

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015**

(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015**

CONTENTS	PAGE
CONDENSED CONSOLIDATED BALANCE SHEET	1-2
CONDENSED CONSOLIDATED STATEMENT OF INCOME	3
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	6-7
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8-32
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP.....	8-9
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	9-11
NOTE 3 SEGMENTAL INFORMATION	11
NOTE 4 CASH AND CASH EQUIVALENTS	12
NOTE 5 FINANCIAL INVESTMENTS	12
NOTE 6 FINANCIAL LIABILITIES	13-14
NOTE 7 TRADE RECEIVABLES AND PAYABLES	14-15
NOTE 8 OTHER RECEIVABLES AND PAYABLES	15
NOTE 9 INVENTORIES.....	16
NOTE 10 INVESTMENT PROPERTIES	16
NOTE 11 PROPERTY, PLANT AND EQUIPMENT.....	17-19
NOTE 12 INTANGIBLE ASSETS	19-20
NOTE 13 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	21
NOTE 14 REVENUE AND COST OF SALES	21
NOTE 15 EXPENSES BY NATURE.....	22
NOTE 16 FINANCIAL INCOME	22
NOTE 17 FINANCIAL EXPENSES	22
NOTE 18 TAX ASSETS AND LIABILITIES	23-24
NOTE 19 EARNINGS PER SHARE.....	25
NOTE 20 BALANCES AND TRANSACTIONS WITH RELATED PARTIES	25-28
NOTE 21 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS	29-31
NOTE 22 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT.....	31-32
NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE	32

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND
 31 DECEMBER 2014
 (Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Notes	Unaudited Current Period 31 March 2015	Audited Previous Period 31 December 2014
Current Assets		2.223.206.853	2.037.226.487
Cash and Cash Equivalents	4	1.149.293.248	1.033.829.882
Financial Investments	5	886.433	778.877
Trade Receivables			
- Due From Related Parties	7-20	622.159.334	555.788.783
- Other Trade Receivables	7	35.146.763	48.053.601
Other Receivables			
- Other Receivables	8	17.938.660	13.676.676
Inventories	9	237.704.285	212.335.266
Prepaid Expenses		121.231.603	129.778.124
Corporate Income Tax Assets		886	239.096
Other Current Assets		38.845.641	42.746.182
Non-Current Assets		1.155.045.368	1.150.964.524
Financial Investments	5	526.740.932	529.047.891
Trade Receivables			
- Due From Related Parties	7-20	5.016.739	5.016.739
Other Receivables			
- Other Receivables	8	221.942	171.384
Investment Properties	10	11.000.000	11.000.000
Property, Plant and Equipment	11	568.365.818	568.962.508
Intangible Assets	12	1.286.188	1.313.408
Prepaid Expenses		30.453.364	25.993.023
Deferred Tax Assets	18	11.956.199	9.455.385
Other Non-Current Assets		4.186	4.186
TOTAL ASSETS		3.378.252.221	3.188.191.011

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND
31 DECEMBER 2014**

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

LIABILITIES	Notes	Unaudited Current Period 31 March 2015	Audited Previous Period 31 December 2014
Current Liabilities		798.562.973	657.345.668
Short Term Financial Liabilities	6	88.771.673	78.154.911
Short-Term Portion of Long-Term Financial Liabilities	6	25.909.900	13.293.204
Trade Payables			
- Due to Related Parties	7-20	308.399.425	270.908.832
- Other Trade Payables	7	191.014.765	240.430.678
Employee Benefit Related Liabilities		19.868.183	16.818.074
Other Payables			
- Due to Related Parties	8-20	53.558.095	-
- Other Payables	8	41.508.390	944.034
Current Income Tax Liabilities	18	16.795.391	9.354.763
Short Term Provisions			
- Provisions for Employment Termination Benefits		16.008.869	13.144.632
- Other Short Term Provisions		28.202.130	6.424.730
Other Current Liabilities		8.526.152	7.871.810
Non-Current Liabilities		1.402.290.894	1.300.876.650
Long Term Financial Liabilities	6	1.347.077.111	1.243.537.763
Long Term Provisions			
- Provisions for Employment Termination Benefits		28.007.463	25.985.036
Deferred Tax Liabilities	18	27.052.245	31.199.837
Other Non-Current Liabilities		154.075	154.014
SHAREHOLDERS' EQUITY		1.177.398.354	1.229.968.693
Equity Attributable To Equity Holders' of the Parent		1.078.398.040	1.137.602.999
Share Capital		342.000.000	342.000.000
Inflation Adjustments on Equity Items		108.056.201	108.056.201
Accumulated other comprehensive income not to be Reclassified Under Profit and Loss			
- Actuarial Loss on Post-Employment Termination Benefit Obligation		(668.123)	(695.347)
- Investment Property Valuation Funds		5.231.735	5.231.735
Accumulated Other Comprehensive Income to be Reclassified Under Profit and Loss			
- Financial Assets Valuation Fund		313.544.520	315.553.570
Restricted Reserves Appropriated from Profits		112.116.833	104.901.091
Retained Earnings		161.340.007	50.843.109
Net Profit For The Period		36.776.867	211.712.640
Non-Controlling Interest		99.000.314	92.365.694
TOTAL LIABILITIES AND EQUITY		3.378.252.221	3.188.191.011

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIODS ENDED 31
 MARCH 2015 AND 2014
 (Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

		Unaudited Current Period 1 January- 31 March 2015	Reclassified (*) Unaudited Previous Period 1 January - 31 March 2014
	Notes		
Revenue	14	789.717.435	792.460.191
Cost of Sales (-)	14	(605.168.009)	(612.794.060)
GROSS PROFIT FROM OPERATIONS		184.549.426	179.666.131
Research Expenses (-)	15	(1.593.280)	(4.434.311)
Marketing, Sales and Distribution Expenses (-)	15	(80.358.839)	(73.951.133)
General Administrative Expenses (-)	15	(19.438.023)	(26.854.604)
Other Operating Income		25.104.384	30.745.066
Other Operating Expenses (-)		(16.614.825)	(25.293.864)
OPERATING PROFIT FROM MAIN OPERATIONS		91.648.843	79.877.285
Income from Investment Activities		85.569.400	48.128.929
Expenses from Investment Activities (-)		(13.680.954)	(9.319.016)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		163.537.289	118.687.198
Financial Income	16	17.521.454	12.142.199
Financial Expenses (-)	17	(126.510.109)	(52.913.837)
PROFIT BEFORE TAX		54.548.634	77.915.560
Tax Expense	18	(11.044.875)	(16.581.565)
Tax on Income (-)		(17.607.311)	(19.480.758)
Deferred Tax Income		6.562.436	2.899.193
PROFIT FOR THE PERIOD		43.503.759	61.333.995
Distribution of the Profit for the Period			
Non-Controlling Interest		6.726.892	9.999.370
Equity Holders of the Parent	19	36.776.867	51.334.625
Earnings Per Share		0,11	0,15

(*) Restatement effects have been explained in Note 2 "Comparative Information and Restatements of Prior Period Consolidated Financial Statements".

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIODS ENDED 31
 MARCH 2015 AND 2014

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

	Unaudited Current Period 1 January - 31 March 2015	Unaudited Previous Period 1 January - 31 March 2014
PROFIT FOR THE PERIOD	43.503.759	61.333.995
Other Comprehensive Income:		
Items not to be Reclassified Under Profit and Loss	117.513	(575.210)
Actuarial Gain/(Loss) on Post-Employment Termination Benefit Obligation	146.891	(719.013)
Deferred Tax Effect	(29.378)	143.803
Items to be Reclassified Under Profit and Loss	(2.191.611)	2.846.475
Change in Revaluation Funds of Financial Assets	(2.306.959)	2.996.290
Deferred Tax Effect	115.348	(149.815)
OTHER COMPREHENSIVE INCOME	(2.074.098)	2.271.265
TOTAL COMPREHENSIVE INCOME	41.429.661	63.605.260
Distribution of Total Comprehensive Income		
Non-Controlling Interest	6.634.620	10.236.481
Equity Holders of the Parent	34.795.041	53.368.779

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2015 AND 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

			Accumulated Other Comprehensive Income To Be Reclassified Under Profit And Loss		Other Comprehensive Income Not To Be Reclassified Under Profit And Loss			Accumulated Profit			
	Share Capital	Inflation Adjustments to Share Capital	Financial Assets Valuation Fund	Investment Property Valuation Fund	Actuarial Loss on Post- Employment Termination Benefit Obligation	Restricted Reserves Appropriate d from Profits	Net Profit for the Period	Retained Earnings	Equity Attributable to Equity Holders of the Parent	Non- Controlling Interest	Total Equity
As of 1 January 2014	342.000.000	108.056.201	254.670.905	5.231.735	(1.307.850)	93.311.091	188.648.445	139.218.981	1.129.829.508	138.338.939	1.268.168.447
Total comprehensive income	-	-	2.609.364	-	(575.210)	-	51.334.625	-	53.368.779	10.236.481	63.605.260
Dividend paid (**)	-	-	-	-	-	-	-	(133.000.000)	(133.000.000)	-	(133.000.000)
Transfer	-	-	-	-	-	11.590.000	(188.648.445)	177.058.445	-	-	-
As of 31 March 2014	342.000.000	108.056.201	257.280.269	5.231.735	(1.883.060)	104.901.091	51.334.625	183.277.426	1.050.198.287	148.575.420	1.198.773.707
As of 1 January 2015	342.000.000	108.056.201	315.553.570	5.231.735	(695.347)	104.901.091	211.712.640	50.843.109	1.137.602.999	92.365.694	1.229.968.693
Total comprehensive income	-	-	(2.009.050)	-	27.224	-	36.776.867	-	34.795.041	6.634.620	41.429.661
Dividend paid (**)	-	-	-	-	-	-	-	(94.000.000)	(94.000.000)	-	(94.000.000)
Transfer	-	-	-	-	-	7.215.742	(211.712.640)	204.496.898	-	-	-
As of 31 March 2015	342.000.000	108.056.201	313.544.520	5.231.735	(668.123)	112.116.833	36.776.867	161.340.007	1.078.398.040	99.000.314	1.177.398.354

(*) At the General Assembly Meeting for the year of 2013 held on 27 March 2014, it has been resolved to distribute TL 133.000.000 as cash, and fully funded by the profit for the year and started to be distributed as of April 7th 2014.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31
MARCH 2015 AND 2014**

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

		Unaudited Current Period 1 January-31 March 2015	Unaudited Previous Period 1 January-31 March 2014
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		43.503.759	61.333.995
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities			
- Depreciation expenses of tangible assets	11	13.492.341	13.313.711
- Amortization expenses of intangible assets	12	109.908	93.637
- Financial investment valuation increase		(107.556)	(101.441)
- Allowance for doubtful receivables	7	70.488	185.531
- Reversal of allowance for doubtful receivables	7	(6.224)	(5.500)
- Provision for employment benefits		5.520.949	7.182.890
- Provision for unused vacation		2.300.609	1.568.919
- Performance premium provision		1.625.037	1.489.900
- Provision for lawsuits		299.734	297.279
- Reversal of provision for sales return		4.500.000	4.155.182
- Discount expense (net)		311.564	1.056.410
- Change in foreign currency and interest expense of financial liabilities (net)	16-17	107.728.793	40.602.363
- Gain on sale of tangible and intangible assets (net)		148.204	(42.386)
- Reversal of provision for inventory allowance	9	1.011.485	396.085
- Rent income		(1.775.810)	(1.453.327)
- Change in foreign currency from investment activities (net)		(60.303.359)	(25.499.501)
- Change in other provisions (net)		17.022.805	6.026.332
- Interest income		(9.849.925)	(11.814.699)
- Tax provision	18	11.044.875	16.581.565
Net Operating cash flows provided before changes in working capital		136.647.677	115.366.945
- Decrease/(increase) in trade receivables		13.216.581	(5.687.373)
- (Increase)/Decrease in trade receivables from related parties		(65.338.904)	738.720
- (Increase) in inventories		(26.380.504)	(21.655.065)
- Decrease in other receivables and other current assets		3.674.179	31.721.027
- (Decrease) in trade payables		(50.377.860)	(37.045.872)
- Increase in trade payables to related parties		32.725.348	13.903.745
- Increase in other payables and liabilities		7.921.488	3.463.226
Net cash generated from operations		52.088.005	100.805.353
- Taxes paid		(9.928.473)	(10.591.147)
- Employment termination benefit paid		(3.351.631)	(3.095.439)
- Unused vacation paid		(1.061.409)	(752.103)
- Lawsuits provision paid		(135.914)	(46.483)
- Collections from doubtful trade receivables	7	6.224	5.500
Net cash generated from operating activities		37.616.802	86.325.681

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31
MARCH 2015 AND 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)**

		Unaudited Current Period 1 January-31 March 2015	Unaudited Previous Period 1 January-31 March 2014
	Notes		
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisitions of tangible assets	11	(13.800.337)	(10.976.771)
- Acquisitions of intangible assets	12	(65.528)	(298.325)
- Proceeds from sales of tangible and intangible assets		739.322	153.387
- Rent income		1.775.810	1.453.327
- Interest received		9.849.925	11.814.699
Net cash generated from investing activities		(1.500.808)	2.146.317
CASH FLOWS FROM FINANCING ACTIVITIES			
- Loan repayment		(2.766.901)	(240.811.866)
- Loans acquired		25.312.263	176.389.749
- Change in leasing liabilities		(59.895)	(1.588.905)
- Interest paid		(3.441.454)	(9.374.981)
- Changes in non-trade payables to related parties		-	1.281.066
Net cash used in financing activities		19.044.013	(74.104.937)
NET CHANGE IN CASH AND CASH EQUIVALENTS		55.160.007	14.367.061
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		60.303.359	19.799.034
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	1.033.829.882	1.164.383.158
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	1.149.293.248	1.198.549.253

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Ülker Bisküvi Sanayi A.Ş. ("the Company") and its subsidiaries (all together "the Group"), comprises of the parent Ülker Bisküvi Sanayi A.Ş. ("the Company") and four subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2014: four).

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

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

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

As of 31 March 2015, the total number of people employed by the Group is 7.985, which contains 544 employees who worked as subcontractors (31 December 2014: 8.189, subcontractor: 561).

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

As of 31 March 2015 and 31 December 2014, the names and percentages of the shareholders holding more than 10% of the Company's share capital are as follows:

Name of the Shareholders	Share	31 March 2015	Share	31 December 2014
		Percentage		Percentage
Yıldız Holding A.Ş.	167.122.187	48.87%	167.122.187	48.87%
Yıldız Holding A.Ş. Subsidiaries and Ülker Family	27.738.115	8.11%	27.738.115	8.11%
Other	147.139.698	43.02%	147.139.698	43.02%
	342.000.000	100.00%	342.000.000	100.00%

As of 31 March 2015 and 31 December 2014, the details of the subsidiaries under full consolidations in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	31 March 2015		31 December 2014		Nature of Operations
	Ratio of Direct Ownership %	Ratio of Effective Ownership %	Ratio of Direct Ownership %	Ratio of Effective Ownership %	
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	73.9%	73.9%	73.9%	73.9%	Manufacturing
Ülker Çikolata Sanayi A.Ş.	91.7%	91.7%	91.7%	91.7%	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100.0%	100.0%	100.0%	100.0%	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	100.0%	100.0%	100.0%	100.0%	Trading

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

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

Dividend Paid:

The Company has paid a dividend amount of TL 94.000.000 (31 March 2014: TL 133.000.000) in the current period. Dividend per share is TL 0.27 (31 March 2014: TL 0.39).

Approval of Financial Statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 7 May 2015. The General Assembly has the authority to amend/modify the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation:

Principles for Preparation of Financial Statements and Significant Accounting Policies

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

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

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

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

Functional and presentation currency

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

As of 31 March 2015, rates declared by Central Bank of Republic of Turkey are 1 Euro = TL 2,8309, 1 USD = TL 2,6102 (31 December 2014: 1 Euro = TL 2,8207, 1 USD = TL 2,3189). For the period between January 1, 2015 and March 31, 2015, average rates declared by Central Bank of Republic of Turkey are 1 Euro = TL 2,7709, 1 USD = TL 2,4571. (January 1, 2014 and March 31, 2014: 1 Euro = TL 3,0342, 1 USD = TL 2,2146).

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015

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

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

2.2 Changes in the Accounting Policies:

Comparative Information and Restatement of Prior Period Financial Statements

31 March 2014 Income Statement	Previously reported	Classification of Foreign Exchange	Reclassified
Revenue	792.460.191	-	792.460.191
Cost of Sales (-)	(612.794.060)	-	(612.794.060)
GROSS PROFIT FROM OPERATIONS	179.666.131	-	179.666.131
Research Expenses (-)	(4.434.311)	-	(4.434.311)
Marketing, Sales and Distribution Expenses (-)	(73.951.133)	-	(73.951.133)
General Administrative Expenses (-)	(26.854.604)	-	(26.854.604)
Other Operating Income	93.040.371	(62.295.305)	30.745.066
Other Operating Expenses (-)	(87.589.169)	62.295.305	(25.293.864)
OPERATING PROFIT FROM MAIN OPERATIONS	79.877.285	-	79.877.285
Income from Investment Activities	134.704.542	(86.575.613)	48.128.929
Expenses from Investment Activities (-)	(95.022.621)	85.703.605	(9.319.016)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES	119.559.206	(872.008)	118.687.198
Financial Income	11.270.191	872.008	12.142.199
Financial Expenses (-)	(52.913.837)	-	(52.913.837)
PROFIT BEFORE TAX	77.915.560	-	77.915.560
Tax Expense	(16.581.565)	-	(16.581.565)
Tax on Income (-)	(19.480.758)	-	(19.480.758)
Deferred Tax Income	2.899.193	-	2.899.193
PROFIT FOR THE PERIOD	61.333.995	-	61.333.995

Foreign exchange gain and loss amounting to TL 62.295.305 under other operating income in the previous period are netted-off in the financial statements.

Foreign exchange gain amounting to TL 86.575.613 under income from investment activities in the previous period are netted-off foreign exchange loss amounting to 85.703.605 under expenses from investment activities and the remaining balance of TL 872.008 is classified into financial income.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015**
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.3 Adoption of New and Revised International Financial Reporting Standards:

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

a. New standards, amendments and interpretations about the existing standards as of 31 March 2015

- Amendment to IAS 19, “Defined Benefit Plans”
- Annual improvements (2010-2012)
- Annual improvements (2011-2013)

b. Standards and amendments published but not effective as of 31 March 2015

- UFRS 11, Amendment to “Joint Arrangements”
- UMS 16 “Tangible Assets” and UMS 41 “Agricultural Activities”
- Amendment to UMS 16 and UMS 38: “Tangible Assets” and “Intangible Assets”
- UFRS 14, “Regulatory Deferral Accounts”
- UMS 27, “Separate Financial Statements”
- UFRS 10 “Consolidated Financial Statements” and UMS 28 “Investments in Associates”
- Annual improvements (2014)
- UMS 1 “First Adoption of UFRS”
- UFRS 15 “Revenue from Contracts with Customers”
- UFRS 9 “Financial Instruments”

3. SEGMENTAL INFORMATION

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

4. CASH AND CASH EQUIVALENTS

	31 March 2015	31 December 2014
Demand deposits	3.823.549	3.019.245
Time deposits (*)	1.145.469.699	1.030.810.637
	1.149.293.248	1.033.829.882

(*) Time deposits consist of overnights amounting to TL 987.155.671 (31 December 2014: TL 89.854.816).

Details of time deposits are shown below:

Currency Type	Annual Weighted Average Effective Interest Rate (%)	Maturity	31 March 2015
TL	9.65%	April 2015	94.462.000
USD	2.33%	April 2015	1.051.007.699
			1.145.469.699

Currency Type	Annual Weighted Average Effective Interest Rate (%)	Maturity	31 December 2014
TL	10.00%	January 2015	64.949.805
USD	2.78%	January-February 2015	965.860.832
			1.030.810.637

5. FINANCIAL INVESTMENTS

Short Term Financial Investments:	31 March 2015	31 December 2014
Available for sale financial assets	886.433	778.877
	886.433	778.877

Long Term Financial Investments:	31 March 2015	31 December 2014
Available for sales financial assets	526.740.932	529.047.891
	526.740.932	529.047.891

Long Term Available for Sale Financial Investments	Share %	31 March 2015	Share %	31 December 2014
G New, Inc	19.23%	175.542.535	19.23%	175.542.535
Godiva Belgium BVBA	19.23%	323.374.698	19.23%	323.374.698
BİM Birleşik Mağazalar A.Ş.	0.20%	27.623.581	0.20%	29.930.540
Other		200.118		200.118
		526.740.932		529.047.891

Available for sale financial assets are presented at their fair values. The after tax difference belonging to equity holder of TL 313.544.520 (31 March 2014: TL 257.280.269) in the fair values of such assets has directly been presented in other comprehensive income under equity.

As the expected value gaps for available for sale financial assets of TL 200.118 (31 December 2014: TL 200.118) that are not traded in an active market are high and expected values are not reliably measured, these have been presented at historical cost in accompanying consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015

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

6. FINANCIAL LIABILITIES

	31 March 2015	31 December 2014
Short Term Liabilities	88.771.673	78.154.911
Short Term Portion of Long Term Liabilities	25.909.900	13.293.204
Long Term Liabilities	1.347.077.111	1.243.537.763
	1.461.758.684	1.334.985.878
<u>Short Term Liabilities</u>	31 March 2015	31 December 2014
Bank Loans	2.853.730	2.613.436
Non-Trade Payables to Related Parties (Note 20)	85.917.943	75.541.475
	88.771.673	78.154.911
<u>Short Term Portion of Long Term Liabilities</u>	31 March 2015	31 December 2014
Bank Loans	25.909.900	13.233.309
Financial Lease Payables	-	59.895
	25.909.900	13.293.204
<u>Long Term Liabilities</u>	31 March 2015	31 December 2014
Bank Loans	1.347.077.111	1.243.537.763
	1.347.077.111	1.243.537.763

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

Syndication loan consists of two credit trenches which are USD 284.500.00 and EUR 211.823.840. 26 international banks joined to the syndication. Effective interest rate for both credit trenches is Libor + 2.75% and the maturity date is November 2017. Principal payments of the loans are repaid at maturity with semi-annual interest payments.

The covenants which belong to syndication loan are as follows:

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

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

Bank Loans:

31 March 2015

<u>Currency</u>	<u>Maturity</u>	<u>Annual Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	April 2015	Spot	6.550.373	-
EUR	April 2015-November 2017	2.95%	17.974.165	610.985.020
USD	April 2015-November 2017	2.94%	90.157.035	736.092.091
			114.681.573	1.347.077.111

31 December 2014

<u>Currency</u>	<u>Maturity</u>	<u>Annual Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	January 2015	Spot	5.335.654	-
EUR	April 2015-November 2017	2.97%	11.226.635	590.930.817
USD	February 2015-November 2017	2.90%	74.825.931	652.606.946
			91.388.220	1.243.537.763

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

6. FINANCIAL LIABILITIES (cont'd)

The maturity detail of the bank loans is as follows:

	31 March 2015	31 December 2014
to be paid within 1 year	114.681.573	91.388.220
to be paid within 1-2 years	2.830.900	-
to be paid within 2-3 years	1.333.426.027	1.243.537.763
to be paid within 3-4 years	4.529.440	-
to be paid within 4-5 years	6.290.744	-
	1.461.758.684	1.334.925.983

Financial Lease Payables:

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

Short-Term Financial Lease Payables	31 March 2015	31 December 2014
Financial lease payables	-	67.114
Deferred financial lease payables (-)	-	(7.219)
	-	59.895

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

	31 March 2015	31 December 2014
to be paid within 1 year	-	59.895
	-	59.895

7. TRADE RECEIVABLES AND PAYABLES

	31 March 2015	31 December 2014
Short Term Due from Related Parties		
Due from related parties (Note 20) (net)	622.159.334	555.788.783
	622.159.334	555.788.783
Other Trade Receivables		
Trade receivables (net)	35.017.640	45.049.869
Notes receivables (net)	1.743.752	4.554.097
Provision for doubtful receivables	(1.614.629)	(1.550.365)
	35.146.763	48.053.601
Total Short Term Trade Receivables	657.306.097	603.842.384
	31 March 2015	31 December 2014
Long Term Due from Related Parties		
Due from related parties (Note 20)	5.016.739	5.016.739
Total Long Term Trade Receivables	5.016.739	5.016.739

Trade receivables are disclosed at discounted net realizable value using the effective yield method. Net realizable value has been calculated over discount rate of 10.5% (2014: 10.5%) based on the Group's cash sales. The provision for trade receivables is provided for based on the estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015

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

7. TRADE RECEIVABLES AND PAYABLES (cont'd)

The movement of the allowance for doubtful receivables as of 31 March 2015 and 2014 is as follows:

	1 January – 31 March 2015	1 January – 31 March 2014
Opening balance	(1.550.365)	(6.222.135)
Charge for the period	(70.488)	(185.531)
Provisions released	-	28.573
Collections	6.224	5.500
Closing balance	(1.614.629)	(6.373.593)

	31 March 2015	31 December 2014
Short Term Trade Payables		
Due to related parties (Note 20) (net)	308.399.425	270.908.832
Trade payables (net)	191.014.765	240.430.678
	499.414.190	511.339.510

Trade payables are disclosed at discounted net realizable value using the effective yield method. Net realizable value has been calculated over discount rate of 10.5% (2014: 10.5%) based on the Group's cash sales.

8. OTHER RECEIVABLES AND PAYABLES

	31 March 2015	31 December 2014
Short Term Other Receivables		
Short term other receivables	17.938.660	13.676.676
	17.938.660	13.676.676

	31 March 2015	31 December 2014
Other Short Term Receivables		
VAT receivables	17.492.356	13.261.857
Receivables from employees	407.305	317.474
Deposits and guarantees given	35.248	97.345
Other	3.751	-
	17.938.660	13.676.676

	31 March 2015	31 December 2014
Other Long Term Receivables		
Deposits and guarantees given	221.942	171.384
	221.942	171.384

	31 March 2015	31 December 2014
Other Payables		
Payables to shareholders (Note 20) (*)	53.558.095	-
Other short-term payables (*)	41.508.390	944.034
	95.066.485	944.034

(*) Includes TL 94.000.000 dividend, which has been resolved at the General Assembly Meeting for the year of 2014 held on 26 March 2015, and distributed starting on 7 April 2015. TL 53.558.095 accounted in payables to shareholders present the dividend payables to Yıldız Holding A.Ş., Ülker family and a related party Farmamak Ambalaj Maddeleri ve Ambalaj Makineleri; whereas TL 40.441.905 under other short-term payables present the non-group dividend payables.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

9. INVENTORIES

Inventory details are as follows:

	31 March 2015	31 December 2014
Raw materials	78.814.176	77.047.897
Work in progress	10.913.342	10.426.810
Finished goods	138.582.314	114.747.889
Trade goods	101	134.146
Other inventories	13.543.993	13.534.443
Allowance for impairment on inventory (-)	(4.149.641)	(3.555.919)
	237.704.285	212.335.266

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

The movement of allowance for impairment on inventory for the periods ended 31 March 2015 and 2014 are below:

	1 January- 31 March 2015	1 January- 31 March 2014
Opening balance	(3.555.919)	(4.790.533)
Charge for the period	(1.011.485)	(396.085)
Provisions released	417.763	1.595.395
Closing balance	(4.149.641)	(3.591.223)

10. INVESTMENT PROPERTIES

	31 March 2015	31 March 2014
Opening balance	11.000.000	10.035.000
Closing balance	11.000.000	10.035.000

The fair value of the Group's investment properties at 31 December 2014 has been calculated on the basis of a valuation carried out at that date by 1 December 2014 and 6 December 2013, by independent valuers not related to the Group. EVA Gayrimenkul Değerleme Danışmanlık A.Ş. is one of the accredited independent valuers by Capital Markets Board of Turkey, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, based on market evidence of transaction prices for similar properties.

The rent income earned by the Group from its investment properties amounting to TL 145.127 (31 March 2014: TL 54.676) within the current period. Direct operating expenses arising from the investment properties in the current period amounting to TL 20.404 (31 March 2014: TL 16.812).

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

11. PROPERTY, PLANT AND EQUIPMENT

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

Cost	1 January 2015	Addition	Disposal	Transfers	31 March 2015
Land	3.386.659	-	-	-	3.386.659
Land improvements	7.191.876	28.515	-	-	7.220.391
Buildings	240.912.607	188.262	-	-	241.100.869
Machinery, plant and equipment	789.041.606	3.094.315	(808.002)	4.095.191	795.423.110
Vehicles	931.045	-	-	-	931.045
Furniture and fixtures	45.538.662	1.031.307	(45.037)	418.466	46.943.398
Leasehold improvements	16.035.226	35.908	(125.920)	-	15.945.214
Other tangible assets	1.396	-	-	-	1.396
Construction in progress	49.810.642	9.422.030	(257.357)	(4.530.817)	54.444.498
	1.152.849.719	13.800.337	(1.236.316)	(17.160)	1.165.396.580

Accumulated Depreciation	1 January 2015	Charge for the period	Disposal	Transfers	31 March 2015
Land improvements	(2.893.688)	(88.516)	-	-	(2.982.204)
Buildings	(74.104.335)	(1.789.217)	-	-	(75.893.552)
Machinery, plant and equipment	(459.348.671)	(10.782.702)	301.664	-	(469.829.709)
Vehicles	(809.255)	(8.260)	-	-	(817.515)
Furniture and fixtures	(36.333.127)	(603.947)	22.230	-	(36.914.844)
Leasehold improvements	(10.396.739)	(219.699)	24.896	-	(10.591.542)
Other tangible assets	(1.396)	-	-	-	(1.396)
	(583.887.211)	(13.492.341)	348.790	-	(597.030.762)

Net Book Value	568.962.508				568.365.818
-----------------------	--------------------	--	--	--	--------------------

From depreciation and amortization expenses, TL 12.249.880 (31 March 2014: TL 12.159.293) is included in cost of goods sold, TL 70.918 (31 March 2014: TL 73.079) is included in research and development expenses, TL 530.511 (31 March 2014: TL 527.233) is included in marketing and selling expenses and TL 750.940 (31 March 2014: TL 647.743) is included in general administrative expenses.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

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

Movements of tangible assets between 1 January 2014 - 31 March 2014 are as follows:

Cost	1 January 2014	Addition	Disposal	Transfers	31 March 2014
Land	3.376.659	-	-	-	3.376.659
Land improvements	6.484.021	-	-	-	6.484.021
Buildings	242.703.970	1.040.510	(50.100)	-	243.694.380
Machinery, plant and equipment	734.359.082	4.472.198	(67.418)	4.896.349	743.660.211
Vehicles	1.109.054	-	(36.401)	-	1.072.653
Furniture and fixtures	44.252.580	396.512	(1.006)	132.219	44.780.305
Leasehold improvements	16.013.470	57.761	-	-	16.071.231
Other tangible assets	1.396	-	-	-	1.396
Construction in progress	19.427.468	5.998.105	(34)	(5.028.568)	20.396.971
	1.067.727.700	11.965.086	(154.959)	-	1.079.537.827

Accumulated Depreciation	1 January 2014	Charge for the period	Disposal	Transfers	31 March 2014
Land improvements	(2.563.708)	(78.371)	-	-	(2.642.079)
Buildings	(67.163.827)	(1.792.958)	167	-	(68.956.618)
Machinery, plant and equipment	(416.809.998)	(10.758.074)	9.277	-	(427.558.795)
Vehicles	(1.051.259)	(11.889)	33.739	-	(1.029.409)
Furniture and fixtures	(37.275.765)	(455.823)	775	-	(37.730.813)
Leasehold improvements	(10.303.640)	(216.596)	-	-	(10.520.236)
Other tangible assets	(1.396)	-	-	-	(1.396)
	(535.169.593)	(13.313.711)	43.958	-	(548.439.346)

Net Book Value	532.558.107				531.098.481
-----------------------	--------------------	--	--	--	--------------------

There is a building acquired through financial leasing amounting to TL 988.315 between the period 1 January – 31 March 2014.

There is no collateral or mortgage on fixed assets.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

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

The useful lives of tangible assets are as follows:

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

12. INTANGIBLE ASSETS

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

12. INTANGIBLE ASSETS (cont'd)

Movements of intangible assets between 1 January 2014 - 31 March 2014 are as follows:

Cost	1 January 2014	Addition	31 March 2014
Rights	1.926.463	297.316	2.223.779
Development costs	230.657	-	230.657
Other intangible assets	1.141.475	1.009	1.142.484
	3.298.595	298.325	3.596.920
Accumulated amortization	1 January 2014	Charge for the Period	31 March 2014
Rights	(1.645.266)	(49.404)	(1.694.670)
Development costs	(23.067)	(11.533)	(34.600)
Other intangible assets	(838.673)	(32.700)	(871.373)
	(2.507.006)	(93.637)	(2.600.643)
Net Book Value	791.589		996.277

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

	Useful Life
Rights	2 – 15 years
Other intangible assets	2 – 12 years

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees given:

(Foreign currency amounts are shown in original currencies)

	31 March 2015		31 December 2014	
	TL	USD	TL	USD
A) GPMs (Guarantees, Provisions and Mortgages) given for companies own legal personality	35.353.932	64.900	67.965.722	64.900
B) GPMs given on behalf of fully consolidated companies	-	-	-	-
C) GPMs given for continuation of its economic activities on behalf of third parties	-	-	-	-
D) Total amount of other GPMs	-	-	-	250.000.000
i. Total amount GPMs given on behalf of the majority shareholder (*)	-	-	-	250.000.000
ii. Total amount of GPMs given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of GPMs given on behalf of third parties which are not in scope of consolidation	-	-	-	-
Total	35.353.932	64.900	67.965.722	250.064.900

(*) The suretyship amount given on behalf of the majority shareholder is closed in the current period.

The ratio of other CPMs to the Group's equity as of 31 March 2015 is 0% (31 December 2014: 51.0%).

14. REVENUE AND COST OF SALES

The detail of the operational income is as follows:

	1 January- 31 March 2015	1 January- 31 March 2014
Domestic sales	938.228.684	840.599.800
Export sales	111.590.210	182.281.128
Sales returns and discounts (-)	(260.101.459)	(230.420.737)
Revenue (net)	789.717.435	792.460.191
Cost of goods sold (-)	(603.889.671)	(593.805.891)
Cost of trade goods sold (-)	(1.278.338)	(18.988.169)
Cost of Sales	(605.168.009)	(612.794.060)
Gross Profit	184.549.426	179.666.131

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

15. EXPENSES BY NATURE

The detail of operating expenses is as follows:

	1 January- 31 March 2015	1 January- 31 March 2014
Research Expenses		
Personnel expenses	(1.102.880)	(519.838)
Materials used	(244.204)	(1.908.659)
Depreciation and amortization expenses	(70.918)	(73.079)
Other	(175.278)	(1.932.734)
	(1.593.280)	(4.434.311)
Marketing Expenses		
Marketing operating expenses	(75.233.929)	(63.740.252)
Personnel expenses	(3.399.139)	(7.441.243)
Depreciation and amortization expenses	(530.511)	(527.233)
Rent expenses	(521.675)	(692.933)
Other	(673.585)	(1.549.472)
	(80.358.839)	(73.951.133)
General Administration Expenses		
Operating expenses (*)	(9.324.691)	(10.730.081)
Personnel expenses	(6.754.827)	(12.381.207)
Depreciation and amortization expenses	(750.940)	(647.743)
Consultancy expenses	-	(137.487)
Other	(2.607.565)	(2.958.086)
	(19.438.023)	(26.854.604)
	(101.390.142)	(105.240.048)

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

16. FINANCIAL INCOME

	1 January- 31 March 2015	1 January- 31 March 2014
Foreign exchange gain	17.521.454	12.142.199
	17.521.454	12.142.199

17. FINANCIAL EXPENSES

	1 January- 31 March 2015	1 January- 31 March 2014
Foreign exchange losses from financing	(111.430.924)	(43.882.044)
Interest expenses	(13.819.323)	(8.862.518)
Other	(1.259.862)	(169.275)
	(126.510.109)	(52.913.837)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015**

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

18. TAX ASSETS AND LIABILITIES

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

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

The rate applied in the calculation of deferred tax assets and liabilities are between 4%- 20% (2013:4%- 20%). Group is benefiting the different tax rates relating the government incentive.

Deferred tax bases:

	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Indexation and useful life differences of tangible and intangible assets	-	-	148.423.485	149.703.160
Investment properties valuation differences	-	-	10.382.126	10.369.517
Marketable securities valuation differences	-	-	330.948.727	333.147.147
Profit margin elimination on inventories	(3.935)	(133.260)	-	-
Discount of trade receivables / payables (net)	(2.168.053)	(1.821.288)	-	-
Allowance of employee termination benefits	(28.007.463)	(25.985.036)	-	-
Provision of doubtful receivables	(734.446)	(663.955)	-	-
Previous year losses	(9.198.405)	(9.494.630)	-	-
Provision for lawsuits	(3.669.259)	(3.505.439)	-	-
Impairment on inventories	(4.546.983)	(4.331.441)	-	-
Performance premium provision	(1.560.690)	(461.350)	-	-
Other	(31.864.624)	(8.191.154)	14.471.912	17.682.530
	(81.753.858)	(54.587.553)	504.226.250	510.902.354

Deferred tax (assets) / liabilities:

	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Indexation and useful life differences of tangible and intangible assets	-	-	29.684.697	29.940.632
Investment properties valuation differences	-	-	519.106	518.476
Marketable securities valuation differences	-	-	16.547.436	16.657.357
Profit margin elimination on inventories	(787)	(26.652)	-	-
Discount of trade receivables / payables (net)	(433.611)	(364.258)	-	-
Allowance of employee termination benefits	(5.601.493)	(5.197.007)	-	-
Provision of doubtful receivables	(146.889)	(132.791)	-	-
Previous year losses	(1.839.681)	(1.898.926)	-	-
Provision for lawsuits	(733.852)	(701.088)	-	-
Impairment on inventories	(909.397)	(866.288)	-	-
Performance premium provision	(312.138)	(92.270)	-	-
Investment allowance	(18.198.802)	(17.991.008)	-	-
Other	(6.372.925)	(1.638.231)	2.894.382	3.536.506
	(34.549.575)	(28.908.519)	49.645.621	50.652.971

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

18. TAX ASSETS AND LIABILITIES (cont'd)

	1 January- 31 March 2015	1 January- 31 March 2014
<u>Movement of Deferred Tax Liabilities:</u>		
Opening balance	21.744.452	29.691.245
Taxes netted against funds recognised under equity	(85.970)	6.012
Deferred tax gain	(6.562.436)	(2.899.193)
Closing balance	15.096.046	26.798.064

Corporate Tax

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

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

The effective tax rate in 31 March 2015 is 20% (2014: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2015 (31 December 2014: 20%).

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

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

Income withholding tax

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

Provision for taxation as of 31 March 2015 and 31 December 2014 are as follows:

	31 March 2015	31 December 2014
Current year corporate tax provision	(17.607.311)	(41.941.707)
Prepaid taxes and funds	811.920	32.586.944
Taxation in the balance sheet	(16.795.391)	(9.354.763)
	1 January- 31 March 2015	1 January – 31 March 2014
Current year corporate tax provision	17.607.311	19.480.758
Deferred tax income	(6.562.436)	(2.899.193)
Taxation in the income statement	11.044.875	16.581.565

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

19. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding as of 31 March 2015 and 31 March 2014 and computation of earnings per share set out here as follows:

	1 January 31 March 2015	1 January 31 March 2014
Weighted average number of common stock outstanding	34.200.000.000	34.200.000.000
Net profit	36.776.867	51.334.625
Basic Earnings Per Share (TL 1 par value each)	0,11	0,15

20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	31 March 2015	31 December 2014
Trade receivables	627.176.073	560.805.522
	627.176.073	560.805.522

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

	31 March 2015		31 December 2014	
	Trade	Non-Trade	Trade	Non-Trade
<i>Principle Shareholders</i>				
Yıldız Holding A.Ş.	-	-	-	-
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	246.309.674	-	228.601.485	-
Pasifik Tük. Ürün. Satış ve Ticaret A.Ş.	183.727.212	-	159.678.951	-
Teközel Gıda T.Sağ. Mrk. Hiz. San. Tic. A.Ş.	49.435.650	-	42.329.996	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	38.532.867	-	40.198.031	-
İstanbul Gıda Dış Tic. A.Ş.	37.078.610	-	28.854.447	-
Önem Gıda San. ve Tic. A.Ş.	20.101.825	-	16.521.478	-
Hamle Company Ltd. (Kazakhstan)	5.016.739	-	5.016.739	-
Natura Gıda San. ve Tic. A.Ş.	2.041.817	-	1.810.863	-
Other	44.931.679	-	37.793.532	-
	627.176.073	-	560.805.522	-

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

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

	31 March 2015	31 December 2014
Önem Gıda San. ve Tic. A.Ş.	104.267.532	118.241.116
	104.267.532	118.241.116

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

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

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

	31 March 2015	31 December 2014
Trade payables	308.399.425	270.908.832
Non-trade payables	53.558.095	-
	361.957.520	270.908.832

The detail of payables to related parties is as follows:

	31 March 2015		31 December 2014	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş. (*)	11.056.976	45.934.168	12.757.687	-
Other Companies Controlled by the Principle Shareholder and Ülker Family				
Önem Gıda San. ve Tic. A.Ş.	228.982.088	-	181.512.996	-
Besler Gıda ve Kimya San. Tic. A.Ş.	34.791.386	-	33.505.590	-
Marsa Yağ San. ve Tic. A.Ş.	15.669.934	-	15.331.778	-
Ak Gıda San. ve Tic. A.Ş.	11.896.596	-	16.312.668	-
Northstar Innovation A.Ş.	88.726	-	2.270.158	-
Other (*)	5.913.719	7.623.927	9.217.955	-
	308.399.425	53.558.095	270.908.832	-

(*) Presents the dividend payables not paid as of the reporting date amounting to TL 45.934.168 to Yıldız Holding A.Ş. and TL 7.623.927 to Ülker family and the related party Farmamak Ambalaj Maddeleri ve Ambalaj Makineleri.

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

	31 March 2015	31 December 2014
Eksper Gıda Pazarlama San. ve Tic. A.Ş.	82.221.300	72.819.257
Yıldız Holding A.Ş.	3.696.643	2.722.218
	85.917.943	75.541.475

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

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

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

	1 January – 31 March 2015		1 Ocak – 31 March 2014	
	Purchases	Sales	Purchases	Sales
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>				
Önem Gıda San. ve Tic. A.Ş.	265.975.727	829.448	220.371.968	17.102
Besler Gıda ve Kimya San. ve Tic. A.Ş.	34.149.687	-	43.719.099	15.485
Marsa Yağ San. ve Tic. A.Ş.	14.517.352	-	17.886.119	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	388.894.140	-	338.589.312
Ak Gıda San. ve Tic. A.Ş.	20.608.733	1.217	11.580.410	-
Pendik Nişasta San. A.Ş.	7.840.516	-	8.111.681	-
CCC Gıda San. ve Tic. A.Ş.	-	-	918.755	10.482
Hamle Company (Kazakhstan)	-	-	-	3.782.005
Teközel Gıda Tem. Sağ. Mark. Hizm. A.Ş.	-	49.754.883	-	47.967.340
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	200.840.344	-	153.574.354
İstanbul Gıda Dış Tic. A.Ş.	3.543	54.209.457	-	-
Rekor Gıda Paz. San. ve Tic. A.Ş.	3.838	36.884.039	-	-
Other	3.137.898	41.390.638	14.968.607	26.367.101
	346.237.294	772.804.166	317.556.639	570.323.181

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

For the three month period ended on 31 March 2015:

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

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

For the three month period ended on 31 March 2014;

	Rent Income	Rent Expense	Service Income	Service Expense	Interest Income and Foreign exchange gains	Interest Income and Foreign exchange losses
<i>Principle Shareholder</i>						
Yıldız Holding A.Ş.	32.208	(1.540)	155.826	(30.327.004)	37.028.303	-
<i>Other Companies Controlled by the Principle Shareholder and Ülker Family</i>						
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	(593)	-	(436.449)	37.001	(105.532)
Hüner Pazarlama San. ve Tic. A.Ş.	155.235	-	93.718	(66.240)	-	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	9.054	-	37.286	(513.926)	-	(211.768)
Önem Gıda San. ve Tic. A.Ş.	24.985	-	475.853	(373.718)	95.104	(222.973)
Marsa Yağ San. ve Tic. A.Ş.	968	-	534	-	-	(931.788)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	20.461	-	18.770	(98.092)	-	(292.811)
Northstar Innovation A.Ş.	23.895	-	47.245	(5.118.600)	-	-
Eksper Gıda Pazarlama San. ve Tic. A.Ş.	-	-	5.000	-	46.471	(10.490)
İzsal Gayrimenkul Geliştirme A.Ş.	-	(225.962)	-	(71.010)	-	(33)
Natura Gıda San. ve Tic. A.Ş.	98.028	-	92.825	(415.958)	69.428	(6)
Other	103.985	(7.500)	506.838	(809.970)	884.148	(153.257)
	468.819	(235.595)	1.433.895	(38.230.967)	38.160.455	(1.928.658)

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

	31 March 2015	31 March 2014
Fees and other short term benefits	1.709.684	3.367.400
	1.709.684	3.367.400

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

21. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

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

	31 March 2015					
	TL Equivalent	USD	EUR	GBP	CHF	DKK
1. Trade Receivables	76.916.952	22.759.880	6.064.388	88.430	-	-
2a. Monetary Financial Assets	1.053.659.144	403.127.531	279.292	148.868	14.463	29.508
2b. Non-Monetary Financial Assets	885.382	339.201	-	-	-	-
3. Other	7.112.364	1.838.456	799.115	383	7.970	75.080
4. CURRENT ASSETS	1.138.573.842	428.065.068	7.142.795	237.681	22.433	104.588
5. Trade receivables	5.016.739	1.921.975	-	-	-	-
6a. Monetary Financial Assets	84.779	32.480	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	25.109.730	2.319.874	6.677.198	39.345	-	-
8. NON-CURRENT ASSETS	30.211.248	4.274.329	6.677.198	39.345	-	-
9. TOTAL ASSETS	1.168.785.090	432.339.397	13.819.993	277.026	22.433	104.588
10. Trade Payables	39.625.492	9.652.964	5.073.466	9.704	10.881	-
11. Financial Liabilities	108.131.200	34.540.279	6.349.276	-	-	-
12a. Other Monetary Financial Liabilities	4.776	-	1.687	-	-	-
12b. Other Non-Monetary Financial Liabilities	73.628	15.090	12.095	-	-	-
13. SHORT-TERM LIABILITIES	147.835.096	44.208.333	11.436.524	9.704	10.881	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.347.077.111	282.006.011	215.827.129	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-	-
17. LONG-TERM LIABILITIES	1.347.077.111	282.006.011	215.827.129	-	-	-
18. TOTAL LIABILITIES	1.494.912.207	326.214.344	227.263.653	9.704	10.881	-
19. Net foreign currency asset/liability position	(326.127.117)	106.125.053	(213.443.660)	267.322	11.552	104.588
20. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(359.160.965)	101.642.612	(220.907.878)	227.594	3.582	29.508

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 31 MARCH 2015
 (Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

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

Foreign currency risk management (cont'd)

	31 December 2014					
	TL Equivalent	USD	EUR	CHF	GBP	DKK
1. Trade Receivables	72.435.396	26.998.160	3.262.366	-	174.413	-
2a. Monetary Financial Assets	967.526.078	416.777.581	209.258	13.281	119.219	27.737
2b. Non-Monetary Financial Assets	777.877	335.451	-	-	-	-
3. Other	4.692.641	1.617.409	330.365	4.347	-	-
4. CURRENT ASSETS	1.045.431.992	445.728.601	3.801.989	17.628	293.632	27.737
5. Trade Receivables	5.016.738	2.163.413	-	-	-	-
6a. Monetary Financial Assets	27.595	11.900	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	15.155.831	133.979	5.262.930	-	-	-
8. NON-CURRENT ASSETS	20.200.164	2.309.292	5.262.930	-	-	-
9. TOTAL ASSETS	1.065.632.156	448.037.893	9.064.919	17.628	293.632	27.737
10. Trade Payables	26.414.529	6.599.078	3.792.891	7.239	31.235	750.801
11. Financial Liabilities	86.112.460	32.267.856	4.001.322	-	-	-
12a. Other Monetary Financial Liabilities	41.182	-	14.600	-	-	-
12b. Other Non-monetary Financial Liabilities	115.215	49.685	-	-	-	-
13. CURRENT LIABILITIES	112.683.386	38.916.619	7.808.813	7.239	31.235	750.801
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.243.537.763	281.429.534	209.497.932	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-	-
17. NON-CURRENT LIABILITIES	1.243.537.763	281.429.534	209.497.932	-	-	-
18. OTHER NON-CURRENT LIABILITIES	1.356.221.149	320.346.153	217.306.745	7.239	31.235	750.801
19. Net foreign currency liability position	(290.588.993)	127.691.740	(208.241.826)	10.389	262.397	(723.064)
20. Net foreign currency of monetary items						
(1+2a+5+6a-10-11-12a-14-15-	(311.100.127)	125.654.586	(213.835.121)	6.042	262.397	(723.064)

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

	1 January – 31 March 2015	1 January – 31 March 2014
Total exports	111.590.210	182.281.128
Total imports	20.144.610	22.050.964

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

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

Foreign currency risk sensitivity

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

	31 March 2015		31 March 2014	
	Income / Expense		Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TL				
1 - US Dollar net asset / liability	26.530.755	(26.530.755)	(10.183.919)	10.183.919
2- Part of hedged from US Dollar risk (-)				
3- US Dollar net effect (1 +2)	26.530.755	(26.530.755)	(10.183.919)	10.183.919
In case of 10% appreciation of EUR against TL				
4 - Euro net asset / liability	(62.536.811)	62.536.811	796.611	(796.611)
5 - Part of hedged from Euro risk (-)				
6- Euro net effect (4 +5)	(62.536.811)	62.536.811	796.611	(796.611)
Total (3 + 6)	(36.006.056)	36.006.056	(9.387.308)	9.387.308

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair Value of Financial Assets

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

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2015
(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)**

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Fair Value of Financial Assets (cont'd)

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

	31 March 2015	Level of fair value as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets for which fair value differences reflected through profit and loss				
- Shares	886.433	886.433	-	-
Financial assets for which fair value differences reflected through comprehensive income statement				
- Shares	526.540.814	27.623.581	498.917.233	-
Total	527.427.247	28.510.014	498.917.233	-

	31 December 2014	Level of fair value as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets for which fair value differences reflected through profit and loss				
- Shares	778.877	778.877	-	-
Financial assets for which fair value differences reflected through comprehensive income statement				
- Shares	528.847.773	29.930.540	498.917.233	-
Total	529.626.650	30.709.417	498.917.233	-

23. EVENTS AFTER THE BALANCE SHEET DATE

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