

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD 1 JANUARY - 30 JUNE 2012
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITOR'S REVIEW REPORT
ON CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
ORIGINALLY ISSUED IN TURKISH

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

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Hacı Ömer Sabancı Holding A.Ş. ("Holding") and its subsidiaries (together "the Group") as of 30 June 2012 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with financial reporting standards published by the Capital Markets Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with auditing standards published by the Capital Markets Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared in all material respects in accordance with financial reporting standards published by the Capital Markets Board.

Without qualifying our conclusion we would like to draw attention to the following matter:

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 condensed consolidated financial statements the shares held by Sabancı family members are treated as non-controlling interests.

İstanbul, 28 August 2012

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



Ömer Tanrıöver
Partner

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD 1 JANUARY - 30 JUNE 2012

CONTENTS	PAGE
CONDENSED CONSOLIDATED BALANCE SHEETS.....	1-2
CONDENSED CONSOLIDATED STATEMENTS OF INCOME.....	3
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME...	4
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.....	5
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS.....	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-67
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	7-8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	8-21
NOTE 3 BUSINESS COMBINATIONS.....	21-24
NOTE 4 SEGMENT REPORTING.....	24-35
NOTE 5 FINANCIAL ASSETS.....	36-37
NOTE 6 FINANCIAL LIABILITIES.....	38-40
NOTE 7 OTHER RECEIVABLES AND PAYABLES.....	41
NOTE 8 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD.....	42
NOTE 9 PROPERTY, PLANT AND EQUIPMENT.....	43-44
NOTE 10 INTANGIBLE ASSETS.....	45
NOTE 11 GOODWILL.....	46
NOTE 12 CONTINGENT ASSETS AND LIABILITIES.....	46-48
NOTE 13 COMMITMENTS.....	49-50
NOTE 14 OTHER ASSETS AND LIABILITIES.....	51-52
NOTE 15 EQUITY.....	53-54
NOTE 16 NON CURRENT ASSETS HELD FOR SALE.....	55
NOTE 17 FINANCIAL INCOME/ EXPENSES.....	56
NOTE 18 TAX ASSETS AND LIABILITIES.....	56-59
NOTE 19 DERIVATIVE FINANCIAL INSTRUMENTS.....	60
NOTE 20 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	61-62
NOTE 21 PAYABLES FROM FINANCE SECTOR OPERATIONS.....	63
NOTE 22 RELATED PARTY DISCLOSURES.....	63
NOTE 23 FINANCIAL RISK MANAGEMENT.....	64-66
NOTE 24 EVENTS AFTER THE BALANCE SHEET DATE.....	67

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS

AT 30 JUNE 2012 AND 31 DECEMBER 2011

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

	Note References	Reviewed 30 June 2012	Audited 31 December 2011
ASSETS			
Current Assets		69.697.584	67.657.179
Cash and Cash Equivalents		4.911.743	6.643.010
Financial Assets			
- Held for Trading	5.a	31.648	171.207
- Available for sale	5.b	2.688.544	1.606.192
- Held to Maturity	5.c	1.519.425	1.216
- Time Deposits	5.d	10.360	169.989
Derivative Financial Instruments	19	557.474	833.952
Reserve Deposits with the Central Bank of the Republic of Turkey		7.651.401	12.835.843
Trade Receivables		1.643.195	1.524.438
Receivables from Finance Sector Operations	20	47.202.352	40.590.585
Inventories		1.834.916	1.640.132
Other Receivables	7	798.444	795.601
Other Current Assets	14	847.668	844.548
		69.697.170	67.656.713
Non-current Assets Held for Sale	16	414	466
Non-current Assets		86.836.351	83.457.025
Trade Receivables		29.902	42.119
Receivables from Finance Sector Operations	20	35.428.207	33.567.203
Derivative Financial Instruments	19	253	-
Financial Assets			
- Available for Sale	5.b	38.649.926	35.955.194
- Held to Maturity	5.c	3.067.265	4.653.919
- Time Deposits	5.d	1.594	1.507
Investments Accounted Through Under Equity Method	8	225.345	295.817
Investment Property		157.618	158.614
Property, Plant and Equipment	9	6.242.249	5.872.088
Intangible Assets	10	1.266.770	1.271.752
Goodwill	11	736.253	725.290
Deferred Tax Assets	18	609.637	586.634
Other Receivables	7	242.147	213.552
Other Non-Current Assets	14	179.185	113.336
Total Assets		156.533.935	151.114.204

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 28 August 2012 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, Head of Finance.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2012 AND 31 DECEMBER 2011

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

	Note References	Reviewed 30 June 2012	Audited 31 December 2011
LIABILITIES			
Short Term Liabilities		114.713.727	113.432.029
Financial Liabilities	6	11.480.237	12.684.385
Current Portion of Long-term Financial Liabilities	6	3.365.272	3.854.576
Trade Payables		1.769.678	1.799.029
Payables from Finance Sector Operations	21	93.401.993	90.598.491
Derivative Financial Instruments	19	651.651	683.187
Income Taxes Payable	18	230.958	137.152
Other Short Term Liabilities and Provisions	14	916.755	980.540
Other Payables	7	2.897.183	2.694.669
Long Term Liabilities		14.760.204	12.209.033
Financial Liabilities	6	8.907.658	9.291.921
Trade Payables		3.190	2.235
Payables from Finance Sector Operations	21	4.594.785	1.775.623
Derivative Financial Instruments	19	476.485	321.827
Provision for Employee Termination Benefits		150.326	138.869
Deferred Tax Liabilities	18	459.181	451.789
Other Long Term Liabilities and Provisions	14	66.513	132.669
Other Payables	7	102.066	94.100
EQUITY		27.060.004	25.473.142
Equity Attributable To The Parent	15	14.676.971	13.899.520
Share Capital	15	2.040.404	2.040.404
Adjustments to Share Capital		3.426.761	3.426.761
Treasury Shares (-)	15	(52.227)	(52.227)
Share Premium	15	21.670	21.670
Revaluation Funds	15	200.374	(59.845)
Hedge Funds	15	(172.933)	(217.757)
Restricted Reserves	15	602.702	580.224
Translation Reserve	15	141.291	194.073
Net Income for the Period		719.228	1.877.987
Retained Earnings		7.749.701	6.088.230
Non-controlling Interests		12.383.033	11.573.622
TOTAL EQUITY AND LIABILITIES		156.533.935	151.114.204

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX AND THREE MONTH PERIODS ENDED 30 JUNE 2012 AND 2011

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

	Notes References	Reviewed 1 January - 30 June 2012	Not reviewed 1 April - 30 June 2012	Restated Reviewed 1 January - 30 June 2011	Restated Not reviewed 1 April - 30 June 2011
CONTINUING OPERATIONS					
Sales (net)	4	5.730.193	2.979.629	5.087.196	2.601.063
Interest, Premium, Commission and Other Income	4	6.815.864	3.500.424	5.634.745	2.719.470
Total		12.546.057	6.480.053	10.721.941	5.320.533
Cost of Sales (-)		(4.759.914)	(2.439.874)	(4.108.636)	(2.104.492)
Interest, Premium, Commission and Other Expense (-)		(4.053.139)	(2.077.568)	(2.719.537)	(1.408.896)
Total		(8.813.053)	(4.517.442)	(6.828.173)	(3.513.388)
Gross Profit from Non-financial Operations		970.279	539.755	978.560	496.571
Gross Profit from Financial Operations		2.762.725	1.422.856	2.915.208	1.310.574
GROSS PROFIT		3.733.004	1.962.611	3.893.768	1.807.145
Marketing, Selling and Distribution Expenses (-)		(310.572)	(159.376)	(267.819)	(137.987)
General and Administrative Expenses (-)		(1.860.711)	(914.143)	(1.652.156)	(788.430)
Research and Development Expenses (-)		(7.978)	(4.212)	(5.404)	(3.069)
Other Operating Income		300.480	166.140	621.796	553.216
Other Operating Expenses (-)		(85.941)	(66.515)	(120.928)	(68.972)
OPERATING PROFIT		1.768.282	984.505	2.469.257	1.361.903
Shares of Income of Investments Accounted Through Equity Method	8	89.497	48.724	73.523	42.703
Financial Income	17	205.228	88.318	244.132	148.415
Financial Expenses (-)	17	(265.088)	(124.164)	(374.775)	(219.696)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		1.797.919	997.383	2.412.137	1.333.325
Tax income / (expense) from continuing operations					
Current Income Tax Expense	18	(453.657)	(179.887)	(464.165)	(185.379)
Deferred Income Tax Benefit/(Charge)	18	95.879	(10.761)	57.336	(7.207)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		1.440.141	806.735	2.005.308	1.140.739
DISCONTINUED OPERATIONS					
Net Income After Tax from Discontinued Operations	16	-	-	4.035	1.102
NET INCOME FOR THE PERIOD		1.440.141	806.735	2.009.343	1.141.841
ALLOCATION OF NET INCOME		1.440.141	806.735	2.009.343	1.141.841
- Non-controlling Interests		720.913	383.936	905.151	441.448
- Equity Holders of the Parent		719.228	422.799	1.104.192	700.393
Earnings per share					
- thousands of ordinary shares (TL)		3,52	2,07	5,41	3,43
Earnings per share from continuing operations					
- thousands of ordinary shares (TL)		3,52	2,07	5,39	3,43

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX AND THREE MONTH PERIODS ENDED 30 JUNE 2012 AND 2011**

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

	Note References	Reviewed 1 January - 30 June 2012	Not reviewed 1 April - 30 June 2012	Restated Reviewed 1 January - 30 June 2011	Restated Not reviewed 1 April - 30 June 2011
NET INCOME FOR THE PERIOD		1.440.141	806.735	2.009.343	1.141.841
Other Comprehensive Income / (Loss):					
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	18	1.077.519	382.610	(957.295)	(95.994)
Losses on available for sale financial assets transferred to the income statement, after tax	18	(442.655)	(261.880)	(304.574)	(111.487)
Net gains/(losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	18	(79)	(325)	830	238
Currency translation differences	18	(197.245)	(132.742)	218.888	156.412
Cash flow hedges, after tax	18	(2.038)	(14.704)	129.891	32.258
Hedges of net investment in a foreign operation, after tax	18	117.390	96.652	(76.247)	(42.211)
OTHER COMPREHENSIVE INCOME / (EXPENSE) (AFTER TAX)		552.892	69.611	(988.507)	(60.784)
TOTAL COMPREHENSIVE INCOME		1.993.033	876.346	1.020.836	1.081.057
ALLOCATION OF TOTAL COMPREHENSIVE INCOME		1.993.033	876.346	1.020.836	1.081.057
- Non-controlling Interests		1.064.328	435.185	266.313	364.415
- Equity Holders of the Parent		928.705	441.161	754.523	716.642

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2012 AND 2011

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

	Share Capital	Adjustment to share capital	Treasury share	Share premium	Revaluation funds	Hedge funds	Restricted reserves	Translation reserve	Net income for the period	Retained earnings	Equity attributable to the parent	Non-controlling interest	Total
Balances at 1 January 2011	2,040,404	3,426,761	(21,534)	21,670	713,203	(180,699)	392,295	7,728	1,662,836	5,006,522	13,069,186	11,576,966	24,646,152
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	26,150	26,150
Company disposals (note 4)	-	-	-	-	-	-	35,757	-	(1,662,836)	1,627,079	-	-	-
Acquisition of Holding shares by subsidiaries	-	-	(29,074)	-	-	-	-	-	-	-	(112,316)	(141,159)	(141,159)
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	(83,242)	(112,316)	(96,128)	(208,444)
Dividends paid (*)	-	-	-	-	-	-	-	-	27,118	27,118	27,118	(25,838)	1,280
Total comprehensive income	-	-	-	-	(514,976)	24,217	-	141,090	1,104,192	(312,563)	(312,563)	(381,498)	(694,061)
											754,523	266,313	1,020,836
Balances at 30 June 2011	2,040,404	3,426,761	(50,608)	21,670	198,227	(156,482)	428,052	148,818	1,104,192	6,264,914	13,475,948	11,224,806	24,650,754
Balances at 1 January 2012	2,040,404	3,426,761	(52,227)	21,670	(59,845)	(217,757)	580,224	194,073	1,877,987	6,088,230	13,899,520	11,573,622	25,473,142
Transfers	-	-	-	-	-	-	22,478	-	(1,877,987)	1,855,509	-	-	-
Acquisition effects (note 3)	-	-	-	-	-	-	-	-	-	-	-	44,726	44,726
Subsidiary liquidation (**)	-	-	-	-	-	-	-	42,784	-	(42,784)	-	-	-
Effect of subsidiary public quotation (note 15) -	-	-	-	-	-	-	-	-	-	59,508	59,508	-	59,508
Effect of change in the effective ownership of subsidiaries (note 15) -	-	-	-	-	-	-	-	-	-	(2,339)	(2,339)	12,851	10,512
Dividends paid (*)	-	-	-	-	-	-	-	-	(208,423)	(208,423)	(208,423)	(312,494)	(520,917)
Total comprehensive income	-	-	-	-	260,219	44,824	-	(95,566)	719,228	-	928,705	1,064,328	1,993,033
Balances at 30 June 2012	2,040,404	3,426,761	(52,227)	21,670	200,374	(172,933)	602,702	141,291	719,228	7,749,701	14,676,971	12,383,033	27,060,004

(*) Dividends paid per each share worth for TL 1 nominally is TL 0,10 (30 June 2011: TL 0,15).

(**) Sabanci Industrial Yarn and Tire Cord Fabric B. V. ("Sabanci B. V."), which operates in Netherland and is owned by Kordisa, a subsidiary of the Group, was closed down.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2012 AND 2011

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

	Notes References	Reviewed 1 January- 30 June 2012	Reviewed 1 January- 30 June 2011
Net income before tax from continuing operations		1.797.919	2.412.137
Net income before tax from discontinued operations	16	-	5.968
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Depreciation and amortisation expenses	4	270.018	245.793
Provision for loan losses	20	493.534	303.426
Changes in the fair value of derivative instruments		396.799	87.150
Interest and foreign currency income		654.798	146.036
Interest expense		136.666	98.337
Provision for employment termination benefits		28.968	26.345
Impairment charge on property, plant and equipment, intangible assets and investment property	4	19.899	368
Currency translation differences		(158.830)	128.112
Insurance technical reserves provisions		9.535	12.605
Income from associates	8	(89.497)	(73.523)
Gain on sale and liquidation of subsidiaries		-	(209.085)
Reversal of impairment of non-current assets held for sale	4	-	(71.902)
Disposal of non-current assets held for sale		-	(5.968)
Gain on sale of property, plant and equipment intangible assets and investment properties		(7.832)	(73.002)
Provision for inventory impairment		(2.097)	1.969
Provision for doubtful receivables		6.541	20.183
Other		(18.591)	6.484
Net cash provided by operating activities before changes in operating assets and liabilities		3.537.830	3.061.433
Changes in trade receivables		(101.488)	(288.267)
Changes in inventories		(183.537)	(315.996)
Changes in other receivables and other current assets		(96.221)	(571.041)
Changes in trade payables		(34.092)	25.751
Changes in other liabilities and other payables		76.298	635.890
Net cash provided by/ (used in) operating activities of non-current assets held for sale		52	-
Changes in assets and liabilities in finance segment:			
Changes in securities held for trading		152.829	(1.429.996)
Changes in receivables from financial operations		(8.961.569)	(11.392.356)
Changes in payables from financial operations		5.450.032	5.884.251
Changes in reserve with the Central Bank of the Republic of Turkey		5.191.475	(5.662.335)
Income taxes paid		(464.455)	(374.655)
Employment termination benefits paid		(17.523)	(17.406)
Net cash provided by/ (used in) operating activities		4.549.631	(10.444.727)
Cash flows from investing activities:			
Capital expenditures	4	(636.324)	(551.976)
Sale/(Purchase) of financial assets available-for-sale and held-to-maturity		(3.243.606)	8.037.617
Cash used in business combinations, net		(53.437)	(182.086)
Proceeds from sale of subsidiaries, net		73.080	13.501
Proceeds from sale of non-current assets held for sale, property, plant and equipment, intangible assets and investment property		28.572	199.494
Dividends received		159.969	167.860
Changes in scope of consolidation		-	(217.447)
Net cash (used in) / provided by investing activities		(3.671.746)	7.466.963
Cash flows from financing activities:			
Change in financial liabilities		(1.927.097)	4.113.400
Dividends paid		(208.423)	(312.563)
Dividends paid to non-controlling interests		(312.494)	(381.498)
Capital increase of non-controlling interests		-	26.150
Cash used in acquisition of subsidiary Holding shares		-	(208.444)
Net cash (used)/ provided by financing activities		(2.448.014)	3.237.045
Effect of change in foreign currency rates on cash and cash equivalents		(153.743)	168.640
Net increase/ (decrease) in cash and cash equivalents		(1.723.872)	427.921
Cash and cash equivalents at the beginning of the period (*)		5.305.266	4.138.871
Cash and cash equivalents at the end of the period		3.581.394	4.566.792

(*)Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 937, and cash and cash equivalents at the end of the period comprise interest accruals of TL 576 (30 June 2011: TL 343 and TL 998 respectively). Restricted cash in the banks is not included in the cash and cash equivalents. At the beginning of the current period, restricted deposit is TL 1.336.807 and at the end of the period it is TL 1.329.773, respectively (30 June 2011: TL 882.971 and TL 925.485 respectively).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 OF THE GROUP AND NATURE OF OPERATIONS

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 15). The number of employees in 2012 is 58.302 (31 December 2011: 57.374). Holding's registered address is as follows:

Sabancı Center, 4. Levent, Istanbul, Türkiye

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1997. As of 30 June 2012, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 15):

	%
Sabancı family	43,65
Public quotation (*)	37,56
Sakıp Sabancı Holding A.Ş.	14,07
Sabancı University	1,51
Exsa	1,29
Çimsa	1,06
Hacı Ömer Sabancı Foundation	0,66
Tursa	0,20
	100,00

(*)Public quotation of Holding is 39,40% as of 30 June 2012 which is the same as prior year. Shares purchased from ISE by subsidiaries in 2011 are not included in the 37,56% public quotation ratio shown above.

Subsidiaries

As of 30 June 2012, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Nature of business	Business segment
Akbank T.A.Ş. ("Akbank")	Banking	Finance
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	Tire, tire reinforcement	Industry
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	Automotive	Industry
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	Cement and clinker	Cement
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	Trade	Retailing
Exsa Export Sanayi Manulleri Satış ve Araştırma A.Ş. ("Exsa")	Trade	Other
Exsa UK Ltd. ("Exsa UK")	Trade	Other
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	Tourism	Other
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	Tourism	Other
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	Trade of data and processing systems	Other
Sasa Polyester Sanayi A.Ş. ("Sasa")	Chemicals and textile	Industry
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	Textile	Industry

(*) Exsa UK Ltd. is in liquidation process.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 OF THE GROUP AND NATURE OF OPERATIONS (Continued)

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

All Subsidiaries are registered in Turkey except for Exsa UK. Exsa UK is registered in the United Kingdom.

Joint Ventures

The nature of the business of the Joint Ventures proportionally consolidated in these consolidated financial statements at 30 June 2012 and their respective business segments are as follows:

Joint Ventures	Nature of business	Segment	Venturer
Aksigorta A.Ş. ("Aksigorta")	Insurance	Insurance	Ageas
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	Pension	Insurance	Aviva
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	Tire	Industry	Bridgestone
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	Cement and clinker	Cement	Heidelberg
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	Trade of consumer goods	Retail	Carrefour
Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş. ("Diasa")	Trade of consumer goods	Retail	Dia S.A.
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	Energy	Energy	Verbund
Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş. ("Olmuksa")	Corrugated containers	Industry	International Paper

All the Joint Ventures are registered in Turkey.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

The Capital Markets Board of Turkey ("CMB") regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/ Turkish Financial Reporting Standards ("TAS/IFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.1 Financial Reporting Standards (Continued)

Article no.1 of Law numbered 2499 has been abjudged by the enforcement of Statutory Decree no.660 issued in Official Gazette on 2 November 2011 and Public Supervision, Accounting and Auditing Standards Board (“the Board”) has been established. 1st Temporary article of the mentioned Statutory Decree no.660 states that current regulations applied for related issues will be enforced until standards and regulations are issued by the Board. Therefore, it has not resulted in any modification in the “Principles of Preparation of Financial Statements” explained in this report.

Preparation of Financial Statements in Hyperinflationary Periods In accordance with the CMB’s decision No: 11/367 issued on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the CMB Accounting Standards (including the application of IFRSs) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, IAS 29 “Financial Reporting in Hyperinflationary Economies” is not applied in the accompanying consolidated financial statements.

The Group has prepared its consolidated financial statements within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué in accordance with CMB Financial Reporting Standards which is based on IAS/IFRS. The consolidated financial statements and the related notes to them are presented in accordance with the formats recommended and including the information required by the CMB.

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 CMB Financial Reporting Standards.

The Group has prepared its consolidated financial statements within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué in accordance with CMB Financial Reporting Standards which is based on IAS 34 ” Interim Financial Reporting”. The consolidated financial statements and the related notes, as of 30 June 2012, are presented in accordance with the formats recommended and including the information required by the CMB.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.2 New and Revised International Financial Reporting Standards

(a) New and Revised IFRSs affecting presentation and disclosure only

None.

(b) New and Revised IFRSs affecting the reported financial performance and / or financial position:

None.

(c) New and Revised IFRSs applied with no material effect on the consolidated financial statements effective from 2012

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 12 Deferred Taxes – Recovery of Underlying Assets

The amendment is effective for annual periods beginning on or after 1 January 2012. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 *Investment Property*. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, through sale. Since the Group's investment properties are carried at cost less accumulated depreciation (except for land) under cost method less any impairment charges, the amendment did not have any effect on the consolidated financial statements.

Amendments to IFRS 7 Disclosures – Transfers of Financial Assets

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. These amendments to IFRS 7 did not have a significant effect on the Group's disclosures. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.2 New and Revised International Financial Reporting Standards (Continued)

(d) New and Revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 7	<i>Disclosures – Offsetting of Financial Assets and Financial Liabilities</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 10	<i>Consolidated Financial Statements</i>
IFRS 11	<i>Joint Arrangements</i>
IFRS 12	<i>Disclosure of Interests in Other Entities</i>
IFRS 13	<i>Fair Value Measurement</i>
Amendments to IAS 1	<i>Presentation of Items of Other Comprehensive Income</i>
IAS 19 (as revised in 2011)	<i>Employee Benefits</i>
IAS 27 (as revised in 2011)	<i>Separate Financial Statement</i>
IAS 28 (as revised in 2011)	<i>Investments in Associates and Joint Ventures</i>
IFRIC 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Amendments to IAS 32	<i>Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities</i>

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related agreements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosures are required for annual or interim periods beginning on or after 1 January 2013.

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.2 New and Revised International Financial Reporting Standards (Continued)

- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application. The amendments modify the existing comparative transition disclosures in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9 depending on the entity's date of adoption and whether the entity chooses to restate prior periods.

The Group management anticipates that IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities (e.g. the Group's investments in redeemable notes that are currently classified as available-for-sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognized in profit or loss). However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, which is control. In addition, IFRS 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 returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.2 New and Revised International Financial Reporting Standards (Continued)

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary contributions by venturers has been withdrawn upon the issuance of IFRS 11. Under IFRS 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 IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 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 IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Group management anticipates that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of IFRS 11 will result in changes in the accounting of the Group's jointly controlled entities that are currently accounted for using proportionate consolidation. Under IFRS 11, a jointly controlled entity will be accounted for by using the equity method.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.2 New and Revised International Financial Reporting Standards (Continued)

The management anticipates that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

The amendments to IAS 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 IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will 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 to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to IAS 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 IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The management anticipate that the amendments to IAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Groups' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The amendments to IAS 32 are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments are effective for annual periods beginning on or after 1 January 2014.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.2 New and Revised International Financial Reporting Standards (Continued)

Further to the above amendments and revised standards, the IASB have issued Annual Improvements to IFRSs in May 2012 that cover 5 main standards/interpretations as follows:

- IFRS 1 - Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets
- IAS 1 - Clarification of the requirements for comparative information
- IAS 16 - Classification of servicing equipment
- IAS 32 - Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes
- IAS 34 - Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments

All amendments are effective on or after 1 January 2013. Early adoptions of these amendments are allowed. The Group has not yet had an opportunity to consider the potential impact of the adoption of these amendments to the standards.

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.3 Basis of consolidation

- 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.
- 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 (a) 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, or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

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 as at 30 June 2012:

Subsidiaries	Direct and indirect ownership interest	Ownership interest	Proportion of ownership interest	Proportion of effective interest
	by the Holding and its Subsidiaries	shares held by Sabancı family members (*)		
	%	%	%	%
AEO	70,29	-	70,29	70,29
Akbank	40,85	5,60	46,41	40,80
Bimsa	100,00	-	100,00	89,97
Çimsa	53,00	1,42	54,42	53,00
Exsa	61,68	38,32	100,00	46,23
Exsa UK	100,00	-	100,00	99,30
Kordsa Global	91,11	-	91,11	91,11
Teknosa (1)	61,07	29,71	90,78	60,65
Temsa	48,71	51,28	99,99	48,71
Tursa	99,52	-	99,52	99,46
Yünsa	57,88	11,50	69,38	57,88
Sasa	51,00	-	51,00	51,00

(1) Share of effective ownership of Teknosa, which was 70,29 % as of 31 December 2011, decreased to 60,65 % after initial public offering dated 17 May 2012.

(*) Represents Sabancı family shares involved in management.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.3 Basis of consolidation (Continued)

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 as at 31 December 2011:

Subsidiaries	Direct and indirect	Ownership interest	Proportion of	Proportion of
	ownership interest	shares held by		
	by the Holding	Sabancı family	interest	interest
	and its Subsidiaries	members (*)		
	%	%	%	%
AEO	70,29	-	70,29	70,29
Akbank	40,85	5,56	46,41	40,80
Bimsa	100,00	-	100,00	89,97
Çimsa	53,00	1,42	54,42	53,00
Exsa (2)	61,68	38,32	100,00	46,23
Exsa UK	100,00	-	100,00	99,30
Kordsa Global	91,11	-	91,11	91,11
Teknosa	70,29	29,71	100,00	70,29
Temsa	48,71	51,28	99,99	48,71
Tursa	99,52	-	99,52	99,46
Yünsa	57,88	11,50	69,38	57,88
Sasa (3)	51,00	-	51,00	51,00

(2) Holding's effective equity interest has increased from 30,25% to 46,23% as the other shareholders did not use the preferential rights during the capital increase of Exsa.

(3) In 2011, Holding participated directly to the shares of its subsidiary Sasa, which had been in the portfolio of Advansa. Advansa shares have been sold to BBMMR Holding GmbH and the company is excluded from the consolidation.

(*) Represents Sabancı family shares involved in management.

The balance sheets and statements of income 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 30 June 2012 and result of operations 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 5.b).

- c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Holding and one or more other parties. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Venture in the relevant components of the financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.3 Basis of consolidation (Continued)

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 30 June 2012:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
	%	%
Akçansa	39,72	39,72
Aksigorta (1)	35,86	35,86
Avivasa	49,83	49,83
Brisa	43,63	43,63
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Enerjisa Enerji	50,00	50,00
Olmuksa	43,73	43,73

(1) In 2011, Holding sold 50% of its 61,98% shares in Aksigorta to Ageas Insurance International N.V.. Subsequent to the sale, Ageas and Holding have established a joint venture based on 30,99% equal partnership and Holding has begun to consolidate Aksigorta as a joint venture. As of 30 June 2012, the ownership rate increased to 35,86% for both the Holding and Ageas through purchases of shares from the ISE.

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 2011:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
	%	%
Akçansa	39,72	39,72
Aksigorta (1)	33,11	33,11
Avivasa	49,83	49,83
Brisa	43,63	43,63
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Enerjisa Enerji (2)	50,00	50,00
Olmuksa	43,73	43,73

(1) The sale of Aksigorta shares which equals to the 50% of 61,98% total shares previously owned by Holding to Ageas Insurance International N.V. have been completed in 2011, subsequent to the aforementioned sale Ageas and Holding have created a joint venture based on 30,99% equal partnership and Holding has begun to be consolidated Aksigorta as a joint venture. After the sale of shares, the ownership rate has increased to 33,11% from 30,99% for both the Holding and Ageas through the purchase of shares from the ISE during the following months.

(2) As a result of the restructuring of the energy companies of the Group, Enerjisa Enerji A.Ş. has been established on 20 December 2011 through the spin-off Enerjisa Enerji Üretim A.Ş., Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. and Enerjisa Elektrik Dağıtım A.Ş. shares. Enerjisa Enerji A.Ş., is owned equally by Hacı Ömer Sabancı Holding A.Ş. (50%) and Verbund (50%).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.3 Basis of consolidation (Continued)

- d) Investments in Associates are accounted for by the equity method. These are entities over which the Holding generally has between 20% and 50% of voting rights, or over which the Holding has significant influence, but which it does not control. Unrealised gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation, whereas unrealised losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when 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 accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost (Note 8 ve Note 2.e). Financial statements of associates, whose financial position at 30 June 2012 and result of operations for the six-month period ended 30 June 2012 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 5.b).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 June 2012 and 31 December 2011:

<u>Associates</u>	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
Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. ("Dönkasan")	21,86

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

- e) Other investments in which the Holding and its Subsidiaries, have interest below 20%, or 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 5.b).
- f) 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 minority interest. Certain Sabancı family members, Sabancı Vakfı, a charitable foundation established by Sabancı family members and Akbank Tekait 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 minority interest and are not included in the Holding's net assets and profits attributable to shareholders of the Holding.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.1.4 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.

2.1.5 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 previous period. The Group presented the consolidated balance sheet as of 30 June 2012 comparatively with the consolidated balance sheet as of 31 December 2011 and presented the consolidated statement of income, statement of cash flows and statement of change in equity for the period 1 January- 30 June 2012 comparatively with the period 1 January - 30 June 2011. The group reviewed other long term receivables and non-current assets of the prior period, classified of TL 25.019 of other long term receivables to other non-current assets. In the consolidated financial statements, Enerjisa, a joint venture of the Group, classified of TL 62.863 as of 1 January 2012 and TL 31.993 as 1 January 2011, from other non-current assets to property, plant and equipment account as a result of the changes in accounting policies.

2.2 Changes in Accounting Policies and Estimates ve Errors

Significant changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. Enerjisa, a joint venture of the Group, reclassified deferred finance charges, which mainly include the fees paid in relation with the bank borrowings to property, plant and equipment as of 30 June 2012, based on management reassessment of the nature of these fees.

Changes made in the accounting policies are applied retrospectively and prior year financial statements are restated. There are no changes in the accounting policies of the Group during the period.

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 period, they are applied both in current and future periods. The Group has no significant changes to the accounting estimates in the current year.

When a significant accounting error occurs, it is corrected retrospectively and the prior year financial statements are restated.

2.3 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, the standard on the preparation and presentation of interim period financial statements. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 30 June 2012 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2011. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2011.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 (Continued)

2.4 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 30 June 2012 are as follows:

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.

The net assets acquired after the purchase of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. shares are as follows:

	<u>Fair Value</u>
Total current assets	25.813
Total non-current assets	78.631
Total liabilities	(13.166)
Book value of net assets	91.278
51% net assets	46.552
Cash and cash equivalents paid	57.530
Goodwill	10.978

Non-controlling interest amounting to TL 44.726, which corresponds to the 49% of the book value of net assets of the acquired subsidiary, has been accounted for under equity.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 3 - BUSINESS COMBINATION (Continued)

Enerjisa, a joint venture of the Group, acquired 99,99% shares of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. on 30 March 2011, 99,99% shares of Italgen Elektrik Üretim A.Ş. on 31 March 2011, 99,99% shares of Alpaslan II Enerji Üretim Sanayi Ticaret A.Ş. on 18 April 2011 and 99,99% shares of Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş. on 30 May 2011. Since the acquired businesses are not fully operational as of the acquisition dates, these acquisitions do not meet the business definition as stated in "IFRS 3 Business Combinations". The excess amount of the considerations paid over the net assets acquired is associated with the electricity generation licenses and accounted for under intangible assets.

Aforementioned acquisitions of Enerjisa resulted in TL 164.220 electricity generation license additions to intangible assets (Note 10). The cost of electricity generation licenses are TL 25.626 for IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.S., TL 52.797 for Italgen Elektrik Üretim A.S., TL 25.392 for Alpaslan II Enerji Üretim Sanayi ve Ticaret A.S. and TL 60.405 for Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş..

The net assets acquired after the purchase of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. shares are as follows:

	<u>Fair value</u>
Total current assets	7.979
Total non-current assets	52.678
Total liabilities	(253)
Book value of net assets	60.404
Paid cash and cash equivalents	60.404
The effect of acquisition made by joint venture on the consolidated financial statements	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 3 - BUSINESS COMBINATION (Continued)

The net assets acquired after the purchase of Italgen Elektrik Üretim A.Ş. shares are as follows:

	<u>Fair value</u>
Total current assets	5.525
Total non-current assets	113.797
Total liabilities	(118)
Book value of net assets	119.204
Paid cash and cash equivalents	119.204
The effect of acquisition made by joint venture on the consolidated financial statements	-

The net assets acquired after the purchase of Alpaslan II Enerji Üretim Sanayi ve Ticaret A.Ş. shares are as follows:

	<u>Fair value</u>
Total current assets	10
Total non-current assets	50.792
Total liabilities	(1)
Book value of net assets	50.801
Paid cash and cash equivalents	50.801
The effect of acquisition made by joint venture on the consolidated financial statements	-

The net assets acquired after the purchase of Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş. shares are as follows:

	<u>Fair value</u>
Total current assets	46.515
Total non-current assets	140.716
Total liabilities	(277)
Book value of net assets	186.954
Paid cash and cash equivalents	186.954
Acquisition attributable to the consolidated financial statements completed by the joint venture	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Teknosa, a subsidiary of the Group, purchased 100% shares of İstanbul Mağazacılık Ltd.Şti. (Best Buy) for TL 27.148 on 11 July 2011. This transaction has been accounted for using the acquisition method. The fair value of net assets acquired and considerations paid as of 30 September 2011 are as follows:

	<u>Fair value</u>
Total current assets	35.484
Total non-current assets	14.735
Total liabilities	(2.446)
Book value of net assets	47.773
Paid cash and cash equivalents	27.148
Gain on bargain purchase	(20.625)

Gain on bargain purchase amounting to TL 20.625 has been recognized in other income in the consolidated financial statements. The consultancy expenses resulting from the acquisition transaction amounting to TL 2.916 has been recognized in general and administrative expenses.

NOTE 4 - SEGMENT REPORTING

a) External revenues:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Finance	6.815.864	3.500.424	5.634.745	2.719.470
Banking	6.514.175	3.352.347	5.407.869	2.610.512
Insurance	301.689	148.077	226.876	108.958
Energy	1.027.793	505.198	800.064	358.272
Industry	2.404.146	1.209.030	2.281.651	1.189.171
Retail	1.656.809	869.564	1.407.463	703.384
Cement	594.236	376.552	569.097	337.346
Other	47.209	19.285	28.921	12.890
Total	12.546.057	6.480.053	10.721.941	5.320.533

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 4 - SEGMENT REPORTING (Continued)

b) Segment assets:	30 June 2012	31 December 2011
Finance	144.881.535	139.842.145
Banking	143.956.488	138.975.287
Insurance	925.047	866.858
Energy	4.677.312	4.259.671
Industry	4.063.454	4.065.238
Retail	1.336.633	1.101.276
Cement	1.726.794	1.540.927
Other	375.990	379.516
Segment assets (*)	157.061.718	151.188.773
Non-current assets held for sale (Note 16)	414	466
Investment in associates	225.345	295.817
Unallocated assets	1.086.795	872.570
Less: intersegment eliminations	(1.840.337)	(1.243.422)
Total assets as per consolidated financial statements	156.533.935	151.114.204

(*) Segment assets mainly comprise operating assets.

c) Segment liabilities:	30 June 2012	31 December 2011
Finance	125.101.864	121.453.178
Banking	124.415.835	120.824.978
Insurance	686.029	628.200
Energy	680.307	647.566
Industry	867.171	949.167
Retail	853.012	780.906
Cement	195.564	212.554
Other	25.265	43.960
Segment liabilities (*)	127.723.183	124.087.331
Unallocated liabilities	3.805.703	3.235.363
Less: intersegment eliminations	(2.054.955)	(1.681.632)
Total liabilities as per consolidated financial statements	129.473.931	125.641.062

(*) Segment liabilities mainly comprise operating liabilities.

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 January - 30 June 2012

	Finance						Total finance	Intersegment eliminations	Other eliminations	Total
	Banking	Insurance	Intragovernment eliminations	Energy	Industry	Retail				
External revenues	6.514.175	301.689	-	1.027.793	2.404.146	1.656.809	594.236	47.209	-	12.546.057
Intersegment revenues	35.293	1.186	-	91.457	642	3.280	7	7.454	(139.319)	-
Total revenues	6.549.468	302.875	-	1.119.250	2.404.788	1.660.089	594.243	54.663	(139.319)	12.546.057
Cost of sales (*)	(3.825.360)	(272.516)	28.498	(964.672)	(2.054.150)	(1.311.862)	(462.228)	(41.369)	90.606	(8.813.053)
General and administrative expenses	(1.457.480)	(45.564)	1.937	(86.309)	(79.513)	(159.268)	(27.886)	(7.932)	27.348	(1.834.667)
Sales, marketing and distribution expenses	-	-	-	(992)	(134.307)	(170.733)	(4.391)	(887)	738	(310.572)
Research and development expenses	-	-	-	-	(8.165)	-	-	-	187	(7.978)
Operating result	1.266.628	(15.205)	30.435	67.277	128.653	18.226	99.738	4.475	(20.440)	1.579.787
Other unallocated operating expenses	-	-	-	-	-	-	-	-	(26.044)	(26.044)
Other income/ (expense) - net	168.578	29.117	(26.430)	1.376	24.040	11.544	(2.149)	6.489	1.974	214.539
Segment gain/(loss)	1.435.206	13.912	4.005	68.653	152.693	29.770	97.589	10.964	(44.510)	1.768.282

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment cost of sales includes premium ceded to reinsurance.

HACI ÖMER SABANCI HOLDING A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 April - 30 June 2012

	Finance						Total finance	Intersegment eliminations	Other	Cement	Retail	Industry	Energy	Intersegment eliminations	Total
	Banking	Insurance	Intrasegment eliminations	Banking	Insurance	Intrasegment eliminations									
External revenues	3.352.347	148.077	-	3.500.424	505.198	1.209.030	869.564	19.285	376.552	-	1.209.030	505.198	869.564	19.285	6.480.053
Intersegment revenues	20.462	-	-	20.462	51.282	537	1.799	3.064	7	(77.151)	537	51.282	1.799	3.064	-
Total revenues	3.372.809	148.077	-	3.520.886	556.480	1.209.567	871.363	22.349	376.559	(77.151)	1.209.567	556.480	871.363	22.349	6.480.053
Cost of sales (*)	(1.993.428)	(136.378)	15.605	(2.114.201)	(459.229)	(1.037.026)	(689.431)	(14.027)	(282.056)	78.528	(1.037.026)	(459.229)	(689.431)	(14.027)	(4.517.442)
General and administrative expenses	(711.262)	(23.297)	1.931	(732.628)	(44.631)	(41.431)	(78.272)	(4.284)	(14.503)	14.946	(41.431)	(44.631)	(78.272)	(4.284)	(900.803)
Sales, marketing and distribution expenses	-	-	-	-	(386)	(69.995)	(87.535)	(456)	(2.241)	1.237	(69.995)	(386)	(87.535)	(456)	(159.376)
Research and development expenses	-	-	-	-	-	(4.299)	-	-	-	87	(4.299)	-	-	-	(4.212)
Operating result	668.119	(11.598)	17.536	674.057	52.234	56.816	16.125	3.582	77.759	17.647	56.816	52.234	16.125	3.582	898.220
Other unallocated operating expenses	-	-	-	-	-	-	-	-	-	(13.340)	-	-	-	-	(13.340)
Other income/ (expense) - net	75.718	17.898	(15.203)	78.413	1.061	18.649	2.786	2.520	(1.145)	(2.659)	18.649	1.061	2.786	2.520	99.625
Segment gain/(loss)	743.837	6.300	2.333	752.470	53.295	75.465	18.911	6.102	76.614	1.648	75.465	53.295	18.911	6.102	984.505

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment cost of sales includes premium ceded to reinsurance.

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 January - 30 June 2011

	Finance					Total finance	Energy	Industry	Retail	Cement	Other	Intersegment eliminations	Total
	Banking	Insurance	Intrasegment eliminations	Other eliminations	Total finance								
External revenues	5.407.869	226.876	-	-	5.634.745	800.064	2.281.651	1.407.463	569.097	28.921	-	-	10.721.941
Intersegment revenues	17.453	1.087	-	-	18.540	66.568	2.225	1.182	88	5.620	(94.223)	-	-
Total revenues	5.425.322	227.963	-	-	5.653.285	866.632	2.283.876	1.408.645	569.185	34.541	(94.223)	(94.223)	10.721.941
Cost of sales (*)	(2.585.639)	(221.388)	16.650	-	(2.790.377)	(695.057)	(1.894.259)	(1.102.375)	(447.417)	(24.542)	125.854	(6.828.173)	(6.828.173)
General and administrative expenses	(1.273.776)	(34.932)	1.602	-	(1.307.106)	(88.581)	(71.815)	(145.594)	(20.689)	(9.846)	20.364	(1.623.267)	(1.623.267)
Sales, marketing and distribution expenses	-	-	-	-	-	(681)	(120.933)	(139.715)	(5.992)	(994)	496	(267.819)	(267.819)
Research and development expenses	-	-	-	-	-	-	(5.554)	-	-	-	150	(5.404)	(5.404)
Operating result	1.565.907	(28.357)	18.252	-	1.555.802	82.313	191.315	20.961	95.087	(841)	52.641	(28.889)	1.997.278
Other unallocated operating expenses	-	-	-	-	-	-	-	-	-	-	-	(28.889)	(28.889)
Other income/ (expense) - net	200.494	33.379	(20.273)	-	213.600	3.423	(20.335)	2.195	(5.913)	299.458	8.440	8.440	500.868
Segment gain/(loss)	1.766.401	5.022	(2.021)	-	1.769.402	85.736	170.980	23.156	89.174	298.617	32.192	32.192	2.469.257

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment cost of sales includes premium ceded to reinsurance.

HACI ÖMER SABANCI HOLDING A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 April - 30 June 2011

	Finance						Total finance	Intersegment eliminations	Other eliminations	Total
	Banking	Insurance	Intrasegment eliminations	Energy	Industry	Retail				
External revenues	2.610.512	108.958	-	358.272	1.189.171	703.384	337.346	12.890	-	5.320.533
Intersegment revenues	9.444	12	-	41.531	1.502	489	84	3.048	(56.110)	-
Total revenues	2.619.956	108.970	-	399.803	1.190.673	703.873	337.430	15.938	(56.110)	5.320.533
Cost of sales (*)	(1.350.732)	(107.908)	10.574	(319.928)	(1.001.181)	(549.677)	(258.961)	(10.454)	74.865	(3.513.402)
General and administrative expenses	(590.112)	(19.357)	1.551	(46.241)	(39.548)	(70.351)	(10.191)	(5.598)	4.328	(775.519)
Sales, marketing and distribution expenses	-	-	-	(338)	(62.992)	(71.323)	(3.180)	(500)	346	(137.987)
Research and development expenses	-	-	-	-	(3.219)	-	-	-	150	(3.069)
Operating result	679.112	(18.295)	12.125	33.296	83.733	12.522	65.098	(614)	23.579	890.556
Other unallocated operating expenses	-	-	-	-	-	-	-	-	(12.911)	(12.911)
Other income/(expense) - net	158.888	23.103	(13.133)	2.370	(198)	2.906	(1.791)	297.065	15.048	484.258
Segment gain/(loss)	838.000	4.808	(1.008)	35.666	83.535	15.428	63.307	296.451	25.716	1.361.903

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment cost of sales includes premium ceded to reinsurance.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 4 - SEGMENT REPORTING (Continued)

e) **Operating results:**

i) **Banking:**

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Interest income	5.706.208	2.933.404	4.398.586	2.153.872
Interest expense	(3.293.958)	(1.700.810)	(2.408.383)	(1.257.097)
Net interest income	2.412.250	1.232.594	1.990.203	896.775
Fee and commission income	843.260	439.405	1.026.736	466.084
Fee and commission expense	(166.683)	(92.157)	(127.165)	(69.275)
Net fee and commission income	676.577	347.248	899.571	396.809
Provision for loan losses	(351.411)	(185.762)	(100.609)	(64.295)
Foreign exchange trading gains and losses – net	(13.308)	(14.699)	50.518	39.935
General and administrative expenses	(1.457.480)	(711.262)	(1.273.776)	(590.112)
Other operating income	168.578	75.718	200.494	158.888
Segment Operating Profit	1.435.206	743.837	1.766.401	838.000

ii) **Insurance:**

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Gross premiums written	302.875	148.077	227.963	108.971
Premiums ceded to reinsurers	(74.446)	(34.325)	(46.329)	(21.556)
Change in the provision for premiums net of reinsurance	(28.557)	(10.159)	(34.082)	(9.582)
Earned premiums-net	199.872	103.593	147.552	77.833
Claims paid	(150.854)	(73.134)	(121.721)	(63.381)
Claims paid - reinsurers' share	13.179	5.774	14.452	7.536
Change in the provision for claims	(2.293)	(3.791)	(3.659)	(36)
Claims incurred-net	(139.968)	(71.151)	(110.928)	(55.881)
Change in life mathematical reserve net	7.458	(2.290)	(969)	(2.695)
Commission expenses - net	(37.003)	(18.453)	(29.080)	(14.921)
General and administrative expenses	(45.564)	(23.297)	(34.932)	(19.357)
Other operational income/ (expense)	29.117	17.898	33.379	19.829
Segment Operating Profit	13.912	6.300	5.022	4.808

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 4 - SEGMENT REPORTING (Continued)

e) **Operating results (Continued):**

iii) **Non-financial segments**

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Net sales	5.833.033	3.036.318	5.162.879	2.647.717
Cost of Sales	(4.834.281)	(2.481.769)	(4.163.650)	(2.140.201)
Gross profit	998.752	554.549	999.229	507.516
Operating expenses	(706.427)	(361.373)	(639.283)	(326.392)
Other operating income/(expense)	41.300	23.871	278.828	300.352
Segment operating profit	333.625	217.047	638.774	481.476

The Group assesses the performance of its operating segments based on a measure of adjusted Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA"). Adjusted EBITDA does not include the effects of non-recurring expenses of the operating segments.

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Banking	1.511.384	782.678	1.791.405	827.115
Insurance	15.420	7.020	6.317	5.436
Industry	225.003	112.278	261.775	121.151
Cement	132.963	95.043	125.555	79.639
Energy	117.564	78.006	126.428	57.076
Retail	58.270	33.411	50.178	29.270
Other	(7.843)	(3.400)	(23.254)	(13.277)
Intersegment eliminations	(14.461)	17.321	59.060	37.618
Total	2.038.300	1.122.357	2.397.462	1.144.028

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 4 - SEGMENT REPORTING (Continued)

iii) Non-financial segments (Continued)

Reconciliation of the adjusted EBITDA to income before tax from continuing operations is as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Adjusted EBITDA for reported operating segments	2.038.300	1.122.357	2.397.462	1.144.028
Gain on sale of subsidiaries (*)	-	-	247.350	247.350
Gain on sale of fixed assets	-	-	73.002	73.002
Reversal of subsidiary impairment loss (**)	-	-	71.902	71.902
Tax settlements (Note 18)	-	-	(25.112)	-
Loss on sale of subsidiaries (**)	-	-	(38.265)	(38.265)
Other	-	-	(11.289)	(11.289)
Depreciation and amortisation	(270.018)	(137.852)	(245.793)	(124.824)
Operating profit	1.768.282	984.505	2.469.257	1.361.903
Financial expenses - net	(59.860)	(35.846)	(130.643)	(71.281)
Shares of income of investments accounted for equity method	89.497	48.724	73.523	42.703
Income before tax from continuing operations	1.797.919	997.383	2.412.137	1.333.325

(*) Share transfer agreement related with the sale of 50 % of Aksigorta A.Ş. shares held by Holding, was signed on 18 February 2011 with Ageas Insurance International N.V. 9.482.940.100 stocks of Aksigorta was sold to Ageas Insurance International N.V. for a total consideration of USD 220.029. Gain on sale of subsidiary amounting TL 247.350 arising from the transactions has been recognized in other income on consolidated financial statements. The sale transaction resulted in a decrease of TL 115.059 in net assets, TL 141.159 in non controlling interests.

(**)In 2011, Holding participated directly to the shares of its subsidiary Sasa, which had been in the portfolio of Advansa. Advansa shares have been sold to BBMMR Holding GmbH on 10 June 2011 for a consideration of EUR 6.000. The loss of TL 38.625 incurred as a result of the sale transaction has been accounted in other operating losses. The difference of TL 89.965 between Advansa fair value and net book value was recorded as a loss in the financial statements for the year ending 31 December 2009. The impairment which belong to the sold segment was reversed in 2011 included in the calculation of loss on sale of Advansa. The remaining impairment which belong to Sasa has also been reversed and TL 71.902 is recorded as other operating income..

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 4 - SEGMENT REPORTING (Continued)

f) Interests in Joint Ventures:

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and income and expense items related to Joint Ventures which are proportionally consolidated in the consolidated financial statements as expressed in Note 2, are as follows on a combined basis:

Balance Sheet	30 June 2012	31 December 2011
Current assets	2.319.150	2.114.624
Non-current assets	5.542.860	5.188.228
Total assets	7.862.010	7.302.852
Current liabilities	2.314.023	2.127.902
Non-current liabilities	2.065.192	2.138.728
Total liabilities	4.379.215	4.266.630
Non-controlling interests	4.524	4.550
Shareholders' equity	3.478.271	3.031.672
Total liabilities, non-controlling interests and, shareholders' equity	7.862.010	7.302.852

Income statement	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Operating profit	130.177	95.417	121.769	60.022
Financial income/ (expense)- net	32.284	9.373	(119.197)	(69.262)
Income before tax and non-controlling interests	162.461	104.790	2.572	(9.240)
Taxation on income	(35.366)	(23.233)	(12.694)	(5.718)
Income before non-controlling interests	127.095	81.557	(10.122)	(14.958)
Non-controlling interests	(95)	(175)	(138)	(200)
Net income for the period from continuing operations	127.000	81.382	(10.260)	(15.158)

HACI ÖMER SABANCI HOLDING A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 4 - SEGMENT REPORTING (Continued)

g) Depreciation and amortisation charge, impairments and capital expenditures:

1 January - 30 June 2012

	Finance		Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
	Banking	Insurance							
Depreciation and amortisation (Impairment) / reversal of property, plant and equipment, intangible assets	76.178	1.508	72.310	35.374	48.911	28.500	7.237	-	270.018
Capital expenditures	63.455	2.677	141.957	49.694	333.952	35.516	9.073	-	636.324
	-	-	-	-	(23.311)	3.412	-	-	(19.899)

1 April - 30 June 2012

	Finance		Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
	Banking	Insurance							
Depreciation and amortisation (Impairment) / reversal of property, plant and equipment, intangible assets	38.841	720	36.813	18.429	24.711	14.500	3.838	-	137.852
Capital expenditures	41.559	1.845	77.062	23.606	225.728	20.982	7.235	-	398.017
	-	-	-	-	(23.311)	846	-	-	(22.465)

HACI ÖMER SABANCI HOLDING A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 4 - SEGMENT REPORTING (Continued)

g) Depreciation and amortisation charge, impairments and capital expenditures:

1 January - 30 June 2011

	Finance		Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
	Banking	Insurance							
Depreciation and amortisation	71.206	1.295	65.589	32.404	40.692	27.022	7.585	-	245.793
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	(368)	-	-	(368)
Capital expenditures	25.592	988	82.098	51.428	357.379	30.531	3.960	-	551.976

1 April - 30 June 2011

	Finance		Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
	Banking	Insurance							
Depreciation and amortisation (Impairment) / reversal of property, plant and equipment, intangible assets	35.317	628	33.545	16.332	21.410	13.842	3.750	-	124.824
Capital expenditures	13.264	510	34.203	30.999	251.837	18.382	3.158	-	352.353

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 5 - FINANCIAL ASSETS

a) Held for trading securities:

The analysis of securities at fair value through profit and loss is as follows:

	30 June 2012	31 December 2011
Government bonds	14.295	127.946
Eurobonds	3.289	26.623
Share certificates	14.064	14.671
Other	-	1.967
Total	31.648	171.207

b) Securities available-for-sale:

	30 June 2012	31 December 2011
Debt securities		
- Government bonds	32.796.130	31.917.734
- Eurobonds	7.420.982	4.166.257
- Investment funds	207.021	186.017
- Other bonds denominated in foreign currency	877.041	1.258.302
Sub - total	41.301.174	37.528.310
Equity securities		
- Listed	7.408	4.030
- Unlisted	29.888	29.046
Sub - total	37.296	33.076
Total securities available for sale	41.338.470	37.561.386

Akbank's portfolio of available for sale and held to maturity financial assets consist of CPI-Index government bonds whcih remains constant throughout the 6-month maturity of the real coupon rate, 5-10 year term. The real coupon rate securities and the issue date of the reference inflation index calculated by taking into account an estimated inflation rate of the index are valued and recognized using the effective interest basis. The bank determines the expected inflation rate based on this assumption. As of 30 June 2012, valuation of these securities were made with 8,70 % annual inflation forecast. Had the valuation of these CPI indexed securities been made with reference to inflation index as of 30 June 2012, valuation differences under shareholders equity would have decreased by TL 155.000 and net income would have increased by TL 158.000.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 5 - FINANCIAL ASSETS (Continued)

c) Financial Assets held to maturity:

The breakdown of the held to maturity financial assets is listed below:

	30 June 2012	31 December 2011
Government bonds	3.650.654	3.639.296
Eurobonds	936.036	1.015.839
Total	4.586.690	4.655.135

Period remaining to contractual maturity dates for financial assets held for trading, held to maturity and available-for-sale as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012			31 December 2011		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	4.197.176	15.862	4.213.038	1.615.602	16.721	1.632.323
1 to 5 years	26.622.775	139.372	26.762.147	33.498.431	140.105	33.638.536
Over 5 years	14.690.516	27.474	14.717.990	6.849.421	28.316	6.877.737
No maturity	231.293	32.340	263.633	210.896	28.236	239.132
Total	45.741.760	215.048	45.956.808	42.174.350	213.378	42.387.728

Period remaining to contractual repricing dates for financial assets held for trading, held to maturity and available-for-sale as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012			31 December 2011		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	15.488.660	5.251	15.493.911	10.469.682	-	10.469.682
3 to 12 months	13.084.253	15.862	13.100.115	13.345.194	16.721	13.361.915
1 to 5 years	10.177.589	139.372	10.316.961	13.960.014	140.105	14.100.119
Over 5 years	6.759.965	27.474	6.787.439	4.188.564	28.316	4.216.880
No maturity	231.293	27.089	258.382	210.896	28.236	239.132
Total	45.741.760	215.048	45.956.808	42.174.350	213.378	42.387.728

d) Time Deposits:

	30 June 2012	31 December 2011
3 to 12 Months	10.360	169.989
1 to 5 Years	1.594	1.507
Total	11.954	171.496

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 LIABILITIES

Short-term funds borrowed, bank borrowings and debt securities in issue:	30 June 2012	31 December 2011
Short-term	11.480.237	12.684.385
Short-term portion of long term	3.365.272	3.854.576
Total short-term	14.845.509	16.538.961

Long-term funds borrowed, bank borrowings and debt securities in issue:		
Long term	8.907.658	9.291.921
Total	23.753.167	25.830.882

The maturity schedule of financial liabilities at 30 June 2012 and 31 December 2011 is summarised below:

	30 June 2012	31 December 2011
Up to 3 months	8.227.247	7.182.857
3 to 12 months	6.618.262	9.356.104
1 to 5 years	6.985.195	7.239.558
Over 5 years	1.922.463	2.052.363
Total	23.753.167	25.830.882

The maturity schedule of long term financial liabilities at 30 June 2012 and 31 December 2011 is summarised below:

	30 June 2012	31 December 2011
2013	2.827.156	2.309.744
2014	884.445	1.305.078
2015	2.476.052	2.616.002
2016	797.542	1.008.734
2017 and after	1.922.463	2.052.363
Total	8.907.658	9.291.921

The repricing schedule of financial liabilities at 30 June 2012 and 31 December 2011 is summarised below:

	30 June 2012	31 December 2011
Up to 3 months	14.398.237	14.898.414
3 to 12 months	4.363.750	7.154.398
1 to 5 years	3.009.850	2.827.174
Over 5 years	1.981.330	950.896
Total	23.753.167	25.830.882

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 LIABILITIES (Continued)

Major funding transactions as at 30 June 2012 are as follows:

Funds Borrowed:

a) Akbank - Funds borrowed via syndicated credit facilities

At 30 June 2012, there are three outstanding syndicated loans. First syndicated loan comprising of two tranches amounting to EUR 204.375 and USD 17.350 was provided from 14 separate international banks through the loan agreement signed on 17 August 2010. The annual costs of the loans are Euribor + 1.75% and Libor + 1.75%, respectively. Second syndicated loan comprising of two tranches amounting to EUR 708.500 and USD 422.000 was provided from 44 international banks through the loan agreement signed on 17 August 2011. The annual costs of the loans are Euribor+ 1% and Libor + 1%, respectively. Third syndicated loan comprising of two tranches amounting to EUR 795.000 and USD 146.000 was provided from 42 international banks through the loan agreement signed on 20 March 2012. The annual costs of the loans are Euribor+ 1,45% and Libor + 1,45%, respectively.

b) Enerjisa - Funds borrowed via IFC

On 13 June 2008 the Group's joint venture Enerjisa, signed a EUR 1.000.000 loan agreement provided from international financial institutions with International Finance Corporation ("IFC") and WestLB, 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 513.000 is coordinated by IFC, EUR 495.000 has a maturity of 12 years and the remaining EUR 18.000 has a maturity of 15 years. EUR 158.000 of the aforementioned part will be provided by IFC and the remaining EUR 355.000 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 352.000 which has a maturity of 12 years, with the participation of National Bank of Greece and remaining EUR 135.000 of loan will be provided by EIB. As of 30 June 2012, Enerjisa has used EUR 946.600 with respect to this EUR 1.000.000 loan agreement (31 December 2011: EUR 946.600).

Enerjisa signed another agreement on 23 December 2010 to borrow funds amounting to EUR 270.000 with the participations of Yapı ve Kredi Bankası A.Ş. for EUR 100.000, Akbank T.A.Ş. İstanbul Kurumsal Şubesi for EUR 100.000 and Finansbank A.Ş. Bahrain for EUR 70.000 for the purpose of financing Arkun Barrage and hydroelectric power plant energy project of the Enerjisa. As of 30 June 2012, Group has utilized EUR 230.000 (31 December 2011: EUR 155.000) with respect to this EUR 270.000 loan agreement.

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 to EUR 700.000 for the purpose of financing energy projects. EUR 65.000 of the loan is provided by IFC and EUR 515.000 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 40.000 of the loan and TSKB has provided EUR 80.000 of the loan. As of 30 June 2012, Enerjisa has utilized EUR 74.000 (31 December 2011: EUR 74.000) with respect to this EUR 700.000 loan agreement.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 LIABILITIES (Continued)

b) Enerjisa - Funds borrowed via IFC (Continued)

Enerjisa also signed a loan agreement on 26 April 2012 with European Bank for Reconstruction and Development ("EBRD") amounting to EUR 135.000 to finance Bares Wind Power Plant. EUR 100.000 of the loan provided by EBRD and EUR 35.000 of it is provided by BAWAG.

The effect of the used loan on consolidated financial statements is limited to 50% joint venture share.

Issued securities

Securities issued consist of USD and TL assets.

The repayment schedule of issued securities denominated in USD is as follows:

	<u>30 June 2012</u>		<u>31 December 2011</u>	
	USD	TL	USD	TL
2012	251.260	453.902	542.560	1.024.841
2013	630.228	1.138.507	619.349	1.169.889
2014	460.162	831.283	449.413	848.895
2015	1.132.955	2.046.683	1.100.006	2.077.802
2016	192.825	348.338	187.442	354.060
2017	124.168	224.309	118.837	224.471
2018	395.705	714.841	381.949	721.463
Total	3.187.303	5.757.863	3.399.556	6.421.421

The balance amounting to USD 3.187.303 consists of securitization deals and USD denominated securities issued by the Bank. Additionally, as of 30 June 2012, there are bonds issued by the Bank amounting to TL 1.170.630 with 6 month maturity, TL 185.061 with 1 year maturity, TL 663.792 with 2 years maturity and TL 531.925 with 3 years maturity (31 December 2011: TL 1.093.010 with 6 month maturity, TL 714.948 with 2 year maturity).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables:	30 June 2012	31 December 2011
Receivables from credit card payments	165.859	170.601
Financial assets (*)	48.965	48.534
Other	583.620	576.466
Total	798.444	795.601

Other long-term receivables:	30 June 2012	31 December 2011
Financial assets (*)	193.352	162.554
Deposits and guarantees given	20.696	20.851
Other	28.099	30.147
Total	242.147	213.552

(*) Composed of financial assets accounted for by the Group's joint venture Başkent Elektrik Dağıtım A.Ş. in accordance with IFRS 3 "Business Combinations" and IFRIC 12 "Service Concession Arrangements".

Other short-term payables:	30 June 2012	31 December 2011
Payables related to credit card transactions	1.955.466	1.687.016
Taxes and funds payable	250.974	232.705
Export deposits and transfer orders	77.146	38.821
Due to personnel	22.857	20.074
Payment orders to correspondent banks	21.786	24.328
Other	568.954	691.725
Total	2.897.183	2.694.669

Other long term payables:		
Deposits and guarantees received	67.606	59.064
Other	34.460	35.036
Total	102.066	94.100

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	30 June 2012	Share (%)	31 December 2011	Share (%)
Philsa	183.695	25,00	236.190	25,00
Philip Morrissa	37.521	24,75	55.414	24,75
Dönkasan	4.129	21,86	4.213	21,86
Total	225.345		295.817	

Income from associates is as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Philsa	72.517	39.224	62.629	34.300
Philip Morrissa	17.063	9.504	10.708	8.217
Dönkasan	(83)	(4)	186	186
Total	89.497	48.724	73.523	42.703

The summary financial information of associates is as follows:

	30 June 2012		31 December 2011	
	Total assets	Total liabilities	Total assets	Total liabilities
Philsa	2.010.493	1.275.715	1.915.601	970.841
Philip Morrissa	760.930	609.330	734.772	510.881
Dönkasan	23.988	5.095	23.427	4.154
Total	2.795.411	1.890.140	2.673.800	1.485.876

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Sales revenue				
Philsa (*)	5.683.491	3.186.990	4.375.145	2.466.592
Philip Morrissa	5.829.442	3.271.985	4.490.789	2.537.244
Dönkasan	38.434	21.436	40.515	40.515

(*) Philsa conducts its sales activities through Philip Morissa.

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Net income				
Philsa	290.069	157.013	250.516	137.200
Philip Morrissa	68.942	39.825	43.263	33.198
Dönkasan	(381)	(20)	1.420	1.420
Total	358.630	196.818	295.199	171.818

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the six month period ended 30 June 2012 is as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Change within the scope of consolidation	Business combination (*)	Transfers(**)	Impairment/reversal	30 June 2012
Cost:									
Land and land improvements	659.948	(1.237)	8.540	(1.538)	-	36.464	5.169	-	707.346
Buildings	2.377.461	(10.341)	1.608	(531)	1.068	7.909	5.008	-	2.382.182
Machinery and equipment	4.571.634	(54.242)	45.499	(17.648)	-	31.075	138.951	12	4.715.281
Motor vehicles	192.888	(379)	21.468	(28.978)	-	41	2.446	-	187.486
Furniture and fixtures	1.839.504	(3.868)	50.503	(38.386)	685	270	7.439	5.475	1.861.622
Total	9.641.435	(70.067)	127.618	(87.081)	1.753	75.759	159.013	5.487	9.853.917
Construction in progress	1.330.004	(6.702)	470.667	(201)	-	4	(161.545)	(23.310)	1.608.917
Total	10.971.439	(76.769)	598.285	(87.282)	1.753	75.763	(2.532)	(17.823)	11.462.834
Accumulated depreciation:									
Land and land improvements	102.909	(291)	5.316	(9)	-	-	-	-	107.925
Buildings	910.674	(3.614)	34.932	(197)	311	-	(78)	-	942.028
Machinery and equipment	2.615.537	(30.665)	114.004	(16.200)	-	-	240	383	2.683.299
Motor vehicles	106.321	565	6.644	(15.054)	-	-	(752)	-	97.724
Furniture and fixtures	1.363.910	(3.444)	61.732	(35.310)	523	-	496	1.702	1.389.609
Total	5.099.351	(37.449)	222.628	(66.770)	834	-	(94)	2.085	5.220.585
Net book value	5.872.088								6.242.249

(*) As specified in Note 3, balances arise from the acquisition of Afyon Çimento.

(**) Transfers of TL 2.438 are made to intangible assets.

HACI ÖMER SABANCI HOLDING A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for the six month period ended 30 June 2011 is as follows:

	1 January 2011	Currency translation differences	Additions	Disposals	Change within the scope of consolidation	Business combination (*)	Transfers from assets held for sale	Transfers to assets held for sale	Transfers(**)	Impairment	30 June 2011
Cost:											
Land and land improvements	501.474	3.490	3.027	-	(713)	31	21.461	-	67.824	-	596.594
Buildings	2.385.787	13.637	2.845	(120.855)	(27.815)	-	62.959	-	27.313	-	2.343.871
Machinery and equipment	3.877.787	60.840	24.288	(10.256)	(3.320)	-	369.593	(16.181)	116.931	-	4.419.682
Motor vehicles	156.989	517	12.556	(16.276)	(637)	-	2.178	-	2.908	-	158.235
Furniture and fixtures	1.782.310	3.391	32.178	(36.440)	(18.488)	4	5.984	-	9.310	(368)	1.777.881
Total	8.704.347	81.875	74.894	(183.827)	(50.973)	35	462.175	(16.181)	224.286	(368)	9.296.263
Construction in progress	765.570	3.379	461.258	(10.429)	(71)	14.573	6.246	-	(273.045)	-	967.481
Total	9.469.917	85.254	536.152	(194.256)	(51.044)	14.608	468.421	(16.181)	(48.759)	(368)	10.263.744
Accumulated depreciation:											
Land and land improvements	97.831	1.502	4.094	-	(222)	-	4.824	-	829	-	108.858
Buildings	842.788	3.840	34.586	(20.796)	(7.705)	-	31.649	-	(928)	-	883.434
Machinery and equipment	2.208.146	34.190	90.791	(10.256)	(2.817)	-	251.283	(4.485)	2.009	-	2.568.861
Motor vehicles	106.239	224	6.684	(6.484)	(525)	-	2.135	-	(2.008)	-	106.265
Furniture and fixtures	1.317.832	2.559	70.087	(31.628)	(13.901)	-	4.768	-	-	-	1.349.717
Total	4.572.836	42.315	206.242	(69.164)	(25.170)	-	294.659	(4.485)	(98)	-	5.017.135
Net book value	4.897.081										5.246.609

(*) As specified in Note 3 balance is related with Enerjisa acquisitions.

(**) Transfers of TL 37.293 and TL 11.368 are made to intangible assets and investment properties, respectively.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 10 - INTANGIBLE ASSETS

The movements in intangible assets for the six month periods ended 30 June 2012 and 2011 are as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Changes within the scope of consolidation	Transfers	Business combinations	Impairment reversal	30 June 2012
Maliyet	1.632.815	4.882	38.039	(6.682)	429	2.532	2.276	53	1.674.344
Birikmiş iffa payları (-)	(361.063)	(6.006)	(46.776)	6.593	(185)	(94)	-	(43)	(407.574)
Net kayıtlı değer	1.271.752								1.266.770
	1 January 2011	Currency translation differences	Additions	Disposals	Changes within the scope of consolidation	Transfers	Acquisition of subsidiary(*)	Transfers from non-current assets held for sale	30 June 2011
Maliyet	1.353.706	3.326	15.695	(1.773)	(8.116)	37.293	164.542	10.367	1.575.040
Birikmiş iffa payları (-)	(277.002)	(1.857)	(38.565)	352	2.700	-	-	(6.079)	(320.451)
Net kayıtlı değer	1.076.704								1.254.589

(*) Enerjisa, a joint venture of the Group, acquired the shares of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş., Halgen Elektrik Üretim A.Ş., Alpaslan II Enerji Üretim Sanayi ve Ticaret A.Ş. and Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş. in 2011. As a result of this acquisition, the excess of the considerations paid over the net assets amounting to TL 164.542 is associated with electricity generation licenses and recognized in intangible assets.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 11 - GOODWILL

The movements in goodwill for the six month periods ended 30 June 2012 and 2011 are as follows:

	30 June 2012	30 June 2011
1 January	725.290	725.227
Additions (Note 3)	10.978	-
Currency translation differences	(15)	(119)
Balance at 30 June	736.253	725.108

NOTE 12 - CONTINGENT ASSETS AND LIABILITIES

Commitments – Banking segment	30 June 2012	31 December 2011
Letters of guarantee given	9.993.435	8.857.504
Letters of credits	4.199.645	3.795.163
Foreign currency acceptance credits	74.007	120.751
Other guarantees given	2.067.294	1.221.178
Total	16.334.381	13.994.596

Commitments – Non-banking segment	30 June 2012	31 December 2011
Letters of guarantee given	816.149	760.542
Other guarantees given	213.606	230.848
Total	1.029.755	991.390

Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012	31 December 2011
Repurchase commitments	13.063.578	12.594.815
Resale commitments	241.034	8.210

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 12 - CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments to forward currency purchase/sale and swap transactions:

Derivatives held for trading

	30 June 2012	31 December 2011
Foreign currency purchases	2.649.894	2.228.892
Foreign currency sales	2.709.447	2.244.317
Total	5.359.341	4.473.209
	30 June 2012	31 December 2011
Currency swap purchases	14.491.998	18.483.875
Currency swap sales	14.573.359	18.372.964
Interest rate swap purchases	11.132.961	8.480.649
Interest rate swap sales	11.132.961	8.480.649
Total	51.331.279	53.818.137
	30 June 2012	31 December 2011
Spot purchases	3.776.320	1.838.510
Spot sales	3.776.750	1.844.883
Total	7.553.070	3.683.393
	30 June 2012	31 December 2011
Currency options purchases	12.846.498	8.351.839
Currency options sales	12.825.557	8.351.839
Total	25.672.055	16.703.678
	30 June 2012	31 December 2011
Future purchases	-	-
Future sales	70.612	54.165
Total	70.612	54.165
	30 June 2012	31 December 2011
Other purchases	357.523	541.123
Other sales	360.375	498.157
Total	717.898	1.039.280

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 12 - CONTINGENT ASSETS AND LIABILITIES (Continued)

Derivative transactions for hedging:

	30 June 2012	31 December 2011
Interest swap purchases	1.617.113	3.500.793
Interest swap sales	1.617.113	3.500.793
Total	3.234.226	7.001.586

The maturity analysis of the off-balance sheet assets in the Banking segment at 30 June 2012 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	749.012	9.244.423	9.993.435
Letters of credits	2.633.434	1.566.211	4.199.645
Acceptance credits	43.452	30.555	74.007
Other guarantees	728.623	1.338.671	2.067.294
Total	4.154.521	12.179.860	16.334.381

The maturity analysis of the off-balance sheet assets in the Banking segment at 31 December 2011 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	521.733	8.335.771	8.857.504
Letters of credits	2.736.445	1.058.718	3.795.163
Acceptance credits	81.337	39.414	120.751
Other guarantees	637.598	583.580	1.221.178
Total	3.977.113	10.017.483	13.994.596

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 13 - COMMITMENTS

Letter of guarantees and guarantee notes given

Collaterals, pledges and mortgages ("CPM") given by the Group at 30 June 2012 is as follows:

	30 June 2012				
	Total TL Equivalent	TL	USD	EUR	Other
A.Total amount of the Collaterals given for its own legal entity	1.006.275	507.321	135.038	30.730	185.121
B.Collaterals given on behalf of fully consolidated companies	442.136	156.798	83.773	19.061	90.652
C.Collaterals given on behalf of the third parties'debt for continuation of their economic activities	16.334.454	6.379.124	3.897.859	1.225.840	126.045
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	3.623	3.623	-	-	-
Total Collaterals	17.786.489	7.046.866	4.116.670	1.275.632	401.818
A.Total amount of the mortgages given for its own legal entity	2.478.722	50.788	-	1.007.600	-
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 Mortgage	2.478.722	50.788	-	1.007.600	-
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	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 13 - COMMITMENTS (Continued)

Collaterals, pledges and mortgages ("CPM") given by the Group at 31 December 2011 is as follows:

	31 December 2011				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the Collaterals given for its own legal entity	1.280.456	417.677	144.802	45.782	477.380
B. Collaterals given on behalf of fully consolidated companies	589.318	133.038	96.529	32.262	195.105
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	13.994.596	5.394.175	3.495.189	771.320	113.404
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 Collaterals	15.864.370	5.944.890	3.736.520	849.364	785.889
A. Total amount of the mortgages given for its own legal entity	2.148.620	57.954	-	855.498	-
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	81	77	2	-	-
Total Mortgages	2.148.701	58.031	2	855.498	-
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	1.105	1.105	-	-	-
Total Pledges	1.105	1.105	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 14 - OTHER ASSETS AND LIABILITIES

Other Current Assets:	30 June 2012	31 December 2011
Prepaid expenses	234.980	136.513
Deductible value added tax (VAT)	216.946	195.553
Cheques in clearance	80.620	205.449
Income accrual	47.409	18.273
Deferred commission expense	35.527	29.974
Other	232.186	258.786
Total	847.668	844.548

Other Non Current Assets:	30 June 2012	31 December 2011
Deductible value added tax (VAT)	49.540	25.019
Receivables from TEİAŞ (*)	32.252	25.197
Deferred commission expense	25.048	25.242
Insurance receivable (**)	23.311	-
Other	49.034	37.878
Total	179.185	113.336

(*) Enerjisa, a joint venture of the Group, constructs energy transmission lines on behalf of TEİAŞ and reflects the cost to TEİAŞ. As of 30 June 2012, receivables from TEİAŞ regarding the construction of transmission lines are mainly related with the Hacıınnoğlu, Menge and Kandil projects. Enerjisa will collect the related amount in equal monthly installments in maximum ten years.

(**) Consists of insurance receivables arising from the accident at Köprü Project of Enerjisa, a joint venture of the Group.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 14 - OTHER ASSETS AND LIABILITIES (Continued)

Other Short Term Liabilities and Provisions

Liabilities	30 June 2012	31 December 2011
Expense accruals	227.761	148.722
Unearned commission income	180.497	48.045
Cheques in clearance	128.691	355.431
Unused vacation	56.587	47.944
Advances received	28.554	31.476
Deferred income	23.354	13.907
Saving deposits insurance	21.539	21.261
Other short-term liabilities	8.621	1.301
	675.604	668.087
Provisions		
Credit card bonus provisions	156.491	150.524
Provision for lawsuit	29.855	20.281
Onerous contracts	17.727	20.125
Provisions for unindemnified non-cash loans	14.567	78.460
Other short-term liability provisions	22.511	43.063
	241.151	312.453
Total	916.755	980.540

Other Long Term Liabilities and Provisions

	30 June 2012	31 December 2011
Unearned commission income	61.050	119.485
Other long-term liability provisions	5.463	13.184
Total	66.513	132.669

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 15 - EQUITY

H.Ö. Sabancı Holding A.Ş.'s authorised and issued capital consists of 204.040.393.100 (31 December 2011: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 June 2012 and 31 December 2011 is as follows:

Shareholders:	Share (%)	30 June 2012	Share (%)	31 December 2011
Sabancı family members	43,65	890.626	43,65	890.626
Publicly traded (*)	37,56	766.312	37,56	766.312
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Sabancı University	1,51	30.769	1,51	30.769
Exsa	1,29	26.408	1,29	26.408
Çimsa	1,06	21.534	1,06	21.534
H.Ö. Sabancı Foundation	<1	13.370	<1	13.370
Tursa	<1	4.285	<1	4.285
Share capital	100	2.040.404	100	2.040.404
Treasury Share (-)		(52.227)		(52.227)
Share premium		21.670		21.670

(*)Public quotation of Holding is 39,40% as of 30 June 2012 which is the same as prior year. Shares purchased from ISE by subsidiaries in 2011 are not included in the 37,56% public quotation ratio shown above.

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 60,65%. However, there has been no change in the control power. The effect of change in the ownership net of offering costs amounting TL 59.508 has been recorded as an increase in the retained earnings under shareholders' equity.

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.

The details of restricted reserves mentioned above are as follows:

	30 June 2012	31 December 2011
Legal reserves	320.817	298.339
Gain on sale of subsidiaries	281.885	281.885
Total	602.702	580.224

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 15 - EQUITY (Continued)

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 Communiqué XI, No: 29.

Total amount of the reserves on the Holding's statutory books subject to dividend distribution is TL 1.978.220.

	Fair Value Revaluation Fund	Cash Flow Hedge	Net Investment Hedge	Currency translation differences
Balance as of 1 January 2011	713.203	(145.047)	(35.652)	7.728
Increases/decreases during the period	(488.825)	46.213	(38.882)	141.090
Losses/(gains) transferred to income statement	(155.318)	22.941	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	423	-	-	-
Tax effect	128.744	(13.831)	7.776	-
Balance as of 30 June 2011	198.227	(89.724)	(66.758)	148.818
Balance as of 1 January 2012	(59.845)	(139.607)	(78.150)	194.073
Increases/ (decreases) during the period	551.030	(23.330)	59.893	(95.566)
Losses/(gains) transferred to income statement	(225.733)	19.482	-	-
Subsidiary liquidation	-	-	-	42.784
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(107)	-	-	-
Tax effect	(65.038)	758	(11.979)	-
Balance as of 30 June 2012	200.374	(142.697)	(30.236)	141.291

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 16 - NON CURRENT ASSETS HELD FOR SALE

Kordsa decided to consolidate its cloth production plants located in South America at Brasil. As a result of this transaction, idle fixed assets which are expected to be sold within twelve months have been transferred to assets held for sale and are shown separately on the balance sheet. Since the income proceeds from the sale is expected to exceed the carrying value of the relevant assets, there was no provision for impairment registered on these operations that are held for sale. As of 30 June 2012, The net carrying value of the fixed assets which are classified as assets held for sale is TL 414 (31 December 2011: TL 466).

On 10 June 2011, Holding sold its Advansa BV shares, a subsidiary owned by 99,93% to BBMMR Holding GmbH located in Germany at EUR 6.000. As of 30 June 2011, Advansa BV has been classified as non current assets held for sale.

Income statement of Advansa for the period ended 30 June 2011 is as follows:

Income Statement	1 January - 30 June 2011	1 April 30 June 2011
Income	93.488	41.925
Expense	(87.520)	(40.253)
Profit before tax	5.968	1.672
Taxation	(1.933)	(570)
Profit for the period	4.035	1.102

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 17 - FINANCIAL INCOME/EXPENSES

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Financial income				
Foreign exchange income	155.601	61.706	205.124	128.123
Interest income	49.627	26.612	39.008	20.292
Total	205.228	88.318	244.132	148.415
Financial expenses				
Foreign exchange losses	120.266	50.866	264.015	159.115
Interest expense	100.713	53.653	76.149	43.297
Other financial expenses	44.109	19.645	34.611	17.284
Total	265.088	124.164	374.775	219.696

Financial income and financial expenses relate to segments other than banking.

NOTE 18 - TAX ASSETS AND LIABILITIES

	30 June 2012	31 December 2011
Corporate and income taxes payable	558.261	329.468
Less: prepaid expenses	(327.303)	(192.316)
Total taxes payable	230.958	137.152

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 2012 is 20% (2011: 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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

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

NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)

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 can not 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 centre 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 centre 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 cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realised.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate can not benefit from this exemption.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)

Exemption for investment allowance

According to the regulation, published in the 27659 numbered Official Gazette on 1 August 2010 based on Law No. 6009 through article 5, the phrase "regarding only the years 2006, 2007 and 2008" on temporary article 69 of Income Tax Law No.193 has been revised which was abolished by The Constitutional Court decision numbered 2009/144 published in the Official Gazette on 8 January 2010. With respect to this revision, undeductible investment allowance due to insufficient income and deferred investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in the determination of the tax assessment, will not exceed 25% profit of the relevant year. In addition to this, 20% corporate tax rate will be applied on the income after the deduction of the allowance.

The Constitutional Court has rescinded the phrase of the temporary article 69 of Income Tax Law stating that "Investment allowance amount, which will be used in the determination of the tax assessment, will not exceed 25% profit of the relevant year" which had been added through the article 5 of Law No.6009. The decision of the Constitutional Court numbered 2012/9 published in the 28208 numbered Official Gazette on 18 February 2012 and states that the %25 of the profit for the relevant year limitation has been removed from the temporary article 69 of Income Tax Law. This decision has not been executed till its announcement in the Official Gazette in order to prevent any possible legal disputes, losses or any other abortive claims. As a result of this revision, %100 of investments allowances are allowed to be deducted in the tax declarations, including both temporary and annual declarations, up to total amount of the relevant period profit subject to deduction.

The tax charges for comprehensive income statement items for the periods ended 30 June 2012 and 30 June 2011 are as follows:

	30 June 2012			30 June 2011		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Net unrealized fair value from available for sale financial assets	1.346.899	269.380	1.077.519	(1.196.619)	(239.324)	(957.295)
Losses on available for sale financial assets transferred to the income statement	(553.319)	(110.664)	(442.655)	(380.718)	(76.144)	(304.574)
Net gains included in the income statement due to transfer of available for sale financial assets						
financial assets into held to maturity assets	(99)	(20)	(79)	1.038	208	830
Cash flow hedges	(2.548)	(510)	(2.038)	162.364	32.473	129.891
Gain/ (loss) on net investment hedges	146.738	29.348	117.390	(95.309)	(19.062)	(76.247)
Currency translation differences	(197.245)	-	(197.245)	218.888	-	218.888
Other comprehensive income	740.426	187.534	552.892	(1.290.356)	(301.849)	(988.507)

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)

Deferred taxes

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes, carry forward tax losses and investment incentive exceptions.

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%.

Sasa and Çimsa benefited from Tax Law 6111 Restructuring of Miscellaneous Receivables in order to avoid the tax risks by withdrawing the lawsuit for assessed tax and tax penalty in the investigation report issued by TC Ministry of Finance. In this context, agreed tax and tax penalty has been calculated as TL 25.112.

At 30 June 2012, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 80.028 which can be offset against future taxable profits for a period of five years (31 December 2011: TL 80.911).

As of 30 June 2012 the amount of the carry forward tax losses and the last fiscal periods in which they can be utilized are as follows:

	30 June 2012	31 December 2011
2012	11.337	14.796
2013	12.860	12.860
2014	47.475	52.876
2015	-	60
2016	8.356	319
Total	80.028	80.911

The movements in deferred income tax assets/ (liabilities) for the six month periods ended at 30 June 2012 and 2011 are as follows:

	30 June 2012	31 December 2011
Deferred Tax Assets	609.637	586.634
Deferred Tax Liabilities	459.181	451.789
Total	150.456	134.845

	30 June 2012	30 June 2011
Balances at 1 January	134.845	53.121
Charged directly to equity	(77.393)	7.667
Acquisition effects	(5.079)	-
Transfers from assets held for sale	-	(1.296)
Change within in the scope of consolidation	59	(2.669)
Currency translation differences	2.251	(812)
Charged to statement of income	95.879	57.336
Other	(106)	(4.280)
Balances at 30 June	150.456	109.067

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 19 - DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2012	Fair Value	
	Asset	Liability
Derivatives held for trading:		
Foreign exchange derivatives		
Currency and interest rate swaps purchases and sales	385.348	(410.115)
Forward currency purchases and sales	25.275	(74.507)
Currency and interest rate futures purchases and sales	40.053	(31.715)
Currency options purchases and sales	96.726	(99.555)
Total derivatives held for trading	547.402	(615.892)
Derivatives held for hedging:		
Currency and interest rate futures purchases and sales	10.072	(512.025)
Interest rate swap purchases and sales	253	(219)
Total derivatives held for hedging	10.325	(512.244)
Total derivatives	557.727	(1.128.136)
31 December 2011	Fair Value	
Derivatives held for trading:	Asset	Liability
Foreign exchange derivatives		
Currency and interest rate swaps purchases and sales	647.922	(502.462)
Forward currency purchases and sales	64.875	(65.918)
Currency and interest rate futures purchases and sales	54.569	(35.946)
Currency options purchases and sales	65.235	(69.770)
Total derivatives held for trading	832.601	(674.096)
Derivatives held for hedging:		
Currency and interest rate future purchases and sales	1.351	-
Interest rate swap purchases and sales	-	(330.918)
Total derivatives held for hedging	1.351	(330.918)
Total derivatives	833.952	(1.005.014)

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 20 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	30 June 2012	31 December 2011
Customer loans and credit cards receivables	30.044.269	25.287.278
Small scale enterprises	6.064.188	5.229.867
Construction	5.447.078	5.854.753
Health care and social services	4.201.879	3.982.466
Mining	3.585.020	2.732.393
Financial institutions	2.932.669	3.595.713
Other manufacturing industries	2.902.307	2.991.087
Chemicals	2.862.042	2.995.353
Food and beverage, wholesale and retail	2.596.273	2.419.997
Telecommunication	2.144.004	1.964.739
Textile	1.442.245	1.192.345
Project finance loans	1.107.508	1.268.737
Automotive	999.768	889.707
Tourism	930.907	757.384
Electronics	647.774	249.521
Agriculture and forestry	245.068	306.684
Other	13.466.457	11.588.621
	81.619.456	73.306.645
Non-performing loans	1.331.478	1.262.659
Total loans and advances to customers	82.950.934	74.569.304
Allowance for loan losses	(2.246.904)	(1.976.426)
Net loans and advances to customers	80.704.030	72.592.878

The movement of loan loss provision of banking segment as of 30 June 2012 by class is as follows:

	Corporate	Commercial	Total
1 January 2012	1.078.978	897.448	1.976.426
Gross provisions	180.588	312.946	493.534
Recoveries	(51.492)	(91.045)	(142.537)
Written - off	(20.797)	(59.713)	(80.510)
Currency translation differences	(9)	-	(9)
30 June 2012	1.187.268	1.059.636	2.246.904

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 20 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of loan loss provision of banking segment as of 30 June 2011 by class is as follows:

	Corporate	Commercial	Total
1 January 2011	969.340	828.320	1.797.660
Gross provisions	123.234	180.192	303.426
Recoveries	(84.336)	(112.636)	(196.972)
Written - off	(23.669)	(33.026)	(56.695)
Currency translation differences	14	-	14
30 June 2011	984.583	862.850	1.847.433

The maturity schedule of loans and advances to customers at 30 June 2012 and 31 December 2011 are summarised below:

	30 June 2012	31 December 2011
Up to 3 months	26.750.971	24.096.237
3 to 12 months	19.822.674	15.989.617
Current	46.573.645	40.085.854
1 to 5 years	25.714.375	24.156.809
Over 5 years	8.416.010	8.350.215
Non-current	34.130.385	32.507.024
Total	80.704.030	72.592.878

The repricing schedule of loans and advances to customers at 30 June 2012 and 31 December 2011 are summarised below:

	30 June 2012	31 December 2011
Up to 3 months	41.981.672	35.947.093
3 to 12 months	21.255.357	20.413.180
1 to 5 years	14.721.536	13.748.109
Over 5 years	2.745.465	2.484.496
Total	80.704.030	72.592.878

Leasing receivables:

Long-term and the short-term lease receivables of Ak Finansal Kiralama A.Ş. as a subsidiary of Akbank at 30 June 2012 is TL 1.674.796 (31 December 2011: TL 1.409.643).

b) Insurance

	30 June 2012	31 December 2011
Receivables from insurance operations (net)	251.733	155.267

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 21 - PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

	30 June 2012			31 December 2011		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	4.009.247	41.285.413	45.294.660	3.903.466	40.858.803	44.762.269
Commercial deposits	5.862.105	20.060.899	25.923.004	5.204.736	17.906.634	23.111.370
Bank deposits	276.490	9.189.817	9.466.307	392.604	9.893.214	10.285.818
Funds deposits under repo transactions	-	13.278.587	13.278.587	-	12.420.360	12.420.360
Other	1.087.176	2.336.174	3.423.350	221.261	1.019.525	1.240.786
Total	11.235.018	86.150.890	97.385.908	9.722.067	82.098.536	91.820.603

b) Insurance

	30 June 2012	31 December 2011
Payables from insurance operations (net)	40.762	32.525
Insurance technical reserves	570.108	520.986
Total	610.870	553.511

NOTE 22 - 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 six month periods ended 30 June 2012 and 2011 are as follows:

	30 June 2012	30 June 2011
Short term employee benefits	9.192	7.302
Benefits resulted from discharge	244	209
Other long term benefits	172	84
Total	9.608	7.595

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 23 - FINANCIAL RISK MANAGEMENT

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.

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 as at 30 June 2012 and 31 December 2011 terms of TL are as follows:

	30 June 2012	31 December 2011
Assets	57.486.808	56.749.714
Liabilities	(70.776.087)	(68.569.141)
Net foreign currency balance sheet position	(13.289.279)	(11.819.427)
Net foreign currency of off-balance sheet derivative financial instruments	12.417.354	11.224.319
Net foreign currency balance sheet and off-balance sheet position	(871.925)	(595.108)

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 23 - FINANCIAL RISK MANAGEMENT(Continued)

30 June 2012	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	4.028.489	2.162.768	1.702.295	37.004	126.422
Financial assets	9.199.883	6.444.331	2.755.552	-	-
Receivables from financial operations	35.886.533	25.701.187	10.091.515	40.378	53.453
Reserve deposits at Central Bank	7.463.337	2.316.551	4.283.664	-	863.122
Trade receivables	702.031	297.029	328.507	5.063	71.432
Other current assets	206.535	53.226	88.020	620	64.669
Total assets	57.486.808	36.975.092	19.249.553	83.065	1.179.098
Liabilities:					
Funds borrowed and debt securities in issue	19.987.035	12.753.773	7.155.852	10.554	66.856
Customer deposits	49.801.467	32.902.775	14.747.611	784.515	1.366.566
Trade payables	563.152	249.342	179.616	86	134.108
Other payables and provisions	424.433	160.279	213.861	1.482	48.811
Total Liabilities	70.776.087	46.066.169	22.296.940	796.637	1.616.341
Net foreign currency position of off-balance sheet derivative financial instruments	12.417.354	8.871.501	2.439.951	716.434	389.468
Net foreign currency position	(871.925)	(219.576)	(607.436)	2.862	(47.775)
Net foreign currency monetary position	(871.925)	(219.576)	(607.436)	2.862	(47.775)
31 December 2011					
	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	4.991.131	2.846.134	2.005.017	20.573	119.407
Financial assets	7.288.979	4.024.172	3.264.807	-	-
Receivables from financial operations	34.938.562	24.474.068	10.359.787	41.238	63.469
Reserve deposits at Central Bank	8.609.832	8.163.721	-	-	446.111
Trade receivables	705.232	287.420	338.736	6.501	72.575
Other current assets	215.978	75.903	52.666	474	86.935
Total Assets	56.749.714	39.871.418	16.021.013	68.786	788.497
Liabilities:					
Funds borrowed and debt securities in issue	23.206.015	16.070.513	7.084.785	10.851	39.866
Customer deposits	44.233.111	29.335.078	13.398.351	806.780	692.902
Trade payables	586.115	130.062	234.431	416	221.206
Other payables and provisions	543.900	154.762	333.824	3.783	51.531
Total Liabilities	68.569.141	45.690.415	21.051.391	821.830	1.005.505
Net foreign currency position of off-balance sheet derivative financial instruments	11.224.319	6.382.269	3.954.376	756.744	130.930
Net foreign currency position	(595.108)	563.272	(1.076.002)	3.700	(86.078)
Net foreign currency monetary position	(595.108)	563.272	(1.076.002)	3.700	(86.078)

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 23 - FINANCIAL RISK MANAGEMENT(Continued)

The following table summarizes the sensitivity of Group companies to the fluctuations in the foreign exchange rates for the six-month period ended 30 June 2012 and 2011:

30 June 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	(10.289)	10.289	-	-
Hedged items (-)	-	-	-	-
USD net effect	(10.289)	10.289	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(102.568)	102.568	-	-
Hedged items (-)	-	-	-	-
EUR net effect	(102.568)	102.568	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	193	(193)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	193	(193)	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(5.674)	5.674	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	(5.674)	5.674	-	-
	(118.338)	118.338	-	-
30 June 2011				
	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	43.240	(43.240)	-	-
Hedged items (-)	-	-	-	-
USD net effect	43.240	(43.240)	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(83.413)	83.413	-	-
Hedged items (-)	-	-	-	-
EUR net effect	(83.413)	83.413	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	1.202	(1.202)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	1.202	(1.202)	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(1.505)	1.505	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	(1.505)	1.505	-	-
	(40.476)	40.476	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

NOTE 24 - EVENTS AFTER THE BALANCE SHEET DATE

On 25 July 2012, Enerjisa, a joint venture of the Group, signed a new syndicated borrowing agreement for a EUR 750.000 loan which has a maturity of 11,5 years to finance the construction of Tufanbeyli Thermal Power Plant. The major part of the loan is insured by the Korea Trade Insurance Corporation (K-Sure). The lenders group consists of Société Générale, 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.

On 3 July 2012, Akbank, a subsidiary of the Group, has sold all its shares of Ak B Tipi Yatırım Ortaklığı A.Ş., 70,04% direct subsidiary of Akbank, to Egeli & Co. Yatırım Holding A.Ş. for an amount of TL 28.542.

The international rating agency Moody's has raised the Akbank's foreign currency debt rating to Baa2, investment grade, from Ba1. Furthermore, as a result of the change in Moody's methodology, it has been published that Moody's has dropped the long term global local currency rating to Baa2 from Baa1, the long term foreign currency deposit rating to Ba2 from Ba3, the financial strength rating to D plus from C minus, the Baseline Credit Assessment rating to Ba1 from Baa1 and the outlook on all ratings is stated as "Stable" and confirmed the Bank's short-term Turkish Lira rating as P-2 and foreign currency credit rating as NP.

As of 27 August 2012, shares in Aksigorta, a joint venture of the Group, is 36,00% equally for Holding and Ageas Insurance International N.V.