

2019 FIRST HALF FINANCIAL PERFORMANCE:

Net Sales*:

up by 27% to TL 24.2 bn

EBITDA*:

up by 43% to TL 2.7 billion

Net loss attributable to parent*:

TL 405 million

Proforma Consolidated** (TL mn)	1H18*	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	19.059	24.165	26,8%	24.165	26,8%
Gross Profit	5.582	7.364	31,9%	7.304	30,8%
EBIT	595	1.302	118,9%	1.171	96,8%
EBITDA	1.873	3.152	68,3%	2.672	42,7%
Net income ¹	-701	-471	32,8%	-405	42,2%

¹ Net income attributable to the parent company

*For comparison purposes, 2018 figures are prepared including the impact of merger with ABI Inbev in Russia and Ukraine since the beginning of the year.

*For comparison purposes, 1H19 figures exclude IFRS16 impact. (Results including IFRS16 are on page 10-11 of the Earnings Release and CMB report)

** Proforma Consolidated figures include Migros as fully consolidated for the 6 months period

MESSAGE FROM CEO MR. HURŞİT ZORLU

"We have successfully managed to increase our consolidated net sales by 27% and EBITDA by 43% in the first half of the year, which is attributable to the strong growth trends in our main operations. In a period of ongoing global macroeconomic uncertainties, we maintain our consumer sector focus, closely following the consumer sentiment amidst largely variable conditions and continue our operations with a prudent and effective risk management approach.

The solid performance of beer operations is mainly linked with the positive momentum in international beer operations; we are now in a head to head position for leadership in Russia&Ukraine. In the soft drinks operations, highest ever first half sparkling cases for Turkey and robust performance for 11th consecutive quarter in Central Asia were achieved. In Migros, while market share gains in both total and modern FMCG continued, significant improvement was registered at the EBITDA level.

With the priority of generating strong free cash flow in all of our businesses, we continue to take necessary action plans and execute accordingly. Besides the synergy created from our beer operations in Russia and Ukraine, strong operational profitability of Soft Drinks and Migros operations also contributed to the generation of TL 1.3 bn consolidated free cash flow in the first half of the year. The importance we attach to this issue will continue in the coming periods.

Under current market conditions, our financial priorities that we have shared before continue to be at the top of our agenda. We are working in a proactive manner for optimizing the level and covenants of debt structures across all of our segments. We are happy to announce that our net debt/EBITDA ratio decreased to 2.5x as of first half end.

In the coming periods, while sustaining our focus on consumer goods related sectors, we will continue our operations adhering to effective financial management priorities.

SUMMARY FINANCIALS

Beer (mn TL)	2Q18*	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18*	1H19	Change	1H19 (excl. IFRS16)	Change
Sales Volume (mhl)	9,9	10,7	8,7%	10,7	8,7%	16,2	17,5	7,4%	17,5	7,4%
Net Sales	2.217	3.277	47,8%	3.277	47,8%	3.513	5.016	42,8%	5.016	42,8%
Gross Profit	854	1.408	64,8%	1.408	64,8%	1.263	1.929	52,8%	1.929	52,8%
EBITDA (BNRI)	264	560	112,1%	541	105,0%	285	633	122,3%	605	112,5%
Net Income	51	378	639,9%	383	651,0%	-131	202	-254,4%	210	-260,5%
Gross Profit Margin	38,5%	43,0%		43,0%		35,9%	38,5%		38,5%	
EBITDA Margin	11,9%	17,1%		16,5%		8,1%	12,6%		12,1%	
Net Income Margin	2,3%	11,5%		11,7%		-3,7%	4,0%		4,2%	
Soft Drinks (TL mn)	2Q18	2Q19	Change			1H18	1H19	Change		
Sales Volume (mn unit case)	408	415	1,8%			670	672	0,4%		
Net Sales	3.117	3.888	24,7%			4.950	6.117	23,6%		
Gross Profit	1.116	1.380	23,6%			1.698	2.078	22,4%		
EBITDA	654	820	25,5%			946	1.141	20,6%		
Net Income	185	411	122,1%			136	409	200,5%		
Gross Profit Margin	35,8%	35,5%				34,3%	34,0%			
EBITDA Margin	21,0%	21,1%				19,1%	18,7%			
Net Income Margin	5,9%	10,6%				2,7%	6,7%			
Migros (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	4.523	5.808	28,4%	5.808	28,4%	8.463	10.731	26,8%	10.731	26,8%
Gross Profit	1.168	1.562	33,7%	1.540	31,8%	2.166	2.918	34,7%	2.879	32,9%
EBITDA	270	587	117,4%	397	47,0%	476	1.076	126,1%	710	49,3%
Net Income	-293	-150	48,6%	-105	-64,2%	-536	-381	28,9%	-286	46,6%
Gross Profit Margin	25,8%	26,9%		26,5%		25,6%	27,2%		26,8%	
EBITDA Margin	6,0%	10,1%		6,8%		5,6%	10,0%		6,6%	
Net Income Margin	-6,5%	-2,6%		-1,8%		-6,3%	-3,6%		-2,7%	
Automotive (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	876	829	-5,3%	829	-5,3%	1.705	1.653	-3,0%	1.653	-3,0%
Gross Profit	170	140	-17,7%	140	-17,9%	326	279	-14,5%	279	-14,6%
EBITDA	98	83	-15,0%	82	-16,1%	177	176	-0,8%	174	-2,1%
Net Income	-105	-55	48,2%	-55	48,0%	-199	-167	16,4%	-166	16,5%
Gross Profit Margin	19,4%	16,9%		16,8%		19,1%	16,9%		16,9%	
EBITDA Margin	11,2%	10,1%		9,9%		10,4%	10,6%		10,5%	
Net Income Margin	-12,0%	-6,6%		-6,6%		-11,7%	-10,1%		-10,1%	
Retail (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	313	350	11,7%	350	11,7%	622	674	8,3%	674	8,3%
Gross Profit	74	79	7,4%	69	-6,0%	140	157	11,4%	137	-2,5%
EBITDA	33	66	101,3%	36	9,2%	63	121	93,3%	60	-3,8%
Net Income	6	-10	n.m.	-4	n.m.	7	-23	a.d.	-13	a.d.
Gross Profit Margin	23,6%	22,7%		19,8%		22,6%	23,2%		20,3%	
EBITDA Margin	10,5%	19,0%		10,3%		10,1%	18,0%		8,9%	
Net Income Margin	1,8%	-2,9%		-1,2%		1,1%	-3,3%		-1,9%	
Other (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	71	174	145,1%	174	145,1%	140	462	230,5%	462	230,5%
Gross Profit	35	50	42,4%	50	42,4%	78	93	18,4%	93	18,4%
EBITDA	10	25	158,0%	24	a.d.	9	36	301,9%	32	248,2%
Net Income**	-218	-132	-39,3%	-143	34,3%	-437	-213	-51,4%	-211	51,8%
Gross Profit Margin	49,2%	28,6%		28,6%		56,1%	20,1%		20,1%	
EBITDA Margin	13,7%	14,4%		13,7%		6,5%	7,9%		6,8%	
Net Income Margin	-307,5%	-76,2%		-82,4%		-312,8%	-46,0%		-45,7%	
Consolidated (TL mn)	2Q18*	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18*	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	6.586	12.359	87,7%	12.359	87,7%	10.857	17.706	63,1%	17.706	63,1%
Gross Profit	2.215	4.097	84,9%	4.070	83,7%	3.437	5.537	61,1%	5.500	60,0%
EBITDA	1.028	1.963	91,0%	1.768	72,0%	1.404	2.509	78,7%	2.264	61,2%
Net Income	-304	-71	76,7%	-37	87,8%	-701	-471	32,8%	-405	42,2%
Gross Profit Margin	33,6%	33,1%		32,9%		31,7%	31,3%		31,1%	
EBITDA Margin	15,6%	15,9%		14,3%		12,9%	14,2%		12,8%	
Net Income Margin	-4,6%	-0,6%		-0,3%		-6,5%	-2,7%		-2,3%	
Proforma Consolidated (TL mn)	2Q18*	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18*	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	10.958	14.075	28,4%	14.075	28,4%	19.059	24.165	26,8%	24.165	26,8%
Gross Profit	3.373	4.582	35,8%	4.549	34,9%	5.582	7.364	31,9%	7.304	30,8%
EBITDA	1.296	2.124	63,8%	1.871	44,3%	1.873	3.152	68,3%	2.672	42,7%
Net Income	-304	-71	76,7%	-37	87,8%	-701	-471	32,8%	-405	42,2%
Gross Profit Margin	30,8%	32,6%		32,3%		29,3%	30,5%		30,2%	
EBITDA Margin	11,8%	15,1%		13,3%		9,8%	13,0%		11,1%	
Net Income Margin	-2,8%	-0,5%		-0,3%		-3,7%	-2,0%		-1,7%	

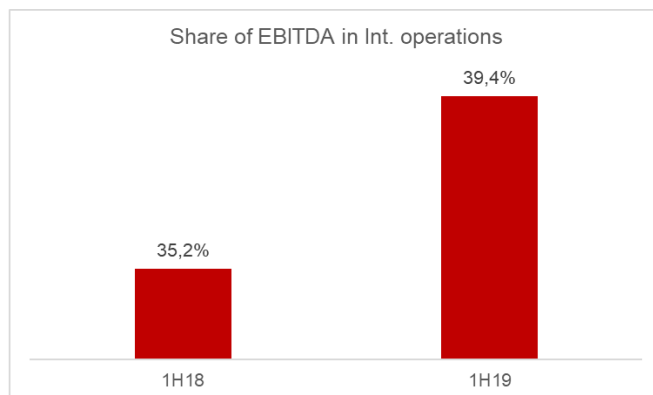
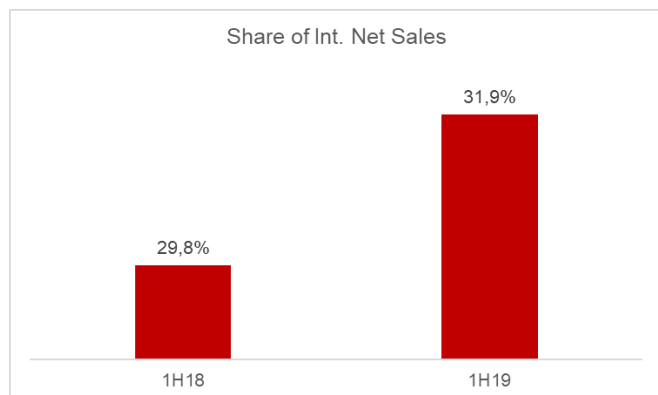
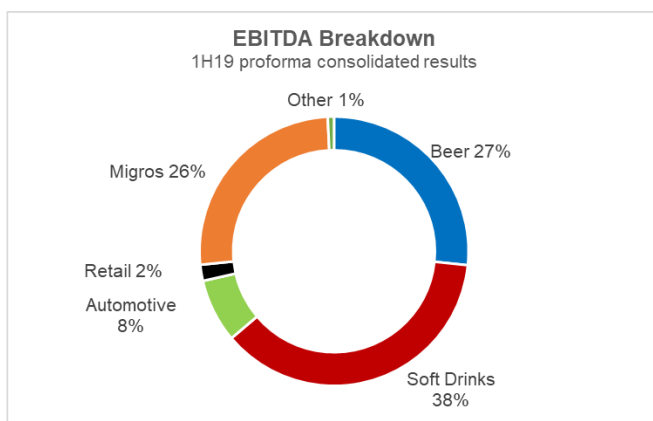
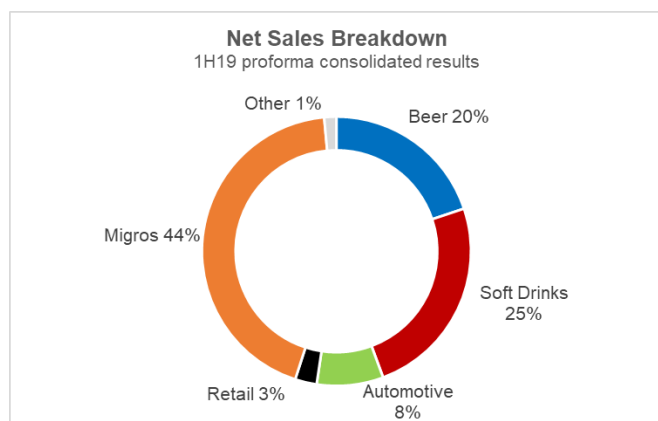
*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 instead of actual April 1st. Therefore proforma 2018 restated results include 3 months of operation of combined business. In addition to actual results, 2018 figures also include the incremental depreciation charge in 2019 which is a result of the revaluation of fixed assets as required by IFRS 3.

**As Migros is started to be fully consolidated, net income impact for the first 4 months has been excluded from net income of other segment

CONSOLIDATED FINANCIAL PERFORMANCE

Proforma Consolidated (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	10.958	14.075	28,4%	14.075	28,4%	19.059	24.165	26,8%	24.165	26,8%
Gross Profit	3.373	4.582	35,8%	4.549	34,9%	5.582	7.364	31,9%	7.304	30,8%
EBITDA	1.296	2.124	63,8%	1.871	44,3%	1.873	3.152	68,3%	2.672	42,7%
Net Income	-304	-71	76,7%	-37	87,8%	-701	-471	32,8%	-405	42,2%
Gross Profit Margin	30,8%	32,6%		32,3%		29,3%	30,5%		30,2%	
EBITDA Margin	11,8%	15,1%		13,3%		9,8%	13,0%		11,1%	
Net Income Margin	-2,8%	-0,5%		-0,3%		-3,7%	-2,0%		-1,7%	

AG Anadolu Grubu Holding (“Anadolu Group”, “Group”) **proforma consolidated net sales** were up by 26.8% y-o-y to TL 24.2 billion in the first half of 2019. While Beer segment revenues increased yearly by 42.8%, followed by Migros with 26.8% and Soft Drinks with 23.6%, Retail segment’ top-line was up by 8.3%. On the other hand, revenues of Automotive segment decreased merely by 3.0% compared to the same period of last year and Other segment, which includes Energy and Real Estate businesses, that have relatively lower shares in the portfolio, contributed positively to the top-line growth due to the deliveries of Kartal residential project.



Share of international sales in total sales increased to 31.9% in 1H19 from 29.8% in 1H18 and EBITDA increased from 35.2% to 39.4%.

Proforma consolidated EBITDA of the Group increased by 42.7% to TL 2.7 billion in 1H19, thanks to strong operational profitability of Beer, Soft Drinks and Migros in the first six months of year. While share of soft drinks segment in proforma consolidated EBITDA was at 38%, Beer and Migros constituted 27% and 26% shares, respectively. Remaining Automotive, Retail and Other segments had total of 11% share in EBITDA.

Anadolu Group reported **net loss** of TL 37 million in 2Q19 compared favorably to net loss of TL 304 million in 2Q18. Strong EBITDA growth in the three main segments that we operate coupled with relatively more stabilized TL are the reasons for lower net loss figure. Thus, the Group posted net loss of TL 405 million in 1H19*.

In line with the efforts to increase **free cash flow generation**, a top agenda item for 2019, Anadolu Group generated TL 1.3 billion FCF in the first six months of the year, thanks to the synergy registered in Russia and Ukraine together with strong operational profitability of Migros and Soft Drinks operations.

In regard of the plans for deleveraging our businesses, proforma consolidated **net debt/EBITDA** decreased by 20 bps to 2.5x as of 2Q19-end, despite the depreciation of TL since year-end. While Automotive segment Net debt/EBITDA decreased by 90 bps to 5.2x compared 2018 year-end, Net debt/EBITDA of Migros also decreased to 1.9x as of 1H19-end vs. 2.3x of 2018 year-end. On the other hand, net debt/EBITDA ratios were at comfortable levels of 1.3x and 1.5x for Beer and Soft Drink segments, respectively.

As of 1H2019-end, 40% of **proforma consolidated debt** is short-term and 60% is long-term.

In order to refrain from the operational and financial risks related to currency, our Group companies continue to use hedging instruments in 2019. In line with the strategy of deleveraging the businesses through cash generation, strategic options are evaluated for the divestiture or further utilization of non-operational assets.

Segmental Indebtedness**

1H19 (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	4.715	2.865	1.850	1,3
Soft Drinks	5.079	1.932	3.147	1,5
Migros	4.895	2.154	2.740	1,9
Automotive	2.437	279	2.158	5,2
Retail	390	63	327	3,0
Other (incl. Holding)	3.552	430	3.122	a.d.
<i>Holding-only</i>	<i>2.050</i>	<i>387</i>	<i>1.663</i>	<i>a.d.</i>
Proforma Consolidated	21.102	7.758	13.344	2,5
Proforma Consolidated (Euro mn)	3.216	1.182	2.033	2,5

2018YE (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	4.285	2.480	1.805	1,5
Soft Drinks	4.943	2.311	2.633	1,4
Migros	4.570	1.769	2.801	2,3
Automotive	2.809	241	2.567	6,1
Retail	334	106	228	2,1
Other (incl. Holding)	3.008	185	2.823	a.d.
<i>Holding-only</i>	<i>1.645</i>	<i>110</i>	<i>1.535</i>	<i>a.d.</i>
Proforma Consolidated	19.945	7.092	12.853	2,7
Proforma Consolidated (Euro mn)	3.295	1.172	2.123	2,7

****Due to the reclassification of finance lease payables as leasing liabilities in regard of the first time adoption of IFRS 16, total debt figures for FY2018 and 1H19 do not include finance lease payables; therefore, total debt, net debt and net debt / EBITDA figures were restated for year-end 2018.**

**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 TL 492.973 (TL 385.611- 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*

BEER SEGMENT

Beer (mn TL)	2Q18*	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18*	1H19	Change	1H19 (excl. IFRS16)	Change
Sales Volume (mhl)	9,9	10,7	8,7%	10,7	8,7%	16,2	17,5	7,4%	17,5	7,4%
Net Sales	2.217	3.277	47,8%	3.277	47,8%	3.513	5.016	42,8%	5.016	42,8%
Gross Profit	854	1.408	64,8%	1.408	64,8%	1.263	1.929	52,8%	1.929	52,8%
EBITDA (BNRI)	264	560	112,1%	541	105,0%	285	633	122,3%	605	112,5%
Net Income	51	378	639,9%	383	651,0%	-131	202	-254,4%	210	-260,5%
Gross Profit Margin	38,5%	43,0%		43,0%		35,9%	38,5%		38,5%	
EBITDA Margin	11,9%	17,1%		16,5%		8,1%	12,6%		12,1%	
Net Income Margin	2,3%	11,5%		11,7%		-3,7%	4,0%		4,2%	

* 2018 figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore 2018 restated results include 3 months of operation of combined business. In addition to actual results, 1H18 figures also include the incremental depreciation charge in 1H19 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

Beer segment **total sales volume** increased by 8.7% in 2Q19 driving the six months cumulative sales volume to 17.5 mhl, up by 7.4% compared to the same period of last year. **In Turkey beer**, April volumes started weak, being affected by the lower consumer sentiment and slowdown in the economy, which negatively impacted the demand. On the other hand, June volumes were above expectations, which is attributable to good tourism figures as well as initiatives to win with portfolio and increase touch with consumers. Second quarter sales performance outpaced the first quarter. **In international beer operations**, outperformance of the Russian market is mostly attributable to focus on increasing presence in segments and channels under indexed. Ukrainian operations substantially outperformed the market, assisted with the launch of Efes portfolio of brands in the market as well as with the growth of premium brands within portfolio. International beer sales volume increased by 10.3% in the second quarter carrying the 6 months cumulative sales volume growth to 9.4% in 1H19. Share of international beer sales volume reached 86% in total sales.

Net sales revenues significantly increased by 47.8% in 2Q19 on a yearly basis to TL 3.3 bn, increasing the 1H19 top-line to TL 5 bn, up by 42.8%. **Turkey beer operations** benefited from price increases as well as positive mix driven by premiumization. On the other hand, high volume growth, price increases and positive translation impact played important roles for revenue growth in **international operations**. Share of international beer revenues reached 82% of total revenues.

Gross profit margin of beer segment increased by 260 bps and reached 38.5% in 1H19. While higher per unit input costs, especially related to packaging, energy and raw materials and higher FX rates compared to previous year impacted the costs in Turkey and gross profit declined by 229 bps, international beer operations gross profit margin expanded by 638 bps, thanks to higher volumes as well as synergy generated in the second quarter of the year.

EBITDA emerged at TL 605 mn in 1H19 which is %112.5 higher compared to the same period of last year. Although operating expenses increased in Turkey due to higher selling & transportation and G&A expenses on y-o-y basis; higher gross profitability, efficiencies in sales and marketing expenses backed by higher volumes as well as synergy extraction in Russia compensated for the margin reduction in Turkey carrying EBITDA margin to 12.1% in 1H19. Share of EBITDA in international operations constitute 89% of total EBITDA.

Beer segment recorded TL 383 mn **net profit** in 2Q19, driving six months cumulative bottom-line to TL 210 million, thanks to higher operational profitability coupled with lower FX losses.

SOFT DRINKS

Soft Drinks (TL mn)	2Q18	2Q19	Change	1H18	1H19	Change
Sales Volume (mn unit case)	408	415	1,8%	670	672	0,4%
Net Sales	3.117	3.888	24,7%	4.950	6.117	23,6%
Gross Profit	1.116	1.380	23,6%	1.698	2.078	22,4%
EBITDA (BNRI)	654	820	25,5%	946	1.141	20,6%
Net Income	185	411	122,1%	136	409	200,5%
Gross Profit Margin	35,8%	35,5%		34,3%	34,0%	
EBITDA Margin	21,0%	21,1%		19,1%	18,7%	
Net Income Margin	5,9%	10,6%		2,7%	6,7%	

Consolidated sales volume increased by 1.8% to 415 mn uc in 2Q19, cycling 9.5% growth in 2Q18. The Sparkling category reached highest ever first half volume in 1H19 as increasing tourist arrivals also supported the growth. Soft Drinks segment sales volume reached 672 million unit cases in the first half of 2019. Share of sales volume of international operations reached 51% in total sales.

Net sales revenues rose by 24.7% in 2Q19, mainly driven by Turkey and Kazakhstan operations and positive FX conversion impact of international operations driving the 1H19 revenues to TL 6.1 bn, up by 23.6% y-o-y. In **Turkey**, net sales revenues was up by 23.1% in 2Q19, on the back of increase in list prices. Net sales revenues per unit case grew by 22.9%, mainly driven by list price adjustments, strong growth in Sparkling category and higher IC share in total sales mix in the second quarter. Strong net sales revenue per unit case growth in Central Asia compensated for lower figures in Pakistan and Iraq; hence net sales revenues in **international operations** increased by %26.1 in 2Q19 y-o-y and top-line growth reached 24.8% in 1H19. Share of international soft drinks sales is 54% of total revenues.

Gross profit margin declined by 30 bps to 35.5% as raw material costs as percentage of revenues increased slightly on a consolidated basis. Gross profit margin remained almost unchanged at 34.0% in 1H19. While **Turkey operations** benefited from increasing net sales revenue per unit case and effective cost management through hedging and cash designation mechanisms, lower margin in international operations was mostly attributable to weaker topline growth in Pakistan as well as lack of Turkmenistan's contribution due to production stoppage. Overall, gross profit margin contraction of international operations counterbalanced by improvement in domestic gross profit margin.

EBIT margin contracted by 120 bps to 12.3% in 1H19, mainly stemming from lower gross margin and FX conversion impact of international operations. On the other hand, EBITDA margin was slightly up by 21.1% in 2Q19 bringing the EBITDA figure to TL 1.1 bn in 1H19 corresponding to margin of 18.7%. Share of EBITDA for international operations stands at 51%.

Net income was TL 411 mn in 2Q19, implying a significant growth of 122.1%, on the back of higher EBIT and lower FX losses. Soft Drinks segment recorded net income of TL 409 mn in 1H19.

Migros (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	4.523	5.808	28,4%	5.808	28,4%	8.463	10.731	26,8%	10.731	26,8%
Gross Profit	1.168	1.562	33,7%	1.540	31,8%	2.166	2.918	34,7%	2.879	32,9%
EBITDA (BNRI)	270	587	117,4%	397	47,0%	476	1.076	126,1%	710	49,3%
Net Income	-293	-150	48,6%	-105	-64,2%	-536	-381	28,9%	-286	46,6%
Gross Profit Margin	25,8%	26,9%		26,5%		25,6%	27,2%		26,8%	
EBITDA Margin	6,0%	10,1%		6,8%		5,6%	10,0%		6,6%	
Net Income Margin	-6,5%	-2,6%		-1,8%		-6,3%	-3,6%		-2,7%	

Net sales revenues of Migros increased by 28.4% in 2Q19 on a y-o-y basis, carrying the six months cumulative top-line to TL 10.7 bn, up by 26.8% yearly. The company opened 68 new stores in the first half of the year and focused on increasing customer value through reduced prices in several fresh categories and basic commodities.

Gross profit increased by 31.8% y-o-y in 2Q19, implying 70 bps increase in gross profit margin of 26.5% compared to the same period of last year. Thus, **gross profit** of the company reached TL 2.9 bn in 1H19 with a margin of 26.8%.

Migros announced **EBITDA** of TL 397 mn in 2Q19, up by 47.0% y-o-y corresponding to a **EBITDA margin** of 6.8% which is 80 bps higher compared to same period of last year. EBITDA reached TL710 mn in 1H19, up by 49.3% y-o-y. Efforts to improve the same store sales through improved traffic and vigilant cost management played important parts in margin improvement.

Despite stellar operational performance, Migros posted **net loss** of TL 105 mn in 2Q19 due to FX losses stemming from further depreciation of TL against Euro. The company posted TL 286 net loss in the first six months of the year, which is significantly lower than the same period of last year.

Along the plan implemented by the management for deleveraging, Migros's **net debt/EBITDA ratio** improved further 40 bps compared to 2018 year-end and came down to 1.9x as of 2Q19-end.

AUTOMOTIVE SEGMENT

Automotive (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	876	829	-5,3%	829	-5,3%	1.705	1.653	-3,0%	1.653	-3,0%
Gross Profit	170	140	-17,7%	140	-17,9%	326	279	-14,5%	279	-14,6%
EBITDA (BNRI)	98	83	-15,0%	82	-16,1%	177	176	-0,8%	174	-2,1%
Net Income	-105	-55	48,2%	-55	48,0%	-199	-167	16,4%	-166	16,5%
Gross Profit Margin	19,4%	16,9%		16,8%		19,1%	16,9%		16,9%	
EBITDA Margin	11,2%	10,1%		9,9%		10,4%	10,6%		10,5%	
Net Income Margin	-12,0%	-6,6%		-6,6%		-11,7%	-10,1%		-10,1%	

Automotive segment posted TL 1.7 billion **net sales** in 1H19, down by 3.0% y-o-y. While the contraction in the domestic light and heavy commercial vehicles market continued, Anadolu Isuzu's increased export revenues mostly compensated for the decline in its domestic revenues. According to the first half results, Çelik Motor constituted 62% of automotive sales revenues, remaining shares were 34% of Anadolu Isuzu and 3% of Anadolu Motor.

Although the **gross profit margin** of Anadolu Isuzu increased to 20.0% in 1H19 vs. %15.9 in 1H18, which is attributable to increased exports, gross profit margin of the Automotive Segment declined by 220 bps to 16.9% in 1H19 mainly due to contraction in the gross profit margin of Çelik Motor.

In regard of increased exports, Anadolu Isuzu's **EBITDA** surged by 187% to TL 63 million. However contraction in operating profitabilities of Çelik Motor and Anadolu Motor, led only to a limited rise in EBITDA margin of the segment by 10 bps to 10.5% in 1H19.

Net debt/EBITDA ratio of the segment decreased to 5.2x as of 1H19-end compared to 6.1x as of 2018-end, in regard of the efficient financial management precautions. Net debt of Anadolu Isuzu and Çelik Motor decreased by TL 150 million and TL 40 million, respectively.

On the other hand, Çelik Motor continued to optimize its fleet size and generated around TL 420 million funds thereby in 1H19. The total fleet size of the company stands at 15,000 as of June-end.

The ratio of Euro denominated **debt** in total debt of Çelik Motor stood at 27% as of the period end.(March 2019: 35%)

RETAIL SEGMENT

Retail (TL mn)	2Q18	2Q19	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	313	350	11,7%	622	674	8,3%	674	8,3%
Gross Profit	74	79	7,4%	140	157	11,4%	137	-2,5%
EBITDA	33	66	101,3%	63	121	93,3%	60	-3,8%
Net Income	6	-10	n.m.	7	-23	a.d.	-13	a.d.
Gross Profit Margin	23,6%	22,7%		22,6%	23,2%		20,3%	
EBITDA Margin	10,5%	19,0%		10,1%	18,0%		8,9%	
Net Income Margin	1,8%	-2,9%		1,1%	-3,3%		-1,9%	

Retail segment reported TL 674 million **net sales** in 1H19, up by 8.3% y-o-y. While McDonald's increased its sales by 29%, revenues of Adel declined by 22% in 1H19 due to the lackluster demand in the stationary business. McDonald's holds 66% share in total sales of retail segment, followed by 29% share of Adel and 5% share of tourism company Efestur.

Gross margin of the segment was down by 230 bps to 20.3% in 1H19. EBITDA for the first half was registered at TL 60 million, with a decrease of 3.8%.

Net debt/EBITDA ratio of the retail segment stood at 3.0x as of 1H19-end. The borrowings of all companies operating under retail segment are in local currency.

OTHERS

Other (TL mn)	2Q18	2Q19	Change	2Q19 (excl. IFRS16)	Change	1H18	1H19	Change	1H19 (excl. IFRS16)	Change
Net Sales	71	174	145,1%	174	145,1%	140	462	230,5%	462	230,5%
Gross Profit	35	50	42,4%	50	42,4%	78	93	18,4%	93	18,4%
EBITDA (BNRI)	10	25	158,0%	24	a.d.	9	36	301,9%	32	248,2%
Net Income**	-218	-132	-39,3%	-143	34,3%	-437	-213	-51,4%	-211	51,8%
Gross Profit Margin	49,2%	28,6%		28,6%		56,1%	20,1%		20,1%	
EBITDA Margin	13,7%	14,4%		13,7%		6,5%	7,9%		6,8%	
Net Income Margin	-307,5%	-76,2%		-82,4%		-312,8%	-46,0%		-45,7%	

**As Migros is started to be fully consolidated, net income impact for the first 4 months has been excluded from net income of other segment

Holding, energy and real estate companies are consolidated under the other segment. Net sales revenues of the other segment increased significantly to TL 462 million, mainly due to TL 327 million deliveries from AND Pastel residential project.

Around 70% of pre-sales of AND Pastel residential project has been completed as of 1H19-end. The deliveries have started in the second half of 2018; as the pre-sales are realized, gains will be booked under revenues in the related quarter. Meanwhile, rental works continue at AND Kozyatağı.

Aslancık HEPP, which is consolidated via equity pick up method, generated turnover of TL 94 million in 1H19 and Paravani HEPP recorded TL 48 million revenues in the same period. The electricity produced at Paravani HEPP is sold in Turkey and Georgia in accordance with the weather conditions. Accordingly, around 60% of the electricity produced at Paravani HEPP was sold to Georgia in 1H19.

SUMMARY SEGMENTAL FINANCIAL RESULTS -1H19*

TL million	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit Attr. To Parent	Yearly Change
Bira	5.016	43%	1.929	53%	605	112%	210	a.d.
Meşrubat	6.117	24%	2.078	22%	1.141	23%	409	189%
Migros	10.731	27%	2.879	33%	710	49%	-286	47%
Otomotiv	1.653	-3%	279	-15%	174	-2%	-166	17%
Perakende	674	8%	137	-2%	60	-4%	-13	a.d.
Diğer	462	230%	93	18%	32	248%	-211	52%
Konsolide**	17.706	63%	5.500	60%	2.264	61%	-405	42%
Proforma Konsolide***	24.165	27%	7.304	31%	2.672	43%	-405	42%

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 instead of actual April 1st. Therefore proforma 2018 restated results include 3 months of operation of combined business. In addition to actual results, 2018 figures also include the incremental depreciation charge in 2019 which is a result of the revaluation of fixed assets as required by IFRS 3.

** Consolidated results include Migros as fully consolidated starting from end of April.

***As Migros is started to be fully consolidated, net income impact for the first 4 months has been excluded from net income of other segment

SUMMARY BALANCE SHEET

AG ANADOLU GRUBU HOLDİNG A.Ş.

TL million

	30.06.2019	31.12.2018
Cash and equivalents	7.646	5.283
Financial instruments	112	40
Trade receivables	4.940	3.030
Inventories	6.156	3.131
Other current assets	2.070	1.940
Current Assets	20.924	13.424
Financial instruments	2	0
Investments accounted through equity method	1	1.921
Investment properties	337	296
Tangible assets	15.908	11.739
Intangible assets	22.081	17.111
-Goodwill	5.845	2.552
-Other intangible assets	16.236	14.559
Other non-current assets	6.554	2.926
Non-Current Assets	44.883	33.993
Total Assets	65.807	47.417
Short term borrowings	3.535	3.185
Short term poriton of long term borrowings	5.316	3.757
-Bank Loans	4.745	3.643
- Lease Liabilities	571	114
Trade payables	11.426	4.161
Deferred income	405	479
Other current liabilities	3.261	1.968
Current Liabilities	23.943	13.550
Long term borrowings	16.188	8.712
-Bank Loans	12.822	8.549
- Lease Liabilities	3.366	163
Deferred income	28	30
Other non-current liabilities	4.223	3.666
Non-Current Liabilities	20.439	12.408
Total Liabilities	44.382	25.958
Equity	21.425	21.459
Non-controlling interests	16.397	16.413
Equity of the parent	5.028	5.046
Total Liabilities & Equity	65.807	47.417

SUMMARY INCOME STATEMENT

AG ANADOLU GRUBU HOLDİNG A.Ş.

TL million

	30.06.2019	30.06.2018
Revenues	17.706	10.437
Cost of sales (-)	(12.169)	(7.040)
Gross Profit	5.537	3.397
Operating expenses (-)	(4.159)	(2.625)
Other operations income/(expense)	(198)	(55)
Gain/(Loss) from investments accounted through equity method	(263)	(329)
Operating Income/(Loss) (EBIT)	917	388
Income /(expense) from investment operations	259	(8)
Financial income/(expense)	(1.265)	(1.040)
Income/(Loss) Before Tax from Continuing Operations	(89)	(660)
Tax income/(expense)	(212)	23
Net Income/(Loss)	(301)	(637)
Net Income/(Loss)		
Non-controlling interests	170	21
Equity holders of the parent	(471)	(658)

SUMMARY FINANCIALS – UNLISTED COMPANIES

TL million	Net Sales		EBITDA		Net Income		Net Debt	
	1H18	1H19	1H18	1H19	1H18	1H19	2018	1H19
McDonalds	348	447	3	13	-23	-17	89	64
Anadolu Motor	77	55	7	1	-10	-22	102	84
Efestur	31	35	1	1	1	1	-1	-1
AND Anadolu Gayrimenkul	35	24	19	8	-31	-38	359	416
GUE	38	48	26	31	22	-41	576	616
Aslancık Elektrik	57	94	31	45	-73	-26	513	532
Çelik Motor	991	1.031	148	112	-161	-132	1.919	1.680

INVESTOR RELATIONS CONTACTS

Please visit our website at <https://www.anadolugrubu.com.tr/en> for financial reports and further information regarding Anadolu Group Holding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning for 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.