

Sabancı of Rising Turkey

2012 Q2 Earnings Presentation

SABANCI

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Turkey Macro Outlook Update-Q2 2012

- Sharp slowdown in the rate of growth in Q1 due to weak domestic demand
- Mild recovery in domestic demand in Q2 mostly through consumer demand
- Exports are also up in Q2
- Quarterly seasonally adjusted industrial production expanded by 1.3% quarter over quarter
- Q2 economic activity is expected to post a relatively higher increase on a quarterly basis

2012 Q2 is expected to record higher growth compared to 2012 Q1

2012 Expectations

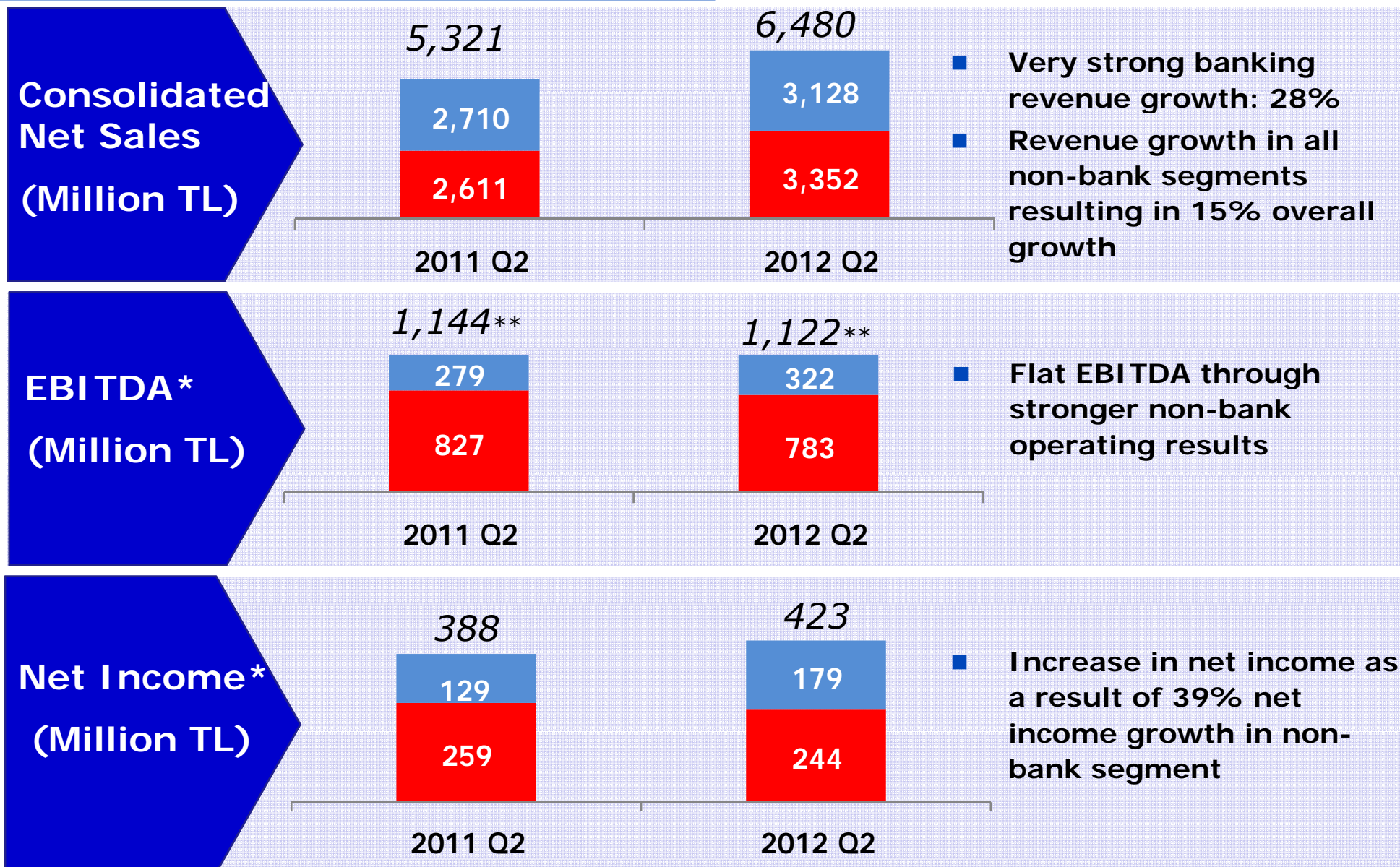
	<u>2011</u>	<u>2012(P)</u>
GDP Growth, %	8.5	3.5
Increase in CPI (%), annual	10.45	6.5
USD/TL, year end	1.89	1.85
Budget Deficit/GNP, %	(1.4)	(2.0)
Bond Interest, year end, %	11.1	8.2
Current Acc. Balance/GNP, %	(10.0)	(7.9)

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

Results Snapshot-2012 Q2

BANK

NON-BANK



*2011 figures excludes non operational items amounting to 343 MTL at EBITDA level and 312 MTL at net income level, mainly coming from Aksigorta share sales transaction.

** Intersegment eliminations are 38 MTL for 2011 Q2 and 17 MTL for 2012 Q2.

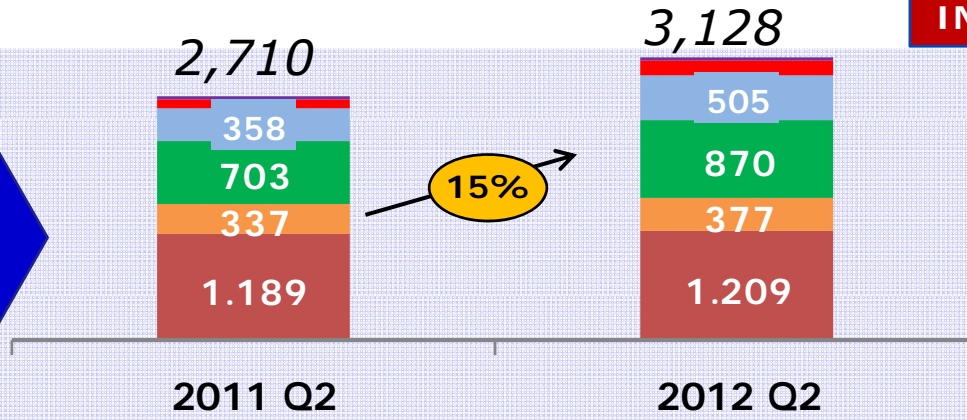
Calculation of EBITDA and Net Income Excluding Non-Operational Items

	2011 Q2	2012 Q2
SALES	5.321	6.480
EBITDA	1.487	1.122
Non operational items	343	-
Gain on sale of Aksigorta	249	-
Tax penalties		-
Reversal of impairment of Advansa BV	72	-
Loss on sale of Advansa BV	(38)	-
Gain on sale of fixed assets	73	-
Other	(13)	-
EBITDA-EXCLUDING NON-OPERATIONAL ITEMS	1.144	1.122
NET INCOME	700	423
Non operational items	312	-
Gain on sale of Aksigorta	249	-
Tax penalties	(11)	-
Reversal of impairment of Advansa BV	72	-
Loss on sale of Advansa BV	(38)	-
Gain on sale of fixed assets	40	-
NET INCOME-EXCLUDING -NON OPERATIONAL ITEMS	388	423

Non-bank Results-Q2

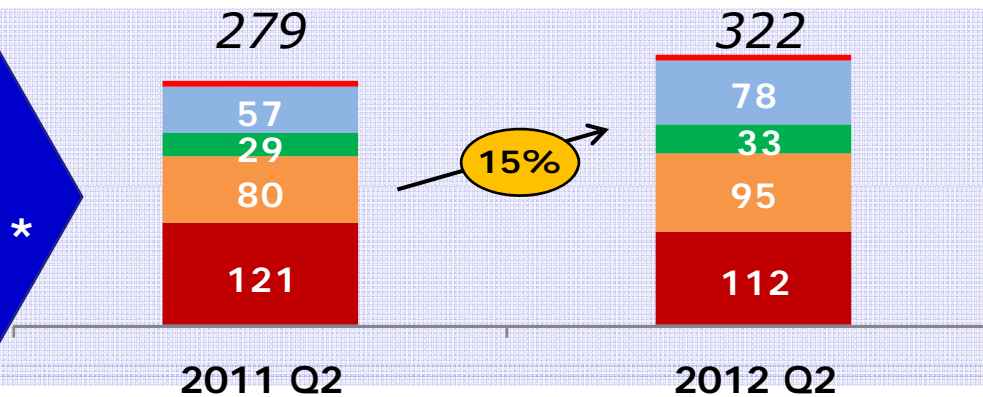
ENERGY	RETAIL	INSURANCE
INDUSTRY	CEMENT	OTHER

**Consolidated Net Sales
(Million TL)**



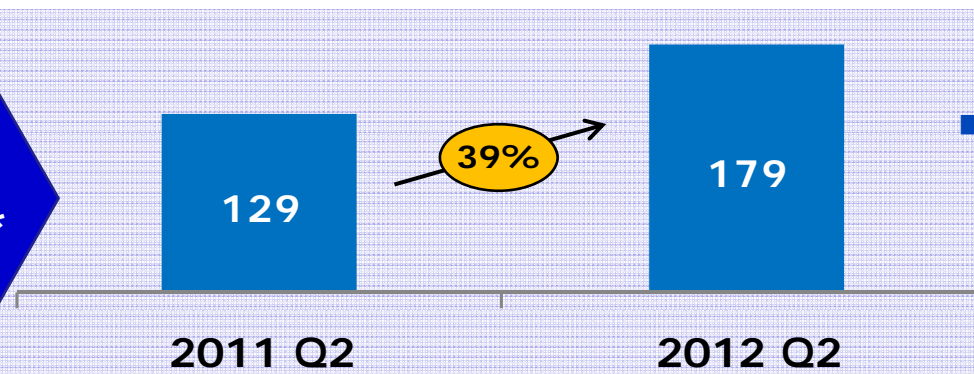
- Strong revenue growth mainly through energy and retail

**EBITDA
(Million TL) ***



- Non-bank segment EBITDA increased by 15%

**Net Income
(Million TL) ***



- Very strong net income growth mainly through energy

*Excluding non operational items.

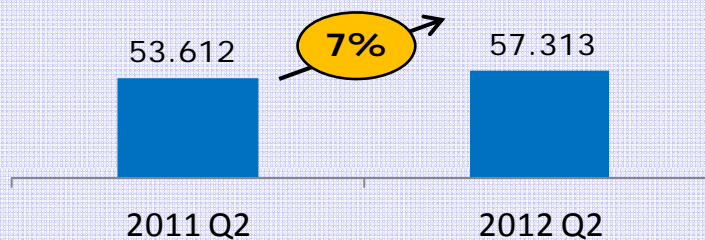
Energy

MILLION TL

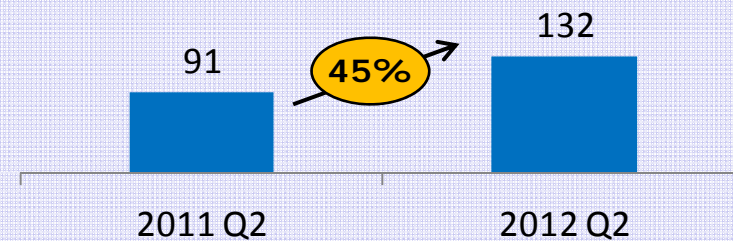
	2011 Q2	2012 Q2	% Change
SALES (NET)	400	556	39,2
COST OF SALES	(320)	(459)	43,5
OPERATIONAL EXPENSES	(47)	(45)	(3,4)
OTHER INCOME/(EXPENSE)	2	1	(55,2)
OPERATING INCOME	36	53	49,4
EBITDA	57	78	36,7
EBITDA EXCLUDING NON OPERATIONAL ITEMS	57	78	36,7
EBITDA Margin (%)	14,3%	14,0%	

Strong demand growth and increasing prices....

Electricity Demand (Gwh)



Day Ahead Prices (TL/MWh)



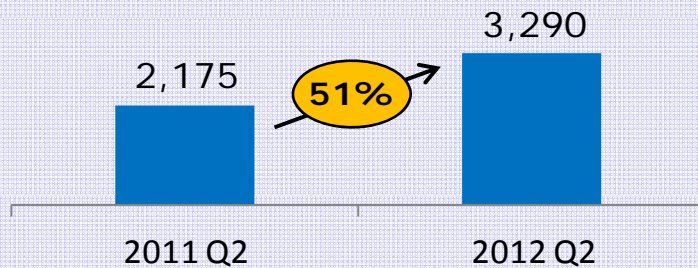
Enerjisa P&L

MILLION TL

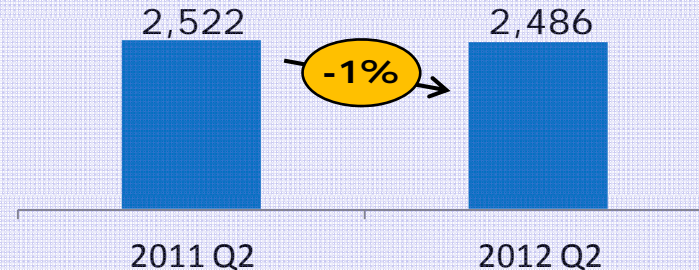
	2011 Q2	2012 Q2	% Change
SALES (NET)	800	1.113	39,2
EBITDA	114	156	36,7
NET INCOME	(79)	98	225,2
EBITDA Margin (%)	14,3%	14,0%	

Strong demand growth and increasing prices....

Generation&Trading Sales Volume (Gwh)



Distribution Business Retail Sales(Gwh)



Enerjisa Balance Sheet

MILLION TL	31.12.2011	30.06.2012	% Change
CASH AND CASH EQUIVALENTS	307	475	54,5
TRADE RECEIVABLES	460	543	18,2
OTHER CURRENT ASSETS	457	490	7,2
TOTAL CURRENT ASSETS	1.224	1.508	23,2
PROPERTY, PLANT AND EQUIPMENT	4.309	4.857	12,7
INTANGIBLE ASSETS	1.992	1.966	(1,3)
OTHER NONCURRENT ASSETS	1.279	1.392	8,8
TOTAL NONCURRENT ASSETS	7.580	8.215	8,4
TOTAL ASSETS	8.804	9.723	10,4
SHORT TERM BANK BORROWINGS	1.224	1.287	5,1
TRADE PAYABLES	579	602	4,0
OTHER CURRENT LIABILITIES	230	165	(28,2)
TOTAL CURRENT LIABILITIES	2.033	2.054	1,0
LONG TERM BANK BORROWINGS	2.668	2.544	(4,6)
OTHER NON CURRENT LIABILITIES	596	628	5,3
TOTAL NON CURRENT LIABILITIES	3.264	3.172	(2,8)
TOTAL EQUITY	3.507	4.497	28,2
TOTAL LIABILITIES AND EQUITY	8.804	9.723	10,4

Heavy investments are continuing with a solid balance sheet position...

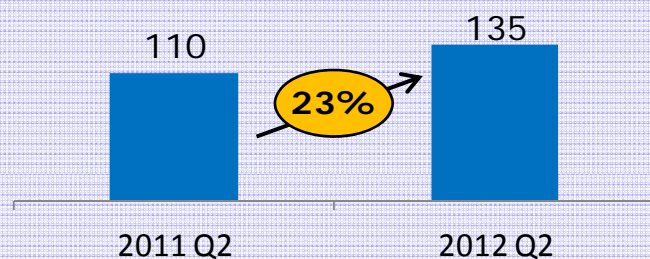
Retail

MILLION TL

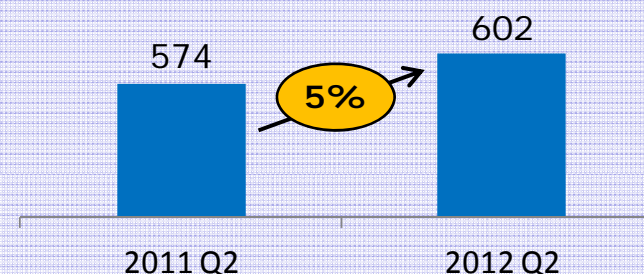
	2011 Q2	2012 Q2	% Change
SALES (NET)	704	871	23,8
COST OF SALES	(550)	(689)	25,4
OPERATIONAL EXPENSES	(142)	(166)	17,0
OTHER INCOME/(EXPENSE)	3	3	(4,1)
OPERATING INCOME	15	19	22,6
EBITDA	29	33	14,4
EBITDA EXCLUDING NON OPERATIONAL ITEMS	29	33	14,4
EBITDA Margin (%)	4,2%	3,8%	

Top line growth and profitability mainly driven by technology retail

Electronics Retail Sales Area (000 m²)



Food Retail Sales Area (000 m²)



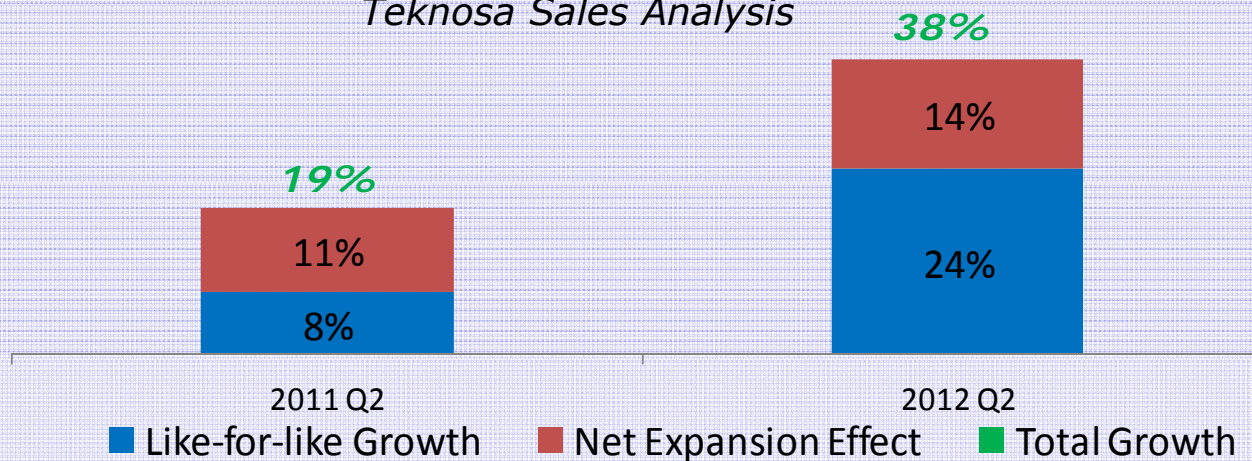
Teknosa

MILLION TL

	2011 Q2	2012 Q2	% Change
SALES (NET)	385	534	38,8
EBITDA	22	29	33,1
NET INCOME	9	11	24,6
EBITDA Margin (%)	5,7	5,5	

High profitability maintained despite the very strong revenue growth...

Teknosa Sales Analysis



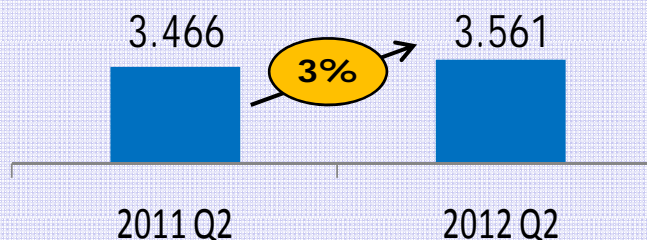
Cement

MILLION TL

	2011 Q2	2012 Q2	% Change
SALES (NET)	337	377	11,6
COST OF SALES	(259)	(282)	8,9
OPERATIONAL EXPENSES	(13)	(17)	25,2
OTHER INCOME/(EXPENSE)	(2)	(1)	(36,1)
OPERATING INCOME	63	77	21,0
EBITDA	80	95	19,4
EBITDA EXCLUDING NON OPERATIONAL ITEMS	80	95	19,4
EBITDA Margin (%)	23,6%	25,2%	

Slowdown due to severe weather conditions in Q1 was compensated in Q2...

Cement Sales(000 tones)



Insurance

MILLION TL

	2011 Q2	2012 Q2	% Change
SALES (NET)	109	148	35,9
COST OF SALES	(108)	(136)	26,4
OPERATIONAL EXPENSES	(19)	(23)	21,3
OTHER INCOME/(EXPENSE)	23	18	(22,5)
OPERATING INCOME	5	6	31,0

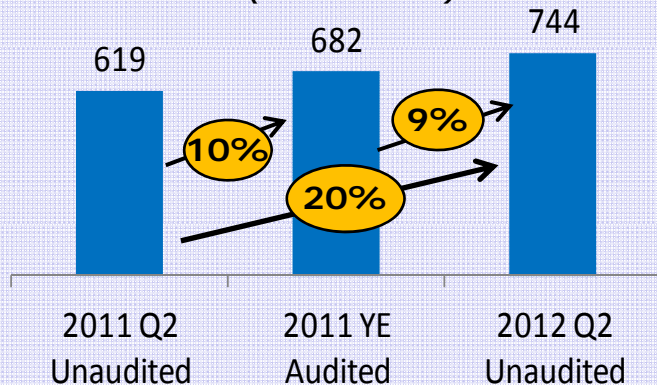
Solid operating results

Avivasa

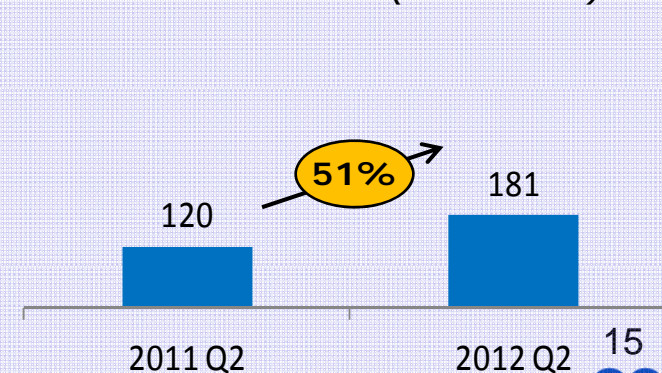
MILLION TL	2011 Q2	2012 Q2	% Change
SALES (NET)	40	52	28,6
OPERATING INCOME	2	11	n.m.
NET INCOME	8	13	61,5
AUM	2.789	3.536	26,8

20% increase in Market Consistent Embedded Value

Market Consistent Embedded Value (million TL)



Net Contribution (million TL)



Industrials

MILLION TL

	2011 Q2	2012 Q2	% Change
SALES (NET)	1.191	1.210	1,6
COST OF SALES	(1.001)	(1.037)	3,6
OPERATIONAL EXPENSES	(106)	(116)	9,4
OTHER INCOME/(EXPENSE)	(0)	19	n.m.
OPERATING INCOME	84	75	(9,7)
EBITDA	117	112	(4,0)
EBITDA EXCLUDING NON OPERATIONAL ITEMS	121	112	(7,2)
EBITDA Margin (%)	10,2%	9,3%	

High operating profitability comparable with 2011 levels despite challenging market environment...

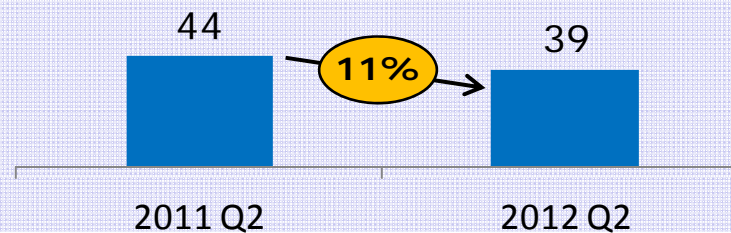
Kordsa Global

MILLION TL

	2011 Q2	2012 Q2	% Change
SALES (NET)	390	390	(0,1)
EBITDA	44	54	21,4
NET INCOME	28	20	(30,2)
EBITDA Margin (%)	11,3	13,7	

Increasing operating profitability compared to last year...

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



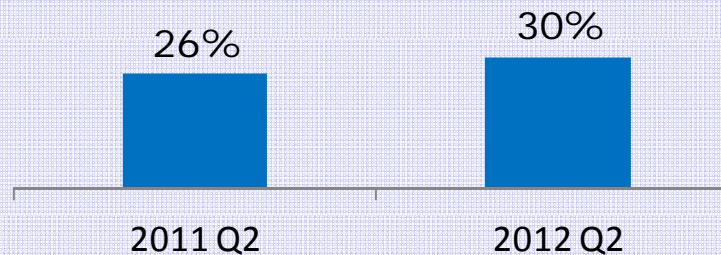
Brisa

MILLION TL

	2011 Q2	2012 Q2	% Change
SALES (NET)	319	338	5,9
EBITDA	30	41	34,3
NET INCOME	11	16	42,6
EBITDA Margin (%)	9,5	12,1	

Strengthened market leadership...

Market Share (Replacement-%)



Net Sales

MILLION TL	2011 Q2	2012 Q2	% Change
TOTAL	5.321	6.480	21,8
BANK	2.611	3.352	28,4
NON-BANK	2.710	3.128	15,4
ENERGY	358	505	41,0
RETAIL	703	870	23,6
CEMENT	337	377	11,6
INSURANCE	109	148	35,9
INDUSTRY	1.189	1.209	1,7
OTHERS	13	19	50,1

Double digit revenue growth mainly driven by banking, energy, retail and insurance businesses

EBITDA (EXCLUDING NON OPERATIONAL ITEMS)

	2011 Q2	% Margin	2012 Q2	% Margin
TOTAL	1.144	21,5%	1.122	17,3%
BANK	827	31,6%	783	23,2%
NON-BANK	279	10,1%	322	10,1%
ENERGY	57	14,3%	78	14,0%
RETAIL	29	4,2%	33	3,8%
CEMENT	80	23,6%	95	25,2%
INSURANCE	5	5,0%	7	4,7%
INDUSTRY	121	10,2%	112	9,3%
OTHER	(13)	n.m	(3)	n.m
INTERSEGMENT ELIM.	38		17	

Leverage and Consolidated FX Position

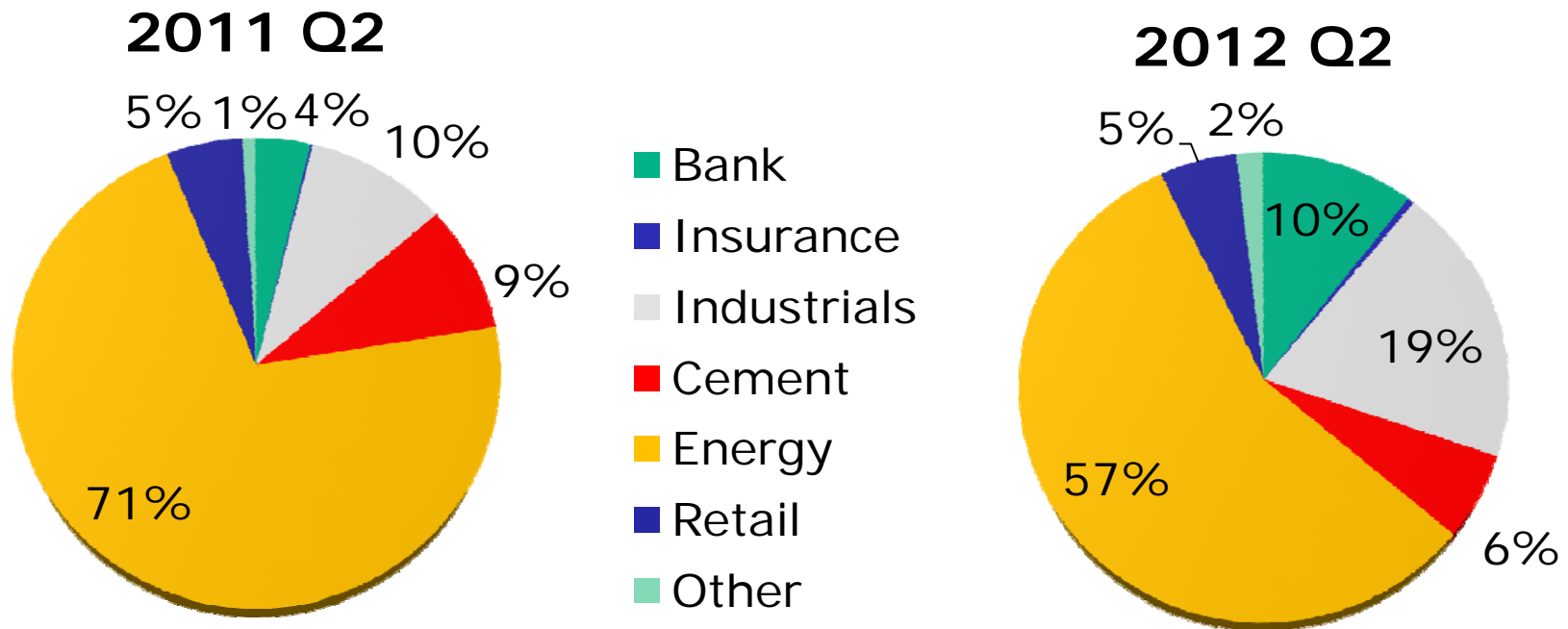
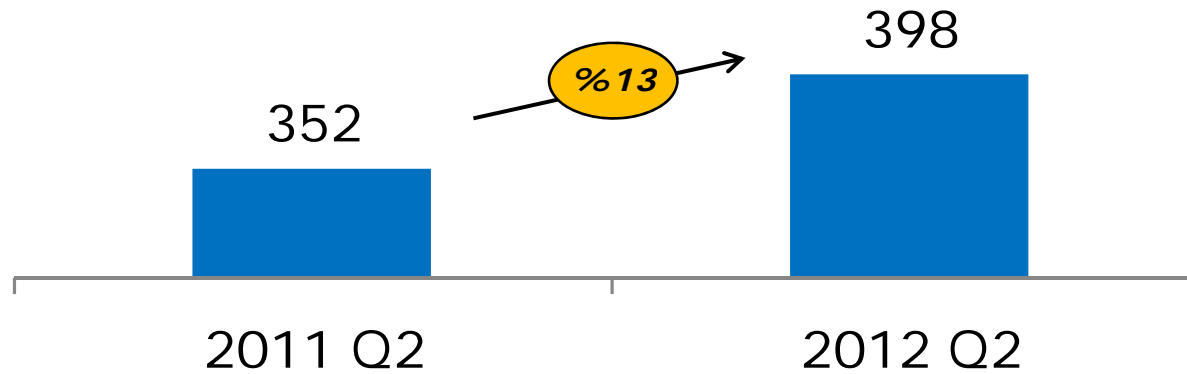
NET FX POSITION (excl. bank)	December 31, 2011	June 30, 2012
ENERGY	(881)	(865)
INDUSTRY	(144)	(169)
CEMENT	(5)	25
RETAIL	13	6
HOLDING&OTHER	579	348
TOTAL	(438)	(655)
TOTAL *	1	(134)

Million USD		
NET DEBT / (CASH) (excl. bank & ins.)	December 31, 2011	June 30, 2012
ENERGY	950	932
INDUSTRY	624	767
CEMENT	145	273
RETAIL	(130)	(53)
HOLDING&OTHER	(572)	(575)
TOTAL	1.017	1.344

* Capitalized borrowings of Energy segment amounting to 403 M USD and other FX assets/liabilities that do not create FX gain/loss are excluded (Capitalized borrowings Dec 31, 2011: 399 M USD).

Low FX exposure and high debt capacity

Organic Growth (Million TL)



Continuous investments for future profitability and growth...

Sabancı of Rising Turkey

Q&A

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