

**MOOVA GIDA SANAYİ VE
TİCARET A.Ş.**

COMPARATIVE FINANCIAL
STATEMENTS AND FOOTNOTES
DATED 31st DECEMBER 2014

MOOVA GIDA SANAYİ VE TİCARET A.Ş.COMPARATIVE BALANCE SHEET DATED 31st DECEMBER 2014

(The amounts are given in Turkish Lira (TL) unless noted otherwise)

ASSETS	Footnote References	31st December 2014	31st December 2013
Current Assets		107.535.413	24.515.237
Cash and Cash Equivalents	2	91.251.359	766.538
Financial Investments		-	-
Trade Receivables	3	2.261.514	6.611.932
-Trade Receivables from Related Parties			
-Trade Receivables from Non-Related Parties		2.261.514	6.611.932
Other Receivables		252.108	281.650
Inventories	4	6.627.432	11.606.031
Expenses Paid in Advance		-	-
Assets Relating to Current Period Tax		-	-
Other Current Assets	5	7.143.000	5.249.086
Assets Classified as Intended for Sale Purposes		-	-
Fixed Assets		31.514.836	50.252.588
Other Receivables		1.295	-
Financial Investments		-	-
Investments Appraised by Equity Method			
Tangible Fixed Assets	6	29.754.400	45.146.680
Intangible Fixed Assets	7	225.447	74.357
Expenses Paid in Advance		61.574	-
Deferred Tax Assets		1.472.120	-
Other Fixed Assets	8		5.031.551
TOTAL ASSETS		139.050.249	74.767.826

LIABILITIES	Footnote References	31st December 2014	31st December 2013
Short Term Liabilities		5.108.118	48.261.302
Short Term Payables	10	65.657	23.590.935
Short Term Portions of Long Term Payables	10	0	14.389.717
Trade Payables		4.405.337	9.647.780
-Trade Payables to Related Parties	11		6.996.020
-Trade Payables to Non-Related Parties		4.405.337	2.651.759
Payables within the Scope of the Benefits Provided to the Employees	9	236.059	515.990
Other Payables		401.065	1.881
-Other Payables to Related Parties		401.065	0
-Other Payables to Non-Related Parties		-	1.881
Deferred Income			
Tax Liability on Period Profit			
Short Term Provisions		-	115.000
-Short Term Provisions Relating to the Benefits Provided to the Employees			115.000
-Other Short Term Provisions			
Liabilities Relating to the Assets Classified as Intended for Sale Purposes		-	0
Long Term Liabilities		0	47.621.086
Long Term Payables	10	-	47.474.718
-Long Term Provisions Relating to the Benefits Provided to the Employees			146.368
EQUITY		133.942.131	-21.114.562
Equity Owned by the Main Partnership		133.942.131	-21.114.562
Paid-in Capital	12	212.500.000	22.500.000
Capital Adjustment Differences			46.000.000
Premiums/Discounts Relating to Shares			
Other Accumulated Comprehensive Income or Expense to be Reclassified in Profit or Loss		1.723.118	0
-Revaluation Surplus of Financial Assets		1.723.118	0
Other Accumulated Comprehensive Income or Expense Not to be Reclassified in Profit or Loss		-	8.691.492
-Defined Benefit Plans Remeasurement Gains/Losses		-	-.176.479
Limited Reserves Reserved out of Profit		95.731	0
Profits of the Past Years		(55.201.809)	(47.277.098)
Net Period Profit		(25.174.910)	(50.852.477)
Non-Controlling Shares		0	0
TOTAL LIABILITIES		139.050.249	74.767.826

MOOVA GIDA SANAYİ VE TİCARET A.Ş.INCOME STATEMENT FOR THE PERIOD THAT ENDED ON 31ST DECEMBER 2014

(The amounts are given in Turkish Lira (TL) unless noted otherwise)

	Footnote References	1 st January - 31 st December 2014	1 st January – 31 st December 2013
ACTIVITIES IN PROGRESS			
Proceeds	13	27.463.485	42.167.649
Costs of Sales (-)	13	(32.309.313)	(48.811.232)
GROSS PROFIT FROM TRADE ACTIVITIES		(4.845.828)	(6.643.583)
Marketing Costs (-)	14	(9.363.061)	(24.894.897)
General Management Costs (-)	14	(1.923.221)	(2.891.657)
Research and Development Costs (-)		-	-
Other Income from Main Activities		1.129.468	1.925.447
Other Costs of Main Activities (-)		(3.669.162)	(3.996.794)
MAIN ACTIVITY PROFIT		(18.673.804)	(36.501.483)
Income from Investment Activities			
Costs of Investment Activities (-)			(17.699)
Shares from the (Losses)/Profits of Investments Appraised by Equity Method			
ACTIVITY PROFIT BEFORE THE FINANCING COSTS		(18.673.804)	(36.519.182)
Financing Costs (-)		(6.501.105)	(6.748.870)
PROFIT OF ACTIVITIES IN PROGRESS BEFORE TAX		(25.174.910)	(43.268.052)
Tax Costs of Activities in Progress			
Period Tax Costs			
Deferred Tax Income/(Costs)			(7.584.425)
PERIOD PROFIT/(LOSS) OF THE ACTIVITIES IN PROGRESS		(25.174.910)	(50.852.477)
SUSPENDED ACTIVITIES			
Period profit/(loss) of suspended activities after tax			
PERIOD PROFIT/(LOSS)		(25.174.910)	(50.852.477)
Distribution of Period Profit/(Loss):			
Non-Controlling Shares			
Main Partnership Shares		(25.174.910)	(50.852.477)

MOOVA GIDA SANAYİ VE TİCARET A.Ş.

INCOME STATEMENT FOR THE PERIOD THAT ENDED ON 31ST DECEMBER 2014

(The amounts are given in Turkish Lira (TL) unless noted otherwise)

				Other Accumulated Comprehensive Income or Expense to be Reclassified in Profit or Loss	Other Accumulated Comprehensive Income or Expense Not to be Reclassified in Profit or Loss						
	Paid-in Capital	Capital Adjustment Differences	Premiums/Discounts Relating to Shares	Revaluation Surplus of Financial Assets	Defined Benefit Plans Remeasurement Gains/Losses	Limited Reserves Reserved out of Profit	Net period (loss)/ profit	Profits (loss) of the Past Years	Equity Owned by the Main Partnership	Non-Controlling Shares	Total Equity
Balance as of 1 st January 2013	22.500.000	33.000.000	0	0	8.515.013	0	-35.802.911	-11.474.187	16.737.915	0	16.737.915
Transfers	-	-	-	-	-	-	35.802.911	(35.802.911)	-	-	-
Total comprehensive income	-	13.000.000	-	-	-	-	(50.852.477)		(37.852.477)	-	(37.852.477)
Balance as of 31st December 2013	22.500.000	46.000.000	0	0	8.515.013	0	-50.852.477	(47.277.098)	-21.114.562	0	-21.114.562
Balance as of 1st January 2014											
	22.500.000	46.000.000	0	0	8.515.013	0	-50.852.477	-47.277.098	-21.114.562	0	-21.114.562
Transfers	62.439.723	(46.000.000)	-	-	(8.515.013)	-	50.852.477	-7.924.711	50.852.477	-	50.852.477
Output for subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	127.560.277	-	-	1.723.118	-	95.731	(25.174.910)	-	104.204.216	-	104.204.216
Balance as of 31st December 2014	212.500.000	0	0	1.723.118	-	95.731	(25.174.910)	-55.201.809	133.942.131	-	133.942.131

MOOVA GIDA SANAYİ VE TİCARET A.Ş.
CASH FLOW TABLE DATED 31ST DECEMBER 2014
(The amounts are given in Turkish Lira (TL) unless noted otherwise)

	1st January - 31st December 2014	1st January – 31st December 2013
Pretax period profit from the activities in progress	-25.174.910	-43.268.052
Period profit/(loss) from the suspended activities (Footnote: 27)	-	-
Tax for the net cash amount arising from the activities of the enterprise		
Adjustments relating to the net profit/loss settlement for the period	-	-
Adjustments relating to depreciation and amortization costs	4.201.432	2.135.501
Reasonable difference for biological assets	-	-
Adjustments relating to interest income and expenses	4.694.987	2.687.350
Adjustments relating to impairment/cancellation	325.450	364.026
Adjustments relating to provisions	-	67.969
Adjustments relating to unrealized foreign currency conversion differences	-	-
Adjustments relating to fair value losses/gains	-	180.448
Income accruals and state incentives and support	-	-
Tax payments	-	-
Adjustments relating to tax expenses/income	-	351.684
Adjustments relating to losses/gains arising out of the disposal of fixed assets	-	-
Changes in operational capital	-15.953.040	-37.481.074
Adjustments relating to increase/decrease in stocks	(4.978.600)	(1.495.919)
Adjustments relating to increase/decrease in trade receivables	(4.350.418)	(5.010.555)
Adjustments relating to increase/decrease in other receivables pertaining to activities	(29.542)	855.126
Adjustments relating to increase/decrease in trade payables	(5.242.443)	(2.673.806)
Adjustments relating to increase/decrease in other payables pertaining to the activities	399.184	(27.824)
Adjustments relating to other increase/decrease in operational capital	190.000.000	7.498.787
Cash flow from activities	159.845.141	(38.335.265)
Collected income accruals and state incentives and support	-	-
Provisions for the paid debts	-	-
Paid severance pay	-	146.368
Net cash from operational activities	159.845.141	(38.188.897)
Investment activities:		
Cash input from sale of tangible and intangible fixed assets	(12.250)	(5.376.973)
Cash input from sale of biological assets	-	-
Cash output due to purchase of tangible and intangible fixed assets	8.736.854	4.952.176
Cash output due to purchase of biological assets	-	-
Interest received	15.071	77.428
Foreign currency conversion differences	-	1.697.488
Net cash flow from investment activities	8.739.675	1.350.119
Financial activities:		
Interest paid	(7.100.000)	(2.823.361)
Cash inputs from borrowing	-	47.121.770
Cash output due to payment of debts	(70.999.996)	(7.666.899)
Dividends paid	-	-
	-	-
	0	0
Net cash used in financial activities	(78.099.996)	36.631.510
Net change in cash and cash equivalents	90.484.821	(207.268)
Balance at the beginning of the period for cash and cash equivalents	766.538	973.806
Balance at the end of the period for cash and cash equivalents	91.251.359	766.538

FOOTNOTE 13 – SALES AND COST OF SALES

Main activity income and costs of sales are as follows respectively for the years that ended on 31st December 2014 and 31st December 2013:

	1st January - 31st December 2014	1st January – 31st December 2013
Domestic sales	34.133.350	51.756.946
Export sales	47.120	115.567
Sales returns and discounts	(6.716.985)	(9.704.863)
Total main activity income	27.463.485	42.167.649
Expenses of raw materials and consumables	(19.579.059)	(36.217.635)
Direct labour expenses	(1.491.292)	(2.392.088)
General production expenses	(4.204.049)	(7.135.896)
Depreciation expenses	(2.177.831)	(3.116.315)
Variation in stocks of finished and semi-finished goods	(4.857.082)	50.700
Cost of sales	(32.309.313)	(48.811.232)
Gross main activity income	-4.845.828	-6.643.583

FOOTNOTE 14 - EXPENSES BY THEIR NATURE

Details of the activity costs are as follows respectively for the years that ended on 31st December 2014 and 31st December 2013:

	1st January - 31st December 2014	1st January – 31st December 2013
Marketing, selling and distribution expenses:		
Action, sale promotion and gondola participation costs	(4.304.518)	(5.422.524)
Staff expenses	(1.593.680)	(3.852.723)
Transport and insurance costs	(1.287.047)	(3.026.609)
Advertising and promotion	(620.441)	4.947.317)
Vehicle expenses	(613.301)	(1.509.825)
Other	(393.481)	(275.015)
Sale support & development expenses	(221.630)	(4.824.414)
Lease expenses	(209.885)	(700.234)
Exhibit and fair expenses	(65.694)	(34.991)
Travel and transportation expenses	(52.088)	(225.157)
Depreciation and amortization shares	(3.296)	(76.088)
	(9.365.061)	(24.894.897)

Details of the activity costs are as follows respectively for the years that ended on 31st December 2014 and 31st December 2013:

	1st January - 31st December 2014	1st January – 31st December 2013
General management costs:		
Intragroup corporate services	(904.155)	(1.358.262)
Expenses for taxes and fees	(111.047)	(421.497)
Travel and transportation expenses	(396.126)	(48.988)
Expenses for stationery and materials	(7.997)	(45.766)
Other	(101.160)	(41.249)
Notarization and translation expenses	(20.318)	(29.222)
Representation and hosting expenses	(2.478)	(29.163)
Vehicle expenses	35.025)	(28.648)
Consulting and legal expenses	(95)	(22.176)
Insurance expenses	-	(9.715)
Subscription fees	(6.905)	(8.804)
Staff expenses	(268.259)	(768.585)
Depletion and depreciation expenses	(69.654)	(79.581)
	(1.923.221)	(2.891.657)

FOOTNOTES FOR FINANCIAL STATEMENTS

FOOTNOTE 1 - ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY

Tat Gıda Sanayi A.Ş. (Tat Gıda) is the controlling shareholder and the party holding all the shares of Moova Gıda Sanayi ve Ticaret A.Ş. (“the Company”).

The company engages in activities in the field of milk and dairy production. Within the framework of the resolution of the board of directors dated 1st July 2014, all the existing shares representing 100% of the company capital were purchased by Tat Gıda from Söktaş Tekstil Sanayi ve Ticaret A.Ş., Muharrem Hilmi Kayhan, Eyüp Hilmi Kayhan, Nihat Fadil Erten and Mehmet Yılmaz for a total price of TL 32.271.190 (“Closure Payment”) subject to a price adjustment. Purchase took place on 20th August 2014.

2- CASH AND CASH EQUIVALENTS

Details of the liquid assets are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Cash	0	9.121
Banks		0
Time Deposit-TL	91.200.000	736.237
Demand Deposit-TL	50.097	21.180
Time Deposit-Foreign Currency	0	0
Demand Deposit- Foreign Currency	1.262	0
Total liquid assets	91.251.359	766.538

The term for the time deposit is between the dates 9th January 2015 and 27th February 2015 and the interest rate is between 8,50% and 11,60%. TL 700 thousand is the overnight balance. As of 31st December 2015: the term for the time deposit is 2nd January 2014 and the interest rate is 7,25%.

3- TRADE RECEIVABLES

Details of the trade receivables are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Trade receivables	2.261.514	6.875.881
Checks and promissory notes	0	100.513
Rediscount on notes receivable	0	-364.462
Doubtful accounts	726.471	621.996
Provision for doubtful accounts (-)	-726.471	-621.996
Total short term trade receivables	2.261.514	6.611.932

4- INVENTORIES

Details of the inventories are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Raw materials	836.129	1.845.630
Semi-finished products	2.130.272	4.145.525
Finished goods	2.220.639	5.062.467
Other inventories	1.440.392	1.482.467
Provision for destroyed inventories (-)	0	-830.058
Total short-term trade receivables	6.627.432	11.606.031

When the net realizable value of the inventories falls below their costs, the inventories are reduced to their net realizable value and are reflected as a cost in the schedule of income in the year when the value is lowered. (2013: TL 930.058)

5- OTHER ASSETS AND LIABILITIES

Details of the other current/non-current assets and short/long term liabilities are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Other current assets		
Deductible value added tax (VAT) and funds	7.092.365	4.845.698
Termed transaction agreements based on foreign currency	-	
Expenses for the future months	-	164.828
Advance payments for work		4.429
Other Value Added Tax	-	
Income accruals	48.184	449
Other	2.451	233.682
Total other current assets	7.143.000	5.249.086

	31 st December 2014	31 st December 2013
Other fixed assets		
Deferred VAT	0	4.995.840
Expenses paid in advance	0	35.712
Social security premiums payable		
Other		
Total other fixed assets	0	5.031.551

6- TANGIBLE FIXED ASSETS

Movements in tangible fixed assets and related accumulated depreciation are as follows for the periods that ended on 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Land	13.762.350	7.468.781
Land improvements	179.279	19.420
Buildings	8.563.215	14.252.894
Machinery, plant and equipment	17.350.401	25.188.058
Furniture and fixtures	2.295.398	2.203.385
Special costs	24.181	36.008
Construction in progress	0	277.252
Cost	42.174.824	49.445.797
Accumulated depreciation (-)	-12.420.423	-4.299.117
Net registered value	29.754.400	45.146.680

Out of the depreciation costs, TL 2.177.831 (2013: TL 3.116.315) is included in the costs of the goods sold, TL 69.654 (2013: TL 79.581) is included in general management costs, TL 3.296 (2013: TL 76.088) is included in costs of sales, TL 749.693 (2013: TL 1.651.048) is included in inventories and the rest is included in the idle capacity expenses.

7- INTANGIBLE FIXED ASSETS

Movements in rights, intangible fixed assets and related accumulated depreciation are as follows for the periods that ended on 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Cost	511.283	212.271
Accumulated depreciation (-)	-285.836	-137.914
Net registered value	225.447	74.357

The entire depreciation costs amount, TL 104.720 (2013: TL 62.781), is included in the general management costs.

8- OTHER FIXED ASSETS

Details of the other current/non-current assets and short/long term liabilities are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Deferred VAT	0	4.995.840
Expenses paid in advance	0	35.712
Social security premiums payable		
Other		
Total other fixed assets	0	5.031.551

8- BENEFITS PROVIDED TO THE EMPLOYEES

	31 st December 2014	31 st December 2013
Remunerations payable to the staff		
Taxes and funds payable	112.466	308.480
Social security premiums payable	41.802	102.184
Other	81.032	104.509
Total benefits provided to the employees	758.40	816.40
Remunerations payable to the staff	236.059	515.990

Long-Term Benefits Provided to the Employees

Severance Benefit Obligation

Pursuant to the provisions of the Labour Law in effect, obligation exists to pay legal severance payments to employees, whose labour contracts have terminated in a manner entitling them to such payments. Furthermore, pursuant to article 60 of the Law with the number 506 still in effect, as amended by the laws dated 6 March 1981 with the number 2422 and dated 25 August 1999 with the number 4447, obligation also exists to pay legal severance payment to those leaving the company and who at the same time are entitled to severance payments. Some considerations related to the shifts regarding to service terms before the retirement have been removed from the Law upon amending respective law on 23 May 2002

The severance payment to be made as of the date of 31 December 2014 is subject to the monthly cap of 3.438,22 TL. (31 December 2013: 23.254,44 TL)

Severance payment liability is not subject to any legal funding. The severance payment obligation is calculated according to the present value of possible future obligations, which will arise due to the retirement of company employees. TMS 19 ("Benefits Provided to Employees") prescribes the development of the company's liabilities by using actuarial valuation methods within the scope of defined benefit plans. The actuarial assumptions, in accordance with this, used in the calculation of entire obligations are stated below:

The main assumption is the increase parallel to inflation of maximum obligation for each service year. Thus, the discount ratio applied expresses the real ratio expected after adjustment for future inflationary effects. Provisions in the attached financial statements are calculated by estimating the present value of possible future obligations arising from the retirement of employees as of the date of 31 December 2014. Provisions as of the date of respective balance sheets have been calculated according to the assumption of 4.95% inflation rate and 8,6% discount rate with **3,50%** real discount rate (31 December 2013: real discount rate **4,78%**)

In calculating the provision for severance pay for the Group, the ceiling amount of TL 3.541,37 in effect as of 1st January 2015 is taken into consideration.

Severance payment liability is not subject to any legal funding. The severance payment obligation is calculated according to the present value of possible future obligations, which will arise due to the retirement of company employees.

9- FINANCIAL LIABILITIES

Details of the financial liabilities are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Short term loans	65.657	23.590.935
Short term portions of the long term loans	0	14.389.679
Short term financial leasing liabilities	0	0
Short term financial liabilities	0	37.980.614
Long term loans	0	47.474.450
Long term financial leasing liabilities	0	268
Long term financial liabilities	0	47.474.718
Total financial liabilities	0	85.455.332

10- SHORT TERM TRADE PAYABLES TO THE RELATED PARTIES

Details of the liabilities to the related parties are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Soktas Tekstil + ESB	0	2.460.135
Soktas Dokuma + AHL	0	416.844
Efeler	0	2.991.321
Soktas India	0	
Agrita	0	1.127.720
Kayhan Ziraat	0	
Total short term trade payables to the related parties	0	6.996.020

11- EQUITY

The company's shareholders and their respective shareholding rates are as follows as of the dates 31st December 2014 and 31st December 2013:

	31 st December 2014	31 st December 2013
Söktaş Tekstil Sanayi ve Ticaret A.Ş.		22.500.000
Tat Gıda Sanayi A.Ş.	212.500.000	
Equity	212.500.000	22.500.000

12- COMMITMENT AND OBLIGATIONS

The Company has various letters of guarantee with the amount of 4.316.502 TL given for various tax offices (for VAT receivable), agriculture administration and customs fiscal directorate. (31 December 2013: No letter of guarantee exists).

Details of the guarantees and other conditional obligations given by the Company and its affiliate under the commercial activities on behalf of each other, its affiliates, main partner or third parties or for other purposes are as follows:

	31 st December 2014	31 st December 2013
A. Given on behalf of its legal entity	4.316.502	0
B. Given on behalf of associates under full consolidation	0	0
C. Given for securing debts of 3 RD parties under commercial activities	0	0
- In favour of the main associate	0	0
- Given in favour of other group companies not under B and C	0	0
- Given in favour of the 3 RD person not under C	0	0
D. Other	0	0
	4.316.502	0

All guarantees given by the Company are in "TL" and there are no pledges or mortgages given by company. Ratio of the other guarantees and conditional obligations given by the Company in the Company's equity is 0% as of 31 December 2014. (0% as of 31 December 2013).

14- FINANCIAL FIXED ASSETS

Details of the financial investments are as follows as of the dates 31st December 2014 and 31st December 2013:

Financial Fixed Assets

Business name	Paid in capital (TL)	Amount of Shares in the Capital (TL)	Shareholding Rate in the Capital (%)	Shareholding Rate in the Capital (%)	Actual field of activity
None	0	0	0	0	

(stamped and signed)

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