Independent Auditor's Report

To the Board of Directors of

Pınar Entegre Et ve Un Sanayii A.Ş.

1. We have audited the accompanying balance sheet of Pınar Entegre Et ve Un Sanayii A.Ş. (the Company) as at 31 December 2013 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

2. The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Accounting Standards ("TAS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments; the Company's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Company and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pınar Entegre Et ve Un Sanayii A.Ş. as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Emphasis of Matter

5. As explained in Notes 1 and 7 to the financial statements, the Company sells a substantial portion of its products to its related party and associate, Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş., which performs sales and distribution of the Company's products in the domestic market.

Other Matter

6. The financial statements of the Company as of and for the year ended 31 December 2012, were audited by another audit firm. This audit firm issued an unqualified audit opinion on 14 March 2013 related to the financial statements as of and for the year ended 31 December 2012.

Independent Auditor's Report

Reports on independent auditor's responsibilities arising from other regulatory requirements

7. In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

8. Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the Company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the Company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Company in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on 25 May 2012 and it is comprised of two members. The committee has met two times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the Company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant reports to the Board of Directors.

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

Atila Yılmaz DÖLARSLAN, YMM
Partner

İzmir, 3 March 2014

Contents

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Financial Positions (Balance Sheets) at 31 December 2013 and 2012

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements originally issued in Turkish.

	Notes	31 December 2013	31 December 2012
ASSETS			
Current Assets		**143.761.136**	**137.176.345**
Cash and Cash Equivalent	6	13.776.369	480.596
Trade Receivables		66.759.041	60.715.728
- Due From Related Parties	7	50.195.301	42.722.045
- Other Trade Receivables	8	16.563.740	17.993.683
Other Receivables		21.199.184	42.225.424
- Due From Related Parties	7	21.147.953	42.179.547
- Other Receivables		51.231	45.877
Derivative financial instruments	47	-	1.845.185
Inventories	11	37.209.662	30.510.192
Prepaid Expenses	13	2.295.724	1.247.306
Other Current Assets	30	2.521.156	151.914
Non - Current Assets		**297.516.737**	**275.374.993**
Financial Assets	48	608.945	687.145
Investments in Associates Accounted for Using Equity Method	4	106.724.092	107.209.671
Property, Plant and Equipment	15	189.458.626	167.346.243
Intangible Assets	18	225.791	105.716
Prepaid Expenses	13	499.283	26.218
TOTAL ASSETS		**441.277.873**	**412.551.338**

The financial statements at 31 December 2013 and for the year then ended have been approved for issue by Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş. on 3 March 2014.

The accompanying explanatory notes form an integral part of these financial statements.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Financial Positions (Balance Sheets) at 31 December 2013 and 2012

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements originally issued in Turkish.

	Notes	31 December 2013	31 December 2012
LIABILITIES			
Current Liabilities		**84.499.869**	**73.929.110**
Short-Term Borrowings	25	680.047	124.460
Short-Term Portion of Long-Term Borrowings	25	-	11.944.129
Other Financial Liabilities		121.169	-
Trade Payables		79.041.772	56.536.682
- Due to Related Parties	7	20.614.673	8.909.608
- Other Trade Payables	8	58.427.099	47.627.074
Payables Related to Employee Benefits	28	731.841	563.589
Other Payables		1.095.848	1.782.041
- Due to Related Parties	7	52.152	148.720
- Other Payables	10	1.043.696	1.633.321
Deferred Income	13	41	146.906
Current Income Tax Liabilities	41	1.224.733	1.457.116
Short-Term Provisions		1.125.022	1.343.533
- Provisions for Employee Benefits	28	1.064.802	1.283.333
- Other Provisions	26	60.220	60.200
Other Current Liabilities	30	479.396	30.654
Non-Current Liabilities		**23.753.867**	**22.447.843**
Long-Term Provisions		11.659.529	10.116.805
- Provisions for Employee Termination Benefits	28	11.659.529	10.116.805
Deferred Income Tax Liabilities	41	12.094.338	12.331.038
TOTAL LIABILITIES		**108.253.736**	**96.376.953**
EQUITY		**333.024.137**	**316.174.385**
Share Capital	31	43.335.000	43.335.000
Adjustment to Share Capital	31	37.059.553	37.059.553
Other Comprehensive Income/(Expense) not to be Reclassified to Profit and Loss		96.895.853	94.233.991
- Revaluation of Property, Plant and Equipment	15	100.518.080	97.364.859
- Actuarial Gain/(Loss) Arising From Defined Benefit Plans		(2.451.011)	(2.196.325)
- Actuarial Gain/(Loss) Arising From Defined Benefit Plans Investments-in-Associates		(1.171.216)	(934.543)
Other Comprehensive Income/(Expense) to be Reclassified to Profit and Loss		8.085.518	8.777.760
- Foreign Currency Translation Differences		1.344.740	382.081
- Cash Flow Hedge on Fair Value Reserves of Investments-in-Associates		(68.346)	(229.937)
- Fair Value Reserves of Available-for-Sale Investments	48	51.891	45.992
- Fair Value Reserves of Investments-in-Associates	4	6.757.233	8.579.624
Restricted Reserves	31	25.055.110	22.448.345
Retained Earnings		84.337.694	77.647.810
Profit for the Year		38.255.409	32.671.926
TOTAL LIABILITIES AND EQUITY		**441.277.873**	**412.551.338**

The accompanying explanatory notes form an integral part of these financial statements.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Income and Other Comprehensive Income for the Periods 1 January - 31 December 2013 and 2012

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements originally issued in Turkish.

	Notes	1 January - 31 December 2013	1 January - 31 December 2012
PROFIT OR LOSS			
Revenue	32	479.294.192	416.443.481
Cost of Sales	32	(396.232.302)	(344.089.735)
Gross Profit from Trading Operations		**83.061.890**	**72.353.746**
GROSS PROFIT	32	**83.061.890**	**72.353.746**
General Administrative Expenses	34	(16.056.920)	(17.198.917)
Marketing Expenses	34	(28.063.013)	(21.249.565)
Research and Development Expenses		(1.110.750)	(1.061.293)
Other Operating Income	35	1.806.905	1.077.602
Other Operating Expense	35	(1.311.479)	(970.742)
OPERATING PROFIT		**38.326.633**	**32.950.831**
Income from Investment Activities	36	2.967.078	6.630.487
Expense from Investment Activities	36	(663.228)	-
Share of Results of Investment-in-Associates-net	4	4.216.216	1.111.545
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		**44.846.699**	**40.692.863**
Financial Income	38	2.621.612	4.361.474
Financial Expense	38	(1.902.222)	(6.329.062)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**45.566.089**	**38.725.275**
Tax Income/(Expense) of Continuing Operations		(7.310.680)	(6.053.349)
- Current Income Tax Expense	41	(8.549.858)	(7.833.110)
- Deferred Tax Income	41	1.239.178	1.779.761
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**38.255.409**	**32.671.926**
PROFIT FOR THE YEAR		**38.255.409**	**32.671.926**
Earnings per share		**0,8828**	**0,7539**
- Earnings per share from continuing operations	42	0,8828	0,7539
OTHER COMPREHENSIVE INCOME:			
Other Comprehensive Income/Expense not to be Reclassified to Profit and Loss		**7.020.985**	**(2.130.540)**
Increase in Revaluation Reserve of Investments-in-Associates		549.896	-
Increase in Revaluation Reserve		8.027.123	-
Actuarial Loss Arising From Defined Benefit Plans Investments-in-Associates		(236.673)	-
Actuarial Loss Arising From Defined Benefit Plans		(318.358)	(2.663.175)
Taxes for other comprehensive income/(expense) not to be reclassified to profit or loss			
- Deferred tax (liabilities)/assets	41	(1.001.003)	532.635
Other Comprehensive Income/Expense to be Reclassified to Profit and Loss		**(692.242)**	**2.126.771**
Foreign currency translation differences	2-4	962.659	(137.870)
Increase in Fair Value Reserves of Available-for-Sale Investments	48	7.374	19.507
Increase in Fair Value Reserves of Investments-in-Associates	4	(1.822.391)	2.316.719
Cash Flow Hedge on Fair Value Reserves of Investments-in-Associates	4	161.591	(67.684)
Taxes for other comprehensive income/(expense) to be reclassified to profit or loss			
- Deferred tax liabilities	41	(1.475)	(3.901)
OTHER COMPREHENSIVE INCOME		**6.328.743**	**(3.769)**
TOTAL COMPREHENSIVE INCOME		**44.584.152**	**32.668.157**

The accompanying explanatory notes form an integral part of these financial statements.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Cash Flows for the Years Ended at 31 December 2013 and 2012

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements originally issued in Turkish.

	Notes	1 January - 31 December 2013	1 January - 31 December 2012
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**38.255.409**	**32.671.926**
Adjustments related to reconciliation of net profit for the year		**11.479.407**	**10.745.443**
Adjustments related to taxation	41	7.310.680	6.053.349
Adjustments related to depreciation and amortisation	15-18	8.625.365	7.410.431
Adjustments related to provision for employment termination benefits	28	1.803.646	1.489.140
Adjustments related to interest income	35-36-38	(3.777.955)	(5.988.471)
Adjustments related to interest expense	35-36-38	999.640	2.429.370
Adjustments related to inventory profit elimination	4	73.757	14.579
Adjustments related to management bonus provision	28	-	500.000
Adjustments related to shares of results of investments- In-associates	4	(4.216.216)	(1.111.545)
Adjustments related to impairment on available-for-sale investments	36	85.574	-
Adjustments related to (loss)/gain on sales of property, plant and equipment - net	36	571.528	(52.053)
Unrealized foreign exchange (gain)/loss		3.388	643
Changes in working capital		**6.001.945**	**(4.066.192)**
Adjustments related to (increase)/decrease in trade receivables	8	1.429.943	(1.923.889)
Adjustments related to decrease/(increase) in inventories	11	(6.699.470)	1.779.144
Adjustments related to increase in trade receivables from related parties	7	(7.473.256)	(9.778.578)
Adjustments related to (increase)/decrease in other receivables and other current assets		(3.423.014)	1.040.423
Adjustments related to (increase)/decrease in other non-current assets		(473.065)	109.637
Adjustments related to increase in trade payables	8	10.800.025	2.047.359
Adjustments related to increase in trade payables to related parties	7	11.705.065	3.605.219
Adjustments related to increase in other current and non-current liabilities		135.717	(945.507)
Cash used in operating activities		**(9.714.075)**	**(7.030.692)**
Employment termination benefits paid	28	(702.913)	(1.136.829)
Bonus paid	28	(228.921)	(215.692)
Taxes paid	41	(8.782.241)	(5.678.171)
Net cash generated from operating activities		**46.022.686**	**32.320.485**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4.139.949	6.354.729
Dividends received	7	4.244.617	6.498.794
Purchases of property, plant and equipment and intangible assets		(23.425.891)	(10.726.497)
Proceeds from sales of property, plant and equipment		23.663	178.981
Decrease in non-trade due from related parties	7	20.668.102	13.873.245
Net cash generated from investing activities		**5.650.440**	**16.179.252**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflows related to financial liabilities		(9.189.413)	(21.539.042)
Decrease in non-trade due to related parties	7	(96.568)	(784.920)
Dividends paid	7	(27.734.400)	(26.867.700)
Interest paid		(1.353.584)	(2.694.447)
Participation to capital increase in available-for-sale investments	-	(264.267)	
Net cash used in financing activities		**(38.373.965)**	**(52.150.376)**
Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences		**13.299.161**	**(3.650.639)**
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**(3.388)**	**(643)**
Net increase/(decrease) in cash and cash equivalents		**13.295.773**	**(3.651.282)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**480.596**	**4.131.878**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**13.776.369**	**480.596**

The accompanying explanatory notes form an integral part of these financial statements.

Pınar Entegre Et ve Un Sanayii A.Ş.

Statements of Changes in Equity for the Years Ended at 31 December 2013 and 2012

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements originally issued in Turkish.

			Other Comprehensive Income/(Expense) not to be reclassified to profit or loss		
	Share Capital	Adjustment to Share Capital	Revaluation Reserve	Actuarial Gain/ (Loss) Arising From Defined Benefit Plans	Actuarial Gain/ (Loss) Arising From Defined Benefit Plans of Investments in-Associates
PREVIOUS PERIOD					
Amounts as of 1 January 2012 (opening) - previously reported	**43.335.000**	**37.059.553**	**100.464.572**	**-**	**-**
Adjustments related to changes in accounting policies (Note 2)	-	-	-	(65.785)	(934.543)
Amounts as of 1 January 2012 (opening) - restated	**43.335.000**	**37.059.553**	**100.464.572**	**(65.785)**	**(934.543)**
Dividend payment (Note 7)	-	-	-	-	-
Transfer of profit for prior year to retained earnings	-	-	-	-	-
Legal reserves	-	-	-	-	-
Depreciation transfer of investments - net (Note 15)	-	-	(246.282)	-	-
Total comprehensive income	-	-	-	(2.130.540)	-
Depreciation transfer - net (Note 15)	-	-	(2.853.431)	-	-
Amounts as of 31 December 2012 (closing)	**43.335.000**	**37.059.553**	**97.364.859**	**(2.196.325)**	**(934.543)**
CURRENT PERIOD					
Amounts as of 1 January 2013 (opening) - previously reported	**43.335.000**	**37.059.553**	**97.364.859**	**-**	**-**
Adjustments related to changes in accounting policies (Note 2)	-	-	-	(2.196.325)	(934.543)
Amounts as of 1 January 2013 (opening) - restated	**43.335.000**	**37.059.553**	**97.364.859**	**(2.196.325)**	**(934.543)**
Dividend payment (Note 7)	-	-	-	-	-
Transfer of profit for prior year to retained earnings	-	-	-	-	-
Legal reserves	-	-	-	-	-
Depreciation transfer of investments - net (Note 15)	-	-	(1.057.891)	-	-
Total comprehensive income	-	-	7.512.344	(254.686)	(236.673)
Sale of property, plant and equipment	-	-	(414.809)	-	-
Depreciation transfer - net (Note 15)	-	-	(2.886.423)	-	-
Amounts as of 31 December 2013 (closing)	**43.335.000**	**37.059.553**	**100.518.080**	**(2.451.011)**	**(1.171.216)**

The accompanying explanatory notes form an integral part of these financial statements.

Other Comprehensive Income/(Expense) to be reclassified to profit or loss					Retained Earnings		
Foreign Currency Translation Differences	**Fair Value Reserve for Available-For-Sale Investments**	**Fair Value Reserve for Investment- in-Associates**	**Cash Flow Hedge on Fair Value Reserves of Investments-in- Associates**	**Restricted Reserves**	**Retained Earnings**	**Profit for the year**	**Total Equity**
519.951	**30.386**	**6.262.905**	**(162.253)**	**19.928.250**	**73.203.687**	**29.731.877**	**310.373.928**
-	-	-	-	-	1.000.328	-	-
519.951	**30.386**	**6.262.905**	**(162.253)**	**19.928.250**	**74.204.015**	**29.731.877**	**310.373.928**
-	-	-	-	-	(26.867.700)	-	(26.867.700)
-	-	-	-	-	29.731.877	(29.731.877)	-
-	-	-	-	2.520.095	(2.520.095)	-	-
-	-	-	-	-	246.282	-	-
(137.870)	15.606	2.316.719	(67.684)	-	-	32.671.926	32.668.157
-	-	-	-	-	2.853.431	-	-
382.081	**45.992**	**8.579.624**	**(229.937)**	**22.448.345**	**77.647.810**	**32.671.926**	**316.174.385**
382.081	**45.992**	**8.579.624**	**(229.937)**	**22.448.345**	**76.647.482**	**30.541.386**	**316.174.385**
-	-	-	-	-	1.000.328	2.130.540	-
382.081	**45.992**	**8.579.624**	**(229.937)**	**22.448.345**	**77.647.810**	**32.671.926**	**316.174.385**
-	-	-	-	-	(27.734.400)	-	(27.734.400)
-	-	-	-	-	32.671.926	(32.671.926)	-
-	-	-	-	2.606.765	(2.606.765)	-	-
-	-	-	-	-	1.057.891	-	-
962.659	5.899	(1.822.391)	161.591	-	-	38.255.409	44.584.152
-	-	-	-	-	414.809	-	-
-	-	-	-	-	2.886.423	-	-
1.344.740	**51.891**	**6.757.233**	**(68.346)**	**25.055.110**	**84.337.694**	**38.255.409**	**333.024.137**

Pınar Entegre Et ve Un Sanayii A.Ş.

Notes to the Financial Statements for the Period between 1 January - 31 December 2013

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)
Convenience translation into English of financial statements originally issued in Turkish.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Pınar Entegre Et ve Un Sanayii A.Ş. (the "Company") was established in 1985 and is engaged in production of meat and by-products of cattle, sheep, poultry and fish, frozen dough and packaged food. The Company sells its products under "Pınar" brand, which is one of the leading brands in food and beverages business in Turkey.

The Company is a member of Yaşar Group. Majority of the Company's sales in the domestic market amounting approximately 76% (2012: 74%) are made to its investment-in-associate, Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. ("YBP"), and majority of the exports are made to Yaşar Dış Ticaret A.Ş. ("YDT"), which are both Yaşar Group companies (Note 7).

The Company is subject to the regulations of the Capital Market Board ("CMB") and 33% (2012: 33%) of its shares are quoted on the Borsa Istanbul ("BIST"). The ultimate parent of the Company is Yaşar Holding A.Ş. ("Yaşar Holding") with 54% shares of the Company (2012: 54%) (Note 31).

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

Ankara Asfaltı 25. Km,
Kemalpaşa
İzmir

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation of Financial Statements

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

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

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

The Company maintains its books of accounts and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These financial statements have been prepared under historical cost conventions except for financial assets, financial liabilities, land, buildings and land improvements, machinery and equipments which are carried at fair value. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS. The Company's functional and reporting currency is Turkish Lira ("TL").

2.2 Amendments in International Financial Reporting Standards

a) New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2013 and are adopted by the Company:

- Amendment to TAS 1, "Financial statement presentation" regarding other comprehensive income, 1 July 2012, The main change resulting from these amendments is a requirement for entities to group items presented in "other comprehensive income" ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.
- Amendment to TAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. Actuarial gains and losses arising from the calculations of provision for employment termination benefits will be classified under other comprehensive income without having an effect on the net profit/loss for the year. The Company is yet to assess IAS 19's full impact.

As a result of the retrospective application of these changes; the actuarial gains and losses reported in the general administrative expenses in the comprehensive income statement as of 1 January 2012 and 2013 amounting to 1.000.328TL and 3.130.868 TL, respectively, has been reclassified to actuarial gains and losses in the comprehensive income and balance sheet. The related balances in both comprehensive income and balance sheet have been restated.

TFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

Pınar Entegre Et ve Un Sanayii A.Ş.

Notes to the Financial Statements for the Period between 1 January - 31 December 2013

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- TFRS 13, "Fair value measurement" is effective for annual periods beginning on or after 1 January 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRS.
- Amendment to IFRSs/TFRSs 10, 11 and 12 on transition guidance¸; is effective for annual periods beginning on or after 1 January 2013. These amendments provide additional transition relief to TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period.
- TAS 28, "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11 "Joint arrangements".
- TFRS 7 (amendment), "'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare TFRS financial statements and those that prepare US GAAP financial statements.
- Annual improvements 2011; is effective for annual periods beginning on or after 1 January 2013. It includes changes to standards including TFRS 1, 'First time adoption', TAS 1, 'Financial statement presentation', TAS 16, 'Property plant and equipment', TAS 32, 'Financial instruments; Presentation' and TAS 34, 'Interim financial reporting'.

b) New standards, amendments and interpretations issued and effective as of 1 January 2013 have not been presented since they are not relevant to the operations of the Group or have insignificant impact on the financial statements.

c) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company:

- TAS 32 (amendment), "Financial instruments: Presentation", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- TFRS 9 'Financial instruments' - classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace TAS 39, "Financial instruments: Recognition and measurement".
- TAS 36 (amendment), "Impairment of assets" on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- TAS 39 (amendment), "Financial instruments: Recognition and Measurement", is effective for annual periods beginning on or after 1 January 2014. These amendments address on novation of derivatives and hedge accounting and will allow hedge accounting to continue in a situation where a derivative is novated to effect clearing with a central counterparty as result of laws or regulation, if specific conditions are met.

Company will determine the effects of these amendments above on the financial statements and will apply after effective date. The amendments do not have significant impact on the Company's financial statements.

2.3 Basis of Consolidation

The Company does not have any subsidiary to be consolidated in the financial statements. The investments-in-associates are accounted for using the equity method and are initially recognised at cost. These are undertakings over which the Company has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which not control. Unrealised gains on transactions between the Company has significant influence, but which not control. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Company's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves, such as fair value changes in available-for-sale financial assets, revaluation of property, plant and equipments, depreciation transfer and derecognition of such reserves, is recognised in statement of changes in equity and statement in comprehensive income.

When the carrying amount of the investment in an associated undertaking reaches zero, unless the Company has incurred obligations or guaranteed obligations in respect of the associates or significant influence of the Company ceases, cannot be expected more. Equity accounting is discontinued since the significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter.

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The table below sets out the associates and the proportion of ownership interest as of 31 December 2013 and 2012 (Note 4):

	Shareholding (%)	
	2013	2012
Investments-in-associates		
YBP	38,05	38,05
Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş. ("Çamlı Yem")	23,38	23,38
Pınar Foods GmbH ("Pınar Foods")	44,94	44,94
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	26,41	26,41

Foreign currency translation

i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

ii) Translation of financial statements of foreign associate

Financial statements of Pınar Foods operating in Germany are prepared according to the legislation of the country in which it operates, and adjusted to the financial reporting standards issued by the CMB. The assets and liabilities of foreign associate are translated into TL from the foreign exchange rates at the balance sheet date, and the statement of comprehensive income items of foreign associate are translated into TL at the average foreign exchange rates in the period. As of 31 December 2013, the equivalent of EUR1 is TL2,9365 (2012: TL2,3517) and for the year then ended, the average equivalent of EUR1 is TL2,5270 (2012: TL2,3046). Exchange differences arising from re-translation of the opening net assets of investment-in-associate and the differences between the average and year-end rates are included in the "currency translation reserve" under the equity as a separate component.

2.4 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than revenue described in the section "Revenue Recognition" are presented as net if the nature of the transaction or the event qualify for offsetting.

2.5 Comparative Information

The Company prepared its financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its balance sheet at 31 December 2013 on a comparative basis with balance sheet at 31 December 2012; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2013 on a comparative basis with financial statements for the period of 1 January - 31 December 2012.

The Company has made below reclassifications in prior period consolidated financial statements in line with the illustrative financial statements and disclosures guidance issued by CMB with the decision taken on the meeting held on 7 June 2013, numbered 20/670:

- The prepaid expenses and advances given amounting to 1.118.454 TL and 128.852 TL, respectively, were previously reported in other current assets. They are reclassified to prepaid expenses.
- The receivables amounting to 45.877 TL was previously reported in other current assets and receivables. They are reclassified to other receivables from non-related parties.
- The financial liabilities amounting to 124.460 TL and 11.944.129 TL were previously reported in financial liabilities. They are reclassified to current financial liabilities and current portion of non current financial liabilities.
- The payables to personnel and social security premium deductions amounting to 6.143 TL and 557.446 TL, respectively were previously reported in other current liabilities. They are reclassified to employee benefits.
- The advances received amounting to 146.906 TL was previously reported in other current liabilities. They are reclassified to deferred revenue.
- The bonus provisions and seniority allowance amounting to 1.148.549 TL and 134.784 TL was previously reported in short term provisions. They are reclassified to short term employee benefit provisions.
- The termination benefit provision and seniority allowance amounting to 9.892.871 TL and 223.934 TL was previously reported in long term provisions. They are reclassified to long term employee benefit provisions.

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The reclassifications performed in the profit and loss statement and comprehensive income statements as of and for the year ended 31 December 2012 are presented below:

- The tangible assets sales income amounting to 52.053 TL was previously reported in other operating income. They are reclassified to investing income.
- Foreign exchange gain and interest income, previously reported in finance income, amounting to 6.578.434 TL and 21.779 TL, respectively were reclassified to operating income.
- Foreign exchange loss and interest expense, previously reported in finance expense, amounting to 183.983 TL was reclassified to operating expense.

Parallel to the reclassifications mentioned above the cash flow statement as of 31 December 2012 has been restated as well.

2.6 Summary of Significant Accounting Policies

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

2.6.1 Revenue recognition

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

Interest income is recognised on a time-proportion basis using the effective interest method. The amount of the provision for receivables is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate and recognized as interest income. Interest income on loans is recognised using the effective interest rate. Rent income is recognized on an accrual basis. Dividend income is recognised when the Company's right to receive the payment is established.

2.6.2 Inventories

Raw materials of the Company mainly consist of meat and white meat as well as spices and animal fats, which are used in production of meat. Work in progress stocks mainly consists of processed turkey, cattle and sheep meat, finished goods consist of delicatessen, frozen and fresh meat product, other stocks mainly consists of spare parts.

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost elements included in inventories comprise all costs of purchase of material and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on the monthly weighted average basis (Note 11).

2.6.3 Property, plant and equipment

The Company's land and land improvements, buildings are stated at fair value, based on valuations by external independent valuer at 30 June 2013, namely Elit Gayrimenkul Değerleme A.Ş., machinery and equipments are stated at fair value, based on valuations by external independent valuer at 31 December 2011, namely Vakıf Gayrimenkul Değerleme A.Ş. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Property, plant and equipment, except for land and land improvements, buildings, machinery and equipment, acquired before 1 January 2005 are carried at cost, in the equivalent purchasing power of TL as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less the subsequent depreciation and impairment loss, if any, as of 31 December 2012 (Note 15).

Increases in the carrying amount arising on the revaluation of property, plant and equipment are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to the accumulated losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount is restated to the revalued amount of the asset.

Buildings, machinery and equipment are capitalised and depreciated when they are in the location and condition necessary for it to be capable of operating in the manner intended by the management. At each balance sheet date, residual values and estimated useful lives of property, plant and equipment are reviewed and adjusted if appropriate, prospectively. The advances given for the property, plant and equipment purchases are classified under the other non-current assets until the related asset is capitalised.

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Depreciation is provided on the cost or revalued amounts of property, plant and equipment on a straight-line basis less any impairment (Note 15). Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of property, plant and equipments are as follows:

	Years
Buildings and land improvements	5-30
Machinery and equipments	5-20
Furniture and fixtures	5-10
Motor vehicles	5

Where the carrying amount of an asset is greater than its recoverable amount, an impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount (Notes 2.6.5 and 15). If the property, plant and equipments that are impaired, are revalued, the impairment is charged to the revaluation reserves to the extent that the amount offsetting previous increases of the same asset charged in the revaluation reserves and all other decreases are recognised in the statement of comprehensive income (Note 36).

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and re included in the related income and expense accounts, as appropriate (Note 36). On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying value recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The Company derecognises the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Subsequent costs included in the asset's carrying value ore recognised as separate asset, are depreciated based on their useful lives.

2.6.4 Intangible assets

Intangible assets comprise information systems and software. Intangible assets acquired before 1 January 2005 are carried at cost in the equivalent purchasing power of TL as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less accumulated amortisation and impairment losses, if any. Intangible assets are recorded at acquisition cost and amortised on a straight-line basis over their estimated useful lives for a period of five years from the date of acquisition. Residual values of intangible assets are deemed as negligible. In case of an impairment, the carrying values of the intangible assets is written-down to their recoverable amounts (Note 2.6.5).

2.6.5 Impairment of assets

At each reporting date, the Company assess whether there is an impairment indication for the assets, except for the deferred income tax asset, and property, plant and equipment that are stated at revalued amounts as of reporting date. If there is an indication of impairment, the impairment test is performed more frequently. When an indication of impairment exists, the Company estimates the recoverable amounts of such assets. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Goodwill on acquisitions of associates is included in the carrying amount of an investment-in-associate and not tested for impairment separately by applying the requirements for impairment testing of goodwill in IAS 36, "Impairment of Assets". Instead, the entire carrying amount of the investments is tested under IAS 36 Impairments, by comparing its recoverable amount (higher of value-in-use and fair value less cost to sell) with its carrying amount, whenever application of the requirements of IAS 39 indicates that the investment may be impaired. In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", if there is an indication of impairment in investment in associates, the carrying amount of the investments is tested in accordance with IAS 36, by comparing its recoverable amount (higher of value-in-use and fair value less cost to sell) with its carrying amount and any additional impairment loss is recognised, if any.

Assets are allocated to cash-generating units for the purpose of impairment testing, which is undertaken at the lowest level. The recoverable amount of an intangible assets not yet available for use to be measured annually, irrespective of whether there is any indication that it may be impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset or any cash generating unit of that asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. All impairment losses are accounted for in the statement of comprehensive income. Decreases that offset previous increases of the respective asset are charged against the revaluation reserve; all other decreases are charged to the statement of comprehensive income. Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognised.

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The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor,
- A breach of contract, such as a default or delinquency in interest or principal payments,
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation,
- Observable data indicating that there is a measurable decrease in the estimated future cash flows.

2.6.6 Borrowing and borrowing cost

Borrowings are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred (Note 38). If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities (Notes 25).

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. According to TAS 23 "Borrowing costs" (Revised), borrowing costs of qualifying assets having capitalisation date 1 January 2009 or later, can be capitalised, based on borrowing cost of qualifying asset, directly or as an asset acquisition or with an extent to associate directly with production, these borrowing costs should be capitalised as a part of cost of related asset.

2.6.7 Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company classifies its financial instruments in the following categories:

a) Loans and receivables

Loans and receivables constitute non-derivative financial instruments, which are not quoted in active markets and have fixed or scheduled payments. Loans and receivables arise, without held-for-sale intention, from the Company's supply of goods, service or direct fund to any debtor. If the maturity of these instruments are less than 12 months, these loans and receivables are classified in current assets and if more than 12 months, classified in non-current assets. The loans and receivables are included in Trade receivables and Other receivables in the balance sheet. Loans are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, loans are stated at amortised cost using the effective yield method less any impairment, if any. Short term loans and receivables without a determined interest rate are evaluated with the invoice amount if the effective interest rate is negligible.

b) Available-for-sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. These are included in non-current assets, unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. The Company management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All financial investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments, and subsequently carried at fair value. The financial assets which the Company has shares less than 20% and are classified as available-for-sale investments are carried at market value when there is quoted market price, they are carried at fair value by using generally accepted valuation techniques, when there is no active market for the financial asset. When there is no quoted market price, and when a reasonable estimate of fair value could not be determined as a result of being other methods inappropriate and unworkable, available-for-sale investments acquired before 1 January 2005 are carried at cost expressed in purchasing power of TL as at 31 December 2004 and available-for-sale investments acquired after 1 January 2005 are carried at cost, less impairment losses, if any (Note 48). Unrealized gains and losses arising from changes in fair value of securities classified as available-for-sale are recognised in the equity, rather than statement of comprehensive income until the related financial asset is derecognised. Change in fair value of available-for-sale investments is calculated as the difference between the discounted acquisition cost and the current fair value. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Company's right to receive payments is established.

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When securities classified as available-for-sale are derecognised, the accumulated fair value adjustments in equity are recognised in the statement of comprehensive income. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered as an indicator that the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss-is removed from equity and recognised in the statement of income. Impairment losses recognised in the statement of comprehensive income on investments are not reversed through the statement of comprehensive income.

2.6.8 Earnings per share

Earnings per share disclosed in the statement of comprehensive income are determined by dividing net income for the year by the weighted average number of shares that have been outstanding during the year concerned (Note 42).

Companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

In case of dividend distribution, earnings per share is calculated by dividing net income by the number of shares, rather than dividing by weighted average number of shares outstanding.

2.6.9 Subsequent events

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorised for issue (Note 42).

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

2.6.10 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

In cases where the time value of money is material, provisions are determined as the present value of expenses required to be made to settle the liability. The rate used to discount provisions to their present values is determined considering the interest rate in the related markets and the risk associated with the liability. The discount rate must be pre-tax and does not consider risks associated with future cash flow estimates. In cases where the time value of money is material and the provisions approach to their expected realisation date, the increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are treated as contingent assets or liabilities. The Company does not recognise contingent assets and liabilities (Note 26). Provisions are not recognised for future operating losses.

2.6.11 Accounting policies, errors and change in accounting estimates

Material changes in accounting policies and accounting errors are applied on a retrospective basis as if a prior period error had never occurred or the policy had always been applied. The effect of changes in accounting estimate shall be recognised prospectively by including it in the statement of comprehensive income within the period of the change, if the change affects that period only; or period of the change and future periods, if the change affects both.

2.6.12 Related parties

For the purpose of these financial statements, shareholders having control, joint control or significant influence over the Company, Yaşar Group Companies, key management personnel and board members, and their close family members, in each case together with and companies controlled, jointly controlled or significantly influenced by them are considered and referred to as related parties (Note 7).

2.6.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that takes strategic decisions.

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The chief operating decision makers regularly monitor and review the operational results based on the main products' performances in domestic and foreign markets. However, as the nature of the products, production processes, type of customers, distribution methods and regulatory environment for the operations of the Company are identical, and the operations performed in foreign markets is not material, segment reporting is not applicable.

2.6.14 Leases

(1) The Company as the lessee

Finance Leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property net off any tax incentives received, if any, or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other liabilities (Note 21). The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the lower of useful life or the lease period of the asset (Note 15).

Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(2) The Company as the lessor

Operating Leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. Rental income is recognised on a straight-line basis over the lease term in the statement of comprehensive income.

2.6.15 Taxation on income

The tax expense for the period comprises current and deferred income tax. The current income tax liability includes the taxes payable calculated on the taxable portion of the period income with tax rates enacted on the balance sheet date (Note 41). The adjustments related to prior period tax liabilities are recognised in other operating expenses.

Deferred income tax income or expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In case, when the tax is related to items recognized directly in equity and other comprehensive income, the tax is also recognized in equity and other comprehensive income.

Deferred income tax assets or liabilities are reflected to the financial statements to the extent that they will provide an increase or decrease in the taxes payable for the future periods where the temporary differences will be reversed, using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled as of the balance sheet date (Note 41).

Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. To the extent that deferred income tax assets will not be utilised, the related amounts have been deducted accordingly (Note 41).

2.6.16 Provision for employment termination benefits

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

2.6.17 Statement of cash flow

In the statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Company's production and sales activities. Cash flows from investing activities indicate cash inflows and outflows resulting from property, plant and equipments and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

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2.6.18 Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on shares are recognised as an appropriation of the profit in the period in which they are declared. Dividend income is recognized when the Company's right to receive the payment is established.

2.6.19 Critical accounting estimates and judgements

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Company management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Company management are as follows:

a) Income taxes

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Company recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

b) Fair value determination of available-for-sale investments

The generally accepted valuation techniques used in fair value determination of available-for-sale investments for which there is no quoted market price exists, consist of several assumptions, which are based on the management's best estimates and fair value available-for-sale investments could be different when the purchase/sales of the transactions incurred (Note 48).

c) Impairment test of goodwill and distribution network recognised as investments in associates

The Company management used several estimations and assumptions in the impairment test of assets in the impairment tests which are based on discounted cash flow technique as stated in IAS 36 "Impairment of Assets" (Note 4).

d) Revaluation of land, buildings and land improvements, machinery and equipments

The Company's land and land improvements, buildings are stated at fair value, based on valuations by external independent valuer at 30 June 2013, namely Elit Gayrimenkul Değerleme A.Ş., machinery and equipments are stated at fair value, based on valuations by external independent valuer at 31 December 2011, namely Vakıf Gayrimenkul Değerleme A.Ş. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. As there were no recent similar buying/selling transactions nearby, revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements and machinery and equipment were based on the method of cost approach and based on the following valuation techniques and assumptions;

- Revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements and machinery and equipment were based on the method of cost approach, considering existing utilization of the aforementioned property, plant and equipments are consistent to the highest and best use approach.
- In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m^2 sale value was determined for lands subject to the valuation. The similar pieces of land found were compared in terms of location, accessibility, size, settlement status, changes in settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.
- In the cost approach method, fair value of the buildings and land improvements was calculated by considering recent re-construction costs and related depreciation. In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components.
- Regarding the valuation of the machinery and equipment, technologic conditions, economic and commercial useful life, capacities, technological and actual tear, commercial attributes and industrial positions as well as dismantling and assembling costs were taken into account.
- Since a fully integrated industrial plant was in discussion, the revaluation work was performed based on all the active and functioning assets in the integrated plant rather than taking as basis the data for the second-hand market within the scope of the valuation of the machinery and equipment. Such machinery and equipment were reviewed and assessed by their line.

The carrying values of land, land improvements, buildings, machinery and equipment do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the Company performs impairment assessment for buildings, land improvements and machinery and equipment of which valuations are based on cost approach, accordance with the "IAS 36 Impairment of Assets", and no impairment indicator is identified.

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NOTE 3 - BUSINESS COMBINATIONS

None (31 December 2012: None).

NOTE 4 - INTERESTS IN OTHER ENTITIES

Investments-in-associates:

	31 December 2013		31 December 2012	
	TL	%	TL	%
YBP	78.332.821	38,05	80.163.710	38,05
Çamlı Yem	16.317.149	23,38	17.311.323	23,38
Desa Enerji	7.157.807	26,41	6.018.887	26,41
Pınar Foods	4.916.315	44,94	3.715.751	44,94
	106.724.092		**107.209.671**	

Movement in investments-in-associates during the years are as follows:

	2013	2012
1 January	**107.209.671**	**110.498.031**
(Decrease)/increase in fair value reserves investments-in-associates - net	(1.822.391)	2.316.719
Share of profit/(loss) before taxation of investments-in-associates - net	4.216.216	1.111.545
Increase in revaluation reserve of investments-in-associates - net	549.896	-
Cash flow hedge - net	161.591	(67.684)
Actuarial gain/loss arising from defined benefit plans of investments-in associates	(236.673)	-
Dividend income from investments-in-associates (Note 7.ii.k)	(4.243.120)	(6.496.491)
Currency translation reserve	962.659	(137.870)
Elimination of net effect of unrealized profits on inventory	(73.757)	(14.579)
31 December	**106.724.092**	**107.209.671**

Movement of fair value in investments-in-associates during the years are as follows:

	2013	2012
1 January	**8.579.624**	**6.262.905**
Change in fair value- net (Çamlı Yem)	490.718	150.699
Change in fair value- net (YBP)	(2.313.109)	2.166.020
31 December	**6.757.233**	**8.579.624**

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Condensed financial statements of investments in associates are as follows;

	Assets	Liabilities	Net Profit/(Loss)	Net Sales	Other Comprehensive Income/(Expense)
31 December 2013					
- YBP	318.254.437	214.533.630	12.913.964	1.245.029.917	(6.374.438)
- Çamlı Yem	233.869.355	164.130.299	(9.012.687)	243.219.209	4.626.643
- Desa Enerji	30.167.824	3.065.186	4.437.452	29.887.228	-
- Pınar Foods	15.161.263	4.221.532	528.902	41.618.604	2.141.891
31 December 2012					
- YBP	348.852.634	240.507.505	5.344.195	1.119.940.000	5.708.000
- Çamlı Yem	210.921.375	136.878.079	(9.247.351)	240.140.896	(76.243)
- Desa Enerji	25.987.656	3.197.476	4.472.907	26.544.752	-
- Pınar Foods	11.635.476	3.367.228	177.499	26.489.341	(304.038)

Details of significant investment in associates of the Company as at 31 December 2013 and 2012 are as follows;

			The Company's shares and voting right rates	
Associates	**Nature of business**	**Based on**	**31 December 2013**	**31 December 2012**
			38,05	38,05
- YBP	Marketing and distribution	Turkey	23,38	23,38
- Çamlı Yem	Livestock	Turkey	26,41	26,41
- Desa Enerji	Energy production	Turkey	44,94	44,94
- Pınar Foods	Marketing and distribution	Germany	44,94	

NOTE 5 - SEGMENT REPORTING

None (31 December 2012: None).

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2013	31 December 2012
Cash in hand	30.360	37.228
Banks	13.696.920	443.368
- demand deposits	101.920	103.368
- time deposits	13.595.000	340.000
Other	49.089	-
	13.776.369	**480.596**

As of 31 December 2013, time deposits amounting to TL13.595.000 (2012: TL340.000) mature less than one month (2012: less than one month) and bear the effective weighted average interest rates of 8,55% per annum ("p.a.") (2012: 7,18% p.a.).

The Company does not have any foreign currency denominated demand deposits at 31 December 2013 (2012: USD219, equivalent of TL390), whereas cash in hand at 31 December 2013 comprised of USD3.273 and EUR3.825, equivalent of TL18.218 (2012: USD2.105 and EUR4.305, equivalent of TL13.876).

Based on the independent data with respect to the credit risk assessment of the banks, at which the Company has deposits, the credit quality of the banks is sufficient. The market values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet date.

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NOTE 7 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Due from and due to related parties and the transactions with related parties as of and for the years ended 31 December 2013 and 2012 are as follows:

i) Balances with related parties:

	31 December 2013	31 December 2012
a) Trade receivables from related parties- current:		
YBP	49.086.213	41.575.378
YDT	1.518.008	1.347.670
	50.604.221	**42.923.048**
Less: Unearned finance income	(408.920)	(201.003)
	50.195.301	**42.722.045**

The effective weighted average interest rate on TL denominated short-term trade receivable is 8,62% p.a as of 31 December 2012, (2012: 7,57%) and mature within two months (2012: two months).

As of 31 December 2013, trade receivables of TL536.134 (2012: TL433.998), over which no provision for impairment is provided of overdue receivables and maturity is about one month. (2012: one month) (Note 49-a).

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

Yaşar Holding	20.992.475	41.997.934
Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("Dyo Boya")	94.191	123.415
Viking Kağıt ve Selüloz A.Ş. ("Viking")	61.287	58.198
	21.147.953	**42.179.547**

As of 31 December 2013, the Company has short-term receivables from Yaşar Holding amounting to TL20.992.475 (2012: TL31.898.990) which are non-trade. The effective weighted average interest rate applied to those receivables is 8,75% p.a. (2012: 8,25% p.a.). Company management expects to collect other receivables from Yaşar Holding between three to twelve months.

Other receivables from Yaşar Holding amounting to TL10.098.944 consisting of principal and interest accrual of TL loan obtained from a financial institution by the Company and were transferred to related parties with the same terms and conditions, amounting to TL9.745.000 and TL353.944, respectively. The effective weighted average interest rate applied to TL denominated loan is 13,91% p.a.

Other receivables of the Company from related parties consist of receivables related with overdue interest charges and bail commission charges for the borrowings obtained by Yaşar Group companies from international capital markets and various financial institutions with the guarantee of the Company.

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	31 December 2013	31 December 2012
c) Trade payables to related parties - current:		
Çamlı Yem	17.823.087	6.242.167
Yaşar Holding	1.628.071	1.433.633
Yadex Export-Import und Spedition GmbH ("Yadex")	869.402	208.690
Hedef Ziraat Ticaret A.Ş.	247.858	558.489
Pınar Su Sanayi ve Ticaret A.Ş. ("Pınar Su")	12.388	93.304
Other	96.365	410.015
	20.677.171	**8.946.298**
Less: Unincurred finance cost	(62.498)	(36.690)
	20.614.673	**8.909.608**

TL7.522.500 portion of the receivables from Çamlı Yem is related to the land, building and machinery purchase performed in December 2013 as a result of a valuation report performed by an independent valuer (Note 7.ii.h).

As of 31 December 2013, the effective weighted average interest rate applied to those payables is 8,61% (2012: 7,56%) and maturity is 2 months (2012: 2 months).

d) Non-trade payables to related parties- current:

Payable to shareholders	52.152	148.720
	52.152	**148.720**

ii) Transaction with related parties:

	1 January - 31 December 2013	1 January - 31 December 2012
a) Product sales:		
YBP	368.337.669	309.876.469
YDT	9.897.229	7.774.082
Çamlı Yem	2.841.639	2.738.422
Other	9.085	9.442
	381.085.622	**320.398.415**

Majority of the Company's sales in domestic market are made to its associate, YBP, and its exports are made to YDT, which are both Yaşar Group Companies.

	1 January - 31 December 2013	1 January - 31 December 2012
b) Service sales:		
Pınar Süt	117.101	42.490
Çamlı Yem	55.387	39.167
YDT	52.567	25.799
YBP	12.923	35.188
Other	14.782	11.674
	252.760	**154.318**

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c) Finance income and income from investment activities:

	1 January - 31 December 2013	1 January - 31 December 2012
Yaşar Holding	2.714.423	3.991.244
Dyo Boya	122.454	134.159
Viking	73.422	66.434
YBP	46.669	89.334
Çamlı Yem	17.653	16.609
Pınar Süt	10.356	19.930
Other	3.889	-
	2.988.866	**4.317.710**

The part of financial income and income from investment activities includes interest income of borrowings obtained from various financial institutions and transferred to the related parties with the same terms and conditions and interest income of trade and non-trade receivables.

As it is explained in Note 38, the majority of finance income consists of bail commission charges amounting to TL1.023.663 (2012: TL1.147.876), for the borrowings obtained by Yaşar Group Companies from international capital markets and various financial institutions with the guarantee of the Company. The commission rates of bail and financing used in the associated intercompany charges is 0,50% p.a. (2012: 0,50% p.a.).

d) Dividends received:

YBP	4.243.120	6.496.491
Bintur	1.497	2.303
	4.244.617	**6.498.794**

e) Other incomes from related parties:

YBP	468.093	426.152
Çamlı Yem	31.797	9.655
Other	213.796	2.700
	713.686	**438.507**

Other income from YBP and Çamlı Yem is related to the rent of cars and building.

f) Product purchases:

Çamlı Yem	51.784.581	36.353.232
Yadex	4.760.738	2.366.120
Hedef Ziraat	2.466.109	1.945.914
Pınar Süt	301.930	539.062
Other	50.487	51.167
	59.363.845	**41.255.495**

The product purchases performed from Çamlı Yem and Yadex are related to turkey, fish and indirect material purchases, respectively.

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g) Service purchases:

	1 January - 31 December 2013	1 January - 31 December 2012
Yaşar Holding	6.249.033	5.845.125
YBP	2.375.143	2.207.505
YDT	480.257	360.957
Bintur	246.474	228.196
Other	262.966	226.585
	9.613.873	**8.868.368**

Service purchases from YBP are related to promotion and advertisement. Service purchases from Yaşar Holding are related to consultancy services.

h) Purchases of property, plant and equipment:

Çamlı Yem	12.980.000	-
Yaşar Holding	114.044	-
YBP	76.954	18.679
Other	517	9.151
	13.171.515	**27.830**

i) Finance and other operating expenses:

Çamlı Yem	160.969	208.684
Yaşar Holding	32.192	60.023
Pınar Su	12.413	16.609
YBP	11.737	20.555
Pınar Süt	8.630	16.609
Viking	8.630	16.609
Dyo Boya	8.630	16.609
Other	7.336	-
	250.537	**355.698**

The finance expense mainly includes bail commission charges, which is related with borrowings obtained by the Company from international capital markets and various financial institutions with the guarantee of the related parties, which is amounting to TL63.568 (2012: TL195.190). The rates of bail commission and commission for financial services used in the charges are 0,50% p.a. per each (2012: 0,50% p.a. per each).

j) Other expenses from related parties:

YBP	155.500	126.910
Other	54.810	16.418
	210.310	**143.328**

k) Dividends paid (*):

Yaşar Holding	15.025.212	14.555.674
Pınar Süt	3.489.121	3.380.086
	18.514.333	**17.935.760**

(*) In the year 2013, the Company distributed dividend amounting to TL27.734.400 (2012: TL26.867.700). TL9.220.067 portion of this dividend (2012: TL8.931.940) was paid to other shareholders.

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	1 January - 31 December 2013	1 January - 31 December 2012
l) Donations:		
Yaşar Üniversitesi	500.000	-
Yaşar Eğitim Vakfı	104.743	42.525
	604.743	**42.525**

m) Key management compensation:

Key management includes, members of board of directors, general manager and directors. The compensation paid or payable to key management are shown below:

Short-term employee benefits	2.054.096	1.771.011
Bonus and profit-sharing	142.550	590.100
Post-employment benefits	91.296	16.928
Other long-term benefits	29.717	75.136
	2.317.659	**2.453.175**

n) Bails given to related parties:

The Company jointly guarantees with Yaşar Holding A.Ş., Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş., Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş., Viking Kağıt ve Selüloz A.Ş., Pınar Su Sanayi ve Ticaret A.Ş., Pınar Süt Mamulleri Sanayii A.Ş. and Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş., the repayment of loans obtained by Yaşar Group companies from international markets and financial institutions amounting to EUR44.444.444 and USD250.000.000, equivalent of TL664.086.110 (2012: EUR70.000.000 and USD275.000.000, equivalent of TL654.834.000) (Note 26).

o) Bails received from related parties:

The Company does not have any guarantees received from related parties as of 31 December 2013 (2012: Guarantees received from related parties are related with joint guarantees provided to the Company by Yaşar Holding, Çamlı Yem, Dyo Boya, Viking, Pınar Su, Pınar Süt and YBP for repayment of borrowings obtained by the Company from international capital markets amounting to EUR5.000.000 equivalent of TL11.758.500).

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
a) Short-term trade receivables:		
Customer current accounts	12.299.994	13.418.986
Cheques and notes receivable	4.732.732	5.005.359
	17.032.726	**18.424.345**
Less: Provision for impairment of receivables	(303.499)	(303.499)
Unearned finance income	(165.487)	(127.163)
	16.563.740	**17.993.683**

The effective weighted average interest rate on TL denominated trade receivable is 8,78% as of 31 December 2013 (2012: 7,57%) maturing within two months (2012: within two months).

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The agings of trade receivables as of 31 December 2013 and 2012, over which no provision for impairment is provided, are as follows:

	31 December 2013	31 December 2012
Overdue	256.446	2.089.989
0-30 days	5.995.764	6.629.594
31-60 days	7.367.367	6.873.270
61-90 days	995.335	687.471
91days and over	1.948.828	1.713.359
	16.563.740	**17.993.683**

As of 31 December 2013, trade receivables of TL256.446 (2012: TL2.089.989), over which no provision for impairment is provided, were past due. The Company management does not expect any collection risk regarding those receivables based on its past experience (Note 49.a).

The aging of overdue receivables as of 31 December 2013 and 2012 are as follows:

0-30 days	256.446	2.089.989
	256.446	**2.089.989**

b) Short-term trade payables

Supplier current accounts	57.087.127	46.943.441
Cheques	1.636.123	812.500
	58.723.250	**47.755.941**
Less: Unincurred finance cost	(296.151)	(128.867)
	58.427.099	**47.627.074**

As of 31 December 2013 and 2012, the effective weighted average interest rate TL, USD and EUR denominated on short-term trade payables are as below:

TL denominated trade payables	8,57%	7,56%
USD denominated trade payables	2,24%	2,21%
EUR denominated trade payables	2,94%	2,91%

Trade payables mature within one month (2012: one month).

NOTE 9 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (2012: None).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
a) Short-term other payables		
Taxes and funds payable	1.001.019	1.576.732
Other	42.677	56.589
	1.043.696	**1.633.321**

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NOTE 11 - INVENTORIES

	31 December 2013	31 December 2012
Raw materials	8.721.156	6.240.242
Raw materials in transit	1.482.524	878.365
Work in progress	13.474.799	11.899.362
Finished goods	9.339.796	7.730.127
Spare parts	3.672.774	3.184.513
Other (*)	518.613	577.583
	37.209.662	**30.510.192**

(*) Other stocks mainly consists of palettes.

The costs of inventories recognised as expense and included in cost of sales amounted to TL341.701.929 (2012: TL296.906.638) (Note 29). Inventories are carried at cost, and there are no inventories valued at fair value less costs to sell.

NOTE 12 - BIOLOGICAL ASSETS

None (2012: None).

NOTE 13 - PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2013	31 December 2012
a) Short-term prepaid expenses		
Prepaid expenses	1.485.488	1.118.454
Advances given	810.236	128.852
	2.295.724	**1.247.306**

b) Long-term prepaid expenses

Advances given	473.057	-
Prepaid expenses	26.226	26.218
	499.283	**26.218**

c) Deferred income

Advances received	41	146.906
	41	**146.906**

NOTE 14 - INVESTMENT PROPERTY

None (2012: None).

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NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2013 were as follows:

	1 January 2013	Additions	Disposals	Transfers	Revaluation	31 December 2013
Cost/revaluation:						
Land	54.816.000	6.000.000	-	-	3.605.000	64.421.000
Buildings and land improvements	50.851.660	2.970.731	-	657.656	2.350.284	56.830.331
Machinery and equipment	59.689.613	9.073.314	(758.957)	-	-	68.003.970
Furniture and fixtures	31.147.908	4.291.978	(186.705)	-	-	35.253.181
Motor vehicles	2.041.554	131.459	(15.383)	-	-	2.157.630
Construction in progress	193.165	755.968	-	(657.656)	-	291.477
	198.739.900	**23.223.450**	**(961.045)**	**-**	**5.955.284**	**226.957.589**
Accumulated depreciation:						
Buildings and land improvements	(1.373.270)	(1.480.467)	-	-	2.071.839	(781.898)
Machinery and equipment	(4.379.916)	(5.197.718)	215.155	-	-	(9.362.479)
Furniture and fixtures	(23.740.450)	(1.785.486)	135.315	-	-	(25.390.621)
Motor vehicles	(1.900.021)	(79.328)	15.384	-	-	(1.963.965)
	(31.393.657)	**(8.542.999)**	**365.854**	**-**	**2.071.839**	**(37.498.963)**
Net book value	**167.346.243**	**14.680.451**	**(595.191)**	**-**	**8.027.123**	**189.458.626**

Main additions to land, buildings, land improvement and machinery and equipment in 2013 are related with the purchases performed from Çamlı Yem and fixtures are related with the fridge purchases.

Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2012 were as follows:

	1 January 2012 Opening	Additions	Disposals	Transfers	31 December 2012 Closing
Cost/revaluation:					
Land	54.816.000	-	-	-	54.816.000
Buildings and land improvements	50.650.000	201.660	-	-	50.851.660
Machinery and equipment	51.896.827	7.711.153	-	81.633	59.689.613
Furniture and fixtures	29.891.640	2.619.864	(1.363.596)	-	31.147.908
Motor vehicles	2.079.101	81.768	(119.315)	-	2.041.554
Construction in progress	165.115	109.683	-	(81.633)	193.165
	189.498.683	**10.724.128**	**(1.482.911)**	**-**	**198.739.900**
Accumulated depreciation:					
Buildings and land improvements	-	(1.373.270)	-	-	(1.373.270)
Machinery and equipment	-	(4.379.916)	-	-	(4.379.916)
Furniture and fixtures	(23.451.009)	(1.526.109)	1.236.668	-	(23.740.450)
Motor vehicles	(1.953.051)	(66.285)	119.315	-	(1.900.021)
	(25.404.060)	**(7.345.580)**	**1.355.983**	**-**	**(31.393.657)**
Net book value	**164.094.623**	**3.378.548**	**(126.928)**	**-**	**167.346.243**

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Main additions to machinery and equipment in 2012 are related with the investments to production line of delicatessen products whereas main additions to furniture and fixtures are related with the fridge purchases.

Leased machinery and equipment, leased furniture and fixtures, leased motor vehicles has been merge with the related fixed asset line item since the leasing obligation of the Company has been matured.

As of 31 December 2013 the Company has no mortgages given for loans obtained from several financial institutions (2012: None).

Current year's depreciation and amortisation charges were allocated to cost of goods sold by TL6.191.088 (2012: TL5.492.597), to the cost of inventories by TL249.376 (2012: TL128.996), to general administrative expenses by TL648.269 (2012: TL587.569) (Note 34), to selling and marketing expenses by TL1.475.936 (2012: TL1.149.857) (Note 34), to research and development expenses by TL60.696 (2012: TL51.412).

Movements in revaluation reserve related to land, buildings, land improvements, machinery and equipments as of 31 December 2013 and 2012 were as follows:

1 January 2012	**101.311.294**
Depreciation transfer of investments-in-associates-net	(246.282)
Depreciation transfer upon revaluation reserve	(4.413.511)
Deferred income tax calculated on depreciation transfer transferred to retained earnings	713.358
31 December 2012	**97.364.859**
Increase in revaluation reserve arising from revaluation of land, buildings and land improvements	6.962.448
Increase in revaluation reserves of investments-in-associates - net	549.896
Depreciation transfer of investments-in-associates - net	(1.057.891)
Depreciation transfer upon revaluation reserve	(3.608.028)
Deferred income tax calculated on depreciation transfer transferred to retained earnings (Note 41)	721.605
Disposal of revaluation funds due to sales property, plant and equipment sale - net	(414.809)
31 December 2013	**100.518.080**

The carrying amounts of each class of property, plant and equipments that would have been recognised if the assets have been carried under the cost model at 31 December 2013 and 2012, are as follows:

31 December 2013:	**Land**	**Land improvements and buildings**	**Machinery and equipment**
Cost	17.383.443	30.126.628	116.153.306
Less: Accumulated depreciation	-	(14.353.472)	(83.215.651)
Net book value	**17.383.443**	**15.773.156**	**32.937.655**

31 December 2012:	**Land**	**Land improvements and buildings**	**Machinery and equipment**
Cost	11.383.443	26.498.241	107.079.992
Less: Accumulated depreciation	-	(13.925.016)	(80.573.950)
Net book value	**11.383.443**	**12.573.225**	**26.506.042**

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

None (2012: None).

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

None (2012: None).

NOTE 18 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the years ended 31 December 2013 and 2012 were as follows:

	1 January 2013 Opening	Additions	31 December 2013 Closing
Costs:			
Rights	17.435.698	202.441	17.638.139
Accumulated amortisation	(17.329.982)	(82.366)	(17.412.348)
Net book value	**105.716**	**120.075**	**225.791**

	1 January 2012 Opening	Additions	31 December 2012 Closing
Costs:			
Rights	17.406.293	29.405	17.435.698
Accumulated amortisation	(17.265.131)	(64.851)	(17.329.982)
Net book value	**141.162**	**(35.446)**	**105.716**

NOTE 19 - GOODWILL

None (2012: None).

NOTE 20 - EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

None (2012: None).

NOTE 21 - LEASING

None (2012: None).

NOTE 22 - SERVICE CONCESSION AGREEMENTS

None (2012: None).

NOTE 23 - IMPAIRMENT ON ASSETS

None (2012: None).

NOTE 24 - GOVERNMENT GRANTS AND INCENTIVES

In the scope of Turquality Project implemented in 2013 and 2012 by Undersecreteriat of Foreign Trade to support brandization of products made in Turkey in foreign markets and to settle the image of Turkish goods, the Company was provided TL231.951 (2012: TL86.865) government incentive. The incentive amount is accounted as other income.

The Company has various investment incentive certificates obtained in different dates and the Company utilises these investment incentive certificates according to current legislation (Note 41).

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NOTE 25 - BORROWINGS AND BORROWING COSTS

	31 December 2013	31 December 2012
Short-term bank borrowings	680.047	124.460
Short-term portion of long-term bank borrowings	-	11.944.129
Derivative financial assets	-	(1.845.185)
Short-term financial liabilities ve derivative financial assets	**680.047**	**10.223.404**

a) Bank borrowings and other financial liabilities:

	Effective weighted average interest rate p.a. %		Original currency		TL equivalent	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Short-term bank borrowings:						
TL borrowings (*)	-	-	680.047	124.460	680.047	124.460
					680.047	**124.460**
Short-term portion of long-term bank borrowings:						
Short-term portion of long-term EUR borrowings (**)	-	6,05	-	5.078.934	-	11.944.129
Total short-term bank borrowings					**680.047**	**12.068.589**
Derivative financial assets:						
Cross currency swaps	-	-	-	(1.845.185)	-	(1.845.185)
Total short-term bank borrowings and derivative financial assets					**680.047**	**10.223.404**

(*) As of 31 December 2013 and 2012, TL borrowings are spot loans and does not subject to interest charge.

(**) As of 31 December 2013, there is not any EUR denominated long term bank borrowings (2012: at three months floating interest rates of Euribor +3.75% p.a.).

Based on the loan agreement undersigned on 27 September 2006 between the Company and Morgan Stanley Bank International Limited, the Company received a borrowing EUR5.000.000 with a maturity date of 27 September 2013 and with an interest rate of Euribor +5,60% p.a. Yaşar Holding A.Ş., Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş., Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş., Viking Kağıt ve Selüloz A.Ş., Pınar Süt Mamulleri Sanayii A.Ş., Pınar Su Sanayi ve Ticaret A.Ş., Dyo Boya Fabrikaları Sanayi ve Ticaret have undersigned this loan agreement as the guarantors of this borrowing obtained. With respect to a long term borrowing of EUR5.000.000, the Company signed a cross currency swap agreement with Morgan Stanley & Co. International Limited together with the undersigned International Limited and International Swaps and Derivatives Association ("ISDA") master agreements, related appendices and corresponding swap confirmation documents. In line with this agreement, the Company swapped the borrowing amounting to EUR5.000.000 with the interest rate of Euribor + 5,60% p.a. with a currency swap amounting to TL9.745.000, using the interest rate of TL swap curve + 8,50% p.a. The gain or loss relating to the cross currency swaps is recognized in the statements of comprehensive income in finance income and finance expenses. Regarding swap transactions were closed at 27 September 2013.

Guarantees given related with the bank borrowings and financial liabilities are stated in Note 26.

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The carrying amounts of the bank borrowings including derivative financial instruments, with floating and fixed rates which were classified in terms of periods remaining to contractual repricing dates are as follows:

	Up to 3 months	Total
- 31 December 2013:		
Bank borrowings with fixed rates	-	680.047
Total	**-**	**680.047**
- 31 December 2012:		
Bank borrowings with floating rates	10.098.944	10.098.944
Bank borrowings with fixed rates	-	124.460
Total	**10.098.944**	**10.223.404**

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

	Carrying Amounts		Fair Values	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Bank borrowings other financial liabilities-net	**680.047**	**10.223.404**	**680.047**	**10.247.757**

The fair values of loans are equal to carrying amounts (2012: The fair values are based on cash flows discounted using the rate based on the TL borrowing rate of 14.42% p.a.).

NOTE 26 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
a) Short-term provisions:		
Provision for litigations	60.200	60.200
Other	20	-
	60.220	**60.200**

	31 December 2013	31 December 2012
b) Guarantees given:		
Bails	664.086.110	654.834.000
Letters of guarantee	1.389.067	1.344.559
	665.475.177	**656.178.559**

The Company jointly guarantees with Yaşar Holding A.Ş., Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş., Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş., Viking Kağıt ve Selüloz A.Ş., Pınar Su Sanayi ve Ticaret A.Ş., Pınar Süt Mamulleri Sanayii A.Ş. and Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş., the repayment of loans obtained by Yaşar Group companies from international markets and financial institutions amounting to EUR44.444.444 and USD250.000.000, equivalent of TL664.086.110 (2012: EUR70.000.000 and USD275.000.000, equivalent of TL654.834.000).

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The collaterals, pledges and mortgages ("CPM") position of the Company for the years ended 31 December 2013 and 2012 were as follows:

	31 December 2013			31 December 2012		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
CPM provided by the Company:						
A. Total amount of CPM given for the Company's own legal personality	TL	1.389.067	1.389.067	TL	1.344.559	1.344.559
B. Total amount of CPM given on behalf of fully consolidated companies	-	-		-	-	
C. Total amount of CPM given for continuation of its economic activities on behalf of third parties	-	-		-	-	
D. Total amount of other CPM			**664.086.110**			**654.834.000**
i. Total amount of CPM given to on behalf of the majority shareholder			**533.575.000**			**445.650.000**
	US Dollar	*250.000.000*	*533.575.000*	*US Dollar*	*250.000.000*	*445.650.000*
ii. Total amount of CPM given to on behalf of other Group companies which are not in scope of B and C			**130.511.110**			**209.184.000**
	US Dollar	-	-	*US Dollar*	25.000.000	44.565.000
	Euro	*44.444.444*	*130.511.110*	*Euro*	70.000.000	164.619.000
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-		-	-	
TOTAL			**665.475.177**			**656.178.559**
The ratio of total amount of other CPM to Equity			199%			207%

	31 December 2013			31 December 2012		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
d) Guarantees received:						
Bails	-	-	-	EUR	5.000.000	11.758.500
Mortgages	TL	200.000	200.000	TL	200.000	200.000
Letters of guarantee	TL	2.660.000	2.660.000	TL	923.000	923.000
	EUR	41.750	122.599			
Guarantee notes	USD	56.000	119.521	USD	59.000	105.173
	TL	10.000	10.000	TL	5.000	5.000
			3.112.120			**12.991.673**

The Company does not have any guarantees received from related parties as of 31 December 2013 (2012: Guarantees received from related parties are related with joint guarantees provided to the Company by Yaşar Holding, Çamlı Yem, Dyo Boya, Viking, Pınar Su, Pınar Süt and YBP for repayment of borrowings obtained by the Company from international capital markets amounting to EUR5.000.000 equivalent of TL11.758.500).

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e) Contingent liabilities

Based on negotiations with Kemalpaşa Municipality Housing Department regarding the 1/1000 scaled building development scheme dated 27 February 2008, it has been identified that the plots in Kemalpaşa - İzmir, the site of the Company's land, buildings and land improvements, are located within an industrial zone. As of 31 December 2013, the fair value of the aforementioned properties located on the plots amounts to TL95.583.095. This plan was announced by the Industry and Trade Office of İzmir within July 2008. If the building development scheme comes into force, Kemalpaşa Municipality may reduce the legal area on the title deeds of those properties. In consideration of time consuming process, it is not possible to make a reliable estimation therefore the amount of any possible reduction over those plots cannot be reliably estimated. The Company management assumes that the impact of such reduction will be immaterial to the financial statements.

NOTE 27 - COMMITMENTS

The Company does not have any purchase commitments as of 31 December 2013 (2012: The Company has purchase commitments amounting to TL418.097, equivalent of EUR177.785 relating to 395.569 m^2 of packaging material).

NOTE 28 - EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
a) Payable due to employee benefits		
Social security premiums payable	730.576	557.446
Payables to personnel	1.265	6.143
	731.841	**563.589**

b) Short-term provisions due to employee benefits

Bonus provisions to top management	919.628	1.148.549
Provision for seniority incentive bonus	145.174	134.784
	1.064.802	**1.283.333**

The movement of bonus provision to top management is as follows:

	2013	2012
1 January	**1.148.549**	**864.241**
Bonus payment	(228.921)	(215.692)
Provision for top management bonus (Note 34.b)	-	500.000
31 December	**919.628**	**1.148.549**

c) Long-term provisions due to employee benefits

Provision for employment termination benefits	11.311.962	9.892.871
Provision for seniority incentive bonus	347.567	223.934
	11.659.529	**10.116.805**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL3.254,44 for each year of service as of 31 December 2013 (2012: TL3.033,98). The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees with certain actuarial assumptions.

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The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL3.438,22 which is effective from 1 January 2014 (1 January 2013: TL3.129,25) has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2013	31 December 2012
Discount rate (%)	4,09	3,50
Probability of retirement (%)	97,61	98,69

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

	2013	2012
1 January	**9.892.871**	**6.877.385**
Interest costs	863.985	240.708
Actuarial losses	318.358	2.663.175
Paid during the year	(702.913)	(1.136.829)
Annual charge	939.661	1.248.432
31 December	**11.311.962**	**9.892.871**

The total of interest costs, actuarial losses and annual charge for the year is TL2.122.004 (2012: TL4.152.315). TL1.803.646 portion (2012: TL1.489.140) of this amount was included in general administrative expenses and TL318.358 portion was included in other comprehensive income.

NOTE 29 - EXPENSES BY NATURE

	1 January - 31 December 2013	1 January - 31 December 2012
Direct material costs	341.701.929	296.906.638
Staff costs	32.312.982	31.161.938
Advertisement	15.457.615	12.314.511
Outsourced services	11.556.360	8.201.564
Utilities	9.989.268	9.665.438
Depreciation and amortisation	8.581.498	7.398.076
Repair and maintenance	7.583.230	7.353.526
Consultancy charges	6.513.910	6.133.634
Employment termination benefits	1.803.646	1.489.140
Rent	1.775.898	1.616.352
Taxes, dues and fees	419.059	254.685
Other	3.767.590	1.104.088
	441.462.985	**383.599.510**

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NOTE 30 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
a) Other current assets:		
Deferred Value Added Tax	2.158.343	-
Income accrual	362.813	151.858
Other	-	56
	2.521.156	**151.914**
b) Other current liabilities:		
Expense accrual	479.396	14.504
Other	-	16.150
	479.396	**30.654**

NOTE 31 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of TL 1. The Company's historical authorised registered capital at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Registered share capital (historical values)	100.000.000	100.000.000
Authorised registered share capital with a nominal value	43.335.000	43.335.000

The compositions of the Company's share capital at 31 December 2013 and 2012 were as follows:

	31 December 2013		31 December 2012	
	Share (%)	TL	Share (%)	TL
Yaşar Holding (A, B)	54	23.476.893	54	23.476.893
Pınar Süt (A, B)	13	5.451.752	13	5.451.752
Public quotation (A, B)	33	14.406.355	33	14.406.355
Share capital		**43.335.000**		**43.335.000**
Adjustment to share capital		37.059.553		37.059.553
Total paid-in capital		**80.394.553**		**80.394.553**

Adjustment to share capital amounting to TL37.059.553 (2012: TL37.059.553) represents the remaining amount after net-off the accumulated losses of 2003 from the difference between restated (inflation adjusted) share capital and historical cost of share capital (before inflation adjustment).

The companies registered in Turkey can exceed authorized registered share capital by way of increasing bonus shares from capital reserves, except for by cash, at once. However, capital increase by cash shall not exceed authorized registered share capital.

There are 4.333.500.000 (2012: 4.333.500.000) units of shares with a face value of Kr1 each (2012: Kr1 each).

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The Company's capital is composed of 1.500.000 units of A type bearer share and 4.332.000.000 units of B type bearer share, and the B type bearer shares are traded on ISE. Based on the Company's Articles of Association, the Board of Directors comprises five to nine members elected by the General Assembly from among the Company's shareholders or from outside the Company personnel in accordance with the provisions of the TCC. In the event the Board of Directors comprises five members, three are elected from among candidates nominated by shareholders bearing A type shares, two from those nominated by shareholders bearing B type shares. In the event the Board of Directors comprises seven members, four are elected from among candidates nominated by shareholders bearing A type shares, three from those nominated by shareholders bearing B type shares. In the event the Board of Directors comprises nine members, five are elected from among the candidates nominated by shareholders bearing A type shares, four from those nominated by shareholders bearing B type shares. In addition, the chairman of the board and the executive director are selected from among shareholders of A type shares.

Board of Directors has authority to classify new shares as registered or bearer separately in accordance with the CMB regulations. Companies can increase their share capital by way of bonus issue to existing shareholders in proportion of their shareholding rates.

Retained earnings and certain reserves according to the statutory financial statements, other than legal reserves, are available for distribution subject to the legal reserve requirement referred to below:

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. Companies are required to set aside 5% of their net profits each year as a first level legal reserve. The ceiling on the first level legal reserves is 20% of the paid-up capital. The reserve requirement ends when the 20% of paid-up capital level has been reached. The second level reserves correspond to 10% of profits actually distributed after the deduction of the first level legal reserves plus minimum obligatory dividend pay-out (5% of the paid-up capital). According to Turkish Commercial, legal reserves unless they exceed 50% of the paid capital can be used to offset losses: Otherwise it is not possible to use other than that.

The aforementioned amounts accounted for under "Restricted Reserves" in accordance with CMB Financial Reporting Standards. At 31 December 2012, the restricted reserves of the Company amount to TL25.055.110 (2012: TL22.448.345). The unrestricted reserves of the Company, amounting to TL45.741.849 (2012: TL41.181.934), is classified in the "Retained Earnings".

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

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

Capital adjustments differences have no other use other than being transferred to share capital.

Companies distribute dividends in accordance with their dividend payment policies numbered II-19.1settled by CMB on 1 February 2014.

Based on CMB Communiqué, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of their articles of association and their previously publicly declared profit distribution policies.

Unless allocation of legal reserves per TCC and dividends defined in the dividend policy of companies, it cannot be decided to allocate other reserves, to transfer the profit to the retained earnings, and to distribute dividend to members of board of directors, employees, redeemed shareholders and parties other than shareholders. Furthermore, payment of dividend in cash is another requirement for distributing dividend to members of board of directors, employees, redeemed shareholders and parties other than shareholders.

Dividend is distributed for shares available as of accounting period of all of them equally without regarding to the dates of issue and acquisition.

Based on the decision of General Assembly meeting on 14 May 2013, the Company has decided to distribute net income for the year 2012 amounting TL27.734.400 as dividend. As of 31 December 2013 all the dividends were paid. In context of this dividend distribution, Company separate TL2.606.765 from 2012 profit as "Restricted Reserve". Since the General Assembly meeting of the year 2013 has not been performed yet, dividend distribution decision has not been taken.

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NOTE 32 - REVENUE AND COST OF SALES

	1 January - 31 December 2013	1 January - 31 December 2012
Domestic sales	582.960.361	508.235.870
Export sales	10.017.524	7.774.082
Gross Sales	**592.977.885**	**516.009.952**
Less: Discounts	(100.971.049)	(86.647.418)
Returns	(12.712.644)	(12.919.053)
Net Sales	**479.294.192**	**416.443.481**
Cost of sales	**(396.232.302)**	**(344.089.735)**
Gross Profit	**83.061.890**	**72.353.746**

NOTE 33 - CONSTRUCTION CONTRACTS

None (2012: None).

NOTE 34 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

	1 January - 31 December 2013	1 January - 31 December 2012
a) Marketing, selling and distribution expenses:		
Advertisement	15.457.615	12.314.511
Staff costs	3.459.902	2.890.715
Consultancy charges	2.395.693	-
Depreciation and amortisation	1.475.936	1.149.857
Repair and maintenance	1.108.359	953.742
Outsourced services	1.073.467	1.020.044
Utilities	983.176	1.013.556
Rent	632.261	415.420
Transportation	447.890	480.985
Other	1.028.714	1.010.735
	28.063.013	**21.249.565**

	1 January - 31 December 2013	1 January - 31 December 2012
b) General administrative expenses:		
Staff costs	6.294.664	5.472.765
Consultancy charges	4.118.217	6.133.634
Employment termination benefits	1.803.646	1.489.140
Outsourced services	961.308	765.079
Depreciation and amortisation	648.269	587.569
Taxes (Corporate Tax excluded)	419.059	196.448
Repair and maintenance	303.943	319.396
Utilities	288.960	295.844
Management bonus	-	500.000
Other	1.218.854	1.439.042
	16.056.920	**17.198.917**

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NOTE 35 - OTHER OPERATING INCOME AND EXPENSES

	1 January - 31 December 2013	1 January - 31 December 2012
a) Other operating income:		
Income from sales of scrap	498.890	453.213
Rent income	447.378	428.852
Government grants	257.555	124.557
Pallet sales	221.445	16.449
Foreign exchange gain	188.818	21.779
Other	192.819	32.752
	1.806.905	**1.077.602**
b) Other operating expense:		
Donations	(671.437)	(173.075)
Due date charges	(186.969)	(160.506)
Penalties	(150.948)	(285.052)
Foreign exchange loss	(15.280)	(23.477)
Other	(286.845)	(328.632)
	(1.311.479)	**(970.742)**

NOTE 36 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2013	1 January - 31 December 2012
a) Income from investment activities:		
Interest income calculated on other receivables from related parties	2.960.952	6.266.539
Income from sales of property, plant and equipment	6.126	52.053
Foreign exchange gain from other receivables from related parties	-	311.895
	2.967.078	**6.630.487**
b) Expense from investment activities:		
Loss from sales of property, plant and equipment	(577.654)	-
Impairment on available-for-sale investments	(85.574)	-
	(663.228)	**-**

NOTE 37 - EXPENSES CLASSIFIED BY CLASS

Please refer to Note 29.

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NOTE 38 - FINANCIAL INCOME AND EXPENSES

	1 January - 31 December 2013	1 January - 31 December 2012
i. Financial Income		
Bail income from related parties (Note 7)	1.023.663	1.147.876
Interest income	817.003	505.512
Interest income on term purchase	686.815	694.157
Foreign exchange gain	94.131	2.013.929
	2.621.612	**4.361.474**

	1 January - 31 December 2013	1 January - 31 December 2012
ii. Financial Expense		
Interest expense on borrowings	(999.640)	(2.268.864)
Interest expense on term sales	(739.965)	(570.565)
Foreign exchange loss	(81.482)	(3.198.039)
Bail expense from related parties (Note 7)	(63.568)	(195.190)
Other	(17.567)	(96.404)
	(1.902.222)	**(6.329.062)**

NOTE 39 - ANALYSIS OF OTHER COMPREHENSIVE INCOME

The analysis of other comprehensive income of the Company at 31 December 2013 and 2012 is as follows:

Other Comprehensive Income/Expense not to be Reclassified to Profit and Loss	**7.020.985**	**(2.130.540)**
Increase in Revaluation Reserve of Investments-in-Associates	549.896	-
Increase in Revaluation Reserve	8.027.123	-
Actuarial Loss Arising From Defined Benefit Plans Investments-in-Associates	(236.673)	-
Actuarial Loss Arising From Defined Benefit Plans	(318.358)	(2.663.175)
Taxes for other comprehensive income/expense not to be reclassified to profit or loss		
- Deferred tax (liabilities)/assets	(1.001.003)	532.635
Other Comprehensive Income/Expense to be Reclassified to Profit and Loss	**(692.242)**	**2.126.771**
Foreign currency translation differences	962.659	(137.870)
Increase in Fair Value Reserves of Available-for-Sale Investments	7.374	19.507
Increase in Fair Value Reserves of Investments-in-Associates	(1.822.391)	2.316.719
Cash Flow Hedge on Fair Value Reserves of Investments in Associates	161.591	(67.684)
Taxes for other comprehensive income/expense to be reclassified to profit or loss		
- Deferred tax (liabilities)	(1.475)	(3.901)
OTHER COMPREHENSIVE INCOME	**6.328.743**	**(3.769)**

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

None (2012: None).

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

As of 31 December 2013 and 2012, corporation taxes currently payable are as follows:

	31 December 2013	31 December 2012
Corporation taxes currently payable	8.549.858	7.833.110
Less: Prepaid corporate tax	(7.325.125)	(6.375.994)
Current income tax liabilities	**1.224.733**	**1.457.116**

Corporation tax is payable at a rate of 20% for 2013. (2012: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income (exemption for participation in subsidiaries, exemption for investment incentive allowance etc.) and allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed.

Dividends paid ton on-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to witholding tax. Otherwise, dividends paid are subject to witholding tax at the rate of 15% (2012: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur witholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2012: 20%) on their corporate income. Advance tax is declared by 14th and payable by the 17th (2011: 17th) of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offseting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within 25th of fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filling, during when the tax authorities have the right to examine tax returns and the related accounting records on which they are based, and may issue re-assessments based on their findings. Under the Turkish taxation system, tax losses can be carried forward to offset future taxable income for 5 years.

In Corporate Tax Law, there are many exemptions for corporations, those related to the Company are explained below:

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

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, a 75% portion of the gains derived from the sales of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales considerations has to be collected up until the end of the second calendar year following the year the sale was realised.

75% of the profits from sale of preferential right certificates and share premiums generated from sale of shares at a price exceeding face values of those shares during incorporations or capital increases of joint stock companies are exempt from corporate tax.

Accordingly, the aforementioned gains/(losses) which have been included in trade profit/(loss) have been taken into consideration in calculation of Company's corporate tax.

Apart from the exemptions mentioned in the preceding paragraphs, the deductions granted in 8th article of Corporate Tax Law, and 40th article of the Income Tax Law, together with other deductions mentioned in 10th article of Corporate Tax Law, have been taken into consideration in calculation of the Company's corporate tax.

Transfer Pricing

Corporations should set the prices in accordance with the arm's length principle while entering into transactions regarding the sale or purchase of goods and services with related parties. Under the arm's length principle within the new legislation related parties must set the transfer prices for purchase and sale of goods and services as if they would have been agreed between third parties. Depending on the circumstances, a choice of accepted methods in aforementioned law of arm's length transaction has to be made by corporations for transactions with related parties. Corporations should keep the documentary evidence within the Company representing how arm's length price has been determined and the methodology that has been chosen by use of any fiscal records and calculations in case of any request by tax authorities. Besides, corporations must report transactions with related parties in a fiscal period.

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If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. The profit distributed in a disguised in a disguised manner through transfer pricing completely or partially, will be assessed as distributed profit share is considered as net profit share and complemented to gross amount, deemed profit will be subject to corporate tax previous taxation processes will be revised accordingly by taxpayer who distributes disguised profit. In order to make adjustments in this respect, the taxes assessed in the name of the Company distributing dividends in a disguised manner must be finalised and paid.

Taxation on income in the statement of comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Current corporation tax expense	(8.549.858)	(7.833.110)
Deferred tax income	1.239.178	1.779.761
Taxation on income	**(7.310.680)**	**(6.053.349)**

The reconciliation of tax expense is as follows:

Profit before tax	**45.566.089**	**38.725.275**
Tax calculated at tax rates applicable to the profit	(9.113.218)	(7.745.055)
Expenses not deductible for tax purpose	(190.278)	(168.587)
Income not subject to tax	25.889	188.170
Tax effect upon the results of investments-in-associates	843.243	222.309
Recognition of deferred income tax asset on investment incentive	523.089	1.126.515
Other	600.595	323.299
Total taxation on income	**(7.310.680)**	**(6.053.349)**

Deferred income taxes

The Company recognises deferred income tax assets and liabilities based upon temporary differences arising between its financial statements are reported in accordance with the CMB Financial Reporting Standards and its tax purpose financial statements. Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in future periods under the liability method using a principal tax rate of 20% (2012: 20%).

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided at 31 December 2013 and 2012 using the enacted tax rates at the balance sheet dates are as follows:

	Taxable cumulative temporary differences		Deferred income tax assets/(liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Revaluation of property, plant and equipment	111.999.517	108.098.933	(15.319.840)	(15.080.472)
Restatement differences on tangible and intangible assets	7.484.930	4.410.404	(1.059.958)	(897.303)
Provision for employment termination benefits	(11.311.962)	(9.892.871)	2.262.392	1.978.574
Difference between carrying value and tax bases of available-for-sale investments	(1.829.550)	(1.836.925)	365.909	367.384
Investment incentives (*)	(8.248.020)	(5.632.575)	1.649.604	1.126.515
Other	(37.771)	(871.320)	7.555	174.264
Deferred income tax assets			4.285.460	3.646.737
Deferred income tax liabilities			(16.379.798)	(15.977.775)
Deferred income tax liabilities- net			**(12.094.338)**	**(12.331.038)**

(*) The Company has investment incentive certificate relating with production line investment. As of 31 December 2013, based on the best estimate of the Company management, it is highly probable to utilize investment incentive amounted to TL1.649.604 (2012: TL1.126.515).

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Movements in deferred income tax liabilities can be analysed as follows:

1 January 2012	**(14.639.533)**
Credited to statement of comprehensive income	1.779.761
Charged to actuarial gain/loss arising from defined benefit plans	532.635
Charged to fair value reserve of available-for-sale investments	(3.901)
31 December 2012	**(12.331.038)**
Credited to statement of comprehensive income	1.239.178
Charged to actuarial gain/loss arising from defined benefit plans	63.672
Charged to fair value reserve of available-for-sale investments	(1.475)
Calculated on revaluation fund	(1.064.675)
31 December 2013	**(12.094.338)**

NOTE 42 - EARNINGS PER SHARE

		1 January - 31 December 2013	1 January- 31 December 2012
Profit for the period	A	38.255.409	32.671.926
Weighted average number of shares (Note 31)	B	4.333.500.000	4.333.500.000
- Basic earnings per 100 shares with a Kr1	**A/B**	**0,8828**	**0,7539**

There are no differences between basic and diluted earnings per share. As of 31 December 2013, Board of Directors, do not accounted any dividend.

NOTE 43 - SHARE-BASED PAYMENT

None (2012: None).

NOTE 44 - INSURANCE CONTRACTS

None (2012: None).

NOTE 45 - EFFECTS OF CHANGES IN FOREIGN CURRENCY RATES

The foreign currency exposure of the Company is presented in Note 49.c.i.

NOTE 46 - REPORTING IN HYPERINFLATIONARY ECONOMIES

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

NOTE 47 - DERIVATIVE FINANCIAL INSTRUMENTS

None (2012: TL1.845.185)

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NOTE 48 - FINANCIAL INSTRUMENTS

a) Available-for-sale investments:

	31 December 2013		31 December 2012	
	TL	%	TL	%
YDT	534.440	1,76	620.014	1,76
Bintur Turizm ve Catering Hizmetleri A.Ş. (“Bintur”)	74.505	1,33	67.131	1,33
	608.945		**687.145**	

YDT and Bintur were stated at their fair values which were determined based on one of the generally accepted valuation methods, based on discounted cash flows.

As of 31 December 2013 and 2012, the discount and growth rates used in discounted cash flow models are as follows;

	Discount rate		Growth rate	
	2013	2012	2013	2012
Bintur	12,62%	9,60%	1%	1%
YDT	9,83%	7,58%	0%	0%

Movements of available-for-sale investments in 2013 and 2012 are as follows;

	2013	2012
1 January	**687.145**	**403.371**
Fair value change - YDT	(85.574)	9.469
Fair value change - Bintur	7.374	10.038
Contribution to the capital increase of YDT	-	264.267
31 December	**608.945**	**687.145**

Movements of fair value reserve of available-for-sale investments in 2013 and 2012 are as follows:

	2013	2012
1 January	**45.992**	**30.386**
Change in fair value - net	7.374	19.507
Deferred income tax effect on fair value reserve of available-for-sale investments (Note 41)	(1.475)	(3.901)
31 December	**51.891**	**45.992**

NOTE 49 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, cash flow, fair value interest rate risk), capital risk, credit risk and liquidity risk. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Risk management is carried out by the senior management and finance department of the Company under policies approved by Board of Directors. The Board of Directors provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and capital risk and closely monitors financial and operational risks (especially arising from meat price fluctuations).

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The financial risk management objectives of the Company are defined as follows:

- Safeguarding the Company's core earnings stream from its major assets through the effective control and management of foreign exchange risk and interest rate risk,
- Effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity management planning and procedures,
- Effective monitoring and minimizing risks sourced from counterparts.

a) Credit risk:

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risks arises from cash and cash equivalents, deposits in banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Majority of the Company's sales in domestic market are made to its investments in associate, YBP, and its exports are made to YDT, which are both Yaşar Group Companies. In line with past experiences and current condition trade receivables are monitored by the Company Management and necessary provisions for impairment is recognised. The Company management believes that credit risk arises from receivables is well managed. The Company management believes that there is no risk for non-trade receivables from related parties since they are mainly comprised of receivables from shareholders. The credit risk analysis of the Company as of 31 December 2013 and 2012 are as follows:

	Receivables					
	Trade Receivables (1)		**Other Receivables**			
31 December 2013	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Bank Deposits**	**Other**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**50.195.301**	**16.563.740**	**21.147.953**	**51.231**	**13.696.920**	**-**
- The part of maximum credit risk covered with guarantees	-	-	-	-	-	-
A. Net book value of financial assets not due or not impaired (3)	49.659.167	16.307.294	21.147.953	51.231	13.696.920	-
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (4)	536.134	256.446	-	-	-	-
- The part covered by guarantees	-	-	-	-	-	-
D. Net book value of assets impaired						
- Past due amount (gross book value)	-	303.499	-	-	-	-
- Impairment amount (-)	-	(303.499)	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
- Due amount (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

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	Receivables					
	Trade Receivables [1]		Other Receivables			
31 December 2012	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	Other
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) [2]	**42.722.045**	**17.993.683**	**42.179.547**	**45.877**	**443.368**	**-**
- The part of maximum credit risk covered with guarantees	-	-	-	-	-	-
A. Net book value of financial assets not due or not impaired [3]	42.288.047	15.903.694	42.179.547	45.877	443.368	-
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired [3]	-	-	-	-	-	-
C. Net book value of assets past due but not impaired [4]	433.998	2.089.989	-	-	-	-
- The part covered by guarantees	-	-	-	-	-	-
D. Net book value of assets impaired						
- Past due amount (gross book value)	-	303.499	-	-	-	-
- Impairment amount (-)	-	(303.499)	-	-	-	-
- Collateral held as security and guarantees received						
- Due amount (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Collateral held as security and guarantees received						
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

[1] Trade receivables of the Company mainly consists of receivables resulting from sales of meat and meat products.
[2] Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
[3] None.
[4] Agings of financial instruments past due but not impaired are as below:

31 December 2013	Receivables		
	Related Parties	Third Parties	Total
1-30 days overdue	533.822	256.446	790.268
1-3 months overdue	-	-	-
3-6 months overdue	-	-	-
Over 6 months overdue	2.312	-	2.312
The part of credit risk covered with guarantees	-	-	-
	536.134	**256.446**	**792.580(*)**

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31 December 2012	Receivables		
	Related Parties	Third Parties	Total
1-30 days overdue	296.488	2.024.066	2.320.554
1-3 months overdue	137.510	65.923	203.433
3-6 months overdue	-	-	-
Over 6 months overdue	-	-	-
The part of credit risk covered with guarantees	-	-	-
	433.998	**2.089.989**	**2.523.987**

(*) The overdue but not impaired receivables from related parties has been collected as of the approval date of the financial statements.

b) Liquidity risk:

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers lines from high quality lenders. In order to maintain liquidity, the Company management closely monitors the timely collection of trade receivables, take actions to minimise the effect of delay in collections and arranges cash and non-cash credit lines from financial institutions in case of requirement.

	31 December 2013				
	Carrying Value	Total Cash outflows per agreement (=I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)
Contractual maturity dates:					
Non-Derivative financial liabilities:					
Bank borrowings	680.047	680.047	680.047	-	-
Trade payables	79.041.772	80.411.663	79.400.421	1.011.242	-
Other payables	1.095.848	1.095.848	1.095.848	-	-
	80.817.667	**82.187.558**	**81.176.316**	**1.011.242**	**-**

	31 December 2012				
	Carrying Value	Total Cash outflows per agreement (=I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)
Contractual maturity dates:					
Non-Derivative financial liabilities:					
Bank borrowings	12.068.589	12.586.283	466.301	12.119.982	-
Trade payables	56.536.682	56.553.519	56.275.315	278.204	-
Other payables	1.782.041	1.782.041	1.782.041	-	-
	70.387.312	**70.921.843**	**58.523.657**	**12.398.186**	**-**
Derivative financial instruments					
Financial (assets)/liabilities (Note 47)	(1.845.185)	(1.433.465)	171.713	(1.605.178)	-

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c) Market risk:

i) Foreign exchange risk

The Company is exposed to foreign exchange risks through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities. The Company minimizes the risk through balancing foreign currency denominated assets and liabilities. These risks are monitored by analyses of the foreign currency position. Current risks are discussed by the Audit Committee and the Board of Directors regularly and the foreign exchange rates relevant to the foreign currency position of the Company are mentioned. When necessary derivative financial instruments (swap contracts) are used as a tool to hedge foreign exchange risk.

	31 December 2013			
	TL Equivalent	**USD**	**EUR**	**Other (TL Equivalent)**
1. Trade Receivables	968.246	453.660	-	-
2a. Monetary Financial Assets (Cash, Bank accounts included)	18.218	3.273	3.825	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	1.482.390	7.327	497.101	7.016
4. Current Assets (1+2+3)	**2.468.854**	**464.260**	**500.926**	**7.016**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non- monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non- Current Assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**2.468.854**	**464.260**	**500.926**	**7.016**
10. Trade Payables		1.577.169	42.293	503.963
11. Financial Liabilities	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Non-monetary Other Liabilities	-	-	-	-
13. Short- Term Liabilities (10+11+12)	**1.577.169**	**42.293**	**503.963**	**7.016**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-monetary Other Liabilities	-	-	-	-
17. Long-Term Liabilities (14+15+16)	**-**	**-**	**-**	**-**
18. Total Liabilities (13+17)	**1.577.169**	**42.293**	**503.963**	**7.016**
19. Net Asset/Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	**-**	**-**	**-**	**-**
19a. Amount of Hedged Asset	**-**	**-**	**-**	**-**
19b. Amount of Hedge Liability	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset (Liability) Position (9-18+19)	**891.685**	**421.967**	**(3.037)**	**-**
21. Net Foreign Currency Asset (Liability) Position of Monetary Items (IFRS 7.B23) (=1+2a+3+5+6a-10-11-12a-14-15-16a)	**(590.705)**	**414.640**	**(500.138)**	**(7.016)**
22.Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	**-**	**-**	**-**	**-**
23. Amount of Foreign Currency Denominated Assets Hedged	**-**	**-**	**-**	**-**
24. Amount of Foreign Currency Denominated Liabilities Hedged	**-**	**-**	**-**	**-**
25. Export	**10.017.524**	**5.229.678**	**-**	**-**
26. Import	**13.289.311**	**6.971.902**	**-**	**-**

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Foreign Currency Position

31 December 2012			
TL Equivalent	**USD**	**EUR**	**Other (TL Equivalent)**
806.577	452.472	-	-
14.266	2.324	4.305	-
-	-	-	
203.945	-	86.722	-
1.024.788	**454.796**	**91.027**	**-**
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	**-**	**-**	**-**
1.024.788	**454.796**	**91.027**	**-**
7.016	1.343.629	125.713	476.053
11.944.129	-	5.078.934	-
-	-	-	
-	-	-	-
13.287.758	**125.713**	**5.554.987**	**-**
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	**-**	**-**	**-**
13.287.758	**125.713**	**5.554.987**	**-**
-	**-**	**-**	**-**
-	**-**	**-**	**-**
-	**-**	**-**	**-**
(12.262.970)	**329.083**	**(5.463.960)**	**-**
(12.466.915)	**329.083**	**(5.550.682)**	**-**
-	**-**	**-**	**-**
-	**-**	**-**	**-**
11.944.129	**-**	**5.078.934**	**-**
7.774.082	**4.347.560**	**-**	**-**
16.806.949	**9.378.321**	**-**	**-**

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	Sensitivity Analysis for Foreign Currency Risk			
	Profit/Loss		Equity	
31 December 2013	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset/Liability denominated in USD - net	90.060	(90.060)	90.060	(90.060)
2- The part hedged for USD risk (-)	-	-	-	-
3- USD Effect - net (1+2)	**90.060**	**(90.060)**	**90.060**	**(90.060)**
Change of EUR by 10% against TL:				
4- Asset/Liability denominated in EUR - net	(892)	892	(892)	892
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR Effect - net (4+5)	**(892)**	**892**	**(892)**	**892**
Change of other currencies by average 10% against TL:				
7- Assets/Liabilities denominated in other foreign currencies - net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**89.168**	**(89.168)**	**89.168**	**(89.168)**

31 December 2012	Sensitivity Analysis for Foreign Currency Risk			
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset/Liability denominated in USD - net	58.662	(58.662)	58.662	(58.662)
2- The part hedged for USD risk (-)	-	-	-	-
3- USD Effect - net (1+2)	**58.662**	**(58.662)**	**58.662**	**(58.662)**
Change of EUR by 10% against TL:				
4- Asset/Liability denominated in EUR - net	(1.284.959)	1.284.959	(1.284.959)	1.284.959
5- The part hedged for EUR risk (-)	1.194.412	(1.194.412)	1.194.412	(1.194.412)
6- EUR Effect - net (4+5)	**(90.547)**	**90.547**	**(90.547)**	**90.547**
Change of other currencies by average 10% against TL:				
7- Assets/Liabilities denominated in other foreign currencies - net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**(31.885)**	**31.885**	**(31.885)**	**31.885**

(Amount expressed in Turkish Lira ("TL") unless otherwise indicated.)

ii) Interest rate risk

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

	Interest Rate Position	
	31 December 2013	**31 December 2012**
Financial instruments with fixed interest rate		
Financial assets	101.553.225	103.235.275
Financial liabilities	79.773.971	56.809.862
Financial instruments with floating interest rate		
Financial liabilities	-	10.098.944

According to the interest rate sensitivity analysis performed as at 31 December 2012, if interest rates had been 1% higher while all other variables being constant, net income for the year would be TL25.445 lower as a result of additional interest expense that would be incurred on financial instruments with floating rates.

iii) Price risk

The profitability of the Company's operations and the cash flows generated by those operations are affected by changes in the raw material prices and market competition that are closely monitored by the Company management and precautions for cost efficiency are taken. The Company does not anticipate that prices of unprocessed meat and other raw materials will change significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline or increase in the prices of unprocessed meat and other stocks and raw materials. The current risks are properly monitored by Board of Directors and Audit Committee regularly in considering the need for active financial risk management.

d) Capital Risk Management:

The Company's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as the total liability (including borrowings, trade payables, due to related parties and other payables, as shown in the balance sheet) less cash and cash equivalents.

	31 December 2013	**31 December 2012**
Financial liabilities	680.047	12.068.589
Derivative financial assets	-	(1.845.185)
Other payables to related parties	52.152	148.720
Less: Cash and cash equivalents	(13.776.369)	(480.596)
Net debt	**(13.044.170)**	**9.891.528**
Total equity	**333.024.137**	**316.174.385**
Net debt/equity ratio	**(4%)**	**3%**

The Company's strategy is to gradually decrease the level of debt/equity ratio and indebtedness consistent with its conservative financial profile. The Company management regularly monitors debt/equity ratio and try to lower this ratio. The Company management regularly monitors the debt/equity ratio. The Company management regularly monitors the debt/equity ratio.

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

Classification of financial assets

The Company’s financial assets and liabilities classified as available-for-sale investments and loans and receivables. Cash and cash equivalents (Note 6), trade receivables (Notes 8) and other receivables (Notes 10) of the Company are classified as loans and receivables and measured at amortised cost using effective interest method. Available-for-sale investments are disclosed in Note 4. The Company’s financial liabilities are classified as financial liabilities (Note 25), other financial liabilities and trade payables (Note 8) and other payables (Notes 30).

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value. The fair values of certain financial assets carried at costs, including cash and due from banks, receivables and other financial assets are considered to approximate their respective carrying values due to their short-term nature. Available-for-sale investments are carried at their fair values. The fair values of available-for-sale investments which do not have quoted market prices in active markets, are determined by using general accepted valuation techniques or stated at cost, less a provision for impairment, if any, by assuming the carrying values do not differ materially from their fair values.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts and they are considered to approximate to their fair values and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

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

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

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The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013 and 2012.

31 December 2013

	Level 1	Level 2	Level 3 (*)	Total
Assets:				
Available-for-sale investments	-	-	608.945	608.945
Derivative financial instruments-designated as hedges	-	-	-	-
Total assets	**-**	**-**	**608.945**	**608.945**

31 December 2012

	Level 1	Level 2	Level 3 (*)	Total
Assets:				
Available-for-sale investments	-	-	687.145	687.145
Derivative financial instruments- designated as hedges	-	1.845.185	-	1.845.185
Total assets	**-**	**1.845.185**	**687.145**	**2.532.330**

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

NOTE 51 - SUBSEQUENT EVENTS

The USD and EUR exchange rates set by Central Bank of Turkey (CBT) on 28 February 2014 at 15.30 are 2,2129 and 3,0477, respectively. The USD and EUR exchange rates as of 31 December 2013 were 2,1343 and 2,9365, respectively.

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

None (2012: None).