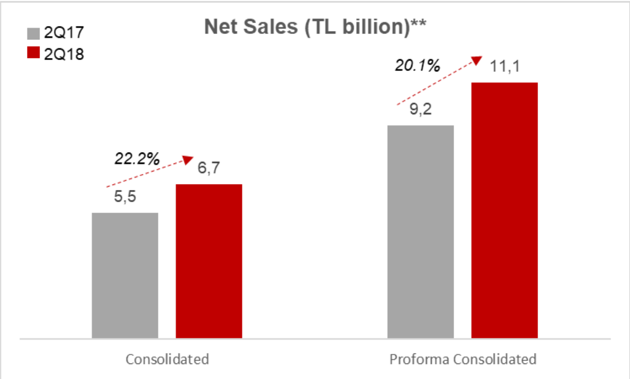
AG ANADOLU GRUBU HOLDİNG A.Ş.

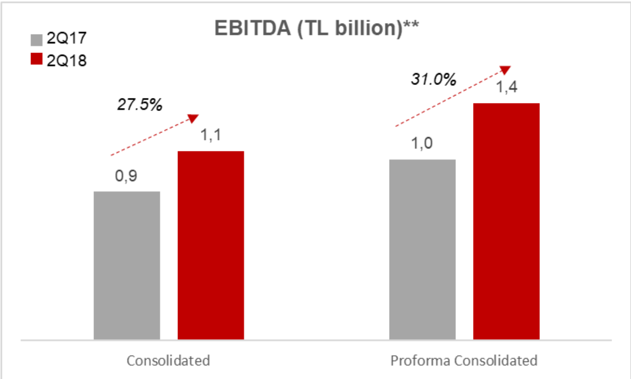
(BIST: AGHOL.IS)

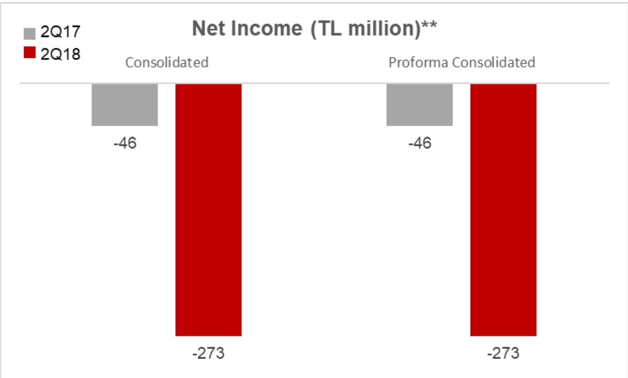
1H18 & 2Q18 Earnings Release, August 15, 2018

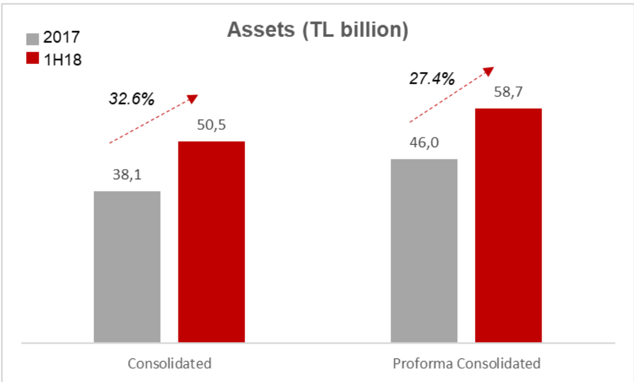
2Q18 FINANCIAL HIGHLIGHTS: SOLID OPERATIONAL RESULTS

- **Consolidated net sales up by 22% to TL 6.7 billion**
  - Total Proforma* consolidated sales up by 20% to TL 11.1 billion
- **EBITDA increased by 28% to TL 1.1 billion, EBITDA margin improved by 70 bps to 16.3%**
  - Proforma EBITDA up by 31% to TL 1.4 billion, EBITDA margin improved by 100 bps to 12.3%
- **Net loss attributable to the parent company at TL 273 million,**
  - Total Proforma net loss attributable to the parent company at TL 273 million
- **Total assets up by 33% to TL 50.5 billion**
  - Total Proforma assets at TL 58.7 billion





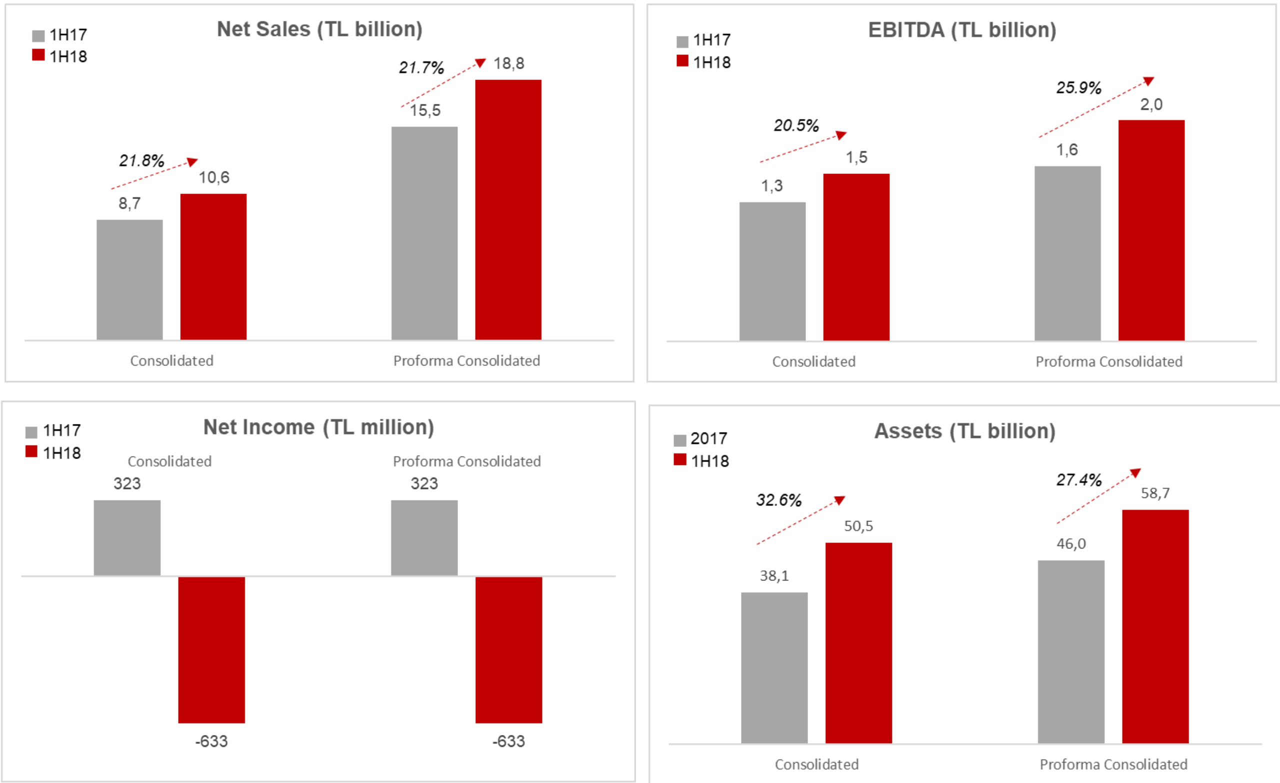




**Financial results including Migros as fully consolidated*
*** For comparison purposes, Beer group 2017 figures also include ABI Russia and ABI Ukraine effect starting from April 1st. In this context, Holding proforma consolidated results of 2Q17 and 1H17 include the aforementioned effect.*

1H18 FINANCIAL HIGHLIGHTS:

- **Consolidated net sales up by 22% to TL 10.6 billion**
    - Total Proforma* consolidated sales up by 22% to TL 18.8 billion
- **EBITDA increased by 21% to TL 1.5 billion, EBITDA margin at 14.2%**
    - Proforma EBITDA at TL 2.0 billion, EBITDA margin at 10.6%
- **Net loss attributable to the parent company at TL 633 million,**
    - Total Proforma net loss attributable to the parent company at TL 633 million
- **Total assets up by 33% to TL 50.5 billion**
    - Total Proforma assets at TL 58.7 billion



**Financial results including Migros as fully consolidated*
*** For comparison purposes, Beer group 2017 figures also include ABI Russia and ABI Ukraine effect starting from April 1st. In this context, Holding proforma consolidated results of 2Q17 and 1H17 include the aforementioned effect.*

Beer (TL mn)	2Q17*	2Q18	Change	1H17*	1H18	Change
Net Sales	1.899	2.292	20,6%	2.769	3.190	15,2%
Gross Profit	875	1.041	19,0%	1.265	1.431	13,1%
EBITDA	235	304	29,2%	336	336	0,2%
Net Income	70	99	41,9%	30	17	-42,9%
Gross Profit Margin	46,1%	45,4%	-0,6	45,7%	44,9%	-0,8
EBITDA Margin	12,4%	13,2%	0,9	12,1%	10,5%	-1,6
Net Profit Margin	3,7%	4,3%	0,6	1,1%	0,5%	-0,5
Soft Drinks (TL mn)	**2Q17**	**2Q18**	**Change**	**1H17**	**1H18**	**Change**
Net Sales	2.559	3.158	23,4%	4.115	5.024	22,1%
Gross Profit	920	1.157	25,8%	1.401	1.771	26,4%
EBITDA	497	642	29,3%	690	924	33,9%
Net Income	231	187	19,0%	145	141	-2,8%
Gross Profit Margin	35,9%	36,6%	0,7	34,0%	35,3%	1,2
EBITDA Margin	19,4%	20,3%	0,9	16,8%	18,4%	1,6
Net Profit Margin	9,0%	5,9%	-3,1	3,5%	2,8%	-0,7
Automotive (TL mn)	**2Q17**	**2Q18**	**Change**	**1H17**	**1H18**	**Change**
Net Sales	727	876	20,5%	1.269	1.705	34,3%
Gross Profit	128	170	32,7%	235	326	38,6%
EBITDA	90	98	9,0%	158	177	12,7%
Net Income	-19	-105	-457,8%	-76	-199	-163,3%
Gross Profit Margin	17,6%	19,4%	1,8	18,5%	19,1%	0,6
EBITDA Margin	12,4%	11,2%	-1,2	12,4%	10,4%	-2,0
Net Profit Margin	-2,6%	-12,0%	-9,4	-6,0%	-11,7%	-5,7
Retail (TL mn)	**2Q17**	**2Q18**	**Change**	**1H17**	**1H18**	**Change**
Net Sales	263	313	19,2%	529	622	17,6%
Gross Profit	62	74	19,4%	128	140	10,1%
EBITDA	31	33	7,6%	63	63	-1,0%
Net Income	7	6	-21,9%	19	7	-64,4%
Gross Profit Margin	23,5%	23,6%	0,0	24,1%	22,6%	-1,5
EBITDA Margin	11,7%	10,5%	-1,1	12,0%	10,1%	-1,9
Net Profit Margin	2,7%	1,8%	-0,9	3,7%	1,1%	-2,6
Other (TL mn)	**2Q17**	**2Q18**	**Change**	**1H17**	**1H18**	**Change**
Net Sales	63	71	11,6%	120	140	16,3%
Gross Profit	24	35	47,6%	52	78	51,8%
EBITDA	1	10	n.m.	6	9	40,1%
Net Income	-89	-216	142,7%	368	-433	n.m.
Gross Profit Margin	37,2%	49,2%	12,0	43,0%	56,1%	13,1
EBITDA Margin	0,9%	13,7%	12,8	5,4%	6,5%	1,1
Net Profit Margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Consolidated (TL mn)	**2Q17***	**2Q18**	**Change**	**1H17***	**1H18**	**Change**
Net Sales	5.468	6.684	22,2%	8.710	10.607	21,8%
Gross Profit	1.975	2.442	23,6%	3.015	3.679	22,0%
EBITDA	852	1.087	27,5%	1.253	1.509	20,5%
Net Income	-46	-273	n.m.	323	-633	n.m.
Gross Profit Margin	36,1%	36,5%	0,4	34,6%	34,7%	0,1
EBITDA Margin	15,6%	16,3%	0,7	14,4%	14,2%	-0,2
Net Profit Margin	-0,8%	-4,1%	-3,2	3,7%	-6,0%	-9,7
Migros (TL mn)	**2Q17**	**2Q18**	**Change**	**1H17**	**1H18**	**Change**
Net Sales	3.923	4.523	15,3%	7.037	8.463	20,3%
Gross Profit	1.015	1.261	24,3%	1.832	2.338	27,6%
EBITDA	193	275	42,9%	348	486	39,5%
Net Income	-118	-290	146,6%	789	-528	n.m.
Gross Profit Margin	25,9%	27,9%	2,0	26,0%	27,6%	1,6
EBITDA Margin	4,9%	6,1%	1,2	5,0%	5,7%	0,8
Net Profit Margin	-3,0%	-6,4%	-3,4	11,2%	-6,2%	-17,5
Proforma Consolidated (TL mn)	**2Q17***	**2Q18**	**Change**	**1H17***	**1H18**	**Change**
Net Sales	9.207	11.056	20,1%	15.453	18.809	21,7%
Gross Profit	2.995	3.693	23,3%	4.820	5.996	24,4%
EBITDA	1.039	1.360	31,0%	1.579	1.988	25,9%
Net Income	-46	-273	494,0%	323	-633	n.m.
Gross Profit Margin	32,5%	33,4%	0,9	31,2%	31,9%	0,7
EBITDA Margin	11,3%	12,3%	1,0	10,2%	10,6%	0,4
Net Profit Margin	-0,5%	-2,5%	-2,0	2,1%	-3,4%	-5,5

* For comparison purposes, Beer group 2017 figures also include ABI Russia and ABI Ukraine effect starting from April 1st.
In this context, Holding proforma consolidated results of 2Q17 and 1H17 include the aforementioned effect

MESSAGE FROM THE CEO

"Despite increasing volatilities in economic conjuncture, we are happy to disclose strong consolidated EBITDA growth of 30% achieved through solid results in almost all of our business segments in the second quarter. During the period, the momentum in domestic fast-moving consumer goods market that constitutes major part of our portfolio continued and for the other businesses in which we operate, export capabilities were increased through various measures. On the other hand, merger with ABI Russia and ABI Ukraine beer businesses was completed in 1Q18 and hence second quarter began with a strong presence in these countries.

In spite of TL depreciation, we have almost managed to improve our debt ratios which stand out to be one of our main focus areas. Additionally, we have significantly increased the share of Turkish Lira denominated debt in our total debt figure.

For the remainder of the year, while uncertainties in economic environment shall prevail, we will continue with our strategy to increase operational efficiency under changing conditions by the help of our inherent cautious approach in financial management."

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated (TL mn)	2Q17*	2Q18	Change	1H17*	1H18	Change
Net Sales	5.468	6.684	*22,2%*	8.710	10.607	*21,8%*
Gross Profit	1.975	2.442	*23,6%*	3.015	3.679	*22,0%*
EBITDA	852	1.087	*27,5%*	1.253	1.509	*20,5%*
Net Income	-46	-273	*n.m.*	323	-633	*n.m.*
Gross Profit Margin	*36,1%*	*36,5%*	*0,4*	*34,6%*	*34,7%*	*0,1*
EBITDA Margin	*15,6%*	*16,3%*	*0,7*	*14,4%*	*14,2%*	*-0,2*
Net Profit Margin	*-0,8%*	*-4,1%*	*-3,2*	*3,7%*	*-6,0%*	*-9,7*

Proforma Consolidated (TL mn)	2Q17*	2Q18	Change	1H17*	1H18	Change
Net Sales	9.207	11.056	*20,1%*	15.453	18.809	*21,7%*
Gross Profit	2.995	3.693	*23,3%*	4.820	5.996	*24,4%*
EBITDA	1.039	1.360	*31,0%*	1.579	1.988	*25,9%*
Net Income	-46	-273	*494,0%*	323	-633	*n.m.*
Gross Profit Margin	*32,5%*	*33,4%*	*0,9*	*31,2%*	*31,9%*	*0,7*
EBITDA Margin	*11,3%*	*12,3%*	*1,0*	*10,2%*	*10,6%*	*0,4*
Net Profit Margin	*-0,5%*	*-2,5%*	*-2,0*	*2,1%*	*-3,4%*	*-5,5*

*** For comparison purposes, Beer segment 2017 figures also include ABI Russia and ABI Ukraine effect starting from April 1st. In this context, Holding proforma consolidated results of 2Q17 and 1H17 include the aforementioned effect.*

- AG Anadolu Grubu Holding ("Anadolu Grubu", "Holding") consolidated revenues increased by 22.2% to TL 6.7 billion in the second quarter of 2018 driving the first half **consolidated net sales** to TL 10.6 billion, up by 21.8% y-o-y. **Proforma consolidated net sales** were posted at TL 11.1 billion, implying a healthy 20.1% yearly growth. Thus, six months cumulative proforma consolidated revenues were up by 21.7% to TL 18.8 billion.

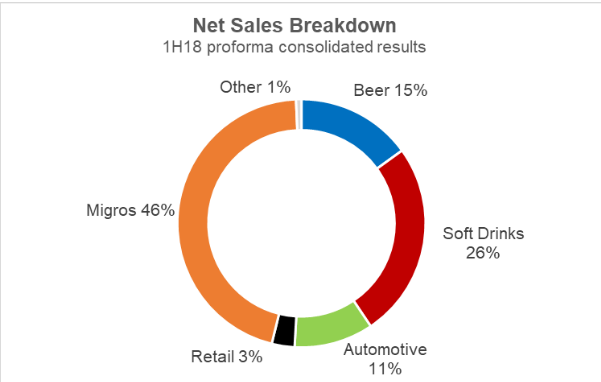
- All segments contributed well to our stellar and quality revenue growth. In the second quarter of the year, while soft drinks segment revenues increased yearly by 23% followed by beer and automotive each with 21%, Migros' top-line was up by 15% y-o-y. On the other hand, retail grew by 19%, and finally revenues of the other segment, that includes real estate and energy segments, grew by 12% in 2Q18 compared to the same period of last year.

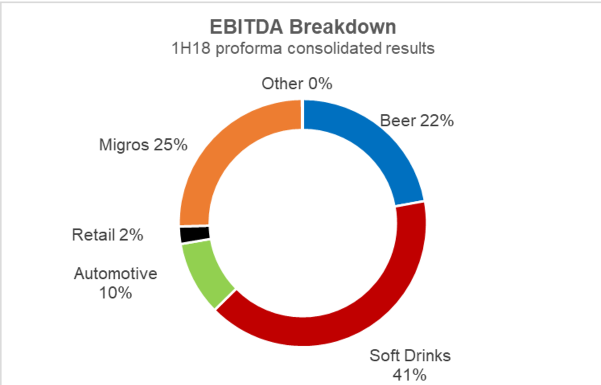
- **Consolidated EBITDA** of the Holding increased by 27.5% to TL 1.1 billion, corresponding to 70 bps increase in **EBITDA margin** of 16.3% in 2Q18. **Proforma consolidated EBITDA** significantly increased by 31.0% y-o-y to TL 1.4 billion. Improvement in operational profitability of beer and soft drinks segments and Migros supported EBITDA growth. While share of soft drinks segment in 12-months trailing consolidated proforma EBITDA was at 41%, Migros and beer constituted 25% and 22% shares, respectively. Remaining automotive, retail and other segments had a total of 12% share in EBITDA.

- Anadolu Grubu announced TL 273 million **net loss attributable to parent company** in 2Q18 driving the first half loss to TL 633 million. In-line with higher top-line Holding also recorded high-twenties increase at the operational profitability, yet bottom-line was affected by the FX losses due to FX borrowings.[1]

- **Holding-only net debt** stood at Euro 229 million and Proforma consolidated net debt of the Holding was Euro 2.6 billion, while **net debt/EBITDA** was calculated as 3.5x as end of June 2018. Main culprits of the increasing net debt/EBITDA ratio as of June'18 vs. Dec'18 are the decreasing cash due to dividend payments at the soft drinks segment and higher net debt due to seasonality in the retail business. Excluding these effects, despite the TL depreciation during the period, net debt/EBITDA ratio as of 1H18 has indeed decreased from 3.6x level of 1H17.

- Excluding the automotive segment, which has a highly leveraged business model; proforma consolidated net debt/EBITDA computed as 2.7x.





Breakdown graphics are calculated based on 12M trailing data.
Sum of segmental percentages may exceed 100% due to eliminations.

[1] *The effective part of the change in the value of the bonds and loans designated as hedging of net investments of Holding, Anadolu Efes and Coca Cola Icecek amounting to TRL 722.442 (TRL 577.954 - including deferred tax effect) is recognized as " Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December, 31 2017: None).*

As end of 2Q18 (Euro mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	760	430	330	1,6
Soft Drinks	1.265	704	561	1,8
Automotive	683	44	639	8,8
Retail	81	8	73	4,3
Other (incl. Holding)	503	44	459	n.m.
Holding only	*253*	*24*	*229*	*n.m.*
Consolidated	3.291	1.230	2.061	3,7
Migros	767	256	511	2,7
Proforma Consolidated	4.058	1.486	2.572	3,5

As end of 2017FY (Euro mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	558	356	202	1,1
Soft Drinks	1.327	862	465	1,5
Automotive	712	42	670	8,3
Retail	47	12	35	1,7
Other (incl. Holding)	482	37	445	n.m.
Holding only	*253*	*16*	*237*	*n.m.*
Consolidated	3.125	1.308	1.817	3,1
Migros	866	361	506	2,6
Proforma Consolidated	3.992	1.669	2.323	3,0

BEER SEGMENT*

Bira (mn TL)	2Q17*	2Q18	*Change*	1H17*	1H18	*Change*
Volume (mhl)	9,7	9,9	*1,6%*	14,0	13,9	*-0,7%*
Net Sales	1.899	2.292	*20,6%*	2.769	3.190	*15,2%*
Gross Profit	875	1.049	*19,9%*	1.265	1.439	*13,8%*
EBITDA (BNRI)	241	320	*32,6%*	343	390	*13,8%*
Net Income	70	99	*42,0%*	30	17	*-42,8%*
Gross Profit Margin	*46,1%*	*45,8%*	*-0,3*	*45,7%*	*45,1%*	*-0,6*
EBITDA Margin	*12,7%*	*13,9%*	*1,2*	*12,4%*	*12,2%*	*-0,2*
Net Profit Margin	*3,7%*	*4,3%*	*0,6*	*1,1%*	*0,5%*	*-0,6*

** For comparison purposes, Beer segment 2017 figures also include ABI Russia and ABI Ukraine effect starting from April 1st.*

- **Total sales volumes** increased by 1.6% to 9.9 million hectoliters in 2Q18, thanks to strong international beer sales performance. On the other hand, six months cumulative beer sales volumes declined merely by 0.7% to 13.9 million hectoliters. Although higher prices continued to have pressure on **Turkey beer market**, performance in the second quarter showed significant improvement compared to first quarter of the year in domestic operations and sales volume reached 1.4 million hectoliters in 2Q18. In addition to that, market share improvements were also seen in beer segment in the last two months. **On the international front**, due to the positive contribution from Russia and Kazakhstan beer operations, sales volumes increased by 2.5% y-o-y to 8.4 million hectoliters. Merger with ABI Russia and Ukraine beer businesses were completed in 1Q18 and second quarter began with a strong presence in these countries. Favorable weather conditions with above average temperatures as well as solid volumes performance that was achieved during World Cup led to better than expected results in Russia in the second quarter.

- Due to price increases and higher penetration of certain brands amidst lower sales volumes in domestic market and again price increases and positive translation impact from international operations beer segment **net sales revenues** increased by 20.6% to 2.3 billion TL in 2Q18. Net sales rose by 15.2% y-o-y to 3.2 billion TL in the first six months of the year. Higher barley prices and sales mix as well as increase in per unit fixed costs due to lower volumes led 2Q18 gross margin of domestic operations to deteriorate by 250 bps. In the international operations, EBI recorded almost flat gross margin, thanks to higher volumes and moderate increases in raw material prices as well as price increases made in order to reflect cost inflation. As a result, gross margin of beer segment declined merely by 30 bps in the second quarter.

- **EBITDA (BNRI)** emerged at TL 320 million in 2Q18 and TL 390 million in the first six months of 2018. While international operations' EBITDA (BNRI) improved by 44.1% to TL 254 million, EBITDA (BNRI) increase was limited at 2.8% for domestic operations. (Severances of the personnel as well as some consultancy expenses related to the merger classified as "BNRI" and added back to EBITDA.)

- **EBITDA (BNRI) margin** came at 13.9% in 2Q18, up by 120 bps compared to last year. EBITDA margin of international operations benefitted from the economies of scale and tight opex management. Thus, six months cumulative EBITDA (BNRI) came at 12.2% in 1H18.

- Beer segment disclosed TL99 million **net profit** in 2Q18 corresponding to a cumulative net income of TL 17 million in 1H18.

SOFT DRINKS SEGMENT

Meşrubat (mn TL)	2Q17	2Q18	*Change*	1H17	1H18	*Change*
Volume (mn u/c)	373	408	*9,4%*	606	670	*10,6%*
Net Sales	2.559	3.158	*23,4%*	4.115	5.024	*22,1%*
Gross Profit	920	1.157	*25,8%*	1.401	1.771	*26,4%*
EBITDA	497	642	*29,3%*	690	924	*33,9%*
Net Income	231	187	*-19,0%*	145	141	*-2,8%*
Gross Profit Margin	*35,9%*	*36,6%*	*0,7*	*34,0%*	*35,3%*	*1,2*
EBITDA Margin	*19,4%*	*20,3%*	*0,9*	*16,8%*	*18,4%*	*1,6*
Net Profit Margin	*9,0%*	*5,9%*	*-3,1*	*3,5%*	*2,8%*	*-0,7*

- **Consolidated sales volume** increased by 9.4% y-o-y in 2Q18, reaching 408 million uc. The volume growth was broad-based, with Turkey making the highest contribution. **Turkey operations** delivered another quarter of quality growth and maintained its positive momentum. Sales volume grew by 7.8% demonstrating favorable category and packaging mix. Sparkling volume rose by 14.8%, denoting the highest quarterly growth since 2011. On the other hand, **international operations** delivered 10.9% volume growth, with accelerating performance across all regions and growth in all categories. In Pakistan volume increased by 12.0% mainly driven by the sparkling category. Improving distribution efficiency, FIFA World Cup and Ramadan campaigns also contributed to growth during the quarter. In Middle East and Central Asia operations, successful promotions such as FIFA World Cup, increasing availability and number of coolers and favorable weather conditions supported volume growth.

- **Net sales revenues** rose by 23.4% to TL 3.2 billion in 2Q18, mainly driven by Turkey and the positive FX conversion impact of international operations. Cumulative net revenues came to TL 5 billion with a 22.1% yearly growth. **In Turkey**, net sales revenues was up by 24.2%, driven by price increases and positive sales mix. Impacts of special consumption tax, increases in input costs and FX headwinds have been successfully mitigated through revenue growth management initiatives, including smart pricing, portfolio strategy and optimum price/pack architecture. Net sales revenue per unit case increased its momentum, recording 15.2% growth. **In international operations,** net sales revenues grew by 22.7% y-o-y in 2Q18, supported by strong volumes both in Central Asia and Middle East & Pakistan.

- **Gross margin** of soft drinks segment improved by 70 bps to 36.6% in 2Q18 while raw material costs as a percentage of revenues was slightly down on a consolidated basis. Turkey drove soft drinks segments margin expansion. **In Turkey**, the increase in revenue per unit case and effective cost management through hedging and cash designation more than offset the adverse impacts of higher raw material prices and TL depreciation, thus gross margin increased by 200 bps to 41.6% in the second quarter. **In international operations**, gross margin contracted by 40 bps to 32.4% while the favorable impact of lower sugar prices compensated for adverse impact from packing prices.

- **EBIT margin** improved by 170 bps to 16.2%, mostly attributable to gross margin improvement in Turkey and ongoing focus on opex management. Despite the lower gross margin, international operations EBIT margin also expanded on the back of lower operating expenses as a percentage of revenues. The improvement was mainly driven by Pakistan, where operating expenses as a percentage of revenues was down almost by 200 bps, reflecting increasing efficiency. EBITDA margin expanded by 90 bps to 20,3% in 2Q18 reflecting better operating profitability both in Turkey and international operations.

- **Net income** declined by 19.0% from TL 231 million in 2Q17 to TL 187 million in 2Q18. Despite better operating profitability and TL 134 million positive impact of net investment hedging, higher financial expenses resulted in lower net income.

AUTOMOTIVE SEGMENT

Automotive (TL mn)	2Q17	2Q18	*Change*	1H17	1H18	*Change*
Net Sales	727	876	*20,5%*	1.269	1.705	*34,3%*
Gross Profit	128	170	*32,7%*	235	326	*38,6%*
EBITDA	90	98	*9,0%*	158	177	*12,7%*
Net Income	-19	-105	*-457,8%*	-76	-199	*-163,3%*
Gross Profit Margin	*17,6%*	*19,4%*	*1,8*	*18,5%*	*19,1%*	*0,6*
EBITDA Margin	*12,4%*	*11,2%*	*-1,2*	*12,4%*	*10,4%*	*-2,0*
Net Profit Margin	*-2,6%*	*-12,0%*	*-9,4*	*-6,0%*	*-11,7%*	*-5,7*

- Automotive segment posted TL 876 million **net sales revenues** in 2Q18, up by 20.5% y-o-y driving six months top-line to TL 1.7 billion, with a yearly increase of 34.3%. While Çelik Motor constituted 58% of automotive sales revenues, remaining shares were 37% of Anadolu Isuzu and 5% of Anadolu Motor in the first half of the year. Increasing share of international sales coupled with Euro appreciation against TL led to a solid yearly top-line growth of 82% for Anadolu Isuzu in 1H18. Note that Anadolu Isuzu' share in total sales rose by 300 bps compared to the previous quarter. On the other hand, revenues of Çelik Motor increased by 21% y-o-y in 1H18.

- **Gross profit** of Çelik Motor and Anadolu Isuzu increased by 14.6% and 126.1% y-o-y respectively, in 2Q18. Gross profit margin of the automotive segment expanded by 180 bps to 19.4% due to the increase in the gross profit margin of Anadolu Isuzu and Çelik Motor by 240 and 230 bps respectively. Six months cumulative gross profit margin increased by 60 bps to 19.1%.

- **EBIT** of the automotive segment came at TL 112 million. Operational profitability of Anadolu Isuzu increased to TL 6.3 million in 1H18 compared favorably to TL 2.6 million posted in the same period of last year. Çelik Motor, having the highest share in the segment in terms of operational profitability, posted an EBIT of TL 106 million.

- While **EBITDA** of the automotive segment increased by 9.0% to TL 98 million in 2Q18**, EBITDA margin** contracted by 120 bps to 11.2%. Automotive segment EBITDA margin for the six months of 2018 deteriorated by 200 bps to 10.4%. Çelik Motor constituted 83% of automotive segment EBITDA; remaining were 12% of Anadolu Isuzu and 4% of Anadolu Motor.

- **Total net debt** of automotive segment increased by TL 370 million to TL 3.4 billion as end of June 2018. Due to the nature of its field of activity Çelik Motor has a leveraged business model and is operating at high debt levels. Thus, Çelik Motor carries 84% of the total net debt of the segment. In order to be less impacted from the currency fluctuations, Çelik Motor has efforts to decrease its Euro debt, the company decreased the ratio of Euro denominated debt in total debt from 59% as end of 2017 to 38% as end of June 2018.

RETAIL SEGMENT

Retail (TL mn)	2Q17	2Q18	*Change*	1H17	1H18	*Change*
Net Sales	263	313	*19,2%*	529	622	*17,6%*
Gross Profit	62	74	*19,4%*	128	140	*10,1%*
EBITDA	31	33	*7,6%*	63	63	*-1,0%*
Net Income	7	6	*-21,9%*	19	7	*-64,4%*
Gross Profit Margin	*23,5%*	*23,6%*	*0,0*	*24,1%*	*22,6%*	*-1,5*
EBITDA Margin	*11,7%*	*10,5%*	*-1,1*	*12,0%*	*10,1%*	*-1,9*
Net Profit Margin	*2,7%*	*1,8%*	*-0,9*	*3,7%*	*1,1%*	*-2,6*

- Retail segment posted TL 313 million **net sales revenues** in 2Q18, implying a 19.2% yearly growth and driving six months top-line to TL 622 million. McDonalds, generating 56% of total sales of the retail segment, increased its sales by 20% in 2Q18. Also included in this segment Adel has increased its top-line by 20.3% in the second quarter. On the other hand, Adel and tourism company Efestur, had 40% and 5% shares in total segment' sales respectively.

- While **gross margin** of Adel increased by 120 bps in 2Q18, gross margin of McDonalds decreased by 60 bps. Despite having relatively lower share in the segment, Efestur continued its profitable operations in this quarter as well and contributed positively to the financials. In 2Q18, gross margin of the segment remained unchanged vs. 2Q17.

- Retail segment **EBITDA** came at TL 33 million in 2Q18 driving six months cumulative EBITDA to TL 63 million. Operating profit of Adel decreased by 3% y-o-y and EBIT margin declined by 320 bps in 2Q18. Main reason of the decline in the operating profitability is the increase in rediscount expenses booked under other expenses. Due to the seasonality of the business, trade receivables increase in interim periods and during times of increasing interest rate environment, high rediscount expenses put pressure on profitability. However, these inflated trade receivables decrease at the end of the year due to collections. Combined with the effect of higher operational expenses of McDonalds due to increased sales and marketing expenses the **EBITDA margin** of the segment declined by 190 bps to 10.1% in 1H18.

- **Net debt** of the retail segment increased by TL 182 million to TL 389 million as end of June 2018. Adel comprises 73% of the debt due to high working capital requirement specially during interim periods yet with the collections net debt decreases both for Adel and segment as well. All companies operating under retail segment have local currency borrowings.

OTHER

Other (TL mn)	2Q17	2Q18	*Change*	1H17	1H18	*Change*
Net Sales	63	71	*11,6%*	120	140	*16,3%*
Gross Profit	24	35	*47,6%*	52	78	*51,8%*
EBITDA	1	10	*n.m.*	6	9	*40,1%*
Net Income	-89	-216	*142,7%*	368	-433	*n.m.*
Gross Profit Margin	*37,2%*	*49,2%*	*12,0*	*43,0%*	*56,1%*	*13,1*
EBITDA Margin	*0,9%*	*13,7%*	*12,8*	*5,4%*	*6,5%*	*1,1*
Net Profit Margin	*n.m.*	*n.m.*	*n.m.*	*n.m.*	*n.m.*	*n.m.*

- Holding, energy and real estate companies are consolidated under other segment. **Net sales revenues** of the other segment increased by 11.6% to TL 71 million driving the 1H18 top-line to TL 140 million, up by 16.3%, thanks to TL 35 million revenues from real estate which has more than tripled in the first half.

- AND Kozyatağı, which has a total leasable area of 31.5K sqm after the sale indicated above, has an occupancy rate of around 75% as of 1H18-end. Meanwhile, the pre-sales rate of AND Pastel residential project, which is being developed in Istanbul Kartal, was at 58% for the same period. Delivery of the residential units will commence in the second half of the year.

- Aslancık is consolidated via equity pick up method, generated a turnover of TL39 million in 2Q18 driving the revenue for six months to TL 57 million.

- Paravani HEPP generated TL 22 million revenues in 2Q18, up by 18.5%. The electricity produced at Paravani HEPP is sold in Turkey and Georgia in accordance with the weather conditions. In the first six months of the year net sales revenues increased by 16.2% y-o-y to TL 38 million.

- Due to equity consolidation method used for Migros, its contribution is booked under “other gains from investments accounted through equity” in the other segment. Migros recorded TL528 million net loss in 1H18. Other segment has a total net loss of TL 433 million in 1H18.

MİGROS

Migros (TL mn)	2Q17	2Q18	*Change*	1H17	1H18	*Change*
Net Sales	3.923	4.523	*15,3%*	7.037	8.463	*20,3%*
Gross Profit	1.015	1.261	*24,3%*	1.832	2.338	*27,6%*
EBITDA	193	275	*42,9%*	348	486	*39,5%*
Net Income	-118	-290	*146,6%*	789	-528	*n.m.*
Gross Profit Margin	*25,9%*	*27,9%*	*2,0*	*26,0%*	*27,6%*	*1,6*
EBITDA Margin	*4,9%*	*6,1%*	*1,2*	*5,0%*	*5,7%*	*0,8*
Net Profit Margin	*-3,0%*	*-6,4%*	*-3,4*	*11,2%*	*-6,2%*	*-17,5*

- Migros’ **net sales revenue** rose by 20.3% and reached TL 8.5 billion in 1H18 which validates continuing strong top-line growth momentum of Migros. Domestic sales growth excluding Kipa at 19.3% was stronger in 2Q18 than previous quarter. Space optimization in Kipa diluted the sales performance indicators on a consolidated basis in 2Q18. Migros reported 15.3% y-o-y sales growth in 2Q18.

- The consolidated gross profit of Migros rose by 27.6% in 1H18 corresponding a gross margin of 27.6%, up by 160 bps compared to gross margin of 2Q17.

- **EBITDA i**ncreased by 39.5% to TL 486 million, implying an EBITDA margin of 5.7% in 1H18. Yearly EBITDA growth reached 42.9% in the second quarter with a margin of 6.1%.

- On the other hand, appreciation of Euro in 2Q18 undermined strong operational performance through FX losses resulting in a consolidated net loss of TL 528 million in 1H18.

AG ANADOLU GRUBU HOLDİNG A.Ş.		
Summary Consolidated Balance Sheet		
TL million		
	31.12.2017	**30.06.2018**
Cash and equivalents	5.800	6.514
Financial instruments	108	28
Trade receivables	2.309	4.221
Inventories	2.122	3.160
Other current assets	1.641	2.294
Current Assets	**11.980**	**16.217**
Financial instruments	0	0
Investments accounted through equity method	2.333	2.078
Investment properties	308	306
Tangible assets	8.357	10.490
Intangible assets	12.340	17.577
-Goodwill	*1.835*	*6.002*
-Other intangible assets	*10.505*	*11.575*
Other non-current assets	2.749	3.796
Non-Current Assets	**26.087**	**34.247**
Total Assets	**38.067**	**50.464**
Short term borrowings	1.489	3.474
Short term poriton of long term borrowings	4.190	4.995
Trade payables	2.232	4.611
Deferred income	481	554
Other current liabilities	1.160	1.932
Current Liabilities	**9.552**	**15.566**
Long term borrowings	8.434	9.035
Deferred income	22	29
Other non-current liabilities	2.632	2.878
Non-Current Liabilities	**11.088**	**11.942**
Total Liabilities	**20.640**	**27.508**
Equity	**17.427**	**22.956**
Non-controlling interests	11.676	16.814
Equity of the parent	5.751	6.142
Total Liabilities & Equity	**38.067**	**50.464**

AG ANADOLU GRUBU HOLDİNG A.Ş. Summary Consolidated Income Statement TL million	30.06.2017	30.06.2018
Revenues	8.008	10.607
Cost of sales (-)	(5.305)	(6.928)
Gross Profit	**2.703**	**3.679**
Operating expenses (-)	(2.078)	(2.793)
Other operations income/(expense)	19	(55)
Gain/(Loss) from investments accounted through equity method	375	(325)
Operating Income/(Loss) (EBIT)	**1.019**	**506**
Income /(expense) from investment operations	27	(3)
Financial income/(expense)	(463)	(1.039)
Income/(Loss) Before Tax from Continuing Operations	**583**	**(536)**
Tax income/(expense)	(73)	(1)
Net Income/(Loss)	**510**	**(537)**
Net Income/(Loss)		
Non-controlling interests	171	96
Equity holders of the parent	339	(633)

REPORTING ADJUSTMENTS

- As approved at the extraordinary general meeting held on December 26, 2017 and registered on December 27, 2017, all the assets and liabilities of Özilhan Sınai Yatırım A.Ş. and Anadolu Endüstri Holding A.Ş. were merged with Yazıcılar Holding A.Ş. and entity name has been changed to AG Anadolu Grubu Holding A.Ş. following the merger.

- In-line with the reporting standards, consolidated comparative financial statements have been revised as if the merger have been completed at the beginning of the reporting period and presented accordingly.

- Due to the new structure of the Holding, participation rates have all changed and additionally the consolidation methods of some group companies have also been changed. Anadolu Efes and Anadolu Isuzu, which were consolidated on equity basis previously, are now fully consolidated.

- Although our stake in Migros is 50%, it is still consolidated on equity method basis due to the provisions of the shareholder agreement with Moonlight Capital S.A. Migros will be fully consolidated latest by June 2019, when the agreement will expire. In this context, our **consolidated financial results are presented** together with **our proforma consolidated results** which include Migros as fully consolidated.

Participation rates & methods*

	Reporting before the merger		Reporting after the merger		
	Stake held (%)	Consolidation Method	Stake held (%)	Consolidation Method	Segment
Anadolu Efes	27.66	Equity	43.05	Full	Beer and Soft Drinks
Migros	34.00	Equity	50.00	Equity**	Migros
Anadolu Isuzu	37.57	Equity	55.40	Full	Automotive
Adel Kalemcilik	38.68	Full	56.89	Full	Retail
Çelik Motor	68.00	Full	100.0	Full	Automotive
Anadolu Restoran	68.00	Full	100.0	Full	Retail
Anadolu Motor	67.93	Full	100.0	Full	Automotive
Aslancık HES	22.67	Equity	33.33	Equity	Other
Anadolu Kafkasya* **	60.65	Full	89.19	Full	Other
Real Estate Companies	68.00	Full	100.0	Full	Other

**Full list is at the 1st footnote of financial statements.*
***To be fully consolidated starting with June 2019, latest.*
****Anadolu Kafkasya owns 90% of GUE located in Georgia and 100% of other project company.*

SUMMARY INFORMATION ABOUT NON-PUBLIC GROUP COMPANIES

TL million	Net Sales		EBITDA		Net Income		Net Debt	
	1Y17	1Y18	1Y17	1Y18	1Y17	1Y18	2017	1Y18
McDonalds	287	348	3	3	-16	-23	90	111
Anadolu Motor	106	77	3	7	-6	-10	105	97
Efestur	23	31	0	1	0	1	-2	-1
AND Anadolu Gayrimenkul	12	35	3	19	-11	-31	273	308
GUE	33	38	22	26	43	22	420	508
Aslancık Elektrik	54	57	29	31	3	-73	439	511

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance