ULUSOY UN SANAYİ VE TİCARET A.Ş.
AND IT'S SUBSIDIARY

CONVENIENCE TRANSLATION TO ENGLISH OF
AUDIT REPORT REGARDING
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2017

Rerport Date: 09.03.2018
Report Number: AU/2018/001

DMR Bağımsız Denetim ve Danışmanlık A.Ş.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Ulusoy Un Sanayi ve Ticaret A.Ş.

A.Report on the Audit of the Consolidated Financial Statements

1- Opinion

We have audited the accompanying consolidated financial statements of Ulusoy Un Sanayi ve Ticaret A.Ş. (the"Company") and its consolidated financial affiliates (together will be referred as to (the "Group") which comprise the consolidated statement of financial position as at 31 December 2017 and the consolidated statement of income, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

2- Basis for Opinion

We conducted our audit in accordance with Standards on Independent Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3-Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

a.1. Recoverability of trade receivables

Trade receivables from third parties constitute a significant portion of the consolidated assets of the Group. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Therefore; recoverability of trade receivables is a key matter for our audit.

a.1.1 How our audit addressed the key audit matter

Audit procedures are designed to obtain existence of financial assets. Testing receivables from third parties by obtaining confirmation letters from customers and reconciling them to Groups accounting records. Inquiries with management in relation to any disputes with customers and

written inquiries with the Group's legal counsels on outstanding litigation in relation to trade receivables. Analytical procedures on aging of receivables and trade receivable turnover days and understanding and evaluating the customer provision process run by the management. Testing on a sample basis, collections in the subsequent period from selected customers. We had no material findings related to the recoverability of trade receivables as a result of these procedures.

a.2. Inventories and Provision for the impairment of inventories

The Group's inventory is amounting TL 222.341.158 as of 31 December 2017. As of reporting period, inventory is 26% of the total assets. In addition to that, inventories increased 58% by comparing the prior period. Since the inventory is material for the financial statements and related with the main daily operations, inventory is a key matter for our audit.

a.2.1 How our audit addressed the key audit matter

Procedures performed to ensure adequacy and existence of the inventory and to test the cost and net realizable value of the inventory.
Observation of Group's inventory counts, obtaining purchases of Goods in Transit agreements, invoices and Customs declarations. Testing the cost value and net realizable value of the inventory. Understanding and evaluating the reasonableness of provisioning and the assessment of its compliance. Testing on a sample basis, inventory invoices in the current period are searched.

a.3. Trade Payables

As of reporting period, Group's trade payable account is 47% of the total liabilities. Since the trade payable is material for the financial statements, trade payable is a key matter for our audit.

a.3.1 How our audit addressed the key audit matter

Audit procedures are designed to obtain existence and accuracy of trade payable. Trade payable Testing on a sample basis, confirmation letters are sent to the suppliers and payments in the subsequent period from selected suppliers.

a.4. Financial Liabilities

As of reporting period, Group's financial liabilities is 26% of the total liabilities. Since the financial liabilities is material for the financial statements, financial liabilities is a key matter for our audit.

a.4.1 How our audit addressed the key audit matter
Audit procedures are designed to obtain existence of financial liabilities and conforming the accuracy of these liabilities. Confirmation letters are sent to the banks and payments and interest payments are tested on a sample basis for the current period. amortised cost of these liabilities are recalculated.

a.5. Revenue Recognition
Revenue recognition is a key matter for our audit.

a.5.1 How our audit addressed the key audit matter

Audit procedures are designed to accuracy of the revenue recognition.
Examination of transfer of risk and rewards through sales documents obtained for selected sample sales transactions and evaluation of appropriateness of revenue to accounting policies and taking of

financial statements in the appropriate financial reporting period. Performing analytical reviews to determine the existence of unusual transactions and discounts. Testing the subsequent sales returns after the reporting period.

a.6. Derivative Financial Instruments

Group holds the derivative financial instruments for trading purposes. Difference between the cost and fair value of the derivatives are reflected to the profit or loss statements.
Derivative Financial Instruments fair value is measured with evaluation techniques and assumptions. Since the Derivatives are material for the financial statements, and measurements are mainly based on the assumptions, Derivatives are key matter for our audit.

a.6.1 How our audit addressed the key audit matter

Audit procedures includes confirmation letters for derivatives to financial institutions by reconciling them with financial statements. Derivative agreements are obtained and the difference between the cost and fair value is recalculated as additional audit procedure.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

DMR Bağımsız Denetim ve Danışmanlık A.Ş.

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As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DMR Bağımsız Denetim ve Danışmanlık A.Ş.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2017 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner on the audit resulting in this independent auditor's report is Defne Demir.

DMR BAĞIMSIZ DENETİM VE DANIŞMANLIK ANONİM ŞİRKETİ



Dr. Defne DEMİR
Partner

İstanbul, 09.03.2018

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ASSETS	**Note**	**31.12.2017**	**31.12.2016**
Current Assets		**758.865.094**	**478.299.924**
Cash and Cash Equivalents	6	140.562.922	32.323.233
Financial Investments	7	307.568	176.990
Trade Receivables	10	331.845.733	263.586.105
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	1.944.583	2.958.765
Derivative Financial Instruments	13	5.569.834	13.892.922
Inventories	14	222.341.158	140.983.993
Biological Assets	15	-	-
Prepaid Expenses	16	47.006.216	14.187.995
Corporate Tax Assets	20	720.097	2.674.593
Other Current Assets	28	8.566.983	7.515.328
(Sub Total)		*758.865.094*	*478.299.924*
Fixed Assets Held for Sale	35	-	-
Non-Current Assets		**97.982.763**	**90.347.969**
Financial Investments	7	15.000	15.000
Trade Receivables	10	8.772.802	8.906.885
Receivables from Financial Sector Activities	12	-	-
Other Receivables	11	169.558	167.726
Derivative Financial Instruments	13	-	-
Investments Valued by Equity Method	18	4.620.004	4.350.978
Biological Assets	15	-	-
Investment Properties	19	9.440.000	9.440.000
Tangible Assets	21	68.002.892	61.668.476
Intangible Assets	22	436.134	438.808
-Goodwill	*22*	-	-
-Other Intangible Assets	*22*	*436.134*	*438.808*
Prepaid Expenses	16	3.042.014	3.043.014
Deferred Tax Assets	36	3.484.359	2.317.082
Other Non-Current Assets	28	-	-
TOTAL ASSETS		**856.847.857**	**568.647.893**

Consolidated financial statements for the period ended December 31, 2017 were approved at the board meeting on March 09, 2018 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

LIABILITIES	Note	31.12.2017	31.12.2016
Short Term Liabilities		**576.882.501**	**370.936.821**
Short Term Financial Borrowings	8	99.605.275	98.522.262
Short Term Portions of Long Term Financial Borrowings	8	40.334.032	6.671.382
Other Financial Liabilities	9	-	-
Trade Payables	10	406.112.570	256.503.295
Payables from Finance Sector Operations	12	-	-
Payables Related with Employee Benefits	26	972.577	686.640
Other Payables	11	68.889	35.144
Derivative Financial Instruments	13	1.330.043	-
Government Grants	23	-	-
Deferred Incomes	16	28.060.972	8.319.734
Corporate Tax Liabilities	36	-	-
Short Term Provisions	24	9.697	1.400
-Short Term Provisions for Employee Benefits	*26/24*	*9.697*	*1.400*
-Other Short Term Provisions	*24*	-	-
Other Short Term Liabilities	28	388.446	196.964
(Sub Total)		*576.882.501*	*370.936.821*
Liabilities of Fixed Assets Held for Sales Purpose	35	-	-
Long Term Liabilities		**84.291.165**	**18.239.647**
Long Term Financial Borrowings	8	79.405.595	10.338.233
Other Financial Liabilities	9	-	-
Trade Payables	10	-	-
Payables from Finance Sector Operations	12	-	-
Other Payables	11	-	-
Derivative Financial Instruments	13	-	-
Government Grants	23	-	-
Deferred Incomes	16	721.549	1.151.182
Long Term Provisions	24	1.232.972	900.118
-Long Term Provisions for Employee Benefits	*26/24*	*1.232.972*	*900.118*
-Other Long Term Provisions	*24*	-	-
Corporate Tax Liabilities		-	-
Deferred Tax Liabilities	36	2.931.049	5.850.114
Other Long Term Liabilities	28	-	-
Shareholder's Equity	**29**	**195.674.191**	**179.471.425**
Equity Holders of The Parent Company		**195.674.191**	**179.471.425**
Paid in Capital		84.500.000	84.500.000
Treasury Shares (-)		(3.445.108)	(3.072.969)
Share Premiums on Capital Stock		38.607.992	38.607.992
Accumulated Other Comprehensive (Income) Expenses not to be Reclassified in Profit and (Loss)		72.260	97.066
-Revaluation and Remeasurement Gains/ (Losses)		72.260	97.066
Tangible Assets Revaluation Increases/(Decreases)		*562.159*	*565.860*
Defined Benefit Plans Revaluation Gains/(Losses)		*(489.899)*	*(468.794)*
Other Accumulated Comprehensive Income or Expenses to be Classified in Profit or (Loss)		-	-
- Hedging Gains/(Losses)		-	-
Restricted Reserves		7.444.207	6.403.284
Retained Earnings		51.899.755	38.139.327
Net Profit/(Loss) for the Period		16.595.085	14.796.725
Non-Controlling Interests		**-**	**-**
TOTAL LIABILITIES		**856.847.857**	**568.647.893**

	Note	January 1-December 31, 2017	January 1-December 31, 2016
OPERATING ACTIVITIES			
Revenue	30	1.805.706.332	1.151.991.130
Cost of Sales (-)	30	(1.715.166.304)	(1.075.930.400)
Gross Profit/Loss From Commercial Activity		**90.540.028**	**76.060.730**
Income from Financial Sector Activities		-	-
Cost of Financial Sector Activities (-)		-	-
Gross Profit/(Loss) From Financial Sector Activities		-	-
GROSS PROFIT/(LOSS)		**90.540.028**	**76.060.730**
General Administrative Expenses (-)	31	(7.649.044)	(6.644.475)
Marketing Expenses (-)	31	(36.234.307)	(29.150.859)
Research and Development Expenses (-)	31	(77.533)	-
Other Operating Income	32	94.725.064	57.589.920
Other Operating Expenses (-)	32	(80.645.898)	(34.297.653)
OPERATING PROFIT/(LOSS)		**60.658.310**	**63.557.663**
Income from Investing Activities	32	429.633	400.046
Expenses from Investing Activities	32	(342)	-
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	33	303.026	182.998
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE		**61.390.627**	**64.140.707**
Financial Income	34	123.290.505	73.463.274
Financial Expenses (-)	34	(165.347.118)	(120.083.393)
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX		**19.334.014**	**17.520.588**
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX	**36**	**(2.738.929)**	**(2.723.863)**
Current Period Tax Income/(Expenses)		(6.819.069)	(798.994)
Deferred Tax Income/(Expenses)		4.080.140	(1.924.869)
CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		**16.595.085**	**14.796.725**
DISCONTINUED OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		-	-
The Profit/(Loss) of Discontinued Operations After Tax		-	-
NET PROFIT/(LOSS) FOR THE PERIOD		**16.595.085**	**14.796.725**
NET PROFIT/(LOSS) FOR THE PERIOD		**16.595.085**	**14.796.725**
Non-Controlling Interests			
Equity Holders of The Parent Company		16.595.085	14.796.725
Earnings Per Share	**37**	**0,2012**	**0,1789**
Earnings Per Share from Continuing Operations		0,2012	0,1789
Earnings Per Share from Discontinued Operations		-	-
Diluted Earnings Per Share		-	-
Diluted Earnings Per Share From Continuing Operations		-	-
Diluted Earnings Per Share From Discontinued Operations		-	-

	Note	January 1-December 31, 2017	January 1-December 31, 2016
OTHER COMPREHENSIVE INCOME			
Not to be Classified in Profit or (Loss)	**29**	**(20.180)**	**(4.402.891)**
Tangible Assets Revaluation Increases/(Decreases)		-	(5.268.240)
Intangible Assets Revaluation Increases/(Decreases)		-	-
Defined Benefit Plans Revaluation Gains/(Losses)		(26.382)	(235.373)
Shares Not to be Classified to Profit/(Loss) from Other Comprehensive Income of Investment Valued By Equity Method		-	-
Other Comprehensive Income Items Not to Classify to Other Profit/(Loss)		-	-
Taxes Related to Other Comprehensive Income Not to Reclassified to Profit/(Loss)		6.202	1.100.722
Current Period Tax Income /(Expenses)		-	-
Deferred Tax Income / (Expenses)		*6.202*	*1.100.722*
To be Classified in Profit or (Loss)		**-**	**-**
Foreign Currency Conversion Adjustments		-	-
Revaluation and/or Classification Gains/(Losses) of Available For Sale Financial Assets		-	-
Cash Flow Hedge Gains/(Losses)		-	-
Investment Hedge Gains/(Losses) Related to Foreign Business		-	-
Shares to be Classified in Profit/(Loss) from Other Comprehensive Income of Investment Valued By Equity Method		-	-
Other Comprehensive Income Items to Classify to Other Profit/(Loss)		-	-
Taxes Related to Other Comprehensive Income to Reclassify to Profit/(Loss)		-	-
Current Period Tax Income / (Expenses)		-	-
Deferred Tax Income / (Expenses)		-	-
OTHER COMPREHENSIVE INCOME		**(20.180)**	**(4.402.891)**
TOTAL COMPREHENSIVE INCOME		**16.574.905**	**10.393.834**
Total Comprehensive Income Attribute To:		**16.574.905**	**10.393.834**
Non-Controlling Interests		-	-
Equity Holders of The Parent Company		16.574.905	10.393.834

					Accumulated Other Comprehensive Income or Expenses Not To Be Reclassified Under Profit Or Loss			Accumulated Profit/(Loss)		
	Note	Paid in Capital	Treasury Shares	Share Premiums on Capital Stock	Tangible Assets Revaluation Increases/(Decreases)	Defined Benefit Plans Revaluation Gains/(Losses)	Restricted Reserves	Retained Earnings	The Profit /(Loss) of Period	Total
December 31, 2015 Balance		**84.500.000**	**-**	**38.607.992**	**4.780.452**	**(280.495)**	**2.120.395**	**31.736.786**	**8.303.209**	**169.768.339**
Transfers	**29**	-	-	-	-	-	-	13.571.449	(8.303.209)	5.268.240
Increase (Decrease) Due to Share Treasury Transactions		-	(3.072.969)	-	-	-	3.072.969	(3.072.969)	-	(3.072.969)
Dividends	**29**	-	-	-	-	-	1.209.920	(4.095.939)	-	(2.886.019)
Total Comprehensive Income	29	-	-	-	(4.214.592)	(188.299)	-	-	14.796.725	10.393.834
December 31, 2016 Balance	**29**	**84.500.000**	**(3.072.969)**	**38.607.992**	**565.860**	**(468.794)**	**6.403.284**	**38.139.327**	**14.796.725**	**179.471.425**
Transfers	**29**	-	-	-	(4.626)	-	668.784	14.132.567	(14.796.725)	-
Increase (Decrease) Due to Share Treasury Transactions	**29**	-	(372.139)	-	-	-	372.139	(372.139)	-	(372.139)
Total Comprehensive Income	**29**	-	-	-	925	(21.105)	-		16.595.085	16.574.905
December 31, 2017 Balance	**29**	**84.500.000**	**(3.445.108)**	**38.607.992**	**562.159**	**(489.899)**	**7.444.207**	**51.899.755**	**16.595.085**	**195.674.191**

The accompanying notes are an integral part of these consolidated financial statements.

	Note	01.01.2017 31.12.2017	01.01.2016 31.12.2016
A. Cash Flow From Operating Activities		**4.186.562**	**(8.454.353)**
Net Profit/(Loss) For The Period	**29**	**16.595.085**	**14.796.725**
Adjustment Related to Period Profit/Loss Agreement		**(1.455.827)**	**4.132.969**
Adjustments Related to Depreciation and Amortisation Expense	31	3.220.904	2.783.015
Adjustments Related to Interest Income/Expense		(911.360)	(482.128)
Adjustments Related to Provisions		314.769	(92.787)
Adjustments Related to Tax Income/Expense		(4.080.140)	1.924.869
Changes in Working Capital		**(10.952.696)**	**(27.384.047)**
Adjustments Related to Increase/Decrease in Inventories	14	(81.357.165)	(855.329)
Adjustments Related to Increase/Decrease in Trade Receivables	10	(68.125.545)	(62.689.002)
Adjustments Related to Increase/Decrease in Other Receivables	11	1.012.350	601.065
Adjustments Related to Increase/Decrease in Trade Payables	10	149.609.275	22.587.663
Adjustments Related to Increase/Decrease in Other Payables	11	33.745	(2.976)
Adjustments Related to Other Increase/Decrease in Working Capital		(12.125.356)	12.974.532
Cash Flow From Operating Activities		**4.186.562**	**(8.454.353)**
B. Cash Flows From Investing Activities		**(299.119)**	**(25.681.495)**
Purchase of Tangible and Intangible Asset	21/22	(9.588.642)	(20.612.051)
Disposal of Tangible and Intangible Asset	21/22	35.996	23.439
Cash Outflows for Debt Instruments or Shares of Other Companies or Funds	7/18	(399.604)	(182.998)
Cash Inflows for Debt Instruments or Shares of Other Companies or Funds	7/18	-	113.941
Derivative Instruments Cash Inflows	13	-	(5.023.826)
Derivative Instruments Cash Outflows	13	9.653.131	-
C. Cash Flows From Financing Activities		**104.352.246**	**21.770.174**
Capital Contribution	29	-	-
Cash outflow arising from buying its own shares		(372.139)	(3.072.969)
Cash Inflows from Financial Borrowings		645.720.288	336.124.323
Cash Outflows from Financial Payments		(526.962.011)	(302.442.691)
Received Interest	34	7.978.000	4.802.615
Interest Paid	34	(22.011.892)	(10.755.085)
Dividends Paid	29	-	(2.886.019)
Net Increase/(Decrease) in Cash and Cash Equivalents Before The Effect Of Foreign Currency Exchange Differences (A+B+C)		**108.239.689**	**(12.365.674)**
D. Effect of Foreign Currency Exchange Adjustments on Cash and Cash Equivalents		**-**	**-**
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C+D)		**108.239.689**	**(12.365.674)**
E. Cash and Cash Equivalents at the Beginning of the Period	**6**	**32.323.233**	**44.688.907**
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	**6**	**140.562.922**	**32.323.233**

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Ulusoy Un Sanayi ve Ticaret Anonim Şirketi ("The Company") was established in 1989 to produce, trade, export and import all kinds of food products from cereals and legumes.

The Company's registered head office address is Hançerli Mahallesi Necipbey Caddesi No:107 İlkadım / Samsun.

The Company's registered capital ceiling is 150.000.000-TL. The permission of registered capital ceiling given by Capital Market Board ("CMB") is valid between 2013 – 2017 (for 5 Years).

In the meeting dated November 7, 2014 and numbered 32/1095, CMB has allowed The Company to public offer on November 12-13-14, 2014 by book building (demand gathering) method. Total of 23.500.000 TL nominal value shares, which were offered to public by capital increase and sales of shareholders, were sold. 27, 81% of The Company shares have been traded in Borsa İstanbul since November 20, 2014. The issued capital of The Company is 84.500.000 TL (Eightyfourmillion and fivehundredthousand Turkish Lira). This capital consists of 9.750.000 Group A shares, 6.500.000 Group B shares and 68.250.000 Group C shares and each worth 1,00TL that makes a total of 84.500.000 TL. Group A and B shares are registered to the name and Group C shares which are traded in Borsa Istanbul are registered to the bearer, other Group C shares are registered to the name. Group A shares have privilege to vote in the election of Board of Directors, Group A and B shares have privilege to vote in General Assembly and not considering independent members, in case the Board of Directors consist of five members, at least two members, in case it consists of six or seven members, at least three members, in case it consists of eight or nine members, at least four members, in case it consists of ten or eleven members, at least five members must be chosen among the candidates who are nominated by the majority of Group A shareholders. Group A shareholders or representatives have 15 votes, Group B shareholders or representatives have 10 votes, Group C shareholders or representatives have 1 vote for each share in the ordinary or extraordinary General Assembly.

Partnership structure of The Company is as follows:

Shareholder	Number of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	-	C	-	-
	6.500.000		**7,69**	**6.500.000**
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	12.207.627	C	14,45	12.207.627
	14.157.627		**16,76**	**14.157.627**
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	15.638.791	C	18,50	15.638.791
	18.238.791		**21,58**	**18.238.791**
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	16.781.279	C	19,86	16.781.279
	21.981.279		**26,02**	**21.981.279**
Kamil Adem	26.941	C	0,03	26.941
	26.941		**0,03**	**26.941**
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		**0,11**	**95.362**
Public Shares	23.500.000	C	27,81	23.500.000
	84.500.000		**100,00**	**84.500.000**

The Company has 241 employees as of December 31, 2017 (December 31, 2016:238 employees).

The Company has one subsidiary as of reporting date. The shares on the subsidiary are as follows:

Subsidiaries	December 31, 2017 (Ratio)	December 31, 2016 (Ratio)
Ulidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	%100

Ulidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş. ("Ulidaş")

Ulidas was established on February 27, 2015 in order to operate as licensed warehouse by stocking and retaining "agricultural commodity in scope of license" for commercial purpose in healthy conditions.
Ulidas's registered head office address is Şabanoğlu Mahallesi Atatürk Bulvarı No:180-1 Tekkeköy / Samsun'dur. Ulidas has 11 employee as of December 31, 2017. (December 31, 2016:9 employee).

The Capital as of December 31, 2017 is 5.000.000 TL and there isn't unpaid capital.

The Company and Ulidas all together, will be referred as the "Group".

2. BASIS OF THE FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1. Statement of Compliance

The Group prepares its accounting records in accordance with the accounting principles of Turkish Commercial Code and Turkish Tax Law and prepares legal financial statements in Turkish Lira (TL).

The accompanying financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") / Turkish Financial Reporting Standards ("TFRS"), which are endorsed by the Public Oversight Accounting and Auditing Standard Authority according to Communique No:II, 14.1 "Communique on Financial Reporting Standards in Capital Markets" ("the Communique") promulgated by CMB, which is published in the Official Gazette dated June 13, 2013 and numbered 28676.

Consolidated financial statements for the period ended December 31, 2017 were approved at the board meeting on March 09, 2018 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

The Company's General Assembly and/or legal authorities have the authority to change the accompanying consolidated financial statements.

2.1.2. Basis of Financial Statements Preparation

31 December 2017 financial statements and footnotes are prepared in accordance with the Communiqué Serial II, No:14,1, "Basis for Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013.

Paid in capital and restricted reserves are expressed by the amounts in legal records.

The accompanying consolidated financial statements contain adjustments and classifications of The Group's legal records according to the Communique promulgated by CMB.

The consolidated financial statements and notes were prepared in accordance with the formats required by CMB's communiques and decrees.

The Group's consolidated financial statements are prepared in accordance with The Group's sustainability under the assumption of The Group will meet its liabilities and benefit from its assets in the following year .

2.1.3. Reporting Currency

The accompanying consolidated financial statements are presented in TL and all financial information is rounded to the nearest digit.

2.1.4. Adjustment of Financial Statements in Hyperinflation Period

TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the reporting date. Hyperinflation period ceased and also the criteria related to hyperinflation are not valid anymore according to CMB's March 17, 2005 dated and 11/367 numbered decree. Moreover, preparation of financial statements according to inflation accounting has been ceased on January 1, 2005.

2.1.5. Basis of Consolidation

Financial statements as of December 31, 2017 and December 31, 2016 are presented as **consolidated financial statements**.

The Company's subsidiary details as of December 31, 2017 and December 31, 2016 are as follows:

Subsidiary	December 31, 2017 (Rate)	December, 31 2016 (Rate)
Ulidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	% 100

The accompanying consolidated financial statements reflect the accounts of The Group and its subsidiaries in the way which is mentioned in the "subsidiaries" note. Necessary adjustments and reclassifications are made in the sense of accordance with legal records, reporting standards, accounting policies of The Group and presentation styles by preparing the financial statements of subsidiaries.

2.1.5.1. Subsidiaries

Subsidiaries are the companies that The Group has control on the activities directly or indirectly. The Group takes a share from operating results of subsidiaries depending on its managing authority on the financial and operational policies of its subsidiaries. Existing and transposable vote rights are considered in determination of control power. Financial statements of subsidiaries are presented in the consolidated financial statements as long as the control power exists.

The Group owns 100% of Ulidas as of December 31, 2017 and December 31, 2016. Considering The Company has full control authority on the activities of Ulidas, financial statements of Ulidas are included in the accompanying consolidated financial statements with full consolidation method.

2.1.5.2. Elimination by Consolidation

Statement of financial position and profit or loss statement of Ulidas are consolidated with full consolidation method and recorded values of Ulidas which are presented as subsidiaries in The Group's books and equity of Ulidas are offset reciprocally. Consolidated financial statements are purified from all balances, transactions and all sorts of unrealized income and expenses arising from transactions between The Group and Ulidas. When necessary, adjustments are made in financial statements of subsidiaries in order to follow same accounting policies with The Company. All transactions, balances, income and expenses within The Group are eliminated by consolidation.

2.1.5.3. Non-controlling Interests

Non-controlling interests in net assets of consolidated subsidiaries are expressed separately in shareholders' equity of The Group. Non-controlling interests consist of amount of these interests which realised in the beginning of merger and amount of non-controlling interests in the changes in equity since merging date.

2.1.6. Comparative Information and Prior Period Financial Statement Correction

Consolidated financial statements are presented comparatively. Comparative information is reclassified in order to be in conformity with the presentation of the current period consolidated financial statements if necessary.

2.1.7. Offsetting

Financial assets and liabilities are reported on net basis in the consolidated statement of financial position; if there is legal offsetting right, they are paid on net basis or collection is possible or acquisition and payment are realised simultaneously.

2.1.8. Changes in Accounting Policies

Changes in accounting policies are applied retroactively and the financial statements of the prior period are prepared accordingly.

2.1.9. Changes in Accounting Estimates and Errors

If estimated changes in accounting policies are for only one period, changes are applied in the current period but if the estimated changes continue for the following periods, changes are applied both in the current and following periods prospectively. Determined accounting errors are applied retroactively and the financial statements of the prior periods are reprepared accordingly.

The preparation of financial statements; Group management makes judgments, estimates and assumptions. The estimates are used particularly in the following notes: determining the useful lives of tangible and intangible assets, determining the actuarial assumptions used in the retirement pay account, provisions to be set aside for lawsuits and enforcement proceedings against the Group, and determination of inventory impairment.

Significant Accounting Evaluations, Estimates and Assumptions,

The preparation of financial statements, management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The assumptions made by the Group as of the reporting period are as follows:

- Termination indemnity liability is determined by using actuarial assumptions (discount rates, future salary increase rates, employees' probability of leaving work).
- Tangible and intangible assets are amortized on a straight-line basis over their useful lives. Useful life, residual value and amortization method are reviewed annually for possible effects of changes in estimates.
- In case of doubt (uncertainty) in the collection of receivables, the Group reserves provision for these receivables irrespective of the circumstances of the case (unfolding).
- Inventories are presented in the financial statements over the lower of cost or fair value.

2.1.10. Summary of Significant Accounting Policies

2.1.10.1. Revenue

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of The Group when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Revenue includes only the gross inflows of economic benefits received and receivable by The Group on its own account. Revenue is recognised when it is probable that future economic benefits will flow to The Group and these benefits can be measured reliably and revenue shall be measured at the fair value of the consideration received or receivable. Net sales are calculated by deducting sales returns and sales discounts from gross sales.

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

(a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits associated with the transaction will flow to The Group;
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group's revenue is composed of wheat, corn, flour, bran, razmol and ear of wheat sales.

22.1.10.2. Tangible Assets

Tangible assets such as underground and overland plants, furniture and fixture, plants machinery and equipment of The Group are presented by their cost, including expenses incurred to make it ready for use, after deducting accumulated depreciation and accumulated impairment loss. As of December 31, 2017 and December 31, 2016; lands, buildings and vehicles are reported due to revaluation model in the consolidated financial statements and the realised difference is reported in equity in tangible assets revaluation surplus and in the statement of other comprehensive income in the related period. As of December 31, 2017 and December 31, 2016 7.342.704- TL amount of lands and 16.657.296-TL amount of buildings were acquired by sell and leaseback transaction. When tangible assets are sold, realised profit or loss is presented in profit or loss statement after their cost and accumulated depreciation are deducted from the related accounts. Assets except lands are depreciated by considering the rates which are determined according to their useful lives.

	Useful Life
Underground and Overland Plant	25-40-50 Years
Buildings	25-50 Years
Furniture and Fixture	3-4-5-6-9-10-15-16-50 Years
Vehicles	2-4-5-10-15 Years
Plants Machinery and Equipment	4-5-6-8-10-13-15-16 17-20-25-40-50 Years

2.1.10.3. Intangible Assets

Intangible assets are recognised by acquisition cost and are amortized by the rates that are determined due to their useful lives.

	Useful Life
Rights	3-4-5-10-15 Years

2.1.10.4. Impairment of Assets

All assets other than financial assets are tested for whether there is an indicator of impairment or not all reporting dates. If such an indicator exists, recoverable amount of that asset is estimated. Recoverable amount of an asset is the higher one of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its life.

2.1.10.5. Borrowing Costs

All borrowing costs are recognised in consolidated profit or loss statement in the period in which they are incurred because The Group has no qualifying assets.

2.1.10.6. Inventories

Inventories shall be measured at the lower of cost and net realisable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.1.10.7. Financial Assets

2.1.10.7.1. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments of which maturities are three months or less from the date of acquisition and that are easily convertible to a known amount of cash and are subject to an insignificant risk of change in value. There are not significant differences between their book values and fair values.

2.1.10.7.2. Trade and Other Receivables

Trade and other receivables are recorded by their fair values at the initial recognition, and are subsequently presented by amortized cost by using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Trade receivables and other receivables balances in the consolidated statement of financial position are assumed to be their fair values.

2.1.10.7.3. Derivative Financial Instruments

Derivative financial instruments are held for trading or hedging. The Group holds all derivative financial instruments for trading. The difference between the cost value and the fair value of the financial derivative is recognised in profit/ (loss).

2.1.10.7.4. Available-for-Sale Financial Assets

“Available-for-sale financial assets” are non-derivatives that are not designated in financial assets at fair value through profit or loss, held-to-maturity financial assets or loans and receivables. Available-for-sale equity securities that do not have quoted fair values or for which fair values cannot be reliably measured through alternative methods, are measured by deducting impairment provisions from its cost.

2.1.10.8. Financial Liabilities

2.1.10.8.1. Financial Borrowings

Interest-bearing financial borrowings are initially recognised by fair value, and are subsequently revaluated by using effective interest rate method.

2.1.10.8.2. Trade and Other Payables

Trade and other payables are initially recognised by fair value, and are subsequently evaluated by amortized cost by using effective interest rate method. It is assumed that there are not significant differences between book values and fair values of trade and other payables.

Credit Risk:

The Group's credit risk primarily arises from its trade receivables. Trade receivables are evaluated by The Group's management based on prior experiences and the current economic environment, and are presented in the consolidated statement of financial position on net basis after deducting allowances for doubtful receivables.

Market Risk:

Market risk arises from the probable changes in the level of interest rates, currency exchange rates or the price of securities and other financial contracts that might have an adverse financial impact.

Liquidity Risk:

The Group is generally raising funds by liquidating its short-term financial instruments. The proceedings from these instruments are presented by their fair values.

2.1.10.9. Foreign Currency Transactions

Transactions in foreign currencies are exchanged to TL by the rates on the date of transactions. Assets and liabilities denominated in foreign currencies are translated by the exchange rates on the reporting date. Gains and losses arising from settlement and translation of foreign currency items are presented in consolidated profit or loss statement.

2.1.10.10. Earnings Per Share

According to TAS 33; earnings per share presented in the accompanying consolidated profit or loss statement are calculated by dividing net income by the weighted average ordinary number of shares.

2.1.10.11. Subsequent Events

Describe the events that occurred between the reporting date and the authorization date for publishing the consolidated statement of financial position in favour of or against The Group. If there are new proofs showing that such events really exist as of reporting date or the related events reveal following reporting date, The Group states such issues in the related notes.

If some events that require adjustments revealed after reporting date, The Group should adjust the amounts in the consolidated financial statements according to the new situation.

2.1.10.12. Related Parties

For the purpose of accompanying consolidated financial statements, shareholders of The Group and other companies owned by the shareholders, their directors and key management personnel and any other related person or company are considered and referred as related parties. Related parties expression refers to the control of The Group directly or indirectly, to have right to provide significant impact on The Group or The Group's subsidiaries, members of the board, directors like chief executive officer.

2.1.10.13. Taxes Calculated on The Basis Of The Company's Earnings

In Turkey, corporation tax rate is 20% for 2017. This rate is implemented to the tax base which is calculated by adding non-deductible expenses according to the tax laws and deducting tax exemptions and discounts. Unless the profit is distributed, there is not further tax to be paid.
5520 numbered corporation tax rate is amended to 22% for the fiscal taxation periods of 2018, 2019 and 2020, with provisional Clause 10 added to the Article 91 of the Law numbered 7061.

Companies are required to pay temporary corporate tax based on their quarterly profits at the rate of 20%. Temporary Corporate tax must be submitted by the 14th of the second month following the quarterly period and the tax should be paid until the 17th of the same month. Temporary corporate tax payments are going to be offset against the final corporate tax liability of The Group, which is determined in the annual return. According to the Turkish Tax Laws, stated financial loss can be deducted from profit for five years.

2.1.10.14. Employee Termination Benefits

According to the laws in force, The Group is responsible for making a specific amount of payment to personnel due to rescind reasons except the ones stated in the Labour Law and retirement. Due to TAS 19 'Employee Benefits', employee termination benefits are presented in consolidated financial statements by estimating present value, of the total liability that should be paid to all employees who have right to get severance pay on reporting date.

2.1.10.15. Government Grants and Incentives

Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that:

(a) The Group will comply with the conditions attaching to them; and
(b) the grants will be received.

The manner in which a grant is received does not affect the accounting method to be adopted in regard to the grant. Thus a grant is accounted for in the same manner whether it is received in cash or as a reduction of a liability to the government.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with TAS 39 Financial Instruments: Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with TAS 39 and the proceeds received. The benefit is accounted for in accordance with this Standard. The Group shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

There are two broad approaches to the accounting for government grants: the capital approach, under which a grant is recognised outside profit or loss, and the income approach, under which a grant is recognised in profit or loss over one or more periods.

Considering income tax and other taxes are kinds of expense, as a part of financial policies the government grants, are recognised in profit or loss.

2.1.10.16. Investment Properties

The Group chooses fair value method or cost method as an accounting policy and applies it to all investment properties.

A company which choose cost method after the first recognition, measures all investment properties by cost method according to TAS 16.

The Group choses fair value method therefore, profit/loss which appeared by the change in fair value of an investment property, is added to profit/loss of regarding period. Explanations about the Group's investment properties are presented in the note 19.

As of December 31, 2017, land amounting to TL 5,610,000 and buildings and lease receivables amounting to TL 3,830,000 are provided through sales and lease back.

2.1.10.17. Sell and Leaseback Contract

The Group has signed Sell and Leaseback Contracts with Deniz Finansal Kiralama A.Ş. on March 31,

2015 and Finans Finansal Kiralama A.Ş. on July 13, 2016 . The Group considers this contract in the scope of IAS 17 Leases. In the relevant contract, the amount that represents the fair value of land and buildings is collected from Leasing Company in the scope of leasing contract is recognised as "Short Term Financial Borrowings" in the consolidated financial statements. According to IAS 17, tangible asset sales profit was recognised in deferred income and leasing payables are transferred to consolidated profit or loss statement due to their periods.

2.2. Significant Accounting Evaluation, Estimates and Judgments

The preparation of consolidated financial statements in accordance with TFRS, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. If adjustment is necessary, it is reported in consolidated profit or loss statement of the period that adjustment is revealed.

2.3. New and Revised International Financial Reporting Standards

The Group applied all of the relevant and required standards promulgated by Public Oversight Accounting and Auditing Standard Authority as of December 31, 2017.

The changes since 2017 are as follows.

TAS 7 Statements of Disclosure

Financial statements provide additional clarifications that allow readers to evaluate changes in liabilities arising from financing activities.

TAS 12 Income Taxes
These amendments to the accounting for deferred tax assets based on unrealized losses explain how to account for deferred tax assets related to debt instruments measured at fair value.

TFRS 12 Amendments

This amendment clarifies that the disclosures requirements of TFRS 12 are applicable to interest in entities classified as held for sale except for summarized financial information.

There are some new standards and some amendments related with some standards and comments which have not become valid as of December 31, 2017 and have not been considered while preparing the accompanying consolidated financial statements. These amendments are not expected to have an important effect over the accompanying consolidated financial statements.

Amendments to TFRS 2

The amendment is effective from annual periods beginning on or after 1 Januarry 2018.

In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

TFRS 9 Financial Instruments

TFRS 9 introduced new requirements for the classification and measurement of financial assets / liabilities and for derecognition and for general hedge accounting. The amendment is effective from annual periods beginning on or after 1 January 2018.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 will supersede the current revenue recognition guidance including TAS 18 Revenue, TAS 11 Construction Contracts and the related Interpretations when it becomes effective. The Standard introduces a 5-step approach to revenue recognition:

1. Identification of customer contracts
2. Identification of acquisition commitments in the Convention
3. Determination of the transaction price
4. Distribution of transaction costs in contracts to acquirement obligations
5. Acquisition of the financial statements of the company by fulfillment of company acquisition obligations.

In addition, TFRS 15 requires more comprehensive disclosures in footnotes. TFRS 15 will be effective from the periods after January 1, 2018.

TFRS 16 Leasing Operations

Effective January 1, 2019. This standard will take the place of TAS 17 standard and will bring about a wide change especially in terms of leaseholders.

TAS 40 Transfers of Investment Property
A change in management's intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognised (eliminated from the statement of financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted.

TFRS 22 Foreign Currency Transactions and Advance Consideration

The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted.

3. BUSINESS COMBINATIONS

None.

4. BUSINESS PARTNERSHIP

None.

5. SEGMENTAL REPORTING

December 31, 2017	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	1.805.294.161	931.663	(519.492)	1.805.706.332
Cost of Sales (-)	(1.714.876.691)	(804.020)	514.407	(1.715.166.304)
Gross Profit/Loss From Commercial Activity	**90.417.470**	**127.643**	**(5.085)**	**90.540.028**
General Administrative Expenses (-)	(7.269.768)	(384.361)	5.085	(7.649.044)
Marketing Expenses (-)	(36.234.307)	-	-	(36.234.307)
Research and Development Expenses (-)	(77.533)	-	-	(77.533)
Other Operating Income	93.949.730	775.334	-	94.725.064
Other Operating Expenses (-)	(80.527.057)	(118.841)	-	(80.645.898)
Operating Profit/(Loss)	**60.258.535**	**399.775**	**-**	**60.658.310**
Income from Investing Activities	429.633	-		429.633
Expenses from Investing Activities	(342)	-	-	(342)
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	303.026	-	-	303.026
Operating Profit/(Loss) Before Financial Expenses	**60.990.852**	**399.775**	**-**	**61.390.627**
Financial Income	123.791.768	9	(501.272)	123.290.505
Financial Expenses (-)	(165.001.521)	(846.869)	501.272	(165.347.118)
Continuing Operations Profit/(Loss) Before Tax	**19.781.099**	**(447.085)**	**-**	**19.334.014**
Continuing Operations Tax Income/(Expenses)	(2.724.567)	(14.362)	-	(2.738.929)
Net Profit/(Loss) For The Period	**17.056.532**	**(461.447)**	**-**	**16.595.085**

December 31, 2016	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	1.152.007.935	-	(16.805)	1.151.991.130
Cost of Sales (-)	(1.075.945.411)	-	15.011	(1.075.930.400)
Gross Profit/Loss From Commercial Activity	**76.062.524**	**-**	**(1.794)**	**76.060.730**
General Administrative Expenses (-)	(6.393.283)	(255.006)	3.814	(6.644.475)
Marketing Expenses (-)	(29.150.859)	-	-	(29.150.859)
Other Operating Income	57.480.852	111.088	(2.020)	57.589.920
Other Operating Expenses (-)	(34.290.280)	(7.373)	-	(34.297.653)
Operating Profit/(Loss)	**63.708.954**	**(151.291)**	**-**	**63.557.663**
Income from Investing Activities	400.046	-	-	400.046
Expenses from Investing Activities	-	-	-	-
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	182.998	-	-	182.998
Operating Profit/(Loss) Before Financial Expenses	**64.291.998**	**(151.291)**	**-**	**64.140.707**
Financial Income	73.547.453	150.605	(234.784)	73.463.274
Financial Expenses (-)	(119.743.723)	(574.454)	234.784	(120.083.393)
Continuing Operations Profit/(Loss) Before Tax	**18.095.728**	**(575.140)**	**-**	**17.520.588**
Continuing Operations Tax Income/(Expenses)	(2.798.061)	74.198	-	(2.723.863)
Net Profit/(Loss) For The Period	**15.297.667**	**(500.942)**	**-**	**14.796.725**

December 31, 2017	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Total Assets	853.499.700	12.902.365	(9.554.208)	856.847.857
Total Liabilities	656.988.684	8.739.190	(4.554.208)	661.173.666
Equity Holders of The Parent Company	196.511.016	4.163.175	(5.000.000)	195.674.191
Non-Controlling Interests	-	-	-	-

December 31, 2016	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Total Assets	562.591.710	12.271.520	(6.215.337)	568.647.893
Total Liabilities	382.744.901	7.646.904	(1.215.337)	389.176.468
Equity Holders of The Parent Company	179.846.809	4.624.616	(5.000.000)	179.471.425
Non-Controlling Interests	-	-	-	-

December 31, 2017	Wheat and Flour Trade	Licensed Warehouse	Total
Investment Expenditures*	9.131.039	457.603	9.588.642
Amortization Charge for Period	2.877.210	343.694	3.220.904

December 31, 2016	Wheat and Flour Trade	Licensed Warehouse	Total
Investment Expenditures*	8.112.560	10.782.134	18.894.694
Amortization Charge for Period	2.712.890	70.125	2.783.015

* Consists of tangible assets, intangible assets and investment properties investments.

6. CASH AND CASH EQUIVALENTS

	Rate (December 31, 2017)	December 31, 2017	December 31, 2016
Cash		190.608	163.422
Demand Deposits		35.194.924	8.250.149
Deposit Accounts	USD: %3 - %4,25 Interest Corridor TL: %12 - %14,50 Interest Corridor	105.146.223	23.886.098
POS Accounts		31.167	21.163
Investment and Fund Accounts		-	2.401
		140.562.922	**32.323.233**

7. FINANCIAL INVESTMENTS

Short Term Financial Investments

	December 31, 2017	December 31, 2016
Bonds	**307.568**	**176.990**

Long Term Financial Investments

Available for Sale Financial Assets	%	December 31, 2017	%	December 31, 2016
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.	0,5	15.000	0,5	15.000
		15.000		**15.000**
Unpaid Capital Commitments (-)				
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.		-		-
		-		**-**
Impairment Provisions (-)				
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.		-		-
		-		**-**
		15.000		**15.000**

8. FINANCIAL BORROWINGS

Short Term Financial Borrowings

	December 31, 2017	December 31, 2016
Short Term Borrowings	99.605.275	98.522.262
Short Term Portions of Long Term Borrowings (net)	40.334.032	6.671.382
	139.939.307	**105.193.644**

Short Term Borrowings

	December 31, 2017	December 31, 2016
Short Term Loans	**99.605.275**	**98.522.262**

Short Term Loans

	December 31, 2017	December 31, 2016
Short Term Loans	100.413.479	99.005.165
Deferred Interest Expenses (-)	(808.204)	(482.903)
Short Term Loans (Net)	**99.605.275**	**98.522.262**

Detail of the short term loans (net) as of December 31, 2017 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	%1,37-%3,43 Interest Corridor	25.671.128-Usd	96.828.927
TL	%6,54-%6,81 Interest Corridor	-	2.776.348
			99.605.275

Detail of the short term loans (net) as of December 31, 2016 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	Libor + 2,30 / Libor +2,45 %1,31 - %3,64 Interest Corridor	13.402.089-Usd	47.164.630
TL	% 5,5 - % 11,34 Interest Corridor	-	51.357.632
			98.522.262

Short Term Portions of Long Term Borrowings

	December 31, 2017	December 31, 2016
Short Term Portions of Long Term Loans (net)	37.048.862	3.739.928
Short Term Portions of Long Term Leasing Payables (net)	3.285.170	2.931.454
	40.334.032	**6.671.382**

Short Term Portions Of Long Term Loans

	December 31, 2017	December 31, 2016
Short Term Portions of Long Term Loans	46.819.016	3.810.612
Deferred Interest Expenses (-)	(9.770.154)	(70.684)
Short Term Portions of Long Term Borrowings (net)	**37.048.862**	**3.739.928**

Detail of the short term portions of long term loans as of December 31, 2017 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12	913.859-Usd	3.446.985
Euro	%2,46- %3,28 Interest Corridor	3.520.971-Euro	15.898.946
TL	%14,80 - %17,77 Interest Corridor	-	17.702.931
			37.048.862

Detail of the short term portions of long term loans as of December 31, 2016 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	-	-	-
Euro	Euribor + %3,5	1.008.094 Euro	3.739.928
TL	-	-	-
			3.739.928

Short Term Portions of Long Term Leasing Payables

	December 31, 2017	December 31, 2016
Short Term Portions of Long Term Leasing Payables	3.601.389	3.357.106
Deferred Interest Expenses (-)	(316.219)	(425.652)
Short Term Portions of Long Term Leasing Payables (net)	**3.285.170**	**2.931.454**

Detail of the short term portions of long term leasing payables (net) as of December 31, 2017 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	870.959-Usd	3.285.170
Euro	-	-
TL	-	-
		3.285.170

Detail of the short term portions of long term leasing payables (net) as of December 31, 2016 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	832.989-Usd	2.931.454
Euro	-	-
TL	-	-
		2.931.454

Long Term Financial Borrowings

	December 31, 2017	December 31, 2016
Long Term Loans (net)	73.562.815	1.854.950
Long Term Leasing Payables (net)	5.842.780	8.483.283
Long Term Leasing Payables (net)	**79.405.595**	**10.338.233**

Long Term Loans

	December 31, 2017	December 31, 2016
Long Term Loans	85.669.168	1.871.441
Deferred Interest Expenses (-)	(12.106.353)	(16.491)
Long Term Loans (net)	**73.562.815**	**1.854.950**

Detail of the long term loans (net) as of December 31, 2017 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12	1.793.333-Usd	6.764.274
Euro	%2,46- %3,28 Interest Corridor	750.000-Euro	3.386.625
TL	%14,80 - %17,77 Interest Corridor	-	63.411.916
			73.562.815

Detail of the long term loans (net) as of December 31, 2016 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	-	-	-
Euro	Euribor + %3,5	500.000 Euro	1.854.950
TL	-	-	-
			1.854.950

Long Term Leasing Payables

	December 31, 2017	December 31, 2016
Long Term Leasing Payables	6.079.809	9.007.419
Deferred Interest Expenses (-)	(237.029)	(524.136)
Long Term Leasing Payables (net)	**5.842.780**	**8.483.283**

Detail of the long term leasing payables (net) as of December 31, 2017 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	1.549.028-Usd	5.842.780
Euro	-	-
TL	-	-
		5.842.780

Detail of the long term leasing payables (net) as of December 31, 2016 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	2.410.571-Usd	8.483.283
Euro	-	-
TL	-	-
		8.483.283

Redemption dates of long term loans as of December 31, 2017 are as follows:

	December 31, 2017
To be paid in 2019	26.247.748
To be paid in 2020	22.941.813
To be paid in 2021	15.897.409
To be paid in 2022	8.475.845
	73.562.815

The repayment dates of long-term leasing liabilities as of 31 December 2017 are as follows:

	December 31, 2017
To be paid in 2019	3.401.145
To be paid in 2020	2.441.635
	5.842.780

9. OTHER FINANCIAL LIABILITIES

None.

10. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	December 31, 2017	December 31, 2016
Trade Receivables from Related Parties	98.629	372.694
Trade Receivables from Other Parties	298.280.879	236.778.044
Notes Receivable from Related Parties	-	-
Notes Receivable from Other Parties	35.469.611	27.216.975
Deferred Maturity Difference Income (-)	(2.003.386)	(781.608)
Doubtful Trade Receivables	5.427.384	5.228.381
Provision for Doubtful Trade Receivables (-)	(5.427.384)	(5.228.381)
Trade Receivables (net)	**331.845.733**	**263.586.105**

Changes in doubtful trade receivables as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Opening Balance	5.228.381	4.840.981
Provisions for the Period	552.822	845.461
Relinquished Receivables	-	-
Provisions Cancelled* (-)	(353.819)	(458.061)
Closing Balance	**5.427.384**	**5.228.381**

* Consists of collected doubtful trade receivables.

Long Term Trade Receivables

	December 31, 2017	December 31, 2016
Trade Receivables from Related Parties	-	-
Trade Receivables from Other Parties*	8.772.802	8.906.885
Long Term Trade Receivables (net)	**8.772.802**	**8.906.885**

*Vide note 24.

Short Term Trade Payables

	December 31, 2017	December 31, 2016
Trade Payables to Related Parties	200.700	833.610
Trade Payables to Other Parties*	397.733.919	261.058.040
Notes Payable to Related Parties	12.283.559	636.704
Notes Payable to Other Parties	596.403	807.147
Deferred Maturity Difference Expense (-)	(4.702.011)	(6.832.206)
Trade Payables (net)	**406.112.570**	**256.503.295**

* Trade payables to other parties include 366.841.220- TL letters of credit as of December 31, 2017 (December 31, 2016: 254.054.531 -TL.).

11. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	December 31, 2017	December 31, 2016
Deposits and Guarantees Given	121.026	139
Receivables From Public Authority	1.823.557	2.958.626
Other Receivables from Related Parties	-	-
Other Receivables from Other Parties	-	-
Doubtful Other Receivables	678.942	675.170
Provision for Doubtful Other Receivables (-)	(678.942)	(675.170)
	1.944.583	**2.958.765**

Changes in doubtful other receivables as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Opening Balance	675.170	-
Provisions for the Period	-	675.170
Exchange Rate Valuation	3.772	-
Provisions Cancelled* (-)	-	-
Closing Balance	**678.942**	**675.170**

Other Long Term Receivables

	December 31, 2017	December 31, 2016
Deposits and Guarantees Given	**169.558**	**167.726**

Other Short Term Payables

	December 31, 2017	December 31, 2016
Other Payables to Other Parties	**68.889**	**35.144**

Other Long Term Payables

None.

12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None.

13. DERIVATIVE INSTRUMENTS

Derivative Financial Assets

	December 31, 2017	December 31, 2016
Futures Market Collaterals	5.569.834	1.264.862
Derivative Financial Instruments	-	12.628.060
	5.569.834	**13.892.922**

Derivative Financial Liabilities

	December 31, 2017	December 31, 2016
Futures Market Collaterals	-	-
Derivative Financial Instruments	1.330.043	-
	1.330.043	**-**

Collaterals that are given to make transactions in futures market are classified as futures market collaterals where as fair values of forward agreements and options are classified as derivative financial instruments. Profit or losses resulted from the transactions within the period are reported in profit/loss statement as derivative financial instruments gain/loss in financial income/expenses. Also, fair value differences of open positions as of reporting date are reported in financial income.

Fair Value of Financial Instruments

The Group classifies the fair value measurement of each class of financial instruments according to the source using the three level hierarchy as follows:

Level 1 : Valuation methods which uses quoted prices (unadjusted) in active markets for identical assets or liabilities that The Group can access at the measurement date

Level 2 : Valuation methods which include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Valuation methods which include inputs that are unobservable inputs for the asset or liability

December 31, 2017	**Level 1**	**Level 2**	**Level 3**
Foreign Exchange Forward Contracts (Held for Trading)	-	4.239.791	-
	-	**4.239.791**	**-**
December 31, 2016	**Level1**	**Level 2**	**Level 3**
Foreign Exchange Forward Contracts (Held for Trading)	-	13.892.922	-
	-	**13.892.922**	**-**

Foreign exchange forward contracts (Level 2) are valued by; discounting foreign exchange forward contracts' fair value to present day and using foreign exchange rate.

14. INVENTORIES

	December 31, 2017	December 31, 2016
Raw Material and Supplies	30.451.115	29.719.443
Goods	4.341.656	2.422.787
Goods in transit*	1.880.845	8.295.198
Trade Goods	187.014.141	101.315.493
Other Inventories	321.405	262.640
Provision for Impairment of Inventories (-)	(1.668.004)	(1.031.568)

	222.341.158	**140.983.993**

There are not any collaterals, pledges and mortgages upon inventories, and they are all insured.

* Goods in transit consist of products which are waiting in customs and of which sales agreement has been done and shipped but discharge process have not been completed and are still under Company's control and responsibility.

**The amount of 110.212.786-TL of the trade goods consist of transit goods.

15. BIOLOGICAL ASSETS

None.

16. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	December 31, 2017	**December 31, 2016**
Advances Given to Related Parties*	-	-
Advances Given to Other Parties	46.546.557	13.635.794
Insurance Expenses and Other Expenses	459.659	552.201
	47.006.216	**14.187.995**

Long Term Prepaid Expenses

	December 31, 2017	**December 31, 2016**
Insurance Expenses	-	-
Advances Given to Other Parties*	3.042.014	3.043.014
	3.042.014	**3.043.014**

*Vide note 24.

Short Term Deferred Income

	December 31, 2017	**December 31, 2016**
Advances Received from Related Parties	-	-
Advances Received from Other Parties	27.631.339	7.890.101
Deferred Income**	429.633	429.633
	28.060.972	**8.319.734**

** Vide note 24.

Long Term Deferred Income

	December 31, 2017	**December 31, 2016**
Deferred Income**	721.549	1.151.182
	721.549	**1.151.182**

** Vide note 21.

17. RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None.

18. INVESTMENTS VALUED BY EQUITY METHOD

Associates	%	December 31, 2017	%	December 31, 2016
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4.620.004	17	4.350.978

17% of the shares of Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. were purchased by The Company on March 28, 2013.

According to fifth matter of TAS 28 "Investments in Associates", if an investor holds, directly or indirectly (eg through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, according to sixth matter if the investor holds, directly or indirectly (eg through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. The existence of significant influence by an investor is usually evidenced in one or more of the following ways:(a) representation on the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information. According to this, even though The Group has 17% of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş., it is considered as The Group has significant influence while the conditions in sixth matter are fulfilled.

Associates	Goodwill*	Cost	Acquisition Cost
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	3.910.000	340.000	4.250.000

*According to thirtysecond matter of TAS 28 "Investments in Associates", an investment in an associate is accounted for using the equity method from the date on which it becomes an associate. Goodwill related to an associate is added to book value of associate investment. According to this, 3.910.000-TL goodwill is included to the book value of associates, other than 340.000-TL associate share related with Sasbaş Samsun Serbest Bölgesi Kurucusu ve İşleticisi A.Ş..

According to equity method, investments in associates are recorded by acquisition cost in the beginning. After acquisition, book value of the investment is increased or decreased in order to recognise the share of the investor in the invested company's profit/loss. The share which investor will get from invested company's profit/loss is recognised as investor's profit/loss.

As of December 31, 2017, 303.026-TL (December 31, 2016: 182.998-TL) share from associates' profit increases the book value of associates and also is recognised as shares of investments evaluated by equity method in profit/(loss) in consolidated profit or loss statement.

The detail of the change in Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.'s value for the period between January 1, 2017 – December 31, 2017 is as follows:

	January 1-December 31, 2017
Value as of December 31, 2016	4.350.978
The Share from Associate's Profit/Loss as of December 31 ,2017	303.026
Accrued Dividend Yield	(34.000)
	4.620.004

According to TFRS 12 "Disclosure of Interests in Other Entities" B12 (a) and (b) matters; disclosure requirements for summarised financial information of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. as of December 31, 2017 and December 31, 2016 are as follows*:

	December 31, 2017	December 31, 2016
Current Assets	3.057.479	929.488
Non-Current Assets	4.780.964	5.279.757
Short Term Liabilities	140.606	132.208
Long Term Liabilities	498.038	459.745
Revenue	4.407.564	3.483.064
Continuing Profit/(Loss) for the Period	1.782.507	1.076.460
The Period Profit/(Loss) After Tax for Discontinued Operations	-	-
Other Comprehensive Income	1.782.507	1.076.460
Total Comprehensive Income	1.782.507	1.076.460

* According to B15 (b) matter of TFRS 12 "Disclosure of Interests in Other Entities"; financial information is obtained from associate's legal accounting records.

19. INVESTMENT PROPERTIES

Acquisition Cost	**Land**	**Buildings**	**Total**
January 1, 2017 Opening Balance	5.610.000	3.830.000	9.440.000
Additions	-	-	-
Disposals	-	-	-
December 31, 2016 Closing Balance	**5.610.000**	**3.830.000**	**9.440.000**

Accumulated Depreciation	**Land**	**Buildings**	**Total**
January 1, 2017 Opening Balance	-	-	-
Charge for the Period	-	-	-
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2017 Closing Balance	**-**	**-**	**-**

Net Book Value (As of December 31, 2017)	**5.610.000**	**3.830.000**	**9.440.000**

Acquisition Cost	**Land**	**Buildings**	**Total**
January 1, 2016 Opening Balance	5.343.150	1.808.565	7.151.715
Additions	-	40.000	40.000

Additions by Sell and Leaseback Contract	5.610.000	3.830.000	9.440.000
Disposals	(5.343.150)	(2.627.379)	(7.970.529)
Reclassification	-	778.814	778.814
December 31, 2016 Closing Balance	**5.610.000**	**3.830.000**	**9.440.000**

Accumulated Depreciation	**Land**	**Buildings**	**Total**
January 1, 2016 Opening Balance	-	57.573	57.573
Charge for the Period	-	-	-
Disposals	-	(247.886)	(247.886)
Reclassification	-	190.313	190.313
December 31, 2016 Closing Balance	**-**	**-**	**-**

Net Book Value (As of December 31, 2016)	**5.610.000**	**3.830.000**	**9.440.000**

As of December 31, 2016 gross reclassification to the amount of 778.814-TL, consists of Underground and Overland Plants whose usage purpose has changed and reclassified as investment properties.

The Group has signed a Sell and Leaseback Contract with Finans Finansal Kiralama A.Ş. on July 13, 2016. The Group has sold 2.379.493-TL (Net book value) of buildings and 5.343.150-TL of land (Net book value) to 9.440.000-TL and leased back with financial leasing contract. Whole additions to lands and 3.830.000-TL of additions to buildings are tangible assets that are acquired by sell and leaseback contract. Because the contract is a financial leasing contract these land and buildings are included in assets. Whole disposals of relevant tangible assets (land and buildings) consist of cost and accumulated depreciation disposals in scope of sell and leaseback transaction. As of December 31, 2016, gross 5.268.240-TL disposals from revaluation surplus are belonging to land and buildings that were sold regarding to sell and leaseback contract.

Fixed asset sales revenue amounting to TL 1,717,357 - TL is generated from the sale of fixed assets made by the Group in connection with the Sale and Back Lease Agreement. According to Article 60 of the TAS 17 Financial Leasing Contracts, if a sale and leaseback transaction results in a finance lease, the portion above the carrying amount of the sales revenue is not immediately recognized as income by the seller's leaseholder. Instead, the mentioned income is postponed and amortized over the lease term..For this reason, fixed asset sale income amounting to TL 136.542, which corresponds to the period of 31 December 2016, is reported as profit / loss of the year 2016. Fixed asset sales revenue of TL 429.633 is reported in short term deferred income. Fixed asset sales amounting to TL1.151.182 Revenue is reported in long term deferred income..

Construction plan/expropriation work information and lien inspection related with the investment properties (land and buildings) of The Group as of December 31, 2017 are as follows:

SQUARE 511; PARCEL NO 1 and PARCEL NO 10

Construction Plan/Expropriation Work Information

Liens related with square 511; parcel no 1 are as follows:

6, 47 m2 of this parcel rapes the road and 24,68m^2 rapes square 511 parcel no 7.
In a part of 360,34m2 there is easement in favour of M. TEK General Management.

Liens related with square 511; parcel no 10 are as follows:

Square 511, parcel no 7 has a breach of 480, 53 m2 on this parcel. This parcel has a breach of 35, 70 m2 on square 511, parcel no 7.

20. CORPORATE TAX ASSETS

	December 31, 2017	December 31, 2016
Prepaid Taxes and Funds	**720.097**	**2.674.593**

21. TANGIBLE ASSETS

Detail of the tangible assets as of December 31, 2017 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2017 Opening Balance	29.798.283	286.389	9.294.898	17.070.235	1.894.628	7.141.809	467.566	7.297.475	73.251.283
Additions	468.485	-	-	-	331.930	653.995	_	8.042.142	9.496.552
Disposals	-	-	-	-	(2.075)	(86.392)	_	_	(88.467)
Reclassification	556.127	18.038	_	_	22.712	7.468	-	(604.345)	-
December 31, 2017 Closing Balance	**30.822.895**	**304.427**	**9.294.898**	**17.070.235**	**2.247.195**	**7.716.880**	**467.566**	**14.735.272**	**82.659.368**

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2017 Opening Balance	6.509.932	55.675	-	944.442	904.356	3.002.751	165.651	-	11.582.807
Charge for the Period	1.150.182	6.985	-	541.635	263.863	1.083.038	80.437	_	3.126.140
Disposals	-	-	-	-	(688)	(51.783)	-	_	(52.471)
Reclassification	_	-	-	-	-	-	_	_	_
December 31, 2017 Closing Balance	**7.660.114**	**62.660**	**-**	**1.486.077**	**1.167.531**	**4.034.006**	**246.088**	**_**	**14.656.476**

Net Book Value (As of December 31, 2017)	**23.162.781**	**241.767**	**9.294.898**	**15.584.158**	**1.079.664**	**3.682.874**	**221.478**	**14.735.272**	**68.002.892**

Detail of the tangible assets as of December 31, 2016 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2016 Opening Balance	20.492.750	290.203	7.627.198	17.043.413	1.401.113	6.140.300	467.566	1.773.548	55.236.091
Additions	3.596.072	-	1.667.700	-	289.980	1.040.530	-	12.238.745	18.833.027
Disposals	-	-	-	-	-	(39.021)	-	-	(39.021)
Reclassification	5.709.461	(3.814)	-	26.822	203.535	-	-	(6.714.818)	(778.814)
December 31, 2016 Closing Balance	**29.798.283**	**286.389**	**9.294.898**	**17.070.235**	**1.894.628**	**7.141.809**	**467.566**	**7.297.475**	**73.251.283**

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2016 Opening Balance	5.763.125	48.689	-	403.342	700.803	2.090.692	85.214	-	9.091.865
Charge for the Period	937.054	7.052	-	541.100	203.553	927.641	80.437	-	2.696.837
Disposals	-	-	-	-	-	(15.582)	-	-	(15.582)
Reclassification	(190.247)	(66)	-	-	-	-	-	-	(190.313)
December 31, 2016 Closing Balance	**6.509.932**	**55.675**	**-**	**944.442**	**904.356**	**3.002.751**	**165.651**	**-**	**11.582.807**

Net Book Value (As of December 31, 2016)	**23.288.351**	**230.714**	**9.294.898**	**16.125.793**	**990.272**	**4.139.058**	**301.915**	**7.297.475**	**61.668.476**

Construction plan/expropriation work information and lien inspection related with the real estates (land and buildings) of The Group as of December 31, 2017 are as follows:

SQUARE 349; PARCEL NO 17

Construction Plan/Expropriation Work Info

Square 349, parcel no 17 is in the Industrial Area due to construction plan

SQUARE 496; PARCEL NO 6 , SQUARE 499; PARCEL NO 6, PARCEL NO 14, PARCEL NO 15, PARCEL NO 16, PARCEL NO 17, PARCEL NO 18, PARCEL NO 19, PARCEL NO 20, PARCEL NO 22, PARCEL NO 27

Construction Plan/Expropriation Work Information

Square 496; parcel no 6 is in Housing Area.

Square 499; parcel no 3 is in Non-residential Urban Work Area.

Square 499; parcel no 14, 15, 16, 17, 18, 19, 20, 22 and 27 are in Housing Area.

SQUARE 681; PARCEL NO 33 AND 37

Square 681, parcel no 33 and 37 are in the Park and Inappropriate Geologic Area.
Square 681, parcel no 33 and 37 are completely in Park and Inappropriate Geologic Area. Therefore it is estimated that they will be expropriated as a result of bringing Expropriation Law numbered 2942 in to action.

22. INTANGIBLE ASSETS

Goodwill
None.

Other Intangible Assets

Detail of the intangible assets as of December 31, 2017 is as follows:

Acquisition Cost	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2017 Opening Balance	385.798	264.974	650.772
Additions	92.090	-	92.090
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2017 Closing Balance	**477.888**	**264.974**	**742.862**

Accumulated Depreciation	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2017 Opening Balance	183.217	28.747	211.964
Charge for the Period	68.267	26.497	94.764
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2017 Closing Balance	**251.484**	**55.244**	**306.728**

Net Book Value (As of December 31, 2017)	**226.404**	**209.730**	**436.134**

Detail of the intangible assets as of December 31, 2016 is as follows:

Acquisition Cost	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2016 Opening Balance	364.131	264.974	629.105
Additions	21.667	-	21.667
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2016 Closing Balance	**385.798**	**264.974**	**650.772**

Accumulated Depreciation	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2016 Opening Balance	123.536	2.250	125.786
Charge for the Period	59.681	26.497	86.178
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2016 Closing Balance	**183.217**	**28.747**	**211.964**

Net Book Value (As of December 31, 2016)	**202.581**	**236.227**	**438.808**

23. GOVERNMENT GRANTS AND INCENTIVES

Government grants consist of Social Security Institution Premium Fund due to law numbered 5510 and fair incentives.

Detail of the Government grants and inventives as of December 31, 2017 is as follows:

Investment Incentive Document Date and Number	Type of Invesment	Support Elements To Be Utilized	Capasity of Invesment	Amount of Investment		Finance of Investment
26/04/2016 124045/A	Licensed Warehouse	* Tax Discount Rate 70% * Investment Contribution Rate 30% * VAT Exemption * Interest Support	23.500 Ton	Fixed Investment	6.100.200 TL	6.100.200 TL Foreign Assets - TL Equity

24. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Provisions

	December 31, 2017	December 31, 2016
Short Term Provisions for Employee Benefits*	9.697	1.400
	9.697	**1.400**

*Vide note 26

Long Term Provisions

	December 31, 2017	December 31, 2016
Long Term Provisions for Employee Benefits*	1.232.972	900.118
Other Long Term Provisions	-	-
	1.232.972	**900.118**

*Vide note 26

Lawsuits

There is not any provision because there is not any possible cash outflow from The Group's liabilities as a result of previous events as of reporting date.

Collaterals, Pledges and Mortgages ("CPM") Given by The Group

	December 31, 2017	December 31, 2016
A. Total Amount of CPM Given by The Group's Own Legal Personality	40.819.884	21.848.257
B. Total Amount of CPM Given In Favour of Fully Consolidated Companies	5.917.000	30.000
C. Total Amount of CPM Given For Continuation of Its Economic Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPM	-	-
i. Total Amount of CPM Given in Favour of Majority Shareholder	-	-
ii. Total Amount of CPM Is Given in Favour of Other Group Companies Which Are Not In the Scope of B and C	-	-
iii. Total Amount of CPM is Given in Favour of Third Parties Which Are Not In the Scope of C	-	-
Total	**46.736.884**	**21.878.257**

* There is not any mortgage upon The Group's fixed assets.

The details of receivables from Samsun Yem Sanayi ve Ticaret A.Ş. ("Samsun Yem"), Yemsel Tavukçuluk Hayvancılık Yem Hammaddeleri Sanayi ve Ticaret A.Ş. ("Yemsel") and Çakıroğlu Gıda Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş. ("Çakıroğlu")as of December 31, 2017 are as follows:

Company Title*	Trade Receivable	Advances Given	Total	Mortgage Amount
Samsun Yem	1.101.849	-	1.101.849	700.000
Yemsel	-	3.042.014	3.042.014	6.000.000
Çakıroğlu	7.670.953	-	7.670.953	10.000.000
Total	**8.772.802**	**3.042.014**	**11.814.816**	**16.700.000**

* All together will be referred as the "Çakıroğlu Group".

Samsun Yem, Yemsel ve Çakıroğlu has requested the postponement of bankruptcy on T.C. Samsun Commercial Court. According to the interlocutory decision given by the court, the prosecution will continue on April 6, 2016 and trustees have been appointed on administration. The decision of T.C. Samsun Commercial Court was issued on December 8, 2015 dated Trade Registry Gazette.

The Company has mortgaged Samsun Yem, Yemsel And Çakıroğlu's real estates for the receivables that are explained in details above. The hypothec that The Company has issued gives The Company right to demand whole receivables from any real estate of Çakıroğlu Group that have been mortgaged.

The Company is in the first place for the mortgage from Çakıroğlu and Samsun Yem. The Company is in the second place for the mortgages issued on Yemsel's real estate. Akbank T.A.Ş. is in the first place. Akbank T.A.Ş.'s total mortgage amount is 6.000.000-TL.

Real estate revaluation report has been prepared by Standart Gayrimenkul Değerleme Uygulamaları A.Ş. on June 28, 2013 for these real estates. According to revaluation reports, fair value of the mortgaged real estates is 18.867.692-TL.

As of December 31, 2015 a notice has been sent to Çakıroğlu Group for the payment of their debts. On January 8, 2016, property valuation was requested for real estates. On December 29, 2016, the court delegation was invited for the valuation of the property. On January 18, 2017, the court experts presented their reports to the court. According to revaluation reports of court experts, fair value of the mortgaged Çakıroğlu's real estate is 10.858.440,75-TL. According to revaluation reports, fair value of the mortgaged Yemsel's real estate is 11.527.728,25-TL. Also, A total of 263.249,19-TL fair value was appreciated for the real estate with the mortgage of Samsun Yem.
Sales of real estate were requested but the court rejected it because they were in the process of bankruptcy postponement.

Trade receivables and advances given to Samsun Yem, Yemsel ve Çakıroğlu are classified as long term because postponement of bankruptcy request.

The Company did not recognised provision because the mortgages issued and fair value of real estates on the revaluation reports can meet total receivable amount.

25. COMMITMENTS
None.

26. EMPLOYEE BENEFITS

Payables Related with Employee Benefits

Details of payables related with employee benefits as of December 31, 2017 and December 31, 2016 are:

	December 31, 2017	December 31, 2016
Social Security Institution Premiums	418.864	472.153
Due to Personnel	553.713	214.487
	972.577	**686.640**

Short Term Employee Benefits
Short term employee benefits are consisting of provision for unused vacation.

Details of short term employee benefits as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Provision for Unused Vacation	**9.697**	**1.400**

Long Term Employee Benefits

Long term employee benefits consist of provision for employee termination benefits.

According to Turkish Laws, employer has to pay employee termination benefit to employee who has worked at least a year in local firms, and whose employment is terminated without a legitimate reason, who is called for military obligation, who dies, who works for 25 years for males, 20 years for females, or who is 60-year-old male and 58-year-old female (retirement age).

As of December 31, 2017 provision for employee termination benefit ceiling on the respective reporting dates, is subject to a maximum of 4732,48-TL per month for a working year (December 31, 2016: 4.297,21-TL). Provision for employee termination benefits are not subordinated any fund.

Provision for employee termination benefits is calculated by discounting potential liabilities of retirement to net present value. TFRS requires companies to improve actuarial valuation methods in the scope of retirement plans in order to estimate the termination benefits. Therefore, below mentioned actuarial estimations are used in order to calculate total employee termination benefits. Provisions for employee termination is calculated by the discount rate of 2,15%, which is determined by 9,24% inflation rate and 11,59% interest rate. The release rate is 96% (December 31, 2016: inflation rate 8,48 % , interest rate 11,13% and discount rate 2,44% , release rate 96%).

Details of the provision for employee termination benefits as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	**December 31, 2016**
Provision for Employee Termination Benefits	**1.232.972**	**900.118**

Details of provision for employee termination benefits are as follows:

	December 31, 2017	**December 31, 2016**
Opening Balance	900.118	719.701
Interest Cost	103.059	39.549
Service Cost	478.050	152.473
Payments (-)	(274.637)	(246.978)
Actuarial Differences	26.382	235.373
Closing Balance	**1.232.972**	**900.118**

Changes in interest rates and other rates and severance of personnel who are supposed to get compensation at retirement cause actuarial differences. The Group classifies service cost in general administrative expenses, interest costs in financial expenses, actuarial differences in shareholders' equity.

27. RETIREMENT BENEFITS

None.

28. OTHER ASSETS AND OTHER LIABILITIES

Other Current Assets

	December 31, 2017	December 31, 2016
Deferred VAT	6.628.991	7.515.328
Income Accruals*	1.934.547	-
Business Advances	95	-
Other VAT	3.350	-
	8.566.983	**7.515.328**

* Income accruals consist of freight incentive incomes arising from exports in 2017. All of the amounts were collected in 2018.

Other Short Term Liabilities

	December 31, 2017	December 31, 2016
Taxes and Funds Payables	**388.446**	**196.964**

Other Non-Current Assets
None.

Other Long Term Liabilities
None.

29. EQUITY

Capital and Reserves

In the meeting dated November 7, 2014 and numbered 32/1095, CMB has allowed The Company to public offer on November 12-13-14, 2014 by book building (demand gathering) method. Total of 23.500.000 TL nominal value shares, which were offered to public by capital increase and sales of shareholders, were sold. 27, 81% of The Company shares have been traded in Borsa İstanbul since November 20, 2014. The issued capital of The Company is 84.500.000 TL (Eightyfourmillion and fivehundredthousand Turkish Lira). This capital consists of 9.750.000 Group A shares, 6.500.000 Group B shares and 68.250.000 Group C shares and each worth 1,00TL that makes a total of 84.500.000 TL. Group A and B shares are registered to the name and Group C shares which are traded in Borsa Istanbul are registered to the bearer, other Group C shares are registered to the name. Group A shares have privilege to vote in the election of Board of Directors, Group A and B shares have privilege to vote in General Assembly and not considering independent members, in case the Board of Directors consist of five members, at least two members, in case it consists of six or seven members, at least three members, in case it consists of eight or nine members, at least four members, in case it consists of ten or eleven members, at least five members must be chosen among the candidates who are nominated by the majority of Group A shareholders. Group A shareholders or representatives have 15 votes, Group B shareholders or representatives have 10 votes, Group C shareholders or representatives have 1 vote for each share in the ordinary or extraordinary General Assembly.

Shareholder structure of The Company as of December 31, 2017 is as follows:

Shareholders	Number Of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	-	C	-	-
	6.500.000		**7,69**	**6.500.000**
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	12.207.627	C	14,45	12.207.627
	14.157.627		**16,76**	**14.157.627**
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	15.638.791	C	18,50	15.638.791
	18.238.791		**21,58**	**18.238.791**
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	16.781.279	C	19,86	16.781.279
	21.981.279		**26,02**	**21.981.279**
Kamil Adem	26.941	C	0,03	26.941
	26.941		**0,03**	**26.941**
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		**0,11**	**95.362**
Public Shares	23.500.000	C	27,81	23.500.000
	84.500.000		**100,00**	**84.500.000**

Fahrettin Ulusoy transferred his C Group shares with stock market value amounting TL 6.366.871 to Nevin Ulusoy, TL 8.215.107 to Onur Erhan Ulusoy and TL 9,281,904 to Eren Günhan Ulusoy with the decision of the board of directors dated December 7, 2017.

In addition, 1.126.118 Group C bearer shares belonging to Fahrettin Ulusoy, which are publicly traded in Borsa İstanbul A.Ş., are transferred to Eren Günhan Ulusoy account from Fahrettin Ulusoy account in accordance with the share transfer agreement. The closing price of TL 2,52 dated 06.12.2017 was taken as basis in the share transfers made in accordance with the share transfer agreement. The total share transfer sales price is 63.000.000-TL.

Shareholder structure of The Company as of December 31, 2016 is as follows:

Shareholders	Number Of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	23.873.882	C	28,25	23.873.882
	30.373.882		**35,94**	**30.373.882**
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	5.830.756	C	6,90	5.830.756
	7.780.756		**9,21**	**7.780.756**
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	7.423.684	C	8,78	7.423.684
	10.023.684		**11,86**	**10.023.684**
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	7.499.375	C	8,88	7.499.375
	12.699.375		**15,04**	**12.699.375**
Kamil Adem	26.941	C	0,03	26.941
	26.941		**0,03**	**26.941**
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		**0,11**	**95.362**
Public Shares	23.500.000	C	27,81	23.500.000
	84.500.000		**100,00**	**84.500.000**

According to Turkish Commercial Code, there are two types of legal reserves; primary reserves and secondary reserves. Primary reserves are set up as 5% of the net profit until it reaches 20% of The Company's paid-in-capital due to Turkish Commercial Code. Secondary legal reserves are set up as 1/11 proportion of distribution of dividends by cash which is more than 5% of The Company's capital according to CMB's regulation, and 1/10 proportion of distribution of dividends by cash which is more than 5% of The Company's capital according to official records.

Publicly traded companies distribute dividends according to the II-19.1 numbered Dividend Communique of CMB which is published in January 23, 2014 dated and 28891 numbered Official Gazette.

Companies distribute dividends by a decree of their general assembly in the scope of the determined policy of their general assembly and due to the related regulations. According to the mentioned communique of CMB, minimum distribution ratio has not been determined. Companies distribute dividends according to their articles of association or their dividend policy. Also dividends can be paid by equal or different amounted instalments and dividend advances can be paid by cash due to the profit in interim financial statements.

In case the contingency reserves are not allocated according to Turkish Trade Regulation and profit is not distributed as mentioned in the dividend policy or articles of association; it is not allowed to allocate another contingency reserve to transfer profit to the following year and to distribute dividends to beneficial owners, board members, employees and people other than shareholders, and also dividends cannot be paid to these people unless dividends are not paid to the shareholders by cash.

Share Premiums on Capital Stock

	December 31, 2017	December 31, 2016
Share Premiums on Capital Stock	41.925.000	41.925.000
Expenses of Share Premiums on Capital Stock Expenses (-)	(3.317.008)	(3.317.008)
	38.607.992	**38.607.992**

According to thirthyseventh matter of TAS 32 "Financial Instruments", The Group bears some expenses while issuing or repurchasing equity instruments. These expenses may contain registration and other regulatory charges, legal, financial and other professional consulting fees, printing costs and stamp tax duties. Transaction costs of equity transactions are recognised as deduction from equity as long as they are directly incurred additional costs as a result of these transactions. Additionally, costs related with cancelled equity transactions are recognised as expenses.

Additional expenses, related with the issuance of new share certificates directly (indirectly), are deducted from equity after related taxes are deducted from these expenses. Expenses related with the permission for trading in stock market (quotation) or expenses that are not directly related with the issuance of new stocks are recognised as expenses in profit and loss statement. Expenses related with the permission for either flotation in stock market or quotations are allocated due to the proportion of shares that are offered between two transactions.

Treasury Shares (-)

	December 31, 2017	December 31, 2016
Treasury Shares (-)	**3.445.108**	**3.072.969**

If the company receives its own shares in accordance with paragraph 33 of TAS 32, the purchase proceeds related to these shares are shown in "Treasury Shares (-)" net of equity.

In the Scope of CMB's July 21, 2016 dated announcement; the July 25, 2016 dated and 2016/014 numbered decision to buy back The Company's shares in the market has been made.
It is announced that the repurchase has ended with the special case statement dated 27 July 2017. In repurchases, amounting to TL 3,445,108 was used, with an average of TL 1,7207 per share.

Details of The Company's bought back shares are as follows:

The maximum amount paid for a share	1,90 TL
Average repurchase cost per share	1,7207 TL
Total repurchase cost	3.445.108 TL
Total number of shares repurchesed	2.002.152 Adet
Rate of repurchase shares in company's capital	% 2,3694

Details of The Company's bought back shares as of December 31, 2017 are as follows:

Date	Number of Shares Owned	Nominal Amount of Shares Acquired(TL)	Purchase Fees of Owned Shares Total Amount(TL)
December 31, 2017	2.002.152	2.002.152	3.445.108

Details of The Company's bought back shares as of December 31, 2016 are as follows:

Date	Number of Shares Owned	Nominal Amount of Shares Acquired(TL)	Purchase Fees of Owned Shares Total Amount(TL)
December 31, 2016	1.799.043	1.799.043	3.072.969

Other Equity Items

Other accumulated comprehensive income and expenses which are not classified in profit/loss as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Tangible Assets Revaluation Differences(net)**	562.159	565.860
Actuarial Profit/Loss Related with the Employee Benefits*	(489.899)	(468.794)
	72.260	**97.066**

*Actuarial differences have been recognised in equity since January 1, 2013.

**If a revaluated tangible asset is disposed of, the revaluation surplus related with the derecognised asset is directly transferred to related earnings. Therefore the revaluation surplus related with land and buildings which have been disposed of by sell and leaseback transaction, were transferred to retained earnings.

Details of the actuarial differences as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Actuarial Gains/(Losses) Related with the Employee Benefits	(612.374)	(585.992)
Deferred Tax***	122.475	117.198
Actuarial Gains/(Losses) Related to Employee Benefits (net)	**(489.899)**	**(468.794)**

Details of tangible assets revaluation surplus as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Revaluation Differences of Buildings and Lands (net)	200.395	200.395
Revaluation Differences of Vehicles (net)	361.764	365.465
	562.159	**565.860**

Detail of the revaluation differences of lands and buildings as of December 31, 2017 and December 31, 2016 is as follows:

	December 31, 2017	December 31, 2016
Total Lands and Buildings Revaluation Difference	250.494	250.494
Deferred Tax ***	(50.099)	(50.099)
Revaluation Differences of Buildings and Lands (net)	**200.395**	**200.395**

Details of the vehicles revaluation surplus as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Vehicles Revaluation Differences (net)	**361.764**	**365.465**

	December 31, 2017	December 31, 2016
Total Vehicle Revaluation Differences **	452.205	456.831
Deferred Tax ***	(90.441)	(91.366)
	361.764	**365.465**

***According to TAS 12, 61-a, current tax and deferred tax related with the items which are not recognised in profit or loss, are not recognised in profit or loss both in the same or different period. Therefore, current tax and deferred tax that are related with the items that are recognised in the same or different period in other comprehensive income shall be recognised in other comprehensive income. Realised deferred tax is classified in revaluation surplus.

Restricted reserves as of December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Legal Reserves	3.999.099	3.330.315
Reserves of Treasury Shares	3.445.108	3.072.969
	7.444.207	**6.403.284**

In accordance with Article 520 of the Law No. 6102, the amount of reserves is allocated to the shares that are acquired for the Treasury shares.These reserves are shown in the line of "reserves on retained earnings " since they are solved only when the reversed shares are transferred or canceled. In other words, reserves amounting to TL 3.445.108 are allocated from retained earnings.

Accumulated profit or loss as of December 31, 2017 and December 31, 2016 is as follows:

	December 31, 2017	December 31, 2016
Accumulated Profit/(Loss)	**51.899.755**	**38.139.327**

Detail of Accumulated Profit/ (Loss) is as follows:

	December 31, 2017	December 31, 2016
Accumulated Profit/(Loss)	38.139.327	31.736.786
Transfer of Previous Year to the Accumulated Profit/(Loss)	14.796.725	8.303.209
Capital Contribution	-	-
Transfers to Legal Reserves	(668.784)	(1.209.920)
Reserves of Treasury Shares	(372.139)	(3.072.969)
Dividends Paid	-	(2.886.019)
Tangible Assets Revaluation Transfer**	4.626	5.268.240
	51.899.755	**38.139.327**

**If a revaluated tangible asset is disposed of, the revaluation surplus related with the derecognised asset is directly transferred to related earnings. Therefore the revaluation surplus related with land and buildings which have been disposed of by sell and leaseback transaction were transferred to retained earnings.

Net profit/ (loss) for the period as of December 31, 2017 and December 31, 2016 are as follow:

	December 31, 2017	December 31, 2016
Net Profit/(Loss) For The Period	**16.595.085**	**14.796.725**

30. REVENUE AND COST OF SALES

Details of revenue as of December 31, 2017 and December 31, 2016 are as follows:

	January 1- December 31, 2017	January 1- December 31, 2016
Domestic Sales	834.436.759	608.830.588
Foreign Sales	976.291.841	547.511.606
Sales Returns (-)	(3.549.799)	(3.552.938)
Sales Discounts (-)	(1.348.796)	(514.661)
Other Discounts (-)	(123.673)	(283.465)
	1.805.706.332	**1.151.991.130**

Details of cost of sales as of December 31, 2017 and December 31, 2016 are as follows:

	January 1- December 31, 2017	January 1- December 31, 2016
Cost of Goods Sold	313.434.978	298.823.795
Cost of Merchandise Sold	1.397.595.873	777.106.605
Cost of Service Sold	4.135.453	-
	1.715.166.304	**1.075.930.400**

Details of cost of service sold as of December 31, 2017 are as follows:

	January 1-December 31, 2017
Depreciation Expenses	282.853
Vehicle Expenses	2.081.554
Consultancy Expenses	60.065
Outsourced Benefits and Services	90.831
Other Expenses	7.713
Education and Publication Expenses	1.566
Late Fees and Charges	5.474
Personnel Expenses	1.206.499
Insurance Expenses	222.170
Registration and Announcement Expenses	663
Transportation Expenses	11.156
Taxes and Funds	63.570
Food Expenses	94.553
Commission Expenses	6.786
Cost Of Service Sold	**4.135.453**

31. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Details of total operating expenses as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	**January 1-December 31, 2016**
General Administrative Expenses	7.649.044	6.644.475
Marketing Expenses	36.234.307	29.150.859
Research and Development Expenses	77.533	-
	43.960.884	**35.795.334**

Details of General Administrative Expenses as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	**January 1-December 31, 2016**
Depreciation Expenses	386.111	355.266
Vehicle Expenses	283.688	303.539
Grants and Aids	274.118	173.449
Maintenance and Repair Expenses	37.250	21.977
Consultancy Expenses	931.031	1.036.074
Outsourced Benefits and Services	808.070	771.882
Other Expenses	538.094	334.002
Education and Publication Expenses	171.352	102.209
Exposition Expenses	124.252	26.782
Late Fees and Charges	9.008	14.994
Heat and Water Expenses	14.901	15.440
Rent Expenses	227.948	218.843
Court Expenses	19.927	1.962
Brand, Apl. and Ren. of Patent Expenses	13.453	5.833
Notary Expenses	26.368	22.600
Personnel Expenses	2.569.844	2.183.308
Advertising Expenses	26.577	16.027
Insurance Expenses	213.609	160.024
Registration and Announcement Expenses	2.501	23.337
Transportation Expenses	164.136	107.690
Taxes and Funds	115.710	299.058
Food Expenses	342.610	299.010
Public Offering Expenses	-	-
Health Expenses	410	2.810
Commission Expenses	348.076	148.359
General Administrative Expenses	**7.649.044**	**6.644.475**

Details of Marketing Expenses as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	**January 1-December 31, 2016**
Depreciation Expenses	1.055.553	914.485
Vehicle Expenses	1.110.458	777.555
Consultancy Expenses	61.883	19.223
Outsourced Benefits and Services	419.672	767.609
Other Expenses	1.632.706	109.871
Exposition Expenses	191.797	106.975
Late Fees and Charges	9.843	17.120
Export Expenses	5.351.039	2.367.960
Rent Expenses	980.044	1.618.458
Sales Commissions Expenses	1.593.033	1.326.448
Freight Expenses	20.768.052	18.104.868
Personnel Expenses	2.063.556	1.830.467
Advertising Expenses	-	12.380
Insurance Expenses	361.045	575.465
Registration and Announcement Expenses	-	-
Transportation Expenses	72.775	75.627
Taxes and Funds	319.514	291.381
Food Expenses	243.337	234.967
Marketing Expenses	**36.234.307**	**29.150.859**

Details of Research and Development Expenses as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	January 1-December 31, 2016
Vehicle Expenses	20.263	-
Outsourced Benefits and Services	4.265	-
Other Expenses	902	-
Commission Expenses	259	-
Personnel Expenses	36.765	-
Insurance Expenses	2.141	-
Transportation Expenses	10.095	-
Taxes and Funds	2.843	-
	77.533	-

Nature of expenses for the period January 1, 2017 - December 31, 2017 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	2.569.844	2.063.556	36.765	6.147.455
Depreciation Expenses	386.111	1.055.553	-	1.779.240

Nature of expenses for the period January 1, 2016 - December 31, 2016 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	2.183.308	1.830.467	-	4.446.563
Depreciation Expenses	355.266	914.485	-	1.513.264

32. OTHER INCOME AND OTHER EXPENSES

Other Income

	January 1-December 31, 2017	January 1-December 31, 2016
Income Due to the Law No 5510	702.400	453.024
Allocated Balance Income	61.176	77.936
Other Income	486.419	756.117
Service Reflection Income*	4.987.912	2.952.470
Maturity Difference Income	14.619.875	9.098.458
Foreign Currency Gains	68.681.796	40.803.076
Insurance Income	41.714	-
licenced warehouse rental grant	701.091	-
Provisions No Longer Required	353.819	458.061
Income From Returned Expenses	1.524.752	2.128.549
Income from Indemnity	848.929	531.135
Income From Incentive and Support	1.708.568	52.226
Inventory Difference	6.613	278.868
	94.725.064	**57.589.920**

*Service reflection income consists of reflection revenues of trust expenses and, reflection revenues of service expenses.

Other Expenses

	January 1-December 31, 2017	January 1-December 31, 2016
Trust Expenses**	-	3.070.713
Other Expenses	487.200	42.632
Balance Dedication Expenses	53.613	21.941
Provision Expenses***	552.822	1.520.631
Foreign Currency Expenses	52.811.516	16.907.975
Maturity Difference Expenses	24.856.485	11.343.244
Returned Expenses	1.199.107	1.390.517
Insurance Expenses	685.155	-
	80.645.898	**34.297.653**

** Consists of freight, evacuation, stocking, customs and export expenses.

Income from Investing Activities

	January 1-December 31, 2017	January 1-December 31, 2016
Sales of Fixed Assets	-	2.799
Sell And Leaseback Transaction Income	429.633	397.247
	429.633	**400.046**

Expenses from Investing Activities

	January 1-December 31, 2017	January 1-December 31, 2016
Assets Sales Expenses	342	-
	342	**-**

33. SHARES OF INVESTMENTS EVALUATED BY EQUITY METHOD IN PROFIT/LOSS

Details of profit/loss shares of investments evaluated by equity method as of December 31, 2016 and December 31, 2015 are as follows:

	January 1-December 31, 2017	January 1-December 31, 2016
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.*	303.026	182.998

*(Vide note 18)

34. FINANCIAL INCOME AND EXPENSES

Financial Income

	January 1-December 31, 2017	January 1-December 31, 2016
Interest Income	7.978.000	4.567.832
Foreign Currency Gains	112.627.431	47.128.869
Derivative Financial Instruments Income	2.631.724	8.902.102
Security Sales Income	53.350	236.411
Derivative Financial Instruments Fair Value Difference	-	12.628.060
	123.290.505	**73.463.274**

Financial Expenses

	January 1- December 31, 2017	January 1- December 31, 2016
Foreign Currency Expenses	129.170.726	99.065.333
Financial Expenses	22.011.892	10.520.300
Security Sales Losses	2	7.395
Derivative Financial Instruments Expenses	12.834.455	10.490.365
Derivative Financial Instruments Fair Value Difference	1.330.043	-
	165.347.118	**120.083.393**

35. FIXED ASSETS HELD FOR SALE AND CEASED OPERATIONS

None.

36. TAX ASSETS AND TAX LIABILITIES

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

In 2017 corporate tax rate is 20% (2016: 20%). 5520 numbered corporation tax rate is determined as 22% for the fiscal taxation periods of 2018, 2019 and 2020, with provisional Article 10 added to Article 91 of Law No. 7061.

In Turkey pre-paid corporate tax is calculated and accrued quarterly. In 2017, pre-paid corporate tax rate is 20% of the corporation income for the quarterly taxation periods (2016: 20%).

Losses can be carried forward to offset from future taxable income for up to 5 years. Losses cannot be carried back to offset from profit of the previous periods.

There is not a specific procedure for a final and definitive agreement on tax assessments in Turkey. Companies prepare their current year tax returns within April 1-25 of the following year (The duration for the companies which has private fiscal year between 1st and the 25th day of the forth month following the closing date of the fiscal year). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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 resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% beginning from April 24, 2003. This rate modified to 15% by the law No: 5520, article 15 valid from June 21, 2006. However, by the new cabinet decision the rate was stated to be 10% until it is modified. The income withholding tax becomes 15% by publishing on the official journal by the cabinet decision on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Deferred Tax Assets / Liability:

The Group recognises deferred tax assets and liabilities based upon temporary differences arising from differences between its consolidated financial statements as reported based on the "Financial Reporting Standards in capital market" and its statutory tax financial statements. These differences are set out below. Deferred tax asset is only provided to the extent if it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Provision is provided for the deferred tax asset of which the realisation is not likely. Deferred tax rate is 20% for all temporary differences since there is investment incentive of The Group (December 31, 2016: 20%).
The tax rate to be applied in 2018, 2019 and 2020 is increased to 22%. Since calculations do not make a significant difference in deferred tax calculation, calculations are made over 20%.

Deferred tax liabilities are recognised for all taxable temporary differences.

The Group's earnings from investments linked to the incentive certificate are subject to corporation tax at rates discounted up to the amount of the investment contribution beginning from the accounting period in which the investment is partially or fully commissioned. As of December 31, 2017 the Group is not likely to benefit for the foreseeable future, Therefore deferred tax assets are not reflected to the consolidated financial statements.

Temporary difference and deferred tax as of December 31, 2017 are as follows:

Deferred Tax Assets	**Temporary Difference**	**Deferred Tax**
Doubtful Receivables	4.292.832	858.566
Adjustment on Receivables from Personnel	68.895	13.779
Adjustment on Advances Given	79.330	15.866
Adjustment of Loans	713.987	142.797
Impairment of Inventories Expenses	4.164.457	832.891
Adjustment on Amortized Cost of Receivables	2.003.386	400.677
Adjustment on Deferred Income of Sell and Leaseback	1.151.182	230.236
Adjustment on Tangible and Intangible Assets	2.960.935	592.187
Derivative Instruments Fair Value Difference Adjustment	1.330.043	266.009
Provision for Unused Vacation	9.697	1.939
Other adjustments	23.189	6.937
Actuarial Difference of Employee Termination Benefits *	612.374	122.475
	17.410.307	**3.484.359**

Deferred Tax Liabilities	Temporary Difference	Deferred Tax
Vehicles Revaluation Difference (Related with Equity)	452.205	90.441
Lands and Buildings Revaluation Difference (Related with Equity)	250.494	50.099
Adjustment on Bank Interest Income Accruals	6.633	1.327
Adjustment on Letter of Credit Interest	112.487	22.497
Amortized Cost of Debt Adjustment	4.702.011	940.402
Tangible and Intangible Assets Depreciation Difference	6.421.313	1.284.263
Employee Termination Benefits Actuarial Difference	2.710.100	542.020
	14.655.243	**2.931.049**

Temporary difference and deferred tax as of December 31, 2016 are as follows:

Deferred Tax Assets	Temporary Difference	Deferred Tax
Doubtful Receivables	4.388.338	877.668
Adjustment on Receivables from Personnel	110.609	22.122
Adjustment on Advances Given	77.247	15.449
Adjustment on Letter of Credit Interest	46.464	9.293
Impairment of Inventories Expenses	1.031.568	206.314
Adjustment on Amortized Cost of Receivables	781.608	156.322
Adjustment on Deferred Income of Sell and Leaseback	1.580.815	316.163
Adjustment on Tangible and Intangible Assets	2.656.290	531.258
Adjustment of Loans	297.388	59.478
Provision for Unused Vacation	1.400	280
Other adjustments	27.679	5.537
Actuarial Difference of Employee Termination Benefits *	585.992	117.198
	11.585.398	**2.317.082**

Deferred Tax Liabilities	Temporary Difference	Deferred Tax
Vehicles Revaluation Difference (Related with Equity)	456.831	91.366
Lands and Buildings Revaluation Difference (Related with Equity)	250.494	50.099
Adjustment on Inventory Maturity and Other Differences	715.249	143.050
Fair value adjustment of derivative instruments	12.628.060	2.525.612
Adjustment on Bank Interest Income Accruals	22.619	4.524
Amortization of Deferred Cost Adjustment	6.832.206	1.366.441
Depreciation difference of tangible and intangible assets	5.769.261	1.153.852
Employee Termination Benefits Actuarial Difference	2.575.849	515.170
	29.250.569	**5.850.114**

Changes in the deferred tax as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	January 1-December 31, 2016
Opening Balance	(3.508.765)	(1.583.896)
Deferred Tax Income /(Expenses) for The Period	4.080.140	(1.924.869)
Tangible Assets Revaluation Surplus and Actuarial Difference Deferred Tax Effect*	(18.065)	(24.267)
Closing Balance	**553.310**	**(3.533.032)**

*According to TAS 12, 61-a, current tax and deferred tax related with the items which are not recognised in profit or loss, are not recognised in profit or loss both in the same or different period. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period in other comprehensive income, shall be recognised in other comprehensive income. Deferred tax liability which is calculated by actuarial differences, is recognised in other comprehensive income.

Tax expenses as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	January 1-December 31, 2016
Current Period Tax Income/(Expenses)	6.819.069	798.994
Deferred Tax(Profit)/ Loss	(4.080.140)	1.924.869
	2.738.929	**2.723.863**

Tax provisions as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	1 January-December 31, 2016
Corporate Tax Liabilities	6.819.069	798.994
Prepaid Taxes and Funds	(7.539.166)	(3.473.587)
	(720.097)	**(2.674.593)**

37. EARNINGS PER SHARE

Details of earning per share as of December 31, 2017 and December 31, 2016 are as follows:

	January 1-December 31, 2017	January 1-December 31, 2016
Net Profit/(Loss) for the Period	16.595.085	14.796.725
Weighted Average Number of Ordinary Shares	82.497.848	82.700.957
Earnings Per Share	**0,2012**	**0,1789**

38. RELATED PARTY DISCLOSURES

	December 31, 2017	December 31, 2016
GFC Denizcilik ve Ticaret A.Ş.	17.357	372.694
Unay Un San. ve Tic. A.Ş.	81.272	-
Trade Receivables from Related Parties	**98.629**	**372.694**

	December 31, 2017	December 31, 2016
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	94.298	225.839
Unay Un San. ve Tic. A.Ş.	-	56.256
Ulusoy Petrol Ürünleri Tic. A.Ş.	34.389	45.365
Ulusoy Çay Gıda San. ve Tic. A.Ş.	1.982	28.594
GK Tarım Ürünleri Depoculuk A.Ş.	70.031	477.556
Trade Payables to Related Parties	**200.700**	**833.610**

	December 31, 2017	December 31, 2016
Unay Un San. ve Tic. A.Ş.	12.283.559	636.704
Notes Payable to Related Parties	**12.283.559**	**636.704**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	48.282.460	39.026.657
GFC Denizcilik ve Ticaret A.Ş.	-	112.484
Sales to Related Parties	**48.282.460**	**39.139.141**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	348.205	47
Sales Returns from Related Parties	**348.205**	**47**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	3.259	2.773
Sales Discounts to Related Parties	**3.259**	**2.773**

	January 1-December 31, 2017	January 1-December 31, 2016
Ulusoy Çay Gıda San. ve Tic. A.Ş.	-	-
Unay Un San. ve Tic. A.Ş.	9.448.090	23.207.025
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	-
GK Tarım Ürünleri Depoculuk A.Ş.	-	-
Purchase of Raw Material and Supplies from Related Parties	**9.448.090**	**23.207.025**

	January 1-December 31, 2017	January 1-December 31, 2016
Ulusoy Çay Gıda San. ve Tic. A.Ş.	1.781	17.215
Unay Un San. ve Tic. A.Ş.	125.577.668	66.304.829
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	1.371.093	480.788
GFC Denizcilik ve Ticaret A.Ş.	25.013	-
GK Tarım Ürünleri Depoculuk A.Ş.	212.082	692.097
Purchase of Trade Inventories from Related Parties	**127.187.637**	**67.494.929**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	750.180	391.691
Other Income from Related Parties	**750.180**	**391.691**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	880.175	1.175.340
Ulusoy Çay Gıda San. ve Tic. A.Ş.	-	975
Ulusoy Petrol Ürünleri Tic. A.Ş.	10.894	1.732
General Production Expenses to Related Parties	**891.069**	**1.178.047**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	165.232	32.337
Ulusoy Petrol Ürünleri Tic. A.Ş.	351.333	217.790
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	18.226	90.270
GK Tarım Ürünleri Depoculuk A.Ş.	399	-
Marketing Expenses to Related Parties	**535.190**	**340.397**

	January 1-December 31, 2017	January 1-December 31, 2016
Ulusoy Çay Gıda San. ve Tic. A.Ş.	4.768	8.286
Ulusoy Petrol Ürünleri Tic. A.Ş.	99.627	169.234
Unay Un San. ve Tic. A.Ş.	140	
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	7.381	3.061
General Administrative Expenses to Related Parties	**111.916**	**180.581**

	January 1-December 31, 2017	January 1-December 31, 2016
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	65.481
GFC Denizcilik ve Ticaret A.Ş.	8.364	18.559
Unay Un San. ve Tic. A.Ş.	950.284	-
Other Expenses to Related Parties	**958.648**	**84.040**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	3.549.809	-
Interest Income from Related Perties	**3.549.809**	**-**

	January 1-December 31, 2017	January 1-December 31, 2016
Unay Un San. ve Tic. A.Ş.	229.130	-
Interest Expenses to Related Parties	**229.130**	**-**

Top management of The Group consists of board members, general manager and department managers.

Total wage payments and other utilities to top management as of December 31, 2017 is 616.845-TL (December 31, 2016: 656.134-TL)

39. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Liquidity Risk Management:

The principal responsibility related with the liquidity risk management belongs to the Board of Directors. The Board of Directors has created an appropriate liquidity risk management for the short, medium, and long term funding and liquidity requirements of The Group. The Group manages the liquidity risk by monitoring the estimated and actual cash flows on a regular basis and ensuring the continuity of adequate funds and borrowing reserve through matching the maturities of financial assets and liabilities.

Credit Risk:

The Group's credit risk primarily arises from its trade receivables. Trade receivables are evaluated by The Group's management based on prior experiences and the current economic environment, and presented in the consolidated statement of financial position on net basis after deducting allowances for doubtful receivables.

Market Risk:

Market risk arises from the probable changes in the level of interest rates, currency exchange rates or the price of securities and other financial contracts that might have an adverse financial impact.

40. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS OF HEDGE ACCOUNTING)

Statement of Foreign Currency Position

Statement of Foreign Currency Position			
	December 31, 2017		
	TL (Its functional currency)	USD	EURO
1. Trade and Other Receivables	194.148.948	51.308.374	137.060
2a. Monetary Financial Asset (Include Cash and Bank Account)	94.009.515	24.704.575	182.998
2b. Non-Monetary Financial Assets			
3. Futures Market Collaterals	5.569.834	1.476.665	-
4. Advances Given	20.046.801	5.314.775	-
5. .Current Assets (1+2+3+4)	**313.775.098**	**82.804.389**	**320.058**
6. Other Non-Current Assets	-	-	-
7. Non-Current Assets	**-**	**-**	**-**
8. Total Assets	**313.775.098**	**82.804.389**	**320.058**
9. Short and Long Term Liabilities	**551.271.918**	**140.992.849**	**4.309.820**
Loans	126.325.757	28.378.320	4.270.971
Leasing Receivables	9.127.950	2.419.987	-
Trade and Other Payables	391.447.366	103.772.236	6.394
Derivative Financial Liabilities	1.330.043	352.619	-
Advances Collected	23.040.802	6.069.687	32.455
10. Total Liabilities	**551.271.918**	**140.992.849**	**4.309.820**

	Statement of Foreign Currency Position		
	December 31, 2016		
	TL (Its functional currency)	**USD**	**EURO**
1. Trade and Other Receivables	143.028.965	40.448.537	183.960
2a. Monetary Financial Asset (Include Cash and Bank Account)	15.705.216	4.240.495	210.805
2b. Non-Monetary Financial Assets	-	-	-
3. Futures Market Collaterals	13.892.922	3.947.750	-
4. Advances Given	4.536.518	1.289.077	-
5. .Current Assets (1+2+3+4)	**177.163.621**	**49.925.859**	**394.765**
6. Other Non-Current Assets	-	-	-
7. Non-Current Assets	**-**	**-**	**-**
8. Total Assets	**177.163.621**	**49.925.859**	**394.765**
9. Short and Long Term Liabilities	**321.041.289**	**89.527.890**	**1.610.485**
Loans	52.759.510	13.402.089	1.508.094
Leasing Receivables	11.414.736	3.243.560	-
Trade and Other Payables	255.612.171	72.633.602	-
Advances Collected	1.254.872	248.639	102.391
10. Total Liabilities	**321.041.289**	**89.527.890**	**1.610.485**

	Foreign Currency Sensitivity Analysis			
	December 31, 2017			
	Profit/Loss		**Shareholder's Equity**	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	Change in 10% of USD Against TL			
1- Net USD Asset/Liability	(21.948.105)	21.948.105	(21.948.105)	21.948.105
2- USD Hedging (-)	-	-	-	-
3- Net USD Effect (1+2)	**(21.948.105)**	**21.948.105**	**(21.948.105)**	**21.948.105**
	Change in 10% of EURO Against TL			
4- Net Euro Asset/Liability	(1.801.577)	1.801.577	(1.801.577)	1.801.577
5- Euro Hedging (-)	-	-	-	-
6- Net Euro Effect (4+5)	**(1.801.577)**	**1.801.577**	**(1.801.577)**	**1.801.577**

Foreign Currency Sensitivity Analysis				
	December 31, 2016			
	Profit/Loss		Shareholder's Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	Change in 10% of USD Against TL			
1- Net USD Asset/Liability	(13.936.747)	13.936.747	(13.936.747)	13.936.747
2- USD Hedging (-)				
3- Net USD Effect (1+2)	**(13.936.747)**	**13.936.747**	**(13.936.747)**	**13.936.747**
	Change in 10% of EURO Against TL			
4- Net Euro Asset/Liability	(451.020)	451.020	(451.020)	451.020
5- Euro Hedging (-)				
6- Net Euro Effect (4+5)	**(451.020)**	**451.020**	**(451.020)**	**451.020**

Credit Risk

	Receivables						
	Trade Receivables		Other Receivables				
December 31, 2017	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits**	**Derivative Instruments**	**Other**
Maximum credit risk as of reporting dates (A+B+C+D+E)	**98.629**	**340.519.906**	**-**	**2.114.141**	**140.341.147**	**5.569.834**	**54.562.310**
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	98.629	340.519.906	-	2.114.141	140.341.147	5.569.834	54.562.310
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	5.427.384	-	678.942	-	-	-
- Impairment (-)	-	(5.427.384)	-	(678.942)	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-

	Receivables						
	Trade Receivables		Other Receivables				
December 31, 2016	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits**	**Derivative Instruments**	**Other**
Maximum credit risk as of reporting dates (A+B+C+D+E)	**372.694**	**272.120.296**	**-**	**3.126.491**	**32.136.247**	**13.892.922**	**21.245.340**
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	372.694	272.120.296	-	3.126.491	32.136.247	13.892.922	21.245.340
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	5.228.381	-	675.170	-	-	-
- Impairment (-)	-	(5.228.381)	-	(675.170)	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-

Liquidity Risk

December 31, 2017 **Maturities Based on Agreement** **Non Derivative Financial Liabilities**	**Book Value**	**Cash Outflow According to Contract**	**Less Than 3 Month**	**3-12 Month**	**1-5 Year**	**More Than 5 Years**
Financial Liabilities	219.344.902	219.344.902	72.822.386	67.116.921	79.405.595	-
Debt Securities Issuance	-	-	-	-	-	-
Trade Receivables	406.112.570	406.112.570	136.133.097	269.979.473	-	-
Other Payables	68.889	68.889	-	68.889	-	-

December 31, 2016 Maturities Based on Agreement		**Cash Outflow**				**More**
		According	**Less Than**	**3-12**	**1-5**	**Than 5**
Non Derivative Financial Liabilities	**Book Value**	**to Contract**	**3 Month**	**Month**	**Year**	**Years**
Financial Liabilities	115.531.877	115.531.877	1.673.923	103.519.721	10.338.233	
Debt Securities Issuance						
Trade Receivables	256.503.295	256.503.295	44.273.162	212.230.133	-	-
Other Payables	35.144	35.144	-	35.144	-	-

	Receivables				
	Trade	**Other**		**Derivative**	
December 31, 2017	**Receivables**	**Receivables**	**Deposits**	**Instruments**	**Other**
1-30 days overdue	-	-	-	-	-
1-3 months overdue	-	-	-	-	-
3-12 months overdue	199.003	-	-	-	-
1-5 years overdue	5.228.381	678.942	-	-	-
More than 5 years overdue	-	-	-	-	-

	Receivables				
	Trade	**Other**		**Derivative**	
December 31, 2016	**Receivables**	**Receivables**	**Deposits**	**Instruments**	**Other**
1-30 days overdue	-	-	-	-	-
1-3 months overdue	-	-	-	-	-
3-12 months overdue	845.461	675.170	-	-	-
1-5 years overdue	4.382.920	-	-	-	-
More than 5 years overdue	-	-	-	-	-

Fair Value of Financial Instruments

The Group classifies financial instruments reflected at fair value in the financial statements using three level hierarchy according to the source of valuation inputs of each class of financial instruments.

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 (i.e., as prices) or indirectly (i.e., derived from prices);

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

Financial Assets (December 31, 2017)	**Level 1**	**Level 2**	**Level 3**
Derivative Assets	-	5.569.834	-
Short Term Financial Investments	307.568	-	-

Financial Liabilities (December 31, 2017)	Level 1	Level 2	Level 3
Derivative Liabilities	-	1.330.043	-

Interest Position and Related Sensitivity Analysis

Fixed Interest Financial Instruments	January 1-December 31, 2017	January 1-December 31, 2016
Cash and Cash Equivalents (Term Deposits)	105.146.223	23.886.098
Financial Liabilities	219.344.902	115.531.877

As of 31 December 2017 and 31 December 2016, the Company has fixed interest rate bank deposits and fixed interest rate financial liabilities. The Company do not subject to variable interest rates.

41. SUBSEQUENT EVENTS

At the Board of Directors meeting dated 13 February 2018, numbered 2018/002, the Company's board of directors decided to establish a company named ROLWEG S.A,(which is located in Rue du Nant 6, 1207 Geneva in Geneva, Switzerland) and 100% of the capital of CHF 1.000.000,00 belongs to Ulusoy Un Sanayi ve Ticaret A.Ş.,

42. OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS TO A SIGNIFICANT EXTENT OR MATTERS WHICH ARE REQUIRED TO BE EXPLAINED IN ORDER FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.