

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

**İhlas Holding A.Ş. and its Subsidiaries**

**Consolidated Balance Sheet at June 30, 2018**

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

	<b>Current Period</b>	<b>Previous Period</b>
	<b>30/6/2018</b>	<b>31/12/2017</b>
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>	<b>2,017,708,284</b>	<b>2,062,215,760</b>
Cash and Cash Equivalents	31,907,242	18,109,173
Financial Investments	-	-
Trade Receivables	864,298,311	859,819,355
- Related parties	1,086,412	1,018,010
- Non-related parties	863,211,899	858,801,345
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	3,347,298	2,117,321
- Related parties	-	-
- Non-related parties	3,347,298	2,117,321
Derivative Financial Instruments	-	-
Inventories	777,168,691	817,948,796
Biological Assets	-	-
Prepaid Expenses	274,285,021	310,899,598
Assets related with Current Tax	440,768	452,524
Other Current Assets	66,260,953	52,491,003
<b>SUBTOTAL</b>	<b>2,017,708,284</b>	<b>2,061,837,770</b>
Assets Held for Sale	-	377,990
<b>NON-CURRENT ASSETS</b>	<b>684,841,114</b>	<b>645,546,094</b>
Financial Investments	914,306	914,306
Trade Receivables	122,965,487	75,528,720
- Related parties	-	-
- Non-related parties	122,965,487	75,528,720
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	3,034,680	1,869,904
- Related parties	-	-
- Non-related parties	3,034,680	1,869,904
Derivative Financial Instruments	-	-
Investments Accounted with Equity Method	24,876,432	29,160,917
Biological Assets	-	-
Investment Properties	238,409,454	238,529,454
Property, Plant and Equipment	206,741,198	206,545,659
Intangible Assets	21,645,395	17,864,606
- Goodwill	9,692,733	9,692,733
- Other Intangible Assets	11,952,662	8,171,873
Prepaid Expenses	1,326,956	1,746,967
Deferred Tax Asset	64,927,206	73,385,561
Other Non-Current Assets	-	-
<b>TOTAL ASSETS</b>	<b>2,702,549,398</b>	<b>2,707,761,854</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SHORT TERM LIABILITIES</b>	<b>1,303,030,475</b>	<b>1,465,243,669</b>
Short-Term Liabilities	82,635,186	68,637,656
Short-Term Portion of Long-Term Liabilities	67,457,326	46,779,734
Other Financial Liabilities	-	-
Trade Payables	214,085,270	218,700,447
- Related parties	9,477,136	4,429,031
- Non-related parties	204,608,134	214,271,416
Liabilities for employee benefits	24,108,495	20,638,561
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	8,451,763	5,307,609
- Related parties	380,000	435,000
- Non-related parties	8,071,763	4,872,609
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	851,167,564	1,053,588,471
Current Income Tax Liabilities	197,810	400,010
Short-Term Provisions	11,249,584	9,500,630
- Short-Term Provisions for employee benefits	1,772,932	883,259
- Other Short-Term Provisions	9,476,652	8,617,371
Other Current Liabilities	43,677,477	41,690,551
SUBTOTAL	1,303,030,475	1,465,243,669
Liabilities From Assets Held for Sale	-	-
<b>LONG TERM LIABILITIES</b>	<b>612,146,343</b>	<b>414,196,651</b>
Long-Term Liabilities	212,953,093	202,922,007
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	291,242,254	112,327,795
Long-Term Provisions	55,921,982	45,639,489
- Long-Term Provisions for employee benefits	53,291,254	44,290,814
- Other Long-Term Provisions	2,630,728	1,348,675
Current Tax Liability	-	-
Deferred Tax Liability	32,676,660	31,340,677
Other Long Term Liabilities	19,321,760	21,936,089
<b>EQUITY</b>	<b>787,372,580</b>	<b>828,321,534</b>
<b>PARENT COMPANY EQUITY</b>	<b>517,238,469</b>	<b>549,251,325</b>
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	7,260,265	7,260,265
Other Comprehensive Income not to be Reclassified as Profit or Loss	72,206,288	76,327,966
- Profit/Loss on Revaluation Funds	80,654,433	80,654,433
Other comprehensive income, gains (losses) on remeasurements of defined benefit plans	(8,459,628)	(4,333,402)
Other Share of other comprehensive income of associates and joint ventures accounted for using equity method	11,483	6,935
Other Reserves	(39,142,656)	(39,136,386)
Other Comprehensive Income to be Reclassified as Profit or Loss	-	-
- Foreign Currency Translation Differences	-	-
- Profit/Loss on Revaluation Funds	-	-
- Other Profit/Loss	-	-
Restricted Reserves	21,522,223	21,422,891
Prior Years' Earnings/Loss	(307,122,743)	(349,769,331)
Profit/Loss for the period	(27,884,908)	42,745,920
<b>Non-controlling Interests</b>	<b>270,134,111</b>	<b>279,070,209</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,702,549,398</b>	<b>2,707,761,854</b>

**INCOME STATEMENT**

	<b>01.01.2018- 30.06.2018</b>	<b>01.01.2017- 30.06.2017</b>
<b>CONTINUING OPERATIONS</b>		
Revenue	473,587,774	312,067,765
Cost of Sales	(370,327,437)	(227,363,737)
<b>Gross Profit (Loss) from Commercial Operations</b>	<b>103,260,337</b>	<b>84,704,028</b>
Revenue from Financial Operations	-	-
Cost of Financial Operations (-)	-	-
<b>Gross Profit (Loss) from Financial Sector Operations</b>	<b>-</b>	<b>-</b>
<b>GROSS PROFIT/LOSS</b>	<b>103,260,337</b>	<b>84,704,028</b>
General Administrative Expenses (-)	(62,914,950)	(48,950,536)
Marketing Expenses (-)	(16,306,229)	(17,230,563)
Research and Development Expenses (-)	(366,185)	(704,821)
Other Operating Income	64,380,484	79,271,836
Other Operating Expenses (-)	(62,992,006)	(33,219,350)
<b>OPERATING PROFIT/LOSS</b>	<b>25,061,451</b>	<b>63,870,594</b>
Revenue from Investing Activities	4,929,267	232,345
Expenses of Investing Activities (-)	(485,492)	(72,127)
Shares in Profit/Loss of Investments Accounted with Equity Method	(1,755)	42,330
<b>PROFIT/LOSS BEFORE FINANCIAL EXPENSES</b>	<b>29,503,471</b>	<b>64,073,142</b>
Financial Expenses (-)	1,713,056	9,700,791
Financial Income	(55,529,720)	(42,718,790)
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(24,313,193)</b>	<b>31,055,143</b>
<b>Tax Income/Expense from Continuing Operations</b>	<b>(12,418,917)</b>	<b>(7,073,730)</b>
- Current Tax Income/Expense	(1,424,987)	(1,979,358)
- Deferred Tax Income/Expense	(10,993,930)	(5,094,372)
<b>PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(36,732,110)</b>	<b>23,981,413</b>
<b>PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>CURRENT YEAR PROFIT / LOSS</b>	<b>(36,732,110)</b>	<b>23,981,413</b>
<b>Profit/Loss of the Period Attributable to:</b>		
- Non-controlling Interests	(8,847,202)	2,878,580
- Equityholders of the Parent	(27,884,908)	21,102,832
<b>Earnings Per Share</b>	<b>(0.0465)</b>	<b>0.030</b>
- Earnings Per Share from Continuing Operations	<b>(0.0465)</b>	<b>0.030</b>
- Earnings Per Share from Discontinued Operations	<b>-</b>	<b>-</b>
<b>Diluted Earnings Per Share</b>	<b>(0.0465)</b>	<b>0.030</b>
- Diluted Earnings Per Share from Continuing Operations	<b>(0.0465)</b>	<b>0.030</b>
- Diluted Earnings Per Share from Discontinued Operations	<b>-</b>	<b>-</b>
Weighted Avg Share Amount	790,400,000	790,400,000
<b>Comprehensive Income Statement</b>		
<b>(IFRS CONSOLIDATED)</b>		
<b>CURRENT YEAR PROFIT / LOSS</b>	<b>(36,732,110)</b>	<b>23,981,413</b>
<b>Non-Classifiable Items to Profit/ (Loss)</b>		
Change in Revaluation of Property, Plant and Equipment	-	-
Change in Revaluation of Intangible Assets	-	-
Gains/Losses on Remeasurement of Defined Benefit Plans	(4,798,368)	(3,267,266)
Non-Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	8,029	(45,436)
Non-Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
Tax due to Non-Classifiable Items of Other Comprehensive Income as Profit/(Loss)	-	-
<b>Classifiable Items to Profit/ (Loss)</b>		
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)	-	-
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(4,790,339)</b>	<b>(3,312,702)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(41,522,449)</b>	<b>20,668,711</b>
<b>Total Comprehensive Income Attributable to:</b>		
- Non-controlling Interests	(9,515,863)	2,069,391
- Equityholders of the Parent	(32,006,586)	18,599,319