INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors of
Pınar Su Sanayi ve Ticaret A.Ş.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Pınar Su Sanayi ve Ticaret 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 Su Sanayi ve Ticaret 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

Other Responsibilities Arising From Regulatory Requirements

5. 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.

6. 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.

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

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

ORIGINAL COPY ISSUED AND SIGNED IN TURKISH

Atila Yılmaz Dölarslan, YMM
Partner

İzmir, 2 March 2015

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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	Notes	31 December 2014	31 December 2013
ASSETS			
Current assets		**42.657.131**	**28.486.492**
Cash and Cash Equivalents	6	2.614.392	1.157.012
Trade Receivables		21.835.777	15.282.172
- Due From Related Parties	7	1.927.407	2.294.890
- Other Trade Receivables	8	19.908.370	12.987.282
Other Receivables		9.447.327	940.405
- Due From Related Parties	7	8.860.902	429.980
- Other receivables	10	586.425	510.425
Inventories	11	6.765.922	7.588.210
Prepaid Expenses	13	156.841	782.571
Other Current Assets	30	1.836.872	2.736.122
Non-Current Assets		**79.523.300**	**101.420.523**
Financial Assets	48	3.756.456	24.499.401
Other Receivables	10	1.800	1.800
- Other Receivables		1.800	1.800
Property, Plant and Equipment	15	75.502.358	76.628.365
Intangible Assets	18	253.293	229.056
Prepaid Expenses	13	9.393	61.901
TOTAL ASSETS		**122.180.431**	**129.907.015**

The financial statements at 1 January - 31 December 2014 and for the year then ended have been approved for issue by Board of Directors of Pınar Su Sanayi ve Ticaret A.Ş. on 2 March 2015.

Pınar Su Sanayi ve Ticaret A.Ş.

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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	Notes	31 December 2014	31 December 2013
LIABILITIES			
Current liabilities		**38.457.787**	**35.008.737**
Short Term Borrowings		1.574.375	1.572.827
- Short Term Borrowings to Non-Related Parties	25	1.574.375	1.572.827
Short-Term Portion of Long-Term Borrowings	25	4.879.201	3.419.777
- Short-Term Portion of Long-Term Borrowings		4.879.201	3.419.777
Trade Payables		30.035.528	26.543.198
- Due to Related Parties	7	825.671	1.226.771
- Other Trade Payables	8	29.209.857	25.316.427
Payables for Employee Benefits	28	338.716	268.492
Other Payables		793.102	2.153.913
- Due to Related Parties	7	18.787	1.539.114
- Other Payables to Non-Related Parties	10	774.315	614.799
Deferred Income	13	236.762	496.921
Short-Term Provisions		600.103	553.609
- Provisions for Employee Benefits	28	261.621	255.633
- Other Short-Term Provisions	26	338.482	297.976
Non-Current Liabilities		**24.779.651**	**21.965.534**
Long-Term Borrowings	25	17.910.049	12.303.200
- Long-Term Borrowings to Non-Related Parties		17.910.049	12.303.200
Trade Payables		3.287.896	4.820.265
- Other Trade Payables	8	3.287.896	4.820.265
Long-Term Provisions		1.868.604	1.971.080
- Provisions for Employee Termination Benefits	28	1.868.604	1.971.080
Deferred Tax Liabilities	41	1.713.102	2.870.989
TOTAL LIABILITIES		**63.237.438**	**56.974.271**
EQUITY		**58.942.993**	**72.932.744**
Share Capital	31	12.789.345	12.789.345
Adjustment to Share Capital	31	11.713.515	11.713.515
Other Comprehensive Income/ Expense not to be Reclassified to Profit or Loss		21.788.895	23.350.623
- Revaluation of Property, Plant and Equipment	15	22.402.601	23.749.585
- Actuarial loss arising from Defined Benefit Plans		(613.706)	(398.962)
Other comprehensive Income/ Expense to be Reclassified to Profit or Loss		917.076	16.850.943
- Fair Value Reserves of Available-for-Sale Investments	48	917.076	16.850.943
Restricted Reserves	31	4.180.008	4.180.008
Retained Earnings		5.395.294	12.689.795
Profit/ (Loss) for the Year		2.158.860	(8.641.485)
TOTAL LIABILITIES AND EQUITY		**122.180.431**	**129.907.015**

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

Pınar Su Sanayi ve Ticaret 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.)
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	Notes	1 January - 31 December 2014	1 January - 31 December 2013
Revenue	32	132.182.842	109.914.474
Cost of Sales (-)	32	(75.387.129)	(65.243.248)
GROSS PROFIT	**32**	**56.795.713**	**44.671.226**
Marketing Expenses (-)	34	(48.531.995)	(42.995.176)
General Administrative Expenses (-)	34	(12.418.491)	(12.081.373)
Other Operating Income	35	770.366	537.905
Other Operating Expenses (-)	35	(1.781.466)	(1.629.102)
OPERATING LOSS		**(5.165.873)**	**(11.496.520)**
Income from Investment Activities	36	9.442.719	528.157
Expense from Investment Activities (-)	36	(3.645)	(222.243)
OPERATING PROFIT/ (LOSS) BEFORE FINANCIAL EXPENSE		**4.273.201**	**(11.190.606)**
Financial Income	38	1.045.150	1.260.323
Financial Expenses (-)	38	(3.516.579)	(2.031.111)
PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**1.801.772**	**(11.961.394)**
Tax income of Continuing Operations		357.088	3.319.909
- Current Income Tax Expense	41	-	-
- Deferred Tax Income	41	357.088	3.319.909
PROFIT/ (LOSS) FOR THE PERIOD	**42**	**2.158.860**	**(8.641.485)**
Earnings/ (Loss) per share		**0,1688**	**(0,6757)**
- Earning/ (Loss) Per Share From Continuing Operations	42	0,1688	(0,6757)
OTHER COMPREHENSIVE INCOME:			
Other comprehensive income/ expense not to be reclassified to profit or loss		**(214.744)**	**910.736**
- Actuarial Loss Arising from Defined Benefit Plans	28	(268.430)	(252.838)
- Increase in Revaluation Reserve		-	1.311.614
- Taxes for Other Comprehensive Income/ Expense not to be Reclassified to Profit or Loss	41	53.686	(148.040)
Other Comprehensive Income/ Expense to be			
Reclassified to Profit or Loss		(8.120.890)	2.511.936
- (Decrease)/ Increase in Fair Value Reserve of Available-for-Sale Investments		(8.868.003)	2.783.230
- Taxes for Other Comprehensive Income/ Expense to be Reclassified to Profit or Loss	41	747.113	(271.294)
OTHER COMPREHENSIVE (LOSS)/ INCOME		**(8.335.634)**	**3.422.672**
TOTAL COMPREHENSIVE LOSS		**(6.176.774)**	**(5.218.813)**

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

Pınar Su Sanayi ve Ticaret 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			
Net Period Income/ (Loss)		**2.158.860**	**(8.641.485)**
Adjustments to Reconcile Net Cash Generated from Operating Activities		**2.879.640**	**6.590.625**
Adjustment to Taxation on Income		(357.088)	(3.319.909)
Depreciation and Amortization of Fixed Assets	29	6.806.290	5.763.245
Gain from Sales of Property, Plant and Equipment - net	36	(127.738)	(222.246)
Interest Income	38	(248.922)	(215.049)
Interest Expense	38	2.910.049	1.037.248
Provision for Employment Termination Benefits	28	422.420	311.379
Provision for Spring Water Fee	26	2.841.595	3.135.534
Dividend Income	36	(172.523)	(528.158)
Unrealized Foreign Exchange (Gain)/ Loss		(91.408)	628.581
Gain from Sale of Available for Sale Investments	36	(9.103.035)	-
Changes in working capital		**(5.942.006)**	**6.001.945**
Increase in Trade Receivables	8	(6.921.088)	(1.635.205)
Decrease /(Increase) in Inventories	11	822.288	(1.388.211)
Decrease/ (Increase) in Trade Receivables From Related Parties	7	367.483	(74.053)
Decrease in Other Receivables from Operating Activities		1.501.488	437.222
Increase in Trade Payables	8	2.361.059	8.303.573
(Decrease)/ Increase in Due to Related Parties	7	(401.100)	749.845
Increase/ (Decrease) in Other Debt and Liabilities from Operating Activities		160.069	(90.248)
Employee Termination Benefits Paid	28	(842.092)	(166.141)
Litigation Expenses and Fees Paid	26	(2.936.821)	(4.344.605
Net Cash Used in Operating Activities		**(3.778.913)**	**(4.510.746)**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	38	248.922	215.049
Dividends Received	7.ii.g	172.523	528.157
(Increase)/ Decrease in Non-Trade Receivables from Related Parties	7	(8.430.922)	10.940.582
Purchases of Property, Plant and Equipment and Intangible Assets		(5.903.576)	(19.977.337)
Proceeds from Sales of Property, Plant and Equipment		326.794	1.114.708
Cash Inflow Related to Sale of Available for Sale Investments	48	13.165.000	-
Net Cash (Used In)/ Generated From Investing Activities		**(421.259)**	**(7.178.841)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflows Related to Increase in Financial Liabilities		10.946.490	9.158.322
Redemption of Borrowings		(4.399.328)	(1.629.651)
Interest Paid		(2.297.982)	(966.846)
(Decrease)/ Increase in Non - Trade Due to Related Parties		(1.520.327)	1.528.779
Net Cash Used in Financing Activities		**2.728.853**	**8.090.604**
Net Increase in Cash and Cash Equivalents Before Foreign Currency Translation Differences		**1.457.380**	**653.080**
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**-**	**(57.197)**
Net (Decrease)/ Increase in Cash and Cash Equivalents		**1.457.380**	**595.883**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**1.157.012**	**561.129**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**2.614.392**	**1.157.012**

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

Pınar Su Sanayi ve Ticaret A.Ş.

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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			Other comprehensive income/(expense) not to be reclassified to profit or loss	
	Share capital	Adjustment to share capital	Revaluation reserve	Actuarial loss arising from defined benefit plans
Balances at 1 January 2013	**12.789.345**	**11.713.515**	**24.073.850**	**(196.692)**
Transfer of loss for prior year to retained earnings	-	-	-	-
Total comprehensive income	-	-	1.113.006	(202.270)
Depreciation transfer - net (Note 15)	-	-	(1.332.940)	-
Sale of property, plant and equipment	-	-	(104.331)	-
Balances at 31 December 2013	**12.789.345**	**11.713.515**	**23.749.585**	**(398.962)**
Adjustment (Note 48)	-	-	-	-
Transfer of profit for prior year to retained earnings	-	-	-	-
Total comprehensive loss	-	-	-	(214.744)
Depreciation transfer - net (Note 15)	-	-	(1.344.767)	-
Sale of property, plant and equipment	-	-	(2.217)	-
Balances at 31 December 2014	**12.789.345**	**11.713.515**	**22.402.601**	**(613.706)**

Other comprehensive income/(expense) to be classified to profit or loss				
Fair value reserve for available - for sale investments	**Restricted reserves**	**Retained earnings**	**Profit/(Loss) for the period**	**Total equity**
14.339.007	**4.180.008**	**10.865.403**	**387.121**	**78.151.557**
-	-	387.121	(387.121)	-
2.511.936	-	-	(8.641.485)	(5.218.813)
-	-	1.332.940	-	-
-	-	104.331	-	-
16.850.943	**4.180.008**	**12.689.795**	**(8.641.485)**	**72.932.744**
(7.812.977)	-	-	-	(7.812.977)
-	-	(8.641.485)	8.641.485	-
(8.120.890)	-	-	2.158.860	(6.176.774)
-	-	1.344.767	-	-
-	-	2.217	-	-
917.076	**4.180.008**	**5.395.294**	**2.158.860**	**58.942.993**

Pınar Su Sanayi ve Ticaret 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 Su Sanayi ve Ticaret A.Ş. (the "Company") is engaged in the production of bottled water under the brand name "Pınar Yaşam Pınarım". The Company's production facilities are located in Aydın, Isparta and Sakarya whereas the Company's headquarter is located in Izmir.

Sales and distribution of the Company's products in the domestic market are performed by its own sales departments and its exports are performed by Yaşar Dış Ticaret A.Ş. ("YDT"), which is Yaşar Group company (Note 7).

The Company is subject to the regulations of Turkish Capital Markets Board ("CMB") and 31,78% (2013: 31,78%) of its shares are quoted on the "Borsa Istanbul" ("BIST"). The ultimate parent of the Company is Yaşar Holding A.Ş ("Yaşar Holding") with 58.00% of shares of the Company (2013: 58,00%) (Note 31).

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

Şehit Fethibey Caddesi No: 120
Alsancak/ İzmir

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1.1 Basis of Presentation of Financial Statements

The accompanying financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, "Principals of Financial Reporting in Capital Markets"("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with 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 and the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. Subsidiaries operating in foreign countries have prepared their financial statements in accordance with the laws and regulations of the countries in which they operate. Other than land, buildings and land improvements, machinery and equipments and financial assets and liabilities carried at their fair values, financial statements are prepared and presented based on historical cost convention and in terms of Turkish Lira ("TL") which is the functional currency of the Company.

2.2Amendments in Accounting Policies, Comparative Informations and Correction of Prior Year Financial Statements

2.2.1Amendments in Turkish Financial Reporting Standards

a) New standards, amendments and interpretations issued and effective for the financial year beginning 31 December 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.

- Amendment to TAS 36, "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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- Amendment to TAS 39, "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) Other 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 Group or have insignificant impact on the financial statements.

c) Standards and amendments to existing standards that are not yet effective but issued as of 31 December 2014 and have not been early adopted by the Company:

- 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 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.

- 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.

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

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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

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.

2.2.2Comparative information and correction of prior year financial statements

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 has prepared its balance sheet at 31 December 2014 on a comparative basis with balance sheet at 31 December 2013 and the 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 1 January - 31 December 2013.

- As of 31 December 2013, unearned financial income, presented under financial income, amounting to TL176.151 were recognised in other operating income.
- As of 31 December 2013, unearned financial expense, presented under financial expense, amounting to TL177.203 were recognised in operating expense.

2.3. Accounting policies, errors and changes 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 change in accounting estimate shall be recognized prospectively by including it in the statements 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 Summary of significant accounting policies

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

2.4.1 Revenue

Revenues are recognized on an accrual basis at the time deliveries are made, services are given and significant risks and rewards are transferred to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods shipped less sales returns, sales discounts and commissions given (Note 32).

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.

Revenue is recognised as follows:

Sales of goods:

Sales of goods are recognised when the Company has delivered or sold products to the customer, the customer has accepted 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.

Pınar Su Sanayi ve Ticaret A.Ş.

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

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Interest income:

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income:

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

2.4.2 Inventory

Company's raw materials mainly consist of materials and packaging materials which are used to produce bottled water, finished goods mainly consist of bottled water.

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 such as labor and appropriate amount of factory overheads (based on normal operating capacities). The cost of inventories is determined on the monthly weighted average basis (Note 11).

2.4.3 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.

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 consolidated statement of comprehensive income to the extent that it reversed the impairment of the same asset previously recognized in the consolidated 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.

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.

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:

Buildings and land improvements	25 - 45 years
Machinery and equipments	5 - 25 years
Motor vehicles (including leased machinery and equipment)	5 years
Furniture and fixtures	5 - 10 years

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).

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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.

2.4.4 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. 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 (Note 2.4.5). For the purpose of assessing impairment, intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows. 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.

2.4.5 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:

  (iii) Adverse changes in the payment status of borrowers in the portfolio; and
  (iv) 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 consolidated statement of comprehensive income.

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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 consolidated statement of comprehensive income.

- 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 consolidated 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 consolidated comprehensive income statement, on equity instruments are not reversed through the consolidated 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.

2.4.6 Borrowing and borrowing cost

Borrowings are recognized initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortized cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized 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 (Note 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 (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.

2.4.7 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..

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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..

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

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. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. 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 is recognized in the statement of income as part of investment 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.

The Company does not have financial assets at fair value through profit or loss and held to maturity financial assets.

2.4.8. Foreign currency translations and balances

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. The exchange differences that were recorded are recognised in the statements of income and other comprehensive income as part of the profit for the year.

2.4.9 Earnings/ (loss) per share

Earning/ (loss) per share disclosed in the statement of income and other comprehensive income are determined by dividing net profit/ (loss) 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/ (loss) per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues 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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2.4.10 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 authorized 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.

2.4.11 Provisions, contingent assets and contingent liabilities

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. 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 (Note 26).

Provisions are recognised 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 a 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 recognised 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 recognised for future operating losses.

2.4.12 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 of the Company or parent Company "Yaşar Holding" and their close family members, together companies controlled, jointly controlled or significantly influenced by them are considered as and referred to as related parties (Note 7).

2.4.13 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 takes strategic decisions on allocating resources and assessing performance of the operating segments, has been identified as the key management.

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 significant, there is a single reportable segment, and segment reporting is not applicable.

2.4.14 Current and deferred income taxes

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 (Note 41).

Deferred income tax income or expense is recognized in the statement of income and other comprehensive income, except to the extent that it relates to items recognized 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 is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined 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 realized or the deferred income tax liability is settled.

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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. 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 utilized. To the extent that deferred income tax assets will not be utilized, the related amounts have been deducted accordingly (Note 41).

2.4.15Employee benefits/ Provision for employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law.
In accordance with existing social legislation and Turkish Labor Law in Turkey, the Company is required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct and who has completed at least one year of service. Provision is made for the present value of the defined benefit obligation calculated using the projected unit credit method (Note 28). All actuarial gains and losses are recognised in other comprehensive income in the statements of comprehensive income

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.

2.4.16 Statement of cash flow

In the statement of cash flows, cash flows are classified into three categories as operating, investing 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 equipment 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.

2.4.17 Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on shares are recognized 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.

2.5 Critical accounting estimates and judgments

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized 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:

i) 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;

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- 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.
- 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.

ii) 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).

iii) 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 recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. In this respect, the Company did not recognise deferred income tax assets arising from tax losses carried forward and other deductible differences as their future utilisation is not virtually certain (Note 41). 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 (Note 41).

2.6. 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 having 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 sales are presented as net if the nature of the transaction or the event qualify for offsetting.

2.7 Compliance declaration to resolutions published by POAASA and TMS/ 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.

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NOTE 3 - BUSINESS COMBINATIONS

None (31 December 2013: None).

NOTE 4 - INTERESTS IN OTHER ENTITIES

Please see Note 48.

NOTE 5 - SEGMENT REPORTING

Please see Note 2.4.13.

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash in hand	18.178	9.653
Banks	1.298.599	861.582
- Demand deposits	1.298.599	131.582
- Turkish Lira	1.298.599	131.582
- Time deposit	-	730.000
- Turkish Lira	-	730.000
Other	1.297.615	285.777
	2.614.392	**1.157.012**

Company does not have any time deposits as of 31 December 2014 (31 December 2013: Time deposits are denominated in TL, all mature in less than one month and bear the effective weighted average interest rate of 8,65% per annum). Other cash and cash equivalents includes the credit cards slips with an average term of 30 days (31 December 2013: 30 days).

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 banks is sufficient. The fair values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet dates.

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 follow:

i) *Balances with related parties:*

a) Trade receivables from related parties:

Yaşar Dış Ticaret A.Ş. ("YDT")	1.342.667	1.461.645
DYO Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("DYO Boya")	312.273	204.977
Pınar Entegre Et ve Un Sanayii A.Ş. ("Pınar Et")	10.862	11.970
Pınar Süt Mamülleri Sanayii A.Ş.("Pınar Süt")	-	106.144
Other	266.583	514.820
	1.932.385	**2.299.556**
Less: Unearned finance income	(4.978)	(4.666)
	1.927.407	**2.294.890**

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As of 31 December 2014, effective weighted average interest rates of due from related parties to TL and EUR denominated receivables are 8,67% and 2,17% p.a., respectively (31 December 2013: TL, EUR and USD denominated receivables are 7,50%, 2,21% respectively) and due from related parties mature within one month (31 December 2013: one month).

Due from related party balances are mainly resulted from the sales of bottled water. Sales and distribution of the Company's products in the domestic market are performed by its own sales departments and its exports are performed by YDT, as further explained in Note 1 to the financial statements.

As of 31 December 2014, due from related parties amounting to TL1.176.137 (31 December 2013: TL2.000.577) were overdue for a period of 3 months (31 December 2013: 3 months).

Company management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's receivables from related parties.

b) Other receivables from related parties:

	31 December 2014	31 December 2013
Yaşar Holding	8.542.218	-
DYO Boya	169.773	186.821
Yaşar Dış Ticaret	115.370	4.406
Viking Kağıt	15.850	188.231
Other	17.691	50.522
	8.860.902	**429.980**

As of 31 December 2014, the Company has short-term receivables from Yaşar Holding amounting to TL8.542.218 (2013: None) which are non-trade. The effective weighted average interest rate applied to those receivables is 10% p.a. (2013: None). Company management expects to collect other receivables from Yaşar Holding between three to twelve months.

The other receivables from related parties are attributable to bail commission charges in relation to bank borrowings obtained by Yaşar Group Companies from international capital markets and a financial institution under the guarantee of the Company (Note 38). Other receivables from related parties have an average maturity of 3-12 month.

c) Trade payables to related parties:

Yaşar Holding	657.890	1.008.879
Pınar Foods GmbH ("Pınar Foods")	70.518	73.413
Other	102.837	149.233
	831.245	**1.231.525**
Less: Unearned finance cost	(5.574)	(4.754)
	825.671	**1.226.771**

The effective weighted average interest rate applied to due to related parties is 8,46% p.a. as of 31 December 2014 (31 December 2013: 7,86% p.a.) Due to related parties mature mainly within 1 months (31 December 2013: 2 months).

d) Other payables to related parties:

Desa Enerji	-	1.517.208
Other	18.787	21.906
	18.787	**1.539.114**

As of 31 December 2013, the portion of short-term borrowings to Desa Enerji amounting to TL1.500.000 consists of loans obtained from a financial institution and transferred to the Company with the same conditions and TL17.208 consists of accrued interests.

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ii) *Transactions with related parties:*

	1 January - 31 December 2014	1 January - 31 December 2013
a) Product sales:		
YDT	8.882.203	6.603.149
Other	872.763	754.548
	9.754.966	**7.357.697**

Export sales and distribution of the Company's products are performed by YDT.

b) Service sales:		
YDT	254.231	234.093
Desa	208.667	179.809
Yaşar Holding	149.579	116.104
Other	125.048	59.101
	737.525	**589.107**
c) Service purchases:		
Yaşar Holding	2.622.031	2.247.457
YDT	855.432	732.667
Bintur Turizm ve Catering Hizmetleri A.Ş. ("Bintur")	210.092	211.150
YBP	185.064	172.277
Pınar Süt	190.955	87.450
Other	86.285	116.006
	4.149.859	**3.567.007**

Service purchases from Yaşar Holding are mainly related with the consultancy charges.

d) Product purchases:		
Pınar Süt	61.841	31.036
Other	7.857	-
	69.698	**31.036**
e) Financial expense:		
YDT	239.528	97.846
Desa Enerji	160.636	14.583
Yaşar Holding	55.989	47.064
Other	47.649	593
	503.802	**160.086**

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	1 January - 31 December 2014	1 January - 31 December 2013
f) Financial income:		
Yaşar Holding	627.008	705.748
Dyo Boya	124.082	136.066
Viking Kağıt	98.391	93.083
YBP	-	46.669
Other	215.667	274.413
	1.065.148	**1.255.979**

The other finance income mainly consists of bail and finance commissions in relation to the bank borrowings obtained by the related parties from international capital markets and a financial institution under the guarantee of the Company. The bail and finance commission rates used in the intercompany charges are 0,50% p.a. both (31 December 2013: 0,50% p.a. both) (Note 38).

g) Dividends received:

YBP	172.523	528.157
	172.523	**528.157**

h) Property, plant and equipment purchases:

Yaşar Holding	104.568	76.436
YBP	-	46.076
Other	17.713	1.582
	122.281	**124.094**

ı) Bails given:

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).

i) Bails received:

Bails received are mainly related with the bails provided by YDT, a Yaşar Group company, for repayment of borrowings obtained from a domestic financial institution amounting to TL20.002.432 and EUR753.507, equivalent of TL22.212.470 as of 31 December 2013 (31 December 2013: TL 12.500.000 and EUR1.000.000, equivalent of TL15.436.500).

j) Key management compensation:

Key management includes chief executive operations officer, general manager; director and members of board of directors. The compensation paid or payable to key management for employee service is shown below:

Short-term employee benefits	722.497	809.629
After severance benefits	26.030	-
Bonus and profit-sharing	-	66.230
Other long-term benefits	1.227	22.249
	749.754	**989.108**

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2014	31 December 2013
a) Short-term trade receivables		
Customer current accounts	14.296.652	9.346.768
Cheques and notes receivables	6.693.342	4.615.043
	20.989.994	**13.961.811**
Less: Provision for impairment of receivables	(881.812)	(827.885)
Unearned finance income	(199.812)	(146.644)
	19.908.370	**12.987.282**

At 31 December 2014, the effective weighted average interest rate applied to short-term trade receivables is 8,70% p.a. (31 December 2014: 7,85% p.a.) and average collection terms of trade receivables are within 2 months (31 December 2013: 2 months).

The aging of trade receivables as of 31 December 2014 and 2013 are as follow:

Overdue	3.018.601	2.188.817
0 - 30 days	6.316.604	3.220.910
31 - 60 days	6.649.319	3.570.568
61 - 90 days	2.193.974	3.488.463
91 days and over	1.729.872	518.524
	19.908.370	12.987.282

Concentrations of credit risk with respect to trade receivables are limited due to the Company's widely dispersed customer base, covering the spectrum of manufacturing and distribution and the variety of available end markets in which they sell. The Company's past experience in collection of accounts receivable falls within the recorded allowances. Due to this fact, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. The aging and credit risk analysis of overdue receivables as of 31 December 2014 and 2013 are disclosed in Note 49.a.

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

0 - 90 days	2.598.122	1.864.937
91 - 180 days	420.479	323.880
	3.018.601	2.188.817

As of 31 December 2014, trade receivables of TL3.018.601 (31 December 2013: TL2.188.817) were past due and the Company holds collateral amounting to TL1.648.122 (31 December 2013: TL723.623) as security for such receivables. Subsequent collections of overdue receivables amounts to TL1.309.797 as of the approval date of these financial statements.

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

	2014	2013
1 January	**(827.885)**	**(832.375)**
Charged to the statement of comprehensive income (Note 35.b)	(54.927)	-
Collections	1.000	4.490
31 December	**(881.812)**	**(827.885)**

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b) Short-term trade payables::

	31 December 2014	31 December 2013
Supplier current accounts	29.502.666	25.476.618
Less: Unincurred finance cost	(292.809)	(160.191)
	29.209.857	**25.316.427**

As of 31 December 2014, the effective weighted average interest rates applied to TL and EUR denominated payables are 8,82,% p.a., 2,49% p.a. respectively (31 December 2013: 7,86% p.a.). Trade payables mature within two months (31 December 2013: two months).

c) Long-term trade payables:

Supplier non - current accounts	3.287.896	4.820.265
	3.287.896	**4.820.265**

Long term trade payables to consist of the payables to foreign supplier due to machine purchases related to the investments in progress in Hendek.

The redemption schedules of long-term trade payables as of 31 December 2014 and 2013 are as follow:

2015	-	1.377.219
2016	1.303.531	1.377.219
2017	1.322.908	1.377.219
2018	661.457	688.608
	3.287.896	4.820.265

Long term trade payables consist of payables due to property, plant and equipment purchases amounting to EUR 1.172.500 (31 December 2013: 1.641.500) and effective weighted average interest rate is 2,49% p.a. (31 December 2013: 2,49% p.a.).

NOTE 9 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (31 December 2013: None).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

a) Other short-term receivables

Value added tax ("VAT") receivables	548.592	465.782
Deposits and guarantees given	28.132	26.105
Other	9.701	18.538
	586.425	**510.425**

b) Other long-term receivables

Deposits and guarantees given	1.800	1.800
	1.800	**1.800**

c) Other payables

Taxes and funds payables	387.909	571.905
Deposits and guarantees received	383.918	42.894
Other	2.488	-
	774.315	**614.799**

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NOTE 11 - INVENTORIES

	31 December 2014	31 December 2013
Raw materials	1.908.235	3.076.842
Finished goods	1.952.839	1.437.982
Water bottle stocks	1.099.590	1.151.475
Pallet stocks	575.801	876.722
Spare parts	1.066.599	930.442
Other	162.858	114.747
	6.765.922	**7.588.210**

Cost of inventories recognized as expense and included in cost of sales amounted to TL46.108.554 (31 December 2013: TL36.701.151) (Note 29). Raw materials mainly consist of materials and packaging materials which are used to produce bottled water. The other inventory items are valued at their costs and there is no impairment.

NOTE 12 - BIOLOGICAL ASSETS

None (31 December 2013: None).

NOTE 13 - PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses - current

	31 December 2014	31 December 2013
Prepaid expenses	155.973	781.703
Order advances given	868	868
	156.841	**782.571**

b) Prepaid expenses - non - current

Advances given	-	61.901
Prepaid expenses	9.393	-
	9.393	**61.901**

c) Deferred income

Advances received	236.762	496.921
	236.762	**496.921**

NOTE 14 - INVESTMENT PROPERTY

None (31 December 2013: None).

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NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January - 31 December 2014 was as follows:

	1 January 2014	Additions	Disposals	31 December 2014
Cost/ revaluation:				
Land	7.364.000	1.530.000	-	8.894.000
Buildings and land improvements	17.261.249	292.670	-	17.553.919
Machinery and equipment	51.365.019	407.233	(66.342)	51.705.910
Motor vehicles	311.001	181.863	-	492.864
Furniture and fixtures	16.771.179	2.626.932	(317.174)	19.080.937
Construction in progress	-	737.719	-	737.719
	93.072.448	**5.776.417**	**(383.516)**	**98.465.349**
Accumulated depreciation:				
Buildings and land improvements	(364.307)	(751.205)	-	(1.115.512)
Machinery and equipment	(6.200.533)	(4.282.064)	56.218	(10.426.379)
Motor vehicles	(300.463)	(18.936)	-	(319.399)
Furniture and fixtures	(9.578.780)	(1.651.163)	128.242	(11.101.701)
	(16.444.083)	**(6.703.368)**	**184.460**	**(22.962.991)**
Net book value	**76.628.365**			**75.502.358**

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Movements of property, plant and equipment between 1 January - 31 December 2013 was as follows:

	1 January 2013	Additions	Disposals	Disposal of revaluation fund arising fixed asset	Accumulated depreciation net off from sales of Transfers	before revaluation	Revaluation	31 December 2013
Cost/ revaluation:								
Land	6.984.000	25.000	(69.769)	-	-	-	424.769	7.364.000
Buildings and land improvements	16.943.316	403.227	-		-	(972.139)	886.845	17.261.249
Machinery and equipment	36.216.960	2.190.088	(1.273.244)	(104.331)	14.335.546	-	-	51.365.019
Motor vehicles	311.001	-	-	-	-	-	-	311.001
Furniture and fixtures	14.392.630	2.960.831	(582.282)	-	-	-	-	16.771.179
Construction in progress	-	14.335.546	-	-	(14.335.546)	-	-	-
	74.847.907	**19.914.692**	**(1.925.295)**	**(104.331)**	**-**	**(972.139)**	**1.311.614**	**93.072.448**
Accumulated depreciation:								
Buildings and land improvements	(633.706)	(702.740)	-	-	-	972.139	-	(364.307)
Machinery and equipment	(3.217.934)	(3.769.876)	787.277	-	-	-	-	(6.200.533)
Motor vehicles	(292.921)	(7.542)	-	-	-	-	-	(300.463)
Furniture and fixtures	(8.611.190)	(1.213.145)	245.555	-	-	-	-	(9.578.780)
	(12.755.751)	(5.693.303)	1.032.832	-	-	972.139	-	(16.444.083)
Net book value	**62.092.156**							**76.628.365**

Additions to the property, plant and equipment within the year 2013 mainly consist of machinery purchases due to construction in progress.

Current year's depreciation and amortisation charges were allocated to cost of production by TL4.923.068 (31 December 2013: TL4.372.023), to selling and marketing expenses by TL1.542.337 (31 December 2013: TL1.120.255) (Note 34.a) and to general and administrative expenses by TL340.885 (31 December 2013: TL270.966) (Note 34.b).

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

1 January 2013	**24.073.850**
Depreciation on revaluation reserve transferred to retained earnings-net	(1.332.940)
Increase in revaluation reserve of land, land improvements and buildings - net	1.113.006
Disposal from revaluation reserve due to sales of property, plant and equipment - net	(104.331)
31 December 2013	**23.749.585**
Depreciation on revaluation reserve transferred to retained earnings-net	(1.344.767)
Disposal from revaluation reserve due to sales of property, plant and equipment - net	(2.217)
31 December 2014	**22.402.601**

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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 follow:

31 December 2014:	**Land**	**Building and land improvements**	**Machinery and equipment**
Cost	2.456.794	10.200.920	48.732.744
Less: Accumulated depreciation	-	(4.202.836)	(31.662.002)
Net book value	**2.456.794**	**5.998.084**	**17.070.742**
31 December 2013:			
Cost	926.794	9.908.250	48.391.852
Less: Accumulated depreciation	-	(3.648.615)	(28.920.131)
Net book value	**926.794**	**6.259.635**	**19.471.721**

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

None (31 December 2013: None)

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

None (31 December 2013: None).

NOTE 18 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods 1 January - 31 December 2014 and 2013 were as follow:

	1 January 2014	**Additions**		**31 December 2014**
Costs:				
Rights	1.431.954	127.159	1.559.113	
Accumulated amortisation	(1.202.898)	(102.922)	(1.305.820)	
Net book value	**229.056**	**24.237**	**253.293**	

	1 January 2013	**Additions**		**31 December 2013**
Costs:				
Rights	1.264.978	166.976	1.431.954	
Accumulated amortisation	(1.132.957)	(69.941)	(1.202.898)	
Net book value	**132.021**	**97.035**	**229.056**	

NOTE 19 - GOODWILL

None (31 December 2013: None).

NOTE 20 - EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

None (31 December 2013: None).

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NOTE 21 - LEASING

None (31 December 2013: None).

NOTE 22 - SERVICE CONCESSION AGREEMENTS

None (31 December 2013: None).

NOTE 23 - IMPAIRMENT IN ASSETS

Please see Note 2.4.5.

NOTE 24 - GOVERNMENT GRANTS AND INCENTIVES

In 2013, the Company has obtained deduction of investment incentive amounting to TL14.433.545 due to supporting programme of manufacturing industry, nonalcoholic beverage production of ministry of Economy and recognised deferred income tax amounting to TL2.886.709 related to the investment incentive mentioned in years of 2014 and 2013.

NOTE 25 - BORROWINGS AND BORROWING COSTS

	Effective weighted average interest rate p.a. %		Original currency		TL equivalent	
	31 December	31 December	31 December	31 December	31 December	31 December
Short term borrowings:	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Borrowings TL (*)	7,95	4,96	1.574.375	1.572.827	1.574.375	1.572.827
Short term portion of long term borrowings:						
Borrowings TL (**)	11,03	10,92	4.221.066	2.564.204	4.221.066	2.564.203
Borrowings EUR (***)	4,75	4,69	233.323	291.358	658.135	855.574
Total short term borrowings					**6.453.576**	**4.992.604**
Long term borrowings:						
Borrowings TL (**)	11,17	10,92	16.341.612	10.002.432	16.341.612	10.002.432
Borrowings EUR (***)	4,75	4,75	556.045	783.507	1.568.437	2.300.768
Total long term borrowings					**17.910.049**	**12.303.200**

(*) TL denominated short-term bank borrowings consist of borrowings with spot loans fixed interest rates of 7,95% p.a.(31 December 2013: Interest rates of 4,96% p.a).

(**) As of 31 December 2014, TL borrowings amounting TL10.052.029 with spot loans fixed interest rate 10,92%, TL10.510.649 denominated bank borrowings consist of semi-annually repricing floating interest rate Euribor+2,70% p.a (31 December 2013: borrowings with fixed interest rate of 10,92% p.a.).

(***) EUR denominated short-term portion of long-term bank borrowings and long-term bank borrowings consist of borrowings with fixed interest rates of 4,75% (31 December 2013: borrowings with fixed interest rate of 4,69% and 4,75% p.a, respectively)

The redemption schedule of long-term bank borrowings at 31 December 2014 and 2013 are as follow:

	31 December 2014	31 December 2013
2015	-	3.324.062
2016	5.502.997	3.324.062
2017	5.601.502	3.324.062
2018	4.583.330	2.331.014
2019	2.222.220	-
	17.910.049	**12.303.200**

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As of 31 December 2014 and 2013, the carrying amounts of the borrowings with floating and fixed interest rates which were classified in terms of periods remaining to contractual repricing dates are as follows:

	3 months to 1 year	**Total**
31 December 2014:		
Borrowing with variable interest rates	10.510.649	10.510.649
Borrowings with fixed interest rates	-	13.852.976
	10.510.649	**24.363.625**
31 December 2013:		
Borrowing with variable interest rates	-	-
Borrowings with fixed interest rates	-	17.295.804
	-	**17.295.804**

The carrying amounts and fair values of borrowings are as follows:

	Carrying amount		**Fair value**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
Bank borrowings	**24.363.625**	**17.295.804**	**24.801.926**	**17.416.047**

The fair values are based on cash flows discounted using the rate of 2,17% p.a. and 10,42% p.a. for EUR denominated bank borrowings and TL denominated bank borrowings, respectively (31 December 2013: 2,43% p.a. and 9,65% p.a. for EUR denominated bank borrowings and TL denominated bank borrowings, respectively).

NOTE 26 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2014	**31 December 2013**
a) Other short-term provisions:		
Provision of advertising and promotion	329.482	185.250
Provision for spring water fee	-	95.226
Other	9.000	17.500
	338.482	**297.976**

Aydın Bozdoğan Municipality charged a total of TL2.841.595 to the Company as the spring water fee in return for services rendered in line with Article 63 of the Law on Municipal Revenues within 2014 (31 December 2013: TL3.135.534). Regarding the mentioned spring water fee, the Company filed a lawsuit against Aydın Bozdoğan Municipality based on the claim that all procedures related to production permit, licensing, packaging, labelling, sales and audit of natural mineral waters are carried out by the Turkish Ministry of Health and its relevant bodies in line with the provisions of the "Regulation on Natural Mineral Waters" No. 25657, dated 1 December 2004. As of 31 December 2014, the local court rejected the lawsuit, which was subsequently taken to a higher court for appeal. In line with the prudency principle of accounting, Company management recognised the mentioned spring water fee provision in the cost of sales. Movements of the provision the spring water fee provision during the years 2014 and 2013 are as follow:

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	2014	2013
1 January	**95.226**	**1.304.297**
Charged to statement of comprehensive income (Note 29)	2.841.595	3.135.534
Paid	(2.936.821)	(4.344.605)
31 December	**-**	**95.226**

Aydın Bozdoğan Municipality charged a total of TL2.841.595 to the Company as the spring water fee in return for services rendered in line with Article 63 of the Law on Municipal Revenues within 2014 and this amount is paid by the Company during the year 2014. As of 31 December 2014, Company's Aydın Bozdoğan spring water usage right has been expired and auction for right of using spring water still continuing.

	31 December 2014	31 December 2013
b) Guarantees given:		
Bails	94.023.333	664.086.110
Letters of guarantee	11.138.728	10.262.458
	105.162.061	**674.348.568**

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

	31 December 2014			31 December 2013		
CPM provided by the Company:	**Currency**	**Amount**	**TL Equivalent**	**Currency**	**Amount**	**TL Equivalent**
A. Total amount of CPM given on behalf of the Company	TL	11.138.728	11.138.728	TL	10.262.458	10.262.458
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		-	94.023.333			664.086.110
i. Total amount of CPM given on behalf of the main shareholder	-	-	-	*USD*	*250.000.000*	*533.575.000*
ii. Total amount of CPM given on behalf other group companies which are not in scope of B and C	*Euro*	*33.333.333*	*94.023.333*	*Euro*	*44.444.444*	*130.511.110*
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	- -	- -	- -	- -	- -	- -
			105.162.061			**674.348.568**
The ratio of total amount of other CPM to Equity			160%			911%

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	31 December 2014	31 December 2013
c) Guarantees received:		
Letters of guarantee	19.560.564	18.347.983
Bails	22.212.470	15.436.500
Mortgages	5.490.689	5.148.189
Guarantee notes	2.896.503	2.226.503
Other	874.048	536.773
	51.034.274	**41.695.948**

Guarantees are mainly received from customers.

NOTE 27 - COMMITMENTS

Company doesn't have raw material purchase commitments as of 31 December 2014. (31 December 2013: TL3.236.000).

NOTE 28 - EMPLOYEE BENEFITS

a) Payables for employee benefits

Social security premiums	322.985	253.987
Payables to employees	15.731	14.505
	338.716	**268.492**

b) Short- term provisions for employee benefits

Management bonus accrual	220.000	220.000
Seniority incentive bonus	**41.621**	**35.633**
	261.621	**255.633**

c) Long - term provisions for employee termination benefits

Provision for employment termination benefits	1.749.436	1.900.678
Seniority incentive bonus	119.168	70.402
	1.868.604	**1.971.080**

Under Turkish Labour Law, the companies incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves 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 (31 December 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 TL3.541,87 which is effective from 1 January 2015 (1 January 2014: 3.438,22 TL) 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 (p.a) (%)	3,95	4,09
Probability of retirement (%)	97,09	97,61

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

	2014	2013
1 January	**1.900.678**	**1.502.602**
Interest costs	160.071	104.123
Actuarial loss	268.430	252.838
Current service cost	262.349	207.256
Paid during the year	(842.092)	(166.141)
31 December	**1.749.436**	**1.900.678**

The total of interest cost and current service cost amounting to TL422.420 (31 December 2013: TL311.379) were allocated to general administrative expenses by TL309.502 (31 December 2013: TL228.142) (Note 34) and to cost of sales by TL112.918 (31 December 2013: TL83.237).

NOTE 29 - EXPENSES BY NATURE

	1 January - 31 December 2014	1 January - 31 December 2013
Raw material, direct material and finished goods	46.108.554	36.701.151
Transportation and export	26.896.749	24.988.903
Personnel	15.722.402	12.907.373
Outsourced services	7.103.068	8.088.898
Advertising	7.007.261	6.299.971
Depreciation and amortisation	6.806.290	5.763.244
Energy	4.828.577	4.737.612
Maintenance	3.424.702	3.700.928
Rent	2.872.375	2.671.610
Fee of mineral resource	2.841.595	3.135.534
Consultancy	2.520.104	2.414.120
Travel	494.659	473.846
Employment termination benefits	422.420	311.379
Communication	345.933	317.582
Representation	173.557	221.294
Other	8.769.369	7.586.352
	136.337.615	**120.319.797**

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NOTE 30 - OTHER ASSETS AND LIABILITIES

	31 December 2014	31 December 2013
Other current assets		
VAT receivable	1.778.023	2.682.245
Other	58.849	53.877
	1.836.872	**2.736.122**

NOTE 31 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company adopted the registered share capital system available to companies registered with 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 share capital at 31 December 2014 and 2013 is as follows:

Registered share capital (historical values)	50.000.000	50.000.000
Paid-in share capital with nominal value	12.789.345	12.789.345

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

	31 December 2014		31 December 2013	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
Yaşar Holding	58,00	7.417.547	58,00	7.417.546
Public quotation	31,78	4.064.924	31,78	4.064.924
Pınar Süt	8,77	1.122.150	8,77	1.122.150
YBP	0,80	101.992	0,80	101.992
Hedef Ziraat Tic. ve San. A.Ş.	0,09	11.318	0,09	11.318
YDT	0,03	3.773	0,03	3.773
Other	0,53	67.641	0,53	67.642
Total share capital	**100,00**	**12.789.345**	**100,00**	**12.789.345**
Adjustment to share capital		11.713.515		11.713.515
Total paid-in capital		**24.502.860**		**24.502.860**

In Turkey, companies may exceed registered share capital nonrecurringly-except for cash injection-through capital increase from internal sources. Registered share capital may not be exceeded through capital increase by cash injection.

Inflation adjustment to share capital amounting to TL11.713.515 (31 December 2013: TL11.713.515) represents the remaining amount after netting-off the accumulated losses of the year 2003 from the difference between restated share capital and historical cost of share capital.

The Company has 1.278.934.500 (31 December 2013: 1.278.934.500) units of shares with a face value of Kr1 each as of 31 December 2014.

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The Company's authorised registered share capital is composed of registered shares and its shares have been quoted at the BIST. There are no privileges given to specific shareholders. Retained earnings, as per the statutory financial statements, are avantable for distribution, subject to the legal reserve requirement referred to below:

The legal reserves consists of first and second legal reserves appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserves reaches a maximum of 20% of the company's share capital. The second legal reserve is appropriated at the rate of 10% off all distributions in excess of 5% of the Company's share capital. Under TTC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital.

The aforementioned reserves were accounted for under "Restricted Reserves" in accordance with CMB Financial Reporting Standards. The restricted reserves of the Company amount to TL4.180.008 (31 December 2013: TL4.180.008) as of 31 December 2014. The unrestricted extraordinary reserves the Company amount to TL11.673.135 (31 December 2013: TL11.673.135), and classified in the retained earnings.

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

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

Adjustment to share capital has no other use other than being transferred to share capital.

Quoted companies are subject to dividend requirements regulated by the CMB according to II-19.1 no. has enacted since 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legistlations. The communique does not state a minimum dividend rate. Companies distribute dividends in accordance with the method defined in their dividend policy or articles of association. Additional, dividend can be distributed in fixed or variable installments and dividends advances can be paid over the profit on interim financial statements.

In line with Article 27 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 amount, 10% of the portion is allocated in order to be distributed to founder shareholders in proportion with their shares. 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 the general reserves that has to be appropriated in accordance with TCC or the dividend to shareholders as determined in the articles of association or dividend policy are set aside ; no decision can be taken to set aside other reserves, to transfer reserves to be subsequent year or to distribute dividends to holders of usufruct right certificates, to board of directors members or to employees ; and no dividend can be distributed to those unless the determined dividend to shareholders is paid in cash.

Dividend in public companies, of the date of distribution to all existing shares, regardless of the date of issuance and acquisition of these shares will be distributed equally.

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NOTE 32 - REVENUE

	1 January - 31 December 2014	1 January - 31 December 2013
Domestic sales	239.678.419	212.095.680
Export sales	12.352.043	7.872.693
Trade goods sales	3.093.854	4.212.781
Gross Sales	255.124.316	224.181.154
Less: Discounts	(122.032.772)	(113.732.595)
Return	(908.702)	(534.085)
Net sales	**132.182.842**	**109.914.474**
Cost of sales	**(75.387.129)**	**(65.243.248)**
Gross Profit	**56.795.713**	**44.671.226**

NOTE 33 - CONSTRUCTION CONTRACTS

None (31 December 2013: None).

NOTE 34 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING, SELLING AND DISTRIBUTION EXPENSES

a) General administrative expenses:

	1 January - 31 December 2014	1 January - 31 December 2013
Personnel	5.829.338	5.516.549
Consultancy	1.853.883	1.844.422
Outsourced services	1.836.684	1.862.381
Rent	361.957	344.319
Energy	359.302	361.834
Depreciation and amortisation	340.885	270.966
Employment termination benefit	309.502	228.142
Travel	253.461	268.544
Communication	189.601	180.445
Representation	149.927	201.515
Other	933.951	1.002.256
	12.418.491	**12.081.373**

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	1 January - 31 December 2014	1 January - 31 December 2013
b) Marketing, selling and distribution expenses:		
Transportation and export expenses	26.896.449	24.232.650
Advertising	7.007.261	6.299.971
Outsourced services	4.133.218	3.636.480
Personnel	3.644.826	3.321.801
Amortization and depreciation cost	1.542.337	1.120.255
Rent	1.351.117	1.252.629
Export commission	1.223.148	755.054
Energy	768.943	755.075
Maintenance	751.150	599.647
Consultancy	666.221	569.698
Other	547.325	451.916
	48.531.995	**42.995.176**

NOTE 35 - OTHER OPERATING INCOME AND EXPENSE

a) Other operating income:

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange gain arising from commercial activities	326.831	336.352
Unearned financial income	284.990	176.151
Other	158.545	25.402
	770.366	**537.905**

b) Other operating expense:

Rent expense	(1.096.731)	-
Foreign exchange loss arising from commercial activities	(222.797)	(1.154.829)
Unearned financial expense	(92.535)	(177.203)
Fees and aid	(80.445)	(54.595)
Provision for doubtful receivables	(54.927)	-
Other	(234.031)	(242.475)
	(1.781.466)	**(1.629.102)**

NOTE 36 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

a) Income from investment activities:

	1 January - 31 December 2014	1 January - 31 December 2013
Gain from Sale of Available for Sale Asset	9.103.035	-
Dividend income	172.523	528.157
Gain on sale of property plant and equipment	131.383	-
Other	35.778	-
	9.442.719	**528.157**

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b) Expense from investment activities:

	1 January - 31 December 2014	1 January - 31 December 2013
Loss on sale of property plant and equipment	(3.645)	(222.243)
	(3.645)	**(222.243)**

NOTE 37 - EXPENSES BY NATURE

Please see Note 29.

NOTE 38 - FINANCIAL INCOME AND EXPENSE

	1 January - 31 December 2014	1 January - 31 December 2013
Bail income	543.824	895.592
Interest income	248.922	91.389
Foreign exchange gain	252.404	273.342
	1.045.150	**1.260.323**
Interest expense	(2.910.049)	(1.037.248)
Foreign exchange loss	(150.830)	(772.393)
Bank commissions and overdue charges	(455.700)	(212.260)
Other	-	(9.210)
	(3.516.579)	**(2.031.111)**

NOTE 39 - ANALYSIS OF OTHER COMPREHENSIVE INCOME

Please see Statements of Income and Other Comprehensive Income.

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

None (31 December 2013: None).

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

In Turkey, the corporation tax rate of the fiscal year 2014 is 20% (31 December 2013: 20%). Corporation tax is payable at a rate of 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 (such as research and development expenditure allowances). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19,8% (31 December 2013: 19,8%), calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2013: 15%). An increase in capital via issuing bonus shares is not considered profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2013: 20%) on their corporate income. Advance tax is declared by 14th and payable by the 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 the 25th of the fourth month following the close of the financial year to which they relate.

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Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit 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 against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

There are many exemptions in Corporate Tax Law regarding corporations. Those related to the Company are explained below:

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

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, 75% portion of the gains derived from the sale 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 consideration 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 14th and recurring 8th articles of Corporate Tax Law and 40th article of the Income Tax Law together with the 10th article of Corporate Tax Law have been taken into consideration in calculation of the Company's corporate tax.

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 manner through transfer pricing completely or partially, will be assessed as distributed profit share or transferred amount to headquarter for limited taxpayers. After the 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.

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Taxes on income for the years 1 January- 31 December 2014 and 2013 are summarised as follow:

	31 December 2014	31 December 2013
Current year corporation income tax expense	-	-
Deferred tax income	357.088	3.319.909
Taxation on income	**357.088**	**3.319.909**

Reconciliation of taxation on income is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
(Profit)/ Loss before tax	**1.801.772**	**(11.961.394)**
Tax calculated at rates applicable to the (loss)/ profit	(360.354)	2.392.278
Recognition of deferred income tax asset on investment incentive	-	2.886.709
Tax losses for which no deferred income tax asset was recognized	-	(1.912.957)
Tax credits and tax losses for which deferred income tax asset was recognized	758.907	-
Income not subject to tax	193.088	415.146
Non-deductible expenses	(132.146)	(295.849)
Other	(102.407)	(165.418)
Taxation on income/ (expense)	**357.088**	**3.319.909**

Deferred taxes

The Company recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the statutory tax 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% (31 December 2013: 20%).

Details of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided as of 31 December 2014 and 2013 were as follows:

	Cumulative temporary differences		Deferred income tax assets/ (liabilities)	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
Revaluation of land, land improvements, buildings, machinery and equipment	26.353.006	28.036.737	(3.950.405)	(4.287.152)
Difference between carrying value (excluding revaluation reserve) and tax bases of property, plant and equipment and intangible assets	5.288.733	5.999.708	(1.359.059)	(1.501.254)
Deduction of investment incentive	(14.433.546)	(14.433.546)	2.886.709	2.886.709
Provision for employment termination benefits	(1.749.436)	(1.900.678)	349.887	380.136
Difference between carrying value and tax bases of available-for-sale investments	(2.031.277)	14.649.703	346.029	(401.084)
Other	(68.673)	(258.278)	13.737	51.656
Deferred income tax assets			3.596.362	3.318.501
Deferred income tax liabilities			(5.309.464)	(6.189.490)
Deferred tax liabilities-net			**(1.713.102)**	**(2.870.989)**

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The movement of deferred tax liabilities - net is as follows:

1 January 2013	**(5.771.565)**
Credited to statement of comprehensive income	3.319.909
Revaluation of property, plant and equipment	(198.608)
Charged to actuarial loss arising from defined benefit plans	50.569
Charged to fair value reserve of available-for-sale investments	(271.294)
31 December 2013	**(2.870.989)**
Credited to statement of comprehensive income	357.088
Charged to actuarial loss arising from defined benefit plans	53.686
Charged to fair value reserve of available-for-sale investments	747.113
31 December 2014	**(1.713.102)**

The Company did not recognise deferred income tax assets of TL1.154.050 arising from tax losses carried forward as their future utilization is not virtually certain.

Years of expiration of tax losses carried forward which were not recognized as of 31 December 2014 and 2013 are as follows:

Expiration years	**31 December 2014**	**31 December 2013**
2018	(5.770.250)	(9.564.784)
	(5.770.250)	**(9.564.784)**

NOTE 42 - EARNINGS/ (LOSS) PER SHARE

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) attributable to equity holders of the parent company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased and held as treasury shares.

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 earning/ (loss) per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

		1 January - 31 December 2014	**1 January - 31 December 2013**
Net profit/ (loss) for the year	A	2.158.860	(8.641.485)
Weighted average number of shares (Note 31)	B	1.278.934.500	1.278.934.500
Earnings/ (Loss) per 100 shares with a Kr1 face value	**A/B**	**0,1688**	**(0,6757)**

There are no differences between basic and diluted earnings/ (loss) per share.

NOTE 43 - SHARE BASED PAYMENTS

None (31 December 2013: None).

NOTE 44 - INSURANCE CONTRACTS

None (31 December 2013: None).

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NOTE 45 - EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

The foreign exchange risk of the Company is presented in Note 49.c.i.

NOTE 46 - REPORTING IN HYPERINFLATIONARY ECONOMIES

With the decision taken on 17 March 2005, numbered 11/367, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the POA, has not been applied in the financial statements for the accounting year starting from 1 January 2005.

NOTE 47 - DERIVATIVE FINANCIAL INSTRUMENTS

None (31 December 2013: None).

NOTE 48 - FINANCIAL INSTRUMENTS

The breakdown of available-for-sale investments for the years ended 31 December 2014 and 2013 are as follows:

	31 December 2014		31 December 2013	
	Carrying amount (TL)	Share (%)	Carrying amount (TL)	Share (%)
YBP	-	-	20.855.029	4,74
Desa Enerji	2.708.317	6,07	2.642.855	6,07
Viking Kağıt	507.692	1,69	467.077	1,69
YDT	540.447	1,76	534.440	1,76
	3.756.456		**24.499.401**	

At 17th November 2014, the Company sold share of 4,74% of YBP shares to Pınar Et in exchange for amounting to TL13.165.000 which is valued by independent valuation firm.

Viking Kağıt is stated at quoted market prices as it is listed on BIST; YBP, YDT and Desa Enerji are stated at their fair values which are determined based on the discounted cash flows by using the market interest rates and the risk premium specific to unlisted companies within the related sectors.

The discount and growth rates used in discounted cash flow models as at 31 December 2014 and 2013 are as follows:

	Discount rate		Growth rate	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
YBP	-	12,62%	-	1%
YDT	8,54%	9,83%	0%	0%
Desa Enerji	10,62%	12,62%	0%	0%

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

	2014	2013
1 January	**24.499.401**	**21.716.172**
YBP [*]	(7.812.977)	-
Sales of available for sale investments:		
YBP	(13.042.052)	-
Fair value increase/ (decrease):		**14.339.007**
YBP	-	1.902.347
Desa Enerji	65.462	1.176.303
YDT	6.007	(85.574)
Viking Kağıt	40.615	(209.847)
31 December	**3.756.456**	**24.499.401**

[*] Company made revision in fair value calculation of YBP and accounted towards materiality principle as of 1 January 2014.

Movements of fair value reserves of available-for-sale investment are as follows:

	2014	2013
1 January	**16.850.943**	**14.339.007**
YBP [*]	(7.812.977)	-
Disposal of fund related with sale of available for sale investments	(8.980.087)	
Increase in fair value	112.084	3.078.650
Impairment	-	(295.420)
Deferred income tax on fair value reserves of available-for-sale investments (Note 41)	747.113	(271.294)
31 December	**917.076**	**16.850.943**

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 unpredictability 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.

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.

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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 risk 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. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. These risks are monitored by credit ratings and limiting the aggregate risk to any individual counter party and receiving guarantees when required. The Company's exports are realised by its related party, YDT and the related export receivables are monitored by YDT. The following tables analyse the Company's credit risk as of 31 December 2014 and 2013:

31 December 2014:	**Receivables**					
	Trade Receivables [1]		**Other Receivables**			
	Related Parties	**Third Parties**	**Related Parties**	**Third Parties**	**Bank Deposits**	**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) [2]	**1.927.407**	**19.908.370**	**8.860.902**	**586.425**	**2.596.214**	**33.879.318**
- The part of maximum credit risk covered with guarantees	-	10.329.418	-	-	-	10.329.418
A. Net book value of financial assets not due or not impaired	751.270	16.889.769	8.617.868	586.425	2.596.214	29.441.546
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-
C. Net book value of assets past due but not impaired [3]	1.176.137	3.018.601	243.034	-	-	4.437.772
- The part covered by guarantees etc	-	1.648.122	-	-	-	1.648.122
D. Net book value of assets impaired -	-	-	-	-	-	-
- Past due (gross book value)	-	881.812	-	-	-	881.812
- Impairment amount (-)	-	(881.812)	-	-	-	(881.812)
- The part of net value covered with guarantees etc	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- The part of net value covered with guarantees etc	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-

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	Receivables					
	Trade Receivables [1]		Other Receivables			
	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	Total
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) [2]	**2.294.890**	**12.987.282**	**429.980**	**510.425**	**1.147.359**	**17.369.936**
- The part of maximum credit risk covered with guarantees	-	5.873.759	-	-	-	5.873.759
A. Net book value of financial assets not due or not impaired	294.313	10.798.465	104.420	510.425	1.147.359	12.854.982
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	
C. Net book value of assets past due but not impaired [3]	2.000.577	2.188.817	325.560	-	-	4.514.954
- The part covered by guarantees etc	-	723.623	-	-	-	723.623
D. Net book value of assets impaired	-	-	-	-	-	-
- Past due (gross book value)	-	827.885	-	-	-	827.885
- Impairment amount (-)	-	(827.885)	-	-	-	(827.885)
- The part of net value covered with guarantees etc	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- The part of net value covered with guarantees etc	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-

[1] Trade receivables balances mainly resulted from the sale of pet bottled and bottled water.
[2] In the determination of related amounts, guarantees received providing increase credit reliability are not take into account.
[3] Considering the past experiences and collections subsequent to the balance sheet date, the Company management does not foresee any collection problem for the overdue receivables.

	Receivables		
31 December 2014	**Trade Receivables**	**Other Receivables**	**Total**
1 - 30 days overdue	1.823.592	-	1.823.592
1 - 3 months overdue	1.441.343	-	1.441.343
3 - 12 months overdue	929.803	243.034	1.172.837
The part covered by guarantees	(1.648.122)	-	(1.648.122)
	4.194.738	**-**	**4.437.772**

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TL1.309.797 of the receivables that were overdue but not impaired have been collected as of the approval date of the financial statements.

	Receivables		
31 December 2013	**Trade Receivables**	**Other Receivables**	**Total**
1 - 30 days overdue	2.031.979	-	2.031.979
1 - 3 months overdue	1.344.661	-	1.344.661
3 - 12 months overdue	812.754	325.561	1.138.315
The part covered by guarantees	(723.624)	-	(723.623)
	4.189.394	**325.561**	**4.514.955**

b) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, 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 collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Company.

The Company's liquidity analysis in respect of categories of financial liabilities as of 31 December 2014 and 2013 are as follows:

31 December 2014:

	Book value	**Total cash outflows per a agreement (=I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contract terms:					
Non-derivative financial liabilities					
Bank borrowings	24.363.625	32.283.041	2.262.851	6.741.980	23.278.210
Trade payables	33.323.422	33.842.521	25.707.895	4.620.442	3.514.184
Other payables	793.102	793.102	793.102	-	-
	58.480.149	**66.918.664**	**28.763.848**	**11.362.422**	**26.792.394**

31 December 2013:

	Book value	**Total cash outflows per a agreement (=I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contract terms:					
Non-derivative financial liabilities					
Bank borrowings	17.295.804	20.442.712	1.193.316	4.530.671	14.718.725
Trade payables	31.363.463	31.977.781	19.006.267	7.701.876	5.269.638
Other payables	2.153.913	2.153.913	2.153.913	-	-
	50.813.180	**54.574.406**	**22.353.496**	**12.232.547**	**19.988.363**

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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. These risks are monitored by analyses of the foreign currency position. Current risks are discussed by the Audit Committee and Board of Director's meetings regularly and the foreign exchange rates relevant to the foreign currency position of the Company are followed up.

	31 December 2014			
	TL Equivalent	USD	EUR	Other TL Equivalent
1 Trade Receivables	1.502.832	84.281	298.258	466.097
2a. Monetary Financial Assets (Cash, Bank accounts included)	-	-	-	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other				
4. Current Assets (1+2+3)	**1.502.832**	**84.281**	**298.258**	**466.097**
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)	1.502.832	84.281	298.258	466.097
10 Trade Payables	1.616.283	24.995	512.186	113.601
11. Financial Liabilities	658.135	-	233.323	-
12a. Monetary Other Liabilities				
12b. Non-Monetary Other Liabilities	-	-	-	-
13 Short Term Liabilities (10+11+12)	**2.274.418**	**24.995**	**745.509**	**113.601**
14. Trade Payables	3.307.271	-	1.172.500	-
15. Financial Liabilities	1.568.437	-	556.045	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. Long Term Liabilities (14+15+16)	**4.875.708**	**-**	**1.728.545**	**-**
18. Total Liabilities (13+17)	**7.150.126**	**24.995**	**2.474.054**	**113.601**
19. Net Asset/(Liability) Position of Off Balance Sheet Derivative Instruments (19a-19b)	-	-	-	-
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	-	-	-	-
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9+18+19)	**(5.647.294)**	**59.286**	**(2.175.796)**	**352.496**
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(5.647.294)**	**59.286**	**(2.175.796)**	**352.496**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging				
23. Export	**12.597.903**	**1.240.224**	**1.717.215**	**4.884.909**
24. Import	**1.162.953**	**-**	**447.827**	**18.006**

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Foreign Currency Position			
31 December 2013			
TL Equivalent	USD	EUR	Other TL Equivalent
1.781.232	157.571	311.870	529.123
-	-	-	-
-	-	-	-
1.781.232	**157.571**	**311.870**	**529.123**
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	**-**	**-**	**-**
1.781.232	**157.571**	**311.870**	**529.123**
2.507.892	37.644	773.855	155.123
855.572	-	291.358	-
-	-	-	-
3.363.464	**37.644**	**1.065.213**	**155.123**
4.820.265	-	1.641.500	-
2.300.768	-	783.507	-
-	-	-	-
-	-	-	-
7.121.033	**-**	**2.425.007**	**-**
10.484.497	**37.644**	**3.490.220**	**155.123**
-	-	-	-
-	-	-	-
-	-	-	-
(8.703.265)	**119.927**	**(3.178.350)**	**374.000**
(8.703.265)	**119.927**	**(3.178.350)**	**374.000**
8.300.432	**1.136.306**	**2.130.979**	**764.960**
15.734.302	**15.061**	**6.489.006**	**-**

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31 December 2014 — **Table of 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	13.749	(13.749)	13.749	(13.749)
2- The part of USD risk hedged (-)	-	-	-	-
3- USD Effect - net (1+2)	**13.749**	**(13.749)**	**13.749**	**(13.749)**
Change of EUR by 10% against TL:				
4- Asset/ Liability denominated in EUR	(613.728)	613.728	(613.728)	613.728
5- The part of EUR risk hedged (-)	-	-	-	-
6- EUR Effect - net (4+5)	**(613.728)**	**613.728**	**(613.728)**	**613.728**
Change of other currencies by 10% against TL				
7- Assets/ Liabilities denominated in other foreign currencies	35.250	(35.250)	35.250	(35.250)
8- The part of other foreign currency risk hedged (-)				
9- Other Foreign Currency Effect - net (7+8)	**35.250**	(35.250)	**35.250**	(35.250)
TOTAL (3+6+9)	**(564.729)**	**564.729**	**(564.729)**	**564.729**

The Company does not hedge foreign currency denominated liabilities by using hedge instruments.

31 December 2013 — **Table of 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	25.596	(25.596)	25.596	(25.596)
2- The part of USD risk hedged (-)	-	-	-	-
3- USD Effect - net (1+2)	**25.596**	**(25.596)**	**25.596**	**(25.596)**
Change of EUR by 10% against TL:				
4- Asset/ Liability denominated in EUR	(933.322)	933.322	(933.322)	933.322
5- The part of EUR risk hedged (-)	-	-	-	-
6- EUR Effect - net (4+5)	**(933.322)**	**933.322**	**(933.322)**	**933.322**
Change of other currencies by 10% against TL e				
7- Assets/ Liabilities denominated in other foreign currencies	37.400	(37.400)	37.400	(37.400)
8- The part of other foreign currency risk hedged (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**37.400**	**(37.400)**	**37.400**	**(37.400)**
TOTAL (3+6+9)	**(870.327)**	**870.327**	**(870.327)**	**870.327**

The Company does not hedge foreign currency denominated liabilities by using hedge instruments..

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ii) Interest Risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities.

	Interest Rate Position Schedule	
	31 December 2014	**31 December 2013**
Financial instruments with fixed interest rate		
Financial assets	32.580.719	17.238.354
Financial liabilities	58.480.149	50.813.180

The Company does not have financial instruments with floating interest rate as of 31 December 2014 (31 December 2013: Company does not have financial instruments with floating interest rate).

iii) Price risk

The operational profitability of the Company and the cash flows generated by these operations are affected by the changes in the raw material prices and market competition. These prices are closely followed up by the Company management to reduce the pressure of the costs on selling prices and necessary precautions for cost reductions are taken accordingly. Price risk is monitored by Board of Directors and Audit Committee via regular meetings.

d) Capital risk management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order 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 and changes in the earnings before interest depreciation and amortization ("EBITDA"). Gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings due to related parties - non trade less cash and cash equivalents. EBITDA is calculated as operational profit/ (loss) less depreciation, amortization, employment termination benefits and other nonrecurring expenses.

	31 December 2014	**31 December 2013**
Total financial liabilities	24.363.625	17.295.804
Less: Cash and cash equivalents (Note 6)	(2.614.392)	(1.157.012)
Net debt	21.749.233	16.138.792
Total equity	58.942.993	72.932.744
Debt/ equity ratio	**37%**	**22%**

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

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.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment 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 values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate to their carrying values. Cash and cash equivalents are carried at their fair values. The fair values of trade receivables and due from related parties, are considered to approximate their respective carrying values due to their short-term nature. The cost of financial assets available for sale investments less, if any, impairments are considered to approximate their fair values.

Financial Liabilities

Fair values of bank borrowings are disclosed in Note 25.

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**
Available-for-sale investments	507.692	-	3.248.764	3.756.456
Total assets				**3.756.456**
31 December 2013				
Available-for-sale investments	467.077	-	24.032.324	24.499.401
Total assets				**24.499.401**

(*) Please see Note 48 for the movement of Level 3 financial instruments.

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

31 December 2014

	Level 1	Level 2	Level 3	Total
Property, Plant and Equipment:				
Land	-	8.894.000	-	8.894.000
Buildings and land improvements	-	16.438.407	-	16.438.407
Machinery and equipment	-	41.279.531	-	41.279.531
Total assets	**-**	**66.611.938**	**-**	**66.611.938**

31 December 2013

	Level 1	Level 2	Level 3	Total
Property, Plant and Equipment:				
Land	-	7.364.000	-	7.364.000
Buildings and land improvements	-	16.896.942	-	16.896.942
Machinery and equipment	-	45.164.486	-	45.164.486
Total assets	**-**	**69.425.428**	**-**	**69.425.428**

NOTE 51 - SUBSEQUENT EVENTS

None.

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

None (31 December 2013: None).