

GLOBAL INVESTMENT HOLDINGS ANNOUNCEMENT

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SUBJECT : Global Investment Holdings 9M 2017 Financials Results

Global Investment Holdings announces Consolidated Net Revenues of TL611.0mn and an EBITDA of TL208.0mn in the first nine months of 2017, a growth of 18pct compared to 9M 2016.

Global Investment Holdings (“GIH“ or the “Group”) reports consolidated revenues of TL611.0mn for the first nine months of 2017, representing an increase of 27% compared to the same period last year; while announcing a consolidated EBITDA of TL208.0mn. The secondary proceeds from Global Ports Holding’s IPO at London Stock Exchange of TL 360mn as secondary and F.A.B Partners (FAB) partnership of TL 245mn is not accounted for in the EBITDA line or P/L but under the equity. Total equity increased on a consolidated basis from TL908.3mn in to TL 1,722.1mn representing a 90% increase.

GIH announced its financial results for 9M 2017 consolidated net revenues reached TL611.0mn compared to TL479.2mn last year, representing an increase of 27%. All business divisions under the Company contributed to this increase, with the Port and Power/Gas/Mining divisions contributing most.

In the first nine months of 2017, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to TL208.0mn, compared to an EBITDA of TL176.7mn in the same period last year.

On a divisional basis, the Group’s Port Division revenues reached TL316.2mn in the first three quarters of 2017, representing 19% increase over the same period of 2016. Strong cruise passenger number growth of 15.1% along with solid growth in commercial port volumes continues; offset by ongoing weakness in consumer sentiment towards higher margin Turkish cruise ports and lower project cargo volumes

The Port Division’s EBITDA was reported as TL206.6mn in 9M 2017 compared to TL169.4mn over the same period in 2016. The improvement was driven by Commercial division thanks to the increase in high-margin TEU business, operational improvement and a favourable currency environment in Turkey. The strong performance in the Commercial business has been partly offset by weakness in Turkish cruise ports (particularly Ege) due to the ongoing geopolitical climate in Turkey and the Eastern Mediterranean. Despite the weakness in Turkey, cruise EBITDA registered positive growth (6.2%) in Q3 2017 compared to the same period last year; this means that the EBITDA decline in Turkey was fully offset by an increasing share of more profitable turnaround passengers at GPH’s European cruise ports, on an aggregated basis.

The Power/Gas/Mining Division reported revenues of TL243.7mn in the first nine months of 2017, representing a 43% increase over the same period in 2016, mainly driven by the Company's CNG operations. GIH's Power/Gas/Mining Division EBITDA consisted of CNG, feldspar mining and energy efficiency operations. Naturel gaz revenues stood at TL165.8mn as compared to TL130.0mn over the same period in 2016. Reported sales volume of 9M 2017 stood at 148.3mn m³, compared to 108.2mn m³ for the same period in 2016.

GIH reported a consolidated net loss of TL159.1mn in 9M 2017, compared to a net loss of TL62.9mn in 9M 2016. The loss does not include TL425.0mn increase in Group's consolidated equity due to the successful IPO of the Ports Division in London Stock Exchange. This profit is not accounted for under the P&L, but already under the equity as per IFRS 27. The main reasons behind the decrease were TL78.2mn one-off expenses, resulting from the write-off provision of Dağören HEPP project and project expenses incurred from intensive M&A activity at the Port segment, as well as the aforementioned the IPO. Additionally, the non-cash depreciation charges, and increase in net interest expenses has also impacted the bottom line. Depreciation and amortization charges have increased from TL116.5mn in 9M 2016 to TL148.1mn in 9M 2017. Also, the Group has incurred TL128.0mn net interest expenses in the period. Following the successful IPO of the port business, coupled with the cash commitment from FAB Partners, consolidated Net Debt has decreased from TL1,990.9mn at 2016 year end, to TL1,240.7mn in Q3 2017. Likewise, holding stand-alone Net Debt position of TL574.1mn decreased almost entirely to TL14.3mn, which will significantly reduce net interest expenses in the following quarters.

Commenting on the recent developments, CFO Kerem Eser stated that, "I am pleased to say that as Global Investment Holdings, we have just commenced power generation from biomass resources in our Aydin and Şanlıurfa power plants. Using agricultural residues and livestock manure in power generation, these two plants, with a total installed capacity of 17.2 MW, are expected to meet the electricity requirements of 45 thousand households. We aim to continue acting as an industry pioneer, spearheading the development of biomass projects in various locations across Turkey to achieve a substantial installed capacity, reaching 250MW by 2020. In accordance with the Group's capacity expansion plans in biomass energy generation, we will pursue an investment of c.USD450mn within the next three years. Upon completion of the investments, we targets to become Turkey's largest producer in biomass energy with approximately 1.5 billion kWh of electricity generation per annum."