For a better life...

PINAR ET **ANNUAL REPORT 2014**

PINAR

Yaşar
for a better life

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My source of health, flavor, and innovation

WHOLESOME, DELICIOUS, HYGIENIC PRODUCTS

TURKEY'S FIRST PRIVATELY-OWNED INTEGRATED MEAT-PROCESSING PLANT, PINAR ET WAS FOUNDED IN 1983.

SINCE THE DAY IT WAS FOUNDED, PINAR ET HAS BEEN PURSUING ITS MISSION OF SUPPLYING CONSUMERS WITH PRODUCTS THAT ARE WHOLESOME, TASTY, AND HYGIENIC. BOTH ITS INNOVATIONS AND ITS FIRSTS MAKE IT THE SECTOR'S PIONEER AND A LEADER TO BE FOLLOWED BY OTHERS.

Reporting period
01.01.2014 – 31.12.2014

Trade Name
Pınar Entegre Et ve Un Sanayii A.Ş.

Trade Registration
İzmir 45251 K:1912

Authorized Capital
TL 100,000,000.00

Paid-in Capital
TL 43,335,000.00

IN 2014

14

CORPORATE GOVERNANCE

44

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My source of life

STRIVING ALWAYS TO OFFER UNIQUE, HIGH-ADDED-VALUE PRODUCTS, PINAR ET CONTINUES TO STRENGTHEN ITS LEADERSHIP IN THE PROCESSED AND FROZEN MEAT AND MEAT PRODUCTS MARKET YEAR AFTER YEAR.

PINAR ET IS FOCUSED ON CONSTANTLY REMAINING ONE STEP AHEAD THROUGH BRAND RECOGNITION, PRODUCT QUALITY, CUSTOMER SATISFACTION, AND FOOD-SAFE PRODUCTION PROCESSES.

Contact Information
Head Office
Şehit Fethibey Caddesi No: 120 Alsancak - İzmir
Tel: +90 232 482 22 00 Fax: +90 232 484 17 89

Factory
Ankara Asfaltı 25. Km Kemalpaşa - İzmir

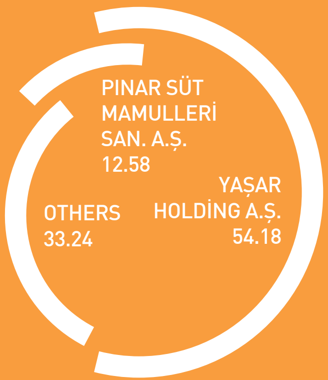
Işıkkent Branch
Kemalpaşa Caddesi No: 250 Işıkkent - İzmir

Website
www.pinar.com.tr

PINAR ET IN BRIEF

CLEAR VISION AND A SOLID REPUTATION AS A RESPONSIBLE AND TRUSTED PRODUCER TOGETHER WITH TECHNOLOGY-SUPPORTED INNOVATIVE PRODUCTION STRENGTHS AND DEEP-ROOTED EXPERIENCE MAKE PINAR ET THE LEADER OF THE CHARCUTERIE AND FROZEN MEAT PRODUCTS MARKETS.

PINAR ET'S SHAREHOLDING STRUCTURE (%)



Shareholder	% Share	Share Amount (TL)
Yaşar Holding A.Ş.	54.18	23,476,894.71
Pınar Süt Mamulleri San. A.Ş.	12.58	5,451,752.25
Others	33.24	14,406,353.04
Total	**100.00**	**43,335,000.00**

Pınar Et shares are traded on the Borsa İstanbul National Exchange under ticker symbol PETUN.

The Company's capital consists of "Class A" registered shares and of "Class B" bearer shares. Each Class A share is entitled to three votes at general meetings of the Company an each Class B share one vote.

Ever since 1983 when it was founded as Turkey's first privately-owned integrated meat-processing plant, Pınar Et has been supplying consumers with wholesome, tasty, and hygienic products. Today Pınar Et is the leader of Turkey's charcuterie and frozen meat products markets.

Striving always to offer unique, added-value products, Pınar Et responds to different consumer expectations and to the demands of different customer groups with an extensive portfolio of frozen meat products, frozen dough products, frozen seafood products, fresh seafood products, and fresh meat products. Pınar Et creates brand-new markets segments with the innovative products which it introduces and which set the trends that are followed by other players in the sector.

As the center of a quality management system embracing every stage of every process from sourcing raw materials to engaging with consumers, Pınar Et makes sure that its products are made under the safest, healthiest, and most hygienic conditions possible and that they are supplied to consumers in exactly the same way. Pınar Et production processes conform to EU directives and its production operations are audited every year both by the Turkish Standards Institution and by SAI Global, an internationally-recognized independent standards auditing and assurance firm.

Clear vision and a solid reputation as a responsible and trusted producer together with technology-supported innovative production strengths and deep-rooted experience are what give Pınar Et its competitive edge.

Strategically situated throughout Turkey and equipped with state-of-the-art technology and a flexible organizational structure, Pınar Et's distribution network is Turkey's biggest cold chain for the delivery of perishable and frozen foods.

Recognizing economic, environmental, and social sustainability as the key to its long-term, healthy, and profitable performance, Pınar Et therefore grounds its corporate strategies and goals in this notion. The company regards its ongoing support and efforts on behalf of art, education, sort, and the preservation of cultural assets are an important and indispensable means of sharing its own gains with society as a whole.

Pınar Et is a member of the Yaşar Group, one of Turkey's biggest and most highly respected corporate groups.

CLEAR VISION AND A SOLID REPUTATION AS A RESPONSIBLE AND TRUSTED PRODUCER TOGETHER WITH TECHNOLOGY-SUPPORTED INNOVATIVE PRODUCTION STRENGTHS AND DEEP-ROOTED EXPERIENCE ARE WHAT GIVE PINAR ET ITS COMPETITIVE EDGE.

first

PINAR ET WAS FOUNDED IN 1983 AS TURKEY'S FIRST PRIVATELY-OWNED INTEGRATED MEAT-PROCESSING PLANT.

leader

PINAR ET IS THE LEADER OF TURKEY'S CHARCUTERIE AND FROZEN MEAT PRODUCTS MARKETS.

innovative

PINAR ET CREATES BRAND-NEW MARKET SEGMENTS WITH THE INNOVATIVE PRODUCTS WHICH IT INTRODUCES AND WHICH SET THE TRENDS THAT ARE FOLLOWED BY OTHER PLAYERS IN THE SECTOR.

PINAR ET'S COMPETITIVE ADVANTAGES

An enduring leader of its market since the day it was founded, Pınar Et's greatest strengths are its sustainable quality, its ability to discern and respond to customers' wishes and needs fully and in a timely manner, and the unconditional confidence that it enjoys among consumers.

Pınar Et's commitment to ethical values and its well-defined marketing and sales processes fortify its market position as much as does its product quality.

Continuously seeking to grow its sector as befits its stature as its leading brand, Pınar Et always keeps a close watch on different consumers' needs and demands and comes up with and delivers solutions that address them.

STEADILY GROWING BRAND VALUE

- One of Turkey's 10 "super-brands"
- One of the top ten most reputable brands
- One of Turkey's most admired companies

PRODUCTION STRENGTHS AND PRODUCT PORTFOLIO ENRICHED BY QUALITY STANDARDS.

- Reputation as an innovative pioneer
- More than 300 SKUs
- R&D experience
- Production conforming to hygiene and EU standards
- Both technical and sectoral knowledge and experience
- Compliance with food safety and quality standards at every stage from procurements to finished product delivery
- ISO 9001-2008
- ISO 14001
- ISO 50001 2008
- ISO 18001
- FSSC 22000
- TSE 17025

NATIONWIDE DISTRIBUTION AND SUPPLIER NETWORKS

- YBP: Turkey's most extensive cold and frozen foods distribution chain
- 150,000 points of sale
- Technical knowledge and experience
- Synergetic distribution of milk and dairy products
- Broad-based procurements from every region of the country
- Strong relationships with farmers
- Contractual farming system

SHARED VALUES

SINCE ITS ESTABLISHMENT
PINAR ET

SHAPES THE COURSE OF ITS SECTOR AND INCREASES ITS COMPETITIVE STRENGTH WITH INNOVATIVE PRODUCTS.

CREATES ADDED VALUE FOR ITS STAKEHOLDERS AND THE NATIONAL ECONOMY BY EXPORTING GOODS TO SIXTEEN COUNTRIES.

CONTRIBUTES TO THE TURKISH ECONOMY BY PAYING TAXES AND CREATING JOBS.

SUPPORTS ITS SECTOR'S ADVANCEMENT AND SOCIAL WELLBEING THROUGH ITS SOCIAL RESPONSIBILITY PROJECTS.

HIGHLIGHTS FROM PINAR ET'S HISTORY AND ITS "FIRSTS"

31 years of perfectionism...

PINAR ET'S COMMITMENT TO PERFECTIONISM SINCE THE DAY IT WAS FOUNDED HAS MADE IT ONE OF THE BRANDS MOST TRUSTED BY CONSUMERS TODAY.

1983
Foundations for Pınar Et are laid.

1985
Pınar Et, Turkey's first fully-integrated and privately-owned meat plant, is established.

1987
Pınar Et introduces Turkey's first hamburgers specially made for the food trade.

1994
Pınar Et becomes the first -industry concern in Turkey to receive ISO 9002 Quality Management System certification.

1998
The Yaşar Group sets up the country's first fully-integrated facility to raise, slaughter, process, and sell turkey meat and meat products.

2000
Pınar Et launches production of sliced meat products start for the first time in Turkey using clean-room technology and under the strictest hygienic conditions.

2001
Pınar Et for the first time begins producing and selling doner for the food trade on an industrial scale but with the same delicious flavor and aroma as classical Turkish doner kebab.

The same year, the Company also introduces frozen seafood products.

2003
Pınar Et changes to TS ISO 9001:2000 Quality Management System certification.

2004
Pınar Et is awarded ISO 14001 Environmental Management System certification.

The same year, the Company also launches "Turkey's meatballs": Nine different varieties of traditional Turkish meatballs.

2006
Pınar Et becomes the first company in its sector to receive TSE ISO 22000 Food Safety Management System certification.

2007
Pınar Et becomes the first company in its sector to receive TSE OHSAS 18001 Occupational Health & Safety Assessment Series certification.

The same year, the Company's success is recognized by an award from the İzmir branch of KalDer, the Turkish Quality Association.

2008
Pınar Et becomes the first company in its sector to receive TSE 17025 Food Safety Management System Certification.

The same year it also becomes the first company in Turkey's food industry to undertake a Lean 6 Sigma operational excellence and productivity project.

PINAR ET HAS BEEN SUPPLYING CONSUMERS WITH WHOLESOME, TASTY, AND HYGIENIC PRODUCTS EVER SINCE IT WAS FOUNDED IN 1983 AS TURKEY'S FIRST PRIVATELY-OWNED INTEGRATED MEAT-PROCESSING PLANT.

2009

Two new products– Pınar Misket Meatball and Pizzato Alaturka (a thin-crust pizza)– are introduced.

2010

The Pınar Et "Aç Bitir" (easy-open, smaller sized) product line of salamis, sausages, and soudjouks is launched.

Two additions to the frozen foods family consist of "Pizzatto Italiano" and "Gourmet Burger", the latter distinguished by its larger size and enhanced flavor.

2011

Pınar Et Profesyonel is set up to cater to the away-from-home channel.

Pınar Et demonstrates its expertise in charcuterie with the launching of its "Şölen", "Delight", and "Gurme" labels.

The Pınar Et "Şölen" line is expanded with the addition of fenugreek- and cumin-flavored varieties.

"Gurme" soudjouks and sausages made from top-quality meat are introduced to the market.

The "Delight" label is launched with low-fat, low-sodium products that appeal to charcuterie-lovers who are also concerned about their weight and/or health.

2012

In a survey conducted by GfK RepMan Reputation Research Center, Pınar Et is identified as one of Turkey's most highly-respected companies.

BrandSpark International awards Pınar Et "Best New Product" citations for its "Aç Bitir Salami" and "Gurme Burger" products.

According to Nielsen and Superbrands, Pınar Et is one of Turkey's top ten superbrands.

2013

Four brand-new, ready-to-bake frozen börek varieties are introduced to consumers: cheese, potato, ground meat & potato, and labaneh & spinach.

"Kadınbudu" and "Pizzatto Mini" are added to the existing frozen meatball and pizza lineups respectively.

2014

In the frozen meat products category, small-pack versions of "Cızbız" and "Kasap" koftas were introduced to the market.

In the dough products category, "Su Böreği" and "Gurme Mantı" appeared before consumers.

In the charcuterie category, production began of "Pınar Gurme" salamis, hams, and smoked meats.

Pınar's "Quick-Portion" communication campaign received a Golden Effie, one of the Turkish advertising industry's most respected awards.

THE YAŞAR GROUP

the best-known brands in many sectors

WITH 21 COMPANIES, 23 FACTORIES AND PLANTS, 2 CHARITABLE FOUNDATIONS, AND 7,500 EMPLOYEES, THE YAŞAR GROUP IS THE HOME OF SOME OF TURKEY'S LEADING **FOOD, BEVERAGE, AND PAINT BRANDS AND ALSO HAS OPERATIONS IN THE AGRICULTURE, LIVESTOCK, AQUACULTURE, PAPER, TOURISM, FOREIGN TRADE, AND ENERGY.**

YAŞAR UNIVERSITY, SET UP AND RUN BY THE SELÇUK YAŞAR SPORT AND EDUCATION FOUNDATION, IS AN EDUCATIONAL INSTITUTION ATTENDED BY MORE THAN 6,000 STUDENTS.

The Group's principal business lines consist of food & beverages and of coatings. The Group's two leading brands are Pınar (food & beverages) and Dyo (coatings). Both enjoy top-level rankings as Turkey's "best-known consumer brands".

A corporate group that has authored many firsts

Under the leadership of Honorary President Selçuk Yaşar, the Yaşar Group has been the author of many firsts in Turkey.

- DYO: First national paints brand,
- PINAR SÜT: First privately-owned dairy plant conforming to international standards,
- ALTIN YUNUS ÇEŞME: First 1,100 bed capacity hotel,
- VİKİNG KAĞIT: First privately-owned paper plant,
- PINAR SU: First mineral water supplied in non-returnable packaging
- PINAR ET: First privately-owned integrated meat processing & packing plant,
- First integrated turkey plant
- PINAR DENİZ: First aquaculture facility and production,

In keeping with its environmental and social awareness approaches

Yaşar Holding strives to minimize the environmental impact of all of its economic and commercial activities. All Yaşar Group companies comply with all laws and regulations related to protecting the environment and to reducing pollution caused by business activities.

The Yaşar Group also involves itself in a variety of corporate social responsibility projects that support education, sport, culture, and art.

Regarding social responsibilities as being one and the same as its economic responsibilities as a company, the Yaşar Group voluntarily joined the United Nations Global Compact network on 12 November 2007. In compliance with the requirements of that membership, the Company published communications on progress for 2009 and 2010 and sustainability reports for 2011, 2012 and 2013.

In 2012 the "CEO Statement of Support on behalf of Women's Empowerment Principles" was signed. In 2013, commitments were made to abide by gender policies which are set out in the "Declaration of Workplace Equality" and which are consistent with being a good corporate citizen such as increasing the number of women in the workforce and improving working conditions.

The communications on progress and the sustainability reports that the Group published in compliance with the Global Compact may be found on the Yaşar Holding corporate website at www.yasar.com.tr.

Six companies traded in the Borsa İstanbul

Six of Yaşar Holding's subsidiaries are traded on the Borsa İstanbul: Pınar Süt, Pınar Et, Pınar Su, Dyo Boya, Viking Kağıt, and Altın Yunus Çeşme.

THE YAŞAR GROUP'S MISSION IS TO PROVIDE TRUSTED-BRAND, SUPERIOR-QUALITY PRODUCTS AND SERVICES THAT ADD VALUE TO CONSUMERS LIVES.

FOOD & BEVERAGES DIVISION

THE MOST BELOVED FLAVORS
THE MOST WHOLESOME PRODUCTS
THE MOST ADVANCED TECHNOLOGY

- Pınar Süt
- Pınar Et
- Pınar Su
- Çamlı Yem Besicilik
- Yaşar Birleşik Pazarlama
- Pınar Foods GmbH
- HDF FZCO

COATINGS DIVISION

TECHNOLOGICAL LEADERSHIP
STRONG BRANDS AND DISTRIBUTION NETWORK

- Dyo Boya Fabrikaları
- Dyo Matbaa Mürekkepleri
- Kemipex Joint-Stock Co.
- S.C. Dyo Balkan SRL
- Dyo Africa Paints and Varnishes

TISSUE PAPER DIVISION

ECO-FRIENDLY PRODUCTION
INNOVATIVE PRODUCTS

- Viking Kağıt

TRADE & SERVICE DIVISION

COMMITTED TO SUPERIOR SERVICE

- Altın Yunus Çeşme
- Bintur
- Yaşar Dış Ticaret
- YADEX International GmbH
- Desa Enerji

FOUNDATIONS

A RESPONSIBLE CORPORATE CITIZEN

- Yaşar Education and Culture Foundation
- Selçuk Yaşar Sports and Education Foundation

CHAIRPERSON'S MESSAGE

ESTEEMED STAKEHOLDERS

leadership

PINAR ET REGISTERED A 14.9% RISE IN ITS TOTAL TURNOVER IN 2014. THE COMPANY SUCCESSFULLY MAINTAINED ITS LEADING POSITION BY BOOSTING ITS MARKET SHARE IN EVERY PRODUCT CATEGORY IN WHICH IT IS ACTIVE.

The aftershocks of the economic crisis that began seven years ago and disrupted the global economy's balances continue to be felt albeit to a lesser degree. While 2014 was a year in which global economic activity gradually recovered, the positive outlook in the US economy is what set it most apart from other developed economies. Despite measures to counter it, the fragility of the eurozone's economy continued to pose risks.

Although it was among the earliest to emerge from the global economic crisis and has suffered relatively less from more recent global uncertainties, Turkey managed to sustain its growth in 2014 though with some loss of momentum. In the first nine months of the year, Turkey's GDP grew by just 2.8%, about two-thirds the previous year's 4.1% rate during the same period. The 3.3% and 4.0% growth rates posited in the government's Medium-Term Program for 2014 and 2015 respectively still look like being achievable however. The marked decline in oil prices in recent months can be expected to have a beneficial impact both on the current account deficit and on inflation in the period ahead.

Despite global uncertainties, precarious risks, and stiffer international competition, our own country nonetheless continues to have strong potential thanks to encouraging economic indicators, a singular geopolitical position, a dynamic home market, and a youthful population.

Although our sector is growing, its costs continue to soar.
While the demand for red meat is increasing strongly throughout the world, we see that production is unable to keep pace with it. As may be expected, the shortfall in supply is pushing up prices everywhere. This is certainly true in our own country, where the price of beef increased by 18.5% last year and the 3% or so rise in the price of poultry continued to make the latter a much more economically viable choice for consumers.

This global trend makes it more crucial than ever to develop strategies and to take measures to increase red meat production in Turkey. It is vitally important that the level of supply be capable of satisfying domestic demand. Unfortunately the sector's livestock feed raw materials largely have to be imported from abroad and this dependency not only raises costs and reduces profitability but also stunts domestic livestock industry's growth and development.

Total meat production in Turkey increased by 5.6% in 2014 and reached 2.95 million tons, of which 65.8% consisted of white (ie poultry) meat and 34.2% of red meat. On a twelve-month basis, white meat output was up by 8.1% while that of red meat increased by a mere 1.2%.

PINAR ET HAS MADE IT A FUNDAMENTAL PRINCIPLE TO DEVELOP INNOVATIVE, DISTINCTIVE PRODUCTS IN LINE WITH CONSUMERS' DEMANDS AND EXPECTATIONS.

We continued to grow and we maintained our market leadership in every category in 2014.
Pınar Et registered a 14.9% rise in its total turnover in 2014. The company successfully maintained its leading position by boosting its market share in every product category in which it is active.

A steadily upward trend in raw material prices exerted correspondingly substantial pressure on the cost of goods sold all year long. Despite this, we completed 2014 with a successful performance thanks partly to a disciplined approach to dealing with operational and financing costs and partly to significant improvements in revenues from our subsidiaries. Our net current profitable in 2014 was up by 15.7% year-on and reached TL 44.3 million.

Not only is our company the trailblazing leader of Turkey's processed and frozen meat and meat products market, it is also steadily increasing its household penetration rate year after year. In 2013 we controlled a 22.9% market share in the processed meats category; last year that was up to 24.9%. Pınar remains the brand that Turkish consumers prefer more than any other. In the case of frozen meat products, its market share has reached 46%.

Our innovative products set us apart in the market.
Ever since it was founded as Turkey's first privately-owned integrated meat-processing plant in 1983, Pınar Et has made it a fundamental principle to develop innovative, distinctive products in line with consumers' demands and expectations.

It should therefore be no surprise that new Pınar Et products appeared on shelves in 2014 as well. Besides high-added-value products capable of appealing to different consumers segments, we also focused on small-pack formats to make our products more compatible with people's purchasing power. Last year Pınar Et successfully introduced 17 new products: 9 for the domestic market, 4 for the away-from-home channel, and 4 for export.

We continued to invest in improving productivity and increasing capacity.
Efficiently-produced superior quality is a goal that we never lose sight of here at Pınar Et. With this principle in mind, our company continued to undertake capacity increase, productivity, and modernization investments in 2014.

To keep pace with the steadily increasing demand for the sliced charcuterie products that were most popular with consumers in 2013, we commissioned an auxiliary sliced-salami line last year. We also sought to boost our share of the frozen fish market by means of new the product portfolio capacity made possible by our seafood processing and packaging plant (which became operational and went into production last year) and by additional investments.

Our Total Quality Approach
Pınar Et adheres to a total quality management system that is compatible with its goal of making and supplying consumers with products under conditions that are safe, healthy, and hygienic.

All processes and practices in all Pınar Et facilities are in full compliance with internationally accepted safe food procurement standards and with its FSSC 22000 Food Safety Management System + HACCP (Hazard Analysis & Critical Control Point) certification.

Effective corporate governance is one of our priorities.
Both as a publicly-traded company and as a member of the Yaşar Group of Companies, we are extremely mindful of corporate governance issues. Our company conducts all of its operations in keeping with the principles of commitment to ethical values, transparency, trust and sharing.

As a result of its strict and sustainable compliance with corporate governance principles and with the requirements of commercial and capital market laws and regulations, Pınar Et's corporate governance rating was raised to 9.11/10.00 in 2014.

Our sustainability approach
Pınar Et is a corporate citizen which is aware that it has not just economic but also environmental and social responsibilities as well. Our company possesses and constantly seeks to improve the effectiveness of its environment, energy, and occupational health & safety management systems.

In addition to its ongoing efforts to reduce its corporate carbon footprint, in 2014 Pınar Et began projects to quantify and reduce its water footprint as well. The Yaşar Group has set itself the goal of reducing the average carbon emissions generated per ton of manufacturing output by at least 15% by 2020. As its part in the fulfillment of this target, Pınar Et is currently working on making performance improvements at its identified carbon hotspots.

Pınar Et's environmental awareness was recognized by two awards that were received in 2014. In the Aegean Region Chamber of Industry's ranking of the environmental performance of the chamber's members, which was conducted in two separate categories ("Eco-Friendly Industrial Plant" and "Eco-Friendly Project") last year, Pınar Et placed among the top three in the former and among the top six in the latter.

In the Green Dot Environmental Awards Program conducted by ÇEVKO in 2014 for the first time, Pınar Et received a plaque of appreciation in the "Large-Scale Business" category.

Last year our company also continued to work on social responsibility projects in support of culture, art, education, and sport. Pınar Et undertakes such projects with the aim of benefiting all segments of society.

Our highly-motivated team of blue- and white-collar personnel play a very important role in our success as do of course all the suppliers, customers, and consumers who demonstrate their confidence by continuing to deal with us.

It is with that thought in mind therefore that I offer my thanks and respects to all of the stakeholders whose trust in and preference for the Pınar brand are what ensures that the added value we create remains sustainable.

Very truly yours,

Emine Feyhan Yaşar
Chairman of the Board of Directors

BOARD OF DIRECTORS, SENIOR MANAGEMENT, COMMITTEES

Emine Feyhan Yaşar
Chairperson

Mustafa Selim Yaşar
Deputy Chairperson

İdil Yiğitbaşı
Director

Ali Yiğit Tavas
Independent Director

Atila Sezgin
Independent Director

Yılmaz Gökoğlu
Director

Mehmet Aktaş
Director

The Board of Directors and Terms of Office

Name	Title	Term of Office
Emine Feyhan Yaşar	Chairperson	26 March 2014 – One year
Mustafa Selim Yaşar	Deputy Chairperson	26 March 2014 – One year
İdil Yiğitbaşı	Director	26 March 2014 – One year
Ali Yiğit Tavas	Independent Director	26 March 2014 – One year
Atila Sezgin	Independent Director	26 March 2014 – One year
Yılmaz Gökoğlu	Director	26 March 2014 – One year
Mehmet Aktaş	Director	26 March 2014 – One year

Limits of Authority:
Both the chairperson and the members of the Board of Directors possess all of the authorities set forth in the applicable articles of the Turkish Commercial Code as well as in articles 10 and 11 of the Company's articles of association.

Senior Management

Name	Position
Tunç Tuncer	General Manager
Mustafa Şahin Dal	Financial Affairs and Budget Control Director
Muzaffer Bekar	Finance Director
Hakan İshakoğlu	Plant Director

Audit Committee

Name	Title
Atila Sezgin	Head of the Committee
Ali Yiğit Tavas	Member

Corporate Governance Committee

Name	Title
Ali Yiğit Tavas	Head of the Committee
Atila Sezgin	Member
Yılmaz Gökoğlu	Member
Mustafa Şahin Dal	Member

Early Detection of Risk Committee

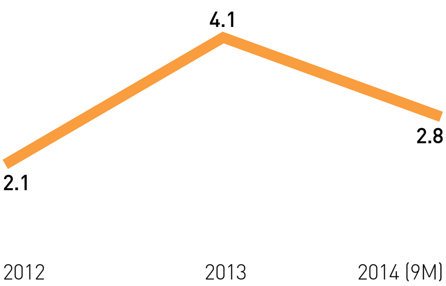
Name	Title
Atila Sezgin	Head of the Committee
Ali Yiğit Tavas	Member
Yılmaz Gökoğlu	Member

* Background information about members of the Board of Directors and senior managers is provided on page 45 of this report.

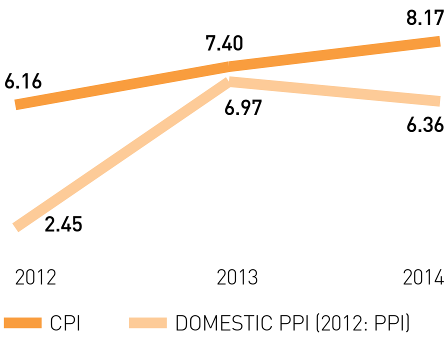
THE TURKISH ECONOMY AND OUR SECTOR IN 2014

nearly 3 million tons of meat production

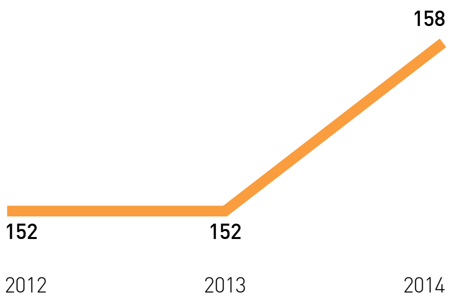
GDP GROWTH RATE - FIXED PRICES (%)



INFLATION (%)



EXPORTS (USD BILLION)



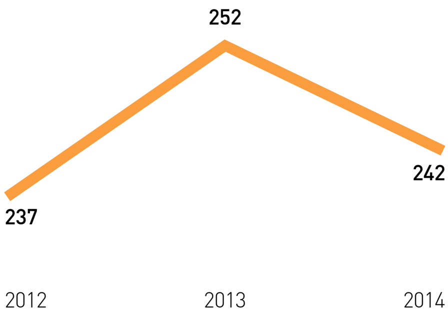
THE TURKISH ECONOMY CONTINUED TO GROW ALBEIT WITH SOME LOSS OF MOMENTUM.

The Turkish economy experienced some loss of momentum in the pace of its growth last year. Having grown by 4.1% in the first three quarters of 2013, it grew by only 2.8% during the same period in 2014. The components of growth shifted in favor of exports though this was partly due to the effects of a weak Turkish lira. Owing to TCMB interest rate policies and to BDDK-imposed restrictions on credit in general and credit cards in particular, there was a steady decline in the contributions made by consumption-related outlays to overall growth.

THE CPI ENDED UP ABOVE ITS 2013 LEVEL.

Although the rise in the producer price index was somewhat lower last year than the year before, inflation as measured by consumer prices was higher. In the twelve months to end-2014, TurkStat's producer price and consumer price indexes increased by 6.36% and 8.17% respectively.

IMPORTS (USD BILLION)



EXPORTS MADE THE BIGGEST CONTRIBUTION TO OVERALL GROWTH.

According to provisional end-2014 figures available at this time, Turkey's exports were worth USD 157.7 billion while its imports weighed in at USD 242.2 billion. This performance corresponds to a 15.4% year-on-year decline in the country's foreign trade deficit, which was down to USD 84.5 billion. It also means that the ratio of Turkey's exports to imports was up by 4.8 points to 65.1%.

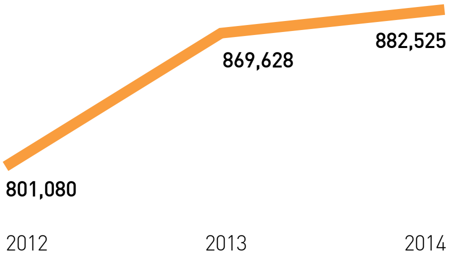
The current account deficit narrowed by 29% to USD 45.8 billion in 2014.

THE LIVESTOCK AND MEAT PRODUCTS INDUSTRIES

1 million

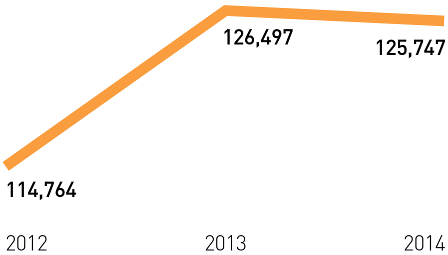
TOTAL RED MEAT PRODUCTION IN TURKEY TOPPED 1 MILLION TONS IN 2014.

RED MEAT PRODUCTION IN TURKEY (BEEF - THOUSAND TONS)



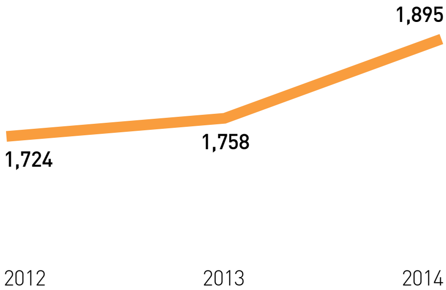
BEEF PRODUCTION INCREASED BY 1.5% IN 2014 AND REACHED 882,525 THOUSAND TONS.

RED MEAT PRODUCTION IN TURKEY (LAMB AND MUTTON - THOUSAND TONS)



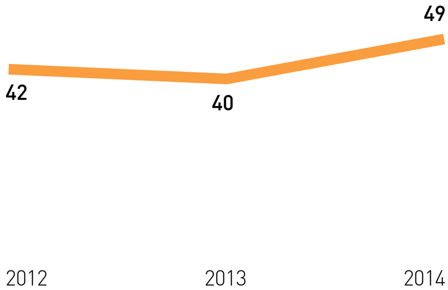
LAMB AND MUTTON PRODUCTION WAS DOWN BY 0.6% YEAR-ON AND AMOUNTED TO 125,747 THOUSAND TONS.

CHICKEN MEAT PRODUCTION IN TURKEY (THOUSAND TONS)



CHICKEN MEAT PRODUCTION ROSE BY 7.8% TO 1,895 TONS.

TURKEY MEAT PRODUCTION IN TURKEY (THOUSAND TONS)



TURKEY MEAT PRODUCTION INCREASED BY 22.8% AND REACHED 49 THOUSAND TONS.

2014 OPERATIONS

For all of our stakeholders...

IN 2014 PINAR ET:

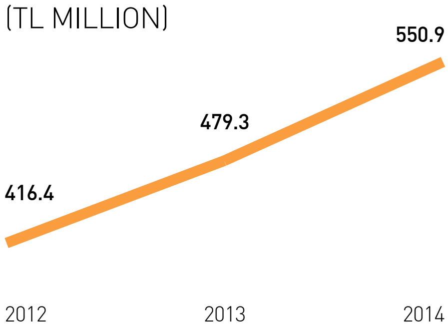
- CONTINUED TO GROW WHILE ALSO MAINTAINING ITS MARKET-SHARE LEADERSHIP IN EVERY CATEGORY IN WHICH IT IS ACTIVE.
- REINFORCED ITS LEADERSHIP IN CHARCUTERIE PRODUCTS BY RAISING ITS SHARE OF THAT MARKET'S TOTAL TURNOVER TO 24.9%.
- REGISTERED A YEAR-ON-YEAR RISE OF 14.9% IN ITS TOTAL NET SALES PROCEEDS.
- ACHIEVED A 38.3% YEAR-ON RISE IN ITS EXPORTS TURNOVER.
- BECAME THE CHARCUTERIE PRODUCTS BRAND PREFERRED BY 42.9% OF HOUSEHOLDS IN TURKEY.

PINAR ET'S SUCCESSFUL PERFORMANCE AND FINANCIAL RESULTS IN 2014 CONFIRM THE VALIDITY OF THE STRATEGIES TO WHICH IT ADHERES AS A COMPANY.

15.0%

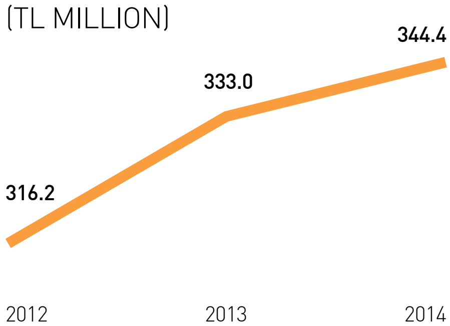
IN 2014 PINAR ET'S NET SALES INCREASED BY 15.0% AS COMPARED WITH 2013 AND REACHED THE TL 682 MILLION LEVEL.

NET SALES
(TL MILLION)



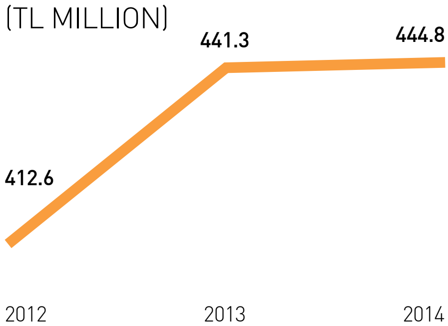
PINAR ET'S NET SALES INCREASED BY 14.9% TO TL 550.9 MILLION IN 2014.

SHAREHOLDERS' EQUITY
(TL MILLION)



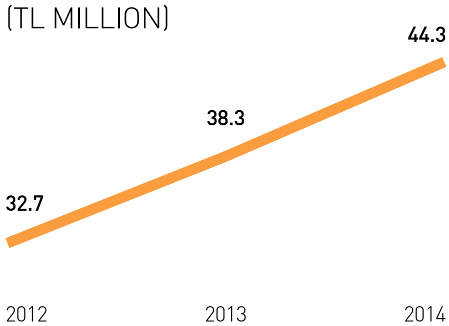
SHAREHOLDERS' EQUITY WAS 3.4% HIGHER THAN IT WAS TWELVE MONTHS EARLIER AND AMOUNTED TO TL 344.4 MILLION.

TOTAL ASSETS
(TL MILLION)



TOTAL ASSETS REMAINED SOLID AT TL 444.8 MILLION.

NET PROFIT
(TL MILLION)



THE INCREASE IN NET PROFIT THAT REACHED TL 44.3 MILLION WAS AT A RATE OF 15.7%.

2014 OPERATIONS

45

PINAR ET'S SALES WEIGHED IN AT 45 THOUSAND TONS IN 2014.

VALID STRATEGIES & SUCCESSFUL RESULTS

Pınar Et's successful performance and financial results in 2014 confirm the validity of its strategies.

Total assets, which amounted to TL 441.3 million in 2013, were worth TL 444.8 million as of end-2014.

In 2014 Pınar Et's net sales increased by 14.9% as compared with 2013 and reached the TL 551 million level. 98% of the Company's sales were in its home market with the remaining 2% being made abroad.

Ratios	2013	2014
Gross Profit Margin	17.3%	14.9%
Net Profit Margin	8%	8%
Current Ratio	1.7	1.5
Acid Test Ratio	1.3	1.0
Financial Leverage Ratio	0.2	0.2
Debt/Equity	0.3	0.3

Successful implementation of the Company's strategy of focusing on the sale of products in small-portion but high-added-value packaging during the year contributed to the 14.9% year-on rise in total net sales revenues.

Pınar Et's sales weighed in at 45 thousand tons in 2014.

An analysis of Pınar Et's 2014 sales by segment shows that they paralleled changes taking place throughout the sector. In the processed meats category according to Nielsen, 29% (as measured by weight) of Pınar Et's sales consisted of soudjouks, 49% of salamis, and 22% of sausages.

As measured by tonnage, 81% of the frozen foods market in 2014 consisted of dough products while meat products and seafood products contributed only 14% and 5% shares respectively. The breakdown of Pınar-brand frozen foods sales is more concentrated in the frozen meat and seafood products in comparison with the market.

Pınar Et booked a gross profit of TL 82.3 million in 2014. Its net profit, which was up by 15.7% year-on, amounted to TL 44.3 million.

PINAR ET CONTINUED TO GROW IN 2014 WHILE ALSO MAINTAINING ITS MARKET-SHARE LEADERSHIP IN EVERY CATEGORY IN WHICH IT IS ACTIVE.

MARKET SHARES

47.9%
SALAMIS
LEADER

38.9%
SAUSAGES
LEADER

16.9%
SOUDJOUKS
LEADER

24.9%
TOTAL CHARCUTERIE
LEADER

LEADERSHIP STRENGTHENED BY RISING MARKET SHARES...

Strong growth and rising market shares in every category enabled Pınar Et to successfully maintain its leading position in the industry.

According to Nielsen, Pınar Et boosted its overall market share in processed meats from 22.9% in 2013 to 24.9% in 2014. With its household penetration rates steadily rising, Pınar Et has been the enduring leader of Turkey's processed and frozen meat products markets for many years.

In soudjouks, which make up by far the biggest category in Turkey's processed meats market, Pınar Et commands a 17% share of total turnover. Pınar remains the brand that first comes to consumers' mind in this category (Gfk, Tracking). Pınar-brand soudjouks had a household penetration rate of 16.8% in 2014, making it the unchallenged leader in a toughly-competitive market (Nielsen, Ipsos HTP).

Pınar-brand salamis' 48% share of the market's overall turnover not only was 3.9% higher in 2014 than it was in 2013 but also widened the gap between itself and its nearest rival (Nielsen 2014).

Having experienced a sudden surge of growth in 2014, Pınar's "Quick-Portion" line of sliced salamis successfully maintained the Company's leadership in this market despite the entrance of a large number of imitators. Pınar-brand salamis were consumed in 30.1% of Turkish households in 2014.

Pınar-brand sausages remained the market leader whose 38.9% turnover was significantly higher than that of its closest competitor. They reached 14.7% of all sausage-consuming households in Turkey (Ipsos HTP).

Last year Pınar Et remained among the top two brands in the overall Turkish market for frozen meat, dough, and seafood products, in which it controlled a 30.7% turnover share (Nielsen, Scantrack).

Commanding a 46% market share in the frozen meat products category, Pınar is both the brand that consumers most prefer and way out in front of any other in the market.

In frozen dough products, Pınar Et ranks second with a 22% share of total turnover. Broken down by individual category we see that its shares are 28% in frozen pizzas, 22% in frozen puff pastry, and 16% in mantis. In frozen bureks, a category that it entered in 2013, the Company has already gained a 23% market share and is now the leader (Nielsen, Scantrack).

2014 OPERATIONS

6.4

PINAR ET CONTINUED TO IMPROVE ITS EXPORT PERFORMANCE BY ENTERING NEW MARKETS IN 2014. LAST YEAR THE COMPANY BOOKED USD 6.4 MILLION IN REVENUES ON ITS EXPORTS.

SUCCESSFUL EXPORT PERFORMANCE

Pınar Et continued to improve its export performance by entering new markets in 2014. Last year the Company booked USD 6.4 million in revenues on its exports.

In 2014 Pınar Et shipped goods to sixteen countries, the majority of them in its home market's near abroad, and successfully sustained its 2013 performance despite considerable political turmoil and even violence in some of its export markets. Pınar Et's puff pastry exports to Azerbaijan were up by 23% in 2014, a year in which the Company also began exporting its new line of frozen bureks to TRNC, Iraq, and Azerbaijan.

Pınar Et is working on projects to develop products and packaging formats that cater to the tastes and preferences of consumers in its target markets. It has developed a special variety of kofta for the Iraq market for example and it is also currently engaged in localizing the packaging of its frozen burek products.

As one of the first firms to be included in the Turquality Project, Pınar Et's successful performance in the first five-year stage of the program earned it a place in the second.

STRATEGIC INVESTMENT PLAN OPERATIONS

During 2014 Pınar Et once again continued to undertake investments aimed at improving the quality, customer satisfaction, and efficiency aspects of its production, environmental, and human resources & public relations performance. Renewal investments worth a total of TL 20,454

WITH THE ADDITION OF ITS THIRD PRESLICED PRODUCTS LINE, PINAR ET NOW HAS THE HIGHEST PRESLICED PRODUCTS PRODUCTION CAPACITY IN TURKEY.

thousand that were carried out last year consisted of TL 7,752 thousand for building, infrastructure, and land improvements; TL 9,002 thousand for machinery & installations; TL 3,492 thousand for fixtures; TL 208 thousand for rights.

A total of TL 17.2 million worth of Pınar Et's investment outlays in 2013-2014 qualified for investment tax credits under its investment incentive certificates.

Strategic investments undertaken in late 2013 continued with the modernization of a seafood processing and packaging plant that was acquired, at an investment cost of TL 12,875 thousand, with the aim of increasing both productivity and customer satisfaction in this business line. In 2014 an automatic sorter was purchased for the plant to increase the speed and accuracy of its manufacturing operations while a new line with the ability to make breaded seafood products was also added.

Other investment projects in 2014

- New sausage packaging machinery was commissioned.
- A third presliced products line was commissioned. With the addition of this line, whose sizable production volume should be sufficient to keep pace with the growing demand for presliced products for the next five years, Pınar Et now has the highest presliced products production capacity in Turkey.
- Construction projects involving 1,450 m^2 of cold storage, 750 m^2 of auxiliary materials storage, 225 m^2 of energy plant annexes, a 1,100 m^2 charcuterie packaging line annex, a 900 m^2 employee services building, a 150 m^2 R&D kitchen, and a 150 m^2 technical services building annex as well as their landscaping were completed and commissioned last year.

2014 OPERATIONS

Among the investment projects to be undertaken in 2015 particular mention should be made of two.

- Renovation and modernization investments on the breaded frozen product, frozen fish, and poultry charcuterie product lines will be completed as planned.
- In response to the successful sales performance of the Pınar "Gourmet" and "Quick-Portion" lines, new investments will focus on powering additional growth in both product groups.

AWARDS & RECOGNITIONS

As the leading name in Turkey's processed meats industry, Pınar Et once again was the recipient of numerous awards and recognitions from respected organizations acknowledging the superiority of the Company's production standards, its use of technology, and its standing as an innovator and author of "firsts".

- At 3rd Annual Green Dot Press Awards, Pınar Et received an award in the Big Corporations category. An award program organized by ÇEVKO, Green Dot Industry Awards are distributed to companies that give priority to environmental news and broadcasting.
- In the Aegean Region Chamber of Industry's (EBSO) ranking of the environmental performance of the chamber's members, which was conducted in two separate categories ("Eco-Friendly Industrial Plant" and "Eco-Friendly Project") in 2014, Pınar Et placed among the top three in the former and among the top six in the latter.
- In the MixxAwards program recognizing the sector's most effective advertising, Pınar Gourmet Soudjouk was chosen from among 596 projects in 27 categories submitted by 84 agencies and received a Silver Mixx in the "Mobile Rich Display Advertising", a Bronze Mixx in the "Tablet Marketing", and a Silver Mixx in the "Mobile Campaigns" categories.
- In the 2014 Effie Turkish Advertising Effectiveness Contest organized by the Association of Advertising Agencies and Advertisers, Pınar Et received a Gold Effie for its "Quick-Portion's Just-Right" campaign.
- In the Business Awards program of the Ege University Business Club, Pınar placed first in the "Most Admired Brand Management" and "Best Social Media Use" categories.

PINAR ET ONCE AGAIN WAS THE RECIPIENT OF NUMEROUS AWARDS AND RECOGNITIONS FROM RESPECTED ORGANIZATIONS ACKNOWLEDGING THE SUPERIORITY OF THE COMPANY'S PRODUCTION STANDARDS, ITS USE OF TECHNOLOGY, AND ITS STANDING AS AN INNOVATOR AND AUTHOR OF "FIRSTS".

9.11

IN ITS MOST RECENT CORPORATE GOVERNANCE COMPLIANCE REPORT, PINAR ET'S CORPORATE GOVERNANCE RATING WAS RAISED TO 9.11/10 (91.13%).

- In the "Ay Yıldızları" competition conducted by the Packaging Manufacturers Association to recognize excellence and innovation in packaging design and implementation, Pınar Et received bronze awards in the "Foods" category for its Pınar Gourmet Sliced Salami and in the "Graphic Design" category for its Pınar Frozen Burek products.

- In the "Brand Voice" category of the Felis series awards given out by Mediacat for successful public relations projects, Pınar received the grand prize for the Pınar Kids' Art Competition.
- According to the 2014 results of "The One Awards" survey, a brand-reputation and brand-value measurement poll conducted by Akademetre for Marketing Türkiye, Pınar ranks among the brands that have enhanced their reputation the most.
- Pınar Et was awarded a gold medal by the İzmir Chamber of Commerce in recognition of its performance as a taxpayer and a bronze medal for its foreign currency earnings.
- At the year's EBSO awards ceremony Pınar Et also received certificates of achievement in recognition of its having the most exports, investment, and output and of having made the biggest contribution to employment in manufacturing. It also received an EBSO plaque in the "Highest Tax Paid" category.

CORPORATE GOVERNANCE RATING

In its most recent corporate governance compliance report, Pınar Et's corporate governance rating was raised to 9.11/10 (91.13%).

2014 OPERATIONS

For our customers and consumers...

AN EXTENSIVE PORTFOLIO GIVES PINAR ET THE ABILITY TO RESPOND TO A WIDE RANGE OF DEMANDS AND TO SATISFY THE NEEDS AND EXPECTATIONS OF DIFFERENT AGE GROUPS.

A FIRM THAT IS FOLLOWED AND IMITATED IN ITS SECTOR

A commitment to perfectionism since the day it was founded and the use of the most advanced technology available to keep consumers supplied with wholesome, tasty meats and meat products since the day it was founded have made Pınar Et one of the brands most trusted by consumers today. The standards and principles to which Pınar Et adheres make it a model that is followed and imitated by others in its sector.

Pınar Et's products owe their superior taste to lengthy research and regularly conducted surveys that seek out and analyze consumer preferences and trends. An extensive portfolio gives Pınar Et the ability to respond to a wide range of demands and to satisfy the needs and expectations of different age groups. Products in each group are made and marketed under the following labels:

Pınar Et soudjouks

- Premium segment: "Klasik", "Şölen", "Gurme", "Küpetto"
- Mainstream segment: "Doyum", "Mangal Keyfi", "Aç Bitir"
- Value segment: "Yörük"

Pınar Et salamis

- Premium segment: "Pınar" (Beef Hungarian, Breakfast) Meat, Pistachio, Meat Turkey, Pistachio Turkey in the whole-product category; "Pınar" (Beef Hungarian, Meat, Pistachio) and Şölen (Meat Turkey, Pistachio) in the charcuterie-counter category; "Gurme" (Beef Hungarian, Meat Turkey) in the presliced category.
- Mainstream segment: "Doyum", "Aç Bitir (Meat, Pistachio)
- Value segment: "Yörük"

Pınar Et sausages

- Premium segment: "Pınar" (Breakfast, Cocktail, Long)
- Mainstream segment: "Doyum" (Turkey Cocktail, Long), "Aç Bitir (Long)
- Value segment: "Yörük"

Other charcuterie products that Pınar Et supplies to the market are beef ham, smoked Turkey Breast and Kavurma which is a traditional fried meat.

In the frozen foods market Pınar has an extensive portfolio of offerings in the meat (burgers, breaded products, koftas), dough (puff pastry, mantis, pizzas), and seafood (breaded fish fillets, shrimp, squid) segments that are popular with consumers.

PINAR ET'S PRODUCTS OWE THEIR SUPERIOR TASTE TO LENGTHY RESEARCH AND REGULARLY CONDUCTED SURVEYS THAT SEEK OUT AND ANALYZE CONSUMER PREFERENCES AND TRENDS.

CHARCUTERIE
- Soudjouks
- Salamis
- Sausages
- Cold cuts
- Hams

FROZEN MEAT PRODUCTS
- Burgers
- Meatballs
- Breaded products

FROZEN DOUGH PRODUCTS
- Pizzas
- Puff pastry
- Mantis
- Böreks
- Toast pizzas

FROZEN SEAFOOD PRODUCTS
- Crispy fish
- Fish fingers
- Shrimp
- Sliced squid
- Pre-cleaned anchovies
- Filleted haddock
- Filleted sardine
- Breaded filleted sardines
- Fish schnitzel

SEAFOOD PRODUCTS
- Tuna
- Filleted mackerel

FRESH MEAT PRODUCTS
- Fresh turkey
- Fresh beef and lamb
- Frozen turkey
- Frozen beef and lamb

2014 OPERATIONS

17

LAST YEAR PINAR ET INTRODUCED 17 NEW PRODUCTS: 9 FOR THE DOMESTIC MARKET, 4 FOR THE AWAY-FROM-HOME CHANNEL, AND 4 FOR EXPORT.

NEW AND DISTINCTIVE PRODUCT DESIGNS

Having formulated its product portfolio based on consumers' needs and wishes, it is also Pınar Et's principle to constantly make improvements in the portfolio in order to keep pace with changes in demand and technology. In keeping with this principle, in 2014 Pınar Et designed new products while also enhancing existing ones. Last year Pınar Et introduced 17 new products: 9 for the domestic market, 4 for the away-from-home channel, and 4 for export.

With the launch of Küpetto which is ready to use- diced-soujuk; Pınar Et aims to expand its range.

Two other convenience foods that made their appearance on shelves last year are Pınar Limon Soslu Çipura (filleted sea bream in lemon sauce) and Pınar Levrek Limon Soslu (filleted sea bass in lemon sauce).

Pınar's lineup of frozen dough products was enlarged in 2014 with the addition of Pınar Su Böreği (a steamed and baked cheese-filled tray burek) and Pınar Tahinli Tepsi Böreği (another tray burek made with tahini).

Other additions made to the product portfolio last year consist of Hindi Nugget (breaded turkey nuggets), Gurme Mantı (a premium manti), presauced fish, and small-pack (single-portion) Pınar Kasap and Pınar Cızbız koftas.

New products

- "Pınar Mangal Keyfi" thick-slice, heat-treated turkey grilling soudjouk
- "Pınar Küpetto" pre-cubed soudjouk
- "Pınar Kasap" kofta (180 grams)
- "Pınar Cızbız" kofta (185 grams)
- Breaded turkey nuggets
- Oven-ready trayed white cheese & butter steamed burek
- Oven-ready trayed tahini burek
- "Pınar Gurme" manti
- Filleted sea bream in lemon sauce
- Filleted sea bass in lemon sauce

PINAR ET ENGAGES IN R&D WITH THE AIM OF KEEPING CONSUMERS SUPPLIED WITH THE BEST, THE MOST SUITABLE, THE MOST RELIABLE, AND THE TASTIEST MEATS AND MEAT PRODUCTS.

R&D

KEEPING A CLOSE WATCH ON SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENTS AND NEW APPROACHES, PINAR ET'S R&D TEAM COMES UP WITH INNOVATIVE WAYS TO PUT THEM TO PRACTICAL USE.

AFH

- Meat Salamis (Metropol) 1,200 grams
- Buffet Coctail Sausages 1,000 grams
- Mantis 2,500 grams (frozen)
- Kayseri Mantis 2,500 grams (frozen)

Export

- Truva Grilled Turkey Kofta 300 grams (precooked, frozen)
- Truva İnegöl Turkey Kofta 300 grams (precooked, frozen)
- Truva Spicy Turkey Kofta 300 grams (precooked, frozen)
- Truva Turkey Burger 250 grams (precooked, frozen)

STRONG R&D INFRASTRUCTURE

Committed to remaining the author of "firsts" in the food industry, Pınar Et engages in R&D with the aim of keeping consumers supplied with the best, the most suitable, the most reliable, and the tastiest meats and meat products. Keeping a close watch on scientific and technological developments and new approaches, Pınar Et's R&D team comes up with innovative ways to put them to practical use.

In 2014 the Pınar Et R&D department was intensively involved in ensuring that the Company's products were compatible with the substantial changes introduced by the newly-published Turkish Food Codex Communique on Meat and Meat Products. Among other things this required optimizing product formulations and ensuring regulatory compliance in production processes.

COMMUNICATION CAMPAIGNS IN 2014

Communication campaigns and promotional activities were carried out in 2014 with the aims of increasing consumer awareness of the different groups of products made by Pınar Et, enhancing Pınar Et brand prestige, and introducing new products.

Because it is the product category that generates the highest turnover in charcuterie and is also witness to both the strongest growth and the stiffest competition down through the years, communication activities continued to promote Pınar Soudjouks.

Owing to the strong sales and competitive appeal of the "Pınar Gurme" line of soudjouks launched in 2011, communication activities sought to enhance consumer awareness and to boost market share. This product's TV ad was broadcast in February and May and it attracted favorable response from viewers. Outdoor, radio, and internet were used as media concurrent with the TV campaign. The products were also promoted by means of point-of-sale tastings and outdoor guerrilla marketing activities.

2014 communication activities for the "Pınar Aç Bitir" line, which originally introduced and then grew the single-portion concept in presliced salamis, focused on a range of media such as outdoor, and online radio. Such communication continued to drive new growth in this line.

Pınar Et's "Pınar Tasty Ideas" campaign continued to be highly successful in 2014.

2014 OPERATIONS

quality

PINAR ET DEPLOYS A QUALITY MANAGEMENT SYSTEM THAT ENCOMPASSES ALL ASPECTS OF ALL PRODUCTS FROM ORIGINAL SOURCE TO FINAL CONSUMER.

SOCIAL MEDIA

twitter.com/PinarKurumsal

Consumers are provided with specially-created recipes, press releases, announcements, and holiday- and week-specific celebratory messages via Pınar's corporate Twitter account.

www.facebook.com/pratikanneler

A "Pratik Anneler" ("Practical Mothers") Facebook page was launched for the "Pınar Et Hazır Yemek" line. This account, which seeks to reach working mothers, provides them with content that helps make their everyday lives easier.

A QUALITY MANAGEMENT SYSTEM FOCUSED ON UNCONDITIONAL CUSTOMER SATISFACTION

The Pınar Et quality management system is of great importance in achieving unconditional customer satisfaction. The Company deploys a quality management system that encompasses all aspects of all products from original source to final consumer with the aim of ensuring that products are made and supplied to consumers under conditions that are safe, wholesome, and hygienic. Quality management at Pınar Et is grounded in the Company's overall process management system, which makes it possible to identify critical control points where performance needs to be constantly monitored. The entire quality management system is also governed by the internationally recognized FSSC 22000 Food Safety Management System, which incorporates hazard analysis & critical control point (HACCP) elements.

Pınar Et owns and operates a fully-equipped laboratory that is capable of performing all of the chemical and microbiological analyses specified in the regulations and communiques governing its industry. Pınar Et's laboratory received TS EN ISO/IEC 17025 certification in 2008, which entitles it to act as a contract laboratory for the Turkish Standards Institution (TSE). The chemical and microbiological compliance of Pınar Et products with the requirements of Turkish Food Codex Meat Communiques is verified in this laboratory, which, in addition to product analysis, also ensures that all outsourced inputs conform to specifications.

In addition to its quality-control and food safety management systems, Pınar Et also proactively uses and constantly improves its environment, energy, and occupational health & safety management systems in keeping with its sense of social responsibility. Following up the success of its efforts to reduce its carbon footprint,

PINAR ET PROACTIVELY USES AND CONSTANTLY IMPROVES ITS ENVIRONMENT, ENERGY, AND OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEMS.

efficient

DURING 2014 PINAR ET CONTINUED WITH ITS ONGOING PROJECTS AIMED AT ECONOMIZING OPERATIONS, CUTTING COSTS, AND INCREASING PRODUCTION EFFICIENCY.

Production Facilities

Indoor	46,000 m^2
Outdoor	284,000 m^2
Total Area	330,000 m^2
Integrated Red Meat Plant	Fresh & frozen beef & lamb
	Charcuterie (soudjouks, salamis, sausages etc)
	Frozen meat products (hamburgers)
	Frozen meat products (meatballs)
	Convenience foods (doner, cooked trayed products)
Integrated Turkey Meat Plant	Fresh & frozen turkey meat
	Frozen meat products (turkey and chicken)
Processed Seafood Plant	Frozen fish meatballs, natural seafood
Byproducts Manufacturing Plant	Animal feed raw materials (meat & bone meal etc)

Operating in plant facilities with about 46,000 m^2 of enclosed space, Pınar Et has a slaughtering and processing capacity corresponding to 102,000 cattle, 408,000 sheep, and 1,836,000 turkeys a year.

in 2014 work was also begun on reducing Pınar Et's water footprint as well.
All of Pınar Et's management systems were subjected to thorough audits in 2014: first by the Turkish Standards Institution in September and then by SAI Global in September and November. As it does every year, the Company once again received "A" ratings in all categories while also successfully passing all of its customer-performed and social responsibility audits as well.

Pınar Et has been adhering to halal-compliant slaughtering practices since the day it was founded. This system, which was certified compliant with the TSE Halal Standard published in 2011, is audited twice a year.

COST OPTIMIZATION

During 2014 Pınar Et continued with its ongoing projects aimed at economizing operations, cutting costs, and increasing production efficiency. Considerable savings are achieved through both the Operational Cost Improvement (OCI) and the Lean Six Sigma programs that were initiated in 1999 and 2008 respectively.

2014 OPERATIONS

25

IN 2014 PINAR ET COMPLETED ITS SEVENTH ROUND OF LEAN SIX SIGMA PROJECTS. THE FIVE PROJECTS WORKED ON LAST YEAR BRINGS THE TOTAL NUMBER CARRIED OUT SINCE 2008 TO TWENTY-FIVE.

LEAN SIX SIGMA PROJECTS

In 2014 Pınar Et completed its seventh round of Lean Six Sigma projects. The five projects worked on last year brings the total number carried out since 2008 to twenty-five. One of the important missions that Pınar Et undertakes is to improve and expand the capabilities of its suppliers. Project ideas submitted by Pınar Et process owners under the headings of "operational improvements", "product packaging improvements", "energy management to conserve environmental and natural resources", and "warehouse management" are statistically reviewed and selected for their potential effectiveness.

The goal of all Lean Six Sigma activities is to create a corporate culture that values speed, efficiency, creativity, and innovation and to always be in the forefront of such efforts. Pınar Et's proactive approach is rooted in the principle of understanding the customer. Rather than focusing on isolated improvements, this approach seeks to maximize the effectiveness of efforts by involving all stakeholders in the process. In all cases, projects are developed that are compatible with company strategies and customer expectations while also taking corporate values into account as well. In this way, priority is given to activities that will support the Company's sustainably profitable growth strategy.

OCI PROJECTS

An important element of the concepts of innovation and talent management that Pınar Et has internalized is operational cost improvement (OCI). In OCI, individuals are encouraged to report problems related to their own functions, to propose ideas to deal with the problems, and to implement the solutions that they come up with and are approved by management. A program of rewards for those whose projects are successful encourages personnel to suggest them.

IT ACTIVITIES

Information technology infrastructure activities in 2014 focused on making significant improvements in Pınar Et's business continuity, data security, and cost effectiveness processes. Through investments and improvements at the Company's data headquarters, the file storage unit was renovated so as to give it a more sustainable file structure. Having been planned so as to achieve a high level of business continuity, the IT infrastructure of Pınar Et's new shipments system also became operational last year.

OPERATING THROUGH 9 REGIONAL DEPARTMENTS, MORE THAN A 100 DEALERSHIPS, AND 150 THOUSAND SALES OUTLETS, YAŞAR BIRLEŞIK PAZARLAMA ENSURES THAT PINAR-BRANDED PRODUCTS REACH CUSTOMERS AND CONSUMERS IN THE FRESHEST, MOST WHOLESOME, AND FASTEST WAY POSSIBLE.

To comply with a statutorily-mandated changeover to electronic books of account, Pınar Et's SAP integration was completed last year. The company's system has been in regulatory compliance since 1 September 2014.

At the same time that Pınar Et took control of the newly-acquired seafood processing and packaging plant, all of the plant's workflows were immediately integrated into the existing SAP system. Similarly all livestock feedlot operations were also integrated into the SAP system as soon as they were included in Pınar Et's own workflows.

TURKEY'S BIGGEST COLD AND FROZEN FOODS CHAIN

Strategically situated throughout Turkey and equipped with state-of-the-art technology and a flexible organizational structure, Pınar Et's distribution network is Turkey's biggest cold chain for the delivery of perishable and frozen foods.

The technical knowledge and expertise gained through years of hands-on experience of handling, storing, and moving perishable and frozen foods through a nationwide cold chain gives Pınar Et a very important competitive advantage.

Pınar Et makes 78% of its sales through Yaşar Birleşik Pazarlama, the Yaşar Group's sales and distribution company.

Turkey's biggest sales and distribution network

Operating through 9 regional departments, more than a 100 dealerships, and 150 thousand sales outlets, Yaşar Birleşik Pazarlama ensures that Pınar-branded products reach customers and consumers in the freshest, most wholesome, and fastest way possible. With more than 500 types of product in 17 different categories maintained under three different degrees of climate control, Yaşar Birleşik Pazarlama is one of the biggest and most important sales and distribution organizations in Turkey.

Yaşar Birleşik Pazarlama employs a strong team of specialized, customer-focused, and experienced personnel and a fleet of more than 1,200 vehicles to sell and distribute the products made by the Yaşar Group Foods Division.

2014 OPERATIONS

AFH

PINAR PROFESSIONAL IS A SUB-BRAND WHOSE PRIORITY OBJECTIVE IS TO ACHIEVE IN THE AFH CHANNEL THE SAME CONFIDENCE THAT ORDINARY CONSUMERS HAVE IN THE PINAR BRAND IN THE FORM OF "QUALITY-TRUSTED PRODUCTS AND SERVICES SUPPLIED TO PROFESSIONALS BY AN EXPERT".

PINAR Profesyonel

Keeping customer channels supplied with the products in the Company's portfolio in order to ensure both that the maximum number of sales outlets is reached and that product diversity is maximized at each outlet, Yaşar Birleşik Pazarlama's extensive and efficient distribution clout contributes significantly to Pınar-branded products standing as market leaders.

THE AFH CHANNEL AND PINAR PROFESSIONAL

The AFH Marketing Department, which was reorganized as a Yaşar Birleşik Pazarlama unit in 2012, is responsible for away-from-home (AFH) channel strategy development and implementation.

More women in the workforce and more singleton households are bringing about changes in people's lifestyles and consumption habits. These changes, which manifest themselves both as more time spent away from home and as more meals being ordered out, are nourishing the growth of the AFH channel in Turkey and increasing its importance almost day by day. According to TurkStat-published figures, the estimated value of the AFH channel's business in Turkey amounts to TL 33 billion a year.

Pınar Professional is a sub-brand whose priority objective is to achieve in the AFH channel the same confidence that ordinary consumers have in the Pınar brand in the form of "quality-trusted products and services supplied to professionals by an expert".

The AFH channel embraces all points of sale that involve the consumption of food outside the home. Pınar Et has an extensive portfolio of such customers ranging from hotels to restaurants and from schools to catering firms. By determining the hands-on aspects of their business by interacting with influential chefs and other food professionals and understanding their needs, the Company also develops innovative and practical products that will be beneficially useful to them.

In 2014 Pınar redesigned the packaging of all of the products that it makes specifically for the AFH channel.

90% OF ALL CALLS RECEIVED BY PINAR COMMUNICATION CENTER ARE RESPONDED TO BEFORE THE CALLER HANGS UP; 92% OF THEM ARE RESPONDED TO WITHIN 15 SECONDS.

89%

89% OF THE CONSUMERS WHO DEALT WITH PINAR COMMUNICATION CENTER IN 2014 SAID THAT THEY WERE SATISFIED WITH THE QUALITY OF THE SERVICE THEY HAD RECEIVED.

PINAR COMMUNICATION CENTER

Pınar's "Consumer and Customer First" principle demands that all company units quickly and correctly perceive not just consumers' but all external and internal customers' needs and take a nimble, proactive, and innovative approach in responding to their expectations for a better way of life. Adhering to a customer-focused business approach, Pınar Et carefully examines and gives importance to requests and suggestions received from consumers.

Accessible from everywhere in Turkey on 444 7627 without the need to dial an area code, the Pınar Communication Center (PİM) is staffed by live operators who are on duty and respond to incoming calls between the hours of 07:00 and 23:00 every day of the week.

90% of all calls received by PİM are responded to before the caller hangs up; 92% of them are responded to within 15 seconds. Through its Twitter account, PİM keeps track of, examines, and responds to consumers' requests and suggestions received via social media. PİM service quality and the satisfaction of consumers with which PİM interacts are measured at regular intervals by means of polls. 89% of the consumers who dealt with PİM in 2014 said that they were satisfied with the quality of the service they had received.

An official Twitter account was also opened at twitter.com/InfoPinar to which consumers who access the Pınar corporate Twitter account to express their views and suggestions are redirected. All consumer tweets received through this account are examined and dealt with by PİM.

2014 OPERATIONS

For our suppliers...

THE EXPANDING VOLUME OF PINAR ET'S OWN BUSINESS ALSO SUPPORTS BUSINESS VOLUME GROWTH AMONG THE SUPPLIERS WITH WHICH IT WORKS.

trust

THE STRONG AND ENDURING RELATIONSHIPS THAT PINAR ET ENTERS INTO WITH ITS SUPPLIERS PLAY A CRUCIAL ROLE IN THE COMPANY'S ABILITY TO FULFILL ITS PROMISE TO PROVIDE CUSTOMERS WITH PRODUCTS THAT ARE SAFE AND HYGIENIC.

STRONG AND ENDURING SUPPLIER RELATIONSHIPS

The strong and enduring relationships that Pınar Et enters into with its suppliers play a crucial role in the Company's ability to fulfill its promise to provide customers with products that are safe and hygienic.

Pınar Et obtains the meat it needs from live animals procured from domestic feedlots located in all six of Turkey's geographical regions. To ensure that it has access to best-quality meat from animals raised under veterinary supervision, Pınar Et supports the growth and development of "contractual feedlot operations". All of the Company's live turkeys and some of its other live animals are obtained from Çamlı Yem Besicilik, a Yaşar Group company that is engaged in agricultural production. Pınar Et itself carries out all of its own slaughtering in its own facilities.

Regularly conducted inspections lead to the joint development of new materials and techniques that are better suited to food safety and this in turn provides suppliers with opportunities to move into new business lines. An all-embracing information network keeps suppliers up to date on the latest sectoral innovations and possible developments, allows the formation of quality and innovation circles, and encourages the introduction and use of innovations as soon as they appear.

The expanding volume of Pınar Et's own business also supports business volume growth among the suppliers with which it works.

For our employees...

HUMAN RESOURCES POLICIES THAT FOCUS ON EFFECTIVENESS AND COMPETENCE

As is true at all Yaşar Group companies, Pınar Et's human resources strategy is rooted in the principle of "Improve manpower productivity by increasing the number of competent and effective human resources". Taking that as its point of departure, Pınar Et seeks to attract the labor market's most talented, qualified, creative, innovative, motivated, and high-performing people, to further improve the quality of its workforce, and to strengthen employee loyalty through fair-minded human resources policies and practices that win the hearts and minds of its personnel.

Thanks to such fair-minded human resources policies and practices, which are informed by and implemented according to "people first" attitudes, the Company has the ability to attract people who are superior in every respect. Pınar Et's workforce consists of individuals who have training and experience, who have a heightened sense of workgroup belonging and job ownership, who are open to all advances in knowledge, who value information sharing and the spirit of unity, and who identify with participatory management attitudes and with success-focused work.

Recognizing that human resources number among the essential pillars of its growth and development since the day it was founded, Pınar Et seeks to make and keep its personnel effective and productive in their work and loyal to the Company in their behavior. Pınar Et formulates its human resources policies in line with its fundamental business policies and strategies.

Pınar Et's human resources policy focuses on:

- Increasing the number of competent and effective human resources and employing outstanding people within the Company through a competency-based selection and placement process
- Ensuring, through the deployment of a performance evaluation system, that company and individual objectives coincide so as to enhance overall corporate performance;
- Rewarding individual success and encouraging even better efforts by evaluating employee performance on the basis of the degree to which goals have been achieved;
- Formulating annual training and development plans by identifying compulsory and optional training components and then implementing them accordingly;
- Giving importance to employees' physical and mental wellbeing and providing them with support training on health-related issues.

IMPROVING PERSONAL, OCCUPATIONAL PROFESSIONAL, AND MANAGERIAL SKILLS

Average training time per employee at Pınar Et in 2014 was 12.3 hours, with total training time amounting to 11,638 hours. Three main categories of training took place: Personal Development, Vocational Development, and Management Skill Development.

In 2012 Pınar Et took part in Yaşar Academy, a pilot-project new training platform making extensive use of e-learning methodologies. Based on feedback received from those taking part in this project, improvements were made in the diversity, content, and number of personnel taking part in the Company's regular training activities in 2014.

Pınar Et takes part in university campus career days in order to have access to potential employees and to provide students with traineeship opportunities. Last year Pınar Et provided trainee positions for 96 university and 39 lycee students.

Aware that high levels of employee motivation and loyalty create a significant advantage in achieving success more quickly, Pınar Et has been soliciting feedback from its personnel through employee opinion surveys that it has been conducting regularly every other year since 1998. The success of a Yaşar Group pilot project carried out in 2012 in which the survey's questionnaires were responded to online led to a decision to conduct the poll using that method every other year rather than every year. For the 2014 Employee Survey, all personnel will be responding to the survey questionnaire online.

The average number of people on Pınar Et's payroll was 946 in 2014. The Company's collective bargaining agreement with the Tek Gıda trade union being due to expire as of 31 December 2013, contractual negotiations were entered into with the union and a new workplace-based agreement beginning on 1 January 2014 and ending on 31 December 2015 was signed. Pınar Et strongly believes that collective bargaining agreements are one of the cornerstones of labor peace and that it is through labor peace that social peace may be ensured.

2014 OPERATIONS

For the environment and the community...

environment

MAKING PRODUCTIVE USE OF NATURAL RESOURCES AND ABIDING BY PRACTICES THAT ASSIGN VALUE TO ENVIRONMENTAL MATTERS ARE TWO VERY IMPORTANT ELEMENTS OF PINAR ET'S ENVIRONMENT POLICY.

SUSTAINABILITY

Pınar Et regards economic, environmental, and social sustainability as being essential to its own long-term, healthy, and profitable performance and it formulates its corporate strategies and objectives along those lines.

At every stage from procuring raw materials to transporting them and from the consumption of its products to recycling and recovering their waste, Pınar Et continuously strives to minimize the environmental impact of its activities.

ENVIRONMENTAL MANAGEMENT PROGRAMS

When improving production and operational quality, Pınar Et is careful not to have an adverse impact on the environment. Thus Pınar Et engages in efforts to improve its production technologies in order to increase the efficiency of both its production operations and its energy consumption. Such activities are carried out by Yaşar Holding sustainability teams in which Pınar Et personnel also take part.

The environmental management programs that are formulated for this purpose include energy efficiency, monitoring and reducing water consumption, waste recycling and management, and maximizing habitat protection.

Making productive use of natural resources and abiding by practices that assign value to environmental matters are two very important elements of Pınar Et's environment policy.

PINAR ET REGARDS ECONOMIC, ENVIRONMENTAL, AND SOCIAL SUSTAINABILITY AS BEING ESSENTIAL TO ITS OWN LONG-TERM, HEALTHY, AND PROFITABLE PERFORMANCE AND IT FORMULATES ITS CORPORATE STRATEGIES AND OBJECTIVES ALONG THOSE LINES.

CO_2

PINAR ET S NOW WORKING TO FULFILL ITS TARGET OF REDUCING ITS CARBON FOOTPRINT BY AT LEAST 15% BY 2020.

GREENHOUSE GAS EMISSIONS

Having been rated on its greenhouse gas emission performance, Pınar Et then assessed methods to reduce its carbon footprint and commissioned projects to achieve this. The Company is now working to fulfill its target of reducing its carbon footprint by at least 15% by 2020. These projects have already resulted in improvements in operational greenhouse gas emissions.

LESS ENERGY, LESS WATER, LESS WASTE

Pınar Et qualified for TS ISO 50001 Energy Management System certification in 2013. Energy management is a high-priority issue for Pınar Et, one of whose central aims is to use less energy and less water and to generate less waste in the conduct of its production activities.

WATER AND ENERGY MANAGEMENT

Pınar Et seeks to efficiently manage the water that it uses in all of its production processes. Based on the findings of water use measurement and monitoring activities conducted throughout its factory operations, economies were achieved through changes in water consumption and cleaning processes. This resulted in a 10.9% reduction in overall water used and a 10.3% reduction in the amount of water needed per ton of production output.

Under a Lean Six Sigma project, the old pumps that supplied hot water were replaced with a more efficient incremental booster system that leads to long-term savings in both water and energy consumption by achieving higher flow rates at the same pressures as the old system.

A 6.32% saving was achieved in the amount of natural gas used per ton of production output.

SOLID WASTE MANAGEMENT

Packaging waste management at Pınar Et rests on reducing the amounts of waste at source and on reusing or recycling such elements as are recoverable. To facilitate the collecting and sorting of waste resulting from Pınar Et's production processes, three separate categories of bins have been installed. In order to reduce manufacturing activity environmental impact, all recyclable factory waste is collected and sorted at source and sold to licensed recycling firms for disposal or economic reuse as appropriate.

HAZARDOUS WASTE DISPOSAL

Environmental and social responsibility is fundamental to Pınar Et's corporate identity as both a pioneer and a role model. Waste of a hazardous nature produced by facilities is documented by means of National Waste Carriage Forms and then sent to licensed firms that are responsible for its proper recycling/disposal. Medical waste and discarded batteries are sorted at source and disposed of as required by laws and regulations.

2014 OPERATIONS

recycling

THE PACKAGING OF PINAR ET PRODUCTS THAT ARE SUPPLIED TO MARKET ARE COLLECTED AND RECOVERED/RECYCLED BY ÇEVKO ON THE COMPANY'S BEHALF.

DISCARDED BATTERY COLLECTION

Under an environmental and social responsibility corporate values project undertaken at Pınar Et, a campaign was mounted to encourage employees to bring any batteries they may have that are unusable because they are exhausted or damaged to the Company for proper disposal by licensed firms instead of discarding them in the trash and thereby causing environmental harm.

In order to draw attention to the project and increase awareness of it, it was decided that for every ten batteries that employees brought in, a tree would be planted in their name. A total of 1,300 batteries were disposed of in this way in the first half of 2014, for which the Company paid for the planting of 130 new stone pines in Kemalpaşa by the Regional Directorate of Forestry. Another 177 were planted for the additional 1,770 batteries that were collected in the second half of the year.

PACKAGING WASTE MANAGEMENT

In addition to using recyclable/recoverable and environment-friendly packaging wherever feasible in its products, Pınar Et also develops and carries out projects to use fewer packaging materials without sacrificing food quality or safety. The Company has been outperforming its plastic waste generation targets for five years in a row. Scheduled maintenance and replacement of machinery and equipment also results in less wasteful use of technology.

PINAR - ÇEVKO COLLABORATION

Pınar Et collaborates with ÇEVKO Foundation (Environmental Protection and Packaging Waste Recovery and Recycling Trust), which is authorized and licensed by the Ministry of Environment and Urban Planning to engage in waste management in Turkey. Amounts of packaging waste corresponding to legally mandated percentages of the packaging of Pınar Et products that are supplied to market are collected and recovered/recycled by ÇEVKO on the Company's behalf. This entitles Pınar Et products to carry the ÇEVKO "Green Dot" on their packaging.

RECYCLED PACKAGING MATERIAL RECOVERY AS % OF PRODUCTS SUPPLIED TO MARKET

Type of packaging	(%) recovered in 2011	(%) recovered in 2012	(%) recovered in 2013	(%) recovered in 2014
Paper & cardboard	38	40	42	44
Plastic	38	40	42	44

IN THE AEGEAN REGION CHAMBER OF INDUSTRY'S RANKING OF THE ENVIRONMENTAL PERFORMANCE OF ITS MEMBERS, WHICH WAS CONDUCTED IN TWO SEPARATE CATEGORIES ("ECO-FRIENDLY INDUSTRIAL PLANT" AND "ECO-FRIENDLY PROJECT") IN 2014, PINAR ET PLACED AMONG THE TOP THREE IN THE FORMER AND AMONG THE TOP SIX IN THE LATTER.

award

IN THE GREEN DOT ENVIRONMENTAL AWARDS PROGRAM CONDUCTED BY ÇEVKO FOR THE FIRST TIME LAST YEAR, PINAR ET RECEIVED A PLAQUE OF APPRECIATION IN THE "LARGE-SCALE BUSINESS" CATEGORY IN RECOGNITION OF ITS ENVIRONMENTAL PERFORMANCE.

In 2014 Pınar Et continued to collaborate with the Environmental Protection and Packaging Waste Recovery and Recycling Trust (ÇEVKO) in collecting, recovering, recycling, and, economically reusing packaging waste. Pınar Et also contributes towards ÇEVKO's efforts in such areas as education, public awareness, and supporting the environmental activities of municipalities.

EBSO ENVIRONMENTAL AWARDS

In the Aegean Region Chamber of Industry's (EBSO) ranking of the environmental performance of the chamber's members, which was conducted in two separate categories ("Eco-Friendly Industrial Plant" and "Eco-Friendly Project") in 2014, Pınar Et placed among the top three in the former and among the top six in the latter.

ÇEVKO GREEN DOT ENVIRONMENTAL AWARD

In the Green Dot Environmental Awards Program conducted by ÇEVKO for the first time last year, Pınar Et received a plaque of appreciation in the "Large-Scale Business" category in recognition of its environmental performance.

IMPROVEMENTS IN SHIPPING MANAGEMENT

Pınar Et's efforts to further develop and improve its sales and distribution processes throughout the country continued without letup in 2014. Such activities enhance the efficiency of and customers' satisfaction with the Company's logistical processes while also lending support to Green Logistics concepts.

Intercity highway transport operational efficiency has been improved by means of a new route optimization model that is rooted in the principle of economies of scale. In parallel with the goal of ensuring environmental sustainability, a logistical model was created that is based on the idea of carrying more goods for shorter distances.

Yaşar Foods Group companies together booked about 40,000 separate shipments throughout the country in 2014. During these shipments, 90% of non-perishables and 56% of perishables were carried aboard optimized-route lorries.

A monthly Dealer Logistical Services Satisfaction Survey is conducted both to determine the degree to which dealers are satisfied with the Company's logistical services and to improve service quality. The 91% satisfaction level achieved in 2012 was improved to 94% in 2013 and to 96% in 2014.

The service quality and performance of firms to which the Company outsources its logistical services are also analyzed and reported on a monthly basis within the framework of the Lean Six Sigma philosophy.

2014 OPERATIONS

27 years

IN THE COURSE OF TWENTY-SEVEN YEARS, THE PINAR CHILDREN'S THEATER HAS REACHED MORE THAN THREE MILLION CHILDREN,HROUGH PERFORMANCES TO WHICH NO ADMISSION IS CHARGED.

SOCIAL RESPONSIBILITY

Pınar generates as much value for society as a whole through the direct and indirect employment opportunities that it creates, the investments that it undertakes, the goods and services that it purchases, and the taxes that it pays as it does through the products that it makes. In addition to all of this, the Company also regards its ongoing support for and contributions to art, education, sport, and culture as vital and indispensable in the fulfillment of its principle of sharing with the society.

Pınar Children's Theater in its 27th year

In the course of twenty-seven years, the Pınar Children's Theater has reached more than three million children, fostering among them a love of theater through performances, to which no admission is charged, with every play being carefully crafted to contribute towards its audiences' cultural and personal development.
As a training ground for many famous performers, the Pınar Children's Theater even functions as a sort of school of the performing arts.

Since 1987, the Pınar Children's Theater has been employing a professional team of performers, directors, designers, and backstage crews to mount dozens of programs that are specially designed to appeal to children. For the 2013-2014 academic year, the theater mounted a new play, "Sütle Gelen Sevgi" ["The Love That Comes With Milk"], whose professionally-created scenery, costumes, staging, and music provides a theatrical experience and a visual feast that its audiences will never forget. Last year the Pınar Children's Theater went on tour and mounted performances in Diyarbakır, Şanlıurfa, Gaziantep, Konya, Karaman, Aksaray, Eskişehir and İzmir that were watched by thousands of kids.

According to a public-awareness poll conducted by GfK, the Pınar Children's Theater's public-awareness rating was 25.1% in 2014 (Source: GfK Flavored Dairy Products Tracking Survey).

Pınar Children's Art Competition

The Pınar Art Competition has been held for 33 years with the aims of increasing primary school children's interest in the fine arts in general and painting and drawing in particular, of giving children opportunities to express their creativity through pictures, and of educating the artists of the future. Every year the competition provides hundreds of thousands of children with an opportunity to express their dreams, their hopes, and their longings through art.

One of the goals of the Pınar Kids' Art Competition, which has been held with a different theme every year since 1981, is to give the artists of the future a chance to display their talents at an early age.
The theme of the 2014 competition was "I Drink Milk & I Grow Up Healthy".

From among 19,538 entries submitted from every part of Turkey, the Turkish Republic of Northern Cyprus, and Germany, the works of twenty-three children were selected by a jury of educators and professional artists.
The winners of the 33rd Pınar Children's Art Competition were rewarded with a chance to take part in a one-week art camp in İstanbul under the coordination of the well-known artist Ergin İnan. At an award ceremony that was held on the last day of the art camp, the children also received certificates of attendance and iPad Minis as prizes.

"THE FUTURE OF OUR MILK IS IN KNOWLEDGEABLE HANDS" IS A PROJECT WHOSE AIM IS TO ACHIEVE GREATER PUBLIC- AND PRIVATE-SECTOR COLLABORATION IN THE EDUCATION AND TRAINING OF RAW MILK PRODUCERS ON SUCH ISSUES AS ANIMAL HEALTH, NOURISHMENT, HYGIENE, AND SANITATION.

healthy

PINAR INSTITUTE WAS FOUNDED IN ORDER TO CONTRIBUTE TO THE DEVELOPMENT OF A HEALTHY SOCIETY.

According to a public-awareness poll conducted by GfK, the Pınar Children's Art Competition's public-awareness rating was 24.9% in 2014 (Source: GfK Flavored Dairy Products Tracking Survey).

Pınar Institute

Headquartered on the campus of Yaşar University, the Pınar Institute was founded in order to contribute to the development of a healthy society by engaging in research, supporting such research and education, publishing the results of such activities, and involving itself in similar endeavors.

The Pınar Institute's mission is to educate the public on issues related to food, health, and nourishment and to foster a quality-of-life awareness by supporting scientific projects, taking part in information networks, and taking part in educational activities.

"The Future Of Our Milk Is In Knowledgeable Hands"

"The Future Of Our Milk Is In Knowledgeable Hands" is a project whose aim is to achieve greater public- and private-sector collaboration in the education and training of raw milk producers on such issues as animal health, nourishment, hygiene, and sanitation. Participating in the project are the Muğla and Eskişehir provincial directorates of the Food, Agriculture and Livestock Ministry, the Milas Dairy Association, the Eskişehir Provincial Cattle Breeders' Association, the Eskişehir Regional Livestock Cooperatives' Association, the İnönü County Dairymen's Association, Pınar Süt, and Çamlı Yem Besicilik. Training overseen by Professor Ayhan Baştan of the Ankara University Faculty of Veterinary Science and by Professor Ahmet Alçiçek of the Ege University Faculty of Agriculture was provided to 2,600 dairy farmers at 44 milk-collection centers in Milas and to 1,388 dairy farmers at 17 milk-collection centers in Eskişehir. Work is currently in progress to expand the scope of such training in 2015 by making it available in Şanlıurfa and other provinces as well.

"Consumer Perceptions Of Milk And Dairy Products: The Impact Of Media Misinformation" is a project being conducted jointly by Pınar Institute and the Yaşar University Faculty of Communication. The project, which is being carried out under the TÜBİTAK 3001 Initial R&D Projects Support Program, is looking into consumers' notions about milk and dairy products. The study's findings will be reported to sectoral academicians and representatives at a Milk & Dairy Products Workshop that will be conducted by Pınar Institute.

Pınar Institute representatives attended the 21st European Congress on Obesity held in Sofia on 28-31 May 2014 and also the İstanbul Health and Nutrition Biennial held in İstanbul on 12-14 November 2014. During the latter event, a "Food safety and what the industry does about it" presentation was given by the institute during the "What's on the food industry's agenda?" session.

Pınar Institute's first project as a new member of the European Food Information Council was to translate into Turkish and print 10 Tips for the Kids, a booklet prepared for EUFIC's CoolFoodPlanet website. The book will be used extensively in all of the institute's activities aimed at fostering healthy nutrition habits in children.

2014 OPERATIONS

spor

PINAR, SPORA OLAN KATKISINI PINAR KARŞIYAKA BASKETBOL TAKIMI'NA SAĞLADIĞI DESTEKLE SÜRDÜRMEKTEDİR.

Pınar Et Professional Training Unit

In order to provide professional education in meat and meat product operations and management and to create a pool of trained people in a business line that lacked any other source of professional training, the Pınar Et Professional Training Unit was set up as part of Pınar Et in 1998. As the first undertaking of its kind in Turkey, the Pınar Et Professional Training Unit provides theoretical and practical training to young people in the 15-18 age group who have completed primary school education and who want to learn a trade and go to work, thus qualifying them to pursue a profession for which there is considerable unsatisfied demand in the country. Other training objectives include inculcating work ethics and discipline among young people and raising professional standards, production quality standards, and worker productivity throughout the country.

Support for Sport

Pınar demonstrates its support for sports through its sponsorship of the Pınar Karşıyaka Basketball Team

Pınar Karşıyaka

A team which has been contending in the Turkish Premier Basketball League since 1998, Pınar Karşıyaka devotes considerable time and energy to inculcating a love of sport among children by encouraging them to play basketball. Every year nearly a thousand youngsters are given free access to the facilities of the Çiğli Selçuk Yaşar Sports Center thanks to Pınar's support.

- Pınar Karşıyaka beat Anadolu Efes in the Spor Toto Türkiye Cup final and took home the trophy for the first time in the club's history.
- In the 30th Men's President's Cup Tournament, the Pınar Karşıyaka's team defeated the Fenerbahçe Ülker team to claim the cup again for the second time since 1987.
- Having qualified to play in ULEB Eurocup's 2013-2014 season, Pınar Karşıyaka was one of the Last 32 contenders in Group I.

EVENTS

Pınar supported the Men's and Women's Turkish National Cup and the Turkish President's Cup matches organized by the Turkish Basketball Federation.

Pınar was the official beverages supplier at the FIBA Women's World Championship when it was held in Ankara and İstanbul last year and in which Turkey's A National Women's Basketball Team placed fourth. Held every four years and one of the most prestigious events in the international women's basketball calendar, the 2014 FIBA Women's World Championship games were played in Ankara and İstanbul from September 27th to October 5th. Pınar supplied beverages to all sixteen of the teams from five continents that took part in the tournament.

ONE OF ONLY THREE BRANDS WHOSE PRODUCTS FROM TURKEY HAVE RECEIVED APPROVAL FOR IMPORTATION INTO RUSSIA BY THAT COUNTRY'S AUTHORITIES, PINAR SENT REPRESENTATIVES TO TAKE PART IN WORLDFOOD MOSCOW ON 15-18 SEPTEMBER 2014.

PUBLICATIONS

Yaşam Pınarım

Focusing especially on content that will be of particular use to parents and first appearing in 2004, Yaşam Pınarım is a magazine that seeks to establish and maintain bonds between the Company and its consumers and business partners as well as links with academic and governmental circles. The magazine is published quarterly and is distributed free of charge. In 2013 the magazine began being distributed to consumers as an e-bulletin sent out by email. As a result of this change in format, it is now reaching 115,000 people a month.

Pınar Newspaper

Pınar Newspaper serves as an important source of information for meat and dairy farmers on issues related to animal health and nutrition, dairy technology, and the like. The newspaper is published quarterly for the 25,000 producers that supply Pınar Süt with milk, veterinaries, and the producers with which the Pınar Et procurements department works.

FAIRS & CONGRESSES

Since the day it was founded, Pınar has taken part in and supported numerous fairs and congresses dealing with matters of concern to the development of its sector such as quality, foods, R&D, and marketing. Coming into contact with many different marketing and consumer channels through the fairs that it takes part in at home and abroad, Pınar is a leading participant showing off more than 600 products at the most prestigious local, regional, and international trade fairs. Abiding by its sustainability principle of contributing to the development of its sector, Pınar seeks to make its products better known in international markets while also organizing and hosting distinguished events of its own that contribute to the foods industry in a variety of ways. By sponsoring activities related to cooking, gastronomy, and cuisine in Turkey, Pınar also creates opportunities to link up with sectoral leaders and scientists.

Held in Dubai between February 23rd and 27th, GULFOOD 2014 is the most prestigious and highly-attended food industry gathering in the Middle East. Pınar Et was on hand to show off its products to an international audience of visitors and buyers.

Pınar Et took part in the AFH EXPO fair and displayed its away-from-home products at İstanbul CNR one March 28-31.

One of only three brands whose products from Turkey have received approval for importation into Russia by that country's authorities, Pınar sent representatives to take part in WorldFood Moscow on 15-18 September 2014.

SPONSORSHIPS

Major events for which Pınar Et acted as a sponsor in 2014:

- "7th Logistics Days", organized by Yaşar University (6-7 March)
- "1st Art Days Artists' Gathering", organized by Harran University (10-20 March)
- "Marketing Power Conference" (20 March)
- "3rd Media Days", organized by Ege University (1-2 April)
- Ege University industry Summit (7 April)
- "3rd Innovative Brands Summit" (10 April)
- "30th Children's Festival", organized by İstanbul Municipal Theaters (26 April)
- "Career Adventures", organized by Dokuz Eylül University (30 April)
- Career Days" organized by Ege University Faculty of Engineering (30 April)
- "SEV Bazaar Day", organized by the Sev American Collegiate Institute (3 May)
- "Quality of Life Project Idea Competition", organized by KalDer (8-9 May)
- "International Food Congress", organized by Ege University (26-29 May)
- "15. Quest for Excellence Symposium" (3-5 June)
- "TEDxAlsancak" (30 August)
- "Pınar Official Beverages Supplier To FIBA Women's World Championship" (27 September - 5 October)
- "3rd Bursa International Food Congress", organized by Uludağ University (26-27 September)
- "World Food Day" organized jointly by the Turkish Food & Beverage Industry Employers' Association and the Food and Agriculture Organization of the United Nations (16 October)
- "11th Aegean Human Management Summit", organized by Per-Yön Ege (24-25 October)
- "2nd International Congress on Food Technology", organized by the Food Technology Association and supported by Ankara University (5-7 November)
- "3rd International İzmir Theatre Festival", organized by the Foundation for Social Research, Culture, and Art (5-15 December)
- "İzmir: A Brand City", symposium organized by Ege University (15-16 December)
- "2014-2015 Men's Turkish National Cup Official Beverage Sponsor"
- "2014-2015 Women's Turkish National Cup Official Beverage Sponsor"
- "2014-2015 Turkish President's Cup Official Beverage Sponsor"

CORPORATE GOVERNANCE PRACTICES AND FINANCIAL INFORMATION

CORPORATE GOVERNANCE

FINANCIAL INFORMATION

MANAGEMENT

BOARD OF DIRECTORS

Emine Feyhan Yaşar
Director

Feyhan Yaşar received her bachelor's degree from the Faculty of Administrative Sciences at Boğaziçi University in 1978 and her master's degree in economics from Dokuz Eylül University in 1996. After starting her career in the Human Resources Department at the Yaşar Group in 1978, she later served as Personnel Relations Coordinator and Tourism Coordinator. She assumed the positions of vice chairperson, group president and board member in Group companies. After serving as the Vice Chairperson of the Board of Directors of Yaşar Holding from 1997 through 2003, she functioned as the Chairperson of the Board from 2004 until 2009. She currently holds seats as a member or chairperson on the boards of directors of Group companies. Speaking English and French, Ms. Yaşar also serves in the Group's foundations.

The Honorary Consul of Luxembourg in İzmir, Ms. Yaşar is also a member of the Turkish Industry and Business Association (TÜSİAD) and Aegean Industrialists and Businessmen Association (ESİAD), Board member of Turkish Institutional Investment Managers' Association (TKYD), Deputy Head of the Board of Trustees of Yaşar University, and a member on the boards of trustees of Health and Education Foundation (SEV), Boğaziçi University Foundation (BÜVAK), and the Turkish Education Foundation (TEV).

Mustafa Selim Yaşar
Chairperson

Mustafa Selim Yaşar graduated from Paris-Académie Arqueille Sorbonne in 1976, from the New York University in 1980 and from the Pace University in New York in 1981. He began his professional life at Yaşar Dış Ticaret A.Ş. the same year, where he worked in various positions. Between 1988 and 1996, he served as the CFO of Yaşar Holding A.Ş. and subsequently assumed the position of the President of Paint and Beverage Groups. Mr. Yaşar held the positions of Chairman and CEO of Otak-Desa A.Ş. and Desa Enerji A.Ş. between 1997 and 1999. Sitting as chairman on the boards of directors of İzmir Teknopark A.Ş., BDS İş Geliştirme Ltd. Şti. and Yüzey İnşaat Taahhüt A.Ş. from 2000 until 2013, Selim Yaşar served as Board of Directors Member, Board Chairman and President of Assembly of the Aegean Region Chamber of Industry from 1991 until 1997. He was also the Deputy Chairman of the Aegean Industrialists and Businessmen Association (ESİAD) for four years, of which he is a founding member. Having functioned as Deputy Chair of İzmir Metropolitan Municipality Council and as a member of Karşıyaka Municipal Council from 2004 to 2009, Mr. Yaşar currently works actively at a number of nongovernmental organizations. Serving as the chairman of the boards of directors of Desa Enerji A.Ş., Dyo Boya Fabrikaları A.Ş., Yaşar Birleşik Pazarlama A.Ş. and as Vice Chairman of Hedef Ziraat A.Ş. since March 2014, Mr. Yaşar also holds seats on the boards of directors of other Yaşar Group companies.

İdil Yiğitbaşı
Director

İdil Yiğitbaşı received a bachelor's degree in business administration from Boğaziçi University in 1986 and a master's degree in the same subject from Indiana University in 1989. She began her career in the field of finance at the Yaşar Group in 1986, and subsequently held senior management positions particularly in strategy and marketing, as well as seats on the boards of directors, in various Group companies involved mainly in the food industry. Having served as the Vice Chairperson of Yaşar Holding from 2003 until 2009, Ms. Yiğitbaşı has been appointed as the Chairperson of Yaşar Holding in April 2009, a position she still holds. Ms. Yiğitbaşı is a member of the Turkish Industry and Business Association (TÜSİAD), Union of Dairy, Beef, Food Industrialists and Producers of Turkey (SETBİR), and Turkish Institutional Investment Managers' Association (TKYD). İdil Yiğitbaşı has been holding seats on the boards of directors of other Yaşar Group companies for the last ten years.

Ali Yiğit Tavas
Independent Director

Ali Yiğit Tavas received his master's degree in agricultural engineering from Ege University, Faculty of Agriculture, Department of Agriculture Technology in 1979. The same year, he started his career as a Production Engineer at Pınar Süt, where he subsequently functioned as Technical Presentation Specialist and R&D Department Manager. He transferred to Pınar Et in 1984, where he served as Production Manager, R&D Manager, Assistant General Manager for Technical Affairs, General Manager, and Vice President of Food Division Production. After holding the position of Vice President of Yaşar Food Division Meat and Meat Products from 2001 through 2003, he retired from business life and left the Group. Mr. Tavas worked as Production Coordinator at Abalıoğlu Holding from 2004 to 2006. Mr. Tavas also holds seats on the boards of directors of other Yaşar Group companies.

Atila Sezgin
Independent Director

Atila Sezgin received a bachelor's degree in business administration from the Middle East Technical University in 1966, and a doctorate degree in the same field from Ankara Academy of Economic and Commercial Sciences in 1974, where he obtained associate professor title in 1976. He became a professor in the Faculty of Economics and Administrative Science at Hacettepe University in 1982. He worked as a budget specialist in the Ministry of Finance Directorate General of Budget and Financial Control (1968-1971), as financial advisor and general coordinator at the Tepe Group Hacettepe University Foundations (1976-1986), member of the Assembly and the Board of Directors at Ankara Chamber of Industry (1984-1986), Chairman of the Board of Directors at KAMU-İŞ (a union of public sector employers), Chairman of the Board of Directors at the Association of Public Enterprises, and a member of the Board of Directors of Central Anatolian Association of Iron and Non-Iron Metal Exporters (1993-1996). He was a member of the EU-Turkey Joint Consultative Committee of the Economic and Social Committee (1995-1998), and the Chair of the Turkish Delegation to the EU-Turkey Coal and Steel Community Treaty Task Force (1994-1996), Vice Chairman of the Board of Directors of İstanbul Association of Iron and Non-Iron Metal Exporters, Chairman of the Board and Member of the Economics Committee at the International Iron and Steel Institute, General Manager and Chairman of the Board of Directors of Turkish Coal and Steel Enterprises (1992-1996), member of the Board of Directors of Eurasiasat SAM and General Manager and Vice Chairman of the Board of Directors of Türk Telekomünikasyon A.Ş. (1998-1999). Mr. Sezgin also holds seats on the Boards of Directors of other companies under the Yaşar Group. Having held various academic positions including Vice Dean, Dean and Vice President at Ankara Academy of Economic and Commercial Sciences and Dokuz Eylül University, Atila Sezgin served as the President of İzmir University of Economics from October 2001 until January 2012. He is currently a member of the Board of Trustees of Yaşar University.

MANAGEMENT

Yılmaz Gökoğlu
Director

Yılmaz Gökoğlu received a bachelor's degree in economics and public finance from Ankara University, Faculty of Political Sciences in 1977. He worked as a tax inspector for the Ministry of Finance from 1978 through 1982, and joined Yaşar Group in 1983 where he held various senior management positions mostly in the fields of financial affairs and audit. Elected as a member of the Yaşar Holding Board of Directors in April 2007, Mr. Gökoğlu also serves as General Secretary of the Boards of Directors at the Yaşar Group. Yılmaz Gökoğlu also holds seats on the board of directors of Yaşar Group companies.

Dr. Mehmet Aktaş
Director

Mehmet Aktaş received a bachelor's degree in economics from Ankara University, Faculty of Political Sciences in 1983, a master's degree in economics from Vanderbilt University in 1992 and a doctorate degree in finance from 9 Eylül University in 2003. After working in the public sector from 1984 to 1995, he joined the Yaşar Group in 1995, where he held various positions mainly in strategy, budget, and corporate finance. Mr. Aktaş was appointed as Chief Executive Officer of Yaşar Holding in July 2007 and has been serving as a member of the Yaşar Holding Board of Directors and as Chief Executive Officer since April 2009. He also holds seats on the boards of directors of other Yaşar Group companies.

Members of the Board of Directors of our company, which is affiliated to the Yaşar Group, may hold seats on the boards of directors of other Group companies, and there may be various transactions by and between these companies that may be considered under the scope of Article 395/1 of the Turkish Commercial Code. However, the parties to such transactions are Group companies only, and necessary permissions are obtained at the general assembly meeting of each relevant company.

SENIOR MANAGEMENT

Tunç Tuncer
General Manager

Tunç Tuncer got his bachelor's degree in agriculture technology from Ege University, Faculty of Agriculture in 1985. He started his business life in 1985 as a production manager at Pınar Et. He functioned as Technical Director from 1999 until 2012. He has been serving as Pınar Et General Manager since June 2012.

Mustafa Şahin Dal
Financial Affairs and Budget Control Director

Mustafa Şahin Dal got his bachelor's degree in monetary economics and banking from Dokuz Eylül University, Faculty of Economics and Administrative Sciences in 1984. He began his career in the Financial Affairs Department at Yaşar Holding in 1987, where he held the positions of accounting supervisor, assistant manager, and budget, accounting and financial affairs department manager at the Food Division Companies from 1993. He has been functioning as the Financial Affairs and Budget Control Director of Food Division Companies since 2010.

Muzaffer Bekar
Finance Director

Muzaffer Bekar received his bachelor's degree in public administration from Marmara University, Faculty of Economics and Administrative Sciences in 1982. He began his professional life in the Finance Department of Dyo Boya in 1989 and subsequently worked as Finance Supervisor, Finance Manager and Finance Director of Coatings Division Companies. He has been working as the Finance Director of Food Division Companies since December 2008.

Hakan İshakoğlu
Plant Director

Hakan İshakoğlu received his bachelor's degree in food engineering from Ege University, Faculty of Engineering in 1992. He began his business life as Frozen Meat Products Production Engineer at Pınar Et in 1992, where he later worked as Frozen Meat Products Production Supervisor, and Meat Products Production Manager. He has been serving as Pınar Et Plant Director since June 2012.

RISK MANAGEMENT, INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

RISK MANAGEMENT

The scope of Enterprise Risk Management activities to be implemented at companies under the Yaşar Group organization and their operating procedures and principles are set out within the frame of a Regulation. In addition, the framework of risk management activities, risk management duties and responsibilities, processes, reports, confidence procedures and risk management terminology have been created.

The Company began implementing "Enterprise Risk Management" as a systematic process whereby risks are defined, analyzed, controlled and monitored. This method is capable of minimizing the costs incurred in relation to contingencies that result negatively, as well as their impact upon the Company's asset values.

Risk Management Policy of the Company

The Company's Board of Directors has adopted risk management strategies that will minimize the impact and probability of risks, which might affect the stakeholders in the Company and particularly the shareholders; accordingly, the Board of Directors makes sure that necessary actions are taken.

Activities of the Early Detection of Risk Committee

The Early Detection of Risk Committee performs activities for the purposes of early detection of risk and creation of an efficient risk management system.

The Committee oversees the conduct of enterprise risk management activities, which are aimed at the creation of the prioritized risk inventory within the frame of risk management policies and procedures, determination of appropriate risk strategies, taking of necessary actions and monitoring the outcomes. The Committee also provides the necessary guidance in these aspects.

Future Risks Regarding Sales, Productivity, Income Generation Capacity, Profitability, Debt/Equity Ratio and Similar Matters

Under the risk management policy and procedures adopted across the Group, work is underway to create the risk inventory for all of the Company's activities and to take necessary actions.

Along the line,

- the Company's risk exposure is classified under the headings of strategic, operational, financial, external and compliance risks, and analyzed according to their impact and probability,
- existing controls for material risks are reviewed with respect to their design and implementation, and optimum strategies and actions are identified,
- results of the action taken are followed up, and
- results and possible developments are reported to related units and assessed.

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

A control is described as any implementation aimed at eliminating an event that will adversely affect the achievement of the Company's goals, or at mitigating their impact and probability. The internal control system is composed of the definitions of standards for business processes, policies and procedures, job descriptions, and authorization structures. In this frame, the management has set up all control systems, including those that prevent/identify and improve, for efficient and productive conduct of the Company's business.

The internal control systems established at the Company are intended to ensure the efficiency and effectiveness of operations, reliability of the financial reporting system, compliance with legal regulations, and they seek to provide assurance in these aspects. These control systems also protect the Company's assets, reputation and profitability.

The oversight of the Company's accounting system, public disclosure of financial information, independent audit and the operation and efficiency of the internal control system is basically fulfilled by the Audit Committee set up by the Company's board of directors. When fulfilling this function, the Audit Committee makes use of the findings of the bodies performing certification under the Group Audit and Risk Management Coordinator, independent audit and certified accountancy.

Under the internal audit activities, the Company evaluates the effectiveness of the existing risk management system, and the adequacy, effectiveness and efficiency of the internal control system, and also makes proposals for their improvement. In addition, the processes of determining and implementing the necessary actions for relevant determinations and proposals are monitored closely.

LEGAL DISCLOSURES

Information on the Extraordinary General Assembly Meeting during the Reporting Period, If Applicable

The decisions adopted in the Ordinary General Assembly Meeting held on 26 March 2014 have been implemented. An Extraordinary General Assembly Meeting was not convened during 2014.

Affiliated Companies Report

The conclusion part of the report that is prepared by the Company's Board of Directors and that discloses our relations with the controlling company and affiliated companies pursuant to Article 199 of the Turkish Commercial Code is quoted below.

Pursuant to Article 199 of the Turkish Commercial Code no. 6102 that went into force on 01 July 2012, the Company's Board of Directors is obliged to issue a report on the Company's relations with the controlling company and the companies affiliated to the controlling company during the past operating year within the first three months of the current operating year, and to incorporate the conclusion part of the said report in its annual report.

Necessary disclosures on the transactions our company carried out with the associated parties are covered in the present report. In this report, the Company's Board of Directors concluded that in all transactions the Company carried out during 2014 with its controlling company or with its affiliates, an appropriate counter-performance was provided in each transaction according to the conditions and state known to us at the time the transaction and/or the action was realized/taken or avoided; that there were no actions taken or avoided which might potentially cause loss to the Company, and that there are no transactions or actions that would require equalization within this scope.

Donations and Grants

The Company may, from time to time, make donations and grants to foundations, associations, universities and similar institutions, which are founded with social motives, subject to the principles set out by the Capital Markets Board.

During 2014, the Company's donations and grants to various organizations and institutions amounted to TL 875,988.

Lawsuits Filed Against the Company with a Potential Impact on the Company's Financial Standing and Activities and Possible Results

The related disclosure is presented in note 26 to financial statements for the period 01 January 2014 - 31 December 2014.

Disclosure of Administrative or Judicial Sanctions Against the Company or the Members of the Governing Body on Account of Practices Violating the Provisions of Legislation

There are no administrative or judicial sanctions imposed against the Company or the members of the governing body on account of any practice violating the provisions of legislation.

Changes in the Articles of Incorporation during the Reporting Period

No changes were made to the articles of incorporation during the reporting period.

Financial Rights Provided to the Members of the Board of Directors and Senior Executives

Financial rights provided to the chairperson, members of the Board of Directors and Senior Executives are determined within the frame of the Remuneration Policy posted on our website. Financial rights provided to the chairperson, members of the Board of Directors and Senior Executives in the twelve months that ended on 31 December 2014 are determined within the frame of the Remuneration Policy posted on our website. In the twelve months that ended on 31 December 2014, financial benefits to the members of the Board of Directors and senior executives amounted to TL 3,008,416.

Disclosures Concerning Special Audit and Public Audit Conducted During the Fiscal Year

During 2014, regular audits have been performed by various public agencies, after which no material notices have been served on our party.

The Company's Shareholders' Equity

The shareholders' equity worth TL 344,445,567 as at 31 December 2014 indicates that the issued capital of TL 43,335,000 has been very well maintained.

AGENDA

PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.
AGENDA FOR 2014 ORDINARY GENERAL ASSEMBLY MEETING HELD ON 25MARCH 2015

1. Opening and electing the Presiding Committee,
2. Authorizing the Presiding Committee to sign the minutes of the General Assembly Meeting minutes,
3. Reading, deliberating and approving the Annual Report 2014 by the Company's Board of Directors,
4. Reading and deliberating the Independent Auditor's Report for 2014 fiscal year,
5. Reading, deliberating and approving the financial statements for 2014 fiscal year,
6. Acquitting the Company's directors of their fiduciary responsibilities for 2014 operations,
7. Laying down the Independent Audit Firm designated by the Board of Directors for the approval of the General Assembly pursuant to the Turkish Commercial Code and the Capital Markets Board requirements,
8. Deliberation and decision on "Article 7 – Board of Directors" of the Company's articles of incorporation,

FORMER VERSION	NEW VERSION
BOARD OF DIRECTORS	BOARD OF DIRECTORS
Article 7-	Article 7-
Business and administration of the Company are conducted by a Board of Directors consisting of 5, 7 or 9 members to be elected from among shareholders by the General Assembly under the provisions of the Turkish Commercial Code and the Capital Markets Board of Turkey regulations. Should the Board of Directors consists of 5 members, 3 members shall be elected from among the nominees indicated by Group A shareholders, and the remaining members shall be elected from among the nominees indicated by Group B shareholders. In case the Board consists of seven or nine members, then four and five of them, respectively, shall be elected from among the nominees indicated by Group A shareholders, while the remaining members shall be elected from among the nominees indicated by Group B shareholders.	Business and administration of the Company are conducted by a Board of Directors consisting of 5, 7 or 9 members to be elected by the General Assembly under the provisions of the Turkish Commercial Code and the Capital Markets Board of Turkey regulations. Should the Board of Directors consists of 5 members, 3 members shall be elected from among the nominees indicated by Group A shareholders, and the remaining members shall be elected from among the nominees indicated by Group B shareholders. In case the Board consists of seven or nine members, then four and five of them, respectively, shall be elected from among the nominees indicated by Group A shareholders, while the remaining members shall be elected from among the nominees indicated by Group B shareholders.
The Board of Directors may, at its sole discretion, elect managing director(s). However, the Chairperson of the Board of Directors and the managing director(s) shall be elected from among members representing Group A.	The Board of Directors may, at its sole discretion, elect managing director(s). However, the Chairperson of the Board of Directors and the managing director(s) shall be elected from among members representing Group A.
The number and qualifications of independent members who will serve on the Board of Directors shall be determined in accordance with the CMB regulations concerning Corporate Governance Principles.	The number and qualifications of independent members who will serve on the Board of Directors shall be determined in accordance with the CMB regulations concerning Corporate Governance Principles.
In the event that an independent board member fails to maintain independency, resigns or becomes unable to serve in office, the procedures defined in the CMB regulations shall be pursued.	In the event that an independent board member fails to maintain independency, resigns or becomes unable to serve in office, the procedures defined in the CMB regulations shall be pursued.
Essentially, members of the Board of Directors should be elected from among individuals possessing basic knowledge about the legal principles governing the transactions and dispositions in relation to the Company's field of activity, trained and experienced in company management, and possessing the ability to analyze financial statements and reports, and preferably holding a university degree.	Essentially, members of the Board of Directors should be elected from among individuals possessing basic knowledge about the legal principles governing the transactions and dispositions in relation to the Company's field of activity, trained and experienced in company management, and possessing the ability to analyze financial statements and reports, and preferably holding a university degree.

9. Determining the number of Board directors and their terms of office; making elections in accordance with the number of Board directors so determined; designating independent Board members,
10. Determining the rights provided to the Board directors such as compensation and attendance fees, bonuses and premiums pursuant to Article 408 of the Turkish Commercial Code,
11. Informing shareholders, pursuant to Article 12 of the Corporate Governance Communiqué no. II-17.1 issued by the Capital Markets Board, about guarantees, pledges, mortgages and sureties that have been granted by the Company in favor of third parties and about any income and benefits that may have been derived,
12. Informing shareholders about any donations that were made during the year and laying down the donation limit set under the Capital Market legislation for the approval of the General Assembly,
13. Deliberating and voting on matters pertaining to the year's profits,
14. Authorizing the Company directors to engage in the transactions as per Articles 395 and 396 of the Turkish Commercial Code,
15. Wishes and comments.

PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

PROFIT DISTRIBUTION PROPOSAL

At a meeting of the Board of Directors held on 03 March 2015, the Company's directors voted to submit the following Profit Distribution Proposal for approval at the Annual General Assembly meeting:

The Company's net distributable profit for 2014 is calculated as TL 44,261,506. This amount is arrived at as follows:

TL 44,261,506 is shown as net profit for 2014 in the Company's independently audited financial statements, which have been prepared taking into account the requirements of the Turkish Commercial Code, capital markets legislation, Corporate Income Tax Law, Income Tax Law, and other applicable legislation as well as of the provisions of the Company's articles of incorporation pertaining to the distribution of profits and our profit distribution policy, and in accordance with International Financial Reporting Standards. Inasmuch as the legally mandated threshold has been reached, no General Legal Reserves were set aside.

We submit for your consideration and approval the following proposal concerning the allocation of the TL 44,261,506 in distributable profit as calculated above:

- TL 9,027,499 will be distributed among shareholders as a first dividend. This corresponds to 20% of distributable profit when the TL 875,988 that was paid out as charitable donations during the year in line with the CMB rules is taken into account.
- Of the remainder, Board of Directors allocation be set aside, which will not be in excess of 5% as stipulated in the articles of incorporation,
- Of the remainder, the amount of TL 16,106,801 will be distributed among shareholders as a second dividend. The net combined total of first and second dividends amounts to TL 21,364,155. This corresponds to 49.30% of our issued capital, which amounts to TL 43,335,000.
- Of the remainder, TL 2,466,755 will be set aside as a General Legal Reserve.
- Of the final amount remaining, all will be set aside as an Extraordinary Reserve.

If this proposal is approved, the Company will be paying out a net cash dividend amounting to TL 0.4930 on each share of its stock with a par value of TL 1.00.

Please be advised.

PROFIT DISTRIBUTION TABLE

PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.
2014 PROFIT DISTRIBUTION TABLE (TL)

1. Paid-in/Issued Capital			43,335,000
2. General Legal Reserves (According to Legal Records)			27,993,080
Information on privileges for distribution of profits, if any, according to the Articles of Incorporation			
		According to CMB	According to Legal Records (LR)
3.	Profit for the Period	49,427,798	37,527,839
4.	Taxes (-)	(5,166,292)	(7,594,017)
5.	Net Profit for the Period (=)	44,261,506	29,933,822
6.	Losses in Prior Years (-)	0	0
7.	General Legal Reserves (-)	0	0
8.	**NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)**	**44,261,506**	**29,933,822**
9.	Donations during the Year (+)	875,988	
10.	Net Distributable Profit for the Period Including Donations	45,137,494	
	First Dividend to Shareholders		
	- Cash	9,027,499	
	- Bonus Shares		
11.	- Total	9,027,499	
12.	Dividends Distributed to Owners of Privileged Shares		
	Other Dividends Distributed		
	- Members of the Board of Directors	1,700,000	
	- Employees		
13.	- Non-Shareholder Individuals		
14.	Dividends Distributed to Owners of Redeemed Shares		
15.	Second Dividend to Shareholders	16,106,801	
16.	General Legal Reserves	2,466,755	
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	14,960,451	632,767
20.	Other Resources to be Distributed		
21	General Legal Reserves Allocated for other Funds to be Distributed		

RATIO OF DIVIDENDS TABLE

	CLASS	TOTAL DIVIDENDS DISTRIBUTED (TL)		TOTAL DIVIDENDS DISTRIBUTED/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDENDS PER SHARE WITH A PAR VALUE OF TL 1 TL EACH	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
NET	No share classes enjoy privileges for profit distribution	21,364,155		48.27	0.4930	49.30
	TOTAL	**21,364,155**		**48.27**	**0.4930**	**49.30**

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART 1. Statement of Compliance with Corporate Governance Principles:

a) During the operating period ended 31 December 2014, PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. ("the Company") achieved compliance with the entirety of the mandatory articles of the Corporate Governance Principles appended to the "Communiqué No: II.17.1 on Corporate Governance (" the Communiqué ") issued by the Capital Markets Board of Turkey (CMB).

b) Our Company spends maximum effort to achieve full compliance also with the non-compulsory Corporate Governance Principles. Justifications for currently non-implemented non-compulsory principles are presented hereinbelow, and it is considered that the said matters do not lead to any major conflicts of interest under the current circumstances.

The Company maintains its position for the principles numbered 1.3.10 and 1.3.11 as their implementation is non-compulsory.

While the Company intends to achieve full alignment with the principles numbered 1.4.2, 2.1.2 and 2.2.2/a, the hardships in practice create obstacles against full compliance.

Alignment with the principles numbered 1.5.2 and 4.6.5 cannot be realized due to the fact that these principles do not fully coincide with the market and the Company's existing structure.

The Company is currently in the process of assessment in relation to efforts for full compliance with the principle numbered 4.2.8.

During 2014, the Investor Relations Department at our Company was structured as stipulated by the legislation, necessary Board of Directors decisions were passed regarding common and continuous transactions with related parties, employee compensation policies were developed, material event disclosures incorporating significant Board of Directors decisions were separately classified on the website, and improvements to the website continued.

Our company will continue to monitor the changes in legislation and implementations regarding compliance with the principles and to carry out the necessary work also in the future.

PART II: SHAREHOLDERS

2.1. Investor Relations Department:

The Investor Relations Department handling communication with the investors has been set up at the Company pursuant to Article 11 of the Communiqué. The Investor Relations Department reports to Mustafa Şahin Dal, the Financial Affairs and Budget Control Director of the Company.

Contact information for Investor Relations Department employees is presented below:

Head of the Investor Relations Department: Buse Alev (holds Capital Market Activities Advanced Level License)

Investor Relations Department Officer: Hale Hepdarcan

Tel : +90 232 482 2200

Fax : +90 232 489 1562

Email : investorrelations@pinaret.com.tr

The Investor Relations Department is mainly charged with the following:

- Ensure that records of correspondence by and between the investors and the Company, and of other information and documents are maintained in a reliable, secure and up-to-date manner,
- Respond to shareholders' written requests for information about the Company,
- Prepare the documents related to the general assembly meetings, which need to be made available for the information of, and review by, shareholders, and take necessary steps to make sure that the general assembly meetings are carried out in accordance with the applicable legislation, the Company's articles of incorporation and other bylaws,
- Supervise and monitor that obligations arising out of the capital market legislation are fulfilled, including all aspects of corporate governance and public disclosure,
- Ensure that investor relations activities are properly conducted.

Having obtained the views of other units when necessary and in coordination with such units, the Investor Relations Department is responsible for providing shareholders and potential investors with information about the Company's activities, financial standing, and strategies, with the stipulations that it may not divulge any information which is confidential and/or in the nature of a trade secret and that it must not do so in any way that might lead to information asymmetry and for managing communication moving on both directions between shareholders and company managers.

During the reporting period, the Unit held one-on-one contacts with nearly 30 investors, and responded to more than 100 queries by phone or e-mail. In addition, upon disclosure of the Company's financial results, two webcast meetings have been organized, which were open to all analysts and addressed the Company's activities and financial results for 2013 full year and for 2014 half-year. "Financial Presentations" drawn up in Turkish and English languages covering the Company's periodic operating results were published on the Company's website. The website and investor presentations have been updated regularly to make sure that up-to-date information is made available to the investors at all times. Maximum attention is paid to achieving compliance with the legislation in fulfilling investor requests.

2.3. Shareholders' exercise of their right to obtain information:

The fundamental principle in shareholders exercising their right to obtain information is that there should be no discrimination among shareholders. All information and documents that shareholders may need to exercise their shareholders' rights in a sound manner are made equally available to all shareholders on the Company's corporate website. During 2014, utmost care was paid, under the supervision of the Investor Relations Department, to respond to requests for information received from shareholders within the framework of the requirements of capital market laws and regulations and without delay.

Such requests for information are generally about such issues as General Assembly meeting dates, information on financial statements that are disclosed, developments in the sector and profit distribution. All requests for information, except in the case of information that was in the nature of a trade secret and information that it was deemed to be in the Company's interest to keep confidential, were responded to without making any distinctions among shareholders and in line with any statements that may previously have been made within the framework of capital market laws and regulations. Information and disclosures that might affect the exercise of shareholders' rights are announced in the "Investor Relations" section on the Company website, and there have been no information or disclosures during the reporting period, other than those disclosed under the Capital Market legislation. While the request to have a special auditor appointed is not an individual right provided for under the Company's articles of incorporation, no such request was received during 2014.

2.3. General Assembly Meetings

Pursuant to "Article 18 - Meeting Quorum" of the Company's articles of incorporation, the quorum requirements at annual and extraordinary General Assembly meetings are subject to the provisions of the Capital Market Law and of the Turkish Commercial Code.

The 2013 Annual General Assembly meeting took place on 26 March 2014 during the reporting period at the Pınar Süt factory located at Kemalpaşa Asfaltı No: 317 Pınarbaşı/İZMİR. At the 2013 Annual General Assembly meeting 76.39% of the Company's capital was represented. During the meeting, shareholders electronically or physically attending the meeting or their proxies expressed their comments and wishes. Shareholders did not propose any agenda items during the said General Assembly meeting, either.

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. representative participated in the meeting, whereas no media representatives were present. In addition to shareholders, representatives of the independent auditors were also sent written invitations to attend the meetings. Invitations to the meetings were made by the Board of Directors.

The Company's General Assembly meeting announcements were promulgated under "Article 22 - Announcements" of the Company's articles of incorporation, and in accordance with the relevant provisions of the Turkish Commercial Code and with other regulations, communiqués, Capital Markets Board requirements to be published under the said Code, as well as other applicable legislation. The meeting announcement was published in the Turkish Trade Registry Gazette at least three weeks (excluding the dates of the meeting and announcement) in advance. The meeting announcement was also published on the corporate website, and shareholders whose addresses were on record with the Company were sent letters in which they were informed about the meeting date, location, and agenda. Prior to the General Assembly meeting, the meeting date, place and agenda, the information that the Informational Document regarding the agenda is posted on the website, and the profit distribution proposal to be submitted by the Board of Directors to the General Assembly were publicly disclosed in material event disclosures. The Informational Document drawn up for 2013 Ordinary General Assembly Meeting covered detailed descriptions about each general meeting agenda item, as well as all the explanations, information and documents required by the legislation.

The Company's annual report and the informational document for the general assembly meeting were made available for shareholders' review at the Company's headquarters and on its corporate website as of twenty-one days before the General Assembly Meeting date. To facilitate attendance to the General Assembly Meeting, shuttle buses were provided for transportation between downtown and the factory. During the General Assembly Meeting, issues on the agenda were explained impartially and in detail so as to be clear and intelligible. Shareholders were given equal opportunities to express their thoughts and to ask questions, and a healthy climate of debate was created.

Minutes of General Assembly meetings are kept available for shareholders at all times at the Company headquarters. In addition, the minutes of the Company's General Assembly meetings for the past eight years are also accessible in the Investor Relations section of the Company website at www.pinar.com.tr.

At the Company's General Assembly meetings, information is presented to the shareholders on the amount and recipients of the donations and grants made during the reporting period. This matter is addressed as a separate agenda item. An upper limit was set for the donations to be made during 2014 at the meeting.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

2.4. Voting Rights and Minority Rights:

"Article 7 – Board of Directors" of the Company's articles of incorporation contain the following privilege with respect to making nominations to the Board of Directors. Accordingly;

"Should the Board of Directors consists of 5 members, 3 members shall be elected from among the nominees indicated by Group A shareholders, and the remaining members shall be elected from among the nominees indicated by Group B shareholders. In case the Board consists of seven or nine members, then four and five of them, respectively, shall be elected from among the nominees indicated by Group A shareholders, while the remaining members shall be elected from among the nominees indicated by Group B shareholders.

The Board of Directors may, at its sole discretion, elect managing director(s). However, the Chairperson of the Board of Directors and the managing director(s) shall be elected from among members representing Group A."

Article 19 of the Company's articles of incorporation grant privilege in voting in ordinary and extraordinary general assembly meetings. Group A shareholders have 3 votes, whereas Group B shareholders have one vote for each share they hold.

The Company's articles of incorporation contain no provisions preventing non-shareholders to vote by proxy as an appointed representative. With respect to the exercise of voting rights, the Company's articles of incorporation contain no provisions preventing non-shareholders to vote by proxy as an appointed representative. Article 22 of the Company's articles of incorporation, which governs the exercise of voting rights, reads as follows:

"Save for the votes to be cast in the Electronic General Meeting System, voting is conducted through open ballot and by raising hands during a General Assembly meeting. However upon demand by those possessing at least one-tenth of the capital which shareholders present at a meeting represent, recourse must be had to secret ballot. CMB rules pertaining to proxy voting are reserved."

There are no other companies in which the Company has a cross-ownership. Minority rights are not represented on the Board of Directors. The articles of incorporation do not set minority rights to be less than one twentieth of the capital.

2.5. Entitlement to Dividends:

There are no privileges with respect to participating in the Company's profit. The Company's annually reviewed policy for profit distribution is to pay out cash dividends and/or bonus shares corresponding to minimum 20% of the distributable profit for the period, which is calculated in accordance with the capital market regulations and other applicable legislation, taking into consideration the economic conjuncture, market projections, the Company's long-term strategies and long-term investment and financing policies, the Company's financial position, profitability and cash position, to the extent allowed by relevant regulations and finances.

Unless otherwise decided in the relevant general assembly meeting, the profit distribution is intended to be realized in May, the latest, and the date of profit distribution is decided by the General Assembly. The General Assembly or the Company's Board of Directors, if authorized, may decide to pay out the dividends in installments. The Company's articles of incorporation permit distribution of advances on dividends, and the Board of Directors may decide to distribute advances on dividends restricted to the relevant fiscal year, provided that it is authorized by the General Assembly of Shareholders.

The Company's Dividend Policy for 2013 and thereafter, which was formulated in line with the capital market legislation, has been laid down for approval at the 2013 Annual General Assembly Meeting and publicly disclosed. Our Dividend Policy is publicly disclosed also via our website.

Distribution of the Company's profit for 2013 has been completed on 30 May 2014.

2.6. Transfer of shares

Transfer of shares is subject to the relevant provision of the TCC.

PART III: PUBLIC DISCLOSURES AND TRANSPARENCY

3.1. The Corporate Website and its Content:

The Company's corporate website (www.pinar.com.tr) contains all the matters as required by Corporate Governance Principles. The Company's website is available in both Turkish and English. The Company continuously improves and upgrades the services provided by its website, which is actively used.

3.2. Annual Report:

The Company's annual reports contain all the information specified in the Corporate Governance Principles; however, declarations of independence by the independent board members and remuneration of the board of directors and senior executives and other benefits provided to them individually are not disclosed. Benefits provided to executives are provided as a cumulative amount.

PART IV: STAKEHOLDERS

4.1. Disclosure to Stakeholders:

Stakeholders are kept informed about all matters concerning the Company other than those which are in the nature of a trade secret through CMB material disclosures within the framework of CMB regulations, Turkish Commercial Code, Competition Law, tax laws, and Turkish Code of Obligations.

Stakeholders are able to convey any transaction they consider to be illegitimate or unethical to the Corporate Governance Committee or the Audit Committee via Yaşar Group Ethics Committee. The Audit Committee reviews the complains received regarding the Company's accounting and internal control system and independent audit, and handles the notifications of company employees in relation to the Company's accounting and independent audit, observing the confidentiality principle.

Furthermore, the communication mechanism is established with the Corporate Governance Committee and the Audit Committee also via the processes that provide stakeholder participation in management as discussed under Article 4.2 hereinbelow.

4.2. Stakeholder Participation in Management

Committed to its social responsibility in addition to quality and food safety management systems, Pınar Et actively implements and constantly improves environmental, energy, occupational health and safety management systems. In addition to efforts successfully carried out for reducing its carbon footprint, the Company initiated work on its water footprint during 2014.

Customer demands and complaints can be communicated via our toll-free customer line which can be reached from any part of Turkey without dialing a city code, upon which the demands and complaints received are handled and resolved. To ensure customer satisfaction, various research studies and surveys are continually conducted by our Company and by independent firms. Efforts are taken on to improve the product and service quality based on the research outcomes and customer demands.

Pınar Communication Center (contracted to PİM in Turkish) Twitter account serves to review the requests and suggestions received via the social media, upon which the team gets back to the consumers.

Dealer meetings organized by the Company serve as a tool to convey the opinions and feedback of dealers that have a direct business relationship with the Company to the senior management.

Employee opinion surveys serve to gather the employees' views about changes in implementations which will be made in relation to working conditions, working environment, and rights provided to employees. The action committee formed of employee representatives carries out its activities during the year for conducting the improvement works in relation to the said processes.

Moreover, Pınar Et takes parts in career days organized at universities, reaching potential employees and offering internship opportunity to students. Within this frame, the Company offered internship to 96 university and 39 high school students in 2014.

4.3. Human Resources Policy

The fundamental mission of the Company's human resources policy is to ensure the management of human resources who are innovative, who are committed to the principle of total quality, and who contribute towards the Company's competitive advantage by easily adapting to change and development at the Company.

The Company did not receive any complaints about discrimination as at 2014. The Company's basic human resources policies are set forth clearly in the Company's Personnel Regulations, which are issued to all non-contract employees against their individual signature. In addition to basic policies, these regulations also contain information about working hours, hiring principles and processes, termination, and discipline. Human resources policies and practices pertaining to employees who are covered by collective bargaining agreements are spelled out in such agreements. Job descriptions are devised for all of the Company employees. Performance and rewarding criteria for the white-collar employees are disclosed in the White Collar Employee Regulation, while the rewarding criteria for our blue-collar workers are described in the Collective Bargaining Agreement.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Basic human resources policies

a) Staffing at the Company is determined according to the criteria of business economics. All employees agree that honorable employment is only possible through productive work.

b) The Company conducts intramural and extramural training programs within the framework of plans that are devised for each level in order to ensure the progression of its employees.

c) The Company is mindful of equality of opportunity in all promotions and appointments throughout its organization. As a matter of principle, appointments are made from among the Company's own personnel.

d) By means of a career planning system in which progression plans are implemented, employees who have potential are provided with the broadest possible opportunities for advancement.

e) Employees' performance is evaluated on the basis of their fulfillment of targets and their competencies.

f) Job descriptions and performance standards are documented for positions at every level from the highest to the lowest and these serve as the basis for employee evaluations.

g) Employee Opinion Surveys are conducted once in two years, seeking employees' views about the working environment, development and career, salaries and fringe benefits, job satisfaction, managers, engagement, corporate reputation, corporate structure and management policies. Improvements are made in line with the feedback that is received in this way.

h) A safe workplace and safe working conditions are a matter to which the Company gives great importance. Under the Company's occupational health and safety regulations, all legally mandated measures are taken to prevent occupational risks, ensure health and safety, and eliminate risk and accident factors. An ongoing effort to make improvements is carried out through regularly conducted safety meetings.

i) Our management style is ".... [to] maintain our existence as a company that acts fully respectful of the laws and ethical rules, and embrace total quality philosophy and participatory management".

j) An essential principle at the Company is that all employees will be treated equally and without making any discrimination among them with respect to language, race, color, sex, political beliefs or philosophy, creed, religion, sect, or similar reasons. Due measures have been taken to protect this fundamental constitutional right of employees.

There are four workplace representatives at the Company's Kemalpaşa Factory. These individuals are named below:

Turgay Metin: Production Foreman

Göksel Lofça: Shift Supervisor

Umut Bayram Taşkaya: Mixture Preparation Operator

Sebahattin Demir: Fresh Meat Production Worker

The duties of these representatives are to:

a) Hear workers' wishes and resolve their complaints exclusively with respect to matters at the workplace;

b) Ensure continued labor peace through worker-employer cooperation and labor fairness;

c) Be mindful of workers' rights and interests; assist in the implementation of the working conditions which are provided for in labor laws and in collective bargaining agreements.

All employees are kept informed about company procedures, organizational changes, changes in rights and benefits, and other practices and decisions that may affect them by means of regulations and announcements prepared within the framework of the Company's prescribed announcement regulations as well as via the Company intranet and bulletin boards.

4.4. Rules of Ethics and Social Responsibility:

Pınar Et seeks to comply with current environmental laws applicable to its business activities and with local regulations concerning environmental matters to which it is subject, to make productive use of natural resources, to control and reduce waste that causes environmental harm or else render it harmless, and to take other measures necessary to prevent pollution. In line with these goals, Pınar Et undertakes improvements to its production technologies in an effort to increase efficiency in its production operations and energy consumption. These efforts are carried out by a sustainability team organized under Yaşar Holding, which also covers Pınar Et.

As part of its responsibility towards the environment, our Company takes on activities for water and energy saving within the scope of environmental management programs. Reduction was achieved in total water consumption on the back of these efforts. Decreases per ton were also attained in natural gas consumption. The environment and the national economy are supported through separate collection of all recyclable wastes at source across the factory, which are then sold to licensed recycling companies. In 2014, an initiative was carried out for collecting waste batteries, whereby 1,300 waste batteries were collected in the first month, and 130 pine trees were planted in Kemalpaşa via the Regional Forestry Directorate.

Within the frame of social responsibility projects directed towards children, Pınar Children's Theater and Pınar Painting Contest for Children are being organized.

In a bid to contribute to healthy development of the society, Pınar Et extends support to the Pınar Institute that has been established for carrying out researches, supporting researches and training, publishing the outcomes, and taking on activities to this end.

Our company has set up its own in-house apprentice training center whose objectives are firstly to provide a systematic program of theoretical and practical professional training for young people in the 15-18 age group who have completed their basic education, who must go to work, and who are interested in learning a profession and secondly to transform them into the skilled workers that our country is in need of. Such training has the additional objectives of teaching work discipline, establishing national-level professional standards, improving production quality standards, and increasing productivity.

Pınar Et sustains its support to sports by way of its sponsorship of Pınar Karşıyaka Basketball Team.

The Company seeks to make contributions that are beneficial to employees and to the community in the areas of culture, art, sport, and education through its newspaper Pınar, and its magazine Yaşam Pınarım.

The Company supports education by collaborating with organizations such as Yaşar University and Yaşar Education and Culture Foundation.

The Company conducts its activities within the framework of values which are adhered to by the Yaşar Group companies and whose approach to the production of goods and services involves compliance with laws and the rules of ethics, concerns itself with national problems without becoming involved in politics, and values the environment and nature. These values are known to all company employees. A summary version of the Yaşar Group Rules of Ethics is posted on the corporate website.

PART V: BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

Members of the Company's Board of Directors are identified below:

Name	Position	Independent Director or Not	Executive Director or Not	Term of Office
Emine Feyhan Yaşar	Chairperson	Non-independent Board Director	Non-executive	1 year
Mustafa Selim Yaşar	Vice Chairperson	Non-independent Board Director	Non-executive	1 year
İdil Yiğitbaşı	Director	Non-independent Board Director	Non-executive	1 year
Ali Yiğit Tavas	Director	Independent Board Director	Non-executive	1 year
Atila Sezgin	Director	Independent Board Director	Non-executive	1 year
Yılmaz Gökoğlu	Director	Non-independent Board Director	Non-executive	1 year
Mehmet Aktaş	Director	Non-independent Board Director	Non-executive	1 year

Tunç Tuncer serves as the Company's General Manager. The engagement of company directors in the activities set forth in Articles 395 and 396 of the Turkish Commercial Code is subject to the approval of the General Assembly of shareholders. With the exception of those activities, there are no other limitations imposed on what Board directors may do and external positions held, if any, are stated in their résumés covered in annual reports. Members of the Board of Directors of our company, which is affiliated to the Yaşar Group, may hold seats on the boards of directors of other Group companies, and there may be various transactions by and between these companies that may be considered under the scope of Article 395/1 of the Turkish Commercial Code. However, the parties to such transactions are Group companies only, and necessary permissions are obtained at the general assembly meeting of each relevant company.

The General Manager's résumé is provided in the Company's annual report, and the résumés of Board of Directors members are given both in the Company's annual report and also on the corporate website. In accordance with the Capital Market legislation, independent Board directors have submitted their declarations of independence to the Corporate Governance Committee that acts as the Nomination Committee.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Two independent director candidates were presented for 2014 to the Corporate Governance Committee that acts as the Nomination Committee. The declarations of independence and résumés of these individuals have been discussed in the Corporate Governance Committee meeting of 3 March 2014 and in the meetings of the Board of Directors, and it has been decided to nominate all of them as independent directors. No situations arose that prejudiced independence as at 2014 operating period. There are two women members on the Board of Directors. Hence, the Company has secured a ratio of not less than 25% with respect to the number of women members on the Board of Directors.

5.2. Operating Principles of the Board of Directors

The operating principles of the Board of Directors are spelled out as follows in Article 9 of the Company's articles of incorporation:

"The Board of Directors shall convene as the Company's affairs and operations may require. However, the Board must meet at least monthly."

Board of Directors meetings are convened with a majority of its full membership and decisions are passed with a majority of those present in the meeting."

The agenda for the Board of Directors meetings are set by the Chairperson of the Board, in consultation with the other Board directors and the General Manager.

The details of the 2014 activities and operating principles of the Board of Directors are provided below:

During the reporting period, the Board of Directors convened forty-two times. The Board of Directors shall convene upon a summons in the form of a written request made by its chairperson or by any director. Before a meeting, the meeting agenda is sent to the members and meeting invitation is made. Usually, all members attend the meetings. In 2014 operating period, all decisions were passed with the unanimous votes of the members present in the meeting. The questions raised during the meetings are not entered into record. No board directors have preferential voting or veto rights.

5.3 Number, Structure and Independence of the Committees Established under the Board of Directors

The Audit Committee, the Corporate Governance Committee and the Early Detection of Risk Committee have been set up at the Company. The Corporate Governance Committee fulfills the duties of the Nomination Committee and the Remuneration Committee. When performing their activities, the committees under the Board of Directors adhere to the operating principles that are posted also on the Company website.

The Audit Committee is headed by Atila Sezgin and its other member is Ali Yiğit Tavas. Both members are non-executive and independent Board directors. The Audit Committee meets at least on a quarterly basis and holds at least four meetings in one year. Within the scope of the Committee's activities, information has been obtained on operations and internal control systems from company executives and findings related to the audit from independent auditors. The Committee oversees the operation and efficiency of the Company's bookkeeping system, public disclosure of financial information, independent audit and internal control system. The Audit Committee also supervises the designation of the independent audit firm, drafting of the independent audit agreement, initiation of the independent audit process, and the activities of the independent auditor. The Committee reports on the fairness and accuracy of annual and interim financial statements that will be publicly disclosed to the Board of Directors.

The Corporate Governance Committee is headed by Ali Yiğit Tavas, a non-executive, independent Board member, and its other members are Atila Sezgin, non-executive, independent Board member, Yılmaz Gökoğlu, non-executive Board member, and Mustafa Şahin Dal, the Financial Affairs and Budget Control Director to whom Head of the Investor Relations Department reports. Corporate Governance Committee meets at least four times a year, held at least on a quarterly basis. The Corporate Governance Committee establishes whether the Corporate Governance Principles are implemented at the Company, the grounds for non-implementation, if applicable, and the conflicts of interest arising from failure to fully comply with these principles. The Committee proposes improvement actions to the Board of Directors. Corporate Governance Committee oversees the activities of the Investor Relations Department.

Within the scope of the duties of the Nomination Committee, the Corporate Governance Committee works to create a transparent system to deal with the matters of identifying, evaluating, training, and rewarding candidates suitable for board membership and to establish policies and strategies applicable to that system. In addition, the Committee evaluates the nominations for independent Board membership including the management and shareholders, taking into consideration whether the candidate bears the independence criteria or not, and presents its relevant assessment to the Board of Directors for approval.

Within the scope of the duties of the Remuneration Committee, the Corporate Governance Committee formulates its proposals regarding the principles for compensating the Board directors and senior executives, in view of the long-term goals of the Company.

The Early Detection of Risk Committee is responsible for early detecting the risks that may endanger the existence, development and survival of the Company, taking necessary measures for the identified risks, and managing the risks. The Committee is headed by Atila Sezgin, a non-executive, independent Board member, and its members are Ali Yiğit Tavas, non-executive, independent Board member, and Yılmaz Gökoğlu, non-executive Board member.

According to the Corporate Governance Principles, all members of the Audit Committee, and the heads of Early Detection of Risk Committee and Corporate Governance Committee must be independent Board members. The Financial Affairs and Budget Control Director, to whom the Head of the Investor Relations Department reports, is appointed as a member of the Corporate Governance Committee by the Board of Directors. Since there are two independent members on the Company's Board of Directors, the same member serves on more than one committee under the Board of Directors.

5.4. Risk Management and Internal Control Mechanism:

The Board of Directors essentially supervises risk management and internal control activities through the Early Detection of Risk Committee. In its fulfillment of these functions, the Early Detection of Risk Committee makes use of the findings of the bodies performing certification under the Group Audit and Risk Management Coordinator, independent audit and certified accountancy.

5.5. Strategic Goals of the Company:

The Board of Directors sets the Corporate Strategy and Goals in line with the Company's vision and growth and profitability expectations. The principles that will steer these strategies are determined by the senior management and the extent at which the goals are achieved are assessed in the monthly meetings, along with the activities and past performance.

5.6. Financial Rights:

The rights provided to the Board directors are decided at the General Assembly meetings and are publicly disclosed through the minutes of the meetings issued. The Remuneration Policy that describes the remuneration system and implementations for the Company's Board members and executives with administrative responsibility is available on the Company website. The Company's annual reports do not present the rights provided to senior executives on an individual basis, but state a cumulative amount.

The Company does not lend money, extend credit, or make available loans under the name personal loans via a third party to any of its directors or executives, nor does it provide guarantee in their favor.

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT

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

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

Auditor's Report on the Board of Directors' Annual Report

1. We have audited the annual report of Pınar Entegre Et ve Un Sanayii A.Ş. (the "Company") for the period ended 31 December 2014.

   Board of Directors' responsibility for the Annual Report

2. The Company's management is responsible for the fair preparation of the annual report and its consistency with the financial statements in accordance with Article 514 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1 "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and for such internal control as management determines is necessary to enable the preparation of the annual report.

   Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's annual report based on the independent audit conducted pursuant to Article 397 of TCC and the Communiqué, whether or not the financial information included in this annual report is consistent with the Company's financial statements that are subject to independent auditor's report dated 2 March 2015 and presented fairly.

   Our independent audit was conducted in accordance with Independent Auditing Standards that are part of the 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 independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is fairly presented and consistent with the financial statements.

   An independent audit requires applying audit procedures to obtain audit evidence on the historical financial information. The procedures selected depend on the professional judgement of the independent auditor.

   We believe that the independent audit evidences we have obtained during our independent audit, are sufficient and appropriate to provide a basis for our opinion.

   Opinion

4. Based on our opinion, the financial information in the annual report of Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş. is consistent with the audited financial statements and presented fairly, in all material respects.

   Other Responsibilities Arising From Regulatory Requirements

5. Pursuant to subparagraph 3 of Article 402 of the TCC No. 6102, within the context of ISA 570 "Going Concern", we have not encountered any significant issue which we are required to be reported with regard to the inability of Pınar Entegre Et ve Un Sanayii A.Ş. to continue its operations for the foreseeable future.

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

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Atila Yılmaz Dölarslan, YMM
Partner

İzmir, 2 March 2015

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

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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.)
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	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.

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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

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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.

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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 m² 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).

b) Non-trade receivables from related parties - current:

	31 December 2014	31 December 2013
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:

	31 December 2014	31 December 2013
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:

	31 December 2014	31 December 2013
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**

	31 December 2014	31 December 2013
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

a) Other operating income:

	1 January - 31 December 2014	1 January - 31 December 2013
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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	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.

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.)
Convenience translation into English of financial statements Originally issued in Turkish

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).

INFORMATION FOR INVESTORS

Stock Exchange

Pınar Entegre Et ve Un Sanayii A.Ş. shares are traded on the National Market of the Borsa Istanbul (BIST) under the symbol "PETUN".

Initial public offering date: 03 February 1986

Annual General Assembly Meeting

Pursuant to a resolution passed by the Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş., the Company's annual General Assembly meeting will take place on 25 March 2015 at 14:30 hours at the following address: Kemalpaşa Asfaltı No. 317 Pınarbaşı/İzmir.

Dividend Policy

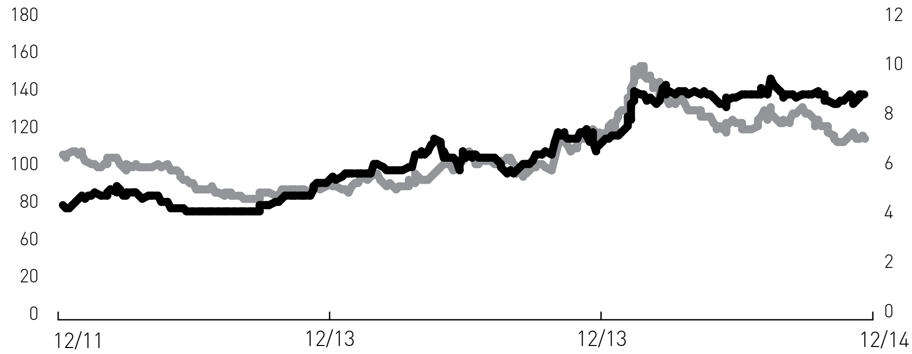
Pınar Entegre Et ve Un Sanayii A.Ş.'s general policy concerning the distribution of its profits has been publicly disclosed and is accessible in the Turkish and English languages from the "Investor Relations" page of the Company's corporate website located at www.pinar.com.tr.

Investor Relations

Pınar Entegre Et ve Un Sanayii A.Ş.
Investor Relations Department
Şehit Fethi Bey Caddesi No: 120 35210 İzmir
Tel: +90 232 482 22 00
Fax: +90 232 489 15 62
E-mail: investorrelations@pinaret.com.tr

Pınar Et investor relations web page:

Pınar Et Share Performance (in comparison with the BIST 100 Index)



in comparison with the BIST 100 Index (left axis) — PETUN (right axis)

* Adjusted share prices

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