

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2014
TOGETHER WITH AUDITOR'S
REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**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 2014 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34, "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated 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 Independent Auditing Standards 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 consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

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.

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



Ömer Tanrıöver
Partner

İstanbul, 15 August 2014

CONTENTS	PAGE
CONDENSED CONSOLIDATED BALANCE SHEET.....	1-2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	3
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW.....	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7-84
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	7-8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	9-21
NOTE 3 BUSINESS COMBINATIONS.....	22-23
NOTE 4 SEGMENT REPORTING.....	24-43
NOTE 5 FINANCIAL ASSETS.....	44-46
NOTE 6 FINANCIAL LIABILITIES.....	46-49
NOTE 7 OTHER RECEIVABLES AND PAYABLES	50
NOTE 8 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD.....	51-52
NOTE 9 PROPERTY, PLANT AND EQUIPMENT.....	53-54
NOTE 10 INTANGIBLE ASSETS	55
NOTE 11 GOODWILL	56
NOTE 12 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	56-58
NOTE 13 COMMITMENTS.....	59-63
NOTE 14 OTHER ASSETS AND LIABILITIES	64
NOTE 15 EQUITY	64-66
NOTE 16 ASSETS HELD FOR SALE	66
NOTE 17 FINANCE INCOME/ EXPENSES.....	68
NOTE 18 TAX ASSETS AND LIABILITIES.....	69-72
NOTE 19 DERIVATIVE FINANCIAL INSTRUMENTS	72
NOTE 20 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	74-76
NOTE 21 PAYABLES FROM FINANCE SECTOR OPERATIONS.....	76
NOTE 22 RELATED PARTY DISCLOSURES.....	76
NOTE 23 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	77-81
NOTE 24 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)	82-84
NOTE 25 EVENTS AFTER THE REPORTING PERIOD	84

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2014

(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 2014	Restated Audited 31 December 2013
ASSETS			
Current Assets		107.598.841	105.134.288
Cash and Cash Equivalents		7.691.153	5.566.531
Financial Assets		8.700.390	16.993.146
- Held for Trading	5.a	88.840	124.740
- Available for Sale	5.b	7.660.672	13.127.822
- Held to Maturity	5.c	869.601	3.553.429
- Time Deposits	5.d	81.277	187.155
Trade Receivables		1.113.278	1.211.220
Receivables from Finance Sector Operations	20	65.591.834	59.416.942
Reserve Deposits with the Central Bank of the Republic Turkey		19.276.938	16.690.681
Other Receivables	7	574.023	611.929
Derivative Financial Instruments	19	805.539	1.767.417
Inventories		1.865.404	1.883.451
Prepaid Expenses		338.809	332.698
Other Current Assets	14	972.563	630.305
		106.929.931	105.104.320
Assets Classified as Held for Sale	16	668.910	29.968
Non-current Assets		112.795.617	101.436.531
Financial Assets		39.340.924	30.418.270
- Available for Sale	5.b	29.781.032	20.041.531
- Held to Maturity	5.c	9.559.892	10.376.739
Trade Receivables		81.045	41.189
Receivables from Finance Sector Operations	20	62.180.915	59.706.203
Other Receivables	7	46.296	45.679
Derivative Financial Instruments	19	281.508	630.177
Investments Accounted Through Equity Method	8	5.417.100	4.960.899
Investment Property		347.539	348.788
Property, Plant and Equipment	9	3.716.688	3.898.832
Intangible Assets		836.586	784.693
- Goodwill	11	478.935	478.935
- Other Intangible Assets	10	357.651	305.758
Prepaid Expenses		31.626	33.018
Deferred Tax Assets	18	503.510	495.383
Other Non-Current Assets	14	11.880	73.400
Total Assets		220.394.458	206.570.819

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 15 August 2014 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, Head of Planning, Reporting and Finance Department.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2014

(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 2014	Restated Audited 31 December 2013
LIABILITIES			
Short Term Liabilities		161.885.282	150.872.625
Financial Liabilities	6	18.897.288	16.311.856
Current Portion of Long-term Financial Liabilities	6	2.166.367	2.013.844
Trade Payables		1.755.955	1.918.494
Payables from Finance Sector Operations	21	130.871.366	123.368.888
Short Term Employee Benefits		45.008	47.178
Other Payables	7	3.642.085	3.911.097
Derivative Financial Instruments	19	924.768	1.190.196
Deferred Income		249.604	322.641
Income Taxes Payable	18	420.031	104.128
Short Term Provisions		626.457	613.596
- Short Term Provisions for Employee Benefits		173.886	165.467
- Other Short Term Provisions	12	452.571	448.129
Other Short Term Liabilities	14	1.903.152	1.070.707
		161.502.081	150.872.625
Liabilities Classified as Held for Sale	16	383.201	-
Long Term Liabilities		23.849.448	23.683.537
Financial Liabilities	6	11.019.670	11.905.902
Trade Payables		564	596
Payables from Finance Sector Operations	21	12.405.713	11.318.200
Other Payables	7	29.768	33.215
Derivative Financial Instruments	19	55.958	71.003
Deferred Income		56.928	66.683
Long Term Provisions		169.220	177.240
- Long Term Provisions for Employee Benefits		165.242	173.319
- Other Long Term Provisions	12	3.978	3.921
Deferred Tax Liabilities	18	108.965	107.706
Other Long Term Liabilities	14	2.662	2.992
EQUITY		34.659.728	32.014.657
Equity Attributable To The Parent	15	18.272.673	17.034.439
Share Capital	15	2.040.404	2.040.404
Adjustments to Share Capital		3.426.761	3.426.761
Share Premium		21.670	21.670
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss		289	1.240
- Actuarial Gains / Losses		289	1.240
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		(24.951)	(504.839)
- Currency Translation Reserve	15	254.743	258.722
- Hedge Reserve	15	(213.307)	(211.491)
- Revaluation Reserve	15	(66.387)	(552.070)
Restricted Reserves	15	871.366	926.278
Retained Earnings		10.958.314	9.391.529
Net Income for the Period		978.820	1.731.396
Non-controlling Interests		16.387.055	14.980.218
TOTAL EQUITY AND LIABILITIES		220.394.458	206.570.819

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 1 JANUARY – 30 JUNE 2014

(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 2014	Not reviewed 1 April - 30 June 2014	Reviewed 1 January - 30 June 2013	Not reviewed 1 April - 30 June 2013
CONTINUING OPERATIONS					
Sales (net)	4	5.131.811	2.587.408	3.351.852	1.793.248
Cost of Sales (-)	4	(4.079.930)	(2.053.718)	(2.811.072)	(1.493.685)
Gross Profit from Non-Financial Operations		1.051.881	533.690	540.780	299.563
Interest, Premium, Commission and Other Income	4	8.343.727	4.522.086	7.462.025	3.707.808
Interest, Premium, Commission and Other Expense (-)		(4.639.082)	(2.514.409)	(3.118.221)	(1.506.579)
Gross Profit from Financial Operations		3.704.645	2.007.677	4.343.804	2.201.229
GROSS PROFIT		4.756.526	2.541.367	4.884.584	2.500.792
General and Administrative Expenses (-)		(2.144.792)	(1.138.045)	(1.960.841)	(847.867)
Marketing, Selling and Distribution Expenses (-)		(594.340)	(299.618)	(276.000)	(139.157)
Research and Development Expenses (-)		(2.544)	(1.027)	(5.325)	(1.112)
Income from Other Operating Activities		443.147	285.276	250.041	85.795
Expense from Other Operating Expense (-)		(217.394)	(127.298)	(90.428)	(55.735)
Interest in Income of Investments Accounted Through Equity Method	8	212.286	121.595	185.242	72.717
OPERATING PROFIT		2.452.889	1.382.250	2.987.273	1.615.435
Income from Investment Activities		86.117	61.121	30.216	8.945
Expense from Investment Activities (-)		(1.510)	(636)	(412)	(264)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		2.537.496	1.442.735	3.017.077	1.624.114
Financial Income	17	35.781	24.298	24.956	11.432
Financial Expenses (-)	17	(89.786)	(46.255)	(85.621)	(51.682)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		2.483.491	1.420.778	2.956.412	1.583.864
Tax Income / (Expense) from Continuing Operations					
Current Income Tax Expense		(691.261)	(331.914)	(620.605)	(316.985)
Deferred Income Tax Benefit / Charge	18	220.357	64.914	37.856	3.619
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		2.012.587	1.153.778	2.373.663	1.270.498
DISCONTINUED OPERATIONS					
Net Income / (Loss) After Tax From Discontinued Operations	16	31.881	14.172	(30.621)	(20.756)
NET INCOME FOR THE PERIOD		2.044.468	1.167.950	2.343.042	1.249.742
ALLOCATION OF NET INCOME		2.044.468	1.167.950	2.343.042	1.249.742
- Non-controlling Interests		1.065.648	609.147	1.253.730	715.254
- Equity Holders of the Parent		978.820	558.803	1.089.312	534.488
Earnings per share					
- thousands of ordinary shares (TL)		4,80	2,74	5,34	2,62
Earnings per share from continuing operations					
- thousands of ordinary shares (TL)		4,64	2,67	5,49	2,72

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY – 30 JUNE 2014

(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 2014	Not Reviewed 1 April - 30 June 2014	Reviewed 1 January - 30 June 2013	Not Reviewed 1 April - 30 June 2013
NET INCOME FOR THE PERIOD		2.044.468	1.167.950	2.343.042	1.249.742
Other Comprehensive Income / (Loss) :					
Items That Will Not Be Reclassified Subsequently To Profit or Loss					
Actuarial gains / (losses)	18	(951)	(792)	(655)	(404)
Items That Will Be Reclassified Subsequently To Profit or Loss					
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	18	1.583.112	1.356.333	(1.958.442)	(1.752.909)
Gains/(losses) on available for sale financial assets transferred to the income statement, after tax	18	(332.189)	(339.675)	(588.927)	(231.618)
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	(63.625)	(29.789)	(5.587)	(5.431)
Currency translation differences	18	(4.592)	(37.124)	85.677	115.312
Cash flow hedges, after tax	18	9.585	20.634	93.700	21.109
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	18	2.619	8.867	(22.917)	(26.493)
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		1.193.959	978.454	(2.397.151)	(1.880.434)
TOTAL COMPREHENSIVE INCOME		3.238.427	2.146.404	(54.109)	(630.692)
ALLOCATION OF TOTAL COMPREHENSIVE INCOME					
- Non-controlling Interests		1.780.668	1.199.770	(181.926)	(425.470)
- Equity Holders of the Parent		1.457.759	946.634	127.817	(205.222)

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY - 30 JUNE 2014**

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

	Not Be Reclassified		Accumulated Other Comprehensive Income or Loss That Will Be Reclassified		Share Capital	Adjustment to share capital	Treasury shares (-)	Share premium	Actuarial gains/losses	Currency translation reserve	Hedge reserve	Revaluation funds	Restricted reserves	Retained earnings	Net income for the year	Equity attributable to the parent	Non-controlling interests	Total
	to Profit or Loss	to Profit or Loss	to Profit or Loss	to Profit or Loss														
Balances at 1 January 2013	2.040.404	3.426.761	21.670	21.670	21.670	(52.227)	21.670	(2.736)	145.287	(223.386)	690.155	654.707	7.691.951	1.859.491	16.251.076	14.261.968	30.513.044	
Transfers	-	-	-	-	-	-	-	-	-	-	-	122	-	1.858.368	(1.858.491)	-	-	-
Subsidiary liquidation	-	-	-	-	-	-	-	-	-	-	-	-	-	31.080	-	31.080	-	31.080
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	-	103	-	-	(4.496)	-	(4.393)	(1.730)	(6.123)
Effect of subsidiary public offering (**)	-	-	-	-	-	51.877	-	-	-	-	-	-	-	275.699	-	327.576	268.718	596.294
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.384)	-	(13.384)	-	(13.384)
Dividends paid (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	(213.542)	-	(213.542)	(395.633)	(609.175)
Total comprehensive income	-	-	-	-	-	-	-	(655)	41.067	40.027	(1.041.934)	-	-	-	1.089.312	127.817	(181.926)	(54.109)
Balances at 30 June 2013	2.040.404	3.426.761	21.670	21.670	21.670	(350)	21.670	(3.391)	186.354	(183.359)	(351.676)	654.829	654.829	9.625.676	1.089.312	16.506.230	13.951.397	30.457.627
Balances at 1 January 2014	2.040.404	3.426.761	-	21.670	-	-	-	1.240	258.722	(211.491)	(552.070)	926.278	926.278	9.391.529	1.731.396	17.034.439	14.980.218	32.014.657
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(54.912)	1.786.309	(1.731.396)	-	-	-
Dividends paid (**)	-	-	-	-	-	-	-	(951)	(3.979)	(1.816)	485.683	-	-	(219.524)	-	(219.524)	(373.832)	(693.356)
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	978.820	978.820	1.457.758	1.780.669	3.238.426
Balances at 30 June 2014	2.040.404	3.426.761	21.670	21.670	21.670	-	21.670	289	254.743	(213.307)	(66.387)	871.366	871.366	10.958.314	978.820	18.272.673	16.387.055	34.659.728

(*) Net profit after tax due to the sale of Sabancı Holding shares, owned by Çimsa and Tursa, the Group's subsidiaries, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa, have been accounted for under equity in 2013.

(**) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,10 (30 June 2013: TL 0,10).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 1 JANUARY – 30 JUNE 2014

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

	Note References	Current Period 1 January- 30 June 2014	Restated Prior Period 1 January- 30 June 2013
Net income before tax from continuing operations		2.483.491	2.956.412
Net income before tax from discontinued operations	16	31.881	(30.621)
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Depreciation and amortisation expenses	4	231.306	186.253
Provision for loan losses	20	998.412	867.699
Changes in the fair value of derivative instruments		1.042.767	(651.545)
Interest income and foreign currency gains		174.799	361.170
Interest expense		83.039	137.492
Provision for employment termination benefits		34.717	15.740
Impairment charge on property, plant and equipment, intangible assets and investment property	4	780	224
Currency translation differences		(5.474)	43.639
Income from associates	8	(212.286)	(185.242)
Provision for / (reversal of) inventory impairment		(3.186)	(864)
Provision for/ (reversal of) doubtful receivables		(3.088)	(5.433)
Other		(5.531)	17.081
Net cash provided by operating activities before changes in operating assets and liabilities		4.851.627	3.712.005
Changes in trade receivables		61.173	(50.762)
Changes in inventories		21.234	143.701
Changes in other receivables and other current assets		(248.175)	179.170
Changes in trade payables		(162.571)	(138.385)
Changes in other liabilities and other payables		373.727	(380.925)
Net cash provided in operating activities of assets classified as held for sale		(97.115)	32.503
Changes in assets and liabilities in finance segment:			
Changes in securities held for trading		36.030	(78.788)
Changes in receivables from financial operations		(9.752.664)	(13.248.835)
Changes in payables from financial operations		8.534.833	12.751.943
Changes in reserve with the Central Bank of the Republic of Turkey		(1.315.544)	876.744
Income taxes paid		(398.460)	(662.552)
Employment termination benefits paid		(25.550)	(22.913)
Net cash used in operating activities		1.878.545	3.112.906
Cash flows from investing activities:			
Capital expenditures	4	(348.765)	(214.225)
(Sale) / purchase of available for sale and held to maturity financial assets		776.700	(4.849.939)
Proceeds from sale of non current assets held for sale, property, plant and equipment and intangible assets		13.776	47.789
Dividends received		319.974	278.901
Net cash (used in) investment activities of non-current assets		-	-
Cash provided from the sale of subsidiary		-	596.294
Cash provided from the sale of joint venture		-	101.230
Net cash (used in) investing activities		761.685	(4.039.950)
Cash flows from financing activities:			
Changes in financial liabilities		1.827.115	1.842.039
Dividends paid		(219.524)	(213.542)
Dividends paid to non-controlling interests		(373.832)	(395.633)
Change in the effective ownership of subsidiaries		-	(1.730)
Capital increase of joint ventures		(450.000)	(478.234)
Net cash (used in) financing activities of non-current assets classified as held for sale		-	-
Net cash provided by / (used in) financing activities		783.759	752.900
Effect of change in foreign currency rates on cash and cash equivalents		(28.946)	229.713
Net increase/(decrease) in cash and cash equivalents		3.395.043	55.569
Cash and cash equivalents at the beginning of the period (*)		2.597.707	4.669.774
Cash and cash equivalents at the end of the period		5.992.750	4.725.343

(*) Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 500 and cash and cash equivalents at the end of the period comprise interest accruals of TL 208 (30 June 2013: TL 624 and TL 624 respectively). Restricted cash in the banks is not included in the cash and cash equivalents. At the beginning and at the end of the current period, restricted deposit is TL 2.968.616 and TL 1.698.195, respectively (30 June 2013: TL 1.660.155 and TL 2.030.878, 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family (Note 15). The number of employees in 2014 is 59.517 (31 December 2013: 58.907). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa Istanbul ("BIST") (previously known as the Istanbul Stock Exchange ("ISE")) since 1997. As of 30 June 2014, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 15)

	%
Sakıp Sabancı Holding A.Ş	14,07
Serra Sabancı	7,21
Suzan Sabancı Dinçer	6,94
Çiğdem Sabancı Bilen	6,94
Other	64,84
	100,00

Subsidiaries

As of 30 June 2014, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Name of Exchange Traded	Nature of business	Business segment	Number of employees
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	16.569
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	BİST	Tire reinforcement	Industry	4.267
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.866
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement and clinker	Cement	2.194
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retail	3.923
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	7
Ankara Enternasyonal Otelcilik A.Ş. ("AEO")	-	Tourism	Other	3
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	7
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	-	Trade of data and processing systems	Other	128
Sasa Polyester Sanayi A.Ş. ("Sasa") (*)	BİST	Chemicals and textile	Industry	1.214
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.979
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	BİST	Trade of consumer goods	Retail	8.911

(*) The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group's subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group's shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 1 - ORGANISATION AND 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).

Joint Ventures

As of 30 June 2014, the nature of business and operating segments of the Joint Ventures which are accounted through equity method in the consolidated financial statements are as follows:

Joint Ventures	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees
Aksigorta A.Ş. ("Aksigorta")	BİST	Insurance	Insurance	Ageas	651
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	-	Pension	Insurance	Aviva	1.560
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	2.273
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement and clinker	Cement	Heidelberg	2.761
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	-	Energy	Energy	E.ON SE	8.652
Temsa İş Makinaları A.Ş. (*)	-	Construction Equipments	Industry	Marubeni	139

All the Joint Ventures are registered in Turkey.

(*)The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, representing 49% of the total capital of the entity to Japon Marubeni Corporation, has been signed on 3 March 2014. The majority of the shareholding will remain at Temsa Global by 51% ownership. The transfers of shares have been executed on 28 April 2014.

Affiliates

As of 30 June 2014, the nature of business and operating segments of the Affiliates which are accounted through equity method in the consolidated financial statements are as follows:

Associates	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees (**)
Philsa Philip Morris Sabancı Sigara ve Tütün San. Ve Tic. A.Ş ("Philsa")	-	Tobacco products production	Industry	Philip Morris	2.209
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	-	Tobacco products marketing and sales	Industry	Philip Morris	2.209

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 *Basis of Presentation*

2.1.1 Statement of Compliance to TAS

Sabancı Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements ("Statutory Financial Statements") in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles and instructions promulgated by the Banking Regulation and Supervising Agency for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

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

The Group issued the condensed financial statements as of 30 June 2014 in accordance with Turkish Accounting Standard No: 34 "Interim Financial Reporting".

Based on this Communiqué, explanations and disclosures which are required in the annual consolidated financial statements prepared in accordance with TAS / IFRS have been summarized or not presented to comply with TAS 34. The accompanying condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2013. Interim financial results are not solely indicators of the results for the year end.

Preparation of Financial Statements in Hyperinflationary Periods

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

Functional and Presentation Currency

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.2 Adoption of New and Revised Turkish Accounting Standards

(a) New and Revised TFRSs affecting disclosures, financial performance and balance sheet

None.

(b) New and revised standards applicable in 2014 with no material effect on the consolidated financial statements of the Group

Amendments to TFRS 10, 11, TAS 27	<i>Investment Entities¹</i>
Amendments to TAS 32	<i>Offsetting Financial Assets and Financial Liabilities¹</i>
Amendments to TAS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets¹</i>
Amendments to TAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting¹</i>
TFRS Interpretation 21	<i>Levies¹</i>

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

Amendments to TFRS 10, 11, TAS 27 *Investment Entities*

This amendment with the additional provisions of TFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to TAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to TAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

Amendments to TAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

As a consequence of TFRS 13 *Fair Value Measurements*, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of TAS 36 has been changed.

Amendments to TAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

This amendment to TAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.2 Adoption of New and Revised Turkish Accounting Standards (continued)

(b) New and revised standards applicable in 2014 with no material effect on the consolidated financial statements of the Group (continued)

TFRS Interpretation 21 Levies

TFRS Interpretation 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

(c) New and Revised TFRSs in issue but not yet effective

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

TFRS 9 Financial Instruments

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to TFRS 9 and TFRS 7 Mandatory Effective Date of TFRS 9 and Transition Disclosures

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2017.

The Group evaluates the standards' effects on the financial position and performance.

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 Turkish Accounting 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 on which the Holding has the power to control directly or indirectly. The Group has control over a company if it is exposed to variable returns as a result of a business relationship with a company or has right on these returns and at the same time has the power to influence these returns with its power on the company.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

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

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

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 30 June 2014 and 31 December 2013:

Subsidiaries	30 June 2014		31 December 2013	
	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of ownership interest %	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of ownership interest %
AEO	76,85	76,85	76,85	76,85
Akbank	40,77	40,77	40,77	40,77
Bimsa	100,00	100,00	100,00	100,00
Çimsa	58,41	53,00	58,41	53,00
Exsa	61,68	46,23	61,68	46,23
Kordsa Global	91,11	91,11	91,11	91,11
Teknosa	60,29	60,29	60,29	60,29
Temsa	48,71	48,71	48,71	48,71
Tursa	100,00	100,00	100,00	100,00
Yünsa	57,88	57,88	57,88	57,88
Sasa (*)	51,00	51,00	51,00	51,00
Carrefoursa	50,93	50,93	50,93	50,93

(*) The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group's subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group's shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 *Basis of Presentation (continued)*

2.1.3 **Basis of Consolidation (continued)**

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

Financial statements of Subsidiaries whose financial position at 30 June 2014 and result of operations for period ended 30 June 2014 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).

- d) Joint arrangements are agreements where Holding and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint agreements are grouped according to the procedure described below and the relevant accounting:
- i) Joint operation – If Holding and its subsidiaries have rights and liabilities relating to operations subject to a joint arrangement, such rights and liabilities are accounted through proportionate consolidation method in the consolidated financial statements.
 - ii) Joint venture – If Holding and its subsidiaries have rights on net assets relating to operations subject to a joint arrangement, such net assets are accounted through equity method in the consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (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 2014 and 31 December 2013:

	30 June 2014		31 December 2013	
	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
Joint Ventures	%	%	%	%
Akçansa	39,72	39,72	39,72	39,72
Aksigorta	36,00	36,00	36,00	36,00
Avivasa	49,83	49,83	49,83	49,83
Brisa	43,63	43,63	43,63	43,63
Enerjisa Enerji (*)	50,00	50,00	50,00	50,00
Temsa İş				
Makinaları (**)	24,84	24,84	-	-

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

(**) The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, representing 49% of the total capital of the entity to Japon Marubeni Corporation, has been signed on 3 March 2014. The majority of the shareholding will remain at Temsa Global by 51% ownership. The transfers of shares have been executed on 28 April 2014.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

- e) Investments in Associates are accounted for by the equity method. These are companies where the Group has significant influence rather than control over the business operations. Unrealized gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation considering the Group share, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is not applied for Investments in Associates if the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are recognized at fair value if the fair value can be determined objectively; otherwise, they are recognized at cost (Note 8 and Note 2.e). Financial statements of associates, whose financial position at 30 June 2014 and result of operations for the period year ended 30 June 2014 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 2014 and 31 December 2013:

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

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

- f) Other investments over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 5.b).
- g) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively. The portion of the profit or loss and net assets of Subsidiaries attributable to equity interests that are not owned, directly or indirectly through the Subsidiaries, by the parents, is presented as non-controlling interest. Certain Sabancı family members, Sabancı Vakfı, a charitable foundation established by Sabancı family members and Akbank Tekaüt Sandığı, a retirement foundation for Akbank employees, have interests in the share capital of certain Subsidiaries and Associates. In these consolidated financial statements their interests are treated as non-controlling interest and are not included in the Holding's net assets and profits attributable to shareholders of the Holding.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 *Basis of Presentation (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 realize 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 prior year. The Group presented the consolidated balance sheet as of 30 June 2014 comparatively with the consolidated balance sheet as of 31 December 2013 and presented the consolidated statement of profit or loss, statement of cash flows and statement of changes in equity for the year 1 January-30 June 2014 comparatively with the year 1 January-30 June 2013.

The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group's subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group's shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities. As of 30 June 2014 and 2013, the income statement items of Sasa has been reclassified to "Discontinued Operations" on the condensed consolidated statement of profit or loss.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

The table below summarizes the restatements to the consolidated balance sheet as of 31 December 2013 and statement of profit or loss and statement of comprehensive income of the Group for the period ended 30 June 2013:

	As Previously Reported 31 December 2013	Adjustments/ Reclassifications	Restated 31 December 2013
ASSETS			
Current Assets	105.134.288	-	105.134.288
Cash and Cash Equivalents	9.746.904	(4.180.373)	5.566.531
Financial Assets	12.812.773	4.180.373	16.993.146
- Held for Trading	123.737	1.003	124.740
- Available for Sale	10.725.165	2.402.657	13.127.822
- Held to Maturity	1.776.715	1.776.714	3.553.429
- Time Deposits	187.156	-	187.156
Trade Receivables	1.211.220	-	1.211.220
Receivables from Finance Sector Operations	59.416.942	-	59.416.942
Reserve Deposits with the Central Bank of the Republic Turkey	16.690.681	-	16.690.681
Other Receivables	611.929	-	611.929
Derivative Financial Instruments	1.767.417	-	1.767.417
Inventories	1.883.451	-	1.883.451
Prepaid Expenses	332.698	-	332.698
Other Current Assets	630.305	-	630.305
	105.104.320	-	105.104.320
Assets Classified as Held for Sale	29.968	-	29.968
Non-current Assets	101.436.531	-	101.436.531
Financial Assets	30.418.270	-	30.418.270
- Available for Sale	20.041.531	-	20.041.531
- Held to Maturity	10.376.739	-	10.376.739
Trade Receivables	41.189	-	41.189
Receivables From Finance Sector Operations	59.706.203	-	59.706.203
Other Receivables	45.679	-	45.679
Derivative Financial Instruments	630.177	-	630.177
Investments Accounted Through Equity Method	4.960.899	-	4.960.899
Investment Property	348.788	-	348.788
Property, Plant and Equipment	3.898.832	-	3.898.832
Intangible Assets	784.693	-	784.693
- Goodwill	478.935	-	478.935
- Other Intangible Assets	305.758	-	305.758
Prepaid Expenses	33.018	-	33.018
Deferred Tax Assets	495.383	-	495.383
Other Non-Current Assets	73.400	-	73.400
Total Assets	206.570.819	-	206.570.819

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

	As Previously Reported 31 December 2013	Adjustments / Reclassifications	Restated 31 December 2013
LIABILITIES			
Short Term Liabilities	150.872.625	-	150.872.625
Financial Liabilities	16.311.856	-	16.311.856
Current Portion of			
Long Term Liabilities	2.013.844	-	2.013.844
Trade Payables	1.918.494	-	1.918.494
Payables from Finance Sector Operations	123.368.888	-	123.368.888
Short Term Employee Benefits	47.178	-	47.178
Other Payables	3.911.097	-	3.911.097
Derivative Financial Instruments	1.190.196	-	1.190.196
Deferred Income	322.641	-	322.641
Income Taxes Payable	104.128	-	104.128
Short Term Provisions	613.596	-	613.596
-Short Term Provisions			
for Employee Benefits	165.467	-	165.467
-Other Short Term Provisions	448.129	-	448.129
Other Short Term Liabilities	1.070.707	-	1.070.707
Long Term Liabilities	23.683.537	-	23.683.537
Financial Liabilities	11.905.902	-	11.905.902
Trade Payables	596	-	596
Payables from Finance Sector Operations	11.318.200	-	11.318.200
Other Liabilities	33.215	-	33.215
Derivative Financial Instruments	71.003	-	71.003
Deferred Income	66.683	-	66.683
Long Term Provisions	177.240	-	177.240
-Long Term Provisions			
for Employee Benefits	173.319	-	173.319
- Other Long Term Provisions	3.921	-	3.921
Deferred Tax Liabilities	107.706	-	107.706
Other Long Term Liabilities	2.992	-	2.992
EQUITY	32.014.657	-	32.014.657
Equity Attributable to the Parent	17.034.439	-	17.034.439
Share Capital	2.040.404	-	2.040.404
Adjustment to Share Capital	3.426.761	-	3.426.761
Treasury Shares (-)	-	-	-
Share Premium	21.670	-	21.670
Accumulated Other Comprehensive Income or Loss			
That Will Not Be Reclassified to Profit or Loss	1.240	-	1.240
- Actuarial Gain / Loss	1.240	-	1.240
Accumulated Other Comprehensive Income or Loss			
That Will Be Reclassified to Profit or Loss	(504.839)	-	(504.839)
- Currency Translation Reserve	258.722	-	258.722
- Hedge Reserve	(211.491)	-	(211.491)
- Revaluation Reserve	(552.070)	-	(552.070)
Restricted Reserves	926.278	-	926.278
Retained Earnings	9.391.529	-	9.391.529
Net Income for the Year	1.731.396	-	1.731.396
Non-controlling Interests	14.980.218	-	14.980.218
TOTAL EQUITY AND LIABILITIES	206.570.819	-	206.570.819

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

	As Previously Reported 1 January - 30 June 2013	Adjustments / Reclassifications	Restated 1 January - 30 June 2013
CONTINUING OPERATIONS			
Sales (net)	3.887.227	(535.375)	3.351.852
Cost of Sales (-)	(3.316.321)	505.249	(2.811.072)
Gross Profit From Non-Financial Operations	570.906	(30.126)	540.780
Interest, Premium, Commission and Other Income	7.462.025	-	7.462.025
Interest, Premium, Commission and Other Expense (-)	(3.118.221)	-	(3.118.221)
Gross Profit From Financial Operations	4.343.804	-	4.343.804
GROSS PROFIT	4.914.710	(30.126)	4.884.584
General and Administrative Expenses (-)	(1.968.832)	7.991	(1.960.841)
Marketing, Selling and Distribution Expenses (-)	(294.110)	18.110	(276.000)
Research and Development Expenses (-)	(6.602)	1.277	(5.325)
Other Operating Income	321.137	(71.096)	250.041
Other Operating Expenses (-)	(122.913)	32.485	(90.428)
Interest in Income of Investments Accounted Through Equity Method	188.305	(3.063)	185.242
OPERATING PROFIT	3.031.695	(44.423)	2.987.273
Income from Investment Activities	893	29.323	30.216
Expense from Investment Activities (-)	(412)	-	(412)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES	3.032.176	(15.100)	3.017.077
Financial Income	25.469	(513)	24.956
Financial Expenses (-)	(100.825)	15.204	(85.621)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	2.956.820	(409)	2.956.412
Tax income / (expense) from continuing operations			
Current Income Tax Expenses	(620.235)	(370)	(620.605)
Deferred Income Tax Benefit	37.856	-	37.856
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	2.374.441	(778)	2.373.663
DISCONTINUED OPERATIONS			
Net (Loss) After Tax From Discontinued Operations	(31.399)	778	(30.621)
NET INCOME / (LOSS) FOR THE PERIOD	2.343.042	-	2.343.042
ALLOCATION OF NET INCOME	2.343.042	-	2.343.042
- Non-controlling Interests	1.253.730	-	1.253.730
- Equity Holders of the Parent	1.089.312	-	1.089.312

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

	Before Restatement 1 January- 30 June 2013	Adjustments/ Reclassifications	Restated 1 January- 30 June 2013
NET INCOME FOR THE PERIOD	2.343.042	-	2.343.042
Other Comprehensive Income / (Loss) :	-	-	-
Items That Will Not Be Reclassified Subsequently To Profit or Loss	-	-	-
Actuarial Gains / Losses	-	(655)	(655)
Items That Will Be Reclassified Subsequently To Profit or Loss	-	-	-
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	(1.958.442)	-	(1.958.442)
Gains/(losses) on available for sale financial assets transferred to the income statement, after tax	(588.927)	-	(588.927)
Net gains/(losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	(5.587)	-	(5.587)
Currency translation differences	85.022	655	85.677
Cash flow hedges, after tax	93.700	-	93.700
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	(22.917)	-	(22.917)
OTHER COMPREHENSIVE INCOME (AFTER TAX)	(2.397.151)	-	(2.397.151)
TOTAL COMPREHENSIVE INCOME	(54.109)	-	(54.109)
ALLOCATION OF TOTAL COMPREHENSIVE INCOME	(54.109)	-	(54.109)
- Non-controlling Interests	(181.926)	-	(181.926)
- Equity Holders of the Parent	127.817	-	127.817

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2014**

(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)

2.2 *Changes in Accounting Policies and Estimates and Errors*

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

If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future periods, they are applied both in current and future periods. Except for the principles set forth in note 2.1.5 There is no significant change in the accounting estimates of the Group in the current period.

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

2.3 *Summary of Significant Accounting Policies*

The condensed consolidated interim financial statements have been prepared in accordance with TAS 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 2014 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2013. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2013.

2.4 *Critical Accounting Estimates and Assumptions*

The preparation of the consolidated financial statements in conformity with Turkish Accounting Standards ("TAS") 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. Critical accounting estimates and assumptions used in the condensed consolidated financial statements as of 30 June 2014 are consistent with the critical accounting estimates and assumptions used in the consolidated financial statements as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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

The business combinations for the interim period 1 January and 30 June 2014 are as follows:

None.

The business combinations between the period 1 January and 31 December 2013 are as follows:

Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. Share amount has been paid in cash. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%. As a result of the share transfer, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore the Company has been consolidated as a subsidiary as of 1 July 2013 and "non-controlling interests" amounting to TL 504.107, which represent 49,07% of total shares, has been accounted for under equity. Since the ownership of the Group on Carrefoursa shares was 38,78% before the share transfer, net loss amounting to TL 16.479 of the company for the period ended 30 June 2013 has been accounted for under "interest in income of investments accounted through equity method".

The details of goodwill and company value that are calculated in accordance with TFRS 3 "Business Combinations" are as follows:

Consideration paid	141.000
Fair value of previously held shares	455.665
Non-controlling interests	504.107
	1.100.772
Book value of Carrefoursa as of 30 June 2013	739.982
Goodwill	360.790

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

Enerjisa, a joint venture of the Group has won the privatization tenders of İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Toroslar Elektrik Dağıtım A.Ş. (TOROSLAR), both of which were under the control of the Republic of Turkey Prime Ministry Privatization Administration, by offering the highest bids amounting to USD 1 billion 227 million and USD 1 billion 725 million respectively.

As of 31 July 2013, legal procedures regarding AYEDAŞ distribution region have been completed and share purchase agreement has been signed.

As of 30 September 2013, legal procedures regarding TOROSLAR distribution region have been completed and share purchase agreement has been signed.

Enerjisa Elektrik Dağıtım A.Ş. has been accounted through equity method since it is included within Enerjisa Enerji A.Ş.'s, the Group's joint venture. Therefore, the total transferred assets, liabilities and goodwill are presented by their net asset values in the assets accounted through equity method account on the Group's consolidated balance sheet.

The details of the identifiable assets acquired and the liabilities assumed in accordance with TFRS 3 "Business Combinations" are as follows:

Ayedaş Distribution Region:

	<u>Fair value</u>
Total current assets	504.825
Total non-current assets	2.175.783
Total liabilities	(1.210.220)
Fair value of net assets	1.470.388
Cash and cash equivalents paid	2.363.448
Goodwill	893.060

Toroslar Distribution Region:

	<u>Fair value</u>
Total current assets	996.221
Total non-current assets	3.353.621
Total liabilities	(1.941.286)
Fair value of net assets	2.408.556
Cash and cash equivalents paid	3.512.721
Goodwill	1.104.165

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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

According to the changes stated in Note 2.1.3 Changes in the Basis of Consolidation, the Group has restated Segmental Analysis. In this context, since Joint Ventures are accounted through Equity Method, segmental analysis for sales and operating profit is performed through Companies' standalone financial results by the senior management. Segmental analysis for net income is performed through consolidated financial results. Segment reporting details presented below reflect the combined total of standalone performance results of all companies regardless of the type and shareholding rates of the affiliates.

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and amortization). In addition to the requirements of segment reporting, The Group's management presented this information for certain financial statement readers to utilize this data during their analyses.

a) External revenues (Consolidated):

	1 January - 30 June 2014	1 January - 30 June 2013
Finance / Banking	8.343.727	7.462.025
Industry	1.702.496	1.494.741
Retail	2.848.809	1.349.418
Cement	535.188	468.856
Other	45.318	38.836
Total (*)	13.475.538	10.813.876

(*) The distribution of income refers to total revenue in the consolidated income statement.

b) Segment assets (Consolidated):

	30 June 2014	31 December 2013
Finance / Banking	206.848.563	193.709.430
Industry	3.125.218	3.679.868
Retail	2.785.226	2.725.550
Cement	1.364.448	1.323.596
Other	1.027.829	1.028.150
Segment assets (*)	215.151.284	202.466.594
Assets classified as held for sale (Note 16)	668.909	29.968
Investments accounted through equity method (Note 8)	5.417.100	4.960.899
Unallocated assets	445.241	436.550
Less: intersegment eliminations	(1.288.076)	(1.323.192)
Total assets as per consolidated financial statements	220.394.458	206.570.819

(*) Segment assets mainly comprise operating assets in the consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

c) Segment liabilities (Consolidated):

	30 June 2014	31 December 2013
Finance / Banking	181.828.743	171.263.563
Industry	1.662.530	2.095.004
Retail	1.677.005	1.557.034
Cement	376.699	279.059
Other	565.008	472.396
Segment liabilities (*)	186.109.985	175.667.056
Assets classified as held for sale		
Investments accounted through equity method	383.201	-
Unallocated Liabilities	528.997	211.835
Less: intersegment eliminations	(1.287.453)	(1.322.729)
Total liabilities as per consolidated financial statements	185.734.730	174.556.162

(*) Segment liabilities mainly comprise operating liabilities in the consolidated financial statements.

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment:

i) Banking:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	7.418.325	7.418.325	5.407.668	5.407.668
Financial assets	48.040.862	48.040.862	47.410.968	47.410.968
Derivative financial instruments	1.084.294	1.084.294	2.397.047	2.397.047
Reserve deposits with the Central Bank of Republic of Turkey	19.276.938	19.276.938	16.690.681	16.690.681
Receivables from finance sector operations	128.395.329	128.395.329	119.530.903	119.530.903
Property, plant and equipment	823.964	823.964	849.510	849.510
Intangible assets	180.678	180.678	162.215	162.215
Other receivables and other assets(***)	1.628.173	1.628.173	1.260.438	1.260.438
Total segment assets	206.848.563	206.848.563	193.709.430	193.709.430
Financial liabilities	30.882.023	30.882.023	28.957.596	28.957.596
Payables from finance sector operations	143.932.093	143.932.093	135.595.588	135.595.588
Derivative financial instruments	978.066	978.066	1.242.558	1.242.558
Other payables and other liabilities(***)	6.036.561	6.036.561	5.467.821	5.467.821
Total segment liabilities	181.828.743	181.828.743	171.263.563	171.263.563

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Banking segment consists of Akbank. Akbank's accumulated non-controlling interests calculated from its financial statements amount to TL 14.737.914 as of 30 June 2014 (31 December 2013: TL 13.472.181).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment (continued):

ii) Insurance:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	894.559	-	1.144.926	-
Financial assets	878.717	-	594.090	-
Receivables from finance sector operations	525.593	-	432.541	-
Investments accounted through equity method	-	315.496	-	298.133
Property, plant and equipment	19.528	-	16.950	-
Intangible assets	40.160	-	30.505	-
Other receivables and other assets(***)	821.255	-	607.981	-
Total segment assets	3.179.812	315.496	2.826.993	298.133
Payables from finance sector operations	2.292.428	-	2.006.295	-
Trade payables	-	-	-	-
Other payables and other liabilities(***)	117.427	-	85.071	-
Total segment liabilities	2.409.855	-	2.091.366	-

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Insurance segment consists of Aksigorta and Avivasa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment (continued):

iii) Energy:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	1.396.007	-	865.113	-
Financial assets	424	-	616	-
Trade receivables	1.751.525	-	1.748.785	-
Inventories	102.077	-	86.308	-
Investments accounted through equity method	-	4.273.509	-	3.840.575
Property, plant and equipment	8.868.263	-	8.523.690	-
Intangible assets	6.473.119	-	6.584.804	-
Other receivables and other assets(***)	5.302.600	-	4.821.929	-
Total segment assets	23.894.015	4.273.509	22.631.245	3.840.575
Financial liabilities	7.663.302	-	7.583.767	-
Payables to Privatization Administration	3.868.872	-	3.631.549	-
Trade payables	1.125.940	-	1.303.460	-
Other payables and other liabilities(***)	2.168.558	-	2.033.198	-
Total segment liabilities	14.826.672	-	14.551.974	-

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Energy segment consists of Enerjisa and its subsidiaries.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment (continued):

iv) Industry:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	62.403	52.806	68.841	55.679
Financial assets	10	10	10	10
Trade receivables	1.295.571	845.165	1.417.586	961.417
Inventories	1.064.131	775.018	1.277.315	996.182
Investments accounted through equity method	270.896	486.161	229.450	477.475
Property, plant and equipment	1.660.821	1.123.221	1.802.319	1.281.287
Intangible assets	161.256	126.655	136.318	102.191
Other receivables and other assets(***)	956.508	871.253	419.130	313.071
Total segment assets	5.471.596	4.280.289	5.350.969	4.187.312
Financial Liabilities	1.700.718	1.072.415	1.861.783	1.281.322
Trade payables	572.209	406.400	762.209	571.923
Other payables and other liabilities(***)	687.600	566.916	307.970	241.759
Total segment liabilities	2.960.527	2.045.731	2.931.962	2.095.004

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Industry segment consists of Kordsa, Temsa, Sasa, Yünsa, Brisa, Philsa and Philsa Morrissa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment (continued):

v) Retail:

	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 June 2014	30 June 2014	31 December 2013	31 December 2013
Cash and cash equivalents	304.869	304.869	481.633	481.633
Trade receivables	57.027	55.904	67.612	67.368
Inventories	991.454	991.454	774.524	774.524
Investment property	255.428	255.428	255.299	255.299
Property, plant and equipment	764.135	764.135	746.970	746.970
Intangible assets	25.435	25.435	15.946	15.946
Other receivables and other assets(***)	326.042	388.001	322.730	383.810
Total segment assets	2.724.390	2.785.226	2.664.714	2.725.550
Financial liabilities	123.567	123.567	27.146	27.146
Trade payables	1.260.253	1.260.253	1.215.483	1.215.467
Other payables and other liabilities(***)	293.185	293.185	314.405	314.421
Total segment liabilities	1.677.005	1.677.005	1.557.034	1.557.034

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Retailing segment consists of Teknosa and Carrefoursa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment (continued):

vi) Cement:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	47.325	32.842	56.888	44.901
Financial assets	162.085	57	161.994	57
Trade receivables	684.245	282.516	539.262	208.268
Inventories	233.635	97.680	222.183	105.110
Investments accounted through equity method	-	341.934	-	344.716
Property, plant and equipment	1.432.034	761.211	1.440.164	778.098
Intangible assets	55.967	19.639	55.816	20.587
Other receivables and other assets(***)	312.707	170.503	317.811	166.576
Total segment assets	2.927.998	1.706.382	2.794.118	1.668.313
Financial liabilities	519.269	246.794	302.113	123.002
Trade payables	278.338	80.992	307.612	114.895
Other payables and other liabilities(***)	95.642	48.913	92.189	41.162
Total segment liabilities	893.249	376.699	701.914	279.059

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Cement segment consists of Akçansa and Çimsa.

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The balance sheet items by segment (continued):

vii) Other:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	529.548	529.548	478.027	478.027
Financial assets	11.722.934	385	11.272.928	382
Trade receivables	17.763	17.407	17.607	17.552
Inventories	1.252	1.252	7.636	7.636
Property, plant and equipment	261.480	225.572	260.338	223.790
Intangible assets	5.279	5.279	4.854	4.854
Other receivables and other assets(***)	189.673	248.386	236.376	295.909
Total segment assets	12.727.929	1.027.829	12.277.766	1.028.150
Financial liabilities	380.899	380.899	250.320	250.320
Trade payables	13.785	13.785	23.273	23.185
Other payables and other liabilities(***)	77.549	170.324	124.327	198.891
Total segment liabilities	472.233	565.008	397.920	472.396

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Other segment consists of Sabancı Holding A.Ş., Exsa, Tursa, AEO and Bimsa.

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The reconciliation of the consolidated income statement:

	1 January 2014 - 30 June 2014		1 January 2013 - 30 June 2013		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	
Total revenue	13.512.100	(36.562)	10.831.752	(17.876)	10.813.876
Cost of sales and interest, premiums, commissions and other expenses	(8.756.917)	37.905	(6.031.856)	102.564	(5.929.292)
General administration expenses	(2.163.835)	19.043	(1.969.159)	8.318	(1.960.841)
Sales, marketing and distribution expenses	(594.893)	553	(276.460)	460	(276.000)
Research and development expenses	(2.544)	-	(5.325)	-	(5.325)
Other operating income/(expense) - net	237.283	(11.531)	215.942	(56.329)	159.613
Interest in income of joint ventures	212.286	-	185.242	-	185.242
Operating profit	2.443.480	9.408	2.950.136	37.137	2.987.273
Income/(expense) from investing activities - net	117.898	(33.291)	34.212	(4.407)	29.805
Operating profit before financial expense	2.561.378	(23.883)	2.984.348	32.730	3.017.078
Financial income/(expense) – net	(71.569)	17.565	(5.311)	(55.354)	(60.665)
Profit before tax	2.489.809	(6.318)	2.979.037	(22.624)	2.956.413
Tax	(470.904)	-	(582.750)	-	(582.750)
Profit/(loss) after tax from discontinued operations	31.881	-	(30.621)	-	(30.621)
Profit for the period	2.050.786	(6.318)	2.365.666	(22.624)	2.343.042
Net income attributable to equity holders of the parent		978.821			1.089.311

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment:

i) Banking:	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 June 2014	30 June 2014	30 June 2013	30 June 2013
Interest, commission and other income	8.362.019	8.362.019	7.469.760	7.469.760
Interest, commission and other expenses	(4.674.090)	(4.674.090)	(3.213.206)	(3.213.206)
General administration expenses	(1.969.906)	(1.969.906)	(1.841.040)	(1.841.040)
Other operating income/(expense) - net	260.196	260.196	190.979	190.979
Interest in income of joint ventures	-	-	-	-
Operating profit	1.978.219	1.978.219	2.606.493	2.606.493
Income/(expense) from investing activities - net	1.381	1.381	4.970	4.970
Operating profit before financial expense	1.979.600	1.979.600	2.611.463	2.611.463
Financial income/(expense) – net	-	-	-	-
Profit before tax	1.979.600	1.979.600	2.611.463	2.611.463
Tax	(404.029)	(404.029)	(555.690)	(555.690)
Net income	1.575.571	1.575.571	2.055.773	2.055.773
Net income attributable to equity holders of the parent	642.359	642.359	838.138	838.138
EBITDA	2.075.411	2.075.411	2.688.299	2.688.299

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

Akbank's net income attributable to non-controlling interests is TL 933.212 as of 30 June 2014 (30 June 2013: TL 1.217.635).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment (continued):

ii) Insurance:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 30 June 2013	Consolidated(**) 30 June 2013
Gross premiums	1.083.366	-	892.834	-
Premiums, commission and other expenses	(977.501)	-	(774.863)	-
General administration expenses	(133.019)	-	(122.522)	-
Other operating income/(expense) - net	151.039	-	106.167	-
Interest in income of joint ventures	-	50.239	-	59.013
Operating profit	123.885	50.239	101.616	59.013
Income/(expense) from investing activities - net	17.524	-	-	-
Operating profit before financial expense	141.409	50.239	101.616	59.013
Financial income/(expense) – net	(11.419)	-	70.550	-
Profit before tax	129.990	50.239	172.166	59.013
Tax	(21.204)	-	(22.591)	-
Net income	108.786	50.239	149.575	59.013
Net income attributable to equity holders of the parent		50.239		59.013
EBITDA	114.739		84.105	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment (continued):

iii) Energy:	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 June 2014	30 June 2014	30 June 2013	30 June 2013
Sales revenue (net)	5.251.254	-	2.531.451	-
Cost of sales	(4.495.113)	-	(2.116.344)	-
General administration expenses	(509.873)	-	(198.634)	-
Sales, marketing and distribution expenses	-	-	(6.954)	-
Other operating income/(expense) - net	10.805	-	18.651	-
Interest in income of joint ventures	-	(12.083)	-	2.676
Operating profit	257.073	(12.083)	228.170	2.676
Income/(expense) from investing activities - net	-	-	-	-
Operating profit before financial expense	257.073	(12.083)	228.170	2.676
Financial income/(expense) – net	(374.956)	-	(225.766)	-
Profit before tax	(117.883)	(12.083)	2.404	2.676
Tax	93.717	-	2.948	-
Net income	(24.166)	(12.083)	5.352	2.676
Net income attributable to equity holders of the parent		(12.083)		2.676
EBITDA	457.680		320.556	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment (continued):

iv) Industry:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 30 June 2013	Consolidated(**) 30 June 2013
Sales revenue (net)	2.489.504	1.702.506	2.178.879	1.498.469
Cost of sales	(1.974.759)	(1.418.844)	(1.816.606)	(1.307.415)
General administration expenses	(81.579)	(50.013)	(72.792)	(46.984)
Sales, marketing and distribution expenses	(171.712)	(86.503)	(148.868)	(80.473)
Research and development expenses	(9.464)	(2.544)	(11.433)	(5.325)
Other operating income/(expense) - net	8.855	(3.601)	42.270	31.408
Interest in income of joint ventures	89.794	124.967	94.575	118.454
Operating profit	350.639	265.968	266.025	208.134
Income/(expense) from investing activities - net	82.408	82.624	515	161
Operating profit before financial expense	433.047	348.592	266.540	208.295
Financial income/(expense) – net	(55.196)	(31.153)	(73.523)	(50.964)
Profit before tax	377.851	317.439	193.017	157.331
Tax	(50.771)	(35.301)	(17.710)	(11.493)
Profit/(loss) after tax from discontinued operations(***)	31.881	31.881	777	777
Net income	358.961	314.019	176.084	146.615
Net income attributable to equity holders of the parent		234.496		133.831
EBITDA	440.991	317.276	320.512	233.411

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

(***) Profit after tax from discontinued operations contains net income of SASA for the period.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment (continued):

	Retail:			
	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 30 June 2013	Consolidated(**) 30 June 2013
Sales revenue (net)	2.855.263	2.851.075	2.547.119	1.350.993
Cost of sales	(2.239.846)	(2.235.658)	(2.021.099)	(1.113.389)
General administration expenses	(73.858)	(73.858)	(298.383)	(16.407)
Sales, marketing and distribution expenses	(503.253)	(503.253)	(215.164)	(191.731)
Other operating income/(expense) - net	(31.551)	(31.551)	(26.415)	4.106
Interest in income of joint ventures	-	-	-	(16.479)
Operating profit	6.755	6.755	(13.942)	17.093
Income/(expense) from investing activities - net	4.086	4.086	(512)	-
Operating profit before financial expense	10.841	10.841	(14.454)	17.093
Financial income/(expense) – net	(20.165)	(20.165)	(6.300)	(5.112)
Profit before tax	(9.324)	(9.324)	(20.754)	11.981
Tax	(842)	(842)	1.921	(4.798)
Profit/(loss) after tax from discontinued operations (***)	-	-	(78.494)	(31.400)
Net income	(10.166)	(10.166)	(97.327)	(24.217)
Net income attributable to equity holders of the parent	(6.545)	(6.545)	(33.611)	(33.611)
EBITDA	85.023	85.023	33.837	37.485

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

(***) Profit after tax from discontinued operations contains net income of Diasa for the period.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment (continued):

vi) Cement:

	Combined(*) 30 June 2014	Consolidated(**) 30 June 2014	Combined(*) 30 June 2013	Consolidated(**) 30 June 2013
Sales revenue (net)	1.247.215	535.190	1.015.600	468.896
Cost of sales	(893.361)	(380.928)	(811.230)	(369.115)
General administration expenses	(46.489)	(24.319)	(41.501)	(21.104)
Sales, marketing and distribution expenses	(11.876)	(3.703)	(10.367)	(3.198)
Other operating income/(expense) - net	(7.282)	(4.565)	(8.608)	(9.382)
Interest in income of joint ventures	-	49.163	-	21.578
Operating profit	288.207	170.838	143.894	87.675
Income/(expense) from investing activities - net	4.786	1.379	5.664	2.520
Operating profit before financial expense	292.993	172.217	149.558	90.195
Financial income/(expense) – net	(24.295)	(9.068)	(22.153)	(12.401)
Profit before tax	268.698	163.149	127.405	77.794
Tax	(53.947)	(23.742)	(27.549)	(13.582)
Net income	214.751	139.407	99.856	64.212
Net income attributable to equity holders of the parent	-	95.842	-	44.348
EBITDA	351.918	202.000	197.762	112.661

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) The income statement items by segment (continued):

	Other:			
	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 June 2014	30 June 2014	30 June 2013	30 June 2013
Sales revenue (net)	692.852	61.310	667.146	43.634
Cost of sales	(47.443)	(47.397)	(28.796)	(28.731)
General administration expenses	(47.907)	(45.739)	(45.811)	(43.625)
Sales, marketing and distribution expenses	(1.434)	(1.434)	(1.058)	(1.058)
Other operating income/(expense) - net (***)	17.058	16.804	1.239	(1.168)
Interest in income of joint ventures	-	-	-	-
Operating profit	613.126	(16.456)	592.720	(30.948)
Income/(expense) from investing activities - net	28.428	28.428	67.830	26.561
Operating profit before financial expense	641.554	11.972	660.550	(4.387)
Financial income/(expense) – net	(11.183)	(11.183)	63.166	63.166
Profit before tax	630.371	789	723.716	58.779
Tax	(6.990)	(6.990)	2.813	2.813
Net income	623.381	(6.201)	726.529	61.592
Net income attributable to equity holders of the parent		(25.487)		44.917
EBITDA	622.518	(7.478)	592.302	(31.684)

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

(***) Since the net profit after tax from the sale of Sabancı Holding shares in 2013, owned by Tursa, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa in 2013, are accounted for under equity, the combined and consolidated results have not been included in the above table.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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) Net income attributable to equity holders of the parent

The net income attributable to equity holders of the parent with adjusted segments is as follows:

	30 June 2014	30 June 2013
Banking	628.660	871.716
Insurance	33.758	35.738
Industry	210.044	133.832
Cement	95.842	44.348
Energy	(12.083)	9.041
Retail	(8.621)	(23.440)
Other	(29.185)	44.916
Total	918.415	1.116.151

The reconciliation of adjusted net income attributable to equity holders of the Parent is as follows:

	30 June 2014	30 June 2013
Adjusted net income for reported operating segments (Equity holders of the Parent)	918.415	1.116.151
Akbank Competition Board Penalty	-	(52.593)
Sales income from non-performing loans of Akbank	13.699	19.015
Aksigorta gain on sale of real estate	-	26.192
Provision for impairment of the subsidiary Aksigorta Merter B.V.	-	(2.916)
Carrefoursa expense from litigation provision	-	(10.172)
Carrefoursa income from provision reversal	2.076	-
Yünsa gain on sale of real estate	10.477	-
Temsa gain on sale of real estate	9.900	-
Temsa expense from litigation provision	(3.627)	-
Temsa income from the sale of subsidiary	7.702	-
Other	20.178	(6.365)
Net income (Equity holders of the Parent)	978.820	1.089.312

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

h) Depreciation and amortisation charges, impairment and capital expenditures (Consolidated):

1 January – 30 June 2014

	Finance					Total		
	Banking	Insurance	Industry	Cement	Energy		Retail	Other
Depreciation and amortisation	97.192	-	52.908	30.419	-	41.700	9.087	231.306
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	(780)	-	(780)
Capital expenditure	92.201	-	159.368	14.783	-	71.167	11.426	348.765

1 January – 30 June 2013

	Finance					Total		
	Banking	Insurance	Industry	Cement	Energy		Retail	Other
Depreciation and amortisation	81.806	-	53.892	29.253	-	13.424	7.878	186.253
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	(224)	-	(224)
Capital expenditure	47.620	-	102.470	24.943	-	29.930	9.262	214.225

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

h) Depreciation and amortisation charges, impairment and capital expenditures (Combined) (continued):

1 January – 30 June 2014

	Finance						Total	
	Banking	Insurance	Industry	Cement	Energy	Retail		Other
Depreciation and amortisation	97.192	4.185	100.439	62.536	204.604	41.700	9.502	520.158
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	(780)	-	(780)
Capital expenditure	92.021	16.365	224.113	57.199	394.029	71.167	11.424	866.318

1 January – 30 June 2013

	Finance						Total	
	Banking	Insurance	Industry	Cement	Energy	Retail		Other
Depreciation and amortisation	81.806	3.701	94.054	59.742	113.136	43.488	8.196	404.123
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	(224)	-	(224)
Capital expenditure	47.620	7.282	140.504	62.548	1.262.139	66.036	9.262	1.595.391

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 financial assets at fair value through profit and loss is as follows:

	30 June 2014	31 December 2013
Share certificates	26.181	58.377
Government bonds	8.267	8.239
Eurobonds	2.319	2.167
Other	52.073	55.957
Total	88.840	124.740

b) Available-for-sale securities:

	30 June 2014	31 December 2013
Debt securities		
- Government bonds	24.148.582	23.173.174
- Eurobonds	9.648.503	6.902.968
- Investment funds	275.231	248.690
- Other bonds denominated in foreign currency	3.352.527	2.828.830
Sub-total	37.424.843	33.153.662
Equity securities		
- Listed	90	91
- Unlisted	16.771	15.600
Sub-total	16.861	15.691
Total financial assets available for sale	37.441.704	33.169.353

Akbank has Consumer Price Index ("CPI") linked government bonds under available-for-sale and held-to maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two month before. The estimated inflation rate used is updated during the year when necessary. As of 30 June 2014, these securities have been valued 9,00% annual inflation forecast. If the valuation of these CPI indexed securities was made with reference to inflation indexed as of 30 June 2014, valuation differences under shareholders equity would have decreased by TL 108 million and net income would have increased by TL 140 million, accordingly net income would have been TL 1.752 million.

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2014**

(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 2014	31 December 2013
Government bonds	10.429.493	13.930.168
Total	10.429.493	13.930.168

Period remaining to contractual maturity dates for financial assets held for trading, held to maturity and available-for-sale as at 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	1.115.140	-	1.115.140	4.180.374	-	4.180.374
3 to 12 months	7.168.932	-	7.168.932	12.066.875	-	12.066.875
1 to 5 years	17.256.272	-	17.256.272	11.382.555	-	11.382.555
Over 5 years	22.101.419	-	22.101.419	19.271.697	-	19.271.697
No maturity	317.822	452	318.274	322.309	451	322.760
Total	47.959.585	452	47.960.037	47.223.810	451	47.224.261

Period remaining to contractual repricing dates for investment security, available for sale and held to maturity at 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	15.412.446	-	15.412.446	17.016.404	-	17.016.404
3 to 12 months	9.929.049	-	9.929.049	12.668.468	-	12.668.468
1 to 5 years	14.208.445	-	14.208.445	6.889.754	-	6.889.754
Over 5 years	8.091.823	-	8.091.823	10.326.874	-	10.326.874
No maturity	317.822	452	318.274	322.310	451	322.761
Total	47.959.585	452	47.960.037	47.223.810	451	47.224.261

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

d) Time deposits:

	30 June 2014	31 December 2013
3 to 12 months	81.277	187.155
Total	81.277	187.155

NOTE 6 - FINANCIAL LIABILITIES

Short-term funds borrowed, bank borrowings and debt securities:

	30 June 2014	31 December 2013
Short term	18.897.288	16.311.856
Short-term portion of long term	2.166.367	2.013.844
Total short term	21.063.655	18.325.700

Long-term funds borrowed, bank borrowings and debt securities:

Long term	11.019.670	11.905.902
Total	32.083.325	30.231.602

The maturity schedule of financial liabilities at 30 June 2014 and 31 December 2013 is summarized below:

	30 June 2014	31 December 2013
Up to 3 months	9.710.532	6.612.819
3 to 12 months	11.353.123	11.712.881
Short term financial liabilities and short term portion of long term financial liabilities	21.063.655	18.325.700
1 to 5 years	9.626.105	10.535.757
Over 5 years	1.393.565	1.370.145
Long term financial liabilities	11.019.670	11.905.902
Total financial liabilities	32.083.325	30.231.602

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

The maturity schedule of long term financial liabilities at 30 June 2014 and 31 December 2013 is summarized below:

	30 June 2014	31 December 2013
2015	5.275.199	6.354.895
2016	995.540	1.082.645
2017	3.062.588	1.779.555
2018	292.778	1.318.662
2019 and after	1.393.565	1.370.145
Total	11.019.670	11.905.902

The repricing schedule of borrowings at 30 June 2014 and 31 December 2013 is summarized below:

	30 June 2014	31 December 2013
Up to 3 months	17.489.996	15.574.420
3 to 12 months	7.217.617	7.032.834
1 to 5 years	6.207.239	6.462.417
Over 5 years	1.168.473	1.161.931
Total	32.083.325	30.231.602

The transactions related with the funds and loans as of 30 June 2014 are as follows:

a) Akbank – Funds borrowed via syndicated credit facilities

As of 30 June 2014, Akbank has three outstanding syndicated loan facilities. On 19 March 2014 the Parent Bank signed the first syndicated loan facility and raised EUR 817.7 million and USD 221.8 million. The loan's maturity is 1 year with a cost of LIBOR/EURIBOR+0.90%. With the second syndicated loan facility signed on 16 August 2013; the Parent Bank raised EUR 779 million and USD 419,5 million with LIBOR/EURIBOR+0,75% for 1 year tenor. The third outstanding syndicated loan facility was signed on 21 March 2013. The loan's 2-year tranche which will be repaid in March 2015, amounts to USD 100 million with an applicable cost of LIBOR/EURIBOR+1,25%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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

On 13 June 2008 Group's joint venture Enerjisa, signed a EUR 1 billion loan agreement provided from international financial institutions, International Finance Corporation ("IFC"), Akbank and the European Investment Bank's co-ordination. These funds are considered to be used in the company's energy investments. The part of the loan amounting to EUR 513 million is coordinated by IFC, EUR 495 million has a maturity of 12 years and the remaining EUR 18 million has a maturity of 15 years. EUR 158 million of the aforementioned part will be provided by IFC and the remaining EUR 355 million will be provided as a syndicated loan under the supervision of IFC and WestL. KfW IPEX-Bank GmbH, Bank Austria Creditanstalt AG, Erste Bank der Oesterreichischen Sparkassen AG, ING Bank N.V., Raiffeisen Zentralbank Oesterreich AG, WestLB AG and Société Générale Bank have been participated in this financing package as authorised leading regulators. Akbank will provide a parallel loan agreement of EUR 352 million which has a maturity of 12 years, with the participation of National Bank of Greece and remaining EUR 135 million of loan will be provided by EIB. As of 31 December 2012, total loan amount of EUR 1 billion has been used. The above mentioned loan's repayments commenced on 15 June 2012 and the outstanding balance as of 30 June 2014 is EUR 760 million (31 December 2013: EUR 811 million).

Enerjisa signed another agreement on 23 December 2010 to borrow funds amounting to EUR 270 million with the participations of Yapı ve Kredi Bankası A.Ş. for EUR 100 million, Akbank T.A.Ş. İstanbul Kurumsal Şubesi for EUR 100 million and Finansbank A.Ş. Bahrain for EUR 70 million for the purpose of financing Arkun Barrage and hydroelectric power plant energy project of the Enerjisa. As of 30 November 2012, total loan amount of EUR 270 million has been used.

Enerjisa also signed an agreement on 24 March 2011 with IFC and certain international financial institutions under the coordination of IFC, WestLB and Unicredit to borrow funds amounting EUR 700 million for the purpose of financing energy projects. EUR 65 million of the loan is provided by IFC and EUR 515 million of it is provided by the participation of several financial institutions, namely KfW IPEX-Bank GmbH, UniCredit Bank Austria AG, Erste Bank, ING Bank N.V., Raiffeisen Bank International, FMO, BAWAG, WestLB AG and Societe Generale Bank, under the coordination of IFC, WestLB and Unicredit. Proparco has provided EUR 40 million of the loan and TSKB has provided EUR 80 million of the loan. As of 30 June 2014, Enerjisa has utilized EUR 226 million with respect to this EUR 700 million loan agreement (31 December 2013: EUR 226 million).

Enerjisa signed another loan agreement on 26 April 2012 with European Bank for Reconstruction and Development ("EBRD") amounting to EUR 135 million to finance Bares Wind Power Plant. EUR 100 million of the loan provided by EBRD and EUR 35 million of it is provided by BAWAG. As of 24 August 2012, total loan amount of EUR 135 million has been used.

As of 25 July 2012, Enerjisa, joint venture of the Group, signed a loan agreement of EUR 750 million with a maturity of 11,5 years with various banks for the financing of Tufanbeyli Thermal Plant. The major part of EUR 608 million with maturity 11,5 years of the loan has been insured by Korea Trade Insurance Corporation (K-Sure). Creditors of the loan include Societe Generale, UniCredit Bank Austria AG, HSBC Bank plc, Raiffeisen Bank International AG, The Bank of Tokyo-Mitsubishi UFJ Ltd., BNP Paribas and Fortis Bank SA/NV, Akbank T.A.Ş., Deutsche Bank AG, Natixis and Erste Group Bank AG. As of 30 June 2014, Enerjisa has utilized EUR 544 million with respect to this EUR 750 million loan agreement (31 December 2013: EUR 544 million).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

Issued securities:

Securities issued consist of USD and TL assets.

The repayment plan for USD securities issued is summarized below in USD:

	30 June 2014		31 December 2013	
	USD	TL	USD	TL
2014	933.128	1.980.657	497.127	1.059.079
2015	1.324.557	2.811.505	1.274.524	2.715.246
2016	262.570	557.331	260.786	555.578
2017	632.039	1.341.566	609.135	1.297.701
2018	770.767	1.636.030	716.987	1.527.469
2019	32.523	69.033	19.842	42.271
2020	19.056	40.448	18.900	40.265
2021	18.139	38.502	18.006	38.360
2022	343.585	729.293	335.209	714.129
Total	4.336.364	9.204.365	3.750.516	7.990.098

The balance amounting to USD 4.336.364 consists of securitization deals and USD denominated securities issued by the Bank.

	30 June 2014	
	EUR	TL
2014	12	35
2015	-	-
2016	15.834	45.886
2017	63.333	183.533
2018	63.333	183.533
2019	47.500	137.650
Total	190.012	550.637

The balance amounting to EUR 190.012 consists of securitization deals.

Additionally, as of 30 June 2014, there are bonds issued by the Bank amounting to TL 1.360.927 with 3 months maturity, TL 734.573 with 1 year maturity, TL 394.135 with 3 years maturity and TL 879.242 with 5 years maturity (31 December 2013: 6 months maturity TL 933.802; 1 year maturity TL 778.610; 2 years maturity TL 151.665; 3 years maturity TL 391.956 and 5 years maturity TL 883.017).

On 15 April 2013, Başkent Elektrik Dağıtım A.Ş issued bonds with a total face value of TL 350 million, a maturity date of 11 April 2016, quarterly coupon payments and a coupon rate of DIBS + 2%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 2014	31 December 2013
Receivables from credit card payments	12.053	36.497
Other receivables	561.970	575.432
Total	574.023	611.929

Other long term receivables:	30 June 2014	31 December 2013
Deposits and guarantees given	26.218	3.331
Other receivables	20.078	42.348
Total	46.296	45.679

Other short term payables:	30 June 2014	31 December 2013
Payables related to credit card transactions	2.406.950	2.336.981
Taxes and funds payable	225.494	202.186
Export deposits and transfer orders	110.225	63.170
Payment orders to correspondent banks	89.029	161.185
Other	810.387	1.147.575
Total	3.642.085	3.911.097

Other long term payables:		
Financial lease payables	16.748	20.590
Other	13.020	12.625
Total	29.768	33.215

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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

Book value of Associates and Joint Ventures is as follows:

	30 June 2014	Share (%)	31 December 2013	Share (%)
Aksigorta	167.989	36,00	179.323	36,00
Avivasa	147.507	49,83	118.810	49,83
Brisa	215.265	43,63	248.025	43,63
Akçansa	341.934	39,72	344.716	39,72
Enerjisa	4.273.509	50,00	3.840.575	50,00
Philsa	173.575	25,00	204.542	25,00
Philip Morrissa	27.116	24,75	37.829	24,75
Temsa Mısır	(13.118)	73,75	(12.921)	73,75
Temsa İş Makineleri (*)	83.323	24,84	-	-
Total	5.417.100		4.960.899	

(*) The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, representing 49% of the total capital of the entity to Japon Marubeni Corporation, has been signed on 3 March 2014. The majority of the shareholding will remain at Temsa Global by 51% ownership. The transfer of shares have been executed on 28 April 2014. As of this date, the entity has been consolidated through equity method as a joint venture.

Share of income from Associates and Joint Ventures included in Holding's consolidated net income is as follows:

	30 June 2014	30 June 2013
Aksigorta	10.331	40.396
Avivasa	39.908	18.617
Brisa	35.173	23.878
Carrefoursa	-	(16.479)
Akçansa	49.163	21.578
Enerjisa	(12.083)	2.676
Philsa	66.444	65.395
Philip Morrissa	23.456	32.244
Temsa Mısır	(221)	(3.063)
Temsa İş Makineleri	115	-
Total	212.286	185.242

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 (Continued)

The summary financial information of Joint Ventures and Associates is as follows:

	30 June 2014		31 December 2013	
	Total assets	Total liabilities	Total assets	Total liabilities
Aksigorta	2.140.258	1.674.197	1.894.896	1.397.290
Avivasa	1.064.296	768.760	957.446	719.501
Brisa	1.421.275	927.886	1.418.146	849.673
Akçansa	1.454.612	580.475	1.361.387	480.380
Enerjisa	24.513.784	15.968.486	23.386.619	15.705.547
Philsa	2.207.145	1.512.846	2.515.535	1.697.366
Philip Morrissa	979.892	870.335	1.087.898	935.056
Temsa Mısır	23.611	41.398	27.208	44.728
Temsa İş Makineleri	333.844	210.678	-	-
Total	34.138.717	22.555.061	32.649.135	21.829.541

Sales Revenue

	1 January - 30 June 2014	1 January - 30 June 2013
Aksigorta	951.236	765.333
Avivasa	132.130	127.501
Brisa	786.997	675.858
Carrefoursa (Note 3)	-	1.196.127
Akçansa	712.025	546.704
Enerjisa	5.251.254	2.531.451
Philsa(*)	6.583.042	5.785.399
Philip Morrissa	6.734.269	6.100.051
Temsa Mısır	499	1.069
Temsa İş Makineleri	139.617	-

(*) Philsa, which is a manufacturing company, conducts its sales activities through Philip Morrissa, which is a marketing company.

Net Income

	1 January - 30 June 2014	1 January - 30 June 2013
Aksigorta	28.697	112.212
Avivasa	80.089	37.362
Brisa	80.617	54.729
Carrefoursa	-	(42.493)
Akçansa	138.503	63.877
Enerjisa	(24.166)	5.352
Philsa	265.776	261.580
Philip Morrissa	94.772	130.277
Temsa Mısır	(300)	(4.154)
Temsa İş Makineleri	226	-

HACI ÖMER SABANCI HOLDING A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 six month period ended 30 June 2014 is as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Transfers to assets classified as held for sale	Change in shareholding structure due to selling of shares (**)	30 June 2014
Cost:									
Land and land improvements	565.916	(147)	1.247	(144)	963	-	(22.716)	-	545.119
Buildings	2.351.394	959	1.993	(3.348)	3.343	-	(59.829)	-	2.294.512
Machinery and equipment	2.933.715	4.638	24.965	(11.071)	29.132	-	(386.837)	(665)	2.593.877
Motor vehicles	197.188	(35)	4.171	(20.418)	10.769	-	(1.780)	(94.887)	95.008
Furniture and fixtures	2.233.971	689	82.848	(12.210)	11.960	(1.686)	(5.641)	(1.688)	2.308.243
Total	8.282.184	6.104	115.224	(47.191)	56.167	(1.686)	(476.803)	(97.240)	7.836.759
Construction in progress	209.008	(1.896)	163.367	(1.139)	(88.284)	-	(10.203)	(934)	269.919
Total	8.491.192	4.208	278.591	(48.330)	(32.117)	(1.686)	(487.006)	(98.174)	8.106.678
Accumulated depreciation:									
Land and land improvements	(213.407)	52	(3.491)	-	-	-	5.366	-	(211.480)
Buildings	(832.645)	(453)	(30.922)	1.696	-	-	37.110	-	(825.214)
Machinery and equipment	(1.805.938)	(5.013)	(55.327)	9.944	-	-	284.102	446	(1.571.786)
Motor vehicles	(514.749)	40	(5.241)	13.042	-	-	1.661	22.954	(482.293)
Furniture and fixtures	(1.225.621)	(377)	(89.218)	9.893	-	902	4.235	969	(1.299.217)
Total	(4.592.360)	(5.751)	(184.199)	34.575	-	902	332.474	24.369	(4,389,990)
Net book value	3,898,832								3,716,688

(*) Transfer during the period consists of TL 32.117 to intangible assets.

(**) The share transfer agreement to sell the shares of Tensa İş Makineleri A.Ş., the subsidiary of Tensa Global, representing 49% of the total capital of the entity to Japon Marubeni Corporation, has been signed on 3 March 2014. The majority of the shareholding will remain at Tensa Global by 51% ownership. The transfer of shares have been executed on 28 April 2014.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 six month period ended 30 June 2013 is as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers(*)	Impairment	Transfers to assets classified as held for sale	30 June 2013
Cost:								
Land and land improvements	312.621	2.029	279	(3.154)	892	(318)	(23.764)	288.585
Buildings	1.960.243	9.822	5.289	(54.415)	5.514	-	(65.829)	1.860.623
Machinery and equipment	2.625.073	44.630	14.244	(4.620)	46.921	-	(399.698)	2.326.297
Motor vehicles	169.253	217	48.470	(20.450)	45	-	(1.902)	195.633
Furniture and fixtures	1.546.027	1.221	52.395	(68.821)	10.289	514	(5.689)	1.535.937
Total	6.613.217	57.919	120.677	(151.459)	63.660	197	(496.882)	6.207.075
Construction in progress	174.317	(2.976)	83.666	(1.360)	(65.670)	151	(7.300)	180.828
Total	6.787.534	54.943	204.343	(152.819)	(2.010)	348	(504.182)	6.387.903
Accumulated depreciation:								
Land and land improvements	(57.485)	(568)	(2.901)	219	-	-	5.768	(54.967)
Buildings	(781.584)	(3.593)	(26.673)	26.392	-	-	38.103	(747.355)
Machinery and equipment	(1.577.575)	(24.063)	(48.581)	4.811	(65)	-	281.570	(1.367.243)
Motor vehicles	(87.877)	(195)	(12.536)	9.241	65	-	1.871	(89.431)
Furniture and fixtures	(1.172.873)	(974)	(64.637)	66.928	-	(572)	4.226	(1.167.902)
Total	(3.677.394)	(29.403)	(155.328)	107.591	-	(572)	331.538	(3.424.850)
Net book value	3.110.140							2.964.460

(*) Transfers during the period consists of TL 1.918 to intangible assets.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 six month periods ended 30 June 2014 and 2013 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	Impairment/ (reversal)	Transfers to assets classified as held for sale	30 June 2014
Cost	713.034	2.670	67.523	(1.835)	32.116	-	(12.847)	800.661
Accumulated amortisation (-)	(407.276)	(3.007)	(44.525)	1.814	(2)	4	9.982	(443.010)
Net book value	305.758							357.651

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers	Impairment/ (reversal)	Transfers to assets classified as held for sale	30 June 2013
Cost	542.475	4.276	9.881	(531)	2.010	-	(12.975)	545.136
Accumulated amortisation (-)	(290.212)	(2.318)	(30.676)	527	(92)	-	8.837	(313.934)
Net book value	252.263							231.202

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 of goodwill for the six month period ended on 30 June 2014 and 2013 are as follows:

	30 June 2014	30 June 2013
1 January	478.935	181.644
Foreign currency translation differences	-	6
Total	478.935	181.650

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	30 June 2014	31 December 2013
Provision for liabilities	348.862	352.010
<i>Credit points</i>	110.246	114.587
<i>Litigation</i>	101.043	96.672
<i>Uncompensated and not encashed non-cash loans</i>	53.725	52.027
<i>Onerous contracts</i>	80.920	80.920
<i>Other short-term provisions</i>	2.928	7.804
Other	103.709	96.119
Total	452.571	448.129
Other long term provisions	30 June 2014	31 December 2013
Provision for liabilities	3.978	3.921
<i>Uncompensated and not encashed non-cash loans</i>	3.978	3.921
Total	3.978	3.921
Commitments – Banking segment	30 June 2014	31 December 2013
Letters of guarantee given	18.990.531	16.974.742
Letters of credits	4.290.250	6.030.755
Foreign currency acceptance credits	1.139.849	1.705.986
Other guarantees given	3.483.338	3.144.150
Total	27.903.968	27.855.633
Commitments – Non-banking segment	30 June 2014	31 December 2013
Letters of guarantee given	406.187	548.596
Other guarantees given	76.845	377.581
Collateral notes given	-	35
Mortgages, guarantees and pledges for tangible assets	3.333	94.565
Total	486.365	1.020.777

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Repurchase commitments	27.176.955	23.003.288
Resale commitments	1.460.404	-

Commitments to forward currency purchase/sale and swap transactions

Transactions for held for trading

	30 June 2014	31 December 2013
Foreign currency purchases	4.978.762	5.833.256
Foreign currency sales	5.026.706	5.804.606
Total	10.005.468	11.637.862

	30 June 2014	31 December 2013
Currency swap purchases	24.485.114	24.038.821
Currency swap sales	22.547.789	22.572.098
Interest swap purchases	16.354.622	18.109.785
Interest swap sales	16.354.622	18.109.785
Total	79.742.147	82.830.489

	30 June 2014	31 December 2013
Spot purchases	3.931.987	4.544.293
Spot sales	3.926.012	4.553.556
Total	7.857.999	9.097.849

	30 June 2014	31 December 2013
Currency, interest and securities options purchases	27.157.753	30.912.645
Currency, interest and securities options sales	27.168.131	30.790.492
Total	54.325.884	61.703.137

	30 June 2014	31 December 2013
Future purchases	2.032	5.229
Future sales	92.677	70.213
Total	94.709	75.442

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments to forward currency purchase/sale and swap transactions (continued):

Transactions held for trading (continued):

	30 June 2014	31 December 2013
Other purchase transactions	96.856	202.181
Other sales transactions	2.147.724	1.322.316
Total	2.244.580	1.524.497

Derivative transactions for hedging:

	30 June 2014	31 December 2013
Interest swap purchases	2.844.284	3.387.336
Interest swap sales	2.844.284	3.387.336
Total	5.688.568	6.774.672

	30 June 2014	31 December 2013
Foreign currency purchases	27.148	54.054
Foreign currency sales	83.723	169.278
Total	110.871	223.332

	30 June 2014	31 December 2013
Currency swap purchases	1.773.217	3.102.178
Currency swap sales	1.514.727	2.640.102
Total	3.287.944	5.742.280

The maturity analysis of the off-balance sheet assets of the Banking segment at 30 June 2014 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.252.511	16.738.020	18.990.531
Letters of credits	2.982.331	1.307.919	4.290.250
Acceptance credits	1.095.390	44.459	1.139.849
Other guarantees	1.818.850	1.664.488	3.483.338
Total	8.149.082	19.754.886	27.903.968

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2013 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.253.468	14.721.274	16.974.742
Letters of credits	4.730.953	1.299.802	6.030.755
Acceptance credits	1.652.958	53.028	1.705.986
Other guarantees	1.266.886	1.877.263	3.144.149
Total	9.904.265	17.951.367	27.855.632

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

On 22 January 2013, Exsa, a subsidiary of the Group, is subjected to a tax penalty statement due to the corporate tax calculation in 2010 with an additional tax amounting to TL 39 million and its penalty amounting to TL 58 million. The main comment at the tax investigation report in accordance with the penalty is related to the spin-off transaction that took part in 2010 which was previously subjected to another investigation report in 2011. Regarding to that report in 2011, the Company has already reached a reconciliation with the Ministry of Finance. On 22 January 2013, the Company applied to the Ministry of Finance to reach a reconciliation settlement according to the same issue and the same year but no reconciliation was provided. The Company filed a lawsuit related to this matter. The lawsuit has been resolved in favor of the entity on 9 May 2014 and the decision has been appealed by the internal revenue service. Exsa management did not allow any provision in the financial statements for period ended on 30 June 2014 taking into account the legal advisors' and tax experts' opinions stating that the final legal process has not yet been completed and the uncertainty about the tax penalty and is still continuing.

Aksigorta, one of the Group's joint ventures, has been subjected to tax investigation in 2012 regarding corporate tax calculation of the year 2010 and additional tax amounting to TL 61 million and its penalty amounting to TL 91 million has been charged to the Company at 4 February 2013. The tax investigation was related to the spin-off transaction which was subject to tax investigation in 2010. Upon reconciliation with the Ministry of Finance, adjustments have been made on the tax burden and the inter-related tax penalty that have been charged to the Company in 2010, amounting to TL 102 and TL 152 million respectively, where the tax penalty has been waived and the total tax burden of TL 102 million has been decreased to TL 9 million and paid in 2011. Aksigorta appealed for a reconciliation settlement process to Ministry of Finance on 4 March 2013. No reconciliation was provided in the meeting held between Aksigorta and the Ministry of Finance Central Reconciliation Commission on 10 October 2013 and Aksigorta filed a lawsuit by the Tax Court as of 24 October 2013. It is expected that this lawsuit won will be appealed by the internal revenue service. As of 30 June 2014, the management did not allow any provision in the financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 30 June 2014 is as follows;

	30 June 2014				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	438.266	197.894	84.538	19.384	4.806
B. Collaterals given on behalf of fully consolidated companies	2.651.442	2.225.320	84.145	66.442	55.303
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	27.903.970	12.877.279	4.660.423	1.692.799	235.344
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	30.993.678	15.300.493	4.829.106	1.778.625	295.453
A. Total amount of the mortgages given for its own legal entity	87.402	-	17.048	17.706	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	87.402	-	17.048	17.706	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Joint Ventures at 30 June 2014 is as follows:

	30 June 2014				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	601.190	469.384	60.556	1.114	-
B. Collaterals given on behalf of fully consolidated companies	27.330	27.273	27	-	-
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	13	8	2	-	-
D. Total amount of other collaterals	1.073	1.073	-	-	-
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	1.073	1.073	-	-	-
Total Collaterals	629.606	497.738	60.585	1.114	-
A. Total amount of the mortgages given for its own legal entity	4.481.255	-	-	1.562.106	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other mortgages	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	4.481.255	-	-	1.562.106	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 30 June 2014, the ratio of the Group's other CPM's to the Group's equity is 0,003%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Subsidiaries at 31 December 2013 is as follows;

	31 December 2013				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	936.658	297.738	255.171	30.270	5.421
B. Collaterals given on behalf of fully consolidated companies	2.546.322	2.225.773	70.090	13.498	131.318
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	27.855.633	10.823.407	4.730.847	2.274.465	256.212
D.Total amount of other Collaterals	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Collaterals	31.338.613	13.346.918	5.056.108	2.318.233	392.951
A. Total amount of the mortgages given for its own legal entity	87.224	-	16.507	17.706	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other mortgages	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	87.224	-	16.507	17.706	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 Joint Ventures at 31 December 2013 is as follows;

	31 December 2013				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	287.232	171.381	54.087	141	-
B. Collaterals given on behalf of fully consolidated companies	16.305	16.194	-	-	-
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	27	22	2	-	-
D.Total amount of other collaterals	4.016	4.016	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group 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	4.016	4.016	-	-	-
Total Collaterals	307.580	191.613	54.089	141	-
A. Total amount of the mortgages given for its own legal entity	4.011.181	-	-	1.365.974	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other mortgages	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	4.011.181	-	-	1.365.974	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 31 December 2013, the ratio of the Group's other CPM's to the Group's equity is 0,013%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 2014	31 December 2013
Cheques in clearance	822.465	407.406
Deductible, deferred and other VAT	57.936	95.638
Other	92.162	127.261
Total	972.563	630.305

Other Non-Current Assets	30 June 2014	31 December 2013
Long term tax claims and other legal receivables	5.157	5.157
Deductible, deferred and other VAT	4.264	62.793
Other non-current assets	2.459	5.450
Total	11.880	73.400

Other Short Term Liabilities	30 June 2014	31 December 2013
Cheques in clearance	1.526.035	744.734
Saving deposits insurance	35.779	33.975
Other short term liabilities	341.338	291.998
Total	1.903.152	1.070.707

Other Long Term Liabilities	30 June 2014	31 December 2013
Other long term liabilities	2.662	2.992
Total	2.662	2.992

NOTE 15 – EQUITY

H.Ö. Sabancı Holding A.Ş.'s authorised and issued capital consists of 204.040.393.100 (31 December 2013: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 June 2014 and 31 December 2013 is as follows:

Shareholders:	Share (%)	30 June 2014	Share (%)	31 December 2013
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,21	147.160	7,21	147.160
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Other	64,84	1.323.010	64,84	1.323.010
Share capital	100	2.040.404	100	2.040.404
Treasury share (-)		-		-
Share premium		21.670		21.670

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Holding's paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. Based on the exemption for sale of participation shares and property, 75% of the related gain is required to be held in account "gain on sale of subsidiaries". In 2012, related to the initial public offering of Teknosa, Holding accounted for 75% of this gain in this account.

The details of restricted reserves mentioned above are as follows:

	30 June 2014	31 December 2013
Legal reserves	537.997	592.909
Investments sales income	333.369	333.369
Total	871.366	926.278

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, the Group companies that are obliged to prepare consolidated financial statements based on the related resolution of the General Assembly, are permitted to calculate net distributable profits based upon the net income for the period presented on consolidated financial statements that have been prepared within the framework of TAS/IFRS.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

Accumulated Other Comprehensive Income or Loss to be Reclassified to Profit or Loss

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency translation differences
Balance as of 1 January 2013	690.155	(189.176)	(34.210)	145.287
Increases/ (decreases) during the period	(999.438)	41.664	(11.679)	41.067
Gains transferred to income statement	(300.132)	20.224	-	-
Change in the rates	103	-	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(2.847)	-	-	-
Tax effect	260.483	(12.518)	2.336	-
Balance as of 30 June 2013	(351.676)	(139.806)	(43.553)	186.354
Balance as of 1 January 2014	(552.070)	(142.727)	(68.764)	258.722
Increases/ (decreases) during the period	808.820	(12.432)	3.274	(3.979)
Gains transferred to income statement	(169.292)	6.888	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(32.424)	-	-	-
Tax effect	(121.421)	1.109	(655)	-
Balance as of 30 June 2014	(66.387)	(147.162)	(66.145)	254.743

NOTE 16 – ASSETS CLASSIFIED AS HELD FOR SALE

1 January – 30 June 2014

The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group's subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group's shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities. As of 30 June 2014 and 2013, the the income statement items of Sasa has been reclassified as income and loss from discontinued operations on the consolidated statement of profit or loss.

The condensed consolidated balance sheet of SASA for the period 30 June 2014 and 31 December 2013 is as follows:

Balance Sheet

	30 June 2014	31 December 2013
Assets	668.910	576.363
Liabilities	383.201	(575.956)
Equity	281.796	249.915

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 16 – ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The statement of profit or loss of Sasa for the period ended 30 June 2014 and 30 June 2013 is as follows:

Statement of profit or loss

	1 January - 30 June 2014	1 January - 30 June 2013
Income	673.229	576.363
Expense	(642.934)	(575.956)
Net profit before tax	30.295	407
Tax	1.586	370
Net profit	31.881	777

The land amounting to TL 3.915 of Nile Kordsa which is an associate of the Group's subsidiary Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş., has been classified as asset held for sale on the consolidated financial statements, as a result of a board resolution to sell the related land.

1 January – 30 June 2013

The Group has signed an agreement for the sale of its 40% shares in Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş to Şok Marketler Ticaret A.Ş. Within the scope of the same agreement, Dia Group sold the 60% of Diasa shares to Yıldız Holding and Şok Süpermarketler A.Ş. As of 1 July 2013, 40% of the shares owned by Sabancı Holding were sold for TL 45.265 and the gain on sale amounting to TL 84.841 has been accounted for under profit from discontinued operations. As of 30 June 2013, Diasa's net asset value in the consolidated financial statements is TL (39.403). Net loss of Diasa for the period ended 30 June 2013 has been classified as income or (loss) from discontinued operations in the statement of profit or loss.

The statement of profit or loss of Diasa for the period ended 30 June 2013 is as follows:

Statement of profit or loss

	1 January - 30 June 2013
Income	171.189
Expense	(202.588)
Net loss before tax	(31.399)
Tax	-
Net loss	(31.399)

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 17 - FINANCE INCOME/EXPENSES

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Financial income				
Foreign currency gains	35.234	23.801	2.788	35
Other	547	497	22.168	11.397
Total	35.781	24.298	24.956	11.432
Financial expenses				
Interest expense	(42.538)	(14.586)	(33.569)	(28.902)
Other financial expenses	(47.248)	(31.669)	(52.052)	(22.780)
Total	(89.786)	(46.255)	(85.621)	(51.682)

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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

	30 June 2014	31 December 2013
Corporate and income taxes payable	714.363	449.777
Less: prepaid taxes	(294.332)	(345.649)
Total taxes payable	420.031	104.128

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 2014 is 20% (2013: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, except from these corporations' dividends subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations calculate corporate tax quarterly at the rate of 20% on their corporate income and declare it until the 10th day and pay it on the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Group are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in shares of capital of another full-fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

Preferential right certificate sales and issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business center in Turkey (except for corporations whose principal activity is financial leasing or by investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The proceed related to the sale transaction has to be collected up until the end of the second calendar year following the year the sale was realized.

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

Exemption for investment incentive

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No:193 with the effect of Article 5 of Law No:6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carryforward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation.

The additional paragraph to Provisional Article 69 included in accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/20 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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)

The tax charges for comprehensive income statement items for the periods ended 30 June 2014 and 2013 are as follows:

	30 June 2014			31 December 2013		
	Before Tax	Tax Charge	After Tax	Before Tax	Tax Charge	After Tax
Net unrealized fair value from available for sale financial assets	1.978.890	395.778	1.583.112	(2.448.053)	(489.611)	(1.958.442)
Net gain on available for sale financial assets transferred to the income statement	(415.236)	(83.047)	(332.189)	(736.159)	(147.232)	(588.927)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(79.531)	(15.906)	(63.625)	(6.984)	(1.397)	(5.587)
Cash flow hedges	11.981	2.396	9.585	117.125	23.425	93.700
Income/ (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation	3.274	655	2.619	(28.645)	(5.728)	(22.917)
Actuarial gain/loss	(1.189)	(238)	(951)	(819)	(164)	(655)
Currency translation differences	(4.592)	-	(4.592)	85.676	-	85.676
Other comprehensive income	1.493.597	299.638	1.193.959	(3.017.859)	(620.707)	(2.397.152)

Deferred tax

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TAS and their statutory tax financial statements. These differences usually result from the recognition of revenue and expenses in different reporting periods for TAS and tax purposes, carry forward tax losses and investment incentive exceptions. Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%.

Since the subsidiaries and joint ventures which are separately taxpayers presented their deferred tax assets and liabilities as net values in their financial statements, the effect of the presentation of the net amounts has been reflected to the Group's consolidated balance sheet. Temporary differences and deferred tax assets and liabilities presented in the table below are based on the gross values.

At 30 June 2014, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 19.765 which can be offset against future taxable profits for a period of five years (31 December 2013: TL 69.459). As of 30 June 2014 and 31 December 2013, carried forward tax losses and the latest annual periods are as follows:

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 tax (continued)

	30 June 2014	31 December 2013
2014	-	38.201
2015	-	-
2016	19.765	31.258
2017	-	-
2018	-	-
Total	19.765	69.459

The movements in deferred income tax assets / (liabilities) for the six-month periods ended 30 June 2014 and 2013 are as follows:

	30 June 2014	30 June 2013
1 January	387.767	92.478
Charged to equity	(196.574)	186.619
Transfers to assets classified as held for sale	(1.162)	376
Currency translation differences	1.906	(2.389)
Charged to statement of profit or loss	220.357	37.856
Other	(17.749)	-
30 June	394.545	314.940

NOTE 19 - DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2014

Derivative instruments held for trading:	Fair Value	
	Asset	Liability
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	503.163	626.282
Forward currency purchases and sales	63.159	88.353
Currency and interest rate futures purchases and sales	47.729	8.604
Currency options purchases and sales	186.621	199.405
Other	2.114	1.573
Total derivative instruments held for trading	802.786	924.217
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	281.508	55.368
Currency options purchases and sales	2.753	1.141
Total derivative instruments held for hedging	284.261	56.509
Total derivative instruments	1.087.047	980.726

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 (Continued)

31 December 2013

	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	998.700	610.806
Forward currency purchases and sales	205.316	143.100
Currency and interest rate futures purchases and sales	79.013	31.312
Currency options purchases and sales	472.704	394.617
Other purchases and sales	11.137	1.966
Total derivative instruments held for trading	1.766.870	1.181.801
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	630.177	63.810
Currency options purchases and sales	547	15.588
Total derivative instruments held for hedging	630.724	79.398
Total derivative instruments	2.397.594	1.261.199

Akbank and Enerjisa hedge cash flow risk arising from the financial liabilities through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedge Funds" within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 2014	31 December 2013
Consumer loans and credit cards receivables	41.514.398	41.247.665
Project finance loans	17.563.688	15.943.292
Small-scale enterprises	10.861.195	9.993.406
Health care and social services	1.030.530	6.839.242
Other manufacturing industries	7.646.509	6.031.637
Construction	8.122.826	5.163.172
Financial institutions	5.788.083	3.248.227
Telecommunication	3.451.620	3.167.176
Mining	2.603.140	2.724.094
Chemicals	2.040.796	2.122.150
Textile	2.983.242	2.068.930
Food and beverage, wholesale and retail	2.171.520	1.975.774
Automotive	1.407.694	1.946.653
Tourism	1.974.960	1.546.061
Agriculture and forestry	1.089.230	649.093
Electronics	361.539	334.895
Other	15.527.717	12.507.430
Non-performing loans	1.999.398	1.676.682
Total loans and advances to customers	128.138.085	119.185.579
Allowance for loan losses	(3.705.371)	(3.271.943)
Leasing receivables	3.340.035	3.209.509
Net loans and advances to customers	127.772.749	119.123.145

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 2014 by class is as follows:

	Corporate	Commercial	Total
1 January 2014	1.531.588	1.740.355	3.271.943
Gross provisions	378.121	620.291	998.412
Recoveries	(123.796)	(167.443)	(291.239)
Written-off	(80.174)	(193.571)	(273.745)
30 June 2014	1.705.739	1.999.632	3.705.371

The movement of loan loss provision of banking segment as of 30 June 2013 by class is as follows:

	Corporate	Commercial	Total
1 January 2013	1.143.279	1.080.824	2.224.103
Gross provisions	251.453	616.246	867.699
Recoveries	(50.408)	(142.692)	(193.100)
Written-off	(73.748)	(207.866)	(281.614)
30 June 2013	1.270.576	1.346.512	2.617.088

The maturity schedule of loans and advances to customers at 30 June 2014 and 31 December 2013 are summarised below:

	30 June 2014	31 December 2013
Up to 3 months	38.282.835	38.189.764
3 to 12 months	26.214.148	20.047.630
Current	64.496.983	58.237.394
1 to 5 years	43.049.448	40.061.603
Over 5 years	16.886.283	17.614.639
Non-current	59.935.731	57.676.242
Total	124.432.714	115.913.636

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

(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 repricing schedule of loans and advances to customers at 30 June 2014 and 31 December 2013 are summarized below:

	30 June 2014	31 December 2013
Up to 3 months	54.704.755	60.545.013
3 to 12 months	33.820.101	20.551.883
1 to 5 years	30.424.267	29.340.965
Over 5 years	5.483.591	5.475.775
Total	124.432.714	115.913.636

NOTE 21 - PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	30 Haziran 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	8.859.851	51.698.705	60.558.556	8.414.302	48.197.928	56.612.230
Commercial deposits	8.478.188	30.708.639	39.186.827	8.302.564	32.579.926	40.882.490
Bank deposits	292.168	9.948.235	10.240.403	681.270	10.733.996	11.415.266
Funds provided from repo transactions	-	27.416.295	27.416.295	-	22.898.256	22.898.256
Other	2.241.270	3.633.728	5.874.998	902.285	1.976.561	2.878.846
Total	19.871.477	123.405.602	143.277.079	18.300.421	116.386.667	134.687.088

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 periods ended 30 June 2014 and 2013 are as follows:

	30 June 2014	30 June 2013
Short term benefits	12.231.200	11.093.611
Benefits resulted from termination	514.779	163.239
Other long term benefits	130.404	123.512
Total	12.876.383	11.380.362

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 23 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

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 2014 and 31 December 2013 in terms of TL are as follows:

	30 June 2014	31 December 2013
Assets	92.940.084	87.512.789
Liabilities	(104.091.943)	(103.153.412)
Net foreign currency balance sheet position	(11.151.856)	(15.640.623)
Net foreign currency position of		
off-balance sheet derivative financial instruments	11.857.922	16.029.519
Net foreign currency balance sheet and off-balance sheet position	706.063	388.896

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

30 June 2014

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	4.803.564	2.509.660	2.105.195	35.361	153.348
Financial assets	18.053.169	13.305.938	4.747.231	-	-
Receivables from financial operations	50.952.412	34.001.675	16.891.428	36.825	22.484
Reserve deposits at Central Bank	18.245.795	11.395.449	3.570.471	-	3.279.875
Trade receivables	659.030	180.383	407.361	5.246	66.040
Other current assets	226.114	79.975	66.911	123	79.105
Total Assets	92.940.084	61.473.080	27.788.597	77.555	3.600.852
Liabilities:					
Funds borrowed and debt securities in issue	27.280.994	19.090.151	8.146.563	8.117	36.163
Customer deposits	75.417.713	49.776.079	22.199.359	1.210.700	2.231.575
Trade payables	290.895	172.282	49.071	297	69.245
Other payables and provisions	1.102.341	664.682	320.026	38.973	78.660
Total Liabilities	104.091.943	69.703.194	30.715.019	1.258.087	2.415.643
Net foreign currency position of off-balance sheet derivative financial instruments	11.857.922	8.289.569	3.552.209	1.183.271	(1.167.127)
Net foreign currency position	706.063	59.455	625.787	2.739	18.082
Net foreign currency monetary position	706.063	59.455	625.787	2.739	18.082

Net foreign currency position of the joint ventures accounted through equity method is TL 2.285.737 as of 30 June 2014. Net profit effect of the joint ventures to the total consolidated net foreign currency position is TL 1.579.671 as of 30 June 2014.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

31 December 2013

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	6.294.468	4.276.373	1.889.346	36.111	92.638
Financial assets	14.953.479	10.073.776	4.879.703	-	-
Receivables from financial operations	48.632.089	32.379.412	16.188.976	32.539	31.162
Reserve deposits at Central Bank	16.569.052	8.796.173	4.881.266	-	2.891.613
Trade receivables	827.201	367.857	390.768	6.824	61.752
Other current assets	236.500	85.652	67.558	453	82.837
Total Assets	87.512.789	55.979.243	28.297.617	75.927	3.160.002
Liabilities:					
Funds borrowed and debt securities in issue	25.539.083	18.279.795	7.251.297	7.991	-
Customer deposits	75.932.324	48.175.948	23.894.618	1.137.300	2.724.458
Trade payables	476.588	158.842	248.350	254	69.142
Other payables and provisions	1.205.417	464.733	695.627	1.299	43.758
Total Liabilities	103.153.412	67.079.318	32.089.892	1.146.844	2.837.358
Net foreign currency position of off-balance sheet derivative financial instruments	16.029.519	10.791.297	4.428.082	1.079.508	(269.368)
Net foreign currency position	388.896	(308.778)	635.807	8.591	53.276
Net foreign currency monetary position	388.896	(308.778)	635.807	8.591	53.276

Net foreign currency position of the joint ventures accounted through equity method is TL 1.444.905 as of 31 December 2013. Net profit effect of the joint ventures to the total consolidated net foreign currency position is TL 1.056.009 as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

Change of foreign currency has no material effect on financial statements because foreign exchange risk of the Bank is not material.

The foreign exchange risk of Group companies other than that of the banking segment for the years ended 30 June 2014 and 2013 is summarized as follows:

30 June 2014	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	(26.442)	26.442	-	-
Hedged items (-)	-	-	-	-
USD net effect	(26.442)	26.442	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(3.834)	3.834	-	-
Hedged items (-)	-	-	-	-
EUR net effect	(3.834)	3.834	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	(27)	27	-	-
Hedged items (-)	-	-	-	-
GBP net effect	(27)	27	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	4.410	(4.410)	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	4.410	(4.410)	-	-
	(25.893)	25.893	-	-
31 December 2013				
Change in USD against TL by 10%				
USD net assets/liabilities	(7.263)	7.263	-	-
Hedged items (-)	-	-	-	-
USD net effect	(7.263)	7.263	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(21.078)	21.078	-	-
Hedged items (-)	-	-	-	-
EUR net effect	(21.078)	21.078	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	109	(109)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	109	(109)	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	4.861	(4.861)	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	4.861	(4.861)	-	-
	(23.371)	23.371	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

As of 30 June 2014 and 2013, the appreciation and depreciation of TL against EUR, USD and GBP by 10% with all other variables held constant on Group's joint ventures' balance sheet and off balance sheet net foreign currency position affect the net income as a loss of TL 162.513 (30 June 2013: loss of TL 86.480) and gain of TL 192.602, respectively (30 June 2013: gain of TL 83.700).

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

30 June 2014	Note	Held to maturity financial assets	Loan and receivables (include cash and cash equivalents)	Available for sale financial assets	Financial liabilities measured at fair value	Book value (***)
Financial assets						
Cash and cash equivalents		-	7,691,153	-	-	7,691,153
Trade receivables		-	1,194,323	-	-	1,194,323
Other financial assets (*)	6	10,429,493	701,596	37,424,933	-	48,556,022
Receivables from financial operations	20	-	-	127,772,749	-	127,772,749
Financial liabilities						
Financial payables	6	-	-	-	32,083,325	32,083,325
Trade payables		-	-	-	1,756,519	1,756,519
Other financial liabilities (**)	7	-	-	-	3,671,853	3,671,853
Payables from financial operations	21	-	-	-	143,277,079	143,277,079
31 December 2013						
Financial assets						
Cash and cash equivalents		-	9,746,904	-	-	9,746,904
Trade receivables		-	1,252,409	-	-	1,252,409
Other financial assets (*)	6	12,153,454	844,764	30,751,096	-	43,749,314
Receivables from financial operations	20	-	-	119,123,145	-	119,123,145
Financial liabilities						
Financial payables	6	-	-	-	30,231,602	30,231,602
Trade payables		-	-	-	1,919,090	1,919,090
Other financial liabilities (**)	7	-	-	-	3,944,312	3,944,312
Payables from financial operations	21	-	-	-	134,687,088	134,687,088

(*) Other financial assets consist of other receivables, available for sale financial assets, time deposits and held for to maturity financial assets.

(**) Other financial liabilities consist of other payables.

(***) Group management believes that the book value of the financial instruments reflect their fair value.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Fair value of financial instruments

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value is as stated below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data.

a) Banking industrial segment

	30 June 2014			Total
	Level 1	Level 2	Level 3	
Held for trading securities	88.840	-	-	88.840
-Government bonds	8.267	-	-	8.267
-Eurobonds	2.320	-	-	2.320
-Share certificates	26.181	-	-	26.181
-Other	52.072	-	-	52.072
Available for sale securities	37.205.320	219.523	-	37.424.843
-Government bonds	24.148.584	-	-	24.148.584
-Eurobonds	9.648.502	-	-	9.648.502
-Mutual funds	275.231	-	-	275.231
-Other	3.133.003	219.523	-	3.352.526
Trading derivative financial assets	47.729	755.057	-	802.786
Hedging derivative financial assets	-	281.508	-	281.508
Financial assets measured at fair value	10.878.394	130.358.754	-	141.237.148
-Loan and advances from customers	-	130.358.754	-	130.358.754
-Held to maturity securities	10.878.394	-	-	10.878.394
Total Assets	48.220.283	131.614.842	-	179.835.125
Trading derivative financial instruments	8.605	914.093	-	922.698
Hedging derivative financial instruments	-	55.368	-	55.368
Financial assets measured at fair value	-	174.595.822	-	174.595.822
-Deposit	-	143.971.657	-	143.971.657
-Interbank money markets, funds borrowed, securities issued	-	30.624.165	-	30.624.165
Total liabilities	8.605	175.565.283	-	175.573.888

HACI ÖMER SABANCI HOLDİNG A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2014**

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

**NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND
EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)****Fair value of financial instruments (continued)****a) Banking industrial segment (continued)**

	31 December 2013			Total
	Level 1	Level 2	Level 3	
Held for trading securities	123.737	-	-	123.737
-Government bonds	7.746	-	-	7.746
-Eurobonds	2.149	-	-	2.149
-Government bonds denominated in foreign currency	-	-	-	-
-Treasury bills	-	-	-	-
-Share certificates	58.377	-	-	58.377
-Other	55.465	-	-	55.465
Available for sale securities	30.480.994	270.102	-	30.751.096
-Government bonds	20.536.281	-	-	20.536.281
-Eurobonds	6.888.515	-	-	6.888.515
-Treasury bills	-	-	-	-
-Government bonds denominated in foreign currency	-	-	-	-
-Mutual funds	248.690	-	-	248.690
-Equity securities	91	-	-	91
-Other	2.807.417	270.102	-	3.077.519
Trading derivative financial assets	79.013	1.687.857	-	1.766.870
Hedging derivative financial assets	-	630.724	-	630.724
Total Assets	30.683.744	2.588.683	-	33.272.427
Trading derivative financial instruments	31.312	1.147.436	-	1.178.748
Hedging derivative financial instruments	-	63.810	-	63.810
Total liabilities	48.065	1.164.362	-	1.212.427

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

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

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Fair value of financial instruments (continued)

b) Other industrial segment

	30 June 2014			
	Level 1	Level 2	Level 3	Total
Derivatives held for trading	-	303.758	-	303.758
Derivatives held for hedging	-	2.753.212	-	2.753.212
Total Assets	-	3.056.970	-	3.056.970
Derivatives held for trading	-	-	-	-
Derivatives held for hedging	-	(1.761.471)	-	-
Total Liabilities	-	(1.761.471)	-	-

	31 December 2013			
	Level 1	Level 2	Level 3	Total
Held for trading securities	-	-	-	-
Available for sale securities	-	-	-	-
Derivatives held for trading	-	3.053	-	3.053
Derivatives held for hedging	-	15.588	-	15.588
Total Assets	-	18.641	-	18.641
Derivatives held for trading	-	-	-	-
Derivatives held for hedging	-	-	-	-
Total Liabilities	-	-	-	-

NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

Sabancı Holding issued bonds to qualified investors with the 178 days maturity, 9,31 annual simple interest rate on 15 July, 2014.

Çimsa has signed a share purchase and sale agreement on July 15 July 2014 to acquire the shares of Sançim Bilecik Çimento Madencilik Beton Sanayi ve Ticaret A.Ş. with a face value of TL 87,5 million representing 100% of the capital, from Aunde Teknik Tekstil Sanayi ve Ticaret A.Ş., E.N.A. Tekstil Sanayi ve Ticaret A.Ş., Celal Sönmez, Ali Hazır and Mehmet Hazır. As per the agreement, the acquisition price of the 100% of the Sançim Bilecik Çimento Madencilik A.Ş. excluding the adjustments amounts to USD 220, 7 million. The transfer of shares acquisition price will take place only after the approval of the Competition Board and of fulfillment of the other requirements stipulated in the share purchase and sale agreement at the closure.

Akbank has provided a 1 year syndicated loan agreement is amounting to USD 1,5 billion, comprising two separate tranches in the amount of € 367,7 million and EUR 815,4 million. The loan which will be used for foreign trade funding and the all-in cost has been realized as LIBOR +0,90%, EURIBOR +0,90% respectively has been signed on 14 August 2014.