HACI ÖMER SABANCI HOLDİNG A.Ş.

ANNUAL REPORT 2013

"2013 was a very successful year for us, in which we grew by improving our operational profitability and achieved our targets in all of our operating segments. "

"We are confident about our future as we have confidence in the key indicators of both our country and Sabancı Group. Sabancı Group's main strategy is to achieve sustainable growth for our companies and differentiate them as enterprises that create the highest value in their sectors. We will be carrying out our operations with this objective in this year as well."

"With financial services, energy, cement, retail and industry as our primary sectors of operation, Sabancı Group companies continued to be the outstanding leaders in their sectors in 2013."

"Effectively Utilizing Assets In Growth Sectors"

"Sabancı Group regards basing all corporate conduct on the awareness of social responsibility as an unchangeable core component of its management approach."

THE SABANCI GROUP IN BRIEF

Sabancı Holding is the parent company of Sabancı Group, Turkey's leading industrial and financial conglomerate. Sabancı Group companies are market leaders in their respective sectors that include financial services, energy, cement, retail and industrials. Listed on the Borsa Istanbul (BIST), Sabancı Holding has controlling interest in 10 companies that are also listed on the BIST.

Sabancı Group companies currently operate in 18 countries and market their products in regions across Europe, the Middle East, Asia, North Africa, North and South America. Having generated significant value and know-how in Turkey, Sabancı Holding has experienced remarkable growth in its core businesses. The Holding's reputation, brand image and strong joint ventures helped further extend its operations into the global market.

Sabancı Group companies currently operate in 18 countries and market their products in regions across Europe, the Middle East, Asia, North Africa, North and South America. Having generated significant value and know-how in Turkey, Sabancı Holding has experienced remarkable growth in its core businesses. The Holding's reputation, brand image and strong joint ventures helped further extend its operations into the global market. Sabancı Holding's multinational business partners include such prominent companies as Ageas, Aviva, Bridgestone, Carrefour, Citi, E.ON, Heidelberg Cement and Philip Morris.

In addition to coordination of finance, strategy, business development and human resource functions, Sabancı Holding determines the Group's vision and strategies.

In 2013, the consolidated revenue of Sabancı Holding was TL 24.2 billion (US$ 12.7 billion) with operating profit of TL 4.9 billion (US$ 2.6 billion). The Sabancı Family is collectively Sabancı Holding's major shareholder with 57.7% of the share capital. Sabancı Holding shares are traded on the Borsa Istanbul with a free float of 40.1% having largest float percentage among holding companies. Depository receipts are quoted on the SEAQ International and Portal.

WE ARE EFFECTIVELY UTILIZING OUR ASSETS IN GROWTH SECTORS

In order to maintain its strong growth, Sabancı Holding continues to actively manage its portfolio.

In Banking:
Akbank continued to grow while maintaining a high quality asset portfolio.

In Energy:
In addition to the Baskent electricity distribution business, with the acquisition of the Ayedas and Toroslar regions, Enerjisa reached 9 million distribution customers in 14 provinces.

Enerjisa has completed renewable energy generation installed capacity exceeding 600 MW in 2013, making Enerjisa the largest independent power producer in Turkey in terms of installed capacity.

In Cement:
Afyon Cement, acquired by Çimsa in 2012, is building a modern plant and increasing its capacity.

In Retail and Insurance:
Sabancı Holding acquired shares from its partner, Carrefour, giving it a majority share in Carrefoursa, and appointed a new management team to work on the restructuring of the company.

Avivasa continued to experience rapid growth following the new private pension system law.

Aksigorta continued to focus its efforts on profitable products, increasing the company's return on equity.

Diasa shares have been divested due to the low potential for sustainable growth and profitability in the discount segment.

In Industrials:
Brisa decided to build a new factory in Aksaray with more than US$ 300 million of investments to increase its capacity by 30%.

The shares of Olmuksa have been divested.

WE TRUST OUR BROAD CUSTOMER BASE

Putting great effort into understanding the needs of their customers quickly and accurately, Sabancı Group companies develop products and services that respond to these needs. Establishing long-term and solid relationships with their customers, the companies of the Sabancı Group reach a broad customer base.

Company	Customer Base	Distribution Channel
Akbank	13 million customers	985 branches
Teknosa	108 million visitors annually	294 stores in 77 provinces
Carrefoursa	90 million customers annually	244 hyper and supermarkets
Avivasa	2 million pension and life insurance customers	Over 900 financial consultants and branch insurance managers
Aksigorta	3.6 million policies annually	Over 1,900 agents and bancassurance channel
Brisa	3 million customers	930 branded sales points
Enerjisa	9 million customers and 20 million end-users in electricity distribution	14 provinces
Tursa	287,000 guests annually	4 hotels

WE ARE WORKING TOWARDS A SUSTAINABLE FUTURE

By managing its economic, social and environmental priorities, Sabancı Holding aims to perpetuate its sustainable profitability in the future. All companies within the Sabancı Group pursue their operations with an understanding of economic, social and environmental responsibility.

Holding:
- Sabancı Holding signed the UN Global Compact in 2007 and the UN Women's Empowerment Principles in 2011, with which it complies in all of its activities.

Banking:

- Akbank is the first deposit bank to publish a sustainability report.

Energy:

- The share of renewable energy sources in the installed operational capacity reached 46%.
- Bandırma Natural Gas Combined Cycle Plant is the most efficient thermal power plant in Turkey, with a 59.3% efficiency rate.
- Carbon emission credits obtained through renewable energy plants are provided to the voluntary carbon markets.
- Electricity distribution investments and operations with a focus on efficiency and technology help the sustainability of growth in the energy industry.

Cement:

- Akçansa launched A+ Concrete, a new low-emission product aimed towards strong, efficient, environmentally-friendly and sustainable buildings.
- Akçansa received the environmentally-friendly and innovative product award at the Istanbul Chamber of Industry (ISO) Environment Awards with Safkan Çimento.
- An alternative fuel preparation facility began operations with an TL 11 million investment in Akçansa's Çanakkale plant in 2013. It is the first and only facility in Turkey with the capability to shred and burn tyres. With the use of the alternative fuel through this facility, 37,000 tons of petcoke coal will be substituted.
- Pursuant to its Environmental Sustainability Approach, Akçansa acquired ISO 50001 - Energy Management System Certification for all of its plants, with the objective of identifying improvement opportunities and systematically performing these improvements so that Energy Efficiency practices can be monitored and use of energy can be improved.
- Çimsa published the first GRI A+ sustainability report in the sector and became the first Turkish company to join the Cement Sustainability Initiative (CSI).
- Çimsa became the first Turkish cement company to sign the UN Global Compact.

Retail:

- Teknosa is a member of the Environmental Protection and Packaging Waste Recycling Foundation (ÇEVKO) and the Association of Portable Battery Manufacturers and Importers (TAP). The Company helps recycle electronic waste through the "Waste Stations" located in its stores all over Turkey and by collecting it from consumers' homes free of charge. It has accomplished collecting 46,347 kilograms of electronic waste and 5,254 kilograms of batteries at its Teknosa stores throughout the country since 2010. In 2013 alone, 11,067 kilograms of electronic waste and 878 kilograms of batteries were collected.
- Carrefoursa reduced electricity consumption-related carbon emission by 11.5 million kilograms in all of its markets, thereby preventing 18,500 trees from being felled, thanks to its environmentally-friendly markets project.

Industrials:

- Brisa published its first sustainability report at a GRI A level.
- Yünsa is the first textile company to perform reporting by measuring carbon emissions in Turkey under the Carbon Disclosure Project (CDP). The Company continues to report its carbon emissions each year pursuant to the CDP.
- Yünsa proved its efficient energy management practices by obtaining ISO 50001 - Energy Management System Certification in 2013.
- Kordsa Global swiftly carried out energy-efficient product initiatives as well as all of its new product projects aimed at reducing waste, chemicals consumption and harmful emissions.
- Temsa achieved lower carbon emissions by beginning to use high-additive chemicals in its paint processes.

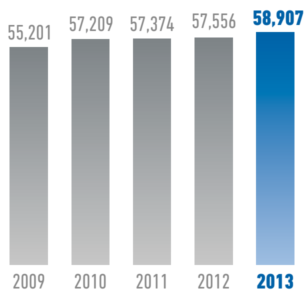
TRAINING PROGRAMS

The annual average training received per employee within Group companies is 37 hours.
51 high-level executives acted as mentors in the new leader development program.

A DEDICATED TEAM

The average seniority of Group employees is six years.

SABANCI GROUP NUMBER OF EMPLOYEES



WE PROSPER WITH OUR EXPERIENCED, VALUE-ADDING AND DEDICATED TEAM

LETTER FROM THE CHAIRMAN

"Sabancı Holding has been one of Turkey's most reputable groups of companies and a keystone of the Turkish economy for many years, a fact that makes us very proud. Our vision since 2005 has been creating sustainable advantage through differentiation.

2013 was a very successful year for us, in which we grew by improving our operational profitability and achieved our targets in all of our operating segments."

Güler Sabancı
Chairman and Managing Director

Dear Investors, Business Partners and Treasured Employees,

Sabancı Holding has been one of Turkey's most reputable groups of companies and a keystone of the Turkish economy for many years, a fact that makes us very proud. Our vision since 2005 has been creating sustainable advantage through differentiation.

2013 was a very successful year for us, in which we grew by improving our operational profitability and achieved our targets in all of our operating segments. Our goal is to build upon these successes in 2014 and in the coming years and create more value for our country, the environment and our stakeholders.

2013 was also a year in which global growth slowed and uncertainty reigned, especially in emerging economies. The Federal Reserve's announcement that it would reduce its bond buying policy at the end of May 2013 caused tremors which continue to reverberate across global markets.

The fall in China's growth rate, which is the lowest since 1999, is another factor that continues to impact global markets. The steps taken by China to switch from investment-based growth to one driven by domestic consumption is causing many investors to believe that this rate will slow even further.

The gradual lessening of the effects of the financial crises across the Eurozone, the positive impact of the strong coalition forged in Germany and this country's industrial output beating expectations can all be considered as positive developments, although rising unemployment rates are raising concerns.

Taking all these into consideration, the developments in 2013 show us that 2014 will be a year in search of economic and political stability across the globe. Accordingly, we can expect to see positive developments towards global political stability.

On the Turkish front, 2013 was a year of both positive developments in the economy and domestic tensions. We are undergoing tough times as we move from 2013 to 2014. Unexpected rises in the dollar and euro are causing the current account deficit to expand even further. Turkey imports much of the energy used in households and industrial enterprises, which inexorably has led to the widening of the current account deficit.

The recent positive developments taking place in Turkish-EU relations and the continuation of this trend will be crucial in 2014. Our country will gain the place it deserves in the world by taking the necessary steps towards becoming a full member of the European Union.

In a democracy, free and fair elections is the key to overcoming hardships and avoiding dead ends. I believe that the elections to be held in 2014 will herald a more stable and peaceful period for our country, economy and nation.

As the Chairman and Managing Director of Sabancı Holding, I would like to take this opportunity to thank all of our employees, business partners, customers and shareholders who contributed to the successful results we achieved in 2013.

Sincerely,

Güler Sabancı
Chairman and Managing Director

LETTER FROM THE CHIEF EXECUTIVE OFFICER

"We are confident about our future as we have confidence in the key indicators of both our country and Sabancı Group.

Sabancı Group's main strategy is to achieve sustainable growth for our companies and differentiate them as enterprises that create the highest value in their sectors. We will be carrying out our operations with this objective in 2014 as well."

Zafer Kurtul
Board Member and CEO

Esteemed Investors,

Valued Partners and Employees,

In 2013, the global economy grew slower than projected, by 3% - a rate closer to that of 2012. Following a May announcement by the Federal Reserve System that it is tightening its monetary policy, conditions became harder for Turkey, as the country finances its high current account deficit through external sources. Increasing political tension since June adversely affected investor perception, causing exchange rates and market interest rates to rise and the stock market to fall. Precipitated by the falling value of the Turkish lira, inflation hit 7.40% in 2013, up from 6.16% in 2012.

On the other hand, the Turkish economy closed 2013 with a growth rate over the global average at nearly 4%, thanks to the Turkish banking system's sound asset quality, low public debt to national income ratio, and the effective measures taken by the private sector.

Enerjisa expanded its electricity distribution business by acquiring the AYEDAŞ and Toroslar regions at a cost of nearly US$ 3 billion during the privatization process last year. These transactions were the largest acquisitions in our Group's history.

Sabancı Holding's Performance in 2013

Sabancı Holding achieved its growth targets in 2013 despite the developments at home and abroad, as well as the challenging market conditions in the second half of the year. Consolidated revenues of the Group reached TL 24,156 million, a 15% rise from 2012. In the same period, Sabancı Holding reported consolidated operating income of TL 4,859 million and net profit of TL 1,731 million.

The net profit of Akbank, one of our strategic businesses lines, surpassed TL 3 billion in 2013. In the same period, our bank succeeded in expanding its loan portfolio by over 28%, increasing their share in assets to 60%. Akbank gained market share by growing more than the sector average in Turkish lira-denominated consumer, SME and corporate loans. Non-performing loans stood at 1.4% as a result of Akbank's effective risk management. This is one of the lowest non-performing loan ratios in the sector.

Enerjisa expanded its electricity distribution business by acquiring the AYEDAŞ and Toroslar regions at a cost of nearly US$ 3 billion during the privatization process last year. These transactions were the largest acquisitions in our Group's history. Enerjisa reached 5,000 megawatts on its production licenses and boosted its current installed capacity to 2,500 MW, making it the largest integrated electricity generation and distribution company in Turkey. Currently, renewable energy sources make up 46% of our generation capacity.

By year end, our cement companies increased their revenues by over 10% year-on-year. Akçansa and Çimsa both experienced large increases in domestic demand. Our companies are providing cement to large scale infrastructure projects. Akçansa is providing 1.2 million cubic meters of specialized, durable cement for Istanbul's third bridge project. Both companies are highly profitable with a return on equity of around 18%. This year, Çimsa joined the Cement Sustainability Initiative (CSI), an organization operating under the auspices of the World Business Council for Sustainable Development (WBCSD), which is made up of 25 prominent cement producers in the world.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

The Holding structured its retail portfolio in 2013 pursuant to the "dynamic portfolio management" principle. We sold our Diasa shares as we did not project potential for sustainable profitable growth. On the other hand, we have taken over the management of Carrefoursa by increasing our share to 50.9%, with the objective of growing in the supermarket format, an area where we see potential for creating value in the food retail sector. Our aim at Carrefoursa is to establish closer ties with the consumer and to provide the highest level of service.

Teknosa left behind a very successful year in the technology retail market. Teknosa closed the year with approximately TL 3 billion in revenues with a 27% growth rate, 4,000 employees and 294 stores. It had 38% market share and recorded a 25% rate of return on equity. Year-on-year teknosa.com sales rose 2.3 times in 2013. Some 6% of Teknosa total revenues were through teknosa.com and kliksa.com. The total number of visitors increased by 8 million, climbing to 108 million.

Aksigorta and Avivasa, our insurance companies, grew successfully. Aksigorta grew 26%, more than the market average, in the bancassurance channel and increased its bancassurance market share to 9.3%. This year's incentives by the government provided impetus to the private pension sector, which is critical in driving up our country's savings rate. Avivasa recorded a significant rise in the number of participants in a growing market. The assets we manage soared to TL 5 billion.

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Our industrial companies not only carried out initiatives aimed at boosting operational profitability, but also strengthened their positions in the market through new investments. Kordsa Global and Yünsa marked their 40th year of operations. Our companies are global market leaders in their fields and they undertake projects that will solidify their positions in the market. Recently, Kordsa Global initiated an additional capacity investment for polyester yarn and cord fabric in Indonesia in order to be able to provide better service to the Asian market. Furthermore, Kordsa Global made an additional TL 20 million capital investment in its Izmit plant, making it the owner of the most efficient facility in the production of nylon yarn, which is used in tyres.

In its 25th year, Brisa is the market leader with a 30% share and with a return on equity of 27% this year. Brisa is moving forward on the way to becoming an innovative company, rather than just a producer, thanks to inventive practices aimed towards keeping with the needs and views of the consumer. Brisa differentiates itself through the innovations it offers in the service sector: with a first-of-its-kind practice, customers can now make appointments to have their tyres changed via its website lastik.com.tr. "Mobilfix," the first and only mobile tractor-trailer maintenance service in the world, is another service started by Brisa's own employees. "Mobilfix" won the "Customer-Centric Service Innovation" award during Turkish Innovation Week this year.

Brisa has invested nearly US$ 900 million in its Izmit plant since it was founded. The company decided to invest another US$ 300 million to build its second production facility in the Organized Industrial Zone in Aksaray, with the objective of increasing its capacity by 30%. Construction on the new production facility is set to begin in 2015, with the aim of manufacturing 4.2 million passenger and light commercial vehicle tyres annually.

Projections for 2014

Current conditions make it difficult to make projections for 2014. Unless political stability is instituted, a downward trend is expected in Turkey's economy while exchange rates, interest rates and inflation are projected to be in an upward trend in 2014.

Also in 2014, we will be managing changes and fluctuations. Shrinking liquidity will make it more difficult to finance investments. Risk management will become even more critical in the new year as a result of fluctuations in interest rates, exchange rates and commodity prices.

Nevertheless, we are confident about our future as we have confidence in the key indicators of both our country and Sabancı Group. Sabancı Group's main strategy is to achieve sustainable growth for our companies and differentiate them as enterprises that create the highest value in their sectors. We will be carrying out our operations with this objective in 2014 as well.

In 2014, we aim to continue our profitable growth by focusing on risk management. Integration of the new distribution areas into Enerjisa and the timely completion of investments will be the important projects for the coming term in the energy business. We are going to implement the restructuring initiative at Carrefoursa and start obtaining the preliminary results. We are going to maintain multiple channel investments in the Internet, call center and stores, which we initiated at Teknosa in 2013 to provide the utmost service to our customers.

In 2014, we aim to continue our profitable growth by focusing on risk management.

Our cement companies will be focusing on the use of alternative fuels in an effort to reduce the cost of highly fluctuating commodity prices. They will also keep working on new acquisitions by keeping an eye on potential opportunities in the market. In our industrial companies, we will put the emphasis on productivity in business processes and on implementing the innovative growth projects we develop.

The greatest share in our accomplishments belongs to our employees, who will exceed 60,000 next year. I would like to thank our employees, customers, business partners and shareholders for their contribution to the results we have achieved.

Sincerely,

Zafer Kurtul
Board Member and CEO

BOARD OF DIRECTORS
(ELECTED FOR THE PERIOD OF MAY 2012-MAY 2015)

Güler Sabancı
Chairman and Managing Director

Erol Sabancı
Vice Chairman

Sevil Sabancı Sabancı
Board Member

Serra Sabancı
Board Member

Zafer Kurtul
Board Member and CEO

Mevlüt Aydemir
Board Member

A. Zafer İncecik
Board Member

Işın Çelebi
Board Member

Zekeriya Yıldırım
Board Member

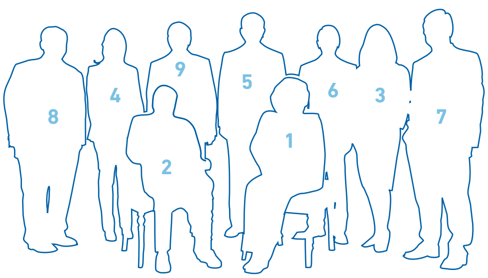
Güler Sabancı
Chairman and Managing Director
Güler Sabancı was born in Adana and graduated from the Business Administration Department of Bosphorus University. She worked in various executive positions in the Tyre and Tyre Reinforcement Materials Group. She currently serves as the Chairman and Managing Director of Sabancı Holding and also the President of the Board of Trustees of Sabancı University, Sabancı Foundation and the Board of Sakıp Sabancı Museum.

Erol Sabancı
Vice Chairman
Erol Sabancı was born in Kayseri in 1938 and graduated from Manchester College of Commerce in the UK. In addition to his position as the Vice Chairman of Sabancı Holding, he is also the Honorary Chairman and Consultant to the Board and a Board member of Akbank where he has been serving since 1967. He is married and has two children.

Sevil Sabancı Sabancı
Board Member
Sevil Sabancı was born in 1973 in Istanbul and graduated from the Business Administration Department of Marmara University. She worked in different managerial positions within the Group and served as a member of the Board from 1997 to 2001. Sabancı, in addition to her Sabancı Holding Board membership, is a member of the Board of Trustees of Sabancı University and the Board of Sakıp Sabancı Museum. She is a member of TÜSİAD.

Serra Sabancı
Board Member
Serra Sabancı was born in 1975 in Adana and graduated from the University of Portsmouth. She also graduated from the Department of Economics, Istanbul Bilgi University with honors. She started her career at Temsa. After becoming a Board member of Sabancı Holding, she participated in the Institute of Directors (IOD) seminars and courses on board membership, mergers and acquisitions in London. In addition to her Sabancı Holding Board membership, she is a member of the Board of the Sabancı Foundation and various Sabancı Group companies.

BOARD OF DIRECTORS



Güler Sabancı Chairman and Managing Director **(1)**
Erol Sabancı Vice Chairman **(2)**
Sevil Sabancı Sabancı Board Member **(3)**
Serra Sabancı Board Member **(4)**
Zafer Kurtul Board Member and CEO **(5)**
Mevlüt Aydemir Board Member **(6)**
A. Zafer İncecik Board Member **(7)**
Işın Çelebi Board Member **(8)**
Zekeriya Yıldırım Board Member **(9)**

SABANCI HOLDING MANAGEMENT

Audit Committee
Işın Çelebi
A. Zafer İncecik

Corporate Governance Committee
A. Zafer İncecik
Serra Sabancı
Mevlüt Aydemir

Risk Committee
Zekeriya Yıldırım
Sevil Sabancı Sabancı
Mevlüt Aydemir

CEO, Strategic Business Unit Presidents
Zafer Kurtul (1)
Board Member and CEO

Faruk Bilen (2)
Chief Financial Officer

Ata Köseoğlu (3)
Strategy & Business Development

Neriman Ülsever (4)
Human Resources

Hayri Çulhacı (5)
Bank

Haluk Dinçer (6)
Retail and Insurance

Mehmet Göçmen (7)
Cement

Selahattin Hakman (8)
Energy

Mehmet N. Pekarun (9)
Industrials

Corporate Management
Nedim Bozfakıoğlu (10)
Secretary General

Barış Oran
Head of Finance

Bülent Bozdoğan
Head of Internal Audit

Kürşat Özkan
Head of Performance Team, Energy

Levent Demirağ
Head of Tax, Accounting and Legal

Ahmet Güzeltuna
Chief Advisor, Labor Relations

Ateş Eremekdar
Director, Sabancı Center Management

Barbaros İneci
Chief Economist

Burcu Tokmak
Business Director, CEO Office

Elif Şen Kanburoğlu
Chief Legal Counsel

Eren Mantaş
Director, Financial Planning, Analysis and Investor Relations

Fezal Okur
Director, Strategy and Business Development

Gökhan Eyigün
Director, Strategy and Business Development

Güngör Kaymak
Chief Information Officer

Güven Oktay
Director, Compliance

Kadri Özgüneş
Director, Cement

Murat Yavuz
Director, Industrial

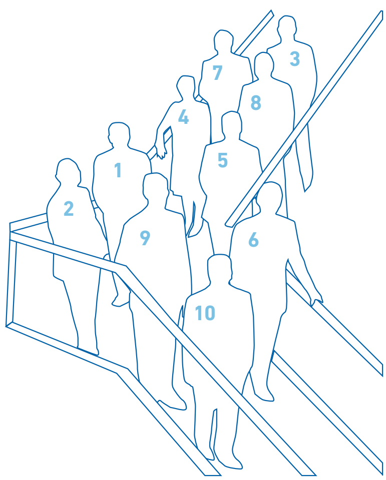
Olcay Gürdal
Security Coordinator

Reha Demiröz
Director, Accounting

Suat Özyaprak
Chief Communication Officer

Şerafettin Karakış
Director, Tax Management

Tülin Şağul
Director, Planning, Reporting and Finance



Zafer Kurtul
Board Member and CEO

Zafer Kurtul joined Akbank in 1998 as Executive Vice President and served as CEO between November 2000 and June 2009. In June 2009, Mr. Kurtul was appointed Vice Chairman. Previously, he served in executive positions at Citibank, BNP-Ak-Dresdner Bank and Societe Generale. Mr. Kurtul has an undergraduate degree from Istanbul University Faculty of Business Administration and an MBA in Finance from the University of Wisconsin-Madison. Accredited as a Chartered Financial Analyst (CFA). Mr. Kurtul was appointed CEO of Sabancı Group as of 19th July 2010.

Mevlüt Aydemir
Board Member

Born in Erzincan in 1948, Mevlüt Aydemir graduated from the Faculty of Economics of the Istanbul University. Married and father of two children, he served as a public accountant with the Ministry of Finance during the years 1972-1981, has held various positions at Sabancı Holding since 1981, and assumed the office of Member of the Board of Directors at the companies of the Group. He has been a Director of Sabancı Holding since May 2010.

A. Zafer İncecik
Board Member

Zafer İncecik was born in Izmir in 1942. Having completed his primary and secondary education in Istanbul, Dr. İncecik is an alumnus of St. George's Austrian High School. He started his college education in Vienna and graduated from Faculty of Electrical Engineering of Istanbul Technical University. He received his doctorate degree from the Vienna University of Technology in the field of semiconductor physics. Dr. İncecik has patents and articles, published during the periods he was in Austria and Germany, and was awarded Grand Medals of Honor by the Austrian and German states. Dr. A. Zafer İncecik is married with two children. He has been a Director of Sabancı Holding since 2010.

Işın Çelebi
Board Member

Dr. Işın Çelebi has a metallurgical engineering degree from Middle East Technical University, a postgraduate degree in the same field from İTÜ and a master's degree in Economics from AÜSBF. After working at the State Planning Organization (DPT) and various companies, he was elected as a member of the Turkish Parliament and appointed as a minister. He currently works as a consultant for various major companies. Dr. Çelebi has been a Director of Sabancı Holding since May 2012.

Zekeriya Yıldırım
Board Member

Zekeriya Yıldırım was born in 1944. He has a bachelor's degree in İstanbul University Economics and a master's degree from Vanderbilt University (Nashville, Tennessee). He is the chairman of Yıldırım Consulting. Previously, he worked for the Turkish Central Bank and the Ministry of Finance and acted as a director at Doğan Holding between 2008 and 2010. Mr. Yıldırım has been a Member of Board of Directors of Tekfen Holding since 2013. He is a member of the TÜSİAD High Advisory Council's Board of Governors. Mr. Yıldırım has been a Director of Sabancı Holding since May 2012.

VISION, MISSION STATEMENT AND MANAGEMENT APPROACH

Vision

CREATING SUSTAINABLE ADVANTAGE THROUGH DIFFERENTIATION

Mission Statement

MANAGING A COMPETITIVE STRATEGIC PORTFOLIO WITH SUSTAINABLE GROWTH POTENTIAL TO CREATE VALUE FOR ALL OF OUR STAKEHOLDERS

Management Approach

Responsibility and Transparency

Upholding our core values of modesty, respect and proximity to people, being socially responsible and managing according to the principles of corporate governance

Innovation

Creating long-lasting advantages such as brand, technology, design, network and IP

Participation

Generating a management approach that promotes participation and collective thinking in the decision-making process

Strategic Approach

Managing the present with excellence and shaping our future to ensure long-term advantages

INVESTOR RELATIONS AND DIVIDEND POLICY

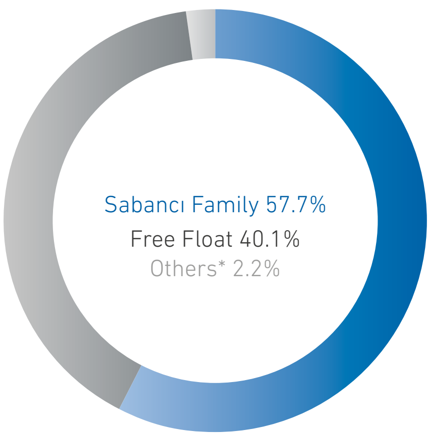
Throughout the year, our Investor Relations Department held a total of 493 face to face meetings at our headquarters in Istanbul, as well as in major international financial centers, including London, Edinburgh, New York, Boston, San Francisco, Chicago, Zurich, Geneva, Frankfurt, Tokyo, Hong Kong, Stockholm, Paris, Vienna, Milan, Dubai and Abu Dhabi.

Investor Relations

Sabancı Holding management has open and frequent communications with its shareholders. The main objectives of Investor Relations activities are to increase Sabancı Holding's value for its current shareholders and attract new potential investors. Therefore, Holding management adopted the principle to share their strategic plans and results in a timely and transparent manner. This is a fundamental principle embodied in Sabancı Holding's corporate structure with three independent members serving on the Board of Directors.

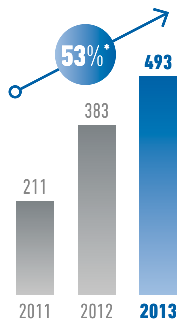
The investor relations agenda is managed by the Investor Relations Unit within the Finance Division, which handles the daily information flow to the investment community. In 2013, our investor relations team responded to numerous investor and equity research analyst requests by phone, e-mail and postal mail as well as proactively and regularly contacted a comprehensive list of financial institutions with news updates. Throughout the year, our Investor Relations Department held a total of 493 face to face meetings at our headquarters in Istanbul, as well as in major international financial centers, including London, Edinburgh, New York, Boston, San Francisco, Chicago, Zurich, Geneva, Frankfurt, Tokyo, Hong Kong, Stockholm, Paris, Vienna, Milan, Dubai and Abu Dhabi. Consequently, we have achieved an increase in coverage locally and internationally. Additionally, in April, a two day conference, "Sabancı at the City" was organized in London and with the participation of Sabancı Holding and listed Sabancı Group Companies a total of 91 meetings were held. In 2013, Energy, Insurance, Retail, Tyre and Tyre Reinforcement Days were organized with the participation of SBU presidents and company CEOs informing analysts on the latest developments in their industries and the strategy of the companies.

SABANCI HOLDING SHAREHOLDER STRUCTURE



* Sabancı University and Sabancı Foundation

INVESTOR AND ANALYST MEETINGS



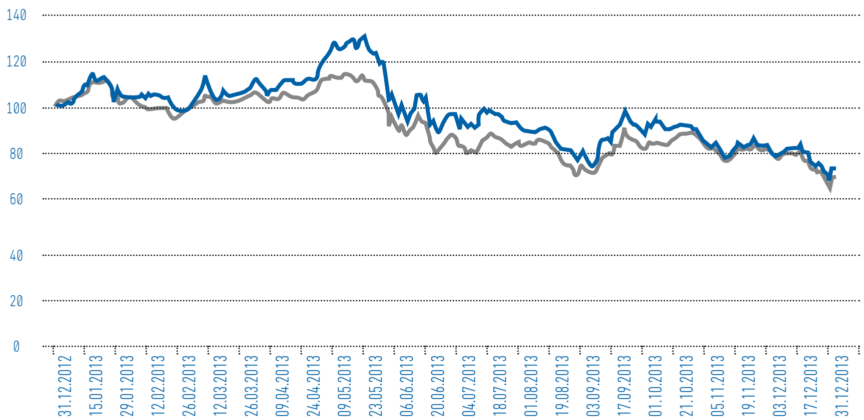
* 2011-2013 CAGR

The Investor Relations Department will continue to share the strategic agenda with the investor community and targets to maintain its relations with existing and potential shareholders.

We encourage all investors to contact us at investor.relations@sabanci.com for any questions or requests for information.

Dividend Policy

Sabancı Holding's current dividend policy, in accordance with Capital Markets Board principles, is to pay out a minimum of 20% of the distributable income on an annual basis. Based on pending projects and the availability of funds, the Board of Sabancı Holding reserves the right to reevaluate its dividend policy each year.



SABANCI HOLDING RELATIVE PERFORMANCE COMPARED WITH BIST-30 INDEX

Sabancı Holding outperformed BIST-30 by four percentage points in US$ terms.

RISK MANAGEMENT

In order to fulfill its mission of creating shareholder value, the Group places great importance on risk management. At the non-financial services companies, risks are managed by designated risk management officers under the supervision of Company Risk Committees that report to the Board of Directors.

We believe that sustainable development can only be achieved by identifying, defining, measuring and managing risks effectively. Creating value for our stakeholders, the driving mission, is possible through effective risk management in all of our operations.

Risk Management in Non-Financial Companies
At Sabancı Holding, we believe that identification, measurement and effective management of risks will serve the sustainable growth of our Group. Therefore, in order to fulfill its mission of creating shareholder value, the Group places great importance on risk management. At the non-financial services companies, risks are managed by designated risk management officers under the supervision of Company Risk Committees that report to the Board of Directors. At the Holding level, subsidiary financial, strategic, operational and compliance risks are also overseen and supervised by related Strategic Business Unit and the Finance organization as well as the Compliance Management division.

Sabancı Group categorizes risks under these major headings:

Compliance Risks: Refer to those losses, material, judicial or reputational, that come into being as a result of engaging in unlawful activities and/ or acting against regulations, internal policies and procedures.

Financial Risks: Refer to risks associated with a Company's financial position and preferences in debt, interest rate, foreign exchange rate, cash position, financial and commodity markets.

Strategic Risks: Refer to the structural risks that may prevent a company from reaching its short to mid-long term goals and include planning, market analysis, business model, business portfolio, corporate governance risks.

Operational Risks: Refer to potential losses that might be endured due to inefficient internal controls that overlook faulty or misguided operations, company management or personnel failing to act in a timely manner, management mistakes and/or failures in information technology systems.

Brand / Reputation Management Risks: Loss of business, customers or competitive position as a result of weakened brand or reputation when a Company's name or commercial brands are not managed effectively.

Reporting Risks: Include not meeting legal reporting requirements, false or incorrect declarations, insufficient span of management reports, inefficient measurement and/ or distribution of key indicator findings, lack of quality in reports in terms of timing and details.

External Risks: Risks associated with events outside of the company's span of influence or control.

Sabancı Holding, by the decision of its Board on April 25, 2013, established the Risk Committee, in compliance with the requirements of the new Turkish Commercial Code and the Capital Markets Board, aiming to instill vigilant risk management practices at publicly traded companies. Independent Board Member Zekeriya Yıldırım was named the head of the Committee and Sevil Sabancı Sabancı and Mevlüt Aydemir were appointed as members upon the decision of the Board.

The Committee's duty is to proactively identify those strategic, financial, and operational et al. risks that could endanger the existence, development and sustainability of Sabancı Holding. Furthermore, it carries the duty to ensure the right precautions are put in place and oversees the management of risks and reports to the Board for decision making.

In line with its purpose, the Committee has conducted a study to identify and evaluate the risks faced by Sabancı Holding, independent of the individual subsidiary risks. It also established a risk surveillance and reporting system. The Company's Key Risk Indicators (KRIs) are tracked and will be periodically reported under this system. The Committee held three meetings in 2013 since its inauguration and shared its evaluation with the Board of Directors.

The Risk Committee has conducted a study to identify and evaluate the risks faced by Sabancı Holding A.Ş., independent of the individual subsidiary risks. It also established a risk surveillance and reporting system. The Company's Key Risk Indicators (KRIs) are tracked and will be periodically reported under this system.

Risk Management in Financial Companies
Sabancı Group financial institutions monitored developments in domestic and international markets carefully and managed risk through a robust risk management approach and systems. Akbank, the largest financial institution within the Group, maintained risk, profitability and growth balance at optimal levels with the help of conservative risk management, accurate forecasting, and timely strategic decisions. Akbank continued to achieve stable growth by effectively managing the impacts of the global crisis. Focused on sustainable profitability and value creation, Akbank continued to support the domestic economy and industries through a solid financial structure, innovative products and services in 2013.

Effective risk management constitutes one of the most important competitive strengths of Akbank. General principles of the risk management strategies include:

- Effectively managing risks within the Bank's risk profile based on the importance criteria; setting-up a centralized risk framework covering all major risk areas;
- Managing risk from the beginning with a forward-looking approach; determining and analyzing risk with the help of steering risk strategies, policies and procedures, models and parameters;
- Applying a risk-focused management approach in the strategic decision making process;
- Complying with all regulatory requirements regarding risk management, where the Bank operates;
- Following international developments and best practices closely; playing a leading role in risk management practices within the Turkish Banking Sector.

AUDIT COMMITTEE

- The Audit Committee supervises the function and effectiveness of Sabancı Holding's accounting system, disclosure of financial information, independent audit, internal controls and internal audit. Selection of the independent auditor, preparation of the audit contract and all the stages of the work of the independent auditor are realized under the supervision of the Audit Committee. The Audit Committee held four meetings in 2013 on the following dates:

- March 8, 2013
- May 14, 2013
- August 21, 2013
- November 11, 2013

HUMAN RESOURCES

The aim of Sabancı Group in human resources management is to develop and execute human resources strategies that create value consistent with the Sabancı vision and business objectives.

Sabancı Group's human resources strategy strives to set world class management standards in this field and to make the Group an exemplary employer that every professional wants to, and is proud to, work for.

A Human Resources Approach That Supports Strategic Goals and Performance

To realize this goal, Sabancı Group Human Resources:
- Maintains a high level of selectivity in recruitment and promotion,
- Directs employees to motivating goals,
- Sets high performance standards for employees,
- Holds management and the employees accountable for the results of their work,
- Creates opportunities for employees to realize their potential and use their skills,
- Rewards outstanding performance.

Sabancı Group aims to be an employer for individuals who are:
- Trustworthy,
- Sensitive,
- Ethical,
- Flexible,
- Market-oriented,
- Strategic-minded,
- Innovative,
- Team-oriented.

Human Resources Policies and Principles
The human resources management approach employed within Sabancı Group companies responds to the specific business requirements of each industry. The design and implementation of these practices are devised to support strategic objectives.

Sabancı Holding Human Resources Policies and Principles represent the basic tenets of the Sabancı Group's human resources management applications and priorities. This enhances the flexibility required for the special conditions and needs of widely diversified businesses.

Attracting and Recruiting the Best Talent
The goals of Human Resources Management are to:
- Be the employer of choice for top talent,
- Recruit talented individuals who will help support the Group going forward and adhere to the Sabancı values,
- Meet the future workforce needs of the Group through a global and proactive recruiting perspective.

Investing in Our People
The main responsibilities of Human Resources Management are to:
- Invest in and create an environment with opportunities for the continuous development of our employees and help them realize their potential;
- Continuously track employee performance and support open communication by creating a culture where managers are accountable for employee development;

- Develop and nurture employees to create a high performance global talent pool of future leaders.

In the training programs developed at the Group level, Sabancı University and leading consulting companies are our primary partners.

Future Forums, one of our best practices in this area, is implemented in collaboration with Sabancı University. The objective of this program is to place a market and customer focused viewpoint at the center of every activity in order to support sustainable growth, and to trigger the transformation by helping to think beyond industry and market boundaries. In 2013, for the fourth time, four Sabancı Group Companies participated in this program with 16 employees.

Furthermore, the SALT program, which was designed to develop the Group's leaders, has been running for the last nine years and 193 executives have attended this program.

SA-EXE program through which we aim to invest in the future leaders, supported with simulations, is performed with the participation of our directors and assistant general managers. 16 executives have attended this program.

65 talented young employees with high potential from Sabancı Group companies, have graduated from "Young Sabancılılar" program in which they had the opportunity to extend their network and experience managing a company through simulations.

51 Mentors and 51 Mentees have attended the mentorship program which has been held for the last five years.

Building Organizational Capability

The priorities of Human Resources Management are to:

- Continuously assess and review organizational capability, people, systems and processes and, if necessary, to restructure in support of the success of the Group;
- Identify and assess high-potential employees and develop their careers based on the future needs of the Group;
- Enhance mobility within the Group through assignments, transfers and rotation for employee and organizational development.

Reward and Recognition

Human Resources Management strives to:

- Offer a competitive compensation package to attract top talent and strengthen the commitment of existing employees;
- Encourage accountability;
- Reward outstanding employee contributions and performance;
- Provide a level of compensation to employees commensurate with their responsibilities and the value added to the organization.

Increasing Employee Motivation and Commitment

The objectives of Human Resources Management are to:

- Promote the development and expansion of an open, participatory and transparent culture that values diversity and creativity;
- Proactively seek and consider employee feedback and expectations while continuously developing approaches that strengthen commitment, motivation and retention;
- Create a safe, healthy business environment that embraces ethical values and balances personal life with career responsibilities.

With Sabancı Golden Collar Awards, the priority is to communicate the critical issues for the Group to employees and to reward the best suggestions.

65 talented young employees with high potential from Sabancı Group companies, have graduated from the "Young Sabancılılar" program in which they had the opportunity to extend their network and experience managing a company through simulations.

Promotion of the development and expansion of an open, participatory and transparent culture that values diversity and creativity is an objective of Human Resources.

2013 RESULTS

With financial services, energy, cement, retail and industry as our primary sectors of operation, Sabancı Group companies continued to be the outstanding leaders in their sectors in 2013.

CONSOLIDATED RESULTS

TOTAL SALES REVENUE
(TL MILLION)

OPERATING PROFIT
(TL MILLION)

NET PROFIT
(TL MILLION)

2013 HIGHLIGHTS

pg.32

Banking

- Akbank was named the "Most Valuable Banking Brand in Turkey" for the third time in a row according to "The Banking 500-2014" report prepared by Brand Finance.
- In 2013, The Banker, Euromoney, World Finance, and Global Banking & Finance Review named Akbank the "Best Bank in Turkey."
- Akbank received the "Best Use of CRM in EMEA/APAC Region" award from Gartner and "the Best Information Security Initiatives in Europe" award from Global Finance in 2013.
- Akbank continued to focus on its high quality loan portfolio in 2013. Thanks to its effective risk management practices, Akbank's NPL ratio was 1.4% in 2013 and stood well below the sector average of 2.6%.
- Akbank continues to move forward with confidence thanks to its effective risk management practices.

pg.40

Insurance

- Aksigorta achieved a 26% increase in volume in the bancassurance channel.
- Aksigorta's net profit increased 228%.
- Avivasa increased its assets under management by 26% in 2013.

pg.48

Energy

- Sabancı Holding signed a partnership agreement with E.ON, one of the largest private electricity and natural gas companies, in December 2012 following Verbund's strategic decision to transfer its share in Enerjisa to E.ON. E.ON became a 50% shareholder of Enerjisa in April 2013.
- Enerjisa electricity distribution services has reached a population of nearly 20 million in 14 provinces and over 20% share in total electricity distribution in Turkey by takeovers of Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and Toroslar Electricity Distribution Company in 2013 privatizations tenders.

- Enerjisa has commissioned seven hydroelectric power plants and brought its Balıkesir wind power plant to full capacity in 2013 and reached 2,437 MW operational installed capacity. The share of renewable energy sourced power plants in the operational capacity of Enerjisa amounted to 46% in 2013.

Cement

pg.58

- The third bridge across the Bosphorus in Istanbul is included in Akçansa's portfolio of significant projects.
- Akçansa was named the "Most Admired Company" for 12th time in its sector by Capital Magazine in 2013. Çimsa was designated the "Second Most Admired Company" in its sector by Capital Magazine in 2013.
- In the Blue Barrette Occupational Safety Contest by the Turkish Ready Mixed Concrete Association, the Büyükçekmece, Kemerburgaz and Samsun facilities of Akçansa and Tece, Aksaray, Pamukova and Misis facilities of Çimsa received awards.
- Akçansa placed first in the "Cloud Computing" category of the "SAP Quality Awards 2013" which was organized by SAP for the 18th time with its "Mozaik" application and placed second in the "Medium Application Category" with its "Purchasing" project.
- Çimsa, produced 49 Gwh electricity through its waste heat power plant and reduced its carbon level by 26 kTon in Mersin facility.

Retail

pg.66

- Teknosa sales totaled TL 3.0 billion with 294 stores and sales area exceeding 165 thousand m^2.
- Teknosa maintained its leading position with a 14% share in the overall consumer electronics market and a 38% share in technology superstores.
- Carrefoursa's majority shares were transferred to Sabancı Holding in July 2013. Following the share transfer, the management of Carrefoursa was taken over by Sabancı Holding.
- The sale of all Diasa shares together with our partner Dia was completed in July 2013. Sabancı Holding shifted to a more concentrated structure in food retail, and continued to be one of the major players in the food retail market with Carrefoursa.

Industrials

pg.76

- Kordsa Global, celebrated the 40th anniversary of its establishment in 2013. Through investments in Indonesia and strategic projects to increase competitiveness, Kordsa Global managed to adopt to new conditions in the market and maintained its leadership.
- Brisa celebrated its 25th year of partnership with Bridgestone and managed to increase its market share by boosting sales and net income. In 2013, Brisa announced its second plant investment in Aksaray and crowned its success by winning the "Customer Focused Service Innovation Award" during Turkey Innovation Week. Brisa made a distribution agreement with the world's leading battery company, Energizer, and Italian accessory brand Bottari in 2013.
- Yünsa, Europe's largest manufacturer of worsted wool fabric, increased its sales and doubled its net income in its 40th year of establishment.
- Temsa Global has successfully completed its restructuring process in 2013. Temsa Otobüs launched new LD line targeting intercity and touring segments; all the models are equipped with Euro 6 powertrain. Temsa İş Makinaları reached double digit market share by increasing its competitiveness. Temsa Motorlu Araçlar sustained its market leadership in the pickup segment with 25.6% market share.

KEY INVESTMENT MESSAGES

Portfolio Allocation to Sectors With High Growth Potential

Banking
Increase in sector total assets in 2013: **26%**
Increase in sector total loans in 2013: **32%**

Insurance
Increase in non-life premiums underwritten in 2013: **22%**
Increase in pension assets under management in 2013: **28%**

Energy
Increase in installed capacity in 2013: **12%**

Cement
Increase in domestic cement demand in 2013 (tons): **9%**

Retail
Increase in electronics retailing market revenues: **21%**
Increase in food retailing market revenues: **11%**

Industrials
Increase in Turkey's exports in 2013: **4%**

Profitable Growth

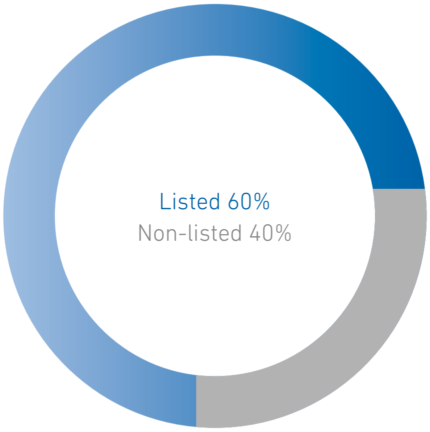
TOTAL ASSETS
(TL BILLION)

TOTAL REVENUES
(TL MILLION)

PERCENTAGE OF FREE FLOAT

Banking	
Akbank	**41.2%**
Insurance	
Aksigorta	**28%**
Cement	
Akçansa	**20.6%**
Çimsa	**41.5%**
Retail	
Teknosa	**10%**
Carrefoursa	**2%**
Industry	
Kordsa Global	**8.9%**
Brisa	**10.3%**
Sasa	**49%**
Yünsa	**30.6%**

NET ASSET VALUE



In order to reach a more balanced portfolio, investments, primarily in energy as well as in cement and industrials, are underway.

Listed, transparent and accountable corporate structure

Corporate Governance

The investor relations agenda, in accordance with the Capital Markets Board's (CMB) Corporate Governance Principles, is managed by the Investor Relations Unit. In 2013, investor relations activities included 493 meetings, approximately 500 phone calls and more than 100 email responses to investors.

493

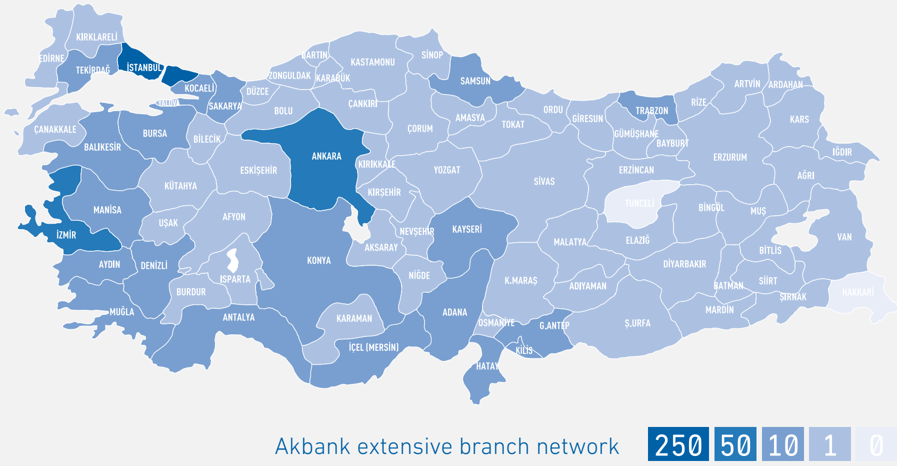
Number of face to face meetings with investors and analysts.

In 2013, Akbank continued to focus on maintaining a high quality asset portfolio. The NPL ratio in Turkish banking sector is 2.6%, whereas it is 1.4% at Akbank.

Banking

Akbank → pg.34

BANKING

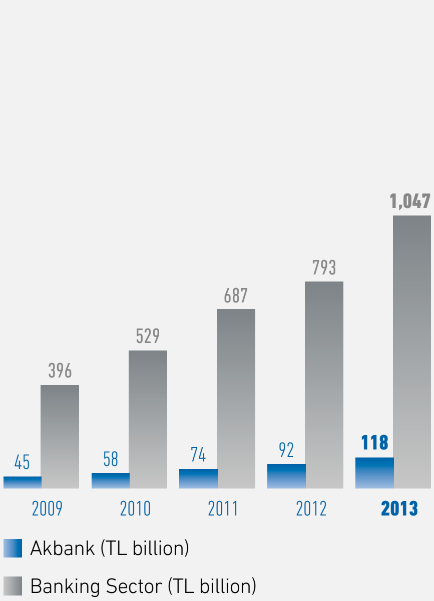


Akbank continuously implements effective risk management.

The Turkish banking sector is more resilient and stronger against crises as a result of effective regulation, oversight and strict risk management. This differentiates the Turkish banking sector from its counterparts in both developed and developing countries as they face major headwinds.

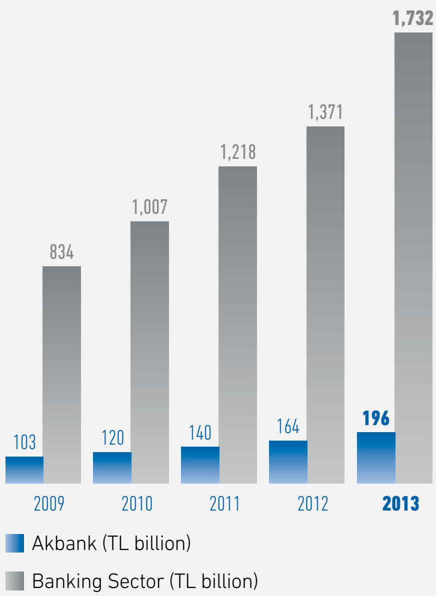
BANKING SECTOR AND AKBANK'S LOAN DEVELOPMENT

The Turkish banking sector's loans grew 32% in 2013 compared to the previous year, climbing to TL 1,049 billion.



BANKING SECTOR AND AKBANK'S ASSET DEVELOPMENT

The Turkish banking sector's asset size grew 26% in 2013 compared to the previous year, expanding to TL 1,732 billion.



Effective Risk Management

In the current environment where trust has gained utmost importance, Akbank continues to move forward with confidence thanks to its effective risk management practices. Akbank closely monitors economic and financial developments in global markets, Basel III principles and other international regulations as well as the developments in the risk management field; the Bank constantly works to improve its existing practices. As Moody's has clearly indicated in its reports for the financially volatile years of 2001 and 2006, Akbank has always been able to maintain confidence during uncertain and challenging times thanks to its solid risk management policies. The constant emphasis on corporate governance, transparency and accountability helps further reinforce Akbank's position.

Robust Capital Structure

The global crisis has once again proved the importance of robust equity capital. At US$ 12.1 billion, Akbank's free capital is the highest in the Turkish banking industry. While legal requirements in Turkey dictate a minimum capital adequacy ratio of 12%, Akbank has a capital adequacy ratio of 14.7%.

Superior Asset Quality

The primary requisite for effective risk management is maintaining asset quality. From this perspective, Akbank has always pursued a healthy lending policy and favored growth with a high-quality portfolio over rapid growth. While the ratio of non-performing loans in the Turkish banking sector currently hovers around 2.6%, this ratio stands at 1.4% for Akbank. Furthermore, Akbank is currently setting aside 196% provisioning against non-performing loans when general loan loss provisions are taken into consideration.

High Growth Potential

A high level of liquidity and low leverage ratio (8.8x) are Akbank's primary strengths that also support its sustainable profitable growth.

International Reputation

Thanks to the high-quality services it provides for clients as well as its innovative and dynamic structure in the international banking arena, Akbank continued to be among the leading business partners of correspondent banks in Turkey in 2013. Breaking even more new ground with its syndication, securitization and overseas bond market transactions in 2013, Akbank continued to pave the way for the sector in foreign borrowing.

1.4%

While the ratio of non-performing loans in the Turkish banking sector currently hovers around 2.6%, this ratio stands at 1.4% for Akbank.

14.7%

While legal requirements in Turkey dictate a minimum capital adequacy ratio of 12%, Akbank has a capital adequacy ratio of 14.7%.

AKBANK

195,482

TOTAL ASSETS
(TL MILLION)

3,077

NET PROFIT
(TL MILLION)

In 2013, Akbank continued to provide increasing support to the Turkish economy and real sector through its strong financial structure, customer oriented approach and innovative products and services.

In addition to its core banking activities, Akbank offers consumer, corporate, commercial, SME and private banking and international trade financial services. Non-banking financial services, along with capital market and investment services, are provided by the Bank's subsidiaries. With state-of-the-art information technology and a staff of experienced bankers, Akbank focuses on providing top quality services to a wide range of consumer and corporate customers.

With a strong and extensive domestic distribution network consisting of 985 branches and a workforce of 16,249 employees, Akbank operates from its Istanbul Head Office and 23 regional offices throughout Turkey. In addition to branches, the Bank's traditional delivery channel, Akbank also offers banking services to customers through its consumer and corporate Internet branches as well as its Telephone Banking Center, 4,100 ATMs and more than 340,000 POS terminals, along with other high-technology distribution channels.

As a pioneer in the field of digital banking in Turkey, Akbank Direct serves the needs of its customers at the most appropriate points of contact with the best customer experience. While today's technology goes full throttle and the needs of customers increase rapidly, Akbank Direct serves customers' needs without the limitation of time and location and acts as a pioneer in the usage of most innovative technologies in Turkey. In accordance with Akbank's agreement with Western Union, money transactions can now be performed via Akbank branches, Akbank ATMs and Akbank Direct.

www.akbank.com

In 2010, the Akbank Banking Center commenced services as the highest transaction capacity operations center in Turkey. Equipped with the latest technology, this complex makes major contributions to Akbank's productivity. Akbank carries out its overseas operations through subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited), as well as a branch in Malta.

Following its strategic partnership by acquiring 20% of Akbank's shares in January 2007, Citigroup reduced its ownership to 9.9% in May 2012. The reduction was attributable to its capital planning preparations for the application of Basel III requirements.

Harvard University Kennedy School of Government (Harvard KSG) has turned Akbank's highly successful transformation story and growth strategy in the aftermath of the 2001 crisis into a case study. Akbank management implemented "The New Horizons Restructuring Program" following the Turkish economic crises of 2001, at a time when the Turkish economy and banking industry were struggling to deal with the impact of the crisis. The management, changes and growth strategy that the Bank implemented not only placed Akbank in a position to grow during the years of crisis but also made it a lecture topic and a reference study on how to manage and grow through times of economic uncertainty.

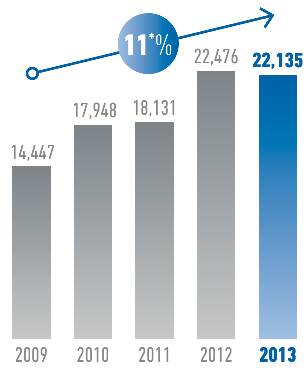
With a robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms coupled with superior asset quality, Akbank has maintained its leading position in the Turkish banking sector. As of the end of 2013, Akbank reported consolidated net profit of TL 3,077 million (approximately US$ 1,444 million) and total consolidated assets of approximately TL 195.5 billion (approximately US$ 92 billion). The consolidated capital adequacy ratio of Akbank, standing at 14.7%, is among the highest in the sector.

Continuing operations guided by the responsibility to create value for the Turkish economy, Akbank's total loans grew 27.8% climbing to TL 118 billion in 2013. As a result of effective risk management policies implemented by Akbank, the Bank's non-performing loan ratio of 1.4% remained below the sector average.

As a result of Akbank's meticulously executed risk management policies and exceptional performance, international rating agencies assigned Akbank the highest financial strength ratings among Turkish banks.

Akbank was named the "Most Valuable Banking Brand in Turkey" for the third time in a row according to the "Banking 500-2014" report prepared by Brand Finance; in 2013, The Banker, Euromoney, World Finance, Global Banking & Finance Review all named Akbank as the Best Bank in Turkey.

SHAREHOLDERS' EQUITY
TL BILLION



* 2009-2013 CAGR

Equity of Akbank increased to TL 22,135 billion with a CAGR of 11% during the last five years.

Focused on sustainable profitability and value creation, Akbank continued to support the domestic economy and industries through a solid financial structure, innovative products and services in 2013.

AKBANK

With successful practices and long term strategic management, the innovative power of Turkey, Akbank, received the “Best Use of CRM in EMEA/APAC Region” award from Gartner and “The Best Information Security Initiatives in Europe” award from Global Finance in 2013.

Established as a 100% owned subsidiary of Akbank in 1996 to provide brokerage services in the capital markets, AK Investment provides local and foreign corporate clients with brokerage services; Turkish Derivatives Exchange (TURKDEX), BIST Futures and Options Market, government bonds, repo transaction services; brokerage services for the transaction of Akbank mutual funds; along with public offerings and mergers and acquisitions advisory, matching financial partners and buy-side and sell-side advisory for privatizations.

With state-of-the-art information technology and a staff of experienced bankers, Akbank focuses on providing top quality services to a wide range of consumer and corporate customers.

AK Asset Management, a wholly-owned subsidiary of Akbank was established in 2000 to provide asset management services in capital markets to institutional and individual investors. AK Asset Management manages 24 mutual funds chartered by Akbank and AK Securities, 23 Capital Protected Investment Funds launched by Akbank, 20 pension investment funds for Avivasa Pension and Life Insurance Company, 12 pension investment funds for Groupama Pension Company, and two Akbank SICAV funds. AK Asset Management also provides discretionary asset management services for large institutional investors as well as individuals, tailored to their financial expectations and risk profiles. AK Asset Management continued to be the pioneer in many segments of the asset management market with its performance and innovative product design. AK Asset Management has established itself as the sector leader with the gold and precious metals investment fund, BRIC countries mutual fund, capital protected investment funds, composite commodity basket mutual fund and the Akbank Franklin Templeton umbrella fund investing in different regions of the globe as well as the Corporate Bond Fund.

In October 2013, AK Asset Management initiated ties to Japan, one of the major financial markets globally, by becoming the fund manager of the first TL denominated money market fund incorporated by Sompo Japan Nipponkoa Asset Management. In addition, in November 2013, it has become the fund manager of the Turkish Equity Fund incorporated by Mizuho Financial Group. AK Asset Management continued to develop its risk management, investment processes, new product development and sustainable performance practices. AK Asset Management was awarded by Structured Products Magazine, owned by Incisivemedia Group, with “The Best in Turkey” prize in the Structured Products category thanks to its successful, innovative and broad spectrum offering of capital-protected funds, Turkish equities, commodities, exploring European & Asian indices.

As a pioneer in its sector, AK Lease continued to execute and focus on its strategy based healthy growth over 25 years, trust and success in 2013. AK Lease, a wholly owned subsidiary of Akbank, has provided creative, fast and customized leasing solutions to SME, commercial and corporate segment customers that contribute to the development of Turkey.

A total of 41.2% of Akbank shares are listed on the Borsa Istanbul (BIST). The Bank’s Level 1 ADRs are traded on the OTC market in the United States. Akbank’s market capitalization was US$ 12.6 billion as of December 31, 2013.

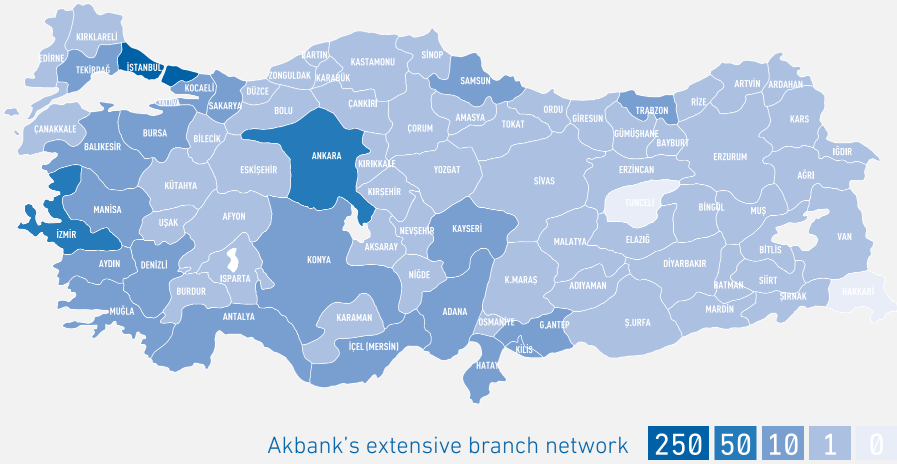

FIRST COMES YOUR TRUST
THEN THE AWARDS
Akbank was named "The Best Bank in Turkey" and "The Most Valuable Banking Brand in Turkey" by five major international organisations.*
Thanks to all our valuable stakeholders, to whom we owe our success.
Brand Finance The Most Valuable Banking Brand in Turkey
The Banker The Best Bank in Turkey
Euromoney The Best Bank in Turkey
World Finance The Best Bank in Turkey
Global Banking & Finance Review The Best Bank in Turkey
*In 2013
www.akbank.com
AKBANK

Our insurance companies, sustained their growth with their
multiple and strong sales channels, while leading their sectors.

Insurance

INSURANCE

The Sabancı Group Insurance Companies Network in Turkey includes 985 Akbank branches, more than 1,900 Aksigorta agencies, and more than 900 Avivasa financial consultants and brand insurance managers.



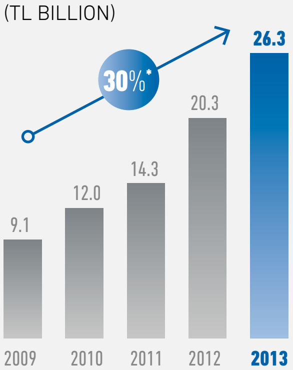
Aksigorta is one of Turkey's best-known companies and has the highest perception of leadership in the insurance sector.

Total underwritten insurance premiums as a percentage of GDP is 7.7% in EU countries, while it is 1.3% in Turkey.

According to Insurance Europe, annual insurance premium per capita in Europe is € 1,828, while it is approximately € 96 in Turkey.

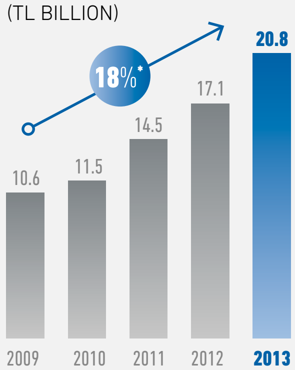
Over the last four years, average annual growth has been 17% in the life segment, 18% in the nonlife segment and 30% in the pension segment.

PENSION FUND SIZE IN TURKEY
(TL BILLION)



* 2009-2013 CAGR

NON-LIFE PREMIUMS WRITTEN IN TURKEY
(TL BILLION)



* 2009-2013 CAGR

Market Leadership

Avivasa is the second largest life and pension insurance company and Aksigorta is the fourth largest non-life insurance company in the Turkish market.

High Brand Awareness

According to the results of the “Brand and Advertisement Awareness” survey conducted by GFK, Aksigorta is one of the best-known companies and has the highest perception of leadership in the insurance sector.

According to the results of brand awareness research reports, Avivasa has shown progress in spontaneous and total brand awareness in the last quarter of 2013. Avivasa has become the most well-known company with 31% share when the word “saving” is suggested. This result increased five points compared to 2012.

Multiple and Strong Sales Channels

With Aksigorta’s more than 1,900 agents and 63 brokers; Avivasa’s more than 900 financial consultants and branch insurance managers; extensive corporate sales, agencies, and telesales channels, Sabancı Group insurance companies are consistently improving their service levels.

Akbank, a Strong Strategic Partner

Of all insurance premiums written in 2013, a total of 23% were written through the bancassurance channel. Aksigorta and Avivasa have exclusivity arrangements with Akbank that provide a sharp competitive edge.

Know-How Transfer From European Partners

European partners, Aviva and Ageas, support Aksigorta and Avivasa in bancassurance, multi-channel management, actuarial and claims management. Additionally, partner support in the reinsurance market also provides competitive advantages.

31%

Avivasa has become the most well-known company with 31% share when the word “saving” is suggested; this result has increased 5 points compared to 2012.

AKSigorta

533

SHAREHOLDERS' EQUITY
(TL MILLION)

1.5

PREMIUMS GENERATED
(TL BILLION)

SERVICES NETWORK

985

AKBANK BRANCHES

1,900+

AGENTS

700

WORKFORCE

Established on April 28, 1960, Aksigorta A.Ş. serves customers across Turkey with 985 Akbank branches, 700 employees, more than 1,900 agents, 63 brokers and over 3,600 contracted institutions. Aksigorta has more than 10,000 stakeholders and the highest brand awareness in Turkey, according to independent public surveys.

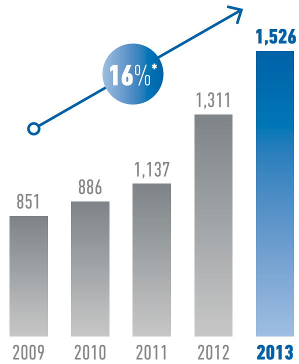
Determined to lead the sector with a contemporary and dynamic brand identity, Aksigorta creates innovative, customer-oriented products and services. It ranks as one of Turkey's leading non-life insurance companies with more than TL 1.5 billion in premiums, a profitable structure and financial strength with approximately TL 533 million in shareholder equity. Based in Istanbul, Aksigorta provides a vast variety of products, from health to travel, motor to compulsory earthquake, business packages to liability insurance to individual and corporate customers across Turkey. It operates from 10 regional offices, four of which are located in Istanbul and the others being in Izmir, Adana, Ankara, Trabzon, Bursa and Antalya. Aksigorta has three representative offices within Turkey.

In 2011, Aksigorta continued to strengthen its market position with the partnership between Sabancı Holding and Belgian Ageas, a world giant with 180 years of experience. This partnership focuses on the development of the sector and broadening public awareness about insurance as well as serving society and becoming the leading insurance company.

With global bancassurance experience, Ageas will contribute to Aksigorta's unique position coming from its stakeholder, Akbank, whose impact in the sector is gaining significance. In 2013, the Company coordinated its field personnel and IT structure with innovative bancassurance sector solutions and increased the production of the banking channel by 26%.

www.aksigorta.com.tr

PREMIUM PRODUCTION
TL MILLION



* 2009-2013 CAGR

In 2013, Aksigorta gross written premiums increased to TL 1,526 million with a growth rate of 16% in 2013.

Aksigorta Service Center and the website of the Company provide 24/7 uninterrupted services, starting from the initial offering through its focus on every detail of the claims management process. In addition, Aksigorta strives to simplify this process, informing clients in a timely manner and contacting them personally to improve customer satisfaction.

Given its philosophy of focusing on customers, Aksigorta has increased service quality and customer satisfaction while continuing to offer auto, household, business and health product services. Aksigorta provides the fastest and highest quality service beginning as soon as it receives claim notification via contracted auto repair and health services associations.

Parallel to its corporate social responsibility approach, Aksigorta developed Turkey's first Fire and Earthquake Simulation Center (YADEM) in 1996. In November 2006, Aksigorta donated YADEM to the Şişli City Hall Science Center with all usage rights. Working toward increased risk and insurance awareness in Turkey, Aksigorta and the Search and Rescue Association (AKUT) developed a social responsibility project known as "Keep Living, Turkey." Aksigorta and AKUT teams have visited 55 provinces and 174 districts with the Disaster Training Convoy providing training about natural disasters and insurance awareness, to 5.4 million individuals.

Aksigorta Service Center and the website of the Company provides 24/7 uninterrupted services, starting from the initial offering through its focus on every detail of the claims management process.

Thanks to investments in IT infrastructure and human resources, Aksigorta differentiated itself with profitable results in the market in 2013 with its focus on profitable channels and products. Utilizing these strategies, Aksigorta plans to maintain its sustainable profitability in 2014.

Through multiple distribution channels, Avivasa serves nearly 2 million customers in the private pension and life insurance sectors.

The Avivasa joint venture came into being when AK Emeklilik, a subsidiary of Sabancı Holding and Aviva Hayat ve Emeklilik, a subsidiary of UK insurance giant Aviva operating in Turkey, combined forces in 2007. It joined other leading private pension and life insurance companies in Turkey under the name of Avivasa Emeklilik ve Hayat.

Conducting its operations through the channels of direct sale, bancassurance, corporate projects, agencies, and telesales, Avivasa serves nearly 2 million customers in the private pension and life insurance sectors. Avivasa's 1,460 strong work force includes more than 900 financial advisors and branch insurance managers.

Avivasa private pension products are also available at the branches of Burgan Bank, Odeabank, and Abank all of which are all global players.

In the bancassurance channel, which has gained greater importance in the new era in the private pension sector that began on January 1, 2013, Avivasa is strengthening its already powerful position in the sector through close collaboration in bancassurance channels with Akbank. In this channel, Avivasa private pension products are also available at the branches of Burgan Bank, Odeabank, and Abank all of which are all global players.

In the direct sale channel, Avivasa serves non-banking customers of varying socioeconomic standings through its financial advisors. As the existing operations are expanded via the agencies, the corporate projects channel introduces private pension and life insurance products to Turkey's leading enterprises. It also plays a pioneering role in transferring the trust funds to the private pension system. The telesales channel reaches different customer segments by offering more affordable products.

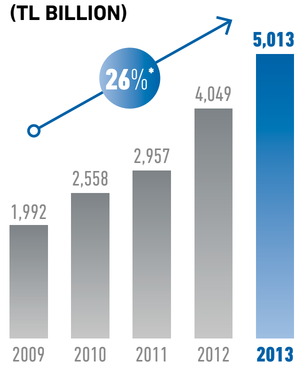
Avivasa boasts a private pension fund size of TL 5 billion with a market share of 19% according to Pension Monitoring Center data from January 3, 2014. These funds are managed by AK Portföy, a Sabancı Group company which is one of the leading firms in the portfolio management sector.

The new law on the private pension system that came into effect on January 1, 2013 has accelerated the sector's growth, thanks to the numerous customer-focused amendments introduced in various areas chief among them being the state contribution.

According to December 2013 data published by HAYMER and the Insurance Association of Turkey, Avivasa also generated TL 211 million in life and personal accident premiums, which translates to a market share of 7%.

Avivasa keeps a close watch on the opportunities in the sector, focuses on developing its distribution channels while investing in technical infrastructure and customer development. With its well-known and highly recognizable brand name, efficient organizational structure, and influence in the market, Avivasa Emeklilik ve Hayat is positioned to seize all opportunities in the most effective manner.

AVİVASA ASSETS UNDER MANAGEMENT (TL BILLION)



* 2009-2013 CAGR

Avivasa increased its Assets Under Management by 24% in 2013.

The leading company in the Turkish electricity sector, Enerjisa, has continued its growth by commencing operations in new power plants and acquiring two new distribution regions.

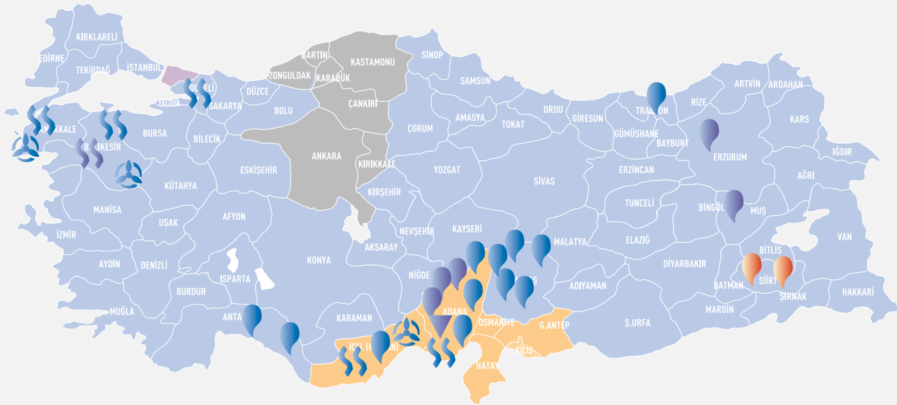
Energy

ENERGY

- Hydro
- Natural Gas
- Wind
- Lignite

- Operational
- In construction
- In engineering study

- Başkent Eletricity Distribution Region
- İstanbul Asian Side Electricity Distribution Region
- Toroslar Eletricity Distribution Region



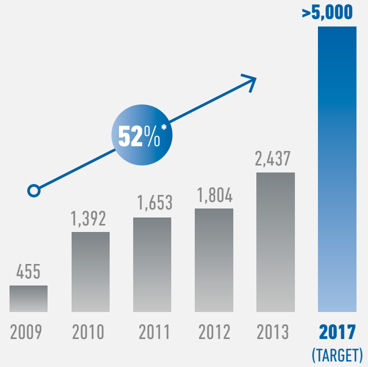
Enerjisa is moving forward to its target of becoming the leading player in the growing and developing electricity market.

Electricity demand in Turkey has grown at one of the highest rates in the world, in parallel with the rapid growth of the Turkish economy, population growth, industrialization and urbanization. On average, electricity demand has increased by an annual growth rate of 6% over the past 10 years, and is forecast to nearly double in the next decade.

Enerjisa is moving forward as the leading player in the Turkish electricity market by pursuing the opportunities offered by the competitive market in the most efficient manner. That market was established in order to meet the growth in demand requiring an investment of US$8-10 billion each year.

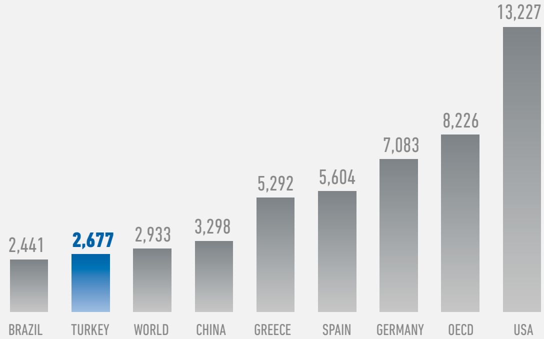
Enerjisa continues its leading role in the growing and developing electricity market of Turkey and is engaged in all segments of the electricity value chain with its efficiency and sustainability oriented generation portfolio and distribution projects, value creation focused trading activities, customer and innovation oriented marketing and sales strategies, and competitive business model.

ENERJİSA INSTALLED CAPACITY (MW)
Enerjisa moves forward to its target of becoming the leading player.



* 2009-2013 CAGR

ELECTRICITY CONSUMPTION PER CAPITA (kWh)
Electricity demand, in parallel with economic growth



Source: IEA "Key World Energy Statistics 2013" (net consumption)

Integrated Business Model

Enerjisa operates in the generation, distribution, trading, wholesale and retail segments of the growing and developing electricity sector of Turkey. Ranked among the leading private generation companies in Turkey, with an installed capacity of 2,437 MW by the end of 2013, Enerjisa reached over 3% market share in electricity generation and over 10% market share in electricity supplies in 2013. Being the pioneer in electricity distribution with the takeover of the Başkent electricity distribution region in 2009, Enerjisa acquired the Ayedaş and Toroslar electricity distribution regions in 2013. Enerjisa provides services to around 9 million distribution customers in 14 provinces, which have a total population of close to 20 million.

Diversified and Efficient Generation Portfolio

Enerjisa's target is an installed capacity of over 5,000 MW in its efficient and competitive portfolio that is diversified in terms of energy resources by 2017. Commissioned by Enerjisa in 2010, Bandırma Natural Gas Combined Cycle Power Plant is the most efficient thermal power plant in Turkey with its efficiency value of 59.3%. The final investment decision was made in 2013 regarding the Bandırma 2 Natural Gas Combined Cycle Power Plant, which will become the most efficient thermal power plant in Turkey when completed. Enerjisa achieved significant impetus in its renewable energy based investments, which have great importance for enhancing energy security and reducing the current account deficit of Turkey. The share of renewable energy power plants in the operational capacity of Enerjisa climbed to 46% in 2013. Enerjisa contributes significantly to the security of the energy supply and sustainable growth of the Turkish electricity sector by implementing highly efficient and environmentally friendly technologies in its generation investments.

Pioneering Applications in Electricity Distribution

Enerjisa performed the first electricity distribution privatization in the sector, with the takeover of the Başkent electricity distribution region in 2009. Enerjisa reached over 20% market share in distribution with the acquisition of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013. The SCADA automation infrastructure commissioned by Enerjisa in the Başkent region represents the first implemented in the Turkish electricity distribution sector. The modules of the SAP ISU software application oriented towards distribution operations were put into service. Studies are ongoing for various advanced automation projects, such as Geographic Information Systems. The Başkent Electricity Distribution Company (Başkent Elektrik Dağıtım A.Ş.) has become the pioneer distribution company in the sector, continuing its innovation, rehabilitation and expansion investments for increasing the quality of electricity supply and ensuring sustainable improvement of theft and loss ratios. Enerjisa continues its investments and activities to bring the newly acquired distribution companies to high standards, similar to what has been achieved in the Başkent region, by implementing technology and efficiency focused investments and operations to improve service quality. Enerjisa provides electricity distribution services to around 20 million people in 14 provinces, pursues its pioneering role in electricity distribution, and targets to achieve service quality levels that will be considered a model in Europe.

Innovation and Differentiation in Electricity Supply

Enerjisa provided more than 10% of the supplies for final electricity consumption in Turkey in 2013. Creating value through its innovative applications in electricity sales, Enerjisa differentiates itself within the market through its customer and market oriented business model and sales approach, sales related infrastructure utilizing state-of-the-art technology, as well as products, services and solutions developed to meet the needs and demands of customers. The Enerjisa sales team develops through programs such as the Retail Academy, developed jointly with Sabancı University. Enerjisa also performs wholesale activities in parallel with emerging commercial opportunities in the electricity market and continues to create value through other activities, such as cross-border electricity sales and development of carbon offset certificates.

Highly Skilled Work Force

Enerjisa strengthens its position of leader and pioneer in the Turkish electricity market by recruiting and retaining highly skilled employers and ensuring their continuous development.

ENERJISA

Enerjisa became one of the leading players in growing and developing the Turkish electricity market through its efficiency and technology focused generation and distribution investments and competitive strategies.

Enerjisa commissioned seven hydroelectric power plants and brought its Balıkesir wind power plant to full capacity in 2013, thus reaching 2,437 MW in operational installed capacity.

Enerjisa has reached 9 million distribution customers and provides electricity distribution services to a population of nearly 20 million in 14 provinces.

Enerjisa was founded in 1996 as an autoproducer company for supplying the electricity needs of Sabancı Group Companies and became one of the leading players of growing and developing Turkish electricity market through its integrated structure targeting value creation along the electricity value chain, customer and market oriented business models, efficiency and technology focused generation and distribution investments, and competitive strategies.

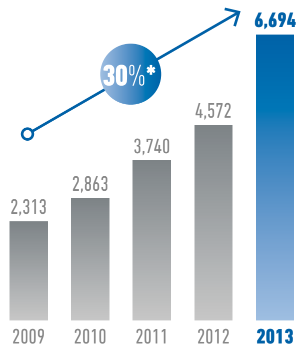
Sabancı Holding signed a partnership agreement with E.ON, one of the largest private electricity and natural gas companies, in December 2012, following Verbund's strategic decision to transfer its stake in Enerjisa to E.ON. E.ON became a 50% shareholder of Enerjisa in April 2013.

Enerjisa commissioned seven hydroelectric power plants and brought its Balıkesir wind power plant to full capacity in 2013, thus reaching 2,437 MW in operational installed capacity. With its power plants under construction and generation projects in engineering stages, Enerjisa has secured a generation portfolio of 5,000 MW. Enerjisa aims at increasing its generation capacity to 7,500 MW through a diversified, highly efficient and competitive portfolio composition strategy.

Enerjisa has been a pioneer in electricity distribution since the acquisition of Başkent Electricity Distribution Company in 2009, the first distribution privatization tender to occur in the Turkish electricity sector. Enerjisa has reached 9 million distribution customers and over 20% share in total electricity distribution in Turkey through takeovers of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013 via privatizations tenders. Pursuing technology and efficiency focused investments and customer oriented, pioneering approaches, Enerjisa provides electricity distribution services to a population of nearly 20 million in 14 provinces.

www.enerjisa.com.tr

CONSOLIDATED SALES
TL MILLION



* 2009-2013 CAGR

The efficient and environmentally sound generation capacities, carbon offset opportunities provided by renewable energy power plants, technology and efficiency focused electricity distribution investments and operations of Enerjisa are among its key contributions to sustainability.

The business scope of Enerjisa as an integrated player in the electricity market has been extended to include natural gas imports, wholesale and trading so it can become a player in the natural gas sector of Turkey.

The activities for electricity generation, trading, distribution, sales and natural gas are carried out by companies under the parent company, Enerjisa Enerji A.Ş.

Enerjisa aims at pursuing opportunities in the sector to continue creating value for its shareholders, customers, employees, suppliers and the whole of society. Strengthening and sustaining its competitive position in the market by continuously improving processes and systems are among the main objectives of Enerjisa. Enerjisa aims to become the preferred supplier in its all operations.

Enerjisa reached over 3% market share in electricity generation and over 10% in final electricity consumption in 2013. Consolidated sales of Enerjisa companies totaled nearly TL 6.7 billion.

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ELECTRICITY GENERATION

Creating value through its diversified, efficient and competitive generation portfolio, Enerjisa has secured its target of reaching over 5,000 MW of installed capacity with power plants under construction and generation projects in engineering stages.

Enerjisa was established in 1996 to explore new business opportunities in the energy sector and to operate as a reliable and capable supplier of energy. The portfolio of Enerjisa Power Generation, which has rapidly grown since 2006, reached a total installed capacity of 2,437 MW by the end of 2013. The portfolio is composed of five natural gas combined cycle power plants operating in Kocaeli, Adana, Çanakkale, İçel and Bandırma with a total installed capacity of 1,306 MW; hydroelectric power plants operating in Adana, Antalya, Kahramanmaraş, İçel and Trabzon with a total installed capacity of 919 MW; and wind energy power plants operating in Balıkesir, Çanakkale and İçel with a total installed capacity of 212 MW.

Creating value through its diversified, efficient and competitive generation portfolio, Enerjisa has secured its target of reaching over 5,000 MW of installed capacity with power plants under construction and generation projects in engineering stages.

Enerjisa provides an important contribution to secure, efficient and competitive electricity supply for Turkey.

ELECTRICITY TRADING

Enerjisa protects the value of its electricity generation and optimizes its portfolio by operating in the over-the-counter (OTC) market, spot market and balancing market, using different segments of the developing electricity market.

Focusing on the trading opportunities in the electricity market, Enerjisa performs electricity wholesale activities and also creates value with cross border electricity trade operations and developing carbon offset certificates. In addition, Enerjisa also provides risk management solutions to its clients and business partners.

Enerjisa optimizes its portfolio by operating in the over-the-counter (OTC) market, spot market and balancing market, using different segments of the developing electricity market.

ELECTRICITY SALES

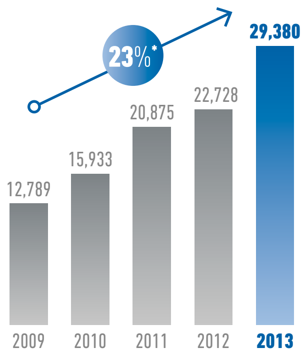
Enerjisa's sales operations are aimed at end user customers through its companies with supplier licenses.

Enerjisa as the authorized supplier to non-eligible customers in the Başkent Distribution Region covering the provinces of Ankara, Zonguldak, Bartın, Karabük, Kırıkkale, Çankırı, and Kastamonu; the AYEDAŞ Distribution Region covering the Anatolian side of Istanbul ; the Toroslar Distribution Region covering the provinces of Adana, Mersin, Hatay, Gaziantep, Kilis and Osmaniye; and as the last resort supplier to eligible consumers in these regions.

Enerjisa sells electricity to eligible customers, who are free to choose their supplier in the competitive electricity market, through bilateral agreements with the terms completely determined based on free market conditions. Enerjisa conducts its sales operations with the highest level of customer satisfaction in mind.

Enerjisa creates value through its innovative applications in electricity sales and differentiates itself through its market and customer focused business model and approach, sales infrastructure utilizing high technology, as well as products, services and solutions it has developed in order to address customer needs and demands. The Enerjisa sales team develops through programs such as the Retail Academy, developed jointly with Sabancı University.

ENERJİSA TOTAL ELECTRICITY SALES VOLUME (GWh)



* 2009-2013 CAGR

Enerjisa creates value through its innovative applications in electricity sales and differentiates itself through its market and customer focused business model and approach, sales related infrastructure utilizing high technology, as well as products, services and solutions it has developed in order to address customer needs and requests.

ELECTRICITY DISTRIBUTION

Enerjisa performed the first electricity distribution privatization in the sector through the takeover of Başkent Electricity Distribution Co. Inc. (Başkent EDAŞ) in 2009. With the acquisition of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013, Enerjisa reached over 20% market share in the Turkish electricity distribution sector.

Enerjisa aims to lead the Turkish electricity sector with an integrated strategy in electricity generation, distribution, trading and sales.

In line with this strategic target, Enerjisa performed the first electricity distribution privatization in the sector, with the takeover of Başkent Electricity Distribution Co. Inc. (Başkent EDAŞ) in 2009. With the acquisition of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013, Enerjisa reached over 20% market share in the Turkish electricity distribution sector.

Enerjisa provides electricity distribution services to around 20 million people in 14 provinces and pursues its pioneer role in electricity distribution with its technology and efficiency focused investments and distribution operations targeting improved service quality.

Başkent Electricity Distribution Company
In terms of the size of the distribution grid and the geographic area served, the Başkent Electricity Distribution region is the largest in Turkey with a distribution grid of over 100,000 km in 2013. It provides the infrastructure to enable around seven million people to have access to electricity. Enerjisa plans to make a TL 1.5 billion capital investment within the 2011-2015 tariff period, which equals a two-time increase compared with the previous five-year tariff period. Capital expenditures of nearly TL 275 million for expansion, refurbishment and improvement of the distribution network were made in 2013.

Enerjisa performs technology focused investments and innovative applications to improve the quality of service in the Başkent Electricity Distribution Area. The first SCADA automation infrastructure in electricity distribution in Turkey was put into operation in the Başkent Electricity Distribution Area. Furthermore, the modules of the SAP ISU software application oriented towards distribution operations were launched. Thus, Başkent Electricity Distribution became the first distribution company to integrate the distribution processes in Turkey with its enterprise resource planning software to establish a holistic infrastructure of information systems. The SAP based "Work Force Management" system was put into place and improves the service quality. There are also ongoing studies relating to various advanced automation projects, such as Geographic Information Systems and projects for remote meter reading.

Istanbul Anatolian Side Electricity Distribution Company
Enerjisa won the distribution tender, with the highest offer, to take over 100% of the shares the of Ayedaş Electricity Distribution Company, which distributes electricity in the Anatolian part of Istanbul. The takeover process was completed on July 31, 2013.

Access to electricity is provided for about 5 million people on the Anatolian side of Istanbul, with an approximately 18,500 km long distribution grid.

Toroslar Electricity Distribution Company
Enerjisa won the distribution tender, with the highest offer, to take over 100% of the shares of Toroslar EDAŞ, which distributes electricity in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces. The takeover process was completed on September 30, 2013.

Access to electricity is provided for about 8 million people with an approximately 76,000 km long distribution grid.

Enerjisa aims to provide distribution services in the Ayedaş and Toroslar distribution regions at European standards and will implement SCADA, GIS, AMRS, Workforce Management System, as well as SAP based, new information systems infrastructure.

NATURAL GAS

Enerjisa Natural Gas Wholesale Company was founded in 2004 in order to secure the supply of natural gas and other fuels for existing and future Enerjisa power plants in a reliable and cost effective manner, including fuel supply contracts, medium and long term fuel supply strategies and development of fuel optimization systems. The company provides consulting to other Enerjisa companies for management of relevant risks.

Enerjisa Natural Gas Wholesale Company was granted a 10-year license for import (spot LNG) by the Energy Market Regulatory Authority in 2010. Enerjisa Natural Gas Wholesale Company sells natural gas to Enerjisa natural gas power plants and third parties and also focuses on natural gas trading opportunities for its portfolio optimization. Enerjisa aims to realize new opportunities which could emerge with the liberalization of the Turkish natural gas market for contributing to security and competitiveness of natural gas supplies.

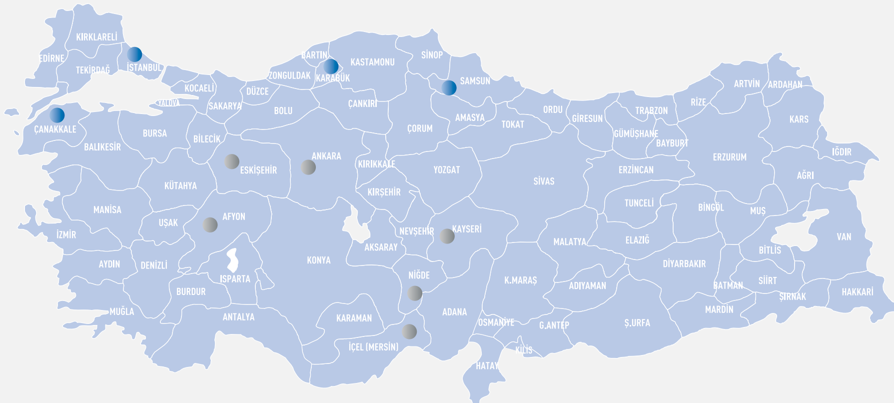
Enerjisa aims to realize new opportunities in natural gas.

Akçansa included the third bridge across the Bosphorus in İstanbul to its portfolio of significant projects.

The leading company in the Turkish white cement market, Çimsa is one of the two major producers in the world.

Cement

CEMENT



Akçansa Plants

Çimsa Plants

The young population, growing number of infrastructure projects and targeted urban transformation in Turkey will continue to increase the demand for cement.

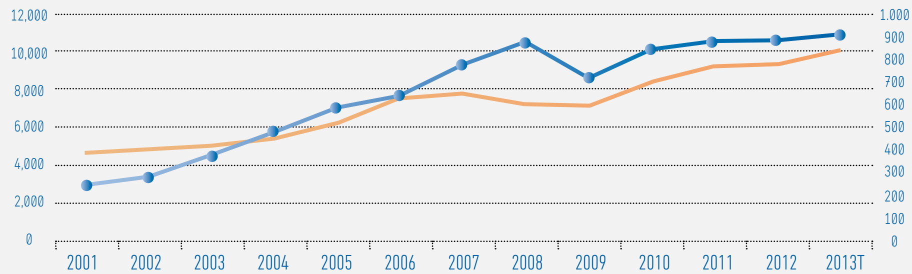
Cement consumption per capita in the developing countries generally increases over, or in parallel to, GDP per capita.

Cement consumption per capita in Turkey increased to 835 kg in 2013, with average annual growth of 7% during the last ten years. The young population, growing number of infrastructure projects and targeted urban transformation in Turkey will continue to increase the demand for cement.

Turkey was one of the largest exporters of cement in 2013 with 12 million tons of cement and clinker being exported.

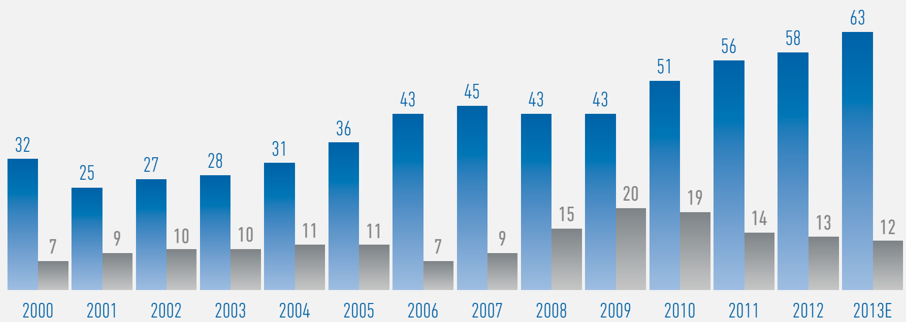
DOMESTIC CEMENT DEMAND INCREASES IN LINE WITH THE GROWTH IN GDP PER CAPITA

- GDP per capita (US$)
- Cement consumption per capita (kg)



DEMAND FOR CEMENT IS STEADILY INCREASING

- Domestic consumption (million tons)
- Cement and clinker export (million tons)



Market Leadership

Sabancı Group cement companies make up 18% of Turkey's total clinker production capacity and are market leaders in their respective geographic regions.

Sustainability

In line with its philosophies around sustainability, Çimsa is the first Turkish company joining the Cement Sustainability Initiative (CSI) operating under the auspices of the World Business Council for Sustainable Development (WBCSD); the company has made a total environmental investment of TL 115 million over the last five years. The two waste heat power plants in Mersin; Hot Disc Automatic Waste Feeding System, and RDF (Refuse Derived Fuel) Preparation Facility in Eskişehir; the Kayseri plant rotary furnace electrofilter transformation into bags filters, dedusting our cement ready-mixed concrete and aggregate facilities; and environmental investments are among the main investments.

In the GRI 2012 Sustainability Report, Çimsa was graded with a score of A+.

Attending the Blue Barrette Occupational Safety Competition this year, where the leading facilities in occupational health and safety are recognized for their accomplishments, with four ready-mixed concrete facilities throughout Turkey: Tece Ready-Mixed Concrete Facility ranked first with a full score of 100; Aksaray Ready-Mixed Concrete Facility ranked second with a score of 99; and Pamukova and Misis Ready-Mixed Concrete Facilities ranked third with a score of 98.

Wide Network of Operations

Sabancı Group cement companies operate in five geographic regions in Turkey: Marmara, Mediterranean, Interior Anatolia, Black Sea and Aegean. This provides flexibility in operations and the diversification of risks by covering a wider market.

Logistics Advantages

Sabancı Group cement companies are differentiated from their competitors in export potential through their port and terminal facilities. Akçansa has critical advantages through its port facilities at Çanakkale and Ambarlı. Çimsa has eight terminals located abroad creating competitive advantages vis-a-vis competitors.

Differentiated Products

Çimsa, the leader of the white cement market in Turkey, is also one of the two important producers of the product globally with its terminals located abroad. Çimsa is the first cement company in Turkey to receive the "Environmentally Friendly Product" award. Akçansa continues to offer specific solutions for specific needs with its special products in ready-mixed concrete.

AKÇANSA

1,202

TOTAL SALES REVENUE
(TL MILLION)

159

NET PROFIT
(TL MILLION)

6,500

CLINKER CAPACITY
(THOUSAND TONS/YEAR)

Formed with the merger of Akçimento and Çanakkale Çimento in 1996, Akçansa is the leading cement producer in Turkey. The Company is a Sabancı Holding and Heidelberg Cement joint venture.

Operating in the Marmara, Aegean and Black Sea regions of Turkey, Akçansa produces cement at its Istanbul, Çanakkale and Ladik plants, and ready-mixed concrete at nearly 40 ready-mixed concrete plants under the "Betonsa" brand. Operating out of the Ayazağa, Bursa and Saray aggregate quarries as "Agregasa", Akçansa operates five cement terminals in Ambarlı, Aliağa, Yarımca, Yalova and Hopa. The Karçimsa cement grinding and packaging plant has been operational since 1998 after the formation of a partnership between Karabük Demir Çelik İşletmeleri (49%) and Akçansa (51%).

Akçansa utilizes state-of-the-art technology in its environmentally friendly facilities to meet customer expectations and emphasize service quality. The Company's total production in 2013 met 12% of Turkey's total cement consumption. In 2013, Akçansa's cement and clinker sales were 5.9 million tons in the domestic market and 1.8 million tons in export markets. The total revenue of the Company was TL 1,202 million in 2013.

In parallel to expanding growth targets, new ready-mixed concrete and aggregate plants were added to the sales network. Continually extending its range of special products in the field of ready-mixed concrete, Betonsa has differentiated itself from the competition by finding innovative, special solutions for its customers. Annual ready-mixed concrete sales have reached 5 million cubic meters.

The leading building materials company of Turkey, Akçansa included the third bridge across the Bosphorus in Istanbul to its portfolio of significant projects. Akçansa produced special concrete and cement for the longest reinforced concrete bridge in Turkey, which is the widest in the world and second highest in Europe. The construction of the bridge started on May 29, 2013.

www.akcansa.com.tr

The cement produced by Akçansa for the third bridge on the Bosphorus with an abutment height of 330 meters is resistant against any kind of physical and chemical action and will allow the concrete to last the project's anticipated 120 year lifespan. With impermeability proven in all tests, the concrete has a C50 strength class and will resist corrosion caused by chlorine ions in the sea. The 100+Beton products, which Akçansa will supply with the Betonsa brand, has a high technical strength and is known for its high durability and resistance against environmental factors.

Leading Turkey with its operations in alternative fuel and raw material use, which is vital for protecting the environment and natural resources, Akçansa continued these efforts in 2013. The TL 11 million Alternative Fuel Preparation and Feeding Facility commissioned in Çanakkale in 2013 is the first and only facility in Turkey that is able to shred and burn tyres. Some 37 thousand tons of petroleum coke coal will be substituted with the use of alternative fuel for the furnace.

Akçansa continues with all efforts it has implemented regarding sustainability. In the report resulting from the Carbon Disclosure Project (CDP), the most reputable environmental initiative in the world, Akçansa has become one of the leading companies in Turkey by voluntarily responding to CDP, as it has for the last three years. Akçansa ranked among the most transparent companies with a score of 71 last year. In addition ISO 50001 Energy Management Certification has been received for all three factories in Çanakkale Port in 2013. An Environmental Product Declaration has been obtained from IBU for CEMI 42.5R and CEMII 42.5 A/S products and these products have started to be supplied for Green Building projects.

In an industry where there may not be much to differentiate competitors, Akçansa aims to be the company with the highest quality in production and service to meet the demands of its customers and to compete beyond price.

As a first in the Turkish cement industry and heavy industry, Akçansa has published a sustainability report for the public.

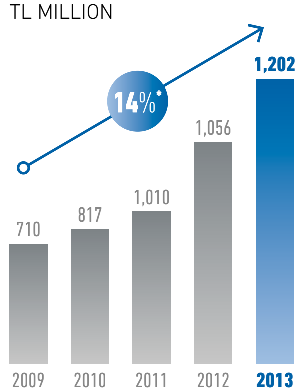
Ranked 75th in "Turkey's Top 500 Industrial Enterprises" list prepared by the Istanbul Chamber of Industry, Akçansa was named "Most Admired Company" for the 12th time in its industry in 2013 by Capital Magazine.

Akçansa received awards in the most environmental and innovative product category by the Istanbul Chamber of Industry for its Safkan Cement product. Akçansa also received awards in the Blue Baret Occupational Safety Contest by the Turkish Ready-Mixed Concrete Association for its ready-mixed concrete facilities in Büyükçekmece, Kemerburgaz and Samsun.

Akçansa placed first in the Golden Collar Awards, organized by Sabancı Holding to award the successful companies and their employees, in the "Investing in Human Resources" and "Synergy" categories.

Akçansa shares are listed on Borsa Istanbul with a free float of 20.6%.

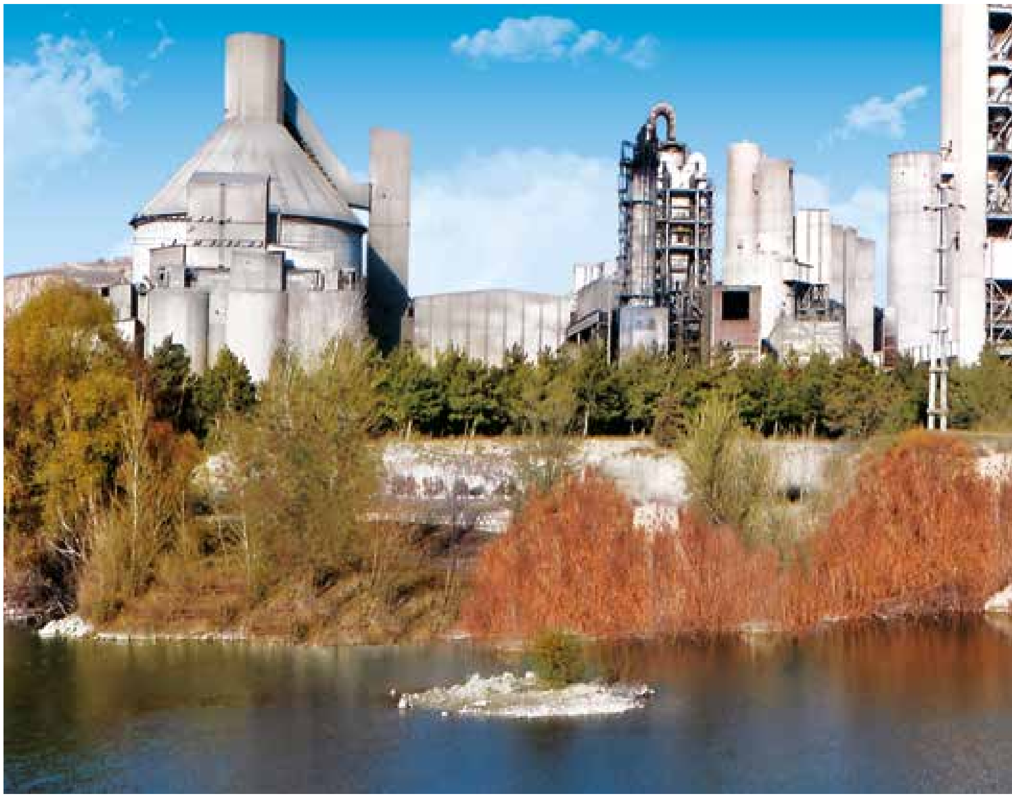
TOTAL SALES REVENUE
TL MILLION



* 2009-2013 CAGR

Akçansa increased its sales revenue by 14% in 2013.

Akçansa included the third bridge on Bosphorus in İstanbul to its portfolio of significant projects.



954

TOTAL SALES REVENUE
(TL MILLION)

302

NET PROFIT
(TL MILLION)

5,500

CLINKER CAPACITY
(THOUSAND TONS/YEAR)

Starting its operations in 1972, Çimsa is an international cement and building materials company that has grown continuously by creating a difference in the industry, with more than 40 years of experience, broad product range, innovative employees and a human and environmentally conscious approach.

Çimsa meets the product and service needs of its customers with its market oriented approach and wide distribution network.

Recognized as one of the leading companies in the Turkish industry, Çimsa carries out its operations with five integrated plants in Mersin, Eskişehir, Kayseri, Niğde and Afyonkarahisar; one grinding facility in Ankara; its Marmara terminal and Malatya Cement Packaging facility and international cement terminals.

With special products, such as white cement and aluminate cement in addition to gray cement, in its portfolio, Çimsa is one of the two major brands in white cement worldwide. The company leads the Turkish cement and ready-mixed concrete industry with its achievements in innovation.

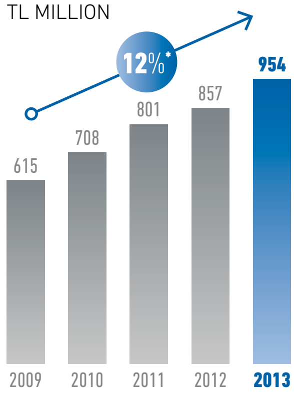
In today's business world, new opportunities arise with the continuous change in competitive conditions and customer expectations. Çimsa evaluates these for building living areas and required infrastructure needed by the next generation, and assumes responsibility for the future as much as today.

Considering sustainability management as an integral part of its business culture, Çimsa transparently shares its progress with the public. The company has published its Sustainability Report 2012 in the Global Reporting Initiative (GRI) with an A+ level, where it shares the results of the projects implemented to date, and has led the way for the cement industry in this regard.

In line with its philosophy around sustainability, Çimsa is the first Turkish company to join the Cement Sustainability Initiative (CSI) operating under the auspices of the

→ *www.cimsa.com.tr*

TOTAL SALES REVENUE
TL MILLION



* 2009-2013 CAGR

World Business Council for Sustainable Development (WBCSD) and has made a total environmental investment of TL 115 million over the last five years. The two waste heat power plants in Mersin; the Hot Disc Automatic Waste Feeding System and RDF (Refuse Derived Fuel) Preparation Facility in Eskişehir; the Kayseri plant rotary furnace electrofilter transformation into bags filters, de-dusting our cement, ready-mixed concrete and aggregate facilities; and environmental investments are among the main company's main investments.

Çimsa increased sales by 11% in 2013.

Setting its target for the next three years as "growing profitably and becoming an international cement and construction materials company leading the industry for a livable future", Çimsa aims to create value for all of its stakeholders with products and services developed in line with the changing expectations and needs of its customers.

Çimsa has strengthened its position as one of the leading companies of the industry with its performance in 2013. Çimsa increased its clinker production capacity to 5.5 million tons in 2013 and grew its ready-mixed concrete capacity to 2.6 million m^3. The sales revenue of Çimsa in 2013 was TL 954 million, with a 26% share of exports in total sales revenue.

Çimsa set its target for the next three years as "growing profitably and becoming an international cement and construction materials company leading the industry for a livable future."

Çimsa has a presence in more than 55 countries, with its subsidiaries and terminals operating in locations such as Trieste (Italy), Seville and Alicante (Spain), Emden (Germany), Constanta (Romania), Novorossiysk (Russia) and Famagusta (TRNC); the company also has the capability to sell its products under its own brand and lead R&D activities. In addition to EC and CE certification required for introducing cement products to EU country markets, Çimsa also has Kitemark quality certification and takes firm steps towards being more effective and active in international markets.

Successfully representing the Turkish cement industry in international markets, Çimsa applies the quality management system, environmental management system and occupational health and safety system.

Çimsa shares are listed on Borsa Istanbul with a free float of 41.5%.

Teknosa was identified as the “Top of mind technology products retailer” by Ipsos in 2013.

Carrefoursa is the first brand to introduce the Turkish consumer to hypermarkets.

Retail

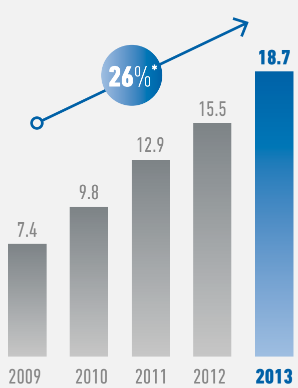
RETAIL

Teknosa and Carrefoursa stores are present in 77 provinces.

A Sector With High Growth Potential: Electronics Retailing

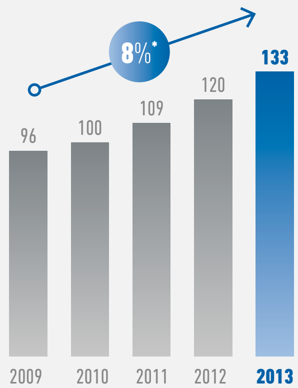
Electronics retailing is a very attractive sector with high growth potential. Turkey's annual technology expenditure per capita is around € 120 while the EU average is about € 360. Having the second largest and the fastest growing population in Europe, half of the population being under 30 years of age and faster GDP growth than Europe all support the growth of the Turkish market.

ELECTRONICS RETAILING TURNOVER IN TURKEY
TL BILLION
The electronics retail market grew by 20% and 21% in 2012 and 2013, respectively.



* 2009-2013 CAGR

FOOD RETAILING TURNOVER
TL BILLION
Food retailing, with annual revenues of approximately TL 133 billion, makes up a substantial part of the retail sector.



* 2009-2013 CAGR

Only 35% of Food Retailing is Organized

Turkey's food retailing market is still dominated by local grocery stores and open air markets. On the other hand, organized retailing, with a 35% share, is growing fast and attracting investors. Increasing income levels, urbanization, increased price sensitivity of consumers and a rapidly growing discount market segment all contribute to the growth of organized retailing. The number of organized retailing stores has increased by 15% annually since 2000.

Strong Brands

Teknosa was identified as the "Top of mind technology products retailer" by Ipsos in 2013. Carrefoursa is the first brand to introduce the Turkish consumer to hypermarkets.

Geographic Coverage

Sabancı retail companies are present in 77 provinces in Turkey with 244 grocery stores and 294 technology stores as of the end of 2013.

Multi Formats

Sabancı retail companies have a variety of formats in all segments. Teknosa operates Standard, Extra and Exxtra stores with different formats. Carrefoursa operates hyper- and supermarkets.

Strong Position in the Sector

Teknosa is the leading technology retailer in Turkey. Carrefoursa is among the major players in the organized food retailing sector.

294 Sabancı retail companies provide services to consumers with 294 technology stores as of 2013.

244 Sabancı retail companies provide services to consumers with 244 grocery stores as of 2013.

2,957

TOTAL SALES REVENUE
(TL MILLION)

57

NET PROFIT
(TL MILLION)

294

NUMBER OF STORES

166

SALES AREA
(1.000 M^2)

⟶ *www.teknosa.com*

Established in 2000 with 100% Sabancı Holding and Sabancı Family capital, Teknosa is guided by its philosophy, "Technology for Everyone." Currently holding the top spot among technology retailers in Turkey, Teknosa has grown into 294 stores in 77 provinces, from its humble beginning of five stores in 2000.

Teknosa offers a distinctive and enjoyable shopping experience with a net sales area of approximately 166,000 square meters with its broad product mix. Teknosa stores were visited by 108 million shoppers in 2013. Offering the latest technology to consumers and assisted by 4,000 employees, Teknosa closed 2013 with sales of TL 3 billion.

On May 17, 2012, the IPO of Teknosa was completed with a free float rate of 10%. Since its IPO, Teknosa shares have been among the strong market outperformers on the BIST.

Teknosa continues investing in Teknosa Academy, established in 2005, and targets the creation of a platform for career planning and supplying a qualified labor force. The objective of Teknosa Academy is to train the retailers of the future by informing employees of new developments in the retail sector, and helping them to hone their skills. In addition to the management training programs, education for professional and personal development is also provided. Teknosa Academy is the first educational institution in the sector; it has graduated approximately 10,000 trainees since its establishment. Teknosa founded the first Assessment Center in the industry within Teknosa Academy in 2007. It provides employees with efficient and appropriate career planning opportunities starting from their first day at work.

Leading the industry, Teknosa runs its operations utilizing a customer-oriented scientific retailing approach. The Company meets its customers' after-sales needs and expectations with services provided by TeknoAsist. Customer requests are fielded at TeknoAsist service points in the stores, as well as through the 444 55 99 24/7 Hot Line. Teknosa also provides 24/7 services and a wide range of technology products to its customers through the www.teknosa.com online store.

Tekno Garanti is another service provided by Teknosa to its customers, enhancing the warranty period of products purchased from Teknosa up to five years. The Company provides many additional benefits such as insurance against accidental damages and theft, unlimited repair service at home and immediate replacement in order to ensure customer satisfaction.

Teknosa also provides after-sales services on customer premises (whether office or home) via the "Teknosa Service Packages" for many product groups, including TVs, projectors, computers, home entertainment systems, satellite receivers and cellular phones. The company continues to introduce new packages based on consumer needs.

Orange Card, a customer relationship management (CRM) activity by Teknosa, involves a customer database used to generate information about customer expectations and purchasing habits. Customers are segmented based on their shopping habits. As of year-end 2013, Teknosa Card holders numbered 3.8 million. The card utilization rate on sales reached 65% by the end of its fifth year. The Teknosa Card program has achieved an incomparable success within the retail market with the respective usage ratio.

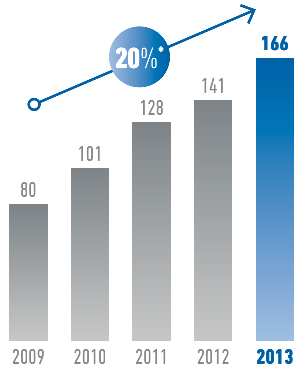
Teknosa has the largest logistics center in its sector. The center, where all logistics operations of Teknosa is managed, is located in Gebze with a 30,000 square meters indoor area and 62,000 square meters of total area. An additional 10,000 square meters of warehouse area was also allocated for İklimsa in 2013. The logistics center is connected to all stores and manages their activities via IT support.

Teknosa is the only retailer in Turkey with the ISO 9001:2008 Quality Management System, ISO 27001:2005 Information Security Management System and the ISO 10002:2004 Customer Complaints Management System certifications.

The Company has been a pioneer and a leader on social media platforms since January 2010. Its Facebook page is "liked" by over 1.7 million people and the number of Twitter followers reached more than 165,000 as of the end of December 2013.

In tandem with the ascending profile of Teknosa.com, e-commerce company Kliksa has recorded rapid growth since its founding on March 2012, concluding the year with a six-fold growth rate. Kliksa has strengthened its position on the market by reaching 23 million individual users in 2013. Currently, over 250,000 products are on display at Kliksa.com including the categories of consumer electronics, mother-baby products, toys, automotive accessories, sports-outdoor, watches and glasses. The Company is committed to its target of maintaining rapid growth in 2014 by increasing the number of categories, as well as broadening its product range with a fast delivery system.

NET SALES AREA
THOUSAND M²



* 2009-2013 CAGR

Teknosa increased its sales area by 18% in 2013.

Teknosa offers a distinctive and enjoyable shopping experience with a net sales area of approximately 166,000 square meters with its broad product mix.

Teknosa also won an award in "The Brands Most Preferred by Customers" in Electronic Retail Category based on research undertaken by GFK and The Shopping Center Investors Association.

Teknosa ranked 46th among the 500 companies included in the "Turkey's Largest Companies" list prepared by Fortune Turkey in 2013, while placing 51st on a similar list prepared by Capital 500 magazine. Teknosa also placed 7th in "Top 500 Information Companies Research" compiled by Interpromedya. In addition, Teknosa has also received the "Corporate Social Responsibility" award given by the European Commission, CSR Europe and the Business in the Community with its "Technology for Women" project; "Master Owl" award presented by the Turkish Researchers Association's (TUAD) "Owl Rewards" for the "Technology Market Store Design Research" project; the grand prize in the "Viral Project - Consumer Goods" category and the silver reward in "Retail, Sales and E-commerce" in the Film&TV category and bronze award in Digital On-line Video category for the "My Mom - The Latest Technology" commercial in the" Crystal Apple Creativity Awards." The same commercial also won first place in the Retail and E-commerce and The Most Creative Viral Project categories at the Medicat Felis Awards.

Teknosa also won an award in "The Brands Most Preferred by Customers" in Electronic Retail Category based on research undertaken by GFK and The Shopping Center Investors Association.

Teknosa, the leader of the Turkish technology retail market, undertakes social responsibility projects to serve society and enable the mass utilization of technology in many areas including education, sports, environment and the arts. Free-of-charge computer training programs have been conducted for women in various provinces around Turkey since 2007 as part of the Technology for Women Project. Technology for Women training programs were conducted in Sivas, Bartın, Bayburt, Kayseri, Bitlis and Tokat in 2013. To date, the number of trainees has exceeded 13,000 in 49 provinces. Teknosa deeply believes that these training programs will encourage women, and help them build self-esteem in their adaptation to social and business life. In that regard, Teknosa has opened stores where only women work called "Teknosa's Angels" in order to increase women's interest in technology in the technology retail sector, where men are thought to have the expertise.

Another social responsibility project by Teknosa, the Rare Works of Art Project, includes technological support to the Library of Rare Works of Art at Istanbul University by scanning nearly 100,000 piece into digital media. The project aims to save these publications from being lost due to the destructive effects of time and to pass them on to the next generations as valuable resources.

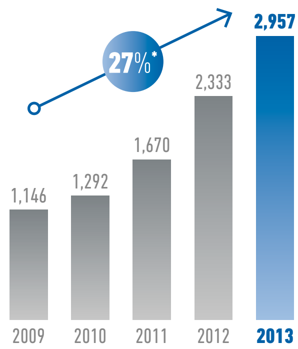
Teknosa has supported Turkish sports and athletes since 2007 and provides infrastructure support as the Official Technology Supplier for the Turkish National Teams, in accordance with the collaboration agreement signed with the Turkish Football Federation.

Teknosa also aims to be a role model for other companies in the sector, with its approach and activities toward environmental responsibility. The Company introduced a “first” in the sector in 2009 by offering recycled bags to its customers along with activities related to the collection and recycling of batteries and electronic waste via its stores and at its comprehensive logistics network. It collects waste materials in an environmentally responsible way, even picking up these materials from premises when necessary. The Company continued its pro-environmental activities and innovative projects in 2013.

In addition to the Teknosa technology retail chain, Teknosa A.Ş. also represents the İklimsa brand in the air-conditioning sector. Positioned as the Air-Conditioning Center of Turkey, İklimsa offers customers the world’s leading air-conditioning brands housed in distinctive showrooms, backed by Sabancı Holding’s 29 years of experience in the air-conditioning sector. Its product portfolio includes Mitsubishi Heavy Industries, General, Sharp, Sigma (private label brand), Tronic (private label brand), A/C Systems, and Sharp refrigerators. İklimsa offers nearly 200 models under five different brands from 215 authorized dealers in 50 provinces and 222 authorized services in 62 provinces throughout Turkey. The brand also prioritizes after-sales services for customer satisfaction, offering outstanding service quality to its customers all over Turkey.

Teknosa is committed to its target of creating sustainable leadership and customer loyalty in 2014 and aims to expand its store chain throughout Turkey. In 2014, the Company will accelerate efforts regarding new store investments, enrichment of its after-sales services and enhancement of its infrastructure, and conduct its operations in accordance with its growth targets.

SALES
TL MILLION



* 2009-2013 CAGR

Teknosa net sales increased to TL 2,957 million with growth of 27% in 2013.

Teknosa is committed to its target of creating sustainable leadership and customer loyalty in 2014 and aims to expand its store chain throughout Turkey.

Carrefour SA

2,601

TOTAL SALES REVENUE
(TL MILLION)

244

NUMBER OF STORES

368

TOTAL SALES AREA
(THOUSAND M^2)

Carrefoursa is a joint venture between Sabancı Holding and Carrefour, the top retailer in Europe and the second largest in the world with approximately 10,000 stores in 34 countries. Sabancı Holding signed a Share Purchase Agreement in April 2013 with respect to the acquisition of a 12% stake of Carrefour Group in Carrefoursa. Following the completion of the transfer of shares in July 2013, Sabancı's shareholding in Carrefoursa reached 50.79% and Sabancı undertook the management of Carrefoursa. Sabancı Holding raised its stake in Carrefoursa from 50.79% to 50.93% after a mandatory tender call in October 2013.

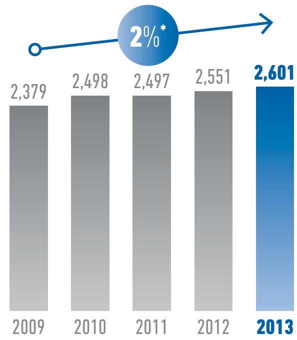
The mission of Carrefoursa is to be a retailer that puts its customers at the very heart of its operations, creates value for all its stakeholders and achieves sustainable profitability and growth.

The flagship format hypermarkets operating under the roof of Carrefoursa, with sales areas ranging from 2,000 to 15,000 square meters, carry a wide assortment of food and non-food products with up to 40,000 stock-keeping-units (SKUs) at the lowest prices under one roof. Supermarkets, with between 500 and 2,000 square meters of retail space, offer an impressive assortment of fresh food and provide consumers with convenient shopping at the lowest prices.

Carrefoursa generated sales revenue of TL 2.6 billion in 2013 from its store network of 28 hypermarkets and 216 supermarkets, and its total sales area of 368,000 square meters. Nearly 90 million consumers shopped at Carrefoursa stores throughout the year.

www.carrefour.com.tr

SALES
TL MILLION



* 2009-2013 CAGR

Carrefoursa, which began an extension project of Maltepe Park Shopping Mall in 2011, re-launched the Mall in September 2013 following its completion. With its new tenant mix and doubled retail space, Maltepe Park Shopping Mall now serves almost 2 million customers monthly. Furthermore, Carrefoursa Plaza, built concurrently with the Maltepe Park extension project, has served as the new headquarters of Carrefoursa with its 15,000 square meters office area since July 2013.

Carrefoursa started to review the sub-formats of its supermarkets during 2013 in order to improve its product and service differentiation. Carrefoursa plans to launch new supermarket formats to satisfy different customer expectations and reach varied customer segments in 2014. The Company's sound financial structure provides the capacity to evaluate and take rapid action with its own resources on all projects, offering a potential for growth and value creation.

Along with the managerial change, Carrefoursa, backed by the power of Sabancı Holding and the worldwide know-how of Carrefour Group, will continue its investments, pursue new projects and be the destination for convenient, pleasant and high-value shopping for consumers.

Carrefoursa increased its sales by 2% in 2013.

Aiming to be the destination for a close, enjoyable, reliable and value-adding shopping experience, Carrefoursa plans to launch new supermarket formats in 2014.

In the Industrials segment, we plan to invest in areas that we could create competitive advantage through R&D and by developing new markets.

Industrials

INDUSTRIALS

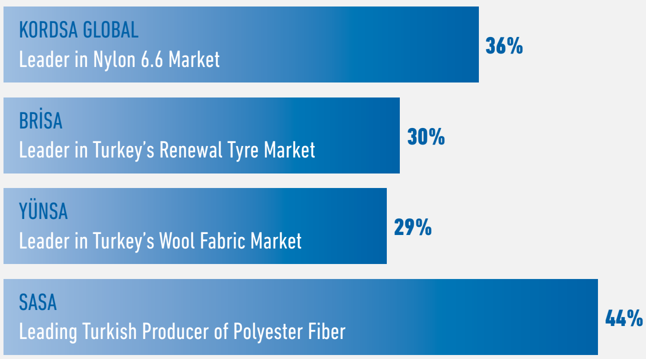
Distribution Network of Temsa, Bridgestone and Lassa Brands

Kordsa Global, Brisa, Sasa, Yünsa and Temsa Manufacturing Facilities

Turkey's Innovative and Entrepreneurial Industrial Group

In 2013, the world economy entered another transition. As the US economy remained at the center of this global transition, advanced economies gradually strengthened. At the same time, growth in emerging market economies slowed down. In Turkey, while growth was sustained, volatility increased, especially in second half of the year which brought about new risks and opportunities. The Industrials Group companies analyzed global and local risks and seized available opportunities.

INDUSTRIALS GROUP COMPANIES THAT LEAD THEIR SECTORS



Innovative and Corporate Entrepreneur

Leading implementers of technology and innovation thanks to their ability to develop a long-term perspective for their sectors, the Industrials Group companies continued to create value for their customers in 2013. Kordsa Global presented three new products to its customers and generated US$ 26 million revenue in 2013. Brisa offers solutions for either the heavy commercial vehicle individual users or fleets. The Company provides the availability of the products, Bandag tyre treading, main vehicle and tyre maintenance services under the roof of the first ProPratik store, opened in 2013. Brisa adds economical and environmental value to fleets by implementing the Profleet fleet management solutions, the gathering of the products and services which completely meet the needs of the commercial fleet for the first time in Turkey with a 360 degree consultancy approach.

Competitive Leader

Industrials Group companies, each leaders in their respective sectors, have been ensuring their market leadership is permanent. In 2013, Kordsa Global was the market leader in Nylon 6.6 with a share of 36%, while increasing the industrial PET-HMLS market share to 10%.

Brisa announced the construction of the second plant within the Aksaray Province Organized Industrial Zone, an investment of approximately US$ 300 million. This plant would be in addition to the plant in İzmit, bringing the annual production capacity of 11 million units in order to meet future tyre demand.

Yünsa sustained growth of its profit both with products developed at its R&D center and international cooperation in men’s and women’s upper segment worsted wool fabric.

Succeeding Together

Industrials Group companies have been working together on strategic and operational matters in line with the target to increase inter-company synergies. Network teams that work on focused and innovative synergies continue joint studies on benchmarking, corporate entrepreneurship and risk management processes. “Sustainable profitable growth” became an indispensable component of the strategy of the Industrials Group.

Sustainable

The Industrials Group aims to contribute to environmental, economic and social dimensions of sustainability by focusing on environment-friendly products and energy efficiency. Brisa presented its sustainability activities for 2012 and the previous five years with an A level report in accordance with the GRI (Global Reporting Initiative) system. The Company not only signed “The Global Impact” but also has been carrying out the “Let the Cranes Fly Forever” project in cooperation with WWF-Turkey (World Wildlife Fund Turkey) in order to preserve the Anatolian Crane species and add to biological diversity. Also, Yünsa has adopted the ISO 50001 Energy Management System, thus the Company has proved its efficient energy management.

GLOBAL CUSTOMERS OF SABANCI INDUSTRIALS GROUP COMPANIES

Kordsa

Argentina, Belgium, Brazil, Canada, Chile, China, Colombia, Croatia, Czech Republic, Egypt, Estonia, Ethiopia, Finland, France, Germany, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kenya, Luxembourg, Malaysia, Mexico, Montenegro, Netherlands, Pakistan, Peru, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovenia, South Africa, South Korea, Spain, Sweden, Syria, Taiwan, Thailand, Tunisia, Ukraine, United Kingdom, USA, United Arab Emirates, Venezuela, Vietnam

Brisa

Afghanistan, Algeria, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, Congo, Cyprus, Denmark, Egypt, Ecuador, Finland, France, Georgia, Germany, Greece, Iceland, Iran, Iraq, Israel, Italy, Jordan, Latvia, Lebanon, Libya, Malta, Moldova, Morocco, Norway, Pakistan, Poland, Portugal, Romania, Russia, Serbia, Sierra Leone, Spain, Sweden, Switzerland, Tunisia, Ukraine, United Kingdom, Uruguay, Uzbekistan

Yünsa

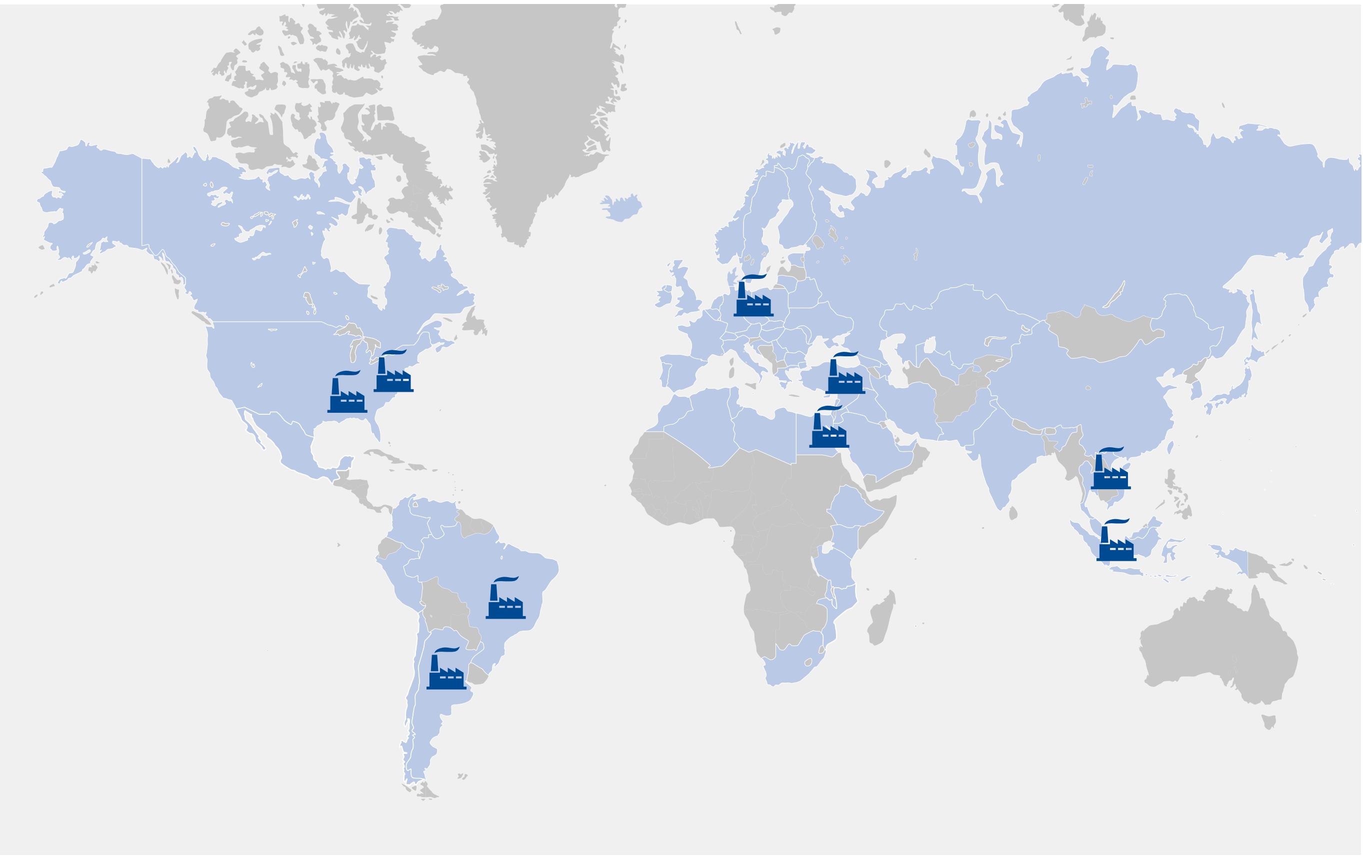
Austria, Belgium, Bosnia-Herzegovina, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Jordan, Latvia, Macedonia, Malta, Mexico, Morocco, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Scotland, Serbia, Slovakia, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Tunisia, Ukraine, United Arab Emirates, United Kingdom, USA, Vietnam

Sasa

Austria, Belgium, Brazil, Bosnia-Herzegovina, Bulgaria, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lithuania, Luxembourg, Leichstein, Macedonia, Malta, Morocco, Netherlands, Norway, Poland, Portugal, Romania, Russia, Saudi Arabia, Serbia, Slovakia, Slovenia, Spain, South Korea, Sweden, Switzerland, Taiwan, Tunisia, United Kingdom, USA

Temsa

Algeria, Austria, Azerbaijan, Belgium, Bulgaria, Denmark, Egypt, Estonia, France, Germany, Georgia, Greece, Hungary, Iraq, Israel, Italy, Jordan, Kazakhstan, Lebanon, Lithuania, Luxemburg, Macedonia, Netherlands, Norway, Romania, Russia, Saudi Arabia, Serbia, Slovenia, Sweden, Switzerland, Syria, Tunisia, Ukraine, United Arab Emirates, United Kingdom, USA.



Sabancı Industrials Group Companies' Manufacturing Facilities

Global Customers of Sabancı Industrial Group Companies

TYRE REINFORCEMENT MATERIALS

1,546

TOTAL SALES
(TL MILLION)

39

NET PROFIT
(TL MILLION)

As the world's leading supplier of industrial nylon yarn and leading polyester yarn, and tyre cord fabric supplier, Kordsa Global serves the tyre reinforcement and mechanical rubber market.

The success story of Kordsa Global began in 1973 with a tyre cord fabric investment in İzmit. Over the last 40 years, the Company has become a global leader through strategic acquisitions and ventures together with strong business partners. With nine production plants in nine countries across five continents and a workforce of 4,000 employees, Kordsa Global continues its global leadership today.

With its headquarters located in Istanbul, Kordsa Global manages its operations in the countries in the following four regions.

Europe, Middle East and Africa Region
Turkey, Germany, Egypt

North America Region
Laurel Hill, North Carolina and Chattanooga, Tennessee, USA

South America Region
Brazil, Argentina

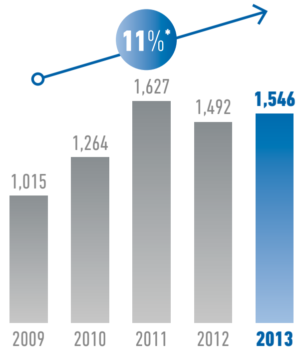
Asia Pacific Region
Indonesia, Thailand and China (Sales Office)

Despite the volatility in the global economy and tough market conditions, 2013 was a successful year for Kordsa Global which focused on the efficiency of internal processes which led to improvements in profitability.

Despite increasing pressure from competitive market conditions related to Asia, Kordsa Global maintained its leadership in the tyre reinforcement materials sector with 36% share in the industrial Nylon 6.6 yarn market. The Company's PET-HMLS market share increased by 2% compared to last year, reaching 10%.

www.kordsaglobal.com

NET SALES
TL MILLION



* 2009-2013 CAGR

Kordsa Global net sales increased 4% in 2013.

In line with the market shift, Kordsa Global continued its expansion in Asia with the groundbreaking of a tyre cord fabric and polyester yarn project, another investment in Indonesia.

Following global market trends, a Nylon 6.6 capacity expansion project at the plant in İzmit, Turkey was completed with zero incidents.

With a priority of creating value for its customers, Kordsa Global successfully introduced three new brands in 2013 following their commercialization in 2012 and generated revenue of US$ 26 million from these new products.

For Kordsa Global, 2013 was a year that emphasized growth projects in value added business areas.

The Company aims to continue its profitable growth in 2014 by focusing on developing its composites manufacturing, increasing compasites usage in the automotive, aeronautics, wind power sectors, and producing reinforcement materials for the construction industry.

In line with the market shift, Kordsa Global continued its expansion in Asia. Launching another new investment in Indonesia, the groundbreaking ceremony of the tyre cord fabric and polyester yarn expansion project was realized.

Kordsa Global received awards from many institutions:
- Holding/Golden Collar Awards
- Michelin Supplier of the Year Award
- Kal-Der "Quality Circle Award"
- Per-Yön "Education and Development Category" Success Award
- IDC "Largest Data Production Sector Project Award"
- ETIKA Turkish Ethics Award 2012
- Capital Magazine Most Admired Textile Company of Turkey Award

Kordsa Global's total sales amounted to TL 1,546 million. With 8.9% of its shares publicly traded, Kordsa Global is listed on Borsa Istanbul.

TYRE

1,489

TOTAL SALES REVENUE
(TL MILLION)

287

EBITDA
(TL MILLION)

144

NET PROFIT
(TL MILLION)

930

SERVICES NETWORK:
930 Branded Sales points in the Turkish replacement market, 100 Lassa branded sales points in international markets

www.brisa.com.tr

Brisa was founded by the Sabancı Group and its partners in 1974. By 1978, it started tyre production under the brand name Lassa. Then, in 1988 and in parallel with the developments in the global tyre industry, the Company was named Brisa following the partnership between Bridgestone Corporation and Sabancı Group. After recording significant growth in the 1990s, Brisa took its place among the leading companies in the Turkish industry. In 1993, Brisa won Turkey's first National Quality Award, and then in 1996 won the EFQM European Quality Award for its superior performance in pursuing business excellence. Today, Brisa is one of the world's biggest tyre manufacturers under one roof and the seventh largest tyre producer in Europe. Under the Bridgestone and Lassa brands, it manufactures around 1,400 models of tyres for cars, light commercial vehicles, buses, trucks, agricultural and industrial machinery, and at international quality and safety standards. The Company also imports Bridgestone motorcycle tyres.

In 2010, the Company acquired the Turkish operations of Bandag, an America-based tyre treading company from Bandag AG, the European subsidiary of Bridgestone Corporation. This allowed Brisa to extend its service portfolio while offering a cost advantage to the transportation sector. This service also contributes to increasing a tyre's life and environmental protection.

With an aim to provide vehicle owners with balanced products in both brands, Brisa enjoys recognition regarding performance and safety because of the Bridgestone brand and offers car owners economy, comfort and durability with the Lassa brand. The Company has a well-established position in the domestic and international markets with its brands. Today, tyres produced under the Lassa brand with Brisa manpower reach vehicle owners in more than 60 countries. The Company carries out retail sales and aftersales service through a network of 930 authorized sales points throughout Turkey. In addition, the Company provides car manufacturers such as Renault, Toyota, Ford, Fiat, Honda, Hyundai, Mercedes Benz, BMC, Temsa, Isuzu, Otokar, Karsan, Türk Traktör and MAN with Lassa and Bridgestone products as original equipment.

Brisa adds value to journeys by implementing many services, which ensures significant competitive advantages as a result of customer focus and innovative approaches, which are also among the values of the Company. The Company meets the main needs of passenger car and light commercial vehicle customers by gathering different products and services at a single point. The lastik.com.tr website offers to supply the tyres of choice at the requested location by scheduling an appointment. Storage of summer or winter tyres during the other season under suitable conditions and guarantee is offered by the "Tyre Hotel" service.

Brisa also offers solutions for heavy commercial vehicles, either individual users or fleets. The Company provides a variety of products, Bandag tyre treading, main vehicle and tyre maintenance services at the first ProPratik store, which opened in 2013. Brisa adds economic and environmental value to fleets by implementing Profleet fleet management solutions, a collection of products and services which completely meet the needs of commercial fleets with a 360 degree consultancy approach for the first time in Turkey. Brisa won the "Customer Focused Service Innovation Award" with its "Mobilfix" service, which allows vehicle owners to save time and money, helps them preserve sustainability and provides on-site maintenance service for heavy commercial vehicles.

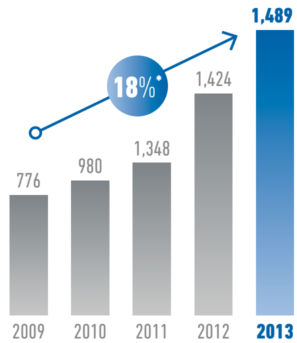
By signing distribution agreements with the global leading battery brand Energizer and the Italian accessory brand Bottari in 2013, Brisa aimed to widen its product range and offer vehicle owners more variety to meet their needs.

Adopting sustainability principles as part of its commitment to contribute to humankind in the years to come, Brisa presented its sustainability activities for 2012 and the previous five years with an A level report in accordance with the GRI (Global Reporting Initiative) system. The Company not only signed "The Global Impact" but also has been carrying out the "Let the Cranes Fly Forever" project in cooperation with WWF-Turkey (World Wildlife Fund Turkey) in order to preserve the Anatolian Crane species and add to biological diversity.

Differentiating itself with innovative approaches and leading the Turkish tyre market, Brisa announced the construction of the second plant within the Aksaray Province Organized Industrial Zone, an investment of approximately US$ 300 million. This plant would be in addition to the plant in İzmit, bringing the annual production capacity of 11 million units in order to meet future tyre demand. The Company, which will produce tyres for passenger cars and light commercial vehicles in the Aksaray plant, which will have an annual production capacity of almost 4.2 million tyres, plans to start production at the beginning of 2018.

Brisa's net sales revenue totaled TL 1,489 million in 2013. Its shares are listed on Borsa İstanbul with a free float of 10.3%

NET SALES
TL MILLION



* 2009-2013 CAGR

Brisa net sales increased 5% in 2013.

AUTOMOTIVE

TEMSA

544

TOTAL SALES REVENUE
(TL MILLION)

11

NET PROFIT
(TL MILLION)

TEMSA BUS

One of Turkey's leading automotive companies, Temsa manufactures and distributes buses and coaches under its own brand in domestic and international markets.

Temsa's manufacturing facility in Adana has a single-shift annual production capacity of 4,000 buses and coaches and 7,500 light trucks, totaling 11,500 vehicles per year.

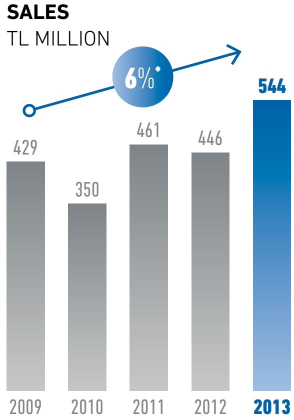
The Temsa Adana Plant occupies a total area of 555,000 square meters. Temsa has a range of products that help customers navigate through changing environments and adapt their fleet to new passengers' requirements and travel trends. Temsa manufactures Safir intercity buses and tourist coaches, Prestij midi-coaches and Avenue city buses designed specifically for urban public transport systems. The facility is also the manufacturing site for the TS 45, TS 35 and TS 30 coaches for the United States market and the Avenue buses, LD coaches and the MD 9 midi-coaches for the European market.

Temsa vehicles, designed and manufactured with in-house know-how, are sold to the world's leading automotive markets as well as to the Turkish market.

Temsa has expanded to 64 countries. In France alone, more than 3,500 Temsa brand buses and coaches are on the road. Additionally, Temsa's other major markets in Europe include Germany, Italy, Austria, Sweden, Lithuania and the Benelux countries. Thanks to its expanding product range, Temsa is also rapidly increasing its market share in the United States.

Temsa's strategy is to develop the right products in response to customers' changing needs, introduce a modular approach to production and deliver a well-designed line of buses of the highest quality level. In 2013, Temsa launched new LD line targeting intercity and touring segments. All the models are equipped with a Euro 6 powertrain.

www.temsa.com.tr



* 2009-2013 CAGR

Temsa puts great emphasis on quality, reliability and longevity of its products. Because of the company's passion for quality and value, Temsa ensures that it sources parts from the world's leading manufacturers, making Temsa the bus expert that can give the customer far more – for less.

Temsa Otobüs increased sales by 22% in 2013.

In 2013, Temsa exported 40% of its total bus and coach production: 94% of its exports went to Western Europe and the United States, with the remaining 6% going to Eastern Europe and the Turkic Republics. Temsa owns distribution and dealership networks in 30 countries. These numbers reflect Temsa's strong position in the global market, as well as its effective marketing strategy and organization.

Milestones of Temsa:

- Established in 1968, Temsa began its automotive operations in 1984 with distribution and manufacturing license agreements signed with Mitsubishi Motors Co. of Japan and launched its first coach production, the Maraton, in the Adana plant in 1987.
- In 1992, the Prestij midi-coach production was launched under the Temsa brand and was being exported to European markets by 1997 as Euro Prestij.
- In 2001, Euro Safari, the first Temsa branded coach, was introduced to European markets.
- As a result of increasing product development activities, Temsa expanded its product range with 12 new models between 2003-2007.
- Temsa R&D Center was founded in 2008 in Adana, aiming to commercialize the R&D activities as well as to adapt them to Temsa production processes.
- Temsa, was named Manufacturer of the Year 2008 at Busworld Kortrijk, the biggest international fair in the bus and coach business.
- Temsa was named Grand Award Midi Coach of the Year for its MD 9 model in the compact class at Busworld Kortrijk in 2011.
- Temsa branded TS35 and TS30 coaches were introduced to the US Market in 2010 and 2012, respectively.
- Temsa launched TS35 and TS30 branded buses, produced for the US in 2010 and 2012 respectively.

Temsa vehicles, designed and manufactured with in-house know-how, are sold to the world's leading automotive markets as well as to the Turkish market.

AUTOMOTIVE

TEMSA
MOTORLU ARAÇLAR
PAZARLAMA VE DAĞITIM A.Ş.

319

TOTAL SALES REVENUE
(TL MILLION)

8

NET PROFIT
(TL MILLION)

TEMSA MOTORLU ARAÇLAR

Temsa Motorlu Araçlar is a subsidiary company of Temsa that was established to focus on trucks and automobiles in May 2013. It undertakes marketing and distribution of passenger and light commercial vehicles under an agreement made between Temsa and Mitsubishi Motor Corporation regarding licensing and distribution in effect since 1984, and semi-truck production in Temsa Adana plant since 1987.

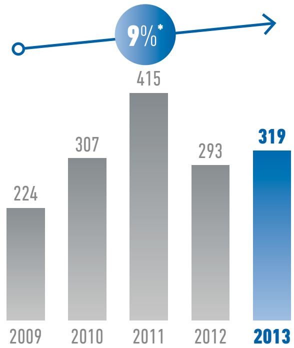
Temsa Motorlu Araçlar performs sales and marketing, service and spare parts operations for Mitsubishi Motors passenger cars and light commercial vehicles, Mitsubishi Fuso Canter light trucks and Carrier Transicold cooling units with a sales network of 36 authorized dealers. Within the automotive segment, the passenger car product portfolio includes Mitsubishi Space Star, Lancer, ASX, Outlander and Pajero. The commercial product portfolio contains light commercial vehicles such as Mitsubishi L200 pickup and Mitsubishi Fuso Canter light trucks. Under the distribution agreement with Carrier Transicold of 2009, Temsa provides cooling units for the refrigerated transportation sector.

Since its launch in 2006, Mitsubishi L200 has sold more than 24,000 units in Turkey. Mitsubishi L200 became the leader of the pickup segment again with a market share of 25.6% and 3,589 unit sales in 2013.

Thanks to its product advantages, Mitsubishi Fuso Canter light trucks are the most preferred vehicles in their segment. Some 1,406 units of Mitsubishi Fuso Canter Euro 5 (including exports) were sold in 2013. Mitsubishi Fuso Canter has the first automated transmission system called "Duonic" in this segment, 40,000 kilometer service intervals, excellent fuel economy and low operating costs.

www.temsaotomotiv.com

SALES
TL MILLION



* 2009-2013 CAGR

In recent years, based on the tagline "Drive@earth", Mitsubishi Motors has initiated a strategy of producing the most environmentally friendly, efficient, and energy conserving cars for a sustainable world. The 100% electric vehicle i-MiEV and the world's first plug-in hybrid 4x4 vehicle, the Outlander PHEV, are just two of the Mitsubishi Motors' investments for the future. Through its technology and know-how, Mitsubishi Motors provides a feeling of toughness and reliability for its customers.

Adding Mitsubishi Space Star and Mitsubishi Outlander to its high-tech, environmentally friendly, low carbon emission product portfolio, Temsa Motorlu Araçlar aims to strengthen its position in the passenger car segment. In 2014, Temsa Motorlu Araçlar is targeting leadership in the pickup and light truck segments with Mitsubishi L200 and Mitsubishi Fuso Canter.

Additionally, Temsa Motorlu Araçlar contributes to the growth and development of the refrigerated transportation market with Carrier Transicold. Carrier Transicold aims to expand and increase the standards of the market by helping to preserve the "cold-chain" in refrigerated transportation.

Temsa Motorlu Araçlar sales revenue increased 9% in 2013.

Mitsubishi L200 became the leader of the pickup segment again with a market share of 25.6% and 3,589 unit sales in 2013.

CONSTRUCTION MACHINERY

TEMSA İŞ MAKİNALARI

413

TOTAL SALES REVENUE
(TL MILLION)

23

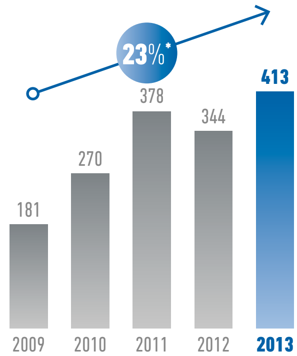
NET PROFIT
(TL MILLION)

TEMSA İŞ MAKİNALARI

Temsa İş Makinaları is the distributor of worldwide leading brands Komatsu, Dieci and Omg. Komatsu operates worldwide as the leading construction and mining equipment producer. For the last 28 years, Temsa İş Makinaları has continued to serve the Turkish, Azerbaijani and Georgian markets with Komatsu's track and wheel excavators, wheel loaders, track and wheel dozers, graders, dump trucks, demolition machinery, mobile cranes, forklifts, generator sets, trail and asphalt equipment, diesel motors, mobile crushers, backhoe loaders and underground equipment.

www.temsaismakinalari.com

SALES
TL MILLION



* 2009-2013 CAGR

Temsa İş Makinaları offers sales and after-sale services to a wide range of customers in different sectors, such as construction, mining, energy, steel, ceramics, and timber. In addition, the company fulfills customers' needs with leasing services and second-hand machinery sales.

Temsa İş Makinaları was established on March 29, 2013 as a spin off from Temsa Global to focus on its business and maintain effective management in line with Sabancı Group's profitable growth strategy. The company completed its reorganization process in 2013, and targets to sustain profitable growth through after-sales services, new distributorships and innovation driven production strategies in 2014 and onwards.

Temsa İş Makinaları sales revenue increased 20% in 2013.

Temsa İş Makinaları is the distributor of the worldwide leading brand Komatsu, along with Dieci and Omg.

TEXTILES

1,090

TOTAL SALES REVENUE
(TL MILLION)

6

NET PROFIT
(TL MILLION)

Sasa is Europe's leading producer of polyester staple fibers, filament yarns, specialty polymers and intermediates.

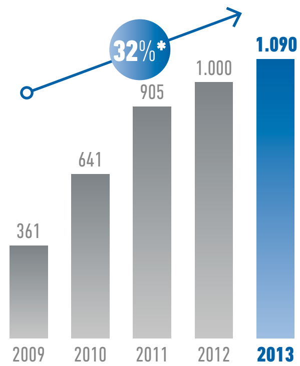
Since its establishment in the polyester sector in 1966, the company has been a pioneer in its field, demonstrating rapid growth with continuous investments.

With technology licensed by Dynamit Nobel, ICI and Dupont, Sasa has a robust technical infrastructure with its high-capacity production plants, approximately 1,200 well-qualified employees and a research and development center that was established in 2002. Sasa's manufacturing facilities are located in Adana, Turkey. The main operations are situated on an area of approximately of 850,000 square meters.

Provided with electricity through a directly connected facility, Sasa also has a DMT, its own raw material, production plant. Operations started in 1977 with an annual capacity of 60,000 tons. Now, the DMT plant has an annual capacity of 280,000 tons to meet the increased demand. The majority of the DMT is used internally, with the remainder sold in solid form.

www.sasa.com.tr

SALES
TL MILLION



* 2009-2013 CAGR

Since the first quarter of 2010, Sasa has run at full manufacturing capacity in both specialty polymers and textile segments. The capacity expansions were complete based on market studies for fibers and specialty polymers businesses. These new investments enabled Sasa to increase production capacities of specialty products, such as phthalate-free plasticizers, film grade polymers, PBT resin and fibers for textiles and non-woven hygienic products, and to enable production of bio-degradable PBAT resin (Advanite Natura). Sasa's total production capacity, including PTA-based production, is 350,000 tons per year.

Sasa increased sales by 9% in 2013.

Sasa's advanced Research and Development facilities continue to develop products and processes for the fibers and polymers/chemicals businesses through close cooperation with customers, enhancing the company's competitive advantage.

Sasa pursues the vision, "Positioning in current and new businesses to create the highest value." It supports this vision with the mission, "To invest in human capital and production facilities for profitable and sustainable growth."

Sasa's net sales revenue totaled more than TL 1 billion in 2013. The Company ranked 69th on the list of Turkey's 500 Largest Industrial Enterprises as compiled by the Istanbul Chamber of Industry and Sasa ranked first in the Adana region.

Sasa ranked 69th on the list of "Turkey's 500 Largest Industrial Enterprises" as compiled by the Istanbul Chamber of Industry and the Company ranked first in the Adana region.

TEXTILE

270

TOTAL SALES REVENUE
(TL MILLION)

16

NET PROFIT
(TL MILLION)

15.5

ANNUAL CAPACITY
(MILLION MT/YEAR)

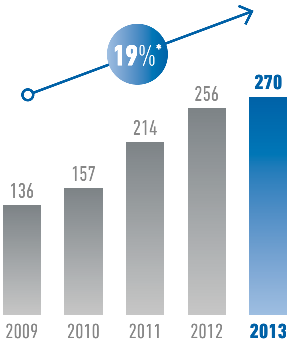
Combining technology and the esthetics of artistic expression in its textiles, Yünsa vies for world leadership in the worsted wool fabric market and is Turkey's and Europe's largest manufacturer of worsted wool. Yünsa stands out with its vision, high product quality, market position and production flexibility; it is also Turkey's leading worsted wool fabric exporter.

Founded in 1973, the company began production in 1976. In 1980, the company started producing men's woolen fabrics and carpet and then established a design office in Çerkezköy in 1989 and went public in 1990. Yünsa added women's apparel to its portfolio in 1998, and then, in 2002, opened a second design office in Biella, Italy. Yünsa started to open overseas offices in England, the US and Germany in 2007. The company became eligible to enter the Turquality® Program in 2009. Yünsa continued its investments and established its R&D Center in 2010. Today, with the vision of world leadership in woolen fabrics, Yünsa is Turkey's and Europe's largest manufacturer of woolen fabric.

Yünsa is a trend setter for menswear, and with both its men's and women's lines of fabrics, the Company plays a pivotal role in bringing Turkish wool fabrics to international markets. It is a major global player known for its design competency and quality products. As a preferred fabric vendor working in close liaison with customers, the company has maintained its influential position in the textile industry.

www.yunsa.com.tr

SALES
TL MILLION



* 2009-2013 CAGR

In addition to 100% wool products, Yünsa also produces cotton, linen, cashmere, silk, lycra, polyester and viscose blended fabrics. Yünsa manufactures fabric for men's and women's apparel, uniforms and upholstery.

Yünsa increased sales by 6% in 2013.

Yünsa continued its position as a preferred fabric vendor with its close ties with customers, reliability, product and service quality, and its speed and ability in creating and delivering new products.

Yünsa has integrated a rich textile culture into its product line, working with numerous global customers through its strong international connections. Exporting to more than 60 countries, the company has sales offices in the United Kingdom and Germany, design offices in Italy and Turkey, and has almost 20 agencies all over the world.

Yünsa's sales totaled TL 270 million in 2013 with exports making up TL 146 million.

Yünsa not only strengthens its position in the industry and increases profitability as it becomes a world leader, also undertakes important initiatives and continues to invest in sustainable growth. To this end, the company focused on research and development activities at its R&D Center, which opened in 2010. Yünsa is also a participant in the Turquality® project, a government sponsored program that supports companies in building global brands. In 2013, Yünsa adopted the ISO 50001 Energy Management System, proving the Company's efficient energy management. Yünsa has also adopted the ISO 9001 Quality Management System and Yünsa products were certified by the Hohenstein Institute in Germany with the Eko-Tex 100 certification as non-hazardous to health and the environment.

Yünsa's performance in 2013 was strong with a 6% increase in sales revenue. Yünsa's sales totaled TL 270 million with exports making up TL 146 million of sales.

Yünsa shares are listed on Borsa Istanbul with a free float of 30.6%

OTHER

TOBACCO

Philsa

Philsa, a 75/25 manufacturing joint venture of Philip Morris and Sabancı Holding, was established in 1991. Starting operations in late 1992, the factory in Izmir-Torbalı has strengthened its reputation as a world-class manufacturer in the tobacco industry thanks to an outstanding workforce and its state-of-the-art technology. Total investments in this plant reached almost US$ 610 million by the end of 2013. The factory manufactures 172 cigarette products for the Turkish and export markets.

Philip Morrissa

Philip Morrissa was established in 1994 as a 75/25 joint venture of Philip Morris and Sabancı Holding and as the national distributor of Philip Morris cigarette brands in Turkey. Its distribution network serves an estimated 144,000 sales outlets in 81 provinces throughout the country. Philip Morrissa has one of the largest sales networks in Turkey with 88 distributors and a Philip Morrissa and distributor combined sales force of 2,000. In 2013, Philip Morrissa sold over 45 billion cigarettes and captured a 45.5%* share of the Turkish market.

*Nielsen Retail Audit

INFORMATION TECHNOLOGY

Bimsa

Founded in 1975, Bimsa has ranked among Turkey's leading business and information consulting service providers for the past 39 years. The company provides hardware and software solutions to medium- and large-scale companies by acting as a business and information technology consultant.

The company's objective is to create value for client businesses by meeting all of their information technology needs. With its highly experienced workforce, Bimsa provides products, implementation consultation, installation and support services, performance management, business intelligence, application development, SAP applications, human resources applications, Wonderware industrial automation solutions, Pratis.Net electronic purchasing and information security services.

TOURISM

Tursa/AEO

The Group now holds 100% of the shares in Tursa (owner of Adana Hiltonsa, Mersin Hiltonsa and Hilton Parksa), as well as a majority stake in Ankara Enternasyonal Otelcilik, owner of Ankara Hiltonsa.

The Sabancı Group entered into the tourism sector many years ago with the Erciyas Hotel in Adana. The Group established a partnership with Hilton International in 1988 with the opening of the Ankara Hiltonsa. This partnership was extended further with the Hilton Parksa in 1990 and the opening of the Mersin Hiltonsa the same year. This was followed by the addition of the Adana Hiltonsa in 2001. Total accommodations have now reached 1,831 beds; 630 beds at the Ankara Hiltonsa, 616 beds at the Adana Hiltonsa, 372 beds at the Mersin Hiltonsa and 213 beds at the Hilton Parksa as of the end of 2013.

All Sabancı-Hilton facilities are managed by Hilton Hotels.

Sabancı Group shares the benefit of its industrial and economic clout widely by supporting philanthropy and the arts through the Sabancı Foundation. As a result, Sabancı Foundation is one of the largest foundations established by a family in Turkey.

Foundation

FOUNDATION

■ Provinces Sabancı Foundation operates in

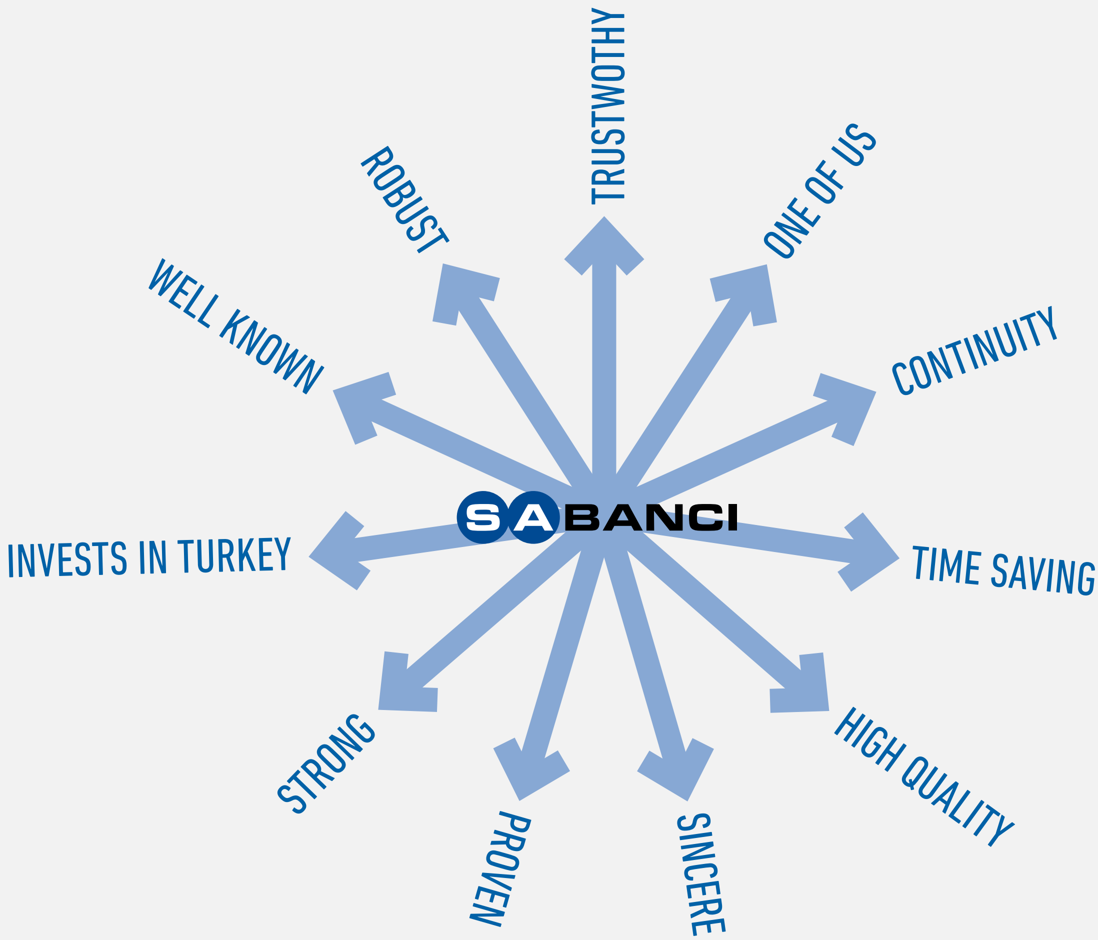
Reflecting the life philosophy of the late Hacı Ömer Sabancı, the Sabancı family built its future around the concept of “sharing what we have gained from this land with its people” and established the Hacı Ömer Sabancı Foundation in 1974.

Sabancı Group shares the benefit of its industrial and economic clout widely by supporting philanthropy and the arts through the Sabancı Foundation. As a result, Sabancı Foundation is one of the largest foundations established by a family in Turkey. Sabancı Foundation's activities contribute to the value of the Sabancı brand.

SABANCI FOUNDATION SUMMARY OF ACTIVITIES

121 INSTITUTIONS:

1	UNIVERSITY
39	EDUCATIONAL INSTITUTIONS
20	DORMITORIES
17	TEACHER CENTERS
16	CULTURAL FACILITIES
14	SOCIAL FACILITIES
5	HEALTH CARE CENTERS AND FACILITIES
5	SPORTS FACILITIES
4	LIBRARIES
72	PROVINCES BENEFITING FROM GRANT PROJECTS


TRUSTWOTHY
ROBUST
ONE OF US
WELL KNOWN
CONTINUITY
SABANCI
INVESTS IN TURKEY
TIME SAVING
STRONG
PROVEN
SINCERE
HIGH QUALITY

SABANCI UNIVERSITY

The main differentiator of Sabancı University is its unique educational system.

The Sabancı Group established a “world university” led by the Sabancı Foundation in 1994. Instead of choosing a university as a template or replicating existing examples and institutions, a new, unique university was designed during its founding. It opened its doors to students in 1999 and has since set an example for many other universities.

The main differentiator of Sabancı University is its unique educational system. Academic programs at Sabancı University are innovative and interdisciplinary. The conventional system of departments sometimes hinders an interdisciplinary approach and causes restricted specialization in any given field prematurely. For this reason, Sabancı University is not organized into academic departments.

The educational system of the University is based on the Common Foundations Development Year, which all students must complete regardless of their subsequent program choices. During this year, students develop a foundation of knowledge, critical reasoning and an interdisciplinary approach. In the second phase of Foundations Development, students are free to choose the introductory courses of their preferred diploma program from among 13 different programs.

In October 2012, for the first time in Turkey, the Ministry of Science, Industry and Technology produced a University Entrepreneurship and Innovation Index. Sabancı University ranked first among the most entrepreneurial and innovative universities in Turkey. In 2013, Sabancı University’s score increased from 84 in 2012 to 85.8, and it became the most entrepreneurial and innovative foundation university in Turkey. The University Entrepreneurship and Innovation Index includes five aspects: scientific and technological research competence; intellectual property pool; cooperation and interaction; culture of entrepreneurship and innovation; economic contribution and commercialization.

→ *www.sabanciuniv.edu*

Faculties

There are three educational faculties at Sabancı University: the Faculty of Engineering and Natural Sciences (FENS), the Faculty of Arts and Social Sciences (FASS), and the Sabancı School of Management (SOM). All faculties offer undergraduate, graduate and postgraduate programs.

The FENS offers undergraduate programs in Computer Science and Engineering, Biological Sciences and Bioengineering, Materials Science and Engineering, Mechatronics Engineering Electronics Engineering and Manufacturing Systems/ Industrial Engineering; and graduate programs in Energy Technologies and Management, Nanotechnology, Information Technology, Biological Sciences and Bioengineering, Electronics Engineering, Computer Science and Engineering, Mechatronics Engineering, Industrial Engineering, Materials Science and Engineering, Physics and Mathematics.

The programs of FASS include Economics, Visual Arts and Visual Communication Design, Cultural Studies, International Studies and Social and Political Sciences and Psychology at the undergraduate level; in addition to graduate programs in Economics, Visual Arts and Visual Communication Design, Public Policy Analysis, Political Science, Conflict Analysis and Resolution, Cultural Studies, History, Turkish Studies, European Studies and International Studies.

The SOM offers undergraduate, graduate and postgraduate degrees in Management and Executive Programs at the graduate level in Management and Finance. Starting in the 2011-2012 academic year, the Sabancı School of Management launched its MBA program, the MIT Sloan MSMS dual degree program. Sabancı School of Management and MIT-Zaragoza Logistics Center offer a dual degree option where candidates can earn a Sabancı MBA degree and a Zaragoza Master of Engineering degree (ZLOG) in Logistics and Supply Chain Management in two years. Sabancı University is the only cooperation partner of MIT Sloan in the Southeast Europe and Middle East regions, where Turkey is located. Sabancı University School of Management is also accredited by AACSB International, proof of its high global standards. Sabancı University School of Management ranked 42nd in Executive MBA Programs and 77th in faculty in the Financial Times 2012 ranking for Europe's best management schools.

The Executive Development Unit (EDU) offers executive development programs for professionals. The Brand Practice Platform, founded by Sabancı University and the Foundation of Advertising, was established to support the development of the brand economy in our country. The Brand Practice Graduate Program, the first and the most important product of this platform, will accept its first students in February 2014.

Academic programs at Sabancı University are innovative and interdisciplinary.

The educational system of the University is based on the Common Foundations Development Year, which all students must complete regardless of their subsequent program choices. During this year, students develop a foundation of knowledge, critical reasoning and an interdisciplinary approach.

SABANCI UNIVERSITY

Some 86% of Sabancı University graduates were employed within one year of graduation.

Graduates
A total of 6,234 students, 4,081 undergraduate and 2,153 graduate, have graduated from Sabancı University since 2000. To date, 74% of Sabanci graduates have already started working and another 18% continued their education at graduate and postgraduate levels. Some 86% of Sabancı University graduates were employed within one year of graduation.

Sabancı University graduates continue their postgraduate studies at some of the world's leading universities, including Carnegie Mellon University, University of California, Politecnico di Milano, Boston University, Harvard University, Brown University, Stanford University and University of Massachusetts.

Akbank, Unilever, Accenture, Turkcell, Procter & Gamble, Ford, Garanti Bank, Yapı Kredi and Deloitte & Touche are some of the companies that employ Sabancı University graduates.

Sabancı University Nanotechnology Research and Application Center
Established by Sabancı University with the support of the Sabancı Foundation and the State Planning Organization, the Nanotechnology Research and Application Center (SUNUM) is the first interdisciplinary nanotechnology center in Turkey. SUNUM commenced operations in June 2011 and is leading in advanced and interdisciplinary nanotechnology research projects that are rapidly being adopted by industry in the fields of physics, electronics, mechatronics, materials science, chemistry and biology. SUNUM aims to improve the university's international competitiveness in its intellectual property portfolio and contributes to its progress in leading research.

A Campus That Lives and Breathes
The Sabancı University campus has everything to meet the needs of its students. It has many amenities, such as the Performing Arts Center, a sports center, a health center, a supermarket and a movie theater. Sabancı University has the highest dormitory capacity to total students ratio among universities in Turkey.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

The Sakıp Sabancı Museum (SSM) is located on the estate known as Atlı Köşk (Horse Mansion). The estate was bought by Hacı Ömer Sabancı in 1950 and used as a summer house by the family before it became a permanent residence for Sakıp Sabancı, housing his extensive calligraphy and painting collections. The mansion was bequeathed to Sabancı University, along with its collections and furniture in 1998. A modern gallery wing was added to the original structure and the Museum was opened to the public in 2002. The exhibition space was expanded in 2005 and upgraded to meet international technical standards.

SSM currently offers a multi-faceted museum environment with rich collections, conservation units and exemplary educational programs. It also hosts temporary international exhibitions. The facility regularly organizes and hosts concerts, conferences and seminars.

SSM Collections: Three Main Categories
Sakıp Sabancı Museum Collection of the Arts of the Book and Calligraphy offers a comprehensive overview of 500 years of Ottoman calligraphy, with rare Korans, kıtas, albums, panels, hilyes, edicts, endowments deeds and menşurs. The Museum continually acquires additional examples to add to the Arts of the Book and Calligraphy Collection. These are exhibited in the Ottoman Calligraphy Halls section of the mansion. In 2012, the Arts of the Book and Calligraphy Collection was re-launched with a new design and a contemporary display approach. This new permanent presentation of the Arts of the Book and Calligraphy Collection allows visitors to view animations linked to iPad applications with augmented reality technology and also take a detailed look at valuable and rare manuscripts, page by page.

The Painting Collection at the Sakıp Sabancı Museum includes works produced between 1850 and 1950. The collection includes the most distinguished examples of early Turkish painting, as well as paintings by foreign artists who lived in Istanbul during the last period of the Ottoman Empire. The history of Turkish painting is presented in coherence through selected iconic art works from the collection along with the furniture and decorative objects in family rooms.

SSM currently offers a multi-faceted museum environment with rich collections, conservation units and exemplary educational programs; the museum facility also hosts temporary international exhibitions, concerts, conferences and seminars.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

SSM has hosted numerous exhibitions since opening in 2002.

The rooms on the ground floor of the Atlı Köşk display furniture influenced by baroque, rococo, neo-gothic, neo-classic and empire styles and 19th century decorations used by the Sabancı Family when the mansion served as their residence. The Archeological and Stone Works Collection consists of Roman, Byzantine and Ottoman pieces and is exhibited in the Museum's garden.

Exhibitions Held at SSM

SSM has hosted numerous exhibitions since its opening in 2002. From the "Medicis to the Savoias, Ottoman Splendour in Florentine Collections", "The Art of the Book from East to West and Memories of the Ottoman World Masterpieces of the Calouste Gulbenkian Museum, Lisbon", "Genghis Khan and His Heirs: The Great Mongol Empire", "In Praise of God - Anatolian Rugs in Transylvanian Churches" and "Istanbul, Isfahan, Delhi: Three Capitals of Islamic Art Masterpieces from the Louvre Collection" are some of the history-themed exhibitions held at SSM. Grand retrospectives of the prominent masters of modern art, "Picasso in Istanbul", "Great Master of Sculpture Rodin in Istanbul", and "Salvador Dalí, A Surrealist in Istanbul" were exhibited at the Museum. The Museum hosted exhibitions entitled "Transcending Borders: The Art of Brush and Pen", "Legendary Istanbul - From Byzantium to Istanbul: 8,000 Years of a Capital", "Treasures of the Aga Khan Museum", the "Jameel Prize 2009" exhibition organized by the Victoria and Albert Museum (V&A) of London in 2010, "Across - The Cyclades and Western Anatolia during the Third Millennium BC", and "Sophie Calle - For the Last and First Time" in 2011. The Museum maintained its distinctive and innovative exhibition program in its 10th year in 2012 and hosted "Rembrandt and His Contemporaries - The Golden Age of Dutch Art", "Cobra - 1000 Days of Free Art" and "Monet's Garden."

In 2013, SSM hosted the "1001 Faces of Orientalism", "Fan from Past to Present" and "Anish Kapoor in Istanbul" exhibitions. SSM studied 19th century Orientalism analyzing its effects on diversified areas such as literature, archaeology, painting, architecture, universal exhibitions, photography and fashion, with the first exhibition of 2013, "1001 Faces of Orientalism." Subsequently, SSM presented art lovers a private collection of around 120 rare fans, dating from 1720 to 1900, along with oil paintings that reflect the

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In addition to hosting various exhibitions on its own grounds, the Sakıp Sabancı Museum has promoted its collections by lending works of art to other venues outside the country.

importance of fans with the "Fan from Past to Present" exhibition. The final exhibition of the year, "Anish Kapoor in Istanbul", hosted by SSM and sponsored by Akbank on the occasion of its 65th year, introduced the first major exhibition in Turkey by leading international artist Anish Kapoor. The exhibition, curated by Sir Norman Rosenthal, was the first to focus on the artist's stone sculptures in marble, alabaster and other materials. The exhibition also included iconic works such as Sky Mirror and Yellow.

Overseas Exhibitions Held by SSM

In addition to hosting various exhibitions on its own grounds, the Sakıp Sabancı Museum has promoted its collections by lending works of art to other venues outside the country. Prior to the establishment of the Museum, selected examples from the calligraphy and painting collections of Sakıp Sabancı were exhibited at the Metropolitan Museum of Art in New York, Los Angeles County Museum of Art, Harvard University Arthur M. Sackler Museum, Louvre Museum, Guggenheim Museum in Berlin and Museum für Angewandte Kunst in Frankfurt between 1998 and 2001.

Sakıp Sabancı Museum has hosted exhibitions made up entirely of its own collections at prestigious museums around the world.

Since its establishment, the Museum has loaned works to exhibitions such as "Mothers, Goddesses and Sultanas" held in Brussels in 2004 and 2005, "Turks: A Journey of a Thousand Years, 600-1600" held in London in 2006 and "Istanbul: The City and the Sultan" held in Amsterdam in 2006 and 2007.

Sakıp Sabancı Museum has hosted exhibitions made up entirely of its own collections at prestigious museums around the world. In 2007 and 2008, the SSM held exhibitions of numerous external venues: "Evocations, Passages, Atmospheres and Paintings from the Sakıp Sabancı Museum, Istanbul" at the Lisbon Gulbenkian Museum, "Letters in Gold: The Ottoman Art of Calligraphy from Sakıp Sabancı Museum" at Madrid's Real Academia de Bellas Artes de San Fernando and "Ottoman Calligraphy from the Sakıp Sabancı Museum" at the Real Alcázar in Seville. The Museum contributed with pieces lent from its own collection to the exhibition "From Byzantium to Istanbul: One Port for Two Continents" held at the Grand Palais in Paris in 2009.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

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Within Turkey, two paintings from the SSM Painting Collection were loaned to the Istanbul Museum of Modern Art for the “Imagination and Reality of Modern and Contemporary Women Artists from Turkey” exhibition, which was open to the public from September 16, 2011 to January 22, 2012.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery

On October 1, 2009, the Sakıp Sabancı City Museum in Mardin opened to introduce and display urban and cultural life in the region. The Dilek Sabancı Art Gallery aspires to establish a modern and contemporary art platform in Mardin through temporary exhibitions.

In 2010, Dilek Sabancı Art Gallery hosted its first exhibition entitled “Nature, Man and the Sea - With Works Selected from the Sabancı University Sakıp Sabancı Museum Collection.” This exhibition was followed by “Abidin Dino in Mardin.”

In 2011, Dilek Sabancı Art Gallery opened the exhibition “Lo and Behold: Ara Güler in Mardin.” The exhibition was on view in 2012 as well with the support of Sabancı Foundation. Parallel to the exhibition, educational programs were held for children aged 7 to 14.

In 2013, Dilek Sabancı Art Gallery hosted the “An Orientalist in Mardin: Marius Bauer” exhibition. The exhibition presented works of the Dutch painter Marius Bauer for four months to art lovers. Following, the “Photographs of the East as Viewed from the West” exhibition was open to visit.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery have welcomed close to 350,000 visitors as of the end of 2013.

SSM Educational Activities and Events

Children's Education

The extensive educational programs initiated during the "Picasso in Istanbul" exhibition, organized in parallel to museum collections and temporary exhibitions, continued in 2013 and have increased in number, variety and content. Special workshops were held for children during the year. A total of 12,108 students attended the workshops in 2013.

Adult Education

Adult education, which began to be held at the SSM in 2011, continued in 2013.

In 2013, Prof. Dr. Uşun Tükel lectured on "Western Art - Modern Times" and "Iconography in Western Art", Prof. Dr. Ali Akay lectured on "Modern? Contemporary?", and Prof. Dr. Zühre İndirkaş lectured on "Mythology and Its Place in Art."

Events

In 2013, symposium, panel and conferences were held at SSM in parallel with the museum collections and temporary exhibitions. Gallery talks with students of Sabancı University and guided tours were organized and Neighbor Day events were held as well.

Conference, Panel, Seminars

Parallel to "1001 Faces of Orientalism," a conference series was organized to analyze 19th century Orientalism through varied disciplines. Conference titles included: "Behind and beyond Orientalism: The Challenge of the Ottoman World with Easternization", "Orientalist Reviews on Ottoman Architecture", "Orientalism in European Music", "Understanding the Colony: Cinema as Deferent of the Orientalist language", "Orientalist Painting: Between the Real and the Imaginary", " Even More East in the Paintings of John Friedrick Lewis on Istanbul and Cairo", "Orientalism Studies in Europe", "Orientalism and the Innate Orientalism Within Us" and "Neo-Orientalism."

In 2013, symposium, panel and conferences were held at SSM in parallel with the museum collections and temporary exhibitions.

Parallel to the "Anish Kapoor in Istanbul" exhibition, an intensive panel and conference program was carried out. The first event was "The Role of Contemporary Art in Classical Art Museums", which featured international museum directors and curators, including Sir Norman Rosenthal, curator of the exhibit "Anish Kapoor in Istanbul"; Prof. Dr. Martin Roth, Director of V&A; Dr. Glenn D. Lowry, Director of MoMA; Prof. Dr. Jean-François Jarrige, member of the Board of Directors at the Condé Museum in Château de Chantilly; Dr. Thomas W. Lentz, Director of the Harvard University Art Museum; Prof. Dr. Claus-Peter Haase, former Director of Museum of Islamic Art at the Pergamon Museum, Berlin and art critic and independent curator Deepak Ananth. The panel was moderated by Prof. Dr. Hasan Bülent Kahraman. Further, Anish Kapoor gave a public lecture about his art to art lovers. Turner Prize winning British sculptor, Richard Deacon facilitated the panel entitled "Why Does Sculpture Matter" and a day-long workshop with young artists. SSM also hosted "Art in a Global World", "Beyond Sculpture: Anish Kapoor", "Infinite Curves of Anish Kapoor Sculpture" and "Looking at Darkness within Us through Anish Kapoor's Work" organized in collaboration with the Psike Istanbul Association.

Furthermore, the SSM Conservation Department, in collaboration with Universidad Politécnica de Valencia, Dept. Conservación y Restauración de Bienes Culturales, organized a seminar titled "Anatomy of Cultural Materials."

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

Screenings
In 2013, SSM initiated "Cinema at SSM" events. Atilla Dorsay coordinated the screenings of films directed by Zeki Demirkubuz, Reis Çelik and Yeşim Ustaoğlu at SSM. Following the screenings, panels were hosted with the participation of the directors actors and Atilla Dorsay.

Further, various film and documentary screenings continued all through 2013 to support the exhibitions.

Concerts
In 2013, SSM "The Seed" continued to host the masters of classical music with "Istanbul Recitals." SSM also hosted the "China Moses" concert as part of Istanbul Jazz Festival in collaboration with Istanbul Foundation for Culture and Arts. In addition, the "Jazz in Ramadan" concert series and "Bach Days" concert were held at SSM.

Projects
SSM, in collaboration with Sabancı University Information Center, launched "DigitalSSM" in 2013. The contents of the Arts of the Book and Calligraphy Collection, the Painting Collection, the Abidin Dino Archives and the Emirgan Archives are now on the digisu.sabanciuniv.edu website, together with more than 77,000 high resolution visuals.

The same year, SSM completed the inventory of all the trees and plant species on its grounds in collaboration with the Istanbul University's Faculty of Forestry and presented its garden to all nature lovers. The study revealed that the SSM garden hosts 115 plant species, including rare plants from the Far East, America, Australia, North Africa and the Caucasus. As part of the "SSM Garden" project, conferences on nature were also organized.

In 2013 summer, yoga sessions were held in the SSM garden.

SABANCI FOUNDATION

Sabancı Foundation was established with the philosophy of "Sharing what we have gained from this land with its people..." adopted by the Sabancı Family.

The Sabancı Family has contributed to Turkey's economy through the many businesses they have founded. Family members have focused their efforts on launching institutions that benefit the public in the fields of education, health care, culture, sports and social services and have played an active role in philanthropic work. Reflecting the philosophy of the late Hacı Ömer Sabancı, "To share what we have gained from this land with its people," the Sabancı Family established the Hacı Ömer Sabancı Foundation (known as the Sabancı Foundation) in 1974 and Sadıka Sabancı, the wife of Hacı Ömer Sabancı, donated all of her personal wealth to the Foundation's endowment. Sabancı Foundation quickly became one of the largest foundations in Turkey.

The income base of the Foundation is sustained mainly through donations from family members, Sabancı Group companies and revenue generated by financial assets.

The Sabancı Foundation is a founding member of the Turkish Third Sector Foundation (TÜSEV) and the European Consortium of Foundations on Human Rights and Disability, a Governing Council member of the European Foundation Center (EFC), and a member of the Council on Foundations (COF).

The Foundation's overall aim is to promote social development and social awareness among current and future generations by supporting initiatives that create impact and lasting change in people's lives. In addition to its support of institutions, arts and culture and providing scholarships and awards, the Foundation supports civil society organizations in promoting equality and active participation by women, youth and persons with disabilities.

SABANCI FOUNDATION

Sabancı Foundation has provided 40,000 scholarships since its establishment. In 2013, more than 1,400 students, including 380 new students, benefited from Sabancı Foundation scholarships.

Over the past 39 years, the Foundation has built more than 120 institutions at 78 sites across Turkey, specifically schools, student dormitories, healthcare facilities, cultural centers, sports facilities, libraries, teachers' centers, social facilities and the Sabancı University - one of its most significant investments.

In 2013, the Sabancı Foundation continued to support the collaboration between the Perkins School for the Blind and Türkan Sabancı Primary and Vocational School for the Visually Impaired. Also in 2013, it was decided that the Hacı Ömer Sabancı Primary and Secondary Education School would be rebuilt, taking into consideration the reconstruction of the province following the Van earthquake; in addition, the Sabancı Mardin Dormitory for Girls was added to the institutions bestowed by the Foundation.

In 2013, more than 1,400 students, including 380 new students, benefited from Sabancı Foundation scholarships. Since its establishment, nearly 40,000 scholarships have been provided through the scholarship program. The Foundation continued to provide scholarships through the Sabancı Foundation-Vista Scholarship Program, which was initiated during the 2009-2010 academic year. Additionally, the Sabancı Foundation Awards Program recognized individuals with awards for their exceptional performance in education, sports, arts and culture at national and international levels. More than 1,000 awards have been given to date.

With regard to the arts and culture, the Sabancı Foundation continued to support the State Theater - Sabancı International Adana Theater Festival in 2013. Mehtap Ar Children's Theater, which has received support from the Sabancı Foundation since September 2006, has traveled to 72 provinces and 213 districts in Anatolia, reaching nearly 650,000 children with more than 3,000 performances. In 2013, the Foundation continued to support the Ankara International Music Festival, the Metropolis Antique City excavation in Izmir and the Turkish National Youth Philharmonic Orchestra (TUGFO) under the leadership of the world-renowned conductor, Cem Mansur. Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery, restored by Sabancı Foundation, has attracted more than 320,000 visitors since its opening on October 1, 2009.

⟶ *www.sabancivakfi.org*

With respect to other programs, the Sabancı Foundation continued to support various projects, programs and events that aim to encourage and enable those who have the power to change the future and to make a difference in the lives of others. These projects, programs and events are listed below:

The United Nations Joint Program (UNJP), which was successfully completed in six pilot cities between 2006 and 2010, marked an important milestone toward protecting and promoting the human rights of women and girls. Upon completion of the Program, "Local Equality Action Plans" were launched to improve the quality of life of women and girls. 300,000 persons were reached as part of the Sabancı Foundation Grant Program and high school teachers received "Purple Certificates" designed for the education of teachers on gender equality.

In 2012, a new United Nations Joint Program was initiated with the partnership of United Nations Development Program (UNDP), UN Women, Sabancı University, Ministry of Family and Social Policy, Ministry of Interior, Ministry of National Education and Union of Municipalities of Turkey to be implemented in 11 pilot cities for three years. Supported by Sabancı Foundation, the new joint program will be implemented as three components: Gender Responsive Budgeting, the Sabancı Foundation Grant Program and the Purple Certificate Program.

Sabancı Foundation continued to support various projects, programs and events that aim to encourage and enable those who have the power to change the future and to make a difference in the lives of others.

First launched in 2008, the Sabancı Foundation Social Development Grant Program aims to support civil society organizations in promoting social development to achieve equality and active participation of women, youth and persons with disabilities. Since 2008, the program has received 824 applications. The Foundation granted a total of TL 6.8 million to 37 projects implemented in 72 provinces. Out of these projects, 27 were completed, reaching more than 70,000 individuals throughout the country.

In 2013, nine new projects were selected to be included under the Sabancı Foundation Grant Program. Project representatives convened on August 22, 2013 in Istanbul to meet with one another and share their experiences. On October 1, 2013, a meeting was

SABANCI FOUNDATION

In 2013, the Sabancı Foundation continued to support the project entitled "Turkey's Changemakers."

organized under the theme "Sowing Season" to exchange information and experiences among the seven grantees that completed their projects in 2013 with the support of the Sabancı Foundation Grant Program. Several representatives from NGOs, public institutions and the press attended this meeting to contribute to the discussion. A book entitled "Sowing Season: Sabancı Foundation Grant Program Stories" was distributed to the participants and related organizations.

In 2013, the Sabancı Foundation continued to support the project entitled "Turkey's Changemakers," highlighting the stories and efforts of individuals who make significant contributions to social development and inspire society. Out of more than 1,100 applications, 100 Changemakers were selected and videotaped. The videos were shared on the program's website, Facebook, Twitter and YouTube, as well as several local Turkish daily Internet news portals, reaching more than 2.5 million viewings on domestic and international platforms. The stories of 100 Changemakers by the end of the 4th season were compiled in the book "Turkey's Changemakers" and widely distributed. The 5th season of the Program started in October 2013.

Every year, Sabancı Foundation brings together civil society, foundations, academic, private and public sector representatives with international experts to allow for information sharing on new trends in philanthropy and the civil society sector.

Supporting efforts on the child marriage issue since 2010 through its Social Development Grant Program, Sabancı Foundation hosted the "We Can End Child Marriage Together: Sharing Lessons from Other Countries" workshop, organized by Girls Not Brides in Istanbul between February 11-13, 2013.

On December 12, 2013, the seventh annual Sabancı Foundation Philanthropy Seminar was held with the theme of "Challenging the Impossible" with guest speakers HRH Princess Mabel van Oranje (the Netherlands), the founder and chair of the Girls Not Brides platform; and Dr. Tererai Trent (Zimbabwe), the founder of Tinogona Foundation, who was married off at an early age but challenged impossible conditions to find a way out though education.

Two important international awards were received by the Foundation in 2013. Sabancı Foundation Chairman of the Board of Trustees, Ms. Güler Sabancı, was recognized and honored with the David Rockefeller Bridging Leadership Award, which is presented to exceptional leaders who work for social development. Named after the leading businessman and philanthropist David Rockefeller, this award was presented to Ms. Sabancı for her leadership and impactful contributions to philanthropy. The award ceremony was held on October 8, 2013 in Geneva, Switzerland. In addition, Sabancı Foundation was recognized and honored with the International Gold Star for Quality, which is presented by Business Initiative Directions (BID) to leading institutions which promote a quality culture and sustainable development. This award was presented to the General Manager of Sabancı Foundation, Ms. Zerrin Koyunsağan, at a ceremony which was held on October 27, 2013 in the World Quality Commitment Convention in Paris.

72 Provinces Benefiting from Grant Projects
121 Institutions:
1 University
39 Educational Institutions
20 Dormitories
17 Teacher Centers
16 Cultural Facilities
14 Social Facilities
5 Health Care Centers and Facilities
5 Sports Facilities
4 Libraries

Sabancı Foundation Chairman of the Board of Trustees Ms. Güler Sabancı was recognized and honored with the David Rockefeller Bridging Leadership Award.

CORPORATE SOCIAL RESPONSIBILITY POLICY AND PRINCIPLES

With this policy statement, the Sabancı Group stresses corporate social responsibility principles as well as the importance and priority given to the topic by the Group.

Based on the accepted core values of modesty, respect and proximity to people, the Sabancı Group regards basing all corporate conduct on the awareness of social responsibility as an unchangeable core component of its management approach. We expect all of our establishments that constitute the Sabancı Group to manage the economic, social and environmental impact of their actions with responsibility and to place priority on the development of society. We do not regard the scope of our social responsibility limited to just our business operations or their impact. We determine our level of social responsibility and its priority on what is good for society and the environment as a whole. We pursue a pioneering role with regard to actions that protect democracy, human rights as well as the environment. As the Sabancı Group, the SA-Ethics program, prepared and put into practice in accordance with the Principles of Corporate Social Responsibility, constitute a guide to our business operations.

The basic principles that govern our social responsibility practices are:

1- At the Sabancı Group, we fulfill our social and environmental responsibilities toward society in all places that we operate, in close collaboration with our shareholders, employees, public, non-governmental organizations and other stakeholders.

2- We regard our human resources as the most significant component in creating sustainable growth. We ensure that all employees take advantage of their personal rights as members of the Group, fully and accurately. We treat our employees with honesty and fairness; we are committed to creating a non-discriminatory, safe and healthy work environment. We undertake efforts to enable the personal development of all employees while pursuing a balance between their private and professional lives.

   Any discrimination within the organization based on race, religion, gender, age, political opinion, language, physical challenge or similar reasons are not tolerated.

   We strive to ensure that people of different beliefs, views and opinions work together in harmony by creating a positive and cordial work environment that supports cooperation and prevents conflict.

   We administer programs that contribute to preserving employee health that we accept as important to ensuring our employees' quality of life and success.

   At the Sabancı Group, we believe that all employees deserve to work in a healthy and secure work environment consistent with human dignity. Our employees are our most valuable assets and we strive to provide employee safety and security as our primary goal.

3- We manage the environmental impact of our activities with a sense of responsibility. All of our companies are required to identify and apply the necessary improvements and development activities that minimize or eliminate negative environmental impact. We require our companies, beyond their legal requirements, to apply the best environmental solutions to all they do and to support any initiative that will develop and deploy environment-friendly technology and enhance environmental awareness.

4- At the Sabancı Group, we strive toward the improvement of society pursuant to our sense of corporate social responsibility. We encourage our employees to take part in social and societal volunteering.

5- We develop and implement approaches to ensure that all of our partners and particularly our suppliers act in accordance with the social responsibility standards of the Group.

6- We show sensitivity to the traditions and culture of Turkey and other countries in which we operate. We comply with all legal regulations currently in effect.

7- We encourage our Group companies to comply with international standards and assure that their operations are certified.

All principles of this policy statement are put into practice in accordance with applicable regulations; relevant units audit the level of implementation. We consider the success of the companies with regard to social responsibility activities as a significant criterion for evaluating overall company performance. At the Sabancı Group, we disclose corporate social responsibility activities realized by our Group with the public via annual reports and on our website.

All of our executives and employees, starting with the CEO of Sabancı Holding A.Ş., undertake accountability for carrying out corporate social responsibility activities.

This policy document has been prepared to share with our employees, shareholders and all other stakeholders, our public commitment on the part of the Sabancı Group to fulfill our responsibility toward helping to create a better world and a better future.

Zafer Kurtul
Board Member and CEO

Güler Sabancı
Chairman and Managing Director

COMMUNICATION PRINCIPLES OF SABANCI GROUP

The Sabancı Group targets the following principle as part of its communications efforts: Sabancı Group plans and implements its operations on the basis of striving for permanent competitive advantages by differentiating itself; the Group's mission is to manage a strategic portfolio with a competitive and sustainable growth potential in such a way that it creates value for its shareholders. The principle thus adopted is manifested, in the Group's business target: To be ahead of the competition in the sectors we operate.

It is of crucial importance that the internal and external communications of the Group is maintained consistently, constantly and transparently in order to safeguard and promote the corporate reputation of Sabancı Group and to manage it in harmony with its business targets and social responsibilities.

In this context:
The Chairman and CEO of Sabancı Holding have public informational meetings at least once (usually twice) a year.

Group Heads inform the public at least once a year.

Sabancı Holding shares its first quarter, first half, nine months and annual financial results with the Capital Markets Board of Turkey (CMB), Borsa Istanbul (BIST) and the public.

Material disclosures to the BIST and press releases are simultaneously posted on the website.

Activities of Sabancı Holding are disclosed to the public through its website in both Turkish and English. Sabancı Holding also shares information with the public through social media channels (www.facebook.com/sabanciholding - www.twitter.com/sabanciholding)

Affiliates of Sabancı Holding inform the Sabancı Holding Corporate Communications Department prior to the implementation of the planned communications activities on a monthly and annual basis.

Sabancı Holding and its affiliates adhere to the principles set out in the Communications Guide in all communications activities.

Uses of the Sabancı brand have been outlined in the Sabancı Corporate Identity Guidelines. Sabancı Holding and its affiliates adhere to these principles in all matters relating to the use of the Sabancı brand.

Frequency of such activities may be increased in line with corporate and operational developments.

SABANCI GROUP ENVIRONMENTAL POLICY

OUR PRINCIPLES

Sabancı Group has adopted the innovative and sustainable environmental approach in its operations.
Being aware of the fact that the public embraces the "sustainable", we adopt in our environmental activities integrated, transparent and reliable management, as well as communications and collaboration with the public.
Our basic principle in our operations in different sectors is "to assume the responsibility of the lifecycle of products and services."
With such an approach, we manage our operations at each step of our development with an eye to their impacts on the environment.

OUR CORPORATE ENVIRONMENTAL POLICY

- We establish and implement our environmental standards at a level above and beyond the legal obligations.
- We aim at perfection through intercompany information and experience sharing.
- We adopt the proactive approach in all our operations for an uninterrupted improvement of our environmental performance.
- We identify and manage environmental risks.
- We try to apply the best available production techniques.
- While monitoring environmental developments and converting them into business opportunities, we contribute to sustainability.
- We support environmental awareness and information sharing for purposes of social development.

INTERGROUP ENVIRONMENTAL POLICY REQUIREMENTS

We observe the environmental law and other statutory obligations

While implementing the environmental applications at a level above and beyond the legal obligations, we ensure the control of compliance.

We identify our environmental impacts

We identify all our environmental impacts, develop a systematic approach of targeting, programming and monitoring, review the impacts and take improving actions.

We manage the intergroup resource utilization

We determine the organizational roles, responsibilities and authorities in infrastructure, technology, finance and human resources, and ensure that our employees develop environmental awareness.

We ensure a systematic approach in our applications and create intercompany synergies

We establish our operational standards with a proactive approach and ensure that they are followed by everyone including our employees, suppliers and contractors.

In the course of our operations, we identify any risks endangering the environment using a proactive approach and try to take the measures to minimize them in a timely and thorough manner.

We continually try to improve and review our environmental performance

We set and implement targets for energy and waste management and for natural resource consumption.

While aiming at continuous improvement through clean products and clean production technologies, we also take on the environmental responsibility of our products and services.

While reporting our operations unequivocally, we facilitate access to information.

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hacı Ömer Sabancı Holding A.Ş.

1. We have audited the accompanying consolidated balance sheet of Hacı Ömer Sabancı Holding A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group") as at 31 December 2013, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hacı Ömer Sabancı Holding A.Ş. and its subsidiaries as at 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with TAS (refer to Note 2).

Other Matter

5. Subsidiaries are companies in which Holding exercises a dominant influence and power to govern the financial and operating policies through exercise of voting power relating to shares held by Holding and its Subsidiaries together with voting power which Holding effectively exercises relating to shares held by Sabancı family members. Sabancı family members allow Holding to exercise voting power in respect of their shares held in these companies. In the accompanying consolidated financial statements the shares held by Sabancı family members are treated as non-controlling interests.

Additional Paragraph for US Dollar ("USD") Translation

6. "As explained in Note 2 to the consolidated financial statements USD amounts presented in the accompanying consolidated financial statements have been included solely for the convenience of the reader of the consolidated financial statements, USD amounts do not form part of these consolidated financial statements and have been translated from Turkish Lira ("TL"), as a matter of arithmetic computation only, at the offical USD bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") at 31 December 2013 for the consolidated balance sheet and the official USD average CBRT bid rate of the year 2013 for the consolidated statement of profit or loss and consolidated statement of cash flows. The resulting difference from the use of average CRBT rate for the translation of consolidated statement of profit or loss and the use of bid rate at the balance sheet date for the translation of the consolidated balance sheet is included in translation reserves under shareholders' equity in accordance with the translation requirements of TAS 21 "The effects of Changes in Foreign Exchange Rates" when the financial statements are presented in a currency other than the functional currency."

Reports on Other Legal and Regulatory Requirements

7. In accordance with Article 402 of Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors provided us all the required information and documentation in terms of audit; and nothing has come to our attention that may cause us to believe that the Group's set of accounts prepared for the period 1 January-31 December 2013 does not comply with the code and the provisions of the Company's articles of association in relation to financial reporting.

8. In accordance with Article 378 of Turkish Commercial Code No. 6102, in publicly traded companies, the board of directors is obliged to establish a committee consisting of specialized experts, to run and to develop the necessary system for the purposes of early identification of any risks that may compromise the existence, development and continuation of the company; applying the necessary measures and remedies in this regard and managing such risks. According to paragraph 4 of Article 398 of the same code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include the evaluation of the operational efficiency and adequacy of the operations carried out by the management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report, yet. Therefore, no separate report has been drawn up regarding this matter. On the other hand, the Company established the mentioned committee on 25 April 2013, and the committee is comprised of 3 members. Since the date of its establishment, the committee has held meetings for the purposes of early identification of any risks that may compromise the existence and development of the Company, applying the necessary measures and remedies in this regard and managing such risks, and has submitted the relevant reports to the Board of Directors.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ömer Tanrıöver, SMMM
Partner

Istanbul, 7 March 2014

CONTENTS		PAGE

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

ASSETS	Note References	Unaudited Current Period 31 December 2013 USD (*)	Current Period 31 December 2013	Restated Prior Period 31 December 2012
Current Assets		49.259.377	105.134.288	84.164.475
Cash and Cash Equivalents	5	4.566.792	9.746.904	6.330.284
Financial Assets		6.003.267	12.812.773	5.720.174
- Held for Trading	6.a	57.975	123.737	31.583
- Available for Sale	6.b	5.025.144	10.725.165	3.779.346
- Held to Maturity	6.c	832.458	1.776.715	1.846.994
- Time Deposits	6.d	87.690	187.156	62.251
Trade Receivables	8	567.502	1.211.220	992.237
Receivables from Finance Sector Operations	30	27.839.077	59.416.942	51.924.082
Reserve Deposits with the Central Bank of the Republic of Turkey		7.820.213	16.690.681	15.242.002
Other Receivables	9	286.712	611.929	705.429
Derivative Financial Instruments	29	828.101	1.767.417	539.175
Inventories	10	882.468	1.883.451	1.509.187
Prepaid Expenses	11	155.882	332.698	245.209
Other Current Assets	20	295.322	630.305	868.790
		49.245.336	**105.104.320**	**84.076.569**
Assets Classified As Held for Sale	22	14.041	29.968	87.906
Non-current Assets		**47.526.839**	**101.436.531**	**87.661.555**
Financial Assets		14.252.106	30.418.270	38.924.773
- Available for Sale	6.b	9.390.213	20.041.531	37.134.299
- Held to Maturity	6.c	4.861.893	10.376.739	1.790.474
Trade Receivables	8	19.299	41.189	24.127
Receivables From Finance Sector Operations	30	27.974.607	59.706.203	40.976.081
Other Receivables	9	21.402	45.679	18.894
Derivative Financial Instruments	29	295.262	630.177	-
Investments Accounted Through Equity Method	12	2.324.368	4.960.899	3.808.105
Investment Property	13	163.420	348.788	105.497
Property, Plant and Equipment	14	1.826.750	3.898.832	3.089.902
Intangible Assets		367.658	784.693	433.493
- Goodwill	16	224.399	478.935	181.644
- Other Non Current Assets	15	143.259	305.758	251.849
Prepaid Expenses	11	15.470	33.018	13.963
Deferred Tax Assets	28	232.106	495.383	176.375
Other Non Current Assets	20	34.391	73.400	90.345
Total Assets		**96.786.216**	**206.570.819**	**171.826.030**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 31 December 2013, and therefore do not form part of these consolidated financial statements (Note 2.1.6).
These consolidated financial statements have been approved for issue by the Board of Directors on 7 March 2014 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, Head of Planning, Reporting and Finance Department.

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited Current Period 31 December 2013 USD (*)	Current Period 31 December 2013	Restated Prior Period 31 December 2012
LIABILITIES				
Short Term Liabilities		**70.689.512**	**150.872.625**	**125.832.866**
Financial Liabilities	7	7.642.719	16.311.856	13.264.547
Current Portion of Long-Term Financial Liabilities	7	943.562	2.013.844	1.433.532
Trade Payables	8	898.887	1.918.494	1.301.086
Payables from Finance Sector Operations	31	57.802.974	123.368.888	104.022.892
Short Term Employee Benefits	19	22.105	47.178	44.373
Other Payables	9	1.832.496	3.911.097	3.070.401
Derivative Financial Instruments	29	557.652	1.190.196	600.412
Deferred Income	11	151.169	322.641	253.255
Income Taxes Payable	28	48.788	104.128	436.452
Short Term Provisions		287.493	613.596	375.638
- Short Term Provisionsfor Employee Benefits	19	77.528	165.467	182.188
- Other Short Term Provisions	17	209.965	448.129	193.450
Other Short Term Liabilities	20	501.667	1.070.707	1.030.278
Long Term Liabilities		**11.096.629**	**23.683.537**	**15.480.120**
Financial Liabilities	7	5.578.364	11.905.902	9.307.256
Trade Payables	8	279	596	3.980
Payables from Finance Sector Operations	31	5.303.003	11.318.200	5.248.142
Other Payables	9	15.562	33.215	17.118
Derivative Financial Instruments	29	33.268	71.003	612.809
Deferred Income	11	31.243	66.683	61.876
Long Term Provisions		83.044	177.240	146.241
- Long Term Provisions		-		
for Employee Benefits	19	81.206	173.319	142.370
- Other Long Term Provisions	17	1.837	3.921	3.871
Deferred Tax Liabilities	28	50.464	107.706	82.205
Other Long Term Liabilities	20	1.402	2.992	493
EQUITY		**15.000.075**	**32.014.657**	**30.513.044**
Equity Attributable to the Parent	**21**	**7.981.278**	**17.034.439**	**16.251.076**
Share Capital	21	956.006	2.040.404	2.040.404
Adjustment to Share Capital		1.605.567	3.426.761	3.426.761
Treasury Shares (-)	21	-	-	(52.227)
Share Premium		10.153	21.670	21.670
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss		581	1.240	(2.736)
- Actuarial Gains/Losses		581	1.240	(2.736)
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		(236.534)	(504.839)	612.055
- Currency Translation Reserve	21	121.223	258.722	145.286
- Hedge Reserve	21	(99.092)	(211.491)	(223.386)
- Revaluation Reserve	21	(258.666)	(552.070)	690.155
Restricted Reserves	21	433.996	926.278	654.707
Retained Earnings		4.400.285	9.391.529	7.691.951
Net Income for the Year		811.224	1.731.396	1.858.491
Non-controlling Interests		**7.018.797**	**14.980.218**	**14.261.968**
TOTAL EQUITY AND LIABILITIES		**96.786.216**	**206.570.819**	**171.826.030**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 31 December 2013, and therefore do not form part of these consolidated financial statements (Note 2.1.6).

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited 1 January - 31 December 2013 USD (*)	Current Period 1 January - 31 December 2013	Prior Period 1 January - 31 December 2012
CONTINUING OPERATIONS				
Sales (net)	4,23	5.023.325	9.560.895	7.088.379
Cost of Sales (-)	4,23	(4.169.072)	(7.934.994)	(5.984.178)
Gross Profit From Non-Financial Operations		**854.253**	**1.625.901**	**1.104.201**
Interest, Premium, Commission and Other Income	4	7.668.395	14.595.256	13.978.889
Interest, Premium, Commission and Other Expense (-)		(3.639.895)	(6.927.813)	(7.431.542)
Gross Profit From Financial Operations		**4.028.500**	**7.667.443**	**6.547.347**
GROSS PROFIT		**4.882.753**	**9.293.344**	**7.651.548**
General and Administrative Expenses (-)	24	(2.049.274)	(3.900.384)	(3.291.152)
Marketing, Selling and Distribution Expenses (-)	24	(449.861)	(856.221)	(553.342)
Research and Development Expenses (-)	24	(6.825)	(12.990)	(12.314)
Other Operating Income	25	398.846	759.124	835.519
Other Operating Expenses (-)	25	(302.255)	(575.281)	(286.434)
Interest in Income of Investments Accounted Through Equity Method	12	79.555	151.417	404.797
OPERATING PROFIT		**2.552.939**	**4.859.009**	**4.748.622**
Income From Investment Activities	26	21.466	40.856	30.766
Expense From Investment Activities (-)	26	(1.718)	(3.269)	(1.250)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		**2.572.687**	**4.896.596**	**4.778.138**
Financial Income	27	7.858	14.957	55.393
Financial Expenses (-)	27	(110.653)	(210.606)	(187.595)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**2.469.893**	**4.700.947**	**4.645.936**
Tax Income / (Expense) from Continuing Operations				
Current Income Tax Expense	28	(410.577)	(781.452)	(936.224)
Deferred Income Tax Benefit / Charge	28	(86.504)	(164.643)	74.057
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		**1.972.811**	**3.754.852**	**3.783.769**
DISCONTINUED OPERATIONS				
Net Income / (Loss) After Tax From Discontinued Operations	22	47.181	89.800	(18.304)
NET INCOME FOR THE PERIOD		**2.019.992**	**3.844.652**	**3.765.465**
ALLOCATION OF NET INCOME				
- Non-controlling Interests		1.110.312	2.113.256	1.906.974
- Equity Holders of the Parent		909.681	1.731.396	1.858.491
Earnings per share- thousands of ordinary shares (TL)	33	4,46	8,49	9,11
Earnings per share from continuing operations- thousands of ordinary shares (TL)	33	4,23	8,05	9,20

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL average exchange rate announced by CBRT at 31 December 2013, and therefore do not form part of these consolidated financial statements (Note 2.1.6).

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Tutarlar, aksi belirtilmedikçe bin Türk Lirası ("TL") olarak belirtilmiştir. TL dışındaki para birimleri, aksi belirtilmedikçe bin olarak belirtilmiştir.)

	Note References	Current Period 1 January - 31 December 2013	Restated Prior Period 1 January - 31 December 2012
NET INCOME FOR THE PERIOD		**3.844.652**	**3.765.465**
Other Comprehensive Income / (Loss) :			
Items That Will Not Be Reclassified Subsequently To Profit or Loss		**3.976**	**(2.736)**
Actuarial gains / (losses)	28	3.976	(2.736)
Items That Will Be Reclassified Subsequently To Profit or Loss		**(2.892.482)**	**1.695.907**
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	28	(2.408.339)	2.867.144
Gains/(losses) on available for sale financial assets transferred to the income statement, after tax	28	(624.919)	(1.004.556)
Net gains/(losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	28	(9.335)	(24.585)
Currency translation differences	28	143.364	(179.384)
Cash flow hedges, after tax	28	91.503	(70.503)
Income / (loss) from the derivative financial assets related to the of net investment in a foreign operation, after tax	28	(84.756)	107.791
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		**(2.888.506)**	**1.693.171**
TOTAL COMPREHENSIVE INCOME		**956.146**	**5.458.636**
ALLOCATION OF TOTAL COMPREHENSIVE INCOME		**956.146**	**5.458.636**
- Non-controlling Interests		337.792	2.950.081
- Equity Holders of the Parent		618.354	2.508.555

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

					Accumulated Other Comprehensive Income or Loss That Will									
					Not Be Reclassified	Be Reclassified to Profit or Loss								
	Share Capital	Adjustment to share capital	Treasury shares (-)	Share premium	Actuarial gains/ losses	Currency translation reserve	Hedge reserve	Revaluation funds	Restricted reserves	Retained earnings	Net income for the year	Equity attribu table to the parent	Non-controlling interests	Total
Balances at 1 January 2012	**2.040.404**	**3.426.761**	**(52.227)**	**21.670**	**-**	**194.073**	**(217.757)**	**(59.845)**	**580.224**	**6.088.230**	**1.877.987**	**13.899.520**	**11.573.622**	**25.473.142**
Transfers	-	-	-	-	-	-	-	-	23.000	1.854.987	(1.877.987)	-	-	-
Acquisition effects (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	44.726	44.726
Subsidiary liquidation (*)	-	-	-	-	-	42.784	-	-	-	(42.784)	-	-	-	-
Disposal of assets	-	-	-	-	-	-	-	-		(3.618)	-	(3.618)	(14.692)	(18.310)
Effect of subsidiary public offering (Note 21)	-	-	-	-	-	-	-	-	51.483	7.079	-	58.562	-	58.562
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	(3.520)	-	(3.520)	20.726	17.206
Dividends paid (**)	-	-	-	-	-	-	-	-	-	(208.423)	-	(208.423)	(312.495)	(520.918)
Total comprehensive income	-	-	-	-	(2.736)	(91.571)	(5.629)	750.000	-	-	1.858.491	2.508.555	2.950.081	5.458.636
Balances at 31 December 2012	**2.040.404**	**3.426.761**	**(52.227)**	**21.670**	**(2.736)**	**145.286**	**(223.386)**	**690.155**	**654.707**	**7.691.951**	**1.858.491**	**16.251.076**	**14.261.968**	**30.513.044**
Balances at 1 January 2013	**2.040.404**	**3.426.761**	**(52.227)**	**21.670**	**(2.736)**	**145.286**	**(223.386)**	**690.155**	**654.707**	**7.691.951**	**1.858.491**	**16.251.076**	**14.261.968**	**30.513.044**
Transfers	-	-	-	-	-	-	-	-	271.571	1.586.920	(1.858.491)	-	-	-
Change in shareholding structure by the effect of shares purchase (***)	-	-	-	-	-	-	-	-	-	(2.541)	-	(2.541)	504.107	501.566
Joint venture disposals (****)	-	-	-	-	-	-	-	-	-	62.856	-	62.856	-	62.856
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	124	-	3.570	-	3.694	3.266	6.960
Effect of disposal of subsidiaries' shares (*****)	-	-	52.527	-	-	-	-	-	-	275.699	-	327.926	268.718	596.644
Change in the consolidation method	-	-	-	-	-	-	-	-	-	(13.384)	-	(13.384)	-	(13.384)
Dividends paid (**)	-	-	-	-	-	-	-	-	-	(213.542)	-	(213.542)	(395.633)	(609.175)
Total comprehensive income	-	-	-	-	3.976	113.436	11.895	(1.242.349)	-	-	1.731.396	618.354	337.792	956.146
Balances at 31 December 2013	**2.040.404**	**3.426.761**	**-**	**21.670**	**1.240**	**258.722**	**(211.491)**	**(552.070)**	**926.278**	**9.391.529**	**1.731.396**	**17.034.439**	**14.980.218**	**32.014.657**

(*) Sabancı Industrial Yarn and Tire Cord Fabric B.V. ("Sabancı B.V."), which operates in Netherlands and is owned by Kordsa, a subsidiary of the Group, was liquidated.

(**) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,10 (2012: TL 0,10).

(***) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary starting from 1 July 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

(****) The share transfer agreement of Diasa shares representing 40% ownership in the Group's portfolio to Şok Marketler Tic. A.Ş. has been signed on 19 April 2013. Following the completion of all legal procedures, official share transfer has been realized on 1 July 2013.

(*****) Net profit after tax due to the sale of Sabancı Holding shares, owned by Çimsa and Tursa, the Group's subsidiaries, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa, have been accounted for under equity.

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited 1 January- 31 December 2013 USD (*)	Current Period 1 January- 31 December 2013	Prior Period 1 January- 31 December 2012
Net income before tax from continuing operations		2.469.893	4.700.947	4.645.936
Net income before tax from discontinued operations	22	47.181	89.800	(16.547)
Adjustments to reconcile income before taxation to net cash provided by operating activities:				
Depreciation and amortisation expenses	4	229.257	436.345	361.163
Provision for loan losses	30	927.256	1.764.846	1.165.564
Changes in the fair value of derivative instruments		(947.838)	(1.804.020)	524.577
Interest income and foreign currency gains		85.484	162.702	629.561
Interest expense		71.987	137.012	(6.874)
Provision for employment termination benefits	19	30.494	58.040	58.734
Impairment charge on property, plant and equipment, intangible assets and investment property	4	11.261	21.433	5.464
Income from associates	12	(79.555)	(151.417)	(404.797)
Provision for / (reversal of) inventory impairment	10	1.146	2.181	(1.766)
Provision for/ (reversal of) doubtful receivables		3.161	6.017	1.408
(Profit) / loss from disposal of joint venture shares	22	(63.677)	(121.196)	-
Other		(7.228)	(13.757)	(22.749)
Net cash provided by operating activities before changes in operating assets and liabilities		**2.778.822**	**5.288.933**	**6.939.674**
Changes in trade receivables		(127.180)	(242.062)	(8.723)
Changes in inventories		(197.785)	(376.445)	(173.564)
Changes in other receivables and other current assets		122.173	232.531	(484.797)
Changes in trade payables		322.610	614.024	124.041
Disposal of joint venture assets		(20.324)	(38.683)	-
Changes in other liabilities and other payables		638.221	1.214.726	1.407.313
Net cash provided in operating activities of assets classified as held for sale		45.975	87.505	30.980
Currency translation differences		51.658	98.321	(104.966)
Changes in assets and liabilities in finance segment:				
Changes in securities held for trading		(48.673)	(92.639)	128.444
Changes in receivables from financial operations		(14.572.466)	(27.735.774)	(19.369.114)
Changes in payables from financial operations		13.272.020	25.260.635	17.095.058
Changes in reserve with the Central Bank of the Republic of Turkey		(1.448.610)	(2.757.140)	(2.729.507)
Income taxes paid		(410.918)	(782.101)	(904.301)
Employment termination benefits paid	19	(29.018)	(55.230)	(30.794)
Net cash used in operating activities		**(2.402.317)**	**(4.572.332)**	**(5.019.930)**
Cash flows from investing activities:				
Capital expenditures	4	(363.803)	(692.427)	(560.054)
(Sale) / purchase of available for sale and held to matuirty financial assets		- (1.749.505)	(3.329.832)	(824.574)
Cash used in business combinations, net		-	-	(53.437)
Proceeds from sale of non current assets held for sale, property, plant and equipment and intangible assets		33.315	63.408	57.156
Dividends received		171.379	326.185	246.065
Net cash (used in) investment activities of non-current assets		-	-	(3.776)
Cash provided from the sale of subsidiary		313.479	596.644	58.562
Change int the effective ownership of subsidiaries		11.716	22.300	(12.656)
Cash provided from the sale of joint venture		76.969	146.495	-
Cash used in the acquisiton of shares of joint venture	3	(74.082)	(141.000)	-
Net cash (used in) investing activities		**(1.580.532)**	**(3.008.227)**	**(1.092.714)**
Cash flows from financing activities:		**-**		
Changes in financial liabilities		3.211.046	6.111.584	(65.001)
Dividends paid		(112.196)	(213.542)	(208.423)
Dividends paid to non-controlling interests		(207.867)	(395.633)	(312.495)
Capital increase of joint ventures		(904.219)	(1.721.000)	(432.544)
Net cash (used in) financing activities ofassets classified as held for sale		-	-	(8.785)
Net cash provided by / (used in) financing activities		**1.986.765**	**3.781.409**	**(1.027.248)**
Effect of change in foreign currency rates on cash and cash equivalents		325.115	618.792	(153.176)
Net increase/(decrease) in cash and cash equivalents		1.107.852	2.108.575	(353.394)
Cash and cash equivalents at the beginning of the period (**)		2.453.373	4.669.505	5.022.899
Cash and cash equivalents at the end of the period		**3.561.225**	**6.778.080**	**4.669.505**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official average TL exchange rate announced by CBRT at 31 December 2013 and therefore do not form part of these consolidated financial statements (Note 2.1.6).
(**) Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 208 and cash and cash equivalents at the end of the period comprise interest accruals of TL 624 (31 December 2012: TL 624 and TL937 respectively). Restricted cash in the banks is not included in the cash and cash equivalents. At the beginning and at the end of the current period, restricted deposit is TL 1.660.155 and TL 2.968.616, respectively (31 December 2012: TL 1.336.807 and TL 1.669.155, respectively).

The accompanying notes form an integral part of these consolidated financial statements.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family (Note 21). The number of employees in 2013 is 58.907. (31 December 2012: 57.556). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa Istanbul ("BIST") (previously known as the Istanbul Stock Exchange ("ISE")) since 1997. As of 31 December 2013, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 21):

	%
Sabancı Family (*)	43,65
Public Quotation	40,11
Sakıp Sabancı Holding A.Ş.(*)	14,07
Other (*)	2,17
	100

(*) Publicly traded / registered shares are excluded since the Central Registry Agency is not able to share the number of registered shares on principle.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Subsidiaries

As of 31 December 2013, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Name of Exchange Traded	Nature of business	Business segment	Number of employees
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	16.445
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	BİST	Tire reinforcement	Industry	4.062
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.904
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement and clinker	Cement	2.109
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retailing	4.305
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	23
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	-	Tourism	Other	4
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	8
Bimsa Uluslararası İş, Bilgi ve YönetimSistemleri A.Ş. ("Bimsa")	-	Trade of data and processing systems	Other	107
Sasa Polyester Sanayi A.Ş. ("Sasa")	BİST	Chemicals and textile	Industry	1.229
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.909
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa") (*)	BİST	Trade of consumer goods	Retailing	8.095

(*) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary starting from 1 July 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

For the purposes of segment information, Holding's stand-alone financial statements have been included within the "Other" business segment (Note 4).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Joint Ventures

As at 31 December 2013, the nature of business and operating segments of the Joint Ventures which are accounted through equity method in the consolidated financial statements are as follows:

Joint Ventures	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees
Aksigorta A.Ş. ("Aksigorta")	BİST	Insurance	Insurance	Ageas	711
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	-	Pension	Insurance	Aviva	1.673
Brisa Bridgestone SabancıLastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	2.265
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement and clinker	Cement	Heidelberg	1.650
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	-	Energy	Energy	E.ON SE (*)	9.833

(*) According to the Share Purchase Agreement signed with E.ON SE dated 3 December 2012; Verbund AG's Enerjisa Enerji A.Ş. shares were transferred to E.ON SE. As of April 2013, the legal procedures and official share transfer are completed.

All the Joint Ventures are registered in Turkey.

Affiliates

As at 31 December 2013, the nature of business and operating segments of the Affiliates which are accounted through equity method in the consolidated financial statements are as follows:

Associates	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees*
Philsa Philip Morris Sabancı Sigara ve Tütün San. Ve Tic. A.Ş (Philsa)	-	Tobacco products production	Industry	Philip Morris	2.229
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	-	Tobacco products marketing and sales	Industry	Philip Morris	2.229

(*) Number of employees represent the total number of employees of Philsa and Philip Morrissa.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Statement of compliance with TAS

Sabancı Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements ("Statutory Financial Statements") in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles and instructions promulgated by the Banking Regulation and Supervising Agency for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Accounting Standards issued by POA.

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations ("TAS/TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

Also, the consolidated financial statements and its notes are presented in accordance with the format requirements announced by the new communique. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Preparation of Financial Statements in Hyperinflationary Periods

Based on CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the POA Accounting Standards are not subject to inflation accounting effective from 1 January 2005. Therefore, starting from January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

Functional and Presentation Currency

Items included in the financial statements of each Group entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (functional currency). The financial position and operation results of each entity are presented in Turkish Lira, which is the functional currency of the consolidated financial statements of the Group.

2.1.2 Basis of Consalidation

a) The consolidated financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the "Group") on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1.1. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding either through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them.

c) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 31 December 2013 and 2012:

	31 December 2013		31 December 2012	
	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of ownership interest	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of ownership interest
Subsidiaries	%	%	%	%
AEO (1)	76,85	76,85	70,29	70,29
Akbank	40,77	40,77	40,78	40,76
Bimsa	100,00	100,00	100,00	89,97
Çimsa	58,41	53,00	58,41	53,00
Exsa	61,68	46,23	61,68	46,23
Kordsa Global	91,11	91,11	91,11	91,11
Teknosa	60,29	60,29	61,21	60,72
Temsa	48,71	48,71	48,71	48,71
Tursa (2)	100,00	100,00	99,52	99,46
Yünsa	57,88	57,88	57,88	57,88
Sasa	51,00	51,00	51,00	51,00
Carrefoursa (3)	50,93	50,93	-	-

(1) After the Group shares which are possessed by AEO have been transferred to Sabancı Holding A.Ş, the effective interest rate of AEO has reached to 76,85%.
(2) After the Group shares which are possessed by Tursa have been transferred to Sabancı Holding A.Ş, the effective interest rate of Tursa has reached to 100%
(3) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary starting from 1 July 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The balance sheets and statements of profit or loss of the Subsidiaries are consolidated on a line-by- line basis and the carrying value of the investment held by the Holding and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between the Holding and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Holding in its Subsidiaries are eliminated from shareholders' equity and income for the period, respectively.

Financial statements of Subsidiaries whose financial position at 31 December 2013 and result of operations for year ended 31 December 2013 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such Subsidiaries are classified as available for sale equity securities in these consolidated financial statements (Note 6.b).

d) Joint arrangements are agreements where Holding and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint agreements are grouped according to the procedure described below and the relevant accounting:

i) Joint operation – If Holding and its subsidiaries have rights and liabilities relating to operations subject to a joint arrangement, such rights and liabilities are accounted through proportionate consolidation method in the consolidated financial statements.

ii) Joint venture – If Holding and its subsidiaries have rights on net assets relating to operations subject to a joint arrangement, such net assets are accounted through equity method in the consolidated financial statements.

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 December 2013:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	39,72
Aksigorta	36,00	36,00
Avivasa	49,83	49,83
Brisa	43,63	43,63
Enerjisa Enerji(1)	50,00	50,00

(1) According to the Share Purchase Agreement signed with E.ON SE dated 3 December 2012; Verbund AG's Enerjisa Enerji A.Ş shares were transferred to E.ON SE. As of April 2013, the legal procedures and official share transfer are completed.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 December 2012:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	39,72
Aksigorta	36,00	36,00
Avivasa	49,83	49,83
Brisa	43,63	43,63
Carrefoursa(2)	38,78	38,78
Diasa(3)	40,00	40,00
Enerjisa Enerji	50,00	50,00
Olmuksa(1)	43,73	43,73

(1) The transfer agreement of the Group's total share in Olmuksa to International Paper Container Holdings (Spain),S.L. has been signed on 19 September 2012. The transfer is completed on 3 January 2013. The entity has been classified as assets held for sale on the consolidated financial statements.
(2) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V." s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary starting from 1 July 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.
(3) The share transfer agreement of Diasa shares representing 40% ownership in the Group's portfolio to Şok Marketler Tic. A.Ş. has been signed on 19 April 2013. Following the completion of all legal procedures, official share transfer has been realized on 1 July 2013.

Sabancı family members do not have any interest in the share capital of the Joint Ventures.

e) Investments in Associates are accounted for by the equity method. These are companies where the Group has significant influce rather than control over the business operations. Unrealized gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation considering the Group share, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is not applied for Investments in Associates if the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are recognized at fair value if the fair value can be determined objectively; otherwise, they are recognized at cost (Note 12 and Note 2.e). Financial statements of associates, whose financial position at 31 December 2013 and result of operations for the period year ended 31 December 2013 are insignificant to the overall consolidated financial statements are not consolidated on the grounds of materiality. Such associates are classified as available for sale equity securities in these consolidated financial statements (Note 6.b).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 December 2013 and 31 December 2012:

Associates	Proportion of effective interest by the Holding%
Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. ("Philsa")	25,00
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	24,75

Sabancı family members do not have any interest in the share capital of Associates.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

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f) Other investments over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 6.b).

g) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively. The portion of the profit or loss and net assets of Subsidiaries attributable to equity interests that are not owned, directly or indirectly through the Subsidiaries, by the parents, is presented as non-controlling interest. Certain Sabancı family members, Sabancı Vakfı, a charitable foundation established by Sabancı family members and Akbank Tekaüt Sandığı, a retirement foundation for Akbank employees, have interests in the share capital of certain Subsidiaries and Associates. In these consolidated financial statements their interests are treated as non-controlling interest and are not included in the Holding"s net assets and profits attributable to shareholders of the Holding.

2.1.3 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis,or realise the asset and settle the liability simultaneously.

2.1.4 Comparatives and Restatement of Prior Year Financial Statements

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior year. The Group presented the consalidated balance sheet as of 31 December 2013 comparatively with the consolidated balance sheet as of 31 December 2012 and presented the consolidated statement of profit or loss, statement of cash flows and statement of changes in equity for the year 1 January-31 December 2013 comparatively with the year 1 January-31 December 2012. As a result of the share transfer agreements signed in April 2013 and September 2012 of Diasa and Olmuksa, the results of Diasa and Olmuksa have been reclassified to "Discontinued Operations" and "Assets Classified As Held for Sale" on the consolidated statement of profit or loss and consolidated balance sheet, respectively.

In addition to the above-mentioned reclassifications, on 7 June 2013, Public Oversight Accounting and Auditing Standards Authority ("POA") published the "Communiqué on the Principles of Financial Reporting" for the entities that are obliged to apply TAS / TFRS to prepare their financial statements in accordance with TAS/TFRS in the Official Gazette No. 28676 dated 13 June 2013 except for the financial institutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment. In addition, starting from 1 January 2013 based on the adoption of TFRS 10 Consolidated Financial Statements, TAS 27 Separate Financial Statements, TFRS 11 Joint Arrangements and TAS 28 Investments in Associates and Joint Ventures, the Group reviewed the consolidation principles based on the definition of control and restated its previously reported consolidated financial statements. Within this scope, the Group evaluated shareholder structure, legal form of the company subject to joint arrangement, agreement terms and forms. As a result of this evaluation all of the Group companies within the scope of joint arrangement have been concluded as joint ventures and are consolidated through equity method. There have been no changes in the accounting of subsidiaries.

In accordance with the adoption of TFRS 11, total current assets decreased by TL 1.271.462, total non-current assets decreased by TL 2.380.848, total short term liabilities decreased by TL 1.580.490 and total long term liabilities decreased by TL 2.071.820 as of 31 December 2012.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The table below summarises the restatements to the consolidated balance sheet, statement of profit or loss and statemnt of comprehensive income of the Group as at and for the year ended 31 December 2012:

	Before Restatement 31 December 2012	Adjustments/ Reclassifications	Restated 31 December 2012
ASSETS			
Current assets	**85.418.119**	**(1.253.644)**	**84.164.475**
Cash and Cash Equivalents	6.717.644	(387.360)	6.330.284
Financial Assets	5.798.595	(78.421)	5.720.174
- Held for Trading	39.750	(8.167)	31.583
- Available for Sale	3.793.701	(14.355)	3.779.346
- Held to Maturity	1.846.994	-	1.846.994
- Time Deposits	118.150	(55.899)	62.251
Trade Receivables	1.539.665	(547.428)	992.237
Receivables from Finance Sector Operations	51.622.064	302.018	51.924.082
Reserve Deposits with the Central Bank of the Republic of Turkey	15.242.002	-	15.242.002
Other Receivables	760.137	(54.708)	705.429
Derivative Financial Instruments	539.181	(6)	539.175
Inventories	1.791.200	(282.013)	1.509.187
Prepaid expenses	-	245.209	245.209
Other Current Assets	1.280.816	(412.026)	868.790
	85.291.304	**(1.214.735)**	**84.076.569**
Assets Classified As Held for Sale	126.815	(38.909)	87.906
Non-current Assets	**89.980.303**	**(2.318.748)**	**87.661.555**
Financial Assets	39.092.884	(168.111)	38.924.773
- Available for Sale	37.302.410	(168.111)	37.134.299
- Held to Maturity	1.790.474	-	1.790.474
Trade Receivables	25.734	(1.607)	24.127
Receivables From Finance Sector Operations	40.588.512	387.569	40.976.081
Other Receivables	309.092	(290.198)	18.894
Investments Accounted Through Equity Method	249.305	3.558.800	3.808.105
Investment Property	160.426	(54.929)	105.497
Property, Plant and Equipment	6.913.745	(3.823.843)	3.089.902
Intangible Assets	1.262.753	(829.260)	433.493
Goodwill	-	181.644	181.644
Other Non Current Assets	-	251.849	251.849
Goodwill	736.628	(736.628)	-
Prepaid Expenses	-	13.963	13.963
Deferred Tax Assets	327.225	(150.850)	176.375
Other Non Current Assets	313.999	(223.654)	90.345
Total Assets	**175.398.422**	**(3.572.392)**	**171.826.030**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Before Restatement 31 December 2012	Adjustments/ Reclassifications	Restated 31 December 2012
LIABILITIES			
Short Term Liabilities	**127.412.455**	**(1.579.589)**	**125.832.866**
Financial Liabilities	13.768.564	(504.017)	13.264.547
Current Portion of Long-Term Financial Liabilities	1.524.089	(90.557)	1.433.532
Trade Payables	1.960.205	(659.119)	1.301.086
Payables from Finance Sector Operations	103.928.365	94.527	104.022.892
Short Term Employee Benefits	-	44.373	44.373
Other Payables	3.350.442	(280.041)	3.070.401
Derivative Financial Instruments	601.168	(756)	600.412
Deferred Income	-	253.255	253.255
Income Taxes Payable	469.339	(32.887)	436.452
Short Term Provisions	-	375.638	375.638
- Short Term Provisions for Employee Benefits	-	182.188	182.188
- Other Short Term Provisions	-	193.450	193.450
Other Short Term Liabilities	1.779.199	(748.921)	1.030.278
Liabilities Relating to Assets Classified As Held for Sale	31.084	(31.084)	-
Long Term Liabilities	**17.472.923**	**(1.992.803)**	**15.480.120**
Financial Liabilities	10.512.601	(1.205.345)	9.307.256
Trade Payables	3.397	583	3.980
Payables from Finance Sector Operations	5.531.787	(283.645)	5.248.142
Other Liabilities	129.043	(111.925)	17.118
Derivative Financial Instruments	764.627	(151.818)	612.809
Deferred Income	-	61.876	61.876
Long Term Provisions	-	146.241	146.241
- Long Term Provisions for Employee Benefits	-	142.370	142.370
- Other Long Term Provisions	-	3.871	3.871
Provision For Employee Termination Benefits	173.777	(173.777)	-
Deferred Tax Liabilities	284.701	(202.496)	82.205
Other Long Term Liabilities	72.990	(72.497)	493
EQUITY	**30.513.044**	**-**	**30.513.044**
Equity Attributable to the Parent	**16.251.076**	**-**	**16.251.076**
Share Capital	2.040.404	-	2.040.404
Adjustment to Share Capital	3.426.761	-	3.426.761
Treasury Shares (-)	(52.227)	-	(52.227)
Share Premium	21.670	-	21.670
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss	-	(2.736)	(2.736)
-Actuarial Gains/Losses	-	(2.736)	(2.736)
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss	612.055	-	612.055
- Currency Translation Reserve	145.286	-	145.286
- Hedge Reserve	(223.386)	-	(223.386)
- Revaluation Reserve	690.155	-	690.155
Restricted Reserves	654.707	-	654.707
Retained Earnings	7.691.951	-	7.691.951
Net Income for the Year	1.855.755	2.736	1.858.491
Non-controlling Interests	**14.261.968**	**-**	**14.261.968**
TOTAL EQUITY AND LIABILITIES	**175.398.422**	**(3.572.392)**	**171.826.030**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Before Restatement 1 January- 31 December 2012	Adjustments/ Reclassifications	Restated 1 January- 31 December 2012
CONTINUING OPERATIONS			
Sales (net)	11.589.049	(4.500.670)	7.088.379
Cost of Sales (-)	(9.688.551)	3.704.373	(5.984.178)
Gross Profit From Commercial Operations	**1.900.498**	**(796.297)**	**1.104.201**
Interest, Premium, Commission and Other Income	14.504.547	(525.658)	13.978.889
Interest, Premium, Commission and Other Expense (-)	(7.849.135)	417.593	(7.431.542)
Gross Profit From Financial Operations	**6.655.412**	**(108.065)**	**6.547.347**
GROSS PROFIT	**8.555.910**	**(904.362)**	**7.651.548**
General and Administrative Expenses (-)	(3.865.834)	574.682	(3.291.152)
Marketing, Selling and Distribution Expenses (-)	(632.051)	78.709	(553.342)
Research and Development Expenses (-)	(17.226)	4.912	(12.314)
Other Operating Income	791.379	44.140	835.519
Other Operating Expenses (-)	(156.575)	(129.859)	(286.434)
Interest in Income of Investments Accounted Through Equity Method	192.458	212.339	404.797
OPERATING PROFIT	**4.868.061**	**(119.439)**	**4.748.622**
Income From Investment Activities	-	30.766	30.766
Expense From Investment Activities (-)	-	(1.250)	(1.250)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES	**4.868.061**	**(89.923)**	**4.778.138**
Financial Income	310.208	(254.815)	55.393
Financial Expenses (-)	(502.747)	315.152	(187.595)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**4.675.522**	**(29.586)**	**4.645.936**
Tax Income / (Expense) from Continuing Operations			
Current Income Tax Expense	(991.398)	55.174	(936.224)
Deferred Income Tax Benefit	71.365	2.692	74.057
NET INCOME FOR THE PERIODFROM CONTINUING OPERATIONS	**3.755.489**	**28.280**	**3.783.769**
DISCONTINUED OPERATIONS			
Net (Loss) After Tax From Discontinued Operations	7.240	(25.544)	(18.304)
NET INCOME FOR THE PERIOD	**3.762.729**	**2.736**	**3.765.465**
ALLOCATION OF NET INCOME			
- Non-controlling Interests	1.906.974	-	1.906.974
- Equity Holders of the Parent	1.855.755	2.736	1.858.491

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Before Restatement 1 January- 31 December 2012	Adjustments/ Reclassifications	Restated 1 January- 31 December 2012
NET INCOME FOR THE PERIOD			
Other Comprehensive Income / (Loss) :	**3.762.729**	**2.736**	**3.765.465**
Items That Will Not Be Reclassified Subsequently To Profit or Loss	**-**	**(2.736)**	**(2.736)**
Actuarial Gains / Losses	-	(2.736)	(2.736)
Items That Will Be Reclassified Subsequently To Profit or Loss	**1.695.907**	**-**	**1.695.907**
Net unrealized fair value gains/(losses)from available for sale financial assets,after tax	2.867.144	-	2.867.144
Gains/(losses) on available for sale financial assets transferred to the income statement, after tax	(1.004.556)	-	(1.004.556)
Net gains/(losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	(24.585)	-	(24.585)
Currency translation differences	(179.384)	-	(179.384)
Cash flow hedges, after tax	(70.503)	-	(70.503)
- Income / (loss) from the derivativefinancial assets related to the hedgingof net investment in a foreignoperation, after tax	107.791	-	107.791
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**1.695.907**	**(2.736)**	**1.693.171**
TOTAL COMPREHENSIVE INCOME	**5.458.636**	**-**	**5.458.636**
ALLOCATION OF TOTAL COMPREHENSIVE INCOME	**5.458.636**	**-**	**5.458.636**

2.1.6. US Dollar Translation

USD amounts presented in the consolidated financial statements have been included solely for the convenience of the reader of the consolidated financial statements. Consolidated balance sheet, consolidated statement of profit or loss and consolidated statements of cash flows are translated from TL, as a matter of arithmetic computation only, at the official USD bid rate announced by the CBRT and average USD exchange rate on 31 December 2013 of TL 2,1343 = USD 1 and TL 1,9033 = USD 1, respectively and do not form part of these consolidated financial statements. The resulting difference from the use of average CBRT rate for the translation of consolidated statement of profit or loss and the use of bid rate at the balance sheet date for the translation of the consolidated balance sheet is included in translation reserves under shareholders' equity in accordance with the translation requirements of TAS 21 "The effects of Changes in Foreign Exchange Rates" when the financial statements are presented in a currency other than the functional currency.

2.2 Changes in Accounting Policies and Estimates and Errors

Changes made in the accounting policies and corrections regarding accounting errors are applied retrospectively and prior year financial statements are restated.

If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future periods, they are applied both in current and future periods.Except for the principles set forth in Note 2.1.4. There is no significant change in the accounting estimates of the Group in the current period.

When a significant accounting error is identified, it is corrected retrospectively and the prior year financial statements are restated. The Group did not detect any significant accounting error in the current period.

2.3 New and Revised Turkish Accounting Standards

(a) New and revised standards affecting disclosures, financial performance and balance sheet of the Group

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures including TFRS 10, TFRS 11, TFRS 12, TAS 27 (as revised in 2011) and TAS 28 (as revised in 2011) were issued.

Key requirements of these five standards are described below:

TFRS 10 replaces the parts of *TAS 27 Consolidated and Separate Financial Statements* that deal with consolidated financial statements. SIC-12 *Consolidation - Special Purpose* Entities will be withdrawn upon the effective date of TFRS 10. Under TFRS 10, there is only one basis for consolidation, that is control. In addition, TFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in TFRS 10 to deal with complex scenarios.

TFRS 11 replaces TAS 31 *Interests in Joint Ventures*. TFRS 11 deals with how a joint arrangement on which two or more parties have joint control should be classified. SIC-13 *Jointly Controlled Entities – Non-monetary Contributions* by Venturers have been withdrawn upon the issuance of TFRS 11. Under TFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under TAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under TFRS 11 should be accounted through equity method; however, joint operations under TAS 31 may be accounted for either through equity or proportionate consolidation methods.

TFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in TFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to TFRS 10, TFRS 11 and TFRS 12 were issued to clarify certain transitional guidance on the application of these TFRSs for the first time.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The application of TFRS 11 for the periods starting from 1 January 2013 caused a change in the accounting and classification of interests in its joint ventures, Akçansa, Aksigorta, Avivasa, Brisa, Carrefoursa, Diasa, Enerjisa and Olmuksa (for 2012) which were previously accounted through proportionate consolidation method. In accordance with TFRS 11, these companies are classified as joint ventures and are accounted through equity method. Net assets, profit or loss and other comprehensive income relating to the share of the Group in these companies are included in "Investments Accounted Through Equity Method" and "Interest in Income of Investments Accounted Through Equity Method" accounts in the consolidated balance sheet and profit and loss and other comprehensive income statement, respectively. Except for the shares held in these companies, the Group does not have any other joint ventures.

TAS 19 *Employee Benefits*

The amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of TAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately in other comprehensive income to reflect the full value of the plan deficit or surplus relating to the net pension asset or liability recognized in the consolidated balance sheet. Furthermore, the interest cost and expected return on plan assets used in the previous version of TAS 19 are replaced with a "net-interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. The amendments to TAS 19 require retrospective application. Financial statements are restated due to the requirement of TAS 19 retrospective application. The Group calculated the net effect of this amendment and reclassified the actuarial loss after tax amounting to TL 2.736 as of 1 January 2013 from net income for the period to the actuarial gain / loss fund account. This amendment has had no impact on the total equity of the Group.

Amendments to TAS 1 Presentation of Items of Other Comprehensive Income

The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to TAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to TAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to TAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to TAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) New and revised standards applicable in 2013 with no material effect on the consolidated financial statements of the Group

TAS 1 (Amendments)	*Presentation of Financial Statements*
TFRS 13	*Fair Value Measurements*
TFRS 7 (Amendments)	*Presentations–Offsetting Financial Assets and Financial Liabilities*
Amendments to TFRS	*Annual Improvements 2009/11 Term other than the Amendments to TAS 1*
TFRS Interpretation 21	*Stripping Costs in the Production Phase of a Surface Mine*

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

(c) The Group has not applied the following new and revised standards that have been issued but are not yet effective:

TFRS 9	*Financial Instruments*
Amendments to TFRS 9 and TFRS 7	*Mandatory Effective Date of TFRS 9 and Transition Disclosures*
Amendments to TAS 32	*Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to TFRS 10, 11, TAS 27	*Investment Entities*[1]
Amendments to TAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*[1]
Amendments to TAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*[1]
TFRS Interpretation 21	*Levies*[1]

1 Effective for annual periods beginning on or after 1 January 2014.

2.4 Summary of Significant Accounting Policies

2.4.1 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial (Note 5).

2.4.2 Sale and repurchase agreements

In the banking segment, securities sold subject to linked repurchase agreements ("repos") are retained in the financial statements as trading, available-for-sale or held to maturity financial assets and measured in accordance with the policies used in measuring the relevant class. The counter party liability is included in customer deposits and the difference between the sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield method.

Securities purchased under agreements to resell ("reverse repos") are recorded as cash and cash equivalents. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the reverse repo agreement using the effective yield method.

2.4.3 Reserve deposits with the Central Bank of the Republic of Turkey

The reserve rates for TL liabilities vary between 5% and 11,5% (2012: 5% and 11%) for TL deposits and other liabilities according to their maturities as of 31 December 2012. The reserve rates for foreign currency liabilities vary between 6% and 13% (2012: 6% and 11,5%) for deposit and other foreign currency liabilities according to their maturities as of 31 December 2013.

2.4.4 Trade receivables and allowance for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk allowance for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income (Note 8).

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

2.4.5 Related parties

For the purpose of the consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, are considered and referred to as related parties. Related party activities and balances are disclosed in Note 34.

2.4.6 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventory are materials, labour and an appropriate amount of factory overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 10). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.4.7 Financial Instruments

In accordance with TAS 39, the Group classifies its investments in debt and equity securities in the three following categories; assets held at fair value through profit or loss, held-to-maturity and, available-for-sale assets. Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity are classified as "held-to-maturity financial assets". Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the interest rates, exchange rates or equity prices, or the client's servicing activity are classified as "available-for-sale financial assets". The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis.

All investment securities are initially recognised at cost. Transaction costs are included in the initial measurement of debt securities. Available-for-sale debt and equity investment securities are subsequently re-measured at fair value if the fair values can be reliably measured.

Investments in which the Holding has an interest below 20% that do not have a quoted market price in active markets, for which other methods of making a reasonable estimate of fair value are clearly inappropriate or unworkable and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are deferred in the equity until the financial asset is sold, collected or otherwise disposed of. Unrealised gains and losses arising from changes in the fair value of available for sale debt securities are the differences between the fair value of such securities and their amortised cost at the balance sheet date. When available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the income statement.

Held to maturity investments are carried at amortised cost using the effective yield method.

The Bank has Consumer Price Index (''CPI'') linked government bonds in available for sale and held to maturity portfolios having 5-10 year term and fixed real coupon rates until the maturity. These marketable securities are valued by using effective interest method by considering the real coupon rates together with the changes in the CPI references between the issuance and balance sheet dates.

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the income statement.

Interest received from financial assets at fair value through profit or loss is recognised in the income statement as part of interest income and dividend received is recognised in the income statement as part of dividend income. All purchases and sales of financial assets at fair value through profit or loss that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at the trade date, which is the date that the banks commit to purchase or sell the assets.

2.4.8 Derivative financial instruments

Derivative financial instruments, including forward foreign exchange contracts and currency and interest rate swap instruments are initially recognised in the balance sheet at cost (including transaction costs) and are subsequently re-measured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate.

The fair value of over-the-counter forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated in reference to the market interest rates of the related currency for the remaining period of the contract. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of derivatives at fair value through profit or loss are included in the income statement.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under TAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are reported in the income statement.

Gains and losses on interest rate swaps used for hedging purposes are recognised as income or expense on the same basis as the corresponding expense or income on the hedged position. Gains and losses on interest rate swaps are included in the interest income and expense as appropriate.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of hedged asset or liability attributable to the hedged risk is recorded as part of the carrying value of the hedged asset or liability during the effective hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to the income statement over the period to maturity.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows are recognised in the income statement.

Enerjisa is hedged against cash flow risk arising from TL and foreign currency floating rate borrowings through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under value increase funds within equity.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

2.4.9 Investment property

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any (Note 13). The cost of a self constructed investment property is its cost at the date when the construction or development is complete. Until that date, the Group applies TAS 16 "Property, Plant and Equipment". At that date, the property becomes investment property and thus is transferred to investment property. Assets held under operating leases are not disclosed as investment property.

2.4.10 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated financial statements (Note 14). Depreciation is provided on property, plant and equipment on a straight-line basis. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Land improvements	4-50
Buildings	18-50
Machinery and equipment	2-25
Motor vehicles	2-15
Furniture and fixtures	3-10

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets. Ordinary repair and maintenance expenses are charged to the income statements during the financial period in which they were incurred. Capital expenditures resulting in a capacity increase and increase in future economic benefits are included in the asset's carrying amount.

2.4.11 Intangible assets

Intangible assets consist of licences, computer software, development costs, purchased technology, mining rights, acquired rights of use, and other identifiable rights. Intangible assets are initially accounted at cost and amortised using the straight-line method over an estimated useful life that does not exceed 20 years (Note 15). The amortisation of mining rights commences when the extraction begins.

Customer relations and agreements acquired in business combination are recognised at fair value at the acquisition date. Customer relations and agreements are amortised using the straight-line method over their estimated useful life of 27 years and carried at cost less accumulated amortisation and impairment (Note 15).

2.4.12 Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. The sale of assets held for sale is expected to be occur within the following 12 months from the balance sheet date. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount or fair value. If fair value is below the carrying value of asset, the related impairment is accounted for expense in the consolidated statement of profit or loss.

2.4.13 TFRS Interpretation 12 - Service Concession Arrangements

TFRS Interpretation 12, provides guidance on the accounting of public-to-private service concession arrangements by operators.

An arrangement within the scope of TFRS Interpretation 12 typically involves a private sector entity (an operator) constructing an infrastructure used to provide a public service or upgrading it, operating and maintaining that infrastructure for a specified period of time.

The Group accounts the amount that is received or will be received due to electricity distribution services at fair value of the service. This amount is recorded as a financial asset. The Group accounts the financial asset considering the cash basis given by the grantor or at the direction of the grantor associated with the electricity distribution services. The amount that should be paid by the grantor or at the direction of the grantor is accounted as a receivable in accordance with TAS 39 "Financial Instruments: Recognition and Measurement".

2.4.14 Shareholders' equity

In the restatement of shareholders' equity items, the addition of funds formed due to hyperinflation such as the revaluation value increase fund in share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders. In the restatement of shareholders' equity items added to share capital the capital increase registry dates or the payment dates are considered. In the restatement of premium in excess of par, the payment dates are considered (Note 21).

Treasury shares under equity stands for the Holding shares owned by the subsidiaries. Those shares are accounted through reducing the share capital of the Holding by the amount of Holding shares owned by subsidiaries in the accompanying consolidated financial statements.

Revaluation fund included in the value increase funds is related to the value increase at the date of the transaction of the net assets owned by the Group before the sale transaction. Since the significant part of the amounts included in revaluation funds are related with the assets subject to amortisation, the revaluation funds are accounted for by transferring the related revaluation fund to the retained earnings during the amortisation period or the disposal period of the aforementioned assets.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in "Hedge Funds" under equity. The Group hedges the net investment risk on foreign investments with the foreign currency denominated financial liabilities. The effective part of the foreign exchange differences on the foreign currency denominated financial liabilities is accounted in the "Hedge Funds" account under shareholders' equity.

2.4.15 Research expenses and development costs

Research costs are expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility and only if the cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

2.4.16 Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as financial expense over the period of the borrowings.

Turkish Accounting Standard No 23 "Borrowing Costs" was revised on 29 March 2007 by the IASB. The revised TAS 23 is effective at 1 January 2009, yet voluntary early transition to the application right is reserved. The Group opted for early adoption and changed accounting policy, choosing the policy envisaged in TAS 23 related to borrowing costs at 1 January 2007. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

2.4.17 Deferred financing charges

Deferred financing charges (primarily comprising legal and other costs incurred in relation to obtaining long-term bank borrowings from financial institutions) are amortised using the effective interest method over the remaining life of the long-term bank borrowings.

2.4.18 Income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

2.4.19 Employee benefits

Retirement benefits

Akbank's personnel are members of the "Akbank T.A.Ş. Personnel Pension Fund Foundation" ("Pension Fund"), established in accordance with the Social Security Law numbered 506, article No.20. The financial statements of the Pension Fund have been audited by an independent actuary in accordance with the 38th article of the Insurance Supervisory Law and the "Actuarial Regulation" based on the same article.

On 1 November 2005, Banking Law No.5411 ("New Law") which requires the transfer of the pension funds of the banks to the Social Security Institution within three years following the publication date was published in the Official Gazette. However, President of the Turkish Republic applied to the Constitutional Court on 2 November 2005 for the abrogation of the related article of Banking Law, and this article was abrogated with the decision No E. 2005/39, K. 2007/33 dated 22 March 2007, which was published in the Official Gazette No 26479 dated 31 March 2007, and its execution was annulled at the publication date of the decision.

Following the publication of the reasoned ruling of the Constitutional Court in December 2007, the relevant commission of the Turkish Parliament began to work on a new law provision establishing the transfer of the pension funds. The law provision was drawn up as a draft in the first months of 2008 and the legislation processes are in progress as of the preparation date of these consolidated financial statements and at 17 April 2008, at No. 5754 of the Social Security Act (" New Law") circuit that regulates the principles and provisions of the Parliamentary General Assembly agreed and 8 May 2008 and published in the Official Gazette No. 26870th be entered into force. Following the publication of the reasoned decree of the Constitutional Court, Turkish Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the TGNA General Meeting on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. The transfer should be completed until 8 May 2013. With the change in first clause of 20nd provisional article of the "Social Insurance and General Health Insurance Law no. 5510" published on the Official Gazette no. 28227 dated 8 March 2012, the postponement right of the Council of Ministers has been extended from two years to four years.

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

With respect to that, according to the technical balance sheet report as at 31 December 2013 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above. The fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for Akbank.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The Group's obligation in respect of the post-employment benefits transferrable to SSI, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Group's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9,80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 225.809 (31 December 2012: TL 294.543), the surplus of the Fund amounts to TL 444.642 as of 31 December 2013 (31 December 2012: TL 302.398).

The surplus unrecognised in the balance sheet is determined as follows:

	31 December 2013	31 December 2012
Present value of funded obligations	(681.635)	(687.438)
- Pension benefits transferrable to SSI	(1.008.716)	(883.461)
- Post-employment medical benefits transferrable to SSI	552.890	490.566
- Other non-transferrable benefits	(225.809)	(294.543)
Fair value of plan assets	1.126.277	989.836
Surplus	**444.642**	**302.398**

The amount of the post-employment medical benefits transferrable to SSI is calculated over the net present value of medical liabilities and health premiums.

The principal actuarial assumptions used were as follows:

Discount rate	31 December 2013	31 December 2012
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits (*)	4,34%	2,55%

(*) For the year 2013, the assumption represents the average rate calculated considering each individual's remaining years to retirement.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Provision for Employment Termination Benefit

The provision for employment termination benefits represents the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees, completion of one year of service of the employees, employees' being calling up for military service or death of the employees calculated in accordance with the Turkish Labour Law (Note 19). All actuarial gains and losses are accounted for under equity.

2.4.20 Provisions, contingent liabilities and assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.4.21 Loans and advances to customers and provisions for loan impairment

Loans originated by providing money directly to the borrower or to a sub-participation agent at draw down are categorised as loans originated and are carried at amortised cost using the effective yield method. Costs incurred due to obtaining guarantees for originated loans are not considered as transaction costs and are charged to the income statement. Loans originated by providing money directly to banks such as time or demand deposits are classified as due from banks.

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception.

The provision made during the period is charged against the profit for the period. Loans that cannot be recovered are written off and charged against the allowance for loan losses. Such loans are written off after all the necessary legal proceedings have been completed and the amount of the loan loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from the provision for loan losses for the period.

2.4.22 Investment incentives

The Group benefits from research and development ("R&D") grants within the scope of the Communiqué No: 98/10 of The Scientific and Technological Research Council of Turkey ("TÜBİTAK") and Money Credit and Coordination Board related to R&D grants for its research and development projects given that such projects satisfy specific criteria with respect to the evaluation of TÜBİTAK Technology Monitoring and Evaluation Board.

The government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

The government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Accordingly, government grants are recognised as income when the related costs which they are intended to compensate were incurred. Similarly, grants related to depreciable assets are recognised as income over the periods and in the proportions in which depreciation on those assets is charged.

2.4.23 Insurance technical reserves

Unearned premiums reserve

Unearned premium reserve is calculated on a daily basis for all policies in force as of balance sheet date for unearned portions of premiums written except for marine and earthquake premiums issued before 14 June 2007. During the calculation of unearned portion of premiums written on a daily basis, it is supposed that the policies start at 12.00 noon and finish at 12.00 noon again. Within the framework of the "Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested," ("Regulation on Technical Reserves") issued in Official Gazette No: 26606 dated 7 August 2007, unearned premium reserve and the reinsurer's share of the unearned premium reserve of the policies, are calculated as the unearned portion of the premuiums and ceded premiums to reinsurers without deducting commissions or any other deductions, on an accrual and gross basis. For marine policies with an uncertain end date, unearned premium reserve is calculated as 50% of the premiums written in the last three months.

Continued risk provisions

Within the framework of Regulation on Technical Reserves, insurance companies are requires to account for an unexpired risk reserve against the probability thati future lossed incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the current year incurred lossed to current year earned premiums. If the loss ratio for a branch is higher than 95% the unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with the unearned premim reserve for the related branch. The difference between gross amount and net amount is considered as reinsurance portion. Opening outstanding claims provision amount is revised consistently with the current period, in calculation of expected loss ratio considered in the calculation of unexpired risk reserve as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Outstanding claim and provision

The company accounts for outstanding claims provision for ultimate cost of the claims incurred, but not paid in the current or previous periods or, for the estimated ultimate cost if the cost is not certain yet, and for the incurred but not reported claims. Claim provisions are accounted based on reports of experts or inital assessments of policyholders and experts, and salvage, subrogation and similar gains are not deducted as of 31 December 2013.

The Company accounts for additional provisions for claims incurred but not reported which is calculated as the difference between the outstanding claims provisions and the amount calculated by using the actuarial chain ladder methods in accordance with the framework of the Circular on "Actuarial Chain Ladder Method" numbered 2010/12 and dated 20 September 2010 effective from 31 December 2010 and other related regulations.

Equalisation Reserve

In accordance with the Regulation on Technical Reserves, insurance companied are reuqired to record an equalisation reserve for the insurance contracts including earthquake and credit coverage, on order to cover the catastrophic risks and in order to equalise the fluctuations within the claim ratios that may occur during the following accounting periods. such reserve is calculated over 12% of net earthquake and credit premiums corresponding to each year. In the calculation of the net premium, the amounts paid for the non - proportional reinsurance aggreements are regarded as ceded premiums. The Group will continue to make a provision until %150 of the highest volume of the net premiums written in last 5 financial years.

Life mathematical reserves

Life mathematical reserves comprise actuarial mathematical reserves (those with minimum income guarantee determined by the tariffs approved by the Treasury and those including risk guarantees over one year) and life profit share reserved and represent the Company's total liability to the policyholders in the life branch.

Mathematical reserve; is the sum of reserves specified in the contract's technical terms and calculated using statical and actuarial methods in order to cover the liabilities of insurane companies to policyholders and beneficiaries for life, health, sickness and personal accident insurance contracts with periods longer than a year and if it is committed, the reserves for the part allocated to insured from the revenues derived from the investment of such reserves. In accordance with the Insurance Law, the remaining amount of life branch premiums that are collected in accordance with life insurance agreements, after deduction of expense charges, mortality risk premium and commissions are accounted for as life mathematical reserves. The apptroval of mathematical reserves is made by the actuaries based on current mortaliy tables valid for Turkish insurance companies and prepared by considering mortality statics prepared abroad.

2.4.24 Leasing transactions

2.4.24.1 The Group as a lessee

Finance leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in leasing payables.

Obligations under finance leases are stated in the consolidated financial statements at the acquisition values of the related property, plant and equipment. The interest element of the finance cost is charged to the income statement over the lease period.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.4.24.2 The Group as a lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

2.4.25 Revenue recognition

Banking

Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price until, in management's estimates and judgment, collection becomes doubtful. Interest income includes coupons earned on fixed income securities and accrued discount on treasury bills (Note 4.f.i).

Commission income and fees for various banking services are recorded as income at the time they affect the transactions to which they relate.

Insurance

Life:

Premium income represents premiums accrued on policies issued during the period, adjusted by the reserve for unearned premiums for annual life policies, during the period (Note 4 f.ii).

Non-Life:

Premium income represents premiums on policies written during the period, net of cancellations, as adjusted by the reserve for unearned premiums.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Other segments

Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

2.4.26 Earnings per share

Earnings per share for each class of share disclosed in these consolidated statements of income are determined by dividing the net income after translation adjustment attributable to that class of shares by the weighted average number of shares of that class that have been outstanding during the period concerned. As disclosed in Note 33 earnings per share are calculated in accordance with IAS 33 "Earnings Per Share".

Income as per share stated in the income statement is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year.

The companies in Turkey can increase their capitals that they distributed to their shareholders from the profits of previous year by "free of charge share certificates". Such "free of charge share" distributions are considered as issued share incalculation of profit as per share. Accordingly, number of weighted average shares used in these calculations is calculated considering the retrospective impacts of related share certificate.

2.4.27 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish lira, which is the functional currency of the Holding.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into Turkish lira at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated income statement.

Foreign Group companies

The results of Group undertakings using a measurement currency other than Turkish lira are first translated into Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into Turkish lira by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and year-end rates are included in translation reserve as a separate item in the shareholders' equity.

2.4.28 Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with TAS *12 Income Taxes and* TAS 19 *Employee Benefits respectively;*

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with TAS 39, or TAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Partial share purchase-sale transactions with non-controling interests

The group applies a policy of treating transactions with non- controling interests as transactions with equity owners of the group. For purchases from non- controling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non- controling interests are also recorded in equity. For disposals to non- controling interests, differences between any proceeds received and the relevant share of non- controling interests are recorded in equity under retained earnings since there is no caption for these gains or losses in the financial statement model published by the POA.

2.4.29 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected business segments as the Group's primary segment reporting format based on the risks and returns on products produced and services rendered reflecting the primary source of the enterprise's risks and returns. Geographical segments have not been disclosed in these consolidated financial statements as the secondary segment reporting format on the grounds of materiality as the operations of the Group in geographical areas other than Turkey are not reportable geographical segments individually when compared with the overall consolidated financial statements.

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision- maker. The chief operating decision-maker is responsible for the decisions related to the allocation of resources to the segments and assessment of performance of segments.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

2.5 Critical accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with CMB Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. Estimates are regularly reviewed, related corrections are adjusted and accounted for related period income statement. Changes in accounting estimates, if only for a period in which the change in the current period, if it relates to future periods, both in the period they are recognized in future periods, prospectively applied to the financials to see the effect on net profit / loss for the period.

NOTE 3 - BUSINESS COMBINATIONS

The business combinations between the period 1 January and 31 December 2013 are as follows:

Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. Share amount has been paid in cash. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%. As a result of the share transfer, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore the Company has been consolidated as a subsidiary as of 1 July 2013 and "non-controlling interests" amounting to TL 504.107, which represent 49,07% of total shares, has been accounted for under equity. Since the ownership of the Group on Carrefoursa shares was 38,78% before the share transfer, net loss amounting to TL 16.479 of the company for the period ended 30 June 2013 has been accounted for under "interest in income of investments accounted through equity method".

The details of goodwill and company value that are calculated in accordance with TFRS 3 "Business Combinations" are as follows:

Consideration paid	141.000
Fair value of previously held shares	455.665
Non-controlling interests	504.107
	1.100.772
Book value of Carrefoursa as of 30 June 2013	739.982
Goodwill (*)	360.790

(*) Goodwill is accounted for on a provisional basis in accordance with TFRS 3 "Business Combinations" as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Enerjisa, a joint venture of the Group has won the privatization tenders of İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Toroslar Elektrik Dağıtım A.Ş. (TOROSLAR), both of which were under the control of the Republic of Turkey Prime Ministry Privatization Administration, by offering the highest bids amounting to USD 1 billion 227 million and USD 1 billion 725 milllion respectively.

As of 31 July 2013, legal procedures regarding AYEDAŞ distribution region have been completed and share purchase agreement has been signed.

As of 30 September 2013, legal procedures regarding TOROSLAR distribution region have been completed and share purchase agreement has been signed.

Enerjisa Elektrik Dağıtım A.Ş. has been accounted through equity method since it is included within Enerjisa Enerji A.Ş.'s, the Group's joint venture. Therefore, the total transferred assets, liabilities and goodwill are presented by their net asset values in the assets accounted through equity method account on the Group's consolidated balance sheet.

The details of the identifiable assets acquired and the liabilities assumed in accordance with TFRS 3 "Business Combinations" are as follows:

Ayedaş Distribution Region:

	Fair value
Total current assets	504.825
Total non-current assets	2.175.783
Total liabilities	(1.210.220)
Fair value of net assets	**1.470.388**
Cash and cash equivalents paid	2.363.448
Goodwill	893.060

Toroslar Distribution Region:

	Fair value
Total current assets	996.221
Total non-current assets	3.353.621
Total liabilities	(1.941.286)
Fair value of net assets	**2.408.556**
Cash and cash equivalents paid	3.512.721
Goodwill	1.104.165

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Acquisitions during the accounting period 1 January 2012- 31 December 2012

On 15 February 2012, Çimsa, a subsidiary of the Group, has signed a share purchase agreement for the acquisition of 153.000.000 shares with a nominal value of TL 1.530 which represent 51% of total share capital of Afyon Çimento Sanayii Türk A.Ş. which was previously owned by PARCIB SAS, a wholly owned subsidiary of CIMENT FRANÇAIS. As per the share purchase agreement TL 57.530 has been determined as the consideration to be paid for the transfer of 153.000.000 shares.

The necessary approvals of the Competition Board have been obtained on 12 April 2012 and the share transfer has been completed on 31 May 2012. The consideration for the transfer of shares has been paid in cash.

Temporary basis during Afyon Çimento Sanayii Türk A.Ş.'s acquisition process and the fair value of the acquisition is as follows:

	Fair values
Total current assets	25.813
Total non-current assets	78.631
Total liabilities	(13.911)
Book value of net assets	**90.533**
%51 net asset	46.172
Cash and cash equivalents paid	57.530
Goodwill	11.358

Non-controlling interest amounting to TL 44.362, which corresponds to the 49% of the book value of net assets of the acquired subsidiary, has been accounted for under equity.

NOTE 4 - SEGMENT REPORTING

According to the changes stated in Note 2.1.2 Changes in the Basis of Consolidation, the Group has restated Segmental Analysis. In this context, since Joint Ventures are accounted through Equity Method, segmental analysis for sales and operating profit is performed through Companies' standalone financial results by the senior management. Segmental analysis for net income is performed through consolidated financial results. Segment reporting details presented below reflect the combined total of standalone performance results of all companies regardless of the type and shareholding rates of the affiliates.

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and amortization). In addition to the requirements of segment reporting, The Group's management presented this information for certain financial statement readers to utilize this data during their analyses.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

a) External revenues:

	1 January - 31 December 2013	1 January - 31 December 2012
Finance / Banking	14.595.256	13.978.890
Industry	4.176.945	3.825.907
Retail	4.348.027	2.324.792
Cement	953.665	857.089
Other	82.258	80.590
Total (*)	**24.156.151**	**21.067.268**

(*)The distribution of income refers to total revenue in the consolidated income statement.

b) Segment assets (Consolidated):

	31 December 2013	31 December 2012
Finance / Banking	193.709.430	162.263.337
Industry	3.679.868	3.360.448
Retail	2.725.550	1.008.556
Cement	1.323.596	1.264.903
Other	1.028.150	1.597.911
Segment assets (*)	**202.466.594**	**169.495.155**
Assets classified as held for sale (Note 22)	29.968	87.906
Investments accounted through equity method	4.960.899	3.808.105
Unallocated assets	436.550	175.939
Less: intersegment eliminations	(1.323.192)	(1.741.075)
Total assets as per consolidated financial statements	**206.570.819**	**171.826.030**

(*) Segment assets mainly comprise operating assets in the consolidated financial statements.

c) Segment liabilities (Consolidated):

	31 December 2013	31 December 2012
Finance / Banking	171.263.563	139.265.308
Industry	2.095.004	1.881.478
Retail	1.557.034	807.764
Cement	279.059	493.426
Other	472.396	86.344
Segment liabilities (*)	**175.667.056**	**142.534.320**
Unallocated Liabilities	211.835	594.191
Less: intersegment eliminations	(1.322.729)	(1.815.525)
Total liabilities as per consolidated financial statements	**174.556.162**	**141.312.986**

(*) Segment liabilities mainly comprise operating liabilities in the consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

d) The balance sheet items by segment:

i) Banking:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	9.588.041	9.588.041	6.266.399	6.266.399
Financial assets	43.230.595	43.230.595	44.641.045	44.641.045
Derivative financial instruments	2.397.047	2.397.047	537.674	537.674
Reserve deposits with the Central Bank of Republic of Turkey	16.690.681	16.690.681	15.242.002	15.242.002
Receivables from finance sector operations	119.530.903	119.530.903	93.159.950	93.159.950
Property, plant and equipment	849.510	849.510	798.193	798.193
Intangible assets	162.215	162.215	113.757	113.757
Other(***)	1.260.438	1.260.438	1.504.317	1.504.317
Total segment assets	**193.709.430**	**193.709.430**	**162.263.337**	**162.263.337**
Financial liabilities	28.957.596	28.957.596	22.620.065	22.620.065
Payables from finance sector operations	135.595.588	135.595.588	110.589.936	110.589.936
Derivative financial instruments	1.242.558	1.242.558	1.212.784	1.212.784
Other(***)	5.467.821	5.467.821	4.842.523	4.842.523
Total segment liabilities	**171.263.563**	**171.263.563**	**139.265.308**	**139.265.308**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities.. These items are included in non-segment assets and liabilities.

Banking segment consists of Akbank. Akbank's accumulated non-controlling interests calculated from its financial statements amount to TL 13.472.181 as of 31 December 2013 (31 December 2012: TL 13.455.538).

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

ii) Insurance:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	1.144.926	-	927.497	-
Financial assets	594.090	-	512.285	-
Receivables from finance sector operations	432.541	-	529.311	-
Investments accounted through equity method	-	298.133	-	261.493
Property, plant and equipment	16.950	-	37.339	-
Intangible assets	30.505	-	16.845	-
Other(***)	607.981	-	196.649	-
Total segment assets	**2.826.993**	**298.133**	**2.219.926**	**261.493**
Payables from finance sector operations	2.006.295	-	1.456.645	-
Trade payables	-	-	-	-
Other(***)	85.071	-	111.948	-
Total segment liabilities	**2.091.366**	**-**	**1.568.593**	**-**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities.. These items are included in non-segment assets and liabilities.

Insurance segment consist of Aksigorta and Avivasa.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

iii) Energy:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	865.113	-	348.291	-
Financial assets	616	-	422	-
Trade receivables	1.748.785	-	593.221	-
Inventories	86.308	-	33.641	-
Investments accounted through equity method	-	3.840.575	-	2.338.950
Property, plant and equipment	8.523.690	-	6.034.630	-
Intangible assets	6.584.804	-	2.675.848	-
Other(***)	4.821.929	-	1.142.620	-
Total segment assets	**22.631.245**	**3.840.575**	**10.828.673**	**2.338.950**
Financial liabilities	7.583.767	-	4.575.675	-
Payables to Privatization Administration	3.631.549	-	-	-
Trade payables	1.303.460	-	798.213	-
Other(***)	2.033.198	-	671.028	-
Total segment liabilities	**14.551.974**	**-**	**6.044.916**	**-**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Energy segment consists of Enerjisa and its subsidiaries.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

iv) Industry:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	68.841	55.679	153.546	140.523
Financial assets	10	10	585	21
Trade receivables	1.417.586	961.417	1.142.763	711.640
Inventories	1.277.315	996.182	1.183.575	932.800
Investments accounted through equity method	242.371	477.475	249.305	462.335
Property, plant and equipment	1.802.319	1.281.287	1.729.006	1.227.508
Intangible assets	136.318	102.191	156.306	128.882
Other(***)	406.209	313.071	254.925	314.806
Total segment assets	**5.350.969**	**4.187.312**	**4.870.011**	**3.918.515**
Financial Liabilities	1.861.783	1.281.322	1.837.760	1.282.065
Trade payables	762.209	571.923	569.015	425.451
Other(***)	307.970	241.759	297.532	173.962
Total segment liabilities	**2.931.962**	**2.095.004**	**2.704.307**	**1.881.478**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Industry segment consists of Kordsa, Temsa, Sasa, Yünsa, Brisa, Olmuksa, Philsa and Philsa Morrissa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

v) Retail:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	481.633	481.633	535.523	355.210
Financial assets	-	-	3.009	3.009
Trade receivables	67.612	67.368	173.769	43.720
Inventories	774.524	774.524	742.483	471.973
Investment property	255.299	255.299	152.084	11.124
Investments accounted through equity method	-	-	-	420.727
Property, plant and equipment	746.970	746.970	881.557	89.346
Intangible assets	15.946	15.946	25.937	9.422
Other(***)	322.730	383.810	422.680	16.926
Total segment assets	**2.664.714**	**2.725.550**	**2.937.042**	**1.421.457**
Financial liabilities	27.146	27.146	178.424	-
Trade payables	1.215.483	1.215.467	1.299.165	769.405
Other(***)	314.405	314.421	242.493	38.359
Total segment liabilities	**1.557.034**	**1.557.034**	**1.720.082**	**807.764**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablitiesThese items are included in non-segment assets and liabilities.

Retailing segment consists of Teknosa, Carrefoursa and Diasa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

vi) Cement:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	56.888	44.901	27.448	22.103
Financial assets	161.994	57	183.337	57
Trade receivables	539.262	208.268	487.533	190.477
Inventories	222.183	105.110	226.179	105.637
Investments accounted through equity method	-	344.716	-	324.600
Property, plant and equipment	1.440.164	778.098	1.390.763	752.124
Intangible assets	55.816	20.587	334.008	169.988
Other(***)	317.811	166.576	46.082	24.517
Total segment assets	**2.794.118**	**1.668.313**	**2.695.350**	**1.589.503**
Financial liabilities	302.113	123.002	591.039	366.912
Trade payables	307.612	114.895	236.374	89.263
Other(***)	92.189	41.162	81.171	37.251
Total segment liabilities	**701.914**	**279.059**	**908.584**	**493.426**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Cement segment consists of Akçansa and Çimsa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

vii) Other:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Cash and cash equivalents	478.027	478.027	1.047.521	1.047.521
Financial assets	11.272.928	382	9.788.111	815
Trade receivables	17.607	17.552	19.161	18.939
Inventories	7.636	7.636	729	728
Property, plant and equipment	260.338	223.790	255.952	219.658
Intangible assets	4.854	4.854	4.690	4.690
Other(***)	236.376	295.909	305.339	305.560
Total segment assets	**12.277.766**	**1.028.150**	**11.421.503**	**1.597.911**
Financial liabilities	250.320	250.320	-	-
Trade payables	23.273	23.185	19.055	18.773
Other(***)	124.327	198.891	141.131	67.571
Total segment liabilities	**397.920**	**472.396**	**160.186**	**86.344**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Other segment consists of Sabancı Holding A.Ş., Exsa, Tursa, AEO and Bimsa.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

e) The reconciliation of the consolidated income statement:

	31 December 2013			31 December 2012		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated
Total revenue	**24.196.333**	**(40.182)**	**24.156.151**	**21.115.924**	**(48.656)**	**21.067.268**
Cost of sales and interest, premiums, commissions and other expenses	(15.027.785)	164.978	(14.862.807)	(13.475.715)	59.996	(13.415.719)
General administration expenses	(3.909.843)	9.459	(3.900.384)	(3.308.576)	17.424	(3.291.152)
Sales, marketingand distribution expenses	(856.983)	762	(856.221)	(554.634)	1.292	(553.342)
Research and development expenses	(12.990)	-	(12.990)	(12.314)	-	(12.314)
Other operating income/(expense) - net	293.782	(109.939)	183.843	574.722	(25.637)	549.085
Interest in income of joint ventures	151.416	1	151.417	409.522	(4.725)	404.797
Operating profit	**4.833.930**	**25.079**	**4.859.009**	**4.748.929**	**(306)**	**4.748.623**
Income/(expense) from investing activities - net	187.020	(149.433)	37.587	49.202	(19.687)	29.515
Operating profit before financial expense	**5.020.950**	**(124.354)**	**4.896.596**	**4.798.131**	**(19.993)**	**4.778.138**
Financial income/(expense) - net	(218.213)	22.564	(195.649)	(159.641)	27.439	(132.202)
Income before tax	**4.802.737**	**(101.790)**	**4.700.947**	**4.638.490**	**7.446**	**4.645.936**
Tax	(946.095)	-	(946.095)	(861.554)	(613)	(862.167)
Profit/(loss) after tax from discontinued operations	(31.398)	121.198	89.800	(43.848)	25.544	(18.304)
Income for the period	**3.825.244**	**19.408**	**3.844.652**	**3.733.088**	**32.377**	**3.765.465**
Net income attributable to equity holders of the parent	**-**	**-**	**1.731.396**	**-**	**-**	**1.858.491**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

f) The income statement items by segment:

i) Banking:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Interest, commission and other income	14.615.165	14.615.165	14.008.968	14.008.968
Interest, commission and other expenses	(7.075.504)	(7.075.504)	(7.471.116)	(7.471.116)
General administration expenses	(3.574.073)	(3.574.073)	(3.031.801)	(3.031.801)
Other operating income/(expense) - net	363.188	363.188	369.830	369.830
Interest in income of joint ventures	-	-	-	-
Operating profit	**4.328.776**	**4.328.776**	**3.875.881**	**3.875.881**
Income/(expense) from investing activities - net	4.970	4.970	730	730
Operating profit before financial expense	**4.333.746**	**4.333.746**	**3.876.611**	**3.876.611**
Financial income/(expense) - net	-	-	-	-
Profit before tax	**4.333.746**	**4.333.746**	**3.876.611**	**3.876.611**
Tax	(889.214)	(889.214)	(792.512)	(792.512)
Net income	**3.444.532**	**3.444.532**	**3.084.099**	**3.084.099**
Net income attributable to equity holders of the parent	**-**	**1.404.336**	**-**	**1.257.079**
EBITDA	4.499.665	4.499.665	4.032.949	4.032.949

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

Akbank's net income attributable to non-controlling interets is TL 2.040.196 as of 31 December 2013 (31 December 2012: TL 1.827.020).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

ii) Insurance:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Gross premiums	1.759.026	-	1.508.875	-
Premiums, commission and other expenses	(1.523.045)	-	(1.333.606)	-
General administration expenses	(264.768)	-	(219.815)	-
Other operating income/(expense) - net	240.251	-	165.685	-
Interest in income of joint ventures	-	88.018	-	39.504
Operating profit	**211.464**	**88.018**	**121.139**	**39.504**
Income/(expense) from investing activities - net	88.771	-	4	-
Operating profit before financial expense	**300.235**	**88.018**	**121.143**	**39.504**
Financial income/(expense) - net	(31.981)	-	(2.083)	-
Profit before tax	**268.254**	**88.018**	**119.060**	**39.504**
Tax	(47.048)	-	(26.269)	-
Net income	**221.206**	**88.018**	**92.791**	**39.504**
Net income attributable to equity holders of the parent	**-**	**88.018**	**-**	**39.504**
EBITDA	184.834		95.218	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
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HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

iii) Energy:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Sales revenue (net)	6.698.103	-	4.572.345	-
Cost of sales	(5.754.441)	-	(3.901.151)	-
General administration expenses	(598.235)	-	(381.980)	-
Sales, marketing and distribution expenses	(18.400)	-	(304)	-
Other operating income/(expense) - net	(101.347)	-	19.699	-
Interest in income of joint ventures	-	(233.771)	-	95.294
Operating profit	**225.680**	**(233.771)**	**308.609**	**95.294**
Income/(expense) from investing activities - net	-	-	-	-
Operating profit before financial expense	**225.680**	**(233.771)**	**308.609**	**95.294**
Financial income/(expense) - net	(776.109)	-	(64.534)	-
Profit before tax	**(550.429)**	**(233.771)**	**244.075**	**95.294**
Tax	82.881	-	(53.484)	-
Net income	**(467.548)**	**(233.771)**	**190.591**	**95.294**
Net income attributable to equity holders of the parent	**-**	**(233.771)**	**-**	**95.294**
EBITDA	476.811		501.874	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

iv) Industry:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Sales revenue (net)	5.671.363	4.177.394	5.253.929	3.829.832
Cost of sales	(4.793.172)	(3.686.902)	(4.503.717)	(3.404.607)
General administration expenses	(167.054)	(111.057)	(181.017)	(121.802)
Sales, marketing and distribution expenses	(357.607)	(209.464)	(323.906)	(208.287)
Research and development expenses	(26.908)	(12.990)	(24.518)	(12.314)
Other operating income/(expense) - net	155.652	123.667	92.733	75.205
Interest in income of joint ventures	191.398	254.380	187.733	228.259
Operating profit	**673.672**	**535.028**	**501.237**	**386.286**
Income/(expense) from investing activities - net	26.058	25.502	(210)	(392)
Operating profit before financial expense	**699.730**	**560.530**	**501.027**	**385.894**
Financial income/(expense) - net	(212.761)	(161.345)	(159.944)	(118.319)
Profit before tax	**486.969**	**399.185**	**341.083**	**267.575**
Tax	(37.005)	(27.103)	(31.749)	(9.955)
Profit/(loss) after tax from discontinued operations	-	-	16.556	(18.304)
Net income	449.964	372.082	325.890	239.316
Net income attributable to equity holders of the parent	**-**	**327.100**	**-**	**256.759**
EBITDA	755.864	559.563	658.288	492.859

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
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HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

v) Retail:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Sales revenue (net)	5.557.808	4.356.523	4.879.296	2.329.707
Cost of sales	(4.385.223)	(3.472.771)	(3.830.054)	(1.881.480)
General administration expenses	(126.962)	(90.292)	(80.837)	(32.236)
Sales, marketing and distribution expenses	(920.933)	(638.957)	(887.393)	(339.469)
Other operating income/(expense) - net	(211.710)	(178.001)	(4.252)	(607)
Interest in income of joint ventures	-	(16.480)	-	(2.131)
Operating profit	**(87.020)**	**(39.978)**	**76.760**	**73.784**
Income/(expense) from investing activities - net	6.948	6.948	(31)	-
Operating profit before financial expense	**(80.072)**	**(33.030)**	**76.729**	**73.784**
Financial income/(expense) - net	(25.731)	(27.220)	(18.064)	(11.278)
Profit before tax	**(105.803)**	**(60.250)**	**58.665**	**62.506**
Tax	19.810	13.091	(13.719)	(14.194)
Profit/(loss) after tax from discontinued operations	(78.494)	(31.398)	(63.860)	(25.544)
Net income	**(164.487)**	**(78.557)**	**(18.914)**	**22.768**
Net income attributable to equity holders of the parent	**-**	**(64.722)**	**-**	**2.952**
EBITDA	10.861	29.253	185.007	116.791

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

vi) Cement:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Sales revenue (net)	2.155.949	953.724	1.913.057	857.154
Cost of sales	(1.664.278)	(726.629)	(1.501.861)	(651.016)
General administration expenses	(88.632)	(42.880)	(78.844)	(42.144)
Sales, marketingand distribution expenses	(18.837)	(6.271)	(15.830)	(5.000)
Other operating income/(expense) - net	(2.193)	(4.512)	(14.313)	(11.410)
Interest in income of joint ventures	-	59.267	-	43.871
Operating profit	**382.009**	**232.699**	**302.209**	**191.455**
Income/(expense) from investing activities - net	16.927	5.138	(6.876)	10.310
Operating profit before financial expense	**398.936**	**237.837**	**295.333**	**201.765**
Financial income/(expense) - net	(44.257)	(23.364)	(47.164)	(29.978)
Profit before tax	**354.679**	**214.473**	**248.169**	**171.787**
Tax	(69.678)	(32.144)	(51.430)	(24.097)
Net income	**285.001**	**182.329**	**196.739**	**147.690**
Net income attributable to equity holders of the parent	**-**	**124.495**	**-**	**99.914**
EBITDA	486.883	279.629	412.123	116.791

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Since the net profit after tax from the sale of Sabancı Holding shares in 2013, owned by Çimsa are accounted under equity, combined and consolidated results have not been included in the table above.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

vii) Other:

	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013	Combined(*) 31 December 2012	Consolidated(**) 31 December 2012
Sales revenue (net)	742.504	93.527	636.866	90.263
Cost of sales	(66.111)	(65.979)	(67.612)	(67.496)
General administration expenses	(95.137)	(91.541)	(84.050)	(80.593)
Sales, marketing and distribution expenses	(2.291)	(2.291)	(1.878)	(1.878)
Other operating income/(expense) - net	(5.535)	(10.560)	150.238	146.429
Interest in income of joint ventures	-	-	-	-
Operating profit	**573.430**	**(76.844)**	**633.564**	**86.725**
Income/(expense) from investing activities - net	122.346	144.461	42.059	38.554
Operating profit before financial expense	**695.776**	**67.617**	**675.623**	**125.279**
Financial income/(expense) - net	(6.284)	(6.284)	(61)	(66)
Profit before tax	**689.492**	**61.333**	**675.562**	**125.213**
Tax	(10.725)	(10.725)	(20.891)	(20.971)
Net income	**678.767**	**50.608**	**654.671**	**104.242**
Net income attributable to equity holders of the parent	**-**	**85.945**	**-**	**106.887**
EBITDA	589.821	(61.091)	639.623	92.147

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Since the net profit after tax from the sale of Sabancı Holding shares in 2013, owned by Tursa, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa in 2013, are accounted under equity, the combined and consolidated results have not been included in the above table.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

g) Net income attributable to equity holders of the parent

The net income attributable to equity holders of the parent with adjusted segments is as follows:

	31 December 2013	31 December 2012
Banking	1.437.912	1.257.182
Insurance	68.220	39.504
Industry	324.448	263.986
Cement	124.494	99.914
Energy	(149.406)	(23.894)
Retail	(338)	2.952
Other	34.447	106.886
Total	**1.839.777**	**1.746.530**

A reconciliation of adjusted net income attributable to equity holders of the Parent is as follows:

	31 December 2013	31 December 2012
Adjusted net income for reported operating segments (Equity holders of the Parent)	1.839.777	1.746.530
Akbank Competition Board penalty	(52.593)	-
Sales income from non-performing loans of Akbank	19.015	-
Aksigorta profit from the sale of real estate	26.192	-
Provision for impairment of the subsidiary Aksigorta Merter B.V.	(6.394)	-
Provision for restructuring and other expenses of Carrefoursa	(64.384)	-
Fair value differences of shares previously held during the acquisition of Carrefoursa shares	41.134	-
Gain on sale of Diasa shares	84.841	-
Temsa profit from the sale of real estate	9.080	-
Impairment of old natural gas installations of Enerjisa	(78.000)	-
E.ON- Verbund service income of ownership changes	-	119.189
Other	(87.272)	(7.228)
Net income (Equity holders of the Parent)	**1.731.396**	**1.858.491**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

h) Depreciation and amortisation charges, impairment and capital expenditures (Consolidated):

1 January – 31 December 2013

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	170.889	-	133.371	59.525	-	56.805	15.755	436.345
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	21.113	320	21.433
Capital expenditure	279.123	-	181.432	73.578	-	136.153	22.141	692.427

1 January – 31 December 2012

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	157.068	-	114.328	51.459	-	23.132	15.176	361.163
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	5.464	-	5.464
Capital expenditure	192.397	-	211.822	97.493	-	41.616	16.726	560.054

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

h) Depreciation and amortisation charges, impairment and capital expenditures (Consolidated):

1 January – 31 December 2013 (Consolidated):

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	170.889	7.703	216.955	122.853	288.893	85.457	16.905	909.655
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	204.888	26.907	320	232.115
Capital expenditure	279.123	21.119	291.997	162.064	2.825.558	179.655	22.141	3.781.657

1 January – 31 December 2012

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	157.068	7.222	184.737	108.553	203.253	88.371	15.445	764.649
Impairment / (reversal of impairment)of property, plant and equipment andinvestment properties	-	-	-	-	46.621	5.464	-	52.085
Capital expenditure	192.397	14.861	401.113	175.407	1.926.936	113.384	16.726	2.840.824

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NOTE 5 – CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Cash in hand		
- Banking	1.532.438	1.420.850
- Other companies	13.127	40.637
Bank – time deposits	2.042.429	1.341.986
Bank – demand deposits	3.753.081	1.845.477
Government bonds	2.329.633	1.580.557
Eurobonds	14.471	-
Other bonds	59.556	97.096
Other cash and cash equivalents	2.169	3.681
Total	**9.746.904**	**6.330.284**

Effective interest rates of USD, EUR and TL denominated time deposits are 0,21% (31December 2012: 0,41%), 0,12% (31 December 2012: 0,38%) and 9,37% (31 December 2012: 11,60%), respectively.

The analysis of maturities at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Demand	5.300.815	3.310.645
Up to 3 months	4.446.089	3.019.639
Total	**9.746.904**	**6.330.284**

As of 31 December 2013, total amount of the restriction on the Group's off- shore cash and cash equivalents, payment accounts related to floating interest rate bond issue, time and demand deposits in the banks is TL 2.968.616 (31 December 2012: TL 1.660.155).

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 6 – FINANCIAL ASSETS

a) Held for trading securities:

The analysis of financial assets at fair value through profit and loss is as follows:

	31 December 2013	31 December 2012
Share certificates	58.377	18.825
Government bonds	7.746	6.117
Eurobonds	2.149	2.952
Other bonds	55.465	3.689
Total	**123.737**	**31.583**

Effective interest rates of USD, EUR and TL denominated securities at fair value through profit and loss are 3,92% (31 December 2012: 3.93%), 2,89% (31 December 2012: 2,89%) and %11,38 (31 December 2012: 11,60%), respectively. The Group's activities in the finance sector as collateral for the purchase and sale of financial assets is TL 5.116 (31 December 2012: TL 1.157).

The analysis of maturities at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
3 to 12 months	842	2.204
1 to 5 years	16.865	6.391
Over 5 years	47.653	4.163
No maturity	58.377	18.825
Total	**123.737**	**31.583**

Period remaining to contractual repricing dates:

	31 December 2013	31 December 2012
Up to 3 months	55.485	5.047
3 to 12 months	6.754	2.226
1 to 5 years	823	1.535
Over 5 years	2.298	3.950
No maturity	58.377	18.825
Total	**123.737**	**31.583**

None of the Group companies has held for trading financial instruments except the Banking sector.

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b) Available for sale securities:

	31 December 2013	31 December 2012
Debt securities		
- Government bonds	20.844.035	28.719.554
- Eurobonds	6.888.515	9.972.986
- Investment funds	248.690	239.123
- Other bonds denominated in foreign currency	2.769.765	1.969.248
Sub- total	**30.751.005**	**40.900.911**
Equity securities		
- Listed	91	4.031
- Unlisted	15.600	8.703
Sub- total	**15.691**	**12.734**
Total financial assets available for sale	**30.766.696**	**40.913.645**

Effective interest rates of USD, EUR and TL denominated available-for-sale securities are 3,52% (31 December 2012: 3,68%), 3,75% (31 December 2012: 4,42%) and 9,44% (31 December 2012: 9,97%), respectively. The Group's financial assets available for sale subject to funds provided from repo are TL 19.534.511 (31 December 2012: TL 23.097.568). Available for sale financial assets that are given as colleteral because of the Group's financing activities are amounting to TL 3.919.373 (31 December 2012: TL 6.526.263). No available for sale financial assets exist whose risk is undertaken by insurance policy holders (31 December 2012: 182.745 TL).

Akbank has Consumer Price Index (''CPI'') linked government bonds under available-for-sale and held-to maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two month before. The estimated inflation rate used is updated during the year when necessary.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The maturity analysis at 31 December 2013 and 2012 is as follows:

	31 December 2013			31 December 2012		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	10.476.476	-	10.476.476	3.537.214	3.009	3.540.223
1 to 5 years	7.261.650	-	7.261.650	19.871.294	-	19.871.294
Over 5 years	12.764.190	-	12.764.190	17.250.272	-	17.250.272
No maturity	263.933	447	264.380	250.962	894	251.856
Total	**30.766.249**	**447**	**30.766.696**	**40.909.742**	**3.903**	**40.913.645**

Period remaining to contractual repricing dates for available-for-sale securities:

	31 December 2013			31 December 2012		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	8.468.425	-	8.468.425	9.791.256	-	9.791.256
3 to 12 months	11.209.122	-	11.209.122	13.278.569	3.009	13.281.578
1 to 5 years	3.811.264	-	3.811.264	7.832.999	-	7.832.999
Over 5 years	7.013.505	-	7.013.505	9.755.956	-	9.755.956
No maturity	263.933	447	264.380	250.962	894	251.856
Total	**30.766.249**	**447**	**30.766.696**	**40.909.742**	**3.903**	**40.913.645**

c) Financial assets held to maturity:

The breakdown of held to maturity financial assets is listed below:

	31 December 2013	31 December 2012
Government bonds	12.153.454	3.637.468
Total	**12.153.454**	**3.637.468**

Effective interest rates of USD, EUR and TL denominated debt securities are 3,42% (31 December 2012: None), 3% (31 December 2012: None) and TL is 9,96% (31 December 2012: 9,56%). The Group's financial assets held to maturity subject to funds provided from repo are TL 7.064.453 (31 December 2012: TL 358.131). The amount of Group's held to maturity financial assets colleterals given for financial operations is TL 3.875.664 (31 December 2012: TL 3.145.397).

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The movement table of held-to-maturity securities is as follows:

	31 December 2013	31 December 2012
1 January	**3.637.468**	**4.655.135**
Additions	9.969.319	209
Foreign exchange differences	172.740	(90.677)
Addition due to change in amortised cost	162.081	764
Redemptions and sales (*)	(1.788.154)	(927.963)
31 December	**12.153.454**	**3.637.468**

(*) According to TAS 39 Financial Instruments Recognition and Measurement Standard, Akbank has reclassified its foreign currency denominated securities issued by the Treasury of Republic of Turkey held in Held to maturity portfolio with nominal values of thousands EUR 300.476 and thousand USD 160.288 to Available for Sale portfolio with the sale intention of these securities out of which nominal value amounting to thousands EUR 280.476 and USD 160.288 have been sold.

Period remaining to contractual maturity dates for held to maturity financial assets as at 31 December 2013 and 2012 is as follows:

	31 December 2013			31 December 2012		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	1.776.715	-	1.776.715	1.846.994	-	1.846.994
1 to 5 years	3.916.884	-	3.916.884	1.790.474	-	1.790.474
Over 5 years	6.459.855	-	6.459.855	-	-	-
Total	**12.153.454**	**-**	**12.153.454**	**3.637.468**	**-**	**3.637.468**

Period remaining to contractual repricing dates for investment security, held to maturity fir ncial assets at 31 December 2013 and 2012 is as follows:

	31 December 2013			31 December 2012		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	4.499.278	-	4.499.278	3.433.339	-	3.433.339
3 to 12 months	1.265.436	-	1.265.436	204.129	-	204.129
1 to 5 years	3.077.667	-	3.077.667	-	-	-
Over 5 years	3.311.073	-	3.311.073	-	-	-
Total	**12.153.454**	**-**	**12.153.454**	**3.637.468**	**-**	**3.637.468**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

d) Time Deposits:

As of 31 December 2013, maturities of time deposits that are over 3 months denominated at TL is 187.156. Interest rate of time deposits is 0,12%. The breakdown of maturities of time deposits that are over 3 months are as follows:

	31 December 2013	31 December 2012
3 to 12 months	187.156	62.251
Total	**187.156**	**62.251**

NOTE 7 – FINANCIAL LIABILITIES

Short term funds borrowed, bank borrowings and debt securities:

	31 December 2013	31 December 2012
Short term	16.311.856	13.264.547
Short-term portion of long term	2.013.844	1.433.532
Total short term	**18.325.700**	**14.698.079**

Long term funds borrowed, bank borrowings and debt securities:

Long term	11.905.902	9.307.256
Total	**30.231.602**	**24.005.335**

Effective interest rates of USD, EUR and TL denominated funds borrowed borrowings and debt securities in issue are 1,58% (31 December 2012: 1,97%), 1,19% (31 December 2012: 1,44%) and 7,70% (31 December 2012: 7,63%) respectively.

The maturity schedule of borrowings at 31 December 2013 and 2012 is summarised below:

	31 December 2013	31 December 2012
Up to 3 months	6.612.819	5.991.502
3 to 12 months	11.712.881	8.706.577
Short term borrowings and short term portion of long term borrowings	**18.325.700**	**14.698.079**
1 to 5 years	10.535.757	7.331.506
Over 5 years	1.370.145	1.975.750
Long term borrowings	**11.905.902**	**9.307.256**
Total	**30.231.602**	**24.005.335**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The maturity schedule of long term borrowings at 31 December 2013 and 2012 is summarised below:

	31 December 2013	31 December 2012
2014	-	2.569.969
2015	6.354.895	2.323.506
2016	1.082.645	912.828
2017	1.779.555	1.525.202
2018	1.318.662	1.975.750
2019 and after	1.370.145	-
Total	**11.905.902**	**9.307.255**

The repricing schedule of borrowings at 31 December 2013 and 2012 is summarized below:

	31 December 2013	31 December 2012
Up to 3 months	15.574.420	13.128.805
3 to 12 months	7.032.834	5.396.431
1 to 5 years	6.462.417	3.822.203
Over 5 years	1.161.931	1.657.896
Total	**30.231.602**	**24.005.335**

The transactions related with the funds and loans as of 31 December 2013 are as follows:

a) Akbank – Funds borrowed via syndicated credit facilities

As of 31 December 2013 there are two syndicated loans. The first syndicated loan facility amounts to EUR 779 million and USD 419,5 million provided by 38 international banks and signed on 16 August 2013. All-in annual costs are Euribor/Libor+%0,75. The second syndicated loan facility amounts to EUR 790 million and USD 348 million provided by 44 international banks and signed on 21 March 2013. The annual cost of loan for 1 year and 2 years terms are Euribor/Libor+%1,00 and Euribor/Libor+%1,25, respectively.

b) Enerjisa – Funds borrowed

On 13 June 2008 Group's joint venture Enerjisa, signed a EUR 1 billion loan agreement provided from international financial institutions, International Finance Corporation ("IFC"), Akbank and the European Investment Bank's co-ordination. These funds are considered to be used in the company's energy investments. The part of the loan amounting to EUR 513 million is coordinated by IFC, EUR 495 million has a maturity of 12 years and the remaining EUR 18 million has a maturity of 15 years. EUR 158 million of the aforementioned part will be provided by IFC and the remaining EUR 355 million will be provided as a syndicated loan under the supervision of IFC and WestLB. KFW IPEX-Bank GmbH, Bank Austria Creditanstalt AG, Erste Bank der Oesterreichischen Sparkassen AG, ING Bank N.V., Raiffeisen Zentralbank Oesterreich AG, WestLB AG and Société Générale Bank have been participated in this financing package as authorised leading regulators. Akbank will provide a parallel loan agreement of EUR 352 million which has a maturity of 12 years, with the participation of National Bank of Greece and remaining EUR 135 million of loan will be provided by EIB. As of 31 December 2012, total loan amount of EUR 1 billion has been used. The above mentioned loan's repayments commenced on 15 June 2012 and the outstanding balance as of 31 December 2013 is EUR 811 million.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Enerjisa signed another agreement on 23 December 2010 to borrow funds amounting to EUR 270 million with the participations of Yapı ve Kredi Bankası A.Ş. for EUR 100 million, Akbank T.A.Ş. İstanbul Kurumsal Şubesi for EUR 100 million and Finansbank A.Ş. Bahrain for EUR 70 million for the purpose of financing Arkun Barrage and hydroelectric power plant energy project of the Enerjisa. As of 30 November 2013, total loan amount of EUR 270 million has been used.

Enerjisa also signed an agreement on 24 March 2011 with IFC and certain international financial institutions under the coordination of IFC, WestLB and Unicredit to borrow funds amounting EUR 700 million for the purpose of financing energy projects. EUR 65 million of the loan is provided by IFC and EUR 515 million of it is provided by the participation of several financial institutions, namely KFW IPEX-Bank GmbH, UniCredit Bank Austria AG, Erste Bank, ING Bank N.V., Raiffeisen Bank International, FMO, BAWAG, WestLB AG and Societe Generale Bank, under the coordination of IFC, WestLB and Unicredit. Proparco has provided EUR 40 million of the loan and TSKB has provided EUR 80 million of the loan. As of 31 December 2013, Enerjisa has utilized EUR 226 million with respect to this EUR 700 million loan agreement (31 December 2012: EUR 112 million).

Enerjisa signed another loan agreement on 26 April 2012 with European Bank for Reconstruction and Development ("EBRD") amounting to EUR 135 million to finance Bares Wind Power Plant. EUR 100 million of the loan provided by EBRD and EUR 35 million of it is provided by BAWAG. As of 24 August 2012, total loan amount of EUR 135 million has been used.

As of 25 July 2012, Enerjisa, joint venture of the Group, signed a loan agreement of EUR 750 million with a maturity of 11,5 years with various banks for the financing of Tufanbeyli Thermal Plant. The major part of EUR 608 million with maturity 11,5 years of the loan has been insured by Korea Trade Insurance Corporation (K-Sure). Creditors of the loan include Societe Generale, UniCredit Bank Austria AG, HSBC Bank plc, Raiffeisen Bank International AG, The Bank of Tokyo-Mitsubishi UFJ Ltd., BNP Paribas and Fortis Bank SA/NV, Akbank T.A.Ş., Deutsche Bank AG, Natixis and Erste Group Bank AG. As of 31 December 2013, Enerjisa has utilized EUR 544 million with respect to this EUR 750 million loan agreement.

Issued securities:

Securities issued consist of USD and TL assets.

The repayment plan for USD securities issued is summarized below.

	31 December 2013		31 December 2012	
	USD	TL	USD	TL
2013	-	-	636.730	1.131.851
2014	497.127	1.059.079	475.772	845.732
2015	1.274.524	2.715.246	1.206.576	2.144.809
2016	260.786	555.578	257.780	458.230
2017	609.135	1.297.701	599.195	1.065.129
2018	716.987	1.527.469	442.377	786.369
2019	19.842	42.271	14.921	26.524
2020	18.900	40.265	14.026	24.933
2021	18.006	38.360	13.177	23.423
2022	335.209	714.129	314.514	559.079
Total	**3.750.516**	**7.990.098**	**3.975.068**	**7.066.079**

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The balance amounting to USD 3.750.516 consists of securitization deals and USD denominated securities issued by the Bank.

Additionally, as of 31 December 2013, there are bonds issued by the Bank amounting to TL 933.802 with 6 months maturity, TL 778.610 with 1 year maturity, TL 151.665 with 2 years maturity and TL 391.956 with 3 years maturity, TL 883.017 with 5 years maturity. (31 December 2012: 6 months maturity TL 1.022.015; 1 years maturity TL 653.883 ; 2 years maturity TL 417.014; 3 years maturity TL 437.767).

On April 15, 2013, Başkent Elektrik Dağıtım A.Ş issued bonds with a total face value of TL 350 million, a maturity date of 11 April 2016, quarterly coupon payments and a coupon rate of DIBS + 2%.

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Short-term and long-term receivables:	**31 December 2013**	**31 December 2012**
Trade receivables	1.143.074	936.189
Notes and cheques receivables	173.995	115.791
Income accruals	-	16.086
	1.317.069	**1.068.066**
Less: allowance for doubtful receivables	(64.660)	(51.702)
Total	**1.252.409**	**1.016.364**

As of 31 December 2013, trade receivables of TL 134.048 were past due but not impaired (31 December 2012: TL 121.094). The aging analysis of these trade receivables is as follows:

	31 December 2013	**31 December 2012**
Up to 3 months	92.627	76.571
3 to 6 months	19.650	26.426
6 to 9 months	20.752	16.839
Over 9 months	1.019	1.258
Total	**134.048**	**121.094**

As of 31 December 2013 and 2012 the aging analysis of overdue and impaired trade receivables is as follows:

	31 December 2013	**31 December 2012**
Up to 3 months	2.550	1.908
3 to 6 months	411	1.165
6 to 9 months	859	407
Over 9 months	60.840	48.222
Total	**64.660**	**51.702**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Short-term and long-term trade payables:	31 December 2013	31 December 2012
Trade payables	1.917.092	1.277.290
Notes payable	485	558
Expense accruals	1.513	27.218
Total	**1.919.090**	**1.305.066**

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	31 December 2013	31 December 2012
Receivables from credit card payments	36.497	179.562
Other receivables	575.432	525.867
Total	**611.929**	**705.429**

Other long term receivables:	31 December 2013	31 December 2012
Deposits and guarantees given	3.331	7
Other receivables	42.348	18.887
Total	**45.679**	**18.894**

Other short term payables:	31 December 2013	31 December 2012
Payables related to credit card transactions	2.336.981	2.045.457
Taxes and funds payable	202.186	212.506
Export deposits and transfer orders	63.170	38.868
Payment orders to correspondent banks	161.185	163.341
Other	1.147.575	610.229
Total	**3.911.097**	**3.070.401**

Other long term payables:		
Financial lease payables	20.590	3.877
Other	12.625	13.241
Total	**33.215**	**17.118**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 10 - INVENTORIES

	31 December 2013	31 December 2012
Raw materials	260.669	292.547
Work in process	214.719	157.871
Finished goods and merchandises	1.149.265	898.368
Spare parts	148.149	62.704
Other inventories	142.179	120.824
	1.914.981	**1.532.314**
Allowance for impairment on inventory (-)	(31.530)	(23.127)
Total	**1.883.451**	**1.509.187**

The movement table of allowance for impairment on inventory is as follows:

	2013	2012
1 January	23.127	24.162
Effects of change in consolidation method due to acquisition of shares	6.222	-
Charge for the period	12.689	13.387
Provision used	(10.508)	(15.153)
Currency translation difference	-	731
31 December	**31.530**	**23.127**

NOTE 11 - PREPAID EXPENSES AND DEFERRED INCOME

Short term prepaid expenses	31 December 2013	31 December 2012
Prepaid expenses	306.039	243.653
Advances given for inventory purchases	22.860	1.556
Other	3.799	-
Total	**332.698**	**245.209**

Long term prepaid expenses	31 December 2013	31 December 2012
Advances given for property, plant and equipment	28.963	11.802
Prepaid expenses	3.855	2.161
Other	200	-
Total	**33.018**	**13.963**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Short term deferred income:	31 December 2013	31 December 2012
Unearned commission income	257.160	224.679
Advances received	61.475	28.452
Deferred income	3.865	124
Other	141	-
Total	**322.641**	**253.255**

Long term deferred income:	31 December 2013	31 December 2012
Unearned commission income	66.683	61.876
Total	**66.683**	**61.876**

NOTE 12 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows :

	31 December 2013	Share (%)	31 December 2012	Share (%)
Aksigorta	179.323	36,00	152.671	36,00
Avivasa	118.810	49,83	108.822	49,83
Brisa	248.025	43,63	213.927	43,63
Carrefoursa(*)	-	-	420.727	38,78
Akçansa	344.716	39,72	324.600	39,72
Enerjisa	3.840.575	50,00	2.338.950	50,00
Philsa	204.542	25,00	207.725	25,00
Philip Morrissa	37.829	24,75	41.580	24,75
Temsa Mısır	(12.921)	73,75	(897)	73,75
Total	**4.960.899**		**3.808.105**	

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Share of income from Associates and Joint Ventures included in Holding's consolidated net income is as follows:

	31 December 2013	31 December 2012
Aksigorta	57.809	17.522
Avivasa	30.209	21.982
Brisa	62.982	40.526
Carrefoursa (Note 3)	(16.479)	(2.131)
Akçansa	59.268	43.871
Enerjisa	(233.771)	95.294
Philsa	153.640	158.581
Philip Morrissa	49.979	33.877
Temsa Mısır	(12.220)	(4.725)
Total	**151.417**	**404.797**

The summary financial information of Associates and Joint Ventures is as follows:

	31 December 2013		31 December 2012	
	Total assets	Total liabilities	Total assets	Total liabilities
Aksigorta	1.894.896	1.397.290	1.267.633	843.548
Avivasa	957.446	719.501	961.648	743.252
Brisa	1.418.146	849.673	1.250.322	760.001
Carrefoursa(*)	-	-	1.659.330	574.424
Akçansa	1.361.387	480.380	1.299.692	469.555
Enerjisa	23.386.619	15.705.547	10.946.565	6.268.666
Philsa	2.515.535	1.697.366	2.231.272	1.400.402
Philip Morrissa	1.087.898	935.056	731.697	563.697
Temsa Mısır	27.208	44.728	35.341	35.459
Total	**32.649.135**	**21.829.541**	**20.383.500**	**11.659.004**

(*) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Sales revenue	1 January - 31 December 2013	1 January - 31 December 2012
Aksigorta	1.526.138	1.311.332
Avivasa	232.888	197.544
Brisa	1.489.492	1.424.003
Carrefoursa	1.196.127	2.549.589
Akçansa	1.202.225	1.055.902
Enerjisa	6.698.103	4.572.345
Philsa(*)	13.595.790	12.401.105
Philip Morrissa	13.879.686	12.548.190
Temsa Mısır	1.545	5.183

(*) Philsa, which is a manufacturing company, conducts its sales activities through Philip Morrissa, which is a marketing company.

Net income	1 January - 31 December 2013	1 January - 31 December 2012
Aksigorta	160.581	48.673
Avivasa	60.624	44.119
Brisa	144.355	92.885
Carrefoursa	(42.493)	(5.496)
Akçansa	159.548	120.826
Enerjisa	(467.542)	190.588
Philsa	614.558	634.325
Philip Morrissa	201.934	136.876
Temsa Mısır	(16.569)	(6.406)

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NOTE 13 - INVESTMENT PROPERTY

The movements in investment property, for the years ended 31 December 2013 and 2012 are as follows:

	1 January 2013	Additions	Disposals	Impairment	Transfers	Currency translation differences	Change in consolidation method due to acquisition of shares	31 December 2013
Cost:								
Land	116.873	-	(1.895)	-	-	-	100.228	215.206
Buildings	751	69.424	-	-	36.993	-	67.039	174.207
Total	**117.624**	**69.424**	**(1.895)**	**-**	**36.993**	**-**	**167.267**	**389.413**
Accumulated depreciation:								
Buildings	(12.127)	(1.895)	-	-	-	2.757	(29.360)	(40.625)
Net book value	**105.497**							**348.788**

	1 January 2012	Additions	Disposals	Impairment	Transfers	Currency translation differences	Change in consolidation method due to acquisition of shares	31 December 2012
Cost:								
Land	116.968	-	-	-	-	-	(95)	116.873
Buildings	939	-	-	-	-	-	(188)	751
Total	**117.907**	**-**	**-**	**-**	**-**	**-**	**(283)**	**117.624**
Accumulated depreciation:								
Buildings	(15.222)	(428)	-	3.941	-	-	32	(12.127)
Net book value	**102.685**							**105.497**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 31 December 2013 is as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Transfers from non-current assets held for sale	Transfers to non-current assets held for sale	Change in consolidation method due to acquisition of shares (**)	31 December 2013
Cost:										
Land and land improvements	315.888	1.840	2.257	(2.710)	21.523	(320)	-	(2.299)	229.737	565.916
Buildings	1.970.221	22.513	34.229	(30.235)	48.002	-	105	(32.471)	339.030	2.351.394
Machinery and equipment	2.660.587	165.441	34.070	(11.743)	99.230	-	5.022	(18.892)	-	2.933.715
Motor vehicles	169.324	831	67.171	(41.512)	1.598	-	13	(237)	-	197.188
Furniture and fixtures	1.547.024	4.970	191.180	(140.946)	40.624	-	61	(393)	591.451	2.233.971
Total	**6.663.044**	**195.595**	**328.907**	**(227.146)**	**210.977**	**(320)**	**5.201**	**(54.292)**	**1.160.218**	**8.282.184**
Construction in progress	**174.318**	**7.253**	**175.961**	**(2.150)**	**(265.504)**	**-**	**-**	**(1)**	**119.131**	**209.008**
Total	**6.837.362**	**202.848**	**504.868**	**(229.296)**	**(54.527)**	**(320)**	**5.201**	**(54.293)**	**1.279.349**	**8.491.192**
Accumulated depreciation:										
Land and land improvements	(60.752)	366	(6.890)	242	1	-	-	819	(147.193)	(213.407)
Buildings	(791.900)	(12.775)	(59.918)	24.023	-	-	(43)	7.968	-	(832.645)
Machinery and equipment	(1.632.991)	(78.227)	(115.063)	10.225	(55)	(63)	(4.170)	14.406	-	(1.805.938)
Motor vehicles	(87.947)	(509)	(25.330)	17.201	65	-	(13)	237	(418.453)	(514.749)
Furniture and fixtures	(1.173.870)	(3.446)	(152.458)	132.362	101	(21.889)	(57)	376	(6.740)	(1.225.621)
Total	**(3.747.460)**	**(94.591)**	**(359.659)**	**184.053**	**112**	**(21.952)**	**(4.283)**	**23.806**	**(572.386)**	**(4.592.360)**
Net book value	**3.089.902**									**3.898.832**

(*) Transfers during the period consists of TL 17.381 to intangible assets and TL 36.993 to investment property.

(**) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The movement in property, plant and equipment for the year ended 31 December 2012 is as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Business combinations (**)	Transfers(*)	Impairment	31 December 2012
Cost:								
Land and land improvements	264.314	(1.206)	4.617	(2.083)	39.732	10.514	-	315.888
Buildings	1.929.762	(9.007)	30.191	(3.495)	17.887	4.883	-	1.970.221
Machinery and equipment	2.523.873	(82.074)	49.234	(66.402)	86.482	149.463	11	2.660.587
Motor vehicles	169.813	(294)	35.044	(49.252)	111	13.902	-	169.324
Furniture and fixtures	1.498.189	(3.027)	137.219	(112.284)	1.268	19.765	5.894	1.547.024
Total	**6.385.951**	**(95.608)**	**256.305**	**(233.516)**	**145.480**	**198.527**	**5.905**	**6.663.044**
Construction in progress	**155.590**	**(3.845)**	**233.913**	**(4.246)**	**4**	**(204.819)**	**(2.279)**	**174.318**
Total	**6.541.541**	**(99.453)**	**490.218**	**(237.762)**	**145.484**	**(6.292)**	**3.626**	**6.837.362**
Accumulated depreciation:								
Land and land improvements	(52.672)	349	(5.934)	772	(3.267)	-	-	(60.752)
Buildings	(730.836)	3.816	(56.455)	1.172	(9.978)	381	-	(791.900)
Machinery and equipment	(1.576.424)	35.342	(101.118)	64.628	(55.414)	-	(5)	(1.632.991)
Motor vehicles	(91.645)	(401)	(13.735)	17.904	(70)	-	-	(87.947)
Furniture and fixtures	(1.148.256)	2.861	(122.404)	96.873	(999)	(287)	(1.658)	(1.173.870)
Total	**(3.599.833)**	**41.967**	**(299.646)**	**181.349**	**(69.728)**	**94**	**(1.663)**	**(3.747.460)**
Net book value	**2.941.708**							**3.089.902**

(*) Transfers during the period consist of TL 6.665 to intangible assets.
(**) Results from the acquisition of Afyon Çimento detailed in Note 3.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 15 - INTANGIBLE ASSETS

The movements in intangible assets for the years ended 31 December 2013 and 2012 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Business combinations	Change in consolidation method due to acquisition of shares (**)	Transfers	Impairment/ (reversal)	31 December 2013
Cost	542.061	12.816	118.135	(17.840)	-	40.481	17.381	-	713.034
Accumulated amortisation (-)	(290.212)	(5.324)	(74.791)	1.569	-	(38.480)	-	(38)	(407.276)
Net book value	**251.849**								**305.758**

	1 January 2012	Currency translation differences	Additions	Disposals	Business combinations(*)	Transfers	Impairment/ (reversal)	31 December 2012
Cost	468.115	1.918	69.837	(7.660)	3.039	6.759	53	542.061
Accumulated amortisation (-)	(229.511)	(5.627)	(61.091)	6.917	(763)	(94)	(43)	(290.212)
Net book value	**238.604**							**251.849**

(*) Results from the acquisition of Afyon Çimento detailed in Note 3.

(**) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 16 - GOODWILL

The movements in goodwill for the years ended 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
1 January	181.644	170.306
Change in the controlling interest of Carrefoursa (Note 3)(*)	360.790	-
Provision for impairment	(63.499)	-
Additions (Note 3)	-	11.357
Foreign currency translation adjustments	-	(19)
31 December	**478.935**	**181.644**

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to operating segment. An operating segment-level summary of the goodwill allocation is presented below:

	31 December 2013	31 December 2012
Cement	155.323	155.323
Retail	297.291	-
Industry	26.321	26.321
Total	**478.935**	**181.644**

(*) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'' s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations. These calculations use after tax cash flow projections based on financial budgets approved by management. Cash flows beyond five-year period are projected using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the operating segment in which the CGU operates.

Assumptions used for value in use calculations are as follows:

	Retail	Industry	Cement
Growth rate (**)	5,00%	9,00%	6,00%
Discount rate (***)	13,00%	9,47%	13,97%
Years of used cash flows	until 2017	until 2017	until 2020

(**) Weighted average growth rates used to extrapolate cash flows beyond the budget period.
(***) After tax discount rate applied to the cash flow projections

Management determined gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31 December 2013	31 December 2012
Provision for liabilities	352.010	193.450
Credit points	*114.587*	*165.087*
Litigation	*96.672*	*4.373*
Uncompensated and not encashed non-cash loans	*52.027*	*21.715*
Onerous contracts	*80.920*	*-*
Other short-term provisions	*7.804*	*2.275*
Other	96.119	-
Total	**448.129**	**193.450**

Other long term provisions	31 December 2013	31 December 2012
Provision for liabilities	3.921	3.871
Uncompensated and not encashed non-cash loans	-	3.128
Other	3.921	743
Total	**3.921**	**3.871**

Commitments – Banking segment	31 December 2013	31 December 2012
Letters of guarantee given	16,974,742	12,050,871
Letters of credit	6,030,755	4,394,321
Foreign currency acceptance	1,705,986	199,864
Other guarantees given	3,144,150	1,698,493
Total	**27,855,633**	**18,343,549**

Commitments – Non-banking segment	31 December 2013	31 December 2012
Letters of guarantee given	548,596	447,504
Other guarantees given	377,581	153,590
Collateral notes given	35	-
Mortgages, guarantees and pledges for tangible assets	94,565	79,131
Total	**1,020,777**	**680,225**

Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Repurchase commitments	23.003.288	20.070.202
Resale commitments	-	-

Commitments to forward currency purchase/sale and swap transactions:

Transactions for held for trading

	31 December 2013	31 December 2012
Currency swap purchases	5.833.256	2.283.214
Currency swap sales	5.804.606	2.296.387
Total	**11.637.862**	**4.579.601**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	31 December 2013	31 December 2012
Currency swap purchases	24.038.821	9.689.084
Currency swap sales	22.572.098	8.877.206
Interest swap purchases	18.109.785	11.210.308
Interest swap sales	18.109.785	11.210.308
Total	**82.830.489**	**40.986.906**

	31 December 2013	31 December 2012
Spot purchases	4.544.293	1.788.052
Spot sales	4.553.556	1.789.588
Total	**9.097.849**	**3.577.640**

	31 December 2013	31 December 2012
Currency, interest and securities options purchases	30.912.645	10.252.775
Currency, interest and securities options sales	30.790.492	10.252.884
Total	**61.703.137**	**20.505.659**

	31 December 2013	31 December 2012
Future purchases	5.229	-
Future sales	70.213	94.351
Total	**75.442**	**94.351**

	31 December 2013	31 December 2012
Other purchase transactions	202.181	274.665
Other sales transactions	1.322.316	1.100.146
Total	**1.524.497**	**1.374.811**

Derivative transactions for hedging:

	31 December 2013	31 December 2012
Interest swap purchases	3.387.336	3.275.494
Interest swap sales	3.387.336	3.275.494
Total	**6.774.672**	**6.550.988**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	31 December 2013	31 December 2012
Foreign currency purchases	54.054	-
Foreign currency sales	169.278	92.479
Total	**223.332**	**92.479**

	31 December 2013	31 December 2012
Currency swap purchases	3.102.178	3.169.981
Currency swap sales	2.640.102	3.241.445
Total	**5.742.280**	**6.411.426**

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2013 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.253.468	14.721.274	16.974.742
Letters of credits	4.730.953	1.299.802	6.030.755
Acceptance credits	1.652.958	53.028	1.705.986
Other guarantees	1.266.886	1.877.263	3.144.149
Total	**9.904.265**	**17.951.367**	**27.855.632**

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2012 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	873.597	11.177.274	12.050.871
Letters of credits	2.764.791	1.629.530	4.394.321
Acceptance credits	168.340	31.524	199.864
Other guarantees	911.991	786.502	1.698.493
Total	**4.718.719**	**13.624.830**	**18.343.549**

On 22 January 2013, Exsa, a subsidiary of the Group, is subjected to a tax penalty statement due to the corporate tax calculation in 2010 with an additional tax amounting to TL 39 million and its penalty amounting to TL 58 million. The main comment at the tax investigation report in accordance with the penalty is related to the spin-off transaction that took part in 2010 which was previously subjected to another investigation report in 2011. Regarding to that report in 2011, the Company has already reached a reconcilement with the Ministry of Finance. On 22 January 2013, the Company applied to the Ministry of Finance to reach a reconciliation settlement according to the same issue and the same year but no reconciliation was provided. The Company filed a lawsuit related to this matter. Exsa management did not allow any provision in the financial statements for period ended on 31 December 2013 taking into account the legal advisors' and tax experts' opinions stating that the final legal process has not yet been completed and the uncertainty about the tax penalty and is still continuing.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Aksigorta, one of the Group's joint ventures, has been subjected to tax investigation in 2012 regarding corporate tax calculation of the year 2010 and additional tax amounting to TL 61 million and its penalty amounting to TL 91 million has been charged to the Company at 4 February 2013. The tax investigation was related to the spin-off transaction which was subject to tax investigation in 2010. Upon reconcilement with the Ministry of Finance, adjustments have been made on the tax burden and the inter-related tax penalty that have been charged to the Company in 2010, amounting to TL 102 and TL 152 million respectively, where the tax penalty has been waived and the total tax burden of TL 102 million has been decreased to TL 9 million and paid in 2011. Aksigorta appealed for a reconciliation settlement process to Ministry of Finance on 4 March 2013. No reconciliation was provided in the meeting held between Aksigorta and the Ministry of Finance Central Reconciliation Commission on 10 October 2013 and Aksigorta filed a lawsuit by the Tax Court as of 24 October 2013. As of the date of this report, there is uncertainty on the process regarding this issue and the results of this process.

The economic sector risk concentrations of the commitments of the Banking segment at 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Financial institutions	4.641.088	3.636.342
Construction	2.746.189	2.476.285
Chemicals	3.921.747	1.750.524
Wholesale	6.548.609	1.580.930
Small-scale retailers	2.229.458	1.344.949
Steel and mining	1.711.456	1.258.952
Food and beverage	661.056	582.227
Electricity, gas and water	819.191	580.218
Automotive	418.084	470.233
Other manufacturing	526.743	437.908
Electronics	573.711	420.803
Textile	581.914	375.186
Transportation	315.837	238.898
Telecommunications	201.480	163.129
Tourism	348.467	117.461
Agriculture and forestry	92.939	82.150
Other	1.517.663	2.827.354
Total	**27.855.632**	**18.343.549**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 18 - COMMITMENTS

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 31 December 2013 is as follows:

	31 December 2013				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the Collaterals given for its own legal entity	936.658	297.738	255.171	30.270	5.421
B. Collaterals given on behalf of fully consolidated companies	2.546.322	2.225.773	70.090	13.498	131.318
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	27.855.633	10.823.407	4.730.847	2.274.465	256.212
D.Total amount of other Collaterals					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Colleterals	**31.338.613**	**13.346.918**	**5.056.108**	**2.318.233**	**392.951**
A. Total amount of the mortgages given for its own legal entity	87.224	-	16.507	17.706	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other Mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**87.224**	**-**	**16.507**	**17.706**	**-**
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2013, the the ratio of other CPMs given by the Group to the equity is 0%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Collaterals, pledges and mortgages ("CPM") given by the Joint Ventures at 31 December 2013 is as follows:

	31 December 2013				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the Collaterals given for its own legal entity	287.232	171.381	54.087	141	-
B. Collaterals given on behalf of fully consolidated companies	16.305	16.194	-	-	-
C. Collaterals given on behalf of the third parties'debt for continuation of their economic activities	27	22	2	-	-
D.Total amount of other Collaterals	4.016	4.016	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companieswhich are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third partieswhich are not in scope of C	4.016	4.016	-	-	-
Total Colleterals	**307.580**	**191.613**	**54.089**	**141**	
A. Total amount of the mortgages given for its own legal entity	8.022.362	-	-	2.731.947	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other Mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companieswhich are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third partieswhich are not in scope of C	-	-	-	-	-
Total Mortgages	**8.022.362**	**-**	**-**	**2.731.947**	**-**
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companieswhich are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third partieswhich are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2013, the the ratio of other CPMs given by the Group to the equity is 0,013%.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 31 December 2012 is as follows:

	31 December 2012				
	Total TL Equivalent	**TL**	**USD**	**EUR**	**Other**
A. Total amount of the Collaterals given for its own legal entity	728.599	257.024	163.683	46.723	69.914
B. Collaterals given on behalf of fully consolidated companies	444.070	143.086	88.528	14.705	108.593
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	18.343.548	6.446.626	4.510.304	1.560.389	187.288
D.Total amount of other Collaterals	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Colleterals	**19.516.217**	**6.846.736**	**4.762.515**	**1.621.817**	**365.795**
A. Total amount of the mortgages given for its own legal entity	73.252	-	17.734	17.706	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other Mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**73.252**	**-**	**17.734**	**17.706**	**-**
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2012, the ratio of other CPMs given by the Group to the equity is 0%.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Collaterals, pledges and mortgages ("CPM") given by the Joint Ventures at 31 December 2012 is as follows;

	31 December 2012				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the Collaterals given for its own legal entity	589.325	478.716	60.234	1.376	-
B. Collaterals given on behalf of fully consolidated companies	21.172	21.069	58	-	-
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	42	38	2	-	-
D.Total amount of other Collaterals	3.841	3.841	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	3.841	3.841	-	-	-
Total Colleterals	**614.380**	**503.664**	**60.294**	**1.376**	**-**
A. Total amount of the mortgages given for its own legal entity	3.016.450	-	-	1.282.688	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other Mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**3.016.450**	**-**	**-**	**1.282.688**	**-**
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2012, the ratio of other CPMs given by the Group to the equity is 0,013%.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 19 – EMPLOYEE BENEFITS

Payables related to employee benefits	31 December 2013	31 December 2012
Payables to personnel	24.112	20.822
Social security premiums payable	21.134	22.369
Other	1.932	1.182
Total	**47.178**	**44.373**

Short term provision for employee benefits

	31 December 2013	31 December 2012
Unused vacation pay provision	65.903	55.014
Bonus provision	16.851	74.358
Other provisions for employee benefits	82.713	52.816
Total	**165.467**	**182.188**

Long term provision for employee benefits

	31 December 2013	31 December 2012
Unused vacation pay provision	1.843	1.781
Bonus provision	1.019	2.113
Provision for retirement pay liability	162.547	133.963
Other provisions for employee benefits	7.910	4.513
Total	**173.319**	**142.370**

Provision for retirement pay liability:

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. At 31 December 2013, the amount payable consists of one month's salary limited to a maximum of TL 3 (31 December 2012: TL 3) for each year of service.

There are no agreements for pension commitments other than the legal requirement as explained above.

The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly actuarial assumptions were used in the calculation of the total liability as these actuarial assumptions apply to each individual company's defined benefit plan and legal framework in which those companies operate.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2013, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. However the discount rate used in the calculation of the provisions differs for each subsidiary and associate, the average discount rate is 4,28 % at the respective balance sheet date (31 December 2012: 3,73%). Severance pay ceiling is revised semi-annually. 3 TL severance pay ceiling, which is effective on 1 January 2014, has been considered in the provision for employment termination benefits calculations of the Group.

Movements in the provision for employment termination benefits for the years ended 31 December 2013 and 2012 are as follows:

	2013	2012
1 January	133.963	102.161
Change in consolidation method due to acquisition of shares	30.655	-
Charge for the period	56.318	58.010
Payments during the period	(55.230)	(30.794)
Interest cost	1.722	724
Foreign currency translation adjustments	89	(696)
Business combinations	-	1.138
Actuarial gains/(losses)	(4.970)	3.420
31 December	**162.547**	**133.963**

NOTE 20 - OTHER ASSETS AND LIABILITIES

Other Current Assets	**31 December 2013**	**31 December 2012**
Cheques in clearance	407.406	566.639
Deductible, deferred and other VAT	95.638	68.152
Other	127.261	233.999
Total	**630.305**	**868.790**

Other Non-Current Assets	**31 December 2013**	**31 December 2012**
Long term tax claims and other legal receivables	5.157	58.910
Deductible, deferred and other VAT	62.793	9.910
Other non-current assets	5.450	21.525
Total	**73.400**	**90.345**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Other Short Term Liabilities	31 December 2013	31 December 2012
Cheques in clearance	744.734	973.641
Saving deposits insurance	33.975	22.393
Other short term liabilities	291.998	34.244
Total	**1.070.707**	**1.030.278**

Other Long Term Liabilities	31 December 2013	31 December 2012
Other long term liabilities	2.992	493
Total	**2.992**	**493**

NOTE 21 - EQUITY

The Holding's authorised and issued capital consists of 204.040.393.100 (31 December 2012: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 December 2013 and 2012 is as follows:

Shareholders:	Share (%)	31 December 2013	Share (%)	31 December 2012
Sabancı family members(*)	43,65	890.628	43,65	890.628
Public quotation	40,11	818.531	40,11	818.531
Sakıp Sabancı Holding A.Ş. (*)	14,07	287.100	14,07	287.100
Other(*)	2,17	44.145	2,17	44.145
Share capital	**100**	**2.040.404**	**100**	**2.040.404**
Treasury share (-)		**-**		**(52.227)**
Share Premium		**21.670**		**21.670**

(*) Publicly traded / registered shares are excluded since the Central Registry Agency is not able to share the number of registered shares on principle.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Holding's paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. Based on the exemption for sale of participation shares and property, 75% of the related gain is required to be held in account "gain on sale of subsidiaries". In 2012, related to the initial public offering of Teknosa, Holding accounted for 75% of this gain in this account.

The details of restricted reserves mentioned above are as follows:

	31 December 2013	31 December 2012
Legal reserves	592.909	321.338
Investments sales income	333.369	333.369
Total	**926.278**	**654.707**

On 17 May 2012, Holding completed the public offering of Teknosa shares with a nominal value of TL 12.650. In the following days of the offering, shares with a nominal value of TL 1.650 have been acquired in order to maintain the stability of the share price. As a result of these transactions, the effective ownership of the Holding has decreased to 60,72% as of 31 December 2012. However, there has been no change in the control power. Net effect of sale of share and offering costs amounting to TL 58.562 has been recorded as an increase in the retained earnings under shareholders' equity.

Dividend Distribution

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies. In regards to the profit distribution, in accordance with the decision of the General Assembly, the distribution can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. It is also permitted to retain this amount in the Company reserves.

Furthermore, Group companies that are obliged to prepare consolidated financial statements based on the related decision of General Assembly, are permitted to calculate net distributable profits based upon the net income for the period presented on consolidated financial statements that have been prepared within the framework of TAS/TFRS.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Accumulated Other Comprehensive Income or Loss to be Reclassified to Profit or Loss

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency translation differences
Balance as of 1 January 2012	(59.845)	(139.607)	(78.150)	194.073
Increases/ (decreases) during the period	1.461.927	(115.758)	54.925	(91.571)
Gains transferred to income statement	(511.930)	53.783	-	-
Company liquidation	-	-	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(12.527)	-	-	42.784
Tax effect	(187.470)	12.406	(10.985)	-
Balance as of 31 December 2012	**690.155**	**(189.176)**	**(34.210)**	**145.286**
Balance as of 1 January 2013	690.155	(189.176)	(34.210)	145.286
Increases/ (decreases) during the period	(1.229.581)	32.975	(43.193)	113.436
Gains transferred to income statement	(318.474)	25.091	-	-
Change of rate	-	-	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(4.757)	-	-	-
Tax effect	(310.587)	(11.617)	8.639	-
Balance as of 31 December 2013	**(522.070)**	**(142.727)**	**(68.764)**	**258.722**

NOTE 22 – ASSETS CLASSIFIED AS HELD FOR SALE

1 January – 31 December 2013

Real estate of Temsa Global located in Adapazarı and are expected to be sold within 12 months, are transferred to non-current assets held for sale and presented separately in the financial statements. No impairment loss has been provided for since it is expected that the income from the sale will be higher than the carrying amount. The net book value of the real estate, which has been classified as asset held for sale is TL 23.395.

Property, plant and equipment with a net book value of TL 6.573 has been classified to non-current assets held for sale since SASA, which is a subsidiary of the Group, decided to evaluate the sales opportunities of Organized Industrial Textile Operation located at Adana Hacı Sabancı Organized Industrial Zone.

The Group has signed an agreement for the sale of its 40% shares in Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş to Şok Marketler Ticaret A.Ş. Within the scope of the same agreement, Dia Group sold the 60% of Diasa shares to Yıldız Holding and Şok Süpermarketler A.Ş. As of 1 July 2013, 40% of the shares owned by Sabancı Holding were sold for TL 45.265 and the gain on sale amounting to TL 84.841 has been accounted for under profit from discontinued operations. Net loss of Diasa is TL (98.940) for the period ended 1 January- 30 June 2013and 1 January- 31 December 2012 has been classified as income or (loss) from discontinued operations in the statement of profit or loss for 2013 and 2012.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Statement pf profit or loss of Diasa for the period ended 31December 2013 and 2012 is as follows:

Statement of profit or loss	**1 January - 31 December2013**	**1 January - 31 December2012**
Income	171.189	388.172
Expense	(202.587)	(413.716)
Net loss before tax	**(31.398)**	**(25.544)**
Tax	-	-
Net loss	(31.398)	(25.544)

1 January - 31 December 2012

The transfer agreement of the Group's Olmuksa shares with a value of TL 101.230 to International Paper Container Holdings (Spain), S.L. is signed on 19 September 2012. The transfer of the shares will be realized after the completion of the necessary approvals from legal authorities. Olmuksa's net profit is classified as income or (loss) from discontinued operations in the 2011 and 2012 financial statements. As of 31 December 2012 Olmuksa's net asset value in the consolidated financial statements is TL 95.731. The gain on sale of shares amounting to TL 36.357 is included in the income from discontinued operations as of 31 December 2013 since the transaction has been realized on 3 January 2013.

Statement of profit or loss of Olmuksa for the period ended 31December 2012 is as follows:

Statement of profit or loss	**1 January - 31 December2012**
Income	187.403
Expense	(178.406)
Net income before tax	**8.997**
Tax	(1.757)
Net income	**7.240**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 23 – REVENUE AND COST OF SALES

Revenue	1 January-31 December 2013	1 January-31 December 2012
Domestic sales	8.350.381	5.829.196
Foreign sales	1.611.396	1.564.989
Less: Discounts	(400.882)	(305.806)
Total	**9.560.895**	**7.088.379**

Cost of sales	1 January-31 December 2013	1 January-31 December 2012
Cost of raw materials and merchandises	6.583.987	4.759.739
Change in finished goods, work in process inventory and trade goods	55.274	521.437
Depreciation and amortisation	184.765	145.735
Personnel expenses	277.258	61.785
Other	833.710	495.482
Total	**7.934.994**	**5.984.178**

NOTE 24 - EXPENSES BY NATURE

Research and development expenses:

Allocation of research and development expenses on nature basis for the years ended 31 December 2013 and 2012 are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Personnel expenses	3.167	4.674
Depreciation and amortisation	3.760	4.072
Consultancy expenses	355	500
Repair and maintenance expenses	75	126
Other	5.633	2.942
Total	**12.990**	**12.314**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Marketing, selling and distribution expenses:

Allocation of marketing, selling and distribution expenses on nature basis for the years ended 31 December 2013 and 2012 are as follows:

	1 January-31 December 2013	1 January-31 December 2012
Personnel expenses	257.848	167.375
Rent expenses	173.652	118.208
Transportation, logistic and distribution expenses	108.421	84.459
Advertisement expenses	72.445	43.945
Depreciation and amortisation	73.365	29.483
Consultancy expenses	27.880	17.788
Energy expenses	15.154	13.695
Maintenance and repair expenses	16.590	6.454
Insurance expenses	4.536	8.293
Material costs	2.123	3.037
Outsourced services	3.301	3.193
Communication expenses	1.560	1.775
Other	99.346	55.637
Total	**856.221**	**553.342**

General and administrative expenses:

Allocation of general and administrative expenses on nature basis for the years ended 31 December 2013 and 2012 are as follows:

General and administrative expenses:

	1 January-31 December 2013	1 January-31 December 2012
Personnel expenses	1.593.143	1.366.911
Credit card and banking service expenses	412.006	368.037
Depreciation and amortisation	203.616	181.502
Repair and maintenance expenses	183.412	141.583
Taxes and duties	190.308	165.046
Consultancy expenses	148.318	122.084
Insurance expenses	130.640	94.170
Advertisement expenses	122.311	102.700
Communication expenses	109.858	123.460
Energy expenses	51.044	48.375
Outsourced services	31.415	8.224
Material expenses	12.313	12.588
Other	712.000	556.472
Total	**3.900.384**	**3.291.152**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 25 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 31 December 2013 and 2012 are are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Foreign currency gains resulting from operations	297.082	153.513
Interest income	2.926	-
Due date income from trade receivables	22.073	5.099
Other income	437.043	676.907
Total	**759.124**	**835.519**

The details of other expenses from operating activities for the years ended 31 December 2013 and 2012 are are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Foreign currency losses resulting from operations	189.439	149.429
Due date expense from trade payables	25.641	32.016
Provision expense	206.655	3.491
Other expenses	153.546	101.498
Total	**575.281**	**286.434**

NOTE 26 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities

The details of other income from investing activities for the years ended 31 December 2013 and 2012 are are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Interest income:Time deposit	1.967	3.368
Dividend income	4.998	769
Gain on sale of fixed assets	27.004	9.182
Gain on sale of associates	5.883	17.447
Other	1.004	-
Total	**40.856**	**30.766**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Investment revenue earned on financial assets, analyzed by category of assets, is as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Held to maturity investments	1.967	3.368
Total	**1.967**	**3.368**

Expenses from investing activities

The details of other expenses from investing activities for the years ended 31 December 2013 and 2012 are are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Loss on sale of fixed assets	2.813	1.250
Other	456	-
Total	**3.269**	**1.250**

NOTE 27 – FINANCE INCOME/EXPENSES

	1 January- 31 December 2013	1 January- 31 December 2012
Financial income		
Foreign currency gains	11.754	11.610
Interest income	-	2.154
Other	3.203	41.629
Total	**14.957**	**55.393**
Financial expenses		
Foreign currency losses	96.724	29.093
Interest expense	83.983	94.067
Other financial expenses	29.899	64.435
Total	**210.606**	**187.595**

Financial income and financial expenses relate to segments other than banking.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 28 - TAX ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Corporate and income taxes payable	449.777	1.221.173
Less: prepaid taxes	(345.649)	(784.721)
Total taxes payable	**104.128**	**436.452**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporate tax rate of the fiscal year 2013 is 20% (2012: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, except from these corporations' dividends subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations calculate corporate tax quarterly at the rate of 20% on their corporate income and declare it until the 10th day and pay it on the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Group are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in shares of capital of another full-fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

Preferential right certificate sales and issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business center in Turkey (except for corporations whose principal activity is financial leasing or by investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The proceed related to the sale transaction has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate cannot benefit from this exemption.

Exemption for Investment Incentive

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No:193 with the effect of Article 5 of Law No:6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carryforward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation.

The additional paragraph to Provisional Article 69 included in accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/20 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The tax charges for comprehensive income statement items for the years ended 31 December 2013 and 2012 are as follows:

	31 December 2013			31 December 2012		
	Before Tax	Tax Charge	After Tax	Before Tax	Tax Charge	After Tax
Net unrealized fair value from available for sale financial assets	(3.010.424)	(602.085)	(2.408.339)	3.583.930	716.786	2.867.144
Net gain on available for sale financial assets transferred to the income statement	(781.149)	(156.230)	(624.919)	(1.255.695)	(251.139)	(1.004.556)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(11.669)	(2.334)	(9.335)	(30.731)	(6.146)	(24.585)
Cash flow hedges	114.379	22.876	91.503	(88.129)	(17.626)	(70.503)
Gain/ (loss) on net foreign investment hedge	(105.945)	(21.189)	(84.756)	134.739	26.948	107.791
Currency translation differences	143.364	-	143.364	(179.384)	-	(179.384)
Actuarial gain/loss	4.970	994	3.976	(3.420)	(684)	(2.736)
Other comprehensive income	**(3.646.474)**	**(757.968)**	**(2.888.506)**	**2.161.310**	**468.139**	**1.693.171**

The reconciliation of the current year tax charge for the years ended 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Profit before tax	4.700.947	4.645.936
Expected tax charge according to parent company's tax rate %20 (2012: %20)	(940.189)	(929.187)
Tax rate differences of subsidiaries	-	(7.965)
Expected tax charge of the Group	**(940.189)**	**(937.152)**
Revenue that is exempt from taxation	92.244	21.690
Expenses that are not deductible in determining taxable profit	(74.140)	(39.924)
Timing differences not subject to tax	(248)	6.790
Investment allowance incentives	-	(1.129)
Other	(23.762)	87.558
Current year tax charge of the Group	**(946.095)**	**(862.167)**

Deferred tax

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TAS and their statutory tax financial statements. These differences usually result from the recognition of revenue and expenses in different reporting periods for TAS and tax purposes, carry forward tax losses and investment incentive exceptions. Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Since the subsidiaries and joint ventures which are separately taxpayers presented their deferred tax assets and liabilities as net values in their financial statements, the effect of the presentation of the net amounts has been reflected to the Group's consolidated balanse sheet. Temporary differences and deferred tax assets and liabilities presented in the table below are based on the gross values.

At 31 December 2013, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 69.459 which can be offset against future taxable profits for a period of five years (31 December 2012: TL 94.303). As of 31 December 2013 and 31 December 2012 carry forward tax losses and the latest annual periods are as follows:

	31 December 2013	31 December 2012
2013	-	5.428
2014	38.201	18.206
2015	-	39.412
2016	31.258	-
2017	-	31.257
Total	**69.459**	**94.303**

The movements in deferred income tax assets/ (liabilities) for the nine-month periods ended at 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Deferred tax assets	495.383	176.375
Deferred tax liabilities	(107.706)	(82.205)
31 December	**387.677**	**94.170**

	31 December 2013	31 December 2012
1 January	94.170	191.303
Change in consolidation method due to acquisition of shares	46.695	-
Charged to equity	408.813	(168.098)
Business combinations	-	(5.079)
Currency translation differences	2.642	1.987
Charged to statement of profit or loss	(164.643)	74.057
31 December	**387.677**	**94.170**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 29 - DERIVATIVE FINANCIAL INSTRUMENTS

31 December 2013

	Fair Value	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	998.700	610.806
Forward currency purchases and sales	205.316	143.100
Currency and interest rate futures purchases and sales	79.013	31.312
Currency options purchases and sales	472.704	394.617
Other	11.137	1.966
Total derivative instruments held for trading	**1.766.870**	**1.181.801**
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	630.177	63.810
Currency options purchases and sales	547	15.588
Total derivative instruments held for hedging	**630.724**	**79.398**
Total derivative instruments	**2.397.594**	**1.261.199**

31 December 2012

	Fair Value	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	402.626	406.341
Forward currency purchases and sales	29.421	38.128
Currency and interest rate futures purchases and sales	50.637	48.066
Currency options purchases and sales	54.989	61.841
Total derivative instruments held for trading	**537.673**	**554.376**
Derivative instruments held for hedging:		
Currency and interest rate swaps purchases and sales	-	658.845
Forward currency purchases and sales	1.233	-
Currency purchases and sales	269	-
Total derivative instruments held for hedging	**1.502**	**658.845**
Total derivative instruments	**539.175**	**1.213.221**

Akbank and Enerjisa hedge cash flow risk arising from the financial liabilities through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedge Funds" within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 30 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	31 December 2013	31 December 2012
Consumer loans and credit cards receivables	41.247.665	32.809.930
Project finance loans	15.943.292	10.879.839
Small-scale enterprises	9.993.406	7.220.195
Health care and social services	6.839.242	694.031
Other manufacturing industries	6.031.637	3.920.649
Construction	5.163.172	6.215.484
Financial institutions	3.248.227	3.573.545
Telecommunication	3.167.176	1.527.280
Mining	2.724.094	3.506.317
Chemicals	2.122.150	2.875.014
Textile	2.068.930	1.583.831
Food and beverage, wholesale and retail	1.975.774	2.604.680
Automotive	1.946.653	1.170.085
Tourism	1.546.061	1.187.446
Agriculture and forestry	649.093	545.259
Electronics	334.895	447.923
Other	12.507.430	11.246.104
Non-performing loans	1.676.682	1.115.456
Total loans and advances to customers	**119.185.579**	**93.123.068**
Allowance for loan losses	(3.271.943)	(2.224.103)
Leasing receivables	3.209.509	2.001.198
Net loans and advances to customers	**119.123.145**	**92.900.163**

Effective interest rates of USD, EUR and TL denominated loans and advances to customers are 4,67% p.a. (31 December 2012: 4,91% p.a.), 4,34% p.a. (31 December 2012: 4,44% p.a.) and 11,27% p.a. (31 December 2012: 12,77% p.a.), respectively.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The movement of loan loss provision of banking segment as of 31 December 2013 by class is as follows:

	Corporate	Commercial	Total
1 January	**1.143.279**	**1.080.824**	**2.224.103**
Gross provisions	565.974	1.198.872	1.764.846
Recoveries	(98.106)	(285.513)	(383.619)
Written-off	(79.559)	(253.828)	(333.387)
31 December 2013	**1.531.588**	**1.740.355**	**3.271.943**

The movement of loan loss provision of banking segment as of 31 December 2012 by class is as follows:

	Corporate	Commercial	Total
1 January 2012	**1.078.978**	**897.448**	**1.976.426**
Gross provisions	431.027	734.537	1.165.564
Recoveries	(99.183)	(178.366)	(277.549)
Written-off	(267.538)	(372.795)	(640.333)
Currency translation differences	(5)	-	(5)
31 December 2012	**1.143.279**	**1.080.824**	**2.224.103**

The maturity schedule of loans and advances to customers at 31 December 2013 and 2012 are summarised below:

	31 December 2013	31 December 2012
Up to 3 months	38.189.764	33.500.907
3 to 12 months	20.047.630	17.665.576
Current	**58.237.394**	**51.166.483**
1 to 5 years	40.061.603	27.931.116
Over 5 years	17.614.639	11.801.366
Non-current	**57.676.242**	**39.732.482**
Total	**115.913.636**	**90.898.965**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The repricing schedule of loans and advances to customers at 31 December 2013 and 2012 are summarised below:

	31 December 2013	31 December 2012
Up to 3 months	60.545.013	49.151.281
3 to 12 months	20.551.883	19.939.918
1 to 5 years	29.340.965	18.098.688
Over 5 years	5.475.775	3.709.078
Total	**115.913.636**	**90.898.965**

NOTE 31 - PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

		31 December 2013			31 December 2012	
	Demand	Time	Total	Demand	Time	Total
Saving deposits	8.414.302	48.197.928	56.612.230	6.355.668	41.716.837	48.072.505
Commercial deposits	8.302.564	32.579.926	40.882.490	6.244.304	21.072.757	27.317.061
Bank deposits	681.270	10.733.996	11.415.266	321.791	10.426.882	10.748.673
Funds provided from repo transactions	-	22.898.256	22.898.256	-	19.712.067	19.712.067
Other	902.285	1.976.561	2.878.846	977.819	2.442.909	3.420.728
Total	**18.300.421**	**116.386.667**	**134.687.088**	**13.899.582**	**95.371.452**	**109.271.034**

Effective interest rates of USD, EUR and TL denominated customer deposits are 1,53% p.a. (31 December 2012: 1,72% p.a.), 1,28% p.a. (31 December 2012: 1,47% p.a.) and 6,55% p.a. (31 December 2012: 6,81% p.a.).

As at 31 December 2013 and 2012, the contractual maturity date and contractual repricing schedules based on the remaining period of banking customer deposits are as follows:

	31 December 2013	31 December 2012
Demand	18.300.421	13.899.582
Up to 3 months	91.659.460	79.844.882
3 to 12 months	13.409.007	10.278.427
1 to 5 years	6.732.081	2.309.107
Over 5 years	4.586.119	2.939.036
Total	**134.687.088**	**109.271.034**

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 32 - MUTUAL FUNDS

As of 31 December 2013, the Group manages 51 (31 December 2013: 41) mutual funds with unaudited total value of TL 2.982.884 (31 December 2012: 3.228.367). The participating certificates of these funds which were established under Capital Markets Board Regulations are preserved at Istanbul Settlement and Custody Bank Inc.

NOTE 33 - EARNINGS PER SHARE

Earnings per share for each class of share disclosed in the consolidated statements of income is determined by dividing the net income attributable to that class of share by the weighted average number of shares of that class that have been outstanding during the year.

	31 December 2013	31 December 2012
Earnings per share in full TL		
- ordinary share ('000)	8,49	9,11
Earnings per share of continuing operations in full TL		
- ordinary share ('000)	8,05	9,20
Weighted average number of		
shares with TL 0,01 face value each		
- ordinary shares	204.040.393.100	204.040.393.100

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and revaluation surplus calculated before 1 January 2004. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year. When the number of ordinary shares outstanding increases as a result of bonus shares after the balance sheet date but before the issue of financial statements, the earnings per share calculation is based on the new number of shares.

There were no differences between the basic and diluted earnings per share for any class of shares for any of these periods.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 34 - RELATED PARTY DISCLOSURES

Key management personnel compensation:

The Group defined its key management as board of directors, general manager, general secretary, group chiefs, head of departments and group directors belonging to A group and over. Short term benefits include wages, bonuses, social security, health insurance, unused vacation, premium bonuses and incentive premiums. Other long term benefits include private pension system payments. Benefits resulted from discharge include severance pay and unused vacation payments for executive management who is discharged as a result of transfer or retirement.

The detailed schedule of compensation paid or payable to key management for the years ended 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Short term benefits	18.116	15.085
Benefits resulted from termination	315	244
Other long term benefits	251	188
Total	**18.682**	**15.517**

NOTE 35 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

35.1 Financial Instruments and Financial Risk Management

35.1.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by individual Subsidiaries and Joint Ventures under policies, approved by their Board of Directors.

35.1.1.1 Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by analysing foreign currency position. The Group aims to lower foreign exchange risk arising from assets and liabilities by using swap and forward derivative instruments.

The difference between the assets and liabilities of Akbank both denominated in foreign currency is defined as the "Net Foreign Currency ("FC") position" and is the exposure to foreign currency risk. Another dimension of the foreign exchange risk is the change in the value of the foreign currencies themselves within the net FC position (cross rate risk). The Bank keeps the amount exposed to foreign exchange risk within the limits determined by the Risk Management Committee. The Risk Management Committee monitors the general economic conditions and developments in the markets and sets new limits when necessary. These limits are set and monitored separately for the net FC position and for the cross rate risk. When necessary swap and forward contracts are used as a tool to hedge the foreign exchange risk.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The Group is exposed to foreign exchange risk arising primarily from the EUR, USD and GBP.

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations at 31 December 2013 and 2012 terms of TL are as follows:

	31 December 2013	31 December 2012
Assets	87.512.789	66.905.830
Liabilities	(103.153.412)	(71.711.402)
Net foreign currency balance sheet position	**(15.640.623)**	**(4.805.572)**
Net foreign currency position of off-balance sheet derivative financial instruments	16.029.519	6.709.990
Net foreign currency balance sheet and off-balance sheet position	**388.896**	**1.904.418**

31 December 2013	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	6.294.468	4.276.373	1.889.346	36.111	92.638
Financial assets	14.953.479	10.073.776	4.879.703	-	-
Receivables from financial operations	48.632.089	32.379.412	16.188.976	32.539	31.162
Reserve deposits at Central Bank	16.569.052	8.796.173	4.881.266	-	2.891.613
Trade receivables	827.201	367.857	390.768	6.824	61.752
Other current assets	236.500	85.652	67.558	453	82.837
Total Assets	**87.512.789**	**55.979.243**	**28.297.617**	**75.927**	**3.160.002**
Liabilities:					
Fund borrowed and debt securities	25.539.083	18.279.795	7.251.297	7.991	-
Customer deposits	75.932.324	48.175.948	23.894.618	1.137.400	2.724.458
Trade payables	476.588	158.842	248.350	254	69.142
Other payables and provisions	1.205.416	464.732	695.627	1.299	43.758
Total Liabilities	**103.153.411**	**67.079.317**	**32.089.892**	**1.146.844**	**2.837.358**
Net foreign currency position of off-balance sheet derivative financial instruments	**16.029.518**	**10.791.296**	**4.428.082**	**1.079.508**	**(269.368)**
Net foreign currency position	**388.896**	**(308.778)**	**635.807**	**8.591**	**53.276**
Net foreign currency monetary position	**388.896**	**(308.778)**	**635.807**	**8.591**	**53.276**

Net foreign currency position of the joint ventures accounted through equity method is TL 1.444.905 as of 31 December 2013. Net profit effect of the joint ventures to the total consolidated net foreign currency position is TL 1.056.009 as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

31 December 2012	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	4.307.807	2.391.176	1.744.660	20.839	151.132
Financial assets	12.155.666	8.545.436	3.610.230	-	-
Receivables from financial operations	36.991.203	25.168.459	11.751.028	29.018	42.698
Reserve deposits at Central Bank	12.688.205	6.555.055	3.930.968	-	2.202.182
Trade receivables	582.672	245.407	278.424	3.554	55.287
Other current assets	180.277	54.263	66.334	89	59.591
Total Assets	**66.905.830**	**42.959.796**	**21.381.644**	**53.500**	**2.510.890**
Liabilities:					
Funds borrowed and debt securities in issue	19.803.675	13.668.536	6.102.086	3.751	29.302
Customer deposits	50.951.235	32.701.100	15.229.186	899.240	2.121.709
Trade payables	304.566	144.126	83.337	511	76.592
Other payables and provisions	651.926	434.840	173.264	1.610	42.212
Total Liabilities	**71.711.402**	**46.948.602**	**21.587.873**	**905.112**	**2.269.815**
Net foreign currency position of off-balance sheet derivative financial instruments	**6.709.990**	**5.044.685**	**1.065.305**	**848.294**	**(248.294)**
Net foreign currency position	**1.904.418**	**1.055.879**	**859.076**	**(3.318)**	**(7.219)**
Net foreign currency monetary position	**1.904.418**	**1.055.879**	**859.076**	**(3.318)**	**(7.219)**

Net foreign currency position of the joint ventures accounted through equity method is TL 2.395.187 as of 31 December 2012. Net profit effect of the joint ventures to the total consolidated net foreign currency position is TL 490.769 as of 31 December 2012.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Change of foreign currency has no material effect on financial statements because foreign exchange risk of the Bank is not material.

The foreign exchange risk of Group companies other than that of the banking segment for the years ended 31 December 2013 and 2012 is summarized as follows:

31 December 2013	**Profit/Loss**		**Equity**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
Change in USD against TL by 10%				
USD net assets/liabilities	(7.263)	7.263	-	-
Hedged items (-)	-	-	-	-
USD net effect	**(7.263)**	**7.263**	**-**	**-**
Change in EUR against TL by 10%				
EUR net assets/liabilities	(21.078)	21.078	-	-
Hedged items (-)	-	-	-	-
EUR net effect	**(21.078)**	**21.078**	**-**	**-**
Change in GBP against TL by 10%				
GBP net assets/liabilities	109	(109)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**109**	**(109)**	**-**	**-**
Change in other currency against TL by 10%				
Other currency net assets/liabilities	4.861	(4.861)	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	**4.861**	**(4.861)**	**-**	**-**
	(23.371)	**23.371**	**-**	**-**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

31 December 2012	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets/liabilities	1.776	(1.776)	-	-
Hedged items (-)	-	-	-	-
USD net effect	**1.776**	**(1.776)**	**-**	**-**
Change in EUR against TL by 10%				
EUR net assets/liabilities	38.994	(38.994)	-	-
Hedged items (-)	-	-	-	-
EUR net effect	**38.994**	**(38.994)**	**-**	**-**
Change in GBP against TL by 10%				
GBP net assets/liabilities	65	(65)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**65**	**(65)**	**-**	**-**
Change in other currency against TL by 10%				
Other currency net assets/liabilities	1.314	(1.314)	-	-
Hedged items (-)		-	-	-
Other currency net effect	**1.314**	**(1.314)**	**-**	**-**
	42.149	**(42.149)**	**-**	**-**

As of 31 December 2013 and 2012, the appreciation and depreciation of TL against EUR, USD and GBP by 10% with all other variables held constant on the Group's joint ventures' balance sheet and off balance sheet net foreign currency position affect the net income as a loss of TL 86.480 (31 December 2012: loss of TL 74.440) and gain of TL 83.700, respectively (31 December 2012: gain of TL 119.169).

35.1.1.2 Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. During 2013 and 2012, the Group's borrowings at floating rates are denominated in TL, USD, EUR and GBP.

The interest rate risk of Group companies other than that of the banking segment for the years ended 31 December 2013 and 2012 is summarized below as follows: (Please refer to Note 35.1.1.5 for banking industrial segment).

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	31 December 2013	31 December 2012
Fixed interest rate financial instruments		
Financial assets	116.142	17.833
Financial assets at fair value through profit of loss	-	-
Available-for-sale financial assets	-	-
Time deposits	116.142	17.833
Financial liabilities	753.242	787.630
Floating interest rate financial instruments		
Financial assets	-	-
Financial liabilities	531.812	601.185

Group composed various scenarios for borrowings issued at floating rates taking into account hedging position, alternative funding and renew state of positions. According to these scenarios: (Please refer to Note 35.1.1.5 for banking industrial segment).

At 31 December 2013, if the annual interest rate on TL denominated floating rate borrowings had been higher/lower by 10% with all other variables held constant, income before tax for the year would have been TL 4.720 (31 December 2012: TL (1.346)) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

At 31 December 2013, if the annual interest rate on USD denominated floating rate borrowings had been higher/lower by 1% with all other variables held constant, income before tax for the year would have been TL 677 (31 December 2012: TL 595) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

At 31 December 2013, if the annual interest rate on EUR denominated floating rate borrowings had been higher/lower by 1% with all other variables held constant, income before tax for the year would have been TL 468 (31 December 2012: TL 680) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

35.1.1.3 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims to maintaining flexibility in funding by keeping committed credit lines available.

i) Banking industrial segment

A major objective of Akbank's asset and liability management is to ensure that sufficient liquidity is available to meet Akbank's commitments to customers and to satisfy Akbank's own liquidity needs. The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities. The primary funding sources of Akbank are equity placed in interest bearing assets, well-distributed and stable deposits and medium to long term borrowings obtained from international markets.

In spite of a substantial portion of deposits from individuals being short-term, diversification of these deposits by number and type of depositors together with the past experience of Akbank indicate that these deposits will provide a long-term and stable source of funding for Akbank.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

As of 31 December 2013 and 2012 the contractual cash flows of the non-derivative financial liabilities of the Group companies banking segment are as follows:

			31 December 2013				
Liabilities	Book value	Contractual cash flows	Up to 1 month	1-3months	3-12 months	1-5years	over 5 years
Customer deposits	134.687.089	137.650.478	85.228.297	26.484.249	13.976.241	7.104.844	4.856.847
Funds borrowed anddebt securities in issue	28.626.442	31.150.230	1.356.026	5.271.058	11.727.389	11.281.504	1.514.253
Interbank money market deposits,funds borrowed anddebt securities in issue	331.154	331.154	331.154	-	-	-	-
	163.644.685	**169.131.862**	**86.915.477**	**31.755.307**	**25.703.630**	**18.386.348**	**6.371.100**

			31 December 2012				
Liabilities	Book value	Contractual cash flows	Up to 1 month	1-3months	3-12 months	1-5years	over 5 years
Customer deposits	109.271.034	110.798.110	83.833.288	10.808.347	10.420.707	2.572.273	3.163.495
Funds borrowed anddebt securities in issue	22.212.514	24.208.518	1.129.543	4.328.042	8.632.952	7.867.483	2.250.498
Interbank money market depositsfunds borrowed anddebt securities in issue	407.551	407.551	407.551	-	-	-	-
	131.891.099	**135.414.179**	**85.370.382**	**15.136.389**	**19.053.659**	**10.439.756**	**5.413.993**

ii) Other industrial segment

The table below depicts the cash outflows the Group companies other than that of the banking segment will pay for the financial liabilities in the balance sheet in accordance with the remaining maturities. The amounts in the table are contractual and non-discounted. The Group performs its liquidity risk management by considering expected non-discounted cash flows.

As of 31 December 2013 and 2012 the contractual cash flows of the non-derivative financial liabilities of the Group companies other than that of the banking segment are as follows:

31 December 2013(1)(2)	Book value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	1.285.054	1.377.978	349.809	463.194	513.700	47.476
Financial lease obligations	22.106	24.068	4.634	574	2.462	-
Trade payables	1.197.170	1.196.479	618.356	77.637	4.085	15.215
Payables from insurance operations	-	-	494.227	5.203	1.952	-
Other payables	61.493	62.076	27.892	4.110	12.508	3.039
	2.565.823	**2.660.601**	**1.494.918**	**550.718**	**534.707**	**65.730**

31 December 2012(1)(2)	Book value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	1.636.574	1.702.083	367.016	653.775	631.403	49.889
Financial leas obligations	3.899	3.905	5	672	3.227	-
Trade payables	1.100.587	1.106.416	1.065.509	40.491	417	-
Payables from insurance operations	-	-	-	-	-	-
Other payables	68.909	69.590	46.115	7.329	15.328	817
	2.809.969	**2.881.994**	**1.478.645**	**702.267**	**650.375**	**50.706**

(1) Maturity analysis is performed for only financial assets. Legal obligations are not considered in the analysis.
(2) The aforementioned cash flows are contractual and non-discounted amounts. Since, discounted amounts for the balances with a maturity of less than 3 months are immaterial, the discounted amounts are equal to the book value.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

35.1.1.4 Credit Risk

i) Banking industrial segment

Credit risk of the banking industrial segment is the risk that the counterparties of Akbank may be unable to meet the terms of their agreements. Akbank monitors this risk by reference to credit risk ratings and by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.

When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.

Non-cash loans transformed into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.

Akbank considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

Akbank's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies. When considered within the financial activities of other financial institutions, Akbank as an active participant in the national and international banking market is not exposed to a significant credit risk.

Akbank assesses the credit quality and assigns an internal risk rating to all borrowers and other counterparties based on Advanced Internal Rating Based Approach (Advanced IRB Approach).

The default probabilities of counterparties are calculated by using scoring tools tailored to various categories of counterparty and are derived credit rating for corporate and commercial, SME, consumer and credit card loan portfolios.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Scoring systems calculate the risk of default for different types of customers and form different rating systems. The rating tool concentration by risk classes are as follows:

	31 December 2013	31 December 2012
Above average	37,51%	35,79%
Average	48,26%	47,73%
Below average	12,26%	12,46%
Unrated	1,97%	4,02%

The credit risks of the consumer loans and credit cards and financial lease receivables given by rating system for the period ended 31 December 2013 and 2012 are summarized below as follows:

31 December 2013	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Standard loans	73.625.757	40.332.466	3.190.167	117.148.390
Close monitoring loans	1.446.216	2.104.458	13.820	3.564.494
Non Performing loans	543.860	1.132.822	54.984	1.731.666
Total	**75.615.833**	**43.569.746**	**3.258.971**	**122.444.550**
Provisions	(1.531.588)	(1.740.355)	(49.462)	(3.321.405)
	74.084.245	**41.829.391**	**3.209.509**	**119.123.145**

31 December 2012	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Standard loans	56.830.315	32.232.677	1.977.482	91.040.474
Close monitoring loans	608.822	2.335.798	11.585	2.956.205
Non Performing loans	484.949	630.507	37.426	1.152.882
Total	**57.924.086**	**35.198.982**	**2.026.493**	**95.149.561**
Provisions	(1.143.279)	(1.080.824)	(25.295)	(2.249.398)
	56.780.807	**34.118.158**	**2.001.198**	**92.900.163**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The aging analysis of the loans under close monitoring for the year ended 31 December 2013 and 2012 are as follows:

31 December 2013	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Past due up to 1 month	1.207.039	1.871.823	10.276	3.089.138
Past due 1- 2 months	169.913	176.690	1.914	348.517
Past due 2-3 months	69.264	55.945	618	125.827
Leasing payment receivables(uninvoiced)	-	-	1.012	1.012
	1.446.216	**2.104.458**	**13.820**	**3.564.494**

31 December 2012	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Past due up to 1 month	369.463	1.486.151	4.333	1.859.947
Past due 1-2 months	107.779	651.485	4.024	763.288
Past due 2-3 months	131.580	198.162	254	329.996
Leasing payment receivables (uninvoiced)	-	-	2.974	2.974
	608.822	**2.335.798**	**11.585**	**2.956.205**

Maximum exposure to credit risk of banking industrial segment:

	31 December 2013	31 December 2012
Loans and advances to banks	22.529.781	18.432.674
Loans and advances	115.913.636	90.898.965
Consumer loans and advances	41.829.391	34.118.158
Corporate loans and advances	74.084.245	56.780.807
Financial lease receivables	3.209.509	2.001.198
Trading financial assets (*)	65.360	14.153
Trading purpose derivative financial assets	1.766.870	537.673
Available for sale and held to maturity financial assets	30.751.096	40.913.645
Other assets	595.924	1.130.325
Total	**174.832.176**	**153.928.633**

(*) Share certificates are not included.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The Moody's rating analysis of trading securities, available for sale financial assets and held to maturity financial assets of the banking industrial segment for the years ended for 31 December 2013 and 2012 are as follows:

31 December 2013	Assets held at fair value through profit or loss	Available for sale financial assets	Held to maturity financial assets	Total
Aaa	-	-	-	-
Aa1, Aa2, Aa3	6.138	-	-	6.138
A1, A2, A3	17.883	452.596	-	470.479
Baa1, Baa2, Baa3	42.342	32.312.917	12.153.453	44.508.712
Ba1	-	69.696	-	69.696
Ba2 (*)	-	69.763	-	69.763
Total	**66.363**	**32.904.972**	**12.153.453**	**45.124.788**

31 December 2012	Assets held at fair value through profit or loss	Available for sale financial assets	Held to maturity financial assets	Total
Aaa	-	17.731	-	17.731
Aa1, Aa2, Aa3	-	-	-	-
A1, A2, A3	3.268	457.002	-	460.270
Baa1, Baa2, Baa3	-	1.033.864	-	1.033.864
Ba1	10.885	40.865.916	3.637.468	44.514.269
Ba2 (*)	-	-	-	-
Total	**14.153**	**42.374.513**	**3.637.468**	**46.026.134**

(*) Government bond and treasury bills of Turkish Treasury.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The geographical distribution of the financial assets of banking industrial segment for the years ended 31 December 2013 and 2012 are summarized as follows:

31 December 2013	Turkey	USA	EU Countries	Non-EU Countries	Total
Loans and advances to banks	17.005.385	862.703	4.222.153	439.540	22.529.781
Loans and advances	114.566.665	-	964.143	382.828	115.913.636
Consumer loans and advances	*41.829.391*	-	-	-	*41.829.391*
Corporate loans and advances	*72.737.274*	-	*964.143*	*382.828*	*74.084.245*
Financial lease receivables	3.209.509	-	-	-	3.209.509
Trading financial assets	65.360	-	-	-	65.360
Derivative financial instruments	927.127	1.684	823.109	14.950	1.766.870
Available for sale and held tomaturity financial assets	30.009.332	129.182	612.582	-	30.751.096
Other assets	571.628	-	22.681	1.615	595.924
Total	**166.355.006**	**993.569**	**6.644.668**	**838.933**	**174.832.176**

31 December 2012	Turkey	USA	EU Countries	Non-EU Countries	Total
Loans and advances to banks	15.768.881	251.150	2.376.123	36.520	18.432.674
Loans and advances	89.207.085	73.060	1.270.012	348.808	90.898.965
Consumer loans and advances	*34.118.158*	-	-	-	*34.118.158*
Corporate loans and advances	*55.088.927*	*73.060*	*1.270.012*	*348.808*	*56.780.807*
Financial lease receivables	2.001.198	-	-	-	2.001.198
Trading financial assets	14.153	-	-	-	14.153
Derivative financial instruments	333.929	30	118.516	85.198	537.673
Available for sale and held to maturity financial assets	40.093.269	9.390	677.652	133.334	40.913.645
Other assets	1.112.580	-	17.087	658	1.130.325
Total	**148.531.095**	**333.630**	**4.459.390**	**604.518**	**153.928.633**

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The industrial distribution of the financial assets of banking sector for the years ended 31 December 2013 and 2012 are summarized as follows:

	Financial institutions	Public sector	Wholesale and retail trade	Manufacturing	Other	Individual	Total
Loans and advances to banks	22.529.781	-	-	-	-	-	22.529.781
Loan and advances	5.484.160	2.726.979	20.381.522	36.881.431	8.610.153	41.829.391	115.913.636
Consumer loans	-	-	-	-	-	*41.829.391*	*41.829.391*
Corporate loans	*5.484.160*	*2.726.979*	*20.381.522*	*36.881.431*	*8.610.153*	-	*74.084.245*
Financial lease receivables	114.293	-	66.690	229.111	2.799.415	-	3.209.509
Trading financial assets	65.360	-	-	-	-	-	65.360
Derivative financial instruments	952.307	-	-	-	657.665	156.898	1.766.870
Available for sale and assets held for sale financial assets	2.619.138	27.922.267	-	-	209.691	-	30.751.096
Other assets	595.924	-	-	-	-	-	595.924
31 December 2013	**32.360.963**	**30.649.246**	**20.448.212**	**37.110.542**	**12.276.924**	**41.986.289**	**174.832.176**
31 December 2012	**25.146.438**	**40.686.377**	**12.015.678**	**23.926.751**	**17.973.028**	**34.180.361**	**153.928.633**

ii) Other industrial segment

Credit risk for the other than that of the banking segment arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The credit risks of the financial instruments of Group companies other than that of the banking segment for the years ended 31 December 2013 and 2012 is summarized below as follows:

31 December 2013	Trade receivables	Receivables from insurance operations	Other receivables(*)	Bank deposits	Derivative instruments
Maximum credit risk exposureas of reporting date (A+B+C+D)	**1.202.722**	**-**	**43.993**	**51.854**	**-**
Collateralized or secured with guaranteespart of maximum credit	652.940	-	30.672	8.671	-
A. Neither past due nor impaired	1.105.946	-	43.986	51.854	-
B.Restructed otherwise accepted as past due and impaired	-	-	-	-	-
C. Past due but not impaired net book value	134.048	-	7	-	-
Guaranteed amount by commitment	42.356	-	-	-	-
D. Net book value of impaired assets	(37.272)	-	-	-	-
- Past due (Gross amount)	27.389	-	-	-	-
- Impairment	(64.660)	-	-	-	-
- Collateralized or guaranteed part of net value	2.821	-	-	-	-

(*) Tax and other receivables are not included.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

31 December 2012	Trade receivables	Receivables from insurance operations	Other receivables(*)	Bank deposits	Derivative instruments
Maximum credit risk exposure as of reporting date (A+B+C+D)	**534.132**	**-**	**11.921**	**366.891**	**-**
Collateralized or secured with guarantees part of maximum credit	448.545	-	5.275	44.140	-
A. Neither past due nor impaired	415.804	-	11.921	359.542	-
B.Restructed otherwise accepted as past due and impaired	-	-	-	-	-
C. Past due but not impaired net book value	121.094	-	-	7.349	-
guaranteed amount by commitment	28.972	-	-	-	-
D. Net book value of impaired assets	(2.766)	-	-	-	-
- Past due (Gross amount)	48.936	-	-	-	-
- Impairment	(51.702)	-	-	-	-
- Collateralized or guaranteed part of net value	-	-	-	-	-

(*) Tax and other legal receivables are not included.

35.1.1.5 Value at Risk

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Risk Management, also indicated in the Market Risk Policy of Akbank, include interest rate stress testing. Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Asset Liability Committee (ALCO) performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.
The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

As of 31 December 2013, the fair value changes of Turkish Lira and foreign exchange after performing 500 and 200 basis points in the account balances subject to the calculation is as follows;

		31 December 2013		31 December 2012	
Currency	Applied Schock (+/- x basis points)	Gains / Losses	Gains / Shareholders Equity- Losses / Shareholders Equity	Gains / Losses	Gains / Shareholders Equity- Losses / Shareholders Equity
TL	-400	2.720.119	11,35%	2.267.658	11,97%
TL	500	(2.822.999)	(11,78)%	(2.404.360)	(12,69)%
US Dollar	-200	433.706	1,81%	168.709	0,89%
US Dollar	200	(339.961)	(1,42)%	(50.532)	(0,27)%
Euro	-200	299.027	1,24%	359.510	1,90%
Euro	200	(348.120)	(1,45)%	(313.325)	(1,65)%
Total (for negative shocks)		3.452.852	14,40%	2.795.877	14,76%
Total (for positive shocks)		3.511.080	(14,65)%	2.768.217	(14,61)%

Akbank considers foreign exchange risk and interest rate risk as two significant factors of market risk. Market risk is measured by two method named as "Inherent method" and "Standard method".

According to the "inherent method", the market risk related to the trading portfolio is measured through the Value at Risk (VaR) approach, which takes into consideration diverse risk factors. To calculate the VaR, the Bank uses the variance-covariance, historical simulation and Monte Carlo simulation methods. The software used for this purpose is able to make calculations based on forward efficiency curves and volatility models. The VaR model is based on the assumption of a 99% confidence interval and a 10-day retention period. VaR analyses are reported daily to senior management and are also used as a risk parameter and limit management tool for the bond portfolio. The Risk Management Committee sets risk limits for market risk and closely monitors the risk limits in the light of market conditions. The risk limits are under authorization bounders and control efficiency is increased.

Reinforced with scenario analyses and stress testing, VaR analyses also take into consideration the impact of events and market fluctuations that are unexpected and highly improbable but engender great consequences. The outputs of the model are regularly checked by back-tests.

According to the "standard method", market risk is measured on securities portfolio basis in a way that includes the Group's exchange risk daily and weekly, and reported to the senior management.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

The average market risk table of Akbank is as follows (*);

	31 December 2013		
	Average	**Maximum**	**Minimum**
Interest Rate Risk	69.453	82.977	57.404
Share Certificates Risk	1.411	595	3.306
Currency Risk	25.608	-	-
Commodity Risk	-	-	-
Settlement Risk	-	-	-
Option Risk	1.518	1.516	1.450
Counterparty Credit Risk	96.864	190.522	39.185
Total Amount Subject to Risk	**194.854**	**275.610**	**101.345**

(*) The table above has been prepared in accordance with the "Regulations on Measurement and Assesment of Capital Adequacy of Banks" that has been published in the Official Gazette No.28337 on 28 June 2012 and became effective as of 1 July 2012 and "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette related to the 5411 numbered Banking Law No.26333 dated 1 November 2006 which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency.

35.1.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as the total liability less cash and cash equivalents and tax liabilities (current period and deferred income tax liabilities).

The net liability/invested capital ratios at 31 December 2013 and 2012 are as follows:

	31 December 2013	**31 December 2012**
Total financial liabilities	174.005.542	140.530.994
Cash and cash equivalents	9.746.904	6.330.284
Net liability	164.258.638	134.200.710
Equity	32.014.657	30.513.044
Invested capital	196.273.295	164.713.754
Net liability/ invested capital ratio	84%	81%

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The estimated fair values of financial instruments have been determined by the Holding and its Subsidiaries and Joint Ventures using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Holding and its Subsidiaries and Joint Ventures could realise in a current market exchange.

For all other segments other than those of the banking segment the following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

The trade receivables along with the related allowances for uncollectibility are carried at amortised cost using the effective yield method, and hence are considered to approximate their fair values.

Financial liabilities

The fair value of short-term funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at floating rates and denominated in foreign currencies, are translated at year-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are stated at their fair values and accordingly their carrying amounts approximate their fair values.

Derivative financial instruments

The fair value of forward foreign exchange contracts and currency/interest rate swaps is estimated based on quoted market rates prevailing at the balance sheet date.

Fair values of the financial assets and liabilities of the Group's banking segment as of 31 December 2013 and 2012 are as follows:

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value is as stated below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3: Inputs for the asset or liability that are not based on observable market data.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

i) Banking industrial segment

Fair values of the financial assets and liabilities of the Group's banking segment as of 31 December 2013 and 2012 are as follows:

	31 December 2013			
	Level 1	Level 2	Level 3	Total
Held for trading securities	123.737	-	-	123.737
- Government bonds	7.746	-	-	7.746
- Eurobonds	2.149	-	-	2.149
- Government bonds denominated				
in foreign currency	-	-	-	-
-Treasury bills	-	-	-	-
-Share certificates	58.377	-	-	58.377
-Other	55.465	-	-	55.465
Available for sale securities	30.480.994	270.102	-	30.751.096
-Government bonds	20.536.281	-	-	20.536.281
-Eurobonds	6.888.515	-	-	6.888.515
-Treasury bills	-	-	-	-
-Government bonds denominated				
in foreign currency	-	-	-	-
-Mutual funds	248.690	-	-	248.690
-Listed shares	91	-	-	91
-Other	2.807.417	270.102	-	3.077.519
Trading derivative financial assets	79.013	1.687.857	-	1.766.870
Hedging derivative financial assets	-	630.724	-	630.724
Total Assets	**30.683.744**	**2.588.683**	**-**	**33.272.427**
Trading derivative financial instruments	31.312	1.147.436	-	1.178.748
Hedging derivative financial instruments	-	63.810	-	63.810
Total liabilities	**31.312**	**1.211.246**	**-**	**1.242.558**

Share certificates classified as available for sale that are not traded in an active market and whose fair value can not be reliably determined are stated at cost less any impairment losses on the consolidated financial statements.

There are no transfers between the first and the second levels in the current year.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	31 December 2012			
	Level 1	Level 2	Level 3	Total
Held for trading securities	31.583	-	-	31.583
- Government bonds	6.117	-	-	6.117
- Eurobonds	2.952	-	-	2.952
- Government bonds denominated				
in foreign currency	-	-	-	-
-Treasury bills	-	-	-	-
-Share certificates	18.825	-	-	18.825
-Other	3.689	-	-	3.689
Available for sale securities	40.449.514	455.428	-	40.904.942
-Government bonds	28.719.554	-	-	28.719.554
-Eurobonds	9.972.986	-	-	9.972.986
-Treasury bills	-	-	-	-
-Government bonds denominated				
in foreign currency	-	-	-	-
-Mutual funds	239.123	-	-	239.123
- Equity securities	4.031	-	-	4.031
-Other	1.513.820	455.428	-	1.969.248
Trading derivative financial assets	-	537.673	-	537.673
Hedging derivative financial assets	-	1.502	-	1.502
Total assets	**40.481.097**	**994.603**	**-**	**41.475.700**
Trading derivative financial instruments	48.065	505.517	-	553.582
Hedging derivative financial instruments	-	658.845	-	658.845
Total liabilities	**48.065**	**1.164.362**	**-**	**1.212.427**

Share certificates classified as available for sale that are not traded in an active market and whose fair value can not be reliably determined are stated at cost less any impairment losses on the consolidated financial statements.

There are no transfers between the first and the second levels in the current year.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

ii) Other industrial segment

	31 December 2013			
	Level 1	Level 2	Level 3	Total
Held for trading securities	-	-	-	-
Available for sale securities	-	-	-	-
Derivatives held for trading	-	3.053	-	3.053
Derivatives held for hedging		15.588	-	15.588
Total Assets	**-**	**18.641**	**-**	**18.641**
Derivatives held for trading	-	-	-	-
Derivatives held for hedging	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**

	31 December 2012			
	Level 1	Level 2	Level 3	Total
Held for trading securities	6.772	-	-	6.772
Available for sale securities	186.368	-	-	186.368
Derivatives held for trading		-	-	-
Derivatives held for hedging	-	1.508	-	1.508
Total Assets	**193.140**	**1.508**	**-**	**194.648**
Derivatives held for trading	-	794	-	794
Derivatives held for hedging	-	152.217	-	152.217
Total Liabilities	**-**	**153.011**	**-**	**153.011**

Share certificates classified as available for sale that are not traded in an active market and whose fair value can not be reliably determined are stated at cost less any impairment losses on the consolidated financial statements.

There are no transfers between the first and the second levels in the current year.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Classification of financial instruments and fair value

31 December 2013	Note	Held to maturity financial assets	Loans and receivables including(cash and cash equivalents)	Available for sale financial assets	Financial liabilities at amortized cost	Book value	Fair value
Financial assets							
Cash and cash equivalents	5	-	9.746.904	-	-	9.746.904	9.746.904
Trade receivables	8	-	1.252.409	-	-	1.252.409	1.252.409
Other financial assets (*)	6, 9	12.153.454	844.764	30.751.096	-	43.749.314	43.579.306
Receivables from finance sector operations	30	-	-	119.123.145	-	119.123.145	117.864.722
Financial liabilities							
Financial payables	7	-	-	-	30.231.602	30.231.602	30.231.602
Trade payables	8	-	-	-	1.919.090	1.919.090	1.919.090
Other financial liabilities (**)	9	-	-	-	3.944.312	3.944.312	3.944.312
Payables from finance sector operations	31	-	-	-	134.687.088	134.687.088	133.725.783
31 December 2012							
Financial assets							
Cash and cash equivalents	5	-	6.330.284	-	-	6.330.284	6.330.284
Trade receivables	8	-	1.016.364	-	-	1.016.364	1.016.364
Other financial assets (*)	6 , 9	3.637.468	786.574	40.904.942	-	45.328.984	45.393.742
Receivables from finance sector operations	30	-	-	92.900.163	-	92.900.163	96.659.639
Financial liabilities							
Financial payables	7	-	-	-	24.005.335	24.005.335	24.005.335
Trade payables	8	-	-	-	1.305.066	1.305.066	1.305.066
Other financial liabilities (**)	9	-	-	-	3.148.742	3.148.742	3.148.742
Payables from finance sector operations	31	-	-	-	109.271.034	109.271.034	108.186.610

(*) Other financial assets consist of other receivables, time deposits and securities held for to maturity.
(**) Other inancial liabilities consist of other payables.

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD

The land of Temsa Global located at Adapazarı has been sold for TL 45.000 on 26 February 2014 and TL 21.640 has been recorded as gain on sale of fixed assets. The stated land is included in non-current assets held for sale in the financial statements as of 31 December 2013 (Note 22).

As of 17 January 2014, 18th period collective bargaining agreement negotiations between Brisa and Turkey Petroleum, Chemical and Rubber Industry Workers' Union has started.

Brisa's application to T.C. Ministry of Economy Incentive Implementation and Foreign Capital Department for investment incentive in accordance with the investment decision of a second production plant construction in Aksaray Organized Industrial Zone has been approved and as of 13 February 2014, 113798 No. of Investment Incentive Certificate has been drawn up for the plant construction amounting to 495.000 TL that had started on 9 October 2013.

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