INDEPENDENT AUDITOR'S REPORT

(Convenience translation into English - the Turkish text is authoritative)

To the Board of Directors of
Pınar Entegre Et ve Un Sanayii A.Ş.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Pınar Entegre Et ve Un Sanayii A.Ş. (the "Company"), which comprise the statement of financial position as of 31 December 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Accounting Standards ("TAS") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Independent Auditing Standarts that part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

   An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on independent auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments; the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the financial statements present fairly, in all material respects, the financial position of Pınar Entegre Et ve Un Sanayii A.Ş. as of 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter

5. As explained in Notes 1 and 7 to the financial statements, the Company sells a substantial portion of its products to its related party and associate, Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş., which performs sales and distribution of the Company's products in the domestic market.

Other Responsibilities Arising From Regulatory Requirements

6. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 2 March 2015.

7. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period

   1 January – 31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

8. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Yöntem Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.
a member of Nexia International

ORIGINAL COPY ISSUED AND SIGNED IN TURKISH

Atila Yılmaz Dölarslan, YMM
Partner

İzmir, 2 March 2015

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Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Financial Position (Balance Sheets) at 31 December 2014 and 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements Originally issued in Turkish

	Notes	31 December 2014	31 December 2013
ASSETS			
Current assets		**113.982.910**	**143.761.136**
Cash and Cash Equivalent	6	1.741.969	13.776.369
Trade Receivables		65.607.092	66.759.041
- Due From Related Parties	7	51.881.992	50.195.301
- Other Trade Receivables	8	13.725.100	16.563.740
Other Receivables		3.970.767	21.199.184
- Due From Related Parties	7	3.932.561	21.147.953
- Other Receivables		38.206	51.231
Inventories	11	40.001.788	37.209.662
Prepaid Expenses	13	2.298.802	2.295.724
Other Current Assets	30	362.492	2.521.156
Non-current Assets		**330.813.174**	**297.516.737**
Financial Assets	48	628.775	608.945
Investments in Associates Accounted for Using Equity Method	4	129.579.361	106.724.092
Property, Plant and Equipment	15	199.751.307	189.458.626
Intangible Assets	18	285.345	225.791
Prepaid Expenses	13	568.386	499.283
TOTAL ASSETS		**444.796.084**	**441.277.873**

The financial statements at 31 December 2014 and for the year then ended have been approved for issue by Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş. on 2 March 2015.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Financial Position (Balance Sheets) at 31 December 2014 and 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements Originally issued in Turkish

	Notes	31 December 2014	31 December 2013
LIABILITIES			
Current liabilities		**77.440.824**	**84.499.869**
Short-Term Borrowings	25	780.070	680.047
Other Financial Liabilities	25	78.607	121.169
Trade Payables		71.654.044	79.041.772
- Due to Related Parties	7	13.353.642	20.614.673
- Other Trade Payables	8	58.300.402	58.427.099
Payables Related to Employee Benefits	28	848.354	731.841
Other Payables		1.772.651	1.095.848
- Due to Related Parties	7	52.152	52.152
- Other Payables	10	1.720.499	1.043.696
Deferred Income	13	8.759	41
Current Income Tax Liabilities	41	1.419.123	1.224.733
Short-Term Provisions		859.189	1.125.022
- Provisions for Employee Benefits	28	793.515	1.064.802
- Other Provisions	26	65.674	60.220
Other Current Liabilities	30	20.027	479.396
Non-Current Liabilities		**22.909.693**	**23.753.867**
Long-Term Provisions		13.615.911	11.659.529
- Provisions for Employee Termination Benefits	28	13.615.911	11.659.529
Deferred Income Tax Liabilities	41	9.293.782	12.094.338
TOTAL LIABILITIES		**100.350.517**	**108.253.736**
EQUITY		**344.445.567**	**333.024.137**
Share Capital	31	43.335.000	43.335.000
Adjustment to Share Capital	31	37.059.553	37.059.553
Other Comprehensive Income/ (Expense) Not To Be Reclassified to Profit or Loss		91.411.329	96.895.853
- Revaluation of Property, Plant and Equipment	15	97.079.518	100.518.080
- Actuarial loss arising from defined benefit plans		(3.958.200)	(2.451.011)
- Actuarial loss arising from defined benefit plans of investments-in associates		(1.709.989)	(1.171.216)
Other Comprehensive Income/ (Expense) to be Reclassified to Profit or Loss		9.792.654	8.085.518
- Foreign Currency Translation Differences		1.149.615	1.344.740
- Cash Flow Hedge on Fair Value Reserves of Investments-in-Associates		(80.153)	(68.346)
- Fair Value Reserves of Available-for-Sale Investments	48	67.755	51.891
- Fair Value Reserves of Investments-in-Associates	4	8.655.437	6.757.233
Restricted Reserves	31	28.088.560	25.055.110
Retained Earnings		90.496.965	84.337.694
Profit for the Year		44.261.506	38.255.409
TOTAL LIABILITIES AND EQUITY		**444.796.084**	**441.277.873**

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements Of Income And Other Comprehensive Income For The Periods 1 January - 31 December 2014 And 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements Originally issued in Turkish

	Notes	1 January - 31 December 2014	1 January - 31 December 2013
PROFIT OR LOSS			
Revenue	32	550.921.324	479.294.192
Cost of Sales	32	(468.670.413)	(396.232.302)
Gross Profit from Trading Operations		**82.250.911**	**83.061.890**
GROSS PROFIT	32	**82.250.911**	**83.061.890**
General Administrative Expenses	34	(18.056.979)	(16.056.920)
Marketing Expenses	34	(26.668.163)	(28.063.013)
Research and Development Expenses	34	(1.368.136)	(1.110.750)
Other Operating Income	35	1.581.560	2.493.720
Other Operating Expense	35	(1.518.700)	(2.051.444)
OPERATING PROFIT		**36.220.493**	**38.273.483**
Income from Investment Activities	36	1.710.407	2.967.078
Expense from Investment Activities	36	(121.373)	(663.228)
Share of Results of Investment-in-Associates-net	4	9.937.071	4.216.216
OPERATING PROFIT BEFORE FINANCIAL INCOME		**47.746.598**	**44.793.549**
Financial Income	38	1.838.728	1.934.797
Financial Expenses	38	(157.528)	(1.162.257)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**49.427.798**	**45.566.089**
Tax Expense of Continuing Operations		(5.166.292)	(7.310.680)
- Current Income Tax Expense	41	(7.594.017)	(8.549.858)
- Deferred Tax Income	41	2.427.725	1.239.178
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**44.261.506**	**38.255.409**
PROFIT FOR THE YEAR		**44.261.506**	**38.255.409**
Earnings per share:		**1,0214**	**0,8828**
- Earnings Per 1 Kr Number of 100 Shares From Continuing Operations	42	1,0214	0,8828
OTHER COMPREHENSIVE INCOME:			
Other Comprehensive Income/Expense Not to Be Reclassified to Profit or Loss:		**(2.045.962)**	**7.020.985**
Increase in Revaluation Reserve of Investments-in-Associates	4	-	549.896
Increase in Revaluation Reserve		-	8.027.123
Actuarial Loss Arising from Defined Benefit Plans of Investments-in-Associates	4	(538.773)	(236.673)
Actuarial Loss Arising from Defined Benefit Plans	28	(1.883.986)	(318.358)
Taxes for Other Comprehensive Income Not to Be Reclassified to Profit or Loss		376.797	(1.001.003)
- Deferred Tax Income/ (Expenses)	41	376.797	(1.001.003
Other Comprehensive Income/ Expense to Be Reclassified to Profit or Loss:		**1.707.136**	**(692.242)**
Foreign currency translation differences	4	(195.142)	962.641
Foreign Currency Translation Differences	4	(195.125)	962.659
Increase in Fair Value Reserve of Available-for-sale Investments	48	19.830	7.374
Increase in Fair Value Reserves of Investments-in-Associates	4	1.898.204	(1.822.391)
Cash Flow Hedge on Fair Value Reserves of Investments-in-Associates	4	(11.807)	161.591
Taxes for Other Comprehensive Income To Be Reclassified to Profit or Loss		(3.966)	(1.475)
- Deferred Tax Expenses	41	(3.966)	(1.475)
OTHER COMPREHENSIVE (EXPENSE)/ INCOME		**(338.826)**	**6.328.743**
TOTAL COMPREHENSIVE INCOME		**43.922.680**	**44.584.152**

The accompanying notes are an integral part of these financial statements.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Cash Flows for the Years Ended at 31 December 2014 and 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements Originally issued in Turkish

	Notes	1 January - 31 December 2014	1 January - 31 December 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Year		**44.261.506**	**38.255.409**
Adjustments Related to Reconciliation of Net Profit for The Year		**5.048.616**	**11.666.376**
Adjustments Related to Taxation on (Income)/ Expense	41	5.166.292	7.310.680
Adjustments Related to Depreciation and Amortisation	15-18	9.508.960	8.625.365
Adjustments Related to Provision for Employment Termination Benefits	28	2.312.075	1.803.646
Adjustments Related to Interest Income	35-36-38	(2.046.984)	(3.777.955)
Adjustments Related to İnterest Expense	35-36-38	408.757	1.186.609
Adjustments Related to Inventory Profit Elimination	4	13.285	73.757
Adjustments Related to shares of results of investments-in-associates	4	(9.937.071)	(4.216.216)
Adjustments Related to İmpairment on Available-for-Sale İnvestments	36	-	85.574
Adjustments Related to (Loss)/ Gain on Sales of Property, Plant And Equipment - Net	36	(292.063)	571.528
Adjustments Related to Unrealized Foreign Exchange (Loss)/ Gain		(84.635)	3.388
Changes in working capital		**(5.942.006)**	**6.001.945**
Adjustments Related to Decrease in Trade Receivables	8	2.838.640	1.429.943
Adjustments Related to Increase in İnventories	11	(2.792.126)	(6.699.470)
Adjustments Related to İncrease in Trade Receivables From Related Parties	7	(1.686.691)	(7.473.256)
Adjustments Related to Decrease/ (İncrease) In Other Receivables And Other Current Assets		2.168.611	(3.423.014)
Adjustments Related to Increase in Other Non-Current Assets		(69.103)	(473.065)
Adjustments Related to İncrease in Trade Payables	8	373.303	10.800.025
Adjustments Related to (Decrease)/ İncrease in Trade Payables to Related Parties	7	(7.261.031)	11.705.065
Adjustments Related to İncrease in Other Current And Non-Current Liabilities		486.391	135.717
Cash used in operating activities		**(10.091.428)**	**(9.714.075)**
Employment Termination Benefits Paid	28	(2.400.184)	(702.913)
Bonus Paid	28	(291.617)	(228.921)
Taxes Paid	41	(7.399.627)	(8.782.241)
Net Cash Generated from Operating Activities		**33.276.688**	**46.209.655**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received		2.046.986	4.139.949
Dividends Received	7	1.388.762	4.244.617
Purchases of Property, Plant and Equipment and İntangible Assets		(20.453.752)	(23.425.891)
Proceeds from Sales of Property, Plant and Equipment		881.873	23.663
Purchasing Shares of İnvestment-in-associates		(13.165.000)	-
Decrease in Non-Trade Due from Related Parties	7	17.215.392	20.668.102
Net Cash (Used In)/ Generated From Investing Activities		**(12.085.739)**	**5.650.440**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows Related to Financial Liabilities		100.023	(9.189.413)
Decrease in Non-Trade Due to Related Parties	7	(500.000)	(96.568)
Dividends Paid	7	(32.501.250)	(27.734.400)
Interest Paid		(408.757)	(1.540.553)
Net Cash Used in Financing Activities		**(33.309.984)**	**(38.560.934)**
Net (Decrease)/ Increase in Cash and Cash Equivalents Before Foreign Currency Translation Differences		**(12.119.035)**	**13.299.161**
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**84.635**	**(3.388)**
Net (Decrease)/ Increase in Cash and Cash Equivalents		**(12.034.400)**	**13.295.773**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**13.776.369**	**480.596**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**1.741.969**	**13.776.369**

The accompanying notes are an integral part of these financial statements.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Changes in Equity for the Years Ended 31 December 2014 and 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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			Other Comprehensive Income/(Expense) not to be reclassified to profit or loss		
	Share Capital	Adjustment to Share Capital	Revaluation Reserve	Actuarial Gain/(Loss) Arising From Defined Benefit Plans	Actuarial Gain/(Loss) Arising From Benefit Plans of Investments in-Associates
PREVIOUS PERIOD					
Amounts as of 1 January 2013 (opening)	**43.335.000**	**37.059.553**	**97.364.859**	**(2.196.325)**	**(934.543)**
Dividend payment (Note 7)	-	-	-	-	-
Transfer of profit for prior year to retained earnings	-	-	-	-	-
Legal reserves	-	-	-	-	-
Total comprehensive income	-	-	7.512.344	(254.686)	(236.673)
Depreciation transfer of investments - net (Note 15)	-	-	(1.057.891)	-	-
Sale of property, plant and equipment	-	-	(414.809)	-	-
Depreciation transfer - net (Note 15)	-	-	(2.886.423)	-	-
Amounts as of 31 December 2013 (closing)	**43.335.000**	**37.059.553**	**100.518.080**	**(2.451.011)**	**(1.171.216)**

			Other Comprehensive Income/(Expense) not to be reclassified to profit or loss		
	Share Capital	Adjustment to Share Capital	Revaluation Reserve	Actuarial Gain/(Loss) Arising From Defined Benefit Plans	Actuarial Gain/(Loss) Arising From Benefit Plans of Investments in-Associates
CURRENT PERIOD					
Amounts as of 1 January 2014 (opening)	**43.335.000**	**37.059.553**	**100.518.080**	**(2.451.011)**	**(1.171.216)**
Dividend payment (Note 7)	-	-	-	-	-
Transfer of profit for prior year to retained earnings					
Legal reserves	-	-	-	-	-
Total comprehensive income	-	-	-	(1.507.189)	(538.773)
Depreciation transfer of investments - net (Note 15)	-	-	(352.725)	-	-
Sale of property, plant and equipment	-	-	(191.501)	-	-
Depreciation transfer - net (Note 15)	-	-	(2.894.336)	-	-
Amounts as of 31 December 2014 (closing)	**43.335.000**	**37.059.553**	**97.079.518**	**(3.958.200)**	**(1.709.989)**

The accompanying notes are an integral part of these financial statements.

Other Comprehensive Income/(Expense) to be reclassified to profit or loss					Retained Earnings		
Foreign Currency Translation Differences	Fair Value Reserve for Available-For-Sale Investments	Fair Value Reserve for Investment- in-Associates	Cash Flow Hedge on Fair Value Reserves of Investments-in- Associates	Restricted Reserves	Retained Earnings	Profit for the year	Total Equity
382.081	**45.992**	**8.579.624**	**(229.937)**	**22.448.345**	**77.647.810**	**32.671.926**	**316.174.385**
-	-	-	-	-	(27.734.400)	-	(27.734.400)
-	-	-	-	-	32.671.926	(32.671.926)	-
-	-	-	-	2.606.765	(2.606.765)	-	-
962.659	5.899	(1.822.391)	161.591	-		38.255.409	44.584.152
-	-	-	-	-	1.057.891	-	-
-	-	-	-	-	414.809	-	-
-	-	-	-	-	2.886.423	-	-
1.344.740	**51.891**	**6.757.233**	**(68.346)**	**25.055.110**	**84.337.694**	**38.255.409**	**333.024.137**

Other Comprehensive Income/(Expense) to be reclassified to profit or loss					Retained Earnings		
Foreign Currency Translation Differences	Fair Value Reserve for Available-For-Sale Investments	Fair Value Reserve for Investment- in-Associates	Cash Flow Hedge on Fair Value Reserves of Investments-in- Associates	Restricted Reserves	Retained Earnings	Profit for the year	Total Equity
1.344.740	**51.891**	**6.757.233**	**(68.346)**	**25.055.110**	**84.337.694**	**38.255.409**	**333.024.137**
-	-	-	-	-	(32.501.250)	-	(32.501.250)
					38.255.409	(38.255.409)	-
-	-	-	-	3.033.450	(3.033.450)	-	-
(195.125)	15.864	1.898.204	(11.807)	-	-	44.261.506	43.922.680
-	-	-	-	-	352.725	-	-
-	-	-	-	-	191.501	-	-
-	-	-	-	-	2.894.336	-	-
1.149.615	**67.755**	**8.655.437**	**(80.153)**	**28.088.560**	**90.496.965**	**44.261.506**	**344.445.567**

Pınar Entegre Et ve Un Sanayii A.Ş.

Notes to the Financial Statements for the Period Between 1 January - 31 December 2014

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Pınar Entegre Et ve Un Sanayii A.Ş. (the "Company") was established in 1985 and is engaged in production of meat and by-products of cattle, sheep, poultry and fish, frozen dough and packaged food. The Company sells its products under "Pınar" brand, which is one of the leading brands in food and beverages business in Turkey.

The Company is a member of Yaşar Group. Majority of the Company's sales in the domestic market amounting approximately 78% (2013: 76%) are made to its investment-in-associate, Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. ("YBP"), and majority of the exports are made to Yaşar Dış Ticaret A.Ş. ("YDT"), which are both Yaşar Group companies (Note 7).

The Company is subject to the regulations of the Capital Market Board ("CMB") and 33% (2013: 33%) of its shares are quoted on the Borsa Istanbul ("BIST"). The ultimate parent of the Company is Yaşar Holding A.Ş. ("Yaşar Holding") with 54% shares of the Company (2013: 54%) (Note 31).

The address of the registered head office of the Company is as follows:

Ankara Asfaltı 25. Km,

Kemalpaşa

İzmir

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation of Financial Statements

The accompanying 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, 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 financial statements of the Company 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 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 financial statements of the Company have been prepared accordingly.

The Company maintains its books of accounts and prepares its 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. These financial statements have been prepared under historical cost conventions except for financial assets, financial liabilities, land, buildings and land improvements, machinery and equipments which are carried at fair value. The 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. The Company's functional and reporting currency is Turkish Lira ("TL").

2.2.Amendments in Turkish Financial Reporting Standards

a) New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2014 and are adopted by the Company:

- Amendment to TAS 32 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in TAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- TAS 36 (amendment), "Impairment of assets" on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

Pınar Entegre Et ve Un Sanayii A.Ş.

Notes to the Financial Statements for the Period Between 1 January - 31 December 2014

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- TAS 39 (amendment), "Financial instruments: Recognition and Measurement'', is effective for annual periods beginning on or after 1 January 2014. These amendments address on novation of derivatives and hedge accounting and will allow hedge accounting to continue in a situation where a derivative is novated to effect clearing with a central counterparty as result of laws or regulation, if specific conditions are met.

- TFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on TAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

b) New standards, amendments and interpretations issued and effective as of 31 December 2014 have not been presented since they are not relevant to the operations of the Company or have insignificant impact on the financial statements.

c) New TFRS standards, amendments and IFRICs effective after 1 January 2015:

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010 - 12 cycle of the annual improvements project, that affect 9 standards:

  - TFRS 2, 'Share-based payment'
  - TFRS 3, 'Business Combinations'
  - TFRS 8, 'Operating segments'
  - TFRS 13, 'Fair value measurement'
  - TAS 16, 'Property, plant and equipment' and TAS 38,'Intangible assets'
  - Consequential amendments to TFRS 9, 'Financial instruments', TAS 37, 'Provisions, contingent liabilities and contingent assets', and
  - TAS 39, Financial instruments - Recognition and measurement'.

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011 - 12 - 13 cycle of the annual improvements project, that affect 4 standards:

  - TFRS 1, 'First time adoption'
  - TFRS 3, 'Business combinations'
  - TFRS 13, 'Fair value measurement' and
  - TAS 40, 'Investment property'.

- Amendment to TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. TFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- TFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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- Amendment to TAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
    - TFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
    - TFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to TFRS 1) regarding servicing contracts.
    - TAS 19, 'Employee benefits' regarding discount rates.
    - TAS 34, 'Interim financial reporting' regarding disclosure of information

The company will determine the effects of these amendments above on the financial statements and will apply after effective date. The amendments do not have significant impact on the Company's financial statements.

New standards, amendments and interpretations issued and effective as of 31 December 2014 have not been presented since they are not relevant to the operations of the company or have insignificant impact on the financial statements.

2.3 Accounting policies, errors and change in accounting estimates

Material changes in accounting policies and accounting errors are applied on a retrospective basis as if a prior period error had never occurred or the policy had always been applied. The effect of changes in accounting estimate shall be recognised prospectively by including it in the statement of comprehensive income within the period of the change, if the change affects that period only; or period of the change and future periods, if the change affects both.

2.4 Basis of Consolidation

The Company does not have any subsidiary to be consolidated in the financial statements. The investments-in-associates are accounted for using the equity method and are initially recognised at cost. These are undertakings over which the Company has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which not control. Unrealised gains on transactions between the Company has significant influence, but which not control. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Company's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves, such as fair value changes in available-for-sale financial assets, revaluation of property, plant and equipments, depreciation transfer and derecognition of such reserves, is recognised in statement of changes in equity and statement in comprehensive income.

When the carrying amount of the investment in an associated undertaking reaches zero, unless the Company has incurred obligations or guaranteed obligations in respect of the associates or significant influence of the Company ceases, cannot be expected more. Equity accounting is discontinued since the significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter.

Changes in ownership interests in subsidiaries without change of control or significant influence

The purchase of share in subsidiaries without change of control or significant influence accounted with the difference between the fair value of identifiable net assets and to be paid the fee for participation is recognized as goodwill in the carrying amount of investment in associates.

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The table below sets out the associates and the proportion of ownership interest as of 31 December 2014 and 2013 (Note 4):

	Shareholding (%)	
	2014	**2013**
Investments-in-associates		
YBP	42,78	38,05
Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş. ("Çamlı Yem")	23,38	23,38
Pınar Foods GmbH ("Pınar Foods")	44,94	44,94
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	26,41	26,41

Foreign currency translation

i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

ii) Translation of financial statements of foreign associate

Financial statements of Pınar Foods operating in Germany are prepared according to the legislation of the country in which it operates, and adjusted to the financial reporting standards issued by the CMB. The assets and liabilities of foreign associate are translated into TL from the foreign exchange rates at the balance sheet date, and the statement of comprehensive income items of foreign associate are translated into TL at the average foreign exchange rates in the period. As of 31 December 2014, the equivalent of EUR1 is TL2,8207 (2013: TL2,3517) and for the year then ended, the average equivalent of EUR1 is TL2,9049 (2013: TL2,5270). Exchange differences arising from re-translation of the opening net assets of investment-in-associate and the differences between the average and year-end rates are included in the "currency translation reserve" under the equity as a separate component.

2.5 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than revenue described in the section "Revenue Recognition" are presented as net if the nature of the transaction or the event qualify for offsetting.

2.6 Comparative Information

The Company prepared its financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its balance sheet at 31 December 2014 on a comparative basis with balance sheet at 31 December 2013; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2014 on a comparative basis with financial statements for the period of 1 January - 31 December 2013.

The reclassifications performed in the profit and loss statement and comprehensive income statements as of and for the year ended 31 December 2014 are presented below:

- As of 31 December 2013, unearned financial income, presented under financial income, amounting to TL686.815 were recognised in other operating income.
- As of 31 December 2013, unearned financial expense, presented under financial expense, amounting to TL739.965 were recognised in other operating expense.

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2.7 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements are summarised below:

2.7.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after elimination sales within the Company. At each balance sheet date any expenditure incurred but not yet invoiced is estimated and accrued.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement (Note32).

Revenue is recognized as follows:

Sales of goods:

Sales of goods are recognized when the Company delivers or sells products to the customer, the customer accepts the products and collectability of the related receivables is reasonably assured. It is the Company's policy to sell its products to the customers with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Sales of services:

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest Income:

Interest income is recognised on a time-proportion basis using the effective interest method. The amount of the provision for receivables is the difference between the assets's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate and recognized as interest income.

Other revenues earned by the Company are recognized on the following bases:

Rental income- recognized evenly on an accrual basis.

Dividend income - when the Company's right to receive payment is established.

2.7.2 Inventories

Raw materials of the Company mainly consist of meat and white meat as well as spices and animal fats, which are used in production of meat. Work in progress stocks mainly consists of processed turkey, cattle and sheep meat, finished goods consist of delicatessen, frozen and fresh meat product, other stocks mainly consists of spare parts

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost elements included in inventories comprise all costs of purchase of material and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on the monthly weighted average basis (Note 11).

2.7.3 Property, plant and equipment

Property, plant and equipment, except for land and land improvements, buildings, machinery and equipment, are carried at cost less accumulated depreciation. Land and land improvements and buildings are stated at fair value, based on valuations by external independent valuers namely Elit Gayrimenkul Değerleme A.Ş. and Vakıf Gayrimenkul Değerleme A.Ş. while machinery and equipment are stated at fair value, based on valuations by external independent valuers namely Vakıf Gayrimenkul Değerleme A.Ş. (Note 15). Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount is restated to the revalued amount of the asset.

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Increases in the carrying amount arising on the revaluation of land, land improvements, buildings and machinery and equipment are credited to the revaluation reserve in equity, net of applicable deferred income tax. For certain assets, the increase was recognized in the statement of comprehensive income to the extent that it reversed the impairment of the same asset previously recognized in the statement of comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to the accumulated losses, and the amount transferred is net of any related deferred income tax.

Buildings, machinery and equipment are capitalised and depreciated when they are in the location and condition necessary for it to be capable of operating in the manner intended by the management. At each balance sheet date, residual values and estimated useful lives of property, plant and equipment are reviewed and adjusted if appropriate, prospectively.

The advances given for the property, plant and equipment purchases are classified under the other non-current assets until the related asset is capitalised.

Depreciation is provided on the cost or revalued amounts of property, plant and equipment on a straight-line basis less any impairment (Note 15). Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of property, plant and equipments are as follows:

	Years
Buildings and land improvements	5-30
Machinery and equipments	5-20
Furniture and fixtures	5-10
Motor vehicles	5

Where the carrying amount of an asset is greater than its recoverable amount, an impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount If the property, plant and equipments that are impaired, are revalued, the impairment is charged to the revaluation reserves to the extent that the amount offsetting previous increases of the same asset charged in the revaluation reserves and all other decreases are recognised in the statement of comprehensive income.

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in the related income and expense accounts, as appropriate (Note 36). On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

Subsequent costs are included in the asset's carrying value recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipment are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, property plant and equipment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. The Company derecognizes the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Major overhauls are depreciated over shorter of their useful lives or the remaining useful life of the related assets. Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in the related income and expense accounts, as appropriate. On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

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2.7.4 Intangible assets

Intangible assets have finite useful lives and mainly comprise acquired rights. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful lives for a period of five years from the date of acquisition (Note 18). Costs associated with maintaining computer software programs are recognized as an expense when incurred. Gain or losses on disposals or on impairments of intangible assets with respect to their amounts are included in the related income and expense accounts. Residual values of intangible assets are deemed as negligible. Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use.

2.7.5 Impairment of assets

Impairment of financial assets

- Assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor,
- A breach of contract, such as a default or delinquency in interest or principal payments,
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation,
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) Adverse changes in the payment status of borrowers in the portfolio; and

(ii) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

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- Assets classified as available for sale

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, impairment losses recognized in the comprehensive income statement, on equity instruments are not reversed through the statement of comprehensive income.

Impairment of non-financial assets:

At each reporting date, the company assesses whether there is an impairment indication for the assets, except for the deferred income tax asset. When an indication of impairment exists, the company estimates the recoverable amounts of such assets. The recoverable amounts of intangible assets not yet available for use to be measured annually. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are allocated to cash generating units for the purpose of impairment testing, which is undertaken on the lowest level. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the statement of comprehensive income. Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognized.

In the case of impairment according to TAS 39 'Financial instruments: Recognition and measurement', test with comparing recoverable and carrying amount of impaired assets if there is and impairment according to TAS 36. Goodwill, accounted in investment in associates, does not recognized separately on the financial statements, so is not necessary to perform "Impairment of Assets" according to TAS 36. In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", if there is an indication of impairment in investment in associates, the carrying amount of the investments is tested in accordance with TAS 36, by comparing its recoverable amount (higher of value-in-use and fair value less cost to sell) with its carrying amount and any additional impairment loss is recognised, if any.

2.7.6 Borrowing and borrowing cost

Borrowings are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred (Note 38). If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities (Notes 25).

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. According to TAS 23 "Borrowing costs" (Revised), borrowing costs of qualifying assets having capitalisation date 1 January 2009 or later, can be capitalised, based on borrowing cost of qualifying asset, directly or as an asset acquisition or with an extent to associate directly with production, these borrowing costs should be capitalised as a part of cost of related asset.

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2.7.7 Financial assets

At each reporting date, the Company assesses whether there is an impairment indication for the assets, except for the deferred income tax asset. When an indication of impairment exists, the Company estimates the recoverable amounts of such assets. The recoverable amounts of intangible assets not yet available for use to be measured annually. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The Company does not have any financial asset - held to maturity or fair value changes accounted through statements of income or expenses.

i. Classification

- Loans and receivables

Loans and receivables constitute non-derivative financial instruments, which are not quoted in active markets and have fixed or scheduled payments. If the maturity of these instruments are less than 12 months, these loans and receivables are classified in current assets and if more than 12 months, classified in non-current assets. The loans and receivables are included in Trade receivables and Other receivables in the balance sheet.

When the loan is originated by the company by providing money directly to a bank, the loan is secured by Turkish government bonds and treasury bills, acquired under reverse repurchase agreements with banks with a predetermined sale price at fixed future dates and are stated at amortized cost. The accrued interest represents the apportionment to the current period of the difference between future sale prices and the amount provided by the company. Such originated loans where original maturity at the time the money is directly transferred to the bank is less than three months, are considered and classified as cash equivalents for the purposes of cash flow statements (Note 6).

- Available-for-sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. These are included in non-current assets, unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

ii. Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date -the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Dividend income from financial assets at fair value through profit or loss and available-for sale equity instruments is recognized in the statement of income as part of other income when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income.

2.7.8 Earnings per share

Earnings per share disclosed in the statement of comprehensive income are determined by dividing net income for the year by the weighted average number of shares that have been outstanding during the year concerned (Note 42).

Companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

In case of dividend distribution, earnings per share is calculated by dividing net income by the number of shares, rather than dividing by weighted average number of shares outstanding.

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2.7.9 Subsequent events

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorised for issue.

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

2.7.10 Provisions, contingent liabilities and contingent assets

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are treated as contingent assets or liabilities. The Company does not recognise contingent assets and liabilities (Note 26). The Company does not recognize contingent assets and liabilities. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are not recognized for future operating losses.

i. Employee benefits - defined benefit obligation (Provision for employment termination benefits)

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. All actuarial gains and losses are recognized in other comprehensive income.

ii. Provision for profit sharing and bonus plans

The Company recognizes a liability and an expense for bonus and profit-sharing for the management and board of directors, based on a formula that takes into consideration the profit attributable to the shareholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.7.11 Accounting policies, errors and change in accounting estimates

Material changes in accounting policies and accounting errors are applied on a retrospective basis as if a prior period error had never occurred or the policy had always been applied. The effect of changes in accounting estimate shall be recognised prospectively by including it in the statement of comprehensive income within the period of the change, if the change affects that period only; or period of the change and future periods, if the change affects both.

2.7.12 Related parties

For the purpose of these financial statements, shareholders having control, joint control or significant influence over the Company, Yaşar Group Companies, key management personnel and board members, and their close family members, in each case together with and companies controlled, jointly controlled or significantly influenced by them are considered and referred to as related parties (Note 7).

2.7.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that takes strategic decisions.

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The chief operating decision makers regularly monitor and review the operational results based on the main products' performances in domestic and foreign markets. However, as the nature of the products, production processes, type of customers, distribution methods and regulatory environment for the operations of the Company are identical, and the operations performed in foreign markets is not material, segment reporting is not applicable.

2.7.14 Leases

(1) The Company as the lessee

Finance Leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property net off any tax incentives received, if any, or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the lower of useful life or the lease period of the asset.

Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(2) The Company as the lessor

Operating Leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. Rental income is recognised on a straight-line basis over the lease term in the statement of comprehensive income.

2.7.15 Taxation on income

The tax expense for the period comprises current and deferred income tax. The current income tax liability includes the taxes payable calculated on the taxable portion of the period income with tax rates enacted on the balance sheet date. The adjustments related to prior period tax liabilities are recognised in other operating expenses.

Deferred income tax income or expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In case, when the tax is related to items recognized directly in equity and other comprehensive income, the tax is also recognized in equity and other comprehensive income.

Deferred income tax assets or liabilities are reflected to the financial statements to the extent that they will provide an increase or decrease in the taxes payable for the future periods where the temporary differences will be reversed, using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled as of the balance sheet date.

Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. To the extent that deferred income tax assets will not be utilised, the related amounts have been deducted accordingly (Note 41).

2.7.16 Statement of cash flow

In the statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Company's production and sales activities. Cash flows from investing activities indicate cash inflows and outflows resulting from property, plant and equipments and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

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2.7.17 Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on shares are recognised as an appropriation of the profit in the period in which they are declared. Dividend income is recognized when the Company's right to receive the payment is established.

2.7.18 Critical accounting estimates and judgements

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Company management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Company management are as follows:

a) Income taxes

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Company recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

b) Fair value determination of available-for-sale investments

The generally accepted valuation techniques used in fair value determination of available-for-sale investments for which there is no quoted market price exists, consist of several assumptions, which are based on the management's best estimates and fair value available-for-sale investments could be different when the purchase/ sales of the transactions incurred (Note 48).

c) Impairment test of goodwill and distribution network recognised as investments in associates

The Company management used several estimations and assumptions in the impairment test of assets in the impairment tests which are based on discounted cash flow technique as stated in TAS 36 "Impairment of Assets" (Note 4).

d) Revaluation of land, buildings and land improvements, machinery and equipments

Revaluations are performed with the sufficient regularity to ensure that the carrying amounts of the revalued property, plant and equipment and investment properties do not differ materially from that which would be determined using fair value at the end of the reporting periods. The frequency of the revaluation depends upon the changes in the fair values of the items of property, plant and equipment and investment properties. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required and revaluation is performed for entire class of revalued item simultaneously. Besides, for items of property, plant and equipment and investment properties with only insignificant changes in fair value frequent revaluations and fair value measurements are considered unnecessary.

As there were no recent similar buying/selling transactions nearby, revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements and machinery and equipment were based on the method of cost approach and based on the following valuation techniques and assumptions;

- Revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements and machinery and equipment were based on the method of cost approach, considering existing utilization of the aforementioned property, plant and equipments are consistent to the highest and best use approach.

- In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m^2 sale value was determined for lands subject to the valuation. The similar pieces of land found were compared in terms of location, accessibility, size, settlement status, changes in settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.

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- In the cost approach method, fair value of the buildings and land improvements was calculated by considering recent re-construction costs and related depreciation. In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components.
- Since a fully integrated industrial plant was in discussion, the revaluation work was performed based on all the active and functioning assets in the integrated plant rather than taking as basis the data for the second-hand market within the scope of the valuation of the machinery and equipment. Such machinery and equipment were reviewed and assessed by their line.

The carrying values of land, land improvements, buildings, machinery and equipment do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the Company performs impairment assessment for buildings, land improvements and machinery and equipment of which valuations are based on cost approach, accordance with the "TAS 36 Impairment of Assets", and no impairment indicator is identified.

2.8 Compliance declaration to resolutions published by POAASA and TAS/TFRS

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority. As Company management, we declare that the current and previous period financial statements together with the summary of the important accounting policies and notes to the financial statements are prepared and presented in accordance with Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority.

NOTE 3 - BUSINESS COMBINATIONS

None (2013: None).

NOTE 4 - INTERESTS IN OTHER ENTITIES

Investments-in-associates:

	31 December 2014		31 December 2013	
	TL	%	TL	%
YBP [*]	98.842.425	42,78	78.332.821	38,05
Çamlı Yem	17.620.411	23,38	16.317.149	23,38
Desa Enerji	8.196.156	26,41	7.157.807	26,41
Pınar Foods	4.920.369	44,94	4.916.315	44,94
	129.579.361		**106.724.092**	

[*] At 17 November 2014, the Company purchased share of 4,74% of YBP shares from Pınar Su amounting to TL13.165.000 which is valued by independent valuation firm.

The Company acquired 23% (equivalent to 4.601.731.996 units of shares), 6% (equivalent to 4.801.800.000 units of shares) and 4,74% (equivalent to 3.833.836.922 units of shares) of YBP shares in 2004, in 2005 and in 2014, in consideration of TL25.175.996, TL8.167.862 and TL13.165.000, respectively. Together with these acquisitions, the shares of the Company in YBP increased from 9,26% to 32,26% and then, to 38,05% and to 42,78% gradually.

The purchase of share in subsidiaries without change of control or significant influence accounted with the difference between the fair value of identifiable net assets and to be paid the fee for participation is recognized as goodwill in the carrying amount of investment in associates.

The distribution network, which is a component of fair value and stated in the financial statements as a result of acquisition of the associate, is not capable of being separated or divided from the entity and sold, transferred, licensed or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations, thus it is included in the goodwill generated from the acquisition. As of 31 December 2014, distribution network and the goodwill amounted to TL46.472.230 (2013: TL39.162.384). As of 31 December 2014, the Company performed an impairment test for the distribution network and

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goodwill in accordance with TAS 36 by using discounted cash flow method, and based on the impairment test, no impairment has been identified. The discount rate applied for the discounted cash flow is 12,06% p.a. whereas the growth rate is 1% p.a. (2013: The discount rate applied for the discounted cash flow is 12,62% p.a. whereas the growth rate is 1% p.a.).

Movement in investments-in-associates during the years are as follows:

	2014	2013
1 January	**106.724.092**	**107.209.671**
Increase/ (decrease) in fair value reserves investments-in-associates - net	1.898.204	(1.822.391)
Purchasing share of investment-in-associates	13.165.000	-
Share of profit before taxation of investments-in-associates - net	9.937.071	4.216.216
Increase in revaluation reserve of investments-in-associates - net	-	549.896
Cash flow hedge - net	(11.807)	161.591
Actuarial loss arising from defined benefit plans of investments-in associates	(538.773)	(236.673)
Dividend income from investments-in-associates (Note 7.ii.d)	(1.386.016)	(4.243.120)
Currency translation reserve	(195.125)	962.659
Elimination of net effect of unrealized profits on inventory	(13.285)	(73.757)
31 December	**129.579.361**	**106.724.092**

Movement of fair value in investments-in-associates during the years are as follows:

	2014	2013
1 January	**6.757.233**	**8.579.624**
Change in fair value- net (Çamlı Yem)	(29.776)	490.718
Change in fair value- net (YBP)	1.927.980	(2.313.109)
31 December	**8.655.437**	**6.757.233**

Condensed financial statements of investments in associates are as follows;

	Assets	Liabilities	Net Profit/(Loss)	Net Sales	Other Comprehensive Income/ (Expense)
31 December 2014					
- YBP	337.668.988	215.475.046	18.588.412	1.426.923.988	3.450.304
- Çamlı Yem	246.252.748	170.886.483	6.337.736	281.941.019	(517.943)
- Desa Enerji	35.052.205	4.018.755	4.011.449	32.169.814	-
- Pınar Foods	12.166.505	1.217.753	443.213	48.918.524	(444.732)
31 December 2013					
- YBP	318.254.437	214.533.630	12.913.964	1.245.029.917	(6.374.438)
- Çamlı Yem	233.869.355	164.130.299	(9.012.687)	243.219.209	4.626.643
- Desa Enerji	30.167.824	3.065.186	4.437.452	29.887.228	-
- Pınar Foods	15.161.263	4.221.532	528.902	41.618.604	2.141.891

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Details of significant investment in associates of the Company as at 31 December 2014 and 2013 are as follows;

Associates	Nature of business	Based on
- YBP	Marketing and distribution	Turkey
- Çamlı Yem	Livestock	Turkey
- Desa Enerji	Energy production	Turkey
- Pınar Foods	Marketing and distribution	Germany

NOTE 5 - SEGMENT REPORTING

None (2013: None).

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash in hand	49.578	30.360
Banks	1.605.907	13.696.920
- demand deposits	85.907	101.920
- time deposits	1.520.000	13.595.000
Other	86.484	49.089
	1.741.969	**13.776.369**

As of 31 December 2014, time deposits amounting to TL1.520.000 (2013: TL13.595.000) mature less than one month (2013: less than one month) and bear the effective weighted average interest rates of 9,95% per annum ("p.a.") (2013: 8,55% p.a.).

The Company have EUR75, equivalent of TL212 foreign currency denominated demand deposits as of 31 December 2014 (2013: None), whereas cash in hand at 31 December 2014 comprised of USD1.621 and EUR6.900, equivalent of TL23.222 (2013: USD3.273 and EUR3.825, equivalent of TL18.218).

Based on the independent data with respect to the credit risk assessment of the banks, at which the Company has deposits, the credit quality of the banks is sufficient. The market values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet date.

NOTE 7 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Due from and due to related parties and the transactions with related parties as of and for the years ended 31 December 2014 and 2013 are as follows:

i) Balances with related parties:

	31 December 2014	31 December 2013
a) Trade receivables from related parties- current:		
YBP	50.220.182	49.086.213
YDT	2.154.503	1.518.008
	52.374.685	**50.604.221**
Less: Unearned finance income	(492.693)	(408.920)
	51.881.992	**50.195.301**

The effective weighted average interest rate on TL denominated short-term trade receivable is 9,72% p.a as of 31 December 2014, (2013: 8,62%) and mature within two months (2013: two months).

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As of 31 December 2014, trade receivables of TL803.524 (2013: TL536.134), over which no provision for impairment is provided of overdue receivables and maturity is about one month. (2013: one month) (Note 49.a).

	31 December 2014	31 December 2013
b) Non-trade receivables from related parties - current:		
Yaşar Holding	3.785.003	20.992.475
Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("Dyo Boya")	134.458	94.191
Viking Kağıt ve Selüloz A.Ş. ("Viking")	13.100	61.287
	3.932.561	**21.147.953**

As of 31 December 2014, the Company has short-term receivables from Yaşar Holding amounting to TL3.785.003 (2013: TL20.992.475) which are non-trade. The effective weighted average interest rate applied to those receivables is 10% p.a. (2013: 8,75% p.a.). Company management expects to collect other receivables from Yaşar Holding between three to twelve months.

Other receivables of the Company from related parties consist of receivables related with overdue interest charges and bail commission charges for the borrowings obtained by Yaşar Group companies from various financial institutions with the guarantee of the Company.

c) Trade payables to related parties - current:

Çamlı Yem	10.754.615	17.823.087
Yaşar Holding	1.542.082	1.628.071
Yadex Export-Import und Spedition GmbH ("Yadex")	790.995	869.402
Hedef Ziraat Ticaret A.Ş.	179.524	247.858
Other	162.047	108.753
	13.429.263	**20.677.171**
Less: Unincurred finance cost	(75.621)	(62.498)
	13.353.642	**20.614.673**

Trade payables to Çamlı Yem mainly consist of purchases seeds and turkey.

As of 31 December 2014, the effective weighted average interest rate applied to those payables is 9,28% (2013: 8,61%) and maturity is 2 months (2013: 2 months).

d) Non-trade payables to related parties- current:

Payable to shareholders	52.152	52.152
	52.152	**52.152**

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ii) Transaction with related parties:

	1 January - 31 December 2014	1 January - 31 December 2013
a) Product sales:		
YBP	431.625.976	368.337.669
YDT	14.005.321	9.897.229
Çamlı Yem	2.596.253	2.841.639
Other	15.377	9.085
	448.242.927	**381.085.622**

Majority of the Company's sales in domestic market are made to its associate, YBP, and its exports are made to YDT, which are both Yaşar Group Companies.

b) Service sales:

Çamlı Yem	359.413	55.387
YBP	139.276	12.923
Pınar Süt	137.079	117.101
YDT	83.621	52.567
Other	2.398	14.782
	721.787	**252.760**

c) Finance income and income from investment activities:

Yaşar Holding	1.939.151	2.714.423
Pınar Süt	222.332	10.356
Dyo Boya	85.915	122.454
Viking	62.956	73.422
Other	23.472	68.211
	2.333.826	**2.988.866**

The majority of finance income consists of bail commission amounting to TL1.028.376 (2013: TL1.023.663), for the bond issue of Yaşar Holding in international markets and the borrowings obtained by Yaşar Group Companies from various financial institutions with the guarantee of the Company and the borrowings obtained by Yaşar Group Companies from international capital markets which have closed as of 8 December 2014. The commission rates of bail and financing used in the associated intercompany charges is 0,50% p.a. (2013: 0,50% p.a.). The majority of other income from investment activities consists of interest incomes resulting from non trade receivables of the Company.

d) Dividends received:

YBP	1.386.016	4.243.120
Bintur	2.746	1.497
	1.388.762	**4.244.617**

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e) Other incomes from related parties:

	1 January - 31 December 2014	1 January - 31 December 2013
YBP	476.435	468.093
YDT	413.631	193.808
Çamlı Yem	135.800	31.797
Other	2.713	19.988
	1.028.579	**713.686**

Other income from YBP and Çamlı Yem is related to the rent of cars and building.

f) Product purchases:

Çamlı Yem	61.692.216	51.784.581
Yadex	5.494.882	4.760.738
Hedef Ziraat	2.663.207	2.466.109
Pınar Süt	604.643	301.930
Other	31.011	50.487
	70.485.959	**59.363.845**

The product purchases performed from Çamlı Yem is related to turkey and fresh fish purchases.

g) Service purchases:

Yaşar Holding	7.164.260	6.249.033
YBP	2.191.093	2.375.143
YDT	718.513	480.257
Bintur	237.032	246.474
Other	546.552	262.966
	10.857.450	**9.613.873**

Service purchases from YBP are related to promotion and advertisement. Service purchases from Yaşar Holding are related to consultancy services.

h) Purchases of property, plant and equipment:

Yaşar Holding	197.636	114.044
Çamlı Yem	103.414	12.980.000
Other	150.822	77.471
	451.872	**13.171.515**

i) Finance and other operating expenses:

Çamlı Yem	363.077	160.969
Yaşar Holding	40.240	32.192
Other	11.704	57.376
	415.021	**250.537**

Other operating expenses of the company consist of interest expense on term sales and interest expense related with operating activities.

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j) Other expenses from related parties:

	1 January - 31 December 2014	1 January - 31 December 2013
YBP	186.593	155.500
Other	321.619	54.810
	508.212	**210.310**

k) Dividends paid (*):

Yaşar Holding	17.607.671	15.025.212
Pınar Süt	4.088.814	3.489.121
	21.696.485	**18.514.333**

(*) Within the year 2014, the Company paid dividend amount to TL32.501.250 (2013: TL27.734.400). Amount to TL10.804.765 of dividend payment (2013: TL9.920.067) was paid to other shareholders.

l) Donations:

Yaşar Eğitim Vakfı	859.188	104.743
Yaşar Üniversitesi	-	500.000
	859.188	**604.743**

m) Key management compensation:

Key management includes general manager and directors. The compensation provided to key management and attendance fees paid to Board of Directors are shown below:

Short-term employee benefits	2.719.537	2.268.991
Bonus and profit-sharing	239.601	142.550
Post-employment benefits	-	91.296
After severance benefits	-	-
Other long-term benefits	49.278	59.905
	3.008.416	**2.562.742**

n) Bails given to related parties:

As of 31 December 2014, Pınar Süt, YBP, Çamlı Yem, DYO Boya and the Company have provided joint and several guarantee to Yaşar Holding; for its Eurobond issued in international markets, amounting to USD250.000.000 equivalent of TL579.725.000 due 6 May 2020. An Indemnity Agreement was signed between Yaşar Holding and the abovementioned guarantors on 3 November 2014, which states that in an occurrence of an event where a guarantor makes a payment related with the guarantee provided; Yaşar Holding will indemnify the paying guarantor. If Yaşar Holding fails to indemnify the paying guarantor, each of the guarantors will indemnify the paying guarantor by 1/5 of the payment amount.

As of 31 December 2014, bails given are mainly related to joint guarantees provided by The Company with Yaşar Group Companies for repayment of borrowings obtained by Yaşar Group companies from financial institutions amounting to EUR 33.333.333 equivalent of TL94.023.332 (31 December 2013: Bails given are mainly related to joint guarantees provided by The Company with Yaşar Group Companies for repayment of borrowings obtained by Yaşar Group companies from international markets and financial institutions amounting to EUR44.444.444 and USD250.000.000 equivalent of TL664.086.110) (Note 26).

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2014	31 December 2013
a) Short-term trade receivables:		
Customer current accounts	13.335.309	12.299.994
Cheques and notes receivable	771.419	4.732.732
	14.106.728	**17.032.726**
Less: Provision for impairment of receivables	(303.499)	(303.499)
Unearned finance income	(78.129)	(165.487)
	13.725.100	**16.563.740**

The effective weighted average interest rate on TL denominated trade receivable is 9,92% as of 31 December 2014 (2013: 8,78%) maturing within two months (2013: within two months).

The agings of trade receivables as of 31 December 2014 and 2013, over which no provision for impairment is provided, are as follows:

	31 December 2014	31 December 2013
Overdue	1.118.287	256.446
0-30 days	8.503.620	5.995.764
31-60 days	3.363.729	7.367.367
61-90 days	739.464	995.335
91 days and over	-	1.948.828
	13.725.100	**16.563.740**

As of 31 December 2014, trade receivables of TL1.118.287 (2013: TL256.446), over which no provision for impairment is provided, were past due. The Company management does not expect any collection risk regarding those receivables based on its past experience (Note 49.a).

The aging of overdue receivables as of 31 December 2014 and 2013 are as follows:

0-30 days	1.067.956	256.446
31 days and over	50.331	-
	1.118.287	**256.446**

b) Short-term trade payables

Supplier current accounts	57.225.132	57.087.127
Cheques	1.407.249	1.636.123
	58.632.381	**58.723.250**
Less: Unincurred finance cost	(331.979)	(296.151)
	58.300.402	**58.427.099**

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As of 31 December 2014 and 2013, the effective weighted average interest rates used in unincurred finance cost calculation for short-term trade payables including TL, USD and EUR denominated liabilities are as below:

TL denominated trade payables	9,98%	8,57%
USD denominated trade payables	-	2,24%
EUR denominated trade payables	-	2,94%

Trade payables mature within one month (2013: one month).

NOTE 9 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (2013: None).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

a) Other short-term payables:

	31 December 2014	31 December 2013
Taxes and funds payable	1.673.791	1.001.019
Other	46.708	42.677
	1.720.499	**1.043.696**

NOTE 11 - INVENTORIES

	31 December 2014	31 December 2013
Raw materials	7.684.092	8.721.156
Raw materials in transit	1.530.793	1.482.524
Work in progress	15.252.751	13.474.799
Finished goods	10.635.683	9.339.796
Spare parts	4.089.716	3.672.774
Other	808.753	518.613
	40.001.788	**37.209.662**

The costs of inventories recognised as expense and included in cost of sales amounted to TL406.300.164 (2013: TL341.701.929) (Note 29). Inventories are carried at cost, and there are no inventories valued at fair value less costs to sell.

NOTE 12 - BIOLOGICAL ASSETS

None (2013: None).

NOTE 13 - PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2014	31 December 2013
a) Prepaid expenses - current		
Prepaid expenses	1.804.025	1.485.488
Order advances given	494.777	810.236
	2.298.802	**2.295.724**

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	31 December 2014	31 December 2013
b) Prepaid expenses - non-current		
Advances given	542.208	473.057
Prepaid expenses	26.178	26.226
	568.386	**499.283**
c) Deferred income		
Advances received	8.759	41
	8.759	**41**

NOTE 14 - INVESTMENT PROPERTY

None (2013: None).

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2014 were as follows:

	1 January 2014	Additions	Disposals	Transfers	31 December 2014
Cost/revaluation:					
Land	64.421.000	-	(456.996)	-	63.964.004
Buildings and land improvements	56.830.331	1.001.336	-	7.042.050	64.873.717
Machinery and equipment	68.003.970	8.878.204	-	123.431	77.005.605
Furniture and fixtures	35.253.181	3.491.953	(778.243)	-	37.966.891
Motor vehicles	2.157.630	-	(47.491)	-	2.110.139
Construction in progress	291.477	6.874.004	-	(7.165.481)	-
	226.957.589	**20.245.497**	**(1.282.730)**	**-**	**245.920.356**
Accumulated depreciation:					
Buildings and land improvements	(781.898)	(1.644.752)	-	-	(2.426.650)
Machinery and equipment	(9.362.479)	(5.416.089)	-	-	(14.778.568)
Furniture and fixtures	(25.390.621)	(2.221.461)	642.682	-	(26.969.400)
Motor vehicles	(1.963.965)	(77.957)	47.491	-	(1.994.431)
	(37.498.963)	**(9.360.259)**	**690.173**	**-**	**(46.169.049)**
Net book value	**189.458.626**	**10.885.238**	**(592.557)**	**-**	**199.751.307**

As of 31 December 2014, additions to buildings and land improvements and machinery and equipment mainly consist of additional buildings to warehouse area of the Company's production facilities in Kemalpaşa. Additions to furniture and fixtures mainly consist of fridge purchases.

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Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2013 were as follows:

	1 January 2013	Additions	Disposals	Transfers	Revaluation	31 December 2013
Cost/ revaluation:						
Land	54.816.000	6.000.000	-	-	3.605.000	64.421.000
Buildings and land improvements	50.851.660	2.970.731	-	657.656	2.350.284	56.830.331
Machinery and equipment	59.689.613	9.073.314	(758.957)	-	-	68.003.970
Furniture and fixtures	31.147.908	4.291.978	(186.705)	-	-	35.253.181
Motor vehicles	2.041.554	131.459	(15.383)	-	-	2.157.630
Construction in progress	193.165	755.968	-	(657.656)	-	291.477
	198.739.900	**23.223.450**	**(961.045)**	-	**5.955.284**	**226.957.589**
Accumulated depreciation:						
Buildings and land improvements	(1.373.270)	(1.480.467)	-	-	2.071.839	(781.898)
Machinery and equipment	(4.379.916)	(5.197.718)	215.155	-	-	(9.362.479)
Furniture and fixtures	(23.740.450)	(1.785.486)	135.315	-	-	(25.390.621)
Motor vehicles	(1.900.021)	(79.328)	15.384	-	-	(1.963.965)
	(31.393.657)	**(8.542.999)**	**365.854**	**-**	**2.071.839**	**(37.498.963)**
Net book value	**167.346.243**	**14.680.451**	**(595.191)**	**-**	**8.027.123**	**189.458.626**

Main additions to land, buildings, land improvement and machinery and equipment in 2013 are related with the purchases performed from Çamlı Yem and fixtures are related with the fridge purchases.

Current year's depreciation and amortisation charges were allocated to cost of goods sold by TL6.389.878 (2013: TL6.191.088), to the cost of inventories by TL332.138 (2013: TL249.376), to general administrative expenses by TL846.657 (2013: TL648.269) (Note 34), to selling and marketing expenses by TL1.879.940 (2013: TL1.475.936) (Note 34), to research and development expenses by TL60.347 (2013: TL60.696) (Note 34).

Movements in revaluation reserve related to land, buildings, land improvements, machinery and equipments as of 31 December 2014 and 2013 were as follows:

1 January 2013	**97.364.859**
Increase in revaluation reserve arising from revaluation of land, buildings and land improvements	8.027.123
Deferred income tax calculated on increase in revaluation reserve arising from revaluation of land, buildings and land improvements (Note 41)	(1.064.675)
Increase in revaluation reserves of investments-in-associates - net	549.896
Depreciation transfer of investments-in-associates - net	(1.057.891)
Disposal of revaluation funds due to sales property, plant and equipment sale - net	(414.809)
Depreciation transfer upon revaluation reserve	(3.608.028)
Deferred income tax calculated on depreciation transfer transferred to retained earnings	721.605

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31 December 2013	**100.518.080**
Depreciation transfer of investments-in-associates-net	(352.725)
Disposal of revaluation funds due to sales property, plant and equipment sale - net	(191.501)
Depreciation transfer upon revaluation reserve	(3.617.920)
Deferred income tax calculated on depreciation transfer transferred to retained earnings	723.584
31 December 2014	**97.079.518**

The carrying amounts of each class of property, plant and equipments that would have been recognised if the assets have been carried under the cost model at 31 December 2014 and 2013, are as follows:

31 December 2014:	**Land**	**Land improvements and buildings**	**Machinery and equipment**
Cost	16.926.447	38.170.014	125.154.941
Less: Accumulated depreciation	-	(14.883.410)	(86.128.634)
Net book value	**16.926.447**	**23.286.604**	**39.026.307**
31 December 2013:			
Cost	17.383.443	30.126.628	116.153.306
Less: Accumulated depreciation	-	(14.353.472)	(83.215.651)
Net book value	**17.383.443**	**15.773.156**	**32.937.655**

NOTE 16 - RIGHTS TO INTERESTS ARISING FROM DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS

None (2013: None).

NOTE 17 - MEMBERS' SHARES IN CO-OPERATIVE ENTITIES AND SIMILAR INSTRUMENTS

None (2013: None).

NOTE 18 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the years ended 31 December 2014 and 2013 were as follows:

	1 January 2014 Opening	**Additions**	**31 December 2014 Closing**
Costs:			
Rights	17.638.139	208.255	17.846.394
Accumulated amortisation	(17.412.348)	(148.701)	(17.561.049)
Net book value	**225.791**		**285.345**

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	1 January 2013 Opening	Additions	31 December 2013 Closing
Costs:			
Rights	17.435.698	202.441	17.638.139
Accumulated amortisation	(17.329.982)	(82.366)	(17.412.348)
Net book value	**105.716**		**225.791**

NOTE 19 - GOODWILL

None (2013: None).

NOTE 20 - EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

None (2013: None).

NOTE 21 - LEASING

None (2013: None).

NOTE 22 - SERVICE CONCESSION AGREEMENTS

None (2013: None).

NOTE 23 - IMPAIRMENT ON ASSETS

None (2013: None).

NOTE 24 - GOVERNMENT GRANTS AND INCENTIVES

In the scope of Turquality Project implemented in 2014 and 2013 by Undersecreteriat of Foreign Trade to support brandization of products made in Turkey in foreign markets and to settle the image of Turkish goods, the Company was provided TL27.402 (2013: TL231.951) government incentive. The incentive amount is accounted as other income.

The Company has various investment incentive certificates obtained in different dates and the Company utilizes these investment incentive certificates according to current legislation (Note 41).

NOTE 25 - BORROWINGS AND BORROWING COSTS

i. Short-term borrowings:

	31 December 2014	31 December 2013
Short-term borrowings	780.070	680.047
Short-term borrowings	**780.070**	**680.047**

As of 31 December 2014 and 2013, TL borrowings are spot loans and does not subject to interest charge.

Guarantees given related with financial debt and borrowing is explained at Note 26.

As of 31 December 2014, fair value of borrowings is equal to carrying amount (2013: fair value of borrowings is equal to carrying amount).

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ii. Other financial liabilities:

	31 December 2014	31 December 2013
Other financial liabilities	78.607	121.169
Other financial liabilities	**78.607**	**121.169**

Other financial liabilities consist of credit card debts.

NOTE 26 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2014	31 December 2013
a) Short-term provisions:		
Provision for litigations	60.200	60.200
Other	5.474	20
	65.674	**60.220**
b) Guarantees given:		
Bails	673.748.332	664.086.110
Letters of guarantee	2.945.124	1.389.067
	676.693.456	**665.475.177**

As of 31 December 2014, Pınar Süt, YBP, Çamlı Yem, DYO Boya and the Company have provided joint and several guarantee to Yaşar Holding; for its Eurobond issued in international markets, amounting to USD250.000.000 equivalent of TL579.725.000 due 6 May 2020. An Indemnity Agreement was signed between Yaşar Holding and the abovementioned guarantors on 3 November 2014, which states that in an occurrence of an event where a guarantor makes a payment related with the guarantee provided; Yaşar Holding will indemnify the paying guarantor. If Yaşar Holding fails to indemnify the paying guarantor, each of the guarantors will indemnify the paying guarantor by 1/5 of the payment amount.

As of 31 December 2014, bails given are mainly related to joint guarantees provided by The Company with Yaşar Group Companies for repayment of borrowings obtained by Yaşar Group companies from financial institutions amounting to EUR 33.333.333 equivalent of TL94.023.332 (31 December 2013: Bails given are mainly related to joint guarantees provided by The Company with Yaşar Group Companies for repayment of borrowings obtained by Yaşar Group companies from international markets and financial institutions amounting to EUR44.444.444 and USD250.000.000 equivalent of TL664.086.110).

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The collaterals, pledges and mortgages ("CPM") position of the Company for the years ended 31 December 2014 and 2013 were as follows:

	31 December 2014			31 December 2013		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
CPM provided by the Company:						
A. Total amount of CPM given for the Company's own legal personality	TL	2.324.570	2.324.570	TL	1.389.067	1.389.067
	EUR	220.000	620.554	EUR	-	-
B. Total amount of CPM given on behalf of fully consolidated companies			-			-
C. Total amount of CPM given for continuation of its economic activities on behalf of third parties			-			-
D. Total amount of other CPM			**673.748.332**			**664.086.110**
i. Total amount of CPM given to on			**579.725.000**			**533.575.000**
behalf of the majority shareholder	*USD*	*250.000.000*	579.725.000	*USD*	*250.000.000*	533.575.000
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C			**94.023.332**			**130.511.110**
	EUR	*33.333.333*	94.023.332	*EUR*	*44.444.444*	130.511.110
iii. Total amount of CPM given on behalf of third parties which are not in scope of C		-	-		-	-
TOTAL			**676.693.456**			**665.475.177**
The ratio of total amount of other CPM to Equity			196%			199%

d) Guarantees received:

	31 December 2014			31 December 2013		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
Mortgages	TL	200.000	200.000	TL	200.000	200.000
Letters of guarantee	TL	1.622.500	1.622.500	TL	2.660.000	2.660.000
	EUR	454.850	1.282.995	EUR	41.750	122.599
Guarantee cheques and notes	USD	56.000	129.859	USD	56.000	119.521
	TL	-	-	TL	10.000	10.000
			3.235.354			**3.112.120**

The Company does not have any guarantees received from related parties as of 31 December 2014 (2013: None).

e) Contingent liabilities:

Based on negotiations with Kemalpaşa Municipality Housing Department regarding the 1/1000 scaled building development scheme dated 27 February 2008, it has been identified that the plots in Kemalpaşa - İzmir, the site of the Company's land, buildings and land improvements, are located within an industrial zone. As of 31 December 2014, the fair value of the aforementioned properties located on the plots amounts to TL101.904.371. This plan was announced by the Industry and Trade Office of İzmir within July 2008. If the building development scheme comes into force, Kemalpaşa Municipality may reduce the legal area on the title deeds of those properties. In consideration of time consuming process, it is not possible to make a reliable estimation therefore the amount of any possible reduction over those plots cannot be reliably estimated. The Company management assumes that the impact of such reduction will be immaterial to the financial statements.

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NOTE 27 - COMMITMENTS

The Company does not have any purchase commitments as of 31 December 2014 (2013: None).

NOTE 28 - EMPLOYEE BENEFITS

	31 December 2014	31 December 2013
a) Payable due to employee benefits		
Social security premiums payable	846.821	730.576
Payables to personnel	1.533	1.265
	848.354	**731.841**
b) Short-term provisions due to employee benefits		
Year-end bonus provisions to top management	628.011	919.628
Provision for seniority incentive bonus	165.504	145.174
	793.515	**1.064.802**

The movement of year-end bonus provision to top management is as follows:

	2014	2013
1 January	**919.628**	**1.148.549**
Year-end bonus payment	(291.617)	(228.921)
31 December	**628.011**	**919.628**

c) Long-term provisions due to employee benefits		
Provision for employment termination benefits	13.107.839	11.311.962
Provision for seniority incentive bonus	508.072	347.567
	13.615.911	**11.659.529**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL3.438,22 for each year of service as of 31 December 2014 (2013: TL3.254,44).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees with certain actuarial assumptions.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL3.541,37 which is effective from 1 January 2015 (1 January 2014: TL3.254,44) has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

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The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2014	31 December 2013
Discount rate (%)	3,95	4,09
Probability of retirement (%)	98,20	97,61

Movements of the provision for employment termination benefits during the years are as follows:

	2014	2013
1 January	**11.311.962**	**9.892.871**
Interest costs	1.199.367	863.985
Actuarial losses	1.883.986	318.358
Paid during the year	(2.400.184)	(702.913)
Annual charge	1.112.708	939.661
31 December	**13.107.839**	**11.311.962**

The total of interest costs, actuarial losses and annual charge for the year is TL4.196.061 (2013: TL2.122.004). TL2.312.075 portion (2013: TL1.803.646) of this amount was included in general administrative expenses and TL1.883.986 (2013: TL318.358) portion was included in other comprehensive income.

NOTE 29 - EXPENSES BY NATURE

	1 January - 31 December 2014	1 January - 31 December 2013
Direct material costs	406.300.164	341.701.929
Staff costs	41.091.735	32.312.982
Advertisement	12.418.968	15.457.615
Outsourced services	11.407.803	11.556.360
Utilities	10.385.954	9.989.268
Depreciation and amortisation	9.426.198	8.581.498
Repair and maintenance	8.478.424	7.583.230
Consultancy charges	7.304.936	6.513.910
Employment termination benefits	2.312.075	1.803.646
Rent	1.475.739	1.775.898
Taxes, dues and fees (except Corporate Tax)	324.344	419.059
Other	3.837.351	3.767.590
	514.763.691	**441.462.985**

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NOTE 30 - OTHER ASSETS AND LIABILITIES

	31 December 2014	31 December 2013
a) Other current assets:		
Income accrual	362.492	362.813
Deferred Value Added Tax	-	2.158.343
	362.492	**2.521.156**
b) Other current liabilities:		
Expense accrual	20.027	479.396
	20.027	**479.396**

NOTE 31 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Kr1. The Company's historical authorised registered capital at 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Registered share capital (historical values)	100.000.000	100.000.000
Authorised registered share capital with a nominal value	43.335.000	43.335.000

The compositions of the Company's share capital at 31 December 2014 and 2013 were as follows:

	31 December 2014		31 December 2013	
	TL	Share (%)	TL	Share (%)
Yaşar Holding (A, B)	23.476.895	54	23.476.893	54
Pınar Süt (A, B)	5.451.752	13	5.451.752	13
Public quotation (A, B)	14.406.353	33	14.406.355	33
Share capital	**43.335.000**	**100**	**43.335.000**	**100**
Adjustment to share capital	37.059.553		37.059.553	
Total paid-in capital	**80.394.553**		**80.394.553**	

Adjustment to share capital amounting to TL37.059.553 (2013: TL37.059.553) represents the remaining amount after net-off the accumulated losses of 2003 from the difference between restated (inflation adjusted) share capital and historical cost of share capital (before inflation adjustment).

In Turkey, companies have right to exceed registered capital thereby addition of all reserves to capital to increase registered capital amount one-time. On the other hand, registered capital amount is not exceed through cash increase.

There are 4.333.500.000 (2013: 4.333.500.000) units of shares with a face value of Kr1 each (2013: Kr1 each).

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The Company's capital is composed of 1.500.000 units of A type bearer share and 4.332.000.000 units of B type bearer share, and the B type bearer shares are traded on ISE. Based on the Company's Articles of Association, the Board of Directors comprises five to nine members elected by the General Assembly from among the Company's shareholders or from outside the Company personnel in accordance with the provisions of the TCC. In the event the Board of Directors comprises five members, three are elected from among candidates nominated by shareholders bearing A type shares, two from those nominated by shareholders bearing B type shares. In the event the Board of Directors comprises seven members, four are elected from among candidates nominated by shareholders bearing A type shares, three from those nominated by shareholders bearing B type shares. In the event the Board of Directors comprises nine members, five are selected from among the candidates nominated by shareholders bearing A type shares, four from those nominated by shareholders bearing B type shares. In addition, the chairman of the board and the executive director are selected from among shareholders of A type shares.

Board of Directors has authority to classify new shares as registered or bearer separately in accordance with the CMB regulations. Companies can increase their share capital by way of bonus issue to existing shareholders in proportion of their shareholding rates.

Retained earnings and certain reserves according to the statutory financial statements, other than legal reserves, are available for distribution subject to the legal reserve requirement referred to below:

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. Companies are required to set aside 5% of their net profits each year as a first level legal reserve. The ceiling on the first level legal reserves is 20% of the paid-up capital. The reserve requirement ends when the 20% of paid-up capital level has been reached. The second level reserves correspond to 10% of profits actually distributed after the deduction of the first level legal reserves plus minimum obligatory dividend pay-out (5% of the paid-up capital). According to Turkish Commercial, legal reserves unless they exceed 50% of the paid capital can be used to offset losses: Otherwise it is not possible to use other than that.

The aforementioned amounts accounted for under "Restricted Reserves" in accordance with CMB Financial Reporting Standards. At 31 December 2014, the restricted reserves of the Company amount to TL28.088.560 (2013: TL25.055.110). The unrestricted reserves of the Company, amounting to TL48.462.558 (2013: TL45.741.849), is classified in the "Retained Earnings".

In accordance with the announcements of CMB "Share Capital", "Restricted Reserves" and "Share Premium" shall be carried at their statutory amounts. The valuation differences (e.g. the differences raises from inflation adjustments) shall be classified as follows:

- the difference arising from the "Paid-in-Capital" and not been transferred to capital yet, shall be classified under the "Inflation Adjustment to Share Capital";
- the difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on the CMB Financial Reporting Standards.

Capital adjustments differences have no other use other than being transferred to share capital.

Companies distribute dividends in accordance with their dividend payment policies numbered II-19.1 settled by CMB on 1 February 2014.

Based on CMB Communiqué, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of their articles of association and their previously publicly declared profit distribution policies.

In line with Article 26 of the Company's Articles of Association, previous year losses, if any, are deducted from the net period profit and then overall legal reserve and the first dividend are allocated according to the Capital Markets Board legislation. Of the remaining portion, an amount up to 5% can be set aside as allocation provision for the members of board of directors and for other items which the board of directors will determine and deem necessary in line with the decision made by the General Assembly.

Unless allocation of legal reserves per TCC and dividends defined in the dividend policy of companies, it cannot be decided to allocate other reserves, to transfer the profit to the retained earnings, and to distribute dividend to members of board of directors, employees, redeemed shareholders and parties other than shareholders. Furthermore, payment of dividend in cash is another requirement for distributing dividend to members of board of directors, employees, redeemed shareholders and parties other than shareholders.

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Dividend is distributed for shares available as of accounting period of all of them equally without regarding to the dates of issue and acquisition.

Based on the decision of General Assembly meeting on 26 March 2014, the Company has decided to distribute net income for the year 2013 amounting TL32.501.250 as dividend. As of 31 December 2014 all the dividends were paid. In context of this dividend distribution, Company separate TL3.033.450 from 2013 profit as "Restricted Reserve" and decided to divide on 30 May 2014. Since the General Assembly meeting of the year 2014 has not been performed yet, dividend distribution decision has not been taken.

NOTE 32 - REVENUE AND COST OF SALES

	1 January - 31 December 2014	1 January - 31 December 2013
Domestic sales	668.350.640	582.960.361
Export sales	13.854.083	10.017.524
Gross Sales	**682.204.723**	**592.977.885**
Less: Discounts	(115.925.481)	(100.971.049)
Returns	(15.357.918)	(12.712.644)
Net Sales	**550.921.324**	**479.294.192**
Cost of sales	**(468.670.413)**	**(396.232.302)**
Gross Profit	**82.250.911**	**83.061.890**

NOTE 33 - CONSTRUCTION CONTRACTS

None (2013: None).

NOTE 34 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2014	1 January - 31 December 2013
a) Marketing, selling and distribution expenses:		
Advertisement	12.418.968	15.457.615
Staff costs	3.951.423	3.459.902
Consultancy	2.757.357	2.395.693
Depreciation and amortisation	1.879.940	1.475.936
Outsourced services	1.251.401	1.073.467
Repair and maintenance	1.248.092	1.108.359
Energy	1.104.671	983.176
Rent	620.144	632.261
Other	1.436.167	1.476.604
	26.668.163	**28.063.013**

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b) General administrative expenses:

	1 January - 31 December 2014	1 January - 31 December 2013
Staff costs	6.593.315	6.294.664
Consultancy charges	4.533.962	4.118.217
Employment termination benefits	2.312.075	1.803.646
Outsourced services	1.218.395	961.308
Depreciation and amortisation	846.657	648.269
Energy	370.720	288.960
Repair and maintenance	345.906	303.943
Taxes (except Corporate Tax)	319.814	419.059
Other	1.516.135	1.218.854
	18.056.979	**16.056.920**

c) Research and development expenses:

Staff costs	851.603	709.720
Depreciation and amortisation	60.347	60.696
Outsourced services	59.912	64.588
Energy	32.041	16.886
Other	364.233	258.860
	1.368.136	**1.110.750**

NOTE 35 - OTHER OPERATING INCOME AND EXPENSES

	1 January - 31 December 2014	1 January - 31 December 2013
a) Other operating income:		
Rent income	606.188	447.378
Income from sales of scrap	475.761	498.890
Government grants	147.189	257.555
Unearned financial income on term purchases	126.664	686.815
Pallet sales	99.720	221.445
Foreign exchange gain	47.009	188.818
Other	79.029	192.819
	1.581.560	**2.493.720**

b) Other operating expense:

Donations	(875.988)	(671.437)
Due date charges	(408.757)	(186.969)
Unearned financial expense on term sales	(74.128)	(739.965)
Penalties	(63.029)	(150.948)
Foreign exchange loss	(4.717)	(15.280)
Other	(92.081)	(286.845)
	(1.518.700)	**(2.051.444)**

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NOTE 36 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2014	1 January - 31 December 2013
a) Income from investment activities:		
Interest income calculated on other receivables from related parties	1.296.971	2.960.952
Income from sales of property, plant and equipment	413.436	6.126
	1.710.407	**2.967.078**
b) Expense from investment activities:		
Loss from sales of property, plant and equipment	(121.373)	(577.654)
Impairment on available-for-sale investments	-	(85.574)
	(121.373)	**(663.228)**

NOTE 37 - EXPENSES CLASSIFIED BY CLASS

Please refer to Note 29.

NOTE 38 - FINANCIAL INCOME AND EXPENSES

	1 January - 31 December 2014	1 January - 31 December 2013
i. Financial Income		
Bail income from related parties (Note 7.ii.c)	1.028.376	1.023.663
Interest income	731.667	817.003
Foreign exchange gain	78.685	94.131
	1.838.728	**1.934.797**
ii. Financial Expense		
Foreign exchange loss	(129.429)	(81.482)
Bank commission	(21.836)	(17.567)
Interest expense	-	(999.640)
Bail expense from related parties	(6.263)	(63.568)
	(157.528)	**(1.162.257)**

NOTE 39 - ANALYSIS OF OTHER COMPREHENSIVE INCOME

Please refer to Comprehensive Income.

NOTE 40 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (2013: None).

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NOTE 41 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

As of 31 December 2014 and 2013, corporation taxes currently payable are as follows:

	31 December 2014	31 December 2013
Corporation taxes currently payable	7.594.017	8.549.858
Less: Prepaid corporate tax	(6.174.894)	(7.325.125)
Current income tax liabilities	**1.419.123**	**1.224.733**

Corporation tax is payable at a rate of 20% for 2014 (2013: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income (exemption for participation in subsidiaries, exemption for investment incentive allowance etc.) and allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed.

Dividends paid ton on-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to witholding tax. Otherwise, dividends paid are subject to witholding tax at the rate of 15% (2013: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur witholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2013: 20%) on their corporate income. Advance tax is declared by 14th and payable by the 17th (2013: 17th) of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within 25th of fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filling, during when the tax authorities have the right to examine tax returns and the related accounting records on which they are based, and may issue re-assessments based on their findings. Under the Turkish taxation system, tax losses can be carried forward to offset future taxable income for 5 years.

In Corporate Tax Law, there are many exemptions for corporations, those related to the Company are explained below:

Dividend income from shares in the capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) is exempt from corporate tax.

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, a 75% portion of the gains derived from the sales of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales considerations has to be collected up until the end of the second calendar year following the year the sale was realised.

75% of the profits from sale of preferential right certificates and share premiums generated from sale of shares at a price exceeding face values of those shares during incorporations or capital increases of joint stock companies are exempt from corporate tax.

Accordingly, the aforementioned gains/(losses) which have been included in trade profit/ (loss) have been taken into consideration in calculation of Company's corporate tax.

Apart from the exemptions mentioned in the preceding paragraphs, the deductions granted in 8th article of Corporate Tax Law, and 40th article of the Income Tax Law, together with other deductions mentioned in 10th article of Corporate Tax Law, have been taken into consideration in calculation of the Company's corporate tax.

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Transfer Pricing

Corporations should set the prices in accordance with the arm's length principle while entering into transactions regarding the sale or purchase of goods and services with related parties. Under the arm's length principle within the new legislation related parties must set the transfer prices for purchase and sale of goods and services as if they would have been agreed between third parties. Depending on the circumstances, a choice of accepted methods in aforementioned law of arm's length transaction has to be made by corporations for transactions with related parties. Corporations should keep the documentary evidence within the company representing how arm's length price has been determined and the methodology that has been chosen by use of any fiscal records and calculations in case of any request by tax authorities. Besides, corporations must report transactions with related parties in a fiscal period.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. The profit distributed in a disguised in a disguised manner through transfer pricing completely or partially, will be assessed as distributed profit share is considered as net profit share and complemented to gross amount, deemed profit will be subject to corporate tax Previous taxation processes will be revised accordingly by taxpayer who distributes disguised profit. In order to make adjustments in this respect, the taxes assessed in the name of the company distributing dividends in a disguised manner must be finalised and paid.

The amount of disguised earnings will be will be finalized as the payment amount.

Taxation on income in the statement of comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Current corporation tax expense	(7.594.017)	(8.549.858)
Deferred tax income	2.427.725	1.239.178
Taxation on income	**(5.166.292)**	**(7.310.680)**

The reconciliation of tax expense is as follows:

Profit before tax	**49.427.798**	**45.566.089**
Tax calculated at tax rates applicable to the profit	(9.885.560)	(9.113.218)
Expenses not deductible for tax purpose	(203.380)	(190.278)
Income not subject to tax	363.302	25.889
Tax effect upon the results of investments-in-associates	1.987.414	843.243
Recognition of deferred income tax asset on investment incentive	2.204.248	523.089
Other	367.684	600.595
Total taxation on income	**(5.166.292)**	**(7.310.680)**

Deferred income taxes

The company recognises deferred income tax assets and liabilities based upon temporary differences arising between its financial statements are reported in accordance with the CMB Financial Reporting Standards and its tax purpose financial statements. Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in future periods under the liability method using a principal tax rate of 20% (2013: 20%).

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The breakdown of cumulative temporary differences and the resulting deferred income tax assets/ (liabilities) provided at 31 December 2014 and 2013 using the enacted tax rates at the balance sheet dates are as follows:

	Taxable cumulative Temporary differences		Deferred income tax assets/(liabilities)	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Revaluation of property, plant and equipment	108.179.938	111.999.517	(14.586.177)	(15.319.840)
Restatement differences on tangible and intangible assets	10.166.005	7.484.930	(1.596.454)	(1.059.958)
Provision for employment termination benefits	(13.107.839)	(11.311.962)	2.621.568	2.262.392
Difference between carrying value and tax bases of available-for-sale investments	(1.809.720)	(1.829.550)	361.943	365.909
Investment incentives (*)	(19.269.260)	(8.248.020)	3.853.852	1.649.604
Other	(257.428)	(37.771)	51.486	7.555
Deferred income tax assets			6.888.849	4.285.460
Deferred income tax liabilities			(16.182.631)	(16.379.798)
Deferred income tax liabilities			**(9.293.782)**	**(12.094.338)**

(*) The Company has investment incentive certificate relating with production line investment. As of 31 December 2014, based on the best estimate of the Company management, it is highly probable to utilize investment incentive amounted to TL3.853.852 (2013: TL1.649.604).

Movements in deferred income tax liabilities can be analysed as follows:

1 January 2013	**(12.331.038)**
Credited to statement of comprehensive income	1.239.178
Charged to actuarial loss arising from defined benefit plans	63.672
Charged to fair value reserve of available-for-sale investments	(1.475)
Calculated on revaluation fund	(1.064.675)
31 December 2013	**(12.094.338)**
Credited to statement of comprehensive income	2.427.725
Charged to actuarial loss arising from defined benefit plans	376.797
Charged to fair value reserve of available-for-sale investments	(3.966)
31 December 2014	**(9.293.782)**

NOTE 42 - EARNINGS PER SHARE

		1 January - 31 December 2014	1 January - 31 December 2013
Profit for the period	A	44.261.506	38.255.409
Weighted average number of shares with a Kr1 face value (Note 31)	B	4.333.500.000	4.333.500.000
Earnings per 100 shares with a Kr 1 face value	**A/B**	**1,0214**	**0,8828**

There are no differences between basic and diluted earnings per share. Since the General Assembly meeting of the year 2014 has not been performed yet, dividend distribution decision has not been taken.

NOTE 43 - SHARE BASED PAYMENTS

None (2013: None).

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NOTE 44 - INSURANCE CONTRACTS

None (2013: None).

NOTE 45 - EFFECTS OF CHANGES IN FOREIGN CURRENCY RATES

The foreign currency exposure of the Company is presented in Note 49.c.i.

NOTE 46 - REPORTING IN HYPERINFLATIONARY ECONOMIES

Please refer to Note2.

NOTE 47 - DERIVATIVE FINANCIAL INSTRUMENTS

None (2013: None).

NOTE 48 - FINANCIAL INSTRUMENTS

Available-for-sale investments:

	31 December 2014		31 December 2013	
	TL	%	TL	%
YDT	540.447	1,76	534.440	1,76
Bintur Turizm ve Catering Hizmetleri A.Ş. ("Bintur")	88.328	1,33	74.505	1,33
	628.775		**608.945**	

YDT and Bintur were stated at their fair values which were determined based on one of the generally accepted valuation methods, based on discounted cash flows.

As of 31 December 2014 and 2013, the discount and growth rates used in discounted cash flow models are as follows;

	Discount rate (%)		Growth rate (%)	
	2014	2013	2014	2013
Bintur	12,06	12,62	1	1
YDT	9,78	9,83	0	0

Movements of available-for-sale investments in 2014 and 2013 are as follows;

	2014	2013
1 January	**608.945**	**687.145**
Fair value change - YDT	6.007	(85.574)
Fair value change - Bintur	13.823	7.374
31 December	**628.775**	**608.945**

Movements of fair value reserve of available-for-sale investments in 2014 and 2013 are as follows:

1 January	**51.891**	**45.992**
Change in fair value - net	19.830	7.374
Deferred income tax effect on fair value reserve of available-for-sale investments (Note 41)	(3.966)	(1.475)
31 December	**67.755**	**51.891**

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NOTE 49 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow, fair value interest rate risk), capital risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredicatiblity of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Risk management is carried out by the senior management and finance department of the Company under policies approved by Board of Directors. The Board of Directors provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and capital risk and closely monitors financial and operational risks (especially arising from meat price fluctuations).

The financial risk management objectives of the Company are defined as follows:

- Safeguarding the Company's core earnings stream from its major assets through the effective control and management of foreign exchange risk and interest rate risk,
- Effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity management planning and procedures,
- Effective monitoring and minimizing risks sourced from counterparts.

a) Credit risk:

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risks arises from cash and cash equivalents, deposits in banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Majority of the Company's sales in domestic market are made to its investments in associate, YBP, and its exports are made to YDT, which are both Yaşar Group Companies. In line with past experiences and current condition trade receivables are monitored by the Company Management and necessary provisions for impairment is recognised. The Company management believes that credit risk arises from receivables is well managed. The Company management believes that there is no risk for non-trade receivables from related parties since they are mainly comprised of receivables from shareholders (Note 7.i.b). The credit risk analysis of the Company as of 31 December 2014 and 2013 are as follows:

31 December 2014	**Receivables**					
	Trade Receivables [1]		**Other Receivables**			
	Related Parties	**Third Parties**	**Related Parties**	**Third Parties**	**Bank Deposits**	**Other**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) [2]	**51.881.992**	**13.725.100**	**3.932.561**	**38.206**	**1.605.907**	**-**
- The part of maximum credit risk covered with guarantees	-	-	-	-	-	-
A. Net book value of financial assets not due or not impaired [3]	51.078.468	12.606.813	3.932.561	38.206	1.605.907	-
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired [3]	-	-	-	-	-	-
C. Net book value of assets past due but not impaired [4]	803.524	1.118.287	-	-	-	-
- The part covered by guarantees	-	-	-	-	-	-
D. Net book value of assets impaired						
- Past due amount (gross book value)	-	303.499	-	-	-	-
- Impairment amount (-)	-	(303.499)	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
- Due amount (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

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31 December 2013	Receivables					
	Trade Receivables [1]		Other Receivables			
	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	Other
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) [2]	**50.195.301**	**16.563.740**	**21.147.953**	**51.231**	**13.696.920**	**-**
- The part of maximum credit risk covered with guarantees	-	-	-	-	-	-
A. Net book value of financial assets not due or not impaired [3]	49.659.167	16.307.294	21.147.953	51.231	13.696.920	-
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired [3]	-	-	-	-	-	-
C. Net book value of assets past due but not impaired [4]	536.134	256.446	-	-	-	-
- The part covered by guarantees	-	-	-	-	-	-
D. Net book value of assets impaired						
- Past due amount (gross book value)	-	303.499	-	-	-	-
- Impairment amount (-)	-	(303.499)	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
- Due amount (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

[1] Trade receivables of the Company mainly consists of receivables resulting from sales of meat and meat products.
[2] Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
[3] None.
[4] Agings of financial instruments past due but not impaired are as below:

31 December 2014	Receivables		
	Related Parties	Third Parties	Total
1-30 days overdue	563.998	1.067.956	1.631.954
1-3 months overdue	192.149	50.331	242.480
3-6 months overdue	47.377	-	47.377
Over 6 months overdue	-	-	-
The part of credit risk covered with guarantees	-	-	-
	803.524	**1.118.287**	**1.921.811** [*]

[*] The overdue but not impaired receivables from related parties has been collected as of the approval date of the financial statements.

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31 December 2013	**Receivables**		
	Related Parties	**Third Parties**	**Total**
1-30 days overdue	533.822	256.446	790.268
1-3 months overdue	-	-	-
3-6 months overdue	-	-	-
Over 6 months overdue	2.312	-	2.312
The part of credit risk covered with guarantees	-	-	-
	536.134	**256.446**	**792.580**

b) Liquidity risk:

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers lines from high quality lenders. In order to maintain liquidity, the Company management closely monitors the timely collection of trade receivables, take actions to minimise the effect of delay in collections and arranges cash and non-cash credit lines from financial institutions in case of requirement.

	31 December 2014				
	Carrying Value	**Total Cash outflows per agreement (=I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contractual maturity dates:					
Financial liabilities:					
Bank borrowings	780.070	780.070	780.070	-	-
Trade payables	71.654.044	72.061.644	70.486.638	1.575.006	-
Other payables	1.772.651	1.772.651	1.772.651	-	-
	74.206.765	**74.614.365**	**73.039.359**	**1.575.006**	**-**

	31 December 2013				
	Carrying Value	**Total Cash outflows per agreement (=I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contractual maturity dates:					
Financial liabilities:					
Bank borrowings	680.047	680.047	680.047	-	-
Trade payables	79.041.772	80.411.663	79.400.421	1.011.242	-
Other payables	1.095.848	1.095.848	1.095.848	-	-
	80.817.667	**82.187.558**	**81.176.316**	**1.011.242**	**-**

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c) Market risk:

i) Foreign exchange risk

The Company is exposed to foreign exchange risks through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities. The Company minimizes the risk through balancing foreign currency denominated assets and liabilities. These risks are monitored by analyses of the foreign currency position. Current risks are discussed by the Audit Committee and the Board of Directors regularly and the foreign exchange rates relevant to the foreign currency position of the Company are mentioned.

	Foreign Currency Position							
	31 December 2014				31 December 2013			
	TL Equivalent	USD	EUR	Other (TL Equivalent)	TL Equivalent	USD	EUR	Other (TL Equivalent)
1. Trade Receivables	1.372.236	423.875	138.020	-	968.246	453.660	-	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	23.434	1.621	6.975	-	18.218	3.273	3.825	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	88.039	17.151	17.112	-	1.482.390	7.327	497.101	7.016
4. Current Assets (1+2+3)	**1.483.709**	**442.647**	**162.107**	**-**	**2.468.854**	**464.260**	**500.926**	**7.016**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non- monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Non- Current Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**1.483.709**	**442.647**	**162.107**	**-**	**2.468.854**	**464.260**	**500.926**	**7.016**
10. Trade Payables	1.578.959	4.824	555.810	-	1.577.169	42.293	503.963	7.016
11. Financial Liabilities	-	-	-	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary Other Liabilities	9.322	4.020	-	-	-	-	-	-
13. Short- Term Liabilities (10+11+12)	**1.588.281**	**8.844**	**555.810**	**-**	**1.577.169**	**42.293**	**503.963**	**7.016**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long-Term Liabilities (14+15+16)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
18. Total Liabilities (13+17)	**1.588.281**	**8.844**	**555.810**	**-**	**1.577.169**	**42.293**	**503.963**	**7.016**
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19a. Amount of Hedged Asset	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19b. Amount of Hedge Liability	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset (Liability) Position (9-18+19)	**(104.572)**	**433.803**	**(393.703)**	**-**	**891.685**	**421.967**	**(3.037)**	**-**
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	**(183.289)**	**420.672**	**(410.815)**	**-**	**(590.705)**	**414.640**	**(500.138)**	**(7.016)**
22.Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
23. Amount of Foreign Currency Denominated Assets Hedged	**-**	**-**		**-**	**-**		**-**	**-**
24. Amount of Foreign Currency Denominated Liabilities Hedged	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25. Export	**13.854.083**	**6.447.741**	**-**	**-**	**10.017.524**	**5.229.678**	**-**	**-**
26. Import	**14.875.604**	**6.892.636**	**-**	**-**	**13.289.311**	**6.971.902**	**-**	**-**

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31 December 2014	Sensitivity Analysis for Foreign Currency Risk			
	Profit/Loss		Equity	
	Appreciation of Foreign currency	Depreciation of Foreign currency	Appreciation of Foreign currency	Depreciation of Foreign currency
Change of USD by 10% against TL:				
1- Asset/ Liability denominated in USD - net	100.595	(100.595)	100.595	(100.595)
2- The part hedged for USD risk (-)	-	-	-	-
3- USD Effect - net (1+2)	**100.595**	**(100.595)**	**100.595**	**(100.595)**
Change of EUR by 10% against TL:				
4- Asset/ Liability denominated in EUR - net	(111.052)	111.052	(111.052)	111.052
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR Effect - net (4+5)	**(111.052)**	**111.052**	**(111.052)**	**111.052**
Change of other currencies by average 10% against TL:				
7- Assets/ Liabilities denominated in other foreign currencies - net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**(10.457)**	**10.457**	**(10.457)**	**10.457**

31 December 2013	Sensitivity Analysis for Foreign Currency Risk			
		Profit/Loss	Equity	
	Appreciation of Foreign currency	Depreciation of Foreign currency	Appreciation of Foreign currency	Depreciation of Foreign currency
Change of USD by 10% against TL:				
1- Asset/ Liability denominated in USD - net	90.060	(90.060)	90.060	(90.060)
2- The part hedged for USD risk (-)	-	-	-	-
3- USD Effect - net (1+2)	**90.060**	**(90.060)**	**90.060**	**(90.060)**
Change of EUR by 10% against TL:				
4- Asset/ Liability denominated in EUR - net	(892)	892	(892)	892
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR Effect - net (4+5)	**(892)**	**892**	**(892)**	**892**
Change of other currencies by average 10% against TL:				
7- Assets/ Liabilities denominated in other foreign currencies - net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**89.168**	**(89.168)**	**89.168**	**(89.168)**

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ii) Interest rate risk

	Interest Rate Position	
	31 December 2014	**31 December 2013**
Financial instruments with fixed interest rate		
Financial assets	71.281.622	101.683.363
Financial liabilities	72.486.266	79.773.971

The company does not have financial instrument with variable interest rate as of 31 December 2014 and 2013.

iii) Price risk

The profitability of the Company's operations and the cash flows generated by those operations are affected by changes in the raw material prices and market competition that are closely monitored by the Company management and precautions for cost efficiency are taken. The Company does not anticipate that prices of unprocessed meat and other raw materials will change significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline or increase in the prices of unprocessed meat and other stocks and raw materials. The current risks are properly monitored by Board of Directors and Audit Committee regularly in considering the need for active financial risk management.

d) Capital Risk Management:

The Company's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as the total liability (including borrowings, trade payables, due to related parties and other payables, as shown in the balance sheet) less cash and cash equivalents.

	31 December 2014	**31 December 2013**
Financial liabilities	858.677	801.216
Less: Cash and cash equivalents	(1.741.969)	(13.776.369)
Net debt	**(883.292)**	**(12.975.153)**
Total equity	**344.445.567**	**333.024.137**
Net debt/ equity ratio	**(0,3%)**	**(3,9%)**

The Company management regularly monitors the debt/ equity ratio.

NOTE 50 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

Classification of financial assets

The Company's financial assets and liabilities classified as available-for-sale investments and loans and receivables. Cash and cash equivalents (Note 6), trade receivables (Notes 8) and other receivables (Notes 10) of the Company are classified as loans and receivables and measured at amortised cost using effective interest method. Available-for-sale investments are disclosed in Note 48. The Company's financial liabilities are classified as financial liabilities (Note 25), other financial liabilities and trade payables (Note 8) and other payables (Notes 30).

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

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The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value. The fair values of certain financial assets carried at costs, including cash and due from banks, receivables and other financial assets are considered to approximate their respective carrying values due to their short-term nature. Available-for-sale investments are carried at their fair values. The fair values of available-for-sale investments which do not have quoted market prices in active markets, are determined by using general accepted valuation techniques or stated at cost, less a provision for impairment, if any, by assuming the carrying values do not differ materially from their fair values.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts and they are considered to approximate to their fair values and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2014 and 2013.

31 December 2014

	Level 1	Level 2	Level 3 (*)	Total
Assets:				
Available-for-sale investments	-	-	628.775	628.775
Total assets	**-**	**-**	**628.775**	**628.775**

31 December 2013

	Level 1	Level 2	Level 3 (*)	Total
Assets:				
Available-for-sale investments	-	-	608.945	608.945
Total assets	**-**	**-**	**608.945**	**608.945**

(*) As of 31 December 2014 and 2013, there is no movement between the levels 1 and 2. Please see Note 48 for the movement of Level 3 financial instruments.

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The following table presents the Company's non-financial assets that are measured fair value at 31 December 2014 and 2013;

31 December 2014

	Level 1	Level 2	Level 3	Total
Plant, property and equipment:				
Land	-	63.964.004	-	63.964.004
Buildings and land im provements	-	62.447.067	-	62.447.067
Machinery and equipment	-	62.227.037	-	62.227.037
Total assets	**-**	**188.638.108**	**-**	**188.638.108**

31 December 2013

	Level 1	Level 2	Level 3	Total
Plant, property and equipment:				
Land	-	64.421.000	-	64.421.000
Buildings and land improvements	-	56.048.433	-	56.048.433
Machinery and equipment	-	58.641.491	-	58.641.491
Total assets	**-**	**179.110.924**	**-**	**179.110.924**

NOTE 51 - SUBSEQUENT EVENTS

None (2013: None).

NOTE 52 - OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR BE EXPLAINED FOR THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None (2013: None).