MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.,
ITS SUBSIDIARIES AND EQUITY PARTICIPATIONS
FINANCIAL STATEMENTS
AND FOOTNOTES
AT 31 MARCH 2014

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş., ITS SUBSIDIARIES AND EQUITY PARTICIPATIONS

CONTENTS

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş., ITS SUBSIDIARIES AND EQUITY PARTICIPATIONS
FINANCIAL STATEMENTS UNREVIEWED
AS OF 31 MARCH 2014 (CONSOLIDATED)
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote References	*Unreviewed* Current Period 31.03.2014	*Audited* Prior Period 31.12.2013
ASSETS			
Current Assets			
Cash and Cash equivalents	4	55,241,641	59,971,644
Financial Investments	5	6,402,471	4,570,577
Trade Receivables		32,846,840	65,243,742
Trade Receivables from Related Parties	*7*	614,228	297,633
Trade Receivables from Third Parties	*7*	32,232,612	64,946,109
Other Receivables		96,869,796	84,554,051
Other Receivables from Related Parties	*9*	90,747,910	77,131,772
Other Receivables from Third Parties	*9*	6,121,886	7,422,279
Derivative Financial Instruments	10	894,263	696,738
Inventories	11	188,098,283	140,986,886
Biological Assets	12	4,790,976	3,778,127
Prepaid Expenses	13	9,107,503	3,655,964
Assets related to Current Year Tax	14	-	5,815,114
Other Current Assets	21	14,113,609	11,518,344
TOTAL CURRENT ASSETS		**408,365,382**	**380,791,187**
Non-Current Assets			
Financial Investments	5	2,750,000	2,750,000
Other Receivables	9	14,784	14,694
Investments Valued by Equity Method	15	109,377,392	107,335,435
Tangible Assets	16	137,538,326	134,270,062
Intangible Assets		141,023	166,660
Other Intangible Assets	*17*	141,023	166,660
Prepaid Expenses	13	7,067,081	2,601,219
Deferred Tax Assets	28	10,393,970	10,167,357
TOTAL NON-CURRENT ASSETS		**267,282,576**	**257,305,427**
TOTAL ASSETS		**675,647,958**	**638,096,614**
LIABILITIES			
Short Term Liabilities			
Short Term Loan	8	177,122,575	172,173,455
Current installments of long term borrowings	8	24,090,379	20,971,284
Trade Payables		90,281,351	71,572,873
Trade Payables to Related Parties	*7*	1,060,329	748,589
Trade Payables to Third Parties	*7*	89,221,022	70,824,284
Employee Benefit Obligations	20	3,990,246	3,413,065
Other Payables		2,909,310	2,226,254
Other Payables to Related Parties	*9*	2,054,287	1,227,287
Other Payables to Third Parties	*9*	855,023	998,967
Derivative Financial Instruments	10	3,914,030	6,164,062
Deferred Income	13	8,392,096	9,547,867
Tax Liabilities of Period Profit	28	3,177,752	6,487,101
Short Term Provisions		363,700	356,325
Other Short Term Provisions	*19*	363,700	356,325
TOTAL SHORT TERM LIABILITIES		**314,241,439**	**292,912,286**
Long-Term Liabilities			
Long Term Loan	8	42,454,839	41,058,430
Trade Debts		-	-
Trade Debts to Third Parties	*7*	-	-
Long Term Provisions		7,629,441	6,392,684
Long Term Provisions for Employee Benefits	*19*	*7,629,441*	*6,392,684*
Deferred Tax Liability	28	307,603	281,000
TOTAL LONG TERM LIABILITIES		**50,391,883**	**47,732,114**
EQUITY			
Resources equity of main partners		**308,724,599**	**295,306,152**
Paid in Capital Share	22.1	250,000,000	250,000,000
Inflation adjustments to paid in capital	22.2	485,133	485,133
Other comprehensive income/(expense) not to be reclassified to profit or loss		-	-
Actuarial gain/loss arising from retired benefits	22.3	(1,624,071)	(319,081)
Other comprehensive income/expense to be reclassified to profit or loss		-	-
Foreign Currency Conversion Differences		(1,153,837)	(1,091,445)
Restricted Reserves of Profit	22.4	9,754,762	8,507,915
Retained Earnings / Losses	22.5	36,476,783	12,010,490
Net Income / Loss for the Period		14,785,829	25,713,140
Non-Controlling Shares	22.6	**2,290,037**	**2,146,062**
TOTAL EQUITY		**311,014,636**	**297,452,214**
TOTAL LIABILITIES		**675,647,958**	**638,096,614**

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

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş., ITS SUBSIDIARIES AND EQUITY PARTICIPATIONS
UNREVIWED PROFIT OR LOSS AND THE OTHER COMPREHENSIVE INCOME STATEMENTS
FOR THE PERIOD 01.01-31.03.2014 (CONSOLIDATED)
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote References	*Unreviewed* Current Period 01.01.- 31.03.2014	*Unreviewed* Prior Period 01.01.- 31.03.2013
GAIN/LOSS PART			
Revenue (net)	23.1	131,024,870	80,538,601
Cost of Sales (-)	23.2	(101,813,201)	(69,712,657)
GROSS PROFIT/LOSS		**29,211,669**	**10,825,944**
General Administrative Expenses (-)	24.1	(1,216,833)	(2,696,658)
Marketing, Selling and Distrubution Expenses	24.2	(3,017,991)	(1,688,494)
Other Operating Income	25.1	6,179,552	1,884,911
Other Operating Expenses (-)	25.2	(7,386,316)	(4,246,759)
OPERATING PROFIT/LOSS		**23,770,081**	**4,078,944**
Income from Investment Activities	26.1	135,810	64,642
Shares of Investments Valued with Equity Method	26.3	2,041,957	832,616
FINANCING EXPENSES BEFORE OPERATING PROFIT / LOSS		**25,947,848**	**4,976,202**
Financial Income	27.1	14,683,351	4,795,510
Financial Expenses (-)	27.2	(22,391,184)	(3,924,906)
CONTINUING OPERATIONS BEFORE TAX PROFIT/LOSS		**18,240,015**	**5,846,806**
Taxes Profit/loss of Continuing Operations		**(3,303,990)**	**(1,043,260)**
Income Expense Tax for the Period	28	(3,177,752)	(1,377,086)
Deferred Tax Income /Expense	28	(126,238)	333,826
PERIOD PROFIT/LOSS		**14,936,025**	**4,803,546**
Distribution of Period Income/Loss			
Non-controlling Shares		150,196	(107,381)
Main Partner Shares		14,785,829	4,910,927
Earning per share			
Earnings Per Share from Continuing Operation Activities		0.0597	0.0192
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain/loss arising from retired benefits		(397,546)	(1,356,992)
Other comprehensive income/expense not to be reclassified to profit or loss			
Deferred Tax Income/Loss		326,249	271,398
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Change in foreign currency translation differences		(62,392)	-
OTHER COMPREHENSIVE INCOME		(133,689)	(1,085,594)
TOTAL COMPREHENSIVE INCOME		14,802,336	3,717,952
Distribution of Total Comprehensive Income			
Non-controlling Shares		143,975	(107,381)
Main Partner Shares		14,658,361	3,825,333

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

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş., ITS SUBSIDIARIES AND EQUITY PARTICIPATIONS
UNREVIWED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD 01.01-31.03.2014 (CONSOLIDATED)

			Other comprehensive income	Other comprehensive		Retained Profits				
	Share Capital	Inflation adjustment to paid in capital	Actuarial gain/loss arising from employee benefits	Foreign currency conversion difference	Restricted reserves allocated from profits	Accumulated Profit/Loss	Net profit/loss of the period	Resources equity of main partners	**Non - controlling shares**	**Total Resources**
Balances as at 01.01.2013 (Begining of the period)	**250,000,000**	**485,133**	**(1,044)**	**(575,365)**	**8,180,517**	**19,482,034**	**(6,058,552)**	**271,512,723**	**2,274,720**	**273,787,443**
Transfers	-	-	-	-	-	(6,058,552)	6,058,552	-	-	-
Total comprehensive income/loss	-	-	(1,085,594)	28,946	-	-	4,910,927	3,854,279	(1,040,374)	**2,813,905**
Balances as at 31.03.2013 (End of the period)	**250,000,000**	**485,133**	**(1,086,638)**	**(546,419)**	**8,180,517**	**13,423,482**	**4,910,927**	**275,367,002**	**1,234,346**	**276,601,348**
CURRENT PERIOD									**(911,716)**	
Balances as at 01.01.2014 (Begining of the period)	**250,000,000**	**485,133**	**(319,081)**	**(1,091,445)**	**8,507,915**	**12,010,490**	**25,713,140**	**295,306,152**	**2,146,062**	**297,452,214**
Transfers	-	-	-	-	1,246,847	24,466,293	(25,713,140)	-	-	-
Total comprehensive income/loss	-	-	(1,304,990)	(62,392)	-	-	14,785,829	13,418,447	143,975	**13,562,422**
Balances as at 31.12.2014 (End of the period)	**250,000,000**	**485,133**	**(1,624,071)**	**(1,153,837)**	**9,754,762**	**36,476,783**	**14,785,829**	**308,724,599**	**2,290,037**	**311,014,636**

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

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş., ITS SUBSIDIARIES AND EQUITY PARTICIPATIONS
UNREVIWED CASH FLOW STATEMENTS
FOR THE PERIOD 01.01-31.03.2014 (CONSOLIDATED)
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		Unreviewed	*Unreviewed*
	Footnote References	**Current Period 01.01-31.03.2014**	**Prior Period 01.01-31.03.2013**
A. NET CASH PROVIDED BY OPERATING ACTIVITIES		**(3,778,563)**	**(16,721,321)**
Profit/Loss for the period before tax		**18,240,015**	**5,846,806**
Adjustments to reconcile profit/loss before tax to cash provided by operating activities:		**-**	**-**
Adjustment for Depreciation, amortisation expenses	16-17	3,668,603	2,586,455
Provision for employee termination benefits	19-24.1	(394,481)	(51,564)
Adjustment for Interest income and (expense)	8-27.2	994,885	376,028
Unearned interests on receivables	25.2	1,107,398	552,389
Unearned interests on payables	25.1	1,406,070	772,511
Adjustment for income / loss confirmation		-	-
Net working capital changes in:			
Adjustments for financial assets increase / decrease with related revisions	5	(1,831,894)	(5,977,609)
Adjustments for trade receivables increase / decrease with related revisions	7	31,289,504	16,202,485
Adjustments for changes in inventories increase / decrease with related revisions	11	(47,111,397)	(27,556,213)
Adjustments for changes in biological assets increase / decrease with related revisions	12	(1,012,849)	(284,916)
Adjustments for increase / decrease in other receivables related with operations	9	(12,315,835)	5,319,452
Prepaid expenses	13	(9,917,401)	(4,970,255)
Other Assets	14+21	3,213,628	(1,682,208)
Adjustments for increase / decrease in trade payables	7	17,302,408	(3,786,789)
Adjustments for increase / decrease in other payables related with operations	9-13-20	104,466	1,341,809
Adjustments for increase / decrease short-term provisions	19	7,375	-
Change in investments valued by equity method		(2,041,957)	(4,032,616)
	22.3		
Cash flow provided by operating activities			
Tax payments/returns	28	(6,487,101)	(1,377,086)
B. NET CASH FLOW PROVIDED BY INVESTMENT OPERATIONS		**(6,911,230)**	**(3,881,784)**
Proceeds from sale of property, plant, equipment and intangible assets	16-17	20,799	-
Proceeds from purchase of property, plant, equipment and intangible assets	16-17	(6,932,029)	(3,881,784)
C. NET CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES		**6,022,182**	**7,027,408**
Cash inflows/outflows from financial liabilities	8	6,204,381	7,584,076
Cash outflows from finance leases	8	2,265,358	513,188
Loss/gain on derivative financial instruments	10-27	(2,447,557)	(1,069,856)
BEFORE THE IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE (A+B+C)		**(4,667,611)**	**(13,575,697)**
D. IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		(62,392)	28,946
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(4,730,003)**	**(13,546,751)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	**5**	**59,971,644**	**41,140,313**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**5**	**55,241,641**	**27,593,562**

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi ("Company"), its Subsidiaries and Equity participations are referred as "Group" in the accompanying consolidated financial statements.

The entities mentioned below are applied "Full Consolidation Method":

- Menderes Tekstil Sanayi ve Ticaret A.Ş.
- Smyrna Seracılık Ticaret A.Ş.
- Menderes Bulgaria Ltd.

The entities mentioned below are applied "Equity Pick up Method":

- Akça Enerji Üretim Otoprodüktör Grubu A.Ş.
- Menderes Tekstil Pazarlama A.Ş.
- Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Menderes Tekstil Sanayi veTicaret A.Ş.

Company produces cotton press, yarn, fabric, valances, dust ruffles, ruffled and tailored shams, comforter shells, printed towels and linens in integrated cotton and synthetic textile establishment.

As 16 April 2010 dated no.7545 trade registry gazette, Company's address changed from Köprübaşı Mevki No: 146 Sarayköy, Denizli" to "Cumhuriyet Mah. Gazi Mustafa Kemal Paşa Bulvarı No: 242 Sarayköy, Denizli", without any physical change, as a result of Sarayköy Municipality's address work.

4,128 personnel are employed by the Company as of 31 March 2014, and average number of personnel is 3,984 for the period of 01.01-31.03.2014.

Company shares are traded in the Istanbul Stock Exchange since 2000.

Production Capacity (Textile)

According to the capacity report from Denizli Industrial Chamber dated 25 December 2013, numbered 338 and valid until 26 December 2016, Company's production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts per a day:

Products	Unit	Amount
Cotton yarn (is used in its production)	kg	5,227,967
Raw fabric woven (is used in its production)	m^2	59,151,060
Knitted Fabric (is used in its production)	kg	1,001,700
Linens	unit	4,200,000
Pillow case	unit	12,600,000
Sheet	unit	6,600,000
Fabric painting (is used in its production)	kg	3,744,000
Fabric printing (is used in its production)	kg	13,500,000
Digital fabric printing (is used in its production)	kg	1,311,786

Production Capacity (Energy)

According to the capacity report from Denizli Industrial Chamber dated 29 January 2014, numbered 24 and valid until 30 January 2017, Company's production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts a day:

	Unit	Amount
Electricity energy	kilowatt saat	161,827,000
Steam (is used in its production)	joule	617,569,920,000
Hot water (is used in its production)	joule	238,360,320,000

Smyrna Seracılık Ticaret A.Ş.

Smyrna Seracılık Ticaret A.Ş. was established in 2007 in İzmir. It is engaged in agricultural production. In the Trade Registry Gazette numbered 7296 and dated 21 June 2009, the Company's name has been changed from Smyrna Organik Tarım Sanayi ve Ticaret A.Ş. to Smyrna Seracılık Ticaret A.Ş. The Company has been included to the complete consolidation in 2009.

Smyrna Seracılık Ticaret A.Ş. has signed an agreement with the construction company for increasing the capacity of the plant which will be increased from 82,500 m^2 to 206,232 m^2 with adding 114,432 m^2. Smyrna Seracılık A.Ş. has started to design environment and infrastructure of the new area. The new area will be constructed on the existing area, which is 196,932 m^2, of Smyrna Seracılık Ticaret A.Ş...

According to the capacity report from Denizli Industrial Chamber dated 02 April 2010, numbered 80 Company's production capacity has been calculated per 1 shifts and 8working hours per day by main product is as follows;

Product	Unit	Amount
Tomato	Ton	2,400
Quick-frozen tomato	Ton	684

In the Trade Registry Gazette numbered 6911 dated 08 October 2007 the Company's headquarter was changed to Denizli and the address is as follows;

Köyiçi Mevkii, Tosunlar Kasabası Sarayköy, Denizli

In the period of 01 January – 31 March 2014, average 150 personnel are employed in the Company (As 31 March 2014: 149 personnel)

Menderes Bulgaria Ltd.

Menderes Bulgaria Ltd. constitutes 90% of the consolidated financial statements of Group. Company's unaudited financial statements in accordance with Bulgarian regulations are consolidated within the frame of full consolidation method of Communiqué XI, No: 29 of Capital Market Board.

Menderes Bulgaria Ltd. is established in 2002 in Bulgaria. Main operational activity is outsourcing to "Menderes Tekstil A.Ş. (Partner Company). Raw materials and intermediate products sent to Bulgaria for outward processing by Company are sent back after thre process.

The Company announced the liquidation process for the subsidiary Menderes Bulgaria Ltd. started with the decision of its the Board of Members dated 06 December 2005 and numbered 2005/17 with the Statement of Material Disclosure to the Istanbul Stock Exchange Market and Capital Market Board of Turkey (CMB) on 05 December 2005 and to be completed before 30 January 2006. As of report date, the liquidation process is not completed yet.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. is established on 13 July 1998 in Denizli. It is engaged in producing electricity, hot water and steam.

Group had ensured its demand of energy from its subsidiary, Akça Enerji Üretim Otoprodüktör Grubu A.Ş. until 31 October 2008. However, since 31 October 2008, it has become energy producer for itself with auto producer license obtained from Energy Market Regulatory Board.

According to material disclosure of the Group dated 12.09.2011, auction for the 858.59-hectare natural mineral water/geothermic based gas research transfer by Alaşehir Municipality was won by Akça Enerji Üretim Otoprodüktör Grubu A.Ş. Within the scope of the auction, drilling operations have started on 30 November 2011. Drilling operations of 2 wells were completed and 12 mw electric is produced, drilling operations for the third well have started. Within the research licence, 8 wells in total has completed, are planned to put in to use geothermal electric power plant. After the drill of fourth well and efficiency got from first two wells, setup of the tribune will start.

According to the material Disclosure announced by the Group as of 17 February 2012, Akça Enerji Otoprodüktör Grubu A.Ş. has started drilling in the area addressed in Denizli / Sarayköy, Tosunlar Beldesi based upon license of "Doğal Mineralli Sular Kaynağı Arama", numbered 5686.

An agreement was signed between Akça Enerji Üretim Otoprodüktör Grubu A.Ş and Exergy SPA firm for 3,950,000 EUR to build a geothermal power plant from hot water in two wells whose drilling was finished in Tosunlar Town, Sarayköy, in Denizli City which will produce 3.288 Kwe electricity per year.

Drilling of 2 wells of Akça Enerji Otoprodüktör Grubu A.Ş. was completed after the result of works of drilling that started on 12 September 2012. According to measurements made by General Directorate of Mineral Research and Exploration, following results were held. AK-1 Well has 1.265m depth, 109 C well base heat and 320 tons/hour capacity. AK-3 Well has 2.563m depth, 132 C well base heat and 518 tons/hour capacity. AK-6 Well has 2.653m depth, 149 C well base heat and 200 tons/hour capacity. According to these measurements taken from two wells, electric production capacity is 5mw power maximum. AK-2 Well has 918m depth, 106 C well base heat and 300 tons/hour capacity. Drilling operations for AK-5 wells are still in progress.

192 Numbered Badınca Research licence which was purchased by tender was converted into 2014/02 numbered 30 years licence after the completion of Badınca AK-1 Well in 2013.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Osman Akça Tarım Ürünleri İthalat İhracat San. Ve Tic. A.Ş. has been included to the consolidation with the equity method.

As of 31 March 2014, Akça Enerji owns 30.5% of Ures Elektrik and 20% of Akça Solar. Since Akça Solar and Ures Elektrik do not have any operation, they have not been included to the consolidation with Akça Enerji by the equity method.

Menderes Tekstil Pazarlama A.Ş.

Menderes Tekstil Pazarlama A.Ş. was established in 1998. Head quarter of the Company is in Izmir. Company engaged in marketing of home textile productions.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in Izmir. Company operates vehicle inspection stations which are privatized within the context of law numbered 4046, in Aydın, Manisa, Denizli and Izmir for 20 years. Company has integrated 20 established and 4 mobile vehicle inspection stations. License rights has been started in 2008 and will continue until 2028.

The Premises of Administration is planned to be built, with 1,400m2 area of usage and planned as two floors excluding basement floor, at Fatih Mahallesi 203 Sokak No:11 Sarnıç Gaziemir/İzmir with the latest technology. The Premises, with meeting and education rooms, is planned exactly to meet companies logistics needs and staff's educational needs. Excavation works has started, and is planned to end in July 2014. The expected total cost of the building is TRY 850,000.

Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş.

Osman Akça Tarım Ürünleri İthalat ve İhracat San. Ve Tic. A.Ş. was established on 25 July 1985. Head quarter of the company is in İzmir. Main activity is established to process agricultural products and the dried fruit.

Osman Akça Tarım Ürünleri owns 70% of Tan Elektrik and 70% of Akça Solar Enerji. Because of Tan Elektrik and Akça Solar Enerji does not have any operation, they have not been included to the consolidation with Akça Enerji by the equity method.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.a. Basis of Presentation

Compliance Statement

Group prepares their statutory financial statements in accordance with the principles of Capital Market Board (CMB), Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and presents in Turkish Liras. Consolidated financial statements are prepared on statutory records, which are maintained with historical cost, with the necessary adjustments and reclassifications made for the fair presentation in accordance with Communiqué XI, No: 29 "Accounting Standards in Capital Markets" published by the Capital Markets Board.

The Preparation of Financial Statements

The interim condensed consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets"(the Communiqué") announced by the Capital Markets Board ("CMB")(hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676.

Approval of Financial Statements

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 12 May 2014. Boards of Directors have authority to change financial statements.

Financial Statements Correction in High Inflation Period

The CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Therefore the Company was abolished inflation accounting application for the year 2005.

Basis of consolidation

The accompanying consolidated financial statements include Group's financial statements. The financial statements of the companies included in the consolidation have been prepared as of the date of the accompanying consolidated financial statements and are based on the statutory records, with adjustments and reclassifications for the purpose of presentation in Communiqué XI, No: 29 on Capital Market Accounting Standards and applying uniform accounting policies and applications.

Menderes Tekstil Sanayi ve Ticaret A.Ş. (Parent Company)

	31.03.2014	**31.12.2013**
	Ratio %	**Ratio %**
Public Offered Shares	51.9	51.9
Akça Holding A.Ş.	45.7	45.7
Other	2.4	2.4
	100.0	**100.0**

As of 31 March 2014 and 31 December 2013 capital structures of the subsidiaries and equity participations are as following:

Menderes Bulgaria Ltd. (Subsidiary)

	31.03.2014	**31.12.2013**
	Ratio %	**Ratio %**
Menderes Tekstil Sanayi ve Ticaret A.Ş.	90.0	90.0
Other	10.0	10.0
	100.0	**100.0**

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	31.03.2014	**31.12.2013**
	Ratio %	**Ratio %**
Menderes Tekstil Sanayi ve Ticaret A.Ş.	79.17	79.2
Cemal İpekoğlu	-	20.4
Akça Holding A.Ş.	0.21	0.2
Ahmet Bilge Göksan	5.16	-
Rıza Akça	10.31	0.1
Dilek Göksan	5.16	0.1
Ali Atlamaz	-	<0.1
	100.0	**100.0**

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. (Participation)

	31.03.2014	31.12.2013
	Ratio %	Ratio %
Tan Elektrik Üretim A.Ş.	45.71	45.71
Menderes Tekstil Sanayi ve Ticaret A.Ş.	20.00	20.0
Akça Holding A.Ş.	17.53	17.5
Osman Akça Tarım Ürün. İth. İhr. San. ve Tic. A.Ş.	10.72	10.7
Selin Tekstil Sanayi Ticaret A.Ş.	5.55	5.6
Akçasaraylı Tekstil Ltd. Şti.	0.48	0.5
	100.0	**100.0**

Menderes Tekstil Pazarlama A.Ş. (Participation)

	31.03.2014	31.12.2013
	Ratio %	Ratio %
Menderes Tekstil Sanayi ve Ticaret A.Ş.	45.0	45.0
Akça Holding A.Ş.	45.0	45.0
Rıza Akça	5.0	4.5
Dilek Göksan	2.5	4.5
Ahmet Bilge Göksan	2.5	1.0
	100.0	**100.0**

Aktur Araç Muayene İstasyon İşletmeleri A.Ş. (Participation)

	31.03.2014	31.12.2013
	Ratio %	Ratio %
Menderes Tekstil Sanayi ve Ticaret A.Ş.	48.0	48.0
Nihat Zeybekçi	49 .5	49.5
Diğer	2.5	2.5
	100.0	**100.0**

Equity participations are accounted for using the equity pick-up method. Equity participations are companies in which Group has a voting right between 20% and 50% of the ordinary share capital or significant influence is exercised on the operations of the company.

Subsidiaries are included or excluded from the consolidation since the date Group has control over or loses control.

Minority shares of shareholders are pursued in net assets of the subsidiaries and in the result of the operations and consolidated balance sheet and income statements.

Recognition in light of equity method was made to operating results, assets and liabilities of associates in financial consolidated tables attached. In equity method the associatess in consolidated statement are stated after the amount obtained from decrasing any impairment occured in share from associates net assets value. Loss exceeding the Group's associates share are not recorded. Additional loss reserve is only made when Group is exposed to legal or constructive obligation or payments made in name of associate or partner.

Reporting Currency

As of 31 March 2014 and 31 December 2013, Group's functional and reporting currency unit is represented in TRY compared to previous periods.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.b. Changes in Accounting Policies

A group only could change it s accounting policy under following circumstances;

- If a standard or interpretation makes it necessary or

- If the change make effect of operations or incidents on financial position and performance or cash flows more appropriate and reliable.

Financial statements have to be comparable to see trends in financial position of companies, performance and cash flows for user of financial statements. This is why, if the change is not granting one of above conditions, each interim and fiscal periods has to be applied same accounting policy.

2.c. Changes in Accounting Estimates and Errors

The accompanying financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements.

2.d. Comparative Information and Previous Periods Adjustments

For the purpose of conducting a comparison of financial position and performance trend, Company's current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

The interim condensed financial statements are based on the statutory records,with adjustments and reclassifications for the purpose of fair presentation in accordance with the Turkish Accounting Standards published by POA.

According to decision taken in CMB's 7 January 2013 dated, 20/670 numbered meeting, financials and instructions for use effectuated as of midterm-end 31 March 2013, were published for financial capital market institutions in the scope of CM financial reporting procedures and principals statement. According to these formats effectuated, several classifications were made to company's financials and profit/loss tables.

The classifications made in the balance sheet of the the group as of 01 January – 31 March 2013 are as follows;

Related to the trade receivable and trade payable, as shown in "finance income", TRY 560,558 exchange difference income was classified in "other income from real operating".

Related to the trade trade payable, as shown in "finance income", TRY 612,238 rediscount income was classified in "other income from real operating".

Related to the trade receivable and trade payable, as shown in "finance expense", TRY 763,566 exchange difference expense was classified in "other income from real operating".

Related to the trade trade payable, as shown in "finance expense", TRY 552,389 rediscount expense was classified in "other income from real operating".

Rent income about TRY 64,641, as shown in "other income from real operating", was classified in "Investment operating income".

2.e. Adoption of New and Revised International Financing Reporting Standards

The Company has applied the new and revised standards and interpretations of the International Accounting Standards Committee (IASC) published by International Financial Reporting Interpretations Committee (IFRIC") of IASC for the interim financial statements dated 31 December 2012, for the related to its business activities, in the current fiscal period.

The new standards, amendments and interpretations which will be effective after 31 December 2012 are as follows:

IFRS 9 - "*Financial Instruments, Classification and Measurement*"; In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 Financial Instruments: Recognition and Measurement. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013.

IFRS 9 - *Financial Instruments – Classification and measurement*; as amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU.

IFRS 10 – "*Consolidated Financial Statements*" standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of "*control*" is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This standard has not yet been endorsed by the EU.

IFRS 11 - "*Joint Arrangements*" standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 "*Consolidated Financial Statements"* and IFRS 12 "*Disclosure of Interests in Other Entities"* should be also adopted early. The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures.

IFRS 12 - "*Disclosure of Interests in Other Entities*" standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 "*Consolidated Financial Statements*" and IFRS 11 "*Joint Arrangements*" should be also adopted early. IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 "*Interests in Joint Ventures*" and IAS 28 "*Investment in Associates"*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Under the new standard the Company will provide more comprehensive disclosures for interests in other entities.

Revised UFRS 13 - "*Fair Value Measurement*" standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted — that is, comparative disclosures for prior periods are not required.

IAS 27 - "*Separate Financial Statements*" As a consequential amendment to IFRS 10, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. On or after January 1, 2013 shall apply to annual periods beginning on or after that date.

IAS 28 – "*Investments in Associates and Joint Ventures (Amended)*" - As a consequential amendment to IFRS 11, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11 and is effective for annual periods beginning on or after January 1, 2013. This standard has not yet been endorsed by the EU.

IAS 19 - "*Employee Benefits*" Amended standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among there numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement.

IAS 32 *Financial Instruments: Presentation - Classifications on Rights Issues (Amended)*
The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendments are effective for annual periods beginning on or after 1 January 2014 and will be adopted retrospectively.

IFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)*
New disclosures would provide users of financial statements with information that is useful in i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and ii) analyzing and comparing financial statements prepared in accordance with IFRS and other generally accepted accounting standards. This standard has not yet been endorsed by the EU. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment affects disclosures only.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*
The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This standard has not yet been endorsed by the EU.

The Company is assessing the effects of these interpretation and amendment revisions on the Company's financial statements.

Improvements published by "POA":

In addition to those mentioned above, the POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. "The financial statement examples and user guide" became immediately effective at its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after 31 December 2012.

2013-1 Financial Statement Examples and User Guide: The POA promulgated "financial statement examples and user guide" on May 20, 2013 in order to ensure the uniformity of financial statements and facilitate their audit. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply Turkish Accounting Standards, excluding financial institutions established to engage in banking, insurance, private pensions or capital market. The Company has made the classification adjustments stated in Note 2.2 in order to comply with the requirements of this regulation.

2013-2 Accounting of Combinations under Common Control: In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. These resolutions are not expected to have an impact on the financial statements of the Company.

2013-3 Accounting of Redeemed Share Certificates: Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. These resolutions are not expected to have an impact on the financial statements of the Company.

2013-4 Accounting of Cross Shareholding Investments: If a subsidiary of an entity holds shares of the entity then this is defined as cross shareholding investment and accounting of this cross investment is assessed based on the type of the investment and different recognition principles adopted.
With the subject resolution, this topic has been assessed under three main headings below and the recognition principles for each one of them has been determined

- The subsidiary holding the equity based financial instruments of the parent,
- The associates or joint ventures holding the equity based financial instruments of the parent
- The parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

These resolutions are not expected to have an impact on the financial statements of the Company.

2.f. Summary of Significant Accounting Policy

Cash and Cash Equivalents

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests.

Financial Investments

Initial measurement of financial assets and financial liabilities

When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When an entity uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date.

Subsequent measurement of financial assets

After initial recognition, an entity shall measure financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction cost it may incur on sale or other disposal, except for the following financial assets:

(i) Loan and receivables which shall be measured at amortized cost using the effective interest method;
(ii) Held-to-maturity investments which shall be measured at amortized cost using the effective interest method; and
(iii) Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that is linked to and must be settled by delivery of such unquoted equity instruments which shall be measured at cost.

Financial assets and liabilities at fair value through profit or loss:

It is classified as tangible assets hold for future sale. A financial asset or financial liability is classified as tangible assets hold for future sale if it is:

(i) Acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(ii) Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit making; or
(iii) A derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Held-to maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

(i) Those that the entity upon initial recognition designates as at fair value through profit or loss;
(ii) Those that the entity designates as available for sale; and
(iii) Those that meet the definition of loans and receivables.

Available-for-sale financial assets

Non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

Shares

If shares are quoted in Istanbul Stock Exchange Market, then these shares are revalued with closing price as of balance sheet date. If shares are not quoted, then these shares are revalued with acquirement price as of balance sheet date. Funds given against financial assets reverse repo are reflected as reverse repo receivables under marketable securities in the accompanying consolidated financial statements. The portion of the difference between purchase and sale back price by these reverse repo agreements for the interim period is calculated by "internal discount rate" as discounted income and it is accounted by adding to cost of reverse repo.

Marketable securities

Financial assets in which Parent Company has voting right below 20%, or over 20% which Parent Company does not exercise a significant influence, and subsidiaries or joint venture, which are not included in consolidation that they are immaterial or which are immaterial, that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

Financial Borrowings

Financial borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement over the borrowing period. Borrowing costs are charged to income statement when they incur and reclassed to bank loans.

Trade Receivables and Payables

The trade receivables and payables derived from providing services or selling goods by the Group and purchasing goods or receiving services are clarified with deferred financial income and expense in the accompanying financial statements.

Post clarification, trade receivables and trade payables are calculated from the values of following the record of the original invoice values, by rediscounting with effective interest rate method. Short term receivables without designated interest rate are reflected the invoice values in case the effective interest rate effect is insignificant.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred.

Provision for Doubtful Receivables
The Group sets provisions for doubtful receivable when it is realized uncollectible due to objective findings. Amount of this provision is the difference of registered and collectible amounts. All cash flow including the collectible sum amount from guarantee and assurance is discounted on the base of the effective interest rate of trade receivable occurred.

In case of collecting doubtful receivable that is provided, the collected amount is deducted from the provision for doubtful receivable and in case of a remaining balance; the balance is added to other income.

Inventories
Inventories are valued at the lower of cost or net realizable value. Inventory costs include purchasing costs. The cost of inventories is determined on the first in first out (FIFO) basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Biological Assets
Group's biological assets consist of planted tomatoes. Due to no presence of active market for tomatoes, they were reflected in the accompanying combined financial statements with their costs minus if there is impairment in the cost then it is deducted.

Property, Plant and Equipment
Tangible assets are reflected with adjusted cost value according to the inflationary accounting effective as of 1 January 2005 for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January 2005 by deducting the accumulated depreciation.

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line basis with prorates method based on the estimated useful lives of the assets. Expenses for the repair of property, plant and equipment are normally charged as an expense.

Economic useful lives of assets approximately are as follows:

	Year
Land improvements	10-30
Buildings	50
Machinery, plant and equipments	5-10
Motor vehicles	5
Fixtures and fittings	10

Intangible Assets
Intangible assets are reflected with adjusted cost value according to the inflationary accounting effective as of 31 December 2004 for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January 2005 by deducting the accumulated amortization.

Intangible assets comprise acquired usage rights, information systems, research and development expenses and other identified rights. They are recorded at acquisition cost and amortized on a straight-line based on pro-rata over their estimated useful lives for a period not exceeding between 10% and 20% for a year.

Leasing
Group acquired assets under finance lease agreements and capitalized at the inception of the lease starting from acquired date. Payables to lease are pursued under financial leasing liability in balance sheet. Calculation of minimum leasing payment is to find out current market value as the valid proportion is calculated practically in financial leasing process then it is, otherwise proportion of interest rate of loan is used as discount factor. Expenses of asset acquisition through financial leasing are included in costs. The liability from financial leasing is decomposed into interest rate and the main loan. Expenses of interest rate are calculated with the fixed interest rate and are issued in related periods.

Impairment of assets
In the case of detecting that carrying values of fixed assets fall below the level that can realize / can be gained from this asset in the future due to different events and situations, material and non-material fixed assets are tested in terms of value losses. In the case of being over the value of book value of material and non-material fixed assets realizable value or the value that can be gained from this asset in the future, provision are made for fixed asset value diminution.

Provision Employee Benefits / Severance Pay

- **Severance Pay**

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 31 March 2014, such payments are calculated on the basis of 30 days' pay limited to a maximum of TRY 3,438 (31 December 2013: TRY 3,255) per year of employment at the rate of pay applicable at the date of retirement.

Group used "Projection Method" to calculate the termination benefits and the duration to be completed based on the past experience and discounted with rate of Treasury bond at balance sheet date. The calculated profits and losses are reflected in income statements.

- **Social Insurance Premium**

Group pays social security contribution to social security organization compulsorily. So long as the company pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

Taxes
Taxes on income for the period comprise current tax and the change in the deferred taxes. The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates enacted by the balance sheet date. Deferred tax is accounted for using the "liability" method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit. Deferred tax is accounted by temporary differences between the values of assets and liabilities in financial statements using "liability method" and the values of financial statements for the legal purpose. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Net deferred tax assets created from term differences deducted in proportion as tax allowances in conditions of there is no certain information for the coming periods.

Accounting Estimates
According to Communiqué XI No: 29 of CMB of financial statements, during the preparation of financial statements, the Company is required to disclose the carrying amount of value of the assets and liabilities stated in the financial statements as of the balance sheet date and to give explanations regarding off balance sheet liabilities, and to provide assumptions that might affect the totals of income and expense realized during the period. However, actual results may vary from these results.

Provisions, Conditional Liabilities and Conditional Assets

Provisions
Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Conditional Liabilities and Conditional Assets
Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

Investments Subject to Equity Pick-up Method
Equities valued with equity pick-up method are carried at their initial acquisition cost. This amount is accounted by equity pick-up method by restating subject to company accounting policies calculating the share of company from the net assets.

Revenue
Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after the sales returns and sales discounts are deducted.

Sales of Goods:
Revenue from sale of goods is recognized when all the following conditions are satisfied:
- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity;

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services:
When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income:
Interest income is accrued in proportion as effective interest rate which reduces estimated cash addition to recorded value of the asset in corresponding period.

Dividend and other incomes:
Dividend income which obtained from share investments, is recorded when shareholders' have the right to get dividend.

Other incomes are recorded with the possibility of having the worth giving service or accrual of the facts related with income, making the transfer of risk and benefit, determination of income amount and enrollment of economic benefits related with the procedure.

Leasing procedures

Operating lease as owner
Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. In operating lease, the rented assets are classified under the tangible fixed assets in the balance sheet. The income from the rent and lease are reflected at the end of procedures in equal amounts in other incomes account. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Company's rental incomes derived from assets subjected to operating lease, are not fixed related to the contracts, those rent incomes are considered as future sales percentage described in the contracts.

The Effects of Exchange Rates

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange and losses are reflected to the financial statements.

The foreign currency rates used at the end of the period are as following:

	31.03.2014	31.12.2013
USD	2.1848	2.1343
EUR	3.0072	2.9365
GBP	3.6343	3.5114

Derivative financial instruments and instruments to protect from risk

Company's derivative financial instruments include foreign currency forward contracts and interest rate swap transactions.

The acquisition cost is used by recording derived financial instruments and foreign exchange commitments and transaction cost is added to acquisition cost. Derived financial instruments are appreciated with reasonable value in the following periods. All derived financial instruments are reclassified as financial instruments of no balance sheet but associated with income sheet. All derived financial instruments are reclassified as financial instruments of no balance sheet but associated with income sheet.

At the end of valuation, the derived financial instruments which are appreciated with the reasonable value and associated with income statement will be reflected as a result of valuation to the income sheet.

It has been calculated with comparison of the revalued gains and losses in the forward purchase and sale agreements of foreign currency with the foreign exchange spot rate as of balance sheet date and the revalued original amount calculated with linear method with valid foreign exchange spot rate as of starting date of agreements. Amounts related with income statement have been classified as income/ expense accruals under other receivables and other payables in the balance sheet.

Effects of Change in Currency Rate

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of the Group and taking position according to approved limits.

Earning Per Share / (Loss)

The amount of gain/ loss per share is calculated by dividing the period gain/ loss of the company with weighted average share unit in the period.

In Turkey, companies can increase their share capital by making distribution of "bonus shares" to existing shareholders from Inflation adjustment difference in shareholder's equity. For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of "bonus shares" issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

Other Balance Sheet Entries
Other balance sheet entries are reflected with their book values.

Cash Flow Statement
Cash flow statement is prepared in accordance with communiqué by Capital Market Board.

Subsequent Events
Although subsequent events arise after the explanation of the financial information to the public or any announcement related to profitability, it encloses all the events with balance sheet date and authorization date for the diffusion of the balance sheet. Group adjusts the amounts in the financial statements if there exists any events necessitates adjustment.

Related Parties

In the presence of one of the following criteria, parties are considered as related to the Group,

(a) Directly, or indirectly through one or more intermediaries, the party,
(i) Controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
(ii) Has an interest in Group that gives it significant influence over the Group; or
(iii) Has joint control over the Group;
(b) The party is an associate of the Group,
(c) The party is a joint venture, in which the Group is a venture,
(d) The party is member of the key management personnel of the Group or its parent,
(e) The party is a close member of the family of any individual referred to in (a) or (d),
(f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or
(g) The party has a defined benefit plan for the employees of the Company or a related party of the Company.

Transactions with related parties are transfer of resources or obligations between related parties, regardless of whether a price is charged. Group interacts with its related parties within the frame of ordinary business activities (Note 6).

Details of related parties are as follows:

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. Company operates vehicle inspection stations which are privatized within the context of law b-numbered 4046, in Aydın, Manisa, Denizli and İzmir for 20 years. As of 31 December 2012, company has integrated 20 established and 4 mobile vehicle inspection stations.

Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş."Osman Akça Tarım Ürünleri"
Osman Akça Tarım Ürünleri İthalat ve İhracat San. ve Tic. A.Ş. was established on 25 July 1985. Head quarter of the company is in İzmir. Main activity is established to process the fruit and agricultural products.

Tan Elektrik Üretim A.Ş."Tan Elektrik"
Tan Elektrik Üretim A.Ş. was established in Izmir on 18 July 2006 as" MTT Elektrik Üretim A.Ş." The company name was changed to " Tan Elektrik Üretim A.Ş." on 9 November 2006. Main activity of company is building production facilities, joining in to operation, renting, generating electricity and marketing electricity to customers.

Akçamen Tekstil Sanayi ve Ticaret A.Ş. "Akçamen Tekstil"
Akçamen Tekstil Sanayi ve Ticaret A.Ş. was established on 26 July 1994. Head quarter of the company is in İzmir. No. 7186 on 11 November 2008 in the Trade Registry Gazette the company was changed to the center of Denizli. Main activity is to produce cotton.

Ak-San Sigorta ve Aracılık Hizmetleri Ltd. Şti. "Aksan Sigorta"
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti. was established on 13 March 1997. Head quarter of the company is in İzmir. Main activity is insurance intermediary services.

Selin Tekstil Sanayi ve Ticaret A.Ş. "Selin Tekstil"
Selin Tekstil Sanayi ve Ticaret A.Ş. was established in 1992. Head quarter of the company is in Denizli. Main activity is outsourcing of textile manufacturing.

Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. "Akçasaraylı Tekstil"
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. was Established in 1990 in İzmir. It is engaged of the sale of textile products.

A Trademark Lease contract was made between Menderes Tekstil San. and Tic. A.Ş. and Akça Saraylı Tekstil San. ve Tic. Ltd. Şti. With this contract signed, Akça Saraylı Tekstil San. ve Tic. Ltd.Şti. is obliged to pay 2% of its annual net sales to Menderes Tekstil San. ve Tic. A.Ş. as a leasing fee. Consequently, Akça Saraylı Tekstil San. ve Tic. Ltd. Şti. leased the trademarks of mendereshome store-menderesstore-menderestore.

Akça Holding A.Ş. "Akça Holding"
Akça Holding A.Ş. was established in 1994 in İzmir. It is engaged in providing financial support to the group firms.

Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş."Akça Solar"
Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş. was established in 4 September 2012 in Denizli. It is engaged in the production and sale of every kind of renewable energy (sun energy, wind energy, etc.).

2.g. Significant accounting estimates and assumptions

There is no significant accounting judgments, estimates and assumptions on the accompanying financial statements.

2.f. Segment reporting of results of operations

Group mainly operates in textile and agriculture sectors, agricultural production is conducting by Smyrna Balance sheet items and operating results are given in Note 3.

As of report date, Menderes Bulgaria Ltd. has terminated the operation and started liquidation. Hence financial segment reports are not prepared.

NOTE 3 – SEGMENT REPORTING

31 March 2014	Textile Sector	Agricultural Sector	Elimination	Total
ASSETS				
	55,048,148	193,493	-	55,241,641
Cash and Cash Equivalents	6,402,471	-	-	6,402,471
Financial Assets	30,877,200	1,969,640	-	32,846,840
Trade Receivables	111,837,801	28,800	(14,996,805)	96,869,796
Other Receivables	894,263	-	-	894,263
Derivative Financial Instruments	187,453,716	644,567	-	188,098,283
Inventories	-	4,790,976	-	4,790,976
Biological Assets	9,082,741	24,762	-	9,107,503
Prepaid Expenses	11,764,945	2,348,664	-	14,113,609
Other Current Assets				
Current Assets	**413,361,285**	**10,000,902**	**(14,996,805)**	**408,365,382**
Financial Assets	-	2,750,000	-	2,750,000
Other Receivables	11,658	3,126	-	14,784
Investments Valued With Equity Method	118,877,392	-	(9,500,000)	109,377,392
Tangible Assets	109,634,399	27,903,927	-	137,538,326
Intangible Assets	140,833	190	-	141,023
Prepaid Expenses	6,868,227	198,854		7,067,081
Deferred Tax Assets	10,355,909	628,476	(590,415)	10,393,970
Non-Current Assets	**245,888,418**	**31,484,573**	**(10,090,415)**	**267,282,576**
TOTAL ASSETS	**659,249,703**	**41,485,475**	**(25,087,220)**	**675,647,958**
LIABILITIES				
Current Liabilities	177,122,575	-	-	177,122,575
Current installments of long term borrowings	21,176,563	2,913,816	-	24,090,379
Trade Payables	89,686,931	614,420	(20,000)	90,281,351
Scope of Employee Benefits Liabilities	3,802,513	187,733	-	3,990,246
Other Payables	1,841,409	16,044,706	(14,976,805)	2,909,310
Derivative Financial Instruments	3,914,030	-	-	3,914,030
Deferred Incomes	8,391,188	908	-	8,392,096
Corporation Tax Liabilities	3,122,491	55,261	-	3,177,752
Short Term Provisions	363,700	-	-	363,700
Short Term Liabilities	**309,421,400**	**19,816,844**	**(14,996,805)**	**314,241,439**
Long Term Borrowings	33,716,219	8,738,620	-	42,454,839
Trade Payables	-	-	-	-
Long Term Provisions	7,549,359	80,082	-	7,629,441
Deferred Tax Liabilities	304,567	593,451	(590,415)	307,603
Long Term Liabilities	**41,570,145**	**9,412,153**	**(590,415)**	**50,391,883**
Paid in Capital Share	250,000,000	12,000,000	(12,000,000)	250,000,000
Inflation Adjustments to Shareholders' Equity	485,133	-	-	485,133
Accumulated Other Comprehensive Income and Expenses Not Comprehensive income / expenses	(1,624,071)	-	-	(1,624,071)
Foreign Currency Translation Differences	(1,153,837)	-	-	(1,153,837)
Restricted Reserves Appropriated from Profit	9,698,409	56,353	-	9,754,762
Retained Earnings / Losses	36,902,056	(520,819)	95,546	36,476,783
Net Income / (Loss) for the period	14,215,081	720,944	(150,196)	14,785,829
Non-Controlling Interests	(264,613)	-	2,554,650	2,290,037
SHAREHOLDERS' EQUITY	**308,258,158**	**12,256,478**	**(9,500,000)**	**311,014,636**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**659,249,703**	**41,485,475**	**(25,087,220)**	**675,647,958**

31 March 2014	**Textile Sector**	**Agricultural Sector**	**Elimination**	**Total**
		-		
Revenues	127,875,805	3,149,065	-	131,024,870
Cost of Sales (-)	(100,736,745)	(1,076,456)	-	(101,813,201)
GROSS PROFIT/LOSS	**27,139,060**	**2,072,609**	**-**	**29,211,669**
General Administrative Expenses (-)	(1,077,541)	(139,292)	-	(1,216,833)
Marketing expenses (-)	(2,749,825)	(268,166)	-	(3,017,991)
Research & development expenses (-)	-	-	-	-
Other Operating Income	6,010,071	169,481	-	6,179,552
Other Operating Expenses (-)	(7,248,469)	(137,847)	-	(7,386,316)
OPERATING PROFİT/LOSS	**22,073,296**	**1,696,785**	**-**	**23,770,081**
Investing Activities Income	135,227	583	-	135,810
Profit /Loss from the participations valued by Equity Method	2,041,957	-	-	2,041,957
OPERATIONS PROFIT/LOSS BEFORE FINANCING EXPENSES	**24,250,480**	**1,697,368**	**-**	**25,947,848**
Financial Income (+)	14,676,045	7,306	(369,365)	14,313,986
Financial Expenses (-)	(21,594,597)	(796,587)	369,365	(22,021,819)
CONTINUING OPERATIONS PROFIT/LOSS BEFORE TAX	**17,331,928**	**908,087**	**-**	**18,240,015**
Continuing Operations Tax Income/Expense				
- Income/Expense Tax for the period	(3,122,491)	(55,261)	-	(3,177,752)
- Deferred Tax Income/Expense	5,644	(131,882)	-	(126,238)
PROFIT/(LOSS) FOR THE PERIOD	**14,215,081**	**720,944**	**-**	**14,936,025**

NOTE 4 – CASH AND CASH EQUIVALENTS

As of 31 March 2014 and 31 December 2013 details of cash and cash equivalents are as following:

	31.03.2014	31.12.2013
Cash	56,666	6,474
Banks	55,091,725	59,860,042
Demand deposits	6,604,366	21,533,674
Time deposits	48,487,359	38,326,368
Interest accruals for banks	93,250	105,128
	55,241,641	**59,971,644**

As of 31 March 2014 and 31 December 2013, maturity schedule of time deposits in the cash and cash equivalents are as following:

	31.03.2014	31.12.2013
Within 1 month	43,820,919	32,104,500
1-3 month	4,666,440	6,221,868
	48,487,359	**38,326,368**

As of 31 March 2014, effective interest rates of time deposits in TRY and USD are 10.85% and 2.67% respectively (31.12.2013: for TRY 6.44%, USD 2.35%).

As of 31 March 2014, average maturity date of time deposits is 50 days (31 December 2013: 39 days). As of 31.03.2014, time deposits consist of TRY 43,264,546 and USD 2,385,064 (TRY5,222,813) (31.12.2013: TRY 32,122,751 and USD 2,906,628 (TRY6,203,617))

As of 31.03.2014, the blockage's amount on the less than 3 months bank deposits of the Group is USD 1,850,000 (TRY 4,051,130) for the borrowings are taken from Şekerbank T.A.Ş. 31.12.2013: USD : 1,850,000 (TRY 3,948,455)).

NOTE 5 – FINANCIAL INVESTMENTS

Short Term Financial Investments

Short Term Financial Investments	31.03.2014	31.12.2013
Deposits with maturities over 3 months	6,350,420	4,515,300
Bank interest accruals	52,051	55,277
	6,402,471	**4,570,577**

As of 31March 2014, the effective interest rate of USD time deposit is 2.50%. (31.12.2012: TRY - 8.78%, USD - 2.50%)

As of 31 March 2014, the average maturity of time deposits are 223 days. (31.12.2013: 170). As of 31.03.2014, time deposit consist of USD 2,900,000 (TRY 6,350,420) ,(31.12.2013: TRY 139,985 and USD 2,050,000 (TRY 4,375,315))

As of 31 March 2014, the blockage's amount on the more than 3 months bank deposits of the Group is USD 2,050,000 (TRY 4,489,090) for the borrowings are taken from Şekerbank T.A.Ş. (31.12.2013: USD 2,050,000 (TRY 4,375,315)).

Long Term Financial Investments

Long Term Financial Investments	31.03.2014	31.12.2013
Tan Elektrik Üretim A.Ş.	2,750,000	2,750,000
	2,750,000	**2,750,000**

On the 8 January 2013, Smyrna Seracılık A.Ş. have collaborated to Tan Elektrik Üretim A.Ş. 21% share of the capital on the basis of nominal value.

NOTE 6 – DUE TO FROM RELATED PARTIES

i) Transactions and balances with related parties:

a) Trade receivables from related parties (Note 7):

	31.03.2014	31.12.2013
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	111,732	90,825
Menderes Tekstil Pazarlama A.Ş.	514,082	207,572
Discount	(11,586)	(764)
	614,228	**297,633**

b) Trade payables to related parties (Note 7):

	31.03.2014	31.12.2013
Selin Tekstil Sanayi ve Ticaret A.Ş.	1,025,067	753,608
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	44,235	939
Discount	(8,973)	(5,958)
	1,060,329	**748,589**

c) Due from shareholders (Note 9):

	31.03.2014	31.12.2013
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	43,023,370	37,956,354
Akça Holding A.Ş.	-	5,954
	43,023,370	**37,962,308**

d) Non-trade receivables from related parties (Note 9):

	31.03.2014	31.12.2013
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	-	-
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	47,307,553	39,159,100
Tan Elektrik Üretim A.Ş.	416,987	10,364
	47,724,540	**39,169,464**

e) Due to shareholders (Note 9):

	31.03.2014	31.12.2013
Rıza Akça	637,415	681,726
Ali Atlamaz	4,125	16,665
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	840,156	-
	1,481,696	**698,391**

f) Due to subsidiaries (Note 9):

	31.03.2014	31.12.2013
Akça Solar Üretim Sanayi Ticaret A.Ş.	108,402	148,403
Akçamen Tekstil A.Ş.	63,102	65,744
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	401,087	314,749
	572,591	**528,896**

g) Advances received from related parties (Note 13):

	31.03.2014	31.12.2013
Menderes Tekstil Pazarlama A.Ş.	4,895,949	6,271,610
	4,895,949	**6,271,610**

ii) Major sales to related parties and major purchases from related parties:

a) Major sales to related parties (Note 23.1):

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Menderes Tekstil Pazarlama A.Ş.	19,707,564	15,875,284
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	349,652	288,297
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	10,000	7,600
	20,067,216	**16,171,181**

b) Major purchases from related parties (Note 23.2):

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	111,300	212,600
Selin Tekstil Sanayi ve Ticaret A.Ş.	6,910,000	5,775,000
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	64,025	-
Akça Holding A.Ş.	11,156	16,051
	7,021,231	**6,003,651**

iii) Other income and expenses resulting from transactions between related parties:

a) Benefits provided to member of the board of directors, gross (Note 24):

	01.01.-31.03.2014	01.01.-31.03.2013
Members of the Boards of Directors	368,822	201,595
	368,822	**201,595**

b) Service expenses paid to related parties (Note 24):

	01.01.-31.03.2014	01.01.-31.03.2013
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	46,941	39,024
Akça Holding A.Ş.	32,356	38,877
	79,297	**77,901**

c) Rent incomes from related parties (Note 26.1):

	01.01.-31.03.2014	01.01.-31.03.2013
Menderes Tekstil Pazarlama A.Ş.	2,700	2,550
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	7,005	6,600
Selin Tekstil Sanayi ve Ticaret A.Ş.	7,005	6,600
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	17,775	12,750
Akçamen Tekstil Sanayi Ticaret A.Ş.	2,250	2,250
	36,735	**30,750**

d) Service income from related parties (Note 24):

	01.01.-31.03.2014	01.01.-31.03.2013
Menderes Tekstil Pazarlama A.Ş.	15,000	14,250
	15,000	**14,250**

e) Foreign exchange income from the related parties (Note 27.1):

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	1,260,713	1,104,436
	1,260,713	**1,104,436**

f) Interest income from related parties (Note 27.1):

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	1,841,958	177,716
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	1,221,380	419,361
Tan Elektrik	2,792	-
	3,066,130	**597,077**

g) Foreign exchange expenses to the related parties (Note 27.2):

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	366	-
	366	**-**

h) Interest expenses paid to related parties (Note 27.2):

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	126	162,491
Akça Holding A.Ş.	-	2,198
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	9,143	25,545
Menderes Tekstil Pazarlama A.Ş.	66,952	114,655
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	3,221
Akçamen Tekstil Sanayi Ticaret A.Ş.	1,874	864
Akça Solar	3,766	-
	81,861	**308,974**

NOTE 7 – TRADE RECEIVABLES AND TRADE PAYABLES

Short Term Trade Receivables

	31.03.2014	31.12.2013
Trade receivables	32,221,893	62,922,498
Cheques and notes	208,460	-
Unearned interest on trade receivables	(201,705)	(416,727)
Doubtful trade receivables	251,802	251,802
Provision for doubtful receivables (-)	(251,802)	(251,802)
Income Accruals	3,964	2,440,338
Trade Receivables From Third Parties	**32,232,612**	**64,946,109**
Receivables from related parties (Note 6-i-a)	111,732	90,825
Receivables from related parties (Note 6-i-a)	514,082	207,572
Unearned interests on receivables from related parties	(11,586)	(764)
Trade Receivables From Related Parties	**614,228**	**297,633**
Total Short-Term Trade Receivables	**32,846,840**	**65,243,742**

As of 31 March 2014 and 31 December 2013 Group has TRY 950,000 guarantee given as a provision for receivables.

Maturity schedule of notes receivable as of 31 March 2014 and 31 December 2013are as following:

	31.03.2014	31.12.2013
1-30 days	72,640	67,623
31-60 days	263,549	75,949
61-90 days	267,791	-
91-120 days	36,062	-
121-150 days	27,500	32,000
151-180 days	35,000	32,000
181-210 days	20,000	-
	722,542	**207,572**

As of 31.03.2014 and 31.12.2013, movement of provision for doubtful receivables is as following:

	31.03.2014	31.12.2013
Opening balance	251,802	212,837
Provision for the period	-	38,965
Closing Balance	**251,802**	**251,802**

Short Term Trade Payables

	31.03.2014	31.12.2013
Trade payables	83,524,047	63,806,934
Unearned interests on trade payables	(921,163)	(816,370)
Notes payable	6,663,081	7,878,600
Unearned interests on note payables	(58,443)	(71,779)
Expense accruals	13,500	26,899
Trade Payables From Third Parties	**89,221,022**	**70,824,284**
Due to related parties (Note 6-i-b)	1,069,302	754,547
Unearned interests on notes payables to related parties (Not 6-i-b)	(8,973)	(5,958)
Trade Payables to Related Parties	**1,060,329**	**748,589**
Total Short-Term Trade Payables	**90,281,351**	**71,572,873**

As of 31.03.2014, bank has given sureties for trade payables of the Group of USD 5,451,078 (TRY 11,936,770) and EUR 1,101,783 (TRY 3,313,280). (31.12.2013: USD 1,366,619 (TRY 2,916,775) and EUR 854,908 (TRY 2,510,437)).

As of 31.03.2014 and maturity breakdown of notes payables are as following:

	31.03.2014	31.12.2013
1 – 30 days	2,788,049	3,865,129
31 – 60 days	2,454,142	2,705,307
61 – 90 days	67,650	1,308,164
91 – 120 days	451,080	-
121 – 150 days	451,080	-
151 – 180 days	451,080	-
	6,663,081	**7,878,600**

NOTE 8 – FINANCIAL BORROWINGS

	31.03.2014	31.12.2013
Short term financial borrowings:		
TRY borrowings	645,836	719,189
USD borrowings	142,651,052	130,676,921
EUR borrowings	31,784,717	38,894,841
GBP borrowings	1,249,169	1,305,089
Accrued interest of short term financial borrowings:		
USD accrued interest of financial borrowings	653,514	401,926
EUR accrued interest of financial borrowings	138,287	175,489
Short term financial borrowings	**177,122,575**	**172,173,455**
Current installments of long-term borrowings:		
Lease Payables:		
USD lease payables, net	217,540	209,318
EUR lease payables, net	6,055,158	4,983,654
Borrowings:		
USD borrowings	12,216,858	10,278,181
EUR borrowings	5,450,244	5,322,109
Accrued interest of long term financial borrowings:		
USD accrued interest of financial borrowings	87,146	20,887
EUR accrued interest of financial borrowings	63,433	157,135
Current installments of long-term borrowings	**24,090,379**	**20,971,284**
Long term lease payables:		
USD lease payables, net	209,483	258,207
EUR lease payables, net	15,782,969	14,548,613
Long term borrowings:		
USD borrowings	7,574,282	6,385,373
EUR borrowings	18,888,105	19,866,237
Long term financial borrowings	**42,454,839**	**41,058,430**
Total financial liabilities	**243,667,793**	**234,203,169**

As of 31.03.2014 and 31.12. 2013, maturity analyses of borrowings and other financial borrowings are as following:

	31.03.2014	**31.12.2013**
Within 3 month	78,414,701	90,030,154
Between 3 - 12 month	115,583,175	97,166,176
Between 1 – 5 year	26,462,387	26,251,610
	220,460,263	**213,447,940**

As of 31.03.2014 and 31.12. 2013, maturity schedule of long term bank borrowings are as following:

	31.03.2014	**31.12.2013**
Payables within 1-2 years	13,024,529	11,707,482
Payables within 2-3 years	5,450,244	5,322,109
Payables within 3-4 years	5,450,244	5,322,109
Payables within 4-5 years	2,537,370	3,899,910
	26,462,387	**26,251,610**

As of 31.03.2014, USD, EUR and GBP bank loans, effective interest rates are 3.41%, 3.64 % and 3.00%. (31.12.2013: USD-2.64%, EUR-3.74 % and GBP-3.80%).

As of 31.03.2014, the blockage’s amount on the bank deposits of the Group is USD 3,900,000 (TRY 8,540,220) for the borrowings are taken from Şekerbank T.A.Ş. (31.12.2013: USD 3,900,000 (TRY 8,323,770)).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions is USD 156,200,000 (TRY 342,046,760), EUR 26,140,426 (TRY 78,609,489) and TRY 73,170,000.

As of 31.03.2014 and 31.12.2013, details of financial leasing borrowings of group are as follows:

	31.03.2014	**31.12.2013**
Short term lease payables	7,150,954	5,949,073
Cost of deferred short term lease payables (-)	(878,256)	(756,101)
	6,272,698	**5,192,972**

	31.03.2014	**31.12.2013**
Long term lease payables	17,070,344	15,897,372
Cost of deferred lease payables (-)	(1,077,892)	(1,090,552)
	15,992,452	**14,806,820**

Maturity schedule of repayment of finance lease payables as of 31 March 2014 are as following:

	Liabilities from financial leasing transactions	**Cost of deferred lease payables**	**Total liabilities**
Payables within 0 – 1 years	7,150,954	(878,256)	6,272,698
Payables within 1 – 2 years	6,413,795	(581,382)	5,832,413
Payables within 2 – 3 years	5,407,100	(334,967)	5,072,133
Payables within 3 – 4 years	3,999,304	(139,619)	3,859,685
Payables within 4 – 5 years	1,226,136	(21,799)	1,204,337
Payables within 5 – 6 years	24,009	(125)	23,884
	24,221,298	**(1,956,148)**	**22,265,150**

Maturity schedule of repayment of finance lease payables as of 31 December 2013 are as following:

	Liabilities from financial leasing transactions	**Cost of deferred lease payables**	**Total liabilities**
Payables within 0 – 1 years	5,949,073	(756,101)	5,192,972
Payables within 1 – 2 years	5,303,713	(531,534)	4,772,179
Payables within 2 – 3 years	4,444,791	(341,764)	4,103,027
Payables within 3 – 4 years	4,091,573	(177,113)	3,914,460
Payables within 4 – 5 years	1,963,601	(39,186)	1,924,415
Payables within 5 – 6 years	93,694	(955)	92,739
	21,846,445	**(1,846,653)**	**19,999,792**

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Other Current Receivables

	31.03.2014	**31.12.2013**
Deposit and guarantees given	168,349	250,918
VAT return receivables	2,912,043	4,249,319
Sundry debtors(*)	3,041,494	2,922,042
Other Receivables from Related parties	**6,121,886**	**7,422,279**
Due from shareholders (Note 6-i-c)	43,023,370	37,962,308
Due from related parties (Note 6-i-d)	47,724,540	39,169,464
Other Receivables from Other parties	**90,747,910**	**77,131,772**
	96,869,796	**84,554,051**

(*) Amount in other sundry receivables are comprised of receivables from tax offices, customs administration and subcontractor related to Menderes Bulgaria Ltd.

As of 31 March 2014, non-trade receivables from related companies comprise 22.22% of total current assets and 13.43% of total assets. (It composes 20.22% of the total current assets and 12.07% of total assets as of 31 December 2013).

Other Non Current Payables

	31.03.2014	**31.12.2013**
Deposits given and guarantees	14,784	14,694
	14,784	**14,694**

Other Current Payables

Other Current Payables	**31.03.2014**	**31.12.2013**
Deposit and guarantees received	6,000	6,000
Taxes and funds payable	847,074	991,018
Under Law no 6111 increase in provision of tax base	-	-
Sundry debtors	1,949	1,949
Other Payables from third parties	**855,023**	**998,967**
Due to shareholders (Note 37-i-e)	1,481,696	698,391
Due to related parties (Note 37-i-f)	572,591	528,896
Other Payables from related parties	**2,054,287**	**1,227,287**
	2,909,310	**2,226,254**

NOTE 10 – DERRIVATIVE INSTRUMENTS

	31.03.2014	**31.12.2013**
Income accrual of forward exchange	894,263	696,738
	894,263	**696,738**

	31.03.2014	**31.12.2013**
Expense accrual of forward exchange	3,914,030	6,164,062
	3,914,030	**6,164,062**

NOTE 11 – INVENTORIES

	31.03.2014	31.12.2013
Raw materials	76,623,218	69,988,059
Work in progress	69,605,108	41,578,636
Finished goods	40,930,545	28,629,984
Merchandises	315,720	226,208
Other Inventories	623,692	563,999
Agricultural products (tomato)	-	-
	188,098,283	**140,986,886**

The Group's inventories were insured.

NOTE 12 – BIOLOGICAL ASSETS

Current biological assets

	31.03.2014	31.12.2013
Biological assets (tomato)	4,790,976	3,778,127
	4,790,976	**3,778,127**

Group's biological assets are related with tomatoes. If available impairment and cost is indicated after provision in the combined financial statements Due to no presence of active market for growing tomatoes, they were reflected in the accompanying combined financial statements with their costs minus if there is impairment in the cost then it is deducted.

NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME

Short term prepaid expenses

	31.03.2014	31.12.2013
Order Advances Given	8,396,358	3,148,319
Prepaid expenses	304,733	507,645
Advances given for business purposes	406,412	-
	9,107,503	**3,655,964**

Long term prepaid expenses

Long term prepaid expenses	31.03.2014	31.12.2013
Advances to purchases tangible assets	6,922,771	2,456,908
Prepaid expenses	144,310	144,311
	7,067,081	**2,601,219**

Short term deferred income

Short term deferred income	**31.03.2014**	**31.12.2013**
Advances received	8,392,096	9,547,867
	8,392,096	**9,547,867**

NOTE 14 – CURRENT PERIOD TAX INCOME ASSETS

	31.03.2014	**31.12.2013**
Prepaid taxes and funds	-	5,815,114
	-	**5,815,114**

NOTE 15 – INVESTMENTS VALUED WITH EQUITY PICK-UP METHOD

As of 31.03.2014 and 31.12.2013, Akça Enerji Üretim Otoprodüktör Grubu A.Ş., Menderes Tekstil Pazarlama A.Ş. and Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. are held subject to equity pick-up method by the Group, with rate of 20%, 45% and 48% respectively:

	31.03.2014	**Share (%)**	**31.12.2013**	**Share (%)**
Akça Enerji Üretim Dağıtım Otoprodüktor A.Ş.	2,643,087	%20	2,627,460	20%
Menderes Tekstil Pazarlama A.Ş.	10,961,425	% 45	10,390,720	45%
Aktur Araç Muayene İstasyon İşletmeleri A.Ş.	95,772,880	%48	94,317,255	48%
	109,377,392		**107,335,435**	

Summary information about investment accounted for using the equity method is as following:

Akça Enerji Üretim Otoprodüktör Grubu A.Ş.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. is established on 13 July 1998. Head quarter of the Company is in Denizli. Main activity of the Company is producing electricity, hot water and steam.

According to material disclosure of the Group dated 12.09.2011, auction for the 858.59-hectare natural mineral water/geothermic based gas research transfer by Alaşehir County was won by Akça Enerji Üretim Otoprodüktör Grubu A.Ş. Within the scope of the auction, drilling operations started on 30 November 2011. Drilling operations of 2 wells were completed and 12 mw electric is produced, drilling operations for the third well started. Within the research licence, 8 wells in total completed, are planned to put in to use. After the drill of fourth well and efficiency got from first two wells, setup of the tribune will start.

As of 17.02.2012 Group announced a special situation. According to that announcement Akça Enerji Otoprodüktör Grubu A.Ş. has started drilling in the area addressed in Denizli / Sarayköy, Tosunlar Beldesi according to the license of numbered 5686 "Doğal Mineralli Sular Kaynağı Arama".

Drilling of 2 wells of Akça Enerji Otoprodüktör Grubu A.Ş. were completed after the start on 12 September 2012. According to measurements made by General directorate of mineral research and exploration, following results were held. AK-1 Well has 1.265m depth, 109 C well base heat and 320 tons/hour capacity. AK-3 Well has 2.563m depth, 132 C well base heat and 518 tons/hour capacity. AK-6 Well has 2.653m depth, 149 C well base heat and 200 tons/hour capacity. According to these 2 measurements taken from two wells, electric production capacity is 5mw power maximum. AK-2 Well has 918m depth, 106 C well base heat and 300 tons/hour capacity. Drilling operations for AK-5 wells are still in progress.

192 Numbered Badınca Research licence which was purchased by tender was converted into 2014/02 numbered 30 years licence after the completion of Badınca AK-1 Well in 2013.

Total of assets, liabilities and shareholders' equity of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and summarized income statements for the period ending at the date of 31.03.2014, and 31.12.2013 are as following:

	31.03.2014	**31.12.2013**
Current Assets	14,649,145	12,326,427
Non-current Assets	51,177,828	44,992,402
Total Assets	**65,826,973**	**57,318,829**
Current liabilities	52,272,033	43,910,762
Non-current liabilities	339,505	270,769
Shareholders' equity	13,215,435	13,137,298
Total Equities	**65,826,973**	**57,318,829**
Sales, net	64,025	387,145
Cost of sales	(58,054)	(305,140)
Net profit / (loss)	96,706	(7,192,449)

Menderes Tekstil Pazarlama A.Ş.

Menderes Tekstil Pazarlama Anonim Şirketi was established in 1998. The head office is in İzmir. It is engaged in marketing of home textile products.

Total of assets, liabilities and shareholders' equity of Menderes Tekstil Pazarlama A.Ş. and summarized income statements for the period ending at the date of 31.03.2014 and 31.13.2013 are as following:

	31.03.2014	**31.12.2013**
Current Assets	16,206,109	15,789,992
Non-current Assets	9,123,664	5,166,250
Total Assets	**25,329,773**	**20,956,242**
Current liabilities	677,381	690,545
Non-current liabilities	293,670	106,936
Shareholders' equity	24,358,722	20,158,761
Total Equities	**25,329,773**	**20,956,242**
Sales, net	21,754,754	54,661,428
Cost of sales	(19,694,969)	(51,937,046)
Net profit / (loss)	1,382,543	1,844,044

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. Company operates vehicle inspection stations which are privatized within the context of law numbered 4046, at 20 established and 4 mobile vehicle inspection stations in Aydın, Denizli, İzmir and Manisa for 20 years. License rights started in 2008 and will continue until 2028.

Total of assets, liabilities and shareholders' equity of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. and summarized income statements for the period ending at the date of 31.03.2014 and 31.12.2013 are as following:

	31.03.2014	**31.12.2013**
Current Assets	41,693,207	40,658,792
Non-current Assets	299,565,806	320,064,863
Total Assets	**341,259,013**	**360,723,655**
Current liabilities	27,965,168	29,282,961
Non-current liabilities	113,767,012	120,848,480
Shareholders' Equity	199,526,833	210,592,214
Total Equities	**341,259,013**	**360,723,655**
Sales, net	46,748,082	186,256,433
Cost of sales, net	(40,342,051)	(156,873,50)
Net profit / (loss)	6,634,136	32,480,159

NOTE 16 – TANGIBLE FIXES ASSETS

Cost	**Land and land improvements**	**Buildings**	**Property, plant and equipment**	**Vehicles**	**Fixtures and fittings**	**Construction in progress**	**Total**
01 January 2012 Opening balance	**11,204,053**	**49,360,262**	**197,803,477**	**1,212,406**	**6,055,841**	**-**	**265,636,039**
Additions	1,316,150	523,457	1,272,161	276,785	239,625	17,377,899	21,006,077
Disposals	-	-	(136,316)	(289,578)	-	-	(425,894)
Transfers	-	-	-	-	-	-	-
31 December 2012 closing balance	12,520,203	49,883,719	198,939,322	1,199,613	6,295,466	17,377,899	286,216,222
Additions	231,718	85,750	25,359,313	812,205	969,211	29,373,484	56,831,681
Disposals	-	-	(10,965,199)	(153,229)	(3,715,380)	-	(14,833,808)
Transfers	16,848,306	4,926,825	21,639,753	-	330,303	(43,745,187)	-
31 December 2013 closing balance	29,600,227	54,896,294	234,973,189	1,858,589	3,879,600	3,006,196	328,214,095
Additions	5,074	-	3,440,120	253	411,104	3,073,988	6,930,539
Disposals	-	-	(1,556,049)	-	-	(12,184)	(1,568,233)
Transfers	-	-	-	-	-	-	-
31 March 2014 closing balance	29,605,301	54,896,294	236,857,260	1,858,842	4,290,704	6,068,000	333,576,401
Accumulated depreciation							
01 January 2012 Opening balance	**1,658,746**	**11,980,107**	**167,301,031**	**472,058**	**4,577,401**	**-**	**185,989,343**
Additions	506,219	989,461	9,604,985	154,061	328,212	-	11,582,938
Disposals	-	-	(115,689)	(62,545)	-	-	(178,234)
31 December 2012 closing balance	2,164,965	12,969,568	176,790,327	563,574	4,905,613	-	197,394,047
Additions	633,673	1,033,222	8,195,772	185,392	389,486	-	10,437,545
Disposals	-	-	(10,039,311)	(153,229)	(3,695,019)	-	(13,887,559)
31 December 2013 closing balance	2,798,638	14,002,790	174,946,788	595,737	1,600,080	-	193,944,033
Additions	504,018	275,100	2,671,134	68,769	130,900	-	3,649,921
Disposals	-	-	(1,555,879)	-	-	-	(1,555,879)
31 March 2014 closing balance	3,302,656	14,277,890	176,062,043	664,506	1,730,980	-	196,038,075
31.12.2012, Net Book Value	**10,355,238**	**36,914,151**	**22,148,995**	**636,039**	**1,389,853**	**17,377,899**	**88,822,175**
31.12.2013, Net Book Value	**26,801,589**	**40,893,504**	**60,026,401**	**1,262,852**	**2,279,520**	**3,006,196**	**134,270,062**
31.03.2014, Net Book Value	**26,302,645**	**40,618,404**	**60,795,217**	**1,194,336**	**2,559,724**	**6,068,000**	**137,538,326**

As of 31 March 2014, the depreciation expense of tangible fixed assets for the fiscal period is TRY 3,649,921 (31 December 2013: TRY 10,437,545).

As of 31 March 2014, fixed assets were insured for TRY 147,397,309, USD 344,393 (TRY 754,152), and EUR 7,931,080 (TRY 23,850,344). (31 December 2013: TRY 146,069,254 , 344,393 USD (TRY 735,038) and EUR 7,931,080 (TRY 23,289,616).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions is USD 156,200,000 (TRY 342,046,760), EUR 26,140,426 (TRY 78,609,489) and TRY 73,170,000.

NOTE 17 – INTANGIBLE ASSETS

Cost	**Rights**	**Research and development expenses**	**Other intangible assets**	**Total**
01 January 2012 Opening	**2,720**	**-**	**456,077**	**458,797**
Additions	25,000	163,323	83,268	271,591
31 December 2012 closing balance	27,720	163,323	539,345	730,388
Additions	-	188,109	83,574	271,683
Disposals	-	(351,432)	(325,363)	(676,795)
31 December 2013 closing balance	27,720	-	297,556	325,276
Additions	1,490	-	-	1,490
Disposals	-	-	(10,000)	(10,000)
31 March 2014 closing balance	29,210	-	287,556	316,766
Accumulated depreciation				
01 January 2012 Opening balance	**1,391**	**-**	**222,285**	**223,676**
Additions	5,406	2,732	75,682	83,820
31 December 2012 closing balance	6,797	2,732	297,967	307,496
Additions	9,350	-	96,428	105,778
Disposals	-	(2,732)	(251,926)	(254,658)
31 December 2013 closing balance	16,147	-	142,469	158,616
Additions	2,367	-	16,315	18,682
Disposals	(583)	-	(972)	(1,555)
31 March 2014 closing balance	17,931	-	157,812	175,743
31.12.2012, Net Book Value	**20,923**	**160,591**	**241,378**	**422,892**
31.12.2013, Net Book Value	**11,573**	**-**	**155,087**	**166,660**
31.03.2014, Net Book Value	**11,279**	**-**	**129,744**	**141,023**

As of 31 March 2014, the amortization expense of intangible fixed assets for the fiscal period is TRY 18,682 (31 December 2013: TRY 18,682)

NOTE 18 – COMMITMENTS

As of 31.03.2014 and 31.12.2013, the Group's guarantee / pledge / mortgage position are as following:

Guarantees, security and mortgage (GSM) given by the Group	**31.03.2014**	**31.12.2013**
A. Total Amount of GSM given on behalf of legal entity	791,510,166	542,344,590
B. Total Amount of GSM given for partnerships which included in full consolidation	11,460	11,460
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None	None
D. Total Amount of other GSM given	None	None
i. Total Amount of GSM given for the Parent Company	216,790,200	211,295,700
ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses	212,554,220	207,167,080
iii. Total Amount of GSM Given for Third Parties not Included in C Clause	None	None
Total	**1,220,866,046**	**960,818,830**

As of 31 March 2014, ratio which is the groups given other GSM's over its equity's is 138% (31.12.2013: 140%).

Group has given joint and collective guarantee at most USD 5,565,586 (TRY 12,187,520) for the financial leasing agreement of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. signed with İş Finansal Kiralama A.Ş (31 December 2013: USD 5,565,586 (TRY 11,878,630)).

The sum of loans granted bail by the Group In favor of relevant institutions is USD 91,500,000 (TRY 200,366,700). (31 December 2013: USD 91,500,000 (TRY 195,288,450)). Loans Granted bail amount is USD 99,000,000 (TRY 216,790,200) these are from relevant institutions that is the Group is a party related to credit agreements. (31.12.2013: 99,000,000 USD (TRY 211,295,700)).

As of 31 March 2014, details of the commitments are as following:

Details of Mortgage	FX type	FX amount	FX rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	TRY	71,570,000	1.0000	71,570,000
Türkiye Vakıflar Bankası T.A.O	USD	147,700,000	2.1898	323,433,460
Vakıf Finansal Kiralama Anonim Şirketi	USD	8,500,000	2.1898	18,613,300
Vakıf Finansal Kiralama Anonim Şirketi	EUR	5,140,426	3.0072	15,458,289
Türkiye Finans Katılım Bankası A.Ş.	TRY	1,600,000	1.0000	1,600,000
Türkiye Vakıflar Bankası T.A.O	EUR	21,000,000	3.0072	63,151,200
				493,826,249

Total amount of mortgage on lands and buildings of the company given to financial institutions is USD 156,200,000 (TRY 342,046,760), EUR 26,140,426 (TRY 78,609,489), and TRY 73,170,000.

Guarantee Letters Given	FX type	TRY Equivalent
Electricity suppliers	TRY	1,638,511
Tax office	TRY	71,250
Custom authorities	TRY	5,117,086
Other	TRY	891,504
		7,718,351

Bank Details of Guarantee Letters Given	FX type	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	4,987,879
Türkiye Finans Katılım Bankası A.Ş.	TRY	58,000
Alternatifbank A.Ş.	TRY	854,400
Tekstilbankası A.Ş.	TRY	11,460
Halk Bank A.Ş.	TRY	886,612
Akbank Denizli Ticari Şubesi	TRY	920,000
		7,718,351

General Borrowing Contracts	FX type	FX amount	FX rate	TRY Equivalent
ING Bank A.Ş.	TL	7,000,000	1.0000	7,000,000
Finansbank A.Ş.	TL	13,000,000	1.0000	13,000,000
Odea Bank A.Ş	TL	7,000,000	1.0000	7,000,000
Vakıfbank A.Ş	TL	21,100,000	1.0000	21,100,000
Halk Bankası A.Ş.	TL	10,000,000	1.0000	10,000,000
Albarakaturk A.Ş.	TL	15,000,000	1.0000	15,000,000
Şekerbank A.Ş.	USD	20,000,000	2.1898	43,796,000
Tekstilbank	USD	3,490,000	2.1898	7,642,402
Vakıfbank A.Ş	USD	5,200,000	2.1898	11,386,960
Alternatif Bank A.Ş.	USD	6,000,000	2.1898	13,138,800
Denizbank A.Ş	USD	9,000,000	2.1898	19,708,200
Eximbank A.Ş	USD	25,000,000	2.1898	54,745,000
				223,517,362

Guarantee Notes Given	Bank name	FX type	FX amount	FX rate	TRY Equivalent
Ekspo Factoring A.Ş.	Şekerbank T.A.Ş.	USD	6,318,400	2.1898	13,836,032
					13,836,032

Guarantee Notes Given	FX type	FX amount	FX rate	TRY Equivalent
Eximbank	USD	481,250	2.1898	1,053,841
				1,053,841

Bond	Bank name	FX type	FX amount	FX rate	TRY Equivalent
Türk Eximbank	Türkiye Vakıflar Bankası T.A.O.	USD	10,000,000	2.1898	21,898,000
Türk Eximbank	Denizbank A.Ş.	USD	4,000,000	2.1898	8,759,200
Türk Eximbank	Şekerbank T.A.Ş.	USD	3,000,000	2.1898	6,569,400
Türk Eximbank	Finansbank A.Ş.	USD	2,300,000	2.1898	5,036,540
Türk Eximbank	Halkbankası A.Ş	USD	2,500,000	2.1898	5,474,500
Türk Eximbank	ABANK	USD	1,000,000	2.1898	2,189,800
Türk Eximbank	Odea Bank	USD	750,000	2.1898	1,642,350
					51,569,790

Guarantee Letters Received	Bank name	FX type	Amount
İtimat Manifatura	Kuveyt Türk Katılım Bankası	TRY	200,000
İtimat Manifatura	Türkiye Finans Katılım Bankası A.Ş.	TRY	750,000
			950,000

As of 31.03.2014, bank has given guarantees for trade payables of USD 5,451,078 (TRY 11,936,770) and EUR 1,101,783 (TRY 3,313,280) (31.12.2013: USD 1,366,619 (TRY 2,916,775) and EUR 854,908 (TRY 2,510,437)).

As of 31.03.2014, Group has deposit blockage amount of USD 3,900,000 (TRY 8,540,220) for bank loans used from Şekerbank T.A.Ş. (31.12.2013: USD 3,900,000 (TRY 8,223,770)).

NOTE 19 – SHORT TERM PROVISIONS

Other Short Term Provisions

	31.03.2014	31.12.2013
Provision for the court cases	363,700	356,325
	363,700	**356,325**

Provisions for employee long term benefits include

	31.03.2014	31.12.2013
Provision for severance pay	7,629,441	6,392,684
	7,629,441	**6,392,684**

For the period 01 January – 31 March 2014, average personnel number including subcontractors employed by the Group is 4,134.

The taken rate of retirement probability is 98%.

For the period ended 31.03.2014 and 31.12.2013 the movement schedule of severance pay provision is as following;

	31.03.2014	31.12.2013
Balance of 1 January	6,392,684	5,667,560
Increase in the period	169,211	3,074,348
Interest cost	89,307	306,543
Severance pay that are paid in the period	(652,998)	(3,053,313)
Actuarial profit/(loss)	1,631,237	397,546
Balance at the end of the period	**7,629,441**	**6,392,684**

NOTE 20 – EMPLOYEE BENEFITS DEBTS

	31.03.2014	31.12.2013
Due to personnel	2,968,096	2,557,956
Social security deductions payable	1,022,150	855,109
	3,990,246	**3,413,065**

NOTE 21 – OTHER CURRENT / NON-CURRENT ASSETS AND LIABILITIES

Other current assets

	31.03.2014	31.12.2013
VAT carried forward	14,113,609	11,518,344
	14,113,609	**11,518,344**

NOTE 22 – SHARE CAPITAL

22.1 Paid in Capital

As of 31 March 2014, Group's paid in capital was divided into 250,000,000 shares as each valued at TRY 1 nominally (31 December 2013: 250,000,000).

As of 31.03.2014 and 31.12.2013, Group's paid in capital is as following:

	31.03.2014		31.12.2013	
Shareholders:	**Share (%)**	**TRY**	**Share (%)**	**TRY**
Public Offer Shareholders	51.93%	129,828,520	51.93%	129,828,520
Akça Holding A.Ş.	45.68%	114,208,053	45.68%	114,208,053
Other	2.39%	5,963,427	2.39%	5,963,427
Total	**%100.00**	**250,000,000**	**%100.00**	**250,000,000**

According to company's main article of association, more than half of the Members of Board required to be elected from the candidates which are pointed out from A Group shareholders.

As of 20.01.2012 Group has decided to increase their capital from TRY 225,000,000 to 250,000,000.

In 2012, board of director of the Group has decided to increase their capital from TRY 225,000,000 to TRY 250,000,000 which was increased from retained earnings amounting to TL 8,747,974 and from the profit of 2011 amounting to TL 16,252,026.

22.2 Inflation Adjustment Difference in Shareholder's Equity

	31.03.2014	31.12.2013
Inflation adjustment difference in shareholder's equity	485,133	485,133
	485,133	**485,133**

22.3 Profit / loss again be classified Accumulated Other Comprehensive Income / Expenses

22.3.1 Actuarial Benefit/ (Loss) of the Retirement Plans

	31.03.2014	31.12.2013
Actuarial benefit/(loss) of the retirement plans	(1,624,071)	(319,081)
	(1,624,071)	**(319,081)**

22.4 Restricted Reserves Appropriated from Profit

	31.03.2014	31.12.2013
Legal Reserves	9,754,762	8,507,915
	9,754,762	**8,507,915**

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 profits at the rate of 5 %, until the total reserve reaches a maximum of 20 % of the Group's share capital. The second legal reserve is appropriated at the rate of 10 % of all distributions in excess of 5 % of the Group's share capital. The first and second legal reserves are not available for distribution unless they exceed 50 % of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

Listed companies are subject to dividend requirements regulated by the CMB as follows:

It was announced in the CMB decision dated January 9, 2009, number 1/6 that without considering the fact that a profit distribution has been declared in the general assemblies of the subsidiaries, joint ventures and associates, which are consolidated into the parent company's financial statements, the net income from these companies that are consolidated into the financial statements of the parent company can be considered when calculating the distributable amount, as long as the statutory reserves of these entities are sufficient for a such profit distribution. After completing these requirements, the parent company may distribute profit by considering the net income included in the consolidated financial statements prepared in accordance with Communiqué No. XI-29 of CMB.

In accordance with the CMB decision dated January 27, 2010, it's decided to remove the obligation related with the minimum dividend distribution rate for publicly traded companies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source for 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. However, in case inflation adjustment to shareholders' equity is used on cash profit distribution, it will be subject to corporation tax.

22.5 Previous Year's Profit / Loss

In accordance with the communiqué Serial: XI No: 29, effective from 1 January 2008, and its related announcements, "Paid-in Share Capital", "Restricted Reserves Appropriated from Profit" and "Share Premium" should be presented with statutory amounts. The restatement differences arise during the application of the communiqué should be presented in "Adjustment to Share Capital", if the difference is resulted from paid-in share capital and not has not added to capital yet; should be presented in "Retained Earnings / Losses", if the difference is resulted from "Restricted Reserves Appropriated from Profit" and "Share Premium" and has not been subject to profit distribution or has not added to capital yet.

According to the decision dated 30 December 2003 and numbered 66/1630 of Capital Market Board, "Previous Year's Losses" account which arises from first time application of inflation adjustment on financial statements is taken into consideration as deductible item, during the calculation of distributable profit for the inflation adjusted financial statements under the profit distribution principles of the Capital Market Board. Nonetheless, it is also possible to set off "Previous Year's Losses" with the Company's current profit and accumulated profit. The remaining part of prior year' loss is possibly set off extraordinary reserves, legal reserves and inflation effect on shareholder's equity account, respectively.

In accordance with Turkish Commercial Code, legal reserves consist of first and second legal reserves. Until the Company's legal reserve reaches 20% of the nominal paid-up share capital, legal reserves are set aside as the first 5% of net income. The second legal reserve, on 5% of the Company's share capital is divided into 10% of all profits from the distribution. According to the Turkish Commercial Code, legal reserves for distribution unless they exceed 50%, but can be used to offset losses at the point of profit reserves have been exhausted.

22.6 Minority Interest

31 March 2014	Total Shareholders' Equity	Profit/(Loss) of the Period	Parent Company Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)
Menderes Bulgaria	(2,646,135)	-	%90	%10	(264,613)	-
Smryna	12,256,478	720,944	%79	%21	2,553,433	150,196
					2,288,820	**150,196**

31 December 2013	Total Shareholders' Equity	Profit/(Loss) of the Period	Parent Company Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)
Menderes Bulgaria	(2,583,924)	-	%90	%10	(258,392)	-
Smryna	11,911,935	(370,561)	%79	%21	2,481,649	(77,200)
					2,223,257	**(77,200)**

NOTE 23 – SALES AND COST OF SALES

23.1 Sales

	01.01.-31.03.2014	**01.01.-31.03.2013**
Domestic sales	35,895,717	21,824,092
Export sales	95,026,631	61,010,769
Other sales	223,722	32,158
	131,146,070	**82,867,019**
Sales returns	(121,200)	(2,328,418)
Sales Income, (net)	**131,024,870**	**80,538,601**

For the period ended 01 January – 31 March 2014 and 31 December 2013, for each main product sales of goods and service amounts are as following:

	Unit	**01.01.-31.03.2014**	**01.01.-31.03.2013**
Yarn	Kg	1,342,075	199,388
Raw fabric	M^2	16,627	-
Finished fabric	M^2	6,582,688	6,743,891
Lining	M^2	6,400,576	6,076,277
Bedding, sheet, curtain, pillow	Unit	3,818,442	2,919,476
Electricity	KWH	252,930	544,586
Waste cotton	Kg	168,160	314,321
Patch fabric	Kg	988,020	744,780
Oakum	Kg	143,308	270,920
Waste dust	Kg	23,980	37,240
Bunch tomatoes	Kg	1,007,263	439,882

23.2 Cost of Sales

	01.01.- 31.03.2014	01.01.- 31.03.2013
Direct material cost	114,362,016	71,496,986
Direct labor cost	16,503,333	13,307,862
General production overheads	4,615,641	2,512,173
Depreciation expenses	3,115,111	2,284,938
Change in semi-finished goods		
1. Beginning inventory (+)	41,578,636	40,051,875
2. Ending inventory (-)	(69,605,108)	(53,468,218)
Cost of finished goods produced	110,569,629	76,185,616
Change in finished goods inventory		
1. Beginning inventory (+)	28,629,984	11,551,256
2. Ending inventory (-)	(42,414,691)	(20,802,568)
Cost of finished goods sold	96,784,922	66,934,304
Cost of merchandise		
1. Beginning Merchandise Inventory (+)	226,208	255,339
2. Purchases During the Period (+)	3,667,952	1,656,993
3. Ending Merchandise Inventory (-)	(315,720)	(327,482)
Cost of merchandise sold	3,578,440	1,584,850
Cost of other service rendered	442,100	474,838
Cost of other sales	-	-
Cost of biological assets	455,162	561,939
Depreciation of biological assets	552,577	156,726
Cost of sales, net	**101,813,201**	**69,712,657**

For the period ended 01 January – 31 March 2014 and 31. December 2013, for each main production of goods and service amounts are as following:

	Unit	01.01.-31.03.2014	01.01.-31.03.2013
Yarn	Kg	3,186,356	2,058,477
Raw fabric	M^2	34,533,249	27,966,499
Finished fabric	M^2	44,084,102	34,043,863
Lining	M^2	8,594,181	7,376,706
Bedding, sheet, curtain, pillow	Unit	3,980,299	3,265,477
Electricity	KWH	17,505,865	20,161,772
Waste cotton	Kg	177,274	236,483
Patch fabric	Kg	1,110,058	647,941
Oakum	Kg	134,825	270,920
Waste dust	Kg	23,980	37,240
Bunch tomatoes	Kg	1,007,263	1,032,325

NOTE 24 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

	01.01.-31.03.2014	01.01.-31.03.2013
Marketing, sales and distribution expenses	3,017,991	1,688,494
General administrative expenses	1,216,833	2,696,658
	4,234,824	**4,385,152**

24.1 General administrative expenses:

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Personnel expenses	196,208	46,125
Insurance expenses	170,537	149,294
Representation and accommodation expenses	-	1,875
Communication expenses	31,328	31,362
Rent expenses	2,458	50,933
Education and consultancy expenses	117,241	41,553
General administrative material consumption	77,452	53,450
Capital market expenses	-	62,500
Repair and maintenance expenses	349	20,913
Traveling expenses	85,240	114,772
Chamber fee expenses	4,685	120
Tax and duty expenses	66,259	48,572
Share of holding expenses	32,356	38,877
Notary and insurance expenses	9,568	6,832
Aid and donation expenses	40,788	253,501
Audit and consulting expenses	38,149	105,593
Electricity expenses	71,851	63,511
Lawsuit provisions	78,154	-
Severance pay provision expenses	2,105	1,305,428
Doubtful receivable provisions	-	-
Depreciation expenses	8,896	135,044
Rent expenses	10,500	10,500
Other expenses	172,709	155,903
	1,216,833	**2,696,658**

(*) Composed of the personnel expenses reflected to Group by Akça Holding.

24.2 Marketing, sales and distribution expenses:

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Personnel expenses	769,582	554,009
Export expenses	1,968,271	1,007,944
Transportation of domestic sale	240,542	102,162
Depreciation expenses	-	9,747
Other expenses	39,596	14,632
	3,017,991	**1,688,494**

NOTE 25 – INCOME/ EXPENSE FROM OTHER OPERATIONS

25.1 Income From Other Operations

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Reversal of unnecessary provision	485,893	-
Foreign exchange gain	3,617,776	560,558
Discount income / expenses on trade payables, net	1,406,070	772,511
Prior period income and profit	22,690	102,930
Other income and profit (*)	647,123	448,912
	6,179,552	**1,884,911**

25.2 Other operating expenses (-)

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Commissions expenses	(3,738,155)	(2,927,691)
Foreign exchange losses	(2,350,132)	(763,566)
Discount income / expenses on trade receivables	(1,107,398)	(552,389)
Other expenses and losses	(190,631)	(3,113)
	(7,386,316)	**(4,246,759)**

NOTE 26 – INVESTMENT OPERATING INCOME / (EXPENSE)

26.1 Investment Operating Income

	01.01.-31.03.2014	**01.01.-31.03.2013**
Rent income	-	64,641
Profit on sale of fixed assets	135,810	1
	135,810	**64,642**

26.3 Shares of gain / loss related with investment valued by the equity method

	01.01.-31.03.2014	**01.01.-31.03.2013**
Shares related with investment valued by the equity method	2,041,957	832,616
	2,041,957	**832,616**

NOTE 27 – FINANCIAL INCOME / EXPENSES

27.1 Financial Income

	01.01.- 31.03.2014	01.01.- 31.03.2013
Interest income	528,590	97,140
Maturity differences due from related parties (6-iii-f)	3,066,130	597,077
Foreign exchange income	9,605,468	2,053,472
Foreign exchange gain related parties (6-iii-e)	1,260,713	1,104,436
Foreign exchange gains arising from future contract	222,450	943,385
	14,683,351	**4,795,510**

27.2 Financial Expenses (-)

	01.01.- 31.03.2014	01.01.- 31.03.2013
Interest expenses	(3,401,950)	(915,968)
Foreign exchange losses	(15,020,322)	(2,700,327)
Commission expenses of borrowing	(337,489)	(221,494)
Commission expenses of letter of guarantees	(48,178)	(4,915)
Maturity differences expenses on related parties (6-iii-h)	(81,861)	(308,974)
Foreign exchange losses arising from futures contracts	(3,507,744)	246,460
Other financial expenses	6,360	(19,688)
	(22,391,184)	**(3,924,906)**

NOTE 28 – TAX ASSETS AND LIABILITIES

Group is liable to corporation tax valid in Turkey. The necessary provisions are made on the attached financial statements for expected tax liabilities related to the group's current period activity results.

Corporation tax rate that will be accrued over corporation tax base is calculated over the tax base that remains after adding expenses recorded as expense in determination of commercial earnings that are nondeductible from tax base and subtracting tax-exempt profit, tax- free income and other deductions (if there are losses from previous years and used investment allowances if preferred).

The applied effective interest rate in 31 December 2013 is 20% (2012: 20%)

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 20% in 2013 (2012: 20%).

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Companies prepare their tax return between 1-25 Aprils coming after the related year's balancing period (for the companies having special account period, between 1-25 of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

There are some exceptions on Corporation Tax Law. These exceptions that company will possibly utilize are explained as below;

Taxable losses
According to Turkish Tax Legislation, deduction of financial losses which are decelerated on financial statements, are possible to deduct from profit of the company with the condition not exceeding 5 years. However, financial losses are not possible to be set-off from previous year profits. Group has deferred allowable taxable losses from the 2011 for the amount of TRY 12,360,275. Group is allowed to deduct related amount from the tax assessment until the year of 2016.

Issue Premium Exception
The Premium income provided by the disposing of stocks, formed whiles the establishments of Incorporated Companies or while increasing their capital, below their nominal values is an exemption from Corporation tax.

The Real Estate and Subsidiary Share Sales Gain Exemption
The 75 % of income of corporations composed of subsidiary shares, real estates, privilege, and promoter's stock and perpetual bonds are exemptions of Corporation tax. In order to benefit from exemption, the questioned income should be kept in a fund account in liabilities and should not be removed of operation during 5 years. The sale price should be received at the end of the following 2nd calendar year. Corporations getting income from the sale of such kind of values they own, like Stocks and bonds and real estate trading and renting are beyond the scope of exemption.

Investment Allowance Exemptions
Post abolishment of the law numbered 5479, temporary 69 the article is added to Income Tax Legislation related investment allowance.

According to this execution, Income and Corporation Taxpayers;

a. As of 31 December 2005, its existence is subject and the investment allowance amount that was not able to be deducted from 2005 earnings,

b. In the extent of investment incentive certificate which were issued and based on the application before 24 April 2003, ante abolishment of Income Tax Legislation numbered 193 and dated 09 April 2003 and law numbered 4842, in the extent of certificate the commenced investment projects relying on 1, 2, 3, 4, 5 and 6th the article of appendix and the ones commenced after 01 January 2006,

c. In the extent of abolished 19th article of Income Tax Legislation numbered 193, the started investments prior to 01 January 2006, in terms of economical and technical completeness the ones started post the date,

In terms of regulatory provisions effective on 31 December 2005, calculated amounts of exemptions from investment allowances, again in the extent of legal provisions valid on 31 December 2005 (including tax rate related legal provisions) was deducted merely from earnings of 2006, 2007 and 2008. However, with the decision numbered 2006/95, which was taken during the meeting of the Constitutional Court on 15 October 2009, the phrase "... only related to the years 2006, 2007 and 2008…" which was a part of the Temporary Article 69 of the Income Tax Law was cancelled and the cancellation became effective from the date the decision has been published in the Official Gazette on 8 January.2010. According to the decision, the investment incentive amount outstanding that cannot be deducted from 2008 taxable income previously will be deducted from taxable income of the subsequent profitable years.

Regarding the cancellation decision taken by the Constitutional Court, an amendment was made in the 69th article in Income Tax Regulation using the regulation numbered 6009 and dated 23/07/2010. Consequently, in compliance with the cancellation decision of the Constitutional Court, the year limitation has been abolished and investment allowance has been limited to 25% of the profit. Corporate tax ratio of 30% in the previous regulation for the ones who benefit from investment allowance has been decreased to the effective corporate tax with the amendment made (2010: 20%).

Within the frame of the Communiqué "Decision regarding Government Incentive Assistance in Investment" dated 16 July 2009 and numbered 2009/01, newly investing companies are held subject to investment incentives based on the some regions.

Investment incentives and grants are; discount in corporation and income taxes (differs from region to region), provision for the investment, interest support.

Group is qualified for the investment incentives stated above due to the current and future investment expenditures. The investment area is within the 2nd Region according to the law numbered 5520, article 32/A; so the Company is qualified for 55% discount on corporation tax rate, which reduces corporation tax rate to 9% in accordance with Communiqué, 20% of total investment expenditures will be deducted from accrued corporation tax amount in the coming periods.

Withholding tax

In addition to Corporation tax, it is required to calculate withholding tax from the dividends distributed by full pledge taxpayer enterprise and include in its income tax base and except dividends distributed by foreign companies to its subsidiary in Turkey. As of 23 July 2006 income tax stoppage rate was changed as 15%. Dividends that are added to capital without distribution are not subject to income tax stoppage. It is necessary to make tax withholding at 19,8% over investment allowance balance utilized based on investment incentive certificate taken before 24 April 2003. 40% of group activities directly related to production investment certificate investment expenses made after this date can be deducted. Tax withholding cannot be made on investment expenses without incentive certificate.
Deferred Tax:

The potential deferred tax assets/(liabilities) of the Group represents the tax effects of temporary differences, arising between the financial statements reported for Communiqué purposes and the statutory tax financial statements. Such differences arise due to the different treatment of certain items of income and expense included in the Communiqué financial statements compared to the local tax return, in accordance with applicable tax laws.

As of balance sheet date, accumulated temporary differences and deferred tax assets and liabilities prepared by using current applicable tax rate is as follows:

	31.03.2014		31.12.2013	
	Cumulative temporary differences	**Deferred tax / (liability)**	**Cumulative temporary differences**	**Deferred tax / (liability)**
Deferred tax assets:				
Rediscount receivables	213,291	42,658	417,491	83,498
Severance pay provision	7,629,441	1,525,888	6,392,684	1,278,537
Reversal of capitalized financial expenses	12,669,850	2,533,970	11,034,714	2,206,943
Reversal of capitalized on buildings	3,656,129	182,806	2,992,047	149,602
Tangible fixed assets (land, building, land improvements and depreciations excluded), net	23,358,522	4,671,705	21,658,162	4,331,632
Tangible fixed assets (land, building, land improvements and depreciations), net	24,044	1,202	398,131	19,907
Financial fixes assets	7,081,616	354,080	9,123,573	456,179
Provision for the court cases	310,286	62,057	310,286	62,057
Forward	3,019,767	603,953	5,467,324	1,093,465
Investment allowance	18,770,506	412,951	18,770,506	412,951
Allowable financial losses	-	-	349,432	69,886
Other	13,500	2,700	13,500	2,700
Deferred tax assets		**10,393,970**		**10,167,357**
Deferred tax liabilities:				
Rediscount payables	988,579	197,718	894,107	178,822
Foreign exchange	549,428	109,885	468,432	93,686
Other	-	-	42,468	8,492
Deferred tax liabilities		**307,603**		**281,000**
Deferred tax assets/(liabilities), net		**10,086,367**		**9,886,357**

For the period ended 31 March 2014 and 31 December 2013, movements of deferred tax assets and liabilities are as following:

	01.01.- 31.03.2014	**01.01.- 31.03.2013**
Current corporation tax	(3,177,752)	(1,377,086)
Deferred tax assets/(liabilities), net	(126,238)	333,826
	(3,303,990)	**(1,043,260)**

Deferred Tax (Asset) / Liability Movements:	**01.01.- 31.03.2014**	**01.01.- 31.03.2013**
Opening balance	9,886,357	7,363,830
Deferred tax expense / (income)	(126,238)	2,443,017
Actuarial (gain) / loss effect prior periods	326,248	79,510
Closing balance	**10,086,367**	**9,886,357**

Agreement of tax provision that is shown in income statement is as follows:

	01.01.-31.03.2014	**01.01.-31.03.2013**
Unaudited profit before tax	12,516,494	5,341,087
Total additions to tax base	4,270,722	2,191,718
Total deductions from tax base	(82,539)	(647,377)
Unaudited financial profit	16,704,677	6,885,428
Investment allowances	(1,483,482)	-
Tax base (%20)	**15,221,195**	**6,885,428**
Tax base (%9)	1,483,482	-
Effective tax rate	20%	20%
	9%	9%
Calculated tax (%20)	**3,044,239**	**1,377,086**
Calculated tax (%9)	**133,513**	**-**
Calculated tax	3,177,752	1,377,086
Tax provision in the income statements	(3,177,752)	(1,377,086)

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NOTE 29 – EARNINGS PER SHARE

	01.01.-31.03.2014	**01.01.-31.03.2013**
Net period profit / (loss)	14,936,025	4,803,546
Weighted-average number of shares outstanding (per share with 1 TRY value)	250,000,000	250,000,000
Profit per share (TRY)	**0.0597**	**0.0192**

NOTE 30 – FINANCIAL INSTRUMENTS

Financial assets	**31.03.2014**	**31.12.2013**
Cash and cash equivalents	55,241,641	59,971,644
Trade receivables	32,846,840	65,243,742
Financial assets	9,152,471	7,320,577
Financial liabilities		
Borrowings	221,402,643	214,203,377
Lease payables	22,265,150	19,999,792
Other payables	2,909,310	2,226,254
Trade payables	90,281,351	71,572,873

NOTE 31 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial Instruments

Credit Risk

Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash based sales to customer considered as having a higher risk. Collect ability of trade receivables are evaluated by management depending on their past experiences and current economic condition, and presented in the financial statements net of adequate doubtful provision.

Group allocated the provision for doubtful receivables if there is objective evidence about the loan/credit will not stay the collection of the possibilities. Moreover, a possible impairment of financial assets are reviewed for the purpose of determining the carrying value and fair value of financial assets and is tested by comparing.

Maximum net credit risk as of 31 March 2014 is as following:

	Trade Receivables		**Other Receivables**		
	Related Party	**Third Party**	**Related Party**	**Third Party**	**Deposit At Banks**
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	398,592	32,448,248	90,747,910	6,121,886	55,091,725
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	398,592	32,448,248	90,747,910	3,129,492	55,091,725
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	2,992,394	-
The part under guarantee with collateral etc	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	251,802	-	-	-
Impairment (-)	-	-251,802	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

As of 31 March 2014, aging of overdue receivables is as following:

	Trade Receivables	**Other Receivables**
Overdue 1 - 30 day	-	-
Overdue 1 – 3 months	-	-
Overdue 3 - 12 months	-	-
Overdue 1 - 5 year	-	2,922,394
	-	**2,922,394**

Maximum net credit risk as of 31 December 2013 is as following:

	Trade Receivables		Other Receivables			
	Related Party	**Third Party**	**Related Party**	**Third Party**	**Deposit At Banks**	**Third Party**
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	297,633	64,946,109	77,131,772	7,436,973	59,860,042	
The part of maximum risk under guarantee with collateral	-	-	-	-	-	
A. Net book value of financial assets that are neither past due nor impaired	297,633	64,946,109	77,131,772	4,514,931	59,860,042	
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	
C. Carrying value of financial assets that are past due but not impaired	-	-	-	2,922,042	-	
The part under guarantee with collateral etc	-	-	-	-	-	
D. Net book value of impaired assets	-	-	-	-	-	
Past due (gross carrying amount)	-	251,802	-	-	-	
Impairment (-)	-	(251,802)	-	-	-	
The part of net value under guarantee with collateral etc	-	-	-	-	-	
Not past due (gross carrying amount)	-	-	-	-	-	
Impairment (-)	-	-	-	-	-	
The part of net value under guarantee with collateral etc	-	-	-	-	-	
E. Off-balance sheet items with credit risk	-	-	-	-	-	

As of 31 December 2013, aging of overdue receivables is as following:

	Trade Receivables	Other Receivables
Overdue 1 - 30 day	-	-
Overdue 1 – 3 months	-	-
Overdue 3 - 12 months	-	-
Overdue 1 - 5 year	-	2,922,042
	-	**2,922,042**

Liquidity Risk

Liquidity risk is the Group's possibility of not fulfilling net funding liabilities. Occurrence of events like deteriorations in markets or decrease in credit score that causes decreases in fund resources, are reasons of liquidity risk. The Group management manages liquidity risk by distributing the funds and by keeping sufficient cash and cash equivalents resources to cover the current and possible liabilities.

As of 31 March 2014, Group's liquidity risk table is shown below:

Liabilities		**31 March 2014**			
Maturities according to agreement	**Book Value**	**Contractual Total cash outflow (=I+II+III)**	**Less than 3 months (I)**	**3 – 12 months (II)**	**1- 5 Years (III)**
Financial Liabilities Non Derivatives	**336,858,454**	**338,809,239**	**170,061,922**	**112,210,898**	**56,536,419**
Financial borrowings	221,402,643	220,408,701	78,386,224	102,556,402	39,466,075
Financial leasing	22,265,150	24,221,298	1,873,081	5,277,873	17,070,344
Trade payables	90,281,351	91,269,930	88,953,594	2,316,336	-
Other liabilities	2,909,310	2,909,310	849,023	2,060,287	-
	336,858,454	**338,809,239**	**170,061,922**	**112,210,898**	**56,536,419**

As of 31 December 2013, Group's liquidity risk table is shown below:

Maturities according to agreement	**Book Value**	**Contractual Total cash outflow (=I+II+III)**	**Less than 3 months (I)**	**3 – 12 months (II)**	**1- 5 Years (III)**
Financial Liabilities Non Derivatives	**308,002,296**	**313,675,588**	**161,430,046**	**109,150,868**	**43,094,674**
Financial borrowings	214,203,377	217,163,581	91,068,881	98,888,093	27,206,607
Financial leasing	19,999,792	21,818,773	1,538,131	4,392,575	15,888,067
Trade payables	71,572,873	72,466,980	67,830,067	4,636,913	-
Other liabilities	2,226,254	2,226,254	992,967	1,233,287	-
	308,002,296	**313,675,588**	**161,430,046**	**109,150,868**	**43,094,674**

Interest Rate Risk

The group's financial liabilities exposure the Group to interest rate risk. The group's financial liabilities mainly consist of fixed rate borrowings. As of 31 March 2014, according to the current balance sheet position, in the case of 1% decrease / increase and keeping fixed all the variables the Group's net profit will increase / decrease TRY 962,654.

Foreign Currency Risk

The effects occurring from exchange rate fluctuation, in case of having foreign currency assets, liabilities, off-balance sheet liabilities, are foreign currency risk. Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the statement of profit/loss. Monetary liabilities of the Company exceed monetary assets of the Company; in case of exchange rate rise, the Company is exposed to foreign currency risk.

Foreign Currency Risk Sensitivity

As of 31 March 2014, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been 19,051,242 TL more / less.

	Profit / Loss		**Profit / Loss**	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
	In the case of increasing / losing value of TRY by 10% against USD			
1-USD net asset / liability	(15,237,200)	15,237,200	-	-
2-Part of hedged from USD risk (-)	-	-	-	-
3-USD net effect (1+2)	**(15,237,200)**	**15,237,200**	**-**	**-**
	In the case of increasing / losing value of TRY by 10% against EUR			
4- Euro net asset / liability	(3,917,406)	3,917,406	(843,854)	843,854
5- Part of hedged from Euro risk (-)	-	-	-	-
6-Euro net effect (4+5)	**(3,917,406)**	**3,917,406**	**(843,854)**	**843,854**
	In the case of increasing / losing value of TRY by 10% against GBP			
7- GBP net asset / liability	103,365	(103,365)	-	-
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect 7+8)	**103,365**	**(103,365)**	**-**	**-**
TOTAL (3+6+9)	**(19,051,242)**	**19,051,242**	**(843,854)**	**843,854**

As of 31 December 2013, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 19,109,983 more / less.

	Profit / Loss		**Profit / Loss**	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
	In the case of increasing / losing value of TRY by 10% against USD			
1-USD net asset / liability	(16,588,927)	16,588,927	-	-
2-Part of hedged from USD risk (-)	-	-	-	-
3-USD net effect (1+2)	**(16,588,927)**	**16,588,927**	**-**	**-**
	In the case of increasing / losing value of TRY by 10% against EUR			
4- Euro net asset / liability	(2,644,990)	2,644,990	(775,223)	775,223
5- Part of hedged from Euro risk (-)	-	-	-	-
6-Euro net effect (4+5)	**(2,644,990)**	**2,644,990**	**(775,223)**	**775,223**
	In the case of increasing / losing value of TRY by 10% against GBP			
7- GBP net asset / liability	123,934	(123,934)	-	-
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect 7+8)	**123,934**	**(123,934)**	**-**	**-**
TOTAL (3+6+9)	**(19,109,983)**	**19,109,983**	**(775,223)**	**775,223**

As of 31 March 2014, amounts of assets and liabilities of the Company in foreign currency are as follows:

	TRY Equivalent (Functional Unit)	USD	EUR	GBP
1. Trade Receivables	29,633,314	4,525,326	5,799,802	628,069
2a. Monetary Financial Assets (including cash and banks)	19,536,383	6,330,849	1,886,397	88
2b. Non-monetary financial assets	-	-	-	-
3. Other	20,765,283	9,482,731	-	-
4. Current Assets (1+2+3)	**69,934,980**	**20,338,905**	**7,686,199**	**628,156**
5. Trade Receivables	-	-	-	-
6a. Monetary financial receivables	6,350,420	2,900,000	-	-
6b. . Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	6,350,420	**2,900,000**	**-**	**-**
9. Total Assets (4+8)	**76,285,400**	**23,238,905**	**7,686,199**	**628,156**
10. Trade Payables	45,769,861	18,335,028	1,868,787	-
11. . Financial Liabilities	194,346,924	70,976,238	12,527,895	343,745
12a. Other monetary financial liabilities	218,652	51,356	35,313	-
12b. Other non-monetary financial liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**240,335,437**	**89,362,623**	**14,431,995**	**343,745**
14. Trade Payables	-	-	-	-
15. Finansal Liabilities	26,462,387	3,458,892	6,280,961	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**26,462,387**	**3,458,892**	**6,280,961**	**-**
18. Total Liabilities (13+17)	**266,797,824**	**92,821,514**	**20,712,955**	**343,745**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**	**-**
19a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	**-**	**-**	**-**	
20. Net foreign currency asset / liabilities (9-18+19)	**(190,512,424)**	**(69,582,609)**	**(13,026,757)**	**284,412**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(211,277,707)	(79,065,340)	(13,026,757)	284,412
22. Fair value of derivative instruments used in foreign currency hedge	**-**	**-**	**-**	**-**
23. Exports*	**88,363,985**	**39,900,878**	**-**	**-**
24. Imports*	**64,013,662**	**28,905,456**	**-**	**-**

(*) As of 31 March 2014, exports and imports' balances were appreciated with average rate of exchange.

As of 31 December 2013, amounts of assets and liabilities of the Company in foreign currency are as follows:

	TRY Equivalent (Functional Unit)	**USD**	**EUR**	**GBP**
1. Trade Receivables	46,481,702	5,303,588	11,043,984	777,922
2a. Monetary Financial Assets (including cash and banks)	11,960,787	5,420,267	133,029	476
2b. Non-monetary financial assets	2,766,797	1,068,180	165,837	-
3. Other	29,108,685	-	9,912,714	-
4. Current Assets (1+2+3)	**90,317,971**	**11,792,035**	**21,255,564**	**778,398**
5. Trade Receivables	-	-	-	-
6a. Monetary financial receivables	-	-	-	-
6b. Non-monetary financial assets	180,947	-	61,620	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	**180,947**	**-**	**61,620**	**-**
9. Total Assets (4+8)	**90,498,918**	**11,792,035**	**21,317,184**	**778,398**
10. Trade Payables	24,768,252	9,362,385	1,629,870	-
11. Financial Liabilities	192,425,550	66,338,954	16,868,119	371,672
12a. Other monetary financial liabilities	22,996,659	10,686,326	-	53,777
12b. Other non-monetary financial liabilities	349,854	16,978	106,800	-
13. Current Liabilities (10+11+12)	**240,540,315**	**86,404,643**	**18,604,789**	**425,449**
14. Trade Payables	-	-	-	-
15. Finansal Liabilities	41,058,430	3,112,768	11,719,683	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**41,058,430**	**3,112,768**	**11,719,683**	**-**
18. Total Liabilities (13+17)	**281,598,745**	**89,517,411**	**30,324,472**	**425,449**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset / liabilities (9-18+19)	**(191,099,827)**	**(77,725,376)**	**(9,007,288)**	**352,949**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(222,806,402)	(78,776,578)	(19,040,659)	352,949
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Exports*	377,875,499	198,842,796	-	-
24. Imports*	194,440,020	102,316,761	-	-

(*)As of 31 December 2013, exports and imports' balances were appreciated with average rate of exchange.

NOTE 32 – FINANCIAL INSTRUMENTS (STATEMENTS OF FAIR VALUES AND STATEMENTS WITHIN ACCOUNTING ENSURING FINANCIAL RISK)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Group using available markets information in Turkey and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here in are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are utilized for the current values of financial instruments which are predictable in practice:

Financial Assets
Monetary assets for which fair value approximates carrying value:

-Balances denominated in foreign currencies are converted at period exchange rates.
-The fair value of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying amounts in the financial statements.
-The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values.

Financial Liabilities
Monetary liabilities for which fair value approximates carrying value:

-The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.
-The fair values of long-term bank borrowings, which are denominated in foreign currencies and converted at period exchange rates, are considered to approximate their carrying values.
-The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer settlements approximates its fair values.

Capital Risk Management
In capital management, the Group aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Company follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt.

As of 31.03.2014 and 31.12.2013 net debt / total equity ratio is as follows:

	31.03.2014	**31.12.2013**
Total debts	364,633,322	340,644,400
Less: Liquid assets	(55,241,641)	(59,971,644)
Net debt	309,391,681	280,672,756
Total equity	311,014,636	297,452,214
Total capital	620,406,317	578,124,970
Net Debt/Total Equity ratio	50%	49%