2014 Q2

EARNINGS RELEASE

MACROECONOMIC EXPECTATIONS

2014 Expectations

	2012	2013	2014(E)
GDP Growth,%	**2.2**	**4.0**	**3.0-3.5**
Consumer Inflation (%), Annual	6.16	7.4	9.4
USD/TL, Year end	1.78	2.13	2.24
CA Balance/GNP, %	-6.1	-7.4	-5.9

- Following the local elections in March, consumer and business sentiment improved, risk premiums fell and TL appreciated. However, afterwards, consumer and business confidence softened, and PMI data weakened.

- 2014 GDP growth is expected to be in the range of 3 to 3.5% due to resilient exports with the recovery in European demand and increased price competitiveness. This is still lower than last year's rate of growth.

- Based on the forward rates, the USD/TL year end rate is projected to be 2.24.

- With the moderation of growth, current account deficit is expected to come down to 5.9% of GNP in 2014.

CONSOLIDATED RESULTS

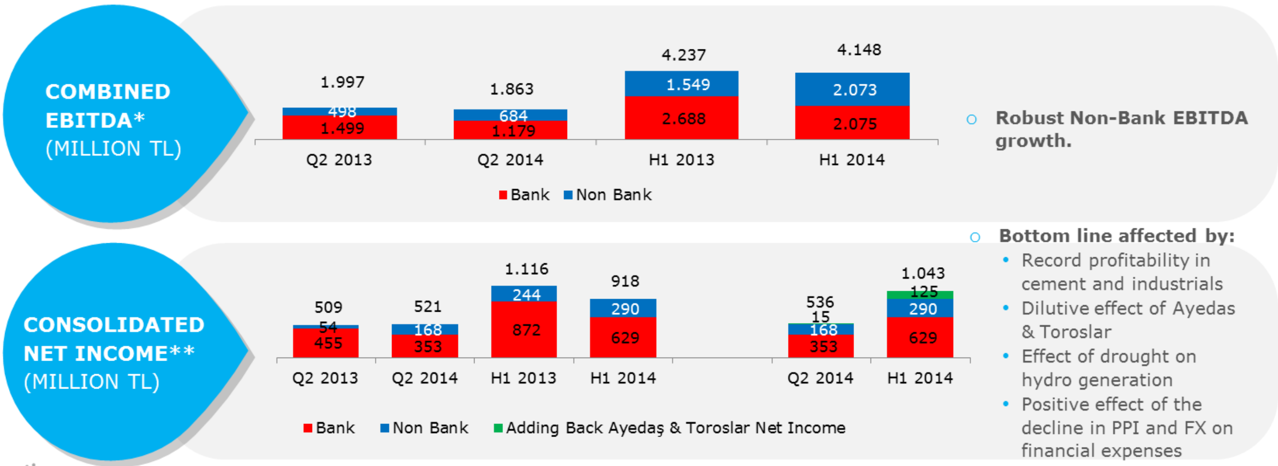
Non-Operational and Non-Recurring Items

	Q2 2013	Q2 2014	H1 2013	H1 2014
NET INCOME	**534**	**559**	**1.089**	**979**
Akbank Turkish Competition Board Penalty	0	0	53	0
Income from Akbank NPL Sale	-19	-14	-19	-14
Aksigorta Gain on Asset Sale	-26	0	-26	0
Carrefoursa Provision for Lawsuit	10	0	10	0
Yünsa Gain on Asset Sale	0	-10	0	-10
Temsa Gain on Asset Sale	0	-2	0	-10
Gain on Share Sale of Temsa Cons. Equipment	0	-8	0	-8
Other	9	-4	9	-19
NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS*	**509**	**521**	**1.116**	**918**

** Net income figures excluding non-operational or non-recurring items discussed in the presentation*

- In Q2 2014, non operational and non recurring items were around 38 MTL in total. The major items were:
    - 14 MTL NPL portfolio sale by Akbank
    - 12 MTL Real estate sales of the Group companies.
    - 8 MTL Gain on sale of the shares of Temsa Construction Equipment.

Results Snapshot



** Total before consolidation (combined).*

*** Consolidated figures exclude non operational items*

- Combined EBITDA decreased by 7% year over year in the second quarter of 2014 on the back of declining banking EBITDA.

- Non Bank EBITDA increased very strongly by 37% in Q2 2014 compared to the same period of last year.

- Consolidated net income for the group excluding one-offs and non-recurring items increased by 2% year over year in Q2 2014 thanks to tripling of non-bank net income. The main contributors were industrials and cement with record profitabilities.

- Although drought effect was quite negative for hydro generation; bottom line was positively affected from declining PPI driving lower interest expense on the acquisitions loans from PA of Ayedaş & Toroslar regions in energy segment. Excluding the dilutive effect of Ayedaş and Toroslar, net income would be 536 MTL in Q2 and 1043 MTL in H1 of 2014.

Net Sales

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)					
MILLION TL	Q2 2013	Q2 2014	% Change	H1 2013	H1 2014	% Change
TOTAL	8.480	11.083	*31%*	17.303	21.981	*27%*
BANK	3.711	4.530	22%	7.470	8.362	12%
NON-BANK	4.769	6.553	37%	9.833	13.619	39%
ENERGY	1.259	2.615	108%	2.531	5.251	107%
RETAIL	1.288	1.476	15%	2.547	2.855	12%
CEMENT	591	697	18%	1.016	1.247	23%
INSURANCE	422	550	30%	893	1.083	21%
INDUSTRIALS*	1.165	1.187	2%	2.179	2.490	14%
OTHER	43	29	-33%	667	693	4%

- Revenue growth in all segments was double digit, except in industrials.

- Revenue growth in the energy segment was 108% with the addition of the revenues of Ayedaş and Toroslar distribution regions.

- Insurance segment sales were up by 30% despite the lower growth in loans in Turkish banking industry. Well-diversified sales channels were the primary driver of the success.

- Cement segment growth was driven mainly by strong domestic cement prices which continued to remain strong in the second quarter.

- Industrials sales were up by only 2% due to the consolidation change effect in Temsa Construction Equipment which is consolidated by equity pick up, effective from May 2014. Excluding this effect growth was 8% in the industrials segment in Q2 2014.

EBITDA (EXCLUDING NON OPERATIONAL ITEMS)

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)					
MILLION TL	Q2 2013	Q2 2014	% Change	H1 2013	H1 2014	% Change
TOTAL	1.988	1.811	-9%	4.357	4.059	-7%
BANK	1.441	1.137	-21%	2.759	2.033	-26%
NON-BANK	547	673	23%	1.598	2.026	27%
ENERGY	167	218	31%	336	458	36%
RETAIL	33	42	29%	67	80	20%
CEMENT	132	210	59%	198	352	78%
INSURANCE	57	17	-70%	84	73	-13%
INDUSTRIALS	165	193	17%	321	450	40%
OTHER	-6	-6	1%	592	613	3%

- There was double digit EBITDA growth in all non-bank segments with the exception of insurance.

- Both Akcansa and Çimsa increased their operational profitability.

- Energy segment's EBITDA increased by 31% with the positive contribution of the Ayedaş and Toroslar distribution regions.

- Industrials' segment EBITDA increased by 17% with the strong performance of Brisa & Kordsa due to operational excellence, low raw material prices and costs in emerging market currencies.

- The slowdown in the technology retail was compensated with the strong EBITDA perfomance in food retail.

- The profitability of general insurance company, Aksigorta, was temporarily affected with the high loss ratio arising from agricultural losses due to unfavorable weather conditions. On the other hand, Avivasa grows very profitably.

NON-BANK RESULTS-2013

MILLION TL	Q2 2013	Q2 2014	% Change	H1 2013	H1 2014	% Change
CONSOLIDATED NET INCOME*	54	168	211%	244	290	19%
ENERGY	-30	24	N.M	9	-12	N.M
RETAIL	-16	-6	N.M	-23	-9	N.M
CEMENT	35	58	66%	44	96	116%
INSURANCE	24	10	-57%	36	34	-6%
INDUSTRIALS	72	91	26%	134	210	57%
OTHER	-31	-8	N.M	45	-29	N.M

** Excluding non-operational items.*

- Based on consolidated results, non-bank net income tripled year over year in Q2 2014 compared to Q2 2013, on the back of higher contribution of energy, cement and industrials segments.

- Enerjisa bottom line was positive in the second quarter mainly due to lower financing costs due to decrease in FX rates and PPI-indexed interest expenses.

- Net income contribution of cement businesses increased y-o-y in Q2 2014 thanks to domestic demand and the resulting high domestic prices throughout the second quarter.

- Net income contribution of Insurance segment decreased slightly due to the temporary high claims in Aksigorta in Q2 2014. Net income of Avivasa increased by 26% for the same period. High growth dynamics in pension business are contributing to the performance of Avivasa.

- Industrial businesses' net income increased by 26% year over year in Q2 2014. Operational excellence, recovery in export markets and easing raw material costs contributed the profitability of our industrial companies.

- The retail segment was negatively affected from the performance of electronics retail business, Teknosa. However this was balanced with the strong performance of Carrefoursa.

SEGMENT HIGHLIGHTS

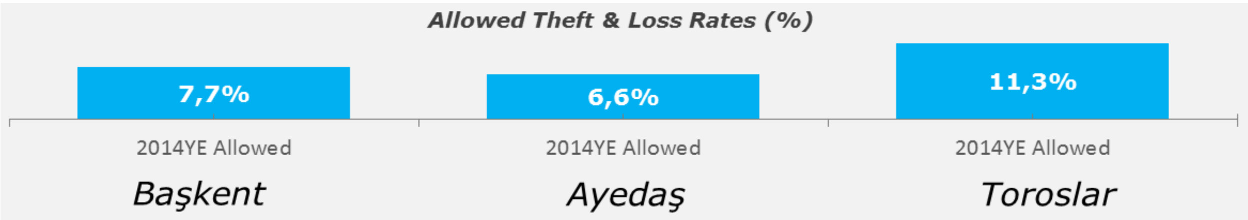
The figures on the left side of the tables represent the combined results of the companies whereas the ones on the right side represent the segments' contribution to the consolidated financial statements.

Energy

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	1.259	2.615	108%	-	-	N.M
EBITDA*	167	218	31%	-30	24	N.M
NET INCOME*	-60	48	N.M	-30	24	N.M
EBITDA MARGIN	13,2%	8,3%				

MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	2.531	5.251	107%	-	-	N.M
EBITDA*	336	458	36%	9	-12	N.M
NET INCOME*	18	-24	N.M	9	-12	N.M
EBITDA MARGIN	13,3%	8,7%				

*Excludes non operational items from 2013 figures



- In Q2 2014, the top line growth was 108% mainly driven by the addition of two new distribution regions and the 28% top line growth in the generation business. Generation top line growth was primarily due to trading in which Enerjisa is one of the market makers. Altough the profitability is relatively lower as we have more retail and distribution business in 2014 compared to 2013, it is very important for management in terms of positioning in the fast-developing market.

- Electricity demand growth in Turkey was 4.2% in the second quarter of 2014 compared to the same period in 2013 despite the milder weather conditions. The drought affected the supply side negatively and the electricity demand beat the the peak consumption record during the quarter which resulted in an electricity price increase in spot market at around 11%.

- The new distribution regions operational metrics continue to improve in the second quarter. The Ayedas & Toroslar effect for the first half and second quarter was:

	H1	Q2
Sales:	2.461 MTL	1.197 MTL
EBITDA:	89 MTL	47 MTL
Net Income:	-249 MTL	-57 MTL

- The actual T&L rates are in line with allowed rates in Baskent and Ayedas regions , whereas in Toroslar T&L actual rates are higher, mainy due to the Syrian refrugee problems.

Energy Excluding Acquisition Impact

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	1.259	1.418	13%	-	-	N.M
EBITDA*	167	171	2%	-30	53	N.M
NET INCOME*	-60	105	N.M	-30	53	N.M
EBITDA MARGIN	13,2%	12,0%				
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	2.531	2.790	10%	-	-	N.M
EBITDA*	336	369	10%	9	112	N.M
NET INCOME*	18	225	N.M	9	112	N.M
EBITDA MARGIN	13,3%	13,2%				

Excludes non operational items from 2013 figures

- EBITDA increased by 2% in the second quarter excluding the acquisition impact of new regions mainly due to the profitability growth in the Baskent distribution region.
- Although the installed capacity of power plants increased by 166%; the hydro generation increased by only 100% mainly due to drought. On the other hand the top line of the generation business increased by 28%, mainly attributable to the prop trading of the trading business.
- The effect of drought on the profitability of Enerjisa generation for the first six months was around 100 MTL. The drought will continue to affect the Enerjisa results negatively throughout the rest of the year.
- The net income of Enerjisa at combined level includes the tax incentive for Tufanbeyli lignite power plant for the coming five years has changed slightly, from 116 MTL to 126 MTL.

Enerjisa Leverage

	Enerjisa Loans		
	Original Currency		Total TL Equivalent
Million	TL	EUR	
Generation	263	1.885	5.716
Distribution	5.365	90	5.625
Total	**5.628**	**1.976**	**11.341**

	Original Currency		Total TL Equivalent
Million	TL	EUR	
Fixed	906	1.156	4.249
Floating	1.193	820	3.564
PPI Indexed	3.528		3.528
Total	**5.628**	**1.976**	**11.341**

- Enerjisa loans totalled 11.3 Billion TL at 2013 year end and was around the same levels at H1 2014.
- Excluding the cash, net debt of Enerjisa is around 10 billion TL.
- Cash generated from capital increase is used to pay some portion of the PPI-linked debt.

Retail

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	1.288	1.476	15%	690	1.474	114%
EBITDA*	33	42	29%	26	42	62%
NET INCOME*	-47	-11	N.M	-16	-6	N.M
EBITDA MARGIN	2,6%	2,9%				
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	2.547	2.855	12%	1.351	2.851	111%
EBITDA*	67	80	20%	48	80	68%
NET INCOME*	-71	-14	N.M	-23	-9	N.M
EBITDA MARGIN	2,6%	2,8%				

Includes net income effect of Carrefoursa in H1'13 and excludes non operational items

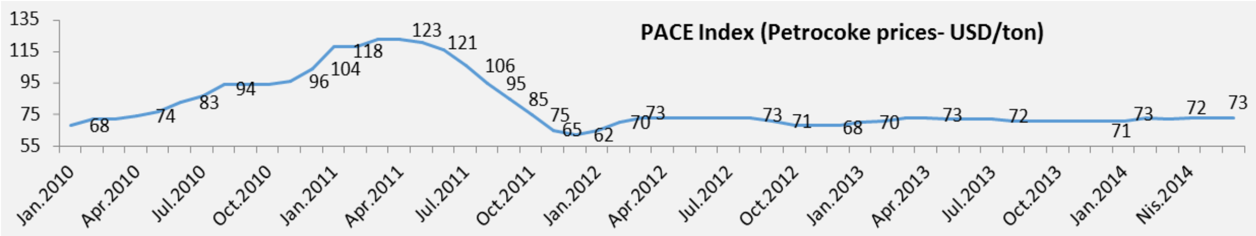
- In retail segment results, the revenues increased by 15% y-o-y in Q2 2014, mainly driven by topline growth in Carrefoursa.
- EBITDA figure was 42 MTL in Q2 2014 in retail segment vs. 33 MTL in Q2 2013.

- Please note that H1 2013 Net Income figure includes Diasa with total net loss of 31 Million TL and Carrefoursa was consolidated by equity pick up methodology in 2013 figures.

Cement

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	591	697	18%	279	310	11%
EBITDA	132	210	59%	76	123	62%
NET INCOME	77	129	68%	35	58	66%
EBITDA MARGIN	22,3%	30,1%				

MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	1.016	1.247	23%	469	535	14%
EBITDA	198	352	78%	113	202	79%
NET INCOME	100	215	115%	44	96	116%
EBITDA MARGIN	19,5%	28,2%				



- Sabancı Cement companies increased their revenues by 18% year over year in the Q2 of 2014, mainly on the back of higher domestic prices. Total cement sales quantity remained flat y/y and reached 6,515 ktons in the first half of 2014.

- Relatively stable petrocoke prices in USD terms over the last two years have also helped improving the operational profitability. Year over year net income growth was very impressive with 68% in the 2nd quarter of 2014 for Sabancı Holding cement companies.

- In line with growth targets in cement, Çimsa acquired all of Sancim Bilecik Cimento’s shares for 221 MN USD. The transaction is pending the approval of the Competition Board. Sancim has a clinker capacity of 1.1 mn tons.

Insurance

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	422	550	30%	-	-	N.M
EBITDA*	57	17	-70%	24	10	-57%
NET INCOME*	58	18	-68%	24	10	-57%
EBITDA MARGIN	13,5%	3,1%				
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	893	1.083	21%	-	-	N.M
EBITDA*	84	73	-13%	36	34	-6%
NET INCOME*	85	76	-11%	36	34	-6%
EBITDA MARGIN	9,4%	6,8%				

*Excludes non operational items

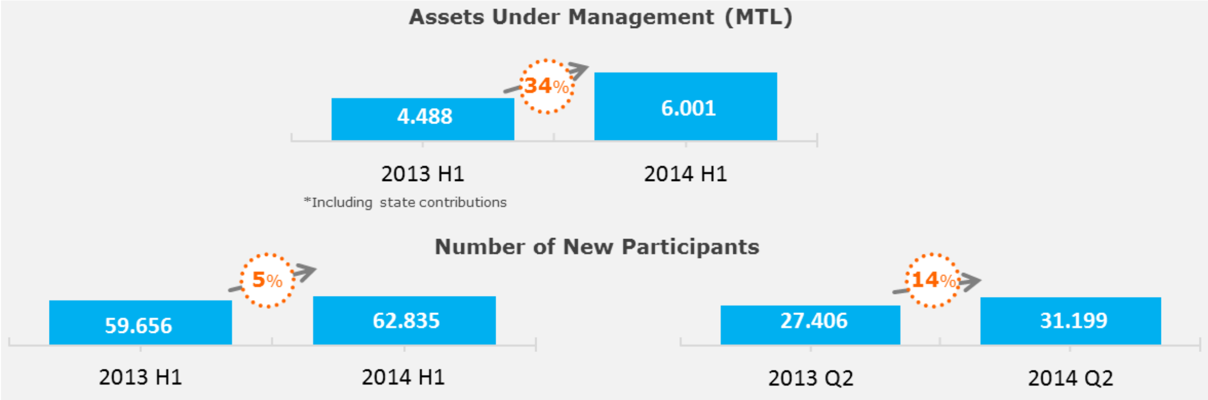
- Strategy on focusing on profitable segments and sales channels is still maintained but the profitability in the second quarter was weaker in non-life business due to higher claim ratio affected by weather conditions.
- Life and pension business Avivasa continued its robust growth and profitability in the second quarter.
- The total sales of insurance companies were up by 30% despite slowdown in bancassurance channel.
- In July, Avivasa in applied to CMB for the approval of amendments to Articles of Association.

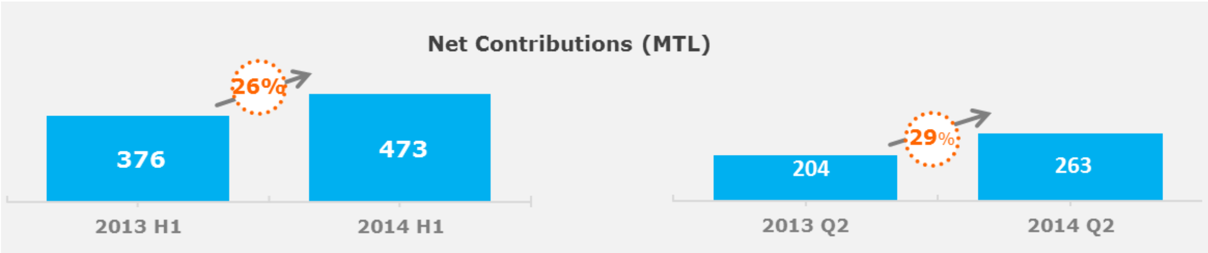
Avivasa

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	68	75	11%	-	-	N.M
EBITDA*	15	24	58%	10	13	26%
NET INCOME*	20	26	26%	10	13	26%
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	128	132	4%	-	-	N.M
EBITDA*	26	35	34%	19	24	26%
NET INCOME*	37	47	26%	19	24	26%

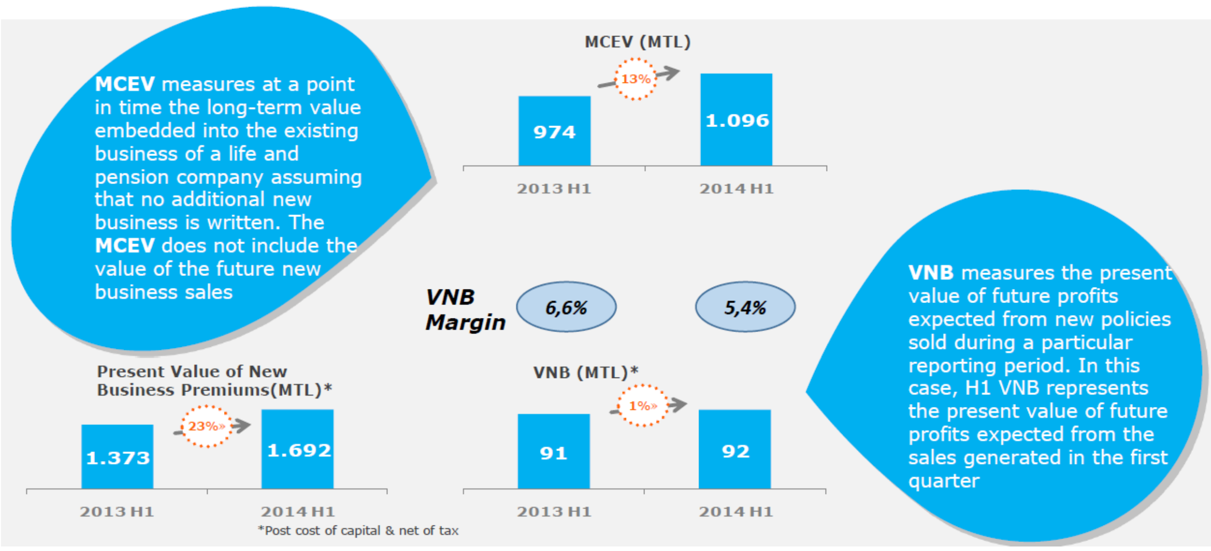
*Excludes non operational items

- Sales were slightly higher in H1 2014 (4%YoY) predominantly on the back of a recovery in Q2 credit-linked volumes of AvivaSA.
- New sales in the rest of the business were encouraging in particular in the non-credit linked segment sold through our Direct Sales Force and Agency Channels and in the Pension business.
- In addition to higher Life technical profit, growing Pension business contributed to the significant increase in EBITDA.





- Net contributions in the second quarter increased by 29% on the back of a net increase in the total number of new participants (14% yoy).
- With the government incentives introduced in 2013, the private pension has been continously growing since 2013. Its assets under management increased by 34% in H1 2014 compared to the same period of last year; exceeding 6 billion TL.
- The sector sustained its robust growth in 2014 despite the step jump in 2013 with new incentives.

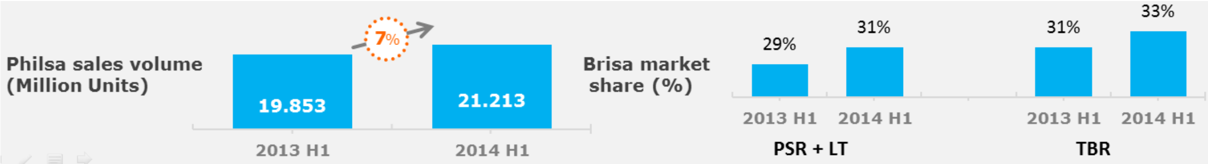


* MCEV: Market Consistent Embedded Value
*VBN: Value of New Business

Industrials

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	1.165	1.187	2%	804	788	-2%
EBITDA	165	193	17%	122	136	12%
NET INCOME	98	133	35%	72	91	26%
EBITDA MARGIN	14,1%	16,2%				
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	2.179	2.490	14%	1.498	1.703	14%
EBITDA*	321	450	40%	233	327	40%
NET INCOME*	176	312	77%	134	210	57%
EBITDA MARGIN	14,7%	18,1%				

*Excludes non operational items



- Industrial companies' net income increased significantly due to enhanced marketing, operational efficieny, FX and low raw material prices.
- The global recovery was also one of the main driver of the profitability increase.
- Excluding the consolidation effect due to Temsa Construction Equipment share sales, the growth in Q2 was 8% and 17% in H1. EBITDA of the industrials segment increased by 17% and the net income increased by 35% with the strong performance of Brisa and Kordsa.
- In Q2 2014, growth in all industrial companies excluding Temsa was double digit.
- Strong performance of Philsa continued, the company increased its sales volume by 7% yoy.

Kordsa Global

MILLION TL	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	378	431	14%	378	431	14%
EBITDA	28	49	80%	28	49	80%
NET INCOME	2	24	N.M	2	22	N.M
EBITDA MARGIN	7,3%	11,5%				
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	735	874	19%	735	874	19%
EBITDA	48	112	133%	48	112	133%
NET INCOME	2	55	N.M	2	50	N.M
EBITDA MARGIN	6,5%	12,8%				

- EBITDA margin of Kordsa recovered by around 4 pps, increasing its EBITDA by 80% from 28 MTL to 49 MTL.

- In addition to low raw material prices and recovery in export markets the company has undertaken several initiatives to increase its operational performance:

  <u>Operating Excellence</u>
  Purchasing Excellence Project
  Quality Master Plan Implementation,
  NY 6.6 Line Upgrading in Turkey
  <u>Growth in Tire Industry</u>
  Indonesia Expansion Project, equipment installations

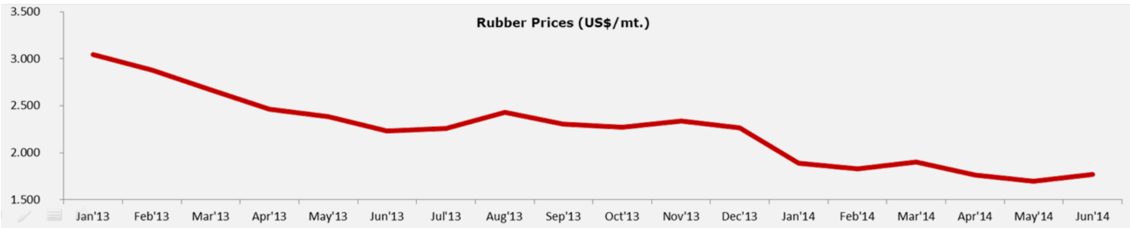
- The company's revenues increased by 14% yoy despite the stable sales volume was stable in the second quarter.

- Favorable FX dynamics between the company's USD denominated revenues and emerging markets denominated costs supported the profitability of Kordsa.

- Note that capacity expansion in Indonesia is in progress, and will be completed by the end of the year (14 ktons pet yarn, 18 ktons tire cord fabric)

Brisa

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	357	399	12%	-	-	N.M
EBITDA	57	71	24%	13	14	7%
NET INCOME	29	31	7%	13	14	7%
EBITDA MARGIN	16,0%	17,7%				
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	676	787	16%	-	-	N.M
EBITDA	112	159	42%	24	35	47%
NET INCOME	55	81	47%	24	35	47%
EBITDA MARGIN	16,6%	20,3%				



- In the tire business, Brisa continued its strong performance. The Company increased its sales volume by 9% on the back of strong export sales. The domestic market shrinked in the first half whereas Brisa was able to keep its domestic sales volume by increasing its market share.

- In addition to the recovery in export markets, the Company was able to manage their raw material costs, boosting the profitability.

- EBITDA margin improved by 1.7 percentage points yoy in Q2 2014, operational profitability reflected to the bottomline.

Yünsa

	TOTAL BEFORE CONSOLIDATION ADJUSTMENTS (COMBINED)			CONTRIBUTION TO CONSOLIDATED FINANCIALS		
MILLION TL	Q2 2013	Q2 2014	% Change	Q2 2013	Q2 2014	% Change
SALES	67	83	25%	67	83	25%
EBITDA	10	11	11%	10	11	11%
NET INCOME*	5	5	-1%	3	3	-1%
EBITDA MARGIN	15,4%	13,7%				

MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	139	170	23%	139	170	23%
EBITDA	18	24	34%	18	24	34%
NET INCOME*	7	11	55%	4	6	55%
EBITDA MARGIN	12,7%	13,9%				

*Excludes non operational items

- Yünsa increased its sales by 25% in the second quarter mainly due to increased FX rates as well as increased volume (8%). However the growth in EBITDA was marginally lower due to price competition in export markets. The net income was stable in the second quarter compared to the same period of previous year.
- The Company continues to implement its strategy of increasing its sales in A and B segment fabrics.

Temsa

	TEMSA BUS					
	STAND ALONE FINANCIALS			CONTRIBUTION TO SABANCI HOLDING CONSOLIDATED FINANCIALS		
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	321	385	20%	321	385	20%
EBITDA*	28	42	48%	28	42	48%
NET INCOME*	7	28	N.M	3	14	N.M
EBITDA MARGIN	8,8%	10,9%				

	TEMSA CONSTRUCTION EQUIPMENT					
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	171	207	20%	171	140	-18%
EBITDA*	10	14	45%	10	11	12%
NET INCOME*	7	5	-33%	3	2	-33%
EBITDA MARGIN	5,6%	6,8%				

	TEMSA AUTOMOTIVE					
MILLION TL	H1 2013	H1 2014	% Change	H1 2013	H1 2014	% Change
SALES	137	133	-3%	137	133	-3%
EBITDA*	1	11	N.M	1	11	N.M
NET INCOME*	0	3	N.M	0	1	N.M
EBITDA MARGIN	1,0%	8,1%				

*Excludes non operational items

<u>Temsa Bus</u>

- Performance is robust however the 2nd quarter was not as strong as the first.

<u>Temsa Construction Equipment</u>

- The 2nd quarter was also worse than Q1 in Temsa Cosntruction Equipment buinsess as the 1st quarter was very strong in large infrastructure projects.

2014 Guidance

	SALES GROWTH	EBITDA GROWTH	REVISED EBITDA GUIDANCE
Energy	45-50%	30-35%	↔
Cement	10-15%	30-35%	↑
Retail	15-20%	5-15%	↓
Industrials	15-20%	25-30%	↔
Insurance	10-15%	10-15%	↔

*Provided based on combined figures for each segment

Leverage and Consolidated FX Position

MILLION EURO

CONSOLIDATED NET FX POSITION (excl. Bank) M€	DEC 31, 2013	JUN 30, 2014
ENERGY*	-420	-593
INDUSTRIALS	41	25
CEMENT	4	8
RETAIL	-5	-7
HOLDING, INSURANCE & OTHER	20	21
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	-360	-546

* In Energy segment, 113 MEUR Forward transaction has been completed in July 2014

COMBINED NET DEBT (excl. Bank) M€	DEC 31, 2013	JUN 30, 2014
ENERGY*	3.527	3.505
INDUSTRIALS	611	567
CEMENT	84	163
RETAIL	-155	-63
HOLDING, INSURANCE & OTHER	-667	-655

**Capitalized borrowings of Energy segment amounting to 366 MEUR and the other FX assets/liabilities that do not create FX gain/loss are excluded (Capitalized borrowings Dec 31, 2013: 497 MEUR) .Holding Only Net Debt is 346 MTL*

- Sabancı Holding's Net FX short position continues to be quite low compared to the size of its balance sheet. The consolidated short FX position increased due to the Arkun becoming operational. The debt regarding the plant (Sabancı Holding portion – 135 M EUR) was reclassified from capitalized loans to the debt affecting P&L. The total position hedged is 193 M Euro.

- In July, Sabancı Holding issued a 350 MTL bond. The proceeds were used to refinance the bank loan that was used to finance the 450 MTL capital injection to Enerjisa.

- There has been increases in cement and retail segment net debt positions. Cement companies' net debt increased due to dividend payments. Increase of debt in retail segment is due to increase in working capital due to increased revenues and product range.

- Sabancı Holding solo net debt is 346 MTL as June 30, 2014.

APPENDIX-CONSOLIDATED FINANCIALS

Balance Sheet (000 TL)

	6/30/2014	12/31/2013
ASSETS		
Current Assets	**107.598.841**	**105.134.288**
Cash and Cash Equivalents	7.691.153	5.566.531
Financial Assets	8.700.390	16.993.146
- Held for Trading	88.840	124.740
- Available for sale	7.660.672	13.127.822
- Held to Maturity	869.601	3.553.429
- Time Deposits	81.277	187.155
Trade Receivables	1.113.278	1.211.220
Receivables from Finance Sector Operations	65.591.834	59.416.942
Reserve Deposits with the Central Bank of Turkey	19.276.938	16.690.681
Other Receivables	574.023	611.929
Derivative Financial Instruments	805.539	1.767.417
Inventories	1.865.404	1.883.451
Prepaid Expenses	338.809	332.698
Other Current Assets	972.563	630.305
	106.929.931	**105.104.320**
Assets Held for Sale	668.910	29.968
Non – current Assets	**112.795.617**	**101.436.531**
Financial Assets	39.340.924	30.418.270
- Available for Sale	29.781.032	20.041.531
- Held to Maturity	9.559.892	10.376.739
Trade Receivables	81.045	41.189
Receivables from Finance Sector Operations	62.180.915	59.706.203
Other Receivables	46.296	45.679
Derivative Financial Instruments	281.508	630.177
Investments Accounted Through Equity Method	5.417.100	4.960.899
Investment Property	347.539	348.788
Property, Plant and Equipment	3.716.688	3.898.832
Intangible Assets	836.586	784.693
-Goodwill	478.935	478.935
- Other Intangible Assets	357.651	305.758
Prepaid Expenses	31.626	33.018
Deferred Income Tax Assets	503.510	495.383
Other Non-current Assets	11.880	73.400
Total Assets	**220.394.458**	**206.570.819**

	6/30/2014	12/31/2013
LIABILITIES		
Short Term Liabilities	**161.885.282**	**150.872.625**
Financial Liabilities	18.897.288	16.311.856
Current Portion of Long-term Financial Liabilities	2.166.367	2.013.844
Trade Payables	1.755.955	1.918.494
Payables from Finance Sector Operations	130.871.366	123.368.888
Employee Benefit Obligations	45.008	47.178
Other Payables	3.642.085	3.911.097
Derivative Financial Instruments	924.768	1.190.196
Deferred Income	249.604	322.641
Income Taxes Payable	420.031	104.128
Short Term Provisions	626.457	613.596
- Provision for Employee Benefits	173.886	165.467
- Other Short Term Provisions	452.571	448.129
Other Short Term Liabilities	1.903.152	1.070.707
	161.502.081	**150.872.625**
Assets for Sale	383.201	-
Long Term Liabilities	**23.849.448**	**23.683.537**
Financial Liabilities	11.019.670	11.905.902
Trade Payables	564	596
Payables from Finance Sector Operations	12.405.713	11.318.200
Other Long Term Liabilities	29.768	33.215
Derivative Financial Instruments	55.958	71.003
Deferred Income	56.928	66.683
Long Term Provisions	169.220	177.240
- Provisions for Long Term Employee Termination Benefits	165.242	173.319
- Other Long Term Provisions	3.978	3.921
Deferred Tax Liability	108.965	107.706
Other Long Term Liabilities	2.662	2.992
EQUITY	**34.659.728**	**32.014.657**
Equity attributable to the parent	**18.272.673**	**17.034.439**
Share Capital	2.040.404	2.040.404
Adjustments to Share Capital	3.426.761	3.426.761
Treasury Shares (-)	-	-
Share Premium	21.670	21.670
Accumulated Other Comprehensive Income or Loss		
To be Not Reclassified to Profit or Loss	289	1.240
-Actuarial Gains/ Losses	289	1.240
Other Accumulated Comprehensive Income / (Expense)		
Classified As Gain /(Loss)	-24.951	-504.839
- Currency Translation Adjustments	254.743	258.722
- Gain /(Loss) on Derivative Instruments	-213.307	-211.491
- Revaluation Funds	-66.387	-552.070
Restricted Reserves	871.366	926.278
Retained Earnings	10.958.314	9.391.529
Net Income for the Period	978.820	1.731.396
Non-controlling Interests	**16.387.055**	**14.980.218**
Total Equity and Liabilities	**220.394.458**	**206.570.819**

Income Statement (000 TL)

	6/30/2014	6/30/2013
CONTINUING OPERATIONS		
Sales (net)	5.131.811	3.351.852
Cost of Sales (-)	-4.079.930	-2.811.072
GROSS PROFIT FROM BUSINESS OPERATIONS	**1.051.881**	**540.780**
Interest, Premium, Commission and Other Income	8.343.727	7.462.025
Interest, Premium, Commission and Other Expense (-)	-4.639.082	-3.118.221
GROSS PROFIT FROM FINANCIAL OPERATIONS	**3.704.645**	**4.343.804**
GROSS PROFIT	**4.756.526**	**4.884.584**
General and Administrative Expenses (-)	-2.144.792	-1.960.841
Marketing, Selling and Distribution Expenses (-)	-594.340	-276.000
Research and Development Expenses (-)	-2.544	-5.325
Other Operating Income	443.147	250.041
Other Operating Expenses (-)	-217.394	-90.428
Shares of Income of Investments Accounted Through Equity Method	212.286	185.242
OPERATING INCOME	**2.452.889**	**2.987.273**
Income from Investments	86.117	30.216
Expenses from Investments (-)	-1.510	-412
NET INCOME BEFORE FINANCIALS EXPENSES	**2.537.496**	**3.017.077**
Financial Income	35.781	24.956
Financial Expenses (-)	-89.786	-85.621
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**2.483.491**	**2.956.412**
Tax Income/(Expense) from continuing operations		
Current Income Tax Expense	-691.261	-620.605
Deferred Income Tax Benefit	220.357	37.856
NET INCOME FROM CONTINUING OPERATIONS	**2.012.587**	**2.373.663**
DISCONTINUED OPERATION		
Net income/(loss) after tax from discounted operations	31.881	-30.621
NET INCOME FOR THE PERIOD	**2.044.468**	**2.343.042**
ATTRIBUTABLE TO NET INCOME		
- Non-Controlling Interest	1.065.648	1.253.730
- Equity Holders of the Parent	978.820	1.089.312
Earnings per share		
- thousands of ordinary shares (TL)	4,80	5,34
Earnings per share from continuing operations		
- thousands of ordinary shares (TL)	4,64	5,49

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