

(Convenience translation to English of Consolidated Financial Statements Originally Issued in Turkish)

İhlas Holding A.Ş. and its Subsidiaries

Consolidated Balance Sheet at March 31, 2017

(All amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Current Period	Previous Period
	31/03/17	31/12/16
A S S E T S		
CURRENT ASSETS	1.877.685.340	1.852.217.423
Cash and Cash Equivalents	20.743.619	24.202.969
Financial Investments	-	-
Trade Receivables	835.382.055	809.314.837
- Related parties	1.671.252	1.955.033
- Non-related parties	833.710.803	807.359.804
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	2.897.161	1.970.204
- Related parties	-	-
- Non-related parties	2.897.161	1.970.204
Derivative Financial Instruments	-	-
Inventories	774.222.917	802.538.784
Biological Assets	-	-
Prepaid Expenses	202.819.678	174.123.895
Assets related with Current Tax	1.576.622	1.210.730
Other Current Assets	40.043.288	38.856.004
SUBTOTAL	1.877.685.340	1.852.217.423
Assets Held for Sale	-	-
NON-CURRENT ASSETS	617.935.951	633.158.655
Financial Investments	914.306	914.306
Trade Receivables	65.707.402	77.359.737
- Related parties	-	-
- Non-related parties	65.707.402	77.359.737
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	1.760.954	1.534.771
- Related parties	-	-
- Non-related parties	1.760.954	1.534.771
Derivative Financial Instruments	-	-
Investments Accounted with Equity Method	14.050.721	14.073.825
Biological Assets	-	-
Investment Properties	211.824.813	211.824.813
Property, Plant and Equipment	247.091.231	247.653.049
Intangible Assets	19.601.740	19.876.581
- Goodwill	14.442.639	14.442.639
- Other Intangible Assets	5.159.101	5.433.942
Prepaid Expenses	1.300.902	2.031.534
Deferred Tax Asset	55.683.882	57.890.039
Other Non-Current Assets	-	-
TOTAL ASSETS	2.495.621.291	2.485.376.078

LIABILITIES AND SHAREHOLDERS' EQUITY		
SHORT TERM LIABILITIES	1.239.937.116	1.264.747.033
Short-Term Liabilities	110.657.922	128.019.895
Short-Term Portion of Long-Term Liabilities	44.798.701	54.314.120
Other Financial Liabilities	-	-
Trade Payables	186.293.776	178.985.966
- Related parties	2.457.376	4.104.891
- Non-related parties	183.836.400	174.881.075
Liabilities for employee benefits	19.699.790	19.644.225
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	8.231.373	3.435.653
- Related parties	250.000	250.000
- Non-related parties	7.981.373	3.185.653
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	824.495.024	833.583.347
Current Income Tax Liabilities	205.416	5.648.598
Short-Term Provisions	11.793.571	11.203.346
- Short-Term Provisions for employee benefits	-	-
- Other Short-Term Provisions	11.793.571	11.203.346
Other Current Liabilities	33.761.543	29.911.883
SUBTOTAL	1.239.937.116	1.264.747.033
Liabilities From Assets Held for Sale	-	-
LONG TERM LIABILITIES	463.334.505	432.167.809
Long-Term Liabilities	120.212.501	91.416.922
Other Financial Liabilities	-	-
Trade Payables	-	-
- Related parties	-	-
- Non-related parties	-	-
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	30.594	30.594
- Related parties	-	-
- Non-related parties	30.594	30.594
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	235.686.980	235.243.053
Long-Term Provisions	45.726.499	41.855.851
- Long-Term Provisions for employee benefits	44.467.416	40.635.156
- Other Long-Term Provisions	1.259.083	1.220.695
Current Tax Liability	-	-
Deferred Tax Liability	29.669.900	29.166.484
Other Long Term Liabilities	32.008.031	34.454.905
EQUITY	792.349.670	788.461.236
PARENT COMPANY EQUITY	504.244.069	503.173.740
Paid-in Capital	790.400.000	790.400.000
Adjustment to Paid-in Capital	-	-
Share Buyback (-)	-	-
Capital Adjustments due to Cross-Ownership	-	-
Equity Share Premiums	7.218.627	7.218.627
Other Comprehensive Income not to be Reclassified as Profit or Loss	93.441.945	94.747.995
- Profit/Loss on Revaluation Funds	97.681.199	97.681.199
- Other Profit/Loss	(4.294.930)	(2.958.805)
Other Capital Reserves	55.676	25.601
Other Comprehensive Income to be Reclassified as Profit or Loss	(39.136.614)	(39.020.867)
- Foreign Currency Translation Differences	-	-
- Profit/Loss on Hedging	-	-
- Profit/Loss on Revaluation Funds	-	-
- Other Profit/Loss	-	-
Restricted Reserves	20.067.133	20.067.133
Prior Years' Earnings/Loss	(370.239.148)	(433.327.470)
Profit/Loss for the period	2.492.126	63.088.322
Non-controlling Interests	288.105.601	285.287.496
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2.495.621.291	2.485.376.078

INCOME STATEMENT

	01.01.2017- 31.03.2017	01.01.2016- 31.03.2016
CONTINUING OPERATIONS		
Revenue	155.103.761	98.955.900
Cost of Sales (-)	(123.171.649)	(77.163.002)
Gross Profit (Loss) from Commercial Operations	31.932.112	21.792.898
Revenue from Financial Operations	-	-
Cost of Financial Operations (-)	-	-
Gross Profit (Loss) from Financial Sector Operations	-	-
GROSS PROFIT/LOSS	31.932.112	21.792.898
Marketing Expenses (-)	(25.401.940)	(25.547.081)
General Administrative Expenses (-)	(9.486.065)	(3.921.619)
Research and Development Expenses (-)	(180.559)	(212.667)
Other Operating Income	45.050.485	39.322.176
Other Operating Expenses (-)	(16.176.833)	(13.056.838)
OPERATING PROFIT/LOSS	25.737.200	18.376.869
Revenue from Investing Activities	212.295	1.486.165
Expenses of Investing Activities (-)	(72.127)	(727.279)
Shares in Profit/Loss of Investments Accounted with Equity Method	(81.442)	(29.409)
PROFIT/LOSS BEFORE FINANCIAL EXPENSES	25.795.926	19.106.346
Financial Income	5.928.356	1.834.795
Financial Expenses (-)	(22.535.809)	(17.859.867)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	9.188.473	3.081.274
Tax Income/Expense from Continuing Operations	(3.382.250)	(2.311.362)
- Current Tax Income/Expense	(212.747)	(646.696)
- Deferred Tax Income/Expense	(3.169.503)	(1.664.666)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	5.806.223	769.912
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS		
Profit/Loss After Taxes From Discontinued Operations	-	-
CURRENT YEAR PROFIT / LOSS	5.806.223	769.912
Profit/Loss of the Period Attributable to:		
- Non-controlling Interests	3.314.097	(847.661)
- Equityholders of the Parent	2.492.126	1.617.573
Earnings Per Share	0,003	0,002
- Earnings Per Share from Continuing Operations	0,003	0,002
- Earnings Per Share from Discontinued Operations		
Diluted Earnings Per Share		
- Diluted Earnings Per Share from Continuing Operations		
- Diluted Earnings Per Share from Discontinued Operations		
Weighted Average Number of Shares	790.400.000	
COMPREHENSIVE INCOME STATEMENT (TL)		
(XI-29 CONSOLIDATED)		
CURRENT YEAR PROFIT / LOSS	5.806.223	769.912
Non-Classifiable Items to Profit/ (Loss)		
Change in Revaluation of Property, Plant and Equipment	-	-
Change in Revaluation of Intangible Assets	-	-
Gains/Losses on Remeasurement of Defined Benefit Plans	(1.839.717)	-
Non-Classifiable Other Comprehensive Income of Investment Accounted with Equity Met	30.075	-
Non-Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
Tax due to Non-Classifiable Items of Other Comprehensive Income as Profit/(Loss)		
Classifiable Items to Profit/ (Loss)		
Foreign Currency Translation Differences	-	-
Gain/(Loss) on Revaluation or Reclassification of Available for Sale Financial Assets	-	-
Gain/(Loss) on Cash Flow Hedges	-	-
Gain/(Loss) on Hedge of Net Investment in a Foreign Operation	-	-
Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	-	-
Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
OTHER COMPREHENSIVE INCOME (AFTER TAXES)	(1.809.642)	-
OTHER COMPREHENSIVE INCOME	3.996.581	769.912
Total Comprehensive Income Attributable to:		
Non-controlling Interests	2.810.505	-847.661
Equityholders of the Parent	1.186.076	1.617.573