**	**2.643**	**2.823**	**7%**
ENERGY	449	550	22%	901	1.126	25%
CEMENT	251	230	-8%	390	384	-2%
RETAIL	24	-22	N.M	58	-19	N.M
RETAIL-Adjusted for comparison*	24	-9	N.M	58	12	-79%
INSURANCE	32	56	74%	58	105	81%
INDUSTRIALS	242	248	3%	431	498	16%
OTHER**	-19	-16	N.M	805	729	-9%

** Excluding the effects of transactions of Kiler acquisition*

***Major portion is Holding dividend; also includes other unlisted companies.*

Energy driving non-bank operational profitability in Q2

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Net profit (Excluding Non Operational Items)

MILLION TL	Q2 2015	Q2 2016	% Change	H1 2015	H1 2016	% Change
CONSOLIDATED NET INCOME*	**446**	**675**	**51%**	**981**	**1.334**	**36%**
BANK	305	516	69%	634	957	51%
NON-BANK	**141**	**159**	**13%**	**347**	**378**	**9%**
ENERGY	-23	27	N.M	69	111	61%
ENERGY-Adjusted for comparison*	12	70	498%	97	145	50%
CEMENT	75	66	-12%	116	110	-5%
RETAIL	-18	-56	N.M	-23	-98	N.M
RETAIL-Adjusted for comparison*	-18	-24	N.M	-23	-45	N.M
INSURANCE	16	19	14%	28	35	23%
INDUSTRIALS	86	105	22%	171	228	34%
OTHER	5	-2	N.M	-14	-8	N.M
NON BANK CONSOLIDATED NET INCOME- Adjusted for comparison*	*176*	*233*	*32%*	*375*	*466*	*24%*

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

Energy benefits from proactive fx management

** Excluding non-operational items.*

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

Segment Assessment - Energy

	Current Assessment	Factors to Watch
Distribution	– Robust operational performance	– Expansion of Regulated Asset Base
Retail	– Low electricity prices increasing operational profitability in the unregulated segment – Large industrials switching to bilateral agreements from the regulated tariff	– Unregulated volume growth – Renewable tariff effect on free market
Generation	– Strong base effect: higher electricity hedge impact in 2015 – Lower hydrology compansated with USD based feed-in-tariff – Bandırma 2 NGPP operational	– Full scale operations at Tufanbeyli plant – Incentive on lignite-fired plants – Dispatch opportunities for hydro plants on the renewable tariff – Tax on imported coal – Potential natural gas price cut
Financing	– Successful management of FX exposure with forward contracts – TRY debt position reduces bottom line volatility	– Proactive FX risk management maintained – Sizable measures to reduce cost of financing in progress.

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Energy sector – Regulatory Changes

Change	*Impact on Sector*	*Impact on Enerjisa*
Hydro to be allowed in dispatch mechanism	*Allowing flexible hydropower plants in dispatch mechanism will lead to less volatile spot prices by trimming Feed-in-tariff impact* *Additional EBITDA for hydro power generators in Feed-in-tariff*	*60 -70 MTL extra EBITDA from hydropower plants*
TRY185/MWh lignite incentive (*)	*6 TWh to be purchased from lignite–fired generators* *TRY45/MWh mark-up over current spot prices.* *Positively affects lignite-fired generators EBITDA and positively affects spot prices*	*TRY8-10m extra EBITDA from Tufanbeyli in 2016* *Full year impact would be around 40 – 50 MTL.(**)*
USD15/tonne imported coal tax	*TRY15-20/MWh increase in imported coal generators cost mix...* *Slight positive impact on spot prices*	*Limited positive impact in case of a price increase in spot market*

** Set only for 2016 and only for 6000 GWh, regulator will convene in Q4 for 2017 allocation and pricing*

*** Not included in the growth guidance*

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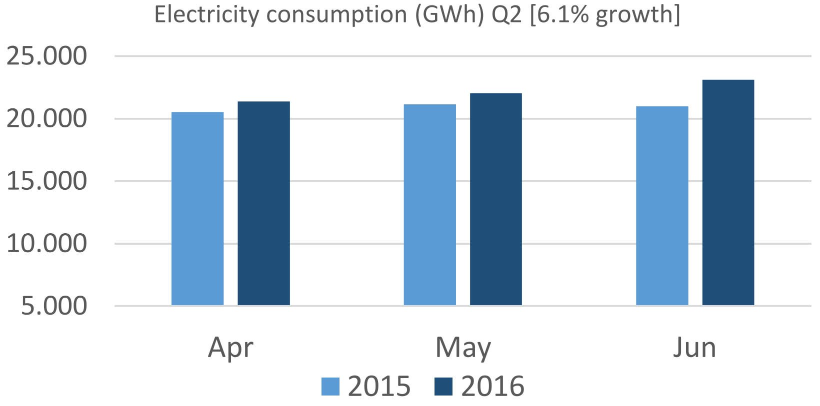
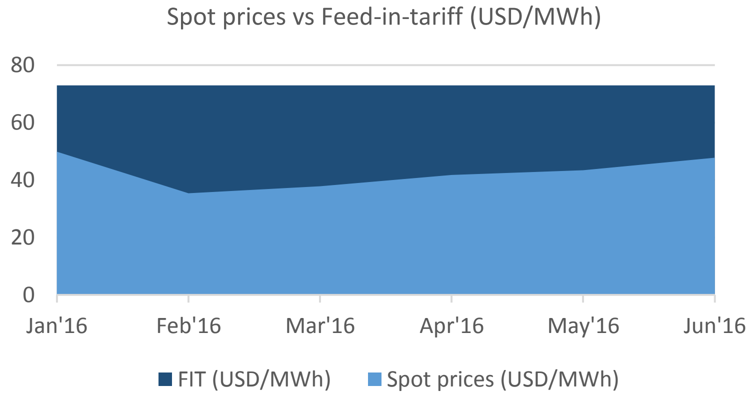
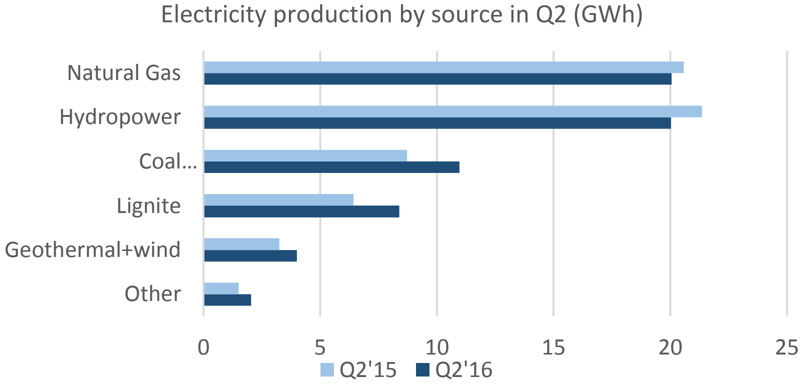
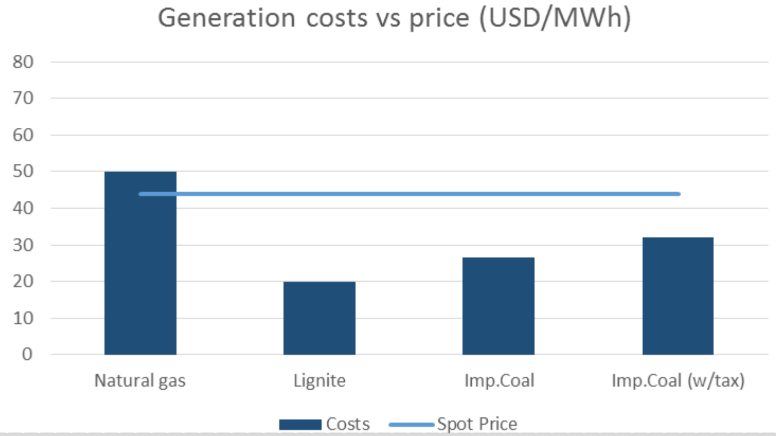
Energy sector in Q2



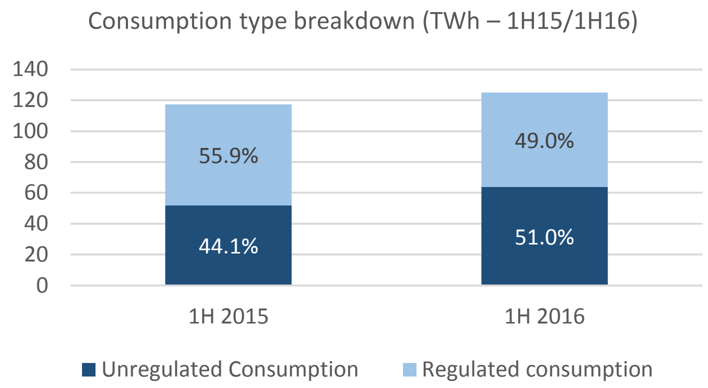


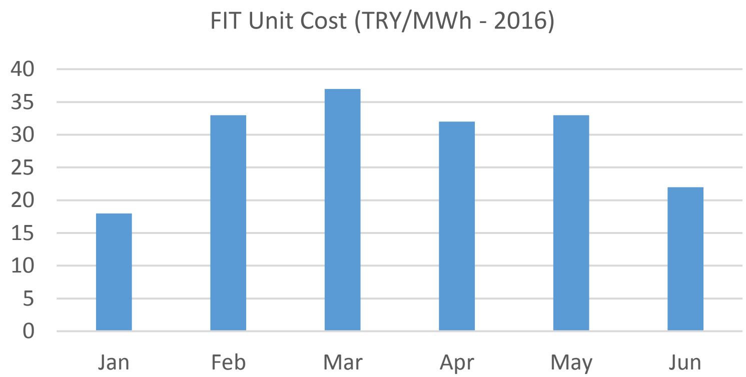


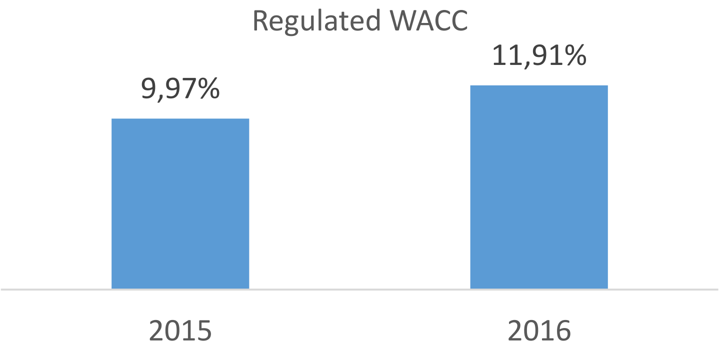


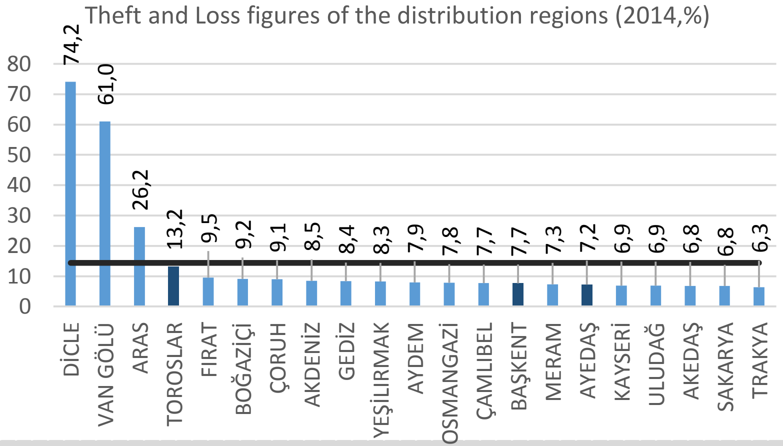
Lignite feed-in and imported coal tax will likely increase prices

Energy sector in Q2 (cont'd)









Distribution allocation improved Enerjisa EBITDA in Q2

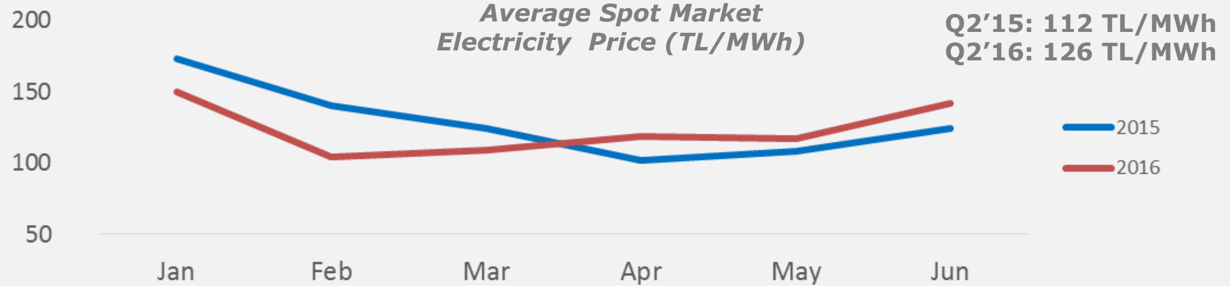
Energy

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED) Q2 2015	Q2 2016	% Change
SALES	2.641	2.931	11%
EBITDA*	449	550	22%
NET INCOME*	-47	55	N.M
NET INCOME - Adjusted for comparison**	23	140	498%
EBITDA MARGIN	17,0%	18,8%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	5.680	6.201	9%
EBITDA*	901	1.126	25%
NET INCOME*	138	222	61%
NET INCOME - Adjusted for comparison**	194	290	50%
EBITDA MARGIN	15,9%	18,2%	

**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 profitability growth on the back of distribution and retail businesses



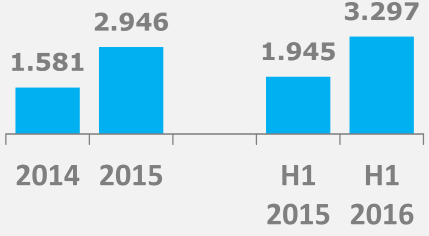
Energy – Distribution Business

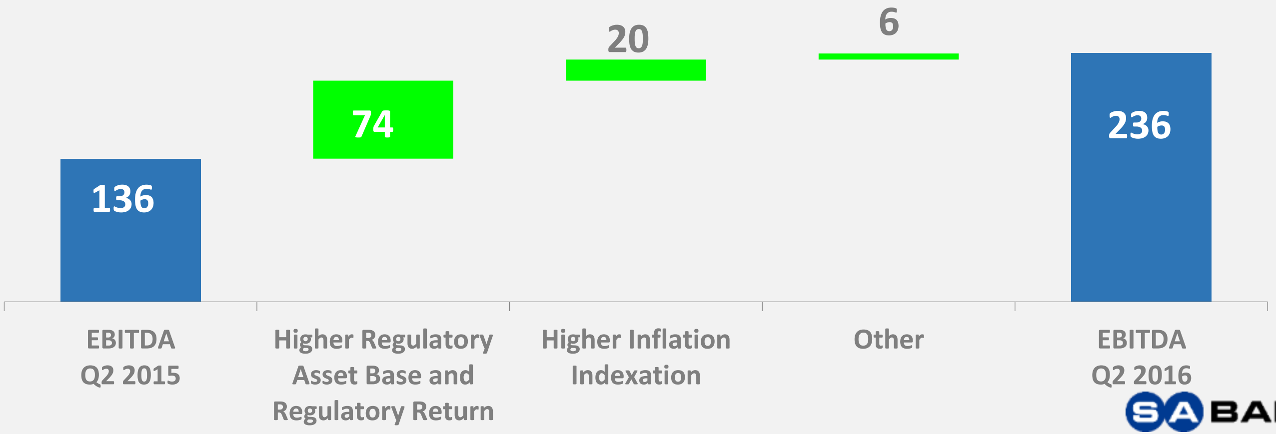
MILLION TL	Q2 2015	Q2 2016	% Change
SALES	567	789	39%
EBITDA*	136	236	74%
EBITDA MARGIN	24,0%	30,0%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	1.134	1.585	40%
EBITDA*	251	495	97%
EBITDA MARGIN	22,1%	31,2%	

Continuous infrastructure investments and new tariff boosting profitability

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





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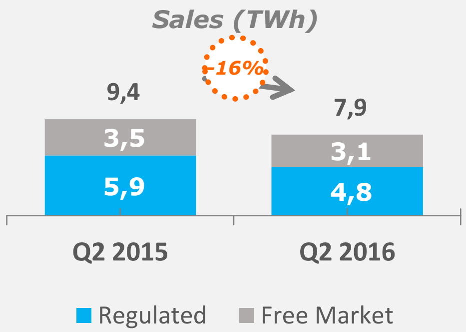
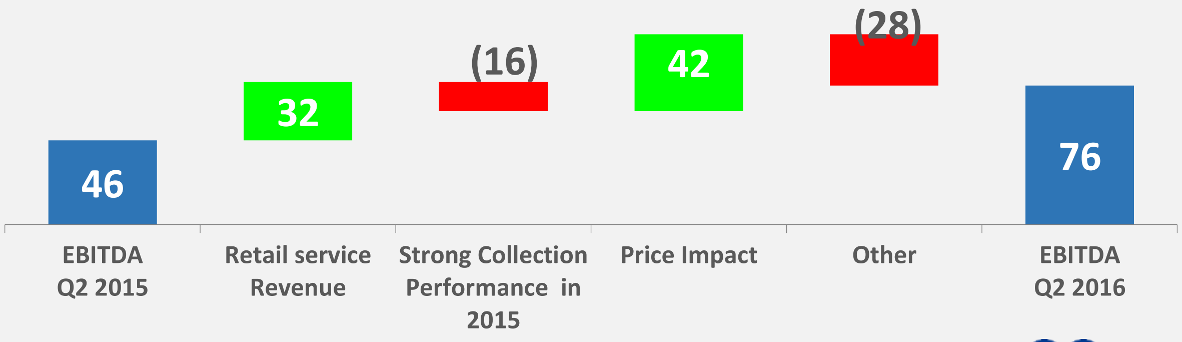
Energy – Retail Business

MILLION TL	Q2 2015	Q2 2016	% Change
SALES	2.457	2.303	-6%
EBITDA*	46	76	64%
EBITDA MARGIN	1,9%	3,3%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	5.330	4.926	-8%
EBITDA*	171	153	-10%
EBITDA MARGIN	3,2%	3,1%	

Improved EBITDA Margin driven by profitability of unregulated segment





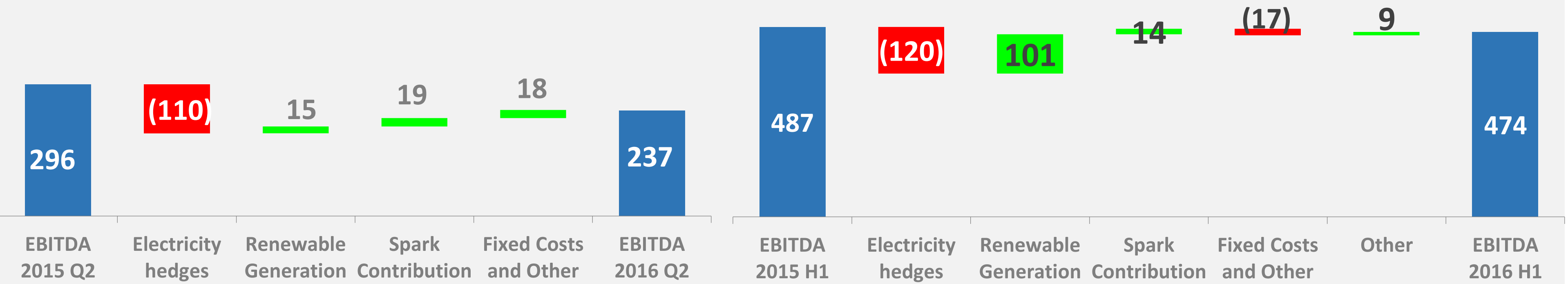
Energy – Generation Business

MILLION TL	Q2 2015	Q2 2016	% Change
SALES	771	833	8%
EBITDA	296	237	-20%
EBITDA MARGIN	38,3%	28,5%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	1.462	1.810	24%
EBITDA*	487	474	-3%
EBITDA MARGIN	33,3%	26,2%	

** Excluding non operational items*

Strong base effect of hedging contracts in 2015



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Enjerjisa Leverage

Million	Enerjisa Loans* Original Currency TL	EUR	Total TL Equivalent
Generation	700	1.861	6.663
Distribution	5.858	80	6.114
Total	**6.558**	**1.941**	**12.778**

Million	Original Currency TL	EUR	Total TL Equivalent
Fixed	4.069	805	6.647
Floating	1.328	1.136	4.970
PPI Indexed	1.161	-	1.161
Total	**6.559**	**1.941**	**12.778**

Cash	254
Net Debt	**12.524**

** Enerjisa loans' principals only*

Deleveraging in progress… Improvement in Debt/EBITDA

Segment Assessment - Cement

Cement

Current Assessment

- *Our sales volume 4% below last year due to high base*
- *Low freight costs, fuel costs continue to drop*
- *Cimsa's Afyon expansion will be completed by 2016YE*

Factors to Watch

- *Highly competitive landscape to continue in Mediterranean*
- *Construction permits and progress of infrastructure projects*
- *Attractive real estate financing opportunity in August to clear inventories and speed up new construction projects*

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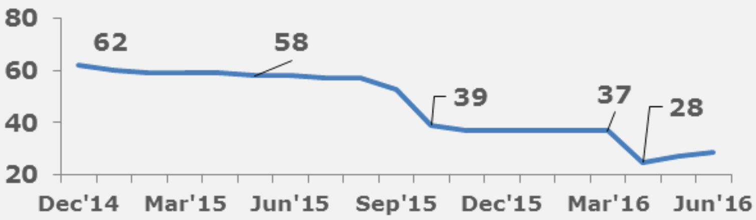
Cement

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)		
MILLION TL	Q2 2015	Q2 2016	% Change
SALES	740	739	0%
EBITDA	251	230	-8%
NET INCOME	164	147	-11%
EBITDA MARGIN	33,9%	31,1%	

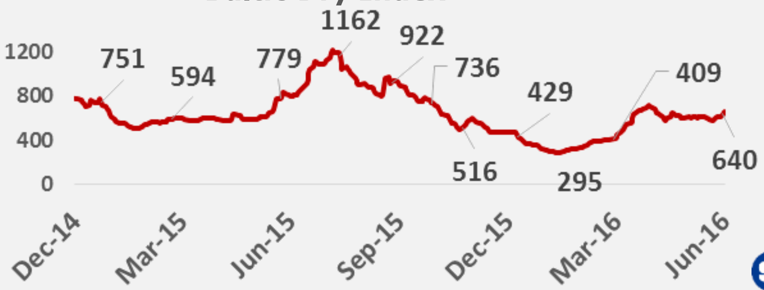
MILLION TL	H1 2015	H1 2016	% Change
SALES	1.274	1.322	4%
EBITDA	390	384	-2%
NET INCOME	253	244	-4%
EBITDA MARGIN	30,6%	29,0%	

On track operational efficiency in both Akçansa and Çimsa despite strong base effect suppressing EBITDA growth

PACE Index (Petrocoke prices- USD/ton)



Baltic Dry Index



Segment Assessment - Retail

Retail

Current Assessment

- *Management action plan proceeding in food retail. Key focus areas:*
  - *store optimization, efficiency and organic top-line growth through increased traffic*
- *Higher-profitability growth areas targeted in technology retail*
- *Minimum wage increase is main driver for the cost base of the companies*

Factors to Watch

- *Results of management action plan in food retail*
- *Consumer sentiment outlook*
- *Effect of minimum wage increase on consumer spending*
- *LfL growth in the sector*

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Retail

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)		
	Q2 2015	Q2 2016	% Change
SALES	1.584	1.940	22%
EBITDA*	24	-22	N.M
NET INCOME*	-33	-106	N.M
NET INCOME** - Adjusted for comparison	-33	-44	N.M
EBITDA MARGIN	1,5%	-1,2%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	3.029	3.811	26%
EBITDA*	58	-19	N.M
NET INCOME*	-41	-187	N.M
NET INCOME** - Adjusted for comparison	-41	-82	N.M
EBITDA MARGIN	1,9%	-0,5%	

**Excludes non operational items*
*** Excludes non operational items and Kiler acquisition effect*

Bottom line impacted by Kiler and Kiler acquisition financing

Carrefoursa

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED) Q2 2015	Q2 2016	% Change
SALES	861	1.136	32%
EBITDA*	14	-24	N.M
EBITDA - Adjusted for comparison**	14	-10	N.M
NET INCOME*	-21	-85	N.M
NET INCOME- Adjusted for comparison**	-21	-23	N.M
EBITDA MARGIN	1,7%	-2,1%	

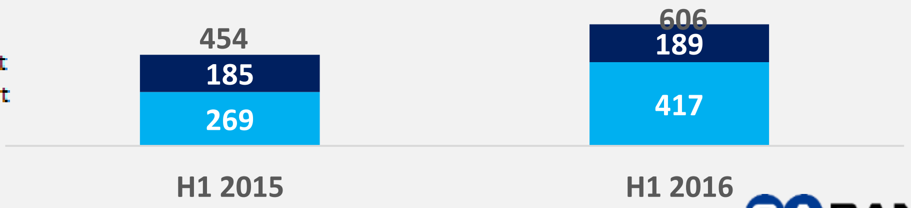
MILLION TL	H1 2015	H1 2016	% Change
SALES	1.640	2.234	36%
EBITDA*	39	-32	N.M
EBITDA - Adjusted for comparison**	39	-1	N.M
NET INCOME*	-18	-153	N.M
NET INCOME- Adjusted for comparison**	-18	-47	N.M
EBITDA MARGIN	2,4%	-1,4%	

**Excludes non operational items*
*** Excludes non operational items and Kiler acquisition effect*

Signs of vitality at the top line, focus on profitability improvement

Number of Carrefoursa Stores

Net Sales Area (k sqm)



Carrefoursa – Progress of Action Plan

Early wins

- *Reduced stockouts: Achieved 100% availability in top 100 SKUs*
- *Right sizing costs: Sales per FTE has considerably improved compared to January 2016, unit energy costs reduced*
- *Assortment: Pilot implementation of shelf space plans in mini and supers successful; increased turnover and decreased stocks, rolling out to the larger network*

In progress

- *Optimizing store network: Closed loss making stores.*
- *Pricing actions: Ongoing project for private label and geographical pricing model*

To Focus on

- *Real estate portfolio opportunities*
- *Stock losses: Still a problem*

Target: EBITDA positive in Q4

Segment Assessment - Insurance

Insurance

Current Assessment

- *Strong operational performance in non life insurance: Improved combined ratio*
- *Sustained growth in pension despite challenging environment*
- *Acceleration in the growth of life premiums*

Factors to Watch

- *Consumer loan growth*
- *Focus on bancassurance channel in non life business*
- *Lapse rates in pension*
- *Auto enrollment in pension*

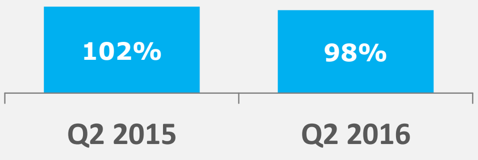
Insurance

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)		
	Q2 2015	Q2 2016	% Change
SALES	499	548	10%
EBITDA*	32	56	74%
NET INCOME*	42	49	18%

MILLION TL	H1 2015	H1 2016	% Change
SALES	1.013	1.118	10%
EBITDA*	58	105	81%
NET INCOME*	70	90	29%

Robust growth in EBITDA driven by growth in pension and better pricing in non-life insurance

Aksigorta Combined Ratio



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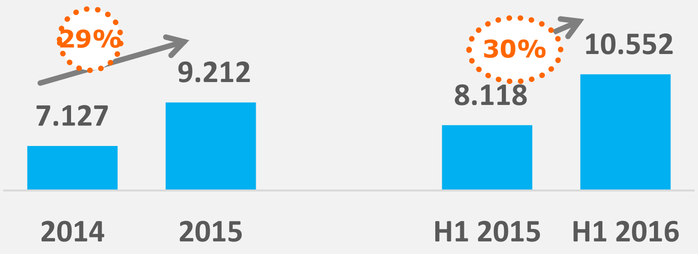
Avivasa

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)		
MILLION TL	Q2 2015	Q2 2016	% Change
SALES	70	77	9%
EBITDA*	21	23	9%
NET INCOME*	27	27	-3%

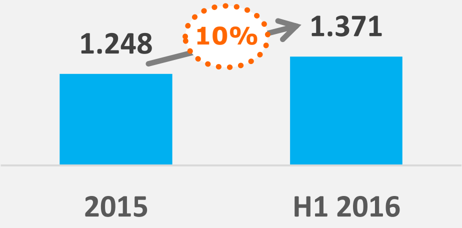
MILLION TL	H1 2015	H1 2016	% Change
SALES	128	147	15%
EBITDA*	46	51	10%
NET INCOME*	56	54	-4%

Sustained operational profitability despite significant fee cuts in pension.

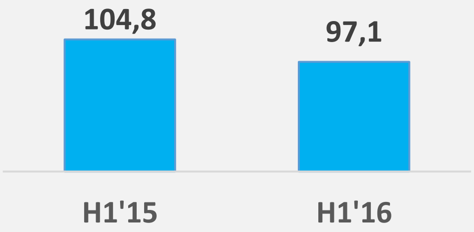
Assets Under Management (MTL)



Market Consistent Embedded Value (MCEV) (MTL)



Value of New Business (MTL)



Segment Assessment - Industrials

Industrials

Current Assessment

- *Sustained operational excellence and efficiency*
- *Strong demand in export markets*
- *Low raw material prices*
- *Volume growth in Kordsa*
- *Normalizing automotive market*

Factors to Watch

- *Turkish Lira and other EM currencies*
- *Commodity prices*
- *Pace of growth in export markets' growth*
- *Capacity additions in Kordsa*

Industrials

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)		
	Q2 2015	Q2 2016	% Change
SALES	1.262	1.417	12%
EBITDA*	242	248	3%
NET INCOME*	129	153	18%
EBITDA MARGIN	19,2%	17,5%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	2.392	2.662	11%
EBITDA*	431	498	16%
NET INCOME*	255	323	27%
EBITDA MARGIN	59,2%	65,0%	

**Excludes non operational items*

Operational excellence coupled with succesful fx management boosting bottom line

Kordsa Global

MILLION TL	Q2 2015	Q2 2016	% Change
	STANDALONE FINANCIALS		
SALES	440	473	7%
EBITDA	55	76	37%
NET INCOME*	30	47	57%
EBITDA MARGIN	12,6%	16,1%	

MILLION TL	H1 2015	H1 2016	% Change
SALES	826	960	16%
EBITDA	101	154	53%
NET INCOME*	44	112	156%
EBITDA MARGIN	12,2%	16,0%	

Stellar performance thanks to sustained operational excellence.
Upcoming additional capacity investments

Latest Expansion (PET Polyester Yarn)

Indonesia Plant ➔ 6,5 kton additional capacity

Turkey Plant ➔ 6,0 kton additional capacity

29,5 MUSD Capex

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Temsa

MILLION TL	TEMSA BUS STAND ALONE FINANCIALS H1 2015	H1 2016	% Change
SALES	363	502	38%
EBITDA*	55	57	4%
NET INCOME*	33	41	22%
EBITDA MARGIN	15,0%	11,3%	

MILLION TL	TEMSA CONSTRUCTION EQUIPMENT STAND ALONE FINANCIALS H1 2015	H1 2016	% Change
SALES	241	249	3%
EBITDA	10	16	59%
NET INCOME	4	7	67%
EBITDA MARGIN	4,0%	6,2%	

MILLION TL	TEMSA AUTOMOTIVE STAND ALONE FINANCIALS H1 2015	H1 2016	% Change
SALES	232	201	-13%
EBITDA	37	22	-42%
NET INCOME	25	11	-56%
EBITDA MARGIN	16,1%	10,8%	

Sustained profitability in **Temsa Bus** and **Temsa Construction Equipment**; suppressed by strong base affect in **Temsa Automotive**

FX Position

CONSOLIDATED NET FX POSITION (excl. Bank) M€	MILLION EURO	
	DEC 31, **2015**	JUN 30, **2016**
ENERGY*	-124	-253
INDUSTRIALS	2	-23
CEMENT	-1	9
RETAIL	-4	1
HOLDING	115	180
INSURANCE & OTHER	13	4
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	**1**	**-82**

****Capitalized borrowings of Energy segment amounting to 331 MEUR and the other FX assets/liabilities that do not create FX gain/loss are excluded***

Holding Only Cash Position is 965 MTL

Minimal FX exposure at the consolidated level

SABANCI

2016 GUIDANCE

		2016 Previous Growth Guidance	2016 Current Growth Guidance
SABANCI HOLDING COMBINED NON-BANK *	SALES	10-15%	10-15%
	EBITDA	20-30%	20-30%
INDUSTRIALS*	SALES	10-20%	10-20%
	EBITDA	5-10%	5-10%
ENERGY*	SALES	10-15%	5-10%
	EBITDA	40-50%	45-55%

Upwards revision on Energy EBITDA guidance due to improved Outlook of distribution and retail businesses

** One off items and Other segment excluded*

Q&A

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Appendix

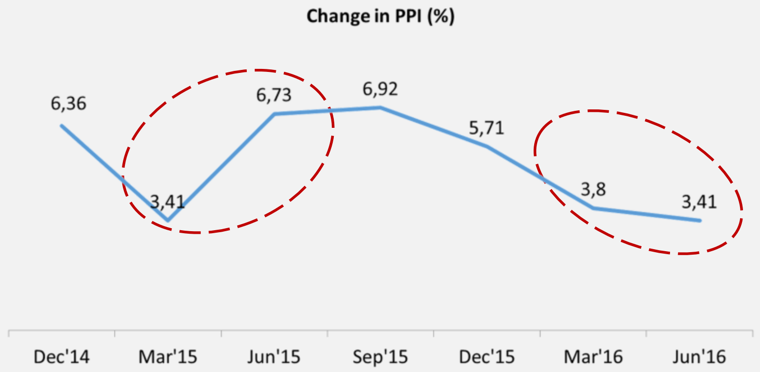
Enerjisa Balance Sheet

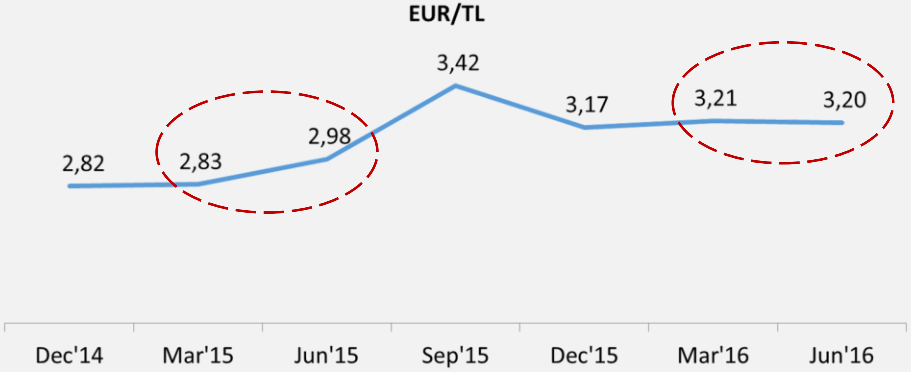
MILLION TL	2015 YE	2016 H1	% Change
Cash	258	254	-1%
Trade Receivables	1.987	1.985	0%
Other Current Assets	1.579	1.418	-10%
TOTAL CURRENT ASSETS	**3.824**	**3.658**	**-4%**
Fixed Assets	16.140	16.208	0%
Other Non Current Assets	6.865	7.368	7%
TOTAL NONCURRENT ASSETS	**23.005**	**23.577**	**2%**
TOTAL ASSETS	**26.830**	**27.234**	**2%**
Short Term Bank Borrowings	2.803	4.016	43%
Trade Payables	1.243	1.289	4%
Other Current Liabilities*	2.421	2.277	-6%
TOTAL CURRENT LIABILITIES	**6.467**	**7.582**	**17%**
Long Term Bank Borrowings	8.611	7.522	-13%
Other Non Current Liabilities	2.312	2.424	5%
TOTAL NON CURRENT LIABILITIES	**10.923**	**9.946**	**-9%**
TOTAL EQUITY	**9.440**	**9.706**	**3%**
TOTAL LIABILITIES AND EQUITY	**26.830**	**27.234**	**2%**

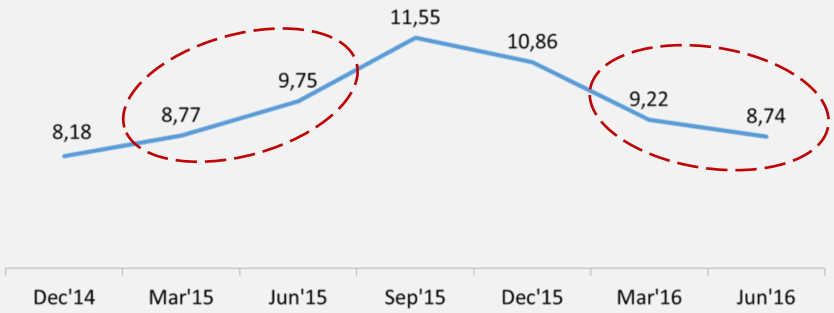
** Includes, in total 1,2 bn TL debt to Privatization Authority*

Debt / (Debt + Equity) : 57%

Enerjisa Financing Cost Drivers







	Q2 2015	Q2 2016	H1 2015	H1 2016
Operational FX Gain / Loss & Interest Expense (Net)	7	35	40	44
Fx Gain/ Loss	-95	-74	-101	-131
Interest Expense (Net)	-205	-217	-362	-435
Total Financial Expenses	-294	-256	-423	-521

Successful FX risk management

Non-Operational and Non-Recurring Items

	Q2 2015	Q2 2016	2015 H1	2016 H1
NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS	**446**	**675**	**981**	**1.334**
Gain on sales of Sasa shares	108	0	108	0
Gain on sales of Akbank visa shares	0	66	0	66
Enerjisa gain on asset sale	0	0	52	0
Carrefoursa gain on asset sale;SAP transition;litigation resolution;restructuring	1	-44	57	-57
Temsa gain on asset sale	0	0	5	0
Other	14	16	14	11
NET INCOME	570	712	1.218	1.353
NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS - Adjusted for Comparison*	**481**	**750**	**1.009**	**1.422**

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