



ULUSOYUn

01.01.2017 - 30.09.2017 INTERIM ACTIVITY REPORT

ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2017 – 30.09.2017 INTERIM PERIOD
BOARD OF DIRECTORS REPORT ISSUED AS PER 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 82 countries so far. In 2016, the company accounted for 5% of the sector's exportation operations in Turkey. According to data announced by the Turkish Exporters Assembly in 2017; our company is the 401th company on the top 1000 Turkish exporters list and 4th on its sector list in 2016. According to data announced by the Istanbul Chamber of Industry in 2017, the company is the 398th company on the 2016 list of top industrial manufacturers of Turkey and 4th 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.

First licenced warehouse has constructed in 2016 in Alaca/Çorum, has started its operations buy buying its licence for part of 23.340 ton capacity in 16.01.2017 and fully 41.950 ton capacity in 16.06.2017

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

OUR STRATEGIES

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

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

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

Creating new products through R&D and becoming a brand

IN CONCLUSION

Becoming the company with the largest market share

OUR GOALS

Lowering costs by reducing distribution costs

Increasing total capacity by increasing our production locations

Addressing the whole market

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

Current Shareholding Structure as of 30.09.2017

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	30.373.882	5,38%	35,94 %
		B	Yes	1.950.000	1.950.000		2,31%	
		C	No	23.873.882	23.873.882		28,25%	
2	Nevin Ulusoy	A	Yes	650.000	650.000	7.780.756	0,77%	9,21 %
		B	Yes	1.300.000	1.300.000		1,54%	
		C	No	5.830.756	5.830.756		6,90%	
3	Eren Günhan Ulusoy	A	Yes	3.900.000	3.900.000	12.699.375	4,62%	15,04 %
		B	Yes	1.300.000	1.300.000		1,54%	
		C	No	7.499.375	7.499.375		8,88%	
4	Onur Erhan Ulusoy	A	Yes	650.000	650.000	10.023.684	0,77%	11,86 %
		B	Yes	1.950.000	1.950.000		2,31%	
		C	No	7.423.684	7.423.684		8,78%	
5	Kamil Adem	C	No	26.941	26.941	26.941	0,03%	0,03 %
6	Mithat Denizcigil	C	No	95.362	95.362	95.362	0,11%	0,11 %
7	Publicly Held	C	No	23.500.000	23.500.000	23.500.000	27,81%	27,81 %
TOTAL				84.500.000	84.500.000	84.500.000	100,00%	100,00 %



In third quarter of 2017 our company has increased its revenues by 51% compared to the same period of the previous year with 1 billion 270 million TL sales revenue. We aim sustainable growth with our active risk management especially under hard conditions. We would not apostasy in order to continue this performance.

Dear Shareholders,

Completing its 27th 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. 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. Finally, Ulusoy Un became 398th among largest 500 industrial enterprises in Turkey, with 4th place in its industry in the list which is announced in 2016. After long years of labor, I extend my gratitude to all that have played a part in this pride.

In third quarter of 2017 our company has increased its revenues by 51% compared to the same period of the previous year with 1 billion 270 million TL sales revenue. Our company has achieved to increase its gross income from 48,7 million TRY to 70,8 million TRY compared to the same period of last year. With 36,3 million TRY operating profit and 13,4 million TRY net income we left behind a good three quarter on the way of 2017 targets. We aim sustainable growth with our active risk management especially under hard conditions. We would not apostasy in order to continue this performance.

Uludağ Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi which established in 2015, started its warehouse investment with 41.950 ton capacity in Alaca, Çorum in 2016. Part of its 23.340 ton capacity has started its operations in licensed warehouse sector which is agricultural sector's future, by buying its license on 16.01.2017 and 41.950 ton capacity fully in 16.06.2017. Our investments in this sector will continue in 2018.

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 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



Our company that achieved 70,8 million TRY gross profit from manufacturing and commercial activities and 36,3 million TRY operating profits, completed this period with 13,4 million TRY net income. After the first quarter which our country's economy growth is 5,2% and 5,1% in second quarter, our company completed third quarter of 2017 with a powerfull growth.

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 28 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 5% of Turkey's flour export in 2016 where Turkey is the leading exporter. With its direct sales, it became 398th among largest 500 producers according to Istanbul Chamber of Commerce data and 4th 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 1,152 million TRY in 2016. Multiplying our turnover by 18 times in the past 10 years we realized an annual average 34% turnover growth.

In second half of 2017, our company has achieved an important growth by increasing its revenue by 61% compared to the same period of last year . Our company that achieved 53,9 million TRY gross profit from manufacturing and commercial activities and 27,8 million TRY operating profits, completed this period with 12,5 million TRY net income. After the first quarter which our country's economy growth is 5%, our company completed second half of 2017 with a powerfull growth.

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 2017 to bring gains and happiness for our company. With its experience exceeding 48 years, Ulusoy Un will continue to create value for our partners, employees and clients...



Kamil ADEM
Chief Executive Officer



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.



ÖZDEMİR EROL

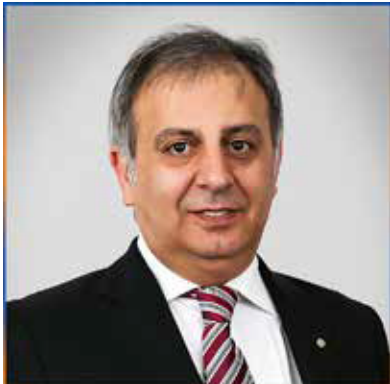
Non-Executive Director

He was born in 1934 in Istanbul. Özdemir Erol completed his primary, secondary and high school education in Samsun and graduated from Istanbul Technical University Department of Civil Engineering in 1959 and completed his internship in Austria. Özdemir Erol started his professional life in 1960 as a Control Engineer of Samsun Port Construction. Özdemir Erol worked for a number of projects and did official contracting works until the year of 1966 and then started his business life in 1968 since Samsun had shortages in several kinds of materials. In 1980, he was the founding partner of Proftaş A.Ş. and he also officiated as a Board of Directors Member as well as being the founding partner and board of directors member of Odöksan Döküm Sanayi A.Ş. Özdemir Erol worked for Enka Holding during the incorporation process and then he became one of the partners of Enka Holding.

Özdemir Erol was the Deputy Mayor of Samsun Municipality, Councilor, President of Public Works Committee, President of Samsun Exhibition Association, Member of Chamber of Commerce Management Committee, Founding Member of Samsun DYP (True Path Political Party) Provincial Organization, Deputy Chairman of Samsun DYP Management Committee, Member of Decision and Enforcement Committee of DYP Ankara Headquarters as well as taking management and membership positions at Rotary Club.

Also, he officiated as the Founding Member of Samsun Religious Affairs Site Foundation, Deputy Chairman of Samsev Foundation, Management Board Member of Naval Forces Support Foundation, Management Board Member of Samsun Social Services, Member of Samsun Turkish Police Office Support Foundation, Member of Police Houses and Stations Construction and Restoration Foundation, Deputy Chairman of Samsun Sailing Club Management Board, Deputy Provincial President of DYP, Management Board Chairman of Samsiad as well as Deputy Board Chairman and General Manager of 19 Mayıs Hazır Beton Tesisi A.Ş.

Since December 1, 2007, Özdemir Erol was working for Aydınır İnş. A.Ş. as General Manager in charge of aggregate production and, since 2013, as the General Coordinator of Aybet Beton Prefabrik Yapı Elemanları San. A.Ş. Also, he was appointed as the Non-Executive Director of Ulusoy Un San ve Tic. AŞ in September 2017.



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, Kıtıplı 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
Özdemir Erol	Non-Executive Director	Supervisory Board Member

Committee has convened 4 times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciiliskileri.com under the heading of Corporate Governance- Committee.

Early Detection of Risk Committee

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

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

Corporate Governance Committee

Name-Surname	Position in Partnership	Position
Özdemir Erol	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 3 times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciiliskileri.com under the heading of Corporate Governance- Committee.



Our Company, a 100 % subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş., is a joint stock company established on February 27, 2015 with a cash capital of 2 million Turkish Liras and the company located in Samsun Province, Tekkeköy Merkez District operates in the field of Licensed Warehousing for cereal products pursuant to the Licensed Warehousing of Agricultural Products Act numbered 5300.

The incorporation of our company was announced on the Turkish Trade Registry Gazette dated March 4, 2015 and numbered 8771.

Investments

- The long-term licensed warehouse capacity target of our company is 332.500 tons.
- First licenced warehouse has constructed in 2016 in Alaca/Çroum, has started its operations buy buying its licence for part of 23.340 ton capacity in 16.01.2017 and fully 41.950 ton capacity in 16.06.2017
- We have increased our company capital up to 5 million Turkish Liras because of our total 332.500 tons of licensed warehouse capacity goal, as described above.
- Our planned licensed warehousing facilities are constructed with the following specifications and state of the art technology for protecting product quality and quantity at optimum levels.

Specifications of our Licensed Warehousing Facilities

- Electronic scale operations
- Sampling with automatic devices
- Product analysis by Authorized Classifiers licensed by the Ministry
- State of the art physical analysis laboratory
- Fully automated silo operations
- Automatic temperature measurement system
- Automatic disinfection system
- Ventilation system
- Dust collecting system
- Fire extinguisher system
- Tele-technical and IT infrastructure equipped with hardware and technology sufficient for electronic product certificate movements.

What is it?

Licensed Warehousing of Agricultural Products Act numbered 5300 entered into force when it was published on the Official Gazette dated 17.02.2005 and numbered 25730.

Licensed Warehousing of Cereals is subject to;

- Licensed Warehousing of Agricultural Products Act numbered 5300,
- “Regulation on Licensed Warehouse for Agricultural Products” that entered into force when it was published on the Official Gazette dated 12 April 2013 and numbered 28616,
- Other related regulations and communiqués.
- The system is solely supervised by the Ministry of Customs and Trade.

Goals of the System

For agricultural products:

- Facilitating and improving trade,
- Establishing a widespread storage system,
- Making sure that qualities are confirmed by authorized classifier,
- Issuing a product certificate representing ownership and enabling finance, sales and delivery,
- Assuring safety and protecting quality,
- Extending the use of loans by making sure that the banks are incorporated in the system

Guarantees in Licensed Warehousing System

- Licensed Warehousing Compensation Fund: Licensed Warehousing Compensation Fund, which has a legal entity status, is established for the purpose of compensating damages arising from licensed warehouse operator’s failure to comply with the liabilities stipulated under this Law and contracts to be executed with the depositors.
- Authorized Classifiers: Authorized Classifiers licensed by the Ministry of Customs and Trade are in charge of analysis and classification operations of the products.
- Commodity Exchanges or Product Specialization Exchanges: Commodity Exchanges or Product Specialization Exchanges authorized by the Ministry are in charge of product certificate buying and selling operations.
- Central Registry Agency (CRA): All records are kept by the Central Registry Agency.
- Recording trade of products in the system.

What is Licensed Warehousing System?

Licensed Warehousing of Agricultural Products Act numbered 5300 entered into force when it was published on the Official Gazette dated 17.02.2005 and numbered 25730.

Licensed warehousing of following products is possible based on the Communiqués published under this Law:

- Cereals, legumes and oily seeds,
- Nuts,
- Cotton,
- Olive and olive oil,
- Dried apricot

Licensed warehousing can be briefly described as storing essential and processed agricultural products such as cereals, legumes, oily seeds, cotton, nuts, olive and olive oil and dried apricots, which are suitable for warehousing and can be standardized, in safe and healthy warehouses owned by licensed warehouse operators by established related standards and trading these products with electronic product certificates issued by these establishments.

Licensed Warehousing System is a common practice in countries included in the system all around the world such as Bulgaria and Romania and particularly in the USA, India and Australia.

Goals of Licensed Warehousing operations:

- Preventing drop of prices caused during the harvest times due to increased supply of agricultural products and balancing the market,
- Allowing particularly small farmers and produce owners having financial troubles to obtain loans and financing from banks within the product certificates issued in return for the products delivered to the licensed warehouses,
- Using products having generally acceptance standards for trade of agricultural products, encouraging high quality production, creating a safe market environment,
- Documenting trade of agricultural products,
- Carrying on agricultural reform that is currently being implemented in our country and increasing participation of private sector in trade of agricultural products,
- Minimizing government interventions in production and pricing, assuring huge savings in terms of costly expenses paid in this segment and avoiding interventions impairing free market and prices,
- Enabling producers to achieve a stable and higher income level through a system that can be easily marketed as well as being well protected and having minimized transportation costs
- Providing a new investment tool to investors as an alternative to foreign currency, gold, share certificate, interest and similar instruments,
- Allowing merchants and industrials in produce trade to easily supply products having quality confirmed based on scientific criteria and price stability,
- Trading agricultural products with product certificates or electronic product certificates without necessity of actually showing goods and samples,
- Transition of agricultural products to forward transaction and option markets with standardized product and licensed warehouse system,
- Creating new business areas for product storage, banking and insurance sectors,
- Enabling our country to have a crucial role in trade of agricultural produce in the nearby geographical areas such as the Middle East, Balkans, Turkic Republics and Asia.

Stakeholders of system:

- Ministry of Customs and Trade,
- Ministry of Food, Agriculture and Livestock,
- Licensed warehousing,
- Authorized classifiers,
- Producers,
- Merchants,
- Industrialists,
- Banking and insurance sector,
- Agriculture exchange and product specialization exchanges

First Licensed Warehouse:

Although the law governing the system entered into force in 2005, the first licensed warehousing company was established in 2011 by TMO (Turkish Grain Board) and TOBB (Turkish Union of Chambers and Commodity Exchanges).

Licensed Warehousing Companies in our country:

So far, 98 companies declared 8.720.300 tons warehousing capacity and completed their establishment, 38 companies have obtained licence for 1.676.200 tons capacity and started their operations.

Summary of Licensed Warehousing

Licensed warehousing systems works in parallel to the product exchanges, a requirement of free market economy, and it is a modern, institutional infrastructure functioning as an important tool of facilitating agricultural product based trade, creating a general storage system all around the country for agricultural products, extending the market segment by offering a reliable protection to the depositors for safety and quality of commodities, contributing to the price stability in markets and preventing unrecorded economy.

ULİDAŞ Board of Directors

A legal entity, namely Ulusoy Un Sanayi ve Ticaret A.Ş. is the company's Board of Directors Member.

ULİDAŞ Capital Structure

- The company capital of 5.000.000,00 (five million) Turkish Liras is fully paid up in cash.
- This capital is divided into 5.000.000 (five million) shares, each worth 1.00 Turkish Lira.
- The company capital of 5.000.000,00 TRY is equal to 5.000.000 shares and it is solely owned by the company's Board of Directors member Ulusoy Un Sanayi ve Ticaret A.Ş.
- This capital is divided into total 2.500.000 (two and half million) shares as follows and each share is worth 1 (one) TRY; 1.000.000 (one million) Group (A) shares, 1.500.000 (one and half million) Group (B) shares and 2.500.000 (two million five hundred thousand) Group (C) shares.
- Share certificates are registered shares.
- Share certificates are issued in share denominations.

CORPORATE MANAGEMENT PRINCIPLES COMPLIANCE REPORT

Ulusoy Un agrees to comply with and implement “Capital Market Board Corporate Governance Principles” published by the Capital Market Board and embraces this commitment as a management principle. Main principles of Corporate Governance Principles published by the Capital Market Board, namely “Equality, Transparency, Accountability and Responsibility”, are also principles of our Company and our company has taken necessary actions for implementing these principles. Our company continues to work hard for improving the status quo.

Equality

Our company is committed to act fairly and equally towards the stakeholders for protecting rights of the company shareholders. Besides, it is unconditionally agreed that our stakeholders shall not be prejudged and discriminated based on gender, behavior, beliefs and ethnicity.

Transparency

Company information that is not disclosed to the public should be available fully, accurately and easily provided that they are about the public and shareholders and / or they might have impact on investment decisions provided that such information is not considered confidential and trade secret.

Accountability

Our Company is committed to the principles of proving accuracy of decisions made and assuming responsibility towards shareholders.

Responsibility

The sole goal of our operations is not to add value to our shareholders. We also want to enrich social values, comply with the laws and operate our current facilities accordingly.

SECTION 1. SHAREHOLDERS

I.1 SHAREHOLDERS RELATION UNIT

In order to manage and reinforce the relations with shareholders Investment Relations Group has been founded in 2012. Group is responsible to present the company performance to current and potential investors in a transparent and accurate manner.

The main duties of the department are:

- To inform shareholders and reply their demands,
- To ensure General Meeting is held in accordance with the legislation in force, articles of association and other company regulations,
- To establish the communication between the Board of Directors and the shareholders, to answers questions from the shareholders and to report their views regularly to the Board of Directors,
- To work on improving Corporate Governance and Social Responsibility practices of the Company
- To observe and monitor all issues regarding Public Disclosure,
- To ensure that the records regarding shareholders are kept safely and up-to-date.
- To take measures in order to ensure that shareholders participate in the General Assembly.
- To notify shareholders of the documents related to all financial tables and reports including activity reports, profit distribution policy and proposal, general assembly agenda articles of the company in a timely manner.

Investment Relations Department be contacted via phone on (0362)260 50 10, via fax on 0(362)266 90 94 or via e-mails at ilker.kucuk@ulusoyun.com.tr / yatirimci@ulusoyun.com.tr.

Head of the department to contact shareholders: İlker Küçük

I.2. USE OF SHAREHOLDERS' RIGHTS TO OBTAIN INFORMATION

Information requested from and questions asked to the Investor Relations Department shall be immediately provided and answered over the phone and, if necessary, in writing by consulting the top authorized person in that field provided that such information is not confidential and trade secret.

I.3. General Assembly

2014 Ordinary General Assembly Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi convened on 31.03.2015 Tuesday at 14:00 o'clock at Hampton by Hilton Samsun Hotel Kerimbey Mahallesi Işık Sok. No: 2 Tekkeköy / Samsun / Turkey under the supervision of the Ministry Representative Mustafa Kocaman who was assigned by the Republic of Turkey, Governorship of Samsun and Provincial Directorate of Commerce by virtue of the letter dated 26.03.2014 and numbered 39028009/431.03.

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

Ordinary General Meeting Minutes and List of Attendees issued for the General Meeting are available on our company's webpage www.ulusoyunyatirimciiliskileri.com.

I.4 Voting Rights

Our company abstains from practices that render exercising voting rights more difficult. Group (A) shareholders attending to ordinary and extraordinary general meetings or their proxies shall have 15 (fifteen) votes per share; Group (B) shareholders or their proxies shall have 10 (ten) votes per share and Group (C) shareholders or their proxies shall have 1 (one) vote per share.

1.5. Dividend Policy

Amounts to be retained and paid by the company, such as general company expenses and amortization, as well as taxes to be paid by the legal entity shall be deducted from the revenues calculated at the end of company's accounting period; the remaining amount described as period profit on the annual balance sheet shall be respectively distributed as explained below after deducting previous year losses, if any:

General Legal Reserves:

a) 5 % shall be set aside as legal reserves.

First Dividend:

b) First dividend shall be retained from the remaining amount – over the amount to be calculated by adding donations to be made throughout the year, if any - as per the Turkish Commercial Code and Capital Market Legislation.

c) After retaining the amounts mentioned above, the General Assembly is entitled to decide on dividend to be paid to the board of directors' members and officers, servants and workers as well as various associations and natural, legal entities with similar qualities.

Second Dividend:

d) Amounts written on paragraphs (a), (b) and (c) shall be retained from the net period profit and the General Assembly shall be entitled to partially or entirely pay the amount as second divided or to retain the amount as optional legal reserves, as described under Article 521 of the Turkish Commercial Code.

General Legal Reserves:

e) 5 % shall be retained from the amount to be paid to the shareholders and parties entitled to receive a dividend and one tenth of the amount calculated shall be added to the general legal reserves as per Turkish Commercial Code, Article 519, paragraph 2.

Other reserves shall not be retained, profit shall not be transferred to the next year and dividend shall not paid to the board of directors members, officers, servants, workers and associations, natural & legal entities having similar qualities unless the reserves to be retained are retained duly and dividend granted to the shareholders under the articles of association is paid in cash and/or as shares. Dividend shall be distributed equally to all shares existing on the date of distribution, regardless of the dates of issuing and acquiring these shares.

The General Assembly shall decide on the manner and time of distributing dividends upon a proposal made by the board of directors for this purpose.

A decision made by the general assembly for distributing dividends as per the articles of association cannot be withdrawn.

The Dividend distribution policy of our company is based on Capital Market Legislation and provisions on the Articles of Association by taking into consideration the company's financial performance and market developments. Accordingly, 20 % of "consolidated net profit of the period" that is calculated based on periodical financial statements issued as per the Capital Market Legislation and International Financial Reporting Standards (IFRS) shall be distributed following a decision to be made by the Company's General Assembly either in cash or by adding the amount to company capital as bonus shares.

This policy shall be revised by the Board of Directors each year by taking into consideration adverse national and global economic conditions, investment projects and company's financial resources, and sustainability of the plan is one of the primary goals.

1.6 SHARE TRANSFER

Group A, B and C Shares can be freely transferred under the provisions of related legislation. The share transfer process should comply with Turkish Commercial Code, Capital Market Law,

Capital Market Board Regulations, and other legal arrangements about Capital Market regulation, Central Registry System rules and other legal arrangements about dematerialization of shares.

SECTION II. PUBLIC DISCLOSURE AND TRANSPARENCY

II.1. INFORMATION POLICY

II.1.1. Purpose and Scope

As a company having shares traded at Istanbul Stock Exchange (BIST), Ulusoy Un Sanayi ve Ticaret A.Ş. follows an effective and transparent "Information Policy" that complies with the laws and legislations.

The Information Policy covers all kinds of information, documents, electronic records and data that can be legally disclosed without any hesitation, excluding information classified as "Internal Info" and "Trade Secret" that are known by the Board of Directors Members and senior management as well as employees.

The purpose of our information policy is to fully, fairly, accurately, timely and clearly inform shareholders, current and potential investors, public, related competent authorities and establishments as well as capital market experts about past performance of the company and expectations from the future, as required under the Capital Markets

II.1.2. Authority and Responsibility

The Board of Directors is in charge of issuing and enforcing the Information Policy. The Board of Directors is entitled to amend this policy from time to time based on related legal arrangements.

The parties to be informed as per the Company's information policy are:

- Existing investors
- Potential investors
- Stakeholders
- Regulatory Bodies
- Public

The persons and departments in charge of announcements to be made:

- Board of Directors
- Supervisory Board
- Corporate Governance Committee
- General Manager
- Financial Affairs Manager
- Investor Relations Manager

II.1.3. Information Methods and Tools

The methods and tools used by our Company within the framework of our information policy are:

- Financial tables and independent auditor reports periodically announced
- Annual and interim period activity reports
- Company website (www.ulusoyun.com.tr, www.ulusoyunyatirimciliskileri.com)
- Material disclosures
- Teleconference, telephone, e-mail, fax and such other communication channels

Issues covered by Information Policy

The information policy covered the following particulars:

- Annual activity report, financial statements and footnotes, independent audit report and dividend policy shall be duly and accurately announced to investors, public, stakeholders, regulatory bodies through the website and other communication channels.
- Informational meetings and analyst meetings shall be organized for investors, analysts and shareholders. The Board of Directors members, General Manager, Financial Affairs Manager, Investor Relations Unit and auditors can attend to these meetings. Such meetings shall convene minimum once or twice a year after announcement of financial statements.
- All kinds of information about the general assembly meeting shall be available to the public at the company headquarters and announced on the

website minimum 3 weeks before the general assembly meeting.

- Financial statements shall be announced to the public on internet every 3-month period and the independent audit reports shall be available on internet every 6 and 12-month periods.

- Dividend Policy issued by the company's Board of Directors shall be announced to the public. This policy shall be submitted to the shareholders at the General Assembly Meeting and included in the activity report.

III.4. Determining Parties with administrative responsibility and creating a list of people having access to internal information

List of people having access to internal information covers managerial and auditing body members of the company and people who are not members of such bodies but who directly or indirectly have regular access to internal Company information as well as having authority to influence future company development and managerial decisions impacting the business goals (people with administrative responsibility) as well as people closely associated with such parties and people who act in the name of and on behalf of the partnership as well as having direct or indirect, regular or on demand access to internal information. This list is issued at the Central Registry Agency and regularly updated using Central Registry System.

II.1.5. – Postponing Public Disclosure of Internal Information

As per Article 6 of the Material Disclosures Communiqué issued by the Capital Markets Board, Ulusoy Un San ve Tic. A.Ş. might postpone public disclosure of internal information in order to protect its legal interests provided that the company shall have sole responsibility and it shall not mislead the investors and the company should be able to assure confidentiality of such information.

There will be effective arrangements that will prevent access to such information by people who are not on the list of people having access to such internal information and the goal is to protect confidentiality of

such information and to control access to such information during that postponement. The company shall make sure that the people having access to internal information accept the law and regulations governing the internal information and that they are informed about the sanctions related to use or disclosure of such information.

II.1.6. Communicating with Shareholders and Parties Authorized to Make Public Disclosures

All kinds of information requests received by Ulusoy Un San. Tic. A.Ş. shall be answered in writing or verbally by the

- Board of Directors Chairman and members
- Supervisory Committee Chairman and members
- General Manager
- Investor Relations Management

provided that such requests are assessed to confirm whether or not they are classified as trade secrets and covered by “Material Disclosures Communiqué” and whether or not they have impact on value of investment decisions and capital market tools.

Employees who are not listed above are not entitled to answer such questions. Employees of Ulusoy Un San ve Tic. A.Ş. shall direct any questions received to the Investor Relations Management Department.

II.1-7. Principles Governing Announcement of Evaluations Regarding Future

The company's future plans and estimations, which are considered as internal information, and related assessments can be disclosed to be public by the personnel authorized to make disclosures provided that the principles of capital market regulations are respected. These assessments shall be based on reasonable assumptions and estimations. Evaluations regarding the future might be amended based on unforeseeable risks and developments. There might be differences between evaluations about future and actual outcomes based on risks, uncertainties

and other factors. In that case, the deviations shall be disclosed to the investors within due time.

Evaluations regarding the future can be disclosed via press-media, press meetings and / or press releases, national and international conferences or meetings or other means of communication as well as announcements to be made as per the principles of capital market regulations.

II.1.8. Company Website and Contents

Our company website is www.ulusoyun.com.tr. We also have an investor relationships websites; www.ulusoyunyatirimciiliskileri.com. All necessary financial reports, independent audit reports, activity reports, general assembly information, real estate appraisal reports are available on this section.

Our website, available in Turkish and English languages, is designed based on Corporate Governance Principles, Public Disclosure Principles of the Capital Markets Board and other related legal arrangements. Our website is updated shortly after any changes on the regulations or company info. Our website also has an Investor Relations Section which can be effectively and easily reviewed by our shareholders and potential investors and all other stakeholders.

II.1.9. Activity Report

Our Company shall issue an activity report in a manner to fully and accurately inform the public about the company. Our Activity Report shall be approved by the Board of Directors and then announced to the public. It shall be announced on our website www.ulusoyunyatirimciiliskileri.com. The Report is also available on our website www.ulusoyun.com.tr.

SECTION III. STAKEHOLDERS

III.1 INFORMING STAKEHOLDERS

Ulusoy Un informs all its stakeholders about the developments regarding our company through accurate, easily accessible, transparent, clear

announcements that comply with the legislations.

III.2 PARTICIPATION OF STAKEHOLDERS IN MANAGEMENT

Requests and suggestions made by the buyers and employees are monitored, examined and taken into consideration. Any feedback received from buyers, employees and other stakeholders are taken into consideration to create more effective and productive company management.

III.3 HUMAN RESOURCES

As Ulusoy Un Sanayi ve Tic A.Ş., we are aware that we should keep up with changing trends as well as integrating advanced technology, global competition and new opportunities into our business. Without a doubt, one of the key elements of achieving this goal would be implementing a human resources policy that is open to continuous change and development. Our motto is "Human resource is the key to improvement" and accordingly, we prepare our human resources for the future as well as making huge investments in technology.

HUMAN RESOURCES POLICY

As Human Resources Department of Ulusoy Un Sanayi ve Tic. A.Ş., our primary goal is to hire professional and talented employees who are capable of empathizing and communicating with others based on "different solutions for different needs" approach and to offer resources that will contribute to personnel development based on their talents and skills. Accordingly, our primary principles of our Human Resources policy can be summarized as follows:

- Personnel planning in terms of qualifications and head count; hiring the best candidate for a job
- Maximizing personnel productivity and efficiency
- Preparing an effective training plan, program and offering personal development opportunities to the entire personnel
- Protecting and improving pecuniary and non-pecuniary rights of personnel

- Creating a work environment where the staff is encouraged to cooperate with their superiors; creating an environment of open communication.
- Offering equal opportunities to everyone in terms of career planning; supporting professional, personal and social developments of employees.

III.4. RELATIONS WITH CLIENTS AND SUPPLIERS

Ulusoy Un San. ve Tic. A.Ş. takes all kinds of precautions to assure customer satisfaction in terms of marketing goods & services and sales activities.

Goods and services comply with quality standards and these standards are followed strictly.

Information related to clients and suppliers are kept confidential as trade secrets.

Goods and service demands received from clients are met immediately and the clients are informed about possible delays without waiting for the expiry of due time.

III.5 ETHICAL RULES

Ethical rules mean all the rules that guide our approaches and behaviors while conducting our activities and operations by complying with laws, regulations and procedures.

Business Ethics of Ulusoy Un apply to all personnel.

Honesty and Integrity

Honesty and integrity are our primary values in all business processes and relationships. We comply with rules of honesty and integrity while dealing with all internal and external clients, partners such as in-house colleagues, superiors and inferiors as well as performing our duties and responsibilities.

Equality and Fairness

Equality and fairness are primary and irreplaceable values in all our transactions and relationships.

We are fair and respectable to each other and we do not discriminate people based on religion, language and race.

Compliance with Laws, Regulations and Rules

Compliance with laws, regulations and rules means that we conduct all business operations and activities in a manner complying with the laws and regulations.

Protecting Ulusoy Un's Reputation

Ulusoy Un has earned respect and reputation as a company that complies with business ethics as well as respecting the society and environment, embracing an honest, fair and professional approach on all its relationships and practices.

As a matter of course, our personnel should represent us accordingly. The personnel should fulfill this obligation in a manner keeping up with reputation and image of Ulusoy Un.

Environmental Protection Safety and Occupational Health

Protecting the environment and human health is our primary principle in all our activities.

As personnel working on a work and operation environment that assures maximum work safety, protection of environmental and natural resources, we embrace and comply with these values.

III.5.1. CODES OF PRACTICE FOR BUSINESS ETHICS

Efficient Use of Resources

Company interests should be taken into consideration while using resources on behalf of the Company. The company assets, facilities and personnel should not be used outside the company and for any reason other than the company goals, regardless of the purpose, interest of related party, if the company does not have any interest in the process.

The management cannot assign employees for their personal businesses (excluding the Board of Directors). All personnel shall use the company resources in the most efficient way possible.

All personnel shall use the company resources in the most efficient way possible.

"Time" is one of the vital resources and we duly manage time and complete interviews with necessary visitors in a reasonable period of time that does not interrupt the work flow.

Confidential Information

Any act and action violating the confidentiality principle is prohibited.

All information, financial information, personnel information, business strategy information, contracts, information about the business partners, suppliers and clients are confidential information and such information shall not be copied or altered.

The company shall take necessary precautions for protecting such information.

Wages, social benefits and such other personnel information which reflects the company policy are confidential. These shall be only disclosed to the authorized parties.

Personnel are prohibited from disclosing such information to others and forcing other personnel to disclose such information.

Our principle on security of information technologies is to minimize security risk as much as possible.

Our personnel (end users) have significant role in supporting assurance of information security on electronic environment and they should be careful about keeping passwords confidential.

Conflict of Interest and Unfair Advantages

We cannot gain advantages for ourselves, our kinsmen, families or third parties and establishments / institutions doing business with use by exploiting our duties.

Personnel shall not directly or indirectly gain any personal advantages through all

transactions and contracts executed by the company.

Other Employments

Ulusoy Un personnel cannot work for any other person and / or institution during or outside the office hours in return for a wage and similar benefits. Personnel might work for other parties (family members, friends) or establishments outside the office hours for a wage or similar benefits provided that the latter work neither interrupts, conflicts company business nor violates business ethics but it should be approved in writing by the senior management.

Personnel can be involved in social responsibility projects and charities launched by non-profit organizations and universities provided that this involvement does not interrupt company business and it is approved by the management in writing. Personnel should file related requests to the human resources department by informing the head of related department.

Gifts

Personnel shall not accept any gifts or benefits that might impair their objectivity in decision making and behaviors or that might violate the work flow as well as being presented for gaining privileges or interests; the personnel should not try to give such influential gifts and grant benefits to third parties, establishments and institutions.

Company personnel cannot accept outright money or loans from subcontractors, suppliers, consultants or clients or ask them to pay for travels and similar payments.

Bribes

Taking, giving or offering bribes and commissions shall not be tolerated under any circumstances. Employees shall not offer, guarantee and give money or any other item of value to any person for the purpose of directly or indirectly gaining unfair advantages.

Bribery, corruption, misconduct and such unethical practices should be avoided at all costs.

Media Relations

Any events organized for media organizations, interviews, participation to seminars, conference and such other events should be approved by the senior management.

Official press releases can only be published by parties specifically authorized to do so by the management.

III.5.2 KEY QUESTIONS REGARDING ETHICAL CONCERNS

- Do I know how should I act in order to comply with business ethics of Ulusoy Un?
- Does my behavior comply with the company policies and procedures as well as rules and competent authorities?
- Is my behavior balanced and fair? Would I be offended if someone else does the same thing?
- Am I asked to do something that complies with laws and business ethics of Ulusoy Un?
- Am I witnessing a behavior that complies with laws and business ethics of Ulusoy Un?
- If my company and stakeholders and the public learns of details of my behavior, would I be offended?
- Would I be in a difficult position or offended if others knew about my behavior?
- Would this behavior result in adverse outcomes for me and the company?
- Who will be under the impact of this behavior? (Employees, shareholders)
- What would others think about my behavior?
- What would be the reaction on newspapers?

- What would a reasonable person think under the same circumstances?

III.5.3 SETTLEMENT OF ETHICAL RULE VIOLATIONS

Persons who violate business ethics or company policies and procedures shall be subject to a number of disciplinary actions including termination.

Persons, who approve, guide actions that lead to improper conducts and violation of rules or persons who have knowledge of such actions but have not duly informed the situation shall also be subject to disciplinary actions.

SECTION IV. BOARD OF DIRECTORS

IV.1. STRUCTURE OF BOARD OF DIRECTORS AND INDEPENDENT MEMBERS

The Company shall be managed and represented by a Board of Directors having minimum five (5) and maximum eleven (11) members to be elected by the General Assembly as per the provisions of Turkish Commercial Code and Capital Markets Board legislation.

If the Board of Directors have five members, then two members shall be elected among candidates to be nominated by majority of Group (A) shareholders and this principle applies to three members out of six or seven members; four members out of eight or nine members; five members out of ten or eleven members.

Minimum 2 independent members should be elected to the Board of Directors. Number of independent members shall not be less than 1/3 of the total members on the Board of Directors. Fractional numbers shall be rounded up to the next whole number. Number and qualifications of the independent members to be appointed to the Board of Directors shall be determined based on the corporate governance principles of the Capital Markets Board.

Without prejudice to the corporate governance principles of the Capital Markets Board governing independent members; the Board of Directors, election of members, terms of office shall be determined

by the General Assembly Meeting according to the Turkish Commercial Code and related regulations.

The Board of Directors shall appoint a chairman and minimum one vice chairman or chairmen among its members every year.

If there are any vacancies due to resignation, death or any other reason, the Board of Directors shall appoint a temporary Board of Directors Member who should be approved by the first General Assembly Meeting. The member appointed to the Board of Directors in this manner shall officiate until the first General Assembly Meeting and, if approved by the General Assembly, the member shall continue to officiate to complete the term of office of the replaced member. If the independent members cease to be independent, if they resign or they are incapable of fulfilling their duties; the corporate governance principles of the Capital Markets Board shall be applied.

The Board of Directors members shall be elected for maximum three (3) periods and until they are replaced by their successors. A Board Member can be reelected after the expiry of one's term of office.

Without prejudice to the corporate governance principles of the Capital Markets Board that apply to the independent members, the General Assembly is entitled to replace Board of Directors members at any time deemed necessary.

IV.2. BOARD OF DIRECTORS MEMBERS

Board of Directors Chairman: Eren Günhan
ULUSOY

Board of Directors Vice Chairman: Kamil ADEM

Board of Directors Member: Salih Zeki
MURZİOĞLU

Non-Executive Director: Özdemir EROL

Non-Executive Director: Kemal Kitaplı

IV.3. ACTIVITY PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors Members shall be elected by the General Assembly and the qualifications of members are determined based on Capital Markets Board principles and related communiqués. Our Board of Directors conducts activities in a transparent, accountable, fair and responsible manner.

The Board of Directors has a leading role in the process of establishing effective communication between the company and shareholders, resolving and settling any disputes; it cooperates with the Corporate Governance Committee and Investor Relations Unit in order to achieve this goal.

The Board of Directors shall convene at times required for effectively fulfilling its duties; the activities should be performed in a transparent, accountable, fair and responsible manner which always takes into consideration strategic goals of Ulusoy Un San. ve Tic. A.Ş.

IV.4- NUMBER, STRUCTURE AND INDEPENDENCY OF COMMITTEES SUBJECT TO THE BOARD OF DIRECTORS

Our Company has established committees for the purpose of enabling the Board of Directors to fulfill its duties and responsibilities. The committees in question function according to predetermined rules. The decisions made by the committees as a result of independent activities are submitted to the Board of Directors as proposals and the Board of Directors makes the final decision.

Audit Committee

The Company's Audit Committee was established as per related communiqués of the Capital Markets Board and Corporate Governance Principles as well as Article 11 of the company's articles of association.

Name-Surname	Title in Partnership	Position
Kemal KİTAPLI	Non-Executive Director	Supervisory Board Chairman
Özdemir EROL	Non-Executive Director	Supervisory Board Member

The committee shall have minimum two members and the committee shall be structured in a manner to make sure that it will never have less than two members. All members of the committee are independent board of directors' members. Besides, CEO / General Manager shall not be on the committee. Minimum one of the supervisory board members should have minimum 5 years of experience in auditing / accounting and finance.

Corporate Management Committee

The Company's Corporate Governance Committee was established as per related Corporate Governance Principles communiqués of the Capital Markets Board as well as Article 11 of the company's articles of association.

According to the Capital Markets Board Communiqué serial numbered II-17.1, the personnel in charge of communication between the Company and investors should be on this committee.

Name-Surname	Title in Partnership	Position
Özdemir EROL	Non-Executive Director	Corporate Management Committee Chairman
Kemal KİTAPLI	Non-Executive Director	Corporate Management Committee Member
İlker KÜÇÜK	Risk Management, Capital Markets and Investor Relations Group Manager	Corporate Management Committee Member

The committee shall have minimum two members and the committee shall be structured in a manner to make sure that it will never have less than two members. If the committee has 2 members and both members have more than two people, the majority of members should be board of directors members who do not have executive committee duties and the committee chairman should be elected among independent board of directors' members. Besides, CEO / General Manager shall not be on the committee.

Early Detection of Risk Committee

The Company's "Early Detection of Risk Committee" was established as per related Corporate Governance Principles communiqués of the Capital Markets Board as well as Article 11 of the company's articles of association.

Name-Surname	Title in Partnership	Position
Kemal KİTAPLI	Non-Executive Director	Early Detection of Risk Committee Chairman
Salih Zeki MURZİOĞLU	Board of Directors Member	Early Detection of Risk Committee Member

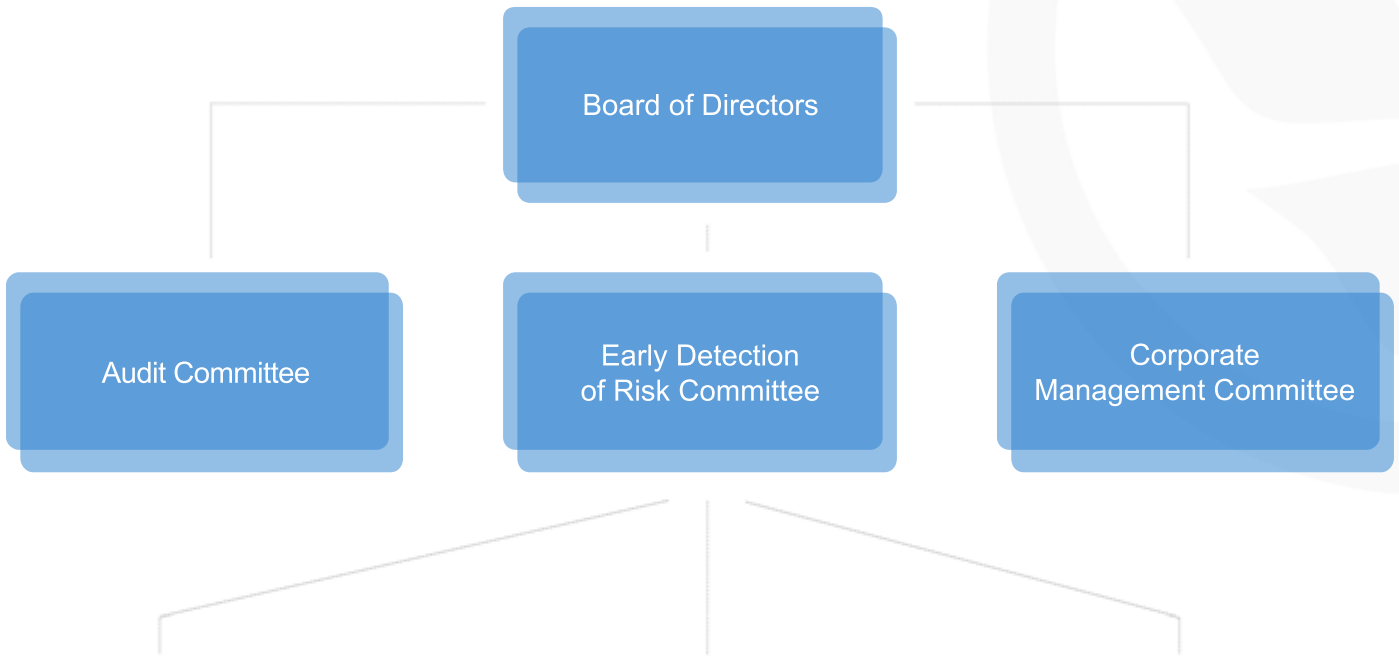
IV.5. FINANCIAL RIGHTS

Salary principles of Board of Directors Members and managers having administrative responsibilities are documented and the principles are disclosed to the shareholders at the General Meeting.

Salaries offered to the Board of Directors Members and managers having administrative responsibilities as well as all other benefits are announced to the public on the annual activity report. This disclosure covers the board of directors and senior management rather than being on individual basis.

The General Assembly decided that each Non-Executive Director shall receive TRY 2000; Board of Directors Chairman shall receive TRY 6000; Board of Directors Vice Chairman shall receive TRY 5000 and Board of Directors Members shall receive TRY 3000 as gross monthly salaries throughout their terms of office.

The Company has not granted a loan or credit to a Board of Directors Member or executives having administrative responsibilities.



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.



We had 237 personnel on 30.09.2016 and this number increased up to 258 as of 30.09.2017; the details of personnel numbers are given below.

PERSONNEL					
	Samsun Factory		Çorlu Factory		
Period	Blue Collars	White Collars	Blue Collars	White Collars	Total
September 2016	67	103	45	22	237
December 2016	69	102	46	21	238
September 2017	69	112	51	26	258

MAJOR DEVELOPMENTS OF THE PERIOD

As announced on our material disclosure dated February 6, 2017:

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 31.01.2017 will be delivered to Iraq on 15.03.2017.

Subject of Tender	Procurement of Wheat Flour
Contracting Authority	United Nations World Food Programme (WFP)
Board Decision Regarding Bidding	None
Other Parties in Case of Bidding as a Group	None
Partnership Share in Case of Bidding as a Group	None
Date of Bidding	31.01.2017
Date on which Tender has been Won	03.02.2017
Tender Price	528.000,00 USD (1.947.686,40 Turkish Liras)
Proportion of the Tender Price Allocated to the Partnership Share	100%
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	0.23%

As announced on our material disclosure dated February 6, 2017:

Our company concluded 6.000.000,00 Euro amounted loan agreement with TSKB (Türkiye Sınai Kalkınma Bankası) with 2 years maturity. This EBRD (Avrupa İmar ve Kalkınma Bankası) originated loan will be used in project finance.

As announced on our material disclosure dated March 24, 2017:

The amount allocated to our company within the scope of our bidding to imported barley tender issued by Toprak Mahsulleri Ofisi(TMO) on the date of 23.03.2017 will be delivered on 10.04.2017

Subject of Tender	Procurement of Imported Barley
Contracting Authority	Toprak Mahsulleri Ofisi (TMO)
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	23.03.2017
Date on which Tender has been Won	23.03.2017
Tender Price	26.174.000,00 Turkish Liras
Proportion of the Tender Price Allocated to the Partnership Share	%100
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	%2,27

As announced on our material disclosure dated June 19, 2017:

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 13.06.2017 will be delivered to Syria on 10.08.2017 and to Iraq on 31.07.2017.

Subject of Tender	Procurement of Wheat Flour
Contracting Authority	United Nations World Food Programme (WFP)
Board Decision Regarding Bidding	None
Other Parties in Case of Bidding as a Group	None
Partnership Share in Case of Bidding as a Group	None
Date of Bidding	13.06.2017
Date on which Tender has been Won	16.06.2017
Tender Price	2.379.537,00 USD (8.328.379,50 Turkish Liras)
Proportion of the Tender Price Allocated to the Partnership Share	%100
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	2,19%

2016 ORDINARY GENERAL MEETING

Ordinary General Meeting for the activity year of 2016 was held on 20.04.2017 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 2016 of ULUSOY UN SANAYİ ve TİCARET ANONİM ŞİRKETİ held on the date of April 20th, 2017, Thursday at 14:00

Ordinary General Meeting for the activity year of 2016 of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was held on the date of April 20th, 2017, Thursday at 14:00, at the address of Hampton By Hilton Samsun Oteli Kerimbey Mahallesi Işık Sokak No:2 Tekkeköy/Samsun/Türkiye under the supervision of Bahri FİDAN as the Ministry Representative appointed with the letter dated, 18.04.2017 and no. 39028009-431.03-E-00024317118 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. 1408 of the Turkish Registry Gazette no.9294 and dated 29th March 2017, 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. It is understood that 64.070.347 shares corresponding to TL 64.070.347 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. Volkan DEMİR has been present at the meeting on behalf of Independent Auditing Firm.

It is understood that the company has made the preparations for electronic general meeting within the framework of the regulations laid down by Turkish Commercial Code, Capital Market Legislation and Central Registry Agency in accordance with legal regulations. Upon presence of the Independent Auditor at the meeting, Vice Chairman and Chief Executive Officer Mr. Kamil ADEM has clarified that the general meeting will be held simultaneously in a physical and electronic environment and İlker KÜÇÜK and Bihan ÖZTÜRK holding Certificate of Expertise of Central Registry Agency, Electronic General Meeting System have been appointed in order to use electronic general meeting system.

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 259.070,347 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. Consolidated Activity Report for 2016 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 Consolidated 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 259.070.347 aye votes. Consolidated 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 2016 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 259.070.347 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 Consolidated Balance Sheet and Consolidated Income Statement issued within the scope of the Communiqué no. II-14-1 of Capital Market Board for 2016 and subjected to Independent Audit has been submitted to the shareholders for examination and since Consolidated Balance Sheet and Consolidated 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 259.070.347 aye votes.

6. The sixth item of the agenda was discussed. With regard to acquittal of the Board Members for the activities in 2016, 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 has 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. 2017/008, dated 22.03.2017 of the Board of Directors regarding decision and proposal on profit share distribution. Said decision of the Board of Directors has been read and submitted to the general assembly and accepted with 259.070.347 aye votes. Accordingly, it has been unanimously decided to transfer the amount of 6.924.447,55-TL out of 12.706.889,40.-TL, which is the net distributable period profit for the year, to the Special Funds account because it has been derived from the exception of Real Estate Sales Income and the remaining 5.782.441,85.-TL shall not be distributed and be kept within the company as capital reserve for state of emergency. 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 Consolidated Financial Statements and reports for 2017 in accordance with the Capital Market Board no.6362 for the period 01.01.2017 – 31.12.2017 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 259.070.347 aye votes.

9. Ninth item of the agenda was discussed. Shareholders have been informed regarding the donations of the Company within 2016, upper limits for the donations to be made in 2017 have been determined. The general assembly has been informed regarding the donations made in 2016. Proposal given in relation to determining the amount TL 300.000,00 as the upper limit for the donations to be made in 2017 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 2017 has been approved with 259.070.347 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 2016 as per the regulations of Capital Market Board. Nobody took the floor about the subject.

11. Eleventh item of the agenda was discussed. Information about the transactions in 2016, which were carried out in the context of articles 395 and 396 of the Turkish Commercial Code and in accordance with the Capital Market Board Corporate Governance Communique, was provided by Board Chairman Eren Günhan ULUSOY. Allowing the transactions which shall be done in the context of articles 395 and 396 of the Turkish Commercial Code and in accordance with the Capital Market Board Corporate Governance Communique by the shareholders, who hold management control, the members of the Board of Directors, senior executives and their spouses and second degree blood and relatives by marriage, was put on vote. The opinion of the general board was sought whether a member of the board of directors would be able take an action in the type of commercial business same as the business field of the company, on his/her own account or someone else's account. It was also asked whether they would be able to take responsibility in a company, which is engaged with same type of business, as an unlimited partner. This issue was accepted by the General Assembly with 259,070,347 affirmative votes

12. 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 20.04.2017.

2016 Dividend Distribution Table

1.	Paid up / issued capital			84,500,000.00			
2.	Total Legal Reserves (based on legal records)			3.330.620,27			
	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			17.520.588,00			
4.	Taxes Payable (-)			2.723.863,00			
5.	Net Period Profit (=)			14.796.725,00			
6.	Previous Year Losses (-)			0.00			
7.	First Legal Reserves (-)			668.783,65			
8.	NET DISTRIBUTABLE PERIOD PROFIT (=)			14.127.941,35			
9.	Donations made throughout the year (+)			173.448,88			
10.	Net distributable period profit including donations for calculating first dividend			14.301.390,23			
11.	First Dividend to shareholders						
	-Cash			0,00			
	-Bonus Shares			0,00			
	-Total			0,00			
12.	Dividend paid to Preferred stockholders			0,00			
13.	Dividend to Board of Directors Members, Employees			0,00			
14.	Dividend payable to Dividend Shareholders			0,00			
15.	Second Dividend to Shareholders			0,00			
16.	Second Legal Reserves			0,00			
17.	Statutory Reserves			0,00			
18.	Special Reserves			0,00			
19.	EXTRAORDINARY RESERVES			14.301.390,23			
20.	Other Resources to be Distributed						
	-Previous Year Profit			0,00			
	-Extraordinary Reserves			0,00			
	- Other Reserves to be Distributed Under Law and Articles of Association			0,00			
	Group	Total Amount of Dividend Paid		Total Dividend Distributed / Net Distributable Period Profit		Dividend paid for TRY 1 Nominal Value Share	
		Cash (TRY)	Bonus Share (TRY)	Ratio (%)	Amount (TRY)	Ratio (%)	
NET	A	0,00	-	0,00%	0,000000	0,00%	
	B	0,00	-	0,00%	0,000000	0,00%	
	C	0,00	-	0,00%	0,000000	0,00%	
	TOTAL	0,00		0,00%			

As announced on our material disclosure dated July 27, 2017:

Repurchase program was announced pursuant to the notification of the Capital Market Board dated 21.07.2016 and Resolution No. 2016/15 of our Board of Directors dated 26.07.2016 and “Repurchased Stocks Notification” of the Capital Market Board (II-22.1 notification) and it was announced with Special Circumstances Disclosure on the same day as follows;

1. Elements of Repurchase Program;

- a. Purpose of Repurchase: Elimination of inconsistencies in share transaction prices of our company due to extraordinary economic conditions
- b. Implementation Period of Repurchase Program: 1 Year
- c. Maximum Number of Shares to be Repurchased: 5.000.000 shares
- d. Lower and Upper Price Limits: between 0,00 TL/per share and 5,00 TL/per share range
- e.

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

- 2. In the event of reaching maximum number of shares to be repurchased, ending the repurchase program without waiting for a period of 1 year,
 - 3. Not to determine the principles of resale of shares in advance, due to the existing general economic uncertainties concerning the resale of repurchased shares,
 - 4. Allocating maximum 25.000.000,00 TL for repurchase and covering this amount from the cash and cash equivalents of the company,
- Furthermore;
- 5. Announcing the anticipation that the repurchase program to be conducted shall not have any adverse effect on the financial situation and operating results of our company

Repurchasing program indicated with the abovementioned resolution of the board of directors has expired.

3.445.108,00 TL resource was used in total at an average per share value of 1,7207 TL during repurchasing.

Information on repurchasing of our shares is as follows.

- Maximum amount paid per share : 1,90 TL
- Average repurchase price per share : 1,7207 TL
- Total Cost of Repurchase : 3.445.108,00 TL
- Total number of repurchased shares : 2.002.152 shares
- Proportion of repurchased shares in company equity : % 2,3694

MAJOR DEVELOPMENTS AFTER PERIOD

As announced on our material disclosure dated September 11, 2017:

Subject of Tender	Procurement of Imported Feed Barley
Contracting Authority	Toprak Mahsulleri Ofisi(TMO)
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	11.09.2017
Date on which Tender has been Won	11.09.2017
Tender Result	8.530.356,00 Turkish Liras
Tender Price	8.530.356,00 Turkish Liras
Proportion of the Tender Price Allocated to the Partnership Share	100%
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	1,03 %

The amount allocated to our company within the scope of our bidding to imported barley tender issued by Toprak Mahsulleri Ofisi(TMO) on the date of 11.09.2017 will be delivered within October 2017.

As announced on our material disclosure dated September 13, 2017:

It is unanimously resolved that member distribution of the committees organized under the Board of Directors Resolution dated 30.10.2014 and numbered 2014/020 shall be changed as follows pursuant to the Resolution dated 12.09.2017 and numbered 2017/015 and the terms of office of the Committee members shall be as same as the term of office of the new Board of Directors elected on our company's 2014 general assembly meeting held on the date of 31.03.2015.

1) The members of our Company's Corporate Governance Committee, which is organized according to the Corporate Governance Principles of the Capital Markets Board and Article 11 of our company's articles of association, shall be as follows in the new period.

Non-executive Director – ÖzdemiR EROL / Committee Chairman

Non-executive Director - Kemal KİTAPLI / Committee Member

Risk Management and Capital Market & Investor Relations Group Manager İlker KÜÇÜK / Committee Member

2) The members of our Company's Audit Committee, which is organized according to the related communiques of the Capital Markets Board and Corporate Governance Principles and Article 11 of our company's articles of association, shall be as follows in the new period.

Non-executive Director - Kemal KİTAPLI / Committee Chairman

Non-executive Director – ÖzdemiR EROL / Committee Member

3) The members of our Company's Early Detection of Risk Committee, which is organized according to the Corporate Governance Principles of the Capital Markets Board and Article 11 of our company's articles of association, shall be as follows in the new period.

Kemal KİTAPLI / Committee Chairman

Salih Zeki MURZİOĞLU / Committee Member

As announced on our material disclosure dated October 17, 2017:

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	02.10.2017
Date on which Tender has been Won	17.10.2017
Tender Price	872.704,80 USD (3.194.099,56 Turkish Liras)
Proportion of the Tender Price Allocated to the Partnership Share	100%
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	0.38%

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 02.10.2017 will be delivered to Gaza until 10.12.2017

ASSETS	2012	2013	2014	2015	2016 3Q	2016	2017 3Q
Current Assets	242.383.566	288.866.127	440.546.330	430.476.542	430.498.369	478.299.924	638.419.705
Fixed Assets	21.101.186	51.116.025	53.336.233	72.630.710	84.264.153	90.347.969	95.449.841
TOTAL ASSETS	263.484.752	339.982.152	493.882.563	503.107.252	514.762.522	568.647.893	733.869.546
LIABILITIES							
Short Term Liabilities	214.511.269	244.262.605	319.988.236	326.793.283	327.180.087	370.936.821	473.114.661
Long Term Liabilities	1.772.158	8.327.037	11.005.694	6.545.630	15.233.922	18.239.647	68.223.264
Shareholder's Equity	47.201.325	87.392.510	162.888.633	169.768.339	172.348.513	179.471.425	192.531.621
TOTAL LIABILITIES	263.484.752	339.982.152	493.882.563	503.107.252	514.762.522	568.647.893	733.869.546

MAJOR RATIOS							
Current Ratio (Current Assets/S. T. Liabilities)	1,13	1,18	1,38	1,32	1,32	1,29	1,35
Liquidity Ratio (Cur. As.-Invent./S.T. Liabilities)	0,49	0,76	0,83	0,89	0,98	0,91	1,09
Capital Structure (Total Liabilities/Equity)	4,58	2,89	2,03	1,96	1,99	2,17	2,81
Asset Structure (Current Assets/Total Assets)	0,92	0,85	0,89	0,86	0,84	0,84	0,87

CONTINUING OPERATIONS	2012	2013	2014	2015	2016 3Q	2016	2017 3Q
Revenues	491.961.707	682.163.343	921.577.365	1.030.479.354	841.773.193	1.151.991.130	1.270.043.241
Gross Profit/Loss	33.372.108	48.379.777	59.384.462	78.022.472	48.792.687	76.060.730	70.878.506
Real Operating Profit/Loss	12.261.629	28.824.924	35.409.419	44.986.689	23.815.313	63.557.663	36.326.578
Pre-Tax Profit/Loss from Con. Operations	5.509.306	10.632.436	17.547.029	10.274.276	7.189.265	17.520.588	15.857.348
Profit/Loss for the Period from Con. Op.	4.133.133	8.048.779	14.189.389	8.303.209	6.729.617	14.796.725	13.421.451
Period Profit/Loss	4.133.133	8.048.779	14.189.389	8.303.209	6.729.617	14.796.725	13.421.451

MAJOR RATIOS							
Gross Profit Margin	6,78%	7,09%	6,44%	7,57%	5,80%	6,60%	5,58%
Net Profit Margin	0,84%	1,18%	1,54%	0,81%	0,80%	1,28%	1,06%
EBITDA*	13.161.093	27.750.945	35.437.803	37.172.224	24.588.049	43.048.411	41.800.706
EBITDA Margin	2,68%	4,07%	3,85%	3,61%	2,92%	3,74%	3,29%

EBITDA = Real Operating Profit - (Other Real Operating Incomes - Expenses) + Depreciation Expenses



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