

ULUSOY UN SANAYİ VE TİCARET A.Ş.

FINANCIAL STATEMENTS AS OF
JANUARY 1, 2013 – DECEMBER 31, 2013
AND SPECIAL PURPOSE AUDIT REPORT

Report Date: 14.04.2014
Report Number: 2014-007



ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

SPECIAL PURPOSE AUDIT REPORT OF FINANCIAL STATEMENTS AS OF JANUARY 1, 2013 – DECEMBER 31, 2013

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

We have audited the accompanying financial statements of Ulusoy Un Sanayi ve Ticaret A.Ş. (“the Company”) which comprise the statement of financial position as of December 31, 2013 and the profit or loss statement, the statement of comprehensive income, the statement of changes in shareholders’ equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Financial Statements

The Company’s management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Standards promulgated by the Capital Market Board (“CMB”). This responsibility includes; designing, implementing, and maintaining an internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the current circumstances.

Auditors’ Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the Independent Auditing Standards published by CMB. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence for the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the current circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence obtained is sufficient and adequate to provide a basis for our opinion.

Opinion

According to our opinion, aforesaid financial statements reflect accurately and honestly the financial position of the Company as of December 31, 2013 as well as the financial performance and cash flows of the Company for the year then ended in accordance with the Financial Reporting Standards of CMB.

İstanbul, 14.04.2014

AVRASYA BAĞIMSIZ DENETİM
VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

F.Mevhibe Özgün
Partner

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ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

AUDITED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2013
(Amounts expressed in TL, unless otherwise is stated.)

ASSETS	Note	31.12.2013	(Restated*) 31.12.2012
Current Assets		288.866.127	242.383.566
Cash and Cash Equivalents	6	63.983.460	6.622.081
Financial Investments	7	10.557	-
Trade Receivables	10	103.894.335	88.106.973
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	3.429.237	1.010.979
Derivative Financial Instruments	13	3.314.950	3.468.527
Inventories	14	104.017.540	138.019.795
Biological Assets	15	-	-
Prepaid Expenses	16	8.651.196	2.675.446
Corporate Tax Assets	20	-	-
Other Current Assets	28	1.564.852	2.479.765
<i>(Sub Total)</i>		<i>288.866.127</i>	<i>242.383.566</i>
Fined Assets Held for Sale	35	-	-
Non-Current Assets		51.116.025	21.101.186
Financial Investments	7	15.000	10.000
Trade Receivables	10	-	-
Receivables from Financial Sector Activities	12	-	-
Other Receivables	11	142.153	2.153
Derivative Financial Instruments	13	-	-
Investments Valued by Equity Method	18	4.250.000	-
Biological Assets	15	-	-
Investment Properties	19	-	-
Tangible Assets	21	46.236.180	20.032.395
Intangible Assets	22	49.488	38.312
-Goodwill		-	-
-Other Intangible Assets		49.488	38.312
Prepaid Expenses	16	-	-
Deferred Tax Assets	36	423.204	794.595
Other Non-Current Assets	28	-	223.731
TOTAL ASSETS		339.982.152	263.484.752

*(Vide Note 2)

Financial statements as of December 31, 2013 were approved at the board meeting on April 11, 2014 and signed by Fahrettin Ulusoy, Nevin Ulusoy, Kamil Adem, Mithat Denizcigil ve Ömer Faruk Ekinci on behalf of the Board of Directors.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

AUDITED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2013
(Amounts expressed in TL, unless otherwise is stated.)

LIABILITIES	Note	31.12.2013	(Restated*) 31.12.2012
Short Term Liabilities		244.262.605	214.511.269
Short Term Financial Borrowings	8	17.050.569	60.183.196
Short Term Portion of Long Term Financial Borrowings	8	2.100.382	1.336.212
Other Financial Liabilities	9	-	-
Trade Payables	10	221.397.906	148.244.054
Payables from Finance Sector Operations	12	-	-
Payables Related to Employee Benefits	26	301.943	274.708
Other Payables	11	618	450.000
Derivative Financial Instruments	13	-	-
Government Grants	23	-	-
Deferred Incomes	16	-	-
Corporate Tax Liabilities	36	142.466	1.343.044
Short Term Provisions	26	-	-
-Short Term Provisions for Employee Benefits		-	-
-Other Short Term Provisions		-	-
Other Short Term Liabilities	28	3.268.721	2.680.055
(Sub Total)		244.262.605	214.511.269
Liabilities of Fixed Assets Held for Sales Purpose	35	-	-
Long Term Liabilities		8.327.037	1.772.158
Long Term Financial Borrowings	8	1.713.933	732.586
Other Financial Liabilities	9	-	-
Trade Payables	10	-	-
Payables from Finance Sector Operations	12	-	-
Other Payables	11	2.120	3.687
Derivative Financial Instruments	13	-	-
Government Grants	23	-	-
Deferred Incomes		-	-
Long Term Provisions	26	543.165	497.529
-Long Term Provisions for Employee Benefits		543.165	497.529
-Other Long Term Provisions		-	-
Corporate Tax Liabilities		-	-
Deferred Tax Liabilities	36	6.067.819	538.356
Other Long Term Liabilities	28	-	-
Shareholder's Equity	29	87.392.510	47.201.325
Paid in Capital		50.000.000	38.000.000
Accumulated Other Comprehensive (Income) Expenses not to be Reclassified under Profit and Loss		21.877.446	639.932
-Revaluation nnd Measurement Earnings/Losses		21.905.713	639.932
-Actuarial Earnings Loss Related to Employee Benefit		(28.267)	-
Other Accumulated Comprehensive Income or Expenses to be Classified in Profit or Loss		774.309	-
- Hedging Gains/Losses		774.309	-
Other Reserves		4.999.928	-
Restricted Reserves		1.050.779	767.184
Retained Earnings		1.415.578	3.661.076
Net Profit/(Loss) for The Period		7.274.470	4.133.133
TOTAL LIABILITIES		339.982.152	263.484.752

*(Vide Note 2)

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

AUDITED PROFIT OR LOSS STATEMENT FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2013
(Amounts expressed in TL, unless otherwise is stated.)

	Note	January 1- December 31, 2013	January 1- December 31, 2012
OPERATING ACTIVITIES			
Revenue	30	681.123.194	491.961.707
Cost of Sales (-)	30	(633.783.566)	(458.589.599)
Gross Profit/Loss From Commercial Activity		47.339.628	33.372.108
Income from Financial Sector Activities	31	-	-
Cost of Financial Sector Activities (-)		-	-
Gross Profit/Loss From Financial Sector Activities		-	-
GROSS PROFIT/LOSS		47.339.628	33.372.108
General Administrative Expenses (-)	31	(4.253.659)	(4.297.329)
Marketing Expenses (-)	31	(17.759.151)	(16.841.540)
Research and Development Expenses (-)	31	-	-
Other Operating Income	32	6.414.393	2.863.259
Other Operating Expenses (-)	32	(2.916.287)	(2.834.869)
OPERATING PROFIT/LOSS		28.824.924	12.261.629
Income from Investing Activities		-	-
Expenses from Investing Activities		-	-
Shares of Investments Evaluated by Equity Method in Profit/Loss	33	-	-
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE		28.824.924	12.261.629
Finance Income	34	42.392.710	32.461.333
Finance Expenses (-)	34	(61.359.507)	(39.213.656)
CONTINUING OPERATIONS PROFIT/LOSS BEFORE TAX		9.858.127	5.509.306
Continuing Operations Tax Income/Expenses	36	(2.583.657)	(1.376.173)
Current Period Tax Income/Expenses		(1.992.182)	(1.745.019)
Deferred Tax Income/Expenses		(591.475)	368.846
CONTINUING OPERATIONS PROFIT/LOSS FOR THE PERIOD		7.274.470	4.133.133
DISCONTINUED OPERATIONS PROFIT/LOSS FOR THE PERIOD		-	-
The Period Profit/Loss After Tax for Discontinued Operations		-	-
PROFIT/LOSS FOR THE PERIOD		7.274.470	4.133.133
Net Profit/(Loss) Attributable To:		7.274.470	4.133.133
Non-Controlling Interest		-	-
Equity Holders of The Parent Company		7.274.470	4.133.133
Earnings Per Share	37	0,1939	13,5958
Earnings Per Share from Continuing Operations		0,1939	13,5958
Earnings Per Share from Discontinued Operations		-	-
Diluted Earnings Per Share		-	-
Diluted Earnings Per Share From Continuing Operations		-	-
Diluted Earnings Per Share From Discontinued Operations		-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

AUDITED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2013

(Amounts expressed in TL, unless otherwise is stated.)

	Note	January 1- December 31, 2013	January 1- December 31, 2012
OTHER COMPREHENSIVE INCOME			
Not to be Classified in Profit or Loss	29	21.237.514	639.932
Tangible Assets Revaluation Increases/Decreases		26.582.227	799.913
Intangible Assets Revaluation Increases/Decreases		-	-
Defined Benefit Plans Revaluation Earnings/Losses		(35.334)	-
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		(5.309.379)	(159.981)
<i>Current Period Tax Income / Expenses</i>		-	-
<i>Deferred Tax Income / Expenses</i>		(5.309.379)	(159.981)
To be Classified in Profit or Loss		774.309	-
Foreign Currency Conversion Adjustments		-	-
Revaluation and/or Classification Profit/Loss of Available For Sale Financial Assets		-	-
Cash Flow Hedge Earnings/Losses		774.309	-
Investment Hedge Profit/Loss Related to Foreign Business		-	-
Shares to be Classified to 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		-	-
<i>Current Period Tax Income / Expenses</i>		-	-
<i>Deferred Tax Income / Expenses</i>		-	-
OTHER COMPREHENSIVE INCOME		22.011.823	639.932
TOTAL COMPREHENSIVE INCOME		29.286.293	4.773.065
Total Comprehensive Income Attribute To:		29.286.293	4.773.065
Non-Controlling Interest		-	-
Equity Holders Of The Parent Company		29.286.293	4.773.065

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2013

(Amounts are expressed in TL, unless otherwise is stated.)

	Note	Accumulated Other Comprehensive Income or Expenses Not To Be Reclassified Under Profit Or Loss			Other Accumulated Comprehensive Income or Expenses to Be Classified in Profit or Loss		Accumulated Profit/(Loss)				Total
		Paid in Capital	Tangible Assets Revaluation Fund	Actuarial Earnings/Loss Related to Employee Benefits	Hedging Gains/Losses	Restricted Reserves	Other Reserves	Special Funds*	Retained Earnings	The Profit/(Loss) of Period	
January 1, 2012 Balance		30.000.000	-	-	-	767.184	6.172.911	-	2.161.253	1.472.912	40.574.260
Transfer to Retained Earnings	29	-	-	-	-	-	-	-	1.472.912	(1.472.912)	-
Capital Contribution		8.000.000	-	-	-	-	(6.172.911)	-	(506.328)	-	1.320.761
Increase/Decrease from Other Changes		-	-	-	-	-	-	533.239	-	-	533.239
Total Comprehensive Income	29	-	639.932	-	-	-	-	-	-	4.133.133	4.773.065
December 31, 2012 Balance		38.000.000	639.932	-	-	767.184	-	533.239	3.127.837	4.133.133	47.201.325
January 01, 2013 Balance		38.000.000	639.932	-	-	767.184	-	533.239	3.127.837	4.133.133	47.201.325
Transfer to Retained Earnings	29	-	-	-	-	283.595	-	-	3.849.538	(4.133.133)	-
Increase/Decrease from Other Changes		-	-	-	-	-	4.999.928	-	-	-	4.999.928
Capital Contribution*	29	12.000.000	-	-	-	-	-	(533.239)	(5.561.797)	-	5.904.964
Total Comprehensive Income	26/29	-	21.265.781	(28.267)	774.309	-	-	-	-	7.274.470	29.286.293
December 31, 2013 Balance		50.000.000	21.905.713	(28.267)	774.309	1.050.779	4.999.928	-	1.415.578	7.274.470	87.392.510

*(Vide Note 29)

ULUSOY UN SANAYİ VE TİCERET ANONİM ŞİRKETİ

AUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2013

(Amounts expressed in TL, unless otherwise is stated.)

	01.01.2013	01.01.2012
	31.12.2013	31.12.2012
A. . Cash Flow From Operating Activities	89.612.015	(31.044.396)
Net Profit/(Loss) For The Period	7.274.470	4.133.133
Adjustment Related to Period Profit/Loss Agreement	(600.212)	3.245.091
Adjustments Related to Depreciation and Amortisation Expense	1.257.156	927.854
Adjustments Related to Interest Income/Expense	(3.233.454)	2.132.232
Adjustments Related to Provisions	10.302	185.005
Adjustments Related to Tax Income/Expense	591.475	-
Loss/Income from Disposal of Non-Current Assets	-	-
Other Adjustments Related to Profit/Loss Commitment	774.309	-
Changes in Working Capital	82.937.757	(38.422.620)
Adjustments Related to Increase/Decrease in Inventories	34.002.255	(62.480.287)
Adjustments Related to Increase/Decrease in Trade Receivables	(15.787.362)	(34.629.904)
Adjustments Related to Increase/Decrease in Other Receivables	(2.558.258)	1.680.275
Adjustments Related to Increase/Decrease in Trade Payables	73.153.852	26.070.848
Adjustments Related to Increase/Decrease in Other Payables	(450.949)	457.239
Adjustments Related to Other Increase/Decrease in Working Capital	(5.421.781)	30.479.209
B. Cash Flows From Investing Activities	6.006.404	4.122.003
Purchase of Tangible and Intangible Asset	(889.890)	(1.648.260)
Cash Outflows for Debt Instruments or Shares of Other Companies or Funds	(4.265.557)	182.367
Cash Outflows from Derivative Instruments	153.577	(2.512.766)
Received Interest	11.008.274	8.100.662
C. Cash Flows From Financing Activities	(38.257.040)	18.377.756
Capital Contribution	5.904.964	1.320.761
Cash Inflows from Financial Borrowings	106.940.133	466.794.408
Cash Outflows Regarding Debt Payments	(141.031.275)	(432.475.178)
Interest Paid	(15.070.790)	(17.262.235)
Other Cash In-Flows	4.999.928	-
Net Increase/(Decrease) in Cash and Cash Equivalents Before The Effect Of Foreign Currency Exchange Differences (A+B+C)	57.361.379	(8.544.637)
D. Effect of Foreign Currency Exchange Adjustments on Cash and Cash Equivalents		
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C+D)	57.361.379	(8.544.637)
E. Cash and Cash Equivalents at the Beginning of the Period	6.622.081	15.166.718
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	63.983.460	6.622.081

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
(Amounts expressed in TL, unless otherwise is stated.)

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 Atatürk Bulvarı No: 272 Kutlukent / Samsun.

The capital of the Company is 50.000.000-TL. This capital consists of 7.500.000 Group A shares, 5.000.000 Group B shares and 37.500.000 Group C shares and each worths 1,00 TL. Group A, B and 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 except 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 as of December 31, 2013 is as follows:

Shareholder	Number of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	3.500.000	A	7	3.500.000
	1.500.000	B	3	1.500.000
	21.441.448	C	42,88	21.441.448
	26.441.448		52,88	26.441.448
Nevin Ulusoy	500.000	A	1	500.000
	1.000.000	B	2	1.000.000
	4.485.197	C	8,97	4.485.197
	5.985.197		11,97	5.985.197
Onur Erhan Ulusoy	500.000	A	1	500.000
	1.500.000	B	3	1.500.000
	5.710.526	C	11,42	5.710.526
	7.710.526		15,42	7.710.526
Eren Günhan Ulusoy	3.000.000	A	6	3.000.000
	1.000.000	B	2	1.000.000
	5.768.750	C	11,54	5.768.750
	9.768.750		19,54	9.768.750
Kamil Adem	20.724	C	0,04	20.724
	20.724		0,04	20.724
Mithat Denizcigil	73.355	C	0,15	73.355
	73.355		0,15	73.355
	50.000.000		100	50.000.000

The Company has 166 employees as of December 31, 2013 (December 31, 2012:169).

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
(Amounts expressed in TL, unless otherwise is stated.)

2. BASIS OF THE FINANCIAL STATEMENTS

Basis of Presentation

Statement of Compliance

The Company 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 Communiqué No:II, 14.1 “Communiqué on Financial Reporting Standard in Capital Markets” (“the Communiqué”) promulgated by CMB, which is published on June 13, 2013 in the Official Gazette numbered 28676.

In accordance with Article 5 of the Communiqué, the Company applies Turkish Accounting Standards (“TAS”) / Turkish Financial Reporting Standards (“TFRS”), which are endorsed by the Public Oversight Accounting and Auditing Standard Authority.

Financial statements as of December 31, 2013 were approved at the board meeting on April 11, 2014 and signed by Fahrettin Ulusoy, Nevin Ulusoy, Kamil Adem, Mithat Denizcigil ve Ömer Faruk Ekinci on behalf of the Board of Directors.

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

Basis of Financial Statements Preparation

The financial statements as of December 31, 2013 are prepared in accordance with the Communiqué.

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

The accompanying financial statements contain adjustments and classifications of the Company’s legal records according to the Communiqué.

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

The Company’s financial statements are prepared in accordance with the Company’s sustainability.

Reporting Currency

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

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 balance sheet date. The cease of hyperinflation period and also the criteria related to hyperinflation are not valid anymore. Moreover, preparation of financial statements according to inflation accounting has been ceased on January 1, 2005.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
(Amounts expressed in TL, unless otherwise is stated.)

Basis of Consolidation

The Company does not have any consolidated financial asset. The financial statements as of December 31, 2013 and December 31, 2012 are presented as non-consolidated financial statements. According to conceptual framework's item 4, when financial statements are prepared on a going concern basis, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations, but will continue in operation for the foreseeable future. If this assumption is not valid, the financial statements may need to be prepared on a different basis and, if so, the basis used is disclosed. The Company's subsidiary Samsun Gübre Sanayi ve Ticaret Ltd. Şti. is in liquidation, therefore Samsun Gübre Sanayi ve Ticaret Ltd. Şti. is not consolidated with the Company and is presented by its liquidation value in the financial statements.

Shares of Samsun Gübre Sanayi ve Ticaret Ltd. Şti. were assigned by the Company on September 26, 2013 (Vide Note 7).

Comparative Information and Prior Period Financial Statement Correction

Comparative information is reclassified in order to be in conformity with the presentation of the financial statements in the current period when necessary.

Capital Market Board has published financial statement examples and a guide, with the decree on December 7, 2013 and numbered 20/670, for the periods ended after March 31, 2013. Several classifications were done in the Company's financial statements according to these formats.

Significant classifications in the restated financial statements as of December 31, 2012 according to the regarding rule of Capital Market Board are explained below.

Classifications in the statement of financial position as of December 31, 2012

Advances Given which was reported in Other Current Assets, is expressed in Prepaid Expenses and classified as 2.675.446-TL.

Prepaid Tax and Other Liabilities of Period Profit, which was reported in Other Current Assets, is expressed as a different financial statement item as Tax Liability For The Period and classified as 401.975-TL.

Short Term Portion of Long Term Financial Borrowings which was reported in Short Term Borrowings, is expressed as a different financial statement item as Short Term Portions of Long Term Borrowings and classified as 172.808-TL.

Employees Wage Accrual which was reported in Other Payables to Related Parties, is expressed as Payables As Part of Employee Benefits and classified as 191.404-TL.

Social Security Institution Premiums Payable, which was reported in Other Payables to Related Parties, is expressed as Payables As Part of Employee Benefits and classified as 83.304-TL.

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Derivative Financial Instruments which was reported in Short Term Financial Investments, is expressed as Derivative Instruments and classified as 3.468.527-TL.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts, or there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Changes in Accounting Policies

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

Changes in Accounting Estimates and Errors

Determined accounting errors are applied retroactively and the financial statements of the prior period are reprepared accordingly. 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.

Summary of Significant Accounting Policies

Tangible Assets:

Tangible assets of the Company, including costs incurred to make it ready for use, are presented by subtracting accumulated impairment loss and accrued depreciation from cost values. When tangible assets are sold, after their cost and accrued depreciation are deducted from the related accounts, the profit or loss is presented in profit or loss statement. Assets except lands, are depreciated by considering the rates which are determined according to assets useful lives.

	<u>Useful Life</u>
Underground and Overland Plants	25-40-50 years
Buildings	25-50 years
Furniture and Fixture	3-4-5-9-10-15-16-50 years
Vehicles	2-5-10 years
Plants Machinery And Equipment	4-5-6-8-10-13-15-16 17-20-25-40-50 years

Buildings and vehicles are reported according to revaluation model, the value difference reported in equity under tangible assets revaluation fund and in the statement of other comprehensive income.

Intangible Assets:

Intangible assets are carried by acquisition cost after deducting accumulated depreciation and impairment losses.

Intangible assets are depreciated principally on a straight-line basis using the following rates, which amortize the assets over their expected useful lives:

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	<u>Useful Life</u>
Rights	20-40 years

Impairment of Assets

All assets other than financial assets are tested for whether there is an indicator of impairment of asset or not for all periods of the balance sheet. 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 flow expected to arise from the continuing use of an asset and from its disposal at the end of its life.

Borrowing Costs:

All borrowing costs are recognised in income statement in the period in which they are incurred.

Inventories:

Inventories are evaluated by the lower one of net realizable value and cost value. Cost of inventories includes all purchase costs and other costs. Net realizable value is calculated by deducting estimated completion cost and estimated sales cost from estimated sales price.

Financial Instruments:

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 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. The carrying amount of these assets is close to their fair value.

Trade and Other Receivables:

Trade and other receivables are measured at initial recognition by fair value, and are subsequently measured at amortized cost 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 balance sheet are assumed to be their fair values.

Derivative Financial Instruments

Derivative financial instruments are hold for trade or hedging. The Company holds all derivative financial instruments for hedging. Effectiveness tests are made in the scope of hedge accounting. Non-effective amounts are recognised in profit/(loss).

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Financial Liabilities:

Bank Borrowings

Interest-bearing bank loans and overdrafts are initially measured by fair value, and are subsequently measured by amortized cost by using effective interest rate method.

Trade and Other Payables

Trade and other payables are initially measured by fair value, and are subsequently measured by amortized cost, using effective interest rate method. The carrying amount of trade and other payables are assumed to be their fair value.

Credit Risk:

The Company's credit risk primarily arises from its trade receivables. Trade receivables are evaluated by The Company's management based on prior experiences and the current economic environment, and are presented in the balance sheet 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 Company is generally raising funds by liquidating its short-term financial instruments such as collecting its receivables and disposing of bank deposits. The proceedings from these instruments are presented by their fair values.

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 balance sheet date. Gains and losses arising from settlement and translation of foreign currency items are presented in income statement.

Earnings Per Share:

Earnings per share presented in the accompanying consolidated income statement are determined by dividing net income by the weighted average unprivileged number of shares.

Subsequent Events

Describes the events that occurred between the balance sheet date and the authorization date for publishing the balance sheet in favor or against the establishment. If the new proofs showing that such events really exist as of balance sheet date or the related events reveal following balance sheet date, the Company states such issues in the related footnotes.

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If some events that require adjustments revealed after balance sheet date, the Company should correct the amounts included within the financial statements according to the new situation.

Related Parties:

For the purpose of accompanying financial statements, shareholders of the Company and other companies owned by the shareholders, their directors and key management personnel and any other related companies are considered and referred as related companies.

Taxes Calculated on The Basis Of The Company's Earnings:

In Turkey, corporation tax rate is 20% for 2013. This rate is implemented to the tax base which is calculated by adding the expenses that are not tax deductible according to the tax law and subtracting tax exemptions and discounts. Unless the profit is distributed, no further tax is paid.

Companies are required to pay advance corporate tax based on their quarterly profits at the rate of 20%. Advance Corporate tax must be submitted by the 14th of the second month following the quarterly period and the tax is payable by the 17th of the same month. Advance corporate tax payments made during the year are offset against the final corporate tax liability of the group, which is determined in the annual return. According to the Turkish Tax Law, stated financial harms can be subtracted from profit of the period with a limitation of five years.

Employee Termination Benefits:

According to the law in force, The Company is responsible for making an overall payment to the personnel for the reasons other than the conducts stated in the Labor Law and retirement. The Company has to pay a specific amount to the workers who are laid off without a reasonable reason due to the Labour Law. Provision for Termination Indemnities by the TAS 19 standard, 'Employee Benefits' presented in financial statements by estimating present value for the employees who has right to get severance pay.

Actuarial difference is recognised in the profit/loss on the occurring date. The Group prefers to classify interest expenses and actuarial differences at financing expenses.

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 entity 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.

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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 IAS 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 IAS 39 and the proceeds received. The benefit is accounted for in accordance with this Standard. The entity 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 types of expense, the government grants, as a part of financial policies, are recognised in profit or loss.

Significant Accounting Evaluation, Estimates and Judgments

The preparation of financial statements 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

New and Revised International Financial Reporting Standards

The Company applied all of the relevant and required standards promulgated by Public Oversight Accounting and Auditing Standard Authority as of December 31, 2013.

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2013 and have not been applied in the preparation of the accompanying consolidated financial statements. These standards are as follows;

Developing a new standard for the financial reporting of financial assets that is principle-based and less complex is aimed by this project. The objective of TFRS 9, being the first phase of the project, is to establish principles for the financial reporting of financial assets that will present relevant and useful information to users of financial statements for their assessment of amounts, timing and uncertainty of the entity's future cash flows. With TFRS 9 an entity shall classify financial assets as subsequently measured at either amortized cost or fair value on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristic of the financial assets. The guidance in TAS 39 on impairment of financial assets and hedge accounting continues to apply. An entity shall apply TFRS 9 for annually years beginning on or after January 1, 2015. An earlier application is permitted. If an entity adopts this TFRS in its financial statements for a period beginning before January 1, 2012, then prior periods are not needed to be restated.

The changes in TAS 32 bring explanations about rules related to finalizing financial assets and financial liabilities. These changes bring explanations specially about the statements 'offsetting is legally entitled to be applied in the current period' and 'concurrent accrual and payment'.

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Changes in TAS 32 are valid from January 1, 2014, providing that it's used retrospectively.

3. BUSINESS COMBINATIONS

None.

4. BUSINESS PARTNERSHIP

None.

5. SEGMENTAL REPORTING

None.

6. CASH AND CASH EQUIVALENTS

	Rate (%)	December 31, 2013	December 31, 2012
Cash		88.794	135.756
Demand Deposits		18.791.234	5.382.464
Demand Deposit Blockage		-	1.097.173
Deposit Accounts	2,7%-2,85%-3%-3,25%-3,30%-6%-6,75%-6,8%-8,5%	43.967.126	-
POS Accounts		50.078	6.688
Investment and Fund Accounts		1.086.228	-
		63.983.460	6.622.081

7. FINANCIAL INVESTMENTS

Short Term Financial Investments

	December 31, 2013	December 31, 2012
Treasury Bond	10.557	-

Long Term Financial Investments

Available for Sale Financial Assets	%	December 31, 2013	%	December 31, 2012
Samsun Gübre Sanayi ve Ticaret Ltd. Şti.****		-	65	1.040.000
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.	0,5	15.000	1	10.000
		15.000		1.050.000
Unpaid Capital Commitments (-)				
Samsun Gübre Sanayi ve Ticaret Ltd. Şti.		-		-
		-		-
Impairment Provisions (-)				
Samsun Gübre Sanayi ve Ticaret Ltd. Şti.**		-		(1.040.000)
		-		(1.040.000)
		15.000		10.000

*According to conceptual framework's item 4, when financial statements are prepared on a going concern basis, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations, but will continue in operation for the foreseeable future. If this assumption is not valid, the financial statements may need to be prepared on a different basis and, if so, the basis used is disclosed. The Company's subsidiary Samsun Gübre Sanayi ve Ticaret Ltd. Şti. is in liquidation,

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therefore Samsun Gübre Sanayi ve Ticaret Ltd. Şti. is not consolidated with the Company and is presented by its liquidation value in the financial statements.

**According to TAS 39, for available-for-sale financial assets, unrealized holding gains and losses are deferred as a separate component of equity until they are realized or impairment occurs. Only interest income and dividend income, impairment losses, and certain foreign currency gains and losses are recognised in profit or loss while available-for-sale financial assets are held. When gains or losses are realized (e.g., through a sale), the associated unrealized holding gains and losses that were previously deferred as a separate component of equity are included in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised as a separate component of equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised as a separate component of equity shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised.

Samsun Gübre Sanayi ve Ticaret Ltd. Şti., of which the Company has 65% shares, is classified as an available for sale financial asset. The loss is determined as permanent considering Samsun Gübre Sanayi ve Ticaret Ltd. Şti., which is in liquidation, will not create any cash flow in the future and the Company recognises 1.040.000-TL share amount as impairment in profit/loss.

*** On September 26, 2013 Samsun Gübre Ticaret ve San. Ltd. Şti's shares, which the Company has classified as available for sale financial assets, were sold to Onur Erkan Ulusoy at 650.000-TL. 650.000-TL difference between the sales value and net financial asset value (impairment loss deducted) is reported as financial asset sales income in other operating income.

8. FINANCIAL BORROWINGS

Short Term Financial Borrowings

	December 31, 2013	December 31, 2012
Short Term Borrowings	17.050.569	60.183.196
Short Term Portion of Long Term Borrowings	2.100.382	1.336.212
	19.150.951	61.519.408

Short Term Borrowings

	December 31, 2013	December 31, 2012
Short Term Loans	17.050.569	60.183.196

Detail of the short term loans as of December 31, 2013 is as follows:

Currency	Interest Rate	Currency Amount	TL Amount
Euro	Euribor+%4	750.000	2.202.375
TL	%4,25-%5-%6		14.848.194
			17.050.569

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Detail of the short term loans as of December 31, 2012 is as follows:

Currency	Interest Rate	Currency Amount	TL Amount
USA Dollar	-	6.406.988	11.421.097
Euro	% 5,4	1.763.604	4.147.469
TL	% 11- %19,2 - %10,44- %11,50-%12,50	-	44.614.630
			60.183.196

Short Term Portions of Long Term Borrowings

	December 31, 2013	December 31, 2012
Short Term Portions of Long Term Loans (net)	1.537.135	172.808
Short Term Portions of Long Term Leasing Payables (net)	563.247	1.163.404
	2.100.382	1.336.212

Short Term Portions Of Long Term Loans

	December 31, 2013	December 31, 2012
Short Term Portions of Long Term Loans	1.607.829	187.666
Deferred Interest Expenses (-)	(70.694)	(14.858)
Short Term Portions of Long Term Borrowings	1.537.135	172.808

Detail of the short term portions of long term loans as of December 31, 2013 is as follows:

Currency	Interest Rate	Currency Amount	TL Amount
USA Dollar	-	-	-
Euro	Euribor+%4	503.451	1.478.385
TL	%10,44	-	58.750
			1.537.135

Detail of the short term portions of long term loans as of December 31, 2012 is as follows:

Currency	Interest Rate	Currency Amount	TL Amount
USA Dollar	-	-	-
Euro	% 5,91	13.605	31.994
TL	%11,75-%13,12	-	140.814
			172.808

Short Term Portions of Long Term Leasing Payables

	December 31, 2013	December 31, 2012
Short Term Portions of Long Term Leasing Payables	596.565	1.246.731
Deferred Interest Expenses (-)	(33.318)	(83.327)
Short Term Portions of Long Term Leasing Payables (net)	563.247	1.163.404

Detail of the short term portions of long term leasing payables as of December 31, 2013 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	239.425	511.005
Euro	17.791	52.242
TL	-	-
		563.247

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Detail of the short term portions of long term leasing payables as of December 31, 2012 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	598.319	1.066.564
Euro	41.179	96.840
TL	-	-
		1.163.404

Long Term Financial Borrowings

	December 31, 2013	December 31, 2012
Long Term Loans (net)	1.468.250	58.750
Long Term Leasing Payables (net)	245.683	673.836
Long Term Leasing Payables (net)	1.713.933	732.586

Long Term Loans

	December 31, 2013	December 31, 2012
Long Term Loans	1.497.662	60.168
Deferred Interest Expenses (-)	(29.412)	(1.418)
Long Term Loans (net)	1.468.250	58.750

Detail of the long term loans as of December 31, 2013 is as follows:

Currency	Interest Rate	Currency Amount	TL Amount
USA Dollar	-	-	-
Euro	Euribor+%4	500.000	1.468.250
TL	-	-	-
			1.468.250

Detail of the long term loans as of December 31, 2012 is as follows:

Currency	Interest Rate	Currency Amount	TL Amount
USA Dollar	-	-	-
Euro	% 5,91	13.604	31.993
TL	% 11,75-% 13,12	-	26.757
			58.750

Long Term Leasing Payables

	December 31, 2013	December 31, 2012
Long Term Leasing Payables	256.402	710.592
Deferred Interest Expenses (-)	(10.719)	(36.756)
Long Term Leasing Payables (net)	245.683	673.836

Detail of the long term leasing payables as of December 31, 2013 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	115.111	245.683
Euro	-	-
TL	-	-
		245.683

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Detail of the long term leasing payables as of December 31, 2012 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	354.537	631.998
Euro	17.790	41.838
TL	-	-
		673.836

Redemption dates of long term loans as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
To be paid in 2014	-	58.750
To be paid in 2015	1.468.250	-

9. OTHER FINANCIAL LIABILITIES

None.

10. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	December 31, 2013	December 31, 2012
Trade Receivables from Related Parties	-	1.444.378
Trade Receivables from Other Parties	78.014.436	58.962.999
Notes Receivables from Other Parties	27.106.227	28.915.378
Deferred Maturity Difference Income (-)	(1.226.328)	(1.215.782)
Doubtful Trade Receivables	3.263.026	3.176.854
Provision for Doubtful Trade Receivables (-)	(3.263.026)	(3.176.854)
Trade Receivables (net)	103.894.335	88.106.973

Changes in doubtful trade receivables as of December 31, 2013 are as follows:

	December 31, 2013	December 31, 2012
Opening Balance	3.176.854	2.742.152
Provisions for the Period	480.134	434.702
Provisions Cancelled (-)	(393.962)	-
Closing Balance	3.263.026	3.176.854

Trade Payables

	December 31, 2013	December 31, 2012
Trade Payables to Related Parties	360.172	-
Trade Payables to Other Parties	221.993.512	142.406.816
Notes Payables to Other Parties	1.387.605	9.096.712
Deferred Maturity Difference Expense (-)	(2.343.383)	(3.259.474)
Trade Payables (net)	221.397.906	148.244.054

11. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	December 31, 2013	December 31, 2012
Other Receivables from Related Parties	512.044	600
Other Receivables from Other Parties	1.829.181	-
Deposits and Guarantees Given	136.439	6.917
Receivables From Tax Department	951.573	1.003.462
	3.429.237	1.010.979

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Other Long Term Receivables

	December 31, 2013	December 31, 2012
Deposits and Guarantees Given	142.153	2.153

Other Short Term Payables

	December 31, 2013	December 31, 2012
Other Payables to Other Parties	618	450.000

Other Long Term Receivables

	December 31, 2013	December 31, 2012
Other Payables to Other Parties	2.120	3.687

12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None.

13. DERIVATIVE INSTRUMENTS

	December 31, 2013	December 31, 2012
Derivative Financial Instruments*	3.314.950	3.468.527

* Derivative financial instruments consist of contracts in Derivatives Exchange.

14. INVENTORIES

	December 31, 2013	December 31, 2012
Raw Material and Supplies	32.839.090	69.085.053
Goods	7.412.098	2.131.094
Trade Goods	61.340.352	53.564.689
Other Inventories	2.426.000	13.238.959
	104.017.540	138.019.795

There are not any pledge, assurance and pawn upon inventories, and they are all insured.

15. BIOLOGICAL ASSETS

None.

16. PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

	December 31, 2013	December 31, 2012
Advances Given to Related Parties	22.664	-
Advances Given to Other Parties	8.319.869	2.675.446
Insurance Expenses	308.663	-
	8.651.196	2.675.446

Deferred Income

None.

17. RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None.

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18. INVESTMENTS VALUED BY EQUITY METHOD

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. The shares of Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. were purchased by the Company on March 28, 2013. Acquisition cost is the fair value of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. and is reported as fair value in the financial statements.

Associates	%	December 31, 2013	%	December 31, 2012
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4.250.000	-	-

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. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence. 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, eventhough the Company has 17% of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş., it is considered as the Company has significant influence while the conditions in seventh matter is 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 twenty third 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..

Brief information on associates as of December 31, 2013 is as follows:

Associates	Total Assets	Total Liabilities
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	6.126.968	339.339

	Revenue	The Profit/Loss for Period
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	2.415.416	804.333

19. INVESTMENT PROPERTIES

None.

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20. CORPORATE TAX ASSETS

None.

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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21. TANGIBLE ASSETS

Detail of the tangible assets as of December 31, 2013 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Lands and Parcels	Buildings	Furniture and Fixtures	Vehicles **	Fixed Assets Under Construction	Total
January 1, 2013 Opening Balance	13.124.673	114.135	3.528.593	3.925.899	622.330	3.992.175	230.915	25.538.720
Additions	534.392	4.112	-	-	87.506	356.509	199.839	1.182.358
Disposals	-	-	-	-	(1.701)	(385.533)	-	(387.234)
Tangible Asset Revaluation*	-	-	13.391.486	13.263.327	-	-	-	26.654.813
Reclassification	2.630.536	97.974	(2.583.564)	(144.946)	-	-	-	-
December 31, 2013 Closing Balance	16.289.601	216.221	14.336.515	17.044.280	708.135	3.963.151	430.754	52.988.657

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Lands and Parcels	Buildings	Furniture and Fixtures	Vehicles **	Fixed Assets Under Construction	Total
January 1, 2013 Opening Balance	3.268.381	6.395	-	907.404	408.189	915.956	-	5.506.325
Charge for Period	608.913	5.196	-	239.896	54.947	464.021	-	1.372.973
Disposals	-	-	-	-	(366)	(126.455)	-	(126.821)
Reclassification	508.868	26.629	-	(535.497)	-	-	-	-
December 31, 2013 Closing Balance	4.386.162	38.220	-	611.803	462.770	1.253.522	-	6.752.477

Net Book Value (As of December 31, 2013)	11.903.439	178.001	14.336.515	16.432.477	245.365	2.709.629	430.754	46.236.180
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*As a result of revaluation of lands and buildings, 26.654.813-TL total revaluation fund are realized (Vide Note 29).

** There are bank pledges on two vehicles of the Company (Vide Note 24).

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

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Detail of the tangible assets as of December 31, 2012 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Lands and Parcels	Buildings	Furniture and Fixtures	Vehicles **	Fixed Assets Under Construction	Total
January 1, 2012 Opening Balance	12.935.549	114.135	2.628.593	3.819.525	520.573	3.101.021	88.887	23.208.283
Additions	59.929	-	1.675.000	106.374	101.757	511.998	653.955	3.109.013
Disposals	(139.014)	-	(775.000)	-	-	(307.876)	(243.718)	(1.465.608)
Tangible Asset Revaluation*	-	-	-	-	-	687.032	-	687.032
Reclassification	268.209	-	-	-	-	-	(268.209)	-
December 31, 2012 Closing Balance	13.124.673	114.135	3.528.593	3.925.899	622.330	3.992.175	230.915	25.538.720

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Lands and Parcels	Buildings	Furniture and Fixtures	Vehicles **	Fixed Assets Under Construction	Total
January 1, 2012 Opening Balance	2.781.087	3.541	-	828.781	368.666	701.312	-	4.683.387
Charge for Period	493.438	2.854	-	78.623	39.523	303.931	-	918.369
Disposals	(6.144)	-	-	-	-	(89.287)	-	(95.431)
Reclassification	-	-	-	-	-	-	-	-
December 31, 2012 Closing Balance	3.268.381	6.395	-	907.404	408.189	915.956	-	5.506.325

Net Book Value (As of December 31, 2012)	9.856.292	107.740	3.528.593	3.018.495	214.141	3.076.219	230.915	20.032.395
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*As a result of revaluation of vehicles,799.913-TL total revaluation fund and 112.881-TL impairment loss are realized.

** There are bank pledges on four vehicles of the Company (Vide Note 24).

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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Construction plan/expropriation work information and lien inspection related with the real estates of the Company as of December 31, 2013 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 511; PARCEL NO 1 and PARCEL NO 8

Construction Plan/Expropriation Work Information

Square 511; parcel no 1 ve 8, are in the Industrial Area.

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

6,47 m² of this parcel rapes the road and 24,68m² rapes square 511 parcel no 7.

In a part of 360,34m² there is easement in favor of M. TEK General Management.

Liens related with square 511; parcel no 8 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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22. INTANGIBLE ASSETS

Goodwill

None.

Other Intangible Assets

Detail of the intangible assets as of December 31, 2013 is as follows:

Acquisition Cost	Rights (Computer Programs)	Total
January 1, 2013 Opening Balance	100.731	100.731
Additions	22.181	22.181
Disposals	-	-
Reclassification	-	-
December 31, 2013 Closing Balance	122.912	122.912

Accumulated Depreciation	Rights (Computer Programs)	Total
January 1, 2013 Opening Balance	62.419	62.419
Charge for Period	11.005	11.005
Disposals	-	-
Reclassification	-	-
December 31, 2013 Closing Balance	73.424	73.424

Net Book Value (As of December 31, 2013)	49.488	49.488
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Detail of the intangible assets as of December 31, 2012 is as follows:

Acquisition Cost	Rights (Computer Programs)	Total
January 1, 2012 Opening Balance	95.874	95.874
Additions	4.857	4.857
Disposals	-	-
Reclassification	-	-
December 31, 2012 Closing Balance	100.731	100.731

Accumulated Depreciation	Rights (Computer Programs)	Total
January 1, 2012 Opening Balance	52.934	52.934
Charge for Period	9.485	9.485
Disposals	-	-
Reclassification	-	-
December 31, 2012 Closing Balance	62.419	62.419

Net Book Value (As of December 31, 2012)	38.312	38.312
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23. GOVERNMENT GRANTS AND INCENTIVES

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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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24. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Provisions

None.

Long Term Provisions

	December 31, 2013	December 31, 2012
Short Term Provisions for Employee Benefits*	543.165	497.529
Other Short Term Provisions	-	-
	543.165	497.529

*(Vide Note 26)

Lawsuits

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

Pledges, Assurance and Pawn (PAP) Given by the Company

	December 31, 2013	December 31, 2012
A. Total Amount of PAP Given the Company's Own Legal Personality	8.648.515	14.646.060
B. Total Amount of PAP Given In Favor of Fully Consolidated Companies	-	-
C. Total Amount of PAP Given For Continuation of Its Economic Activities a Behalf On Third Parties	-	-
D. Total Amount of Other PAP	-	-
i. Total Amount of PAP Given in Favor of Majority Shareholder	-	-
ii. Total Amount of PAP Is Given in Favor of Other Group Companies Which Are Not In the scope of B and C	90.332.750	65.213.394
iii. Total Amount of PAP is Given in Favor of Third Parties Which Are Not In the Scope of C	-	-
Total	98.981.265	79.859.454

There is not any pawn upon the Company's fixed assets. There are pledges on two vehicles because of loan.

Information of vehicle loans as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Vehicle Loans	58.750	247.835
Deferred Interest Expenses (-)	(1.585)	(16.277)
Total Vehicle Loans (net)	57.165	231.558

25. COMMITMENTS

None.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

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26. EMPLOYEE BENEFITS

Payables Related with the Employee Benefits

Payables related with the employee benefits are:

	December 31, 2013	December 31, 2012
Social Security Institution Premiums	92.314	83.304
Due to Personnel	209.629	191.404
	301.943	274.708

Short Term Employee Benefits

None.

Long Term Employee Benefits (Provision For Employee Termination Benefits)

Long term benefits which can be defined as obligation for employees consist of provision for employee termination benefits.

According to Turkish Laws, employer has to pay employee termination benefits to employee who works for a year and longer in domestic firms, and whose employment is terminated without several reasons, who is called for military obligation, who dies, who works for 25 years for males, 20 years for females, or who is 60 years old for male, 58 years old for female.

As of December 31, 2013 provision for employee termination benefits ceiling at the respective balance sheet dates, is subject to a maximum of 3.254,44 -TL per month for a working year (December 31, 2012:3.033,98-TL).

Provision for employee termination benefits is 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 severance pay.

Provisions for employee termination is calculated by the discount rate of 2,86 %, which is determined by 5% inflation rate and 8% interest rate. The release rate is 90% (December 31, 2012: inflation rate 5% , interest rate 8% and discount rate 2,86% , release rate 90%).

Detail of the provision for employee termination benefits as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Provision for Employee Termination Benefits	543.165	497.529

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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Details of provision for employee termination benefits are as follows:

	December 31, 2013	December 31, 2012
Opening Balance	497.529	312.524
Interest Cost	26.381	50.070
Service Cost	88.286	71.125
Payments(-)	(104.365)	(45.146)
Actuarial Differences	35.334	108.956
Closing Balance	543.165	497.529

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

27. RETIREMENT BENEFITS

None.

28. OTHER ASSETS AND OTHER LIABILITIES

Other Current Assets

	December 31, 2013	December 31, 2012
Deferred VAT	1.564.852	2.479.765

Other Short Term Liabilities

	December 31, 2013	December 31, 2012
Advances Received	3.174.364	2.590.991
Taxes and Funds Payables	94.357	89.064
	3.268.721	2.680.055

Other Non-Current Assets

	December 31, 2013	December 31, 2012
Prepaid Expenses	-	223.731

Other Long Term Liabilities

None.

29. EQUITY

The capital of the Company was increased to 50.000.000-TL in the General Assembly on March 26, 2013. 5.904.963-TL of the 12.000.000-TL increased capital is cash, 5.561.798-TL is from accumulated profit and 533.239-TL is from special funds. 50.000.000 capital consists of 7.500.000 Group A shares, 5.000.000 Group B shares and 37.500.000 Group C shares and each worths 1,00 TL. Group A, B and 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 except independent members, in case the Board of Directors consists 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.

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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Shareholder structure of the Company as of December 31, 2013 is as follows:

Shareholders	Number Of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	3.500.000	A	7	3.500.000
	1.500.000	B	3	1.500.000
	21.441.448	C	42,88	21.441.448
	26.441.448		52,88	26.441.448
Nevin Ulusoy	500.000	A	1	500.000
	1.000.000	B	2	1.000.000
	4.485.197	C	8,97	4.485.197
	5.985.197		11,97	5.985.197
Onur Erhan Ulusoy	500.000	A	1	500.000
	1.500.000	B	3	1.500.000
	5.710.526	C	11,42	5.710.526
	7.710.526		15,42	7.710.526
Eren Günhan Ulusoy	3.000.000	A	6	3.000.000
	1.000.000	B	2	1.000.000
	5.768.750	C	11,54	5.768.750
	9.768.750		19,54	9.768.750
Kamil Adem	20.724	C	0,04	20.724
	20.724		0,04	20.724
Mithat Denizcigil	73.355	C	0,15	73.355
	73.355		0,15	73.355
	50.000.000		100	50.000.000

Shareholder structure of the Company as of December 31, 2012 is as follows:

Shareholders	Rate (%)	Amount
Fahrettin Ulusoy	52,88	20.095.500
Nevin Ulusoy	11,97	4.548.750
Onur Erhan Ulusoy	15,42	5.860.000
Eren Günhan Ulusoy	19,54	7.424.250
Mithat Denizcigil	0,15	55.750
Kamil Adem	0,04	15.750
	100	38.000.000

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 reserves are set up as 1/10 of the remaining amount that is calculated by discounting 5% of paid in or issued capital from the dividend of shareholders and other participants of profit.

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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Other accumulated comprehensive income and expenses which are not classified in profit/loss as of December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Tangible Assets Revaluation Differences	21.905.713	639.932
Actuarial Profit/Loss Related with the Employee Benefits*	(28.267)	-
	21.877.446	639.932

*Actuarial differences used to be recognised in profit/loss until December 31, 2012, but they have been recognised in equity since January 1, 2013.

Details of the actuarial differences are as follows:

	December 31, 2013
Actuarial Profit/Loss Related with the Employee Benefits*	(35.334)
Deferred Tax***	7.067
Actuarial Earnings/(Loss) Related to Employee Benefits (net)	(28.267)

Details of tangible assets revaluation fund as of December 31, 2013 are as follows:

	December 31, 2013
Revaluation Differences of Buildings and Lands (net)	21.323.851
Revaluation Differences of Vehicles (net)	581.862
	21.905.713

Detail of the revaluation differences of lands and buildings is as follows:

	December 31, 2013
Total Lands and Buildings Revaluation Difference****	26.654.813
Deferred Tax***	(5.330.962)
Revaluation Differences of Buildings and Lands(net)	21.323.851

****Valuation of the buildings in the Company's assets was realized by Standart Gayrimenkul Değerleme Uygulamaları A.Ş. on December 28, 2013. Current values are determined by reference comparison, decomposition and income capitalization methods. According to cost method, total net book value of lands and buildings of the Company is 4.114.179-TL. Total value after valuation including land and building share is 30.768.992-TL.

Details of the vehicles revaluation fund as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Vehicles Revaluation Differences (net)	581.862	639.932

	December 31, 2013	December 31, 2012
Total Vehicle Revaluation Differences**	727.327	799.913
Deferred Tax***	(145.465)	(159.981)
	581.862	639.932

** Valuation of vehicles was realized by Erçal Otomotiv Sanayi Ticaret Limited Şirketi and Felek Otomotiv Sanayi Ticaret Ltd. Şti. on December 26, 2012. Market prices were determined according to the local market values. The lowest value found was used by the study. 799.913-TL revaluation difference and 112.881-TL valuation expense are realized by the study. Gross value according to cost model is 3.348.705-TL, total accumulated depreciation is 1.253.522-TL and net book value is 2.095.183-TL. The

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

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vehicle which was revaluated in 2013 and of which revaluated cost value was 317.779-TL has been sold. Gross revaluation fund of the sold vehicle is 72.586-TL, impairment loss is 4.832-TL, deferred tax effect is 14.516-TL and revaluation fund is 58.070-TL.

***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. Realized deferred tax is classified in revaluation fund.

Other Accumulated Comprehensive income or expenses to be reclassified in profit/loss as of December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Derivative Instruments*	774.309	-

* The Company holds its all derivative financial instruments for hedging. Efficiency tests are realized in the scope of hedge accounting. Efficiency is measured by retrospective rate analyze method (Dollar-Offset). If real results of hedging is between 80% and 125%, it is assumed as efficient. Efficient amounts are recognised in equity while inefficient amounts are recognised in profit/loss. Efficiency rate of hedge accounting is 112% as of December 31, 2013 and it is assumed as efficient. Therefore profit/loss is recognised in other comprehensive income.

The Company's restricted reserves as of December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Legal Reserves	1.050.779	767.184

Accumulated profit or loss as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Accumulated Profit/(Loss)	1.415.578	3.127.837
Special Funds*	-	533.239
	1.415.578	3.661.076

*Special funds arise from real estate profit on sales.

Net profit/(loss) for the period as of December 31, 2013 and December 31, 2012 is as follow:

	December 31, 2013	December 31, 2012
Net Profit/(Loss) For The Period	7.274.470	4.133.133

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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30. REVENUE AND COST OF SALES

Details of revenue as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Domestic Sales	411.336.708	324.197.278
Foreign Sales	270.961.061	168.727.539
Sales Returns (-)	(578.846)	(681.210)
Sales Discounts (-)	(581.713)	(271.098)
Other Discounts (-)	(14.016)	(10.802)
	681.123.194	491.961.707

Details of cost of sales as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Cost of Goods Sold	165.596.616	188.149.897
Cost of Merchandise Sold	468.186.950	270.439.702
	633.783.566	458.589.599

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

Details of Total Operating Expenses as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
General Administrative Expenses	4.253.659	4.297.329
Marketing Expenses	17.759.151	16.841.540
Research and Development Expenses	-	-
	22.012.810	21.138.869

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Details of General Administrative Expenses as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Depreciation Expenses	65.951	290.553
Vehicle Expenses	174.820	294.012
Grants and Aids	161.801	146.553
Maintenance and Repair Expenses	89.408	73.354
Bank Transfer and Collecting Expenses	44.110	36.491
Consultancy Expenses	266.617	129.359
Outsourced Benefits and Services	534.639	369.716
Other Expenses	227.468	429.512
Education and Publication Expenses	2.073	4.958
Exposition Expenses	36.815	42.182
Late Fees and Charges	74.790	27.703
Heat and Water Expenses	7.987	4.767
Severance Pay	88.286	71.125
Rent Expenses	20.492	8.112
Accommodation Expenses	45.694	25.200
Court Expenses	3.481	1.367
Brand, Apl. and Ren. of Patent Expenses	27.819	28.048
Notary Expenses	31.333	13.907
Personnel Expenses	1.949.741	1.900.276
Advertisement Expenses	4.290	-
Insurance Expenses	14.544	25.070
Registration and Announcement Expenses	13.770	8.112
Transportation Expenses	106.632	131.201
Taxes and Funds	214.696	210.097
Food Expenses	46.402	25.654
General Administrative Expenses	4.253.659	4.297.329

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Details of Marketing Expenses as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Depreciation Expenses	464.021	-
Vehicle Expenses	1.798.860	1.916.801
Maintenance and Repair Expenses	2.041	4.215
Bank Transfer and Collecting Expenses	39.250	28.326
Consultancy Expenses	65.646	24.202
Outsourced Benefits and Services	94.676	74.021
Other Various Expenses	389.289	356.417
Exposition Expenses	112.300	134.851
Late Fees and Charges	23.333	35.533
Export Expenses	844.112	687.567
Rent Expenses	8.286	-
Commission Expenses	245.343	266.540
Accommodation Expenses	60.709	43.388
Court Expenses	221	64
Freight Expenses	12.314.144	12.597.542
Notary Expenses	944	723
Personnel Expenses	367.889	343.071
Advertisement Expenses	80.986	26.827
Insurance Expenses	146.883	11.942
Terminal Expenses	363.483	55.601
Registration and Announcement Expenses	152.823	89.478
Transportation Expenses	36.658	28.017
Taxes and Funds	63.652	47.309
Food Expenses	83.602	69.105
Marketing Expenses	17.759.151	16.841.540

Nature of expenses for the period January 1, 2013 –December 31, 2013 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales
Personnel Expenses	1.949.741	367.889	-	2.268.947
Depreciation Expenses	65.951	464.021	-	854.006

Nature of expenses for the period January 1, 2012 – December 31, 2012 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales
Personnel Expenses	1.900.276	343.071	-	2.063.723
Depreciation Expenses	290.553	-	-	637.301

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013
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32. OTHER INCOME AND OTHER EXPENSES

Other Income

	January 1- December 31, 2013	January 1- December 31, 2012
Income Due to the Law No 5510	163.962	156.824
Allocated Balance Income	67.418	195.300
Other Income	93.190	254.253
Service Reflection Income	1.911.552	993.323
Discount Income	136.892	59.370
Rental Income	1.000	-
Commission Income	1.040.149	550.576
Insurance Income	622.854	301.892
Sales of Fixed Assets	230.271	274.856
Provisions No Longer Required	393.962	18.933
Income From Returned Expenses	375.402	-
Compensation Income	-	57.932
Income From Incentive and Support	96.323	-
Inventory Difference	631.418	-
Financial Asset Sale Income	650.000	-
	6.414.393	2.863.259

Other Expenses

	January 1- December 31, 2013	January 1- December 31, 2012
Trust Expenses	1.695.928	991.237
Other Expenses	276.176	66.460
Balance Dedication Expenses	147.593	832
Provision Expenses	480.134	519.276
Impairment of Financial Assets Expenses	-	1.040.000
Impairment of Fixed Assets	162.294	112.881
Compensation	-	22.754
Returned Expenses	154.162	81.429
	2.916.287	2.834.869

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

None.

34. FINANCIAL INCOME AND EXPENSES

Financial Income

	January 1- December 31, 2013	January 1- December 31, 2012
Interest Income	9.777.204	8.100.662
Foreign Currency Gains	31.384.436	18.770.092
Late Interest Income	1.231.070	345.153
Derivative Financial Instruments Income	-	5.245.426
	42.392.710	32.461.333

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Financial Expenses

	January 1- December 31, 2013	January 1- December 31, 2012
Foreign Currency Expenses	46.278.583	11.173.958
Financial Expenses	7.537.183	17.262.235
Late Interest Expenses	7.543.741	-
Derivative Financial Instruments Expenses	-	10.777.463
	61.359.507	39.213.656

35. FIXED ASSETS HELD FOR SALE AND CEASED OPERATIONS

None.

36. TAX ASSETS AND TAX LIABILITIES

Corporation tax is applied on 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 2013 corporate tax rate is 20% (2012: 20%).

In Turkey pre-paid corporate tax is calculated and accrued quarterly. In 2013 , pre-paid corporate tax rate is 20% on the corporation income for the quarterly taxation periods (2012: 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 Company recognises deferred tax assets and liabilities based upon temporary differences arising from differences between its 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

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deductible temporary differences can be utilized. Provision is provided for the deferred tax asset of which the realization is not likely. Deferred tax rate is 20% for all temporary differences since there is investment incentive of the Company (2012:20%).

Deferred tax liabilities are recognised for all taxable temporary differences.

Temporary difference and deferred tax as of December 31, 2013 are as follows:

Deferred Tax Assets	Temporary Difference	Deffered Tax
Amortized Cost of Receivables and Payables	833.494	166.699
Tangible and Intangible Assets Depreciation Difference	46.752	9.350
Fixed Assets Under Construction	8.985	1.797
Derivative Financial Instruments	774.309	154.862
Severance Pay Actuarial Difference*	35.334	7.067
Other	68.895	13.779
Loans	190.787	38.158
Tangible Assets Sale	157.461	31.492
	2.116.017	423.204

Deferred Tax Liabilities	Temporary Difference	Deffered Tax
Doubtful Trade Receivables	303.883	60.777
Provision for Financial Assets Impairment Loss	1.040.000	208.000
Letters of Credit Interest	1.346.633	269.327
Loan Expenses	38.960	7.793
Lands and Buildings Revaluation Difference (Related to Equity)	26.654.813	5.330.962
Provisions For Employee Benefit	227.477	45.495
Vehicles Revaluation Difference (Related to Equity)	727.327	145.465
	30.339.093	6.067.819

Temporary difference and deferred tax as of December 31, 2012 are as follows:

Deferred Tax Assets	Temporary Difference	Deffered Tax
Provision for Vehicle Impairment Loss	112.881	22.576
Doubtful Trade Receivables	434.702	86.940
Letters of Credit Exchange Difference	1.455.505	291.101
Amortized Cost of Receivables and Payables	774.711	154.942
Tangible Assets Sale Adjustment	155.177	31.036
Financial Assets Impairment Loss	1.040.000	208.000
	3.972.976	794.595

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Deferred Tax Liabilities	Temporary Difference	Deferred Tax
Tangible and Intangible Assets Depreciation Difference	455.646	91.129
Provision for Severance Pay	127.719	25.544
Leasing Receivables Adjustment	535.002	107.000
Amortized Cost of Receivables and Payables	595.199	119.040
Vehicle Valuation (Related to Equity)	799.913	159.981
Loans Exchange Adjustments	178.305	35.662
	2.691.784	538.356

Changes in the deferred tax as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Opening Balance	416.220	47.374
Deferred Tax Income /(Expenses) for The Period	(591.475)	368.846
Tangible Assets Revaluation Fund and Actuarial Difference Deferred Tax Effect*	(5.469.360)	(159.981)
Closing Balance	(5.644.615)	256.239

*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, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Current Period Tax Income/(Expenses)	1.992.182	1.745.019
Deferred Tax(Profit) Loss	591.475	(368.846)
	2.583.657	1.376.173

Tax provisions as of December 31,2013 and December 31,2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Corporate Tax Liabilities	1.992.182	1.745.019
Prepaid Taxes and Funds	(1.849.716)	(401.975)
	142.466	1.343.044

37. EARNINGS PER SHARE

Details of earning per share as of December 31, 2013 and December 31, 2012 are as follows:

	January 1- December 31, 2013	January 1- December 31, 2012
Net Profit/(Loss) for the Period	7.274.470	4.133.133
Number of Unprivileged Shares	37.500.000	304.000
Earnings Per Share	0,1939	13,5958

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38. RELATED PARTY DISCLOSURES

	January 1- December 31, 2013	January 1- December 31, 2012
Samsun Gübre Tic. ve San. Ltd. Şti.	-	1.444.378
Trade Receivables From Related Parties	-	1.444.378
	January 1- December 31, 2013	January 1- December 31, 2012
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	600	600
GK Tarım Ürünleri Depoculuk A.Ş.	511.444	-
Other Receivables From Related Parties	512.044	600
	January 1- December 31, 2013	January 1- December 31, 2012
Ulusoy Petrol Ürünleri Tic. A.Ş.	22.664	-
Prepaid Expenses to Related Parties	22.664	-
	January 1- December 31, 2013	January 1- December 31, 2012
Eren Günhan Ulusoy	958	-
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	350.579	-
Kamil Adem	8.635	-
Trade Receivables to Related Parties	360.172	-
	January 1- December 31, 2013	January 1- December 31, 2012
Ulusoy Çay Gıda San. ve Tic. A.Ş.	495.371	827.669
Unay Gıda Nakliye Sanayi Ticaret Ltd.Şti.	126.915	-
Unay Un San.ve Tic A.Ş.	125.613	-
Ulusoy Petrol Ürünleri Tic.Limited Şirketi	13.164	-
Ulusoy Petrol Ürünleri Tic.A.Ş.	85.684	-
GK Tarım Ürnل.Depoculuk A.Ş.	9.698	-
Interest Income From Related Parties	856.445	827.669

Top management of the Company consists of board members and general manager.

Total wage payments and other utilities to top management as of December 31, 2013 is 401.757,62-TL
(December 31, 2012: 184.817 TL).

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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 Company. The Company 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.

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.

Credit Risk:

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

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

Statement of Foreign Currency Position

Statement of Foreign Currency Position			
December 31, 2013			
	TL (Its functional currency)	USD	Euro
1. Trade and Other Receivables	61.958.682	29.029.978	93.764
2a. Monetary Financial Asset (Include cash and bank account)	36.379.518	17.020.505	17.931
2b. Non-Monetary Financial Assets	-	-	-
3. Inventories	-	-	-
4. Advances Given	6.351.904	2.976.106	-
5. Current Assets (1+2+3+4)	104.690.104	49.026.589	111.695
6. Other Non-Current Assets	-	-	-
7. Non-Current Assets (6)	-	-	-
8. Total Assets	104.690.104	49.026.589	111.695
9. Short and Long Term Liabilities			
Loans	5.149.009	-	1.753.451
Leasing Receivables	808.929	354.536	17.791
Trade and Other Payables	219.232.423	102.718.654	-
Advances Collected	272.427	127.642	-
10. Total Liabilities	225.462.788	103.200.832	1.771.242

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Statement of Foreign Currency Position			
December 31, 2012			
	TL	USD	Euro
	(Its functional currency)		
1.Trade and Other Receivables	36.522.998	20.488.611	-
2a. Monetary Financial Asset (Include cash and bank account)	691.623	349.104	29.471
2b. Non-Monetary Financial Assets	-	-	-
3. Inventories	-	-	-
4.Current Assets (1+2+3)	37.214.621	20.837.715	29.471
5. Non-Current Assets	-	-	-
6. Total Assets	37.214.621	20.837.715	29.471
7. Short and Long Term Liabilities			
Loans	15.600.559	6.406.988	1.777.208
Leasing Receivables	1.837.240	952.856	58.969
Trade and Other Payables	137.015.977	76.862.996	-
Advances Collected	145.789	81.784	-
8.Total Liabilities	154.599.565	84.304.624	1.836.177

Foreign Currency Sensitivity Analysis				
December 31, 2013				
	Profit/Loss		Shareholder's Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in 5% of USD Against TL				
1- Net USD Asset/Liability	(5.781.204)	5.781.204	(5.781.204)	5.781.204
2- USD Hedging (-)	-	-	-	-
3- Net USD Effect (1+2)	(5.781.204)	5.781.204	(5.781.204)	5.781.204
Change in 5% of USD Against TL				
4- Net Euro Asset/Liability	(243.663)	243.663	(243.663)	243.663
5- Euro Hedging (-)	-	-	-	-
6- Net Euro Effect (4+5)	(243.663)	243.663	(243.663)	243.663

Foreign Currency Sensitivity Analysis				
December 31, 2012				
	Profit/Loss		Shareholder's Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in 5% of USD Against TL				
1- Net USD Asset/Liability	(5.656.805)	5.656.805	(5.656.805)	5.656.805
2- USD Hedging (-)	-	-	-	-
3- Net USD Effect (1+2)	(5.656.805)	5.656.805	(5.656.805)	5.656.805
Change in 5% of USD Against TL				
4- Net Euro Asset/Liability	(212.441)	212.441	(212.441)	212.441
5- Euro Hedging (-)	-	-	-	-
6- Net Euro Effect (4+5)	(212.441)	212.441	(212.441)	212.441

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Credit Risk

December 31, 2013	Receivables				Deposits	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Related Party			
Maximum credit risk as of balance sheet dates (A+B+C+D+E)	-	103.894.335	512.044	3.059.346	62.758.360	3.314.950	5.411.863
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	-	103.894.335	512.044	3.059.346	62.758.360	3.314.950	5.411.863
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)	-	3.263.026	-	-	-	-	-
- Impairment (-)	-	(3.263.026)	-	-	-	-	-
- 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	-	-	-	-	-	-	-

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December 31, 2012	Receivables				Deposits	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Related Party			
Maximum credit risk as of balance sheet dates (A+B+C+D+E)	1.444.378	86.662.595	600	1.012.532	6.479.637	3.468.527	16.688
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	1.444.378	86.662.595	600	1.012.532	6.479.637	3.468.527	16.688
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)	-	3.176.854	-	-	-	-	1.040.000
- Impairment (-)	-	(3.176.854)	-	-	-	-	(1.040.000)
- 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	-	-	-	-	-	-	-

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Liquidity Risk

December 31, 2013						
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	20.864.884	20.864.884	569.474	18.581.477	1.713.933	-
Debt Securities Issuance	-	-	-	-	-	-
Trade Receivables	221.397.906	221.397.906	-	221.397.906	-	-
Other Payables	2.738	2.738	-	618	2.120	-

December 31, 2012						
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	62.251.994	62.251.994	334.709	61.183.280	734.005	-
Debt Securities Issuance	-	-	-	-	-	-
Trade Receivables	148.244.054	148.244.054	-	148.244.054	-	-
Other Payables	453.687	453.687	-	450.000	3.687	-

	Receivables		Deposits	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
December 31, 2013					
1-30 days passed since expiration date	-	-	-	-	-
1-3 months passed since expiration date	-	-	-	-	-
3-12 months passed since expiration date	3.263.026	-	-	-	-
1-5 years passed since expiration date	-	-	-	-	-
More than 5 years passed since expiration date	-	-	-	-	-

	Receivables		Deposits	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
December 31, 2012					
1-30 days passed since expiration date	-	-	-	-	-
1-3 months passed since expiration date	-	-	-	-	-
3-12 months passed since expiration date	3.176.854	-	-	-	-
1-5 years passed since expiration date	-	-	-	-	-
More than 5 years passed since expiration date	-	-	-	-	-

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41. SUBSEQUENT EVENTS

The 50.000.000-TL capital of the Company was increased to 65.000.000-TL at the General Assembly on March 20, 2014. It is decided that 15.000.000-TL capital increase is financed by 3.357.855,93 TL cash, 4.999.927,81-TL other reserves and 6.642.206,26-TL net profit of 2013. The 65.000.000-TL capital consists of 9.750.000 Group A shares, 6.500.000 Group B shares and 48.750.000 Group C shares and each worths 1,00 TL. Group A, B and 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 excluding independent members, in case the Board of Directors consists 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.

Capital of the Company is as follows:

Shareholders	Number Of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	7,00	4.550.000
	1.950.000	B	3,00	1.950.000
	27.873.882	C	42,88	27.873.882
	34.373.882		52,88	34.373.882
Nevin Ulusoy	650.000	A	1,00	650.000
	1.300.000	B	2,00	1.300.000
	5.830.756	C	8,97	5.830.756
	7.780.756		11,97	7.780.756
Onur Erhan Ulusoy	650.000	A	1,00	650.000
	1.950.000	B	3,00	1.950.000
	7.423.684	C	11,42	7.423.684
	10.023.684		15,42	10.023.684
Eren Günhan Ulusoy	3.900.000	A	6,00	3.900.000
	1.300.000	B	2,00	1.300.000
	7.499.375	C	11,54	7.499.375
	12.699.375		19,54	12.699.375
Kamil Adem	26.941	C	0,04	26.941
	26.941		0,04	26.941
Mithat Denizcigil	95.362	C	0,15	95.362
	95.362		0,15	95.362
	65.000.000		100	65.000.000

The reserve for retirement pay has been limited to a maximum of 3.438,22-TL since January 1, 2014.

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42. OTHER MATTER 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.