



ULUSOYUn

01.01.2014 - 30.09.2014

ACTIVITY REPORT

*For the love
of Wheat*



for 45 years

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MAJOR FINANCIAL DATA

Ulusoy Un A.Ş. / Basic Financial Indicators and Ratios

ASSETS	30.09.2014	31.12.2013	31.12.2012
Current Assets	421.051.235	288.866.129	242.383.566
Fixed Assets	52.044.642	51.116.025	21.101.186
TOTAL ASSETS	473.095.917	339.982.152	263.484.752
LIABILITIES	30.09.2014	31.12.2013	31.12.2012
Short Term Liabilities	363.196.348	244.262.605	214.551.269
Long Term Liabilities	13.064.045	8.329.039	1.992.158
Shareholder's Equity	96.855.524	87.392.510	49.201.325
TOTAL LIABILITIES	473.095.917	339.982.152	263.484.752

CONTINUING OPERATIONS	01.01.2014/30.09.2014	01.01.2013/31.12.2013	01.01.2012/31.12.2012
Revenues	681.684.081	681.123.194	491.961.909
Gross Profit/Loss	45.619.660	49.339.628	33.392.108
Real Operating Profit/Loss			
Pre-Tax Profit/Loss from Continuing Operations	29.091.308	28.824.924	12.261.629
Profit/Loss for the Period from Continuing Operations	8.291.299	9.858.129	5.509.306
Period Profit/Loss	6.268.932	9.294.490	4.133.133
Other Comprehensive Income (After Tax)	-		639.932
Total Comprehensive Income	6.268.932	9.294.490	4.773.065
Earnings per Share	0.0964	0.1939	13.5900

MAJOR RATIOS	01.01.2014/30.09.2014	01.01.2013/31.12.2013	01.01.2012/31.12.2012
Gross Profit Margin	6.69%	6.95%	6.98%
Net Profit Margin	0.92%	1.09%	0.99%
CURRENT RATIO (Current Assets/Short Term Liabilities)	1.16	1.18	1.13
LIQUIDITY RATIO (Current Assets-Inventories/S.T. Liabilities)	0.69	0.95	0.49
CAPITAL STRUCTURE (Total Liabilities/Equity)	3.88	2.89	4.58
ASSET STRUCTURE (Current Assets/Total Assets)	0.89	0.85	0.92

MAJOR FINANCIAL DATA

Ulusoy Un A.Ş. / Comparative Income Statements for the First Six Months

CONTINUING OPERATIONS	01.01.2014/30.09.2014	01.01.2013/30.09.2013
Revenues	681.684.081	519.389.826
Gross Profit/Loss	45.619.660	34.519.993
Real Operating Profit/Loss	29.091.308	23.501.609
Pre-Tax Profit/Loss from Continuing Operations	8.291.299	9.091.490
Profit/Loss for the Period from Continuing Operations	6.268.932	6.619.904
Period Profit/Loss	6.268.932	6.619.904
Other Comprehensive Income (After Tax)	-	
Total Comprehensive Income	6.268.932	6.619.904
Earnings per Share	0,0964	0,1965
Gross Profit Margin	6,69%	6,67%
Net Profit Margin	0,92%	1,28%

SHARE STRUCTURE

DISTRIBUTION OF SHARES BY SHARE GROUPS AS OF 30.09.2014

Shareholder's Name - Surname	Share in Capital (TL)	Share percentage
Fahrettin ULUSOY	34.373.882	52,88 %
Nevin ULUSOY	1.980.756	11,97 %
Eren Günhan ULUSOY	12.699.375	19,54 %
Onur Erhan ULUSOY	10.023.684	15,42 %
Kamil ADEM	26.941	0,04 %
Mithat DENİZCİGİL	95.362	0,15 %
TOTAL	65.000.000	100,00 %

CURRENT SHARE DISTRIBUTION

Shareholder's Name - Surname	Group	Number of Shares	Ratio	Amount TL
Fahrettin Ulusoy	A	4.550.000	7,00	4.550.000
	B	1.950.000	3,00	1.950.000
	C	27.873.882	42,88	27.873.882
		34.373.882	52,88	34.373.882
Nevin Ulusoy	A	650.000	1,00	650.000
	B	1.300.000	2,00	1.300.000
	C	5.830.756	8,97	5.830.756
		7.780.756	11,97	7.780.756
Eren Günhan Ulusoy	A	3.900.000	6,00	3.900.000
	B	1.300.000	2,00	1.300.000
	C	7.499.375	11,54	7.499.375
		12.699.375	19,54	12.699.375
Onur Erhan Ulusoy	A	650.000	1,00	650.000
	B	1.950.000	3,00	1.950.000
	C	7.423.684	11,42	7.423.684
		10.023.684	15,42	10.023.684
Kamil Adem	C	26.941	0,04	26.941
		26.941	0,04	26.941
Mithat Denizcigil	C	95.362	0,15	95.362
		95.362	0,15	95.362
TOTAL		65.000.000	100,00	65.000.000



Dear Shareholders,

I share the pride of presenting you the activity report of the first 9 months of 2014 for Ulusoy Un, an important value for our country with the employment it creates and the export it realizes resulting from the combination of 45 years of experience and know-how with ambition to serve our country with our fellow employees, clients, suppliers along with anyone who showed effort in this long journey.

Completing its 25th years in operation, Ulusoy Un is managed with the experience, know-how and trust which began with the foundation of Ulusoy Gıda in 1969 and accumulated by the past of all our colleagues who joined this family in their past in this industry. These long years have added significant values to us. First and foremost, we learned the importance of our business, food for people and to bear the responsibility of this above anything else. In Ulusoy Gıda Group we neither produce nor sell any product our employees and managers would not consume. This is essential for being a reliable food supplier.

Since the beginning our priority was to produce reliable products with sustained quality. Thus Ulusoy Un products became a preferred brand in a short time, exceeded our region and started serving our country.

With employees open to innovation, working with a team spirit and creating added value and with management that would not compromise from stability, quality and trust principles, Ulusoy Un started growing rapidly. With such an approach 180 tons per day capacity in the beginning, reached 900 tons per day today. As a reward for this work and our clients, Ulusoy Un started taking a place in top 1000 Large Industrial companies list of Istanbul Chamber of Industry after 1996 and managed to take 410th place among top 500 producers of Turkey and 2nd place in our industry in 2014. I extend my gratitude to all who played a part in our company's strong position in its industry stemming from hard work of long years.

Our flour exports to neighboring countries that started in 1995 continues to expand to become a sought after brand with distinguished quality and customer satisfaction in 72 countries we export to. As a reward for this success we contribute significantly to flour exports of Turkey. According to TİM (Turkish Exporters Assembly) data for 2014 we ranked 524th among the top 1000 exporters of Turkey and 5th in our industry.

Unfortunately each year global warming and droughts cause fluctuations in global agriculture. Agricultural products do not increase as much as the world population and consumption of baked products per capita increases with the wealth of developing countries. This in turn causes the food equilibrium to be more imbalanced in the world each passing year.

In the current 2014-2015 harvest year, Turkey faced a wheat production deficit because of the agricultural drought that the country went through. Our country completed the wheat harvest of 2014/2015. According to different sources, wheat production in Turkey ranged between 15 and 19 million tons. Based on previous year's data from the same source, these production figures indicate a production loss between 3 and 4 million tons. By the power vested by the Council of Ministers, Turkish Grain Board made a timely interference with this supply deficit and imported more than 1 million tons of tax-free wheat within the limits of tariff quota in order to protect the market equilibrium. Ulusoy Un is adapting its stock to seasonal requirements and continuing to make continuous production. We produce non-stop to supply our people with flour.

Our goal is to carry the operation of our company to global level without compromising from our values, principles and goals with the strength stemming from team work with experienced colleagues. In line with these goals I wish for a successful year-end performance after a productive first 9 months. I thank all partners, employees, clients and suppliers who contributed to the success of our company and who are or will be a part of Ulusoy Un family.

Fahrettin Ulusoy –Chairman of the Board



FAHRETTİN ULUSOY
 Tekkeköy/SAMSUN - 1949
 ULUSOY UN SANAYİ ve TİC. A.Ş.
 Chairman of the Board

Fahrettin Ulusoy, the founder of our company, has completed his primary and secondary education in Samsun. He has taken a break in education and started to work in 1969 , founding Ulusoy Gıda. Founding Ulusoy A.Ş. in 1989, he started to work as the Chairman of the Board. He has worked in both Ulusoy Gıda and Ulusoy Un until 1998, where he left his post at Ulusoy Gıda and continued on with Chairman of the Board position in Ulusoy Un. The company has achieved great success under the direction of Fahrettin Ulusoy in this period and has been awarded numerous times especially in export, tax and production. Also a shining star in social life, Fahrettin Ulusoy has taken posts in many political, professional and social institutions including political party provincial leadership, businessmen association leadership, sports club deputy chairmanship, chamber of commerce speakership. He's still a member of TOBB (Turkish Union of Chambers and Commodity Exchanges) Food Council. Married with two children, Ulusoy likes reading, cinema and travelling.



NEVİN ULUSOY
 Tekkeköy/SAMSUN - 1950
 ULUSOY UN SANAYİ ve TİC. A.Ş.
 Vice Chairwoman

One of the founding shareholders of our company, Nevin Ulusoy has completed her primary education in Tekkeköy Primary School, and secondary and high school education in Namık Kemal Secondary School and 19 Mayıs High School in Samsun, respectively. She graduated from 19 Mayıs University, Education Faculty, Department of Social Sciences Teaching in 1977 and began to work as a Geography Teacher in Gazi Elementary School in the same year. She has served Turkish National Education in various schools for 27 years and has worked in educating generations that will shape the future of Turkey. She has also been an active participant in social solidarity activities of schools. Retiring from her post in 2004, she started to work as the Total Quality Manager in Ulusoy Un Sanayi. She follows and inspects fair organizations of the company abroad. She has supported her husband in foundation and development of the company by taking over the responsibilities of the family. She's performing her duties as the member of the board of directors since 06.12.2011. Nevin Ulusoy has worked for many social associations. She's still a member of Make-a-wish foundation. She's married with two children. She likes reading, social activities and following space sciences and technology.



KAMİL ADEM
 Gümüşhacıköy/AMASYA - 1965
 ULUSOY UN SANAYİ ve TİC. A.Ş.
 Board of Directors Executive Member

Kamil Adem has graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. Starting work in Hasanusta Gıda San.A.Ş. in 1987 as the Accounting Manager, Kamil Adem has later started to work in flour industry. Starting to run finance operations of the same company along with accounting in 1990, Adem has been appointed to the head of accounting-finance and sales department of Ulusoy Un Sanayi after 1993. Acting as the general manager until July 2004, he has worked as the domestic and foreign marketing manager of Birsan Birlik A.Ş. operating in flour industry between the end of 2004 and the beginning of 2006. Activating export division of the company and launching sales channels in various domestic regions, Adem has started to work as the Factory Manager for another flour company Bafra Eriş Un Yem Gıda A.Ş. in February 2006. Starting as the general manager in Ulusoy Un San. A.Ş. in October 2010, Adem has continued as Vice Chairman after 06.12.2011 . Being one of the respected and professional managers of flour industry, Kamil Adem is known as one of the wise men of the industry. He's married with two children. His hobbies include hiking and cinema.



MİTHAT DENİZCİGİL
 SAMSUN - 1951
 ULUSOY UN SANAYİ ve TİC. A.Ş.
 Member of Board of Directors

After graduating from Samsun Ondokuz Mayıs High School in 1970, Mithat Denizcigil has continued his education at Ankara University and graduated from Human and Economic Geography Department of Faculty of Language, History and Geography of Ankara University in 1975. Participating seminar studies on urban development of Samsun during his studies, Denizcigil has prepared his dissertation on Samsun Port, its hinterland and its under-capacity operation. Serving in the military as reserve officer between 1976-1977, Denizcigil has worked as a geography teacher and administrator in Tekkeköy High School, Anatolian Vocational High School and Trade Vocational High Schools in Samsun. After serving Turkish National Education for 24 years, he retired in August, 2001. Acting as a Board of Director Member in Ulusoy Un Sanayii A.Ş. and Erhan Ulusoy Un Sanayii A.Ş. between 2002 and 2006, Denizcigil also acted as a consultant for Ulusoy Çay Sanayi A.Ş. in fresh tea processing and processed tea packaging facilities. Married with one child, Denizcigil likes hiking and reading.



ÖMER FARUK EKİNCİ
 Tekkeköy/SAMSUN - 1949
 ULUSOY UN SANAYİ ve TİC. A.Ş.
 Member of Board of Directors

Completing his primary and secondary education in Samsun, Ömer Faruk Ekinci has graduated from Ankara State Engineering and Architecture Academy, Ankara Engineering and Architecture College as a mechanical engineer in 1974. He completed his military service in the Navy as an officer designate for 12 months and as a lieutenant for the last 2 months in 1976. He started working as the machinery maintenance engineer in Sulphuric Acid Manufacturing Factory in Samsun Fertilizer Factories, known then as A20T Sanayi in December 1976. He's been appointed to protective maintenance chief engineer in 1987. He was appointed as maintenance manager in Samsun Gübre Sanayi Machinery Maintenance Directorate in 1988. Appointed as chief expert in 1991 in Ankara TÜGSAŞ (Türkiye Gübre Sanayi A.Ş.) General Directorate, Ekinci worked in this position in Ankara for 9 years. He returned to Samsun Gübre Sanayi as a consultant in 2000. He's been appointed to Samsun 19 Mayıs University General Directorate of Construction in 2004 when Samsun Gübre Sanayi was privatized. He retired in 2005 after he completed his service. Married with two children Ekinci likes fishing and hunting.



PROF. DR. UEDAT CEYHAN
 Akyazı/SAKARYA - 1968
 ULUSOY UN SANAYİ ve TİC. A.Ş.
 Non-Executive Director

Completing his primary and secondary education in Sakarya, Uedat 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 Agricultural Economics Department in Samsun Ondokuz Mayıs University.

Apart from his countless achievements in academic life, Ceyhan, who stands out with his administrative skills, is the Head of Samsun Vocational School since 2008 and also the Director of Remote Education Center since 2009. Ceyhan is renowned as one of the opinion leaders in agricultural economics in both academic and business circles. Married with two children, Ceyhan likes reading and playing football and volleyball.



KEMAL KİTAPLI
 Alaçam/SAMSUN - 1963
 ULUSOYUN SANAYİ ve TİC. A.Ş.
 Non-Executive Director

Kemal Kitaplı 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 after his military service and 1 year internship. He still practices law in Samsun. Apart from his practice he has been in business with many partnerships. He's also the dealer of some international textile brands in Samsun. He's one of the leading names of the industries he operates.

He actively participates various social, economic and cultural associations and clubs. He's a member of Samsunspor, Samsun Rotary Club and Samsun Sailing Clubs. Kemal Kitaplı married Mrs. Fulya Kitaplı in 1997 and is father of two children.



SALİH ZEKİ MURZIOĞLU
 SAMSUN - 1959
 ULUSOYUN SANAYİ ve TİC. A.Ş.
 Non-Executive Director

After his primary and secondary education Salih Zeki Murzioğlu graduated from Samsun Trade High School. Leaving college, Murzioğlu started business in his father's sector, copper processing. Being known with his integrity and hard working personality in business and industry life, Murzioğlu was elected as the Board of Directors Chairman of Samsun Chamber of Industry and Commerce in 2009 after working many years as member of board of directors and assembly member. 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 General Assembly Elections in 2013. Operating in many industries as a businessman, Salih Zeki Murzioğlu also acts as Samsun Central OIZ Board of Directors Chairman, Samsun Kavak OIZ Uice 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 TOBB Board of Directors member. Salih Zeki Murzioğlu is married with two children.



Dear Shareholders,

Archeologists found that the world's first known settlement was founded 12,000 years ago in Göbeklitepe, 15 km north of Şanlıurfa. The reason Göbeklitepe was the first known collective settlement is the reason that makes our industry the largest exporter in the world: wheat! Beginning of first agricultural activities with wheat in Göbeklitepe caused settled life, thus forming societies, which in turn initiated cultural and economic development. Humanity thus entered a process of rapid development. And in the homeland of the wheat, the raw material of holy bread, an industrial enterprise that expands to the world; Ulusoy Un was born. Emerging from this strong history, potential and people of our country, Ulusoy Un has managed to gain an important seat in its industry both at home and abroad in the last 25 years.

In two factories that amount to daily capacity of 900 tons, our company has managed to realize 5.2% of the Turkey's flour export in the first nine months of 2014. According to TIM data published in 2014 we're 524th in top exporting 1000 companies of Turkey and 5th in our industry. According to 2014 data from Istanbul Chamber of Industry, we are 410th in largest 500 producers of turkey and 2nd in our industry with our total production sales.

With these sales we perform both at home and abroad in line with customer demands, without compromise from quality and food security and under unconditional customer satisfaction principle, our company has increased its revenues from 61.1 million TL in 2006 to 681.1 million TL in 2013, which corresponds to 11.1 times increase in revenues and an annual average revenue growth of 41% in 7 years.

Our revenues have reached 681.6 million TL in the first 9 months of 2014 and our company managed to get ahead of the previous year's total revenues in the first 9 months. Therefore, in the first nine months we attained 75% of our sales target of going beyond 900 million TL by achieving a sales revenue growth of 32% at the end of the year.

Upon its operations in the first nine months of 2014, our company has obtained 45.6 million TL gross profits and 29.0 million TL real operating profit from production and commercial activities. Our paid-in capital, which was TL 50,000,000 at the end of 2013 was raised to TL 65,000,000 during the first quarter, its financial structure has been reinforced and resources created to finance rapidly growing operations were included into the capital and left to the company's disposal.

In the first 9 months of 2014, our company has revised production diagram of 2nd unit of its Samsun factory which is mainly used for export. With this modernization investment products demanded by our customers in the African market were produced more efficiently and stable. With this investment we aim to further increase our market share in Africa.

I thank our customers and employees who carried us to the top in our industry and always lend a hand and wish the year-end of 2014 to bring revenues and joy for our company. With its experience exceeding 45 years, Ulusoy Un will continue creating value for its partners, employees and customers...

Günhan Ulusoy – CEO



GÜNHAN ULUSOY
Samsun - 1981
ULUSOY UN SANAYİ ve TİC. A.Ş.
Chief Executive Officer

Graduating from Samsun Anatolian High School in 1999, Günhan Ulusoy completed his higher education in Boğaziçi University, Faculty of Economics and Administrative Sciences, Business Administration Department in 2003. He started working in export department of Ulusoy Un Sanayi in July 2003. Appointed as General Manager in July 2004, Ulusoy continued working at this position until October 2010. He's the CEO of the company since October 2010. He's also Board of Directors Member of Samsun Serbest Bölge İşletici A.Ş.- Sasbaş since 2008. A member of many social and professional associations, Günhan Ulusoy is Board of Directors Chairman of Black Sea Region Flour Industrialists Association, Board of Directors Member of Turkish Flour Industrialists Federation, Vice-Chairman of the Board of Directors of Black Sea Cereal, Pulse and Oil Seeds Exporters Union and Vice-Chairman of the Board of Directors of Samsun Commodity Exchange. Günhan Ulusoy, who speaks English likes basketball, cinema and traveling.



KAMİL ADEM
Gümüşhacıköy/AMASYA - 1965
ULUSOY UN SANAYİ ve TİC. A.Ş.
General Manager and Executive Board Vice-Chairman

Kamil Adem has graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. Starting work in Hasanusta Gıda San.A.Ş. in 1987 as the Accounting Manager, Kamil Adem has later started to work in flour industry. Starting to run finance operations of the same company along with accounting in 1990, Adem has been appointed to the head of accounting-finance and sales department of Ulusoy Un Sanayi after 1993. Acting as the general manager until July 2004, he has worked as the domestic and foreign marketing manager of Birsan Birlik A.Ş. operating in flour industry between the end of 2004 and the beginning of 2006. Activating export division of the company and launching sales channels in various domestic regions, Adem has started to work as the Factory Manager for another flour company Bafra Eriş Un Yem Gıda A.Ş. in February 2006. Starting as the general manager in Ulusoy Un San. A.Ş. in October 2010, Adem has continued as Vice Chairman after 06.12.2011 . Being one of the respected and professional managers of flour industry, Kamil Adem is known as one of the wise men of the industry. He's married with two children. His hobbies include hiking and cinema.



SEZGİN KARAÇAM
Alucra/Giresun - 1973
ULUSOY UN SANAYİ ve TİC. A.Ş.
Deputy General Manager and Executive Board Vice-Chairman

He graduated from Samsun Commercial High School Accounting Department in 1989. He worked as an accounting personnel in Mehmet Demirci - Independent Accountant and Financial Advisor office between 1989-1997. He started working in accounting department of Ulusoy Un in 1997. He was appointed as accounting manager in 1999. He worked as the Sales Manager in Sales and Marketing Department between 2003-2007. He was brought back to accounting manager position between 2007-2011. Since 2012, he's the Deputy General Manager and Executive Board Vice-Chairman of the company. He's married with three children.

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.

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.

CONSEQUENTLY;

Becoming the company with the largest market share

FLOUR INDUSTRY AND
ECONOMIC DEVELOPMENTS
IN THE WORLD AND IN TURKEY





FLOUR INDUSTRY AND ECONOMIC DEVELOPMENTS IN THE WORLD AND IN TURKEY

The developments witnessed in Israel and Ukraine in July were closely followed by global markets. Risk appetite in global markets was reduced when first the USA and then the European Union countries made decisions to impose sanctions on Russia and Argentina failed to meet its financial obligations.

In the July update of its "Global Economic Outlook" report, the IMF reduced its global economic growth estimate by 0.3 points to the level of 3.4% for the year 2014. This downward revision was particularly influenced by the less than expected performance level of the American and Chinese economies in the first quarter of the year, whereas 1.1% growth estimate for Euro Zone maintained its level in April. It is seen that the growth estimates of both developed and developing countries were generally revised downwards as compared to the levels in April. For 2015, economic growth is estimated to be 4% boosted by the acceleration anticipated in the developed economies.

In the FOMC meeting ended on July 30, FED reduced the size of its monthly asset purchasing by 10 billion USD, to the level of 25 billion USD, in line with expectations. In the statement made after the meeting, it was emphasised that in spite of the positive developments in labor markets, resources are still not being sufficiently used. It was also stated that inflation moved a bit more closer to the level of 2% which is the long term target of FED and it is not likely that it will be under this level in the next period.

Financial markets felt uneasy when Espirito Santo Financial Group, owner of 25% shares of Banco Espirito Santo (BES), the second biggest Portugal bank, sold 5% of its shares at the beginning of July because of insolvency. Concerns about the possibility that a problem to be experienced in Portugal banking sector may be reflected to other European countries caused rapid regression of stock market indices in the region. This disruption remained limited in the following period; however, concerns rose again when BES announced a loss higher than expected and news indicating that it is required to make a capital increase was heard. Hence, Portugal Central Bank declared a plan in the amount of 4.9 billion Euros to save BES. The plan suggests dissolving BES and transferring public funds to the new bank to be established.

In return for the sanctions imposed by Western countries in the first half of the year because of the Ukraine crisis, Russia banned importation of all agricultural and food products from the EU, the USA, Norway, Canada and Australia for one year on 31st August. While this situation is expected to have adverse effects particularly on the Euro Zone economy via foreign trade channels, the comments that producers may have to reduce the prices because of excess supply further raise the concerns for deflation in the region.

In the interim global economic outlook assessment report issued by OECD on 15th September, it was stated that the improvements taking place in the global economy at a moderate pace are not equally distributed among the countries and the regions. While OECD made downward revisions in the GNP growth estimates for the USA and the Euro Zone as compared to May, it does not make any changes in the growth estimates for China.



Growing political concerns before the Presidency election in August remained on the agenda because of the uncertainties related to person to be assigned as prime minister. Therefore there were fluctuations in the domestic markets in the first half of August. Uncertainties as to whether the Turkish Republic Central Bank will make changes in the policy interest rate caused a decrease in the risk appetite. Starting from the second half of August there was significant increase in risk appetite when domestic political uncertainty was reduced and monetary policy uncertainties were eliminated. In addition to these developments, concerns over Russia-Ukraine throughout the month of August caused fluctuations in both global and domestic markets.

Besides Iraq-based concerns, the relative slowdown recently witnessed in the economical activities of the EU countries, and particularly of Germany which is our biggest export market, may create a downward pressure on Turkey's export performance in the upcoming period. On the other hand, it can be expected that foreign trade deficit will follow a narrowing trend in the upcoming period in parallel with the domestic demand conditions having a moderate trend and the possibility of signing trade agreements with Russia.

Turkish flour sector made 1.648 M/T of cumulative export in the first 9 months of 2014 which is 219 thousand tons more than the export achieved in the January-September period of 2013. Point to take into account here is that political and economic uncertainties increased in the export regions. Particularly, in the first 9 months of the year Turkey's flour sales to Iraqi market increased by 11% as compared to the same period of previous year in spite of the troubles experienced in Iraqi market which represents a significant part of Turkey's flour exports. Turkish flour exporters had further achievements in the Middle East countries, Africa and Southeastern Asia despite various problems.

HUMAN RESOURCES





HUMAN RESOURCES POLICY

Human Resources Management consists of all methods and techniques that govern the most proper and most efficient use of the most important business resource, the manpower, in line with company targets.

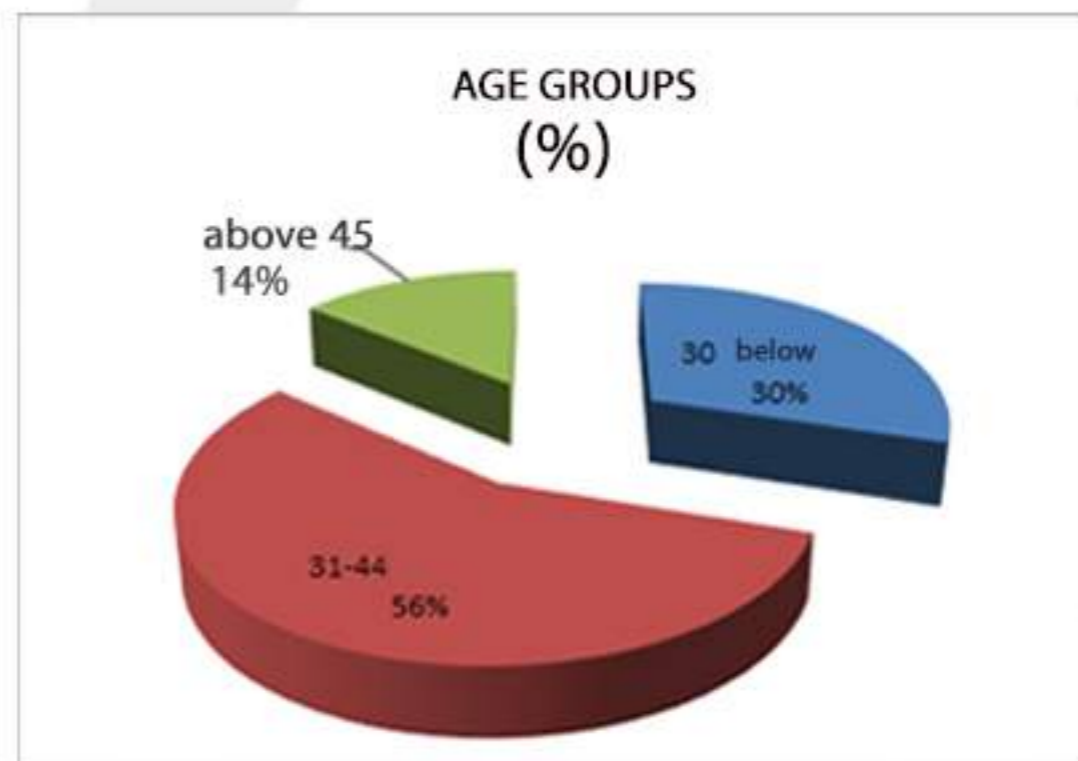
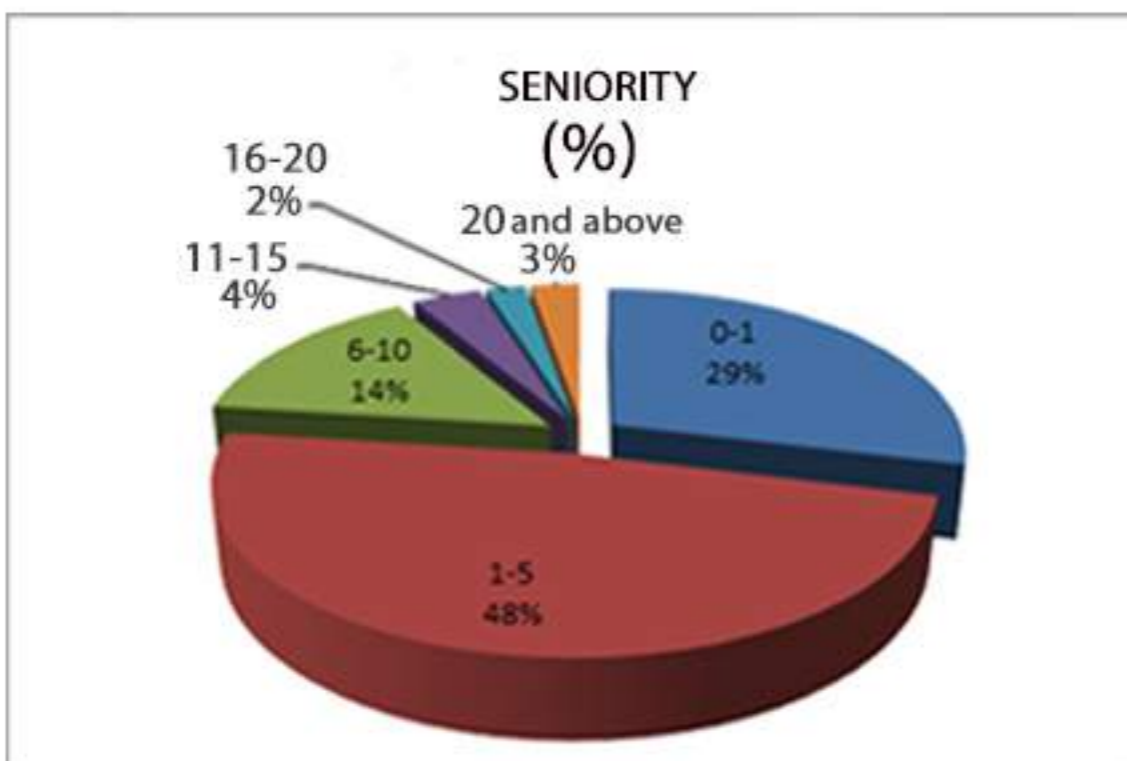
The purpose of Human Resources Management is to provide the company with the human resources that will bring competitive advantage to the company both today and in the future. In that context, management is a discipline of designing and implementing policies, strategies and programs required to recruit human resources, to retain them in the company and to increase their performance.

Personnel management and Human Resources management have different contents. Personnel management includes salary system, payroll management and work placement.

On the other hand, Human Resources Management;

- Is a human-centred department that gives consultancy service.
- Creates mission and values.
- Assumes human as an important input.
- Recognises that it is the human who drives business by making strategic planning.
- Stipulates efficient use of human resources.
- Improves the skills of subordinates.
- Involves humans more actively in management.

There are new recruits in our company. As of the end of September, 19 people started working in Samsun factory and 10 people started working in Çorlu factory. Orientation training is provided to the newcomers. This training was given by department managers and human resources department.



At the end of the year, human resources department in our company provides the department managers with explanatory and instructive information for personnel performance evaluations so that they can be made impartially and objectively.

Performance interview is a critical process. It is vital to be very careful and meticulous since salary system is also taken as the basis. The employee and the manager must go through an effective preparation process for success. Positive and negative feedbacks have different effects on the employees.

Positive feedbacks are as follows:

- Encourage the performance that you want it to be repeated.
- Avoid making useless praises and try to recognise special aspects
- Support the people for what they are trying to achieve
- Do not confuse feedback with criticism
- Give feedback as soon as possible
- Explain how you are observing the work being done and tell how good it is

Negative feedbacks are as follows:

- Never give warning among others
- Do not talk about a problem in the heat of the moment
- Explain the consequences of wrong behaviours
- Do not bring up the previous mistakes
- Agree on not repeating the same mistakes
- Restate your trust and your belief in his success

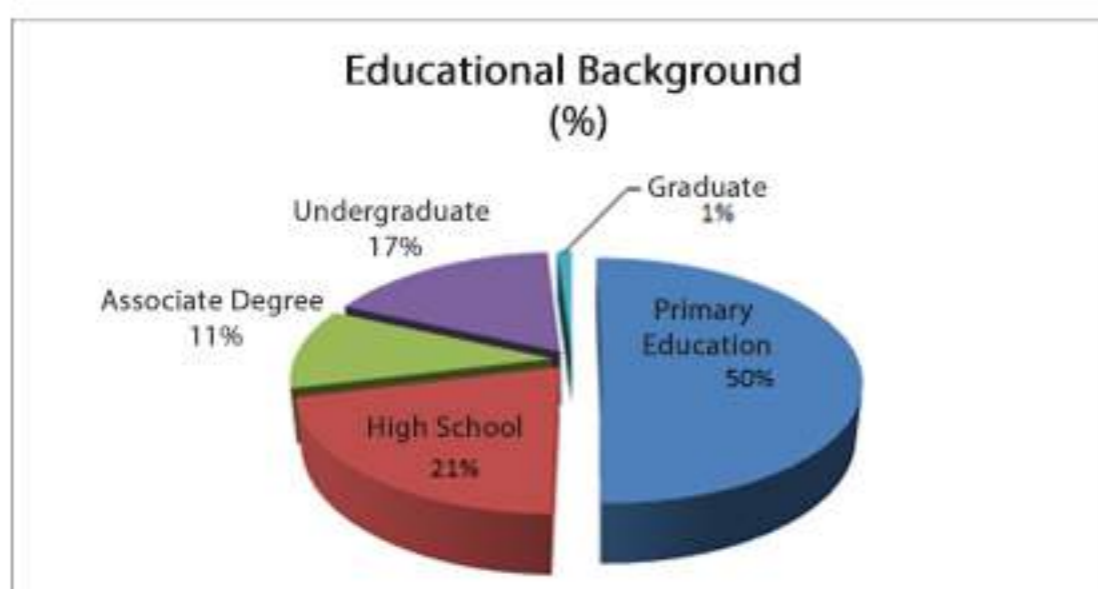
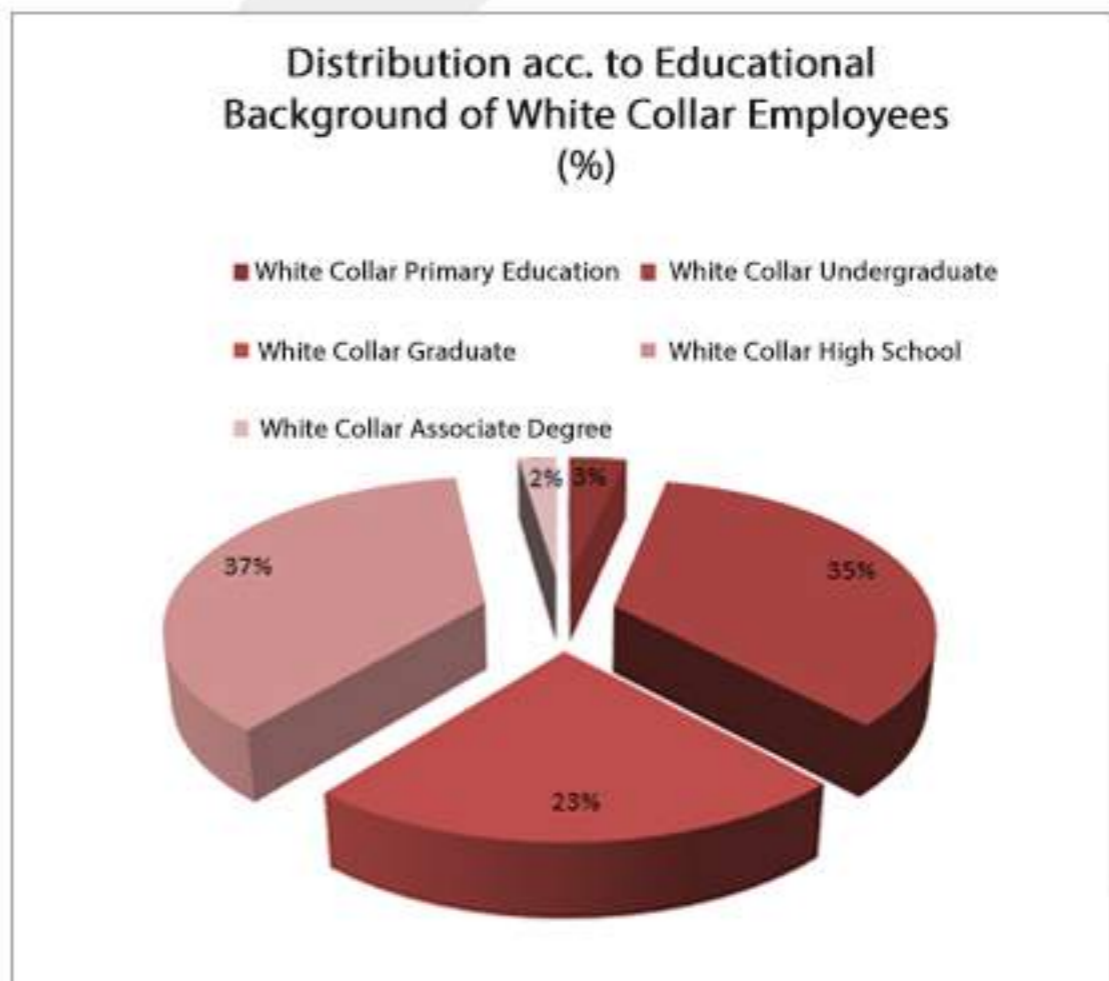
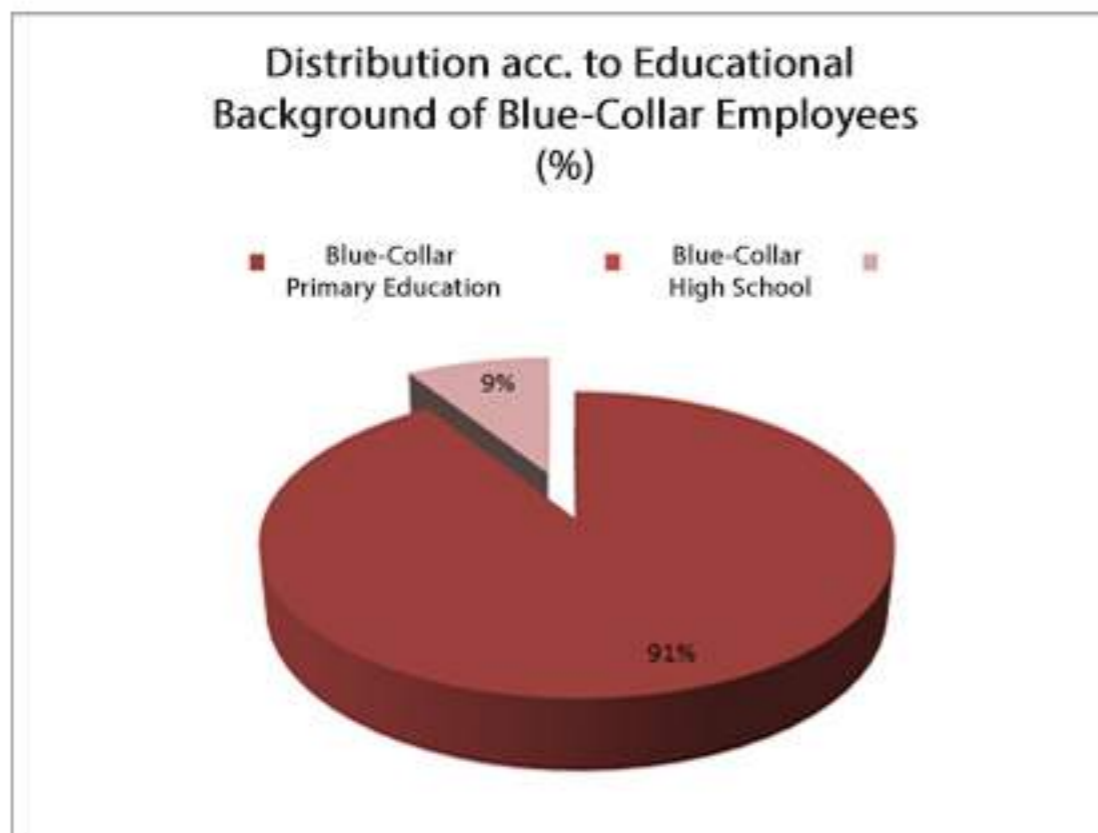
Our company cares for giving positive and negative feedback in performance evaluations in order to motive the employees, retain them in the company and help them to be successful.

We will always believe that our human-centred works increase our efficiency.

Our personnel is attending various national and international exhibitions. Export department managers have participated in the exhibitions in Paris, Germany and Brazil until the end of September. They have enhanced their knowledge and visuality and witnessed the innovations and developments, which have contributed to the company's productivity.

In the third quarter of 2014, human resources will be based on the following values:

- 1- We are a team.
- 2- We value people.
- 3- We create quality difference.
- 4- We prioritize and support the customers.



ORGANIZATIONAL STRUCTURE



QUALITY WORKS





QUALITY WORKS

Our Quality Policy;

Aware of the seriousness of the responsibility for social health, Ulusoy Un attaches special importance to R&D within the scope of its mission to supply healthy, high quality and natural products.

Within this framework, Ulusoy Un R&D department seeks support from leading expert staff at home and abroad along with its highly trained expert staff in house. Following and adapting technological advances around the world, Ulusoy Un works hard to supply innovative products that add value in line with the safe food consumption and changing needs of consumers. Believing that modern life will be adorned with our traditions, Ulusoy Un supplies these innovative products to Turkish and world cuisine.

Our Quality works;

Operating in Turkish domestic market and international markets, Ulusoy Un has adopted below principles in its Quality works:

- Food Security principle is established as the utmost priority and we aim to continue and further these production and quality works stemming from these principles, in a reliable manner and cleared of error and without compromise from Total Quality principle.
- To preserve and shelter Food Safety and Quality for its production and products in all processes starting from the wheat until it become a product and reaches the consumers.
- Tüketici haklarını, tüketici talep ve beklentilerini birinci öncelik olarak uygulamak.
- To prioritize consumer rights, consumer demands and expectations.
- To practice Quality Management system and Food Safety Management system requirements with participation of all employees and to improve their efficiency in order to provide high quality products in compliance with Food Safety principles.
- To observe human and environmental health and to undertake efforts to make this company principle a continuous principle.
- To make product diversity researches, to analyze the studies and test them before offering it to customers' and consumers' taste and approval.
- To create maximum benefit available to the client expectations through customer oriented works.
- To observe public welfare by adhering to laws and legislations.
- To optimize Food safety, Quality, Pricing and Product diversity in its products.

Ulusoy Un continues product development and market studies in 2014 with its expert and experienced staff. In line with this it plans and realizes structural reinforcement in marketing and sales staff in order to support product diversity and branding efforts in especially industrial and retail markets. It plans major revisions in Marketing & Sales corporate working processes in order to support the increase success in these efforts and implements these plans in the period.

In domestic marketing;

1. Plans are prepared and implemented in order to strengthen the access of marketing and sales staff to locations in line with corporate structure processes and to increase penetration, to increase revenues and production, to increase profitability, to maximize risk and collections management quality, to maximize brand recognition, to fully implement customer satisfaction and total quality management.

The staff involved in marketing and sales activities has been reinforced with additional staff starting from the second half of 2014 in line with these plans and important steps have been taken to attain tonnage and sales targets.

2. Plans are prepared and implemented for reinforcing all domestic activities and the existing customer risk management and collection processes and all commercial processes for domestic customers within a corporate process.

3. Product and market research for products outside current product range continues, while data is gathered for product ranges and markets in order to enable Quality studies and external works are planned for these markets.

Marketing and sales activities of the products produced in Samsun and Tekirdağ/Çorlu plants in 2014 are in progress and market growth works continue with business development plans. While continuing branding and product range development works with currently 13 (thirteen) products, Ulusoy Un has added 3 (three) products to be produced in its factory in Tekirdağ Çorlu in the period bringing the total to 16 (sixteen). Flour for biscuits and cakes planned in 2013 and started production in 2014 thanks to development studies has been successfully marketed, appreciated and thus has gained a momentum in 2014 sales.

Samsun and Çorlu/Tekirdağ factories of the company produces

BREAD WHEAT FLOUR GROUP:



ANADOLU ATA

ANADOLU ATA brand is produced with its quality, specific taste and aromatic features using special production processes as stipulated by laws and in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and in line with the production process of producers using so called black ovens and stone ovens and marketed in 50 kg PP packaging for manufacturers.



PLUSMAX

PLUSMAX brand is produced with its quality, specific taste and features as stipulated by laws and in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and in line with the production process of producers using so called black ovens and stone ovens and marketed in 50 kg PP packaging for manufacturers.



PLUS 2

PLUS 2 brand is produced with its quality, specific taste and features as stipulated by laws and in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and in line with the production process of producers using so called black ovens and stone ovens along with other machine type for mass production and marketed in 50 kg PP packaging for manufacturers.



ULUSOY FLOUR

ULUSOY FLOUR brand is produced with its quality, specific taste and features as stipulated by laws and in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and in line with the production process of producers using so called black ovens and stone ovens and marketed in 50 kg PP packaging for manufacturers.



UNNU

UNNU brand is produced with its quality, specific taste and features as stipulated by laws and in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and in line with the production process of producers using tunnel, matador or rotating type ovens and marketed in 50 kg PP packaging for manufacturers.

SPECIAL PURPOSE WHEAT FLOUR GROUP:



PIZZAMIX

PIZZAMIX brand is produced using special production processes in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and in accordance with production of fast food pizza producers to be used in pizza base dough of pizza producing domestic or foreign fast food pizza producers delivered in 50 kg PP packaging or in bulk trailers.



EKAMAKS

EKAMAKS brand is produced in accordance with "Communiqué of Turkish Food Codex Wheat Flour" for packed Toast bread, hamburger, sandwich bread production as well as packed product for domestic or foreign fast food chains and for direct consumer use and delivered in 50 kg PP packaging or in bulk trailers.



PLUS 61

PLUS 61 brand is produced with its specific taste and features using special production processes in accordance with "Communiqué of Turkish Food Codex Wheat Flour" in line with the production process of sourdough bread and marketed in 50 kg PP packaging for manufacturers.



PLUS 1

PLUS 1 brand is produced using special production processes in accordance with "Communiqué of Turkish Food Codex Wheat Flour" for the packed or retail production of bakery products, various bread types, hamburger, sandwich, toast breads, buns, pastries and such products and delivered in 25 and 50 kg PP packaging or in bulk trailers for manufacturers.



SIMIMIX

SIMIMIX brand is produced in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and the production processes of bagels producers and etc. and marketed in 50 kg PP packaging for manufacturers.



HASATTAN TAM BUĞDAY UNU

HASATTAN TAM BUĞDAY UNU brand is produced with its specially prepared formula, specific taste and aroma in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and according to production processes of whole wheat bread producers and marketed in 25 kg PP packaging for manufacturers.



PLUS PİDE

PLUS PİDE brand is produced with its specific taste, ingredients and aroma in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and according to production process of pita and thin bread producers and marketed in 50 kg PP packaging for manufacturers.



PLUSLİM

PLUSLİM brand is produced with its specific taste and ingredients in accordance with "Communiqué of Turkish Food Codex Wheat Flour" and according to production processes of industrial phyllo producers and marketed in 50 kg PP packaging for manufacturers.



UNBAK

UNBAK brand is produced in accordance with "Communiqué of Turkish Food Codex Wheat Flour" according to production process of the industrial facilities of domestic or global biscuit and cake producers and delivered in 50 kg PP packaging and in bulk trailers.

CONSUMER PRODUCTS HOME TYPE SPECIAL PURPOSE WHEAT FLOUR GROUP:



ANADOLU ATA

ANADOLU ATA brand is produced in accordance with "Communiqué of Turkish Food Codex Wheat Flour" to be used by housewives in cake, pastry, buns and cookies and marketed in 1, 2, 5 or 10 kg packaging for the end user.



MAUI LÜKS

MAUI LÜKS markası; ev hanımlarının, ev tipi ekmek, pasta, börek, poğaç, kurabiye MAUI LÜKS brand is produced in accordance with "Communiqué of Turkish Food Codex Wheat Flour" to be used by housewives in homemade bread, cake, pastry, buns and cookies and marketed in 25 and 50 kg packaging for the end user. üretilip 25 kg. ve 50 kg'lık ambalajlarda nihai tüketicinin

For the sixteen products described above, works have been completed, production in accordance with "Communiqué of Turkish Food Codex Wheat Flour" has been made; their launch has been completed and they have been marketed.

Continuing R&D on the works on different products in 2014 to diversify consumer behavior and to market these as alternative nourishments, Ulusoy Un continues working on;

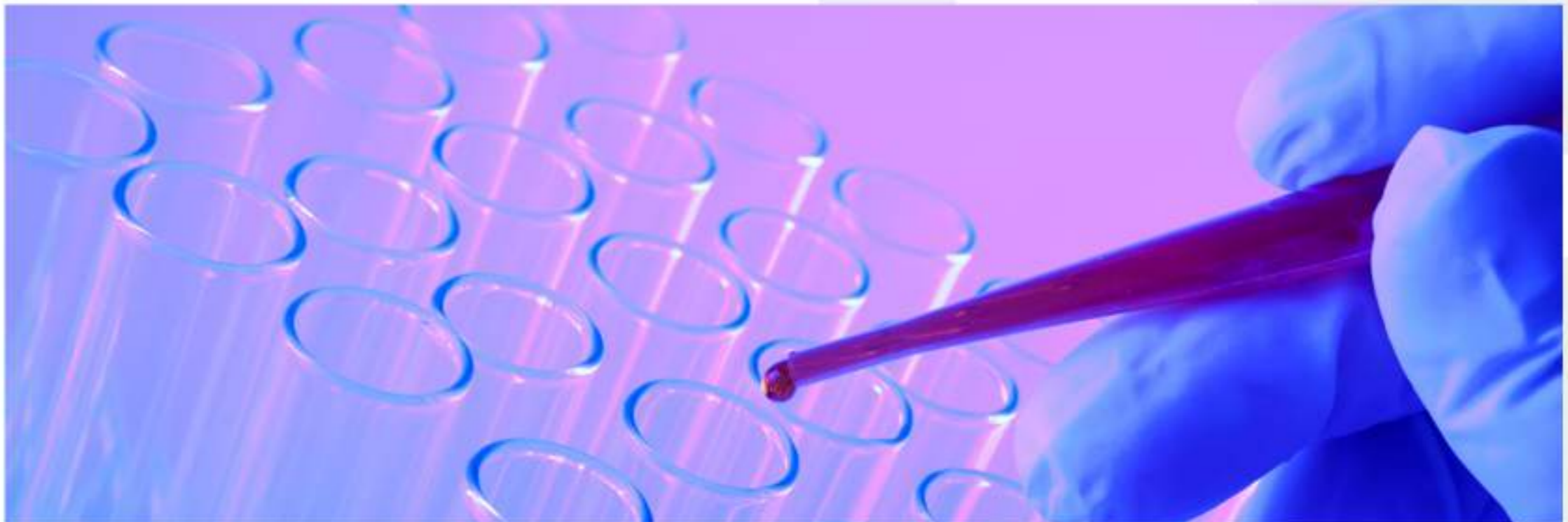
1. the production of WHEAT GERM to be used in production phase of bread,
2. BROWN VILLAGE BREAD FLOUR to be used in the production of Traditional Village Bread

Furthermore R&D and investment planning continues on the products below demanded in industrial markets:

1. DESICCATED FLOUR with moisture rate reduced to 7% to 5% for special products.
2. ANGEL HAIR FLOUR to be used in packed, ready-made angel hair dessert production.

Production process works continue to realize production.

Production and sale of Bran and Red Dog products that have commercial value in by-product market used as raw material in feed plants under ULUSOY KEPEK and ULUSOY BÖNKALİTE brands continue. These products are marketed from both Samsun and Tekirdağ/Çorlu plants in packages (30 kg, 35 kg and 40 kg PP packages) or in bulk. For BRAN a bran pelletizing system has been installed and commissioned in Samsun and Çorlu factories in 2011. With the addition of this technology, the produced bran can be pelletized in thicknesses of 6 mm, 8 mm or 10 mm and production is done according to customer demand. The most important advantages brought by this system are elongated shelf life of the product, saving in storage space and ease of storage.





ULUSOY UN QUALITY STANDARDIZATION WORKS

Ulusoy Un continued the principles of production and service that are standard, reliable, free from errors and without compromise from total quality principle in 2014. For continued quality standards in 2014 input analyses from the raw material purchase and quality analyses in every phase of production are done and recorded. Thus the products are standardized. Process controls, critical control point analyses, hygiene and quality controls defined to ensure quality standard are performed. Corrective and preventive actions are efficiently used. Our test results are compared with accredited laboratories to verify the accuracy of our laboratories.

Relevant departments of Ulusoy Un determine raw materials and other input to be supplied. Raw materials and other input items are tested for compliance with specifications and purchasing is performed according to analysis results with relevant unit request and board of directors' approval. After the purchase the items are dispatched to the Company storage to be stored. Separate cards are kept for each supplier to prepare supplier performance evaluation report at the end of the year for the review of the management.

Ulusoy Un provides hygiene, quality management system, occupational health and safety, environment education, food safety management system trainings to all its employees throughout the year, in order to perform production in accordance with standards and health.

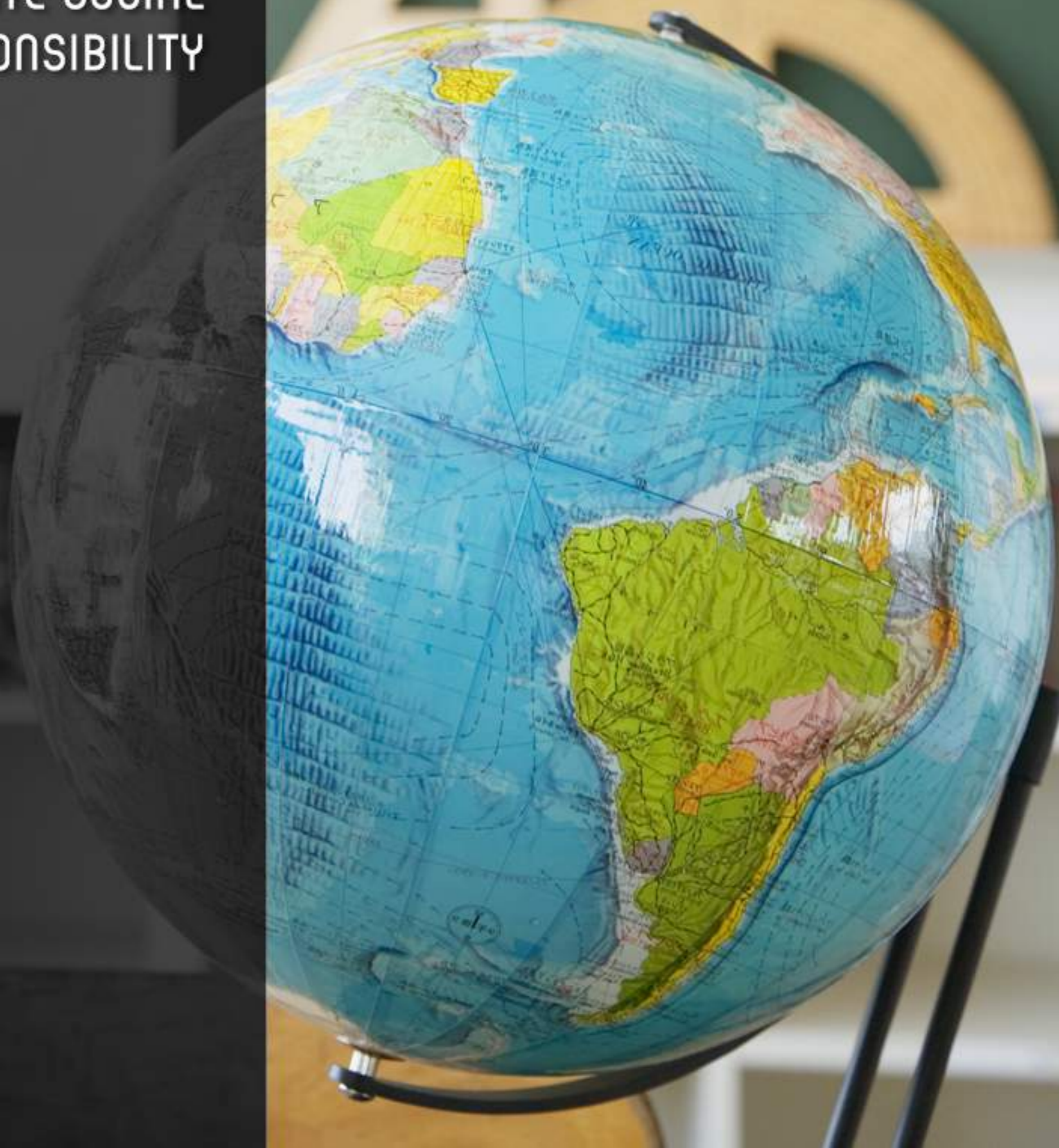
Ulusoy Un conducts customer satisfaction surveys, meticulously evaluates all feedback and continuously works to perpetuate customer satisfaction.

To preserve Food Safety and Quality for its production and products in all processes starting from the wheat until it become a product and reaches the consumers, is the most important principle of Ulusoy Un.

In order to ensure these processes go through total quality concept and system, Ulusoy Un continues producing "Healthy and Reliable" products with certificates such as:

ISO 9001:2008 Quality Management System
ISO 22000:2005 Food Safety Management System
ISO14001: 2004 Environment Management System
E&H EURASIA HALAL SERVICE CENTER Halal Food System
SNI Indonesian National Standard
TSE 4500 Certificate

CORPORATE SOCIAL
RESPONSIBILITY





CORPORATE SOCIAL RESPONSIBILITY

Our company tries to carry out its responsibility to the society with projects in education, culture and arts since its foundation. And it will continue to do so in the future with the same willingness. We believe the difference is created by humans.

Our people oriented works under the slogan "Better People means Better World" continue. Within this scope our project goals for the year 2014 are:

- Making the wishes of a sick child for Make A Wish Foundation
- Holding Islamic memorial service ceremony and giving Fast Breaking Meal during Ramadan.
- Sponsoring the gymnasium of Fahrettin Ulusoy Primary School.
- Going to see a theatre with all employees and top management.

An overview of the activities in the first 9 months of 2014:

Carpet Field Football games were held among Ulusoy Un employees. These are organized into a tournament. Games are generally played in weekends and Saturday nights. It is highly important for employee motivation. These are continued with excitement and enthusiasm and are seen to have positive influence on the employees.



Our Board of Directors Chairman Fahrettin Ulusoy has attended the year's end ceremony in Fahrettin Ulusoy Primary School built in Atakum, Samsun in 2009. Building the primary school in Atakum to contribute the needs of our country in education, Ulusoy Un cares to attend special days and festivals such as year's end ceremonies to motivate students. This also ensures sustainability of the project.

As a joint art activity with our employees we went to see "West Side Story" musical performed by Samsun Opera and Ballet in Atatürk Culture Center. We observed that some our employees had visited an opera house and seen a musical for the first time in their lives. Even this is an important social gain for us.



In Ulusoy Un Family, we have proven that our goal is not to keep our gains only to ourselves with numerous social responsibility projects we have completed in the past. The works we'll do by putting our projects into practice will continue to add more meaning to our company in social responsibility sense.

RISK MANAGEMENT



Term	Value
1 WE	1303
1 MO	1303
2 MO	1303
3 MO	1303
6 MO	1303
12 MO	1303

Term	Value
12 MO	7.5
7.0	7.3
6.5	7.1

Term	Value
12 MO	4.530%
6 MO	4.220%
3 MO	4.180%
1 MO	4.280%
1 WE	4.350%

Term	Value
12 MO	101.52
6 MO	100.75
3 MO	101.13
1 MO	101.13
1 WE	101.13



RISK MANAGEMENT

The role of risk management in organizations has changed drastically in recent years and has become significant. Successful organizations of today prefer to gain opportunities from risks instead of avoiding uncertainty. Consequently traditional risk management fails to satisfy in current conditions. From this perspective Ulusoy Un started to see different risk types like operational and strategic risks and manage these actively.

In Ulusoy Un, we follow two completely separate methods in managing our risks. First of all we take all current risks individually and manage these and secondly we see all risks as a part of the system and manage these within the scope of the risk management program.

In order for organizations to gain the benefits expected from corporate risk management, they should have a fully operational risk management structure and an efficient corporate risk management applications. In this context, we improve and develop required processes each passing day to generate an effective corporate risk management structure.

In line with our fast and stable growth, we monitor our raw material, currency and interests risks instantly with our risk modeling methods and take necessary actions in accordance with our strategy.

We balance risks that may arise from raw materials inventory with hedging in foreign stock markets (CBOT) against raw material price volatility in the recent years.

Short foreign exchange position of the company is efficiently managed against any fluctuation risk with Domestic Derivatives Exchange positions and with forward transactions to be turned into foreseeable financial results.

Increasing geopolitical risks in the 3rd quarter of 2014 created some fluctuations in global markets. Developments experienced in Israel and Ukraine combined with growing tension in our southern neighbours Iraq and Syria reduced the risk appetite in markets.

In the first half of August, being influenced by political uncertainties in the country and by concerns brought into question by positive data announced in USA over the possibility that FED may start interest rate hikes earlier than expected, USD/TL reached 2.2900, the highest level in the last 8 months. In this period the increase in EUR/TL currency rate was at a relatively low level because the new steps taken by ECB for monetary expansion created pressure on Euro.



1. Corporate Governance Principles Compliance Declaration

Our company complies with and practices Corporate Governance Principles issued by Capital Markets Board.

EQUALITY

Our company bases on acting equal and fair to all beneficiaries and to protect rights of all shareholders of the company. Furthermore it agrees that there will be no prejudice on the grounds of sex, behavior, world views and ethnic grounds, and will not discriminate in any condition.

TRANSPARENCY

Our company gives all information that is not a trade secret and not disclosed to the public, which is related to the public or the shareholders accurately, fully and in an easily accessible manner.

ACCOUNTABILITY

The company acts on the basis that it has to prove the shareholders the accuracy of its decision and to bear the responsibilities.

LIABILITY

Our company does not only aim to increase shareholder value in its operations but also acts according to social values and laws and operates the current facilities in this understanding.

We have taken steps to practice the principles we have stated above. Our company will maintain the care to further the current process.

2. Shareholders Relation Unit

In order to manage and reinforce the relations with shareholders Investment Relations Group has been founded in 2012. This unit consists of 1 person. He can be contacted via phone on (0362)266 90 90, via fax on 0(362)266 90 94 or via e-mail at ilker.kucuk@ulusoyun.com.tr

Head of the department to contact shareholders: İlker Küçük

The main duties of the department are:

- To reply information demands from the shareholders,
- To ensure General Meeting is held in accordance with the legislation in force, articles of association and other company regulations,
- To establish the communication between the Board of Directors and the shareholders, to answers questions from the shareholders and to report their views regularly to the Board of Directors,
- To work on improving Corporate Governance and Social Responsibility practices of the Company
- To observe and monitor all issues regarding Public Information,
- To update investor relations page on company website
- To notify shareholders of the documents related to financial tables and reports including annual activity report, profit distribution proposal, general assembly agenda articles of the company.

Investment Relations Group is responsible for presenting the performance of the company to the current and potential investors transparently and without a mistake.



COMPANY CONTACT LIST

HEAD OFFICE & FACTORY

ATATÜRK BULVARI NO:292
TEKKEKÖY/SAMSUN/TURKEY
TEL: +90 (362) 266 90 90 (PBX)
FAX: +90 (362) 266 90 94

RISK MANAGEMENT CAPITAL MARKETS AND INVESTOR RELATIONS GROUP MANAGER

İLKER KÜÇÜK
ilker.kucuk@ulusoyun.com.tr
+90 (362) 266 90 90 / 158

SAMSUN FACTORY GROUP MANAGER

TANER ÇAĞLAYAN
taner@ulusoyun.com.tr
+90 (362) 266 90 90 / 169

ÇORLU FACTORY GROUP MANAGER

BİROL DERNEKLİCİLER
biroldernek@ulusoyun.com.tr
+90 (282) 654 38 90 / 118

DOMESTIC MARKETING GROUP MANAGER

ALİ KARAKUŞ
ugurkarakus@ulusoyun.com.tr
+90 (362) 266 90 90 / 140

FINANCE GROUP MANAGER

SONER ÇEVİK
soner.celik@ulusoyun.com.tr
+90 (362) 266 90 90 / 117

ÇORLU FACTORY

HIDIRAĞA MAHALLESİ İSTASYON CADDESİ
NO:43 ÇORLU/TEKİRDAĞ/TURKEY
TEL: +90 (282) 654 38 90 (PBX)
FAX: +90 (282) 654 38 94

FOREIGN MARKETING GROUP MANAGER

UMUT AYAN
umut@ulusoyun.com.tr
+90 (282) 654 38 90 / 136

FOREIGN TRADE IMPORT GROUP MANAGER

BEGÜM DAK
begum@ulusoyun.com.tr
+90 (362) 266 90 90 / 146

FINANCIAL AND ADMINISTRATIVE AFFAIRS GROUP MANAGER

BİHAN ÖZTÜRK
bihanozturk@ulusoyun.com.tr
+90 (362) 266 90 90 / 101

GROUP LOGISTICS MANAGER

MURAT KASAP
muratkasap@ulusoyun.com.tr
+90 (362) 266 90 90 / 120