

**ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016**

*(ORIGINALLY ISSUED IN TURKISH)*

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2016 AND  
31 DECEMBER 2015  
(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated.)**

<b>ASSETS</b>	<b>Notes</b>	<b>Unaudited Current Period 31 March 2016</b>	<b>Audited Previous Period 31 December 2015</b>
<b>Current Assets</b>		<b>3.456.719.179</b>	<b>2.418.802.807</b>
Cash and Cash Equivalents	5	2.217.525.302	1.319.138.698
Financial Investments	6	620.223	704.437
Trade Receivables			
- Due From Related Parties	8-21	580.603.031	625.005.924
- Other Trade Receivables	8	162.291.092	23.510.703
Other Receivables			
- Due From Related Parties	9-21	5.460.303	16.636.721
- Other Receivables	9	28.282.444	14.184.453
Inventories	10	282.957.879	234.137.771
Prepaid Expenses		134.987.572	149.529.118
Corporate Income Tax Assets		350	-
Other Current Assets		43.990.983	35.954.982
<b>Non-Current Assets</b>		<b>1.647.294.189</b>	<b>1.507.784.747</b>
Financial Investments	6	771.236.402	765.334.184
Trade Receivables			
- Due From Related Parties	8-21	6.091.340	6.196.664
Other Receivables			
- Other Receivables	9	177.167	173.437
Investment Properties	11	11.865.000	11.865.000
Property, Plant and Equipment	12	822.229.095	678.525.362
Intangible Assets	13	1.578.368	1.495.673
Prepaid Expenses		19.006.680	28.562.349
Deferred Tax Assets	19	15.110.137	15.627.892
Other Non-Current Assets		-	4.186
<b>TOTAL ASSETS</b>		<b><u>5.104.013.368</u></b>	<b><u>3.926.587.554</u></b>

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 CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2016 AND  
 31 DECEMBER 2015

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	Unaudited Current Period 31 March 2016	Audited Previous Period 31 December 2015
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>1.665.173.637</b>	<b>653.505.104</b>
Short Term Financial Liabilities	7	441.434.779	92.987.409
Short-Term Portion of Long-Term Financial Liabilities	7	499.940.895	19.921.073
Trade Payables			
- Due to Related Parties	8-21	283.901.844	257.125.996
- Other Trade Payables	8	206.880.293	217.298.221
Employee Benefit Related Liabilities		26.724.971	20.844.357
Other Payables			
- Due to Related Parties	9-21	53.874.944	-
- Other Payables	9	46.442.053	1.375.545
Current Income Tax Liabilities	19	20.589.690	8.251.757
Short Term Provisions			
- Provisions for Employment Termination Benefits		25.451.406	15.793.461
- Other Short Term Provisions		18.683.861	9.478.661
Other Current Liabilities		41.248.901	10.428.624
<b>Non-Current Liabilities</b>		<b>1.823.857.637</b>	<b>1.633.652.466</b>
Long Term Financial Liabilities	7	1.732.089.068	1.570.188.333
Other Payables			
- Due to Related Parties		17.540.904	-
- Other Payables		3.389.176	-
Long Term Provisions			
- Provisions for Employment Termination Benefits		34.621.693	28.539.483
Deferred Tax Liabilities	19	36.216.796	34.924.650
<b>SHAREHOLDERS' EQUITY</b>		<b>1.614.982.094</b>	<b>1.639.429.984</b>
<b>Equity Attributable To Equity Holders' of the Parent</b>		<b>1.458.261.047</b>	<b>1.528.628.848</b>
Share Capital		342.000.000	342.000.000
Inflation Adjustments on Equity Items		108.056.201	108.056.201
Accumulated other comprehensive income			
not to be Reclassified Under Profit and Loss			
- Actuarial Loss on Post-Employment Termination		(1.677.676)	(373.480)
Benefit Obligation			
- Investment Property Valuation Funds		5.231.735	5.231.735
Accumulated Other Comprehensive Income to be			
Reclassified Under Profit and Loss			
- Financial Assets Valuation Fund		545.108.681	539.968.646
- Currency Translation Adjustments		(5.761.224)	-
Restricted Reserves Appropriated from Profits		119.806.833	112.116.833
Retained Earnings		259.310.646	161.340.007
Net Profit For The Period		86.185.851	260.288.906
<b>Non-Controlling Interest</b>		<b>156.721.047</b>	<b>110.801.136</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5.104.013.368</b>	<b>3.926.587.554</b>

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIODS ENDED 31  
MARCH 2016 AND 2015**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	Unaudited Current Period 1 January- 31 March 2016	Unaudited Previous Period 1 January - 31 March 2015
Revenue	15	936.893.258	789.717.435
Cost of Sales (-)	15	(726.266.091)	(605.168.009)
<b>GROSS PROFIT FROM OPERATIONS</b>		<b>210.627.167</b>	<b>184.549.426</b>
Research Expenses (-)	16	(2.082.777)	(1.593.280)
Marketing, Sales and Distribution Expenses (-)	16	(79.696.532)	(80.358.839)
General Administrative Expenses (-)	16	(23.277.646)	(19.438.023)
Other Operating Income		20.572.171	25.104.384
Other Operating Expenses (-)		(12.811.801)	(16.614.825)
<b>OPERATING PROFIT FROM MAIN OPERATIONS</b>		<b>113.330.582</b>	<b>91.648.843</b>
Income from Investment Activities		68.793.412	85.569.400
Expenses from Investment Activities (-)		(76.052.004)	(13.680.954)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES</b>		<b>106.071.990</b>	<b>163.537.289</b>
Financial Income	17	81.577.665	17.521.454
Financial Expenses (-)	18	(70.556.932)	(126.510.109)
<b>PROFIT BEFORE TAX</b>		<b>117.092.723</b>	<b>54.548.634</b>
<b>Tax Expense</b>	19	<b>(24.419.758)</b>	<b>(11.044.875)</b>
Tax on Income (-)		(20.621.276)	(17.607.311)
Deferred Tax Income		(3.798.482)	6.562.436
<b>PROFIT FOR THE PERIOD</b>		<b>92.672.965</b>	<b>43.503.759</b>
<b>Distribution of the Profit for the Period</b>			
Non-Controlling Interest		6.487.114	6.726.892
Equity Holders of the Parent	20	86.185.851	36.776.867
<b>Earnings Per Share</b>		0,25	0,11

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	Unaudited Current Period 1 January - 31 March 2016	Unaudited Previous Period 1 January - 31 March 2015
<b>PROFIT FOR THE PERIOD</b>	<b>92.672.965</b>	<b>43.503.759</b>
<b>Other Comprehensive Income:</b>		
<b>Items not to be Reclassified Under Profit and Loss</b>	<b>(1.328.300)</b>	<b>117.513</b>
Actuarial Gain/(Loss) on Post-Employment Termination Benefit Obligation	(1.660.375)	146.891
Deferred Tax Effect	332.075	(29.378)
<b>Items to be Reclassified Under Profit and Loss</b>	<b>(6.944.357)</b>	<b>(2.191.611)</b>
Currency Translation Adjustments	(12.551.464)	-
Change in Revaluation Funds of Financial Assets	5.902.218	(2.306.959)
Deferred Tax Effect	(295.111)	115.348
<b>OTHER COMPREHENSIVE EXPENSE</b>	<b>(8.272.657)</b>	<b>(2.074.098)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>84.400.308</b>	<b>41.429.661</b>
<b>Distribution of Total Comprehensive Income</b>		
Non-Controlling Interest	139.842	6.634.620
Equity Holders of the Parent	84.260.466	34.795.041

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 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2016 AND 2015  
 (Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)**

	Accumulated Other Comprehensive Income To Be Reclassified Under Profit And Loss			Other Comprehensive Income Not To Be Reclassified Under Profit And Loss			Accumulated Profit					
	Share Capital	Inflation Adjustments to Share Capital	Financial Assets Valuation Fund	Currency Translation Adjustments	Investment Property Valuation Fund	Actuarial Loss on Post-Employment Termination Benefit Obligation	Restricted Reserves Appropriated from Profits	Net Profit for the Period	Retained Earnings	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interest	Total Equity
<b>As of 1 January 2015</b>	<b>342.000.000</b>	<b>108.056.201</b>	<b>315.553.570</b>	-	<b>5.231.735</b>	<b>(695.347)</b>	<b>104.901.091</b>	<b>211.712.640</b>	<b>50.843.109</b>	<b>1.137.602.999</b>	<b>92.365.694</b>	<b>1.229.968.693</b>
Total comprehensive income	-	-	(2.009.050)	-	-	27.224	-	36.776.867	-	34.795.041	6.634.620	41.429.661
Dividend paid (*)	-	-	-	-	-	-	-	-	(94.000.000)	(94.000.000)	-	(94.000.000)
Transfer	-	-	-	-	-	-	7.215.742	(211.712.640)	204.496.898	-	-	-
<b>As of 31 March 2015</b>	<b>342.000.000</b>	<b>108.056.201</b>	<b>313.544.520</b>	-	<b>5.231.735</b>	<b>(668.123)</b>	<b>112.116.833</b>	<b>36.776.867</b>	<b>161.340.007</b>	<b>1.078.398.040</b>	<b>99.000.314</b>	<b>1.177.398.354</b>
<b>As of 1 January 2016</b>	<b>342.000.000</b>	<b>108.056.201</b>	<b>539.968.646</b>	-	<b>5.231.735</b>	<b>(373.480)</b>	<b>112.116.833</b>	<b>260.288.906</b>	<b>161.340.007</b>	<b>1.528.628.848</b>	<b>110.801.136</b>	<b>1.639.429.984</b>
Total comprehensive income	-	-	5.140.035	(5.761.224)	-	(1.304.196)	-	86.185.851	-	84.260.466	139.842	84.400.308
Transactions under common control (**)	-	-	-	-	-	-	-	-	(60.628.267)	(60.628.267)	45.780.069	(14.848.198)
Dividend paid (***)	-	-	-	-	-	-	-	-	(94.000.000)	(94.000.000)	-	(94.000.000)
Transfer	-	-	-	-	-	-	7.690.000	(260.288.906)	252.598.906	-	-	-
<b>As of 31 March 2016</b>	<b>342.000.000</b>	<b>108.056.201</b>	<b>545.108.681</b>	<b>(5.761.224)</b>	<b>5.231.735</b>	<b>(1.677.676)</b>	<b>119.806.833</b>	<b>86.185.851</b>	<b>259.310.646</b>	<b>1.458.261.047</b>	<b>156.721.047</b>	<b>1.614.982.094</b>

(\*) At the General Assembly Meeting for the year of 2014 held on 26 March 2015, it has been resolved to distribute TL 94.000.000 as cash and fully funded by the profit for the year and started to be distributed as of April 7th 2015.

(\*\*) The Company purchased 51,0% shares of UI Egypt B.V., operating in Netherlands, from Yıldız Holding A.Ş. for an amount of USD 30 million as of 31 March 2016. The Company also purchased 20.250.000 shares of İstanbul Gıda Dış Ticaret A.Ş. from Yıldız Holding A.Ş., who is 100% shareholder, for an amount of TL 43 million as of 31 March 2016.

(\*\*\*) At the General Assembly Meeting for the year of 2015 held on 24 March 2016, it has been resolved to distribute TL 94.000.000 as cash and fully funded by the profit for the year and started to be distributed as of April 5th 2016.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31  
MARCH 2016 AND 2015**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	<b>Notes</b>	<b>Unaudited Current Period 1 January-31 March 2016</b>	<b>Unaudited Previous Period 1 January-31 March 2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period		92.672.965	43.503.759
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities			
- Depreciation expenses of tangible assets	12	16.531.496	13.492.341
- Amortization expenses of intangible assets	13	244.736	109.908
- Financial investment valuation increase		84.214	(107.556)
- Allowance for doubtful receivables (net)	8	-	64.264
- Provision for employment benefits		6.512.683	5.520.949
- Provision for unused vacation		2.859.695	2.300.609
- Performance premium provision		2.451.287	1.625.037
- Provision for lawsuits		634.750	299.734
- Reversal of provision for sales return		(2.007.038)	4.500.000
- Discount expense (net)		31.901	311.564
- Change in foreign currency and interest expense of financial liabilities (net)	17-18	(11.534.048)	107.728.793
- Gain on sale of tangible and intangible assets (net)		(110.346)	148.204
- Reversal of provision for inventory allowance	10	513.554	1.011.485
- Rent income		(1.741.253)	(1.775.810)
- Dividend income		(260.336)	-
- Change in foreign currency from investment activities (net)		29.794.170	(60.303.359)
- Change in other provisions (net)		10.577.488	17.022.805
- Commission and financial services income/(expenses) (net)		513.315	1.259.862
- Interest income		(20.423.643)	(9.849.925)
- Tax provision	19	24.419.758	11.044.875
<b>Net Operating cash flows provided before changes in working capital</b>		<b>151.765.348</b>	<b>137.907.539</b>
- Decrease in trade receivables		35.864.589	13.216.581
- Decrease/(Increase) in trade receivables from related parties		59.660.878	(65.338.904)
- Increase in inventories		(4.249.914)	(26.380.504)
- Decrease in other receivables and other current assets		19.965.344	3.674.179
- Decrease in trade payables		(73.018.519)	(50.377.860)
- (Decrease)/Increase in trade payables to related parties		(82.968.083)	32.725.348
- (Decrease)/Increase in other payables and liabilities		(2.118.779)	7.921.488
<b>Net cash generated from operations</b>		<b>104.900.864</b>	<b>53.347.867</b>
- Taxes paid		(8.653.802)	(9.928.473)
- Employment termination benefit paid		(4.699.993)	(3.351.631)
- Unused vacation paid		(1.324.070)	(1.061.409)
- Lawsuits provision paid		-	(135.914)
- Collections from doubtful trade receivables	8	1.479	6.224
<b>Net cash generated from operating activities</b>		<b>90.224.478</b>	<b>38.876.664</b>

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 MARCH 2016 AND 2015  
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	Notes	Unaudited Current Period 1 January-31 March 2016	Unaudited Previous Period 1 January-31 March 2015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
- Acquisitions of tangible assets	12	(62.268.361)	(13.800.337)
- Acquisitions of intangible assets	13	(57.996)	(65.528)
- Proceeds from sales of tangible and intangible assets		861.531	739.322
- Acquisition of the subsidiaries		(129.199.000)	-
- Changes in non-trade receivables from related parties		11.176.418	-
- Rent income		1.741.253	1.775.810
- Dividend received		260.336	-
- Interest received		20.423.643	9.849.925
<b>Net cash used in investing activities</b>		<b>(157.062.176)</b>	<b>(1.500.808)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
- Loan repayment		(180.142.067)	(2.766.901)
- Loans acquired		130.059.020	24.052.401
- Change in leasing liabilities		(86.242)	(59.895)
- Interest paid		(6.383.599)	(3.441.454)
- Changes in non-trade payables to related parties		(14.341.801)	-
<b>Net cash (used in)/received from financing activities</b>		<b>(70.894.689)</b>	<b>17.784.151</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(137.732.387)</b>	<b>55.160.007</b>
<b>THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>		<b>(29.674.231)</b>	<b>60.303.359</b>
<b>CASH AT THE SUBSIDIARIES ACQUIRED</b>		<b>1.065.793.222</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>1.319.138.698</b>	<b>1.033.829.882</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<b>2.217.525.302</b>	<b>1.149.293.248</b>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 MARCH 2016**

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

**1. ORGANIZATION AND OPERATIONS OF THE GROUP**

Ülker Bisküvi Sanayi A.Ş. (“the Company”) and its subsidiaries (all together “the Group”), comprises of the parent Ülker Bisküvi Sanayi A.Ş. (“the Company”) and seven subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2015: four).

Ülker Bisküvi Sanayi A.Ş. was established in 1944. The Company’s core business activities are manufacturing of biscuits, chocolate, chocolate coated biscuits, wafers and cakes.

Ülker Bisküvi Sanayi A.Ş. which is registered at the Capital Market Board, merged under its own title with Anadolu Gıda Sanayi A.Ş., whose shares have been quoted on Borsa Istanbul since 30 October 1996, as of 31 December 2003.

The headquarter of Ülker Bisküvi Sanayi A.Ş. is located Kısıklı Mah. Ferah Cad. No:1 Büyük Çamlıca Üsküdar / Istanbul.

As of 31 March 2016, the total number of people employed by the Group is 8.528, which contains 730 employees who worked as subcontractors (31 December 2015: 7.341, subcontractor: 811).

The ultimate parent and the controlling party of the Group is Yıldız Holding A.Ş. The ultimate parent of Yıldız Holding A.Ş. is managed by Ülker Family.

As of 31 March 2016 and 31 December 2015, the names and percentages of the shareholders holding more than 10% of the Company’s share capital are as follows:

Name of the Shareholders	Share	31 March 2016		31 December 2015	
		Percentage	Share	Percentage	Share
Yıldız Holding A.Ş.	168.124.482	49.16%	168.124.482	49.16%	
Yıldız Holding A.Ş. Subsidiaries and Ülker Family	27.738.115	8.11%	27.738.115	8.11%	
Other	146.137.403	42.73%	146.137.403	42.73%	
	<b>342.000.000</b>	<b>100.00%</b>	<b>342.000.000</b>	<b>100.00%</b>	

As of 31 March 2016 and 31 December 2015, the details of the subsidiaries under full consolidations in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	31 March 2016		31 December 2015		Nature of Operations
	Ratio of Direct Ownership %	Ratio of Effective Ownership %	Ratio of Direct Ownership %	Ratio of Effective Ownership %	
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	73.9%	73.9%	73.9%	73.9%	Manufacturing
Ülker Çikolata Sanayi A.Ş.	91.7%	91.7%	91.7%	91.7%	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100.0%	100.0%	100.0%	100.0%	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	100.0%	100.0%	100.0%	100.0%	Trading
İstanbul Gıda Dış Ticaret A.Ş. (*)	100.0%	100.0%	-	-	Export
UI Egypt B.V. (**)	51.0%	51.0%	-	-	Trading
Hi-Food for Advanced Food Industries (**)	-	45.9%	-	-	Manufacturing

(\*) The Company purchased 20.250.000 shares of İstanbul Gıda Dış Ticaret A.Ş. from Yıldız Holding A.Ş., who is 100% shareholder, for an amount of TL 43 million as of 31 March 2016.

(\*\*) The Company purchased 51.0% shares of UI Egypt B.V., operating in Netherlands, from Yıldız Holding A.Ş. for an amount of USD 30 million as of 31 March 2016. As a result of the transaction, the Company has gained the controlling power in UI Egypt B.V. and Hi Food for Advanced Food Industries, which UI Egypt B.V. has 90% shares.

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**1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)**

Dividend Paid:

The Company has paid a dividend amount of TL 94.000.000 (31 March 2015: TL 94.000.000) in the current period. Dividend per share is TL 0.27 (31 March 2015: TL 0.27).

Approval of Financial Statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 28 April 2016. The General Assembly has the authority to amend/modify the financial statements.

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of the presentation:**

**Principles for Preparation of Financial Statements and Significant Accounting Policies**

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC").

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

The Company maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Functional and presentation currency

Financial statements of each subsidiary of the Group are presented in the currency of the primary economic environment in which the entities operate (its functional currency). The results and financial position of the each subsidiary are expressed in Turkish Lira, which is the functional and presentation currency of the Group.

As of 31 March 2016, rates declared by Central Bank of Republic of Turkey are 1 Euro = TL 3,2081, 1 USD = TL 2,8334 (31 December 2015: 1 Euro = TL 3,1776, 1 USD = TL 2,9076). For the period between January 1, 2016 and March 31, 2016, average rates declared by Central Bank of Republic of Turkey are 1 Euro = TL 3,2420, 1 USD = TL 2,9409. (January 1, 2015 and March 31, 2015: 1 Euro = TL 2,7709, 1 USD = TL2,4571).

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**

**2.2 Adoption of New and Revised International Financial Reporting Standards:**

The following new and revised IFRSs have been applied in the current year and have affected the amounts reported and disclosures in these financial statements. Details of other new and revised IFRSs applied in these financial statements that have had no material impact on the financial statements are set out in further sections.

**a. New standards, amendments and interpretations about the existing standards as of 31 March 2016**

- IFRS 11, "Accounting for Acquisitions of Interests in Joint Operations" (Amendment)
- IAS 16 "Property, Plant and Equipment" and IAS 41 "Agricultural Activities"
- Amendment in IAS 16 and IAS 38: "Property, Plant and Equipment" and "Intangible Assets"
- IFRS 14, "Regulatory Deferral Accounts"
- IAS 27 "Separate Financial Statements"
- IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"
- Annual Improvements (2014)
- IAS 1 "Presentation of Financial Statements"

**b. Standards and amendments published but not effective as of 31 March 2016**

- IAS 7 "Statement of Cash Flows"
- IAS 12 "Income Taxes"
- IFRS 15 "Revenue from Contracts with Customers"
- IFRS 9, "Financial Instruments"
- IFRS 16 "Leases"

**3. BUSINESS COMBINATIONS**

The Company purchased 20.250.000 shares of İstanbul Gıda Dış Ticaret A.Ş. from Yıldız Holding A.Ş., who is 100% shareholder, for an amount of TL 43 million as of 31 March 2016. Due to the shares have purchased from the parent company Yıldız Holding A.Ş., the acquisition has been considered as "Transaction Under Common Control" and accounted under shareholders' equity. The net assets acquired and the effects of transaction in equity are presented as follows:

<b>Net Assets within the Scope of Consolidation</b>	<b>Asset/(Liability)</b>
<b>Current Assets</b>	
Cash and cash equivalents	931.186.683
Trade receivables	153.207.276
Other receivables	14.237.003
Other current assets	17.079.056
<b>Non-Current Assets</b>	
Tangible and intangible assets (Net)	2.732.511
Other non-current assets	1.706.545
<b>Current Liabilities</b>	
Financial liabilities	(776.195.857)
Trade payables	(117.085.542)
Other current liabilities	(46.020.948)
<b>Non-Current Liabilities</b>	
Financial liabilities	(141.735.636)
Other non-current liabilities	(3.828.963)
<b>Net Assets added into the scope of consolidation</b>	<b>35.282.128</b>
Net income for the period between January-March 2016	5.532.835
Total share of the Group ownership	100.0%
The portion of the net assets to Group	29.749.293
Cash paid for the acquisition	(43.000.000)
<b>Net Equity Impact from the acquisition of subsidiary</b>	<b>(13.250.707)</b>

(\*) The net income for the period ended 31 March 2016 were deducted from the portion of the net assets to Group since the Company was consolidated starting from 1 January 2016.

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**3. BUSINESS COMBINATIONS (cont'd)**

The Company purchased 51.0% shares of UI Egypt B.V., operating in Netherlands, from Yıldız Holding A.Ş. for an amount of USD 30 million as of 31 March 2016. As a result of the transaction, the Company has gained the controlling power in UI Egypt B.V. and Hi Food for Advanced Food Industries, which UI Egypt B.V. has 90% shares. Due to the shares have purchased from the parent company Yıldız Holding A.Ş., the acquisition has been considered as “Transaction Under Common Control” and accounted under shareholders’ equity. The net assets acquired and the effects of transaction in equity are presented as follows:

<b>Net Assets within the Scope of Consolidation</b>	<b>Asset/(Liability)</b>
<b>Current Assets</b>	
Cash and cash equivalents	1.546.634
Trade receivables	11.369.795
Other receivables	5.655.003
Other current assets	29.337.152
<b>Non-Current Assets</b>	
Tangible and intangible assets (Net)	95.634.151
<b>Current Liabilities</b>	
Financial liabilities	(14.550.741)
Trade payables	(13.435.033)
Other current liabilities	(3.712.333)
<b>Non-Current Liabilities</b>	
Financial liabilities	(18.488.707)
Other non-current liabilities	(19.576.269)
<b>Net Assets added into the scope of consolidation</b>	<b>73.779.652</b>
Net income for the period between January-March 2016	1.729.607
Currency translation adjustments	(12.551.464)
Minority shares	8.481.038
Total share of the Group ownership	51.0%
The portion of the net assets to Group (*)	38.821.440
Cash paid for the acquisition	(86.199.000)
<b>Net Equity Impact from the acquisition of subsidiary</b>	<b>(47.377.560)</b>

(\*) The comprehensive income for the period ended 31 March 2016 were deducted from the portion of the net assets to Group since the Company was consolidated starting from 1 January 2016.

**4. SEGMENTAL INFORMATION**

The Group’s core business activities are manufacturing and marketing of biscuit, chocolate, chocolate coated biscuit, wafer, and cake. The reports reviewed routinely by the decision makers of the Group comprise consolidated numbers of Ülker Bisküvi Sanayi A.Ş. and its subsidiaries.

Since the Group has operations in only one production area and the decision makers use the consolidated reports, segmental reporting in accordance with IFRS 8 have not been provided in the accompanying consolidated financial statements.

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5. CASH AND CASH EQUIVALENTS

	<u>31 March 2016</u>	<u>31 December 2015</u>
Cash	137.024	-
Demand deposits	10.472.154	3.956.863
Time deposits (*)	2.206.916.124	1.315.181.835
	<u><b>2.217.525.302</b></u>	<u><b>1.319.138.698</b></u>

(\*) Time deposits consist of overnights amounting to TL 2.134.565.255 (31 December 2015: TL 1.315.181.835).

Details of time deposits are shown below:

<u>Currency Type</u>	<u>Annual Weighted Average Effective Interest Rate (%)</u>	<u>Maturity</u>	<u>31 March 2016</u>
TL	10.42%	April 2016	37.782.807
EUR	1.40%	April 2016	739.787.860
USD	1.04%	April-May 2016	1.429.345.457
			<u><b>2.206.916.124</b></u>

<u>Currency Type</u>	<u>Annual Weighted Average Effective Interest Rate (%)</u>	<u>Maturity</u>	<u>31 December 2015</u>
EUR	1.59%	January 2016	533.399.795
USD	2.47%	January 2016	781.782.040
			<u><b>1.315.181.835</b></u>

6. FINANCIAL INVESTMENTS

**Short Term Financial Investments:**

	<u>31 March 2016</u>	<u>31 December 2015</u>
Available for sale financial assets	620.223	704.437
	<u><b>620.223</b></u>	<u><b>704.437</b></u>

**Long Term Financial Investments:**

	<u>31 March 2016</u>	<u>31 December 2015</u>
Available for sales financial assets	771.236.402	765.334.184
	<u><b>771.236.402</b></u>	<u><b>765.334.184</b></u>

<u>Long Term Available for Sale Financial Investments</u>	<u>Share %</u>	<u>31 March 2016</u>	<u>Share %</u>	<u>31 December 2015</u>
G New, Inc	12.20%	196.711.611	12.20%	196.711.611
Godiva Belgium BVBA	19.23%	537.772.863	19.23%	537.772.863
BİM Birleşik Mağazalar A.Ş.	0.20%	36.551.810	0.20%	30.649.592
Other		200.118		200.118
		<u><b>771.236.402</b></u>		<u><b>765.334.184</b></u>

Available for sale financial assets are presented at their fair values. The after tax difference belonging to equity holder of TL 545.108.681 as of 31 March 2016 (31 March 2015: TL 313.544.520) in the fair values of such assets has directly been presented in other comprehensive income under equity.

As the expected value gaps for available for sale financial assets of TL 200.118 (31 December 2015: TL 200.118) that are not traded in an active market are high and expected values are not reliably measured, these have been presented at historical cost in accompanying consolidated financial statements.

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7. FINANCIAL LIABILITIES

	<u>31 March 2016</u>	<u>31 December 2015</u>
Short Term Liabilities	441.434.779	92.987.409
Short Term Portion of Long Term Liabilities	499.940.895	19.921.073
Long Term Liabilities	1.732.089.068	1.570.188.333
	<b><u>2.673.464.742</u></b>	<b><u>1.683.096.815</u></b>
<b><u>Short Term Liabilities</u></b>	<b><u>31 March 2016</u></b>	<b><u>31 December 2015</u></b>
Bank Loans	441.434.779	34.835.409
Non-Trade Payables to Related Parties (Note 21)	-	58.152.000
	<b><u>441.434.779</u></b>	<b><u>92.987.409</u></b>
<b><u>Short Term Portion of Long Term Liabilities</u></b>	<b><u>31 March 2016</u></b>	<b><u>31 December 2015</u></b>
Bank Loans	499.663.544	19.921.073
Financial Lease Payables	277.351	-
	<b><u>499.940.895</u></b>	<b><u>19.921.073</u></b>
<b><u>Long Term Liabilities</u></b>	<b><u>31 March 2016</u></b>	<b><u>31 December 2015</u></b>
Bank Loans	1.732.023.432	1.570.188.333
Financial Lease Payables	65.636	-
	<b><u>1.732.089.068</u></b>	<b><u>1.570.188.333</u></b>

The syndication loan has received as of 26 November 2014. Details of Group's syndication loans are as follows;

Syndication loan consists of two credit trenches which are USD 284.500.000 and EUR 211.823.840. 26 international banks joined to the syndication. Effective interest rate for both credit trenches is Libor + 2.75% and the maturity date is November 2017. Principal payments of the loans are repaid at maturity with semi-annual interest payments.

The covenants which belong to syndication loan are as follows:

- a) **Leverage:** The ratio of the consolidated net debt at balance sheet date to the last twelve months consolidated EBITDA (Earnings before interest,tax,depreciation and amortization) in the valid period should not be over 3 to 1.
- b) **Interest Coverage:** Consolidated interest coverage ratio of the Group should be at least 3 to 1.

In current year, the consolidated financial statements of the Group comply with the covenants of the syndication loan agreement.

**Bank Loans:**

**31 March 2016**

<u>Currency</u>	<u>Maturity</u>	<u>Annual Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	April 2016	Spot-10.81%	10.019.439	16.000.000
EUR	June 2016-November 2017	2.86%	91.488.318	756.421.756
USD	July 2016-November 2017	3.23%	833.355.332	954.329.514
EGP	September 2016-September 2019	12.00%	6.235.234	5.272.162
			<b><u>941.098.323</u></b>	<b><u>1.732.023.432</u></b>

**31 December 2015**

<u>Currency</u>	<u>Maturity</u>	<u>Annual Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	January 2016-July 2016	Spot	1.398.009	-
EUR	February 2016-June 2020	2.76%	19.996.725	747.655.057
USD	January 2016-November 2017	3.18%	91.513.748	822.533.276
			<b><u>112.908.482</u></b>	<b><u>1.570.188.333</u></b>

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**7. FINANCIAL LIABILITIES (cont'd)**

The maturity detail of the bank loans is as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
to be paid within 1 year	941.098.323	112.908.482
to be paid within 1-2 years	1.646.860.105	1.510.220.122
to be paid within 2-3 years	35.780.858	19.860.000
to be paid within 3-4 years	26.062.740	20.972.160
to be paid within 4-5 years	23.319.729	19.136.051
	<b>2.673.121.755</b>	<b>1.683.096.815</b>

**Financial Lease Payables:**

The detail of short term financial lease payables is as follows:

<b>Short-Term Financial Lease Payables</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Financial lease payables	300.503	-
Deferred financial lease payables (-)	(23.152)	-
	<b>277.351</b>	<b>-</b>
<b>Long-Term Financial Lease Payables</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Financial lease payables	67.729	-
Deferred financial lease payables (-)	(2.093)	-
	<b>65.636</b>	<b>-</b>

The maturity detail of the financial lease payables is as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
to be paid within 1 year	277.351	-
to be paid within 1-2 years	65.636	-
	<b>342.987</b>	<b>-</b>

**8. TRADE RECEIVABLES AND PAYABLES**

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Short Term Due from Related Parties</b>		
Due from related parties (Note 21) (net)	580.603.031	625.005.924
	<b>580.603.031</b>	<b>625.005.924</b>
<b>Other Trade Receivables</b>		
Trade receivables (net)	162.735.015	24.108.787
Notes receivables (net)	1.094.224	908.841
Provision for doubtful receivables	(1.538.147)	(1.506.925)
	<b>162.291.092</b>	<b>23.510.703</b>
	<b>742.894.123</b>	<b>648.516.627</b>
<b>Total Short Term Trade Receivables</b>		
	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Long Term Due from Related Parties</b>		
Due from related parties (Note 21)	6.091.340	6.196.664
	<b>6.091.340</b>	<b>6.196.664</b>

Trade receivables are disclosed at discounted net realizable value using the effective yield method. Net realizable value has been calculated over discount rate of 12.8% (2015: 12.9%) based on the Group's cash sales. The provision for trade receivables is provided for based on the estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

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**8. TRADE RECEIVABLES AND PAYABLES (cont'd)**

The movement of the allowance for doubtful receivables as of 31 March 2016 and 2015 is as follows:

	<b>1 January – 31 March 2016</b>	<b>1 January – 31 March 2015</b>
Opening balance	(1.506.925)	(1.550.365)
Charge for the period	-	(70.488)
Addition to the scope of consolidation	(38.262)	-
Currency translation adjustments	5.561	-
Collections	1.479	6.224
Closing balance	<b>(1.538.147)</b>	<b>(1.614.629)</b>

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Short Term Trade Payables</b>		
Due to related parties (Note 21) (net)	283.901.844	257.125.996
Trade payables (net)	206.880.293	217.298.221
	<b>490.782.137</b>	<b>474.424.217</b>

Trade payables are disclosed at discounted net realizable value using the effective yield method. Net realizable value has been calculated over discount rate of 12.8% (2015: 12.9%) based on the Group's cash sales.

**9. OTHER RECEIVABLES AND PAYABLES**

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Short Term Other Receivables</b>		
Due from related parties (Note 21)	5.460.303	16.636.721
Short term other receivables	28.282.444	14.184.453
	<b>33.742.747</b>	<b>30.821.174</b>

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Other Short Term Receivables</b>		
VAT receivables	21.264.083	13.672.547
Other	7.018.361	511.906
	<b>28.282.444</b>	<b>14.184.453</b>

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Other Long Term Receivables</b>		
Deposits and guarantees given	177.167	173.437
	<b>177.167</b>	<b>173.437</b>

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Other Payables</b>		
Payables to shareholders (Note 21) (*)	53.874.944	-
Other short-term payables (*)	46.442.053	1.375.545
	<b>100.316.997</b>	<b>1.375.545</b>

(\*) Includes TL 94.000.000 dividend, which has been resolved at the General Assembly Meeting for the year of 2015 held on 24 March 2016, and distributed starting on 5 April 2016. TL 53.833.579 accounted in payables to shareholders present the dividend payables to Yıldız Holding A.Ş., Ülker family and a related party Farmamak Ambalaj Maddeleri ve Ambalaj Makineleri; whereas TL 40.166.421 under other short-term payables present the non-group dividend payables.

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**10. INVENTORIES**

Inventory details are as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Raw materials	112.626.739	98.039.529
Work in progress	14.555.723	11.135.505
Finished goods	135.774.143	111.814.030
Trade goods	3.850.666	-
Other inventories	20.460.603	18.370.097
Allowance for impairment on inventory (-)	(4.309.995)	(5.221.390)
	<b>282.957.879</b>	<b>234.137.771</b>

Inventory is presented on cost value and allowance for impairment is booked for inventory valuing lower than cost.

The movement of allowance for impairment on inventory for the periods ended 31 March 2016 and 2015 are below:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Opening balance	(5.221.390)	(3.555.919)
Charge for the period	(513.554)	(1.011.485)
Provisions released	1.424.949	417.763
Closing balance	<b>(4.309.995)</b>	<b>(4.149.641)</b>

**11. INVESTMENT PROPERTIES**

	<b>31 March 2016</b>	<b>31 March 2015</b>
Opening balance	11.865.000	11.000.000
Closing balance	<b>11.865.000</b>	<b>11.000.000</b>

The fair value of the Group's investment properties at 31 December 2015 and 2014 have been calculated on the basis of a valuation carried out at that date by 31 December 2015 and 1 December 2014, by independent valuers not related to the Group. EVA Gayrimenkul Değerleme Danışmanlık A.Ş. is one of the accredited independent valuers by Capital Markets Board of Turkey, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, based on market evidence of transaction prices for similar properties.

The rent income earned by the Group from its investment properties amounting to TL 153.243 (31 March 2015: TL 145.127) within the current period. Direct operating expenses arising from the investment properties in the current period amounting to TL 20.097 (31 March 2015: TL 20.404).

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12. PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets between 1 January 2016 – 31 March 2016 are as follows:

Cost	1 January 2016	Addition	Disposal	Addition to the scope of consolidation	Transfers	Currency translation adjustments	31 March 2016
Land	3.498.354	-	-	12.959.952	-	(1.883.537)	14.574.769
Land improvements	7.803.253	50.001	-	-	137.695	-	7.990.949
Buildings	243.289.730	309.208	-	19.578.430	198.382	(2.714.145)	260.661.605
Machinery, plant and equipment	866.786.598	1.366.681	(1.471.376)	77.520.720	920.944	(11.273.044)	933.850.523
Vehicles	941.730	15.000	(98.589)	1.669.519	-	(229.802)	2.297.858
Furniture and fixtures	50.315.949	665.883	(96.882)	4.146.767	32.000	(272.008)	54.791.709
Leasehold improvements	17.993.826	123.195	-	1.936.643	1.516.090	-	21.569.754
Construction in progress	117.078.037	59.738.393	-	35.688.984	(2.805.111)	(5.248.416)	204.451.887
	<b>1.307.707.477</b>	<b>62.268.361</b>	<b>(1.666.847)</b>	<b>153.501.015</b>	<b>-</b>	<b>(21.620.952)</b>	<b>1.500.189.054</b>
Accumulated Depreciation	1 January 2016	Charge for the period	Disposal	Addition to the scope of consolidation	Transfers	Currency translation adjustments	31 March 2016
Land improvements	(3.250.227)	(97.160)	-	-	-	-	(3.347.387)
Buildings	(81.157.802)	(1.919.237)	-	(2.466.936)	-	364.754	(85.179.221)
Machinery, plant and equipment	(493.861.812)	(13.126.106)	793.582	(31.618.057)	-	4.728.766	(533.083.627)
Vehicles	(822.598)	(69.605)	95.656	(770.495)	-	107.556	(1.459.486)
Furniture and fixtures	(38.803.941)	(937.648)	70.193	(2.925.390)	-	149.192	(42.447.594)
Leasehold improvements	(11.285.735)	(381.740)	-	(775.169)	-	-	(12.442.644)
	<b>(629.182.115)</b>	<b>(16.531.496)</b>	<b>959.431</b>	<b>(38.556.047)</b>	<b>-</b>	<b>5.350.268</b>	<b>(677.959.959)</b>
<b>Net Book Value</b>	<b>678.525.362</b>						<b>822.229.095</b>

From depreciation and amortization expenses, TL 15.109.202 (31 March 2015: TL 12.249.880) is included in cost of goods sold, TL 75.850 (31 March 2015: TL 70.918) is included in research and development expenses, TL 404.281 (31 March 2015: TL 530.511) is included in marketing and selling expenses and TL 1.186.899 (31 March 2015: TL 750.940) is included in general administrative expenses.

There is no collateral or mortgage on fixed assets. There is no fixed assets acquired through leasing in the current period.

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12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movements of tangible assets between 1 January 2015 - 31 March 2015 are as follows:

Cost	1 January 2015	Addition	Disposal	Transfers	31 March 2015
Land	3.386.659	-	-	-	3.386.659
Land improvements	7.191.876	28.515	-	-	7.220.391
Buildings	240.912.607	188.262	-	-	241.100.869
Machinery, plant and equipment	789.041.606	3.094.315	(808.002)	4.095.191	795.423.110
Vehicles	931.045	-	-	-	931.045
Furniture and fixtures	45.538.662	1.031.307	(45.037)	418.466	46.943.398
Leasehold improvements	16.035.226	35.908	(125.920)	-	15.945.214
Other tangible assets	1.396	-	-	-	1.396
Construction in progress	49.810.642	9.422.030	(257.357)	(4.530.817)	54.444.498
	<b>1.152.849.719</b>	<b>13.800.337</b>	<b>(1.236.316)</b>	<b>(17.160)</b>	<b>1.165.396.580</b>
<b>Accumulated Depreciation</b>		<b>Charge for the period</b>	<b>Disposal</b>	<b>Transfers</b>	<b>31 March 2015</b>
Land improvements	(2.893.688)	(88.516)	-	-	(2.982.204)
Buildings	(74.104.335)	(1.789.217)	-	-	(75.893.552)
Machinery, plant and equipment	(459.348.671)	(10.782.702)	301.664	-	(469.829.709)
Vehicles	(809.255)	(8.260)	-	-	(817.515)
Furniture and fixtures	(36.333.127)	(603.947)	22.230	-	(36.914.844)
Leasehold improvements	(10.396.739)	(219.699)	24.896	-	(10.591.542)
Other tangible assets	(1.396)	-	-	-	(1.396)
	<b>(583.887.211)</b>	<b>(13.492.341)</b>	<b>348.790</b>	<b>-</b>	<b>(597.030.762)</b>
<b>Net Book Value</b>	<b>568.962.508</b>				<b>568.365.818</b>

There is no fixed assets acquired through leasing in the related period.

There is no collateral or mortgage on fixed assets.

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**12. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

The useful lives of tangible assets are as follows:

	<u>Useful life</u>
Land improvements	10 – 50 years
Buildings	25 – 50 years
Machinery and equipment	4 – 15 years
Vehicles	4 – 10 years
Furniture and fixtures	3 – 10 years
Other tangible assets	4 – 10 years
Leasehold improvements	During rent period

**13. INTANGIBLE ASSETS**

Movements of intangible assets between 1 January 2016 - 31 March 2016 are as follows:

<b>Cost</b>	<b>1 January 2016</b>	<b>Addition</b>	<b>Disposals</b>	<b>Addition to the scope of consolidation</b>	<b>31 March 2016</b>
Rights	973.344	53.625	-	1.468.963	2.495.932
Development costs	675.004	-	-	-	675.004
Other intangible assets	1.838.010	4.371	(53.625)	798.268	2.587.024
	<b>3.486.358</b>	<b>57.996</b>	<b>(53.625)</b>	<b>2.267.231</b>	<b>5.757.960</b>

  

<b>Accumulated amortization</b>	<b>1 January 2016</b>	<b>Charge for the Period</b>	<b>Disposals</b>	<b>Addition to the scope of consolidation</b>	<b>31 March 2016</b>
Rights	(760.118)	(57.246)	-	(1.268.093)	(2.085.457)
Development costs	(222.292)	(33.751)	-	-	(256.043)
Other intangible assets	(1.008.275)	(153.739)	9.856	(685.934)	(1.838.092)
	<b>(1.990.685)</b>	<b>(244.736)</b>	<b>9.856</b>	<b>(1.954.027)</b>	<b>(4.179.592)</b>

  

<b>Net Book Value</b>	<b>1.495.673</b>				<b>1.578.368</b>
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**13. INTANGIBLE ASSETS (cont'd)**

Movements of intangible assets between 1 January 2015 - 31 March 2015 are as follows:

<b>Cost</b>	<b>1 January 2015</b>	<b>Addition</b>	<b>Transfers</b>	<b>31 March 2015</b>
Rights	1.064.337	-	-	1.064.337
Development costs	675.004	-	-	675.004
Other intangible assets	1.064.229	65.528	17.160	1.146.917
	<b>2.803.570</b>	<b>65.528</b>	<b>17.160</b>	<b>2.886.258</b>
<b>Accumulated amortization</b>	<b>1 January 2015</b>	<b>Charge for the Period</b>	<b>Transfers</b>	<b>31 March 2015</b>
Rights	(683.024)	(34.478)	-	(717.502)
Development costs	(121.041)	(33.750)	-	(154.791)
Other intangible assets	(686.097)	(41.680)	-	(727.777)
	<b>(1.490.162)</b>	<b>(109.908)</b>	<b>-</b>	<b>(1.600.070)</b>
<b>Net Book Value</b>	<b>1.313.408</b>			<b>1.286.188</b>

The intangible assets are amortized on a straight-line basis over their estimated useful lives.

	<u>Useful Life</u>
Rights	2 – 15 years
Other intangible assets	2 – 12 years

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**14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**Guarantees given:**

(Foreign currency amounts are shown in original currencies)

	<b>31 March 2016</b>		<b>31 December 2015</b>	
	<b>TL</b>	<b>USD</b>	<b>TL</b>	<b>USD</b>
A) GPMs (Guarantees, Provisions and Mortgages) given for companies own legal personality	38.633.340	64.900	44.046.870	64.900
B) GPMs given on behalf of fully consolidated companies	-	-	-	-
C) GPMs given for continuation of its economic activities on behalf of third parties	-	-	-	-
D) Total amount of other GPMs	-	147.000.000	50.000.000	147.000.000
i. Total amount GPMs given on behalf of the majority shareholder (*)	-	147.000.000	50.000.000	147.000.000
ii. Total amount of GPMs given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of GPMs given on behalf of third parties which are not in scope of consolidation	-	-	-	-
<b>Total</b>	<b>38.633.340</b>	<b>147.064.900</b>	<b>94.046.870</b>	<b>147.064.900</b>

(\*) The GPMs provided on behalf of majority shareholder come from the bank loans obtained in previous years and the closing process for USD balance is still in progress as of balance sheet date considering the maturities of loans. Meanwhile, TRY balance has been closed at the current period. The ratio of other CPMs to the Group's equity as of 31 March 2016 is 28.6% (31 December 2015: 31.2%).

**15. REVENUE AND COST OF SALES**

The detail of the operational income is as follows:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Domestic sales	1.011.073.967	938.228.684
Export sales	203.190.306	111.590.210
Sales returns and discounts (-)	(277.371.015)	(260.101.459)
<b>Revenue (net)</b>	<b>936.893.258</b>	<b>789.717.435</b>
Cost of goods sold (-)	(679.837.166)	(603.889.671)
Cost of trade goods sold (-)	(46.428.925)	(1.278.338)
<b>Cost of Sales</b>	<b>(726.266.091)</b>	<b>(605.168.009)</b>
<b>Gross Profit</b>	<b>210.627.167</b>	<b>184.549.426</b>

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**16. EXPENSES BY NATURE**

The detail of operating expenses is as follows:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Research Expenses</b>		
Personnel expenses	(969.026)	(1.102.880)
Materials used	(604.350)	(244.204)
Depreciation and amortization expenses	(75.850)	(70.918)
Other	(433.551)	(175.278)
	<b>(2.082.777)</b>	<b>(1.593.280)</b>
<b>Marketing Expenses</b>		
Marketing operating expenses	(66.957.273)	(75.233.929)
Personnel expenses	(8.094.937)	(3.399.139)
Depreciation and amortization expenses	(404.281)	(530.511)
Rent expenses	(374.141)	(521.675)
Other	(3.865.900)	(673.585)
	<b>(79.696.532)</b>	<b>(80.358.839)</b>
<b>General Administration Expenses</b>		
Personnel expenses	(8.861.226)	(6.754.827)
Operating expenses (*)	(8.468.319)	(9.324.691)
Depreciation and amortization expenses	(1.186.899)	(750.940)
Consultancy expenses	(1.146.762)	(492.187)
Other	(3.614.440)	(2.115.378)
	<b>(23.277.646)</b>	<b>(19.438.023)</b>
	<b>(105.056.955)</b>	<b>(101.390.142)</b>

(\*) The operating expenses of the Group mainly comprise management support, information technology and administration expenses that are charged by Yıldız Holding A.Ş.

**17. FINANCIAL INCOME**

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Foreign exchange gain	80.410.059	17.521.454
Other	1.167.606	-
	<b>81.577.665</b>	<b>17.521.454</b>

**18. FINANCIAL EXPENSES**

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Foreign exchange losses from financing	(47.231.486)	(111.430.924)
Interest expenses	(21.644.525)	(13.819.323)
Other	(1.680.921)	(1.259.862)
	<b>(70.556.932)</b>	<b>(126.510.109)</b>

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**19. TAX ASSETS AND LIABILITIES**

The Group accounts deferred tax assets and liabilities for temporary timing differences rooted from differences between legal financial statements and financial statements prepared in accordance with UFRS. The differences in question are caused generally by the fact that some profit and loss accounts come up in different periods in legal financial statements and financial statements prepared in accordance with UFRS. These differences are specified below.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, deferred tax positions of the firms with deferred tax assets is netted against those with deferred tax liabilities and reflected on a separate-entity basis.

The rate applied in the calculation of deferred tax assets and liabilities 20% (2015: 20%).

**Deferred tax bases:**

	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Indexation and useful life differences of tangible and intangible assets	-	-	160.060.531	163.217.956
Investment properties valuation differences	-	-	11.296.556	11.284.955
Marketable securities valuation differences	-	-	575.179.308	569.361.288
Profit margin elimination on inventories	(1.650.250)	(121.610)	-	-
Discount of trade receivables / payables (net)	(1.207.295)	(1.904.940)	-	-
Allowance of employee termination benefits	(32.708.830)	(28.539.483)	-	-
Provision of doubtful receivables	(629.175)	(629.175)	-	-
Previous year losses	(2.305.685)	(2.305.687)	-	-
Provision for lawsuits	(4.947.294)	(4.312.544)	-	-
Impairment on inventories	(4.609.200)	(5.312.140)	-	-
Unused vacation provision	(11.354.805)	(8.715.944)	-	-
Other	(17.119.180)	(10.907.087)	12.287.405	14.534.512
	<b>(76.531.714)</b>	<b>(62.748.610)</b>	<b>758.823.800</b>	<b>758.398.711</b>

**Deferred tax (assets) / liabilities:**

	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Indexation and useful life differences of tangible and intangible assets	-	-	32.012.106	32.643.591
Investment properties valuation differences	-	-	564.828	564.248
Marketable securities valuation differences	-	-	28.758.965	28.468.064
Profit margin elimination on inventories	(330.050)	(24.322)	-	-
Discount of trade receivables / payables (net)	(241.459)	(380.988)	-	-
Allowance of employee termination benefits	(6.541.766)	(5.707.897)	-	-
Provision of doubtful receivables	(125.835)	(125.835)	-	-
Previous year losses	(461.137)	(461.137)	-	-
Provision for lawsuits	(989.459)	(862.509)	-	-
Impairment on inventories	(921.840)	(1.062.428)	-	-
Unused vacation provision	(2.270.961)	(1.743.189)	-	-
Investment allowance	(27.380.378)	(32.736.325)	-	-
Other	(3.423.836)	(2.181.417)	2.457.481	2.906.902
	<b>(42.686.721)</b>	<b>(45.286.047)</b>	<b>63.793.380</b>	<b>64.582.805</b>

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**19. TAX ASSETS AND LIABILITIES (cont'd)**

<b><u>Movement of Deferred Tax Liabilities:</u></b>	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Opening balance	19.296.758	21.744.452
Addition to the scope of consolidation	(1.951.617)	-
Taxes netted against funds recognised under equity	(36.964)	(85.970)
Deferred tax (loss)/gain	3.798.482	(6.562.436)
Closing balance	<b>21.106.659</b>	<b>15.096.046</b>

**Corporate Tax**

The Company and its Turkish subsidiaries are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 31 March 2016 is 20% (2015: 20%). Hi Food for Advanced Food Industries is exempt from the corporate tax for the income earned from operating activities until 31 December 2018 due to the tax incentive provided by Egyptian legislation.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2016 (31 December 2015: 20%).

Losses are allowed to be carried five years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1st -25th of April following the close of the accounting year to which they relate. The companies with special accounting periods, file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

**Income withholding tax**

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Provision for taxation as of 31 March 2016 and 31 December 2015 are as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Current year corporate tax provision	(20.621.276)	(50.485.572)
Prepaid taxes and funds	31.586	42.233.815
Taxation in the balance sheet	<b>(20.589.690)</b>	<b>(8.251.757)</b>
	<b>1 January- 31 March 2016</b>	<b>1 January – 31 March 2015</b>
Current year corporate tax provision	20.621.276	17.607.311
Deferred tax income	3.798.482	(6.562.436)
Taxation in the income statement	<b>24.419.758</b>	<b>11.044.875</b>

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**20. EARNINGS PER SHARE**

A summary of the Group's weighted average number of shares outstanding as of 31 March 2016 and 31 March 2015 and computation of earnings per share set out here as follows:

	<b>1 January 31 March 2016</b>	<b>1 January 31 March 2015</b>
Weighted average number of common stock outstanding	34.200.000.000	34.200.000.000
Net profit	86.185.851	36.776.867
<b>Basic Earnings Per Share (TL 1 par value each)</b>	<b>0,25</b>	<b>0,11</b>

**21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

a) The detail of receivables from related parties is as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Trade receivables	586.694.371	631.202.588
Non-trade receivables	5.460.303	16.636.721
	<b>592.154.674</b>	<b>647.839.309</b>

The detail of trade and non-trade receivables is as follows:

	<b>31 March 2016</b>		<b>31 December 2015</b>	
	<b>Trade</b>	<b>Non-Trade</b>	<b>Trade</b>	<b>Non-Trade</b>
<i>Principle Shareholders</i>				
Yıldız Holding A.Ş.	2.409.468	-	-	-
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	279.392.401	-	257.569.998	-
Pasifik Tük. Ürün. Satış Ve Ticaret A.Ş.	204.609.992	-	186.668.812	-
Teközel Gıda T.Sağ. Mrk. Hiz. San. Tic. A.Ş.	39.990.655	-	44.551.045	-
Misbis Gıda San. Tic. A.Ş.	3.609.358	-	3.608.941	7.297.899
Önem Gıda San. ve Tic. A.Ş.	2.888.912	-	363.154	-
Natura Gıda San. ve Tic. A.Ş.	620.728	-	427.371	-
Food Manufacturers' Company	388.918	5.460.303	-	9.338.822
Rekor Gıda Paz. San. ve Tic. A.Ş.	-	-	41.768.628	-
İstanbul Gıda Dış Tic. A.Ş.	-	-	66.922.279	-
Other	52.783.939	-	29.322.360	-
	<b>586.694.371</b>	<b>5.460.303</b>	<b>631.202.588</b>	<b>16.636.721</b>

The Group's trade receivables from related parties mainly arise from sales to Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Ticaret A.Ş. those make the sale and distribution of products throughout Turkey.

The detail of advances given to related parties is as follow:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Önem Gıda San. ve Tic. A.Ş.	105.539.237	112.601.084
	<b>105.539.237</b>	<b>112.601.084</b>

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**21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)**

b) The detail of payables to related parties is as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Trade payables	283.901.844	257.125.996
Non-trade payables	71.415.848	-
	<b><u>355.317.692</u></b>	<b><u>257.125.996</u></b>

The detail of payables to related parties is as follows:

	<b>31 March 2016</b>		<b>31 December 2015</b>	
	<b>Trade</b>	<b>Non-Trade</b>	<b>Trade</b>	<b>Non-Trade</b>
<b><i>Principle Shareholder</i></b>				
Yıldız Holding A.Ş. (*)	-	63.750.557	12.757.687	-
<b><i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i></b>				
Önem Gıda San. ve Tic. A.Ş.	202.843.867	-	188.193.298	-
Besler Gıda ve Kimya San. Tic. A.Ş.	36.199.096	740	37.249.513	-
Marsa Yağ San. ve Tic. A.Ş.	14.037.683	-	15.197.181	-
Northstar Innovation A.Ş.	509.750	-	1.774.659	-
Other (*)	30.311.448	7.664.551	6.836.277	-
	<b><u>283.901.844</u></b>	<b><u>71.415.848</u></b>	<b><u>257.125.996</u></b>	<b><u>-</u></b>

(\*) Presents the dividend payables not paid as of the reporting date amounting to TL 46.209.653 to Yıldız Holding A.Ş. and TL 7.623.926 to Ülker family and the related party Farmamak Ambalaj Maddeleri ve Ambalaj Makineleri.

The detail of due to related parties as loan payable is as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Eksper Gıda Pazarlama San. ve Tic. A.Ş.	-	58.152.000
	<b><u>-</u></b>	<b><u>58.152.000</u></b>

(\*) Eksper Gıda Pazarlama San. ve Tic. A.Ş. and İstanbul Gıda Dış Ticaret A.Ş. have merged under İstanbul Gıda Dış Ticaret A.Ş. as of 31 December 2015.

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**21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)**

c) The detail of purchases from and sales to related parties is as follows:

	<b>1 January – 31 March 2016</b>		<b>1 January – 31 March 2015</b>	
	<b>Purchases</b>	<b>Sales</b>	<b>Purchases</b>	<b>Sales</b>
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>				
Önem Gıda San. ve Tic. A.Ş.	281.954.363	49.309	265.975.727	829.448
Besler Gıda ve Kimya San. ve Tic. A.Ş.	43.023.423	80.160	34.149.687	-
Marsa Yağ San. ve Tic. A.Ş.	14.270.277	105.629	14.517.352	-
Pendik Nişasta San. A.Ş.	13.238.115	-	7.840.516	-
CCC Gıda San. ve Tic. A.Ş.	6.901.540	13.134	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	1.992.919	-	3.838	36.884.039
Teközel Gıda Tem. Sağ. Mark. Hizm. A.Ş.	84.760	45.553.306	-	49.754.883
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	426.461.689	-	388.894.140
Ak Gıda San. ve Tic. A.Ş.	-	-	20.608.733	1.217
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	223.818.403	-	200.840.344
İstanbul Gıda Dış Tic. A.Ş.	-	-	3.543	54.209.457
Other	16.881.986	51.787.155	3.137.898	41.390.638
	<b>378.347.383</b>	<b>747.868.785</b>	<b>346.237.294</b>	<b>772.804.166</b>

d) The detail of income and expenses pertaining to interest, rent and services arising from transactions with related parties is as follows:

For the three month period ended on 31 March 2016:

	<b>Rent Income</b>	<b>Rent Expense</b>	<b>Service Income</b>	<b>Service Expense</b>	<b>Interest Income and Foreign exchange gains</b>	<b>Interest Expense and Foreign exchange losses</b>
<i>Principle Shareholder</i>						
Yıldız Holding A.Ş.	14.864	(575)	9.378	(25.569.149)	59.313.344	(67.395.944)
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	-	(400.554)	133.636	(3.946.420)
Hüner Pazarlama San. ve Tic. A.Ş.	172.718	-	137.492	(23.704)	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	34.026	(42.910)	564.453	(2.374.808)	-	-
Önem Gıda San. ve Tic. A.Ş.	153.243	(1.950)	1.296.019	(6.975.745)	167.772	(484.211)
Marsa Yağ San. ve Tic. A.Ş.	1.723	-	9.389	-	104.141	(26.427)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	37.874	-	44.166	(628.435)	-	-
Northstar Innovation A.Ş.	-	-	-	(88.520)	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	7.488	(309.876)	3.734	(153.455)	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	14.111	-	-	(29.914)	-	-
Other	6.102	-	432.806	(29.585)	940.386	(838.406)
	<b>442.149</b>	<b>(355.311)</b>	<b>2.497.437</b>	<b>(36.273.869)</b>	<b>60.659.279</b>	<b>(72.691.408)</b>

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**21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont'd)**

For the three month period ended on 31 March 2015:

	<b>Rent Income</b>	<b>Rent Expense</b>	<b>Service Income</b>	<b>Service Expense</b>	<b>Interest Income and Foreign exchange gains</b>	<b>Interest Expense and Foreign exchange losses</b>
<i>Principle Shareholder</i>						
Yıldız Holding A.Ş.	30.572	(217.116)	677.083	(28.860.150)	7.927.065	(19.463.321)
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	94.465	(308.317)	39.316	(585.154)
Hüner Pazarlama San. ve Tic. A.Ş.	157.578	-	101.078	(52.843)	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	4.653	-	98.999	(778.761)	18.615	-
Önem Gıda San. ve Tic. A.Ş.	145.127	(1.800)	1.203.816	(373.605)	350.589	(391.252)
Marsa Yağ San. ve Tic. A.Ş.	1.602	-	626	-	112.884	(878.440)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	24.968	-	121.087	(501.076)	-	(107.126)
Northstar Innovation A.Ş.	-	-	-	(2.707)	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	6.476	(142.049)	4.336	(115.247)	5	-
İstanbul Gıda Dış Tic. A.Ş.	-	(1.685)	346.903	(237.959)	2.267.462	(719.323)
Rekor Gıda Paz. San. ve Tic. A.Ş.	44.188	-	214.625	(102.378)	51.072	-
Eksper Gıda Pazarlama San. ve Tic. A.Ş.	-	-	755.986	(1.021.578)	863.078	(8.712.407)
Natura Gıda San. ve Tic. A.Ş.	-	-	42.314	-	11	-
Other	8.681	-	300.655	(363.632)	20.996	(22.976)
	<b>423.845</b>	<b>(362.650)</b>	<b>3.961.973</b>	<b>(32.718.253)</b>	<b>11.651.093</b>	<b>(30.879.999)</b>

e) Benefits provided to members of BOD and key management personnel:

	<b>31 March 2016</b>	<b>31 March 2015</b>
Fees and other short term benefits	3.216.580	1.709.684
	<b>3.216.580</b>	<b>1.709.684</b>

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**22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**

*Foreign currency risk management*

As of balance sheet date, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	<b>2016</b>					
	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>	<b>DKK</b>
1. Trade Receivables	172.680.699	43.673.254	13.957.649	1.020.303	-	-
2a. Monetary Financial Assets	2.200.854.483	507.539.017	237.584.019	129.361	20.593	28.858
2b. Non-Monetary Financial Assets	-	-	-	-	-	-
3. Other	3.524.410	949.175	259.429	673	-	-
<b>4. CURRENT ASSETS</b>	<b>2.377.059.592</b>	<b>552.161.446</b>	<b>251.801.097</b>	<b>1.150.337</b>	<b>20.593</b>	<b>28.858</b>
5. Trade receivables	6.091.340	2.149.834	-	-	-	-
6a. Monetary Financial Assets	87.757	30.859	100	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	14.481.286	2.866.941	1.981.888	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>20.660.383</b>	<b>5.047.634</b>	<b>1.981.988</b>	-	-	-
<b>9. TOTAL ASSETS</b>	<b>2.397.719.975</b>	<b>557.209.080</b>	<b>253.783.085</b>	<b>1.150.337</b>	<b>20.593</b>	<b>28.858</b>
10. Trade Payables	76.249.573	14.133.888	10.742.440	402.302	34.023	-
11. Financial Liabilities	924.843.650	294.118.491	28.517.913	-	-	-
12a. Other Monetary Financial Liabilities	2.867.614	140.537	467.366	237.958	-	-
12b. Other Non-Monetary Financial Liabilities	9.240.666	2.761.246	439.791	1.486	-	-
<b>13. SHORT-TERM LIABILITIES</b>	<b>1.013.201.503</b>	<b>311.154.162</b>	<b>40.167.510</b>	<b>641.746</b>	<b>34.023</b>	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.710.751.270	336.814.256	235.784.968	-	-	-
16a. Other Monetary Financial Liabilities	8.460.292	2.985.915	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-	-
<b>17. LONG-TERM LIABILITIES</b>	<b>1.719.211.562</b>	<b>339.800.171</b>	<b>235.784.968</b>	-	-	-
<b>18. TOTAL LIABILITIES</b>	<b>2.732.413.065</b>	<b>650.954.333</b>	<b>275.952.478</b>	<b>641.746</b>	<b>34.023</b>	-
19. Net foreign currency asset/liability position	(334.693.090)	(93.745.253)	(22.169.393)	508.591	(13.430)	28.858
20. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	<b>(343.458.120)</b>	<b>(94.800.123)</b>	<b>(23.970.919)</b>	<b>509.404</b>	<b>(13.430)</b>	<b>28.858</b>

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**22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENT (cont'd)**

*Foreign currency risk management (cont'd)*

	2015					
	TL Equivalent	USD	EUR	CHF	GBP	DKK
1. Trade Receivables	84.789.424	20.883.622	7.461.441	-	83.412	-
2a. Monetary Financial Assets	1.326.974.065	272.541.093	167.978.450	8.426	167.002	52.602
2b. Non-Monetary Financial Assets	704.437	242.275	-	-	-	-
3. Other	4.096.348	1.249.438	141.888	3.364	644	-
<b>4. CURRENT ASSETS</b>	<b>1.416.564.274</b>	<b>294.916.428</b>	<b>175.581.779</b>	<b>11.790</b>	<b>251.058</b>	<b>52.602</b>
5. Trade Receivables	6.196.664	2.131.195	-	-	-	-
6a. Monetary Financial Assets	88.318	30.375	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	25.028.612	1.634.213	5.997.235	416.750	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>31.313.594</b>	<b>3.795.783</b>	<b>5.997.235</b>	<b>416.750</b>	<b>-</b>	<b>-</b>
<b>9. TOTAL ASSETS</b>	<b>1.447.877.868</b>	<b>298.712.211</b>	<b>181.579.014</b>	<b>428.540</b>	<b>251.058</b>	<b>52.602</b>
10. Trade Payables	31.481.024	3.382.896	6.723.124	61.322	23.712	-
11. Financial Liabilities	111.510.473	31.473.981	6.293.028	-	-	-
12a. Other Monetary Financial Liabilities	46.517	-	14.639	-	-	-
12b. Other Non-monetary Financial Liabilities	691.596	57.969	164.604	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>143.729.610</b>	<b>34.914.846</b>	<b>13.195.395</b>	<b>61.322</b>	<b>23.712</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.570.188.333	282.890.795	235.289.230	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>1.570.188.333</b>	<b>282.890.795</b>	<b>235.289.230</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL NON-CURRENT LIABILITIES</b>	<b>1.713.917.943</b>	<b>317.805.641</b>	<b>248.484.625</b>	<b>61.322</b>	<b>23.712</b>	<b>-</b>
19. Net foreign currency liability position	(266.040.075)	(19.093.430)	(66.905.611)	367.218	227.346	52.602
20. Net foreign currency of monetary items (1+2a+5+6a-10-11-12a-14-15-	<b>(295.177.876)</b>	<b>(22.161.387)</b>	<b>(72.880.130)</b>	<b>(52.896)</b>	<b>226.702</b>	<b>52.602</b>

The Group's export and import balances for the three months period are presented below:

	1 January – 31 March 2016	1 January – 31 March 2015
Total exports	203.190.306	111.590.210
Total imports	64.254.223	20.144.610

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**22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENT (cont'd)**

*Foreign currency risk sensitivity*

The Group is exposed to foreign exchange risk arising primarily from USD and EUR .In the table below, the foreign currency sensitivity of the Company arising from 10% change in US dollar and EUR rates. 10% is the rate used when reporting to senior management of the Company. This rate is the anticipated rate change of the Company's senior management. Sensitivity analysis includes only the monetary items in foreign currency at year end and shows the effect of 10% increase in USD and in EUR foreign currency rates. Negative value implies the effect of 10% increase in USD and in EUR foreign currency rates against TL on the decrease in the net profit.

	31 March 2016		31 March 2015	
	Income / Expense	Income / Expense	Income / Expense	Income / Expense
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of 10% appreciation of USD against TL			
1 - US Dollar net asset / liability	(26.860.667)	26.860.667	26.530.755	(26.530.755)
2- Part of hedged from US Dollar risk (-)	-	-		
<b>3- US Dollar net effect (1 +2)</b>	<b>(26.860.667)</b>	<b>26.860.667</b>	<b>26.530.755</b>	<b>(26.530.755)</b>
	In case of 10% appreciation of EUR against TL			
4 - Euro net asset / liability	(7.690.111)	7.690.111	(62.536.811)	62.536.811
5 - Part of hedged from Euro risk (-)	-	-		
<b>6- Euro net effect (4 +5)</b>	<b>(7.690.111)</b>	<b>7.690.111</b>	<b>(62.536.811)</b>	<b>62.536.811</b>
<b>Total (3 + 6)</b>	<b>(34.550.778)</b>	<b>34.550.778</b>	<b>(36.006.056)</b>	<b>36.006.056</b>

**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

Fair Value of Financial Assets

Fair value measurements by level of the following fair value measurement hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)**

Fair Value of Financial Assets (cont'd)

The classification of the Company's financial assets and liabilities at fair value is as follows:

	31 March 2016	Level of fair value as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets for which fair value differences reflected through profit and loss				
- Shares	620.223	620.223	-	-
Financial assets for which fair value differences reflected through comprehensive income statement				
- Shares	771.036.284	36.551.810	734.484.474	-
<b>Total</b>	<b>771.656.507</b>	<b>37.172.033</b>	<b>734.484.474</b>	<b>-</b>

	31 December 2015	Level of fair value as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets for which fair value differences reflected through profit and loss				
- Shares	704.437	704.437	-	-
Financial assets for which fair value differences reflected through comprehensive income statement				
- Shares	765.134.066	30.649.592	734.484.474	-
<b>Total</b>	<b>765.838.503</b>	<b>31.354.029</b>	<b>734.484.474</b>	<b>-</b>

**24. EVENTS AFTER THE BALANCE SHEET DATE**

At the General Assembly Meeting for the year of 2015 held on 24 March 2016, it has been resolved to distribute TL 94.000.000 as cash, and fully funded by the profit for the year and started to be distributed as of 5<sup>th</sup> April, 2016.