

YAZICILAR HOLDİNG ANONİM ŐİRKETİ

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

(ORIGINALLY ISSUED IN TURKISH)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as of March 31, 2016

TABLE OF CONTENTS

	<u>Page</u>
Interim Consolidated Balance Sheets.....	1-2
Interim Consolidated Income Statements.....	3
Interim Consolidated Comprehensive Income Statements	4
Interim Consolidated Statements of Changes in Equity.....	5
Interim Consolidated Cash Flow Statements	6
Explanatory Notes to Interim Condensed Consolidated Financial Statements (Notes).....	7-49
Note 1 Organization and Nature of Activities.....	7-9
Note 2 Basis of Presentation of Financial Statements.....	9-14
Note 3 Business Combinations	14-15
Note 4 Joint Ventures.....	16-18
Note 5 Segment Reporting	19-22
Note 6 Cash and Cash Equivalents	22
Note 7 Borrowings	23-24
Note 8 Investments Accounted Through Equity Method	25-27
Note 9 Assets Used In Renting Activities	28
Note 10 Property, Plant and Equipment.....	29-30
Note 11 Intangible Assets	31
Note 12 Provisions, Contingent Assets and Liabilities	32
Note 13 Commitments	33-34
Note 14 Equity	34-36
Note 15 Operating Expenses	36
Note 16 Other Operating Income/Expenses.....	37
Note 17 Income/Expenses from Investing Activities.....	37
Note 18 Financial Income	38
Note 19 Financial Expenses	38
Note 20 Tax Assets and Liabilities	38-40
Note 21 Related Party Balances and Transactions	41-44
Note 22 Nature and Level of Risks Arising from Financial Instruments	44-48
Note 23 Subsequent Events.....	49

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

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

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

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

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

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

			Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss	Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss					Retained Earnings				
	Paid-in Capital	Share Premium	Revaluation and Remeasurement Gain / Loss	Currency Translation Differences	Hedge Gain / Loss	Revaluation and Reclassification Gain / Loss	Other Reserves	Restricted Reserves Allocated from Net Income	Retained Earnings	Net Income /(Loss)	Attributable to Equity Holders of the Parent	Non- Controlling Interest	Equity
Balances as of January 1, 2015	160.000	9.474	(4.634)	(127.193)	618	4.142	(65.213)	28.732	3.687.730	(59.996)	3.633.660	834.216	4.467.876
Transfer of net income to the retained earnings	-	-	-	-	-	-	-	-	(59.996)	59.996	-	-	-
Capital increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	159	159
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	4.029	-	4.029	4.942	8.971
Non-controlling put option valuation fund	-	-	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Total comprehensive income / (expense)	-	-	(28)	134.470	1.837	(214)	-	-	-	(13.130)	122.935	18.070	141.005
Balances as of March 31, 2015	160.000	9.474	(4.662)	7.277	2.455	3.922	(65.213)	28.732	3.631.763	(13.130)	3.760.618	857.387	4.618.005
Balances as of January 1, 2016	160.000	9.474	(5.948)	8.970	8.959	(309)	(65.213)	30.090	3.590.502	(210.587)	3.525.938	791.272	4.317.210
Transfer of net income to the retained earnings	-	-	-	-	-	-	-	-	(210.587)	210.587	-	-	-
Capital increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	241	241
Non-controlling put option valuation fund	-	-	-	-	-	(35)	-	-	-	-	(35)	(2)	(37)
Transfer of gain on sale of financial investment to restricted reserves allocated from net profit	-	-	-	-	-	-	-	14.035	-	-	14.035	-	14.035
Total comprehensive income/(expense)	-	-	(157)	(1.966)	(5.266)	2.247	-	-	-	(19.358)	(24.500)	(11.221)	(35.721)
Balances as of March 31, 2016	160.000	9.474	(6.105)	7.004	3.693	1.903	(65.213)	44.125	3.379.915	(19.358)	3.515.438	780.290	4.295.728

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

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

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

The interim condensed consolidated financial statements as of March 31, 2016 are authorized for issue by the Board of Directors on May 10, 2016, and are approved by the General Manager Sezai Tanrıverdi and Finance Director Osman Elmas on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the statutory financial statements after the consolidated financial statements are issued.

Activities of the Group

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

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

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

List of Shareholders

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

	March 31, 2016		December 31, 2015	
	Amount	(%)	Amount	(%)
Yazıcı Families	60.422	37,76	60.640	37,90
Kamil Yazıcı Yönetim ve Danışma A.Ş.	54.163	33,85	54.163	33,85
Anadolu Ecopack Üretim ve Pazarlama A.Ş. (*)	218	0,14	-	-
Publicly traded (**)	45.197	28,25	45.197	28,25
Paid-in share capital	160.000	100,00	160.000	100,00

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

(**) As of March 31, 2016 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş. (December 31, 2015: TRL 5.073 of the publicly traded portion, which is 3,17% of the paid-in share capital).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016**

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

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

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

	Place of incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				March 31, 2016	December 31, 2015
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	Other	68,00	68,00
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	68,00	68,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	67,93	67,93
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	68,00	68,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) (3)	Turkey	Inactive	Automotive	34,65	34,65
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) (2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	38,68	38,68
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (2)	Turkey	Distribution of the products of Adel, and other imported stationery products	Retailing	49,76	49,76
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities of the Group	Retailing	68,00	68,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Other	67,04	67,04
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	68,00	68,00
Anadolu Endüstri Holding Handels GmbH (AEH Handels)	Germany	Provides necessary market research of products abroad	Other	68,00	68,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management	Retailing	68,00	68,00
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	Retailing	68,00	68,00
Artı Varlık Yönetim A.Ş. (Artı Varlık)	Turkey	Asset management	Other	67,99	67,99
Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt)	Turkey	Industrial and commercial operations	Energy	68,00	68,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	67,99	67,99
Anadolu Termik Santralleri Elektrik Üretim A.Ş. (Anadolu Termik)	Turkey	Production of electricity (Investment in progress)	Energy	68,00	68,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Wholesale and retail sale of electricity and/or its capacity	Energy	68,00	68,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	68,00	68,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Energy	60,65	60,65
Antek Teknoloji Ürünleri Pazarlama ve Ticaret A.Ş. (Antek Teknoloji) (4)	Turkey	Inactive	Automotive	-	68,00
Georgia Urban Enerji LLC (GUE)	Georgia	Production and sale of electricity	Energy	54,58	54,58
AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul)	Turkey	Purchase, sale, rental and management of real estate	Other	68,00	68,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	68,00	68,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	68,00	68,00
Keyif Yiyecek Eğlence Hizmetleri A.Ş.	Turkey	Restaurant and cafe management	Other	68,00	68,00
Anadolu Aktif Teşebbüs ve Makine Ticaret A.Ş. (Anadolu Aktif Teşebbüs) (5)	Turkey	Inactive	Other	-	68,00
Atlas Varlık Yönetim A.Ş. (Atlas Varlık)	Turkey	Asset management	Other	68,00	68,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	Production and sale of electricity (Investment in progress)	Energy	68,00	68,00
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik) (6)	Turkey	Retailing	Other	68,00	68,00

(1) Shares of Adel are quoted on BIST.

(2) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar Holding A.Ş.

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Associates

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

	Country	Main activities	Effective shareholding and voting rights %	
			March 31, 2016	December 31, 2015
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (*)	Turkey	Production, bottling and distribution of beer, sparkling and still beverages	27,66	27,66
Alternatifbank A.Ş. (ABank)	Turkey	Banking services	17,00	17,00

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

Joint Ventures

The investments in joint ventures accounted through equity method and their shareholding percentages at March 31, 2016 and December 31, 2015 are as follows:

	Country	Main activities	Effective shareholding and voting rights %	
			March 31, 2016	December 31, 2015
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (*)	Turkey	Manufacturing and selling of Isuzu brand vehicles	37,56	37,56
Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of olive oil, sunflower oil and corn oil under Kırlangıç, Komili and Madra brands	37,57	37,57
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	22,67	22,67
Faber-Castell Anadolu LLC	Russia	Trading of all kinds of stationery	19,34	19,34
Migros Ticaret A.Ş. (Migros) (*) (**)	Turkey	Sales of food and beverage and durable goods	34,00	34,00

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

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

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statement disclosures (Note 13, 22).

Financial Reporting in Hyperinflationary Economies

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

Functional and Presentation Currency

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended March 31, 2016 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2015, except the issues mentioned below. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015.

Comparative Information and Restatement of Prior Period Financial Statements

The interim condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. The Group has not reclassified any figures to conform to changes in presentation in the current period consolidated financial statements.

Seasonality of Operations

Due to higher consumption of beer and soft drinks during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, an associate of the Company, may include the effects of the seasonal variations. Therefore, the results of "Investments accounted through equity method" account for the first three months up to March 31, 2016 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Changes in Accounting Policies

New standards and interpretations

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

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

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

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

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of March 31, 2016

None.

Transactions for the year of 2015

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for the year of 2015 (cont'd)

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 4 - JOINT VENTURES

Joint Ventures

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

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

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

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

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

Group's interest in net assets 123.797 124.885

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

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

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

Group's interest in net assets 34.688 33.132

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 4 - JOINT VENTURES (cont'd)

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

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

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 4 - JOINT VENTURES (cont'd)

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 5 - SEGMENT REPORTING

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 5 - SEGMENT REPORTING (cont'd)

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 5 - SEGMENT REPORTING (cont'd)

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 5 - SEGMENT REPORTING (cont'd)

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

Associate: The Group's effective shareholding rate for Anadolu Efes is 27,66% (December 31, 2015: 27,66%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, for the periods ended March 31, 2016 and March 31, 2015 are reflected in "gain/loss from the investments accounted through equity method" line of the interim condensed consolidated income statement as income amounting to TRL 17.826 and loss amounting to TRL 62.677 respectively. Group has 17,00% shareholding rate at ABank (December 31, 2015: 17,00%). The results of ABank's operations for the periods ended March 31, 2016 and March 31, 2015 are reflected in "gain/loss from the investments accounted through equity method" lines of the interim condensed consolidated income statements as loss amounting to TRL 11.273 and as gain amounting to TRL 6.689 respectively.

NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 7 - BORROWINGS

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

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

(**) Çelik Motor, a subsidiary of the Company, has issued a bond to qualified investors without public offering at September 17, 2015, with 729 days maturity, 13,8% interest rate and fixed coupon payment in every 6 months. The carrying amount of the bond amounts to TRL 100.574 as of March 31, 2016.

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 7 - BORROWINGS (cont'd)

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

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

Repayments schedules of long-term borrowings are as follows:

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

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

8.1 Associates

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

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

Summary financial information of associate Anadolu Efes is as follows:

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

8.1 Associates (cont'd)

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

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

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

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

<i>Summary balance sheet:</i>	ABank	ABank
	March 31, 2016	December 31, 2015
Total assets	13.526.302	13.942.040
Total liabilities	12.523.539	12.907.336
Net assets	1.002.763	1.034.704

Attributable to:		
Non-controlling interests	12	12
Net assets of the equity holders of the parent	1.002.751	1.034.692

Group's share in net assets	391.663	399.648
------------------------------------	----------------	---------

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

8.1 Associates (cont'd)

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

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

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

8.2 Joint Ventures

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 9 - ASSETS USED IN RENTING ACTIVITIES

9.1 Current Assets Used in Renting Activities

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

9.2 Non-Current Assets Used in Renting Activities

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Movements of property, plant and equipment for the period ended on March 31, 2016 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
At January 1, 2016	37.907	370.883	365.844	18.523	58.640	3.381	136.317	13.161	1.004.656
Additions	2	288	2.653	1.541	1.156	-	109	3.554	9.303
Disposals (-)	-	-	(855)	(865)	(32)	-	(2.510)	-	(4.262)
Currency translation differences	(262)	(3.665)	(1.541)	(9)	(13)	-	-	(6)	(5.496)
Transfers (*)	-	-	(235)	204	(438)	-	-	(2.663)	(3.132)
March 31, 2016	37.647	367.506	365.866	19.394	59.313	3.381	133.916	14.046	1.001.069
Accumulated depreciation									
At January 1, 2016	3.361	16.047	138.236	5.043	29.451	1.944	53.378	-	247.460
Depreciation charge for the period	309	1.897	7.205	1.124	1.976	81	2.377	-	14.969
Disposals (-)	-	-	(468)	(424)	(18)	-	(1.184)	-	(2.094)
Currency translation differences	(20)	(114)	(170)	(11)	(11)	-	-	-	(326)
March 31, 2016	3.650	17.830	144.803	5.732	31.398	2.025	54.571	-	260.009
Net carrying amount	33.997	349.676	221.063	13.662	27.915	1.356	79.345	14.046	741.060

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Movements of property, plant and equipment for the period ended on March 31, 2015 are as follows:

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 11 - INTANGIBLE ASSETS

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

12.1 Provision for Employee Benefits

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

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

12.2 Other Provisions

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 13 - COMMITMENTS

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

March 31, 2016	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	278.452	50.232	78.327	1.960
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	69.778	24.214	16.081	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other GPM's	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	348.230	74.446	94.408	1.960
December 31, 2015	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	305.619	70.818	78.644	1.931
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	70.971	24.214	16.081	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other GPM's	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	376.590	95.032	94.725	1.931

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

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

The Group's letter of guarantees, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 217.400, TRL 4.540, TRL 42.390 and TRL 4.822, respectively (December 31, 2015: TRL 190.556, TRL 4.538, TRL 35.912 and TRL 1.823).

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 13 - COMMITMENTS (cont'd)

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

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

AEH, the subsidiary of the Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun.

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

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

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

NOTE 14 - EQUITY

Shared Capital / Adjustments to Share Capital and Equity Instruments

	March 31, 2016		December 31, 2015	
	Amount	(%)	Amount	(%)
Yazıcı Families	60.422	37,76	60.640	37,90
Kamil Yazıcı Yönetim ve Danışma A.Ş.	54.163	33,85	54.163	33,85
Anadolu Ecopack Üretim ve Pazarlama A.Ş. (*)	218	0,14	-	-
Publicly traded (**)	45.197	28,25	45.197	28,25
Paid-in share capital - historical	160.000	100,00	160.000	100,00
Inflation adjustment to share capital	-	-	-	-
Total share capital	160.000		160.000	

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

(**) As of March 31, 2016 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş. (December 31, 2015: TRL 5.073 of the publicly traded portion, which is 3,17% of the paid-in share capital).

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 14 - EQUITY (cont'd)

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

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

	March 31, 2016		December 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Balance at January 1	160.000.000	160.000	160.000.000	160.000
-Inflation adjustment to share capital	-	-	-	-
Balance at the end of the period	160.000.000	160.000	160.000.000	160.000

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

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

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 14 - EQUITY (cont'd)

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

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

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

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

Retained Earnings

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

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

Non-Controlling Interest

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

NOTE 15 - OPERATING EXPENSES

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

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

16.2 Other Operating Expenses

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

NOTE 17 – INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

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

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

17.2 Expenses from Investing Activities

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 18 - FINANCIAL INCOME

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

NOTE 19 - FINANCIAL EXPENSES

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

NOTE 20 - TAX ASSETS AND LIABILITIES

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

The corporation tax rate for the fiscal year is 20% in Turkey (2015: 20%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2015: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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

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

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

20.1 Current Income Tax Assets and Tax Provision

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

20.2 Deferred Tax Assets and Liabilities

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

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

20.2 Deferred Tax Assets and Liabilities (cont'd)

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

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

20.3 Tax Expense

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS

21.1 Balances with Related Parties

Bank Balances with Related Parties

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

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

21.2 Due from Related Parties

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

21.3 Due to related parties

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

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

21.4 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured and interest free. Their settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2016, the Group has not recorded any provisions for doubtful receivables, relating to amounts owned by related parties (December 31, 2015: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of March 31, 2016 and March 31, 2015 are as follows:

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

(1) An associate

(2) A joint venture

(3) A Company controlled by an associate

(4) Shareholder of the Company

(5) Other

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

21.4 Related Party Transactions (cont'd)

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

(1) An associate

(2) A joint venture

(3) A Company controlled by an associate

(4) Shareholder of the Company

(5) Other

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

21.4 Related Party Transactions (cont'd)

Compensation of Key Management Personnel of the Group

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, and the board of directors and general managers in the rest of the subsidiaries.

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

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

Other

The Company and its subsidiaries other than McDonald's and Hamburger are obligated to donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of March 31, 2016, donations amount to TRL 600 (March 31, 2015: TRL 500).

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk

The Group predominantly operates in Turkey.

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2016**

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

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

March 31, 2016	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	9.282	926	2.075	-	-
2a. Monetary financial assets (cash and cash equivalents included)	239.964	44.097	35.852	-	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	13.744	3.153	1.336	16	18.257
4. Current assets (1+2+3)	262.990	48.176	39.263	16	18.257
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non - current assets (5+6+7)	-	-	-	-	-
9. Total assets (4+8)	262.990	48.176	39.263	16	18.257
10. Trade payables	24.232	8.006	482	-	-
11. Short - term borrowings and current portion of long - term borrowings	972.418	72.711	238.895	-	-
12a. Monetary other liabilities	164	43	13	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	996.814	80.760	239.390	-	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	1.978.510	186.242	452.234	-	-
16a. Monetary other liabilities	-	-	-	-	-
16b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	1.978.510	186.242	452.234	-	-
18. Total liabilities (13+17)	2.975.324	267.002	691.624	-	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	333.080	3.605	100.640	-	-
19a. Total hedged assets	333.080	3.605	100.640	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(2.379.254)	(215.221)	(551.721)	16	18.257
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.726.078)	(221.979)	(653.697)	-	-
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	32.025	802	9.149	-	217
24. Import	244.620	16.459	58.378	-	273.540

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2015	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	14.498	3.077	1.747	-	-
2a. Monetary financial assets (cash and cash equivalents included)	260.165	34.663	50.156	-	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	7.769	1.990	619	4	-
4. Current assets (1+2+3)	282.432	39.730	52.522	4	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	39	13	-	-	-
8. Non - current assets (5+6+7)	39	13	-	-	-
9. Total assets (4+8)	282.471	39.743	52.522	4	-
10. Trade payables	22.952	7.779	94	8	-
11. Short - term borrowings and current portion of long - term borrowings	900.472	60.637	227.897	-	-
12a. Monetary other liabilities	518	162	15	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	923.942	68.578	228.006	8	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	2.054.294	193.375	469.548	-	-
16a. Monetary other liabilities	-	-	-	-	-
16b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	2.054.294	193.375	469.548	-	-
18. Total liabilities (13+17)	2.978.236	261.953	697.554	8	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	338.218	4.880	101.973	-	-
19a. Total hedged assets	338.218	4.880	101.973	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(2.357.547)	(217.330)	(543.059)	(4)	-
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.703.573)	(224.213)	(645.651)	(8)	-
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	35.156	6.871	5.457	-	-
24. Import	931.215	49.729	261.701	57	257.376

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

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

NOTE 23 - SUBSEQUENT EVENTS

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

.....