



ULUSOYUN

01.01.2016-30.09.2016

Interim Activity Report



ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2016 – 30.09.2016 INTERIM PERIOD

BOARD OF DIRECTORS INTERIM ACTIVITY REPORT ISSUED ACCORDING TO COMMUNIQUÉ SERIAL NUMBERED II-14.1

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Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was established in 1989 to produce, trade, import and export all kinds of food products, such as flour, semolina, pasta and biscuits, produced with grains and legumes. The primary business activity of Ulusoy Un is domestic and foreign trade of various grains, particularly wheat as well as production, trade, domestic and foreign sales of wheat flour, bran and other feed raw materials.

The Company has two factories (208.000 tons/year flour production) with total wheat processing capacity of 900 tons/day; one in Samsun with 500 tons/day capacity and one in Çorlu with 400 tons/day capacity and silo, warehouses, free zone warehouses with total grain stocking capacity over 100.000 tons.

In 1995, Ulusoy Un started exportation operations and it has exported flour to 80 countries so far. In 2015, the company accounted for 6% of the sector's exportation operations in Turkey. According to data announced by the Turkish Exporters Assembly in 2016; our company is the 301th company on the top 1000 Turkish exporters list and 3th on its sector list in 2015. According to data announced by the Istanbul Chamber of Industry in 2016, the company is the 373rd company on the 2015 list of top industrial manufacturers of Turkey and 2nd on its sector in terms of sales out of total production.

The Company acquired 17% of SASBAŞ Samsun Serbest Bölgesi Kurucusu ve İşleticisi A.Ş. shares on March 28, 2013. This investment enabled Ulusoy Un to have an effective role in the management of Samsun Free Zone which is one of the most strategic locations by the Black Sea Region offering storage and logistics infrastructure required for improvement of transit foreign trade operations, particularly.

Ulusoy Un went public on 20.11.2014 and its shares are being traded at Istanbul Stock Exchange.

Uludağ Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi, a 100% subsidiary of our company established on 27.02.2015, is an investment in the Licensed Warehousing system which is considered to be the future of agricultural sector.



In the third quarter of 2016 our company has increased its revenues by 21% compared to the same period of the previous year with 841 million TL sales revenue. Despite hard conditions of third quarter in 2016, our company has achieved 48,7 million TRY gross income and 6,7 million TRY net income. We believe we will achieve our 2016 targets, by realizing this fourth quarter parallel to our expectations.

Dear Shareholders,

Completing its 26th year in business, Ulusoy Un is managed by the experience, know-how and confidence brought in by the business life of our family that started with Ulusoy Gıda in 1969 and grew with all our colleagues joining this family in the following years. These long years have added significant values to our family. Initially, we learned how important our business, food industry is and to attach the highest importance to the responsibilities inherent with this importance. As employees and managers of Ulusoy Gıda group we made the golden rule of not producing or selling products we would not see fit for our own consumption and have adopted this philosophy as the essential priority of being a reliable food supplier.

With employees always open to novel ideas, working with team spirit and creating added value and management approach not compromising from its principles of quality, stability and confidence, Ulusoy Un started growing rapidly. With this approach it reached 900 tons per day capacity from its initial 180 tons per day capacity. As a reward of its hard work and acknowledgement of its clients, Ulusoy Un started to take a place in 1000 Largest Industry Enterprises of İstanbul Chamber of Commerce starting in 1996 and became 373th among largest 500 industrial enterprises in Turkey, with 2nd place in its industry in the list which is announced in 2016. Finally, in November 2014, it became the first company to be quoted in the İstanbul stock exchange ever to achieve it in Samsun province and in its own industry. After long years of labor, I extend my gratitude to all that have played a part in this pride.

In the third quarter of 2016 our company has increased its revenues by 21% compared to the same period of the previous year with 841 million TL sales revenue. Despite hard conditions of third quarter in 2016, our company has achieved 48,7 million TRY gross income and 6,7 million TRY net income. We believe we will achieve our 2016 targets, by realizing this fourth quarter parallel to our expectations.

We removed malicious attempted coup, which aimed at our national solidarity and independence, purposed to disturb peace and welfare of our country, on July 15th, 2016 with capacity of our government and decisive stance of our nation. God rest all of our armed forces and citizens who became martyr in this honorable struggle, in which our democracy was not rendered to terror organization structuring, and we wish patience for their families and relatives and we also wish our veterans a quick recovery. As Ulusoy Un family, we always protected our stance along with our democracy and national will and we will continue to protect it forever.

After this malicious attempted coup, our Board of Directors decided to announce share buyback programme with the province given by Capital Market Board, to restrict the negative effects of uncertain period on stocks and to minimize the price fluctuations.

Our aim is to take the activities of our company to global level without compromising our principles, values and objectives together with our experienced colleagues with the strength of teamwork we achieved in our company. In line with these goals, we, Ulusoy Un family will work with all our strength to reach our 2016 end year targets. I thank all our past and future shareholders, employees, clients and suppliers who have played a role in this success.



Eren Günhan Ulusoy
Chairman of the Board



In the third quarter of 2016 our company has increased its revenue to 841 million TRY, achieved 48,7 million TRY gross profit from manufacturing and commercial activities and 23,8 million TRY operating profits. Ulusoy Un, Moved Up to 301th Line In The First 1000 Exporter Company List according to the Turkish Exporters Assembly (TIM)'s announcement in 2016. Our company, with its investments and institutionalisation studies, will continue to work with the aim of being on higher levels in the future.

Dear shareholders,

Ulusoy Un, was founded on this land from where, wheat, the raw material of the holy bread was spread to the world. Born of this strong history of our country, from its people and potential, Ulusoy Un managed to achieve a significant place in both our country and the global industry within the past 25 years. Now we are proud to share this value with over 2700 shareholders who have become partners with our initial public offering.

With its 900 tons per day capacity in its two factories, Ulusoy Un completed the 6% of Turkey's flour export in 2015 where Turkey is the leading exporter. With its direct sales, it became 373th among largest 500 producers according to Istanbul Chamber of Commerce data and 3rd place in its own industry.

In line with the demands of both our domestic and global clients, we made sales with unconditional customer satisfaction principle without compromising quality and food safety. As a result, our company turnover rose from 61 million TRY in 2006 to 1,030 million TRY in 2015. Multiplying our turnover by 16 times in the past 9 years we realized an annual average 37% turnover growth. By exceeding 1 billion TRY mark in 2015 we achieved a significant goal.

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I would like to thank our clients and employees who carried us to the top and did not hold back their support and to esteemed investors who placed their confidence in us by becoming partners after public offering. I wish 2016 to bring gains and happiness for our company. With its experience exceeding 46 years, Ulusoy Un will continue to create value for our partners, employees and clients...



Kamil ADEM
Chief Executive Officer

OUR VISION



“To become a global company without compromising our principles, values and goals thanks to our team of experienced colleagues that gives strength to the company.”

OUR MISSION



“Our mission is to become a preferred business partner in the sector by producing healthy products meeting needs of different customer segments as well as being a competitive company that keeps up with sector development, keeps an open line of communication without compromising work ethics and quality.”

OUR STRATEGIES

Being closest to the market with diverse production locations and delivering our products to the customers with the lowest logistics costs

Directing purchases from raw material production locations with the right costs to the logistically most suitable production facility

Achieving a product range that can cover all demands of the customers with product diversification

Creating new products through R&D and becoming a brand

IN CONCLUSION

Becoming the company with the largest market share

OUR GOALS

Lowering costs by reducing distribution costs

Increasing total capacity by increasing our production locations

Addressing the whole market

Increasing market share in more efficient segments of the industrial and consumer market

Current Shareholding Structure as of 30.09.2016

| LINE NO | NAME, SURNAME, TITLE OF SHAREHOLDER | GROUP | PRIVILEGES Yes / No | TOTAL NUMBER | NOMINAL AMOUNT OF SHARE GROUPS (TRY) | TOTAL NOMINAL AMOUNT (TRY) | SHARE RATIO | |
|---------|-------------------------------------|-------|---------------------|--------------|--------------------------------------|----------------------------|-------------|----------|
| 1 | Fahrettin Ulusoy | A | Yes | 4.550.000 | 4.550.000,00 | 30.373.882,00 | 5,38% | 35,94 % |
| | | B | Yes | 1.950.000 | 1.950.000,00 | | 2,31% | |
| | | C | No | 23.873.882 | 23.873.882,00 | | 28,25% | |
| 2 | Nevin Ulusoy | A | Yes | 650.000 | 650.000,00 | 7.780.756,00 | 0,77% | 9,21 % |
| | | B | Yes | 1.300.000 | 1.300.000,00 | | 1,54% | |
| | | C | No | 5.830.756 | 5.830.756,00 | | 6,90% | |
| 3 | Eren Günhan Ulusoy | A | Yes | 3.900.000 | 3.900.000,00 | 12.699.375,00 | 4,62% | 15,04 % |
| | | B | Yes | 1.300.000 | 1.300.000,00 | | 1,54% | |
| | | C | No | 7.499.375 | 7.499.375,00 | | 8,88% | |
| 4 | Onur Erhan Ulusoy | A | Yes | 650.000 | 650.000,00 | 10.023.684,00 | 0,77% | 11,86 % |
| | | B | Yes | 1.950.000 | 1.950.000,00 | | 2,31% | |
| | | C | No | 7.423.684 | 7.423.684,00 | | 8,78% | |
| 5 | Kamil Adem | C | No | 26.941 | 26.941,00 | 26.941,00 | 0,03% | 0,03 % |
| 6 | Mithat Denizcigil | C | No | 95.362 | 95.362,00 | 95.362,00 | 0,11% | 0,11 % |
| 7 | Publicly Held | C | No | 23.500.00 | 23.500.00,00 | 23.500.00,00 | 27,81% | 27,81 % |
| TOTAL | | | | 84.500.00 | 84.500.00,00 | 84.500.00,00 | 100,00% | 100,00 % |



EREN GÜNHAN ULUSOY
Chairman of the Board

Born in 1981 in Samsun. Eren Günhan Ulusoy graduated from Samsun Anatolian High School in 1999 and then graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2003 and completed his Master's Degree in 2014 at 19 Mayıs University, Department of Agricultural Economics. In July 2003, he started working for exportation department of Ulusoy Un Sanayi. In July 2004, he was appointed as the General Manager and he officiated as the General Manager until October 2010. He became the company's Chief Executive Officer in October 2010 and the company went public at the end of 2014. The General Meeting of Shareholders held in March 2015 appointed him as the Chairman of the Board of Ulusoy and authorized him to officiate for three years. He has been a Board of Directors Member of Samsun Serbest Bölgesi İşletici A.Ş. (SASBAŞ) since 2008. Eren Günhan Ulusoy is a member of several social and professional societies and he is the Board Chairman of Turkish Flour Industrialists' Federation, Board Chairman of Black Sea Region's Flour Industrialists Association, Vice Chairman of Black Sea Cereal, Pulse and Oil Seeds Exporters Union and Vice Chairman of Samsun Commodity Exchange.



KAMİL ADEM
Vice Chairman of the Board of Directors and Chief Executive Officer

Born in 1965 in Amasya. He graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. In 1987, he started his career as the Accounting Manager of Hasanusta Gıda San. ve Tic. A.Ş. In 1993, he was appointed as the Head of Accounting – Finance and Sales Departments of Ulusoy Un A.Ş. In 1998, he became the company's General Manager and he held his position until July 2004. He worked for Birsan Birlik A.Ş., a company in flour sector, as Domestic and Foreign Marketing Manager for a period between the end of 2004 and beginning of 2006. In 2006, he started working for another company of flour sector, namely Bafra Eriş Un Yem Gıda A.Ş., as the Factory Manager. In 2010, he was appointed as the General Manager of Ulusoy Un A.Ş. He has been officiating as the Chief Executive Officer and Vice Chairman of the Board of Directors since March 2015.



SALİH ZEKİ MURZIOĞLU
Board of Directors Member

Born in 1959 in Samsun. He graduated from Samsun Trade High School after primary and secondary schools. After holding positions such as Committee Member and Board Member at Samsun Chamber of Industry and Commerce, he was selected as the Board Chairman of Samsun Chamber of Industry and Commerce in 2009 and he is still the Board Chairman of this institution. Finely representing business life in Samsun in any platform and matching the tasks of leading commerce, Murzioğlu was awarded Board of Directors Membership of TOBB in TOBB General Assembly Elections in 2013.

Salih Zeki Murzioğlu also acts as Samsun Central OIZ Board of Directors Chairman, Samsun Kavak OIZ Vice President of the Executive Board, Samsun Gıda OIZ Board of Directors Chairman, Samsun TEKMER Advisory Board Member, SABEK A.Ş. Board of Directors Member and Büyük Anadolu Lojistik Organizasyonlar A.Ş. Board of Directors Member and Ulusoy Un A.Ş. Board of Directors member.


PROF. DR. VEDAT CEYHAN

Non-Executive Director

Born in 1968 in Sakarya. Completing his primary and secondary education in Sakarya, Vedat Ceyhan has continued his university education in Ankara University. Graduating from Agricultural Economics department in 1989, Ceyhan started his academic career in Ondokuz Mayıs University in 1993 as a research assistant in Agricultural Economics Department. He completed his graduate degree and Ph.D. in Ankara University, Agricultural Economics Department in 1994 and 1998, respectively. Becoming an Assistant Professor in 1999, Ceyhan became an Associate Professor in 2005. Participating many domestic and foreign projects and publishing articles in many domestic and global magazines, Ceyhan became a Professor in 2010. He's still the Head of the Department of Agricultural Management in Samsun Ondokuz Mayıs University.

He has been officiating as the Non-Executive Director in Ulusoy Un A.Ş. since 2013.


KEMAL KİTAPLI

Non-Executive Director

Born in 1963 in Alaçam, Samsun. He completed his primary, secondary and high school education in Alaçam, Samsun. Graduating from İstanbul University Faculty of Law in 1985, Kitaplı started to work as a self-employed lawyer in Samsun. Apart from his practice he has made investments in textile sector through many partnerships.

He is currently officiating as the self-employed lawyer and has been officiating as the Non-Executive Director in Ulusoy Un A.Ş. since 2013.

Supervisory Board

| Name-Surname | Position in Partnership | Position |
|---------------|-------------------------|----------------------------|
| Kemal Kitaplı | Non-Executive Director | Supervisory Board Chairman |
| Vedat Ceyhan | Non-Executive Director | Supervisory Board Member |

Committee has convened 3 times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance- Committee.

Early Detection of Risk Committee

| Name-Surname | Position in Partnership | Position |
|----------------------|---------------------------|--|
| Kemal Kitaplı | Non-Executive Director | Early Detection of Risk Committee Chairman |
| Salih Zeki Murzioğlu | Board of Directors Member | Early Detection of Risk Committee Member |

Committee has convened 5 time during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance- Committee.

Corporate Governance Committee

| Name-Surname | Position in Partnership | Position |
|---------------|---|---|
| Vedat Ceyhan | Non-Executive Director | Corporate Governance Committee Chairman |
| Kemal Kitaplı | Non-Executive Director | Corporate Governance Committee Member |
| İlker Küçük | Risk Management, Capital Markets and Investor Relations Group Manager | Corporate Governance Committee Member |

Committee has convened 1 time during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance- Committee.



KAMİL ADEM

Vice Chairman of the Board of Directors and Chief Executive Officer

Born in 1965 in Amasya. He graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. In 1987, he started his career as the Accounting Manager of Hasanusta Gıda San. ve Tic. A.Ş. In 1993, he was appointed as the Head of Accounting – Finance and Sales Departments of Ulusoy Un A.Ş. In 1998, he became the company's General Manager and he held his position until July 2004. He worked for Birsan Birlik A.Ş., a company in flour sector, as Domestic and Foreign Marketing Manager for a period between the end of 2004 and beginning of 2006. In 2006, he started working for another company of flour sector, namely Bafra Eriş Un Yem Gıda A.Ş., as the Factory Manager. In 2010, he was appointed as the General Manager of Ulusoy Un A.Ş. He has been officiating as the Chief Executive Officer and Vice Chairman of the Board of Directors since March 2015.



ONUR DEMİRKAN

Deputy CEO

Born in 1983 in Samsun. Onur Demirkan graduated from Samsun Trade Vocational High School in 2000 and started his career in 2001 at the Accounting Department of Ulusoy Un San. Tic. A.Ş. As a successful employee, he was promoted as the Accounting Manager in 2003. While he was still attending to Anadolu University, Faculty of Business Administration, he left Ulusoy Un San. ve Tic. A.Ş. in 2007 and went to Ukraine for language studies. Mr. Demirkan returned to Turkey in 2009 and worked as accounting, finance supervisor at several companies. In 2013, he rejoined Ulusoy Un as the "Special Projects Supervisor" and he has been the Deputy CEO since 2015.



SEZGİN KARAÇAM

Deputy CEO

Born in 1973 in Giresun. He graduated from Accounting Department of Samsun Business College in 1989. He worked as an accountant in Mehmet Demirci Public Accountant Office between the years of 1989 and 1997. In 1997, he started working at accounting department of Ulusoy Un San. ve Tic. A.Ş. He was promoted to Accounting Manager in 1999 and he was the Sales Manager of Sales and Marketing Department between the years of 2003 and 2007. He acted once again as the Accounting Manager between the years of 2007 and 2011. Since 2012, he has been the Deputy CEO.



ULİDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş. was established with status of joint-stock company with cash capital of 2 million TL as 100% subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş in province of Samsun, district of Tekkeköy merkez on February 27th, 2015 to carry out activities on Licensed Warehousing on cereal products within the scope of Law on Licensed Warehousing of Agricultural Products numbered 5300.

Establishment of ULİDAŞ was announced in Turkish Trade Registry Gazette dated March 4th, 2015 and numbered 8771.

Investments

- Short-term licensed warehouse capacity target of ULİDAŞ is 322.500 tons.
- Currently, construction of branch plants in CORUM/Alaca with capacity of storing 42.500 tons of cereals is about to be completed. License shall be obtained for Alaca branch on November/2016.
- Planning was made for ULİDAŞ Samsun Central Branch as 60.000 tons, Tekirdağ/Çorlu Branch as 60.000 tons, Edirne Branch as 60.000 tons, Sivas branch as 50.000 tons and Yozgat/Sorgun Branch as 50.000 tons and registration procedures of stated branches were completed.
- Company capital was increased to 5 million TL due to stated target of licensed warehouse capacity of 322.500 tons in total.
- Planned licensed warehousing plants are built with the following characteristics by using state-of-the-art technology to protect product quality and amount at optimum level.

Characteristics of ULİDAŞ Licensed Warehousing Plants

- Electronic scale operations
- Taking sample with automatic devices
- Making product analysis operations by Authorized Classifier obtaining license from the Ministry
- State-of-the-art technology physical analysis laboratory
- Performing silo management with full-automation
- Automatic heat measuring system
- Automatic spraying system
- Ventilation system
- Dust collection system
- Fire extinguishing system
- Tele-technical and information processing infrastructure having necessary equipment and technology for electronic product bills movements.

What is Licensed Warehousing?

Law on Licensed Warehousing of Agricultural Products numbered 5300 entered into force by being published in the Official Gazette dated 17.02.2005 and numbered 25730.

Cereal Licensed Warehousing procedures;

- Law on Licensed Warehousing of Agricultural Products numbered 5300,
- “Regulation on Agricultural Products Licensed Warehouse” that entered into force by being published in the Official Gazette dated April 12th, 2013 and numbered 28616,
- It is managed within the scope of other relevant regulations and communiqués.
- The system is completely under the control of the Ministry of Customs and Trade

Purposes of the system

The purpose is to

- Facilitate and develop trade of the agricultural products,
- Form a common system for storage,
- Determine qualities by authorized classifiers,
- Issue product bills representing ownership and providing financing, sales and delivery,
- Provide security and protect quality,
- Extend credit usage by providing that banks are included within the system.

Guarantees in Licensed Warehousing System

- Licensed Warehousing Compensation Fund : Licensed Warehousing Compensation Fund having legal entity was established to be able to compensate losses that occur due to the fact that licensed storage manager does not fulfill his/her liabilities stipulated in this Law and contract to be concluded with depositors.
- Authorized Classifiers: Analysis and classification procedures of the products are managed by the Authorized Classifiers obtaining license from the Ministry of Customs and Trade.
- Purchase and sales transactions of the product bills of Commodity Exchanges or Product Specialty Exchanges are managed by the Commodity Exchanges or Product Specialty Exchanges that were authorized by the Ministry.
- Central Securities Depository (CSD): All records are kept by the Central Securities Depository.

What is Licensed Storage System?

The Law on Licensed Warehousing of Agricultural Products numbered 5300 entered into force by being published in the Official Gazette dated 17/02/2005 and numbered 25730.

In parallel with Communiqués made within this scope;

License warehousing can be performed in products of

- Cereals, pulses and oily seeds,
- Hazelnut,
- Cotton,
- Olive and olive oil,
- and dried apricot.

In brief, licensed warehousing system is made via product bills that are prepared in electronic environment by these businesses regulating storage belonging to licensed warehousing businesses of main and processed agricultural products under safe and healthy conditions which can be standardized such as cereals, pulses, oily seeds, cotton, hazelnut, olive, olive oil and dried apricot having qualification that complies with storage by determining their standards and also regulating trade of these products.

Licensed Warehousing System is applied commonly in countries such as especially USA, India and Australia and Bulgaria and Romania including in this system afterwards.

With applications of Licensed Warehousing System;

It was aimed at

- Preventing price decreases occurring due to plenty of supply in agricultural products in harvest period and balancing the market,
- That small farmers and product owners who especially have financial difficulty provide credit and financing from banks against product bills they obtain against the products they give to licensed warehouses,
- Performing trade of agricultural products over products whose standards were determined, encouraging for quality production, and formation of a safe market,
- Recording trade of agricultural products,
- Succeeding agriculture reform that is currently applied in our country and increasing private sector participation in trade of agricultural products,
- Minimizing state interventions in production and pricing, providing important saving from high expenditures made for this area, becoming distant from the interventions that damage free market and price formation,
- Obtaining a stable and higher income level with a system that can be marketed easily in terms of producers, can be protected well, and whose transport expenses were minimized,
- Providing an new investment tool that is alternative to currency, gold, stock certificate, interest and similar for investors,
- Supplying the products easily, by our merchants and industrialists who are interested in product trade, whose quality was determined in accordance with scientific criteria and whose price stability was provided,
- Making trade of the agricultural products via product bills or electronic product bills without needing of showing physical goods and sample,
- Transferring to future delivery and option markets in agricultural products with products whose standard was determined and licensed warehouse system,
- Storing products, forming new working areas in terms of banking and insurance sector,
- Undertaking an important role also in trade of agricultural products in geography of the Middle East, Balkans, Turkic Republics and Asia that are located near-by our country and becoming sharer.

Stakeholders of the system;

- Ministry of Customs and Trade,
- Ministry of Food, Agriculture and Livestock,
- Licensed warehouses,
- Authorized classifiers,
- Producers,
- Merchants,
- Industrialists,
- Banking and insurance sector,
- Agriculture exchanges and product specialty exchanges.

First Licensed Warehouse:

Although law on system entered into force in 2005, first licensed warehousing company was established in 2011 with partnership of Soil Products Office (SPO) and TOBB (Turkish Union of Chambers and Exchange Commodities).

Since first investment and business costs of the system are considerably high, they are not inviting yet. Our Ministry (Ministry of Customs and Trade) made important participations until today to pave the way for Licensed Warehousing, and important distances were covered. However; the system has deficiencies in terms of problems waiting for solution yet and of some legal legislation.

Licensed Warehousing Companies in our Country;

In total, 20 companies obtained permission for licensed warehousing establishment for warehouses having capacity of 837.500 tons until today in our country, and six companies of them carry out their activities by obtaining licensed warehousing activity permission for the warehouses having capacity of 365.000 tons on cereals and pulses products, one company for the warehouses with capacity of 15.000 tons on cotton products and seven companies in total for warehouses having capacity of 380.000 thousand tons.

In brief Licensed Warehousing;

Licensed warehousing system that will work in parallel with product exchanges, which are requirements of free market economy, is a contemporary corporate infrastructure that facilitates trade basing on agricultural products, forms a nationwide common storage system for the agricultural products, extends market area by providing safe production regarding security of the goods and relevant secure protection for depositors, makes participation to price stability in the markets and it is also an important tool in prevention of informality in economy.

The Board of Directors of ULİDAŞ

Ulusoy Un Sanayi ve Ticaret A.Ş. legal entity is a member of the Board.

Capital Infrastructure of ULİDAŞ

- Capital of the Company is valued at 5.000.000,00 (five million) Turkish Liras paid in full and in cash.
- This capital was divided into 5.000.000 (five million) shares each of which are valued at 1,00 Turkish Lira.
- The entire of capital of 5.000.000,00 TL against 5.000.000 shares belongs to Ulusoy Un Sanayi ve Ticaret A.Ş which is member of the Board.
- This capital was divided into 5.000.000 (five million) shares in total each of which is valued at 1 (one)TL, as 1.000.000 (one million) is (A) group, 1.500.000 (one and a half million) as (B) group, 2.500.000 (one million and five hundred thousand) as (B) group.
- Share certificates are registered.
- Share certificates are printed in denomination.



We had 226 personnel on 30.09.2015 and this number increased up to 237 as of 30.09.2016; the details of personnel numbers are given below.

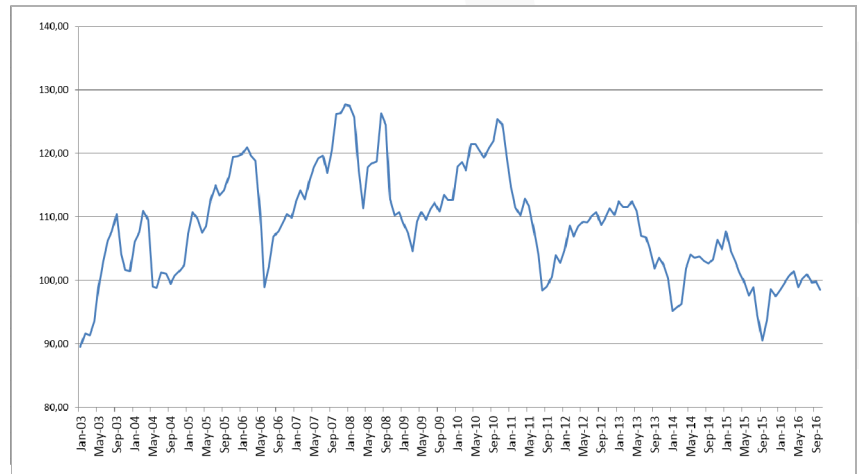
| PERSONNEL | | | | | | | | |
|----------------|----------------|------------|--------|---------------|------------|------------|--------|-------|
| Period | Samsun Factory | | | Çorlu Factory | | | | Total |
| | Production | Management | Driver | Marketing | Production | Management | Driver | |
| September 2015 | 61 | 56 | 14 | 33 | 35 | 21 | 6 | 226 |
| December 2015 | 57 | 56 | 14 | 41 | 36 | 20 | 6 | 230 |
| September 2016 | 58 | 55 | 16 | 41 | 36 | 25 | 6 | 237 |

FINANCIAL RISK MANAGEMENT

Our company has more foreign exchange liabilities than assets because of its intensive import activities. 95% of its foreign exchange liabilities are in United States Dollar (USD). Its short foreign exchange position is managed within the framework of risk management model which is based on the Real Effective Exchange Rate that has been calculated by the Turkish Republic Central Bank since 2003 and regularly announced every month. Nominal effective exchange rate is the weighted average value of Turkish Lira according to the basket of foreign currencies of the countries which have a significant share in Turkey's foreign trade. The weights are determined using dual commercial flows. Real effective exchange rate is calculated by removing the relative price effects from the nominal effective exchange rate.

| Period | CPI based Real Effective Exchange Rate (2003=100) (*) |
|----------------|---|
| January 2015 | 107,68 |
| February 2015 | 104,62 |
| March 2015 | 102,95 |
| April 2015 | 101,31 |
| May 2015 | 99,83 |
| June 2015 | 97,60 |
| July 2015 | 98,98 |
| August 2015 | 94,56 |
| September 2015 | 90,51 |
| October 2015 | 93,69 |
| November 2015 | 98,61 |
| December 2015 | 97,54 |
| January 2016 | 98,68 |
| February 2016 | 99,89 |
| March 2016 | 100,83 |
| April 2016 | 101,68 |
| May 2016 | 99,01 |
| June 2016 | 100,29 |
| July 2016 | 100,91 |
| August 2016 | 99,65 |
| September 2016 | 99,82 |

As seen in the graphic below, Real Effective Exchange Rate moves along the 130 – 90 band. In the levels near the top of the band (130) Turkish Lira is in the extremely valuable zone as compared to other currencies and in the levels near the bottom of the band (90) it is in the extremely valueless zone.



As part of financial stability approach, Turkish Republic Central Bank tries to balance exchange rates through more expanding political stances with regard to foreign currency liquidity and interest policy changes when Real Effective Exchange Rate closes up to 130 and through more strict political stances when it closes up to 90.

In the light of the internal and external developments in 2016, we will converge to the general company financial risk management policy and continue to monitor risks and take the necessary actions.

MAJOR DEVELOPMENTS OF THE PERIOD

As announced on our material disclosure dated January 14, 2016:

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations Palestinian Immigrants Aid Association (UNRWA) on the date of 28.12.2015 will be delivered to Palestine between 21.02.2016 and 20.03.2016.

| | |
|--|--|
| Subject of Tender | Procurement of Wheat Flour |
| Contracting Authority | United Nations (UNRWA) |
| Board Decision Regarding Bidding | None |
| Other Parties in Case of Bidding as a Group | None |
| Partnership Share in Case of Bidding as a Group | None |
| Date of Bidding | 28.12.2015 |
| Date on which Tender has been Won | 14.01.2016 |
| Tender Price | 1.645.182,10 American Dollar (4.968.449,94 Turkish Liras) |
| Proportion of the Tender Price Allocated to the Partnership Share | %100 |
| Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%) | %0.72 |

As announced on our material disclosure dated January 27, 2016:

Our affiliated partner, Uludaş Tarım Ürünleri Lisanslı Depoculuk Sanayi ve Ticaret Anonim Şirketi, which we have 100% shareholding, purchased 9.177,63 m2 land and 4 steel silos each one 5.000 capacity in Alaca, Çorum from Unay Un Sanayi ve Ticaret Anonim Şirketi and the value determination was made before with the Board Decision No:2015/06 dated 02.11.2015.

2015 ORDINARY GENERAL MEETING

Ordinary General Meeting for the activity year of 2015 was held on 06.04.2016 and Meeting Minutes and the other related documents can be reached on www.ulusoyuninvestorrelations.com under the heading of Corporate Governance-General Assembly.

Ordinary General Meeting Minutes for the activity year of 2015 of ULUSOY UN SANAYİ ve TİCARET ANONİM ŞİRKETİ held on the date of April 6th, 2016, Wednesday at 13:30

Ordinary General Meeting for the activity year of 2015 of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was held on the date of April 6th, 2016, Tuesday at 13:30, at the address of Hampton By Hilton Samsun Oteli Kerimbey Mahallesi Işık Sokak No:2 Tekkeköy/Samsun/Türkiye under the supervision of Mustafa KOCAMAN as the Ministry Representative appointed with the letter dated, 04.04.2016 and no. 39028009-431.03-00015043985 of Provincial Directorate of Commerce of T.R. Samsun Governorship.

Call for the meeting was held in due of time with an announcement at least 21 days prior to the general meeting on the page no. 920 of the Turkish Registry Gazette no.9033 and dated 16th March 2016, in the website of the company (www.ulusoyun.com.tr), Public Disclosure Platform (KAP), e-company application of Central Registry Agency and Electronic General Meeting System (EKGS) as stipulated in the law and the articles of association and in such a manner that it includes the agenda.

It is understood from the List of Attendants that TL 84.500.000,00-as the total nominal value of the company shares are represented as follows; 54.046.663 shares corresponding to TL 54.046.663,00 total nominal value have been represented as principal, 10.023.684 shares corresponding to TL 10.023.684 total nominal value by proxy and 1 share corresponding to TL 1,00 total nominal value among the shares represented are represented by "Depositor Representatives". It is understood that 64.070.348 shares corresponding to TL 64.070.348 total nominal value have been represented at the meeting and thus, the minimum quorum was reached as stipulated both in the law and the Articles of Association. It is understood that Mr. Fatih KÜLLÜ has been present at the meeting on behalf of Independent Auditing Firm.

Following issues have been brought to the attention of the general assembly in which shareholders attending to the meeting physically shall use their votes by open vote and raising their hands provided that the regulations regarding voting in electronic environment are reserved and those shareholders to use nay vote must express their nay votes verbally and these issues have been submitted to the general assembly for information and the meeting has been opened both physically and in electronic environment by Vice Chairman and Chief Executive Officer Mr. Kamil ADEM and the agenda items have been read in the general assembly and discussed.

1. With respect to opening and election of the meeting chairman as the first item of the agenda, the relevant proposal submitted in relation to the election of the meeting chairman was read. It was asked whether any participants would like to take the floor or not and it was seen that nobody took the floor thereof. Pursuant to the proposal put to the vote; Mr. Bihan ÖZTÜRK was elected as the Chairman of the Meeting with 259.070,348 aye votes; Miss Kader SALKIM was elected as the Minute Secretary and Mr. İlker KÜÇÜK was elected as the vote collector.
2. The second item of the agenda was discussed. It was accepted unanimously to authorize in order to sign the Meeting Minutes herein
3. The third item of the agenda was discussed. Activity Report for 2015 has been submitted to our shareholders for examination and therefore, it was not necessary to read the whole report and the proposal submitted in relation to the fact that such Activity Report shall be deemed to have been read has been put to the vote of the general assembly and such proposal has been accepted by the general assembly with 259.070.348 aye votes. Activity Report has been discussed. Nobody expressed an opinion pertaining to the Activity Report.
4. The fourth item of the agenda was discussed. The relevant proposal including Independent Auditing report for 2015 has been submitted to our shareholders for examination and therefore, it wasn't necessary to read the entire report and Independent auditing report shall be deemed to have been read has been submitted to the approval of the general assembly. Following the voting, Independent auditing report has been accepted by the general assembly with 259.070.348 aye votes. The report was discussed and nobody expressed an opinion pertaining to the Report.
5. The fifth item of the agenda was discussed. The relevant proposal including Balance Sheet and Income Statement issued within the scope of the Communiqué no. II-14-1 of Capital Market Board for 2015 and subjected to Independent Audit has been submitted to the shareholders for examination and since Balance Sheet and Income Statement have been examined sufficiently by the present shareholders, it wasn't necessary to read them again and the issue has been submitted to the approval of the general assembly. Following the voting procedure, said proposal has been accepted by the general assembly with 259.070.348 aye votes.
6. The sixth item of the agenda was discussed. With regard to acquittal of the Board Members for the activities in 2015, acquittal of the Board Members has been put to the vote. Board Members have not used their votes arisen from their shares in their acquittal. Acquittal of the Board Members has been accepted by the general assembly with 180.044.031 aye votes. Following voting procedure, general assembly and the Auditor have been acquitted separately and unanimously.
7. The seventh item of the agenda was discussed. The issue has been submitted for discussion as required by the proposal no. 2016/005, dated 11.03.2016 of the Board of Directors regarding profit share distribution and the decision of determining the policy on profit share distribution. Said decision of the Board of Directors has been read and submitted to the general assembly and accepted with 259.070.348 aye votes. In this context, it has been unanimously decided that the amount of TL 2.886.008,95 (Gross Amount) corresponding to 40% of net distributable profit for the period shall be distributed to the shareholders as profit share; tax over the profit share subjected to tax cut shall be withheld; remaining amount shall be added to extraordinary reserves and profit share shall be distributed in cash until the date of 29.04.2016. Proposal of the company's board of directors for profit distribution policy in said decision has been unanimously approved.
8. Eighth agenda item of the meeting in relation to acceptance, acceptance by amendment or rejection of the proposal pertaining to election of Independent auditing firm by the Board of Directors as required by Turkish Commercial Code and Capital Market Board was discussed. Proposal of the Board of Directors in relation to the approval of Dmr Bağımsız Denetim ve Danışmanlık A.Ş. elected by the Board of Directors as the Independent auditing firm for the audit of the Financial Statements and reports for 2016 in accordance with the Capital Market Board no.6362 for the period 01.01.2016 – 31.12.2016 and also, election of Dmr Bağımsız Denetim ve Danışmanlık A.Ş. as the independent auditing firm within the scope of Turkish Commercial Code no.6102 have been submitted by the Chairman to the general assembly for approval and unanimously accepted by the general assembly with 259.070.348 aye votes.
9. Ninth item of the agenda was discussed. Shareholders have been informed regarding the donations of the Company within 2015, upper limits for the donations to be made in 2016 have been determined. The general assembly have been informed regarding the donations made in 2015. Proposal given in relation to determining the amount TL 300.000,00 as the upper limit for the donations to be made in 2016 was read to the general assembly. Such proposal has been submitted by the Chairman to the general assembly for approval. Proposal in relation to accepting the amount TL 300.000,00 as the upper limit for donation for 2016 has been approved with 259.070.348 aye votes.
10. Within the scope of the item no.10 of the agenda; shareholders have been informed regarding the warranty, pledge, mortgage and sureties given by the Company and its subsidiaries in favor of the 3rd parties and the income or interests acquired in 2015 as per the regulations of Capital Market Board. Nobody took the floor about the subject.
11. Eleventh item of the agenda was discussed. Giving permission to the shareholders who hold the control of the management, Board of Directors, senior managers and their spouses and second degree relatives by marriage as per the articles no. 395 and 396 of Turkish Commercial Code and briefing the shareholders about the transactions made in 2015 within the scope of Corporate Management Regulation of Capital Market Board. General assembly has been informed by the Board Chairman Eren Günhan ULUSOY regarding giving permission to the shareholders who hold the control of the management, Board of Directors, senior managers and their spouses and second degree relatives by marriage as per the articles

no. 395 and 396 of Turkish Commercial Code and briefing the Shareholders about the transactions made in 2015 within the scope of Corporate Management Regulation of Capital Market Board. Reasons for necessary permits pertaining to the transactions have been explained. The issue of giving permission for said transactions has been submitted by the chairman for approval and accepted by the general assembly with 259.070.348 aye votes. Additionally, it was asked to the general assembly about whether any member of the Board of Directors may carry out any commercial transaction within the scope of the field of activity engaged by the company on behalf of himself/herself or other persons and participate in a company carrying out the same kind of activities as a partner with unlimited liability. General assembly has unanimously accepted that Board members may carry out such transactions.

12. Following question asked by Mrs. Sevda ALKAN attending to the meeting in electronic environment to the general assembly: "It is proposed to include female members at least at the rate of 25% within the body of Board of Directors in accordance with Capital Market Board, Corporate Management Principles. Have you determined a target and compliance policy to comply with this principle? You are expected to clarify the reason why no female Board Member has been appointed as required by Capital Market Board reporting rules. Would you like to explain the reason why no female Board Member has been appointed?" This question has been responded by the Board Chairman Mr. Eren Günhan ULUSOY as follows: Eren Günhan ULUSOY thanked to Mrs. Sevda ALKAN for bringing the emphasis of awareness to the general assembly. Since election regarding Management bodies is not included in the agenda at this general assembly, female candidates will be primarily be taken into consideration in the next and the first elective general meeting and moreover, not only at the level of Board of Directors but also, a positive discrimination has been implemented over the sector average with a rate of 25% among the white-collar employees.

Since there is no other issue to be discussed within the scope of Article 12 "Wishes and Opinions" of the agenda, chairman Bihan ÖZTÜRK, closed the meeting.

The minutes of meeting was issued, read and signed in the meeting place on the date of 06.04.2016.

As announced on our material disclosure dated April 14,2016:

Our Board of Directors have evaluated the risk of our short term and long term account receivables then took out Accounts Receivables Insurance which is a product of Ziraat Sigorta A.Ş. and Coface Sigorta A.Ş.

As announced on our disclosure dated April 15,2016:

Dividend Distribution date for the activity year of 2015 of our company is determinde as 29.04.2016.

To distribute 40% of company's distributable profit for the activity year of 2015 was held on Ordinary General Meeting on the date of April 6th, 2016 and approved.

2015 Dividend Distribution Table

| | | | | | | |
|------------|--|---|--------------------------|---|--|------------------|
| 1. | Paid up / issued capital | | | 84,500,000.00 | | |
| 2. | Total Legal Reserves (based on legal records) | | | 2.120.395,67 | | |
| | Information about privileges related to dividend distribution as per the articles of association | | | There are no privileges related to dividend distribution | | |
| | | According to Capital Markets Board | | According to Legal Records | | |
| 3. | Period Profit | | | 10.274.276,00 | | |
| 4. | Taxes Payable (-) | | | 1.971.067,00 | | |
| 5. | Net Period Profit (=) | | | 8.303.209,00 | | |
| 6. | Previous Year Losses (-) | | | 0.00 | | |
| 7. | First Legal Reserves (-) | | | 1.209.919,55 | | |
| 8. | NET DISTRIBUTABLE PERIOD PROFIT (=) | | | 7.093.289,45 | | |
| 9. | Donations made throughout the year (+) | | | 121.732,92 | | |
| 10. | Net distributable period profit including donations for calculating first dividend | | | 7.215.022,37 | | |
| 11. | First Dividend to shareholders | | | | | |
| | -Cash | | | 2.886.008,95 | | |
| | -Bonus Shares | | | 0.00 | | |
| | -Total | | | 2.886.008,95 | | |
| 12. | Dividend paid to Preferred stockholders | | | 0.00 | | |
| 13. | Dividend to Board of Directors Members, Employees | | | 0.00 | | |
| 14. | Dividend payable to Dividend Shareholders | | | 0.00 | | |
| 15. | Second Dividend to Shareholders | | | 0.00 | | |
| 16. | Second Legal Reserves | | | 0.00 | | |
| 17. | Statutory Reserves | | | 0.00 | | |
| 18. | Special Reserves | | | 0.00 | | |
| 19. | EXTRAORDINARY RESERVES | | | 4.207.280,50 | | |
| 20. | Other Resources to be Distributed | | | | | |
| | -Previous Year Profit | | | 0.00 | | |
| | -Extraordinary Reserves | | | 0.00 | | |
| | - Other Reserves to be Distributed Under Law and Articles of Association | | | 0.00 | | |
| | Group | Total Amount of Dividend Paid | | Total Dividend Distributed / Net Distributable Period Profit | Dividend paid for TRY 1 Nominal Value Share | |
| | | Cash (TRY) | Bonus Share (TRY) | Ratio (%) | Amount (TRY) | Ratio (%) |
| NET | A | 333.001,03 | - | 4,62% | 0,034154 | 3,42% |
| | B | 222.000,69 | - | 3,08% | 0,034154 | 3,42% |
| | C | 2.331.007,23 | - | 32,31% | 0,034154 | 3,42% |
| | TOTAL | 2.886.008,95 | | 40,00% | | |

As announced on our material disclosure dated May 13, 2016;

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 10.05.2016 will be delivered to Syria on 30.06.2016.

| | |
|--|---|
| Subject of Tender | Procurement of Wheat Flour |
| Contracting Authority | United Nations World Food Programme (WFP) |
| Board Decision Regarding Bidding | None |
| Other Parties in Case of Bidding as a Group | None |
| Partnership Share in Case of Bidding as a Group | None |
| Date of Bidding | 10.05.2016 |
| Date on which Tender has been Won | 13.05.2016 |
| Tender Price | 316.796 USD (937.716 Turkish Liras) |
| Proportion of the Tender Price Allocated to the Partnership Share | %100 |
| Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%) | %0.36 |

As announced on our material disclosure dated June 30, 2016;

With the decision no. 2015/015, dated 01.06.2015 of our Board of Directors, it is decided to aye voting for increasing the capital of Uludaş Tarım Ürünleri Lisanslı Depoculuk Sanayi ve Ticaret A.Ş. which we have 100% shareholding, in accordance with the 3th meeting minute of Extraordinary General Assembly that is held on 30.06.2016 at the address of Atatürk Bulvarı No:272 Tekkeköy Samsun and undertaking to make payments due course of law to increase the capital of Uludaş Tarım Ürünleri Lisanslı Depoculuk Sanayi ve Ticaret A.Ş. from 3.000.000 TL to 5.000.000 TL.

As announced on our material disclosure dated July 25, 2016;

Until the second announcement of the Capital Markets Board intended for good ordered capital markets, Our Company decided to buyback its shares limitlessly by unanimous vote, based on the framework of the Capital Markets Board's decision announced on July 21, 2016 as a result of recent developments in Turkish capital markets.

As announced on our material disclosure dated July 26, 2016;

Board Decision No.2016/014 dated 25.07.2016 was made concerning buying back of shares of our company on the exchange within the framework of the announcement of the Capital Market Board dated 21.07.2016, and furthermore the need has arisen to make additional Board Decision pursuant to press release of the Capital Market Board dated 25.07.2016.

The following decisions are made unanimously within the framework of the Board Decision No.2016/015 dated 26.07.2016;

1. Elements of Buyback Program;

- a. Objective of Buyback: elimination of inconsistencies in the share transaction prices of our company due to extraordinary economic conditions
- b. Period of Implementation of the Buyback Program: 1 Year
- c. Maximum Number of Shares to be Bought Back: 5.000.000
- d. Lower and Upper Price Limits: between the range of 0,00 TL/per share and 5,00 TL/per share

e. Share Price Information for the last 12 and 3 months period:

| Period | Lowest Price | Highest Price | Weighted Average Price |
|----------------|--------------|---------------|------------------------|
| Last 12 Months | 1,50 TL | 2,10 TL | 1,88 TL |
| Last 3 Months | 1,50 TL | 2,07 TL | 1,83 TL |

2. In the case of reaching maximum number of shares subject to buyback, ending the buyback program without waiting for a period of 1 year,

3. Due to existing general economic uncertainties about resale of shares bought back, not determining the principles of resale of the shares in advance.

4. Allocating maximum 25.000.000,00 TL for buyback and covering this amount from the cash and cash equivalents of the company,
And also;

5. Announcing the anticipation that the buyback program to be conducted shall not have any adverse effect on the financial situation and operating results of our company.

Respectfully released to the public.

As announced on our material disclosure dated August 1, 2016;

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 26.07.2016 will be delivered to Syria on 05.09.2016.

| | |
|--|---|
| Subject of Tender | Procurement of Wheat Flour |
| Contracting Authority | United Nations World Food Programme (WFP) |
| Board Decision Regarding Bidding | None |
| Other Parties in Case of Bidding as a Group | None |
| Partnership Share in Case of Bidding as a Group | None |
| Date of Bidding | 26.07.2016 |
| Date on which Tender has been Won | 29.07.2016 |
| Tender Price | 1.512.280 USD (4.551.962,80 Turkish Liras) |
| Proportion of the Tender Price Allocated to the Partnership Share | %100 |
| Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%) | %1.75 |

As announced on our material disclosure dated 06 September 2016;

In accordance with decision of the Board of directors dated 08.07.2016, our Company decided to sell the real estate stated in the explanation that we made on 11.07.2016 to Finans Finansal Kiralama Anonim Şirketi via method of Sell and Lease Back in accordance with values determined with Real estate Assessment Reports dated 06.05.2016, numbered 2016/3820 and dated 06.05.2016 and numbered 2016/4149 of the Company titled Elit Gayrimenkul Değerleme Anonim Şirketi and to take them back via rent. All necessary legal processes were completed in accordance with the contract concluded with the Company titled Finans Finansal Kiralama Anonim Şirketi, and deed transfer procedures were completed on 06.09.2016.

| | |
|--|--|
| Qualification of Real Asset subject to sales | Real estate |
| Location and surface of the Real Asset subject to sales | Province of Samsun, district of Tekkeköy / 6.796,49 m2 and 3.889,81 m2 |
| Date of decision of the Board regarding sales | 08.07.2016 |
| Is there approval of majority of independent members in decision of the Board regarding sales? | Yes |
| Total sales price | 9.440.000,00 TL |
| Rate of partnership to company value to be calculated by basing arithmetic average of six-month daily corrected weighted average prices before date of the decision of the Board on transaction amount (%) | 5,95% |
| Rate of sales price to partnership paid capital (%) | 11,17% |
| Rate of sales price to total assets in Last financial table explained to public (%) | 1,86% |
| Rate of sales price to net value of tangible fixed assets in Last financial table explained to public (%) | 17,85% |
| Rate of sold fixed asset to total assets of value registered in Last financial table explained to public (%) | 1,57% |
| Rate of transaction amount to revenue amount of the partnership arising according to last-year financial tables (%) | 1,85% |
| Sales conditions | Other |
| Date when transactions were completed / will be completed | 06.09.2016 |
| Purpose of sales and its effect to partnership activities | It shall be used in financing of business activities by increasing net business capital. |
| Amount of obtained tangible fixed asset sales profit/loss | 1.709.131,28 TL |
| If any, how sales profit will be assessed | It shall be used in financing of business activities by leaving within equities. |
| If any, date of the Board regarding how sales profit will be assessed | - |
| Opposite Party | Finans Finansal Kiralama A.Ş. |
| Is Opposite Party is a related party in accordance with regulations of CMB (capital markets board)? | No |
| Qualification of relation with the opposite party | Commercial |
| If any, date of contract on transaction | 11.07.2016 |
| Price of right of clearance to be exercised within the scope of important transaction | - |
| Method of determining value of the tangible fixed asset | Real estate Assessment Report |
| Was any assessment report prepared? | Prepared |
| Cause if assessment report was not prepared | - |
| Date and number, if assessment report was prepared | 06.05.2016/3820 ve 4149 |
| Title of Assessment Institution which prepared assessment report | Elit Gayrimenkul Değerleme A.Ş |
| Amount having assessment report result | 9.440.000,00 TL |
| Cause, if transaction was not performed/ will not be performed in accordance with result in assessment report | - |

As announced on our material disclosure dated 08 September 2016;

In accordance with decision of the Board of Directors dated 20.04.2015 and numbered 2015/011, our Company decided to sell real estate whose details are given in the decision within the scope of contract concluded with the Company titled Deniz Finansal Kiralama A.Ş. and to take them back via rent.

Rental price about which our Company is responsible for paying within the scope of said contract was paid to Deniz Finansal Kiralama A.Ş. within period, deed transfer procedures were completed on 08.09.2016 and real estate was taken back.

| | |
|--|--|
| Qualification of Real Asset subject to purchase | Factory building and land |
| Location and surface of the Real Asset subject to purchase | Province of Samsun, district of Tekkeköy / 6.079,33 m2-702,58 m2-681,02 m2-478,59 m2-347.25 m2-371,43 m2-261,66 m2-411,36 m2-702.43 m2-553,10 m2 province of Tekirdağ, district of Çorlu /10.774,00 m2-6.208,00 m2 |
| Date of decision of the Board regarding purchase | 20.04.2015 |
| Is there approval of majority of independent members in decision of the Board regarding purchase? | Yes |
| Total purchase price | 24.254.054,81 TL |
| Rate of partnership to company value to be calculated by basing arithmetic average of six-month daily corrected weighted average prices before date of the decision of the Board on transaction amount (%) | 15,08% |
| Rate of purchase price to partnership paid capital (%) | 28,70% |
| Rate of purchase price to total assets in Last financial table explained to public (%) | 4,78% |
| Rate of purchase price to net value of tangible fixed assets in Last financial table explained to public (%) | 45,87% |
| Rate of transaction amount to revenue amount of the partnership arising according to last-year financial tables (%) | 4,75% |
| Purchase conditions | Sell and Lease back |
| Date when transactions were completed / will be completed | 08.09.2016 |
| Purpose of purchase and its effect to partnership activities | Since transaction was performed via method of sell and lease back, said real estate were taken back to assets of the company and transaction has not any negative effect to company activities. |
| Opposite Party | Deniz Finansal Kiralama A.Ş |
| Is Opposite Party is a related party in accordance with regulations of CMB (capital markets board)? | Yes |
| Qualification of relation with the opposite party | Commercial |
| If any, date of contract on transaction | 31.03.2015 |
| Price of right of clearance to be exercised within the scope of important transaction | - |
| Method of determining value of the tangible fixed asset | Real estate Assessment Report |
| Was any assessment report prepared? | Prepared |
| Cause if assessment report was not prepared | - |
| Date and number, if assessment report was prepared | 03.02.2015,2015/186 - 09.02.2015,KD-DB-7909 |
| Title of Assessment Institution which prepared assessment report | Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş./Kare Gayrimenkul Değerleme Anonim Şirketi |
| Amount having assessment report result | Total Legal Status Value: 11.750.000,00 TL Current Status Value: 24.000.000,00 TL |
| Cause, if transaction was not performed/ will not be performed in | |

MAJOR DEVELOPMENTS AFTER PERIOD

As announced on our material disclosure dated 14 October 2016;

Part of 60.000 of 60.000 tons of tender on renting cereal warehouses of 1 million ton in total remained under responsibility of our Company as a result of offer we gave for the tender on "Renting long-term cereal warehouses" that was initiated by the General Directorate of the Soil Products Office (SPO). Cereal warehouse having capacity of 60.000 tons whose construction will be completed within the frame of this contract shall be rented to SPO for 10 years against 1.650.000 TL per year. We were notified on 14.10.2016 that tender remained under responsibility of our Company.

| | |
|--|---|
| Subject of tender | Renting long-term cereal warehouses by SPO |
| Party initiating tender | General Directorate of the Soil Products Office |
| Decision of the board of directors about giving offer for tender | None |
| Other Parties in case of bidding as a group | None |
| Share of partnership in case of bidding as a group | None |
| Date of giving offer for tender | 29.09.2016 |
| Date when tender was won | 29.09.2016 |
| Tender Price | 16.500.000,00 TL |
| Part for Partnership Share from tender price | 100% |
| Rate of the Part for Partnership Share to Gross Sales Revenue in last Income table explained to public (%) | 3,23% |

As announced on October 14th, 2016;

SAHA Kurumsal Yönetim ve Kredi Derecelendirme A.Ş evaluating our Company in category of 'Investable' after credit rating process managed on 02.10.2015 evaluated our Company in category of 'Investable' again in parallel with attached report which was published on 14.10.2016 and determined Long-term National Note as "(TR) A (-)", Short-term National Note as "(TR) A2" and views as "Stabile".

Note details are as follows:

*Rating Note (National): Long-term (TR) A(-) View: Stabile

* Rating Note (National): Short-term (TR) A2 View: Stabile

As announced on our material disclosure dated 04 November 2016;

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 01.11.2016 will be delivered to Syria on 10.01.2017.

| | |
|--|---|
| Subject of Tender | Procurement of Wheat Flour |
| Contracting Authority | United Nations World Food Programme (WFP) |
| Board Decision Regarding Bidding | None |
| Other Parties in Case of Bidding as a Group | None |
| Partnership Share in Case of Bidding as a Group | None |
| Date of Bidding | 01.11.2016 |
| Date on which Tender has been Won | 04.11.2016 |
| Tender Price | 3.532.198,63 USD (11.091.103,70 Turkish Liras) |
| Proportion of the Tender Price Allocated to the Partnership Share | %100 |
| Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%) | %2.17 |


| ASSETS | 2011 | 2012 | 2013 | 2014 | 2015 3Q | 2015 | 2016 3Q |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Current Assets | 184.864.136 | 242.383.566 | 288.866.217 | 440.546.330 | 471.718.263 | 430.476.542 | 430.498.369 |
| Fixed Assets | 19.213.781 | 21.101.186 | 51.116.025 | 53.336.233 | 58.702.977 | 72.630.710 | 84.264.153 |
| TOTAL ASSETS | 204.077.917 | 263.484.752 | 339.982.152 | 493.882.563 | 530.421.240 | 503.107.252 | 514.762.522 |
| LIABILITIES | | | | | | | |
| Short Term Liabilities | 160.755.398 | 214.511.269 | 244.262.605 | 319.988.236 | 358.090.963 | 326.793.283 | 327.180.087 |
| Long Term Liabilities | 2.748.259 | 1.772.158 | 8.327.037 | 11.005.694 | 9.187.857 | 6.545.630 | 15.233.922 |
| Shareholder's Equity | 40.574.260 | 47.201.325 | 87.392.510 | 162.882.563 | 163.142.420 | 169.768.339 | 172.348.513 |
| TOTAL LIABILITIES | 204.077.917 | 263.484.752 | 339.982.152 | 493.882.563 | 530.421.240 | 503.107.252 | 514.762.522 |

| MAJOR RATIOS | | | | | | | |
|---|------|------|------|------|------|------|------|
| Current Ratio (Current Assets/S. T. Liabilities) | 1,15 | 1,13 | 1,18 | 1,38 | 1,32 | 1,32 | 1,32 |
| Liquidity Ratio (Cur. As.-Invent./S.T. Liabilities) | 0,68 | 0,49 | 0,76 | 0,83 | 1,00 | 0,89 | 0,98 |
| Capital Structure (Total Liabilities/Equity) | 4,03 | 4,58 | 2,89 | 2,03 | 2,25 | 1,96 | 1,99 |
| Asset Structure (Current Assets/Total Assets) | 0,91 | 0,92 | 0,85 | 0,89 | 0,89 | 0,86 | 0,84 |

| CONTINUING OPERATIONS | 2011 | 2012 | 2013 | 2014 | 2015 3Q | 2015 | 2016 3Q |
|--|-------------|-------------|-------------|-------------|-------------|---------------|-------------|
| Revenues | 461.976.577 | 491.961.707 | 681.123.184 | 921.577.365 | 692.106.505 | 1.030.479.354 | 841.773.193 |
| Gross Profit/Loss | 43.967.002 | 33.372.108 | 47.339.628 | 59.384.462 | 54.634.609 | 78.022.472 | 48.792.687 |
| Real Operating Profit/Loss | 23.139.142 | 12.261.629 | 28.824.924 | 34.850.631 | 29.366.639 | 44.986.689 | 23.815.313 |
| Pre-Tax Profit/Loss from Con. Operations | 2.826.908 | 5.509.306 | 9.858.127 | 17.547.029 | 5.870.279 | 10.274.276 | 7.189.265 |
| Profit/Loss for the Period from Con. Op. | 1.472.912 | 4.133.133 | 7.274.470 | 14.189.389 | 1.623.251 | 8.303.209 | 6.729.617 |
| Period Profit/Loss | 1.472.912 | 4.133.133 | 7.274.470 | 14.189.389 | 1.623.251 | 8.303.209 | 6.729.617 |

| MAJOR RATIOS | | | | | | | |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Gross Profit Margin | 9,52% | 6,78% | 6,95% | 6,44% | 7,89% | 7,57% | 5,80% |
| Net Profit Margin | 0,32% | 0,84% | 1,07% | 1,54% | 0,23% | 0,81% | 0,80% |
| EBITDA* | 24.396.050 | 13.161.093 | 27.750.945 | 35.437.803 | 29.220.600 | 37.172.224 | 24.588.049 |
| EBITDA Margin | 5,28% | 2,68% | 4,07% | 3,85% | 4,22% | 3,61% | 2,92% |

*Ebitda = Real Operating Profit – (Other Real Operating Incomes-Expenses) + Depreciation Expenses



Turkish Credit Note: There were severe fluctuations in domestic markets after unsuccessful coup attempt in July 15th. While S&P decreased credit note of Turkey in July, Moody's explained that it follows credit note of the country for a potential deduction. On September 23rd, it reduced credit note of Turkey one step and pulled under level of investible.

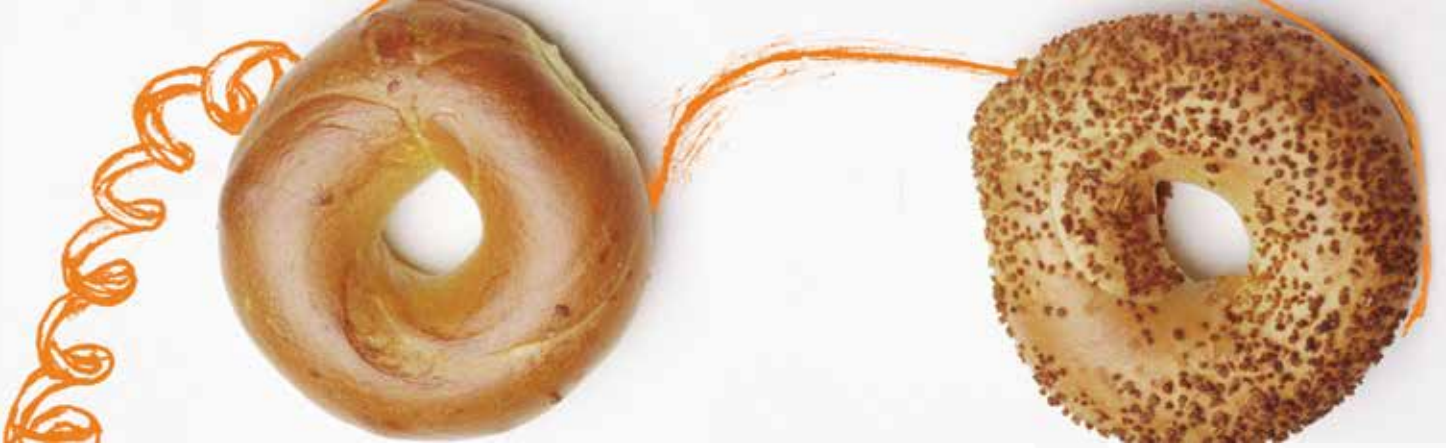
Inflation: In July, annual inflation in consumer prices increased to highest level of the 6 months with rate of 8,79%. In September, CPI increased with the rate of 0,18% on a monthly basis and remained under market expectation. Annual inflation decreased to level of 7,28% as of September with a positive performance of CPI from expectations in the last two months.

USD/TL Currency: In July, USD/TL currency increasing to historical high level with the rate of 3,0955 followed a downward course with effect of developments in global markets in the following period. In September, USD/TL currency was increased to level of 2,9981 following decision of Moody's. The currency, which increased again following explanation about the fact that state of emergency will be extended, determined the level of 3,01. USD/TL currency completed September from the level of 3,0031.

CBRT Interest Discount: CBRT (Central Bank of the Republic of Turkey) continued to reduce interest also in September and made discount of 25 base scores in upper band of interest rate corridor. Thus, discounts made from March until today in upper band of the corridor achieved 250 base scores.

Fed Interest Decision: It did not change interest rates in meeting held in September 20-21st. Fed stated that conditions were reinforced to increase interests, however, wants to see more signs about economy was improved. Explanations by the Central Bank after meeting supported expectations about the fact that interest shall be increased in December.

Oil Prices: It was agreed in unofficial meeting of OPEC that was held after International Energy Forum that was organized in Algeria about limitation of oil production. Price per barrel of Brent type oil increasing with these developments increased with the rate of 5,5% on a monthly basis and was realized with the level of 48,6 USD on September 30th.



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