

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2016
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the Board of Directors of Ülker Bisküvi Sanayi A.Ş.

Introduction

1. We have reviewed the accompanying interim condensed consolidated balance sheet of Ülker Bisküvi Sanayi A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2016 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information of Ülker Bisküvi Sanayi A.Ş. and its subsidiaries is not prepared, in all material respects, in accordance with TAS 34.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Mert Tüten, SMMM
Partner

Istanbul, 16 August 2016

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH**

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2016**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH**

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2016 AND
31 DECEMBER 2015**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

		Reviewed	Restated (*)
		Current	Audited
		Period	Previous
		30 June	31 December
ASSETS	Notes	2016	2015
Current Assets		2.974.850.855	3.464.818.108
Cash and Cash Equivalents	5	1.745.714.298	1.344.387.882
Financial Investments	6	582.728	704.437
Trade Receivables			
- Due From Related Parties	8-21	532.913.132	572.853.651
- Other Trade Receivables	8	163.837.926	190.547.613
Other Receivables			
- Due From Related Parties	9-21	150.803	786.329.934
- Other Receivables	9	37.620.738	37.263.138
Inventories	10	300.266.762	318.503.976
Prepaid Expenses			
- Prepaid Expenses to Related Parties		103.146.776	112.601.084
- Prepaid Expenses to Third Parties		48.906.630	55.441.210
Corporate Income Tax Assets		457	825.280
Other Current Assets		41.710.605	45.359.903
Non-Current Assets		1.801.397.325	1.723.797.220
Financial Investments	6	768.270.313	765.334.184
Trade Receivables			
- Due From Related Parties	8-21	6.220.760	6.196.664
Other Receivables			
- Other Receivables	9	178.097	176.911
Investment Properties	11	12.893.377	12.904.161
Property, Plant and Equipment	12	971.426.372	891.477.307
Intangible Assets	13	1.462.834	1.808.877
Prepaid Expenses		23.120.513	28.562.343
Deferred Tax Assets	19	17.825.059	17.332.587
Other Non-Current Assets		-	4.186
TOTAL ASSETS		4.776.248.180	5.188.615.328

(*) Restatement effects have been explained in Note 2.

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2016 AND
31 DECEMBER 2015**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

		Reviewed Current Period 30 June 2016	Restated (*)Audited Previous Period 31 December 2015
LIABILITIES	Notes		
Current Liabilities		1.238.618.709	1.784.292.054
Short Term Financial Liabilities	7	602.053.225	924.954.546
Short Term Portion of Long-Term Financial Liabilities	7	22.638.717	34.835.819
Trade Payables			
- Due to Related Parties	8-21	255.724.837	309.288.490
- Other Trade Payables	8	203.340.929	284.598.178
Employee Benefit Related Liabilities		26.438.072	27.331.047
Other Payables			
- Due to Related Parties	21	-	86.239.625
- Other Payables		3.404.819	4.598.311
Deferred Revenue		16.896.372	39.895.543
Current Income Tax Liabilities	19	27.601.953	9.514.388
Short Term Provisions			
- Provisions for Employee Benefits		23.462.763	27.381.056
- Other Short Term Provisions		45.309.010	23.881.447
Other Current Liabilities		11.748.012	11.773.604
Non-Current Liabilities		1.854.019.137	1.807.684.924
Long Term Financial Liabilities	7	1.776.743.299	1.735.320.937
Long Term Provisions			
- Provisions for Employment Benefits		41.258.416	37.439.337
Deferred Tax Liabilities	19	36.017.422	34.924.650
SHAREHOLDERS' EQUITY		1.683.610.334	1.596.638.350
Equity Attributable To Equity Holders' of the Parent		1.466.902.463	1.386.766.049
Share Capital		342.000.000	342.000.000
Inflation Adjustments on Equity Items		108.056.201	108.056.201
Accumulated Other Comprehensive Income/Expense not to be Reclassified Under Profit and Loss			
- Actuarial Loss on Post-Employment Termination Benefit Obligation		(1.442.253)	(410.636)
- Increases on Revaluation Plant, Property and Equipment		5.231.735	5.231.735
Accumulated Other Comprehensive Income/Expense to be Reclassified Under Profit and Loss			
- Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income		542.525.618	539.968.646
- Currency Translation Adjustments		(5.381.335)	-
Restricted Reserves Appropriated from Profits		119.806.833	112.116.833
Retained Earnings		178.113.270	(17.983.954)
Net Profit For The Period		177.992.394	297.787.224
Non-Controlling Interest		216.707.871	209.872.301
TOTAL LIABILITIES AND EQUITY		4.776.248.180	5.188.615.328

(*) Restatement effects have been explained in Note 2.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIODS ENDED 30 JUNE 2016 AND 2015

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	Notes	Reviewed Current Period 1 January - 30 June 2016	Restated (*) Current Period 1 April - 30 June 2016	Restated (*) Reviewed Previous Period 1 January - 30 June 2015	Restated (*) Previous Period 1 April - 30 June 2015
Revenue	15	1.980.545.370	974.247.899	1.915.786.892	934.984.171
Cost of Sales (-)	15	(1.505.900.240)	(740.031.763)	(1.474.467.897)	(723.774.703)
GROSS PROFIT FROM OPERATIONS		474.645.130	234.216.136	441.318.995	211.209.468
Research Expenses (-)	16	(4.285.020)	(2.202.243)	(3.627.132)	(2.014.559)
Marketing, Sales and Distribution Expenses (-)	16	(181.590.340)	(83.925.581)	(188.490.914)	(78.973.933)
General Administrative Expenses (-)	16	(60.183.703)	(34.190.185)	(54.075.316)	(27.847.107)
Other Operating Income		35.673.139	15.100.968	56.599.660	20.798.839
Other Operating Expenses (-)		(20.143.731)	(7.331.930)	(42.374.950)	(21.274.832)
OPERATING PROFIT FROM MAIN OPERATIONS		244.115.475	121.667.165	209.350.343	101.897.876
Income from Investment Activities		129.147.515	60.354.103	369.847.757	112.607.034
Expenses from Investment Activities (-)		(81.521.160)	(5.469.156)	(64.650.487)	(10.470.331)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		291.741.830	176.552.112	514.547.613	204.034.579
Financial Income	17	96.089.103	14.511.438	23.815.710	6.294.256
Financial Expenses (-)	18	(141.559.344)	(71.002.412)	(371.447.528)	(116.075.497)
PROFIT BEFORE TAX		246.271.589	120.061.138	166.915.795	94.253.338
Tax Expense	19	(48.022.457)	(22.864.699)	(28.618.636)	(15.633.472)
Tax on Income (-)		(47.301.572)	(25.942.296)	(36.483.024)	(16.750.396)
Deferred Tax (Expense) / Income		(720.885)	3.077.597	7.864.388	1.116.924
PROFIT FOR THE PERIOD		198.249.132	97.196.439	138.297.159	78.619.866
Distribution of the Profit for the Period					
Non-Controlling Interest		20.256.738	9.998.747	16.252.272	7.144.405
Equity Holders of the Parent		177.992.394	87.197.692	122.044.887	71.475.461
Earnings Per Share	20	0,52	0,25	0,36	0,21

(*) Resatement effects have been explained in Note 2.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 30 JUNE 2016 AND 2015

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	Reviewed Current Period 1 January - 30 June 2016	Restated (*) Current Period 1 April - 30 June 2016	Restated (*) Reviewed Previous Period 1 January - 30 June 2015	Restated (*) Previous Period 1 April - 30 June 2015
PROFIT FOR THE PERIOD	198.249.132	97.196.439	138.297.159	78.619.866
Other Comprehensive Income:	(1.069.563)	258.737	218.070	100.557
Items not to be Reclassified Under Profit and Loss	(1.336.954)	323.421	272.588	125.697
Actuarial Gain/(Loss) on Post-Employment Termination Benefit Obligation				
Deferred Tax Effect	267.391	(64.684)	(54.518)	(25.140)
Items to be Reclassified Under Profit and Loss	(9.382.252)	(2.437.895)	(1.138.499)	1.053.112
Currency Translation Adjustments	(12.171.575)	379.889	-	-
Change in Revaluation Funds of Financial Assets	2.936.129	(2.966.089)	(1.198.420)	1.108.539
Deferred Tax Effect	(146.806)	148.305	59.921	(55.427)
OTHER COMPREHENSIVE (EXPENSE)/INCOME	(10.451.815)	(2.179.158)	(920.429)	1.153.669
TOTAL COMPREHENSIVE INCOME	187.797.317	95.017.281	137.376.730	79.773.535
Distribution of Total Comprehensive Income				
Non-Controlling Interest	13.660.903	9.750.184	16.221.921	7.206.326
Equity Holders of the Parent	174.136.414	85.267.097	121.154.809	72.567.209

(*) Restatement effects have been explained in Note 2.

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2016 AND 2015

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	Accumulated Other Comprehensive Income/Expenses To Be Reclassified Under Profit And Loss		Other Comprehensive Income/Expenses Not To Be Reclassified Under Profit And Loss				Accumulated Profit					
	Share Capital	Inflation Adjustments to Share Capital	Financial Assets Measured at Fair Value	Currency Translation Adjustments	Revaluation Plant, Property and Equipment	Actuarial Loss on Post-Employment Termination Benefit Obligation	Restricted Reserves Appropriated from Profits	Net Profit for the Period	Retained Earnings	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interest	Total Equity
As of 1 January 2015	342.000.000	108.056.201	315.553.570	-	5.231.735	(695.347)	104.901.091	211.712.640	50.843.109	1.137.602.999	92.365.694	1.229.968.693
Total comprehensive income	-	-	(1.043.662)	-	-	153.584	-	122.044.887	-	121.154.809	16.221.921	137.376.730
Dividend paid (*)	-	-	-	-	-	-	-	-	(94.000.000)	(94.000.000)	(5.158.667)	(99.158.667)
Transfer	-	-	-	-	-	-	7.215.742	(211.712.640)	204.496.898	-	-	-
As of 30 June 2015	342.000.000	108.056.201	314.509.908	-	5.231.735	(541.763)	112.116.833	122.044.887	161.340.007	1.164.757.808	103.428.948	1.268.186.756
As of 1 January 2016 (Restated)	342.000.000	108.056.201	539.968.646	-	5.231.735	(410.636)	112.116.833	297.787.224	(17.983.954)	1.386.766.049	209.872.301	1.596.638.350
Total comprehensive income	-	-	2.556.972	(5.381.335)	-	(1.031.617)	-	177.992.394	-	174.136.414	13.660.903	187.797.317
Dividend paid (**)	-	-	-	-	-	-	-	-	(94.000.000)	(94.000.000)	(6.825.333)	(100.825.333)
Transfer	-	-	-	-	-	-	7.690.000	(297.787.224)	290.097.224	-	-	-
As of 30 June 2016	342.000.000	108.056.201	542.525.618	(5.381.335)	5.231.735	(1.442.253)	119.806.833	177.992.394	178.113.270	1.466.902.463	216.707.871	1.683.610.334

(*) At the General Assembly Meeting for the year of 2014 held on 26 March 2015, it has been resolved to distribute TRY 94.000.000 as cash and fully funded by the profit for the year and started to be distributed as of April 7th 2015.

(**) At the General Assembly Meeting for the year of 2015 held on 24 March 2016, it has been resolved to distribute TRY 94.000.000 as cash and fully funded by the profit for the year and started to be distributed as of April 5th 2016.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016 AND 2015

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

		Reviewed Current Period	Restated Reviewed Previous Period
	Notes	1 January-30 June 2016	1 January-30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		198.249.132	138.297.159
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities			
Adjustment for depreciation and amortization expenses			
Depreciation expenses of tangible assets	11-12	39.021.493	36.207.977
Amortization expenses of intangible assets	13	495.351	571.939
Adjustment for impairment loss			
Adjustment for impairment loss of other financial investments		121.709	(10.030)
Adjustment for impairment loss of inventories	10	2.767.005	807.257
Adjustment for provisions			
Adjustments for provisions related with employee benefits			
Provision for employment benefits		14.333.721	9.503.796
Provision for unused vacation rights		5.740.202	4.603.614
Performance premium provision		7.214.201	4.358.843
Adjustments for other provisions			
Allowance for doubtful receivables	8	411.980	140.629
Provision for sales return		492.962	6.899.399
Change in other provisions (net)		19.725.962	12.361.843
Adjustment for lawsuit provisions		1.211.527	27.071
Adjustment for dividend income		(359.526)	(299.605)
Adjustment for interest income/(expenses)			
Adjustment for interest income		(39.741.799)	(27.542.840)
Adjustment for interest expenses			
Discount expenses (net)		664.022	4.892.680
Interest expenses		40.449.797	32.213.850
Adjustment for tax expenses	19	48.022.457	28.618.636
Adjustment for gains arised from tangible assets		(465.522)	(161.384)
Other adjustments for which cash effects are investing or financing cash flow			
Change in foreign currency and interest expenses of financial liabilities (net)		4.100.864	311.499.867
Change in foreign currency from investing activities (net)		(4.048.935)	(291.553.055)
Commission expenses and finance service income (net)		919.580	3.918.101
Other adjustments to reconcile profit (loss)			
Rent income		(3.729.467)	(3.742.230)
Net Operating cash flows provided before changes in working capital		335.596.716	271.613.517

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED 30 JUNE 2016 AND 2015**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

		Reviewed Current Period	Restated Reviewed Previous Period
	Notes	1 January-30 June 2016	1 January-30 June 2015
Changes in Working Capital			
Decrease in trade receivables		24.119.100	24.687.636
Decrease in trade receivables from related parties		40.764.235	22.714.376
Decrease/ (Increase) in inventories		15.470.209	(14.429.732)
Decrease in other receivables and other current assets		24.725.416	36.478.101
Decrease in trade payables		(81.998.107)	(103.231.362)
Decrease in trade payables to related parties		(54.234.377)	(49.397.939)
Decrease in other payables and liabilities		(25.115.801)	(14.640.876)
Net cash generated from operations		279.327.391	173.793.721
Taxes paid		(28.389.184)	(26.023.879)
Payments Related with Provisions for Employee Benefits			
Employment termination benefit paid		(11.543.724)	(6.742.149)
Unused vacation rights paid		(4.582.625)	(2.924.351)
Performance premium paid		(12.285.501)	(7.536.598)
Lawsuits provision paid		(2.888)	(315.531)
Collections from doubtful trade receivables	8	1.653	7.686
Net cash generated from operating activities		222.525.122	130.258.899
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of tangible assets	12	(134.826.775)	(64.128.520)
Acquisitions of intangible assets	13	(84.272)	(517.042)
Proceeds from sales of tangible and intangible assets		1.375.567	1.309.591
Changes in non-trade receivables from related parties		786.179.132	13.635.259
Rent income		3.729.467	3.742.230
Dividend received		359.526	299.605
Interest received		39.741.799	23.239.189
Net cash received from/(used in) investing activities		696.474.444	(22.419.688)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayment		(651.084.801)	(16.444.595)
Loans acquired		350.223.038	101.645.390
Change in leasing liabilities		(175.509)	(59.895)
Dividend paid		(100.825.333)	(99.158.667)
Interest paid		(33.619.855)	(29.237.936)
Changes in non-trade payables to related parties		(86.239.625)	-
Net cash used in financing activities		(521.722.085)	(43.255.703)
NET CHANGE IN CASH AND CASH EQUIVALENTS		397.277.481	64.583.508
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		4.048.935	108.383.787
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	1.344.387.882	1.033.829.882
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	1.745.714.298	1.206.797.177

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD ENDED 30 JUNE 2016**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Ülker Bisküvi Sanayi A.Ş. ("the Company") and its subsidiaries (all together "the Group"), comprises of the parent Ülker Bisküvi Sanayi A.Ş. ("the Company") and ten subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2015: four).

Ülker Bisküvi Sanayi A.Ş. was established in 1944. The Company's core business activities are manufacturing of biscuits, chocolate, chocolate coated biscuits, wafers and cakes.

Ülker Bisküvi Sanayi A.Ş. which is registered at the Capital Market Board, merged under its own title with Anadolu Gıda Sanayi A.Ş., whose shares have been quoted on Borsa İstanbul since 30 October 1996, as of 31 December 2003.

The headquarter of Ülker Bisküvi Sanayi A.Ş. is located Kısıklı Mah. Ferah Cad. No:1 Büyük Çamlıca Üsküdar / İstanbul.

As of 30 June 2016, the total number of people employed by the Group is 8.823, which contains 1.008 employees who worked as subcontractors (31 December 2015: 7.341, subcontractor: 811).

The ultimate parent and the controlling party of the Group is Yıldız Holding A.Ş. The ultimate parent of Yıldız Holding A.Ş. is managed by Ülker Family.

As of 30 June 2016 and 31 December 2015, the names and percentages of the shareholders holding more than 10% of the Company's share capital are as follows:

Name of the Shareholders	Share	30 June 2016	Share	31 December 2015
		Percentage		Percentage
Yıldız Holding A.Ş.	168.124.482	%49,16	168.124.482	%49,16
Yıldız Holding A.Ş. Subsidiaries and Ülker Family	27.738.115	%8,11	27.738.115	%8,11
Other	146.137.403	%42,73	146.137.403	%42,73
	342.000.000	%100,00	342.000.000	%100,00

As of 30 June 2016 and 31 December 2015, the details of the subsidiaries under full consolidations in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	30 June 2016		31 December 2015		Nature of Operations
	Ratio of Direct Ownership %	Ratio of Effective Ownership %	Ratio of Direct Ownership %	Ratio of Effective Ownership %	
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	%73,9	%73,9	%73,9	%73,9	Manufacturing
Ülker Çikolata Sanayi A.Ş.	%91,7	%91,7	%91,7	%91,7	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	%100,0	%100,0	%100,0	%100,0	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	%100,0	%100,0	%100,0	%100,0	Trading
İstanbul Gıda Dış Ticaret A.Ş. (*)	%100,0	%100,0	-	-	Export
UI Egypt B.V. (**)	%51,0	%51,0	-	-	Investing
Hi-Food for Advanced Food Industries (**)	-	%45,9	-	-	Manufacturing
Sabourne Investments Ltd (***)	%100,0	%100,0	-	-	Investing
Food Manufacturers' Company (***)	-	%55,0	-	-	Manufacturing
Food Manufacturers' Company for Distribution (***)	-	%52,3	-	-	Export

(*) The Company purchased 20.250.000 shares of İstanbul Gıda Dış Ticaret A.Ş. from Yıldız Holding A.Ş., who is 100% shareholder, for an amount of TRY 43 million as of 31 March 2016.

(**) The Company purchased 51.0% shares of UI Egypt B.V., operating in Netherlands, from Yıldız Holding A.Ş. for an amount of USD 30 million as of 31 March 2016. As a result of the transaction, the Company has gained the controlling power in UI Egypt B.V. and Hi Food for Advanced Food Industries, which UI Egypt B.V. has 90% shares.

(***) The Company purchased 100.0% shares of Sabourne Investments Limited., from Yıldız Holding A.Ş. for an amount of USD 50 million as of 27 June 2016. As a result of the transaction, the Company has gained the controlling power in Food Manufacturers' Company, which Sabourne Investments Limited has 55.0% shares and the controlling power in Food Manufacturers' Company for Distribution, which Food Manufacturers' Company has 95.0% shares.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
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(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

Dividend Paid:

The Company has paid a dividend amount of TRY 94.000.000 (2015: TRY 94.000.000) in the current period. Dividend per share is TRY 0.27 (2015: TRY 0.27).

Approval of Financial Statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 16 August 2016. The General Assembly has the authority to amend/modify the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation:

Principles for Preparation of Financial Statements and Significant Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC").

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

The Company maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect the Group preferred to present its interim condensed consolidated financial statements. The Group's interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore the interim condensed consolidated financial statements should be examined together with the year-end financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of the presentation (cont'd)

Principles for Preparation of Financial Statements and Significant Accounting Policies

Functional and presentation currency

Financial statements of each subsidiary of the Group are presented in the currency of the primary economic environment in which the entities operate (its functional currency). The results and financial position of the each subsidiary are expressed in Turkish Lira, which is the functional and presentation currency of the Group.

As of 30 June 2016, rates declared by Central Bank of Republic of Turkey are; 1 Euro = TRY 3,2044, 1 USD = TRY 2,8936 (31 December 2015: 1 Euro = TRY 3,1776, 1 USD = TRY 2,9076). For the period between January 1, 2016 and June 30 2016, average rates declared by Central Bank of Republic of Turkey are 1 Euro = TRY 3,2558, 1 USD = TRY 2,9181 (January 1, 2015 and June 30, 2015: 1 Euro = TRY 2,8588, 1 USD = TRY 2,5611).

2.2 **Adoption of New and Revised International Financial Reporting Standards:**

The Group has implemented new and revised standards, amendments and interpretations which were effective from 1 January 2016 and related with own activity.

Standards, amendments and interpretations applicable as at 30 June 2016:

- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 16 "Property, plant and equipment", and IAS 41, "Agriculture", regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.
- Amendment to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets", on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- IFRS 14 "Regulatory deferral accounts", effective from annual periods beginning on or after 1 January 2016. IFRS 14, "Regulatory deferral accounts" permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendments to IAS 27, "Separate financial statements" on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28, "Investments in associates and joint ventures", effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of New and Revised International Financial Reporting Standards:

Standards, amendments and interpretations applicable as at 30 June 2016 (cont'd)

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

IFRS 5, "Non-current assets held for sale and discontinued operations" regarding methods of disposal.

IFRS 7, "Financial instruments: Disclosures", (with consequential amendments to IFRS 1) regarding servicing contracts.

IAS 19, "Employee benefits" regarding discount rates.

IAS 34, "Interim financial reporting" regarding disclosure of information.

- Amendment to IAS 1, "Presentation of financial statements" on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve representation and disclosure in financial reports.

- Amendment to IFRS 10 "Consolidated financial statements" and IAS 28, "Investments in associates and joint ventures", effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Standards, amendments and interpretations effective after 30 June 2016:

- Amendments to IAS 7 "Statement of cash flows" on disclosure initiative, effective from annual periods beginning on or after 1 January 2017. These amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

- Amendments IAS 12 "Income Taxes", effective from annual periods beginning on or after 1 January 2017. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarify certain other aspects of accounting for deferred tax assets.

- Amendments to IFRS 2, "Share based payments" on clarifying how to account for certain types of share-based payment transactions, effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

- Amendments IFRS 15 "Revenue from contracts with customers", effective from annual periods beginning on or after 1 January 2018. IFRS 15, "Revenue from contracts with customers" is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- Amendments to IFRS 15, 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of New and Revised International Financial Reporting Standards:

Standards, amendments and interpretations effective after 30 June 2016: (cont'd)

- IFRS 9 "Financial instruments", effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 16 "Leases", effective from annual periods beginning on or after 1 January 2019, This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

In order to allow the determination of financial position and performance, the Group's condensed consolidated financial statements are prepared in comparison with the previous period. In order to comply with the presentation of condensed consolidated financial statements the current period when deemed necessary, comparative information is restated, and material differences are presented. The Group has made some restatements regarding "Transaction Under Common Control" in order to conform to current period financial statements for prior periods. The nature of the restatement and amounts are as follows:

As per the principle related to "Accounting for business combinations under common control" the Public Oversight Accounting and Auditing Standards Authority issued in the Official Gazette dated 21 July 2013, business combinations under common control shall be accounted through restating previous period's financial statements via the pooling of interest method. The Group management restated only its interim condensed consolidated balance sheet as at 31 December 2015 and the interim condensed consolidated statements of comprehensive income and cash flows for the six-month period ended at 30 June 2015 for the transactions made under common control (details explained in Note 1) to fulfil the economic decision-making needs of financial statement users, because of the impracticability, within the scope of TAS 8. Effect of the restatements are shown below.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (cont'd)

	Reported Previous Period 31 December 2015	Effects of Restatement	Restated
Current Assets	2.418.802.807	1.046.015.301	3.464.818.108
Cash and cash equivalents	1.319.138.698	25.249.184	1.344.387.882
Financial Investments	704.437	-	704.437
Trade Receivables	648.516.627	114.884.637	763.401.264
Other Receivables	30.821.174	792.771.898	823.593.072
Inventories	234.137.771	84.366.205	318.503.976
Prepaid Expenses	149.529.118	18.513.176	168.042.294
Corporate Income Tax Assets	-	825.280	825.280
Other Current Assets	35.954.982	9.404.921	45.359.903
Non-Current Assets	1.507.784.747	216.012.473	1.723.797.220
Financial Investments	765.334.184	-	765.334.184
Trade Receivables	6.196.664	-	6.196.664
Other Receivables	173.437	3.474	176.911
Investment Properties	11.865.000	1.039.161	12.904.161
Property, Plant and Equipment	678.525.362	212.951.945	891.477.307
Intangible Assets	1.495.673	313.204	1.808.877
Prepaid Expenses	28.562.349	(6)	28.562.343
Deferred Tax Assets	15.627.892	1.704.695	17.332.587
Other Non-Current Assets	4.186	-	4.186
TOTAL ASSETS	3.926.587.554	1.262.027.774	5.188.615.328

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (cont'd)

	Reported Previous Period 31 December 2015	Effects of Restatement	Restated
Current Liabilities	653.505.104	1.130.786.950	1.784.292.054
Short Term Financial Liabilities	92.987.409	831.967.137	924.954.546
Short Term Portion of Long-Term Financial Liabilities	19.921.073	14.914.746	34.835.819
Trade Payables	474.424.217	119.462.451	593.886.668
Employee Benefit Related Liabilities	20.844.357	6.486.690	27.331.047
Other Payables	1.375.545	89.462.391	90.837.936
Current Income Tax Liabilities	8.251.757	1.262.631	9.514.388
Short Term Provisions	25.272.122	25.990.381	51.262.503
Other Current Liabilities	10.428.624	41.240.523	51.669.147
Non-Current Liabilities	1.633.652.466	174.032.458	1.807.684.924
Long Term Financial Liabilities	1.570.188.333	165.132.604	1.735.320.937
Long Term Provisions	28.539.483	8.899.854	37.439.337
Deferred Tax Liabilities	34.924.650	-	34.924.650
SHAREHOLDERS' EQUITY	1.639.429.984	(42.791.634)	1.596.638.350
Equity Attributable To Equity Holders' of the Parent	1.528.628.848	(141.862.799)	1.386.766.049
Share Capital	342.000.000	-	342.000.000
Inflation Adjustments on Equity Items	108.056.201	-	108.056.201
Accumulated Other Comprehensive Income not to be Reclassified Under Profit and Loss			
- Actuarial Loss on Post-Employment Termination	(373.480)	(37.156)	(410.636)
- Investment Property Valuation Funds	5.231.735	-	5.231.735
Accumulated Other Comprehensive Income to be Reclassified Under Profit and Loss			
- Financial Assets Valuation Fund	539.968.646	-	539.968.646
Restricted Reserves Appropriated from Profits	112.116.833	-	112.116.833
Retained Earnings	161.340.007	(179.323.961)	(17.983.954)
Net Profit For The Period	260.288.906	37.498.318	297.787.224
Non-Controlling Interest	110.801.136	99.071.165	209.872.301
TOTAL LIABILITIES AND EQUITY	3.926.587.554	1.262.027.774	5.188.615.328

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (cont'd)

Statements of income 30 June 2015	Reported Previous Period 1 January- 30 June 2015	Effects of Restatement	Restated Previous Period 1 January- 30 June 2015
Revenue	1.510.908.383	404.878.509	1.915.786.892
Cost of Sales (-)	(1.169.268.204)	(305.199.693)	(1.474.467.897)
GROSS PROFIT FROM OPERATIONS	341.640.179	99.678.816	441.318.995
Research Expenses (-)	(3.568.423)	(58.709)	(3.627.132)
Marketing, Sales and Distribution Expenses (-)	(127.851.485)	(60.639.429)	(188.490.914)
General Administrative Expenses (-)	(38.356.430)	(15.718.886)	(54.075.316)
Other Operating Income	41.604.427	14.995.233	56.599.660
Other Operating Expenses (-)	(26.469.802)	(15.905.148)	(42.374.950)
OPERATING PROFIT FROM MAIN OPERATIONS	186.998.466	22.351.877	209.350.343
Income from Investment Activities	200.481.555	169.366.202	369.847.757
Expenses from Investment Activities (-)	(64.648.887)	(1.600)	(64.650.487)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES	322.831.134	191.716.479	514.547.613
Financial Income	23.815.710	-	23.815.710
Financial Expenses (-)	(204.835.804)	(166.611.724)	(371.447.528)
PROFIT BEFORE TAX	141.811.040	25.104.755	166.915.795
Tax Expense	(25.781.039)	(2.837.597)	(28.618.636)
Tax on Income (-)	(33.248.998)	(3.234.026)	(36.483.024)
Deferred Tax Income	7.467.959	396.429	7.864.388
PROFIT FOR THE PERIOD	116.030.001	22.267.158	138.297.159
Other Comprehensive Income:			
Items not to be Reclassified Under Profit and Loss	218.070	-	218.070
Actuarial Loss on Post-Employment Termination Benefit Obligation	272.588	-	272.588
Deferred tax effect	(54.518)	-	(54.518)
Items to be Reclassified Under Profit and Loss	(1.138.499)	-	(1.138.499)
Change in Revaluation Funds of Financial Assets	(1.198.420)	-	(1.198.420)
Deferred tax effect	59.921	-	59.921
OTHER COMPREHENSIVE EXPENSE	(920.429)	-	(920.429)
TOTAL COMPREHENSIVE INCOME	115.109.572	22.267.158	137.376.730

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (cont'd)

Statements of income 31 March 2015	Reported Previous Period 1 January-31 March 2015	Effects of Restatement	Restated Previous Period 1 January- 31 March 2015
Revenue	789.717.435	191.085.286	980.802.721
Cost of Sales (-)	(605.168.009)	(145.525.185)	(750.693.194)
GROSS PROFIT FROM OPERATIONS	184.549.426	45.560.101	230.109.527
Research Expenses (-)	(1.593.280)	(19.293)	(1.612.573)
Marketing, Sales and Distribution Expenses (-)	(80.358.839)	(29.158.142)	(109.516.981)
General Administrative Expenses (-)	(19.438.023)	(6.790.186)	(26.228.209)
Other Operating Income	25.104.384	10.696.437	35.800.821
Other Operating Expenses (-)	(16.614.825)	(4.485.293)	(21.100.118)
OPERATING PROFIT FROM MAIN OPERATIONS	91.648.843	15.803.624	107.452.467
Income from Investment Activities	126.067.006	131.173.717	257.240.723
Expenses from Investment Activities (-)	(54.178.560)	(1.596)	(54.180.156)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES	163.537.289	146.975.745	310.513.034
Financial Income	17.521.454	-	17.521.454
Financial Expenses (-)	(126.510.109)	(128.861.922)	(255.372.031)
PROFIT BEFORE TAX	54.548.634	18.113.823	72.662.457
Tax Expense	(11.044.875)	(1.940.289)	(12.985.164)
Tax on Income (-)	(17.607.311)	(2.125.317)	(19.732.628)
Deferred Tax Income	6.562.436	185.028	6.747.464
PROFIT FOR THE PERIOD	43.503.759	16.173.534	59.677.293
Other Comprehensive Income:			
Items not to be Reclassified Under Profit and Loss	117.513	-	117.513
Actuarial Loss on Post-Employment Termination Benefit Obligation	146.891	-	146.891
Deferred tax effect	(29.378)	-	(29.378)
Items to be Reclassified Under Profit and Loss	(2.191.611)	-	(2.191.611)
Change in Revaluation Funds of Financial Assets	(2.306.959)	-	(2.306.959)
Deferred tax effect	115.348	-	115.348
OTHER COMPREHENSIVE EXPENSE	(2.074.098)	-	(2.074.098)
TOTAL COMPREHENSIVE INCOME	41.429.661	16.173.534	57.603.195

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3. BUSINESS COMBINATIONS

The Company purchased 20.250.000 shares of İstanbul Gıda Dış Ticaret A.Ş. from Yıldız Holding A.Ş., who is 100% shareholder, for an amount of TRY 43 million as of 31 March 2016. The net assets acquired and the effects of transaction in equity are presented as follows:

Net Assets within the Scope of Consolidation	Asset/(Liability)
Current Assets	
Cash and cash equivalents	2.107.616
Trade receivables	180.630.937
Other receivables	1.061.196.715
Other current assets	21.474.982
Non-Current Assets	
Tangible and intangible assets (Net)	2.882.635
Other non-current assets	1.707.255
Current Liabilities	
Financial liabilities	(877.541.939)
Trade payables	(155.346.116)
Other current liabilities	(57.421.414)
Non-Current Liabilities	
Financial liabilities	(145.809.229)
Other non-current liabilities	(4.132.149)
Net Assets added into the scope of consolidation	29.749.293
Total share of the Group ownership	100,0%
The portion of the net assets to Group	29.749.293
Cash paid for the acquisition	(43.000.000)
Net Equity Impact from the acquisition of subsidiary	(13.250.707)

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3. BUSINESS COMBINATIONS (cont'd)

The Company purchased 51.0% shares of UI Egypt B.V., operating in Netherlands, from Yıldız Holding A.Ş. for an amount of USD 30 million as of 31 March 2016. As a result of the transaction, the Company has gained the controlling power in UI Egypt B.V. and Hi Food for Advanced Food Industries, which UI Egypt B.V. has 90% shares. The net assets acquired and the effects of transaction in equity are presented as follows:

Net Assets within the Scope of Consolidation	Asset/(Liability)
Current Assets	
Cash and cash equivalents	2.488.891
Trade receivables	10.833.046
Other receivables	5.195.245
Other current assets	36.779.487
Non-Current Assets	
Tangible and intangible assets (Net)	112.375.536
Current Liabilities	
Financial liabilities	(20.065.284)
Trade payables	(16.867.164)
Other current liabilities	(6.367.205)
Non-Current Liabilities	
Financial liabilities	(19.686.374)
Other non-current liabilities	(20.084.669)
Net Assets added into the scope of consolidation	84.601.509
Minority shares	8.481.038
Total share of the Group ownership	51,0%
The portion of the net assets to Group	38.821.440
Cash paid for the acquisition	(86.199.000)
Net Equity Impact from the acquisition of subsidiary	(47.377.560)

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3. BUSINESS COMBINATIONS (cont'd)

The Company purchased 100.0% shares of Sabourne Investments Limited from Yıldız Holding A.Ş. for an amount of USD 50 million as of 27 June 2016. As a result of the transaction, the Company has gained the controlling power in Food Manufacturers' Company, which Sabourne Investments Limited. has 55.0% shares and the controlling power in Food Manufacturers' Company for Distribution, which Food Manufacturers' Company has 95.0% shares. The net assets acquired and the effects of transaction in equity are presented as follows:

Net Assets within the Scope of Consolidation	Asset/(Liability)
Current Assets	
Cash and cash equivalents	20.739.660
Trade receivables	44.777.045
Other receivables	745.081
Other current assets	68.509.347
Non-Current Assets	
Tangible and intangible assets (Net)	99.047.045
Current Liabilities	
Financial liabilities	(7.063.661)
Trade payables	(75.796.136)
Other current liabilities	(27.658.240)
Non-Current Liabilities	
Other non-current liabilities	(5.968.579)
Net Assets added into the scope of consolidation	117.331.562
Minority shares	53.291.094
Total share of the Group ownership	100,0%
The portion of the net assets to Group	64.040.468
Cash paid for the acquisition	(145.275.000)
Net Equity Impact from the acquisition of subsidiary	(81.234.532)

4. SEGMENTAL INFORMATION

The Group's core business activities are manufacturing and marketing of biscuit, chocolate, chocolate coated biscuit, wafer, and cake. The reports reviewed routinely by the decision makers of the Group comprise consolidated numbers of Ülker Bisküvi Sanayi A.Ş. and its subsidiaries.

Since the Group has operations in only one production area and the magnitude of foreign operations is under limits which is mentioned TFRS 8 and the decision makers use the consolidated reports, segmental reporting in accordance with TFRS 8 have not been provided in the accompanying consolidated financial statements.

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5. CASH AND CASH EQUIVALENTS

	30 June 2016	31 December 2015
Cash	834.852	324.344
Demand deposits	39.241.127	28.881.703
Time deposits (*)	1.705.638.319	1.315.181.835
	1.745.714.298	1.344.387.882

(*) All of time deposits consist of overnights (31 December 2015: TRY 1.315.181.835).

Details of time deposits are shown below:

Currency Type	Annual Weighted Average Effective Interest Rate (%)	Maturity	30 June 2016
TRY	11,50%	July 2016	344.858.618
USD	2,04%	July 2016	1.135.189.941
EUR	1,20%	July 2016	225.589.760
			1.705.638.319

Currency Type	Annual Weighted Average Effective Interest Rate (%)	Maturity	31 December 2015
EUR	1,59%	January 2016	533.399.795
USD	2,47%	January 2016	781.782.040
			1.315.181.835

6. FINANCIAL INVESTMENTS

Short Term Financial Investments:		30 June 2016		31 December 2015
Available for sale financial assets		582.728		704.437
		582.728		704.437
Long Term Financial Investments:		30 Haziran 2016		31 Aralık 2015
Available for sales financial assets		768.270.313		765.334.184
		768.270.313		765.334.184
Long Term Available for Sale Financial Investments	%	30 June 2016	%	31 December 2015
G New, Inc	12,20%	196.711.611	12,20%	196.711.611
Godiva Belgium BVBA	19,23%	537.772.863	19,23%	537.772.863
BİM Birleşik Mağazalar A.Ş.	0,20%	33.585.721	0,20%	30.649.592
Other		200.118		200.118
		768.270.313		765.334.184

Available for sale financial assets are presented at their fair values. The after tax difference belonging to equity holder of TRY 542.525.618 as of 30 June 2016 (30 June 2015: TRY 314.509.908) in the fair values of such assets has directly been presented in other comprehensive income under equity.

As the expected value gaps for available for sale financial assets of TRY 200.118 (31 December 2015: TRY 200.118) that are not traded in an active market are high and expected values are not reliably measured, these have been presented at historical cost in accompanying consolidated financial statements.

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7. FINANCIAL LIABILITIES

	30 June 2016	31 December 2015
Short Term Liabilities	602.053.225	924.954.546
Short Term Portion of Long Term Liabilities	22.638.717	34.835.819
Long Term Liabilities	1.776.743.299	1.735.320.937
	2.401.435.241	2.695.111.302
<u>Short Term Liabilities</u>	30 June 2016	31 December 2015
Bank Loans	591.595.961	924.954.546
Non-Trade Payables to Related Parties (Note 21)	10.457.264	-
	602.053.225	924.954.546
<u>Short Term Portion of Long Term Liabilities</u>	30 June 2016	31 December 2015
Bank Loans	22.450.642	34.472.820
Financial Lease Payables	188.075	362.999
	22.638.717	34.835.819
<u>Long Term Liabilities</u>	30 June 2016	31 December 2015
Bank Loans	1.776.677.654	1.735.254.707
Financial Lease Payables	65.645	66.230
	1.776.743.299	1.735.320.937

The syndication loan has received as of 26 November 2014. Details of Group's syndication loans are as follows;

Syndication loan consists of two credit trenches which are USD 284,500,000 and EUR 211.823.840. 26 international banks joined to the syndication. Effective interest rate for both credit trenches is Libor + 2.75% and the maturity date is November 2017. Principal payments of the loans are repaid at maturity with semi-annual interest payments.

The covenants which belong to syndication loan are as follows:

- a) **Leverage:** The ratio of the consolidated net debt at balance sheet date to the last twelve months consolidated EBITDA (Earnings before interest,tax,depreciation and amortization) in the valid period should not be over 3 to 1.
- b) **Interest Coverage:** Consolidated interest coverage ratio of the Group should be at least 3 to 1.

In current year, the consolidated financial statements of the Group comply with the covenants of the syndication loan agreement.

Bank Loans:

30 June 2016

<u>Currency</u>	<u>Maturity</u>	<u>Annual Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TRY	July 2016	Spot-%12,68	22.764.568	203.500.000
EUR	July 2016-June 2020	%2,76	20.723.229	740.255.506
USD	July 2016-November 2017	%3,46	569.631.810	828.448.188
EGP	November 2016- September 2019	%14,00	2.038.010	4.473.960
SAR	August 2016	%1,53	9.346.250	-
			624.503.867	1.776.677.654

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7. FINANCIAL LIABILITIES (cont'd)

31 December 2015

<u>Currency</u>	<u>Maturity</u>	<u>Annual Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TRY	January 2016-July 2016	Spot	1.398.009	-
EUR	February 2016-June 2020	%2,76	84.733.636	750.209.544
USD	January 2016- November 2017	%3,18	855.399.919	978.876.603
EGP	November 2016- September 2019	%14,00	10.832.140	6.168.560
SAR	August 2016	%1,43	7.063.662	-
			959.427.366	1.735.254.707

The maturity detail of the bank loans is as follows:

	<u>30 June 2016</u>	<u>31 December 2015</u>
to be paid within 1 year	624.503.867	959.427.366
to be paid within 1-2 years	1.703.678.424	1.663.088.205
to be paid within 2-3 years	54.543.110	27.348.086
to be paid within 3-4 years	14.456.120	25.682.363
to be paid within 4-5 years	4.000.000	19.136.053
	2.401.181.521	2.694.682.073

Financial Lease Payables:

The detail of short term financial lease payables is as follows:

Short-Term Financial Lease Payables	<u>30 June 2016</u>	<u>31 December 2015</u>
Financial lease payables	200.335	362.999
Deferred financial lease payables (-)	(12.260)	-
	188.075	362.999

Long-Term Financial Lease Payables

	<u>30 June 2016</u>	<u>31 December 2015</u>
Financial lease payables	67.738	468.398
Deferred financial lease payables (-)	(2.093)	(402.168)
	65.645	66.230

The maturity detail of the financial lease payables is as follows:

	<u>30 June 2016</u>	<u>31 December 2015</u>
to be paid within 1 year	188.075	362.999
to be paid within 1-2 years	65.645	66.230
	253.720	429.229

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8. TRADE RECEIVABLES AND PAYABLES

	30 June 2016	31 December 2015
Short Term Due from Related Parties		
Due from related parties (Note 21) (net)	532.913.132	572.853.651
	532.913.132	572.853.651
Other Trade Receivables		
Trade receivables (net)	168.371.852	194.387.255
Notes receivables (net)	799.143	1.105.172
Provision for doubtful receivables	(5.333.069)	(4.944.814)
	163.837.926	190.547.613
Total Short Term Trade Receivables	696.751.058	763.401.264
	30 June 2016	31 December 2015
Long Term Due from Related Parties		
Due from related parties (Note 21)	6.220.760	6.196.664
Total Long Term Trade Receivables	6.220.760	6.196.664

Trade receivables are disclosed at discounted net realizable value using the effective yield method. Net realizable value has been calculated over discount rate of 12.5% (2015: 12.9%) based on the Group's cash sales. The provision for trade receivables is provided for based on the estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

The movement of the allowance for doubtful receivables as of 30 June 2016 and 2015 is as follows:

	1 January- 30 June 2016	1 January- 30 June 2015
Opening balance	(4.944.814)	(1.550.365)
Charge for the period	(411.980)	(140.629)
Currency translation adjustments	22.072	-
Collections	1.653	7.686
Closing balance	(5.333.069)	(1.683.308)
	30 June 2016	31 December 2015
Short Term Trade Payables		
Due to related parties (Note 21) (net)	255.724.837	309.288.490
Trade payables (net)	203.340.929	284.598.178
	459.065.766	593.886.668

Trade payables are disclosed at discounted net realizable value using the effective yield method. Net realizable value has been calculated over discount rate of 12.5% (2015: 12.9%) based on the Group's cash sales.

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9. OTHER RECEIVABLES AND PAYABLES

	30 June 2016	31 December 2015
Short Term Other Receivables		
Due from related parties (Note 21)	150.803	786.329.934
Short term other receivables	37.620.738	37.263.138
	37.771.541	823.593.072
Other Short Term Receivables		
VAT receivables	15.338.696	15.463.094
Compensation receivables from insurance entity	11.498.656	13.319.191
Deposits and guarantees given	1.054.030	1.185.520
Receivables from employees	667.358	1.278.441
Other	9.061.998	6.016.892
	37.620.738	37.263.138
Other Long Term Receivables		
Deposits and guarantees given	178.097	176.911
	178.097	176.911

10. INVENTORIES

Inventory details are as follows:

	30 June 2016	31 December 2015
Raw materials	137.888.329	134.649.764
Work in progress	12.982.596	11.270.572
Finished goods	134.774.738	158.396.641
Trade goods	1.281.465	-
Other inventories	22.529.651	22.970.612
Allowance for impairment on inventory (-)	(9.190.017)	(8.783.613)
	300.266.762	318.503.976

Inventory is presented on cost value and allowance for impairment is booked for inventory valuing lower than cost.

The movement of allowance for impairment on inventory for the periods ended 30 June 2016 and 2015 are below:

	1 January- 30 June 2016	1 January- 30 June 2015
Opening balance	(8.783.613)	(3.555.919)
Charge for the period	(2.767.005)	(807.257)
Provisions released	2.360.601	470.557
Closing balance	(9.190.017)	(3.892.619)

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11. INVESTMENT PROPERTIES

	1 January- 30 June 2016	1 January- 30 June 2015
Opening balance	12.904.161	12.056.876
Charge for the period	(10.784)	(10.784)
Closing balance	12.893.377	12.046.092

The fair value of the Group's investment properties at 31 December 2015 and 2014 have been calculated on the basis of a valuation carried out at that date by 31 December 2015 and 1 December 2014, by independent valuers not related to the Group. EVA Gayrimenkul Değerleme Danışmanlık A.Ş. is one of the accredited independent valuers by Capital Markets Board of Turkey, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, based on market evidence of transaction prices for similar properties.

As explained details in Note 1, the increase in fair value of additions arising from "Transaction Under Common Control" is expected not material impact on the condensed consolidated financial statements by Group management. The Group management will reevaluate fair value increase of additions at the year-end.

The rent income earned by the Group from its investment properties amounting to TRY 531.270 (30 June 2015:TRY 562.778) within the current period. Direct operating expenses arising from the investment properties in the current period amounting to TRY 37.441 (30 June 2015: TRY 38.805).

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12. PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets between 1 January 2016 – 30 June 2016 are as follows:

Cost	1 January 2016	Addition	Disposal	Transfers (Note 13)	Currency translation adjustments	30 June 2016
Land	16.458.202	163.277	-	-	(1.653.113)	14.968.366
Land improvements	7.803.257	60.711	-	137.695	-	8.001.663
Buildings	291.432.723	2.733.639	-	198.382	(2.528.979)	291.835.765
Machinery, plant and equipment	1.081.200.410	2.827.014	(2.099.319)	30.842.420	(10.452.360)	1.102.318.165
Vehicles	4.194.313	1.228.330	(93.285)	-	(216.161)	5.113.197
Furniture and fixtures	57.395.634	1.236.192	(119.038)	637.393	(248.562)	58.901.619
Leasehold improvements	19.930.469	195.713	-	2.168.410	-	22.294.592
Other tangible assets	4.847.122	200.613	-	-	(21.046)	5.026.689
Construction in progress	164.296.470	126.181.286	-	(34.049.336)	(4.878.651)	251.549.769
	1.647.558.600	134.826.775	(2.311.642)	(65.036)	(19.998.872)	1.760.009.825
Accumulated Depreciation	1 January 2016	Charge for the period	Disposal	Transfers	Currency translation adjustments	30 June 2016
Land improvements	(3.250.227)	(193.829)	-	-	-	(3.444.056)
Buildings	(98.063.139)	(4.668.295)	-	-	386.446	(102.344.988)
Machinery, plant and equipment	(592.709.768)	(30.866.713)	1.189.274	-	4.457.234	(617.929.973)
Vehicles	(3.149.816)	(175.275)	93.285	-	106.437	(3.125.369)
Furniture and fixtures	(43.818.632)	(2.149.030)	119.038	-	144.372	(45.704.252)
Leasehold improvements	(12.061.210)	(798.925)	-	-	-	(12.860.135)
Other tangible assets	(3.028.501)	(158.642)	-	-	12.463	(3.174.680)
	(756.081.293)	(39.010.709)	1.401.597	-	5.106.952	(788.583.453)
Net Book Value	891.477.307					971.426.372

From depreciation and amortization expenses, TRY 36.289.267 (30 June 2015: TRY 33.787.216) is included in cost of goods sold, TRY 152.067 (30 June 2015: TRY 150.245) is included in research and development expenses, TRY 730.368 (30 June 2015: TRY 1.128.317) is included in marketing and selling expenses and TRY 2.345.142 (30 June 2015: TRY 1.714.138) is included in general administrative expenses. There is no collateral or mortgage on fixed assets. There is no fixed assets acquired through leasing in the current period. In 2016, the Group has capitalized TRY 331.437 interest and TRY 4.746.004 foreign exchange losses with regards to borrowings and accounted for such borrowing costs under construction in progress (30 June 2015: TRY 269.505 interest, TRY 1.030.867 foreign exchange losses).

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12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movement of tangible assets between 1 January - 30 June 2015 are as follows:

Cost	1 January 2015	Addition	Disposal	Transfers (Note 13)	30 June 2015
Land	3.386.659	7.930.325	(10.000)	-	11.306.984
Land improvements	7.191.876	28.515	-	-	7.220.391
Buildings	240.912.607	332.866	-	26.000	241.271.473
Machinery, plant and equipment	789.041.606	4.707.846	(1.685.621)	16.591.002	808.654.833
Vehicles	931.045	-	(24.526)	-	906.519
Furniture and fixtures	47.871.465	1.540.815	(244.304)	482.093	49.650.069
Leasehold improvements	16.891.825	58.303	(125.920)	-	16.824.208
Other tangible assets	1.396	-	-	-	1.396
Construction in progress	49.810.642	49.529.850	(359.244)	(17.191.529)	81.789.719
	1.156.039.121	64.128.520	(2.449.615)	(92.434)	1.217.625.592
Accumulated Depreciation	1 January 2015	Charge for the period	Disposal	Transfers	30 June 2015
Land improvements	(2.893.688)	(235.063)	-	-	(3.128.751)
Buildings	(74.104.335)	(4.750.265)	-	-	(78.854.600)
Machinery, plant and equipment	(459.348.671)	(28.846.391)	1.039.033	-	(487.156.029)
Vehicles	(809.255)	(20.902)	11.753	-	(818.404)
Furniture and fixtures	(38.246.315)	(1.720.488)	177.088	-	(39.789.715)
Leasehold improvements	(10.918.860)	(624.084)	34.130	-	(11.508.814)
Other tangible assets	(1.396)	-	-	-	(1.396)
	(586.322.520)	(36.197.193)	1.262.004	-	(621.257.709)
Net Book Value	569.716.601				596.367.883

There is no fixed assets acquired through leasing in the related period. There is no collateral or mortgage on fixed assets.

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12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The useful lives of tangible assets are as follows:

	Useful life
Land improvements	10 - 50 years
Buildings	25 - 50 years
Machinery and equipment	4 - 15 years
Vehicles	4 - 10 years
Furniture and fixtures	3 - 10 years
Other tangible assets	4 - 10 years
Leasehold improvements	During rent period

13. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2016 – 30 June 2016 are as follows:

Cost	1 January 2016	Addition	Disposals	Transfers (Note 12)	30 June 2016
Rights	2.442.307	78.251	-	65.036	2.585.594
Development costs	675.004	-	-	-	675.004
Other intangible assets	2.636.278	6.021	(53.625)	-	2.588.674
	5.753.589	84.272	(53.625)	65.036	5.849.272
Accumulated amortization	1 January 2016	Charge for the Period	Disposals	Transfers	30 June 2016
Rights	(2.028.211)	(144.704)	-	-	(2.172.915)
Development costs	(222.292)	(33.751)	-	-	(256.043)
Other intangible assets	(1.694.209)	(316.896)	53.625	-	(1.957.480)
	(3.944.712)	(495.351)	53.625	-	(4.386.438)
Net Book Value	1.808.877				1.462.834

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13. INTANGIBLE ASSETS (cont'd)

Movements of intangible assets between 1 January 2015 – 30 June 2015 are as follows:

Cost	1 January 2015	Addition	Disposals	Transfers (Note 12)	30 June 2015
Rights	2.444.195	-	(210.242)	-	2.233.953
Development costs	675.004	-	-	-	675.004
Other intangible assets	1.858.963	517.042	-	92.434	2.468.439
	4.978.162	517.042	(210.242)	92.434	5.377.396
Accumulated amortization	1 January 2015	Charge for the Period	Disposals	Transfers	30 June 2015
Rights	(1.928.752)	(171.315)	210.242	18.200	(1.871.625)
Development costs	(121.041)	(67.501)	-	-	(188.542)
Other intangible assets	(1.104.905)	(333.123)	-	(18.200)	(1.456.228)
	(3.154.698)	(571.939)	210.242	-	(3.516.395)
Net Book Value	1.823.464				1.861.001

The intangible assets are amortized on a straight-line basis over their estimated useful lives.

	Useful Life
Rights	2 - 15 years
Other intangible assets	2 - 12 years

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14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees given:

(Foreign currency amounts are shown in original currencies)

	30 June 2016		31 December 2015	
	TRY	USD	TRY	USD
A) GPMs (Guarantees, Provisions and Mortgages) given for companies own legal personality	41.508.060	64.900	44.046.870	64.900
B) GPMs given on behalf of fully consolidated companies	-	-	-	-
C) GPMs given for continuation of its economic activities on behalf of third parties	-	-	-	-
D) Total amount of other GPMs	-	147.000.000	50.000.000	147.000.000
i. Total amount GPMs given on behalf of the majority shareholder	-	147.000.000	50.000.000	147.000.000
(*)				
ii. Total amount of GPMs given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of GPMs given on behalf of third parties which are not in scope of consolidation	-	-	-	-
Total	41.508.060	147.064.900	94.046.870	147.064.900

(*) The GPMs provided on behalf of majority shareholder come from the bank loans obtained in previous years and the closing process for USD balance is still in progress as of balance sheet date considering the maturities of loans. Meanwhile, TRY balance has been closed at the current period. The ratio of other CPMs to the Group's equity as of 30 June 2016 is 29.0% (31 December 2015: 31.2%).

15. REVENUE AND COST OF SALES

The detail of the operational income is as follows:

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Domestic sales	2.141.067.291	1.044.412.668	1.987.386.240	966.366.277
Export sales	409.803.952	208.499.712	484.984.520	244.892.864
Sales returns and discounts (-)	(570.325.873)	(278.664.481)	(556.583.868)	(276.274.970)
Revenue (net)	1.980.545.370	974.247.899	1.915.786.892	934.984.171
Cost of goods sold (-)	(1.401.835.472)	(682.395.920)	(1.317.338.043)	(638.840.814)
Cost of trade goods sold (-)	(104.064.768)	(57.635.843)	(157.129.854)	(84.933.889)
Cost of Sales	(1.505.900.240)	(740.031.763)	(1.474.467.897)	(723.774.703)
Gross Profit	474.645.130	234.216.136	441.318.995	211.209.468

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16. EXPENSES BY NATURE

The detail of operating expenses is as follows:

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Research Expenses				
Personnel expenses	(1.914.143)	(945.117)	(1.866.354)	(744.181)
Materials used	(1.096.232)	(491.882)	(681.942)	(437.738)
Depreciation and amortization expenses	(152.067)	(76.217)	(150.245)	(79.327)
Other	(1.122.578)	(689.027)	(928.591)	(753.313)
	(4.285.020)	(2.202.243)	(3.627.132)	(2.014.559)
Marketing Expenses				
Marketing operating expenses	(141.362.429)	(64.710.561)	(158.521.030)	(62.429.891)
Personnel expenses	(27.197.841)	(10.829.272)	(22.329.542)	(11.338.921)
Depreciation and amortization expenses	(730.368)	(326.087)	(1.128.317)	(584.602)
Rent expenses	(3.256.048)	(2.881.907)	(2.904.945)	(2.655.547)
Other	(9.043.654)	(5.177.754)	(3.607.080)	(1.964.972)
	(181.590.340)	(83.925.581)	(188.490.914)	(78.973.933)
General Administration Expenses				
Operating expenses (*)	(20.749.489)	(12.281.170)	(19.842.339)	(9.408.468)
Personnel expenses	(26.619.223)	(15.174.946)	(26.225.217)	(14.101.453)
Depreciation and amortization expenses	(2.345.142)	(1.158.243)	(1.714.138)	(813.434)
Consultancy expenses	(2.128.252)	(981.490)	(1.057.786)	(565.599)
Other	(8.341.597)	(4.594.336)	(5.235.836)	(2.958.153)
	(60.183.703)	(34.190.185)	(54.075.316)	(27.847.107)

(*) The operating expenses of the Group mainly comprise management support, information technology and administration expenses that are charged by Yıldız Holding A.Ş.

17. FINANCIAL INCOME

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Foreign exchange gain	93.769.078	13.359.019	23.815.710	6.294.256
Other	2.320.025	1.152.419	-	-
	96.089.103	14.511.438	23.815.710	6.294.256

18. FINANCIAL EXPENSES

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Foreign exchange losses from financing	(97.869.942)	(50.638.456)	(335.315.577)	(96.872.470)
Interest expenses	(40.449.797)	(18.805.272)	(32.213.850)	(16.733.719)
Other	(3.239.605)	(1.558.684)	(3.918.101)	(2.469.308)
	(141.559.344)	(71.002.412)	(371.447.528)	(116.075.497)

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19. TAX ASSETS AND LIABILITIES

The Group accounts deferred tax assets and liabilities for temporary timing differences rooted from differences between legal financial statements and financial statements prepared in accordance with UFRS. The differences in question are caused generally by the fact that some profit and loss accounts come up in different periods in legal financial statements and financial statements prepared in accordance with UFRS. These differences are specified below.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, deferred tax positions of the firms with deferred tax assets is netted against those with deferred tax liabilities and reflected on a separate-entity basis.

The rate applied in the calculation of deferred tax assets and liabilities for entities in Turkey and Saudi Arabia is 20% (2015: 20%) for entity in Egypt 25% (2015: 25%).

Deferred tax bases:

	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Indexation and useful life differences of tangible and intangible assets	-	-	166.413.666	163.530.691
Investment properties valuation differences	-	-	11.308.157	11.284.955
Marketable securities valuation differences	-	-	577.299.948	569.361.288
Profit margin elimination on inventories	(1.211.720)	(121.610)	-	-
Discount of trade receivables / payables (net)	(2.893.375)	(1.773.475)	-	-
Allowance of employee termination benefits	(33.132.550)	(29.412.870)	-	-
Provision of doubtful receivables	(629.175)	(444.845)	-	-
Previous year losses	(832.325)	(2.305.687)	-	-
Provision for lawsuits	(5.521.183)	(4.312.538)	-	-
Impairment on inventories	(4.556.860)	(5.312.140)	-	-
Unused vacation provision	(11.785.260)	(9.771.720)	-	-
Other	(13.232.471)	(17.863.961)	6.846.482	14.534.512
	(73.794.919)	(71.318.846)	761.868.253	758.711.446

Deferred tax (assets) / liabilities:

	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Indexation and useful life differences of tangible and intangible assets	-	-	33.282.733	32.706.138
Investment properties valuation differences	-	-	565.408	564.248
Marketable securities valuation differences	-	-	28.864.997	28.468.064
Profit margin elimination on inventories	(242.344)	(24.322)	-	-
Discount of trade receivables / payables (net)	(578.675)	(354.695)	-	-
Allowance of employee termination benefits	(6.626.510)	(5.882.574)	-	-
Provision of doubtful receivables	(125.835)	(88.969)	-	-
Previous year losses	(166.465)	(461.137)	-	-
Provision for lawsuits	(1.104.237)	(862.508)	-	-
Impairment on inventories	(911.372)	(1.062.428)	-	-
Unused vacation provision	(2.357.052)	(1.954.344)	-	-
Investment allowance	(31.131.087)	(32.736.325)	-	-
Other	(2.646.494)	(3.572.792)	1.369.296	2.853.707
	(45.890.071)	(47.000.094)	64.082.434	64.592.157

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19. TAX ASSETS AND LIABILITIES (cont'd)

<u>Movement of Deferred Tax Liabilities:</u>	1 January – 30 June 2016	1 January – 30 June 2015
Opening balance	17.592.063	21.343.928
Taxes netted against funds recognised under equity	(120.585)	(5.403)
Deferred tax (loss)/gain	720.885	(7.864.388)
Closing balance	18.192.363	13.474.137
<u>Corporate Tax</u>		

The Company and its Turkish subsidiaries are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 30 June 2016 is 20% (2015: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2016 (31 December 2015: 20%).

Losses are allowed to be carried five years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1st -25th of April following the close of the accounting year to which they relate. The companies with special accounting periods, file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

Until 31 December 2018, Hi Food for Advanced Food Industries, the Group's subsidiary, is exempt from corporate tax for earnings gained from operating activities due to tax incentives made within the scope of foreign trade legislation. The corporation tax rate in Saudi Arabia where Food Manufacturers' Company, a subsidiary of the Group is 20%. (2015: 20%).

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Provision for taxation as of 30 June 2016 and 31 December 2015 are as follows:

	30 June 2016	31 December 2015
Total corporate tax provision	(48.560.682)	(53.251.248)
Prepaid taxes and funds	20.958.729	43.736.860
Taxation in the balance sheet	(27.601.953)	(9.514.388)
	1 January - 30 June 2016	1 January - 30 June 2015
Current year corporate tax provision	47.301.572	36.483.024
Deferred tax income	720.885	(7.864.388)
Taxation in the income statement	48.022.457	28.618.636

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20. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding as of 30 June 2016 and 30 June 2015 and computation of earnings per share set out here as follows:

	1 January - 30 June 2016	1 January - 30 June 2015
Weighted average number of common stock outstanding	34.200.000.000	34.200.000.000
Net profit	177.992.394	122.044.887
Basic Earnings Per Share (TRY 1 par value each)	0,52	0,36

21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) The detail of receivables from related parties is as follows:

	30 June 2016	31 December 2015
Trade receivables	539.133.892	579.050.315
Non-trade receivables	150.803	786.329.934
	539.284.695	1.365.380.249

The detail of trade and non-trade receivables is as follows:

	30 June 2016		31 December 2015	
	Trade	Non-Trade	Trade	Non-Trade
<i>Principle Shareholders</i>				
Yıldız Holding A.Ş.	-	-	-	546.424.794
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	262.628.430	-	257.572.982	-
Pasifik Tük. Ürün. Satış Ve Ticaret A.Ş.	194.415.801	-	186.668.812	-
Teközel Gıda T.Sağ. Mrk. Hiz. San. Tic. A.Ş.	27.675.880	-	44.551.045	-
Misbis Gıda San. Tic. A.Ş.	2.052.542	-	3.608.941	7.297.899
Önem Gıda San. ve Tic. A.Ş.	211.769	-	363.154	-
Natura Gıda San. ve Tic. A.Ş.	1.207.811	-	427.371	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	-	232.607.241
Rekor Gıda Paz. San. ve Tic. A.Ş.	-	-	41.768.628	-
Other	50.941.659	150.803	44.089.382	-
	539.133.892	150.803	579.050.315	786.329.934

The Group's trade receivables from related parties mainly arise from sales to Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Ticaret A.Ş. those make the sale and distribution of products throughout Turkey.

The detail of advances given to related parties is as follow:

	30 June 2016	31 December 2015
Önem Gıda San. ve Tic. A.Ş.	103.146.776	112.601.084
	103.146.776	112.601.084

b) The detail of payables to related parties is as follows

	30 June 2016	31 December 2015
Trade payables	255.724.837	309.288.490
Non-trade payables	-	86.239.625
	255.724.837	395.528.115

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21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)

The detail of payables to related parties is as follows:

	30 June 2016		31 December 2015	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş.	20.539.485	-	20.751.901	-
Other Companies Controlled by the Principle Shareholder and Ülker Family				
Önem Gıda San. ve Tic. A.Ş.	163.035.415	-	199.902.805	-
Besler Gıda ve Kimya San. Tic. A.Ş.	35.091.197	-	42.355.406	-
Marsa Yağ San. ve Tic. A.Ş.	13.820.222	-	15.197.181	-
Maia International	-	-	-	86.199.000
CCC Gıda San. ve Tic. A.Ş.	5.487.797	-	10.295.813	-
Northstar Innovation A.Ş.	122.099	-	1.774.659	-
Other	17.628.622	-	19.010.725	40.625
	255.724.837	-	309.288.490	86.239.625

The detail of due to related parties as loan payable is as follows:

	30 June 2016	31 December 2015
Yıldız Holding A.Ş.	10.457.264	-
	10.457.264	-

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21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)

c) The detail of purchases from and sales to related parties is as follows

	1 January - 30 June 2016		1 April - 30 June 2016		1 January - 30 June 2015		1 April - 30 June 2015	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>								
Önem Gıda San. ve Tic. A.Ş.	533.195.161	190.663	251.240.798	141.354	472.836.355	4.698.024	205.110.867	3.868.576
Besler Gıda ve Kimya San. ve Tic. A.Ş.	85.302.507	80.160	42.279.084	-	95.629.288	116.987	47.288.159	75.935
Marsa Yağ San. ve Tic. A.Ş.	27.678.875	232.547	13.408.598	126.918	27.123.351	-	12.605.959	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	195.124	858.752.484	195.124	432.290.795	-	743.188.027	-	354.293.887
Ak Gıda San. ve Tic. A.Ş. (*)	-	-	-	-	96.761.984	311.613	55.427.871	156.217
Pendik Nişasta San. A.Ş.	23.790.207	-	10.552.092	-	15.283.860	-	7.435.644	-
CCC Gıda San. ve Tic. A.Ş.	11.674.671	60.672	4.773.131	47.538	16.340.691	141.543	7.484.168	4.542
Teközel Gıda Tem. Sağ. Mark. Hizm. A.Ş.	85.281	82.194.171	521	36.640.865	-	96.286.171	-	46.531.288
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	430.609.352	-	206.790.949	1.228	378.305.812	1.228	177.465.468
Rekor Gıda Paz. San. ve Tic. A.Ş.	1.992.919	-	-	-	3.838	74.603.825	-	37.719.786
Other	46.483.022	116.511.257	29.601.036	64.724.102	43.145.713	85.090.604	26.099.676	41.691.141
	730.397.767	1.488.631.306	352.050.384	740.762.521	767.126.308	1.382.742.606	361.453.572	661.806.840

(*) Ak Gıda San. ve Tic. A.Ş. has been classified as third party due to sold by Yıldız Holding A.Ş. on 1 July 2015. For this reason; purchases and sales amounts between 1 January 2015 – 30 June 2015 reported as related parties.

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21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)

d) The detail of income and expenses pertaining to interest, rent and services arising from transactions with related parties is as follows:

For the six month period ended on 30 June 2016:

	Rent Income	Rent Expense	Service Income	Service Expense	Interest Income and Foreign exchange gains	Interest Expense and Foreign exchange losses
Principle Shareholder						
Yıldız Holding A.Ş.	29.728	(948)	13.695	(58.299.265)	113.476.468	(76.916.607)
Other Companies Controlled by the Principle Shareholder and Ülker Family						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	34.221	(400.554)	4.949.089	(6.213.164)
Hüner Pazarlama San. ve Tic. A.Ş.	337.392	-	253.724	(23.704)	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	38.216	(83.671)	647.322	(6.729.927)	-	-
Önem Gıda San. ve Tic. A.Ş.	628.935	(12.619)	1.357.661	(16.345.429)	167.772	(1.167.404)
Marsa Yağ San. ve Tic. A.Ş.	3.488	-	20.086	-	125.733	(26.427)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	78.881	-	44.166	(1.363.595)	-	-
Northstar Innovation A.Ş.	-	-	15.917	(129.034)	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	14.976	(599.858)	3.734	(299.790)	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	14.111	-	-	(29.914)	-	-
United Biscuits (UK) Ltd.	-	-	568.646	-	-	(74.151)
Other	8.464	(209.895)	629.809	(518.483)	1.417.513	(892.835)
	1.154.191	(906.991)	3.588.981	(84.139.695)	120.136.575	(85.290.588)

For the three month period between April- June 2016:

	Rent Income	Rent Expense	Service Income	Service Expense	Interest Income and Foreign exchange gains	Interest Expense and Foreign exchange losses
Principle Shareholder						
Yıldız Holding A.Ş.	14.864	(373)	4.317	(32.730.116)	54.163.124	(9.520.663)
Other Companies Controlled by the Principle Shareholder and Ülker Family						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	34.221	-	4.815.453	(2.266.744)
Hüner Pazarlama San. ve Tic. A.Ş.	164.674	-	116.232	-	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	4.190	(40.761)	82.869	(4.355.119)	-	-
Önem Gıda San. ve Tic. A.Ş.	475.692	(10.669)	61.642	(9.369.684)	-	(683.193)
Marsa Yağ San. ve Tic. A.Ş.	1.765	-	10.697	-	21.592	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	41.007	-	-	(735.160)	-	-
Northstar Innovation A.Ş.	-	-	15.917	(40.514)	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	7.488	(289.982)	-	(146.335)	-	-
İstanbul Gıda Dış Tic. A.Ş.	-	-	-	-	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	-	-	-	-	-	-
United Biscuits (UK) Ltd.	-	-	568.646	-	-	(74.151)
Other	2.362	(209.895)	197.003	(488.898)	477.127	(54.429)
	712.042	(551.680)	1.091.544	(47.865.826)	59.477.296	(12.599.180)

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21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)

d) The detail of income and expenses pertaining to interest, rent and services arising from transactions with related parties is as follows:

For the six month period ended on 30 June 2015:

	Rent Income	Rent Expense	Service Income	Service Expense	Interest Income and Foreign exchange gains	Interest Expense and Foreign exchange losses
Principle Shareholder						
Yıldız Holding A.Ş.	63.263	(9.299)	1.014.256	(59.299.432)	249.018.906	(73.026.261)
Other Companies Controlled by the Principle Shareholder and Ülker Family						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	422.300	(1.120.711)	29.545.819	(953.129)
Hüner Pazarlama San. ve Tic. A.Ş.	316.593	-	194.692	(141.528)	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	33.768	(77.056)	144.403	(2.198.119)	-	-
Önem Gıda San. ve Tic. A.Ş.	555.916	(2.366)	2.952.056	(1.814.539)	45.126	(769.415)
Marsa Yağ San. ve Tic. A.Ş.	3.240	-	13.724	-	112.884	(1.180.195)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	52.126	-	137.878	(728.043)	-	-
Northstar Innovation A.Ş.	-	-	54.043	(2.707)	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	12.752	(602.665)	8.177	(300.662)	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	90.564	-	377.502	(190.182)	-	-
Natura Gıda San. ve Tic. A.Ş.	-	-	62.110	-	-	-
Other	18.182	-	2.025.575	(1.122.378)	4.771.464	(2.969.040)
	1.146.404	(691.386)	7.406.716	(66.918.301)	283.494.199	(78.898.040)

For the three month period between April- June 2015:

	Rent Income	Rent Expense	Service Income	Service Expense	Interest Income and Foreign exchange gains	Interest Expense and Foreign exchange losses
Principle Shareholder						
Yıldız Holding A.Ş.	32.691	(14.315)	337.173	(29.603.331)	102.057.237	(12.794.498)
Other Companies Controlled by the Principle Shareholder and Ülker Family						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	327.835	(909.032)	5.603.350	(111.577)
Hüner Pazarlama San. ve Tic. A.Ş.	159.015	-	93.614	(67.000)	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	29.115	(75.204)	45.404	(989.012)	-	-
Önem Gıda San. ve Tic. A.Ş.	406.891	(566)	1.684.470	(1.440.934)	29.047	(378.163)
Marsa Yağ San. ve Tic. A.Ş.	1.638	-	8.673	-	-	(301.755)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	27.158	-	16.791	(221.141)	-	-
Northstar Innovation A.Ş.	-	-	50.380	-	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	6.276	(342.792)	3.841	(128.503)	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	46.376	-	162.877	(87.804)	-	-
Natura Gıda San. ve Tic. A.Ş.	-	-	15.796	-	-	-
Other	9.501	-	1.203.922	(645.089)	1.572.413	(1.639.239)
	718.661	(432.877)	3.950.776	(34.091.846)	109.262.047	(15.225.232)

e) Benefits provided to members of BOD and key management personnel:

	30 June 2016	30 June 2015
Fees and other short term benefits	8.716.999	6.715.986
	8.716.999	6.715.986

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22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

As of balance sheet date, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	2016					
	TRY Equivalent	USD	EUR	GBP	CHF	DKK
1. Trade Receivables	129.538.015	25.804.866	15.190.989	1.600.168	-	-
2a. Monetary Financial Assets	1.394.135.847	388.751.180	83.348.441	537.344	24.555	28.857
2b. Non-Monetary Financial Assets	-	-	-	-	-	-
3. Other	4.396.111	796.421	635.658	14.134	-	-
4. CURRENT ASSETS	1.528.069.973	415.352.467	99.175.088	2.151.646	24.555	28.857
5. Trade receivables	6.220.760	2.149.834	-	-	-	-
6a. Monetary Financial Assets	88.471	30.464	100	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	14.304.487	1.057.341	3.494.361	12.312	-	-
8. NON-CURRENT ASSETS	20.613.718	3.237.639	3.494.461	12.312	-	-
9. TOTAL ASSETS	1.548.683.691	418.590.106	102.669.549	2.163.958	24.555	28.857
10. Trade Payables	108.769.692	22.458.666	12.988.363	555.804	4.409	-
11. Financial Liabilities	590.355.040	196.859.210	6.467.117	-	-	-
12a. Other Monetary Financial Liabilities	2.378.512	95.646	343.486	258.745	-	-
12b. Other Non-Monetary Financial Liabilities	6.738.761	1.841.291	438.477	1.485	-	-
13. SHORT-TERM LIABILITIES	708.242.005	221.254.813	20.237.443	816.034	4.409	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.568.703.694	286.303.631	231.012.204	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-	-
17. LONG-TERM LIABILITIES	1.568.703.694	286.303.631	231.012.204	-	-	-
18. TOTAL LIABILITIES	2.276.945.699	507.558.444	251.249.647	816.034	4.409	-
19. Net foreign currency asset/liability position	(728.262.008)	(88.968.338)	(148.580.098)	1.347.924	20.146	28.857
20. Net foreign currency asset / liability position of monetary items	(740.223.845)	(88.980.809)	(152.271.640)	1.322.963	20.146	28.857
(1+2a+5+6a-10-11-12a-14-15-16a)						

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22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENT (cont'd)

Foreign currency risk management (cont'd)

	2015					
	TRY Equivalent	USD	EUR	CHF	GBP	DKK
1. Trade Receivables	146.118.886	33.928.693	13.177.409	-	1.301.017	-
2a. Monetary Financial Assets	2.097.627.237	537.550.534	167.980.798	8.426	190.601	59.113
2b. Non-Monetary Financial Assets	704.436	242.274	-	-	-	-
3. Other	4.523.312	1.313.947	217.227	3.364	644	-
4. CURRENT ASSETS	2.248.973.871	573.035.448	181.375.434	11.790	1.492.262	59.113
5. Trade Receivables	6.196.663	2.131.195	-	-	-	-
6a. Monetary Financial Assets	88.636	30.375	100	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	25.028.612	1.634.213	5.997.235	416.750	-	-
8. NON-CURRENT ASSETS	31.313.911	3.795.783	5.997.335	416.750	-	-
9. TOTAL ASSETS	2.280.287.782	576.831.231	187.372.769	428.540	1.492.262	59.113
10. Trade Payables	82.868.802	11.694.730	13.568.610	61.322	1.295.150	-
11. Financial Liabilities	940.133.556	294.194.497	26.665.923	-	-	-
12a. Other Monetary Financial	89.009.301	136.555	27.557.348	-	243.222	-
12b. Other Non-monetary Financial	12.777.763	3.167.266	1.121.044	-	1.486	-
13. CURRENT LIABILITIES	1.124.789.422	309.193.048	68.912.925	61.322	1.539.858	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.729.086.145	336.661.371	236.093.134	-	-	-
16a. Other Monetary Financial	-	-	-	-	-	-
16b. Other Non-monetary Financial	-	-	-	-	-	-
17. NON-CURRENT LIABILITIES	1.729.086.145	336.661.371	236.093.134	-	-	-
18. TOTAL NON-CURRENT	2.853.875.567	645.854.419	305.006.059	61.322	1.539.858	-
19. Net foreign currency liability position	(573.587.785)	(69.023.188)	(117.633.290)	367.218	(47.596)	59.113
20. Net foreign currency of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(591.066.382)	(69.046.356)	(122.726.708)	(52.896)	(46.754)	59.113

The Group's export and import balances for the six months period are presented below:

	1 January – 30 June 2016	1 January – 30 June 2015
Total exports	409.803.952	484.984.520
Total imports	115.617.595	68.048.443

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22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENT (cont'd)

Foreign currency risk sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR. In the table below, the foreign currency sensitivity of the Company arising from 10% change in US dollar and EUR rates. 10% is the rate used when reporting to senior management of the Company. This rate is the anticipated rate change of the Company's senior management. Sensitivity analysis includes only the monetary items in foreign currency at year end and shows the effect of 10% increase in USD and in EUR foreign currency rates. Negative value implies the effect of 10% increase in USD and in EUR foreign currency rates against TRY on the decrease in the net profit.

	30 June 2016		30 June 2015	
	Income / Expense		Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of 10% appreciation of USD against TRY			
1 - US Dollar net asset / liability	(25.747.487)	25.747.487	39.603.277	(39.603.277)
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	(25.747.487)	25.747.487	39.603.277	(39.603.277)
	In case of 10% appreciation of EUR against TRY			
4 – Euro net asset / liability	(48.793.924)	48.793.924	(59.316.413)	59.316.413
5 – Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(48.793.924)	48.793.924	(59.316.413)	59.316.413
Total (3 + 6)	(74.541.411)	74.541.411	(19.713.136)	19.713.136

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair Value of Financial Assets

Fair value measurements by level of the following fair value measurement hierarchy is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Fair Value of Financial Assets (cont'd)

The classification of the Company's financial assets and liabilities at fair value is as follows:

	30 June 2016	Level of fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Financial assets				
Financial assets for which fair value differences reflected through profit and loss				
- Shares	582.728	582.728	-	-
Financial assets for which fair value differences reflected through comprehensive income statement				
- Shares	768.070.195	33.585.721	734.484.474	-
Total	768.652.923	34.168.449	734.484.474	-

	31 December 2015	Level of fair value as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Financial assets				
Financial assets for which fair value differences reflected through profit and loss				
- Shares	704.437	704.437	-	-
Financial assets for which fair value differences reflected through comprehensive income statement				
- Shares	765.134.066	30.649.592	734.484.474	-
Total	765.838.503	31.354.029	734.484.474	-

24. EVENTS AFTER THE BALANCE SHEET DATE

There is no event after balance sheet date.