

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

İhlas Holding A.Ş. and its Subsidiaries

Consolidated Balance Sheet at September 30, 2017

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

	Current Period	Previous Period
	30.09.2017	31.12.2016
ASSETS		
CURRENT ASSETS	2.035.104.012	1.852.217.423
Cash and Cash Equivalents	34.191.600	24.202.969
Financial Investments	-	-
Trade Receivables	864.749.513	809.314.837
- Related parties	812.632	1.955.033
- Non-related parties	863.936.881	807.359.804
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	3.250.470	1.970.204
- Related parties	-	-
- Non-related parties	3.250.470	1.970.204
Derivative Financial Instruments	-	-
Inventories	818.092.067	802.538.784
Biological Assets	-	-
Prepaid Expenses	266.599.094	174.123.895
Assets related with Current Tax	2.191.853	1.210.730
Other Current Assets	45.853.884	38.856.004
SUBTOTAL	2.034.928.481	1.852.217.423
Assets Held for Sale	175.531	-
NON-CURRENT ASSETS	569.012.834	633.158.655
Financial Investments	914.306	914.306
Trade Receivables	16.302.995	77.359.737
- Related parties	-	-
- Non-related parties	16.302.995	77.359.737
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	1.731.767	1.534.771
- Related parties	-	-
- Non-related parties	1.731.767	1.534.771
Derivative Financial Instruments	-	-
Investments Accounted with Equity Method	14.069.728	14.073.825
Biological Assets	-	-
Investment Properties	211.611.326	211.824.813
Property, Plant and Equipment	249.165.017	247.653.049
Intangible Assets	20.535.416	19.876.581
- Goodwill	14.442.639	14.442.639
- Other Intangible Assets	6.092.777	5.433.942
Prepaid Expenses	1.484.090	2.031.534
Deferred Tax Asset	53.198.189	57.890.039
Other Non-Current Assets	-	-
TOTAL ASSETS	2.604.116.846	2.485.376.078

LIABILITIES AND SHAREHOLDERS' EQUITY		
SHORT TERM LIABILITIES	1.416.325.119	1.264.747.033
Short-Term Liabilities	55.815.284	128.019.895
Short-Term Portion of Long-Term Liabilities	50.107.005	54.314.120
Other Financial Liabilities	-	-
Trade Payables	197.189.493	178.985.966
- Related parties	5.308.302	4.104.891
- Non-related parties	191.881.191	174.881.075
Liabilities for employee benefits	21.693.105	19.644.225
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	8.553.639	3.435.653
- Related parties	420.000	250.000
- Non-related parties	8.133.639	3.185.653
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	1.034.726.326	833.583.347
Current Income Tax Liabilities	141.849	5.648.598
Short-Term Provisions	12.267.422	11.203.346
- Short-Term Provisions for employee benefits	-	-
- Other Short-Term Provisions	12.267.422	11.203.346
Other Current Liabilities	35.830.996	29.911.883
SUBTOTAL	1.416.325.119	1.264.747.033
Liabilities From Assets Held for Sale	-	-
LONG TERM LIABILITIES	369.597.063	432.167.809
Long-Term Liabilities	209.263.263	91.416.922
Other Financial Liabilities	-	-
Trade Payables	-	-
- Related parties	-	-
- Non-related parties	-	-
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	30.594	30.594
- Related parties	-	-
- Non-related parties	30.594	30.594
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	50.611.085	235.243.053
Long-Term Provisions	47.367.527	41.855.851
- Long-Term Provisions for employee benefits	46.087.444	40.635.156
- Other Long-Term Provisions	1.280.083	1.220.695
Current Tax Liability	-	-
Deferred Tax Liability	31.700.698	29.166.484
Other Long Term Liabilities	30.623.896	34.454.905
EQUITY	818.194.664	788.461.236
PARENT COMPANY EQUITY	534.241.239	503.173.740
Paid-in Capital	790.400.000	790.400.000
Adjustment to Paid-in Capital	-	-
Share Buyback (-)	-	-
Capital Adjustments due to Cross-Ownership	-	-
Equity Share Premiums	7.218.627	7.218.627
Other Comprehensive Income not to be Reclassified as Profit or Loss	92.288.931	94.747.995
- Profit/Loss on Revaluation Funds	97.681.199	97.681.199
- Other Profit/Loss	(5.399.287)	(2.958.805)
Other Capital Reserves	7.019	25.601
Other Comprehensive Income to be Reclassified as Profit or Loss	(39.136.614)	(39.020.867)
- Foreign Currency Translation Differences	-	-
- Profit/Loss on Hedging	-	-
- Profit/Loss on Revaluation Funds	-	-
- Other Profit/Loss	-	-
Restricted Reserves	21.239.925	20.067.133
Prior Years' Earnings/Loss	(371.411.940)	(433.327.470)
Profit/Loss for the period	33.642.310	63.088.322
Non-controlling Interests	283.953.425	285.287.496
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2.604.116.846	2.485.376.078

	01.01.2017- 30.09.2017	01.01.2016- 30.09.2016
INCOME STATEMENTS		
CONTINUING OPERATIONS		
Revenue	465.966.852	851.559.811
Cost of Sales	(352.323.652)	(638.509.615)
Gross Profit (Loss) from Commercial Operations	113.643.200	213.050.196
Revenue from Financial Operations	-	-
Cost of Financial Operations (-)	-	-
Gross Profit (Loss) from Financial Sector Operations	-	-
GROSS PROFIT/LOSS	113.643.200	213.050.196
Marketing Expenses (-)	(75.000.192)	(140.478.649)
General Administrative Expenses (-)	(27.446.837)	(11.865.798)
Research and Development Expenses (-)	(1.179.859)	(645.160)
Other Operating Income	117.224.209	96.669.747
Other Operating Expenses (-)	(41.458.261)	(45.054.030)
OPERATING PROFIT/LOSS	85.782.260	111.676.306
Revenue from Investing Activities	377.768	3.708.553
Expenses of Investing Activities (-)	(72.127)	(2.772.390)
Shares in Profit/Loss of Investments Accounted with Equity Method	25.095	(162.127)
PROFIT/LOSS BEFORE FINANCIAL EXPENSES	86.112.996	112.450.342
Financial Income	16.510.292	9.726.448
Financial Expenses (-)	(60.086.443)	(51.517.438)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	42.536.845	70.659.352
Tax Income/Expense from Continuing Operations	(9.892.706)	(26.630.329)
- Current Tax Income/Expense	(1.941.602)	(29.596.973)
- Deferred Tax Income/Expense	(7.951.104)	2.966.644
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	32.644.139	44.029.023
DISCONTINUED OPERATIONS		
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-
CURRENT YEAR PROFIT / LOSS	32.644.139	44.029.023
Profit/Loss of the Period Attributable to:		
- Non-controlling Interests	(998.171)	3.805.467
- Equityholders of the Parent	33.642.310	40.223.556
Earnings Per Share	0,041	0,056
- Earnings Per Share from Continuing Operations	0,041	0,056
- Earnings Per Share from Discontinued Operations		
Diluted Earnings Per Share		
- Diluted Earnings Per Share from Continuing Operations		
- Diluted Earnings Per Share from Discontinued Operations		
COMPREHENSIVE INCOME STATEMENT (TL)		
(XI-29 CONSOLIDATED)		
CURRENT YEAR PROFIT / LOSS	32.644.139	44.029.023
Non-Classifiable Items to Profit/ (Loss)		
Change in Revaluation of Property, Plant and Equipment	-	7.697
Change in Revaluation of Intangible Assets	-	-
Gains/Losses on Remeasurement of Defined Benefit Plans	(2.900.160)	(426.513)
Non-Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	(36.041)	(45)
Non-Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
Tax due to Non-Classifiable Items of Other Comprehensive Income as Profit/(Loss)		
Classifiable Items to Profit/ (Loss)		
Foreign Currency Translation Differences	-	-
Gain/(Loss) on Revaluation or Reclassification of Available for Sale Financial Assets	-	-
Gain/(Loss) on Cash Flow Hedges	-	-
Gain/(Loss) on Hedge of Net Investment in a Foreign Operation	-	-
Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	-	-
Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
OTHER COMPREHENSIVE INCOME	(2.936.201)	(418.861)
TOTAL COMPREHENSIVE INCOME	29.707.938	43.610.162
Total Comprehensive Income Attributable to:		
- Non-controlling Interests	(1.475.308)	3.457.548
- Equityholders of the Parent	31.183.246	40.152.614