

Other Activities

ENERGY

ENERJİSA

Enerjisa Power Generation Company (Enerjisa) was established in April 1996 to build and operate facilities to supply continuous, reliable and high quality electricity and to evaluate opportunities for future involvement in the energy sector.

Enerjisa operates four power plants located in Kocaeli, Adana, Çanakkale and Mersin with a total capacity of 370 MW, which is able to meet 2% of the country's demand for electricity. The electricity generated at Enerjisa power plants is transmitted to both Sabancı Group companies and other eligible industrial and commercial consumers in Turkey.

In addition to generation activities, Enerjisa has also taken part in the wholesale market of the electricity sector through Enerjisa Electricity Wholesale Company as of 2004. It is involved in the sale of electricity and/or capacity under market legislation and through energy purchasing and sales contracts. Moreover, all trade opportunities involved in importing and exporting of electricity are evaluated under the Wholesale License. Under the same license conditions, electricity can also be sold to eligible consumers who have the right to choose their suppliers.

In addition to these activities, Enerjisa Natural Gas Wholesale Company, established at the end of 2004, takes part in the wholesale market of the natural gas sector. It is selling natural gas to eligible consumers, import/export and other trading companies in domestic markets by procuring from generating, importing and other wholesale companies. The Company evaluates other market opportunities in the natural gas sector that will arise after the completion of the liberalization of the natural gas market.

In 2006, according to the growth strategy of the Sabancı Group in the energy sector, Enerjisa is going to continue to evaluate electricity generation, distribution and trade as well as natural gas distribution and trade opportunities.

PLASTICS

PİLSA

Established in Adana in 1971, Pilsa is one of the leading companies in the Turkish plastics industry due to its high quality, high volume and customer-focused production. Pilsa produces PVC, HDPE, LDPE and PP pipe used in construction and agricultural industries. Having achieved the ISO 9001 Quality Assurance Certificate, Pilsa has increased its current annual production capacity from 30,000 tons to 43,000 tons in 2005. It has also completed arrangements for new investments to increase its capacity to 50,000 tons in 2006. In 2005, total sales reached US\$ 65 million while exports accounted for 44% of total sales, which were carried out by permanent distributors officially registering quality standards in 43 different countries. The growth in domestic and export sales is expected to continue into 2006.



PAPER AND PACKAGING MATERIALS

OLMUKSA

Olmuksa has been offering high quality corrugated and related products and services to customers all over Turkey since 1968. The Company operates a paper mill in Edirne and corrugated box production facilities in Gebze, Izmir, Adana, Bursa and Manisa. Its annual production capacity is 67,000 tons for paper and 250,000 tons for corrugated packaging.

International Paper, the world's largest paper and corrugated box manufacturer, became a shareholder at Olmuksa in 1998. This resulted in greater diversity of the product line and an increase in the quality of production and customer service. Olmuksa is the market leader in Turkey with a significant share of export volume in its total sales.

Growth within the corrugated packaging sector was above that of the overall Turkish economy during the last four years. Olmuksa increased sales by 36% during the same period. Growth within the industry is expected to continue in the future due primarily to the positive impact of EU conformity laws on corrugated consumption and growth expectations for the Turkish economy and its exports.

Olmuksa enhanced its financial performance and increased its profitability in 2005. Modernization projects started in all Olmuksa facilities in 2005, in line with dynamically increasing expectations of the market, will be finalized in 2006.

Olmuksa's shares are listed on the Istanbul Stock Exchange with a free float of 12.5%.

The Sabancı Group holds 100% of the shares of Tursa, the Company that owns Adana Hiltonsa, Mersin Hiltonsa and Hilton Parksa and the majority of Ankara Enternasyonal Otelcilik, owner of Ankara Hiltonsa; all Sabancı-Hilton facilities are managed by Hilton Hotels.

DÖNKASAN

Dönkasan is the largest and most modern recycled paper collecting, sorting and baling facility in Turkey. Its first plant was established in 1983 in Kartal, Istanbul, with later facilities in Adana and Büyükçekmece.

The Company has a processing capacity of more than 200,000 tons annually, primarily supplying its shareholders, Olmuksa and Kartonsan, with recycled paper.

TOBACCO

PHILSA

Philsa, a 75/25 joint venture between Philip Morris and Sabancı Holding, was established in 1991 to manufacture Marlboro, Parliament, L&M, Chesterfield, Lark, Muratti, Türkü and Bond Street brand cigarettes in Turkey.

Since its establishment in late 1992, the factory in Izmir-Torbali has strengthened its reputation as a world-class manufacturer in the tobacco industry, thanks to its outstanding workforce and its use of state-of-the-art technology. Total investment in this plant has reached more than US\$ 337 million.

PHILIP MORRISSA

Philip Morrissa was established in mid-1994 as a 75/25 joint venture between Philip Morris and Sabancı Holding. The Company is active in the nationwide distribution and sales of Philip Morris cigarettes. Its distribution network serves 149,150 sales outlets in 81 provinces throughout the country, representing one of the largest sales networks in Turkey with 108 distributors, approximately 545 vehicles and a sales force of more than 685 people. In 2005, Philip Morrissa achieved a 41.5% market share while total sales revenue reached US\$ 3,634 billion.



TOURISM

TURSA / AEO

Located in an area of rich natural and historic splendor, Turkey captivates visitors from around the globe. In 2005, approximately 21.1 million tourists visited Turkey to partake of warm Turkish hospitality, splendid food, brilliant beaches and impressive archeological sites.

The Sabancı Group entered into tourism activities many years ago with the Erciyas Hotel in Adana. The Group became partners with Hilton International in 1988 with the opening of Ankara Hiltonsa. The opening of Hilton Parksa extended this partnership further in 1990; the same year, Mersin Hiltonsa opened followed by Adana Hiltonsa in 2001. The Group now holds 100% of the shares of Tursa, the Company that owns Adana Hiltonsa, Mersin Hiltonsa and Hilton Parksa and the majority of Ankara Enternasyonal Otelcilik, owner of Ankara Hiltonsa; all Sabancı-Hilton facilities are managed by Hilton Hotels. Total accommodation has now reached 1,831 beds; 630 beds at Ankara Hiltonsa, 616 beds at Adana Hiltonsa, 372 beds at Mersin Hiltonsa and 213 beds at Hilton Parksa.

INFORMATION TECHNOLOGIES

BİMSA

Founded in 1975 with the goal of providing the Sabancı Group companies with information technology services regarding their businesses, Bimsa has been one of Turkey's leading system integrators for the past 30 years.

Core competencies of Bimsa are:

- diverse management solutions approach
- international business-making competence
- value-added outlook to processes
- integration of IT solutions with business management consultations

As a Total Solutions Provider, Bimsa is a leader in the Turkish information technology sector with its experienced staff, cross-sector experience, strategic alliances, flexible business models, project experience and service continuity.