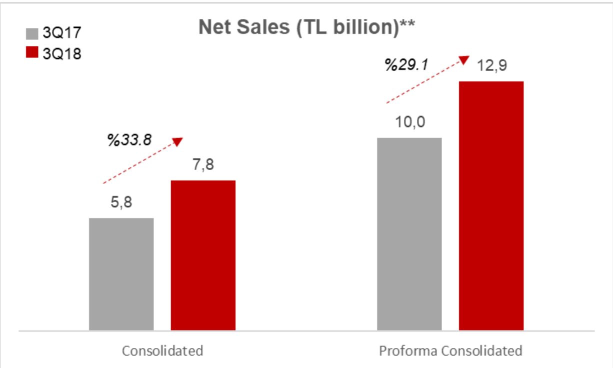
AG ANADOLU GRUBU HOLDİNG A.Ş.

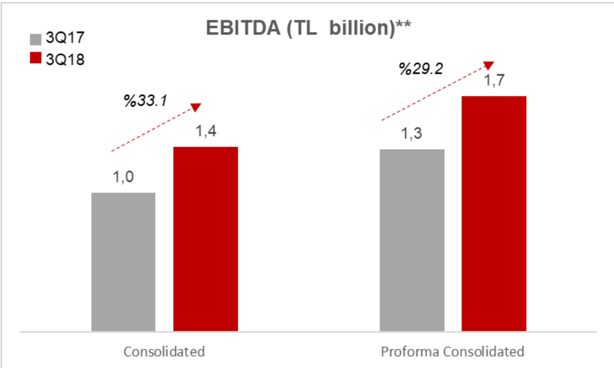
(BIST: AGHOL.IS)

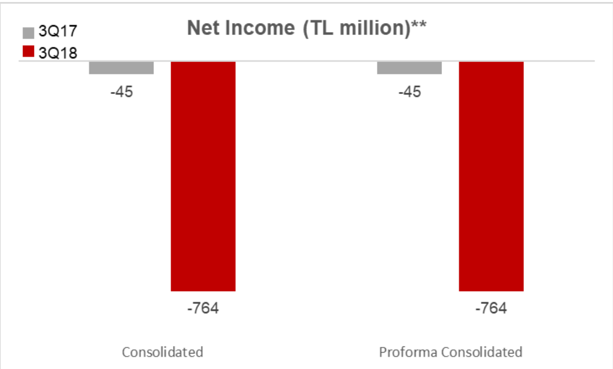
9M18 & 3Q18 Earnings Release, November 08, 2018

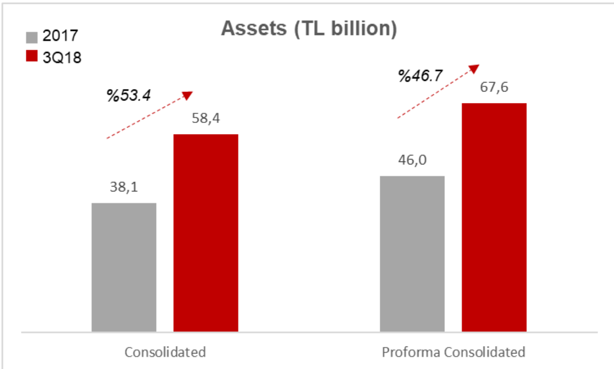
3Q18 FINANCIAL HIGHLIGHTS:

- **Consolidated net sales up by 34% to TL 7.8 billion**
  - Total Proforma* consolidated sales up by 29% to TL 12.9 billion
- **EBITDA increased by 33% to TL 1.4 billion, EBITDA margin down by 10 bps to 17.5%**
  - Proforma EBITDA up by 29% to TL 1.7 billion, proforma EBITDA margin unchanged at 13.4%
- **Net loss attributable to the parent company at TL 764 million**
  - Total Proforma net loss attributable to the parent company at TL 764 million
- **Total assets up by 53% to TL 58.4 billion**
  - Total Proforma assets at TL 67.5 billion





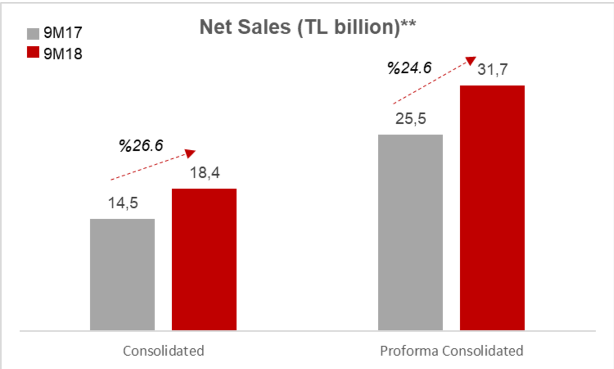


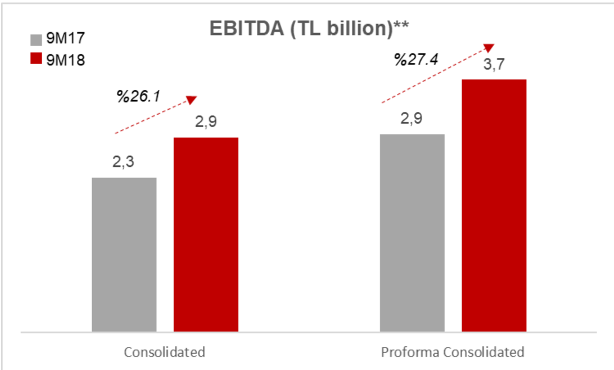


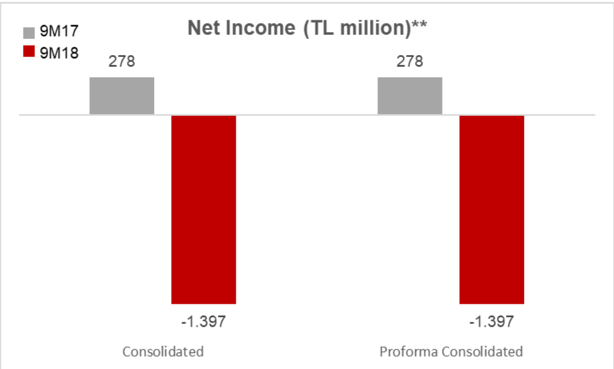
**Financial results including Migros as fully consolidated.*
*** For comparison purposes, Beer group 2017 figures also include ABI Russia and ABI Ukraine effect starting from April 1st. In this context, Holding proforma consolidated results of 3Q17 and 9M17 include the aforementioned effect.*

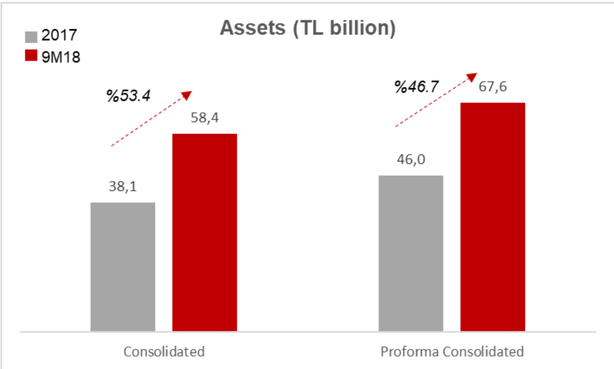
9M18 FINANCIAL HIGHLIGHTS:

- **Consolidated net sales up by 27% to TL 18.4 billion**
  - Total Proforma* consolidated sales up by 25% to TL 31.7 billion
- **EBITDA increased by 26% to TL 2.9 billion, EBITDA margin at 15.6%**
  - Proforma EBITDA up by 27% to TL 3.7 billion, proforma EBITDA margin at 11.7%
- **Net loss attributable to the parent company at TL 1.4 billion,**
  - Total Proforma net loss attributable to the parent company at TL 1.4 billion
- **Total assets up by 53% to TL 58.4 billion**
  - Total Proforma assets at TL 67.5 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 3Q17 and 9M17 include the aforementioned effect.*

Beer (TL mn)	3Q17*	3Q18	Change	9M17*	9M18	Change
Net Sales	1.883	2.715	*44,2%*	4.652	5.905	*26,9%*
Gross Profit	901	1.228	*36,2%*	2.166	2.659	*22,7%*
EBITDA	355	377	*6,2%*	691	714	*3,3%*
Net Income	121	-53	*n.m.*	151	-36	*n.m.*
Gross Profit Margin	*47,9%*	*45,2%*	*-2,7*	*46,6%*	*45,0%*	*-1,5*
EBITDA Margin	*18,9%*	*13,9%*	*-5,0*	*14,9%*	*12,1%*	*-2,8*
Net Profit Margin	*6,4%*	*-2,0%*	*-8,4*	*3,2%*	*-0,6%*	*-3,8*

Soft Drinks (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	2.750	3.715	*35,1%*	6.865	8.739	*27,3%*
Gross Profit	954	1.299	*36,2%*	2.355	3.070	*30,4%*
EBITDA	518	799	*54,2%*	1.209	1.723	*42,6%*
Net Income	241	37	*84,5%*	386	179	*-53,8%*
Gross Profit Margin	*34,7%*	*35,0%*	*0,3*	*34,3%*	*35,1%*	*0,8*
EBITDA Margin	*18,8%*	*21,5%*	*2,7*	*17,6%*	*19,7%*	*2,1*
Net Profit Margin	*8,8%*	*1,0%*	*-7,8*	*5,6%*	*2,0%*	*-3,6*

Automotive (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	918	995	*8,4%*	2.187	2.700	*23,4%*
Gross Profit	165	222	*34,8%*	400	548	*37,0%*
EBITDA	118	129	*8,9%*	276	306	*11,0%*
Net Income	-41	-245	*n.m.*	-117	-444	*n.m.*
Gross Profit Margin	*17,9%*	*22,3%*	*4,4*	*18,3%*	*20,3%*	*2,0*
EBITDA Margin	*12,9%*	*12,9%*	*0,1*	*12,6%*	*11,3%*	*-1,3*
Net Profit Margin	*-4,5%*	*-24,6%*	*-20,1*	*-5,3%*	*-16,4%*	*-11,1*

Retail (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	280	344	*22,9%*	809	966	*19,4%*
Gross Profit	66	81	*22,2%*	194	222	*14,2%*
EBITDA	39	56	*45,6%*	102	119	*16,6%*
Net Income	17	18	*9,7%*	36	25	*-30,1%*
Gross Profit Margin	*23,7%*	*23,6%*	*-0,1*	*24,0%*	*22,9%*	*-1,1*
EBITDA Margin	*13,8%*	*16,3%*	*2,5*	*12,6%*	*12,3%*	*-0,3*
Net Profit Margin	*6,0%*	*5,3%*	*-0,6*	*4,5%*	*2,6%*	*-1,9*

Other (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	47	107	*126,7%*	167	247	*47,5%*
Gross Profit	20	30	*55,6%*	71	109	*52,8%*
EBITDA	-5	2	*n.m.*	1	11	*n.m.*
Net Income	-120	-546	*n.m.*	247	-979	*n.m.*
Gross Profit Margin	*41,4%*	*28,4%*	*-13,0*	*42,5%*	*44,1%*	*1,5*
EBITDA Margin	*-11,5%*	*2,0%*	*13,4*	*0,6%*	*4,5%*	*3,9*
Net Profit Margin	*n.m.*	*n.m.*	*n.m.*	*n.m.*	*n.m.*	*n.m.*

Consolidated (TL mn)	3Q17*	3Q18	Change	9M17*	9M18	Change
Net Sales	5.838	7.810	*33,8%*	14.548	18.418	*26,6%*
Gross Profit	2.073	2.827	*36,4%*	5.088	6.507	*27,9%*
EBITDA	1.025	1.364	*33,1%*	2.277	2.873	*26,1%*
Net Income	-45	-764	*n.m.*	278	-1.397	*n.m.*
Gross Profit Margin	*35,5%*	*36,2%*	*0,7*	*35,0%*	*35,3%*	*0,4*
EBITDA Margin	*17,6%*	*17,5%*	*-0,1*	*15,7%*	*15,6%*	*-0,1*
Net Profit Margin	*-0,8%*	*-9,8%*	*-9,0*	*1,9%*	*-7,6%*	*-9,5*

Migros (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	4.285	5.331	*24,4%*	11.322	13.794	*21,8%*
Gross Profit	1.170	1.489	*27,2%*	3.002	3.827	*27,5%*
EBITDA	297	388	*30,3%*	646	874	*35,3%*
Net Income	-70	-667	*n.m.*	719	-1.195	*n.m.*
Gross Profit Margin	*27,3%*	*27,9%*	*0,6*	*26,5%*	*27,7%*	*1,2*
EBITDA Margin	*6,9%*	*7,3%*	*0,3*	*5,7%*	*6,3%*	*0,6*
Net Profit Margin	*-1,6%*	*-12,5%*	*-10,9*	*6,4%*	*-8,7%*	*-15,0*

Proforma Consolidated (TL mn)	3Q17*	3Q18	Change	9M17*	9M18	Change
Net Sales	10.009	12.926	*29,1%*	25.462	31.735	*24,6%*
Gross Profit	3.234	4.303	*33,1%*	8.054	10.299	*27,9%*
EBITDA	1.344	1.736	*29,2%*	2.923	3.725	*27,4%*
Net Income	-45	-764	*n.m.*	278	-1.397	*n.m.*
Gross Profit Margin	*32,3%*	*33,3%*	*1,0*	*31,6%*	*32,5%*	*0,8*
EBITDA Margin	*13,4%*	*13,4%*	*0,0*	*11,5%*	*11,7%*	*0,3*
Net Profit Margin	*-0,4%*	*-5,9%*	*-5,5*	*1,1%*	*-4,4%*	*-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 3Q17 and 9M17 include the aforementioned effect

MESSAGE FROM OUR CEO MR. HURŞİT ZORLU

"Although third quarter of 2018 was highly volatile in terms of macroeconomic conjuncture, we are pleased to disclose sound net sales and EBITDA growths of over 30% compared to last year due to mainly the growth momentum achieved across beer, soft drinks and retail divisions. During the period, the strong demand trend in domestic fast-moving consumer goods market that constitutes the majority part of our portfolio kept its pace and for other businesses in which we operate, we focused on strengthening our export capabilities through various measures. On the other hand, we are happy to observe the synergies related to the integration of our Russian and Ukrainian beer businesses in a short period.

As per reduction of debt, which stands out to be one of our main focus area in the mid-term, we have almost managed to maintain our debt ratios compared to the previous quarter, despite severe depreciation of the Turkish Lira. While we continue to the cash generation capacity of our companies with relatively higher indebtedness, we have also increased the share of Turkish Lira denominated debt in our total debt figure to a certain extent.

For the remainder of the year, we will continue to employ our strategy of increasing operational efficiency under changing conditions by the help of our inherent cautious approach in financial management."

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated (TL mn)	3Q17*	3Q18	*Change*	9M17*	9M18	*Change*
Net Sales	5.838	7.810	*33,8%*	14.548	18.418	*26,6%*
Gross Profit	2.073	2.827	*36,4%*	5.088	6.507	*27,9%*
EBITDA	1.025	1.364	*33,1%*	2.277	2.873	*26,1%*
Net Income	-45	-764	*n.m.*	278	-1.397	*n.m.*
Gross Profit Margin	*35,5%*	*36,2%*	*0,7*	*35,0%*	*35,3%*	*0,4*
EBITDA Margin	*17,6%*	*17,5%*	*-0,1*	*15,7%*	*15,6%*	*-0,1*
Net Profit Margin	*-0,8%*	*-9,8%*	*-9,0*	*1,9%*	*-7,6%*	*-9,5*

Proforma Consolidated (TL mn)	3Q17*	3Q18	*Change*	9M17*	9M18	*Change*
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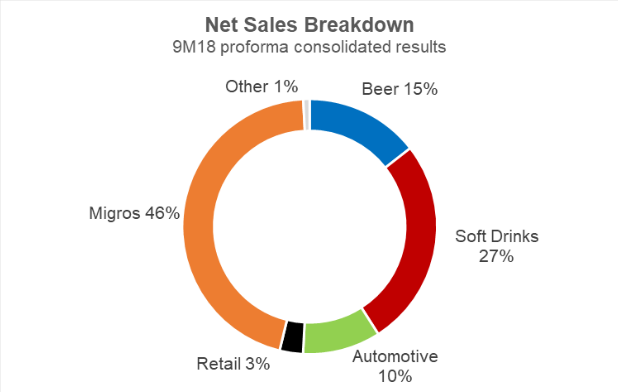
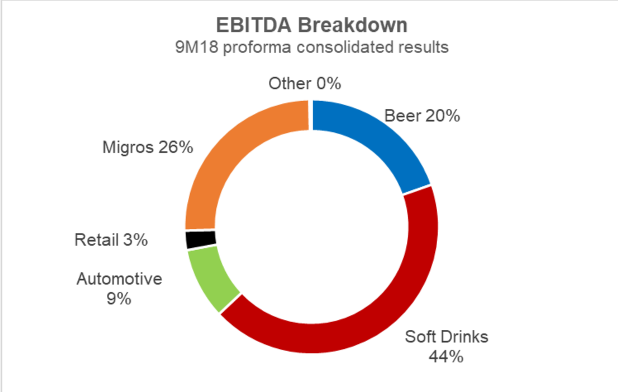
Net Income	-45	-764	*n.m.*	278	-1.397	*n.m.*
Gross Profit Margin	*32,3%*	*33,3%*	*1,0*	*31,6%*	*32,5%*	*0,8*
EBITDA Margin	*13,4%*	*13,4%*	*0,0*	*11,5%*	*11,7%*	*0,3*
Net Profit Margin	*-0,4%*	*-5,9%*	*-5,5*	*1,1%*	*-4,4%*	*-5,5*

*** 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 3Q17 and 9M17 include the aforementioned effect.*

- AG Anadolu Grubu Holding ("Anadolu Grubu", "Holding") consolidated revenues were up by 33.8% to TL 7.8 billion in the third quarter of 2018 driving the nine months **consolidated net sales** to TL 18.4 billion, increased by by 26.6% y-o-y. **Proforma consolidated net sales** recorded at TL 12.9 billion, implying a stellar 29.1% yearly growth. Thus, nine months cumulative proforma consolidated revenues were up by 24.6% to TL 31.7 billion.

- All segments contributed well to our stellar and quality revenue growth and continued its positive momentum. In the third quarter, while beer segment revenues increased yearly by 44%, mainly due to the positive FX conversion impact derived from international operations, followed by soft drinks with 35% and retail with 21%, Migros' top-line was up by 22% y-o-y in 3Q18. On the other hand, automotive grew by 8%, and finally revenues of the other segment, that includes real estate and energy segments, grew by 127% in 3Q18 compared to the same period of last year.





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

- **Consolidated EBITDA** of the Holding increased by 33.1% to TL 1.4 billion, corresponding to a mere decrease of 10 bps in **EBITDA margin** of 17.5% in 3Q18. **Proforma consolidated EBITDA** significantly increased by 29.2% y-o-y to TL 1.7 billion. Improvement in operational profitability of soft drinks, retail segments and Migros supported EBITDA growth. While share of soft drinks segment in 12-months trailing consolidated proforma EBITDA was at 44%, Migros and beer constituted 26% and 20% shares, respectively. Remaining automotive, retail and other segments had total of 12% share in EBITDA.

- Anadolu Grubu announced TL 764 million **net loss attributable to parent company** in 3Q18 driving the nine months loss to TL 1.4 billion[1]. In-line with higher top-line, Holding also recorded high-twenties increase at the operational profitability, yet bottom-line was negatively impacted by the non-cash FX losses due to FX borrowings.[2]

- **Proforma consolidated net debt** of the Holding stood at Euro 2.2 billion. N**et debt/EBITDA** was calculated as 3.6x as end of September 2018 remained almost unchanged compared to the previous quarter, despite severe depreciation of TL[3]. While 83% of net debt of the Holding is in hard currency and remaining 17% portion is in Turkish Lira, 49% is short-term and 51% is long-term debt. **Holding-only net debt** stood at Euro 262, as end of September'18.

  For the automotive segment, although net debt/EBITDA ratio seems to have increased in the third quarter vs. previous quarter and ytd, this increase is simply related with the Turkish Lira depreciation. Indeed, Çelik Motor, which carries the highest net debt in this segment, decreased its FX denominated debt by 50% ytd. Excluding the automotive segment, which has a highly leveraged business model; proforma consolidated net debt/EBITDA is computed as 2.8x.

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[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 2.418.077 (TRL 1.896.629 - 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).

[2] Non-cash FX losses in 9M18 due to depreciation of TL amounted to TL 1.4 billion on a consolidated basis and TL 2.8 billion on a proforma consolidated basis.

[3] Net debt/EBITDA ratio calculated with effective rate of CB at TL/EURO 6.9505 as 30.09.2018. The ratio is computed at 3.2 with exchange rate of TL/USD 6.1463 on 08.11.2018. Every 0.1 TL change in the currency has 5 bps positive/negative impact on our net debt/EBITDA ratio.

As a result of the stronger operational profitability due to seasonality, the cash generation capacity of soft drinks and retail segments increased; hence their net debt/EBITDA ratios improved in 3Q18 vs. 2Q18.

As end of 3Q18 (Euro mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	767	493	274	1,7
Soft Drinks	1.227	791	436	1,6
Automotive	527	9	518	9,1
Retail	68	14	54	3,5
Other (incl. Holding)	479	23	456	a.d.
Holding only	*270*	*8*	*262*	*a.d.*
Consolidated	3.067	1.330	1.737	3,7
Migros	745	267	478	3,0
Proforma Consolidated	3.812	1.597	2.214	3,6

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	a.d.
Holding only	*253*	*16*	*237*	*a.d.*
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*

Beer (mn TL)	3Q17*	3Q18	*Change*	9M17*	9M18	*Change*
Volume (mhl)	9,5	9,7	*2,1%*	23,6	23,7	*0,4%*
Net Sales	1.883	2.715	*44,2%*	4.652	5.905	*26,9%*
Gross Profit	901	1.228	*36,2%*	2.166	2.659	*22,7%*
EBITDA (BNRI)	359	408	*13,7%*	701	797	*13,7%*
Net Income	121	-53	*-143,9%*	151	-36	*-124,0%*
Gross Profit Margin	*47,9%*	*45,2%*	*-2,7*	*46,6%*	*45,0%*	*-1,6*
EBITDA Margin	*19,1%*	*15,0%*	*-4,1*	*15,1%*	*13,5%*	*-1,6*
Net Profit Margin	*6,4%*	*-2,0%*	*-8,4*	*3,2%*	*-0,6%*	*-3,8*

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

- **Total sales volumes** increased by 2.1% to 9.7 million hectoliters in 3Q18, thanks to strong Turkey, Russia and as well as Ukraine beer sales volume performance driving the nine months cumulative beer sales volumes growth of 0.4% to 23.7 million hectoliters compared to the same period of last year. **In Turkey beer**, the growth achieved in the quarter is the highest in the past 14 quarters and it reflects continuous focus on meeting consumer demand by offering a wide range of strong brands as well as on excellence in market execution. The two new launches, “Bud” and “Varım” have reached sizeable volumes in just a few months, contributing well to the portfolio. **On the**

international front, due to the positive contribution from Russia and Ukraine beer operations, sales volumes increased by 1.1% y-o-y to 7.9 million hectoliters. Synergies related to integration of Russia and Ukraine operations have already being captured in a short period of time and our combined year-to-date market share has been stable around 27% emphasizing our strong presence in the country. Russian beer market benefited from the World Cup this quarter as well as the good weather conditions and an the uplift in beer demand.

- On top of higher sales volumes in both domestic and international operations, price increases and premiumization led to higher revenue per liter and due to positive translation impact from EBI **net sales revenues** increased by 44.2% to 2.7 billion TL in 3Q18. Net sales rose by 26.9% y-o-y to 5.9 billion TL in the nine months of the year. Although the impact of higher prices of FX-based procurements mostly were mitigated by hedging initiatives, higher raw material prices and product mix led to the decline in gross margin by 400 bps in the domestic market. In the international operations, decline in margin in 3Q18 is attributable to sales and channel mix despite higher volumes and price increases made. Thus, gross profit margin in international operations contracted by 160 bps. As a result, gross margin of beer segment deteriorated by 270 bps in the third quarter.

- **EBITDA (BNRI)** emerged at TL 408 million in 3Q18 and TL 797 million in the nine months of 2018. While international operations' EBITDA (BNRI) improved by 3.6% to TL 236 million, EBITDA (BNRI) increase was significant at 31.1% for domestic operations due to the mild increase in operating expenses benefitting from cost cutting and expense control mechanism. Some merger related expenses not classified as "BNRI" has caused EBITDA (BNRI) margin to further decrease in international operations.

- **EBITDA (BNRI) margin** came at 15.0% in 3Q18, down by 410 bps compared to same period last year. On top of the decline in gross margin, the increase in marketing spend, intense focus on integration in Russia as well as some merger related expense which are not classified as "BNRI" has caused EBITDA (BNRI) margin to decrease. Thus, nine months cumulative EBITDA (BNRI) came at 13.5% in 9M18.

- Beer segment disclosed TL 53 million **net loss** in 3Q18 corresponding to a cumulative net loss of TL 36 million in 9M18.

SOFT DRINKS SEGMENT

Meşrubat (mn TL)	3Q17	3Q18	*Change*	9M17	9M18	*Change*
Volume (mn u/c)	405	417	*2,9%*	1.010	1.086	*7,5%*
Net Sales	2.750	3.715	*35,1%*	6.865	8.739	*27,3%*
Gross Profit	954	1.299	*36,2%*	2.355	3.070	*30,4%*
EBITDA	518	799	*54,2%*	1.209	1.723	*42,6%*
Net Income	241	37	*-84,5%*	386	179	*-53,8%*
Gross Profit Margin	*34,7%*	*35,0%*	*0,3*	*34,3%*	*35,1%*	*0,8*
EBITDA Margin	*18,8%*	*21,5%*	*2,7*	*17,6%*	*19,7%*	*2,1*
Net Profit Margin	*8,8%*	*1,0%*	*-7,8*	*5,6%*	*2,0%*	*-3,6*

- **Consolidated sales volume** increased by 2.9% y-o-y in 3Q18, reaching 417 million u/c attributable to the volume growth of international operations. Thus, in the nine month of 2018 consolidated sales volume reached 1.1 million u/c implying a 7.5% yearly growth. **Turkey operations** delivered another quarter of quality growth and maintained its positive momentum except for non-ready-to-drink ("NRTD") category. Sales volume was up by 1.5% excluding NRTD Tea. Increasing cooler investments, effective management of trade promotions and effective pricing strategy were the main drivers of growth as highest-ever high season volume in Turkey achieved. CCI gained volume and value shares. On the other hand, **international operations** delivered 6.3% volume growth in 3Q18, driven by 10.0% growth in Coca-Cola trademark. Central Asia was the primary driver of international operations in 3Q18 with 15.5% volume growth.

- **Net sales revenues** rose by 35.1% to TL 3.7 billion in 3Q18, mainly driven by Turkey and the positive FX conversion impact of international operations. Cumulative net revenues came to TL 8.7 billion with a 27.3% yearly growth. **In Turkey**, net sales revenues was up by 14.7%, driven by solid portfolio and pricing strategy. Successful management of sales mix and effective pricing to address affordability contributed to topline growth in the quarter. Net sales revenue per unit case grew by 15.3%. **In international operations,** strong volume growth in Central Asia and favorable sales mix were the main drivers of revenue growth.

- **Gross margin** of soft drinks segment improved by 30 bps to 35.0% in 3Q18 while raw material costs as a percentage of revenues was slightly down on a consolidated basis. While Turkey drove soft drinks margin expansion, international operations gross margin slightly contracted. **In Turkey**, the increase in NSR per unit case, effective cost management through hedging, cash designation and product reformulations more than offset the adverse impact of higher raw material prices and FX headwinds. Gross margin expanded by 260 bps to 40.6%. **In international operations**, gross margin declined by 50 bps to 31.0% while the favorable impact of lower sugar prices was offset by higher PET resin prices.

- **EBIT margin** improved by 220 bps to 16.4%, mostly attributable to gross margin improvement in Turkey and ongoing focus on opex management. Both Turkey and International operations delivered margin expansion with the latter fully driven by increasing efficiency. **EBITDA margin** expanded by 270 bps to 21.5% in 3Q18 reflecting better operating profitability in both Turkey and international operations.

- **Net income** was TL 37 million in 3Q18 vs. TL 241 million in 3Q17. Despite better operating profitability and positive impact (TL 314 mn) of net investment hedging, higher net FX losses due to depreciation of TRY against USD resulted in lower net income. Accordingly, nine months cumulative net income of the segment stood at TL 179 million.

AUTOMOTIVE SEGMENT

Automotive (TL mn)	3Q17	3Q18	*Change*	9M17	9M18	*Change*
Net Sales	918	995	*8,4%*	2.187	2.700	*23,4%*
Gross Profit	165	222	*34,8%*	400	548	*37,0%*
EBITDA	118	129	*8,9%*	276	306	*11,0%*
Net Income	-41	-245	*n.m.*	-117	-444	*n.m.*
Gross Profit Margin	*17,9%*	*22,3%*	*4,4*	*18,3%*	*20,3%*	*2,0*
EBITDA Margin	*12,9%*	*12,9%*	*0,1*	*12,6%*	*11,3%*	*-1,3*
Net Profit Margin	*-4,5%*	*-24,6%*	*-20,1*	*-5,3%*	*-16,4%*	*-11,1*

- Automotive segment posted TL 995 million **net sales revenues** in 3Q18, up by 8.4% y-o-y driving nine months top-line to TL 2.7 billion, with a yearly increase of 23.4%. While Çelik Motor constituted 64% of automotive sales revenues, remaining shares were 32% of Anadolu Isuzu and 4% of Anadolu Motor in 9M18. Increasing share of international sales coupled with Euro appreciation against TL led to a solid yearly top-line growth of 46% for Anadolu Isuzu in nine months of 2018. Note that Anadolu Isuzu' share in total sales rose by 500 bps in 9M18 vs. 9M17. On the other hand, revenues of Çelik Motor increased by 21% y-o-y in 9M18.

- **Gross profit** of Çelik Motor and Anadolu Isuzu increased by 26% and 97% y-o-y respectively, in 3Q18. Gross profit margin of the automotive segment expanded significantly by 440 bps to 22.3%

due to increase in the gross profit margins of both Anadolu Isuzu and Çelik Motor, by 460 bps and 80 bps respectively. Nine months cumulative gross profit margin increased by 200 bps to 20.3%.

- **Total net debt** of automotive segment stands at Euro 518 million as end of September 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 81% of the total net debt of the segment. As planned, Çelik Motor downsized its fleet size during the quarter and focused on cash generation and gained TL 380 million in 3Q18 and TL 690 million in 9M18 from second-hand sales. In order to be resilient against 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 49% as end of September 2018.

RETAIL SEGMENT

Retail (TL mn)	3Q17	3Q18	*Change*	9M17	9M18	*Change*
Net Sales	280	344	*22,9%*	809	966	*19,4%*
Gross Profit	66	81	*22,2%*	194	222	*14,2%*
EBITDA	39	56	*45,6%*	102	119	*16,6%*
Net Income	17	18	*9,7%*	36	25	*-30,1%*
Gross Profit Margin	*23,7%*	*23,6%*	*-0,1*	*24,0%*	*22,9%*	*-1,1*
EBITDA Margin	*13,8%*	*16,3%*	*2,5*	*12,6%*	*12,3%*	*-0,3*
Net Profit Margin	*6,0%*	*5,3%*	*-0,6*	*4,5%*	*2,6%*	*-1,9*

- Retail segment posted TL 344 million **net sales revenues** in 3Q18, implying a 22.9% yearly growth and driving nine months top-line to TL 966 million. McDonalds, generating 60% of total sales of the retail segment, increased its sales by 22.7% in 3Q18. Also included in this segment, Adel has increased its top-line by 36.7% in the third quarter. On the other hand, Adel and tourism company Efestur, had 36% and 4% shares in total segment' sales respectively.

- While **gross margin** of retail segment remained almost unchanged in 3Q18 compared to the same period last year, due to the 120 bps contraction of McDonalds gross margin, nine months cumulative gross margin of the segment declined to 22.9%. Despite having relatively lower share in the segment, Efestur continued its profitable operations in this quarter as well and contributed positively to the financials.

- Retail segment **EBITDA** came at TL 56 million in 3Q18 driving nine months cumulative EBITDA to TL 119 million and **EBITDA margin** to 12.3%. Operating profit of Adel increased significantly by 58% y-o-y, thus EBIT margin was up by 380 bps 3Q18. Main reason of the increase in the operating profitability is the decline in rediscount expenses booked under other expenses. Please note that, 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 profitability, EBITDA of McDonalds increased by 36% to TL 26 million corresponding to a margin of 5% 9M18.

- **Net debt** of the retail segment increased by Euro 19 million since the beginning of the year to Euro 54 million as end of September 2018. Adel comprises 84% of the debt due to high working capital requirement especially 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 and are impacted less than other segments regarding FX fluctuations.

OTHER

Other (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	47	107	*126,7%*	167	247	*47,5%*
Gross Profit	20	30	*55,6%*	71	109	*52,8%*
EBITDA	-5	2	*n.m.*	1	11	*n.m.*
Net Income	-120	-546	*n.m.*	247	-979	*n.m.*
Gross Profit Margin	*41,4%*	*28,4%*	*-13,0*	*42,5%*	*44,1%*	*1,5*
EBITDA Margin	*-11,5%*	*2,0%*	*13,4*	*0,6%*	*4,5%*	*3,9*
Net Profit Margin	*n.m.*	*n.m.*	*n.m.*	*n.m.*	*n.m.*	*n.m.*

- Holding, energy and real estate companies consolidated under other segment. Net sales revenues of the other segment significantly increased by 126.7% to TL 107 million, thanks to TL 46 million deliveries from AND Pastel residential project in third quarter. Accordingly, top-line came to TL 247 million, up by 47.5% in 9M18.

- 61% of pre-sales of AND Pastel residential project has been completed as end of September. Thus, as the deliveries of the pre-sales are realized, gains will be booked under revenues in the related quarter.

- Leasing works still continue at AND Kozyatağı, which has a total leasable area of 31.5K sqm and an occupancy rate of around 80% as of 9M18-end.

- Aslancık HEPP, which is consolidated via equity pick up method, generated turnover of TL 93 million in 9M18.

- Paravani HEPP generated TL 18 million revenues in 3Q18, corresponding to TL 57 mn in 9M18, up by 36.6%. The electricity produced at Paravani HEPP is sold in Turkey and Georgia in accordance with the weather conditions. In the nine months of the year, 75% of the electricity produced at Paravani HEPP was sold to Georgia.

- Due to equity consolidation method used for Migros, its contribution is booked under “other gains from investments accounted through equity” in the other segment. Mainly through the impact of the TL1.2 billion net loss recorded in Migros in 9M18, other segment reached a total net loss of TL 979 million in this period.

MİGROS

Migros (TL mn)	3Q17	3Q18	Change	9M17	9M18	Change
Net Sales	4.285	5.331	*24,4%*	11.322	13.794	*21,8%*
Gross Profit	1.170	1.489	*27,2%*	3.002	3.827	*27,5%*
EBITDA	297	388	*30,3%*	646	874	*35,3%*
Net Income	-70	-667	*n.m.*	719	-1.195	*n.m.*
Gross Profit Margin	*27,3%*	*27,9%*	*0,6*	*26,5%*	*27,7%*	*1,2*
EBITDA Margin	*6,9%*	*7,3%*	*0,3*	*5,7%*	*6,3%*	*0,6*
Net Profit Margin	*-1,6%*	*-12,5%*	*-10,9*	*6,4%*	*-8,7%*	*-15,0*

- Migros’ net sales revenue rose by 21.8% and reached TL 13.8 billion in 9M18 which validates continuing strong top-line growth momentum of Migros. The strong sales performance of seasonal stores located in touristic regions contributed the top-line growth of the Company in addition to better than expected performance of subsidiaries in Kazakhstan and Macedonia in 3Q 2018. In 3Q18, sales revenues increased by 24.4% compared to the same period of last year.

- The consolidated gross profit of Migros rose by 27.5% in 9M18 corresponding a gross margin of 27.7%, up by 120 bps compared to gross margin of 26.5% in 9M17.

- EBITDA increased by 35.3% to TL 874 million, implying an EBITDA margin of 6.3% in 9M18. Yearly EBITDA growth reached 30.3% in the third quarter, with a margin of 7.3%.
- On the other hand, appreciation of Euro in 3Q18 undermined strong operational performance through FX losses resulting in a consolidated net loss of TL 1.2 million in 9M18.

AG ANADOLU GRUBU HOLDİNG A.Ş. Summary Consolidated Balance Sheet TL million	31.12.2017	30.09.2018
Cash and equivalents	5.800	9.227
Financial instruments	108	17
Trade receivables	2.309	3.899
Inventories	2.122	3.460
Other current assets	1.641	2.289
Current Assets	**11.980**	**18.892**
Financial instruments	0	0
Investments accounted through equity method	2.333	1.622
Investment properties	308	332
Tangible assets	8.357	12.556
Intangible assets	12.340	20.762
-Goodwill	*1.835*	*7.518*
-Other intangible assets	*10.505*	*13.244*
Other non-current assets	2.749	4.196
Non-Current Assets	**26.087**	**39.468**
Total Assets	**38.067**	**58.360**
Short term borrowings	1.489	3.797
Short term poriton of long term borrowings	4.190	6.721
Trade payables	2.232	5.132
Deferred income	481	529
Other current liabilities	1.160	2.081
Current Liabilities	**9.552**	**18.260**
Long term borrowings	8.434	10.797
Deferred income	22	27
Other non-current liabilities	2.632	3.243
Non-Current Liabilities	**11.088**	**14.067**
Total Liabilities	**20.640**	**32.327**
Equity	**17.427**	**26.033**
Non-controlling interests	11.676	20.141
Equity of the parent	5.751	5.892
Total Liabilities & Equity	**38.067**	**58.360**

AG ANADOLU GRUBU HOLDİNG A.Ş.

Summary Consolidated Income Statement

TL million

	30.09.2017	30.09.2018
Revenues	13.220	18.418
Cost of sales (-)	(8.701)	(11.911)
Gross Profit	**4.519**	**6.507**
Operating expenses (-)	(3.213)	(4.638)
Other operations income/(expense)	38	(142)
Gain/(Loss) from investments accounted through equity method	327	(766)
Operating Income/(Loss) (EBIT)	**1.671**	**961**
Income /(expense) from investment operations	47	4
Financial income/(expense)	(810)	(2.119)
Income/(Loss) Before Tax from Continuing Operations	**908**	**(1.154)**
Tax income/(expense)	(139)	(155)
Net Income/(Loss)	**769**	**(1.309)**
Net Income/(Loss)		
Non-controlling interests	462	88
Equity holders of the parent	307	(1.397)

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

	Net Sales		EBITDA		Net Income		Net Debt	
TL million	9M17	9M18	9M17	9M18	9M17	9M18	2017	9M18
McDonalds	468	578	19	26	-8	-12	89	69
Anadolu Motor	164	97	-1	1	-13	-31	105	121
Efestur	37	42	1	1	1	0	-2	-1
AND Anadolu Gayrimenkul	18	44	6	23	-18	-105	273	393
GUE	41	57	26	39	24	-6	420	657
Aslancık Elektrik	71	93	35	48	-6	-211	439	662

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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