

**YAZICILAR HOLDİNG ANONİM ŐİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD JANUARY 1- JUNE 30, 2017**

**(ORIGINALLY ISSUED IN TURKISH)**

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN  
TURKISH)**

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**To the Board of Directors of Yazıcılar Holding A.Ş.**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Yazıcılar Holding A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2017 and the related condensed consolidated statements of profit or loss, condensed consolidated statements of other comprehensive income, changes in equity and cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

*Other Matter*

The audit of the consolidated financial statements of the Group as of and for the year ended 31 December 2016 and the review of the condensed consolidated financial statements of the Group as of and for the six months period ended 30 June 2016 were performed by another independent auditor. The predecessor auditor expressed an unqualified audit opinion in the auditor's report dated 13 March 2017 on the consolidated financial statements as of and for the year ended 31 December 2016 and concluded that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial information of the Group for the six-months period ended 30 June 2016 was not prepared in all material respects in accordance with TMS 34 on the independent review report dated 19 August 2016.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Burç Seven  
Partner

İstanbul, 11 August 2017

# YAZICILAR HOLDİNG ANONİM ŞİRKETİ

## Interim Condensed Consolidated Financial Statements as of June 30, 2017

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**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT JUNE 30, 2017 AND DECEMBER 31, 2016**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

<b>ASSETS</b>	<b>Notes</b>	<b>Reviewed June 30, 2017</b>	<b>Audited December 31, 2016</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	<b>339.579</b>	413.363
Financial Instruments		<b>14.976</b>	9.451
Trade Receivables		<b>625.227</b>	338.933
- <i>Due from Related Parties</i>	23.1	<b>33.424</b>	28.772
- <i>Trade Receivables, Third Parties</i>		<b>591.803</b>	310.161
Other Receivables		<b>5.394</b>	14.879
- <i>Other Receivables, Third Parties</i>		<b>5.394</b>	14.879
Derivative Financial Instruments		<b>43.945</b>	40.747
Inventories		<b>326.412</b>	221.130
Prepaid Expenses		<b>52.941</b>	34.646
Current Income Tax Assets	22.1	<b>3.154</b>	12.777
Other Current Assets	11.1	<b>709.780</b>	511.831
<b>TOTAL CURRENT ASSETS</b>		<b>2.121.408</b>	1.597.757
<b>NON-CURRENT ASSETS</b>			
Financial Instruments		<b>327</b>	327
Trade Receivables		<b>9.164</b>	9.957
- <i>Trade Receivables, Third Parties</i>		<b>9.164</b>	9.957
Other Receivables		<b>3.103</b>	2.937
- <i>Other Receivables, Third Parties</i>		<b>3.103</b>	2.937
Derivative Financial Instruments		<b>21.551</b>	20.567
Inventories		<b>111.061</b>	62.025
Investments Accounted Through Equity Method	8	<b>5.368.158</b>	5.011.551
Investment Property		<b>247.926</b>	251.934
Property, Plant and Equipment	9	<b>780.890</b>	752.513
Intangible Assets	10	<b>30.926</b>	27.231
Prepaid Expenses		<b>14.069</b>	17.985
Deferred Tax Assets	22.2	<b>131.217</b>	100.688
Other Non-Current Assets	11.2	<b>1.626.778</b>	1.492.594
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8.345.170</b>	7.750.309
<b>TOTAL ASSETS</b>		<b>10.466.578</b>	9.348.066

The explanatory notes form an integral part of these interim condensed consolidated financial statements.

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT JUNE 30, 2017 AND DECEMBER 31, 2016**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Reviewed June 30, 2017</b>	<b>Audited December 31, 2016</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	7	<b>1.268.810</b>	610.678
Current Portion of Long-Term Borrowings	7	<b>1.021.021</b>	922.746
Trade Payables		<b>248.787</b>	307.119
- Due to Related Parties	23.2	<b>506</b>	393
- Trade Payables, Third Parties		<b>248.281</b>	306.726
Other Payables		<b>88.029</b>	40.645
- Due to Related Parties	23.3	<b>50.000</b>	-
- Other Payables, Third Parties		<b>38.029</b>	40.645
Deferred Income	12.1	<b>111.519</b>	42.035
Income Tax Payable	22.1	<b>6.826</b>	2.648
Short-Term Provisions		<b>32.670</b>	26.964
- Short-Term Provisions for the Employee Benefits	13.1	<b>26.556</b>	12.010
- Other Short-Term Provisions	13.2	<b>6.114</b>	14.954
Other Current Liabilities	11.3	<b>121</b>	512.111
<b>TOTAL CURRENT LIABILITIES</b>		<b>2.777.783</b>	2.464.946
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	7	<b>2.562.518</b>	2.147.252
Other Payables		<b>1.461</b>	1.463
- Other Payables, Third Parties		<b>1.461</b>	1.463
Deferred Income	12.2	<b>323.019</b>	215.638
Long-Term Provisions		<b>26.181</b>	25.199
- Long-Term Provisions for the Employee Benefits	13.1	<b>26.181</b>	25.199
Deferred Tax Liability	22.2	<b>10.217</b>	23.036
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2.923.396</b>	2.412.588
<b>TOTAL LIABILITIES</b>		<b>5.701.179</b>	4.877.534
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>3.912.338</b>	3.755.171
Paid-in Share Capital	15	<b>160.000</b>	160.000
Share Premium (Discounts)		<b>9.474</b>	9.474
Non-controlling Interest Put Option Valuation Fund		<b>5.159</b>	5.512
Other Comprehensive Income (Expense) Not To Be Reclassified to Profit or Loss		<b>(10.524)</b>	(8.407)
- Revaluation and Reclassification Gain (Loss)		<b>(10.524)</b>	(8.407)
- Income (Loss) on Remeasurements of Defined Benefit Plans		<b>(10.524)</b>	(8.407)
Other Comprehensive Income (Expense) To Be Reclassified to Profit or Loss		<b>535.526</b>	509.341
- Currency Translation Differences		<b>524.620</b>	493.207
- Hedge Gain (Loss)		<b>10.906</b>	16.134
Restricted Reserves Allocated from Net Profit	15	<b>32.000</b>	32.000
Other Reserves		<b>(65.213)</b>	(65.213)
Retained Earnings	15	<b>3.017.115</b>	3.368.005
Net Income or Loss		<b>228.801</b>	(255.541)
<b>Non-Controlling Interests</b>		<b>853.061</b>	715.361
<b>TOTAL EQUITY</b>		<b>4.765.399</b>	4.470.532
<b>TOTAL LIABILITIES</b>		<b>10.466.578</b>	9.348.066

The explanatory notes form an integral part of these interim condensed consolidated financial statements.

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX AND THREE MONTHS PERIODS ENDED JUNE 30, 2017 AND 2016**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed		Not Reviewed	
		January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Revenue		<b>1.548.471</b>	1.499.649	<b>855.827</b>	765.893
Cost of Sales		<b>(1.201.193)</b>	(1.214.422)	<b>(675.934)</b>	(612.749)
<b>GROSS PROFIT (LOSS)</b>		<b>347.278</b>	285.227	<b>179.893</b>	153.144
General Administrative Expenses	16	<b>(112.669)</b>	(97.135)	<b>(59.792)</b>	(47.763)
Marketing Expenses	16	<b>(94.851)</b>	(92.780)	<b>(47.553)</b>	(51.613)
Research and Development Expenses	16	<b>(851)</b>	(952)	<b>(459)</b>	(481)
Other Operating Income	17.1	<b>29.794</b>	9.226	<b>13.100</b>	4.165
Other Operating Expenses	17.2	<b>(21.308)</b>	(18.258)	<b>(5.749)</b>	(6.722)
Gain (Loss) from Investments Accounted Through Equity Method	4, 8	<b>404.906</b>	41.525	<b>(6.263)</b>	46.352
<b>OPERATING INCOME (LOSS)</b>		<b>552.299</b>	126.853	<b>73.177</b>	97.082
Income from Investing Activities	18.1	<b>30.618</b>	25.932	<b>7.997</b>	3.535
Expenses from Investing Activities	18.2	<b>(2.570)</b>	(1.939)	<b>(2.214)</b>	(171)
<b>OPERATING INCOME (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>580.347</b>	150.846	<b>78.960</b>	100.446
Financial Income	19	<b>102.449</b>	38.580	<b>26.233</b>	10.556
Financial Expenses	20	<b>(352.804)</b>	(167.427)	<b>(147.106)</b>	(72.765)
<b>INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>329.992</b>	21.999	<b>(41.913)</b>	38.237
Tax (Expense) Income from Continuing Operations		<b>27.720</b>	(6.308)	<b>193</b>	(6.805)
- Current Period Tax (Expense) Income	22.3	<b>(15.476)</b>	(14.598)	<b>(5.430)</b>	(6.985)
- Deferred Tax (Expense) Income	22.3	<b>43.196</b>	8.290	<b>5.623</b>	180
<b>NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>357.712</b>	15.691	<b>(41.720)</b>	31.432
<b>NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>	21	-	(8.378)	-	(7.592)
<b>NET INCOME (LOSS)</b>		<b>357.712</b>	7.313	<b>(41.720)</b>	23.840
<b>Attributable to:</b>					
- Non-Controlling Interests		<b>128.911</b>	(11.046)	<b>(17.391)</b>	158
- Equity Holders of the Parent		<b>228.801</b>	18.359	<b>(24.329)</b>	23.682
Earnings / (Loss) per share (full TRL)		<b>1,43</b>	0,11	<b>(0,15)</b>	0,15
- Earnings / (Loss) per share from continuing operations (full TRL)		<b>1,43</b>	0,16	<b>(0,15)</b>	0,20
- Loss per share from discontinued operations (full TRL)		-	(0,05)	-	(0,05)

The explanatory notes form an integral part of these interim condensed consolidated financial statements.

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX AND THREE MONTHS PERIODS ENDED JUNE 30, 2017 AND 2016

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Reviewed		Not Reviewed	
	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>357.712</b>	7.313	<b>(41.720)</b>	23.840
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items Not To Be Reclassified To Profit or Loss</b>	<b>(2.492)</b>	(1.569)	<b>(2.738)</b>	(1.648)
- Remeasurement Gain (Loss) from Defined Benefit Plans	<b>(762)</b>	(535)	<b>(1.127)</b>	(1.085)
- Shares of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified To Profit or Loss	<b>(1.882)</b>	(1.141)	<b>(1.836)</b>	(780)
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	<b>152</b>	107	<b>225</b>	217
- Deferred Tax (Loss)/ Income	<b>152</b>	107	<b>225</b>	217
<b>Items To Be Reclassified To Profit or Loss</b>	<b>28.537</b>	69.182	<b>(137.735)</b>	74.420
- Currency Translation Differences	<b>(2.287)</b>	(1.655)	<b>(958)</b>	580
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified To Profit or Loss	<b>30.824</b>	70.837	<b>(136.777)</b>	73.840
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>26.045</b>	67.613	<b>(140.473)</b>	72.772
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>383.757</b>	74.926	<b>(182.193)</b>	96.612
<b>Attributable to:</b>				
- Non-Controlling Interest	<b>131.253</b>	(4.536)	<b>(26.547)</b>	6.685
- Equity Holders of the Parent	<b>252.504</b>	79.462	<b>(155.646)</b>	89.927

The explanatory notes form an integral part of these interim condensed consolidated financial statements.



(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2017 AND 2016

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

				Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss	Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss						Retained Earnings			
	Paid-in Capital	Share Premium/Discount	Non-controlling Interest Put Option Valuation Fund	Profit / Loss on Remeasurements of Defined Benefit Plans	Currency Translation Differences	Hedge Gain / Loss	Revaluation and Reclassification Gain / Loss	Restricted Reserves Allocated from Net Income	Other Reserves	Retained Earnings	Net Income/ Loss	Attributable to Equity Holders of the Parent	Non-Controlling Interests	Equity
Balances as of January 1, 2016	160.000	9.474	1.604	(5.948)	8.970	8.959	(1.913)	30.090	(65.213)	3.590.502	(210.587)	3.525.938	791.272	4.317.210
Transfers	-	-	-	-	-	-	-	1.910	-	(212.497)	210.587	-	-	-
Total Comprehensive Income (Expense)	-	-	-	(1.384)	63.218	(6.581)	5.850	-	-	-	18.359	79.462	(4.536)	74.926
Net Income (Loss)	-	-	-	-	-	-	-	-	-	-	18.359	18.359	(11.046)	7.313
Other Comprehensive Income (Expense)	-	-	-	(1.384)	63.218	(6.581)	5.850	-	-	-	-	61.103	6.510	67.613
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	21.934	21.934
Dividends	-	-	-	-	-	-	-	-	-	(10.000)	-	(10.000)	(12.936)	(22.936)
Increase (Decrease) Due To Other Changes (**)	-	-	14	-	-	-	-	-	-	-	-	14	1	15
Balances as of June 30, 2016	160.000	9.474	1.618	(7.332)	72.188	2.378	3.937	32.000	(65.213)	3.368.005	18.359	3.595.414	795.735	4.391.149
<b>Balances as of January 1, 2017</b>	<b>160.000</b>	<b>9.474</b>	<b>5.512</b>	<b>(8.407)</b>	<b>493.207</b>	<b>16.134</b>	<b>-</b>	<b>32.000</b>	<b>(65.213)</b>	<b>3.368.005</b>	<b>(255.541)</b>	<b>3.755.171</b>	<b>715.361</b>	<b>4.470.532</b>
Transfers	-	-	-	-	-	-	-	-	-	(255.541)	255.541	-	-	-
Total Comprehensive Income (Expense)	-	-	-	(2.482)	31.413	(5.228)	-	-	-	-	228.801	252.504	131.253	383.757
Net Income (Loss)	-	-	-	-	-	-	-	-	-	-	228.801	228.801	128.911	357.712
Other Comprehensive Income/(Expense)	-	-	-	(2.482)	31.413	(5.228)	-	-	-	-	-	23.703	2.342	26.045
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	12.386	12.386
Dividends (*)	-	-	-	-	-	-	-	-	-	(95.000)	-	(95.000)	(7.334)	(102.334)
Transactions With Non-Controlling Interests	-	-	-	-	-	-	-	-	-	(349)	-	(349)	1.419	1.070
Increase (Decrease) Due To Other Changes (**)	-	-	(353)	365	-	-	-	-	-	-	-	12	(24)	(12)
<b>Balances as of June 30, 2017</b>	<b>160.000</b>	<b>9.474</b>	<b>5.159</b>	<b>(10.524)</b>	<b>524.620</b>	<b>10.906</b>	<b>-</b>	<b>32.000</b>	<b>(65.213)</b>	<b>3.017.115</b>	<b>228.801</b>	<b>3.912.338</b>	<b>853.061</b>	<b>4.765.399</b>

(\*) TRL 95.000 in the dividends line consists of cash dividend of TRL 50.000 which will be paid before the merger based on the binding agreements signed on July 29, 2017 as a result of the studies conducted on the “Anadolu Grubu Merger” as detailed in Note 25 and dividend amounting to TRL 45.000 distributed on May 31, 2017.

(\*\*) Balances in the increase (decrease) due to other changes line consists of the share of non-controlling put option valuation fund of Anadolu Efes, an associate of the Group and the outflows of comprehensive income items due to sale of shares of Ana Gıda which used to be a joint venture of the Group.

The explanatory notes form an integral part of these interim condensed consolidated financial statements.

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2017 AND 2016

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed January 1 - June 30, 2017	Reviewed January 1 - June 30, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss)		(423.629)	(102.156)
		357.712	7.313
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>(134.242)</b>	<b>149.057</b>
Adjustments for Depreciation and Amortisation Expense		65.000	59.667
Adjustments for Impairment Loss (Reversal of Impairment Loss)		2.973	(415)
- Adjustments for Impairment Loss (Reversal) of Receivables	17.2	1.773	571
- Adjustments for Impairment Loss (Reversal) of Inventories		1.200	(986)
Adjustments for Provisions		10.044	14.004
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		18.884	13.027
- Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	13.2	(9.163)	680
- Adjustments for (Reversal of) Warranty Provisions	13.2	323	297
Adjustments for Interest (Income) and Expenses		122.223	111.730
Adjustments for Unrealised Foreign Exchange Differences		139.435	10.413
Adjustments for Fair Value Losses (Gains)		(445)	(453)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method		(404.906)	(41.525)
Adjustments for Tax (Income) Expenses		(27.720)	6.584
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		(3.754)	184
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	18	(3.754)	184
Adjustments for (Income) Expense Caused by Sale or Changes in Share of Associates, Joint Ventures and Financial Investments	18	(21.239)	(21.489)
Other Adjustments to Reconcile Profit (Loss)		(15.853)	10.357
<b>Adjustments for Working Capital</b>		<b>(682.792)</b>	<b>(328.844)</b>
Decrease (Increase) in Financial Investments		(2.383)	546
Adjustments for Decrease (Increase) in Trade Accounts Receivable		(287.274)	(284.740)
Adjustments for Decrease (Increase) in Other Operating Receivables		9.319	79.055
Adjustments for Decrease (Increase) in Inventories		(152.746)	(30.500)
Adjustments for Increase (Decrease) in Trade Accounts Payable		(56.188)	111.747
Adjustments for Increase (Decrease) in Other Operating Payables		(2.618)	(11.255)
Increase (Decrease) in Deferred Income		176.865	187.438
Other Adjustments for Increase (Decrease) in Working Capital		(367.767)	(381.135)
- Decrease (Increase) in Other Assets Related with Operations		(356.375)	(381.398)
- Increase (Decrease) in Other Liabilities Related with Operations		(11.392)	263
<b>Cash Flows from Operations</b>		<b>(459.322)</b>	<b>(172.474)</b>
Dividends Received		42.896	47.780
Payments Related with Provisions for Employee Benefits		(4.118)	(3.709)
Income Taxes Refund (Paid)	22.1	(3.085)	26.247
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		<b>(478.762)</b>	<b>12.817</b>
Cash Inflows caused by Share Sales or Capital Decrease of Associate and/or Joint Ventures		55.622	-
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(509.029)	(37.500)
Proceeds from Sale of Share or Debt Instruments of Other Business Organizations or Funds		1.001	35.674
Cash Payments to Acquire Equity or Debt Instruments of Other Entities		-	(95)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		13.350	2.942
Purchase of Property, Plant, Equipment and Intangible Assets		(36.523)	(17.763)
Other Inflows (Outflows) of Cash		(3.183)	29.559
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		<b>817.125</b>	<b>198.624</b>
Proceeds from Issuing Shares or Other Equity Instruments		12.386	21.934
Proceeds from Borrowings		3.673.391	2.655.163
Repayments of Borrowings		(2.700.593)	(2.341.914)
Dividends Paid		(52.334)	(22.936)
Interest Paid		(125.710)	(121.141)
Interest Received		9.985	7.518
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>			
		<b>(85.266)</b>	<b>109.285</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		11.473	(13.519)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(73.793)</b>	<b>95.766</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6	<b>412.654</b>	<b>372.548</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>338.861</b>	<b>468.314</b>

The explanatory notes form an integral part of these interim condensed consolidated financial statements

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

Yazıcılar Holding A.Ş. (“Yazıcılar” or the “Company”), a company incorporated in Istanbul, Turkey is a holding company whose majority shares are owned by three Yazıcı families. Three Yazıcı families consist of Mr. Kamil Yazıcı and children of his two deceased brothers. The Company controls its subsidiaries through Anadolu Endüstri Holding (AEH) in which it has 68,00% stake. Certain shares of the Company are listed on the Borsa Istanbul A.Ş. (“BİST”). The Company was incorporated in 1976.

The registered office address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58, Buyaka E Blok Ümraniye, İstanbul, Turkey.

The interim condensed consolidated financial statements as of June 30, 2017 are authorized for issue by the Board of Directors on August 11, 2017, and are approved by the General Manager Sezai Tanrıverdi and the Finance Director Osman Elmas on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the statutory financial statements after the consolidated financial statements are issued.

#### Activities of the Group

The Company and its subsidiaries will be referred as the “Group” henceforth for the purposes of the interim condensed consolidated financial statements.

The Group is organized and primarily managed in four principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, motor vehicle renting); retailing (stationery, chain restaurant management and tourism); energy (production and sale of electricity) and other (information technology, trade and real estate).

The average number of personnel of the Group for the period ended at June 30, 2017 is 6,472 (December 31, 2016: 6.549).

#### List of Shareholders

As of June 30, 2017 and December 31, 2016 the composition of shareholders and their respective percentage of shareholding rates can be summarized as follows:

	June 30, 2017		December 31, 2016	
	Amount	(%)	Amount	(%)
Yazıcı Families	60.422	37,76	60.422	37,76
Kamil Yazıcı Yönetim ve Danışma A.Ş. (*)	54.163	33,85	54.163	33,85
Anadolu Ecopack Üretim ve Pazarlama A.Ş. (**)	218	0,14	218	0,14
Publicly traded (***)	45.197	28,25	45.197	28,25
<b>Paid-in share capital</b>	<b>160.000</b>	<b>100,00</b>	<b>160.000</b>	<b>100,00</b>

(\*) As disclosed in the Company’s Significant Event Disclosure dated February 24, 2017, under the planned merger process of Yazıcılar, Özilhan Sınai Yatırım A.Ş. and AEH, it is foreseen to establish a separate management company that will own all of (B) group privileged shares and part of (A) group unprivileged shares of the Company. In this context, on July 5, 2017, AG Sınai Yatırım ve Yönetim A.Ş. has been established as a result of partial division of Kamil Yazıcı Yönetim ve Danışma A.Ş..

(\*\*) Anadolu Ecopack Üretim ve Pazarlama A.Ş. has purchased a total of 217.990 shares owned by Yazıcı Family members on March 16, 2016. 26,85% of Anadolu Ecopack Üretim ve Pazarlama A.Ş. shares belong to Kamil Yazıcı Yönetim ve Danışma A.Ş. and 73,15% belong to Yazıcı Family members.

(\*\*\*) As of June 30, 2017 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş. (December 31, 2016: TRL 5.073 of the publicly traded portion, which is 3,17% of the paid-in share capital).

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)****List of Subsidiaries**

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2017 and December 31, 2016 are as follows:

	Place of incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2017	December 31, 2016
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	Other	68,00	68,00
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	68,00	68,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	67,93	67,93
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	68,00	68,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) (3)	Turkey	Inactive	Automotive	34,65	34,65
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) (2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	38,68	38,68
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (2)	Turkey	Distribution of the products of Adel, and other imported stationery products	Retailing	49,76	49,76
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities	Retailing	68,00	68,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH) (4)	Turkey	IT, internet and e-commerce services	Other	67,56	67,04
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	68,00	68,00
Anadolu Endüstri Holding Handels GmbH (AEH Handels)	Germany	Provides necessary market research of products abroad	Other	68,00	68,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management	Retailing	68,00	68,00
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	Retailing	68,00	68,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Turkey	Inactive	Other	68,00	68,00
Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt) (5)	Turkey	Industrial and commercial operations	Energy	-	68,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	67,99	67,99
Anadolu Termik Santralleri Elektrik Üretim A.Ş. (Anadolu Termik)	Turkey	Production of electricity (Investment in progress)	Energy	68,00	68,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Energy	68,00	68,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	68,00	68,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Energy	60,65	60,65
Georgia Urban Enerji LLC (GUE)	Georgia	Production and sale of electricity	Energy	54,58	54,58
AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul)	Turkey	Purchase, sale, rental and management of real estate	Other	68,00	68,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	68,00	68,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	68,00	68,00
Keyif Yiyecek Eğlence Hizmetleri A.Ş. (6)	Turkey	Inactive	Other	-	68,00
Kheledula Enerji Ltd. (Kheledula) (5)	Georgia	Production and sale of electricity (Investment in progress)	Energy	60,65	68,00
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik) (7)	Turkey	Retailing	Other	68,00	68,00

(1) Shares of Adel are quoted on BIST.

(2) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,81% respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar Holding A.Ş..

(3) Anadolu Motor and AEH have 50,00% and 1,00% shareholding at Anadolu Elektronik, respectively. As a result, Anadolu Elektronik is controlled by Yazıcılar Holding A.Ş..

(4) Capital of ABH has been increased on March 15, 2017 and only AEH participated in the capital increase, as a result, the Company's shareholding rate in ABH has increased to 67,56% from 67,04%.

(5) On February 28, 2017, AEH sold 1.513.400 shares of Anadolu Taşıt, representing 10,81% of Anadolu Taşıt's capital to Paravani Energy B.V.. As a result, the Company's shareholding rate in Kheledula has decreased to 60,65% from 68,00%. Merger of Anadolu Taşıt with Anadolu Kafkasya has been registered on May 11, 2017.

(6) Merger of Keyif Yiyecek Eğlence Hizmetleri A.Ş. with AEH has been registered on May 29, 2017.

(7) The share transfer transactions regarding the use of the right to purchase/sell option of AEH for 19,5% shares in MH Perakendecilik were completed as of May 17, 2017. As a result of the transaction, the direct share of AEH in MH Perakendecilik has increased to 100%. The final rate of the Yazıcılar in MH Perakendecilik remained unchanged since AEH's put option liability was recognized prior to this date.

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

##### Associates

The associate included in consolidation by equity method and its shareholding percentages at June 30, 2017 and December 31, 2016 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			June 30, 2017	December 31, 2016
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (*)	Turkey	Production, bottling and distribution of beer, sparkling and still beverages	27,66	27,66

(\*) Shares of Anadolu Efes are currently quoted on the BIST.

##### Joint Ventures

The investments in joint ventures accounted through equity method and their shareholding percentages at June 30, 2017 and December 31, 2016 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			June 30, 2017	December 31, 2016
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (*)	Turkey	Manufacturing and selling of Isuzu brand vehicles	37,57	37,57
Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda) (**)	Turkey	Production and marketing of olive oil, sunflower and corn oil under Kırlangıç, Komili and Madra Brands	-	37,57
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	22,67	22,67
Faber-Castell Anadolu LLC	Russia	Trading of all kinds of stationery	19,34	19,34
Migros Ticaret A.Ş. (Migros) (*)	Turkey	Sales of food and beverage and durable goods	34,00	34,00

(\*) Shares of Anadolu Isuzu and Migros are currently quoted on the BIST.

(\*\*) The sale of AEH's 55,25% shares in Ana Gıda to Koninklijke Bunge B.V. has been completed on February 21, 2017 and the share sale proceeds of TRL 55.622 was received in cash and gain on sales of joint venture amounting to TRL 21.280 was realized. Currently, AEH does not hold any shares in Ana Gıda .

#### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

##### Basis of Preparation of Financial Statements

The Group companies, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities, financial statements are prepared on historical cost basis.

## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### **NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **Basis of Preparation of Financial Statements (cont'd)**

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB Communiqué. The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at June 30, 2017 in accordance with TAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the interim condensed consolidated financial statement disclosures (Note 14, 24).

##### **Financial Reporting in Hyperinflationary Economies**

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 interim condensed consolidated financial statements of the Group have been prepared accordingly.

##### **Functional and Presentation Currency**

###### **(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The interim condensed consolidated financial statements are presented in 'TRL', which is the Group's presentation currency.

###### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statements of profit or loss within 'financial income or expense'. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss within 'Other operating income/expense'.

###### **(c) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in statement of other comprehensive income.

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### Functional and Presentation Currency (cont'd)

Functional and local currencies of foreign subsidiaries are as follows:

		June 30, 2017	December 31, 2016
	Local Currency	Functional Currency	Functional Currency
AEH Handels	EUR	EUR	EUR
Oyex	EUR	EUR	EUR
GUE	Georgian Lari (GEL)	GEL	GEL
Kheledula	Georgian Lari (GEL)	GEL	GEL

In the consolidated financial statements, foreign currency translation differences arises from Migros, a joint venture of the Group and Anadolu Efes, an associate of the Group, as a result of their operations in abroad.

##### Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended June 30, 2017 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2016, except the issues mentioned below. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016.

##### Comparative Information and Restatement of Prior Period Financial Statements

The interim condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. The Group has made some classifications in the consolidated financial statements of the prior periods in order to ensure consistency with the presentation of the consolidated financial statements in the current period. The nature, cause and amount of classifications are explained below:

- In order to maintain consistency with the presentation of the current period financial statements, the foreign exchange gains and foreign exchange losses amounting to TRL 172.689 and TRL 39.616 respectively included in financial income and finance expenses on the interim condensed consolidated statements of profit or loss for the periods ended June 30, 2016 and March 31, 2016 have been netted.

##### Seasonality of Operations

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, an associate of the Company, may include the effects of the seasonal variations. Therefore, the results of "Investments accounted through equity method" account for the first six months up to June 30, 2017 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products in January each year and then carries out "dealer fairs" for the sales of the brands produced and imported in March. At these sales campaigns and dealer fairs, cheques are received in the amount of orders from the customers and the received orders are met in the first half of the year. Cheques are presented as "trade receivables" and "other short term liabilities" in the condensed consolidated financial statements and cause the amount of these items to be high periodically until September - October when they are collected.

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### New standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements as at June 30, 2017 are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2016, except for the adoption of new standards and IFRIC interpretations summarized below.

##### a. Amendments to TAS affecting amounts reported and/or disclosures in the consolidated financial statements

None.

##### b. New and revised TAS applied with no material effect on the consolidated financial statements

None.

##### c. New and revised TAS in issue but not yet effective

The Group has not applied the following new and revised TAS that have been issued but are not yet effective:

IFRS 9	<i>Financial Instruments</i> <sup>1</sup>
IFRS 15	<i>Revenue from Contracts with Customers</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

##### IFRS 9 Financial Instruments

IFRS 9, issued by Public Oversight Authority (“POA”) in 2010, introduces new requirements for the classification and measurement of financial assets. IFRS 9 is amended in 2011 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Revised version of IFRS 9 is issued by POA in January 2017 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income (“FVTOCI”) measurement category for certain simple debt instruments.

IFRS 9 is effective for the annual periods beginning on or after 1 January 2018. Early adoption is permitted unless before 1 February 2015.

##### IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when the entity satisfies a performance obligation

IFRS 15 also clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

Group will evaluate the effects of new and revised standards and interpretations on its operations and will be implemented after its effective date.



## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### **NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **Changes in Accounting Policies, Accounting Estimates and Errors**

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the comparative period are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively. The Group has not identified any significant accounting error or estimated changes in accounting policies in the current year.

#### **NOTE 3 - BUSINESS COMBINATIONS**

##### **Transactions for the period of June 30, 2017**

Migros, in line with its long-term growth strategy, signed a share sale and purchase agreement with Tesco Overseas Investments Limited (the "Seller") on June 10, 2016 to purchase approximately 95,5% of the shares of Tesco Kipa Kitle Pazarlama Ticaret Lojistik ve Gıda Sanayi A.Ş. ("Kipa") owned by the Seller. According to the share sale and purchase agreement and the latest financial statements of Kipa released on February 29, 2016, the purchase price of the said shares was TRL 302.287 as of the date of the agreement (June 10, 2016). To obtain the necessary legal permit, Migros applied to the Competition Authority on June 21, 2016 and the application was approved on February 9, 2017. According to the annual closing statement of financial position of Kipa dated February 28, 2017, the purchase price of the shares was TRL 199.012. Migros took over the management of Kipa, whose main area of activity is retail, on March 1, 2017. Acquired operation provided net sales amounting to TRL 789.798 and net loss of TRL 63.842 from March 1, 2017 to June 30, 2017. Migros has recognized a non-controlling interest of TRL 58.239 over the proportional share of Kipa's non-controlling share of net identifiable assets (The Group's share of net loss amounts to TRL 31.921). The principal activity of the acquired entity is retail trade.

The acquisition of Kipa has been accounted for in accordance with TFRS 3 – 'Business Combinations'. The fair value of identifiable assets and liabilities acquired within the context of the said business combination as of June 30, 2017 has been stated as a draft and these items were reported at their provisional value in summary consolidated financial statements of Migros. The period determined to carry out additions and adjustments concerning the fair value of the assets, liabilities and contingent liabilities is 12 months from the date of purchase.

Bargain purchase gain amounting to TRL 1.069.864 has been calculated in respect of the share acquisition of Kipa in accordance with TFRS 3 "Business Combinations" as a result of accounting within the scope of acquisition accounting. The Group's share of the calculated bargain purchase gain amounts to TRL 534.932 which has been reflected in the interim condensed consolidated financial statements as of June 30, 2017.

##### **Transactions for the year of 2016**

None.

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 4 - JOINT VENTURES

##### Joint Ventures

Entity	Principle activities	Country	June 30, 2017		December 31, 2016	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	92.903	37,57	101.498	37,57
Ana Gıda (**)	Production and marketing of olive oil, sunflower and corn oil under Kirlangiç, Komili and Madra Brands	Turkey	-	-	33.977	37,57
Aslancık	Production of electricity	Turkey	440	22,67	(692)	22,67
Faber-Castell Anadolu LLC	Trading of all kinds of stationery	Russia	1.039	19,34	1.294	19,34
Migros (*)	Sales of food and beverages and durable goods	Turkey	2.495.897	34,00	2.104.941	34,00
			2.590.279		2.241.018	

Entity	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
	Group's interest in net income/(loss)			
Anadolu Isuzu (*)	(7.319)	(3.855)	(1.727)	(3.038)
Ana Gıda (**)	-	3.474	-	1.913
Aslancık	1.132	6.138	5.360	1.623
Faber-Castell Anadolu LLC	(280)	102	(214)	110
Migros (*)	384.712	(18.522)	(61.452)	(1.891)
<b>378.245</b>				
<b>(12.663)</b>				
<b>(58.033)</b>				
<b>(1.283)</b>				

(\*) Shares of Anadolu Isuzu and Migros are quoted on the BIST.

(\*\*) The sale of AEH's 55,25% shares in Ana Gıda to Koninklijke Bunge B.V. has been completed on February 21, 2017 and the share sale proceeds of TRL 55.622 was received in cash and gain on sales of joint venture amounting to TRL 21.280 was realized. Currently, AEH does not hold any shares in Ana Gıda .

Summary financial information of the Group's joint venture Anadolu Isuzu is as follows:

	June 30, 2017		December 31, 2016	
<b>Anadolu Isuzu</b>				
Total assets	909.873		885.067	
Total liabilities	669.770		622.602	
Net assets	240.103		262.465	
<b>Group's interest in net assets</b>	<b>92.903</b>		<b>101.498</b>	
	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>Anadolu Isuzu</b>				
Revenue	351.013	377.325	186.884	177.543
Net loss for the period	(19.038)	(10.031)	(4.490)	(7.906)
<b>Group's share in net loss of the joint venture</b>	<b>(7.319)</b>	<b>(3.855)</b>	<b>(1.727)</b>	<b>(3.038)</b>

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**NOTE 4 - JOINT VENTURES (cont'd)**

Summary financial information of Ana Gıda which used to be the Group's investment in joint venture is as follows:

	December 31, 2016	
<b>Ana Gıda</b>		
Total assets		187.130
Total liabilities		118.189
Net assets		68.941
Group's interest in net assets		33.977
	January 1- June 30, 2016	April 1- June 30, 2016
<b>Ana Gıda</b>		
Revenue	170.259	88.586
Net income for the period	6.287	3.463
Group's share in net income of the joint venture	3.474	1.913

Summary financial information of the Group's investment in joint venture Aslancık is as follows:

	June 30, 2017	December 31, 2016	
<b>Aslancık</b>			
Total assets	<b>455.502</b>		465.905
Total liabilities	<b>450.573</b>		464.372
Net assets	<b>4.929</b>		1.533
Fair value adjustment	<b>(3.609)</b>		(3.609)
Net assets included in consolidation	<b>1.320</b>		(2.076)
<b>Group's interest in net assets</b>	<b>440</b>		(692)
	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2016
<b>Aslancık</b>			
Revenue	<b>54.168</b>	59.169	31.964
Net income for the period	<b>3.396</b>	18.415	4.868
<b>Group's share in net income of the joint venture</b>	<b>1.132</b>	6.138	1.623

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#### NOTE 4 - JOINT VENTURES (cont'd)

Summary financial information of the Group's investment in joint ventures Faber Castell Anadolu LLC is as follows:

	June 30, 2017		December 31, 2016	
<b>Faber Castell Anadolu LLC</b>				
Total assets		<b>13.683</b>		9.982
Total liabilities		<b>11.604</b>		7.395
Net assets		<b>2.079</b>		2.587
<b>Group's interest in net assets</b>		<b>1.039</b>		1.294

  

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>Faber Castell Anadolu LLC</b>				
Revenue	<b>9.263</b>	5.986	<b>5.263</b>	3.487
Net (loss)/income for the period	<b>(559)</b>	204	<b>(427)</b>	219
<b>Group's share in net (loss)/income of the joint venture</b>	<b>(280)</b>	102	<b>(214)</b>	110

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#### NOTE 4 - JOINT VENTURES (cont'd)

Summary financial information of the Group's investment in joint venture Migros is as follows:

	June 30, 2017	December 31, 2016		
<b>Migros</b>				
Current assets	3.218.457	2.471.347		
Non-current assets	5.685.727	3.805.379		
<b>Total assets</b>	<b>8.904.184</b>	<b>6.276.726</b>		
Short-term borrowings	901.848	340.525		
Other current liabilities	4.020.217	2.980.235		
Long-term borrowings	2.696.999	2.623.011		
Other non-current liabilities	236.455	140.342		
<b>Total liabilities</b>	<b>7.855.519</b>	<b>6.084.113</b>		
<b>Net assets</b>	<b>1.048.665</b>	<b>192.613</b>		
<b>Attributable to:</b>				
Non-controlling interests	56.236	820		
<b>Equity holders of the parent</b>	<b>992.429</b>	<b>191.793</b>		
<b>Group's interest in net assets</b>	<b>2.495.897</b>	<b>2.104.941</b>		
	<b>January 1 - June 30, 2017</b>	<b>January 1 - June 30, 2016</b>	<b>April 1 - June 30, 2017</b>	<b>April 1 - June 30, 2016</b>
Revenue	<b>7.036.942</b>	5.079.045	<b>3.923.307</b>	2.667.948
Net income/(loss) for the period	786.612	(62.031)	(119.421)	(36.288)
Non-controlling interests	(2.880)	29	(1.899)	14
<b>Equity holders of the parent</b>	<b>789.492</b>	(62.060)	<b>(117.522)</b>	(36.302)
<b>Group's interest in net income/(loss)</b>	<b>384.712</b>	(18.522)	<b>(61.452)</b>	(1.891)
- Non-controlling interests	123.108	(5.927)	(19.665)	(605)
- Equity holders of the parent	261.604	(12.595)	(41.787)	(1.286)

The movement of carrying value of the Group's joint venture, Migros in the interim condensed consolidated financial statements as of June 30, 2017 and June 30, 2016 is as follows:

	June 30, 2017	June 30, 2016
Balance at the beginning of period	<b>2.104.941</b>	2.238.866
Group's share in net income/(loss) (*)	<b>384.712</b>	(18.522)
Group's share in currency translation differences	<b>5.912</b>	431
Group's share in remeasurement funds	<b>332</b>	(140)
<b>Balance at the end of period</b>	<b>2.495.897</b>	<b>2.220.635</b>

(\*) Bargain purchase gain amounting to TRL 1.069.864 has been calculated in respect of the share acquisition of Kipa, as detailed in Note 3 as a subsidiary in accordance with TFRS 3 "Business Combinations" as a result of accounting within the scope of acquisition accounting. The Group's share of the calculated bargain purchase gain amounts to TRL 534.932 which has been reflected in the interim condensed consolidated financial statements as of June 30, 2017.

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### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

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#### **NOTE 5 - SEGMENT REPORTING**

The Group is organized and primarily managed in four principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, motor vehicle renting); retailing (stationery, chain restaurant management and tourism); energy (production and sale of electricity) and other (information technologies, trade and real estate).

Since segment reporting and information used in the Group management reporting is consistent with consolidated statement of financial position and consolidated statement of profit or loss of the Group does not need to perform reconciliation between the consolidated statement of profit or loss, consolidated statement of financial position and the segment reporting disclosure.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 5 - SEGMENT REPORTING (cont'd)

January 1 - June 30, 2017	Automotive	Retailing	Energy	Other	Unallocated	Consolidated
Sales	915.035	527.576	35.149	70.711	-	1.548.471
Inter-segment sales	3.780	1.579	-	14.387	(19.746)	-
<b>Total Sales</b>	<b>918.815</b>	<b>529.155</b>	<b>35.149</b>	<b>85.098</b>	<b>(19.746)</b>	<b>1.548.471</b>
<b>GROSS PROFIT(LOSS)</b>	<b>184.984</b>	<b>127.671</b>	<b>16.737</b>	<b>34.979</b>	<b>(17.093)</b>	<b>347.278</b>
General administrative expenses	(36.447)	(31.029)	(6.065)	(54.462)	15.334	(112.669)
Marketing expenses	(45.392)	(40.422)	-	(10.754)	1.717	(94.851)
Research and development expenses	(851)	-	-	-	-	(851)
Other operating income	13.994	3.803	11	690	11.296	29.794
Other operating expenses	(2.934)	(14.183)	(511)	(3.686)	6	(21.308)
Gain (Loss) from the investments accounted through equity method (*)	-	(280)	-	-	405.186	404.906
<b>OPERATING INCOME (LOSS)</b>	<b>113.354</b>	<b>45.560</b>	<b>10.172</b>	<b>(33.233)</b>	<b>416.446</b>	<b>552.299</b>
Income from investing activities	651	295	17	9.571	20.084	30.618
Expenses from investing activities	(149)	(2.284)	-	(649)	512	(2.570)
<b>OPERATING INCOME (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)</b>	<b>113.856</b>	<b>43.571</b>	<b>10.189</b>	<b>(24.311)</b>	<b>437.042</b>	<b>580.347</b>
Financial income	37.470	4.117	40.639	20.034	189	102.449
Financial expenses	(217.584)	(20.077)	(11.073)	(95.656)	(8.414)	(352.804)
<b>INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(66.258)</b>	<b>27.611</b>	<b>39.755</b>	<b>(99.933)</b>	<b>428.817</b>	<b>329.992</b>
<b>Tax (Expense) Income from Continuing Operations</b>	<b>14.112</b>	<b>(8.640)</b>	<b>(62)</b>	<b>22.312</b>	<b>(2)</b>	<b>27.720</b>
- Current period tax (expense) income	-	(14.643)	(86)	(747)	-	(15.476)
- Deferred tax (expense) income	14.112	6.003	24	23.059	(2)	43.196
<b>NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(52.146)</b>	<b>18.971</b>	<b>39.693</b>	<b>(77.621)</b>	<b>428.815</b>	<b>357.712</b>
<b>Attributable to:</b>	<b>(52.146)</b>	<b>18.971</b>	<b>39.693</b>	<b>(77.621)</b>	<b>428.815</b>	<b>357.712</b>
- Non-controlling interest	4.507	-	4.303	-	120.101	128.911
- Equity holders of the parent	(56.653)	18.971	35.390	(77.621)	308.714	228.801
<b>Total Assets</b>	<b>3.138.531</b>	<b>755.362</b>	<b>461.674</b>	<b>5.004.374</b>	<b>1.106.637</b>	<b>10.466.578</b>
Investments accounted through equity method	-	1.039	-	-	5.367.119	5.368.158
<b>Total Liabilities</b>	<b>2.905.595</b>	<b>505.573</b>	<b>402.898</b>	<b>1.968.030</b>	<b>(80.917)</b>	<b>5.701.179</b>
Net debt	2.593.604	293.773	377.849	1.232.568	-	4.497.794
Purchases of tangible & intangible assets and investment property (**)	22.551	10.598	2.188	1.186	-	36.523
Purchases of assets used in renting activities	644.669	-	-	-	-	644.669
Depreciation and amortization (**)	35.058	14.622	7.966	7.365	(11)	65.000

(\*) Gain recognized from Anadolu Efes, Aslancık and Migros amounting TRL 412.505 and loss recognized from Anadolu Isuzu amounting TRL 7.319 which are accounted through equity method are recorded under gain/loss from the investments accounted through equity method in 'unallocated' segment; loss recognized from Faber Castel Anadolu LLC amounting to TRL 280 is recorded in "retailing" segment.

(\*\*) TRL 95 of the tangible & intangible assets and investment property purchases and TRL 1.930 of the depreciation and amortization belong to Investment Properties.

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#### NOTE 5 - SEGMENT REPORTING (cont'd)

January 1-June 30, 2016	Automotive	Retailing	Energy	Other	Unallocated	Consolidated
Sales	933.257	476.907	32.728	56.757	-	1.499.649
Inter-segment sales	2.494	2.136	-	13.881	(18.511)	-
Total Sales	935.751	479.043	32.728	70.638	(18.511)	1.499.649
GROSS PROFIT	144.449	112.281	17.252	25.827	(14.582)	285.227
General administrative expenses (-)	(30.652)	(31.622)	(5.683)	(43.426)	14.248	(97.135)
Marketing expenses (-)	(40.639)	(38.748)	-	(15.418)	2.025	(92.780)
Research and development expenses (-)	(1.049)	-	-	-	97	(952)
Other operating income	5.558	2.357	539	694	78	9.226
Other operating expenses (-)	(1.907)	(12.702)	(16)	(3.638)	5	(18.258)
Gain/ (Loss) from the investments accounted through equity method (*)	-	102	-	-	41.423	41.525
OPERATING PROFIT / LOSS	75.760	31.668	12.092	(35.961)	43.294	126.853
Income from investing activities	474	1.723	-	24.666	(931)	25.932
Expenses from investing activities (-)	-	(1.634)	-	(305)	-	(1.939)
OPERATING PROFIT/ LOSS BEFORE FINANCIAL EXPENSE	76.234	31.757	12.092	(11.600)	42.363	150.846
Financial income	4.037	4.742	8.613	21.188	-	38.580
Financial expenses (-)	(58.034)	(20.961)	(12.725)	(57.370)	(18.337)	(167.427)
INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	22.237	15.538	7.980	(47.782)	24.026	21.999
Tax Income/(Expense) from Continuing Operations	(3.527)	(9.089)	(5.603)	11.913	(2)	(6.308)
- Current period tax expense (-)	(546)	(12.775)	-	(1.277)	-	(14.598)
- Deferred tax income / (expense)	(2.981)	3.686	(5.603)	13.190	(2)	8.290
NET INCOME / LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	18.710	6.449	2.377	(35.869)	24.024	15.691
NET LOSS FOR THE PERIOD FOR DISCONTINUED OPERATIONS	-	-	-	(8.396)	18	(8.378)
Attributable to:	18.710	6.449	2.377	(44.265)	24.042	7.313
- Non-controlling interest	(27)	-	565	-	(11.584)	(11.046)
- Equity holders of the parent	18.737	6.449	1.812	(44.265)	35.626	18.359
Total Assets	2.493.842	726.227	409.318	4.442.717	1.489.637	9.561.741
Investments accounted through equity method	-	682	-	-	5.221.898	5.222.580
Total Liabilities	2.079.308	460.395	363.195	1.919.516	348.178	5.170.592
Net debt	1.746.012	283.070	337.132	1.185.441	-	3.551.655
Purchases of tangible & intangible assets and investment property (**)	8.672	6.229	107	2.755	-	17.763
Purchases of assets used in renting activities	688.321	-	-	-	-	688.321
Depreciation and amortization (**)	29.818	14.562	6.922	8.376	(11)	59.667

(\*) Gain recognized from Anadolu Efes, Ana Gıda and Aslançık amounting TRL 78.263 and loss recognized from ABank, Anadolu Isuzu and Migros amounting TRL 36.840 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment; gain recognized from Faber Castel Anadolu LLC amounting to TRL 102 is recorded in "retailing" segment.

(\*\*) TRL 63 of the property, plant and equipment and intangible asset purchases and TRL 2.466 of the depreciation and amortization belong to Investment Properties.



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#### NOTE 5 - SEGMENT REPORTING (cont'd)

April 1-June 30, 2017	Automotive	Retailing	Energy	Other	Unallocated	Consolidated
Sales	538.205	262.154	21.075	34.393	-	855.827
Inter-segment sales	1.975	756	-	8.036	(10.767)	-
<b>Total Sales</b>	<b>540.180</b>	<b>262.910</b>	<b>21.075</b>	<b>42.429</b>	<b>(10.767)</b>	<b>855.827</b>
<b>GROSS PROFIT</b>	<b>104.025</b>	<b>61.867</b>	<b>8.640</b>	<b>15.006</b>	<b>(9.645)</b>	<b>179.893</b>
General administrative expenses	(20.037)	(17.022)	(3.142)	(28.318)	8.727	(59.792)
Marketing expenses	(24.796)	(20.324)	-	(3.311)	878	(47.553)
Research and development expenses	(459)	-	-	-	-	(459)
Other operating income	11.158	1.053	-	137	752	13.100
Other operating expenses	(1.763)	(4.610)	(76)	694	6	(5.749)
Gain (loss) from the investments accounted through equity method	-	(214)	-	-	(6.049)	(6.263)
<b>OPERATING INCOME (LOSS)</b>	<b>68.128</b>	<b>20.750</b>	<b>5.422</b>	<b>(15.792)</b>	<b>(5.331)</b>	<b>73.177</b>
Income from investing activities	577	152	17	8.447	(1.196)	7.997
Expenses from investing activities	(147)	(1.987)	-	(592)	512	(2.214)
<b>OPERATING INCOME (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)</b>	<b>68.558</b>	<b>18.915</b>	<b>5.439</b>	<b>(7.937)</b>	<b>(6.015)</b>	<b>78.960</b>
Financial income	11.756	1.218	6.434	6.844	(19)	26.233
Financial expenses	(88.128)	(10.626)	(5.958)	(37.558)	(4.836)	(147.106)
<b>INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(7.814)</b>	<b>9.507</b>	<b>5.915</b>	<b>(38.651)</b>	<b>(10.870)</b>	<b>(41.913)</b>
Tax Income/(Expense) from Continuing Operations	<b>(2.054)</b>	<b>(2.957)</b>	<b>(89)</b>	<b>5.294</b>	<b>(1)</b>	<b>193</b>
- Current period tax expense	-	(5.503)	(86)	159	-	(5.430)
- Deferred tax income (expense)	(2.054)	2.546	(3)	5.135	(1)	5.623
<b>NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(9.868)</b>	<b>6.550</b>	<b>5.826</b>	<b>(33.357)</b>	<b>(10.871)</b>	<b>(41.720)</b>
<b>Attributable to:</b>	<b>(9.868)</b>	<b>6.550</b>	<b>5.826</b>	<b>(33.357)</b>	<b>(10.871)</b>	<b>(41.720)</b>
- Non-controlling interest	4.535	-	714	-	(22.640)	(17.391)
- Equity holders of the parent	(14.403)	6.550	5.112	(33.357)	11.769	(24.329)
Purchases of tangible & intangible assets and investment property	16.509	8.056	1.725	1.042	-	27.332
Purchases of assets used in renting activities	423.372	-	-	-	-	423.372
Depreciation and amortization	17.991	7.325	4.086	3.866	-	33.268

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#### NOTE 5 - SEGMENT REPORTING (cont'd)

April 1-June 30, 2016	Automotive	Retailing	Energy	Other	Unallocated	Consolidated
Sales	470.239	246.455	20.132	29.067	-	765.893
Inter-segment sales	1.205	902	-	6.440	(8.547)	-
Total Sales	471.444	247.357	20.132	35.507	(8.547)	765.893
GROSS PROFIT	76.878	60.345	9.809	12.792	(6.680)	153.144
General administrative expenses (-)	(16.033)	(14.200)	(2.727)	(19.969)	5.166	(47.763)
Marketing expenses (-)	(20.493)	(19.685)	-	(12.891)	1.456	(51.613)
Research and development expenses (-)	(538)	-	-	-	57	(481)
Other operating income	2.433	914	532	222	64	4.165
Other operating expenses (-)	(686)	(4.084)	7	(1.964)	5	(6.722)
Gain/Loss from the investments accounted through equity method	-	110	-	-	46.242	46.352
OPERATING INCOME/LOSS	41.561	23.400	7.621	(21.810)	46.310	97.082
Income from investing activities	303	1.619	-	2.563	(950)	3.535
Expenses from investing activities (-)	-	-	-	(171)	-	(171)
OPERATING INCOME/LOSS BEFORE FINANCIAL EXPENSE	41.864	25.019	7.621	(19.418)	45.360	100.446
Financial income	(1.035)	1.761	4.228	5.602	-	10.556
Financial expenses (-)	(21.963)	(10.240)	(8.586)	(22.721)	(9.255)	(72.765)
INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	18.866	16.540	3.263	(36.537)	36.105	38.237
Tax Income/(Expense) from Continuing Operations	(2.788)	(5.502)	(5.704)	7.189	-	(6.805)
- Current period tax expense (-)	(110)	(6.395)	-	(480)	-	(6.985)
- Deferred tax income / (expense)	(2.678)	893	(5.704)	7.669	-	180
NET INCOME/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	16.078	11.038	(2.441)	(29.348)	36.105	31.432
NET LOSS FOR THE PERIOD FOR DISCONTINUED OPERATIONS	-	-	-	(7.599)	7	(7.592)
Attributable to:	16.078	11.038	(2.441)	(36.947)	36.112	23.840
- Non-controlling interest	(12)	-	(124)	-	294	158
- Equity holders of the parent	16.090	11.038	(2.317)	(36.947)	35.818	23.682
Purchases of tangible & intangible assets and investment property	3.499	2.272	79	2.366	-	8.216
Purchases of assets used in renting activities	427.040	-	-	-	-	427.040
Depreciation and amortization	15.232	7.211	3.590	3.757	-	29.790

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 5 - SEGMENT REPORTING (cont'd)

Substantially all of the consolidated revenue is obtained from operations located in Turkey.

Associate: The Group's effective shareholding rate for Anadolu Efes is 27,66% (December 31, 2016: 27,66%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, for the periods ended June 30, 2017 and June 30, 2016 are reflected in "gain/loss from the investments accounted through equity method" line of the interim condensed consolidated statement of profit or loss as gain amounting to TRL 26.661 and gain amounting to TRL 68.651 respectively. As of June 30, 2017 Group does not have shares in ABank which used to be an associate of the Group as mentioned in Note 8. The result of ABank's operations for the periods ended June 30, 2016 is reflected in "gain/loss from the investments accounted through equity method" line of the interim condensed consolidated statement of profit or loss as loss amounting to TRL 14.463.

#### NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	June 30, 2017	December 31, 2016
Cash	2.977	2.514
Banks	276.040	360.789
Other cash and cash equivalents (*)	59.844	49.351
<b>Cash and cash equivalents in the consolidated statements of cash flow</b>	<b>338.861</b>	<b>412.654</b>
Interest income accruals	718	709
	<b>339.579</b>	<b>413.363</b>

(\*) Other liquid assets consist of credit card receivables with less than 3 months maturity, checks in collection and direct billing system (DBS) balances.

As of June 30, 2017 cash and cash equivalents of Yazıcılar amount to TRL 57.494, cash and cash equivalents of AEH, a subsidiary of the Company amount to TRL 102.631 (December 31, 2016: TRL 91.937 and TRL 166.433).

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

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**NOTE 7 - BORROWINGS**

	<b>June 30, 2017</b>	December 31, 2016
Bank borrowings	<b>1.018.517</b>	529.141
Bills issued (*)	<b>250.293</b>	81.537
Bonds issued (**)	<b>104.018</b>	103.938
Current portion of long term borrowings	<b>885.253</b>	809.418
Financial leasing payables	<b>31.750</b>	9.390
<b>Short term borrowings</b>	<b>2.289.831</b>	1.533.424
Bank borrowings	<b>2.456.028</b>	2.123.202
Financial leasing payables	<b>106.490</b>	24.050
<b>Long term borrowings</b>	<b>2.562.518</b>	2.147.252
<b>Total borrowings</b>	<b>4.852.349</b>	3.680.676

(\*) Çelik Motor, a subsidiary of the Group, has issued a bill to qualified investors without public offering at May 18, 2017, with 179 days maturity and 14,4% interest rate. The carrying amount of the bill amounts to TRL 142.177 as of June 30, 2017. Çelik Motor has issued a bill to qualified investors without public offering at February 22, 2017, with 177 days maturity and 12,9% interest rate. The carrying amount of the bill amounts to TRL 108.116 as of June 30, 2017.

(\*\*) Çelik Motor, a subsidiary of the Group, has issued a bond to qualified investors without public offering at September 17, 2015, with 729 days maturity, 13,8% interest rate and fixed coupon payment in every 6 months. The carrying amount of the bond amounts to TRL 104.018 as of June 30, 2017 (December 31, 2016: TRL 103.938).

Total borrowings of AEH, a subsidiary of the Company, as of June 30, 2017 amounts to TRL 1.012.350 (December 31, 2016: TRL 602.746).

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 7 - BORROWINGS (cont'd)

As of June 30, 2017, the Company does not have any secured bank borrowings (December 31, 2016: None).

Short term	June 30, 2017			December 31, 2016		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	965.738	12,3% - 15,3%	-	425.165	10,4% - 15,0%	-
Borrowing in foreign currency (EUR)	840.299	2,5% - 4,4%	Libor + (3,5% - 4,4%)	701.854	2,2% - 4,9%	Libor + (3,5% - 4,4%)
Borrowing in foreign currency (USD)	97.733	3,5% - 6,5%	Libor + (4,4% - 5,0%)	211.540	3,5% - 6,8%	Libor + (3,0% - 4,4%)
Financial leasing payables in Turkish Lira	31.750	11,5% - 14,1%	-	9.390	11,5% - 13,6%	-
Bonds issued in Turkish Lira	104.018	13,8%	-	103.938	13,8%	-
Bills issued in Turkish Lira	250.293	12,9% - 14,4%	-	81.537	11,5%	-
	<b>2.289.831</b>			1.533.424		
Long term	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	43.985	13,3% - 14,9%	-	-	-	-
Borrowing in foreign currency (EUR)	1.860.016	2,8% - 4,4%	Libor + (3,3% - 5,1%)	1.579.830	2,8% - 4,4%	Libor + (3,5% - 5,1%)
Borrowing in foreign currency (USD)	552.027	-	Libor + (3,9% - 5,0%)	543.372	-	Libor + (3,5% - 4,4%)
Financial leasing payables in Turkish Lira	106.490	11,5% - 14,1%	-	24.050	11,5% - 12,6%	-
	<b>2.562.518</b>			2.147.252		
	<b>4.852.349</b>			3.680.676		

Repayments schedules of long-term borrowings are as follows:

	June 30, 2017	December 31, 2016
2018	402.271	629.412
2019	1.169.408	1.076.558
2020	139.996	109.297
2021	442.958	71.378
2022 and thereafter	407.885	260.607
	<b>2.562.518</b>	2.147.252

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	June 30, 2017	December 31, 2016
Investment in associate	2.777.879	2.770.533
Interest in joint ventures (Note 4)	2.590.279	2.241.018
	<b>5.368.158</b>	<b>5.011.551</b>

#### Associates

Entity	Principle Activities	Country of business	June 30, 2017		December 31, 2016	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective Shareholding and voting rights (%)
Anadolu Efes (*)	Production, bottling and distribution of beer, sparkling and still beverages	Turkey	2.777.879	27,66	2.770.533	27,66
			<b>2.777.879</b>		<b>2.770.533</b>	

Entity	Group's interest in net income/(loss)			
	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Anadolu Efes (*)	26.661	68.651	51.770	50.825
ABank	-	(14.463)	-	(3.190)
	<b>26.661</b>	<b>54.188</b>	<b>51.770</b>	<b>47.635</b>

(\*) Shares of Anadolu Efes is currently quoted on the BIST.

Summary financial information of associate Anadolu Efes is as follows:

<i>Summary statement of financial position:</i>	Anadolu Efes	Anadolu Efes
	June 30, 2017	December 31, 2016
Current Assets	7.169.045	6.008.675
Non-Current Assets	19.772.474	19.619.884
<b>Total Assets</b>	<b>26.941.519</b>	<b>25.628.559</b>
Short-Term Borrowings	1.313.098	500.870
Other Current Liabilities	3.170.484	2.185.587
Long-Term Borrowings	5.058.984	5.682.403
Other Non-Current Liabilities	2.498.055	2.442.677
<b>Total Liabilities</b>	<b>12.040.621</b>	<b>10.811.537</b>
<b>Net Assets</b>	<b>14.900.898</b>	<b>14.817.022</b>
<b>Attributable to:</b>		
Non-controlling interests	5.613.553	5.554.521
<b>Net assets of the equity holders of the parent</b>	<b>9.287.345</b>	<b>9.262.501</b>
<b>Group's share in net assets</b>	<b>2.777.879</b>	<b>2.770.533</b>

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

##### Associates (cont'd)

###### *Summary Statement of Profit or Loss:*

	<b>January 1- June 30, 2017</b>	January 1- June 30, 2016	<b>April 1- June 30, 2017</b>	April 1- June 30, 2016
Revenue	6.182.204	5.021.962	3.756.507	3.088.720
Net income	190.535	351.109	337.739	301.601
Non-controlling interests	100.373	118.945	162.665	129.720
<b>Equity holders of the parent</b>	<b>90.162</b>	232.164	<b>175.074</b>	171.881
<b>Group's share in net income</b>	<b>26.661</b>	68.651	<b>51.770</b>	50.825
- Non-controlling interests	1.720	4.428	3.339	3.278
- Equity holders of the parent	24.941	64.223	48.431	47.547

The movement of carrying value of the associate, Anadolu Efes in the interim condensed consolidated financial statements as of June 30, 2017 and June 30, 2016 is as follows:

	<b>June 30, 2017</b>	June 30, 2016
Balance at January 1	<b>2.770.533</b>	2.310.884
Group's share in net income	<b>26.661</b>	68.651
Group's share in currency translation differences	<b>30.483</b>	68.258
Dividends received	<b>(42.896)</b>	(42.896)
Non-controlling interest put option valuation fund	<b>(377)</b>	15
Cash flow hedge reserve	<b>(5.588)</b>	(7.035)
Group's share in remeasurement funds	<b>(937)</b>	(478)
<b>Balance at the end of the period</b>	<b>2.777.879</b>	2.397.399

Based on the shareholders agreement concluded on July 18, 2013 with The Commercial Bank of Qatar ("CBQ"), AEH, the subsidiary of the Company which has 25% share in ABank, has collected total sales price of USD 224.913.332 (full USD) on December 19, 2016 based on use of its option to sell shares. Therefore, the sale option has been completed and AEH does not hold any shares in ABank.

Summary financial information of ABank, which used to be an associate of the Group is as follows:

###### *Summary Statement of Profit or Loss:*

	January 1- June 30, 2016	April 1- June 30, 2016
Interest, fee and commission income	592.307	288.242
Net loss	(57.850)	(12.756)
Non-controlling interests	(1)	(1)
Equity holders of the parent	(57.849)	(12.755)
<b>Group's share in net loss</b>	<b>(14.463)</b>	<b>(3.190)</b>

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

##### Associates (cont'd)

The movement of carrying value of ABank which used to be an associate of the Group in the interim condensed consolidated financial statements as of June 30, 2016 is as follows:

	June 30, 2016
Balance at January 1	399.648
Capital increase	37.500
Group's share in net loss	(14.463)
Group's share in revaluation funds	8.603
Group's share in remeasurement	(18)
Balance at the end of the period	431.270



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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the period ended on June 30, 2017 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
<b>Cost</b>									
January 1, 2017	39.960	398.777	383.742	18.300	62.239	3.527	132.794	15.110	1.054.449
Additions	-	-	3.070	4.801	3.440	32	6.218	17.923	35.484
Disposals (-)	-	(99)	(1.930)	(4.973)	(1.522)	-	(2.969)	-	(11.493)
Currency translation differences	1.909	26.678	11.243	76	117	-	-	2	40.025
Transfers (*)	-	-	1.353	-	167	-	573	(8.213)	(6.120)
<b>June 30, 2017</b>	<b>41.869</b>	<b>425.356</b>	<b>397.478</b>	<b>18.204</b>	<b>64.441</b>	<b>3.559</b>	<b>136.616</b>	<b>24.822</b>	<b>1.112.345</b>
<b>Accumulated depreciation</b>									
January 1, 2017	4.740	25.481	166.900	6.207	36.156	2.284	60.168	-	301.936
Depreciation charge for the period (**)	626	4.760	14.395	1.428	3.870	168	4.770	-	30.017
Disposals (-)	-	(30)	(1.127)	(1.204)	(428)	-	(1.306)	-	(4.095)
Currency translation differences	155	1.327	1.996	59	60	-	-	-	3.597
<b>June 30, 2017</b>	<b>5.521</b>	<b>31.538</b>	<b>182.164</b>	<b>6.490</b>	<b>39.658</b>	<b>2.452</b>	<b>63.632</b>	<b>-</b>	<b>331.455</b>
<b>Net carrying amount</b>	<b>36.348</b>	<b>393.818</b>	<b>215.314</b>	<b>11.714</b>	<b>24.783</b>	<b>1.107</b>	<b>72.984</b>	<b>24.822</b>	<b>780.890</b>

(\*) TRL 6.120 of PP&E is transferred to rights under intangible assets.

(\*\*) TRL 21.205 of the depreciation charge for the period has been added to cost of sales, TRL 2.604 has been added to marketing expenses, TRL 6.099 has been added to general administrative expenses and TRL 109 has been added to research and development expenses.

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#### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the period ended on June 30, 2016 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
At January 1, 2016	37.907	370.883	365.844	18.523	58.640	3.381	136.317	13.161	1.004.656
Additions	2	2.466	3.462	2.421	2.550	21	260	6.208	17.390
Disposals (-)	-	-	(1.610)	(2.230)	(410)	-	(2.169)	-	(6.419)
Currency translation differences	319	4.461	1.875	9	16	-	-	12	6.692
Transfers (*)	-	-	2.535	204	(412)	-	1.023	(4.534)	(1.184)
<b>June 30, 2016</b>	<b>38.228</b>	<b>377.810</b>	<b>372.106</b>	<b>18.927</b>	<b>60.384</b>	<b>3.402</b>	<b>135.431</b>	<b>14.847</b>	<b>1.021.135</b>
Accumulated depreciation									
At January 1, 2016	3.361	16.047	138.236	5.043	29.451	1.944	53.378	-	247.460
Depreciation charge for the period (**) (***)	626	3.975	14.650	2.226	3.969	161	4.658	-	30.265
Disposals (-)	-	-	(872)	(1.084)	(316)	-	(1.579)	-	(3.851)
Currency translation differences	14	87	131	8	8	-	-	-	248
Transfers (*)	-	-	1.217	-	-	-	-	-	1.217
<b>June 30, 2016</b>	<b>4.001</b>	<b>20.109</b>	<b>153.362</b>	<b>6.193</b>	<b>33.112</b>	<b>2.105</b>	<b>56.457</b>	<b>-</b>	<b>275.339</b>
<b>Net carrying amount</b>	<b>34.227</b>	<b>357.701</b>	<b>218.744</b>	<b>12.734</b>	<b>27.272</b>	<b>1.297</b>	<b>78.974</b>	<b>14.847</b>	<b>745.796</b>

(\*) TRL 869 of property, plant and equipment is transferred to investment properties, TRL 2.263 of property, plant and equipment is transferred to rights under intangible assets. TRL 731 of intangible assets is transferred to machinery and equipment under property, plant and equipment.

(\*\*) Depreciation charge of property, plant and equipment for the period June 30, 2016 includes charges for discontinued operations amounting to TRL 121.

(\*\*\*) TRL 21.860 of the depreciation charge for the period has been added to cost of sales, TRL 2.119 has been added to marketing expenses, TRL 6.124 has been added to general administrative expenses and TRL 162 has been added to research and development expenses.

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#### NOTE 10 - INTANGIBLE ASSETS

Movements of intangible assets for the period ended on June 30, 2017 are as the following:

	Rights	Patents and licenses	Franchise	Other intangible non-current assets	Total
<b>Cost</b>					
January 1, 2017	48.025	149	1.051	3.267	52.492
Additions	944	-	-	-	944
Disposals (-)	(318)	-	-	-	(318)
Currency translation differences	-	11	-	-	11
Transfers (*)	6.120	-	-	-	6.120
<b>June 30, 2017</b>	<b>54.771</b>	<b>160</b>	<b>1.051</b>	<b>3.267</b>	<b>59.249</b>
<b>Accumulated amortization</b>					
January 1, 2017	22.909	20	608	1.724	25.261
Amortization charge for the period (**)	3.036	12	26	278	3.352
Disposals (-)	(293)	-	-	-	(293)
Currency translation differences	-	3	-	-	3
<b>June 30, 2017</b>	<b>25.652</b>	<b>35</b>	<b>634</b>	<b>2.002</b>	<b>28.323</b>
<b>Net carrying amount</b>	<b>29.119</b>	<b>125</b>	<b>417</b>	<b>1.265</b>	<b>30.926</b>

(\*) TRL 6.120 of property, plant and equipment is transferred to rights.

(\*\*) TRL 1.238 of the depreciation charge for the period has been added to cost of sales, TRL 727 has been added to marketing expenses, TRL 1.371 has been added to general administrative expenses and TRL 16 has been added to research and development expenses.

Movements of intangible assets for the period ended on June 30, 2016 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
<b>Cost</b>					
January 1, 2016	40.657	40	1.051	3.087	44.835
Additions	310	-	-	-	310
Disposals (-)	(250)	-	-	-	(250)
Transfers (*)	300	-	-	-	300
<b>June 30, 2016</b>	<b>41.017</b>	<b>40</b>	<b>1.051</b>	<b>3.087</b>	<b>45.195</b>
<b>Accumulated amortization</b>					
January 1, 2016	18.870	11	555	1.193	20.629
Amortization charge for the period (**) (***)	2.479	3	26	255	2.763
Disposals (-)	(37)	-	-	-	(37)
Transfers (*)	(1.217)	-	-	-	(1.217)
<b>June 30, 2016</b>	<b>20.095</b>	<b>14</b>	<b>581</b>	<b>1.448</b>	<b>22.138</b>
<b>Net carrying amount</b>	<b>20.922</b>	<b>26</b>	<b>470</b>	<b>1.639</b>	<b>23.057</b>

(\*) As of June 30, 2016, TRL 2.263 of property, plant and equipment is transferred to rights, TRL 731 of intangible assets is transferred to machinery and equipment under property, plant and equipment and TRL 15 is transferred to investment properties.

(\*\*) Depreciation charge of property, plant and equipment for the period June 30, 2016 includes charges for discontinued operations amounting TRL 45.

(\*\*\*) TRL 1.368 of the depreciation charge for the period has been added to cost of sales, TRL 576 has been added to marketing expenses, TRL 806 has been added to general administrative expenses and TRL 13 has been added to research and development expenses.

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#### NOTE 11 - OTHER ASSETS AND LIABILITIES

##### 11.1 Other Current Assets

	June 30, 2017	December 31, 2016
Assets used in renting activities	566.577	369.599
VAT receivable	135.287	130.263
Work advances	2.685	7.284
Other current assets	5.231	4.685
	<b>709.780</b>	<b>511.831</b>

Movements of current assets used in renting activities for periods ended June 30, 2017 and 2016 are as the following:

##### Current Assets Used in Renting Activities

	June 30, 2017	June 30, 2016
<b>Cost</b>		
Balance at January 1	374.985	251.376
Additions	265.642	361.980
Disposals	(318.047)	(351.485)
Transfers	252.948	176.178
<b>Balance at the end of the period</b>	<b>575.528</b>	<b>438.049</b>
<b>Accumulated depreciation</b>		
Balance at January 1	5.386	3.858
Depreciation charge for the period	47	11
Disposals	(20.949)	(22.268)
Transfers	24.467	22.519
<b>Balance at the end of the period</b>	<b>8.951</b>	<b>4.120</b>
<b>Net carrying amount</b>	<b>566.577</b>	<b>433.929</b>

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#### NOTE 11 - OTHER ASSETS AND LIABILITIES (cont'd)

##### 11.2 Other Non-Current Assets

	June 30, 2017	December 31, 2016
Assets used in renting activities	1.582.746	1.461.854
VAT receivable	43.969	30.677
Other non-current assets	63	63
	<b>1.626.778</b>	<b>1.492.594</b>

Movements of non-current assets used in renting activities for periods ended June 30, 2017 and 2016 are as the following:

##### Non-Current Assets Used in Renting Activities

	June 30, 2017	June 30, 2016
<b>Cost</b>		
Balance at January 1	1.532.948	1.098.693
Additions	379.027	326.341
Transfers (Note 11.1)	(252.948)	(176.178)
<b>Balance at the end of the period</b>	<b>1.659.027</b>	<b>1.248.856</b>
<b>Accumulated depreciation</b>		
Balance at January 1	71.094	67.157
Depreciation charge for the period	29.654	24.162
Transfers (Note 11.1)	(24.467)	(22.519)
<b>Balance at the end of the period</b>	<b>76.281</b>	<b>68.800</b>
<b>Net carrying amount</b>	<b>1.582.746</b>	<b>1.180.056</b>

##### 11.3 Other Current Liabilities

	June 30, 2017	December 31, 2016
Other payables	121	-
Put option liability (Note 14)	-	512.111
	<b>121</b>	<b>512.111</b>

#### NOT 12 - DEFERRED INCOME

##### 12.1 Current Deferred Income

	June 30, 2017	December 31, 2016
Advances taken	76.879	10.490
Other deferred income	34.640	31.545
	<b>111.519</b>	<b>42.035</b>

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#### NOT 12 - DEFERRED INCOME (cont'd)

##### 12.2 Non-Current Deferred Income

	June 30, 2017	December 31, 2016
Advances received (*)	301.989	211.218
Other deferred income	21.030	4.420
	<b>323.019</b>	<b>215.638</b>

(\*) Full amount of the advances received is the balance received due to pre-sale related to the housing project that Kartal Gayrimenkul, a subsidiary of the Company which operates in real estate, started in Kartal province in İstanbul. TRL 261.011 of the total amount is received in cash, and TRL 40.978 of the balance consists of bills (December 31, 2016: TRL 187.733 cash, TRL 23.485 bills). As of June 30, 2017, there is non-current inventory amounting to TRL 111.061 for the advances received (December 31, 2016: TRL 62.025).

#### NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### 13.1 Provision for Employee Benefits

The provisions for employee benefits as of June 30, 2017 and December 31, 2016 are as the following:

	June 30, 2017	December 31, 2016
<b>Short-term</b>	<b>26.556</b>	12.010
Provision for bonus	17.603	7.484
Provision for vacation pay liability	6.387	4.526
Provision for employee termination benefits	1.712	-
Other	854	-
<b>Long-term</b>	<b>26.181</b>	25.199
Provision for employee termination benefits	26.181	25.199
	<b>52.737</b>	<b>37.209</b>

##### 13.2 Other Provisions

The provisions as of June 30, 2017 and December 31, 2016 are as the following:

	June 30, 2017	December 31, 2016
Provision for litigations (*)	4.535	13.698
Warranty provisions (**)	1.579	1.256
	<b>6.114</b>	<b>14.954</b>

(\*) Provision has been made by Anadolu Elektronik, a subsidiary of the Company against the lawsuits regarding the tax stamps requested by the General Directorate of TRT and related fees as of 31 December 2016 and due to the fact that these lawsuits resulted in favor of Anadolu Elektronik, provision amounting to TRL 9.388 recognized has been canceled (Note 17.1).

(\*\*) Balance is resulting from sales made by Anadolu Motor, a subsidiary of the Company under warranty. Çelik Motor, a subsidiary of the Company has the right of recourse the compensation payments of imported vehicles under warranty to the manufacturer company.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 14 - COMMITMENTS

As of June 30, 2017 and December 31, 2016 letter of guarantees, pledges and mortgages (GPMs) given are as follows:

June 30, 2017	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	429.692	46.534	81.474	24.337
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	56.398	-	16.081	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other GPM's	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	114.307	-	32.593	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	<b>600.397</b>	46.534	130.148	24.337
December 31, 2016	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	409.552	49.865	76.662	24.232
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	56.592	-	16.081	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other GPM's	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	125.129	-	35.556	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	591.273	49.865	128.299	24.232

As of June 30, 2017, the ratio of other GPMs over the Company's equity is 0% (December 31, 2016: 0%).

ABH has service agreement liabilities for 1 to 5 years with its customers.

The Group's guarantees, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 324.537, TRL 3.637, TRL 54.973 and TRL 4.633, respectively (December 31, 2016: TRL 286.750, TRL 5.303, TRL 51.655 and TRL 4.858).

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

AEH, the subsidiary of the Company, has undertaken the obligation of preserving the corporate presence of McDonald's within the period of its license contract and the obligation of supporting to fulfill the financial and fiscal liabilities.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 14 - COMMITMENTS (cont'd)

AEH, a subsidiary of the Company, has given a support guarantee for the planned payments of the long term project financing loan that GUE, a subsidiary of the Group, borrowed for the construction of a hydroelectric power plant with a capacity of 87 MW in Georgia, during the time electricity production begins and the specified conditions are met. As of June 30, 2017 the remaining amount of the mentioned loan is USD 99.243.590. The table of the letter of guarantees, pledges and mortgages given consists of guarantee amounting to TRL 56.397 (December 31, 2016: TRL 56.591)

Çelik Motor, the subsidiary of the Company, operates in motor vehicles lease business with the various rental periods.

AEH, the subsidiary of the Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of June 30, 2017 balance of the related loan amounts to USD 97.778 in thousand and the Group's share in guarantee amounts to USD 32.593 in thousand (December 31, 2016: USD 35.556 in thousand)

Regarding 19,5% shares of Moonlight Capital in MH Perakendecilik, a subsidiary of the Group, Moonlight Capital had the right to sell, which was granted by AEH, a subsidiary of the Group, and AEH had the right to buy, which was granted by Moonlight Capital, between May 1, 2017 and October 31, 2017. As of May 2, 2017, Moonlight Capital informed AEH about its decision to sell the shares. When calculating the purchase price for 19,5% shares of MH Perakendecilik, the base price for 1 share of Migros, an associate of MH Perakendecilik, has been set as TRL 30,2 (full TRL), in line with the provisions of December 31, 2014. Share purchase price has been calculated as TRL 509.029.436 (full TRL) after adjustments, according to the provisions of the Share Purchase Agreement. Share price transfer and transfer of shares have been completed on May 17, 2017 and put option liability balance has been reset in the consolidated financial tables prepared as of June 30, 2017.

#### NOTE 15 - EQUITY

##### Share Capital / Adjustments to Share Capital and Equity Instruments

	June 30, 2017		December 31, 2016	
	Amount	(%)	Amount	(%)
Yazıcı Families	60.422	37,76	60.422	37,76
Kamil Yazıcı Yönetim ve Danışma A.Ş. (*)	54.163	33,85	54.163	33,85
Anadolu Ecopack Üretim ve Pazarlama A.Ş. (**)	218	0,14	218	0,14
Publicly traded (***)	45.197	28,25	45.197	28,25
<b>Paid-in share capital - historical</b>	<b>160.000</b>	<b>100,00</b>	<b>160.000</b>	<b>100,00</b>
Inflation adjustment to share capital	-		-	
<b>Total share capital</b>	<b>160.000</b>		<b>160.000</b>	

(\*) As disclosed in the Company's Significant Event Disclosure dated February 24, 2017, under the planned merger process of Yazıcılar, Özilhan Sınai Yatırım A.Ş. and AEH, it is foreseen to establish a separate management company that will own all of (B) group privileged shares and part of (A) group unprivileged shares of Merged Holding. In this context, on July 5, 2017, AG Sınai Yatırım ve Yönetim A.Ş. has been established due partial division of Kamil Yazıcı Yönetim ve Danışma A.Ş..

(\*\*) Anadolu Ecopack Üretim ve Pazarlama A.Ş. has purchased total of 217.990 shares owned by Yazıcı Family members on March 16, 2016. 26,85% of Anadolu Ecopack Üretim ve Pazarlama A.Ş. shares belong to Kamil Yazıcı Yönetim ve Danışma A.Ş. and 73,15% belong to Yazıcı Family members.

(\*\*\*) As of June 30, 2017 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş. (December 31, 2016: TRL 5.073 of the publicly traded portion, which is 3,17% of the paid-in share capital).



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#### NOTE 15 - EQUITY (cont'd)

##### Share Capital / Adjustments to Share Capital and Equity Instruments (cont'd)

Movement of paid in share capital as at June 30, 2017 and December 31, 2016 is as the following (historical amounts):

	June 30, 2017		December 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Balance at January 1	160.000.000	160.000	160.000.000	160.000
-Inflation adjustment to share capital	-	-	-	-
<b>Balance at the end of the period</b>	<b>160.000.000</b>	<b>160.000</b>	<b>160.000.000</b>	<b>160.000</b>

Kamil Yazıcı Yönetim ve Danışma A.Ş. (henceforth as Management Company) is a professional management company established by members of the Kamil Yazıcı Family to manage their investments. With the special board nomination rights granted to Class A and Class B shares (1 + 3) which it owns, it is entitled to appoint four of the six directors to the Company's board of directors. Namely;

Yazıcılar's common shares are divided into four classes, with each class of shares having equal voting rights on all matters except for the election of directors. Classes B, C and D consist of registered shares and are owned by the members of the three Yazıcı Families. Class A shares are all bearer type shares; shares belonging to three Yazıcı Families and publicly traded shares are included in Class A.

Class	Number of shares	Percentage of capital (%)	Number of members on Board
A (Bearer)	87.818.037	54,89	1
B (Registered)	31.999.964	20,00	3
C (Registered)	19.235.049	12,02	1
D (Registered)	20.946.950	13,09	1
	<b>160.000.000</b>	<b>100,00</b>	<b>6</b>

#### Restricted Reserves Allocated from Net Profit, Revaluation and Remeasurement Loss / Gain

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

Quoted companies are subject to dividend requirements regulated by the Capital Markets Board of Turkey. Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué shall be subject to distributable dividend computations.

As a result of the decision of CMB on January 27, 2010, there are no obligations for the minimum dividend payments subject to public incorporated companies whose shares are traded in the stock exchange.

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#### NOTE 15 - EQUITY (cont'd)

##### Restricted Reserves Allocated from Net Profit, Revaluation and Remeasurement Gain/Loss (cont'd)

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

	June 30, 2017	December 31, 2016
Restricted reserves allocated from net profit	32.000	32.000

##### Retained Earnings

As of June 30, 2017 and December 31, 2016 the summary of equity reserves, extraordinary reserves, other profit reserves, and retained earnings are as follows:

	June 30, 2017	December 31, 2016
Equity reserves	1.166	1.166
Extraordinary reserves	280.151	271.729
Other profit reserves	2.558	2.558
Retained earnings	2.733.240	3.092.552
	3.017.115	3.368.005

##### Non-Controlling Interest

Non-controlling interests are separately classified in interim consolidated financial statements.

#### NOTE 16 - OPERATING EXPENSES

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
General administrative expenses	112.669	97.135	59.792	47.763
Marketing expenses	94.851	92.780	47.553	51.613
Research and development expenses	851	952	459	481
	208.371	190.867	107.804	99.857

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#### NOTE 17 - OTHER OPERATING INCOME/EXPENSES

##### 17.1 Other Operating Income

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
VAT adjustment income	10.574	-	-	-
Reversal of provision	9.396	262	9.369	183
Foreign exchange gains arising from trading activities	2.846	2.930	717	1.535
Distributor contribution	2.091	2.639	1.129	798
Rediscount gain from trading activities	784	442	(244)	28
Gain on corporate identities	384	527	374	196
Commission income	188	52	91	50
Other	3.531	2.374	1.664	1.375
	<b>29.794</b>	9.226	<b>13.100</b>	4.165

##### 17.2 Other Operating Expenses

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Rediscount expense from trading activities	11.240	7.944	2.788	1.554
Foreign exchange losses arising from trading activities	2.921	3.013	(1.028)	1.013
Provision for doubtful receivables	1.773	571	1.101	321
Donations	1.589	1.502	855	841
Restaurant closing expenses	555	1.474	448	940
Other	3.230	3.754	1.585	2.053
	<b>21.308</b>	18.258	<b>5.749</b>	6.722

#### NOTE 18 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

##### 18.1 Income from Investing Activities

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Gain on sale of a joint venture (*)	21.280	-	-	-
Gain on sale of property, plant and equipment	6.283	1.964	6.204	1.770
Rent income	3.038	2.243	1.776	1.112
Dividend income	17	213	17	213
Gain on sale of financial investment (**)	-	20.293	-	-
Gain on sale of marketable securities	-	1.219	-	1.219
Gain on revaluation of marketable securities	-	-	-	(779)
	<b>30.618</b>	25.932	<b>7.997</b>	3.535

(\*) The sale of AEH's 55,25% shares in Ana Gıda to Koninklijke Bunge B.V. has been completed on February 21, 2017 and the share sale proceeds of TRL 55.622 was received in cash. Currently, AEH does not hold any shares in Ana Gıda.

(\*\*) The Company's 10,50% share and 0,10% share of AEH, a subsidiary of the Company in Polinas Plastik Sanayii ve Ticareti A.Ş.'s capital which makes 954.000 shares in total representing TRL 9.540 capital share have been sold to İsmet Ambalaj Yatırımları A.Ş., a subsidiary of Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. on March 16, 2016 for USD 9.217.391 (full USD) to be paid in cash.

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#### NOTE 18 - INCOME/EXPENSES FROM INVESTING ACTIVITIES (cont'd)

##### 18.2 Expenses from Investing Activities

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Loss on sale of property, plant and equipment	2.529	1.754	2.202	2
Expense due to sale of marketable securities	41	23	41	7
Loss on revaluation of marketable securities	-	162	(29)	162
	<b>2.570</b>	1.939	<b>2.214</b>	171

#### NOTE 19 - FINANCIAL INCOME

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Foreign exchange gain	91.616	29.778	21.852	5.886
Interest income	10.833	8.039	4.381	4.159
Derivative transactions income	-	763	-	511
	<b>102.449</b>	38.580	<b>26.233</b>	10.556

#### NOTE 20 - FINANCIAL EXPENSES

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Foreign exchange loss	204.830	29.249	64.333	(1.231)
Interest expense	132.182	116.087	74.899	62.578
Put option liability revaluation expense	8.431	18.337	4.851	9.255
Other expense	7.361	3.754	3.023	2.163
	<b>352.804</b>	167.427	<b>147.106</b>	72.765

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#### NOTE 21 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The entire NPL portfolio under Artı Anadolu and Atlas Varlık's assets were sold to Turkasset Varlık Yönetim A.Ş. on June 29, 2016 for TRL 71.100 and asset management activities have been ceased. Also, 100% shares of Atlas Varlık have been transferred to Turkasset Varlık Yönetim A.Ş. on September 29, 2016 for TRL 10.748. In the interim consolidated financial statements as at June 30, 2016 income or loss due to Artı Anadolu and Atlas Varlık have been reclassified as income/loss for the period for discontinued operations in accordance with IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'.

Summary statements of profit or loss of discontinued operations are as the following:

	January 1- June 30, 2016	April 1- June 30, 2016
General administrative expenses	(7.766)	(4.226)
Other operating income/expense, net (*)	(4.299)	(4.314)
Income/expense from investing activities, net	(394)	(394)
Financial income/expense, net	3.512	1.469
Eliminations	845	432
Loss before tax from discontinued operations	(8.102)	(7.033)
Tax (expense)/income	(276)	(559)
Loss after tax from discontinued operations	(8.378)	(7.592)

(\*) The balances include TRL 4.342 loss from sale of NPL portfolios under Artı Varlık and Atlas Varlık's assets at the date of June 29, 2016.

Summary cash flow statement for discontinued operations are as the following:

#### *Summary statement of cash flow:*

	June 30, 2016
Cash flows from operating activities	76.629
Cash flows from investing activities	(34)
Cash flows from financing activities	(25.947)
Net increase/(decrease) in cash and cash equivalents	50.648
Cash and cash equivalents at the beginning of the period	827
Cash and cash equivalents at the end of the period	51.475

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#### NOTE 22 - TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporation tax rate for the fiscal year is 20% in Turkey (2016: 20%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the statement of financial position date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2016: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

#### 22.1 Current Income Tax Assets and Tax Provision

	June 30, 2017	December 31, 2016
Current income tax assets	3.154	12.777
Income tax payable (-)	(6.826)	(2.648)
<b>Net tax (liability)/asset</b>	<b>(3.672)</b>	<b>10.129</b>

	June 30, 2017	June 30, 2016
Balance at January 1	10.129	40.667
Income tax expense (*)	(15.476)	(14.718)
Paid taxes (-)	3.085	745
Taxes refunded	-	(26.992)
Other	(1.410)	(4.756)
<b>Balance at the end of the period</b>	<b>(3.672)</b>	<b>(5.054)</b>

(\*) As of June 30, 2016 tax expense due to discontinued operations is TRL 120 (Note 21).

#### 22.2 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	June 30, 2017	December 31, 2016
Deferred tax asset	131.217	100.688
Deferred tax liability (-)	(10.217)	(23.036)
<b>Total deferred tax asset/(liability), net</b>	<b>121.000</b>	<b>77.652</b>

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 22 - TAX ASSETS AND LIABILITIES (cont'd)

##### 22.2 Deferred Tax Assets and Liabilities (cont'd)

Movement of net deferred tax asset as of the period ended on June 30, 2017 is as follows:

	Balance December 31, 2016	Recorded to statement of profit or loss	Balance June 30, 2017
Property, plant and equipment, and intangibles, investment property, assets used in renting activities	(17.139)	10.028	(7.111)
Tax loss carried forward	41.239	23.403	64.642
Employee termination benefit	5.019	706	5.725
Inventories	53.296	1.837	55.133
Investment incentive	4.279	27	4.306
Provision for doubtful receivables	479	(40)	439
Hedge accounting	(12.263)	(747)	(13.010)
Provision for revenue and distributor bonus	(72)	5.658	5.586
Other	2.814	2.476	5.290
<b>Net deferred tax asset</b>	<b>77.652</b>	<b>43.348</b>	<b>121.000</b>
Loss on remeasurements of defined benefit plans	-	(152)	-
	<b>77.652</b>	<b>43.196</b>	<b>121.000</b>

The movement of net deferred tax asset as of the period ended on June 30, 2016 is as follows:

	Balance December 31, 2015	Recorded to statement of profit or loss	Balance June 30, 2016
Property, plant and equipment, and intangibles, investment properties, assets used in renting activities	(42.464)	(8.347)	(50.811)
Tax loss carried forward	19.055	4.827	23.882
Employee termination benefit	4.544	416	4.960
Inventories	48.754	2.548	51.302
Investment incentive	4.284	(26)	4.258
Provision for doubtful receivables	400	28	428
Hedge accounting	(4.475)	1.750	(2.725)
Provision for revenue and distributor bonus	30	5.665	5.695
Other	2.772	1.390	4.162
<b>Net deferred tax asset</b>	<b>32.900</b>	<b>8.251</b>	<b>41.151</b>
Currency translation difference	-	(10)	-
Loss on remeasurements of defined benefit plans	-	(107)	-
Reclassification of discontinued operations	-	156	-
	<b>32.900</b>	<b>8.290</b>	<b>41.151</b>

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 22 - TAX ASSETS AND LIABILITIES (cont'd)

##### 22.2 Deferred Tax Assets and Liabilities (cont'd)

The redemption schedule of carry forward tax losses which are not subject to deferred tax calculation is as the following:

	June 30, 2017	December 31, 2016
2022	18.665	-
2021	119.739	161.458
2020	19.131	119.233
2019	19.503	79.003
2018	167.430	186.612
2017	-	18.399
	<b>344.468</b>	<b>564.705</b>

Due to the cancellation of the corporate tax in Georgia effective from January 1, 2017, the carry forward tax loss in the amount of TRL 220.209 is not included in the carry forward tax loss as of June 30, 2017.

##### 22.3 Tax Expense

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Income tax expense (-)	(15.476)	(14.598)	(5.430)	(6.985)
Deferred tax income	43.196	8.290	5.623	180
	<b>27.720</b>	<b>(6.308)</b>	<b>193</b>	<b>(6.805)</b>



## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 23 - RELATED PARTY BALANCES AND TRANSACTIONS

Since Migros, a joint venture of the Company has participated in Tesco Kipa Kitle Pazarlama Ticaret Lojistik ve Gıda Sanayi A.Ş. (“Kipa”) as of March 1, 2017, Kipa is defined as a related party (Note 3). As a result, as of reporting period the Group’s trade receivables due from and trade payables due to Kipa are shown under “due from related parties” and “due to related parties” in the interim condensed consolidated statement of financial position. Trade receivables and payables related to Kipa are shown under “trade receivables, third parties” and “trade payables, third parties” in the consolidated statement of financial position as at December 31, 2016. Transactions made between March 1 – June 30, 2017 period with Kipa are shown under “sales of goods and services” note and “purchases of goods, property, plant & equipment and other charges” note under “related party balances and transactions” title.

#### 23.1 Due from Related Parties

	June 30, 2017	December 31, 2016
Migros (2)	6.621	10.774
Coca-Cola İçecek A.Ş. (3)	5.258	917
Anadolu Efes (1)	3.510	3.937
JSC Moscow Efes Brewery (Russia) (3)	3.423	2.435
Coca-Cola Satış ve Dağıtım A.Ş. (3)	2.958	1.329
JSC Efes Kazakhstan Brewery (Kazakhstan) (3)	2.587	979
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	1.875	1.247
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	1.615	3.003
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (3)	1.273	534
Faber-Castell Anadolu LLC (Russia) (2)	819	1.454
Kipa (3)	583	-
Anadolu Isuzu (2)	554	997
JSC Lomisi (Georgia) (3)	413	284
Other	1.935	882
	<b>33.424</b>	<b>28.772</b>

As of June 30, 2017 there is no amount in long term portion of due from related parties (December 31, 2016: None).

#### 23.2 Due to Related Parties

	June 30, 2017	December 31, 2016
Migros (2)	286	308
Efpa (3)	175	11
Other	45	74
	<b>506</b>	<b>393</b>

As of June 30, 2017 there is no amount in long term portion of due to related parties (December 31, 2016: None).

- (1) An associate
- (2) A joint venture
- (3) A Company controlled by an associate
- (4) Shareholder of the Company
- (5) Other

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 23 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 23.3 Other Payables Due to Related Parties

	June 30, 2017	December 31, 2016
Payables to Shareholders (*)	50.000	-
	<b>50.000</b>	-

(\*) The balance consists of cash dividend amounting TRL 50.000 which is planned to be paid before the merger based on the “Anadolu Grubu Merger” as detailed in Note 25.

##### 23.4 Related Party Transactions

###### Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured and interest free. Their settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended June 30, 2017, the Group has not recorded any provisions for doubtful receivables, relating to amounts owned by related parties (December 31, 2016: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of June 30, 2017 and 2016 are as follows:

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>Sales of goods and services, net</b>				
Anadolu Efes (1)	20.178	12.511	9.172	6.163
Efes Breweries International N.V. (3)	17.495	12.673	5.030	4.710
Efpa (3)	15.123	13.803	7.856	6.849
Coca-Cola Satış ve Dağıtım A.Ş. (3)	11.306	9.522	5.670	4.688
Anadolu Isuzu (2)	6.766	7.102	3.588	3.648
Migros (2)	6.578	1.535	2.130	492
Anadolu Efes Spor Kulübü (5)	1.719	1.067	708	481
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	1.319	1.114	737	535
ABank (1)	-	3.690	-	1.834
Tarbes (3) (*)	-	2.629	-	1.339
Other	5.611	7.073	2.848	3.891
	<b>86.095</b>	<b>72.719</b>	<b>37.739</b>	<b>34.630</b>

(\*) Tarbes, which was 100% subsidiary of Anadolu Efes has been merged with Anadolu Efes on December 30, 2016.

- (1) An associate
- (2) A joint venture
- (3) A Company controlled by an associate
- (4) Shareholder of the Company
- (5) Other

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 23 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 23.4 Related Party Transactions (cont'd)

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>Purchases of goods, and other charges</b>				
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	1.451	1.409	801	809
Anadolu Efes Spor Kulübü (5)	995	1.709	748	1.050
Migros (2)	631	531	254	285
Anadolu Efes (1)	5	22	-	9
Anadolu Isuzu (2)	-	3.152	-	144
Other	325	459	157	190
	<b>3.407</b>	<b>7.282</b>	<b>1.960</b>	<b>2.487</b>
	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>Financial Income/(Expense), Net</b>				
ABank (1)	-	331	-	320
	-	331	-	320
	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
<b>Various sales included in other income (includes dividends received)</b>				
Anadolu Isuzu (2)	526	28	237	1
ABank (1)	-	1.871	-	919
AMenkul (3)	-	170	-	83
Other	6	3	3	2
	<b>532</b>	<b>2.072</b>	<b>240</b>	<b>1.005</b>

- (1) An associate  
(2) A joint venture  
(3) A Company controlled by an associate  
(4) Shareholder of the Company  
(5) Other

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 23 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 23.4 Related Party Transactions (cont'd)

###### *Compensation of Key Management Personnel of the Group*

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, and the board of directors and general managers in the rest of the subsidiaries. Benefits provided to key management personnel include benefits such as wages, seniority, notice indemnity and vacation pay.

The details of benefits provided to the key management personnel for the periods ended on June 30, 2017 and 2016 are as follows:

	January 1- June 30, 2017	January 1- June 30, 2016	April 1- June 30, 2017	April 1- June 30, 2016
Short term benefits provided to key management personnel	15.256	12.274	6.050	5.405
Post-employment benefits	119	1.470	119	-
<b>Total gain</b>	<b>15.375</b>	<b>13.744</b>	<b>6.169</b>	<b>5.405</b>
<b>Social Security employer share</b>	<b>321</b>	<b>245</b>	<b>157</b>	<b>118</b>

###### *Other*

The Company and its subsidiaries other than McDonald's and Hamburger are obligated to donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of June 30, 2017, donations amount to TRL 1.451 (June 30, 2016: TRL 1.409).

#### NOTE 24 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### Financial Risk Management Objectives and Policies

###### General

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk, and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

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#### NOTE 24 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Fair value measurements

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques which does not contain observable market inputs

	June 30, 2017	Level 1	Level 2	Level 3
Derivative financial assets	65.496	-	65.496	-

  

	December 31, 2016	Level 1	Level 2	Level 3
Financial assets at fair value through profit/ loss	483	483	-	-
Derivative financial assets	61.314	-	61.314	-

##### Foreign currency risk

The Group predominantly operates in Turkey.

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at December 31, 2016	Average exchange buying rate in the period	Exchange buying rate at June 30, 2017
TRL /USD	Turkey	3,5192	3,6356	3,5071
TRL /EUR	Turkey	3,7099	3,9314	4,0030

Çelik Motor, a subsidiary of the Group, hedges its foreign exchange risk on commitments to provide operational leasing services resulting from off balance sheet foreign currency denominated operating lease receivables (hedged item) with foreign currency denominated loans (hedging instrument). In addition, AEH, a subsidiary of the Company, performs forward and swap transactions to reduce the cost of foreign currency denominated loans. The Group does not hedge investments, receivables, accounts payables, lease obligations and borrowings denominated in a foreign currency. The Group does not hedge their estimated foreign currency exposure in respect of sales and purchases.

Foreign currency risk arises from the EUR, USD, GBP, JPY, CAD, NOK denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

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#### NOTE 24 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Foreign Currency Risk (cont'd)

June 30, 2017	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	13.144	1.078	2.339	-	-
2a. Monetary financial assets (cash and cash equivalents included)	155.336	35.485	7.697	17	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	7.452	1.752	321	5	-
<b>4. Current assets (1+2+3)</b>	<b>175.932</b>	<b>38.315</b>	<b>10.357</b>	<b>22</b>	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	2.152	614	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	817	216	15	-	-
<b>8. Non - current assets (5+6+7)</b>	<b>2.969</b>	<b>830</b>	<b>15</b>	-	-
<b>9. Total assets (4+8)</b>	<b>178.901</b>	<b>39.145</b>	<b>10.372</b>	<b>22</b>	-
10. Trade payables	32.226	4.796	3.523	-	41.932
11. Short - term borrowings and current portion of long - term borrowings	938.032	27.867	209.917	-	-
12a. Monetary other liabilities	960	204	62	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
<b>13. Current liabilities (10+11+12)</b>	<b>971.218</b>	<b>32.867</b>	<b>213.502</b>	-	<b>41.932</b>
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	2.412.043	157.403	464.656	-	-
16a. Monetary other liabilities	-	-	-	-	-
16b. Non - monetary other liabilities	-	-	-	-	-
<b>17. Non - current liabilities (14+15+16)</b>	<b>2.412.043</b>	<b>157.403</b>	<b>464.656</b>	-	-
<b>18. Total liabilities (13+17)</b>	<b>3.383.261</b>	<b>190.270</b>	<b>678.158</b>	-	<b>41.932</b>
<b>19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)</b>	<b>503.445</b>	<b>709</b>	<b>125.146</b>	-	-
19a. Total hedged assets	503.445	709	125.146	-	-
19b. Total hedged liabilities	-	-	-	-	-
<b>20. Net foreign currency asset / (liability) position (9-18+19)</b>	<b>(2.700.915)</b>	<b>(150.416)</b>	<b>(542.640)</b>	<b>22</b>	<b>(41.932)</b>
<b>21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(3.212.629)</b>	<b>(153.093)</b>	<b>(668.122)</b>	<b>17</b>	<b>(41.932)</b>
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
<b>23. Export</b>	<b>17.510</b>	<b>1.743</b>	<b>2.842</b>	-	-
<b>24. Import</b>	<b>543.424</b>	<b>21.431</b>	<b>117.087</b>	-	<b>161.008</b>

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#### NOTE 24 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Foreign Currency Risk (cont'd)

December 31, 2016	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	8.341	984	1.315	-	-
2a. Monetary financial assets (cash and cash equivalents included)	200.647	43.439	12.874	4	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	1.702	392	83	3	66
4. Current assets (1+2+3)	210.690	44.815	14.272	7	66
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)	210.690	44.815	14.272	7	66
10. Trade payables	19.141	4.612	371	2	50.807
11. Short - term borrowings and current portion of long - term borrowings	913.394	60.110	189.184	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	932.535	64.722	189.555	2	50.807
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	2.123.202	154.402	425.842	-	-
16a. Monetary other liabilities	-	-	-	-	-
16b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	2.123.202	154.402	425.842	-	-
18. Total liabilities (13+17)	3.055.737	219.124	615.397	2	50.807
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	481.206	1.530	128.257	-	-
19a. Total hedged assets	481.206	1.530	128.257	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(2.363.841)	(172.779)	(472.868)	5	(50.741)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.846.749)	(174.701)	(601.208)	2	(50.807)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	58.651	3.891	14.054	-	-
24. Import	993.469	41.607	256.352	30	439.780

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

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**NOTE 24 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Foreign Currency Risk (cont'd)**

<b>Foreign currency position sensitivity analysis</b>		
<b>June 30, 2017</b>		
	<b>Income/(loss)</b>	<b>Income/( loss)</b>
	<b>Increase of the</b>	<b>Decrease of the</b>
	<b>foreign currency</b>	<b>foreign currency</b>
<b>Change in the USD against TRL by 10% +/-:</b>		
1- USD denominated net asset / liability	(53.001)	53.001
2- USD denominated hedging instruments(-)	249	(249)
<b>3- Net effect in USD (1+2)</b>	<b>(52.752)</b>	<b>52.752</b>
<b>Change in the EUR against TRL by 10% +/-:</b>		
4- Euro denominated net asset / liability	(267.315)	267.315
5- Euro denominated hedging instruments(-)	50.096	(50.096)
<b>6- Net effect in Euro (4+5)</b>	<b>(217.219)</b>	<b>217.219</b>
<b>Change in the other foreign currencies against TRL by 10% +/-:</b>		
7- Other foreign currency denominated net asset / liability	(120)	120
8- Other foreign currency hedging instruments(-)	-	-
<b>9- Net effect in other foreign currency (7+8)</b>	<b>(120)</b>	<b>120</b>
<b>TOTAL (3+6+9)</b>	<b>(270.091)</b>	<b>270.091</b>

<b>Foreign currency position sensitivity analysis</b>		
<b>June 30, 2016</b>		
	<b>Income / (loss)</b>	<b>Income / ( loss)</b>
	<b>Increase of the</b>	<b>Decrease of the</b>
	<b>foreign currency</b>	<b>foreign currency</b>
<b>Change in the USD against TRL by 10% +/-:</b>		
1- USD denominated net asset / liability	(62.149)	62.149
2- USD denominated hedging instruments(-)	2.294	(2.294)
<b>3- Net effect in USD (1+2)</b>	<b>(59.855)</b>	<b>59.855</b>
<b>Change in the EUR against TRL by 10% +/-:</b>		
4- Euro denominated net asset / liability	(252.864)	252.864
5- Euro denominated hedging instruments(-)	35.373	(35.373)
<b>6- Net effect in Euro (4+5)</b>	<b>(217.491)</b>	<b>217.491</b>
<b>Change in the other foreign currencies against TRL by 10% +/-:</b>		
7- Other foreign currency denominated net asset / liability	(64)	64
8- Other foreign currency hedging instruments(-)	-	-
<b>9- Net effect in other foreign currency (7+8)</b>	<b>(64)</b>	<b>64</b>
<b>TOTAL (3+6+9)</b>	<b>(277.410)</b>	<b>277.410</b>



## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

- As disclosed in our Significant Event Disclosure dated February 24, 2017, negotiations held between Kamil Yazıcı Yönetim ve Danışma A.Ş. (“KYYDAS”) and Özilhan Sınai Yatırım A.Ş. (“ÖSYAŞ”), Yazıcılar Holding A.Ş. (“Yazıcılar Holding”) and (C) and (D) group privileged shareholders of Yazıcılar Holding regarding the merger of Yazıcılar Holding, ÖSYAŞ and AEH under Yazıcılar Holding (Anadolu Group Merger), have resulted in the signing of binding agreements between the related parties as of July 29, 2017.

Through the planned merger in the framework of these agreements, KYYDAŞ and ÖSYAŞ aim to enhance the corporate and legal infrastructures, maximize shareholder value and ensure the continuation of existence of Anadolu Group beyond generations, through the principles and rules regarding the development, functioning and management of operations and thus identifying the rights and obligations of the parties against each other, thereby entailing increases in profitability, effectiveness and efficiency in a dynamic state Anadolu Group to maintain sustainable, economic and strong operations.

During the general assembly of Yazıcılar Holding to be held for the approval of the merger, the privileges of (A), (C) and (D) group shares will be removed, by reissuing these shares as (A) group unprivileged public shares. Without prejudice to the provisions of Capital Markets Board regarding the election of independent board members, the privilege of appointing half of the total 12 members of the new board among candidates offered by (B) group shareholders will be continued on reissued (B) group shares upon merger. During the same general assembly, it is foreseen that the name of Yazıcılar Holding will be changed to Anadolu Endüstri Holding A.Ş. (“Merged Holding”). KYYDAŞ and Özilhan Family will participate with 50%-50% shares in a new management company (AG Sınai Yatırım ve Yönetim A.Ş.), which will own all of (B) group privileged shares and part of (A) group unprivileged shares of Merged Holding. As such, Merged Holding will be managed by KYYDAŞ and Özilhan Family on the basis of equal representation and equal governance principles.

The merger will be conducted based on financial statements as of June 30, 2017 and the related independent audit procedures are still ongoing. Similarly, the appointed independent valuation firm is working on the expert opinion. Following the completion of the audit and valuation studies, around the end of August, application to the Capital Markets Board (“CMB”) is planned to be made. The merger will be finalized following the receipt of regulatory approvals from Competition Board and Ministry of Customs and Trade, besides Capital Markets Board; and the approval at ÖSYAŞ's, AEH's and Yazıcılar Holding's general assemblies.

During the general assembly to be held for the approval of the merger, retirement right will be granted to the shareholders of Yazıcılar Holding in accordance with relevant legislation and the February 24, 2017 will be the base date for the calculation of the exercise price of such retirement right.

On the other hand, Merged Holding will own the shares of Anadolu Group companies which are in the assets of Yazıcılar Holding, AEH and ÖSYAŞ. It has been presumed that there will be no need for a mandatory tender offer for the shareholders of public Anadolu Group companies in this context. Nevertheless, the final decision regarding this matter is dependent upon CMB's evaluation and in case any obligation appears following the completion of the transaction, February 24, 2017 will also be the base date for the calculation of the exercise prices for such mandatory tender offers.

Separately, cash amount of TRL 50.000 at Yazıcılar Holding will be distributed to the shareholders of Yazıcılar Holding through an additional dividend distribution to be made before the completion of the merger.

Informative presentation regarding the merger, which was first prepared on March 10, 2017, is updated in regard of this announcement and will be published on our website [www.yazicilarholding.com](http://www.yazicilarholding.com). The public will be informed of additional information and details as they emerge in due course.

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## **YAZICILAR HOLDİNG ANONİM ŐİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2017**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### **NOTE 25 - EVENTS AFTER THE REPORTING PERIOD (cont'd)**

- All of the 59.236.788 shares of Yazıcılar Holding which are owned by Kamil Yazıcı Yönetim ve Danışma A.Ő., a shareholder of Yazıcılar Holding, has been transferred to AG Sınai Yönetim ve Yatırım Anonim Őirketi with respect to its recorded (enrolled) valuation and by division in accordance with the provisions of Turkish Commercial Code 159 and its continuation provisions, Articles 19 and 20 of the Corporate Tax Law and other relevant legislative provisions.