



# ULUSOYUN

01.01.2015-30.09.2015 Interim Activity Report



ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2015 – 30.09.2015 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 2014, the company accounted for 5 % 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 nine months of 2015, our company's sales revenue was in parallel to the targeted figures. The real operating profit was 27.0 million Turkish Liras on the same period of the previous year and the company succeeded to increase it up to 29.3 million Turkish Liras.**

**As Ulusoy Un family we will pull out all the stops in order to achieve 2015 year-end goals.**

Dear Shareholders,

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. As the employees and managers of Ulusoy Gıda Group, our most important principle is not to produce and sell any food that we would not consume ourselves and we have adopted this as the essential principle for being a reliable food supplier.

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 472nd place among top 500 producers of Turkey and 3rd place in our industry in 2015. Eventually, Ulusoy Un became the first company of its sector and Samsun City to trade its shares on Istanbul Stock Exchange in November 2014. I would like to take this opportunity to thank everyone who has contributed this long-time journey which made us proud.

In the first nine months of 2015, our company's sales revenue was in parallel to the targeted figures. The real operating profit was 27.0 million Turkish Liras on the same period of the previous year and the company succeeded to increase it up to 29.3 million Turkish Liras. We survived a period when exchange rates fluctuated due to the economic outlook in our country and global economic issues and when USA Dollar was the appreciated exchange rate in comparison to other currencies. We are closely monitoring the course of events and we are trying to minimize the impacts of this uncertainty on our company, especially by limiting foreign exchange position risks.

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, as Ulusoy Un family we will pull out all the stops in order to achieve 2015 year-end goals. 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.



**Günhan Ulusoy**  
Chairman of the Board



**As a result of our company operations in the first nine months of 2015, we earned gross profit amounting 54.6 million Turkish Liras and real operating profit amounting to 29.3 million Turkish Liras from production and trading activities. This successful performance allowed us to increase gross profit by 19 % and real operating profit by 8 % in comparison to the same period of previous year.**

Dear Shareholders,

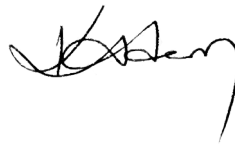
Ulusoy Un was born in the homeland of the wheat, the raw material of holy bread. Emerging from this strong history, potential and people of our country, Ulusoy Un has managed to gain an important seat in its industry both at home and abroad in the last 25 years. Now we are proud of sharing this value with our more than 2700 shareholders who became our partners in our primary public offering.

In two factories that amount to daily capacity of 900 tons, Ulusoy Un has managed to realize 5% of the Turkey's flour export in 2014 and our company is 5th in the industry with these exports. According to 2015 data from Istanbul Chamber of Industry, we are 472nd in largest 500 producers of Turkey and 3rd in our industry with our total production sales.

We performed these sales both at home and abroad in line with customer demands, without compromise from quality and food security and under unconditional customer satisfaction principle. And consequently our company has increased its revenues from 61 million TL in 2006 to 921.5 million TL in 2014, which corresponds to 15 times increase in revenues and an annual average revenue growth of 40% in 8 years. Our revenues have reached 692.1 million TL in the first nine months of 2015, corresponding to a 1,5% increase compared to the same period of the previous year. Our goal for 2015 year-end is to achieve revenues more than 1 billion TL.

As a result of our company operations in the first nine months of 2015, we earned gross profit amounting 54.6 million Turkish Liras and real operating profit amounting to 29.3 million Turkish Liras from production and trading activities. This successful performance allowed us to increase gross profit by 19 % and real operating profit by 8 % in comparison to the same period of previous year. The financial expenses resulting from the rapidly increasing foreign exchange rates decreased our company's net profit in this period. Thanks to the efforts of Early Risk Detection Committee, risks arising from exchange rates are duly restricted for our operations.

I thank our customers and employees who carried us to the top in our industry and always lend a hand and esteemed investors reposing confidence in us as partners after our public offering. I wish the year 2015 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...



**Kamil Adem**  
İcra Kurulu Başkanı

## 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.

### 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.

### In Conclusion

Becoming the company with the largest market share.

## Company Partnership Structure as of 30.09.2015

ITEM NO	SHAREHOLDER'S NAME - SURNAME / TITLE	GROUP	REGISTERED SHARE / BEARER SHARE	PREFERENCE Yes / No	TOTAL NUMBER OF SHARES	SHARE GROUPS NOMINAL AMOUNT (TL)	TOTAL NOMINAL AMOUNT (TL)	SHARE PERCENTAGE	
1	<b>Fahrettin Ulusoy</b>	A	Registered	Yes	4.550.000	4.550.000,00	30.373.882,00	5,38%	35,94 %
		B	Registered	Yes	1.950.000	1.950.000,00		2,31%	
		C	Registered	No	23.873.882	23.873.882,00		28,25%	
2	<b>Nevin Ulusoy</b>	A	Registered	Yes	650.000	650.000,00	7.780.756,00	0,77%	9,21 %
		B	Registered	Yes	1.300.000	1.300.000,00		1,54%	
		C	Registered	No	5.830.756	5.830.756,00		6,90%	
3	<b>Eren Günhan Ulusoy</b>	A	Registered	Yes	3.900.000	3.900.000,00	12.699.375,00	4,62%	15,04 %
		B	Registered	Yes	1.300.000	1.300.000,00		1,54%	
		C	Registered	No	7.499.375	7.499.375,00		8,88%	
4	<b>Onur Erhan Ulusoy</b>	A	Registered	Yes	650.000	650.000,00	10.023.684,00	0,77%	11,86 %
		B	Registered	Yes	1.950.000	1.950.000,00		2,31%	
		C	Registered	No	7.423.684	7.423.684,00		8,78%	
5	<b>Kamil Adem</b>	C	Registered	No	26.941	26.941,00	26.941,00	0,03%	0,03 %
6	<b>Mithat Denizcigil</b>	C	Registered	No	95.362	95.362,00	95.362,00	0,11%	0,11 %
7	<b>Publicly Held</b>	C	Bearer	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 %





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

Committee has convened 5 times during the period. Reports prepared after the meeting can be reached at [www.ulusoyunyatirimciiliskileri.com](http://www.ulusoyunyatirimciiliskileri.com) under the heading of Corporate Governance- Committee.

### Early Detection of Risk Committee

Name and 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 once during the period. Reports prepared after the meeting can be reached at [www.ulusoyunyatirimciiliskileri.com](http://www.ulusoyunyatirimciiliskileri.com) under the heading of Corporate Governance- Committee.

### Corporate Governance Committee

Name and 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 4 times during the period. Reports prepared after the meeting can be reached at [www.ulusoyunyatirimciiliskileri.com](http://www.ulusoyunyatirimciiliskileri.com) under the heading of Corporate Governance- Committee.

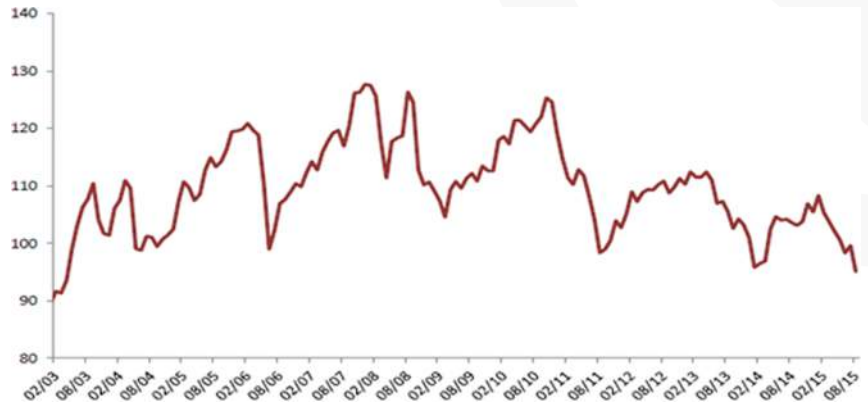
Our company has more foreign exchange liabilities than assets because of its intensive import activities. 95% of its foreign exchange liabilities are in United States Dollar (USD). Its short foreign exchange position is managed within the framework of risk management model which is based on the Real Effective Exchange Rate that has been calculated by the Turkish Republic Central Bank since 2003 and regularly announced every month.

**Real Effective Exchange Rate**

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) (*)
December 2014	105,51
January 2015	108,34
February 2015	105,42
March 2015	103,75
April 2015	102,16
May 2015	100,63
June 2015	98,36
July 2015	99,78
August 2015	95,30
September 2015	91,16

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.

Within the framework of this policy, our company manages its short foreign exchange position between 35 million USD short position and 20 million USD foreign exchange surplus by instant monitoring in the range below.

RER POSITION	Description
90 -35	Because Turkish Lira is extremely valueless at RER = 90 level, the company is at 35 million USD short foreign exchange position which is the highest short foreign exchange position limit. When it closes up to RER 130 level, the position is raised up to the 20 million USD foreign exchange surplus limit as a measure against Turkish Lira losing value in time.
92 -35	The inability to form a government after the elections on 7 June and the possibility of holding an early election aggravated the uncertainty and USD/TL quotations that closed the first 6 months of 2015 at the level of 2.68 lost value by 13% in the third quarter through rapid loss of value.
93 -35	
94 -35	Our company continued its more prudent approach in this period according to our Financial Risk Management policy detailed above and maintained its short foreign exchange position at 30 million USD level.
95 -35	
100 -30	In the light of the internal and external negative developments in 2015, we will converge to the general company financial risk management policy and continue to monitor risks and take the necessary actions.
110 -20	
120 0	
130 10	
135 20	



We had 187 personnel on 30.09.2014 and this number increased up to 226 as of 30.09.2015; the details of personnel numbers are given below.

PERSONNEL								
Samsun Factory				Çorlu Factory				
Period	Production	Management	Driver	Marketing	Production	Management	Driver	Total
September 2014	50	47	11	27	30	16	6	187
December 2014	52	49	11	32	31	17	7	199
September 2015	61	56	14	33	35	21	6	226

As announced on our material disclosure dated January 6, 2015:

We submitted a bid for the Wheat Flour tendered opened on 28.12.2014 by United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the tender with a value of 6.655.821,98 USA dollars was awarded to us.

As announced on our material disclosure dated 02.03.2015:

According to the Board of Directors resolution dated 02.02.2015 and numbered 2015/002, it was resolved that a company, namely Uludaş Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi, shall be established with a capital of TRY 2.000.000,00 and the company filed an application to the Ministry of Customs and Trade, General Directorate of Domestic Trade on 16.02.2015. Necessary authorizations are obtained from the Ministry of Customs and Trade as per Article 4 of the Licensed Warehousing of Agricultural Products Law numbered 5300 and Article 333 of the Turkish Commercial Code numbered 6102; the company mentioned herein was established on 27.02.2015 and registered to Samsun Trade Registration Office, as evidenced from the Trade Registration Certificate submitted to us.

According to the license granted to the company, ULUDAŞ TARIM ÜRÜNLERİ LİSANSLI DEPOCULUK ANONİM ŞİRKETİ was established to keep agricultural products under healthy conditions and store for commercial purposes, in order words to offer Licensed Warehousing, and to do the business activities listed on its articles of association, and the company's registered capital amounting to TRY 2.000.000,00 was fully subscribed and paid in cash by Ulusoy Un Sanayi ve Ticaret Anonim Şirketi. As required under our company's Board of Directors resolution dated 02.02.2015 and numbered 2015/002, and Article 7 of ULUDAŞ TARIM ÜRÜNLERİ LİSANSLI DEPOCULUK ANONİM ŞİRKETİ's articles of association which governs the Board of Directors and Term; Ulusoy Un Sanayi ve Ticaret Anonim Şirketi is appointed as the first board of directors member and Onur Demirkan is appointed as the representative of legal entity member.

As announced on our material disclosure dated 02.04.2015:

2014 Ordinary General Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was held on 31.03.2015 Tuesday at 14:00 and at Hampton by Hilton Samsun Hotel which is located at the address of Kerimbey Mahallesi Işık Sok. No: 2 Tekkeköy / Samsun / Turkey, and the Ministry Representative Mustafa Kocaman who was assigned by the Republic of Turkey, Governorship of Samsun, Provincial Directorate of Commerce by virtue of the letters dated 26.03.2014 and numbered 39028009/431.03.

The meeting notice including the agenda was published on the Turkish Trade Registry Gazette dated March 10, 2015 and numbered 8775, on pages 126-127, and company website ([www.ulusoyun.com.tr](http://www.ulusoyun.com.tr)), Public Disclosure Platform (KAP), e-company application of Central Registry Agency and Electronic General Meeting System (EGKS) minimum 21 days before the general meeting, as required under the law and the company's articles of association.

Meeting minutes of the Ordinary General Assembly and List of Attendees issued for the general meeting are available on [www.ulusoyunyatirimciiliskileri.com](http://www.ulusoyunyatirimciiliskileri.com).

As announced on our material disclosure dated April 7, 2015:

- It is determined that the Supervisory Committee shall have two members; Vedat Ceyhan and Kemal Kitaplı are appointed as the committee members. Kemal Kitaplı is appointed as the Committee Chairman.
- It is determined that the Corporate Governance Committee shall have three members; Kemal Kitaplı, Vedat Ceyhan and İlker Küçük are appointed as the committee members. Vedat Ceyhan is appointed as the Committee Chairman.
- It is determined that the Early Detection of Risk Committee shall have two members; Kemal Kitaplı and Salih Zeki Murzioğlu are appointed as the committee members. Kemal Kitaplı is appointed as the Committee Chairman.

As announced on our material disclosure dated April 22, 2015:

We submitted a bid for the Wheat Flour tendered opened on 12.04.2015 by United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the tender with a value of 2.166.013,44 USA dollars was awarded to us.

As announced on our material disclosure dated April 27, 2015:

Date of cash dividend payment shall be 30.04.2015.

The Ordinary General Meeting dated 31.03.2014 discussed and approved distributing 40 % of the distributable company profit earned as a result of 2014 activities.

1.	Paid up / issued capital		84,500,000.00				
2.	Total Legal Reserves (based on legal records)		1,400,369.27				
	Information about privileges related to dividend distribution as per the articles of association		There are no privileges related to dividend distribution				
		<b>According to Capital Markets Board</b>	<b>According to Legal Records</b>				
3.	Period Profit	17,547,029.00	15,170,333.73				
4.	Taxes Payable (-)	3,357,640.00	3,192,191.16				
5.	Net Period Profit (=)	14,189,389.00	11,978,142.57				
6.	Previous Year Losses (-)	0.00	0.00				
7.	First Legal Reserves (-)	598,907.13	598,907.13				
8.	<b>NET DISTRIBUTABLE PERIOD PROFIT (=)</b>	<b>13,590,481.87</b>	<b>11,379,235.44</b>				
9.	Donations made throughout the year (+)	0.00	0.00				
10.	Net distributable period profit including donations for calculating first dividend	13,590,481.87	11,379,235.44				
11.	First Dividend to shareholders						
	-Cash	5,436,192.75	5,436,192.75				
	-Bonus Shares	0.00	0.00				
	-Total	5,436,192.75	5,436,192.75				
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	121,119.27	121,119.27				
17.	Statutory Reserves	0.00	0.00				
18.	Special Reserves	0.00	0.00				
19.	<b>EXTRAORDINARY RESERVES</b>	<b>8,033,169.85</b>	<b>5,821,923.42</b>				
20.	Other Resources to be Distributed						
	-Previous Year Profit	0.00	0.00				
	-Extraordinary Reserves	0.00	0.00				
	- Other Reserves to be Distributed Under Law and Articles of Association	0.00	0.00				
	<b>Group</b>	<b>Total Amount of Dividend Paid</b>		<b>Total Dividend Distributed / Net Distributable Period Profit</b>		<b>Dividend paid for TRY 1 Nominal Value Share</b>	
		<b>Cash (TRY)</b>	<b>Bonus Share (TRY)</b>	<b>Ratio (%)</b>	<b>Amount (TRY)</b>	<b>Ratio (%)</b>	
<b>NET</b>	A	533,165.06	-	%3.92	0.054684	%5.47	
	B	355,443.37	-	%2.62	0.054684	%5.47	
	C	3,732,155.41	-	%27.46	0.054684	%5.47	
	<b>TOTAL</b>	<b>4,620,763.84</b>		<b>%34.00</b>			

As announced on our material disclosure dated May 4, 2015;

Our Chairman of the Board Günhan Ulusoy was elected as the Chairman of the Board to hold office for 3 years in the Extraordinary General Meeting of Turkish Flour Industrialists Federation (TUSAF) held on 02.05.2015.

As announced on our material disclosure dated May 8, 2015:

According to our company's Board of Directors decision dated 07.05.2015 and numbered 2015/012;

Our company issued Corporate Governance Principles Compliance Report, Dividend Distribution Policy and Information Policy as per the Communiqué Serial Numbered IV Numbered 56 that is published by the Capital Markets Board on Determination and Implementation of Corporate Governance Principles.

As announced on our material disclosure dated June 19, 2015:

It is decided that Uludağ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş., which is a subsidiary of our company, shall increase its capital from TRY 2.000.000,00 to TRY 3.000.000,00 and capital of the 100 % subsidiary mentioned herein shall be paid in cash to complete the capital increase procedure.

As announced on our material disclosure dated June 22, 2015:

Our company sold its real estate to Deniz Finansal Kiralama Anonim Şirketi and leased them back (sell and leaseback method). The legal procedures were completed on 19.06.2015, as required under the contract executed with Deniz Finansal Kiralama A.Ş. and the title deeds were transferred.

Said real estate was sold to Deniz Finansal Kiralama Anonim Şirketi against TRY 24.000.000,00 and the amount was paid to our company in cash.

As announced on our material disclosure dated July 22, 2015:

We executed an exportation contract worth USD 8.355.669 on 22.07.2015 with NEW TECH SAL, BEIRUT, LEBANON and this business connection is equal to 23 % of our exportation tonnage in 2014. Our company focuses on Africa in parallel to its efforts of diversifying the exportation markets and this attempt is an important step of this diversification which is expected to be a long term business relationship.

As announced on our disclosure on 03.08.2015;

The contact number of the Investor Relations Department has been updated as 0362 260 50 10.

As announced on our disclosure on 17.08.2015;

A website for Investor Relations has been prepared as [www.ulusoyunyatirimciiliskileri.com](http://www.ulusoyunyatirimciiliskileri.com).



As announced on our material disclosure dated on 02.10.2015;

As a result of credit rating process with regard to our company carried out by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş., our company was categorised as 'investible' with the following rating.

Rating (National): Long Term (TR) A(-)  
Appearance: Stable

Rating (National): Short Term (TR) A2  
Appearance: Stable



Kurumsal Yönetim ve Kredi  
Derecelendirme Hizmetleri A.Ş.

October 2 , 2015

## ULUSOY UN SANAYİ ve TİCARET A.Ş.

### Credit Rating

#### Rating (National):

#### Long Term

**(TR) A(-)**

#### Appearance:

**Stable**

#### Rating (National):

#### Short Term

**(TR) A2**

#### Appearance:

**Stable**

#### Contact person :

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### Ulusoy Un Sanayi ve Ticaret A.Ş.

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[www.ulusoyun.com.tr](http://www.ulusoyun.com.tr)

## Credit Rating Justification

Ulusoy Un Sanayi ve Ticaret Anonim Şirketi ("Ulusoy Un") 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 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.

Based on an assessment of the company's background and position in the domestic market, our comparative sector analyses and a review of the financial / operational risks indicated in the company balance sheets, Ulusoy Un has been rated as (National) A (-).

## Strengths and Risks

### Strengths

- The company has been institutionalized with sufficient management.
- Company facilities have competitive advantage with regard to the location.
- The Company has wide experience and recognition in domestic market.

### Risks

- There is the possibility that company profitability may be adversely affected by exchange rate volatility.
- There is intense use of leverage.

## Outlook

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The main factors that can influence the general company outlook in the short term are listed as follows:

- The impact of the developments in foreign exchange rates and domestic/foreign raw material markets on the raw material and foreign currency credit costs,
  - The possibility of increasing company's share in the export market,
  - The possibility of creating cost advantage by making use of company's competitive advantages,
- The company is considered to have a Stable outlook based on the above factors and all other factors.

## Economic Outlook and Sector Analysis

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In 2014 the recovery in global economy was less than expected. Global economic activity had an outlook that differed in each country rather than exhibiting a general recovery in 2014. In this period, the economy of USA differentiated from other countries because of slightly increasing growth rates. On the other hand, economic activity in the Euro Zone continues to exhibit a weak outlook and the fate of economic activity in the face of quantitative easing is still ambiguous. The policies that have been implemented since 2013 in order to fight against deflation in the Japan economy which entered recession in the third quarter of the year have not yet been as effective as expected.

In 2014, growth performance of developing countries was at low levels as compared to periods both before and after the global crisis. Particularly continued loss of acceleration of growth in China as the second biggest global economy was a factor that aggravated concerns about the global economy.

In the USA asset purchase program has been stopped. Although the economy of USA had a weak performance due to negative weather conditions in the first quarter of 2014, there has been a considerable recovery in the following period. In October 2014 Federal Reserve Bank (FED) gradually decreased and stopped asset purchases, amounting to 85 billion USD per month, that was being implemented for more than two years within the framework of economic improvement. In the Euro Zone the weak course of economic activity made it necessary to take new measures. In 2014, European Central Bank (ECB) withdrew policy interest rate to a near-zero level in order to support economy. ECB also decided to let banks apply negative interest to the accounts deposited in them. In addition to these, ECB started to offer liquidity to the market through long term refinancing operations and asset purchase program.

It is expected that in 2015 the normalization process of FED's monetary policy will be high on the agenda of the global economy. It is anticipated that the interest rate hikes started by FED in line with the economic recovery will cause fluctuations in capital flows particularly directed at developing countries. This situation indicates that, following the global crisis, the moderate growth performance in the developing countries including Turkey which are the locomotives of global economy will continue also in 2015. Also, the upturn in the economy of the USA will be positively reflected to the developing countries through foreign trade. It is foreseen that oil prices maintained at the current low level in the near future, will support growth in the net energy importing countries like Turkey. On the other hand, oil exporting countries, particularly Russia as one of the most important export markets of Turkey, will be adversely affected.

There are many factors that will positively or negatively affect the inflation outlook in 2015. It is expected that the recovery foreseen in economical activity will be gradually realized and total demand development will support the inflation decrease process. The firm stance in the monetary policy and the macroprudential measures positively affects inflation, particularly energy and non-food (core) inflation indicators. The falling prices of commodities, particularly of oil, give support to the fall in inflation. On the other hand, the currency rates that have an increasing trend in Turkey in parallel with the developing countries are getting higher due to political risks and economic uncertainty in addition to this trend. It is expected that the negative effects of the exchange rates increase on the inflation will be felt towards the end of the year. If cost inflation cannot be kept under control, an upward pressure may be exerted on the interest rates.

Domestic demand significantly slowed down as a result of the tight monetary policy of the Turkish Republic Central Bank. Within this framework, while special consumption expenditures make less contribution to growth, Turkey gained a growth composition mainly based on net exports. In line with the strong growth in net exports, foreign trade deficit as of the end of 2014 narrowed by 15.4% as compared to the same period of the previous year and was realized at the level of 84.5 billion USD. In January –April 2015 it was 20.19 billion USD. While the share of European Union countries in Turkey's exports increased in 2014, the conflicts in the Middle East resulted in a reduction of the export share of this region. In 2014 current deficit also narrowed significantly due to weak domestic demand conditions and the developments in foreign trade balance. In 2014 current deficit decreased by 18.8 billion USD compared to the end of 2013 and fell back to 45.8 billion USD.

In spite of Turkey's continued problems in export markets, if the low levels of oil prices can be maintained, no upward pressure is expected on the current deficit.

## Wheat and Flour Sector

Because of the arid autumn in 2014/2015 and the hard freeze at the beginning of April, Turkey's wheat production dropped by 18.6% as compared to 2013/2014 season.

Turkey's Wheat Production (Ton)	
2011/2012	21.800.000
2012/2013	20.100.000
2013/2014	22.100.000
2014/2015	18.000.000

Annual flour production of Turkey is 12 million tons. About 2 million tons of this production is used for exports and 10 million tons for domestic consumption. Turkey's flour exports increased by 22% in the last 5 years as of the end of 2014 and reached 2.2 million tons.

Flour sales in the domestic market are directly proportional to the population. The domestic market has been expanded by population increase and changing trends of consumption. Domestic market growth is at minimum level compared to export in tonnage and has an annual rate of 1%.

Turkey's Flour Exports (Ton)	
2010	1.800.000
2011	2.000.000
2012	2.000.000
2013	2.100.000
2014	2.200.000

## About Company

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 2014, Ulusoy Un accounted for 5 % of the sector's exportation operations in Turkey and according to data announced by the Turkish Exporters Assembly in 2015; the 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 İstanbul 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. The Company established Uludağ Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi on 27.02.2015.

The Company's participations and subsidiaries are as follows:

Company	Area of Activity	Participation Rate(%)
Uludağ Tarım Ürünleri Lisanslı Depoculuk A.Ş.	Licensed Warehousing	100,00
Sasbaş Samsun Serbest Bölge Kurucu ve İşleticisi A.Ş.	Free Zone Management	17,00

Number of employees of the company are given below by years:

Year	Samsun Factory			Çorlu Factory			Total	
	Production	Management	Driver	Marketing	Production	Management		Driver
2015	51	57	11	35	35	20	6	215
2014	52	49	11	32	17	31	7	199
2013	55	41	11	21	23	16	5	172
2012	47	49	12	7	31	16	6	168
2011	47	42	11	10	28	21	6	165
2010	39	36	9	10	35	16	6	151

The company's issued capital is equal to TRY 84.500.000. 27,81% of company shares have been traded at the İstanbul Stock Exchange National Market since November 20, 2014 and these shares are included in – BIST GIDA, İÇECEK / - BIST HALKA ARZ / - BIST SINAİ / -BIST TÛM / - BIST TÛM-100 / -BIST ULUSAL indexes.

The company capital is divided into 9.750.000 Group A shares, 6.500.000 Group B shares and 68.250.000 Group C shares, in total 84.500.000 shares, each with a nominal value of TRY 1. Group A and B shares are registered shares, Group C shares that are traded at the İstanbul Stock Exchange are bearer shares and other Group C shares are registered shares.

Group A shares have the privilege to select Board of Directors and Group A and B shares have privilege in voting at the General Meeting; excluding the independent members; if the Board of Directors is composed of five members, then minimum two members, if composed of six or seven members minimum three members, if composed of eight or nine members minimum four members, if composed of ten or eleven members, minimum five members should be elected among candidates to be nominated by majority of Group A shareholders. Group A shareholders or their proxies attending to the Ordinary and Extraordinary.

General Meetings shall have 15 (fifteen) voting rights per share; Group B shareholders or their proxies shall have 10 (ten) voting rights per share and Group C shareholders or proxies shall have 1 (one) voting right per share.

Shareholder's Name – Surname	Group	Number of Shares	Total Number of Shares	Share Percentage %	Total (TL)
Fahrettin ULUSOY	A	4.550.000	30.373.882	35,94	30.373.882,00
	B	1.950.000			
	C	23.873.882			
Nevin ULUSOY	A	650.000	7.780.756	9,21	7.780.756,00
	B	1.300.000			
	C	5.830.756			
Onur Erhan ULUSOY	A	650.000	10.023.684	11,86	10.023.684,00
	B	1.950.000			
	C	7.423.684			
Eren Günhan ULUSOY	A	3.900.000	12.699.375	15,04	12.699.375,00
	B	1.300.000			
	C	7.499.375			
Kamil ADEM	C	26.941	26.941	0,03	26.941,00
Mithat DENİZCİGİL	C	95.362	95.362	0,11	95.362,00
Public Shares	C	23.500.000	23.500.000	27,81	23.500.000,00
<b>Total</b>			<b>84.500.000</b>	<b>100,00</b>	<b>84.500.000,00</b>

## Ulusoy Un Balance Sheet and Income Statement (TL)

ASSETS	31.12.2014	31.12.2013
<b>Current Assets</b>	<b>440.546.330</b>	<b>288.866.127</b>
Cash and cash equivalents	66.466.944	63.983.460
Financial Investments	256.679	10.557
Trade Receivables	177.055.422	103.894.335
Receivables from Finance Sector Activities	-	-
Other Receivables	878.777	3.429.237
Derivative Instruments	3.770.212	3.314.950
Inventories	175.012.462	104.017.540
Biological Assets	-	-
Prepaid Expenses	14.140.472	8.651.196
Assets Related to Current Period Tax	374.740	-
Other Current Assets	2.590.622	1.564.852
Fixed Assets Classified for Sales	-	-
<b>Fixed Assets</b>	<b>53.336.233</b>	<b>51.116.025</b>
Financial Investments	15.000	15.000
Trade Receivables	-	-
Receivables from Finance Sector Activities	-	-
Other Receivables	34.051	142.153
Investments valued by equity method	4.256.112	4.250.000
Biological Assets	-	-
Investment Real Estates	-	-
Tangible Fixed Assets	47.524.698	46.236.180
Intangible Fixed Assets	50.134	49.488
Prepaid Expenses	1.502	-
Deferred Tax Asset	1.454.736	423.204
Other Fixed Assets	-	-
<b>TOTAL ASSETS</b>	<b>493.882.563</b>	<b>339.982.152</b>

ASSETS	31.12.2014	31.12.2013
<b>Short Term Liabilities</b>	<b>319.988.236</b>	<b>244.262.605</b>
Short Term Borrowings	36.457.969	17.050.569
Short Term Amounts of Long Term Liabilities	7.339.321	2.100.382
Other Financial Liabilities	-	-
Trade Payables	263.547.230	221.397.906
Payables Classified as Employee Benefits	387.692	301.943
Other Payables	30.366	618
Government Incentives and Subsidies	-	-
Deferred Incomes	-	-
Tax Liabilities on Period Profit	1.026.155	142.466
Short Term Provisions	-	-
Other Short Term Liabilities	11.199.503	3.268.721
Subtotal	319.988.236	244.262.605
Liabilities on Asset Groups classified for Sales	-	-
<b>Long Term Liabilities</b>	<b>11.005.694</b>	<b>8.327.037</b>
Long Term Borrowings	3.173.288	1.713.933
Other Financial Liabilities	-	-
Trade Payables	-	-
Other Payables	-	2.120
Deferred Incomes	-	-
Long Term Provisions	607.917	543.165
Payables for Current Period Tax	-	-
Deferred Tax Liability	7.224.489	6.067.819
Other Long Term Liabilities	-	-
<b>Shareholders' equity</b>	<b>162.888.633</b>	<b>87.392.510</b>
Paid-in capital	84.500.000	50.000.000
Premiums / Discounts related to shares	38.607.992	-
Other Accumulated, Comprehensive Incomes that cannot be reclassified as profit or loss	21.716.201	21.877.446
Other Reserves	-	4.999.928
Reserves on Retained Earnings	1.400.369	1.050.779
Previous Year Profits	2.474.682	1.415.578
Net Period Profit	14.189.389	8.048.779
<b>TOTAL LIABILITIES</b>	<b>493.882.563</b>	<b>339.982.152</b>



INCOME STATEMENT	31.12.2014	31.12.2013
Revenues	921.577.365	682.163.343
Cost of Sales (-)	(862.192.903)	(633.783.566)
Gross Profit from Commercial Activities	<b>59.384.462</b>	<b>48.379.777</b>
General Administration Expenses (-)	(5.234.767)	(4.253.659)
Marketing Expenses (-)	(20.335.403)	(17.759.151)
Research and Development Expenses (-)	-	-
Other Real Operating Incomes	4.809.953	5.374.244
Other Real Operating Expenses (-)	(3.773.614)	(2.916.287)
<b>REAL OPERATING PROFIT</b>	<b>34.850.631</b>	<b>28.824.924</b>
Investment Activity Incomes	-	-
Investment Activity Expenses (-)	-	-
Profit Shares of Investments Valued by Equity Method	323.509	-
<b>OPERATING PROFIT BEFORE FINANCIAL INCOMES/ EXPENSES</b>	<b>35.174.140</b>	<b>28.824.924</b>
Financial Incomes	86.195.073	49.744.700
Financial Expenses (-)	(103.822.184)	(67.937.188)
<b>PRETAX PROFIT / (LOSS) FROM CONTINUING OPERATIONS</b>	<b>17.547.029</b>	<b>10.632.436</b>
Tax Expense / Income from Continuing Operations	(3.357.640)	(2.583.657)
<b>NET PERIOD PROFIT / (LOSS) FROM CONTINUING OPERATIONS</b>	<b>14.189.389</b>	<b>8.048.779</b>
<b>PERIOD LOSS FROM DISCONTINUING OPERATIONS</b>	-	-
<b>NET PERIOD LOSS</b>	<b>14.189.389</b>	<b>8.048.779</b>

The size of company assets grew by 45% as compared to the previous year to reach the level of TL 493.882.563. This increase is mainly caused by the increases in trade receivables and inventories. At the end of 2014 company's trade receivables increased by 70% and inventories increased by 68%. Although there has been a decrease in the accounts receivables turnover rate and inventory turnover rate, when considered the growth in company's turnover, it is possible to say that the increase in receivables and inventories is at reasonable levels.

Trade receivables account for 36% of company assets. (2013: 31%) Almost all of the trade receivables amounting to TL 177.055.422 includes receivables from non-affiliates. Company representatives declared that some of the customer portfolio in the domestic market sales channel is based on open account and that this size accounts for 27% of the total customer risk.

In the financing of raw material purchases and activities, the company mainly makes use of seller's credits as well as short term bank credits granted by domestic banks and, occasionally, leasing agreements. A review of total financial liabilities reveals that the total financial debt increased from TL 20.864.884.00 on 31.12.2013 to TL 46.970.578.00 on 31.12.2014.

It is seen that a significant part of the asset growth of the company was financed by the increase in its equity. Total shareholders' equity increased from TL 87.392.510 on 31.12.2013 to TL 162.888.633 on 31.12.2014. Company's paid-in capital of TL 50.000.000 was increased to TL 84.500.000. All of the shares with the nominal value of TL 23.500.000, which were offered to public through capital increase and partner sales, were sold. 27.81% of the company shares have been traded at Istanbul Stock Exchange since November 20, 2014.

Company revenues grew by 35% as compared to 12/2013 and reached to the level of TL 921.577.365. (Real growth: 26%) Export revenues account for TL 380.550.059 of this amount. (2013: TL 270.961.061).

In the light of the information obtained from company representatives; it is seen that the share of Ulusoy Un in domestic flour market and global and local wheat commerce has been steadily increasing for the last 4 years. In exports, the share in Turkey's exports which was 7% 4 years ago dropped to the level of 5% as of the end of 2014. Company representatives declared that the major factor here was market shrinkage caused by the protective measures of Asian countries. With the strategic decisions taken in recent years, the company started to make export to different countries and focussed on Africa. As a result of this diversification, the number of export countries increased to 80.

## Ratio Analysis

<b>I - Liquidity Ratios</b>	<b>2014</b>	<b>2013</b>
1 - Current Ratio	1,38	1,18
2 - Acid Test	0,82	0,75
3 - Cash Ratio	0,21	0,26
4 - Inventories / Current Assets	0,40	0,36
5 - Inventories / Total Assets	0,35	0,31
6 - Inventory Dependency Ratio	0,31	0,57
7 - Net Working Capital / Total Assets	0,24	0,13

When company's liquidity performance is reviewed, it can be said that there is generally a higher performance than the previous year. Besides the increase in ratio values that indicates short term solvency, decreasing inventory dependency ratio of the company have been considered positive. Also the net working capital of the company and the share of net working capital in total assets have significantly increased.

<b>II - Financial Structure Ratios</b>	<b>2014</b>	<b>2013</b>
1 - Financial Leverage (Equity / Total Debts)	0,49	0,35
2 - Short Term Liabilities / Total Assets	0,65	0,72
3 - Long Term Liabilities / Total Assets	0,02	0,02
4 - Long Term Liabilities / Continuous Capital	0,06	0,09
5 - Tangible Fixed Assets / Shareholders' Equity	0,29	0,53
6 - Tangible Fixed Assets / Long Term Liabilities	4,32	5,55
7 - Tangible Fixed Assets / Total Assets	0,10	0,14
8 - Fixed Assets / Total Debts	0,16	0,20
9 - Fixed Assets / Shareholders' Equity	0,33	0,58
10 - Fixed Assets / Continuous Capital	0,31	0,53
11 - Short Term Liabilities / Total Debts	0,97	0,97
12 - Bank Loans / Total Assets	0,10	0,06
13 - S.T. Bank Loans / Total Short Term Debts	0,11	0,07
14 - Bank Loans / Liabilities	0,14	0,08
15 - Current Assets / Total Assets	0,89	0,85

Ulusoy Un works with a leverage higher than the sector. On the other hand, Equity / Total Debts ratio has increased by the influence of the capital increase made in 2014. Also the share of short term liabilities in total debts is at the same level compared to the previous year, the share of short term bank loans in total short term debts and the share of bank loans in total liabilities have increased. The share of current assets in total assets has increased and this indicates that company's financial structure has become more liquid as compared to the previous year.

<b>III - Profitability Ratios</b>	<b>2014</b>	<b>2013</b>
1 - Return on Equity - I (PBT / Equity)	0,108	0,122
2 - Return on Equity - II (PAT / Equity)	0,087	0,092
3 - Profit After Tax / Total Assets	0,029	0,024
4 - Operating Profit / ( Total Assets- TFA)	0,078	0,098
5 - Operating Profit / Net Sales	0,038	0,042
6 - Gross Profitability	0,064	0,071
7 - Profit After Tax / Net Sales	0,015	0,012
8 - Operating Expenses / Net Sales	0,028	0,032
9 - Financial Expenses / Net Sales	0,019	0,027
10 - Earnings Before Interest and Tax / Interest	1,995	1,584

The company is prominent with its recently increasing profits. Although there is a decrease in its gross profitability as compared to the previous end-of-year, the net profitability has increased. In addition to this, decrease in the ratio of operating and financial expenses to sales has been considered positive. Besides, it was seen that the company's interest payment capacity has been increased.

<b>V - Operating Ratios and Turnover Rates</b>	<b>2014</b>	<b>2013</b>
1 - Inventory Turnover	4,93	6,09
2 - Accounts Receivable Turnover	5,21	6,57
3 - Working Capital Turnover	2,09	2,36
4 - Net Working Capital Turnover	7,64	15,29
5 - Trade Payables Turnover	3,27	2,86
6 - Tangible Fixed Assets Turnover	19,39	14,75
7 - Fixed Assets Turnover	17,28	13,35
8 - Equity Turnover	5,66	7,81

A review of turnover rates reveals that inventory turnover rate and accounts receivable turnover rate have fallen down as compared to the previous year, but trade payables turnover rate has increased. However, it can be said that the improvement in liquidity ratios has reduced the impact of negative change in turnover rates.

<b>V - Operating Ratios and Turnover Rates</b>	<b>2014</b>
1 - Real Growth	26%

Company revenues which increased by 29% in real terms in 2013 as compared to the previous year exhibited a growing performance of 26%, net of inflation, as of the year 2014.

## Strengths

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**The company is institutionalized with sufficient management.**

It was seen that the company is institutionalised with its shares being traded in İstanbul Exchange National Market as of 2014.

**Company facilities have competitive advantage with regard to the location.**

The fact that the production plants and warehouses of Ulusoy Un are close to Samsun port creates cost advantage against the competitors.

**The Company has wide experience and recognition in domestic market.**

Having been operating since 1991, the company is experienced in its field of activity. It is also an important actor in the national market.

## Risks

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**There is the possibility that company profitability may be adversely effected by exchange rate volatility.**

The risk of a significant amount of company liabilities consists of amounts in foreign currency and particularly, in USD. Profitability performance of the company, whose foreign currency revenues are relatively low, is sensitive to changes in exchange rate. On the other hand, we have considered positive the reduction of exchange rate risk through significant hedging.

**There is intense use of leverage.**

It is possible to say that leverage use of the company who finances its operations mainly through foreign assets is higher than the compared sector. On the other hand, it was seen that the said ratio has been improved after the capital increase in 2014. Comparison of company's financial indicators was based on the "Foodstuff Industry" sector companies traded in İstanbul Exchange.

## Corporate Governance

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In the review of corporate governance practices, it was observed that Ulusoy Un has been significantly complied with the Capital Markets Board Corporate Governance Principles and has put into practice most of the necessary policies and measures. Although a few improvements are needed, governance and internal audit mechanisms have been effectively established and are in operation. Many of the corporate governance risks have been identified and actively managed. Rights of shareholders and stakeholders have been fairly observed: Public disclosure and transparency activities have been maximized. Structure and operation of the board of directors are based on a firm foundation. Although not posing a high risk, one or several of these areas are needed to be improved.

## Methodology

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Credit rating methodology of SAHA consists of quantitative and qualitative sections that will influence the final score at certain weights. The components of quantitative analysis are SAHA Score, company's distance to the point of default, comparative sector performance, financial risks analysis and cash flow projections assessment. Point of default analysis measures company's distance to the point of default based on distinguishing ratios and statistical coefficients derived from past financial performance and default statistics of the related sector companies. This analysis is based on SAHA's original statistical work covering foodstuff industry companies in Turkey. Comparative sector analysis determines the position of the related company in comparison to the most recent financial performance of sector companies. Financial risks analysis covers the assessment of company's financial ratios based on objective criteria. This analysis includes sub-topics such as liquidity, leverage, asset quality, profitability, volatility, and concentration. Finally scenario analysis includes future-oriented base and stress scenario projections and evaluates the risks for performing the liabilities.

Qualitative analysis covers management risks in the context of corporate governance practices besides subjects with operational nature such as sector risks and company risks. Sector analysis makes an evaluation of sector's nature and growth rate, competitive structure in the sector, structural analysis of clients and creditors, sensitivity of the sector to domestic and foreign risks. Company analysis addresses market share and its effectiveness, growth trend, cost structure, service quality, organisational stability, access to domestic and foreign sources of finance, off-balance sheet liabilities, accounting practices and mother company/subsidiary relations, if any.

Corporate governance holds an important place in our methodology. The importance of corporate governance and transparency has been recognized once again in the current global financial crisis. Our methodology covers 4 main titles including shareholders, public disclosure and transparency, stakeholders and board of directors. SAHA's corporate governance methodology has been published in [www.saharating.com](http://www.saharating.com).

## Meaning of Scores

Our long term credit rating scores are given starting from AAA, indicating the highest quality, and going down to D, indicating the lowest (default) quality. Between AA and CCC categories, plus (+) and minus (-) signs are used to make more detailed relative differentiation.

Institutions and securities that are rated in long term AAA, AA, A, BBB and short term A1+, A1, A2, A3 categories should be considered as “investible” in the market.

Short Term	Long Term	
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	Highest credit quality. Extremely high ability to fulfil its financial liabilities. If security, there is a little more risk than risk free government bond.
(TR) A1	(TR) A+ (TR) A	Very high credit quality. Very high ability to fulfil its financial liabilities. Sudden changes in business, and economic and financial conditions might slightly increase investment risk.
(TR) A2	(TR) A- (TR) BBB+	High ability to fulfil its financial liabilities however it may be influenced by negative economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Sufficient ability to fulfil its financial liabilities, however there is a higher risk of being influenced by negative economic conditions and changes. If security, it has proper protection parameters but issuer’s ability to fulfil its liabilities may weaken due to negative economic conditions and changes.

Institutions and securities that are rated in long term BB, B, CCC and short term B, C categories should be considered as “speculative” in the market.

(TR) B	(TR) BB+ (TR) BB (TR) BB-	It has a minimum level of speculative properties. Not risky in short term but faces ambiguities created by negative financial and economic conditions. If security, it is below investible level but there is payment on time or it is less risky than other speculative securities. However, serious ambiguities may arise if issuer’s ability to fulfil its liabilities weakens due to negative economic conditions and changes.
(TR) C	(TR) B+ (TR) B (TR) B-	It is currently able to fulfil its financial liabilities but is highly sensitive to negative economic and financial conditions. If securities, there is a risk of late payment. Financial protection factors may exhibit high fluctuations depending on the position of economy, sector and issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Quite below the investible category. It is at risk and needs positive developments to occur in economic, sectoral and financial conditions in order to fulfil its financial liabilities. If security, there are serious ambiguities with regard to payment of the capital and interest on time.
(TR) D	(TR) D	Default. The company is unable to fulfil its financial liabilities or the capital and/or interest of the said security cannot be paid.

## Reservations

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As announced on our material disclosure on 22.10.2015:

The amount held under our company's responsibility as part of the bid we have made for the Wheat Flour tender dated 14.10.2015 by the United Nations World Food Program (WFP) will be delivered to Syria until 15.11.2015. (Tender Price: 1.523.514 USD – 4.418.190 Turkish Liras)

As announced on our material disclosure on 30.10.2015:

The amount held under our company's responsibility as part of the bid we have made for the Wheat Flour tender dated 28.09.2015 by the United Nations Relief and Work Agency for Palestine Refugees (UNRWA) will be delivered to Palestine between 06.12.2015 – 22.01.2016. (Tender Price: 1.437.395,77 USD – 4.197.195,64 Turkish Liras)



Global Developments; no changes in the policy interest were in made in the FED meeting held in September. In the meeting it was declared that there is continuous improvement in American economy; however, increased ambiguity is observed in global economic outlook and financial markets. It was emphasised that the decision to maintain the interest rate at the same level was aimed to make sure that inflation can approach its medium-term target. It was indicated that monetary policy decisions are mainly based on the developments in global markets. On the other hand, concerns about China continued to have adverse effect on global economy.

The fact that FED did not increase interest rates in its September meeting, initially had positive reflections on developing countries but then the gloomy atmosphere came back. Influenced by increased expectations about the imminent interest rate increase following the declarations and by the concerns about China, there has been a weak course in the global capital flows towards developing countries.

USD/TL exchange rate; Political ambiguity in the country and increasing concerns over internal security distorted the perception of risk and adversely effected Turkey's economy. USD/TL exchange rate reached record highs. As of the end of September, USD/TL exchange rate was 30% higher than the end of pervious year.

Inflation; Consumer Price Index was higher than expected in the last two months and annual inflation reached 7.95% in September. In Domestic Producer Price Index, annual inflation was at the highest level of 2015 with 6.92%.

Growth; Based on Gross Domestic Product data calculated according to production method, industrial sector had an annual growth rate of 4.6% in the second half of the year and made 1.3 points contribution to growth. Boosted by positive climate conditions, the contribution of agricultural sector to growth reached 0.5 points which is the highest level since 2011.

Foreign Trade and Commodity Prices; It was seen that decreased energy and commodity prices influenced the quick drop in the import volume of August and exports shrinkage lost speed. Thus, foreign trade deficit was reduced by 39.8 % as compared to the same month of the previous year. Temporary foreign trade data indicate that the decline in imports will continue but the decline in exports will slow down.

<b>ASSETS</b>	<b>30.09.2015</b>	<b>30.09.2014</b>
Current Assets	471.718.263	421.051.275
Fixed Assets	58.702.977	52.044.642
<b>TOTAL ASSETS</b>	<b>530.421.240</b>	<b>473.095.917</b>
<b>LIABILITIES</b>		
Short Term Liabilities	358.090.963	363.176.348
Long Term Liabilities	9.187.857	13.064.045
Shareholder's Equity	163.142.420	96.855.524
<b>TOTAL LIABILITIES</b>	<b>530.421.240</b>	<b>473.095.917</b>
<b>MAJOR RATIOS</b>		
Current Ratio (Current Assets/Short Term Liabilities)	1,32	1,16
Liquidity Ratio (Current Assets-Inventories/S.T. Liabilities)	1,00	0,67
Capital Structure (Total Liabilities/Equity)	2,25	3,88
Asset Structure (Current Assets/Total Assets)	0,89	0,89

<b>CONTINUING OPERATIONS</b>	<b>01.01.2015/30.09.2015</b>	<b>01.01.2014/30.09.2014</b>
Revenues	692.106.505	681.684.081
Gross Profit/Loss	54.634.609	45.619.660
Real Operating Profit/Loss	29.366.639	27.071.308
Pre-Tax Profit/Loss from Continuing Operations	5.870.279	8.291.279
Profit/Loss for the Period from Continuing Operations	1.623.251	6.268.732
Period Profit/Loss	1.623.251	6.268.732
<b>MAJOR RATIOS</b>		
Gross Profit Margin	7,89%	6,69%
Net Profit Margin	0,23%	0,92%
EBITDA	31.104.497	28.335.662
EBITDA Margin	4,49%	4,16%

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