

YAZICILAR HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2016**

(ORIGINALLY ISSUED IN TURKISH)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as of March 31, 2016

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2016 AND DECEMBER 31, 2015

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

| | Notes | Unreviewed March 31, 2016 | Audited December 31, 2015 |
|---|-------|------------------------------|------------------------------|
| ASSETS | | | |
| Current Assets | | 1.719.230 | 1.487.136 |
| Cash and Cash Equivalents | 6 | 374.870 | 364.926 |
| Financial Instruments | | 14.217 | 44.306 |
| Trade Receivables | | | |
| - Due From Related Parties | 21.2 | 22.276 | 19.616 |
| - Trade Receivables, Third Parties | | 417.769 | 213.356 |
| Other Receivables | | | |
| - Other Receivables, Third Parties | | 82.021 | 85.080 |
| Derivative Financial Instruments | | 14.574 | 15.852 |
| Assets Used in Renting Activities | 9.1 | 257.033 | 247.518 |
| Inventories | | 310.454 | 283.000 |
| Prepaid Expenses | | 62.761 | 49.154 |
| Current Income Tax Assets | 20.1 | 34.592 | 41.111 |
| Other Current Assets | | 128.663 | 123.217 |
| Non-Current Assets | | 7.433.841 | 7.353.535 |
| Financial Instruments | | 383 | 6.659 |
| Trade Receivables | | | |
| - Trade Receivables, Third Parties | | 4.187 | 3.215 |
| Other Receivables | | | |
| - Other Receivables, Third Parties | | 3.324 | 3.454 |
| Derivative Financial Instruments | | 5.017 | 6.522 |
| Inventories | | 28.907 | 21.708 |
| Investments Accounted Through Equity Method | 8 | 5.113.396 | 5.121.625 |
| Investment Property | | 256.424 | 257.254 |
| Assets Used in Renting Activities | 9.2 | 1.090.434 | 1.031.536 |
| Property, Plant and Equipment | 10 | 741.060 | 757.196 |
| Intangible Assets | 11 | 24.779 | 24.206 |
| Prepaid Expenses | | 15.209 | 16.374 |
| Deferred Tax Assets | 20.2 | 82.426 | 77.068 |
| Other Non-Current Assets | | 68.295 | 26.718 |
| TOTAL ASSETS | | 9.153.071 | 8.840.671 |

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2016 AND DECEMBER 31, 2015

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

| | Notes | Unreviewed March 31, 2016 | Audited December 31, 2015 |
|---|-------|------------------------------|------------------------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 2.131.385 | 1.773.994 |
| Current Portion of Long-Term Borrowings | 7 | 1.028.181 | 755.190 |
| Trade Payables | | 692.499 | 746.018 |
| - Due to Related Parties | 21.3 | 296 | 5.737 |
| - Trade Payables, Third Parties | | 259.468 | 188.709 |
| Other Payables | | | |
| - Other Payables, Third Parties | | 19.890 | 32.690 |
| Income Tax Payable | 20.1 | 1.092 | 444 |
| Short-Term Provisions | | | |
| - Short-Term Provisions For The Employee Benefits | 12.1 | 11.890 | 11.764 |
| - Other Short-Term Provisions | 12.2 | 4.905 | 4.827 |
| Other Current Liabilities | | 113.164 | 28.615 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 7 | 2.725.958 | 2.749.467 |
| Other Payables | | 2.115.281 | 2.203.834 |
| - Other Payables, Third Parties | | 496 | 436 |
| Long-Term Provisions | | | |
| - Long-Term Provisions For The Employee Benefits | 12.1 | 23.047 | 22.778 |
| Deferred Tax Liability | 20.2 | 41.321 | 44.168 |
| Other Non-Current Liabilities | | 545.813 | 478.251 |
| EQUITY | | | |
| Equity Attributable to Equity Holders of the Parent | | | |
| Paid-in Share Capital | 14 | 4.295.728 | 4.317.210 |
| Share Premium | | 3.515.438 | 3.525.938 |
| Other Comprehensive Income/Expense Not To Be Classified to Profit or Loss | | 160.000 | 160.000 |
| - Revaluation and Remeasurement Loss | | 9.474 | 9.474 |
| Other Comprehensive Income/Expense To Be Classified to Profit or Loss | | (6.105) | (5.948) |
| - Currency Translation Differences | | 7.004 | 8.970 |
| - Hedge Gain / Loss | | 3.693 | 8.959 |
| - Revaluation and Reclassification Gain | 14 | 1.903 | (309) |
| Other Reserves | | (65.213) | (65.213) |
| Restricted Reserves Allocated from Net Profit | 14 | 44.125 | 30.090 |
| Retained Earnings | 14 | 3.379.915 | 3.590.502 |
| Net Loss | | (19.358) | (210.587) |
| Non-Controlling Interest | | 780.290 | 791.272 |
| TOTAL LIABILITIES AND EQUITY | | 9.153.071 | 8.840.671 |

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS PERIODS ENDED
MARCH 31, 2016 AND 2015**

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

| | Notes | Unreviewed January 1, 2016 – March 31, 2016 | Unreviewed January 1, 2015 – March 31, 2015 |
|---|-------|---|---|
| CONTINUING OPERATIONS | | | |
| Revenue | | 733.756 | 546.058 |
| Cost of Sales (-) | | (601.673) | (424.124) |
| GROSS PROFIT | | 132.083 | 121.934 |
| General Administrative Expenses (-) | 15 | (52.499) | (46.457) |
| Marketing Expenses (-) | 15 | (41.167) | (35.217) |
| Research and Development Expenses (-) | 15 | (471) | (383) |
| Other Operating Income | 16.1 | 5.076 | 4.427 |
| Other Operating Expenses (-) | 16.2 | (11.536) | (10.482) |
| (Loss)/Income from Investments Accounted Through Equity Method | | (4.827) | (69.953) |
| OPERATING PROFIT/(LOSS) | | 26.659 | (36.131) |
| Income from Investing Activities | 17.1 | 8.362 | 12.334 |
| Expenses from Investing Activities (-) | 17.2 | (1.768) | (554) |
| OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE | | 33.253 | (24.351) |
| Financial Income | 18 | 71.467 | 151.452 |
| Financial Expenses (-) | 19 | (136.062) | (103.625) |
| (LOSS)/INCOME BEFORE TAX FROM CONTINUING OPERATIONS | | (31.342) | 23.476 |
| Tax Income/(Expense) from Continuing Operations | | 780 | (24.584) |
| - Current Period Tax Expense (-) | 20.3 | (7.679) | (30.546) |
| - Deferred Tax Income | 20.3 | 8.459 | 5.962 |
| NET LOSS FOR THE PERIOD FOR CONTINUING OPERATIONS | | (30.562) | (1.108) |
| Attributable to: | | (30.562) | (1.108) |
| - Non-Controlling Interests | | (11.204) | 12.022 |
| - Equity Holders of the Parent | | (19.358) | (13.130) |
| Earnings per share (full TRL) | | (0,12) | (0,08) |

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2016 AND 2015**

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

| | Unreviewed January 1, 2016 – March 31, 2016 | Unreviewed January 1, 2015 – March 31, 2015 |
|--|---|---|
| NET LOSS | (30.562) | (1.108) |
| OTHER COMPREHENSIVE INCOME | | |
| Items Not To Be Reclassified To Profit or Loss | | |
| Remeasurement Gain / (Loss) from Defined Benefit Plans | 550 | 365 |
| Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified To Profit/Loss | (361) | (151) |
| Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss - Deferred Tax Expense (-) | (110) | (73) |
| Items To Be Reclassified To Profit or Loss | | |
| Currency Translation Differences | (2.235) | (9.013) |
| Share Of Other Comprehensive Income Of Investments Accounted Through Equity Method To Be Classified To Profit/Loss | (3.003) | 150.985 |
| OTHER COMPREHENSIVE (EXPENSE) / INCOME | (5.159) | 142.113 |
| TOTAL COMPREHENSIVE (EXPENSE) / INCOME | (35.721) | 141.005 |
| Attributable to: | | |
| - Non-Controlling Interest | (11.221) | 18.070 |
| - Equity Holders of the Parent | (24.500) | 122.935 |

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2016 AND 2015

(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 | Revaluation and Remeasurement Gain / Loss | Currency Translation Differences | Hedge Gain / Loss | Revaluation and Reclassification Gain / Loss | Other Reserves | Restricted Reserves Allocated from Net Income | Retained Earnings | Net Income /(Loss) | Attributable to Equity Holders of the Parent | Non- Controlling Interest | Equity |
| Balances as of January 1, 2015 | 160.000 | 9.474 | (4.634) | (127.193) | 618 | 4.142 | (65.213) | 28.732 | 3.687.730 | (59.996) | 3.633.660 | 834.216 | 4.467.876 |
| Transfer of net income to the retained earnings | - | - | - | - | - | - | - | - | (59.996) | 59.996 | - | - | - |
| Capital increase of non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 159 | 159 |
| Transactions with non-controlling interests | - | - | - | - | - | - | - | - | 4.029 | - | 4.029 | 4.942 | 8.971 |
| Non-controlling put option valuation fund | - | - | - | - | - | (6) | - | - | - | - | (6) | - | (6) |
| Total comprehensive income / (expense) | - | - | (28) | 134.470 | 1.837 | (214) | - | - | - | (13.130) | 122.935 | 18.070 | 141.005 |
| Balances as of March 31, 2015 | 160.000 | 9.474 | (4.662) | 7.277 | 2.455 | 3.922 | (65.213) | 28.732 | 3.631.763 | (13.130) | 3.760.618 | 857.387 | 4.618.005 |
| Balances as of January 1, 2016 | 160.000 | 9.474 | (5.948) | 8.970 | 8.959 | (309) | (65.213) | 30.090 | 3.590.502 | (210.587) | 3.525.938 | 791.272 | 4.317.210 |
| Transfer of net income to the retained earnings | - | - | - | - | - | - | - | - | (210.587) | 210.587 | - | - | - |
| Capital increase of non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 241 | 241 |
| Non-controlling put option valuation fund | - | - | - | - | - | (35) | - | - | - | - | (35) | (2) | (37) |
| Transfer of gain on sale of financial investment to restricted reserves allocated from net profit | - | - | - | - | - | - | - | 14.035 | - | - | 14.035 | - | 14.035 |
| Total comprehensive income/(expense) | - | - | (157) | (1.966) | (5.266) | 2.247 | - | - | - | (19.358) | (24.500) | (11.221) | (35.721) |
| Balances as of March 31, 2016 | 160.000 | 9.474 | (6.105) | 7.004 | 3.693 | 1.903 | (65.213) | 44.125 | 3.379.915 | (19.358) | 3.515.438 | 780.290 | 4.295.728 |

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2016 AND 2015**

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

| | Notes | Unreviewed January 1, 2016 – March 31, 2016 | Unreviewed January 1, 2015 – March 31, 2015 |
|--|-------|---|---|
| Cash flow from operating activities | | | |
| Net loss before tax from continuing operations | | (30.562) | (1.108) |
| Adjustments | | | |
| Gain from disposal of property, plant and equipment, and intangible assets and assets used in renting activities | | (5.396) | (21.987) |
| Depreciation and amortization | | 29.877 | 25.796 |
| Provision for impairment in doubtful receivables | 16.2 | 250 | 124 |
| Warranty provision | 12.2 | 78 | 219 |
| Provision for vacation pay liability | | 680 | 816 |
| Provision for employee termination benefits | | 3.232 | 2.715 |
| Provision for bonus / (cancellation) | | (554) | 97 |
| Provision for impairment in assets used in renting activities | 9.1 | - | 346 |
| Other provisions | | - | 612 |
| Provisions for impairment in inventories / (cancellation) | | (465) | 233 |
| Foreign exchange expense | | 16.746 | 45.791 |
| Interest expenses | | 55.290 | 27.958 |
| (Gain)/loss on sale of financial investment | | (6.241) | 18 |
| Put option valuation expense | | 9.082 | - |
| Loss from investments accounted through equity method | | 4.827 | 69.953 |
| Change in derivative financial instruments – receivables | | 2.783 | 2.672 |
| Change in derivative financial instruments – liabilities | | - | (814) |
| Adjustments regarding tax (income) /expense | 20.3 | (780) | 24.584 |
| Other non-cash expense | | - | 809 |
| Operating profit before changes in operating assets and liabilities | | 78.847 | 178.834 |
| Change in trade and other receivables and due from related parties | | (208.295) | (185.576) |
| Change in inventories | | (26.989) | (93.380) |
| Change in other assets | | (17.640) | (25.368) |
| Change in trade and other payables and due to related parties | | 195.607 | 120.521 |
| Changes in inventories related to real estate activities | | (3.352) | - |
| Purchases of assets used in renting activities | | (261.281) | (101.320) |
| Proceeds from sale of assets used in renting activities | | 184.343 | 96.344 |
| Employee termination benefits paid | | (2.413) | (1.977) |
| Taxes paid | 20.1 | (512) | (2.178) |
| Net cash used in operating activities | | (61.685) | (14.100) |
| Cash flows used in investing activities | | | |
| Change in financial investments (net) | | 30.047 | (6.285) |
| Purchase of property, plant and equipment, intangible asset and investment property | | (9.547) | (48.108) |
| Proceeds from sale of property, plant and equipment, and intangible asset | | 3.678 | 17.029 |
| Proceeds from sale of financial investment | | 26.594 | - |
| Purchase of financial assets and participation in capital increase | | (37.500) | (200) |
| Gain on sale of a share to non-controlling interests | | - | 8.160 |
| Net cash provided/(used) in investing activities | | 13.272 | (29.404) |
| Cash flows provided by financing activities | | | |
| Capital increase of non-controlling shareholders | | 241 | 159 |
| Proceeds from borrowings from banks and other institutions | | 1.333.655 | 1.618.520 |
| Repayments of borrowings and interest from banks and other institutions | | (1.203.100) | (1.464.551) |
| Interest paid (-) | | (58.903) | (37.998) |
| Net cash provided by financing activities | | 71.893 | 116.130 |
| Currency translation on cash and cash transaction | | (13.536) | 47.125 |
| Net increase in cash and cash equivalents | | 9.944 | 119.751 |
| Cash and cash equivalent at the beginning of the period | 6 | 364.926 | 1.153.597 |
| Total cash and cash equivalent at the end of the period | | 374.870 | 1.273.348 |
| Interest income | | 7.707 | 17.101 |
| Dividend income | | - | - |

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 MARCH 31, 2016

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in Istanbul, Turkey (“Yazıcılar” or the “Company”) is a holding company of which 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. (BIST). 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 March 31, 2016 are authorized for issue by the Board of Directors on May 10, 2016, and are approved by the General Manager Sezai Tanrıverdi and 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 technologies, trade, asset management, real estate).

The average number of personnel of the Group for the period ended on March 31, 2016 is 6.485 (December 31, 2015: 6.875).

List of Shareholders

As of March 31, 2016 and December 31, 2015 the composition of shareholders and their respective percentage of shareholding rates can be summarized as follows:

| | March 31, 2016 | | December 31, 2015 | |
|--|----------------|---------------|-------------------|---------------|
| | Amount | (%) | Amount | (%) |
| Yazıcı Families | 60.422 | 37,76 | 60.640 | 37,90 |
| 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 | - | - |
| Publicly traded (**) | 45.197 | 28,25 | 45.197 | 28,25 |
| Paid-in share capital | 160.000 | 100,00 | 160.000 | 100,00 |

(*) 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 March 31, 2016 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, 2015: TRL 5.073 of the publicly traded portion, which is 3,17% of the paid-in share capital).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

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

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

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at March 31, 2016 and December 31, 2015 are as follows:

| | Place of incorporation | Principal activities | Segment | Effective shareholding and voting rights (%) | |
|---|------------------------|--|------------|--|-------------------|
| | | | | March 31, 2016 | December 31, 2015 |
| 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 of the Group | Retailing | 68,00 | 68,00 |
| Anadolu Bilişim Hizmetleri A.Ş. (ABH) | Turkey | IT, internet and e-commerce services | Other | 67,04 | 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 Varlık Yönetim A.Ş. (Artı Varlık) | Turkey | Asset management | Other | 67,99 | 67,99 |
| Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt) | Turkey | Industrial and commercial operations | Energy | 68,00 | 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 | Wholesale 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 |
| Antek Teknoloji Ürünleri Pazarlama ve Ticaret A.Ş. (Antek Teknoloji) (4) | Turkey | Inactive | Automotive | - | 68,00 |
| 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. | Turkey | Restaurant and cafe management | Other | 68,00 | 68,00 |
| Anadolu Aktif Teşebbüs ve Makine Ticaret A.Ş. (Anadolu Aktif Teşebbüs) (5) | Turkey | Inactive | Other | - | 68,00 |
| Atlas Varlık Yönetim A.Ş. (Atlas Varlık) | Turkey | Asset management | Other | 68,00 | 68,00 |
| Kheledula Enerji Ltd. (Kheledula) | Georgia | Production and sale of electricity (Investment in progress) | Energy | 68,00 | 68,00 |
| MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik) (6) | 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 68,78%, 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% shares at Anadolu Elektronik, respectively. As a result, Anadolu Elektronik is controlled by Yazıcılar Holding A.Ş..

(4) Merger of Antek Teknoloji Ürünleri Pazarlama ve Ticaret A.Ş. under AEH has been registered on March 24, 2016.

(5) Merger of Anadolu Aktif Teşebbüs ve Makine Ticaret A.Ş. under AEH has been registered on February 9, 2016.

(6) AEH owns 80,5% of MH Perakendecilik ve Ticaret A.Ş.. Put option liability of AEH for the remaining 19,5% shares are recognized, as a result, Yazıcılar's shareholding rate in MH Perakendecilik is 68,00%.

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

Associates

The associates included in consolidation by equity method and its shareholding percentages at March 31, 2016 and December 31, 2015 are as follows:

| | Country | Main activities | Effective shareholding and voting rights % | |
|---|---------|--|--|-------------------|
| | | | March 31, 2016 | December 31, 2015 |
| 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 |
| Alternatifbank A.Ş. (ABank) | Turkey | Banking services | 17,00 | 17,00 |

(*) 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 March 31, 2016 and December 31, 2015 are as follows:

| | Country | Main activities | Effective shareholding and voting rights % | |
|--|---------|--|--|-------------------|
| | | | March 31, 2016 | December 31, 2015 |
| Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (*) | Turkey | Manufacturing and selling of Isuzu brand vehicles | 37,56 | 37,56 |
| Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda) | Turkey | Production and marketing of olive oil, sunflower oil and corn oil under Kırlangıç, Komili and Madra brands | 37,57 | 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.

(**) AEH, the subsidiary of the Group, has 80,5% shares of MH Perakendecilik, which has 50% stake in Migros, to participate 40,25 % in Migros. Put option liability of AEH for the remaining 19,5% shares are accounted in the financial statements, as a result, the Company's shareholding rate in Migros is 34,00%.

NOTE 2 - BASIS OF PRESENTATION OF 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.

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NOTE 2 - BASIS OF PRESENTATION OF 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 (TAS/TFRS) as prescribed in the CMB Communiqué. The 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 in accordance with TAS 34, "Interim Financial Reporting". The 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 condensed consolidated financial statement disclosures (Note 13, 22).

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 income statement, 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 income statement within 'financial income or expense'. All other foreign exchange gains and losses are presented in the income statement 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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement 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 other comprehensive income.

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

Basis of Preparation of Financial Statements (cont'd)

| | | March 31, 2016 | December 31, 2015 |
|-----------------------|---------------------|---------------------|---------------------|
| | Local Currency | Functional Currency | Functional Currency |
| AEH Handels | EUR | EUR | EUR |
| Oyex | EUR | EUR | EUR |
| GUE | Georgian Lari (GEL) | GEL | GEL |
| Kheledula Enerji Ltd. | Georgian Lari (GEL) | GEL | GEL |

Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended March 31, 2016 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, 2015, 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, 2015.

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 not reclassified any figures to conform to changes in presentation in the current period consolidated financial statements.

Seasonality of Operations

Due to higher consumption of beer and soft drinks 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 three months up to March 31, 2016 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Changes in Accounting Policies

New standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements as at March 31, 2016 are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and IFRIC interpretations summarized below.

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

The new standards, amendments to published standards and interpretations effective applicable as of January 1, 2016:

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 16 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

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

The new standards, amendments to published standards and interpretations effective applicable as of January 1, 2016 (cont'd):

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
 - IFRS 5, ‘Non-current assets held for sale and discontinued operations’ regarding methods of disposal.
 - IFRS 7, ‘Financial instruments: Disclosures’, (with consequential amendments to IFRS 1) regarding servicing contracts.
 - IAS 19, ‘Employee benefits’ regarding discount rates.
 - IAS 34, ‘Interim financial reporting’ regarding disclosure of information.
- Amendment to IAS 1, ‘Presentation of financial statements’ on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports
- Amendment to IFRS 10 ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Standards and amendments issued but not yet effective as of March 31, 2016:

- IAS 7 ‘effective from annual periods beginning on or after 1 January 2017. The improvements are part of the Board’s Disclosure Initiative. The amendments require companies to provide information about changes in their financing liabilities and come as a response to requests from investors for information that helps them better understand changes in a company’s debt. The amendments will help to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).
- IAS 12 ‘Income Taxes’ effective from annual periods beginning on or after 1 January 2017. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset’s tax base. It also clarifies certain other aspects of accounting for deferred tax assets.
- IFRS 15 ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2018. IFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.
- IFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

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

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

Standards and amendments issued but not yet effective as of March 31, 2016 (cont'd):

- IFRS 16 'leases' effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied. New standard requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same.

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

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of March 31, 2016

None.

Transactions for the year of 2015

Share transfer regarding the 40,25% indirect participation of AEH, a subsidiary of the Group, in Migros Ticaret A.Ş. (Migros) has been completed on July 15, 2015 after the approval of Competition Authority. Following the share transfer, 80,5% shares of MH Perakendecilik ve Ticaret A.Ş (MH Perakendecilik), which has 50% stake in Migros, belong to AEH and 19,5% shares of MH Perakendecilik belong to Moonlight Capital. Moonlight Capital owns 30,5% of the Migros shares directly and 19,5% of Migros shares are publicly traded. The balance paid for the acquisition of 80,5% shares of MH Perakendecilik, which has 50% stake in Migros, by AEH including the indirectly acquired Migros shares amounts to TRL 2.490.869.210 (full TRL) and this payment is the sum of TRL 1.061.957.852 (full TRL) and Euro 297.041.599 (full Euro) payments, which indicate an indirect purchase price of TRL 26,86 (full TRL) for each Migros share with a nominal value of TRL 1 (full TRL), and AEH's 80,5% share in total cash amount of MH Perakendecilik. Therefore, the net payment ends up as 1.924.655.768 (full TRL).

Under certain conditions and a time period, Migros will be managed jointly by AEH and the funds managed by BC Partners which controls Moonlight Capital. Therefore, in the financial statements Migros has been defined as a joint venture, and MH Perakendecilik which has 50% stake in Migros has been defined as a subsidiary of the Group. At the same time, for the 19,5% shares of Moonlight Capital in MH Perakendecilik, AEH has the right to buy (call option) and Moonlight Capital has the right to sell (put option) between May 1, 2017 and October 31, 2017. As of December 31, 2015 in Group's consolidated financial statements call option of AEH has not been accounted whereas put option liability arising from put option given to Moonlight Capital, amounting to TRL 474.515 has been accounted under "non-current liabilities". As a result of review of option's subjects and recognizing option liability, non-controlling interests related to regarding shares are not recognized in the Group's consolidated financial statements in accordance with related accounting standards. At the acquisition date, the difference amounting to TRL 549.701 between put option liability recognized in non-controlling interests and non-controlling interests amounting to TRL (92.524) that corresponds to 19,5% shares related to options, is recognized under investments accounted through equity method in the consolidated financial statements.

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NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for the year of 2015 (cont'd)

Fair value of net assets in the financial statements as of the date on which shares of Migros and MH Perakendecilik were acquired is as the following:

| | Fair Value | Book Value |
|---|-------------------|-------------------|
| Cash and cash equivalents | 1.529.231 | 1.529.231 |
| Trade and other receivables | 69.273 | 69.273 |
| Receivables due from related parties | 41 | 41 |
| Inventories | 1.232.365 | 1.066.309 |
| Derivative financial instruments | 2.661 | 2.661 |
| Other current assets | 40.745 | 40.745 |
| Financial instruments | 1.165 | 1.165 |
| Investment property | 222.997 | 60.768 |
| Property, plant and equipment | 1.521.347 | 1.273.179 |
| Intangible assets | | |
| - Goodwill | - | 2.251.427 |
| - Other intangible assets | 198.125 | 156.263 |
| Other non-current assets | 11.141 | 11.141 |
| Financial borrowings | (2.463.696) | (2.463.696) |
| Trade and other payables | (2.192.917) | (2.192.917) |
| Trade payables due to related parties | (1.201) | (1.201) |
| Derivative financial instruments | (1.267) | (1.267) |
| Other liabilities | (296.820) | (296.820) |
| Deferred tax liability | (115.669) | (85.224) |
| Net carrying amount | (242.479) | 1.421.078 |
| Total cost of acquisition | 2.490.869 | 2.490.869 |
| Portion of the net assets acquired by the Group | 185.644 | 855.225 |
| Fair value difference in investments accounted through equity method | 2.305.225 | 1.635.644 |
| Total cost of acquisition | 2.490.869 | 2.490.869 |
| Proceeds due to the acquisition (-) | (567.133) | (567.133) |
| Net acquisition cost in consolidated financial statements | 1.923.736 | 1.923.736 |

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

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NOTE 4 - JOINT VENTURES

Joint Ventures

| Entity | Principle activities | Country | March 31, 2016 | | | December 31, 2015 | | |
|---------------------------|--|---------|------------------|--|---------------------------------|-------------------|--|---------------------------------|
| | | | Carrying value | Effective shareholding and voting rights (%) | Group's share of income/ (loss) | Carrying value | Effective shareholding and voting rights (%) | Group's share of income/ (loss) |
| Anadolu Isuzu (*) | Manufacturing and selling of Isuzu brand commercial vehicles | Turkey | 123.797 | 37,56 | (817) | 124.885 | 37,56 | 6.819 |
| Ana Gıda | Production and marketing of olive oil, sunflower oil and corn oil under Kirlangıç, Komili and Madra Brands | Turkey | 34.688 | 37,57 | 1.561 | 33.132 | 37,57 | 744 |
| Aslançık | Production of electricity | Turkey | 18.725 | 22,67 | 4.515 | 14.210 | 22,67 | (24.922) |
| Faber-Castell Anadolu LLC | Trading of all kinds of stationery | Russia | 175 | 19,34 | (8) | - | 19,34 | - |
| Migros (*) (**) | Sales of food and beverages and durable goods | Turkey | 2.221.360 | 34,00 | (16.631) | 2.238.866 | 34,00 | (128.154) |
| | | | 2.398.745 | | (11.380) | 2.411.093 | | (145.513) |

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

(**) AEH, the subsidiary of the Group, owns 80,5% shares of MH Perakendecilik, which has 50% stake in Migros, to participate 40,25 % in Migros. Put option liability of AEH for the remaining 19,5% shares are accounted in the financial statements, as a result, the Company's shareholding rate in Migros is 34,00%.

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

| | March 31, 2016 | December 31, 2015 |
|----------------------|----------------|-------------------|
| Anadolu Isuzu | | |
| Total assets | 855.989 | 881.203 |
| Total liabilities | 535.459 | 557.841 |
| Net assets | 320.530 | 323.362 |

Group's interest in net assets 123.797 124.885

| | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Anadolu Isuzu | | |
| Revenue | 199.782 | 184.953 |
| Net (loss)/income for the period | (2.126) | 1.661 |
| Group's share in net (loss)/income of the joint venture | (817) | 638 |

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

| | March 31, 2016 | December 31, 2015 |
|-------------------|----------------|-------------------|
| Ana Gıda | | |
| Total assets | 196.608 | 181.795 |
| Total liabilities | 126.378 | 114.381 |
| Net assets | 70.230 | 67.414 |

Group's interest in net assets 34.688 33.132

| | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Ana Gıda | | |
| Revenue | 81.673 | 79.463 |
| Net income for the period | 2.824 | 2.218 |
| Group's share in net income of the joint venture | 1.561 | 1.226 |

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NOTE 4 - JOINT VENTURES (cont'd)

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

| | March 31, 2016 | December 31, 2015 |
|---------------------------------------|-----------------------|-------------------|
| Aslançık | | |
| Total assets | 490.045 | 470.309 |
| Total liabilities | 430.256 | 424.066 |
| Net assets | 59.789 | 46.243 |
| Group's interest in net assets | 18.725 | 14.210 |

| | March 31, 2016 | March 31, 2015 |
|--|-----------------------|----------------|
| Aslançık | | |
| Revenue | 27.205 | 17.456 |
| Net income/ (loss) for the period | 13.547 | (47.277) |
| Group's share in net income / (loss) of the joint venture | 4.515 | (15.757) |

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

| | March 31, 2016 | December 31, 2015 |
|---|-----------------------|-------------------|
| Faber Castell Anadolu LLC | | |
| Total assets | 7.893 | 6.621 |
| Total liabilities | 6.404 | 5.297 |
| Net assets | 1.489 | 1.324 |
| Group's interest in net assets (*) | 175 | - |

| | March 31, 2016 | March 31, 2015 |
|--|-----------------------|----------------|
| Faber Castell Anadolu LLC | | |
| Revenue | 2.499 | 2.117 |
| Net loss for the period | (15) | (144) |
| Group's share in net loss of the joint ventures | (8) | (72) |

(*) Group's interest in Faber Castell Anadolu LLC, a joint venture of the Group, is calculated as negative balance as of December 31, 2015 which is not appropriate for IAS/IFRS reporting, therefore share in net assets of investments accounted through equity method is adjusted in an amount that make balance of Faber Castell Anadolu LLC equal to zero.

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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:

| | March 31, 2016 | December 31, 2015 |
|---|-----------------------|-------------------|
| Migros | | |
| Current assets | 2.068.825 | 2.035.523 |
| Non-current assets | 3.738.352 | 3.725.194 |
| Total assets | 5.807.177 | 5.760.717 |
| Short-term borrowings | 218.148 | 212.910 |
| Other current liabilities | 2.519.104 | 2.512.761 |
| Long-term borrowings | 2.436.505 | 2.380.236 |
| Other non-current liabilities | 147.077 | 138.824 |
| Total liabilities | 5.320.834 | 5.244.731 |
| Net assets | 486.343 | 515.986 |
| Attributable to: | | |
| Non-controlling interests | 670 | 644 |
| Equity holders of the parent | 485.673 | 515.342 |
| Group's interest in net assets (*) | 2.221.360 | 2.238.866 |
| | March 31, 2016 | |
| Revenue | 2.411.097 | |
| Net loss for the period | (27.909) | |
| Non-controlling interests | 15 | |
| Equity holders of the parent | (27.924) | |
| Group's interest in net loss | (16.631) | |
| - Non-controlling interests | (5.322) | |
| - Equity holders of the parent | (11.309) | |

(*) The balance includes fair value difference arising from recognizing acquisition transaction and put option liability.

The movement of carrying value of the joint venture, Migros in the interim condensed consolidated financial statements as of March 31, 2016 is as follows:

| | March 31, 2016 |
|---|-----------------------|
| Balance at the beginning of period | 2.238.866 |
| Group's share in net loss | (16.631) |
| Group's share in currency translation differences | (875) |
| Balance at the end of period | 2.221.360 |

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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, asset management, real estate).

Since segment reporting and information used in the Group management reporting is consistent with consolidated balance sheet and consolidated income statement the Group does not need to perform reconciliation between the consolidated income statement, consolidated balance sheet and the segment reporting disclosure

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NOTE 5 - SEGMENT REPORTING (cont'd)

| January 1-March 31, 2016 | Automotive | Retailing | Energy | Other | Unallocated | Consolidated |
|--|-------------------|------------------|----------------|------------------|--------------------|---------------------|
| Sales | 463.018 | 230.452 | 12.596 | 27.690 | - | 733.756 |
| Inter-segment sales | 1.289 | 1.234 | - | 7.441 | (9.964) | - |
| Total Sales | 464.307 | 231.686 | 12.596 | 35.131 | (9.964) | 733.756 |
| GROSS PROFIT | 67.571 | 51.936 | 7.443 | 13.035 | (7.902) | 132.083 |
| General administrative expenses (-) | (14.619) | (17.422) | (2.956) | (26.595) | 9.093 | (52.499) |
| Marketing expenses (-) | (20.146) | (19.063) | - | (2.527) | 569 | (41.167) |
| Research and development expenses (-) | (511) | - | - | - | 40 | (471) |
| Other operating income | 3.125 | 1.443 | 7 | 487 | 14 | 5.076 |
| Other operating expenses (-) | (1.221) | (8.618) | (23) | (1.674) | - | (11.536) |
| Gain/ (Loss) from the investments accounted through equity method (*) | - | (8) | - | - | (4.819) | (4.827) |
| OPERATING PROFIT / LOSS | 34.199 | 8.268 | 4.471 | (17.274) | (3.005) | 26.659 |
| Income from investing activities | 171 | 104 | - | 8.068 | 19 | 8.362 |
| Expenses from investing activities (-) | - | (1.634) | - | (134) | - | (1.768) |
| OPERATING PROFIT/ LOSS BEFORE FINANCIAL EXPENSE | 34.370 | 6.738 | 4.471 | (9.340) | (2.986) | 33.253 |
| Financial income | 44.688 | 2.981 | 4.385 | 19.413 | - | 71.467 |
| Financial expenses (-) | (75.687) | (10.721) | (4.139) | (36.433) | (9.082) | (136.062) |
| INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 3.371 | (1.002) | 4.717 | (26.360) | (12.068) | (31.342) |
| Tax Income/(Expense) from Continuing Operations | (739) | (3.587) | 101 | 5.007 | (2) | 780 |
| - Current period tax expense (-) | (436) | (6.380) | - | (863) | - | (7.679) |
| - Deferred tax income / (expense) | (303) | 2.793 | 101 | 5.870 | (2) | 8.459 |
| NET INCOME / LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS | 2.632 | (4.589) | 4.818 | (21.353) | (12.070) | (30.562) |
| Attributable to: | 2.632 | (4.589) | 4.818 | (21.353) | (12.070) | (30.562) |
| - Non-controlling interest | (15) | - | 689 | - | (11.878) | (11.204) |
| - Equity holders of the parent | 2.647 | (4.589) | 4.129 | (21.353) | (192) | (19.358) |
| Total Assets | 2.169.306 | 767.928 | 405.913 | 4.344.214 | 1.465.710 | 9.153.071 |
| Investments accounted through equity method | - | 175 | - | - | 5.113.221 | 5.113.396 |
| Total Liabilities | 1.770.571 | 483.119 | 358.694 | 1.906.160 | 338.799 | 4.857.343 |
| Net debt | 1.490.387 | 224.462 | 337.188 | 1.394.837 | - | 3.446.874 |
| Purchases of tangible & intangible assets, assets used in renting activities and investment property | 266.454 | 3.957 | 28 | 389 | - | 270.828 |
| Depreciation and amortization (**) | 14.586 | 7.351 | 3.332 | 4.619 | (11) | 29.877 |

(*) Expense recognized from ABank, Anadolu Isuzu and Migros amounting TRL 28.721 and income recognized from Anadolu Efes, Ana Gıda and Aslancık amounting TRL 23.902 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment; expense recognized from Faber Castel Anadolu LLC amounting to TRL 8 is recorded in "retailing" segment.

(**) Depreciation and amortization amounting TRL 1.396 of the property, plant and equipment and intangible assets belong to Investment Properties.

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NOTE 5 - SEGMENT REPORTING (cont'd)

| January 1-March 31, 2015 | Automotive | Retailing | Energy | Other | Unallocated | Consolidated |
|---|------------|-----------|----------|-----------|-------------|--------------|
| Sales | 297.850 | 207.385 | 9.758 | 31.065 | - | 546.058 |
| Inter-segment sales | 1.211 | 926 | - | 2.840 | (4.977) | - |
| Total Sales | 299.061 | 208.311 | 9.758 | 33.905 | (4.977) | 546.058 |
| GROSS PROFIT | 60.531 | 50.795 | 3.938 | 13.490 | (6.820) | 121.934 |
| General administrative expenses (-) | (12.148) | (15.116) | (2.491) | (22.834) | 6.132 | (46.457) |
| Marketing expenses (-) | (15.951) | (18.739) | - | (1.116) | 589 | (35.217) |
| Research and development expenses (-) | (420) | - | - | - | 37 | (383) |
| Other operating income | 603 | 3.626 | 47 | 451 | (300) | 4.427 |
| Other operating expenses (-) | (712) | (8.722) | (886) | (162) | - | (10.482) |
| Gain/ (Loss) from the investments accounted through equity method (*) | - | (72) | - | - | (69.881) | (69.953) |
| OPERATING INCOME / LOSS | 31.903 | 11.772 | 608 | (10.171) | (70.243) | (36.131) |
| Income from investing activities | 453 | 11.106 | 7 | 3.278 | (2.510) | 12.334 |
| Expenses from investing activities (-) | - | (536) | - | (18) | - | (554) |
| OPERATING INCOME / LOSS BEFORE FINANCIAL EXPENSE | 32.356 | 22.342 | 615 | (6.911) | (72.753) | (24.351) |
| Financial income | 8.605 | 1.544 | 191 | 141.112 | - | 151.452 |
| Financial expenses (-) | (35.839) | (5.778) | (53.372) | (8.636) | - | (103.625) |
| INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 5.122 | 18.108 | (52.566) | 125.565 | (72.753) | 23.476 |
| Tax Income/(Expense) from Continuing Operations | (1.470) | (4.346) | 6.680 | (25.443) | (5) | (24.584) |
| - Current period tax expense (-) | - | (6.130) | - | (24.416) | - | (30.546) |
| - Deferred tax income / (expense) | (1.470) | 1.784 | 6.680 | (1.027) | (5) | 5.962 |
| NET INCOME/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 3.652 | 13.762 | (45.886) | 100.122 | (72.758) | (1.108) |
| Attributable to: | 3.652 | 13.762 | (45.886) | 100.122 | (72.758) | (1.108) |
| - Non-controlling interest | (23) | - | (4.449) | - | 16.494 | 12.022 |
| - Equity holders of the parent | 3.675 | 13.762 | (41.437) | 100.122 | (89.252) | (13.130) |
| Total Assets | 1.449.659 | 754.814 | 428.236 | 2.980.368 | 1.477.471 | 7.090.548 |
| Investments accounted through equity method | - | 489 | - | - | 2.942.615 | 2.943.104 |
| Total Liabilities | 1.194.779 | 504.841 | 355.427 | 426.851 | (9.355) | 2.472.543 |
| Net Debt | 1.012.076 | 227.570 | 327.534 | (827.159) | - | 740.021 |
| Purchases of tangible & intangible assets, assets used in renting activities and investment property (**) | 104.335 | 13.294 | 1.164 | 42.549 | (9.798) | 151.544 |
| Depreciation and amortization (**) | 14.220 | 5.988 | 3.243 | 2.368 | (23) | 25.796 |

(*) Income recognized from ABank, Ana Gıda and Anadolu Isuzu amounting TRL 8.553 and expense recognized from Anadolu Efes and Aslancık amounting TRL 78.434 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment; and expense recognized from Faber Castel Anadolu LLC amounting to TRL 72 is recorded in "retailing" segment.

(**) TRL 28.701 of the property, plant and equipment and intangible asset purchases and TRL 90 of the depreciation and amortization belong to Investment Properties.

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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, 2015: 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 March 31, 2016 and March 31, 2015 are reflected in "gain/loss from the investments accounted through equity method" line of the interim condensed consolidated income statement as income amounting to TRL 17.826 and loss amounting to TRL 62.677 respectively. Group has 17,00% shareholding rate at ABank (December 31, 2015: 17,00%). The results of ABank's operations for the periods ended March 31, 2016 and March 31, 2015 are reflected in "gain/loss from the investments accounted through equity method" lines of the interim condensed consolidated income statements as loss amounting to TRL 11.273 and as gain amounting to TRL 6.689 respectively.

NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

| | March 31, 2016 | December 31, 2015 |
|--|----------------|-------------------|
| Cash | 2.141 | 2.035 |
| Banks | 341.805 | 332.279 |
| -Time deposits | 316.835 | 303.615 |
| -Demand deposits | 24.970 | 28.664 |
| Other cash and cash equivalents (*) | 30.924 | 30.612 |
| Cash and cash equivalents in the consolidated cash flow statement | 374.870 | 364.926 |

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

Cash and cash equivalents of Yazıcılar as of March 31, 2016 amounts to TRL 87.119, cash and cash equivalents of AEH, a subsidiary of the Company amounts to TRL 109.281. (December 31, 2015: TRL 62.352 and TRL 135.328).

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NOTE 7 - BORROWINGS

| | March 31, 2016 | December 31, 2015 |
|--|-----------------------|-------------------|
| Bank borrowings | 932.975 | 755.190 |
| Bills issued (*) | 95.206 | - |
| Current portion of long term borrowings | 691.340 | 740.956 |
| Financial leasing payables | 585 | 1.005 |
| Interest expense accruals of bonds issued (**) | 574 | 4.057 |
| Short term borrowings | 1.720.680 | 1.501.208 |
| Bank borrowings | 2.013.359 | 2.101.912 |
| Financial leasing payables | 1.922 | 1.922 |
| Bonds issued (**) | 100.000 | 100.000 |
| Long term borrowings | 2.115.281 | 2.203.834 |
| Total borrowings | 3.835.961 | 3.705.042 |

(*) Çelik Motor, a subsidiary of the Company, has issued a bill to qualified investors without public offering at March 3, 2016, with 179 days maturity, TRL 100.000 nominal value, 12,4% interest rate. The carrying amount of the bill amounts to TRL 95.206 as of March 31, 2016.

(**) Çelik Motor, a subsidiary of the Company, 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 100.574 as of March 31, 2016.

Total borrowings of AEH, a subsidiary of the Company as of March 31, 2016 amounts to TRL 1.216.607 (December 31, 2015: TRL 1.160.502).

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NOTE 7 - BORROWINGS (cont'd)

As of March 31, 2016, the Group does not have any secured bank borrowings except subjects mentioned in Note 13 (December 31, 2015: None).

| Short term | March 31, 2016 | | | December 31, 2015 | | |
|--|------------------|---------------------|------------------------|-------------------|---------------------|------------------------|
| | Amount | Fixed interest rate | Floating interest rate | Amount | Fixed interest rate | Floating interest rate |
| Borrowing in Turkish Lira | 652.471 | 10,3% - 14,6% | - | 599.731 | 8,6% - 17,0% | - |
| Borrowing in foreign currency (EUR) | 766.400 | 1,8% - 4,9% | Libor + (3,2% - 4,4%) | 724.165 | 1,8% - 4,9% | Libor + (3,2% - 4,4%) |
| Borrowing in foreign currency (USD) | 206.018 | 3,5% - 4,5% | Libor + (2,9% - 4,4%) | 176.307 | 3,5% - 4,2% | Libor + (2,9% - 4,4%) |
| Financial leasing payables in Turkish Lira | 585 | 7,2% - 8,0% | - | 1.005 | 7,2% - 8,0% | - |
| Bills issued in Turkish Lira | 95.206 | 12,4% | - | - | - | - |
| | 1.720.680 | | | 1.501.208 | | |
| Long term | Amount | Fixed interest rate | Floating interest rate | Amount | Fixed interest rate | Floating interest rate |
| Borrowing in Turkish Lira | 34.849 | 12,5% - 14,6% | - | 47.618 | 10,8% - 14,6% | - |
| Borrowing in foreign currency (EUR) | 1.450.812 | 3,3% - 4,7% | Libor + (3,6% - 4,4%) | 1.492.037 | 3,2% - 4,9% | Libor + (3,8% - 4,4%) |
| Borrowing in foreign currency (USD) | 527.698 | 3,5% | Libor + (3,0% - 4,4%) | 562.257 | 3,5% - 4,0% | Libor + (3,0% - 4,4%) |
| Financial leasing payables in Turkish Lira | 1.922 | 8,6% - 8,9% | - | 1.922 | 8,6% - 8,9% | - |
| Bonds issued in Turkish Lira | 100.000 | 13,8% | - | 100.000 | 13,8% | - |
| | 2.115.281 | | | 2.203.834 | | |
| | 3.835.961 | | | 3.705.042 | | |

Repayments schedules of long-term borrowings are as follows:

| | March 31, 2016 | December 31, 2015 |
|---------------------|------------------|-------------------|
| 2017 | 260.457 | 355.382 |
| 2018 | 154.776 | 165.988 |
| 2019 | 940.634 | 902.553 |
| 2020 | 504.424 | 518.251 |
| 2021 and thereafter | 254.990 | 261.660 |
| | 2.115.281 | 2.203.834 |

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

| | March 31, 2016 | December 31, 2015 |
|-------------------------------------|------------------|-------------------|
| Investment in associate | 2.714.651 | 2.710.532 |
| Interest in joint ventures (Note 4) | 2.398.745 | 2.411.093 |
| | 5.113.396 | 5.121.625 |

8.1 Associates

| Entity | Principle Activities | Country of business | March 31, 2016 | | | December 31, 2015 | | |
|------------------|--|---------------------|------------------|--|--------------------------------|-------------------|--|--------------------------------|
| | | | Carrying value | Effective shareholding and voting rights (%) | Group's share of income/(loss) | Carrying value | Effective shareholding and voting rights (%) | Group's share of income/(loss) |
| Anadolu Efes (*) | Production, bottling and distribution of beer, sparkling and still beverages | Turkey | 2.322.988 | 27,66 | 17.826 | 2.310.884 | 27,66 | (58.477) |
| ABank | Banking services | Turkey | 391.663 | 17,00 | (11.273) | 399.648 | 17,00 | 23.652 |
| | | | 2.714.651 | | 6.553 | 2.710.532 | | (34.825) |

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

Summary financial information of associate Anadolu Efes is as follows:

| <i>Summary balance sheet:</i> | Anadolu Efes | Anadolu Efes |
|---|-------------------|-------------------|
| | March 31, 2016 | December 31, 2015 |
| Current Assets | 5.052.662 | 4.942.542 |
| Non-Current Assets | 17.049.297 | 17.101.548 |
| Total Assets | 22.101.959 | 22.044.090 |
| Short-Term Borrowings | 742.316 | 744.593 |
| Other Current Liabilities | 2.083.270 | 1.880.570 |
| Long-Term Borrowings | 4.528.543 | 4.638.623 |
| Other Non-Current Liabilities | 2.228.999 | 2.206.799 |
| Total Liabilities | 9.583.128 | 9.470.585 |
| Net Assets | 12.518.831 | 12.573.505 |
| Attributable to: | | |
| Non-controlling interests | 4.769.841 | 4.865.449 |
| Net assets of the equity holders of the parent | 7.748.990 | 7.708.056 |
| Group's share in net assets | 2.322.988 | 2.310.884 |

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

8.1 Associates (cont'd)

| <i>Summary income statement:</i> | Anadolu Efes | Anadolu Efes |
|---|----------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Revenue | 1.933.242 | 1.931.029 |
| Net income/(loss) | 49.508 | (282.757) |
| Non-controlling interests | (10.775) | (70.799) |
| Equity holders of the parent | 60.283 | (211.958) |
| Group's share in net income/(loss) | 17.826 | (62.677) |
| -Non-controlling interest | 1.150 | (4.042) |
| -Equity holders of the parent | 16.676 | (58.635) |

The movement of carrying value of the associate, Anadolu Efes in the interim condensed consolidated financial statements as of March 31, 2016 and March 31, 2015 is as follows:

| | March 31, 2016 | March 31, 2015 |
|---|------------------|------------------|
| Balance at January 1 | 2.310.884 | 2.281.668 |
| Group's share in net income/(loss) | 17.826 | (62.677) |
| Group's share in currency translation differences | 13 | 148.772 |
| Cash flow hedge reserve | (5.628) | 1.964 |
| Non-controlling put option valuation fund | (37) | (6) |
| Group's share in remeasurment funds | (70) | (46) |
| Balance at the end of the period | 2.322.988 | 2.369.675 |

Summary financial information of ABank, the Group's associate is as follows:

| <i>Summary balance sheet:</i> | ABank | ABank |
|---|------------------|-------------------|
| | March 31, 2016 | December 31, 2015 |
| Total assets | 13.526.302 | 13.942.040 |
| Total liabilities | 12.523.539 | 12.907.336 |
| Net assets | 1.002.763 | 1.034.704 |
| Attributable to: | | |
| Non-controlling interests | 12 | 12 |
| Net assets of the equity holders of the parent | 1.002.751 | 1.034.692 |
| Group's share in net assets | 391.663 | 399.648 |

| <i>Summary income statement:</i> | ABank | ABank |
|---|-----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Interest, fee and commission income | 304.065 | 278.311 |
| Net (loss)/income | (45.094) | 27.054 |
| Non-controlling interests | - | 86 |
| Equity holders of the parent | (45.094) | 26.968 |
| Group's share in net (loss)/income | (11.273) | 6.689 |

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

8.1 Associates (cont'd)

The movement of carrying value of the associate ABank in the interim condensed consolidated financial statements as of March 31, 2016 and March 31, 2015 is as follows:

| | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Balance at January 1 | 399.648 | 380.701 |
| Group's share in net (loss)/ income | (11.273) | 6.689 |
| Group's share in revaluation funds | 3.304 | (311) |
| Group's share in transactions with non-controlling interests | - | 809 |
| Group's share in remeasurement funds | (16) | - |
| Balance at the end of the period | 391.663 | 387.888 |

Based on the shareholders agreement signed with The Commercial Bank of Qatar (CBQ), AEH, the subsidiary of the Group which has 25% share in ABank, has an option to sell ABank shares to CBQ (CBQ's liability to purchase). The mentioned selling option can be used between the 3rd and 5th years following the date of July 18, 2013 which is the date of CBQ's purchase of ABank shares.

8.2 Joint Ventures

| Entity | Principle activities | Country | March 31, 2016 | | | December 31, 2015 | | |
|---------------------------|--|---------|------------------|--|---------------------------------|-------------------|--|---------------------------------|
| | | | Carrying value | Effective shareholding and voting rights (%) | Group's share of income/ (loss) | Carrying value | Effective shareholding and voting rights (%) | Group's share of income/ (loss) |
| Anadolu Isuzu (*) | Manufacturing and selling of Isuzu brand commercial vehicles | Turkey | 123.797 | 37,56 | (817) | 124.885 | 37,56 | 6.819 |
| Ana Gıda | Production and marketing of olive oil, sunflower oil and corn oil under Kirlangıç, Komili and Madra brands | Turkey | 34.688 | 37,57 | 1.561 | 33.132 | 37,57 | 744 |
| Aslançık | Production of electricity | Turkey | 18.725 | 22,67 | 4.515 | 14.210 | 22,67 | (24.922) |
| Faber-Castell Anadolu LLC | Trading of all kinds of stationery | Russia | 175 | 19,34 | (8) | - | 19,34 | - |
| Migros (*) (**) | Sales of food and drinks along with durable goods | Turkey | 2.221.360 | 34,00 | (16.631) | 2.238.866 | 34,00 | (128.154) |
| | | | 2.398.745 | | (11.380) | 2.411.093 | | (145.513) |

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

(**) AEH, the subsidiary of the Group, owns 80,5% shares of MH Perakendecilik, which has 50% stake in Migros, to participate 40,25 % in Migros. Put option liability of AEH for the remaining 19,5% shares are accounted in the financial statements, as a result, the Company's shareholding rate in Migros is 34,00%.

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NOTE 9 - ASSETS USED IN RENTING ACTIVITIES

9.1 Current Assets Used in Renting Activities

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Cost | | |
| Balance at January 1 | 251.376 | 171.604 |
| Additions | 117.335 | 68.204 |
| Disposals | (193.052) | (100.583) |
| Transfers | 84.914 | 54.545 |
| Balance at the end of the period | 260.573 | 193.770 |
| Accumulated depreciation | | |
| Balance at January 1 | 3.858 | 7.093 |
| Depreciation charge for the period | 8 | 662 |
| Disposals | (11.995) | (16.492) |
| Impairment | - | 346 |
| Transfers | 11.669 | 11.624 |
| Balance at the end of the period | 3.540 | 3.233 |
| Net carrying amount | 257.033 | 190.537 |

9.2 Non-Current Assets Used in Renting Activities

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Cost | | |
| Balance at January 1 | 1.098.693 | 829.383 |
| Additions | 143.946 | 33.116 |
| Transfers | (84.914) | (54.545) |
| Balance at the end of the period | 1.157.725 | 807.954 |
| Accumulated depreciation | | |
| Balance at January 1 | 67.157 | 66.986 |
| Depreciation charge for the period | 11.803 | 11.356 |
| Transfers | (11.669) | (11.624) |
| Balance at the end of the period | 67.291 | 66.718 |
| Net carrying amount | 1.090.434 | 741.236 |

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the period ended on March 31, 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 | 288 | 2.653 | 1.541 | 1.156 | - | 109 | 3.554 | 9.303 |
| Disposals (-) | - | - | (855) | (865) | (32) | - | (2.510) | - | (4.262) |
| Currency translation differences | (262) | (3.665) | (1.541) | (9) | (13) | - | - | (6) | (5.496) |
| Transfers (*) | - | - | (235) | 204 | (438) | - | - | (2.663) | (3.132) |
| March 31, 2016 | 37.647 | 367.506 | 365.866 | 19.394 | 59.313 | 3.381 | 133.916 | 14.046 | 1.001.069 |
| 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 | 309 | 1.897 | 7.205 | 1.124 | 1.976 | 81 | 2.377 | - | 14.969 |
| Disposals (-) | - | - | (468) | (424) | (18) | - | (1.184) | - | (2.094) |
| Currency translation differences | (20) | (114) | (170) | (11) | (11) | - | - | - | (326) |
| March 31, 2016 | 3.650 | 17.830 | 144.803 | 5.732 | 31.398 | 2.025 | 54.571 | - | 260.009 |
| Net carrying amount | 33.997 | 349.676 | 221.063 | 13.662 | 27.915 | 1.356 | 79.345 | 14.046 | 741.060 |

(*) 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.

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the period ended on March 31, 2015 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, 2015 | 39.032 | 334.626 | 375.336 | 13.175 | 50.460 | 2.736 | 139.864 | 69.701 | 1.024.930 |
| Additions (*) | - | 16 | 2.195 | 1.538 | 1.395 | 76 | 185 | 12.196 | 17.601 |
| Disposals (-) | - | (6.654) | (14.062) | (600) | (336) | - | (614) | - | (22.266) |
| Currency translation differences | (1.085) | (15.176) | (6.431) | (37) | (56) | - | - | - | (22.785) |
| Transfers | - | - | 471 | 96 | 36 | - | 267 | (870) | - |
| March 31, 2015 | 37.947 | 312.812 | 357.509 | 14.172 | 51.499 | 2.812 | 139.702 | 81.027 | 997.480 |
| Accumulated depreciation | | | | | | | | | |
| At January 1, 2015 | 3.857 | 20.093 | 151.985 | 4.298 | 26.112 | 2.006 | 48.194 | - | 256.545 |
| Depreciation charge for the period | 269 | 1.550 | 6.345 | 626 | 1.456 | 43 | 2.200 | - | 12.489 |
| Disposals (-) | - | (1.377) | (13.047) | (164) | (209) | - | (175) | - | (14.972) |
| Currency translation differences | (36) | (153) | (226) | (21) | (22) | - | - | - | (458) |
| March 31, 2015 | 4.090 | 20.113 | 145.057 | 4.739 | 27.337 | 2.049 | 50.219 | - | 253.604 |
| Net carrying amount | 33.857 | 292.699 | 212.452 | 9.433 | 24.162 | 763 | 89.483 | 81.027 | 743.876 |

(*) Capitalized financial expense amounting TRL 2.116 is included in property, plant and equipment additions.

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NOTE 11 - INTANGIBLE ASSETS

Movements of intangible assets for the period ended on March 31, 2016 are as follows:

| | Rights | Patents and licenses | Franchise | Other intangible assets | Total |
|------------------------------------|---------------|----------------------|--------------|-------------------------|---------------|
| Cost | | | | | |
| January 1, 2016 | 40.657 | 40 | 1.051 | 3.087 | 44.835 |
| Additions | 244 | - | - | - | 244 |
| Disposals (-) | (255) | - | - | - | (255) |
| Transfers (*) | 2.248 | - | - | - | 2.248 |
| March 31, 2016 | 42.894 | 40 | 1.051 | 3.087 | 47.072 |
| Accumulated amortization | | | | | |
| January 1, 2016 | 18.870 | 11 | 555 | 1.193 | 20.629 |
| Amortization charge for the period | 1.560 | 1 | 13 | 127 | 1.701 |
| Disposals (-) | (37) | - | - | - | (37) |
| March 31, 2016 | 20.393 | 12 | 568 | 1.320 | 22.293 |
| Net carrying amount | 22.501 | 28 | 483 | 1.767 | 24.779 |

(*) TRL 2.263 of property, plant and equipment is transferred to rights, TRL 15 of rights is transferred to investment properties.

Movements of intangible assets for the period ended on March 31, 2015 are as follows:

| | Rights | Patents and licenses | Franchise | Other intangible assets | Total |
|------------------------------------|---------------|----------------------|--------------|-------------------------|---------------|
| Cost | | | | | |
| January 1, 2015 | 30.853 | 27 | 1.051 | 3.037 | 34.968 |
| Additions | 3.874 | - | - | 48 | 3.922 |
| Currency translation differences | - | (2) | - | - | (2) |
| March 31, 2015 | 34.727 | 25 | 1.051 | 3.085 | 38.888 |
| Accumulated amortization | | | | | |
| January 1, 2015 | 14.688 | 6 | 502 | 652 | 15.848 |
| Amortization charge for the period | 871 | 1 | 13 | 314 | 1.199 |
| March 31, 2015 | 15.559 | 7 | 515 | 966 | 17.047 |
| Net carrying amount | 19.168 | 18 | 536 | 2.119 | 21.841 |

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NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

12.1 Provision for Employee Benefits

The provisions for employee benefits as of March 31, 2016 and December 31, 2015 are as follows:

| | March 31, 2016 | December 31, 2015 |
|---|----------------|-------------------|
| Short-term | 11.890 | 11.764 |
| Provision for bonus | 6.544 | 7.098 |
| Provision for vacation pay liability | 5.346 | 4.666 |
| Long-term | 23.047 | 22.778 |
| Provision for employee termination benefits | 23.047 | 22.778 |
| | 34.937 | 34.542 |

12.2 Other Provisions

The provisions as of March 31, 2016 and December 31, 2015 are as follows:

| | March 31, 2016 | December 31, 2015 |
|---------------------------|----------------|-------------------|
| Provision for litigations | 4.097 | 4.097 |
| Warranty provisions (*) | 808 | 730 |
| | 4.905 | 4.827 |

(*) Warranty provisions are resulting from sales of Anadolu Motor which is a subsidiary of the Company. Çelik Motor, a subsidiary of the Company has the right of recourse the compensation payments of imported vehicles under warranty to the manufacturer company.

As of March 31, 2016, the Group has no long term provisions (December 31, 2015: None).

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NOTE 13 - COMMITMENTS

As of March 31, 2016 and December 31, 2015 letter of guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

| March 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 | 278.452 | 50.232 | 78.327 | 1.960 |
| B. Total amount of GPMs given in favor of subsidiaries included in full consolidation | 69.778 | 24.214 | 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 | - | - | - | - |
| iii. Total amount of GPMs given in favor of third party companies not in the scope of C above | - | - | - | - |
| | 348.230 | 74.446 | 94.408 | 1.960 |
| December 31, 2015 | 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 | 305.619 | 70.818 | 78.644 | 1.931 |
| B. Total amount of GPMs given in favor of subsidiaries included in full consolidation | 70.971 | 24.214 | 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 | - | - | - | - |
| iii. Total amount of GPMs given in favor of third party companies not in the scope of C above | - | - | - | - |
| | 376.590 | 95.032 | 94.725 | 1.931 |

As of March 31, 2016, the ratio of other GPMs over the Company's equity is 0%. (December 31, 2015: 0%).

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

The Group's letter of 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 217.400, TRL 4.540, TRL 42.390 and TRL 4.822, respectively (December 31, 2015: TRL 190.556, TRL 4.538, TRL 35.912 and TRL 1.823).

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, one of the subsidiaries 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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NOTE 13 - COMMITMENTS (cont'd)

AEH, which is a subsidiary of the Company, is a guarantor of the long term loan that GUE, which is a subsidiary of the Company, borrowed for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia amounting to USD 115.500.000, for the period until start of electricity production following the fulfillment of specified conditions. “Total amount of GPMs given in favor of subsidiaries included in full consolidation” stated in the table of the letter of guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation consists of guarantee amounting to TRL 45.563 (December 31, 2015 : TRL 46.756)

Çelik Motor, the subsidiary, operates in motor vehicles lease business for 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.

The Turkish Radio and Television Corporation (TRT) General Directorate has made total of 9 notifications to Anadolu Elektronik, a subsidiary of the Company, in 2013 for bandrole payments made between 2005-2010. The fees of the notifications include default interests, administrative fine and principal that amounts to TRL 16.673. In January 2014, Anadolu Elektronik has litigated against and bandrole principal and interests have been canceled by courts of first instance. Appeal process is still going on since there is considerably high possibility of a favorable case result, there are not any provisions booked in the consolidated financial statements for the related notifications.

AEH, the subsidiary of the Group, has acquired 80,5% shares of MH Perakendecilik, which has 50% stake in Migros, to participate 40,25 % in Migros shares at July 15, 2015. AEH has pledged shares of MH Perakendecilik for the payment of the long term loan which is borrowed for the related acquisition till the end of the maturity of loan.

For the 19,5% shares of Moonlight Capital in MH Perakendecilik, a subsidiary of the Group, AEH has “the right to buy” and Moonlight Capital has “the right to sell” between May 1, 2017 and October 31, 2017. Put option liability of Moonlight Capital amounting to TRL 483.597 (December 31, 2015: 474.515 TL) has been recognized under “non-current liabilities” and put option liability valuation expense amounting TRL 9.082 has been recognized under “financial expenses” while call option of AEH has not been recognized in the interim condensed consolidated financial statements as at March 31, 2016.

NOTE 14 - EQUITY

Shared Capital / Adjustments to Share Capital and Equity Instruments

| | March 31, 2016 | | December 31, 2015 | |
|--|----------------|---------------|-------------------|--------|
| | Amount | (%) | Amount | (%) |
| Yazıcı Families | 60.422 | 37,76 | 60.640 | 37,90 |
| 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 | - | - |
| Publicly traded (**) | 45.197 | 28,25 | 45.197 | 28,25 |
| Paid-in share capital - historical | 160.000 | 100,00 | 160.000 | 100,00 |
| Inflation adjustment to share capital | - | - | - | - |
| Total share capital | 160.000 | | 160.000 | |

(*) 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 March 31, 2016 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, 2015: TRL 5.073 of the publicly traded portion, which is 3,17% of the paid-in share capital).

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NOTE 14 - EQUITY (cont'd)

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

Movement of paid in share capital as at March 31, 2016 and December 31, 2015 is as follows (historical amounts):

| | March 31, 2016 | | December 31, 2015 | |
|---|--------------------|----------------|--------------------|----------------|
| | 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 | - | - | - | - |
| Balance at the end of the period | 160.000.000 | 160.000 | 160.000.000 | 160.000 |

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 |
| | 160.000.000 | 100,00 | 6 |

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 14 - EQUITY (cont'd)

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

| | March 31, 2016 | December 31, 2015 |
|---|----------------|-------------------|
| Revaluation and remeasurement loss / income | 1.903 | (309) |
| - Available for sale financial assets | 334 | (1.913) |
| - Non-controlling put option valuation fund | 1.569 | 1.604 |
| | | |
| | March 31, 2016 | December 31, 2015 |
| Restricted reserves allocated from net profit (*) | 44.125 | 30.090 |

(*) Income from sale of financial investment amounting TRL 14.035 regarding sale of Polinas Plastik Sanayii ve Ticareti A.Ş. is recognized in a separate fund account in order to benefit from tax exemptions in the legal records. The amount should not be used for 5 years to benefit from tax exemption.

Retained Earnings

As of March 31, 2016 and December 31, 2015 the summary of equity reserves, extraordinary reserves, other profit reserves, and retained earnings are as follows:

| | March 31, 2016 | December 31, 2015 |
|------------------------|----------------|-------------------|
| Equity reserves | 1.166 | 1.166 |
| Extraordinary reserves | 201.897 | 201.897 |
| Other profit reserves | 2.558 | 2.558 |
| Retained earnings | 3.174.294 | 3.384.881 |
| | | |
| | 3.379.915 | 3.590.502 |

Non-Controlling Interest

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

NOTE 15 - OPERATING EXPENSES

| | March 31, 2016 | March 31, 2015 |
|-----------------------------------|----------------|----------------|
| General administrative expenses | 52.499 | 46.457 |
| Marketing expenses | 41.167 | 35.217 |
| Research and development expenses | 471 | 383 |
| | | |
| | 94.137 | 82.057 |

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NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

| | March 31, 2016 | March 31, 2015 |
|--|-----------------------|----------------|
| Commission income | 1.843 | 48 |
| Foreign exchange gains arising from trading activities | 1.395 | 2.947 |
| Rediscount gains arising from trading activities | 414 | 163 |
| Withdrawal income from second hand vehicle sale | 319 | 40 |
| Reversal of provision | 79 | 247 |
| Other | 1.026 | 982 |
| | 5.076 | 4.427 |

16.2 Other Operating Expenses

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Rediscount losses arising from trading activities | 6.390 | 4.225 |
| Foreign exchange losses arising from trading activities | 2.000 | 3.016 |
| Donations | 661 | 502 |
| Restaurant closing expenses | 534 | 1.104 |
| Provision for doubtful receivables | 250 | 124 |
| Other | 1.701 | 1.511 |
| | 11.536 | 10.482 |

NOTE 17 – INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Gain from sale of financial investment (*) | 6.257 | - |
| Rent income | 1.132 | 959 |
| Gain on revaluation of marketable securities | 779 | 120 |
| Gain on sale of property, plant and equipment | 194 | 11.255 |
| | 8.362 | 12.334 |

(*) 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.

17.2 Expenses from Investing Activities

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Loss on sale of property, plant and equipment | 1.752 | 536 |
| Loss on sale of marketable securities | 16 | 18 |
| | 1.768 | 554 |

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NOTE 18 - FINANCIAL INCOME

| | March 31, 2016 | March 31, 2015 |
|--------------------------------|-----------------------|----------------|
| Foreign exchange gain | 63.508 | 128.696 |
| Interest income | 7.707 | 17.101 |
| Derivative transactions income | 252 | 5.655 |
| | 71.467 | 151.452 |

NOTE 19 - FINANCIAL EXPENSES

| | March 31, 2016 | March 31, 2015 |
|--|-----------------------|----------------|
| Foreign exchange loss | 70.098 | 74.654 |
| Interest expense | 55.290 | 27.969 |
| Put option liability revaluation expense (Note 13) | 9.082 | - |
| Other expense | 1.592 | 1.002 |
| | 136.062 | 103.625 |

NOTE 20 - 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 (2015: 20%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2015: 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.

The corporation tax rate in Georgia in where GUE and Kheledula, subsidiaries of the Group, operate is 15%. (2015: %15).

20.1 Current Income Tax Assets and Tax Provision

| | March 31, 2016 | December 31, 2015 |
|---------------------------|-----------------------|-------------------|
| Current income tax assets | 34.592 | 41.111 |
| Income tax payable (-) | (1.092) | (444) |
| Total tax asset | 33.500 | 40.667 |

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Balance at January 1 | 40.667 | 8.547 |
| Income tax expense | (7.679) | (30.546) |
| Taxes paid (-) | 512 | 2.178 |
| Balance at the end of the period | 33.500 | (19.821) |

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NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.2 Deferred Tax Assets and Liabilities

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

| | March 31, 2016 | December 31, 2015 |
|--|----------------|-------------------|
| Deferred tax asset | 82.426 | 77.068 |
| Deferred tax liability (-) | (41.321) | (44.168) |
| Total deferred tax asset / (liability), net | 41.105 | 32.900 |

Movement of net deferred tax asset as of the period ended on March 31, 2016 is as follows:

| | Balance December 31, 2015 | Recorded to income statement | Balance March 31, 2016 |
|--|------------------------------|---------------------------------|---------------------------|
| Property, plant and equipment, intangibles, investment property and assets used in renting activities | (42.464) | (7.755) | (50.219) |
| Tax loss carried forward | 19.055 | 12.915 | 31.970 |
| Employee termination benefit | 4.544 | 53 | 4.597 |
| Inventories | 48.754 | 112 | 48.866 |
| Investment incentive | 4.284 | - | 4.284 |
| Provision for doubtful receivables | 400 | - | 400 |
| Hedge accounting | (4.475) | 557 | (3.918) |
| Other | 2.802 | 2.323 | 5.125 |
| Net deferred tax (liability)/asset | 32.900 | 8.205 | 41.105 |
| Currency translation difference | - | 144 | - |
| Actuarial (loss)/gain fund | - | 110 | - |
| | 32.900 | 8.459 | 41.105 |

The movement of net deferred tax liability as of the period ended on March 31, 2015 is as follows:

| | Balance December 31, 2014 | Recorded to income statement | Balance March 31, 2015 |
|--|------------------------------|---------------------------------|---------------------------|
| Property, plant and equipment, intangibles, investment property and assets used in renting activities | (61.927) | (1.493) | (63.420) |
| Tax loss carried forward | 27.984 | 5.031 | 33.015 |
| Employee termination benefit | 4.142 | 72 | 4.214 |
| Investment incentive | 299 | (3) | 296 |
| Provision for doubtful receivables | 299 | (12) | 287 |
| Hedge accounting | (471) | (585) | (1.056) |
| Other | 2.694 | 4.103 | 6.797 |
| Net deferred tax (liability)/asset | (26.980) | 7.113 | (19.867) |
| Currency translation difference | - | (1.249) | - |
| Revaluation and remeasurement (loss) / gain | - | 98 | - |
| | (26.980) | 5.962 | (19.867) |

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NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.2 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 follows:

| | March 31, 2016 | December 31, 2015 |
|------|-----------------------|-------------------|
| 2021 | 18.104 | - |
| 2020 | 101.930 | 101.508 |
| 2019 | 33.615 | 34.218 |
| 2018 | 164.542 | 164.696 |
| 2017 | 10.924 | 12.327 |
| 2016 | - | 58.764 |
| | 329.115 | 371.513 |

20.3 Tax Expense

| | March 31, 2016 | March 31, 2015 |
|------------------------|-----------------------|----------------|
| Income tax expense (-) | (7.679) | (30.546) |
| Deferred tax income | 8.459 | 5.962 |
| | 780 | (24.584) |

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NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS

21.1 Balances with Related Parties

Bank Balances with Related Parties

As of March 31, 2016 time deposits in ABank amounts to TRL 87.106 (December 31, 2015: TRL 43.854). As of March 31, 2016 time deposits in ABank have less than 3 months term and weighted average interest rate for TRL denominated time deposits is 11,92%, for USD denominated time deposits the rate is 2,50%, for EUR denominated time deposits, the rate is 0,24%.

As of March 31, 2016 loans given by ABank to related parties amount to TRL 205.016 (December 31, 2015: TRL 133.896). The Group's financial leasing payables to ALease is TRL 2.507 (December 31, 2015: TRL 2.927).

21.2 Due from Related Parties

| | March 31, 2016 | December 31, 2015 |
|--|-----------------------|--------------------------|
| Migros (2) | 5.916 | 8.867 |
| JSC Moscow Efes Brewery (Russia) (3) | 3.226 | 1.336 |
| Efes Pazarlama Ticaret A.Ş. (Eİpa) (3) | 1.819 | 1.044 |
| Coca-Cola Satış ve Dağıtım A.Ş. (3) | 1.782 | 1.075 |
| Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5) | 1.387 | 761 |
| Faber-Castell Anadolu LLC (Russia) (2) | 1.077 | 1.168 |
| JSC Efes Kazakhstan Brewery (Kazakhstan) (3) | 1.042 | 439 |
| Anadolu Isuzu (2) | 934 | 503 |
| Coca-Cola İçecek A.Ş. (3) | 853 | 611 |
| ABank (1) | 845 | 86 |
| AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (3) | 833 | 359 |
| Anadolu Efes (1) | 740 | 1.466 |
| JSC Lomisi (Georgia) (3) | 563 | 367 |
| PJSC Efes Ukraine (3) | 292 | 257 |
| Efes Vitanta Moldova Brewery JSC (Moldova) (3) | 272 | 400 |
| Anadolu Efes Spor Kulübü (5) | 207 | 470 |
| Other | 488 | 407 |
| | 22.276 | 19.616 |

As of March 31, 2016 there is no amount in long term portion of due from related parties (December 31, 2015: None).

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

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NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

21.3 Due to related parties

| | March 31, 2016 | December 31, 2015 |
|--|-----------------------|-------------------|
| Anadolu Isuzu (2) | 105 | 5.382 |
| Coca-Cola İçecek A.Ş. (3) | 91 | - |
| Migros (2) | 43 | 81 |
| Efpa (3) | 25 | 157 |
| Kamil Yazıcı Yönetim ve Danışma A.Ş. (4) | 9 | 18 |
| Anadolu Efes (1) | 8 | 91 |
| Other | 15 | 8 |
| | 296 | 5.737 |

As of March 31, 2016 there is no amount in long term portion of due from related parties (December 31, 2015: None).

21.4 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 March 31, 2016, the Group has not recorded any provisions for doubtful receivables, relating to amounts owned by related parties (December 31, 2015: 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 March 31, 2016 and March 31, 2015 are as follows:

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Sales of goods and services, net | | |
| Efes Breweries International N.V. (3) | 7.963 | 4.037 |
| Efpa (3) | 6.954 | 6.159 |
| Anadolu Efes (1) | 6.348 | 7.305 |
| Coca-Cola Satış ve Dağıtım A.Ş. (3) | 4.834 | 4.831 |
| Anadolu Isuzu (2) | 3.454 | 2.632 |
| ABank (1) | 1.856 | 2.297 |
| Tarbes (3) | 1.290 | 1.237 |
| Migros (2) | 1.043 | - |
| Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5) | 579 | 741 |
| Ana Gıda (2) | 446 | 443 |
| Other | 3.322 | 3.630 |
| | 38.089 | 33.312 |

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

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NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

21.4 Related Party Transactions (cont'd)

| | March 31, 2016 | March 31, 2015 |
|---|-----------------------|----------------|
| Purchases of goods and other charges | | |
| Anadolu Isuzu (2) | 3.008 | 277 |
| Anadolu Efes Spor Kulübü (5) | 659 | - |
| Anadolu Eğitim ve Sosyal Yardım Vakfı (5) | 600 | 500 |
| Migros (2) | 246 | - |
| Other | 282 | 77 |
| | 4.795 | 854 |
| | | |
| | March 31, 2016 | March 31, 2015 |
| Financial Income / (Expense), Net | | |
| ABank (1) | 11 | 6.788 |
| ALease (3) | - | (70) |
| Alternatif Yatırım A.Ş. (AYatırım) (3) | - | (3) |
| | 11 | 6.715 |
| | | |
| | March 31, 2016 | March 31, 2015 |
| Various sales included in other income (includes dividends received) | | |
| ABank (1) | 952 | 759 |
| AYatırım (3) | 87 | 85 |
| Coca-Cola Satış ve Dağıtım A.Ş. (3) | - | 24 |
| Anadolu Efes (1) | - | 18 |
| Ana Gıda (2) | - | 6 |
| Other | 28 | 53 |
| | 1.067 | 945 |

(1) An associate

(2) A joint venture

(3) A Company controlled by an associate

(4) Shareholder of the Company

(5) Other

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NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

21.4 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.

The details of benefits provided to the key management personnel for the periods ended on March 31, 2016 and March 31, 2015 are as follows:

| | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Short term benefits provided to key management personnel | 6.869 | 7.533 |
| Post-employment benefits | 1.470 | 219 |
| Total gain | 8.339 | 7.752 |
| Social Security employer share | 127 | 104 |

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 March 31, 2016, donations amount to TRL 600 (March 31, 2015: TRL 500).

NOTE 22 - 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.

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NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

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, 2015 | Average exchange buying rate in the period | Exchange buying rate at March 31, 2016 |
|----------|--------|--|---|---|
| TRL /USD | Turkey | 2,9076 | 2,9409 | 2,8334 |
| TRL /EUR | Turkey | 3,1776 | 3,2420 | 3,2081 |

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). 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 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**Financial Risk Management Objectives and Policies (cont'd)****Foreign Currency Risk (cont'd)**

| March 31, 2016 | TRL Equivalent (Functional currency) | Thousand USD | Thousand EUR | Thousand GBP | Thousand JPY |
|--|---|-------------------------|-------------------------|-------------------------|-------------------------|
| 1. Trade receivables | 9.282 | 926 | 2.075 | - | - |
| 2a. Monetary financial assets (cash and cash equivalents included) | 239.964 | 44.097 | 35.852 | - | - |
| 2b. Non - monetary financial assets | - | - | - | - | - |
| 3. Other | 13.744 | 3.153 | 1.336 | 16 | 18.257 |
| 4. Current assets (1+2+3) | 262.990 | 48.176 | 39.263 | 16 | 18.257 |
| 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) | 262.990 | 48.176 | 39.263 | 16 | 18.257 |
| 10. Trade payables | 24.232 | 8.006 | 482 | - | - |
| 11. Short - term borrowings and current portion of long - term borrowings | 972.418 | 72.711 | 238.895 | - | - |
| 12a. Monetary other liabilities | 164 | 43 | 13 | - | - |
| 12b. Non - monetary other liabilities | - | - | - | - | - |
| 13. Current liabilities (10+11+12) | 996.814 | 80.760 | 239.390 | - | - |
| 14. Trade payables | - | - | - | - | - |
| 15. Long - term borrowings | 1.978.510 | 186.242 | 452.234 | - | - |
| 16a. Monetary other liabilities | - | - | - | - | - |
| 16b. Non - monetary other liabilities | - | - | - | - | - |
| 17. Non - current liabilities (14+15+16) | 1.978.510 | 186.242 | 452.234 | - | - |
| 18. Total liabilities (13+17) | 2.975.324 | 267.002 | 691.624 | - | - |
| 19. Off balance sheet derivative items' net asset / (liability) position (19a-19b) | 333.080 | 3.605 | 100.640 | - | - |
| 19a. Total hedged assets | 333.080 | 3.605 | 100.640 | - | - |
| 19b. Total hedged liabilities | - | - | - | - | - |
| 20. Net foreign currency asset / (liability) position (9-18+19) | (2.379.254) | (215.221) | (551.721) | 16 | 18.257 |
| 21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a) | (2.726.078) | (221.979) | (653.697) | - | - |
| 22. Total fair value of financial instruments used to manage the foreign currency position | - | - | - | - | - |
| 23. Export | 32.025 | 802 | 9.149 | - | 217 |
| 24. Import | 244.620 | 16.459 | 58.378 | - | 273.540 |

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NOTE 22 - 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, 2015 | TRL Equivalent (Functional currency) | Thousand USD | Thousand EUR | Thousand GBP | Thousand JPY |
|--|--|-----------------|-----------------|-----------------|-----------------|
| 1. Trade receivables | 14.498 | 3.077 | 1.747 | - | - |
| 2a. Monetary financial assets (cash and cash equivalents included) | 260.165 | 34.663 | 50.156 | - | - |
| 2b. Non - monetary financial assets | - | - | - | - | - |
| 3. Other | 7.769 | 1.990 | 619 | 4 | - |
| 4. Current assets (1+2+3) | 282.432 | 39.730 | 52.522 | 4 | - |
| 5. Trade receivables | - | - | - | - | - |
| 6a. Monetary financial assets | - | - | - | - | - |
| 6b. Non - monetary financial assets | - | - | - | - | - |
| 7. Other | 39 | 13 | - | - | - |
| 8. Non - current assets (5+6+7) | 39 | 13 | - | - | - |
| 9. Total assets (4+8) | 282.471 | 39.743 | 52.522 | 4 | - |
| 10. Trade payables | 22.952 | 7.779 | 94 | 8 | - |
| 11. Short - term borrowings and current portion of long - term borrowings | 900.472 | 60.637 | 227.897 | - | - |
| 12a. Monetary other liabilities | 518 | 162 | 15 | - | - |
| 12b. Non - monetary other liabilities | - | - | - | - | - |
| 13. Current liabilities (10+11+12) | 923.942 | 68.578 | 228.006 | 8 | - |
| 14. Trade payables | - | - | - | - | - |
| 15. Long - term borrowings | 2.054.294 | 193.375 | 469.548 | - | - |
| 16a. Monetary other liabilities | - | - | - | - | - |
| 16b. Non - monetary other liabilities | - | - | - | - | - |
| 17. Non - current liabilities (14+15+16) | 2.054.294 | 193.375 | 469.548 | - | - |
| 18. Total liabilities (13+17) | 2.978.236 | 261.953 | 697.554 | 8 | - |
| 19. Off balance sheet derivative items' net asset / (liability) position (19a-19b) | 338.218 | 4.880 | 101.973 | - | - |
| 19a. Total hedged assets | 338.218 | 4.880 | 101.973 | - | - |
| 19b. Total hedged liabilities | - | - | - | - | - |
| 20. Net foreign currency asset / (liability) position (9-18+19) | (2.357.547) | (217.330) | (543.059) | (4) | - |
| 21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a) | (2.703.573) | (224.213) | (645.651) | (8) | - |
| 22. Total fair value of financial instruments used to manage the foreign currency position | - | - | - | - | - |
| 23. Export | 35.156 | 6.871 | 5.457 | - | - |
| 24. Import | 931.215 | 49.729 | 261.701 | 57 | 257.376 |

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NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

| Foreign currency position sensitivity analysis | | |
|---|---|---|
| March 31, 2016 | | |
| | Income / (loss) | Income / (loss) |
| | Increase of the foreign currency | Decrease of the foreign currency |
| Change in the USD against TRL by 10% +/-: | | |
| 1- USD denominated net asset / liability | (62.002) | 62.002 |
| 2- USD denominated hedging instruments(-) | 1.021 | (1.021) |
| 3- Net effect in USD (1+2) | (60.981) | 60.981 |
| Change in the EUR against TRL by 10% +/-: | | |
| 4- Euro denominated net asset / liability | (209.284) | 209.284 |
| 5- Euro denominated hedging instruments(-) | 32.286 | (32.286) |
| 6- Net effect in Euro (4+5) | (176.998) | 176.998 |
| Change in the other foreign currencies against TRL by 10% +/-: | | |
| 7- Other foreign currency denominated net asset / liability | 54 | (54) |
| 8- Other foreign currency hedging instruments(-) | - | - |
| 9- Net effect in other foreign currency (7+8) | 54 | (54) |
| TOTAL (3+6+9) | (237.925) | 237.925 |

| Foreign currency position sensitivity analysis | | |
|---|---|---|
| December 31, 2015 | | |
| | Income / (loss) | Income / (loss) |
| | Increase of the foreign currency | Decrease of the foreign currency |
| Change in the USD against TRL by 10% +/-: | | |
| 1- USD denominated net asset / liability | (64.610) | 64.610 |
| 2- USD denominated hedging instruments(-) | 1.419 | (1.419) |
| 3- Net effect in USD (1+2) | (63.191) | 63.191 |
| Change in the EUR against TRL by 10% +/-: | | |
| 4- Euro denominated net asset / liability | (204.965) | 204.965 |
| 5- Euro denominated hedging instruments(-) | 32.403 | (32.403) |
| 6- Net effect in Euro (4+5) | (172.562) | 172.562 |
| Change in the other foreign currencies against TRL by 10% +/-: | | |
| 7- Other foreign currency denominated net asset / liability | (2) | 2 |
| 8- Other foreign currency hedging instruments(-) | - | - |
| 9- Net effect in other foreign currency (7+8) | (2) | 2 |
| TOTAL (3+6+9) | (235.755) | 235.755 |

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NOTE 23 - SUBSEQUENT EVENTS

Capital of AEH, a subsidiary of the Company has been raised by TRL 67.599 and increased to TRL 332.200 from TRL 264.601 based on the Ordinary General Meeting decision dated April 15, 2016. 25% of the increased amount was paid on April 18, 2016.

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