



ULUSOYUN

01.01.2016-31.03.2016

Interim Activity Report



ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2016 – 31.03.2016 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 2015; our company is the 513th company on the top 1000 Turkish exporters list and 5th on its sector list in 2014. According to data announced by the Istanbul Chamber of Industry in 2015, the company is the 472nd company on the 2014 list of top industrial manufacturers of Turkey and 3rd 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 first quarter of 2016 our company has increased its revenues by 37% compared to the same period of the previous year with 259 million TL sales revenue. Our company has managed to raise its real operating profits to 30,2 million TRY from 16,5 million TRY in previous year.

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 472th among largest 500 industrial enterprises in Turkey, with 3rd place in its industry in 2015. 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 first quarter of 2016 our company has increased its revenues by 37% compared to the same period of the previous year with 259 million TL sales revenue. Our company has managed to raise its real operating profits to 30,2 million TRY from 16,5 million TRY in previous year. In this sense, towards 2016 targets, we realized a good inception. To sustain this performance in the forthcoming periods, required studies are being done devotedly.

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 first quarter of 2016 our company has achieved 30,2 million TRY gross profit from manufacturing and commercial activities and 8,3 million TRY real operating profits. With this successful performance, gross profit has risen 83% compared to the same period of the previous year.

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 472th 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.

In the first quarter of 2016 our company has achieved 30,2 million TRY gross profit from manufacturing and commercial activities and 8,3 million TRY real operating profits. With this successful performance, gross profit has risen 83% compared to the same period of the previous year. Ultimately, this period ends with 5,0 million TRY net profit. 26% of our 18,8 million TRY net profit target, which that we want to achieve by the end of 2016, is realized in the first quarter.

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 31.03.2016

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. 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. 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 2 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 1 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.



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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.



We had 206 personnel on 31.03.2015 and this number increased up to 232 as of 31.03.2016; the details of personnel numbers are given below.

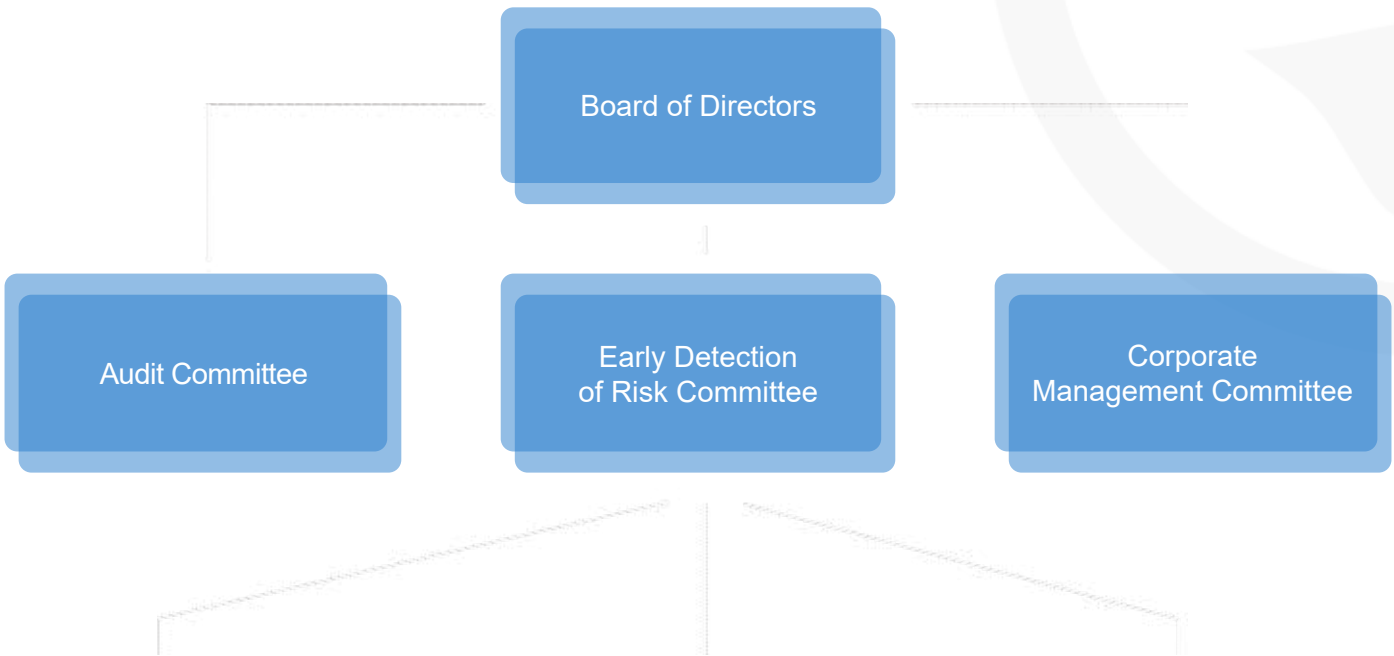
PERSONNEL								
Period	Samsun Factory			Çorlu Factory				Total
	Production	Management	Driver	Marketing	Production	Management	Driver	
March 2015	52	52	12	35	29	20	6	206
December 2015	57	56	14	41	36	20	6	230
March 2016	50	71	15	39	33	18	6	232

Risk Management

Risk Management is a systematic process that is established in order to predefine any potential events that may affect the company, manage the risks according to the company’s risk taking profile and ensure reasonable security with regard to the attainment of company objectives and that is influenced by company board, top management and all other company’s personnel and used for defining the strategies.

Risk management work is a process that covers the identification, control, elimination or minimization of risks which affect system sources. The cost of the work aimed at preventing risks is much less than any expenditure that would be done for removing the consequences of any risks.

Within the scope of risk management, our company has defined any possible risks that may occur and be influential as listed in the table.



SECTOR RISKS

- *Natural and Geographic Risks*
- *Political and Legislative Risks*

OPERATIONAL AND TRADING RISKS

- *Production Risks*
- *Human Resource and Work Safety Risks*
- *Logistics Risks*
- *Sales and Marketing Risks*
- *Importation Risks*
- *Exportation Risks*

FINANCIAL RISKS

- *Exchange Rate and Interest Risk*
- *Commodity Risk*

SECTOR RISKS

Natural and Geographical Risks

Hail, frost, fire, drought, storm and flood are the leading natural risks related to agricultural production.

Although Turkey has a great potential in plant production and animal production, it has not achieved desired levels of agricultural production. Accordingly, fluctuations in demand – supply balance might have impact on the prices and thus disturb profit margins of the Company.

Production mainly depends on natural conditions and this dependency might cause product yield and producer income, profitability fluctuations.

Our country is exposed to product loss risk due to bacterial, fungal and viral plant diseases and harms.

Natural and geographical risks are defined as risks that cannot be fully foreseen and measured. However, the Company closely monitors the expected product harvests on regional and international level by bearing in mind the possibility of foregoing risks and increases the critical stock levels in order to prepare for potential raw material price increases to be caused by decreased product yields. Besides, the company manages the risk through derivatives on commodity exchanges.

Political and Legislative Risks

Any changes on the government's agricultural policies and any changes that might narrow the profit margin might have negative impact on the Company's profitability since the main input of the Company, namely wheat, is directly controlled by the government's agricultural policies.

The global economic problems and potential product price fluctuations caused by such problems might have negative impact on the agriculture sector. Production mainly depends on natural conditions and this dependency might cause product yield and producer income, profitability fluctuations.

Since the profit margins in the sector are low and a price oriented competition approach dominates the market, any potential increases on general expenses and production costs might have negative impact on the sector and reduce the profitability level.

The company manages the political and legislative risks related to the sector with methods similar to the ones used for natural and geographical risks.

OPERATIONAL AND TRADING RISKS

Production Risks

This category covers process risks that might prevent producing products according to the expected quality level, contents and standards.

Foreign substances might be mixed with the product in production line on each stage and between stages while transforming wheat into flour by processing wheat as a raw material.

Another risk would be flocculation, molding and infestation on nooks and obsolete sections of production facilities, production team and equipment, packing – shipment and warehouses.

If the main production machines are broken, broken down etc., such problems might cause the risk of suspending production.

Magnets and waste purifiers are used at raw material input processes in order to keep foreign substances away from related processes. Products are sampled and tested at specific stages in order to check quality.

Employees are continuously and regularly trained on such matters; cleaning and control processes are supervised using "random sampling and period" methods. Besides, the critical points are determined (Final Check Sieve and Metal Detector) and risks related to these points are eliminated.

Machines are regularly maintained and repaired; the company does not wait for machine malfunctions to do maintenance and repair works and to replace spare parts; qualified teams quickly eliminate any malfunctions and problems.

There are comprehensive insurance policies against all kinds of machine breakdowns.

Human Resource and Work Safety Risks

There might be occupational health & safety risks related to any potential work accident and other risks related to failing to employ manpower that is fit for the job and that will not interrupt business continuity.

Personnel trainings on potential work accidents are offered regularly. Besides, an Occupational Safety Specialist is hired pursuant to the legislation in force.

The Company has a Human Resources Department that is in charge of risks related to inefficient use of manpower available and confusion about employee roles and responsibilities; the department continues to take effective measures, plan employee backups for key roles and positions as well as duly reporting to and informing the management.

Logistic Risks

This category covers operational risks in purchasing (supply), storage and shipment processes.

There is a risk of being exposed to operational risks related to the processes of transporting purchased raw materials to the Company warehouses, keeping them in stock and transporting from warehouses to the production or sales locations.

Loss, spillage, accident and such other risks related to all transportation / shipment processes of the Company are covered under comprehensive insurance policies. Besides, there are insurance policies against losses and damages suffered at the warehouse due to flood, fire, burglary etc. Efficient internal control mechanisms are in place particularly for shipment and storage processes.

Sales and Marketing Risks

The risks are current account balances due to credit sales made to margin trading customers as well as bounced, uncollected checks-bills and such other bonds.

Another risk would be misconduct attempts of the personnel assigned as collectors on local fields.

The rivals might prefer to practice aggressive competition in the domestic market and new players might be introduced to the market.

The Company performs necessary market searches before offering credit (forward) sales, as required under the Company's risk policy, and a risk score as well as a limit are specified for customers offered with such sales. These specified risk and limit restrictions are applied to subsequent operations.

Inspectors, assigned to the locations where the Company is present in the domestic market, do inspections at random periods and with random samplings and comprehensive insurance policies are issued against the misconduct attempts.

The risks related to introduction of new players into the market and existing players practicing more aggressive sales policies are always in agenda and the Company's Sales and Marketing Department keeps up with the developments in the domestic market in order to be prepared for such risks.

Importation Risks

This category covers all kinds of risk related to importation markets.

Any crisis, amendment related to production and tax policies in the country of importation is considered as a risk.

The company determines and keeps critical inventory levels in order to prepare for such negative incidents.

The company keeps a close eye on the global crop expectations and monitors alternative importation markets as well as keeping alternatives as backup.

There are comprehensive insurance policies covering logistic risks in importation processes.

Exportation Risks

This category covers all kinds of risks related to exportation markets.

Anti-damping practices in countries of exportation as well as political, economic and conjectural instabilities and negativities in these countries are the related risks.

Both in-house specialists and professional institutions of our sector take measures against the anti-damping practices.

The Company's Exportation Department always monitors the exportation markets and does active searches as well as keeping alternative markets as backup in order to be prepared for the risk of conjectural, political and economic depressions in these markets.

FINANCIAL RISKS

Exchange Rate and Interest Risk

This category covers risk of exchange rate changes on assets and debts in foreign currency as well as cost and cash flow risks related to increased interest rate applied to the financial debts.

The exchange rate risk is a result of foreign exchange gap between the Company's liabilities and assets in foreign currency. There will be a foreign exchange gap if the liabilities in foreign currency are more than the assets.

Foreign exchange gap of our company is being effectively managed against fluctuation risk through Futures Exchange transactions and forward transactions at banks and we are able to transform them into foreseeable financial outcomes.

The position acquired changes based on market developments and hedging model applied.

Since there is a risk of sudden increase in variable interest rate of short and long term liabilities, the company's Finance Department closely monitors the market and keeps an open mind for alternative methods.

Raw Material Price Change Risk

This category covers the risk of wheat price changes in the internationally organized markets which might be disadvantageous to the Company.

The exchange rate risk is a result of foreign exchange gap between the Company's liabilities and assets in foreign currency. There will be a foreign exchange gap if the liabilities in foreign currency are more than the assets.

TMO (Soil Products Office) regulates the wheat prices in our country. There are different methods used to control the market in order to protect the producers when the prices go down and to protect the consumer when the prices go up.

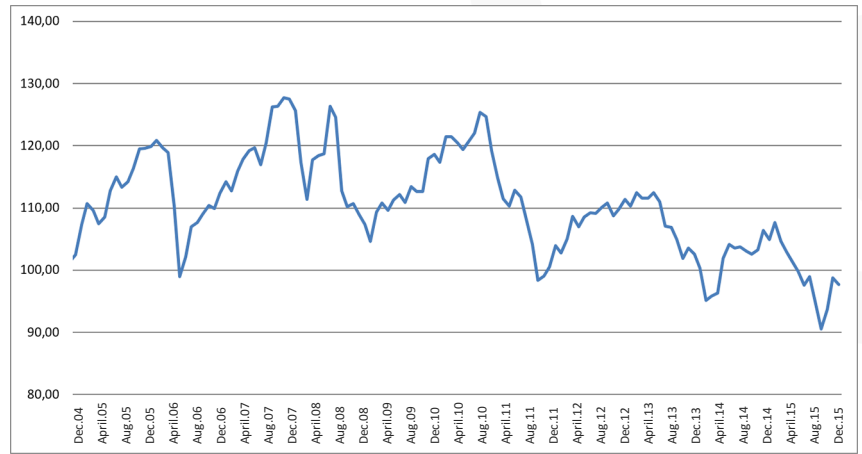
According to the actual wheat position available in our inventory; the risks are limited through partial hedging transactions on Cbot (Chicago Board of Trade) and Matif exchanges at levels where the domestic wheat price and overseas exchange price spreads are widened.

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	107,66
February 2015	104,61
March 2015	102,94
April 2015	101,30
May 2015	99,82
June 2015	97,59
July 2015	98,97
August 2015	94,56
September 2015	90,51
October 2015	93,72
November 2015	98,72
December 2015	97,65

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 Amerikan Doları (4.968.449,94 Türk Lirası)
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, Uludağ 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.

MAJOR DEVELOPMENTS AFTER THE PERIOD

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	24.894.799,79	
4.	Taxes Payable (-)		1.971.067,00	696.408,78	
5.	Net Period Profit (=)		8.303.209,00	24.198.391,01	
6.	Previous Year Losses (-)		0.00	0.00	
7.	First Legal Reserves (-)		1.209.919,55	1.209.919,55	
8.	NET DISTRIBUTABLE PERIOD PROFIT (=)		7.093.289,45	22.988.471,46	
9.	Donations made throughout the year (+)		121.732,92	121.732,92	
10.	Net distributable period profit including donations for calculating first dividend		7.215.022,37	23.110.204,38	
11.	First Dividend to shareholders				
	<i>-Cash</i>		<i>2.886.008,95</i>	<i>2.886.008,95</i>	
	<i>-Bonus Shares</i>		<i>0.00</i>	<i>0.00</i>	
	<i>-Total</i>		<i>2.886.008,95</i>	<i>2.886.008,95</i>	
12.	Dividend paid to Preferred stockholders		0.00	0.00	
13.	Dividend to Board of Directors Members, Employees		0.00	0.00	
14.	Dividend payable to Dividend Shareholders		0.00	0.00	
15.	Second Dividend to Shareholders		0.00	0.00	
16.	Second Legal Reserves		0.00	0.00	
17.	Statutory Reserves		0.00	0.00	
18.	Special Reserves		0.00	0.00	
19.	EXTRAORDINARY RESERVES		4.207.280,50	20.102.462,51	
20.	Other Resources to be Distributed				
	<i>-Previous Year Profit</i>		<i>0.00</i>	<i>0.00</i>	
	<i>-Extraordinary Reserves</i>		<i>0.00</i>	<i>0.00</i>	
	<i>- Other Reserves to be Distributed Under Law and Articles of Association</i>		<i>0.00</i>	<i>0.00</i>	
	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%	

ASSETS	2011	2012	2013	2014	2015 1Ç	2015	2016 1Ç
Current Assets	184.864.136	242.383.566	288.866.127	440.546.330	466.670.644	430.476.542	425.154.006
Fixed Assets	19.213.781	21.101.186	51.116.025	53.336.233	55.746.194	72.630.710	75.985.245
TOTAL ASSETS	204.077.917	263.484.752	339.982.152	493.882.563	522.416.838	503.107.252	501.139.251
LIABILITIES							
Short Term Liabilities	160.755.398	214.511.269	244.262.605	319.988.236	349.664.417	326.793.283	320.734.508
Long Term Liabilities	2.748.259	1.772.158	8.327.037	11.005.694	13.430.403	6.545.630	5.589.296
Shareholder's Equity	40.574.260	47.201.325	87.392.510	162.888.633	159.322.018	169.768.339	174.815.447
TOTAL LIABILITIES	204.077.917	263.484.752	339.982.152	493.882.563	522.416.838	503.107.252	501.139.251

MAJOR RATIOS							
Current Ratio (Current Assets/S. T. Liabilities)	1,15	1,13	1,18	1,38	1,33	1,32	1,33
Liquidity Ratio (Cur. As.-Invent./S.T. Liabilities)	0,68	0,49	0,76	0,83	0,84	0,89	1,19
Capital Structure (Total Liabilities/Equity)	4,03	4,58	2,89	2,03	2,28	1,96	1,87
Asset Structure (Current Assets/Total Assets)	0,91	0,92	0,85	0,89	0,89	0,86	0,85

CONTINUING OPERATIONS	2011	2012	2013	2014	2015 1Ç	2015	2016 1Ç
Revenues	461.976.577	491.961.707	682.163.343	921.577.365	189.132.588	1.030.479.354	259.636.507
Gross Profit/Loss	43.967.002	33.372.108	48.379.777	59.384.462	16.527.505	78.022.472	30.253.363
Real Operating Profit/Loss	23.139.142	12.261.629	28.824.924	35.409.419	14.140.340	44.986.689	8.327.674
Pre-Tax Profit/Loss from Con. Operations	2.826.908	5.509.306	10.632.436	17.547.029	-917.618	10.274.276	5.866.304
Profit/Loss for the Period from Con. Op.	1.472.912	4.133.133	8.048.779	14.189.389	-3.380.703	8.303.209	5.071.814
Period Profit/Loss	1.472.912	4.133.133	8.048.779	14.189.389	-3.380.703	8.303.209	5.071.814

MAJOR RATIOS							
Gross Profit Margin	9,52%	6,78%	7,09%	6,44%	8,74%	7,57%	11,65%
Net Profit Margin	0,32%	0,84%	1,18%	1,54%	-1,79%	0,81%	1,95%
EBITDA*	24.396.050	13.161.093	27.750.945	35.437.803	10.340.910	37.172.224	22.311.545
EBITDA Margin	5,28%	2,68%	4,07%	3,85%	5,47%	3,61%	8,59%

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



FED: In the FED meeting on 19 December, which was one of the most important topics of 2015, interest rates were increased for the first time in 9 years, leaving behind an issue that has created uncertainty in global markets for a long time. In the meeting on 16 March, there was no change in interest rates and it was emphasised that economical activities were in moderate progress. The number of interest rate increases that was suggested by FED members for 2016 was reduced from 4 to 2 in the March meeting.

Oil Prices: Oil prices witnessed 34% decrease in 2015 and started to recover in February 2016, which continued also in March. Price per barrel for Brent type crude oil was USD 36 at the end of February and increased to USD 40 in March.

Inflation: Consumer Price Index completed the year 2015 at the highest level of end-of-year-value in the last four years and approached 10% in January 2016 but managed to drop to 7.46% in March after the developments in the last two months.

USD/TRY Rate: USD/TL currency rate increased by 25.4% on annual basis in 2015 and reached 2,9207 but was in a falling trend since mid-February. USD/TL currency experienced a 5% on monthly basis reduction as of 31 March 2016 and fell back to 2,8275.

Growth: Turkey's economy grew beyond expectations by 5.7% on annual basis in the third quarter of 2015. Growing domestic demand and investment expenditures have been the main factors that pushed up growth. Indicators show relatively strong performance in economical activities in the first quarter of 2016 and a moderate course is expected to continue through the year.

Foreign Trade and Current Account Balance: In February export volume increased by 1,4% on annual basis and reached 12,4 billion USD. Import volume continued to fall, though at a lower speed, and reached 8,1%. Therefore foreign trade deficit was narrowed by 32,8% in February. Current account deficit was reduced by 8,8% on annual basis, at a lower rate level than market expectations, in spite of the weak performance of tourism income and the falling gold exports.

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