



ULUSOYUN

2012

ACTIVITY REPORT

*For the love
of Wheat*



for 43 years

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Dear ShareHolders,

I share the pride of presenting you the activity report of year 2012 for Ulusoy Un, an important value for our country with the employment it creates and the export it realizes resulting from the combination of 43 years of experience and know-how with ambition to serve our country with our fellow employees, clients, suppliers along with anyone who showed effort in this long journey.

Completing its 24th years in operation, Ulusoy Un is managed with the experience, know-how and trust which began with the foundation of Ulusoy Gıda in 1969 and accumulated by the past of all our colleagues who joined this family in their past in this industry. These long years have added significant values to us. First and foremost, we learned the importance of our business, food for people and to bear the responsibility of this above anything else. In Ulusoy Gıda Group we neither produce nor sell any product our employees and managers would not consume. This is essential for being a reliable food supplier.

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

With employees open to innovation, working with a team spirit and creating added value and with management that would not compromise from stability, quality and trust principles, Ulusoy Un started growing rapidly. With such an approach 180 tons per day capacity in the beginning, reached 900 tons per day today. As a reward for this work and our clients, Ulusoy Un started taking a place in top 1000 Large Industrial companies list of Istanbul Chamber of Industry after 1996 and managed to take 318th place among top industrial producers of Turkey and 2nd place in our industry according to data in 2012 with an increasing trend each year.

Our flour exports to neighboring countries that started in 1995 continues to expand to become a sought after brand with distinguished quality and customer satisfaction in 29 countries we export to. As a reward for this success we contribute significantly to flour exports of Turkey. According to TİM (Turkish Exporters Assembly) data for 2012 we ranked 260th among the top 500 exporters of Turkey and 3rd in our industry.

Unfortunately each year global warming and droughts cause fluctuations in global agriculture. Agricultural products do not increase as much as the world population and consumption of baked products per capita increases with the wealth of developing countries. This in turn causes the food equilibrium to be more imbalanced in the world each passing year. While producing the flour, that is the raw material of the bread which keeps our people fed, we preserve this consciousness and produce non-stop to supply our people with flour 365 days a year and always keep our stocks at suitable levels.

Our goal is to carry the operation of our company to global level without compromising from our values, principles and goals with the strength stemming from team work with experienced colleagues. In line with these goals I wish 2013 to be a profitable year in terms of high company profits and thank all partners, employees, clients and suppliers who contributed to the success of our company and who are or will be a part of Ulusoy Un family.

Fahrettin Ulusoy –Chairman of the Board



Fahrettin Ulusoy (Tekkeköy-Samsun 1949)
 ULUSOY UN SANAYİ ve TİC. A.Ş. Chairman of the Board

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



Nevin Ulusoy (Tekkeköy-Samsun 1950)
 ULUSOY UN SANAYİ ve TİC. A.Ş. / Vice Chairwoman

One of the founding shareholders of our company, Nevin Ulusoy has completed her primary education in Tekkeköy Primary School, and secondary and high school education in Namık Kemal Secondary School and 19 Mayıs High School in Samsun, respectively. She graduated from 19 Mayıs University, Education Faculty, Department of Social Sciences Teaching in 1999 and began to work as a Geography Teacher in Gazi Elementary School in the same year. She has served Turkish National Education in various schools for 29 years and has worked in educating generations that will shape the future of Turkey. She has also been an active participant in social solidarity activities of schools. Retiring from her post in 2004, she started to work as the Total Quality Manager in Ulusoy Un Sanayi. She follows and inspects fair organizations of the company abroad. She has supported her husband in foundation and development of the company by taking over the responsibilities of the family. She's performing her duties as the member of the board of directors since 06.12.2011. Nevin Ulusoy has worked for many social associations. She's still a member of Make-a-wish foundation. She's married with two children. She likes reading, social activities and following space sciences and technology.



Kamil Adem (Gümüşhacıköy-Amasya 1965)
 ULUSOY UN SANAYİ ve TİC. A.Ş. / Vice chairman & Board of Directors Executive Member

Kamil Adem has graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. Starting work in Hasanusta Gıda San.A.Ş. in 1987 as the Accounting Manager, Kamil Adem has started to work in flour industry. He started to run finance operations of the same company along with accounting in 1990. He has been appointed to the head of accounting-finance and sales department of Ulusoy Un Sanayi after 1993. He worked as the general manager of the company from 1998 until July 2004. He has worked as the domestic and foreign marketing manager of Birsan Birlik A.Ş. operating in flour industry between the end of 2004 and the beginning of 2006. Activating export division of the company and launching sales channels in various domestic regions, Adem started to work as the Factory Manager for another flour company Bafra Eriş Un Yem Gıda A.Ş. in February 2006. He started as the general manager in Ulusoy Un San. A.Ş. in October 2010. He has carried out his duty as Vice Chairman since 06.12.2011. Being one of the respected and professional managers of flour industry, Kamil Adem is known as one of the wise men of the industry. He's married with two children. His hobbies include hiking and cinema.



Günhan Ulusoy (Samsun1981)
ULUSOY UN SANAYİ ve TİC. A.Ş. / CEO

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



Kamil Adem (Gümüşhacıköy-Amasya 1965)
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Sezgin Karaçam (Giresun-Alucra 1973)
ULUSOY UN SANAYİ ve TİC. A.Ş. / Deputy General Manager and Executive Board Deputy General Manager

He graduated from Samsun Commercial High School Accounting Department in 1989. He worked as an accounting personnel in Mehmet Demirci – Independent Accountant and Financial Advisor office between 1989-1997. He started working in accounting department of Ulusoy Un San.ve Tic.A.Ş. in 1997. He was appointed as accounting manager in 1999. He worked as the Sales Manager in Sales and Marketing Department between 2003-2007. He was brought back to accounting manager position between 2007-2011. Since January 2012, he's the Deputy General Manager of Ulusoy Un San.Tic.A.Ş and he still carries out his duty. He's married with three children.



Dear Shareholders,

Our company operates in the food sector which plays an important role in the development of Turkey. Turkish food sector accounts for 10.3% of GDP. Agricultural industry becomes even more important when we consider Turkey being an agricultural country with its fertile lands and the size of the population working in the agriculture sector. On the other hand, concerns about food safety have arisen because of the rapidly increasing population in a globalizing world. Wheat, which was traditionally named as fine gold by farmers, is becoming as valuable as gold.

In two factories that amount to daily capacity of 900 tons, our company has managed to realize 7% of the Turkey's flour export in the year 2012. With these exports, according to TIM data published in 2012 we're 260th in top exporting 500 companies of Turkey and 3rd in our industry. According to 2012 data from Istanbul Chamber of Industry, we are 398th in largest industrial producers of Turkey and 2nd in our industry with our total production sales.

According to our UKK financial data, with these sales we perform both at home and abroad in line with customer demands, without compromise from quality and food security and under unconditional customer satisfaction principle, our company has increased its revenues from 61.1 million TL in 2006 to 500.8 million TL in 2012, which corresponds to 8.2 times increase in revenues and an annual average nominal growth of 42% in 6 years.

As a result of the activities in 2012, our company earned 11.9 million TL operating profit and 19.4 million TL EBITDA.

Registered capital of our company increased from TL 30,000,000 to TL 38,000,000 in 2012 and the financial position was reinforced and the created resources were added to the capital to be maintained by the company so that our rapidly growing activities can be financed. At the end of the period, our equities increased from the previous year's level of 39.4 million TL to 45.1 million TL.

While growing our company, we also care for building our corporate structure by making use of our experience gained through 43 years of commercial life. We are one step ahead in global competitive environment with our expert team mates at each level. Our risk management and strategy departments established in 2012 manage our company risks and develop strategies for sustainable growth.

Giving priority to the principle of food safety and human health, Ulusoy Un developed and offered to our consumers the product branded "HASATTAN TAM BUĞDAY UNU (WHOLE WHEAT FLOUR FROM HARVEST)" in addition to its quality and reliable product portfolio which is compatible with human health and good nutrition habit and was also legally stipulated in 2012. This product, which was placed on the market after a special production process, gained appreciation of consumers and we are expecting it to reach a higher sales figure in 2013.

Our R&D works aimed at increasing our productivity continues in 2013 and we also carry on our investments. We are working on diversifying our products in order to maximise our company's operating profitability.

I thank to our customers and employees always lend a hand and wish 2013 to bring revenues and joy for our company. With its experience exceeding 40 years, Ulusoy Un will continue creating value for its partners, employees and customers...

Günhan Ulusoy - CEO

OUR STRATEGIES

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

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

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

Creating new products through R&D and becoming a brand.

OUR GOALS

Lowering costs by reducing distribution costs,

Increasing total capacity by increasing our production locations,

Addressing the whole market,

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

CONSEQUENTLY

Becoming the company with the largest market share.

MAJOR FINANCIAL DATA

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

ASSETS	31.12.2012	31.12.2011	31.12.2010
Current Assets	242.383.566	184.864.136	120.349.908
Fixed Assets	21.101.186	19.213.781	16.162.148
TOTAL ASSETS	263.484.752	204.077.917	136.512.056
LIABILITIES	31.12.2012	31.12.2011	31.12.2010
Short Term Liabilities	214.551.269	160.755.398	103.950.032
Long Term Liabilities	1.772.158	2.748.259	1.904.276
Shareholders' Equity	47.201.325	40.574.260	30.657.748
TOTAL LIABILITIES	263.484.752	204.077.917	136.512.056

CONTINUING OPERATIONS	01.01.2012/31.12.2012	01.01.2011/31.12.2011
Gross Profit/Loss	33.372.108	43.967.002
Operating Profit/Loss	12.261.629	23.139.142
Pre-Tax Profit/Loss from Continuing Operations	5.509.306	2.826.908
Profit/Loss for the Period from Continuing Operations	4.133.133	1.472.912
Period Profit/Loss	4.133.133	1.472.912
Other Comprehensive Income (After Tax)	639.932	-
TOTAL COMPREHENSIVE INCOME	4.773.065	1.472.912
Earnings Per Share	13,59	6,14

MAJOR RATIOS	2012	2011	2010
CURRENT RATIO (Current Assets/Short Term Liabilities)	1,13	1,15	1,16
LIQUIDITY RATIOS (Current Assets- Stocks/Short Term Liabilities)	0,49	0,68	0,68
CAPITAL STRUCTURE (Total Liabilities / Shareholders' Equity)	4,58	4,03	3,45
ASSET STRUCTURE (Current Assets / Total Assets)	0,82	0,80	0,78

SHARE STRUCTURE

DISTRIBUTION OF SHARES AS OF 31.12.2012

Shareholder's Name - Surname	SHARE OF CAPITAL (TL)	Share percentage
Fahrettin ULUSOY	20.095.500,00	52,88 %
Nevin ULUSOY	4.458.750,00	11,99 %
Onur Erhan ULUSOY	5.860,00	15,42 %
Eren Günhan ULUSOY	9.424.250,00	19,54 %
Kamil ADEM	15.750,00	0,04 %
Mithat DENİZCİGİL	55.550,00	0,15 %
TOTAL	38.000.000,00	100,00 %

CURRENT SHARE DISTRIBUTION

Shareholder's Name - Surname	GROUP	Number of Shares	Total Number of Shares	Amount TL
Fahrettin Ulusoy	A	3.500.000	26.441.448	26.441.448,00
	B	1.500.000		
	C	21.441.448		
Nevin Ulusoy	A	500.000	5.985.199	5.985.199,00
	B	1.000.000		
	C	4.485.199		
Onur Erhan Ulusoy	A	500.000	9.910.526	9.910.526,00
	B	1.500.000		
	C	5.910.526		
Eren Günhan Ulusoy	A	3.000.000	9.968.750	9.968.750,00
	B	1.000.000		
	C	5.968.750		
Kamil Adem	A	0	20.924	20.924,00
	B	0		
	C	20.924		
Mithat Denizcigil	A	0	93.355	93.355,00
	B	0		
	C	93.355		
TOTAL			50.000.000	50.000.000,00



GENERAL ECONOMICAL
DEVELOPMENTS
AND FOOD SECTOR



GENERAL ECONOMIC DEVELOPMENTS AND FOOD SECTOR

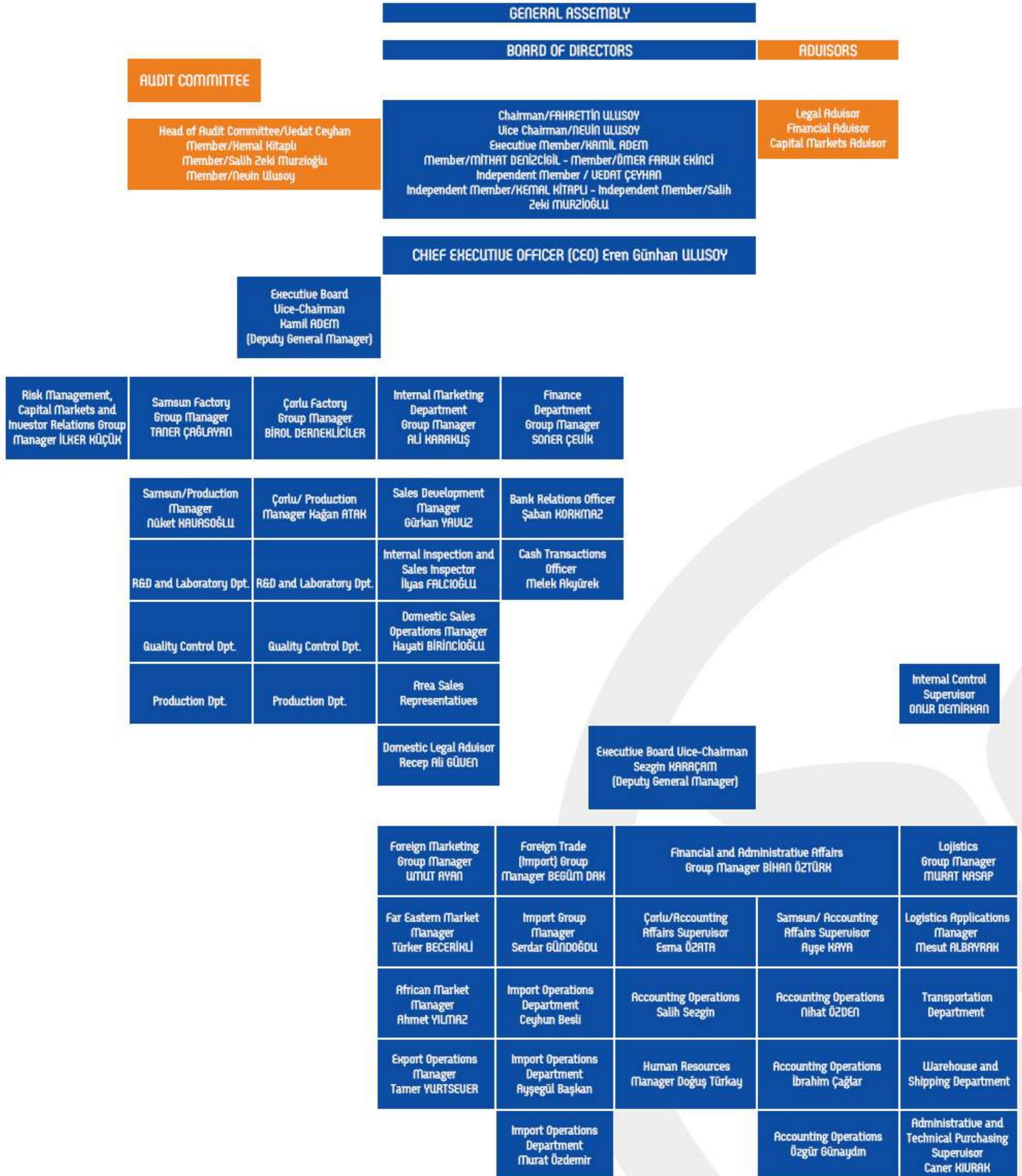
2012 was a year when growth in the global economy decelerated. 2011 was a year which witnessed the continuation of recovery from the global credit crunch that started in 2008. At the beginning of 2012, this optimism was replaced by the European-centred debt crisis. The increasing interest levels and concerns on debt rollover in European economies led to a downward revision of growth estimations. Towards mid-year, markets started to normalize with the simultaneous liquidity operations that Central Banks provided in order to support the economies. This support provided by Central Banks was not reflected to consumers in the form of credits. It was used to eliminate the difficulties faced by finance sector. Therefore global economy grew less than the potential with an estimated 3.3 percent.

2012 was a different year also for Turkish economy. Following the current deficit/GDP ratio's increase beyond the level of 10% in 2011, Turkish economy made a soft landing with the effect of the Central Bank's unusual policies. While domestic demand was shrinking, current deficit which was the weak point of economy regressed. After the rapid growth of 8% in 2011, GDP fell back to 3% in 2012. In spite of the slowdown in 2012, the positive outlook was maintained in terms of employment. Unemployment which was reduced to below 8% in June reached the lowest level of the last 11 years. The negative conditions that were initiated by the economic recession in the European market were eliminated with the diversification of target markets. Credit rating of Turkey reached investment grade level for the first time in 18 years.

Although it seems that food prices will continue to stay at high levels in 2013, concerns on food crisis were reduced when the food prices index of the UN Food and Agriculture Organisation (FAO) fell by 3% last year. Food prices index of the FAO, which is based on the international food commerce basket prices, decreased in December to its lowest level since June 2012. The World Bank had warned that high prices might be the "new norm"; however, it had been stated that, by virtue of a better international cooperation, panic policies such as imposing restrictions on exports when prices start increasing were prevented and food prices were made more stable.

Turkey is ranked as the seventh biggest agricultural producing country in the world. In the last 10 years our country became the 17th largest economy in the world while raising its ranking to the world's 15th biggest food exporter. The increase in the export volume of the Turkish food and beverage industry in the last decade was nearly three times the average of world exports. The total export figure of 8.9 billion dollars in 2011, was achieved also in the first 9 months of 2012. We are starting 2013 with expectations of 11% increase in exports and 6% increase in sector growth. The fact that food and beverage sector had a turnover share of 280 billion liras in the country's GDP in 2012 reflects the positive future expectations of the sector.

ORGANIZATIONAL STRUCTURE



HUMAN RESOURCES





HUMAN RESOURCES

We move forward with sound steps deriving our strength from innovative and creative human resource.

Our vision is to perform the most perfect human resources practices with the contribution of all our employees in all fields we operate.

Our mission is to train leaders with global vision, to increase commitment to the company by training and empowering employees and to become a global company by performing the best.

Ulusoy Un always motivates its employees with mottos "quality is our responsibility", "customer is always right" and "we don't sell what we won't eat".

The company invests in human resources and monitors their development with practices that aim continuous development, in line with its strategy and goals.

Encourages starting solution and result oriented approaches and innovative practices, establishing systems and monitoring these.

It aims to evaluate, structure as a process management, report and continuously develop all processes regarding employees as a whole.

Adopts the principle of establishing a transparent and reliable communication environment where teamwork is supported, participation and corporate awareness are ensured.

In order to further improve the loyalty and motivation of our employees, our company conducts employee satisfaction surveys and focuses on reinforcing loyalty relation between the employees and the company through development programs in line with the results of these surveys. Survey results are analyzed and plans are made for improvable matters .

Ulusoy Un has organized numerous activities to increase the motivation of its employees.

For the sake of employees' health, our company took measures to prevent smoking inside the company before the smoke-banning law was passed.

- Every year the employees had a free check-up.
- Celebrations on special days including festivals and new year's day are organized with the participation of employees. Small presents have been given.
- Dinners have been organised in the month of Ramadan where employees and top managers were participated.
- Food packages were delivered to the employees in the month of Ramadan in 2012, just like every year.
- Food Engineering students from 19 Mayıs University visited our factory for practice purposes in 2012, just like every year.
- Our company provided internship opportunity to four students every year in the summer and winter periods.
- A mini library has been established in the company cafeteria to support the cultural development of company employees.
- Top managers have been involved in the special days and ceremonies related to company employees in order to support them.
- Motivating expressions have been placed on the company's notice board.
- An activity called "innovation in our company" has been organised among employees, the results have been shared with the top management to prove that employees' opinions are valuable.

Also our company has organised trainings for its personnel inside and outside the company.

- | | |
|---|---|
| • Quality System Training | (ISO 9001-2008 ISO 22000 ISO 14000 – Halal Product Cert.) |
| • Occupational Health And Safety Training | (OHSAS 18001-2007) |
| • Foreign Language Education | (English) |
| • Orientation | |
| • Fire Training | |
| • First Aid Training | |
| • Technical Training | CAF (Modified Atmospheric Conditions Fumigation Techniques)
FESTO (Engineering and Production Systems) |



QUALITY AND R&D WORKS





QUALITY AND R&D WORKS

Our R&D Policy;

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

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

Our R&D and quality works;

Operating in Turkish domestic market and international markets, Ulusoy Un has adopted below principles in its R&D and quality works:

- Food Security principle is established as the utmost priority and we aim to continue and further these production and R&D works stemming from these principles, in a reliable manner and cleared of error and without compromise from total quality principle.
- To preserve and shelter food safety and quality for its production and products in all processes starting from the wheat until it become a product and reaches the consumers.
- To prioritize consumer rights, consumer demands and expectations.
- To practice quality management system and food safety system requirements with participation of all employees and to improve their efficiency in order to provide high quality products in compliance with food safety principles.
- To observe human and environmental health and to undertake efforts to make this company principle a continuous principle.
- To research product ranges, to make studies for analyzing and testing works done in order to submit for client's and consumer's taste and approval.
- To create maximum benefit available to the client expectations through customer oriented works.
- To observe public welfare by adhering to laws and legislations.
- To optimize food safety, quality, pricing and product diversity in its products.
- To see suppliers as an indispensable part of the system and business partner and to ensure suppliers prioritize product safety and quality with food safety and human health principles and to conduct R&D activities in these areas.

As of the end of 2012, product portfolio of the company in Samsun and Tekirdağ/Çorlu plants have been developed and these products have been marketed along with the branding works. Ulusoy Un set a branding and product range development target for its product varieties for 15 (fifteen) brands and attained this target for 7 (seven) of them.

Samsun and Çorlu/Tekirdağ factories of the company produces ;



ANADOLU ATA

ANADOLU ATA brand is produced as a wheat flour to be used in bread making, with its quality, specific taste and aromatic properties according to production processes of manufacturers using so called black ovens and marketed for manufacturers.



PIZZAMIX

PIZZAMIX brand is produced as a semi-product using special production processes to be used in pizza base dough of pizza producing domestic or foreign fast food pizza producers and marketed for fast food pizza producers.



EKAMAKS

EKAMAKS brand is produced as a semi-product for Toast bread, hamburger, sandwich bread production as well as packed product for domestic or foreign fast food chains and for direct consumer use.



PLUS 61

PLUS 61 brand is produced as a semi-product with its specific taste and aromatic properties according to production processes of Trabzon bread and marketed for manufacturers.



PLUS PİDE

PLUS PİDE brand is produced as a semi-product with its specific taste and aromatic properties according to production processes of pitta bread and marketed for manufacturers.



SİMİMİX

SİMİMİX brand is produced as a semi-product according to production processes of bagel manufacturers and marketed.



HASATTAN TAM BUĞDAY UNU

HASATTAN TAM BUĞDAY UNU brand is produced with its specially prepared formula, specific taste and aroma according to production processes of whole wheat bread producers and marketed for manufacturers.

For the seven products described above, R&D works have been completed, production in accordance with final production of flour and bakery products and their launch have been completed and they have been marketed.

Giving priority to the principle of food safety and human health, Ulusoy Un developed and offered to our consumers the product branded "HA-SATTAN TAM BUĞDAY UNU (WHOLE WHEAT FLOUR FROM HARVEST)" in addition to its quality and reliable product portfolio which is compatible with human health and good nutrition habits in line with legal legislations and government institutions studies stipulated in 2013. This product, which was placed on the market after a special production process, won the favour of consumers and rapidly had a place in the distribution channels.

Continuing R&D on the works on other product groups stipulated in legislation and recommended by public authorities in 2013 to diversify consumer behavior and to market these as alternative nourishments, Ulusoy Un continues working on;

1. the production of WHEAT GERM to be used in production phase of bread
2. RYE MIX to be used in rye bread production
3. OAT MIX to be used in oat bread production
4. BROWN VILLAGE BREAD FLOUR to be used in the production of Traditional Village Bread

Furthermore Ulusoy Un continues production process works for the production of special purpose product in industrial markets as follows:

1. DESICCATED FLOUR with moisture rate reduced to 7% to 5% for special products.
2. ANGEL HAIR FLOUR to be used in packed, ready-made angel hair dessert production.
3. BISCUIT FLOUR which is used as raw material by biscuit producers.
4. CAKE FLOUR, commercially available in packages, to be used by manufacturers for making mass production.

Methods are changing in our R&D works and in the product shipment and storage systems in line with the changing and improving production techniques. The process of filling and shipment with bulk trailer developed within the national and international product filling and shipment systems and included in the legislation, was added to the storage and loading systems in 2012 after making an investment. With this investment, transportation fleet was extended to include bulk trailer transportation vehicles and customers started to take advantage of the system. Our company has made Fixed Asset investment of TL 1,501,395.64 in its activities for efficiency increase, quality and R&D works in the year 2012.

Ulusoy Un quality standardization works;

Ulusoy Un continued the principles of production and service that are standard, reliable, free from errors and without compromise from total quality principle in 2012. For continued quality standards in 2012 input analyses from the raw material purchase and quality analyses in every phase of production are done and recorded. Thus the products are standardized. Process controls, critical control point analyses, hygiene and quality controls defined to ensure quality standard are performed. Corrective and preventive actions are efficiently used. Our test results are compared with accredited laboratories to verify the accuracy of our laboratories.

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

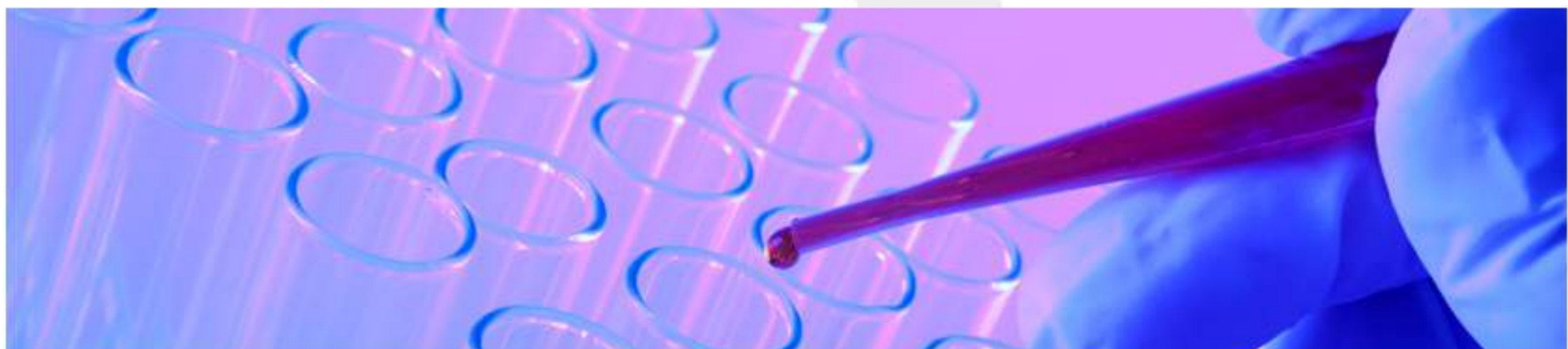
Ulusoy Un provides hygiene, quality management system, occupational health and safety, environment education, food safety management system trainings to all its employees throughout the year, in order to perform production in accordance with standards and health.

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

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

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

ISO 9001:2008 Quality Management System
 ISO 22000:2005 Food Safety Management System
 GIMDES Halal Food System
 SNI Indonesian National Standard
 TSE 4500 Certificate



CORPORATE SOCIAL
RESPONSIBILITY





SOCIAL RESPONSIBILITY

Fahrettin Ulusoy, the founder of Ulusoy Un, gives priority to education among the social responsibility projects. He set out with the motto of "I could not get into university, let's support university students" and provided scholarships to hundreds of students since the day our company was founded.

This process is in progress for thirty years and increasingly goes on. Today 60 students are provided scholarship every year. Company visits paid by the graduated students is the source of our pride. Some of them are employed within the company.



The company attaches value on children's education in order to raise them to become beneficial members of the society and the country. It emphasises the importance of education for the society and helps to raise modern, innovative, positive, thinking and questioning youth.

In 2009, our company built Fahrettin Ulusoy Elementary School with 24 classes in Samsun, Atakum as part of its contributions to education. 1500 students study at this school. It has met the school need of the region and eliminated the problems that the children faced when going to far away schools. Our company representatives have been visiting the school to be together with the students on special occasions including opening day, national festivals and teachers' day. In 2012 our company also helped to purchase school equipment.



Now the next project is to build a sports hall for the school. The purpose is to encourage students to have an active life and to ensure their physical development.

The aim is to teach them social rules, discipline, team spirit, chivalry, competition, cooperation, winning and losing and to ensure their socialization by sports.

TL 50.000 was donated to Ensar Foundation in 2012 to support education.

During the period when it was in the food sector, the company sponsored football tournaments among companies. Several motivating gifts were presented to the winner teams. These tournaments were aimed at spreading sports culture among youth.



Employees and their families were invited to Ramadan dinners, group meals, cinema shows within the concept of social responsibility in order to build communication and social relations among the employees.

The company sponsored some social events including several exhibitions, school festivals and non-governmental organisations (23 Nisan Elementary School, Lösam, Food Exhibition, Samsun Anatolian High School).



In terms of cultural activities, the company sponsored local theatres to encourage the youth to be interested in art. Based on Atatürk's saying 'A nation without art has lost one of its vital vessels', it will continue to carry out similar works.

Our company has never remained insensitive to the needy families in its location and always given support since the day of foundation. This support was particularly maximised in Ramadan. Our company has given this support both directly and by means of non-governmental organisations and municipalities.

In order to develop the language skills of employees, our company sent two personnel to English language courses in London. The personnel having improved themselves by learning business English, set an example in terms of responsibility.

Our new projects for 2013 are as follows:

- Football tournament among the personnel in the regional flour factories
- Chess tournaments among the children of company personnel
- Ulusoy Un children's theatre club
- Taking all employees to opera and ballet



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

RISK MANAGEMENT



Term	Rate
1 WE	13.03
1 MO	13.03
2 MO	13.03
3 MO	13.03
6 MO	13.03
12 MO	13.03

Rate	Value
9.00%	7.5
0.38%	7.0
-0.17%	6.5
-0.30%	7.1
-1.45%	7.3

Rate	Value
4.970%	101.52
4.560%	100.75
5.050%	101.13
4.530%	101.13
4.220%	101.13
4.830%	101.13
4.280%	101.13
4.530%	101.13



RISK MANAGEMENT

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

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

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

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

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

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

As a result, the methods we use for risk management help the company progress with sound and reliable steps against a constantly changing global conjuncture with an increasing coefficient of variation.



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