Natural Success...

EGC Agri Capital

2013 ANNUAL REPORT

In order to strengthen our business with positive results, we assess all of our investment projects down to the last detail. We work day and night, set a route map and guide the future by means of diligent analysis all for right investments.

We do not abstain from any dedication to maximize the shareholding values. We bring difference to the future with our young and dynamic team, successfully handling any kind of circumstance and perpetually keeping in touch with the field. Naturally, we develop our achievements.

EGC AGRI CAPITAL INVESTMENT MAP

We are investing to add value to future

Agrıculture

BATI AGRICULTURE
DENİZLİ

ŞENYAYLA FARM
DENİZLİ

DOĞA AGRICULTURE
DENİZLİ

TOLİNA AGRICULTURE
IZMIR

OUR MISSION,

> *is to maximize shareholder value through investments in the agriculture industry.*

OUR VISION,

> *is to transform the Turkish agriculture industry into a transparent and reliable alternative investment platform through good governance principles.*

ABOUT EGC AGRI CAPITAL

The first and only agriculture-oriented venture capital company in Turkey

Egeli & Co. Agriculture Investment Trust ("EGC Agri Capital" or "EGCYO"), is the first and only agriculture-oriented venture capital company in Turkey. Founded in 1994, the Company joined Egeli & Co. Financial Services Group in 2004. The shares of Egeli & Co. Agriculture Investment Trust are traded at Borsa Istanbul with the ticker EGCYO.

Extinguished or misused natural resources, destroyed nature and diseases originated from nutrition put forth the fact that the most important issue in the future would become supply of food; accordingly, it indicates the importance of the agricultural sector. Besides agricultural advantages of Turkey arisen from its geo-political location, structural conversions, incentives, increasing investment potentials in the agricultural sector require efforts of institutionalism in the sector recently. EGC Agri Capital started up firstly by considering the incomplete institutionalism and launched its activities for offering the qualified investors the opportunity of benefiting from the growth potential in the sparkling Turkish agricultural sector.

Following the increase in interest for agriculture, institutionalization works in agriculture and agricultural products industries as well as practices applied by companies to enhance their added values started to gain importance. EGC Agri Capital aims to contribute to national economy as well as to create added value for its stakeholders by making investments in fields of agriculture promising sustainable return. Additionally, EGC Agri Capital aims to transparently and safely disseminate its works while focusing on growth.

EGCYO purchased all the shares of Batı Agriculture Investments ("Batı Agriculture") from Egeli & Co. Investment Holding ("EGC Investment Holding") in June 2011 as its first investment. Following the investment in Batı Agriculture, EGC Agri Capital purchased 90.05% of the shares of Doga Agriculture in June 2012. Lastly, EGC Agri Capital became 43.57% partner to Tolina Agriculture in October 2012.

Commercial Title
Egeli & Co. Agriculture Investment Trust

Trade Registration Number
319636-267218

Headquarters
Abdi İpekçi Cad. Azer İş Merkezi No:40 K.3 D:10
34367 Harbiye Şişli/ISTANBUL
Telephone : (0 212) 343 06 26
Fax : (0 212) 343 06 27

Mersis Number
2415-5647-7343-3172

Website
www.egcyo.com

SHAREHOLDING STRUCTURE

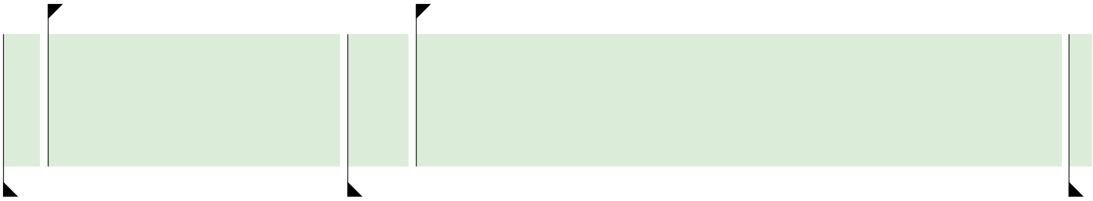
Registered capital of EGC Agri Capital is TL 200 million while its paid in capital is TL 22 million divided into 22 million shares each with a value of TL 1.

Capital distribution of the Company on December 31st 2013 is as follows:

TOTAL
22,000,000 TL

EGELİ & CO. INVESTMENT HOLDİNG
NUMBER OF SHARES:
6,075,661 TL
PERCENTAGE OF SHARES
27.62%

OTHER/PUBLICLY TRADED
NUMBER OF SHARES:
13,196,109 TL
PERCENTAGE OF SHARES:
59.98%



TAN EGELİ
NUMBER OF SHARES:
1,000.000 TL
PERCENTAGE OF SHARES:
4.54%

EGELİ & CO. INVESTMENT TRUST
NUMBER OF SHARES:
1,264,958 TL
PERCENTAGE OF SHARES:
5.75%

EGELI & CO. FINANCIAL INVESTMENTS
NUMBER OF SHARES:
463,272 TL
PERCENTAGE OF SHARES:
2.11%

Shareholders Tan Egeli and EGC Investment Holding are the leading investors of EGC Agri Capital.

As of December 31st 2012, the Company has 5,262 Group A nominative privileged shares each with a value of TL 1. All group

A shares are owned by shareholder Tan Egeli. Two thirds of Board of Directors Members is elected from among candidates nominated by Group A shareholders.

Coupon distribution of shares representing the capital of TL 22 million is as follows:

Classification/Group	Nominal Value	Nominative/Bearer	Amount
A	1 TL	Nominative	TL 5,262 nominal
B	1 TL	Nominative	TL 21,994,737 nominal

SHARE INFORMATION

Initial Public Offering	February 28th 1995
Ticker	EGCYO
ISIN Code	TRAEVREN91Q7
Registered Capital	200 million TRL
Paid in Capital	22 million TRL
Lowest Share Price	0.44 TRL
Highest Share Price	0.78 TRL
Average Share Price	0.62 TRL
Share Price on 31 December, 2013	0.48 TRL
Market Value (31December, 2013)	11 million TRL

SUBSIDIARIES

Egeli & Co. Agriculture Investment Trust

"EGC Agri Capital"

Batı Tarımsal Yatırımlar A.Ş.

"Batı Agriculture"
100.00%

Doğa Tarım Hayvancılık Gıda Paz. San. Tic. A.Ş.

"Doğa Agriculture"
100.00%

Tolina Tarım Hayvancılık ve Gıda Ürünleri Tic. San. A.Ş.

"Tolina Agriculture"
43.57%

MILESTONES

EGC Agri Capital made steps to carry this corporate structure into future

1994
Evren Investment Trust was founded.

DECEMBER 2004
Evren Investment Trust was purchased and its title was changed as Egeli & Co Investment Trust

MARCH 2011
Batı Agriculture Investments was founded by Egeli & Co Investment Holding

JUNE 2011
The title of Egeli & Co Investment Trust was changed as Egeli & Co Agriculture Investment Trust

JUNE 2011
90.99% of Batı Agriculture Investments was purchased from Egeli & Co Investment Holding

JUNE 2012
90.05% of the shares of Doğa Agriculture were taken over

SEPTEMBER 2012
Remaining 9.01% of Batı Agriculture was taken over from Egeli & Co Investment Holding

OCTOBER 2012
43.57% of Tolina Agriculture was purchased

NOVEMBER 2012
Feasibility study of Senyayla Farm had begun.

FEBRUARY 2013
Tolina Agriculture began its operations with the first herd bought.

MARCH 2013
Application for TL 1.6 million grant 500 dairy sheeps farm was done.

JULY 2013
Remaining 9.95% of Doga Agriculture was taken over

JULY 2013
Application for TL 1.6m grant for 500 dairy sheep farm was done

DECEMBER 2013
Şenyayla Farm completed its construction studies.

FINANCIAL HIGHLIGHTS

	December 31st 2013	December 31st 2012
Gross Profit	(348,852)	949,244
Operating Profit/Loss	(2,857,335)	(557,836)
Financial Income	(6,113)	-
Loss Before Taxes	(2,863,448)	(557,836)
Net Profit/Loss	(2,578,140)	(419,459)
Earnings Per Share	(0.1172)	(0.0191)
Total Assets	19,808,932	22,990,644
Current Assets	7,454,644	12,566,391
Fixed Assets	12,354,288	10,424,253
Short Term Liabilities	1,553,769	1,139,722
Long Term Liabilities	2,309,551	2,975,911
Shareholders' Equity	15,945,611	18,875,011
Paid in capital	22,000,000	22,000,000
Current Ratio	4.80	11.02
Total Liabilities / Shareholders' Equity	0.24	0.21
Shareholders' Equity / Total Assets	0.80	0.82

** All amounts are indicated in Turkish Liras (TL).*

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Egeli & Co. Investment Trust ("EGC Agri Capital") is the first and the only publicly-held venture capital company solely focuses on agriculture, making successful investments in the Turkish agricultural sector with higher potential in respect of diversity and production. With transparency and accountability caused by the publicly-held structure, EGC Agri Capital enables the investors to benefit from the opportunities promised by the sector in an auditable and safe environment.

In recent years, shift of the focal point from the western countries to Asia positively affected Turkey, located at a strategic intersection point. The agricultural sector achieved a positive growth in 9 of the last 10 years. Sectorial growth of 5.1% in the first half of 2013 was quite higher than the general economic growth.

The agricultural sector has played an important role in development of the Turkish economy with structural change efforts, efficient policies and subventions provided by the state. Turkey ranked number one in Europe and number seven in the world in respect of agricultural proceeds. The Ministry of Food, Agriculture and Livestock disclosed its 2023 objective as follows: "To become a country, feeding its population with adequate, high quality and safe food, much more developing its net exporter position in the agricultural products, increased its competition power, being a leader in the agricultural field both in the territory and the world." If Turkey achieves these goals, it would take place among the first 5 countries in agricultural economic growth, increase its agricultural gross national income from USD 62 billion to USD 150 billion and its agricultural export would exceed USD 40 billion.

Contribution of the agricultural sector is not just limited to production of food or agricultural products. The social aspect of the agricultural activities is extremely significant since the agriculture is the major source of income for the people living in the rural areas. EGC Agri Capital has produced economic and social benefits in the agricultural sector throughout the years elapsed since it was incorporated as the first agriculture-based venture capital firm.

The year 2013 has become the year when EGC Agri Capital maintained its feasibility studies for new investments and achieved efficiency and capacity increase in the investments in its portfolio in such an economic environment.

Bati Tarımsal Yatırımlar A.Ş. ("Bati Agriculture"), joined - in the first half of 2012 - the portfolio of EGC Agriculture engaged in investment opportunities in each ring of the value chain of agriculture and agricultural products and acting in Denizli continued its land consolidation activities in 2013.

The land size, being approximately 1,200 decares as of the end of 2012, increased up to 1,296 decares by a rate of 8% as of the end of 2013. One of the most exciting events we experienced in 2013 was that Bati Agriculture was found eligible in July for donation of TRY 1.6 million within the scope of IPARD announced and managed by Agriculture and Rural Development Support Institution (TKDK) and supported by the European Union for use in the planned investment of 500 Milker Sheep Farm.

Construction of the investment within the scope of Şenyayla Project was completed in December 2013 and the equipment assembly was completed as of January 2014. It is planned that the farm, which would start up its commercial activities upon completion of the other investments in the first quarter of 2014, would increase its number of milker sheep from 500 to 1,600 mother sheep at the end of 2014 by means of new buying and organic growth.

Doğa Tarım Hayvancılık Gıda Pazarlama San. Tic. A.Ş. ("Doğa Agriculture") has a herd of total 536 animals, of which 281 is milch animal as of the end of 2013. It is planned that Doğa Agriculture, holding EU Conformity Certificate and Health Certificate, would increase its livestock to 1,200 including 600 milch animal.

Another investment of our Company made in July 2012; Tolina Tarım Hayvancılık ve Gıda Ürünleri Tic. ve San. A.Ş. ("Tolina Agriculture") started to buy pregnant heifers. Tolina Agriculture, continuing its milk production with 268 cattle including 184 milch animals at the end of 2013, started up its organic milk production activities in April 2014. Additionally, a new facility is planned to be constructed in the middle run to increase the capacity.

Whereas we maintain our efforts of capacity and efficiency increases in some of our investments, we will launch production in some of our investments. Our other priority in 2014 is to support our existing investments by means of a stronger shareholding structure and to focus on the funding efforts to add new venture capital investments to our portfolio.

We, as EGC Agri Capital, would like to extend our thanks to our investors, business partners, all of our stakeholders supporting us in our efforts for breaking new grounds in the agricultural sector in Turkey and particularly to our valuable employees for their devoted efforts and contributions in our road to these achievements.

Yours faithfully,

Tan EGELİ
Chairman of the Board

Thanks to its strategy to bring together its investments thematically, EGC Agri Capital allows capital market investors to establish a portfolio in an industry they are interested in, through investing in a single company stock.

BOARD OF DIRECTORS

Tan EGELİ
Chairman of the Board
Having graduated from Delaware University Department of Business Administration in 1992, Tan Egeli got his master's degree (MSIA) from Carnegie Mellon University, Tepper Business School.

After starting his career in 1994 at Citibank, Egeli served as a senior executive at establishments of Citicorp Securities, İnter Yatırım Securities and BSI Bayındır Securities in that order between 1996 and 2001 especially as responsible for international capital markets and asset management. After leaving BSI Bayındır Securities where he served as a Board of Directors Member and General Manager between 1998 and 2001, he laid the foundations for Egeli & Co. Financial Services Group by founding Egeli Consulting in 2002.

In result of the partnership he established in 2007 with British Ashmore Group which is known for its investments in developing markets, in 2008 Egeli founded Ashmore Asset Management, the first asset management company operating in Turkey with independent foreign capital. Until 2009 he served as CEO at Ashmore Turkey and Chairman of the Board at the subsidiaries of the Company.

While serving as General Manager at Egeli & Co. Asset Management, Tan Egeli also serves at Egeli & Co. Group companies Egeli & Co. Agriculture Investment Trust, Egeli & Co. Investment Trust, Egeli & Co. Corporate Support Services, Egeli & Co. Financial Investments, Batı Agriculture, EGC Energy and Simya Agriculture Investments as Chairman of the Board and as Board of Directors Member at İstanbul Erkek Lyceum Foundation. Tan Egeli speaks German and English and holds Capital Markets Board Advanced Level and Derivatives Licenses.

Ersoy ÇOBAN
Vice-Chairman
After graduating from Yıldız Technical University Department of Economics in 1997, Ersoy Çoban received his master's degree in finance from Yeditepe University in 2004.

Having started his career at Interbank Department of Operations and Accounting in 1996, Ersoy Çoban worked at Bayındır Securities as Operations and Accounting Director and as internal audit manager at Dundas Ünlü Securities between 1999 and 2004. Ersoy Çoban has been serving as CFAO at Egeli & Co. Group since 2004.

He currently serves as Chairman of the Board at Egeli & Co. Asset Management and General Manager at Egeli & Co. Investment Holding, Vice Chairman of the Board at Egeli & Co. Investment Trust and Board Member at Egeli & Co. Financial Investments and Egeli & Co. Corporate Support Services. Additionally, Ersoy Çoban also serves as Board Member at various subsidiaries and affiliates of the Group.

Ersoy Çoban holds CMB Advanced Level and Corporate Governance Rating Specialist and Derivatives Licenses and speaks English.

Murat ÇİLİNGİR
Board Member
After graduating from Istanbul Technical University Department of Electrical Engineering in 1993, Murat Çilingir completed his master degree of Business Administration Program at Istanbul University in 1994. Starting his career at Makintaş İnşaat ve Ticaret A.Ş in 1996, Çilingir served as an associate manager at Foreign Affairs Department till 2003. Joining Egeli & Co. Group during its founding and entering the finance industry, Murat Çilingir has served as an investment advisor, portfolio manager and senior executive manager within the Group since 2003. He was General Manager at Egeli & Co. Agriculture Investment Trust between 2011-2013, Çilingir also serves as Board of Directors Vice-chairman at Egeli & Co. Asset Management, Board of Directors Member at Egeli & Co. Investment Trust, Egeli & Co. Agriculture Investment Trust and Egeli & Co. Financial Investments. Additionally, he also serves as a Board of Directors Member at subsidiaries of Egeli & Co. Group; Batı Agriculture, and Karesi Geothermal. Çilingir speaks German and English and holds Capital Markets Board Advanced Level License.

Akın AYDIN
Board Member
Akın Aydın is a Managing Director of Egeli & Co. Group and serves on the Group's investment committee. Prior to joining Egeli, Mr. Aydin was Managing Partner at Norm Advisory, a boutique advisory firm active in mergers & acquisitions. Prior to joining Norm Advisory, Mr. Aydin was Business Development Coordinator at Akfen Holding, a leading Turkish infrastructure investor and operator, where he led the team responsible for acquisitions, divestments, strategic partnerships and equity capital markets transactions. Prior his position in Akfen Holding, Mr. Aydin took various positions at Garanti Securities, Yapı Kredi Securities and TSKB Corporate Finance departments. During his 12-year career in investment banking Mr. Aydin advised global companies, leading Turkish groups as well as Republic of Turkey, Prime Ministry Privatization Administration in various mergers & acquisitions and equity capital markets transactions. Akın Aydın also serves as chairman of Doga Agriculture, board member of Karesi Geothermal and EGC Electric Energy. Mr. Aydin received an MBA from the George Washington University and a BS in Economics from Bogazici University in İstanbul. Akın Aydın holds Capital Market Board Advanced Level License.

Ahmet Berker ARGUN
Independent Board Member
Having graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Economic, Ahmet Berker Argun worked in Arthur Andersen as an auditor between 1991 and 1996. After his career in Arthur Andersen, Argun served as a senior finance executive at Escort Group, Arena Bilgisayar, Hewlett Packard, Atlasjet, Praktiker and Baumax. Argun is a founding member of TUFIDER (Association of Consumer Finance Companies) and INKADE (Association of Human Resource Management) and also member of AMPD (Association of Shopping Centers). Mr. Argun speaks English and German.

Murat Nadir Tansel SARAÇ
Independent Board Member
An independent consultant on Capital Markets, Tansel Saraç serves as an Independent Board Member at Egeli & Co. Investment Holding, Flap Kongre Toplantı Hizmetleri Otom. Turizm A.Ş. and Beyaz Filo Oto Kiralama A.Ş. Tansel Saraç started his career in 1997 at the Capital Markets Board (CMB) and after working for 7.5 years at the Department of Market Oversight, between 2004 and 2009 he worked as Capital Markets Director at Akfen Holding and General Manager at Akfen Real Estate Investments. During the same period he served as a Board of Directors Member at Akfen Real Estate Trust, member of the Audit Committee at TAV Airports Holding, member of the Audit Committee at Mersin International Port Operation and member of the Audit Committee at TÜVTürk. Tansel Saraç graduated from Ankara University Faculty of Political Sciences in 1997. During his career he specialized on public offering studies, real estate investment partnerships and agricultural investments. Tansel Saraç, who owns CMB Advanced License and Independent Auditor License, speaks English.

INVESTMENT PHILOSOPHY

EGC Agri Capital forms the infrastructure for a sustainable financial performance by also improving the governance profile of the companies it is investing in.

In order to provide its shareholders a sustainable and steady capital return, EGC Agri Capital generates a valuable real asset investment portfolio consisting of companies in growing industries, which intend to create added value by developing their financial performance through capital and know-how support.

Investment Process
The investment philosophy of EGC Agri Capital is based on focusing on companies with a potential for growth through a professional management mentality on every ring of the agricultural value chain. In this context, target companies are held subject to a detailed analysis process by our asset manager Egeli & Co. Asset Management and they are also legally, financially, taxationally and operationally inspected in detail in line with the investment procedure. In the aftermath of the assessment process projects considered worthy of investment are finalized further to the approval of Board of Directors based on the recommendation of the Egeli & Co. Asset Management Investment Committee.

PROACTIVE MANAGEMENT IN EVERY PHASE OF THE INVESTMENT PROCESS

Revealing The Investment Process

- Reviewing investment opportunities in line with prespecified investment criteria

Assessment and Approval Phase

- Preassessment of investment opportunity, industry research, competition analysis, comparative analysis, quality of target company executive staff, reference speeches, financial analysis and evaluation works
- Issuing investment report and submitting to Board of Directors

Financing and Closing Transaction

- Discussing the Letter of Intent with the target company and coming to an agreement in principle
- Detailed inspection process together with other consultants
- Making preliminary negotiations with the banks for financing
- Signing the Share Purchase Agreement and Partnership Agreement
- Closing (Completing the transaction)

Processes After Closing

- Development of corporate strategy by Board of Directors and Executive Board
- Developing Corporate Governance Criteria
- Establishing Audit Processes
- Forming Audit Committee
- Investor Relations
- Issuing detailed management reports

Exıt From Investment

- Public offering
- Sale to strategic investor
- Sale to financial investor
- Resale to founding

INVESTMENT COMMITTEE

INVESTMENT PHILOSOPHY

EGC Agri Capital is based on focusing on companies with a potential for growth through a professional management on every ring of the agricultural value chain.

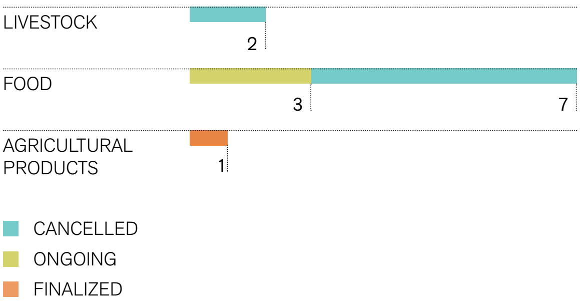
EGC Agri Capital forms the infrastructure for a sustainable financial performance by also improving the governance profile of the companies it is investing in. This approach is one of the main pillars of our investment strategy aiming sustainable return in the long run.

Reports containing financial and operational key performance indicators, issued by the invested companies are regularly submitted to Board of Directors by Internal Audit and Reporting officers and the ongoing operations of the companies in the portfolio are monitored regularly.

Projects Reviewed in 2013

In 2013, out of the 13 investment reviewed by Egeli & Co. Asset Management within the reporting period 9 were eliminated and 1 were finalized. The feasibility studies of 3 projects are currently in progress.

Industrial breakdown of the projects reviewed within the reported period is presented below:



Agricultural trade
Investments in fields on the agricultural value chain

Land Development
Investments for agricultural land development

Legumes
Investments for production and trade of legumes

Meat and Milk Production
Investments in bovine and ovine stockbreeding while respecting ethical values

Production
Investments made for produce production in line with the principle of Good Agriculture

EGC Agri Capital is in a position to make investments in any field specified within its scope in the Articles of Association; the fields in the diagram above indicate the industries standing out in the current investment strategy of the Company.

AGRICULTURE

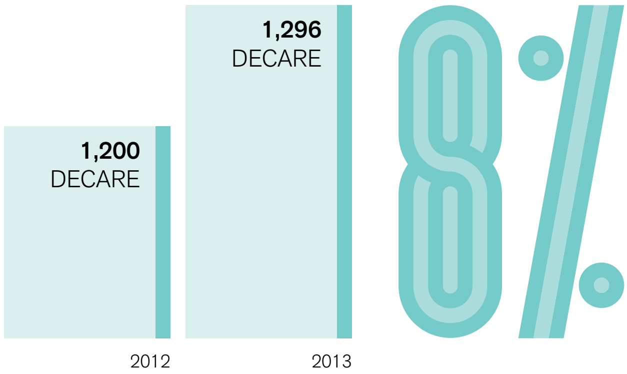
Acceptable and noticeable performance Areas of hundreds of decares contributed to the agriculture, future, society. Great investment potential, shaped today.

INVESTMENT FIELDS

A regulated investment platform focusing on high potential industries

BATI TARIM

TOTAL CULTIVABLE LAND



Bati Agriculture reached 1,296 decares within the scope of the cultivable land development project by the end of 2013.

The scope of Batı Tarımsal Yatırımlar A.Ş. (“Bati Agriculture”), which operates in Denizli is consolidating cultivable land, seasonal planting and ovine breeding.

90.99% shares of Batı Agriculture, established by Egeli & Co. Yatırım Holding A.Ş. (“EGCYH” or “EGC Investment Holding”) in March 2011 were acquired by EGC Agri Capital in June 2011. Upon transfer of the remaining 9.01% shares in September 2012, all the shares of Batı Agriculture were gathered under the roof of EGC Agri Capital.

The objective of Batı Agriculture is contributing to regional development and economy by enhancing prosperity and employment in the region while providing long term returns to its shareholders. In this context, our endeavors continue for consolidating uncultivated land and bringing them in the agricultural economy through acquiring title deeds, obtaining by inheritance and/or power of attorney.

As of the end of 2012, area of approximately 1,200 decares was enlarged to 1,296 decares by an increase of rate of 8% as of the end of 2013 within the scope of land development projects of Batı Agriculture and the land development efforts are still continuing.

The objective of Batı Agriculture is contributing to regional development and economy in the region

Conducting infrastructure investments on uncultivated lands purchased for consolidation, Bati Agriculture efficiently brings the right technology to the region and brings these lands in the economy by designating the vegetation convenient for the region. In this context, the required infrastructure investments for the purchased lands were made in line with the data obtained from the researches made in the consolidated region and season plantings in line with the regional product range were made.

Whereas Batı Agriculture, continued its bait and seasonal crop cultivations throughout 2013, achieved 400 decares of bait cultivation and 52 decares of seasonal crops in 2012-2013, it cultivated 650 decares of bait and 52 decares of multi-seasonal crops and 250-300 decares of sown pasture. Upon completion of the continuing development work, it is planned that 900 decares of bait would be cultivated in 2014-2015.

Şenyayla çiftliği

In 2013, Batı Agriculture, continuing wheat and barley cultivations beside agricultural land consolidation activities, made important steps in 2013 for establishment of small cattle farm as the ecological structure of the region is appropriate for sheep breeding.

Batı Agriculture was found eligible for grant of TRY 1.6 million within the scope of European Union Instrument for Pre-Accession Assistance Rural Development Program (IPARD), declared and managed by Agricultural and Rural Development Support Institution (TKDK) and supported by the European Union (EU), as to be used in the investment of 500 Milers Capacity Sheep Breeding Farm, planned by Bati Agriculture with the budget of TRY 4.8 million in Baklan-Şenyayla region. The grant amount deserved by Batı Agriculture was the highest donation granted in the relevant region. During the 9th call, to which applications were filed, 12 files were accepted in Denizli and total 8 projects were found eligible for the donation.

Within the scope of **Şenyayla Farm Project,** the construction of the plant established on a land of approximately 40 decares, was completed in December 2013 and the equipment assembly of the same was completed in January 2014; and the first batch of sheep was bought at the beginning of 2014. Upon completion of the test production, it is expected that the farm would start its commercial activities as of March 2014. With the second batch of sheep buying after March 2014, the initial target of Şenyayla Farm that is 500 milk ship capacity would have been achieved. With the new buying, lamp livestock and milk lamps to be sold after the organic growth, it is expected that the number of mature sheep would reach 1600 at the end of 2014.

As of the day of its incorporation, Batı Agriculture made agricultural investment of TRY 3.5 million in the region for land acquisition, infrastructure investments and project works other than the donation deserved.

Small and bovine cattle breeding. Liters of milk processed per day and organic production. And an experienced team monitoring the sector closely.

INVESTMENT FIELDS

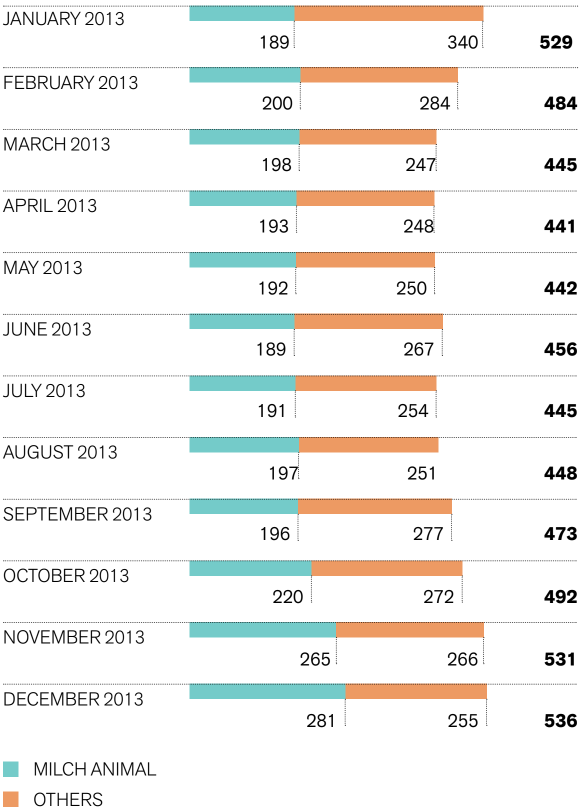
As of the end of 2013 there are 536 animals in the Doga Agriculture's farm in total, of which 281 are milch.

DOĞA AGRICULTURE

Doga Tarim Hayvancilik Gida Pazarlama San. ve Tic. A.S. ("Doga Agriculture") which was founded on September 2010 joined Egeli & Co. Financial Services Group when 90.05% of its shares were taken over by EGC Agri Capital in June 2012. Having a license for comprising 600 milch animals, Doga Agriculture is holding a Certificate for Plants Free from Infections and Environmental Impact Assessment (EIA) Report. Doga Agriculture is an approved dairy farm by the Republic of Turkey of Food, Agriculture and Livestock for milk and dairy product exports to the EU.

The infrastructure of the farm which started business with 220 Holstein breed pregnant heifers imported from USA in June 2011 was completed in 2012 and the building permits were obtained. As of the end of 2013 there are 536 animals in the farm in total, 281 of which are milch.

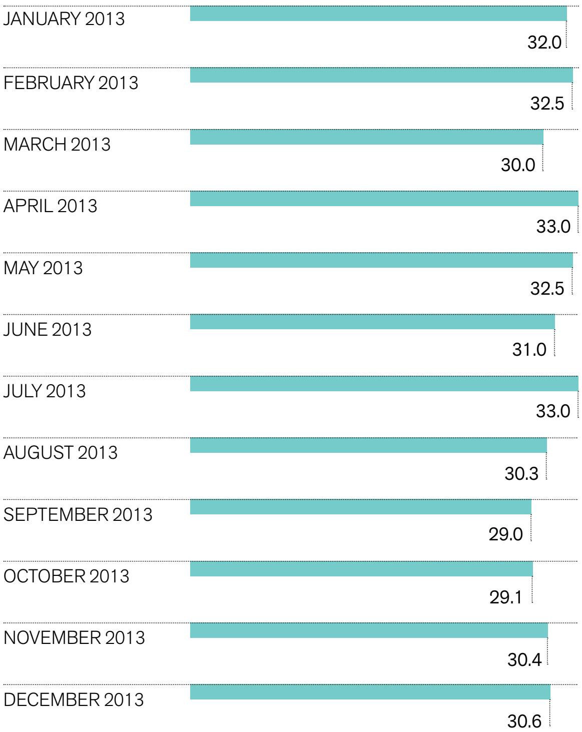
TOTAL HERD



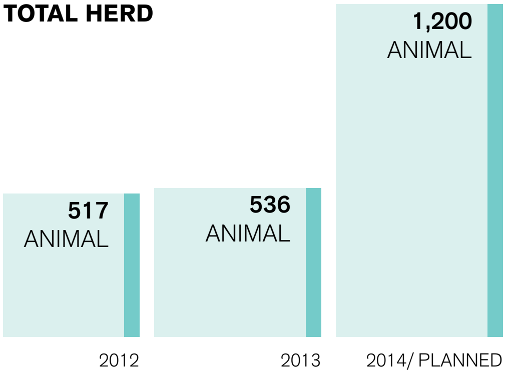
At the end of 2014, Doga Agriculture is planning to increase its number of animals to 1,200 animals of which 400 are milch.

In 2013, Doga Agriculture's annual average daily milk yield per dairy is 31.8 liters.

AVERAGE DAILY MILK YIELD/ LITERS



TOTAL HERD



At the end of 2014, Doga Agriculture is planning to increase its number of animals to 1,200 animals of which 400 are milch, with the completion of ongoing investments and also with organic growth of current herd and with new 192 milch animal importations in the first quarter of 2014.

Among the medium term investment plans, there is a plan to build a facility similar to the existing plant, with the 600 milch sheep capacity on the lands available but not currently in use.

Organic milk production will begin in 2014

TOLINA AGRICULTURE

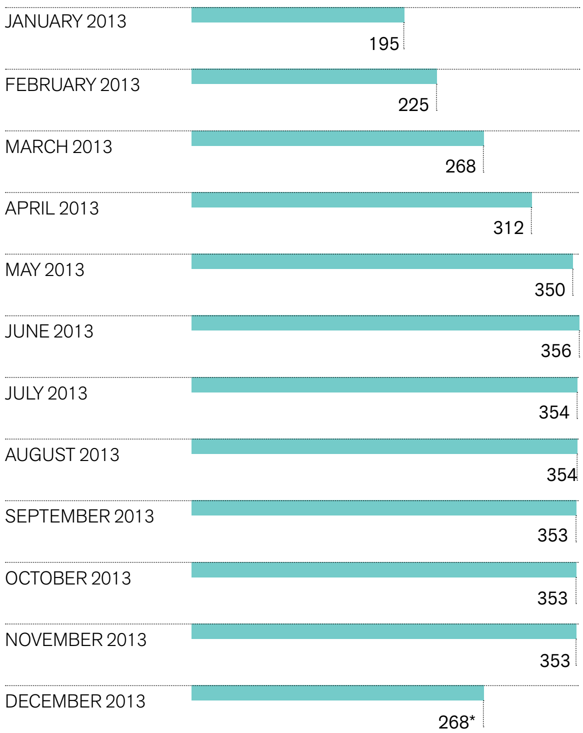
In October 2012 EGCYO took over 43.57% of the shares of Tolina Tarim Hayvancilik Gida San. ve Tic. San. A.S. ("Tolina Agriculture"), which is operating on milk production. It was founded in Bayindir township of Izmir with a capacity of 200 milch animals by Hacaloglu Tarim Hayvancilik ve Turizm Yatırımları San. Tic. Ltd. Sti. which stopped its operations between 2007 and 2011. Tolina Agriculture is holding a Certificate for Plants Free from Infections and is applied for Certificate for EU Alignment.

After becoming shareholder of Tolina Agriculture, the modernization works for the reoperation of the establishment were completed and the required 200 pregnant heifers were imported.

Upon completion of entry into the records and nationalization of the livestock imported as of February 2013, the milk production was started. Tolina Agriculture, continuing milk production with 268 animals as of the end of 2013, completed its agreements for organic bait in June 2013 and started organic milk production in April 2014 as a result of commencement of organic.

Currently, Tolina Agriculture has a capacity of 250 milch animals. In the medium term, to increase the current capacity, Tolina Agriculture planned to invest for a new facility on a close site which is logistically convenient.

TOTAL HERD

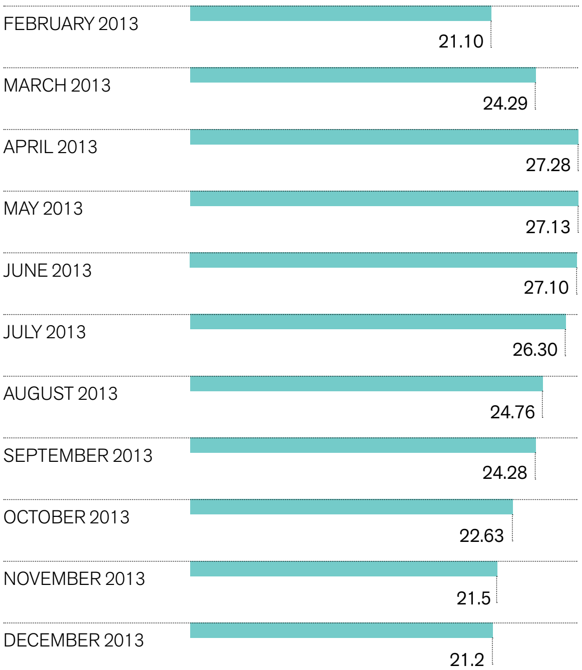


**85 male calves were sold in December 2013.*

As a result of the agreement signed in June 2013 herd began to eat organic feed.

In 2013, since the herd was in its first lactation and was milked twice, annual average milk efficiency of Tolina Agriculture was achieved as 24.3 liters/day.

AVERAGE DAILY MILK YIELD/ LITERS



HUMAN RESOURCES

Human Resources activities of the Company is focused on finding and maintaining well educated, expert and competent human resources through the concept of the right person for the right job.

EGC Agri Capital adopted as principle management of the human resources, being its highest capital and basis of its success, according to the international standards. EGC Agri Capital, progressively following up contemporary implementations in the human resources management and aiming at implementing in the most consistent manner with the culture of the company, works in consultation with the consulting firms specialized on the relevant fields with regard to the matters of recruitment, training and development, career management, performance assessment.

Employment

The company adopted the principle of “equal opportunity for everyone” in recruitment. EGC Agri Capital, abstaining from stating discriminating expressions or qualifications such as age or sex in the announcements of vacation, maintains this attitude at all the stages of recruitment and elects the most appropriate candidate for the position based on the objective criteria. EGC Agri Capital keeps its door open for anyone, having invested in occupational and personal improvement, being highly motivated, dynamic and open for improvements and innovations and believing in the team spirit.

Training and Improvement

EGC Agri Capital pays utmost attention to occupational and personal improvements of the human resources and therefore continuously makes investment in its human resources. Many different ways such as individual demands, executives’ observances, performance assessment negotiation results, assessment center studies are followed in determination of the needs of the employees for improvement. Taking all the results into consideration, annual improvement plan is prepared and closely monitored for each employee.

Performance Management System

A systematic study is carried out throughout the year in order to evaluate the performance objectively and reward the success. The company prepares an individual performance report for each EGC Agri Capital employee, including annual targets and necessary competence for the relevant position, according to the company’s targets. Performance of the employee is followed up throughout the year and performance evaluation negotiations are held in January each year.

Purpose of EGC Agri Capital’s performance management system is to provide the appointment and rewarding system with data, ensure assessment of the stronger and improvable aspects of the employees objectively and support sustainable improvements.

Career Management

Job definitions, necessary competence, criteria for success and career plans are defined for all the positions in EGC Agri Capital. Direction and development activities required for improvement of the employee according to the career plan are governed and followed up by the human resources.

RISK MANAGEMENT

Risk management is executed under supervision by Committee of Early Detection of Risk.

EGC Agri Capital Risk Management operations are handled under two main headers as Operational and Financial Risk Management and executed under supervision by Committee of Early Detection of Risk.

Operational Risks

Existing milch animal capacity and working with the milk processing facilities in the location where the activities are conducted are the requirements of the Company's sales policy; however, this constitutes risk in dependence on a single customer. Upon consideration of existence of other national milk producers and milk products producers at neighboring locations, there is no contractual or operational problem with regard to sale to different producers. Agreements concluded with the customers in the relevant sector are annually renewed; however, there is the risk of non-extension/ renewal of the agreements due to possible diseases in the livestock or disagreement on the commercial terms and conditions.

Developments, arisen in the real economy and financial markets and not be anticipated, may have effects on the activities of the Company.

Failure to make some collections as a result of limited customer portfolio until diversification of the sales channels and the customers' possible difficulty for this reason may adversely affect the activities of the Company.

Livestock Health

The fundamental risks with regard to subject of activity of the Company are the risks on the livestock health. In fact, as the number of industrial producers and the number of livestock per facility are quite lower in both livestock fattening and dairy (milk) farming, it is not possible that necessary measures fully and efficiently be taken for protection of the livestock health.

Widespread livestock diseases - such as hoof and mouth diseases, brucella and tuberculosis - constitute important risk in cattle breeding. Besides these diseases, general livestock diseases and accidents may adversely affect growth of the flock and result in considerable decrease in milk production and accordingly financial breakdown of the Company.

Diseases, possibly occurring in the dairy livestock of the Company, may adversely affect the milk production and therefore incomes of the Company due to destruction of the milk produced from sick livestock.

Changes in product prices

Even though the Company enters into annual sales agreements with the national milk firms, prompt decreases in milk prices may adversely affect the milk sales prices applicable in the agreements of the following year and accordingly the incomes of the Company. While the drops in the milk prices are supported by public subventions, failure in sustainability of the public subventions or drops in the prices or reduction in the subvention amounts result in loss of income.

Within the framework of the basic price in milk, applied by the National Milk Council, constituted for the purpose of developing livestock breeding and milk farming in Turkey and increasing the milk production; the basic price, which was TRY 0.90 per liter in January-July 2013, was determined as TRY 1.00 per liter for the period of 1st August – 31st December 2013. Possible drops in the basic price may adversely affect the income of the Company due to the annual agreements concluded by the Company. Nevertheless, discontinuation of the basic price application may result in fluctuation in the milk prices; and the company's active in the relevant sector may adversely be affected by such fluctuation.

Agricultural policies
Agricultural policies may have significant effects on the financial structure of the Company. In case of discontinuation of the supports and subventions provided to the sector, a financial breakdown may occur in the Company.

Within the scope of the agricultural policies, the livestock sector is made premium payment per cattle/sheep within the scope of state subventions during the year. These premiums paid within the scope of incentive policy of the state are fully free donations.

Bait Factors
Instantaneous rises in the bait prices result in significant increases in the item "costs" of the Company. Any prompt rise possibly occurring in the bait prices may adversely affect profitability.

Significant increases in the bait prices in Turkey in the last three years have considerably affected the costs. Currently, the Company has no bait production activity; however, it satisfies its bait needs particularly by the way of prepaid and contractual cultivation from the suppliers.

Environmental Factors
As the Company runs its production activities based on natural resources, the natural disasters such as swelter, earthquake, flood have significant effects on the production capacity. Moreover, the possibility of damage to the environment caused for any reason by the wastes of the fertilizers produced from the livestock in the farm may constitute contradiction with the relevant environmental laws and regulations.

Financial Risks
The Company is subject to various financial risks arising from its operations including effects of changes in the currency and interest rates in Debt and Capital Markets. The Bulk Risk Management Program of the Company focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the financial performance of the Company.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to meet regarding the terms of their agreements as foreseen and which causes the other party to incur a financial loss.

The Group does not hold any financial assets that are past due but not impaired with renegotiated conditions which would otherwise be past due and impaired. In addition, the Group does not hold any off balance sheet items with credit risk and impaired assets.

Liquidity Risk
Liquidity risk is the inability of the Company to match the net funding requirements with sufficient funds. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Company manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements. The Company does not have any derivative financial liabilities.

Market Risk

1. Foreign Currency Risk
In the case of owning of foreign currency assets, liabilities and non-balance sheet liabilities, the risk that is exposed to resulting from the currency movements is defined as the foreign exchange risk. Since the Company does not have material assets and liabilities denominated in foreign currency as of 31 December 2013, the Company was not exposed to currency risk.

2. Interest Rate Risk
The Company expose to interest rate risk due to effects of the changes in market interest rates lead to fluctuations in the prices of financial instruments. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. The group does not have floating rate assets and liabilities sensitive to changes in interest rate as of 31 December 2013.

Capital risk management
The Company's objectives when managing capital is to decrease the investment risk through portfolio diversification. The Company aims to provide returns for shareholders by preserving and increasing the value of its portfolio. In order to add value to its portfolio, the Company invests in high-yielding marketable securities and other financial instruments, monitors the developments in capital markets and other financial institutions and modifies its portfolio strategy accordingly.

OTHER INFORMATION REGARDING CORPORATE ACTIONS

The issues contained within the scope of "Determination of the Minimum Content of the Companies' Annual Reports" regulations published by the Ministry of Customs and Trade, are as follows:

Treasury shares owned by Company
As of 31 December 2013 there are no self-owned shares of the Company.

Private and public inspections conducted within the reporting period
The Company was not subject to any private or public inspections in 2013.

Administrative or law enforcement imposed on the Company or members of the management body due to practices contrary to provisions of the legislation
There was no administrative or law enforcement imposed on the company or members of the management organ due to practices contrary to provisions of the legislation within the accounting period.

Whether the targets specified in the past periods were achieved or not, the resolutions of the Shareholders' Assembly were accomplished or not, and if the resolutions were not accomplished; the reasons
The Company mostly achieved the specified targets in 2013. The resolutions of the Shareholder's Assembly were accomplished in 2013.

If the company is part of a corporate group; legal transactions performed with the parent company, a subsidiary of the parent company, on behalf of the parent company or a subsidiary of the parent company with the instruction of the parent company and any other measures taken or avoided taking on behalf of the parent company or a subsidiary of the parent company
The details of the relevant legal transactions are specified in the Annual Dependency Report to be submitted to Shareholders' Assembly.

There were no such measures taken or avoided taking within 2013.

If the company is part of a corporate group; according to the terms and conditions known to them at the time a legal transaction mentioned in previous clause was performed or a measure was taken or avoided taking, whether in every legal transaction an appropriate substituted performance was provided or not and whether the measure taken or avoided taking caused any damage to the company or not; if the company experienced any damage whether this was compensated or not
According to the terms and conditions known by Board of Directors at the time of the legal transaction, on every legal transaction the Company provided an appropriate substituted performance.

There were no measures taken or avoided taking in a manner causing any damage to the Company.

Whether legal actions had been lodged against the company that would affect the company's fiscal position and actions or not
No legal action has been lodged against the company that would affect the company's fiscal position and actions in 2013.

Whether the targets specified in the past periods were achieved or not, the resolutions of the Shareholders' Assembly were accomplished or not
The Company mostly achieved the specified targets in 2013. The resolutions of the Shareholder's Assembly were accomplished in 2013.

BOARD EVALUATION ON EFFICIENCY OF THE COMMITTEES

In 2013 Audit, Corporate Governance, Early Detection of Risk and Remuneration Committee fulfilled the duties and responsibilities specified in their terms of references.

Chairman and the members of the Committee was elected in board meeting accordance with the principles of corporate governance after the election of the board in ordinary shareholders general assembly held on 26 April 2013.

It was resolved that "Early Detection of Risk Committee" would be constituted as per Article 378 of the Turkish Commercial Code and according to the Corporate Governance Principles and Mehmet Ali Güneysu, one of the independent members of the Board would be appointed as the chairman of the committee and Murat Çilingir would be appointed as the member of the committee. Principles of operation of the Early Detection of Risk Committee were adopted by the board of directors on March 27, 2013 and such resolution was disclosed to the public on the Public Disclosure Platform and on the website of the company.

Upon resignation of independent member of the board of directors namely Mehmet Ali Güneysu on September 4, 2013, Ahmet Berker Argun was appointed as the independent member of the board of directors.

Ahmet Berker Argun was appointed to the Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee, which became vacant after resignation of Mehmet Ali Güneysu.

In 2013, the audit and corporate governance committees fulfilled their duties and responsibilities set forth in the operating principles. Frequencies of the conventions and activities of the committees in 2013 are given as follows:

- **The Audit Committee** convened 5 times within the year. At one of those meetings, independent audit offers collected for auditing financial statements of the year 2013 were assessed and the recommendation of the committee was issued for submission to the board of directors. The issuance process of annual and interim financial statements was revised according to the laws and regulations in effect at the other four committee meetings and the board of directors was presented an opinion the compatibility of the financial statements.

- **The Corporate Governance Committee** held four meetings within the year. At these meetings, independent members to be appointed to the board of directors, independent members to be appointed to the vacant positions of the board of directors, preparations made with regard to the obligations of the company on the information society and communication with the investors by the investor relations department as well as target investor analysis reports were evaluated and the board of directors was presented by an opinion.

- **The Early Detection of Risk Committee** held six meetings within the year. At these meetings, risks arisen out of financial activities and investments of the company were assessed and a commendation was presented to the board of directors in order to fulfill the requirements to manage such risks.

- **Remuneration Committee** held two meetings within the year. At these meetings, a recommendation on the compensation was presented to the board of directors for submission to the general assembly for approval; and the performance system developed to associate the remuneration of the executives with the company's targets was revised.

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SECTION I- Compliance to Corporate Governance Principles Declaration

EGC Tarım Girişim, faaliyetlerini kurumsal yönetimin dört temel ilkesi olan eşitlik, şeffaflık, hesap verebilirlik ve sorumluluk kavramlarına uygun olarak sürdürmekte olup, Kurumsal Yönetim İlkelerinin Belirlenmesine ve Uygulanmasına İlişkin Tebliğ'in ("Kurumsal Yönetim EGC Agri Capital carries out its operations in line with the four primary pillars of corporate governance, which are fairness, accountability, responsibility and transparency and complies with the compulsory provisions of Corporate Governance Communiqué No: II-17.1 published in the Official Gazette numbered 28871 and dated 03.01.2014, ("Corporate Governance Communique") of the Capital Markets Board ("CMB") and takes care for complying with discretionary provisions as much as possible.

SECTION II – SHAREHOLDERS

2.1. Investor Relations

EGC Investment Holding has an Investor Relations Unit reporting to the Corporate Governance Committee. Investor Relations contact information is indicated below:

Çağrı Demirel
Investor Relations Manager
Tel: +90 212 343 0626
Fax: +90 212 343 0627
Email: yatirimci@egcyo.com

With respect to investor relations following responsibilities are observed:

- Ensuring that records of correspondence between investors and the shareholding as well as the records pertaining to other data and documents are kept correctly, safely and up to date;
- Responding to the information requests of shareholders regarding the shareholding;
- With regard to the general meetings; preparing the documents to be submitted to the perusal of the shareholders and taking necessary measures as to ensure that general meetings are held in compliance with the relevant legislation, articles of association and other internal regulations;
- Ensuring and monitoring that duties and obligations arising out of the capital market legislation including the issues related to corporate governance and public disclosure are fully respected.
- Shareholder Relations Unit has performed below stated activities in the relevant period:
- Investors have lodged 250 information requests via telephone and 85 requests via e-mail. Their questions are responded in compliance with relevant legislation and the disclosure policy of the company. Except from the requests involving confidential information and trade secrets, all of the information requests are met respecting equality principle.
- It is ensured that general meeting is carried out in compliance with the relevant legislation, articles of association and other internal regulations.
- Prior to the general meeting, informative documents are prepared for the perusal of the shareholders
- Results of the voting are registered. None of the shareholders requested the records.
- Legal obligations regarding public disclosure are fulfilled and it is ensured that required information is provided to Public Disclosure Platform so that such information is complete, clear, adequate, and direct and does not involve misleading expressions.

The Company met both in the country and abroad with shareholders and potential investors in numerous meetings and conferences in 2013. Intending to make itself known in the international capital markets, in 2013 EGC Agri Capital attended Das Eigenkapital Forum conference in Frankfurt in order to provide information about the Company. Also the Company attended the Global Ag Investing conference which was held in London in February, April and October 2013.

An annual analyst meeting held by the Company in April 29, 2013 where the EGC Agri Capital executives provide recent information about the Company to investors and analysts.

2.2. Exercise of the Right to Receive Information by the Shareholders

In accordance with the relevant regulation and Disclosure Policy of the Company, all investors must be equally informed. In any information shared with investors, any information not previously disclosed to the public is not included. The number of questions asked by the investors is indicated in the Investor Relations section of this report.

On the Company website no information or disclosure is contained that might affect exercise of shareholders' rights. Disclosures regarding dematerialization of the shares, attendance to General shareholders' meeting and possible share repurchase program were contained on the Company website in 2013. Besides this, all disclosures made on Public Disclosure Platform were also announced on the Company website www.egcyo.com.

No arrangement for a personal right allowing minority shareholders to request a private auditor appointment is contained in the Articles of Association of the Company. No such requests were made within the reported period.

Investor relation unit of the Company, maintained regular database about the activities carried out during the reporting period and related reports are presented to the board regularly every month.

2.3. Shareholders' Assembly Meetings

The call for the Ordinary General Shareholders' Meeting held on 26 April 2013 was announced on Yenigün Newspaper dated April 05, 2013, Turkish Trade Registry Gazette dated April 05, 2013 numbered 8294, again in the copy of Turkish Trade Registry Gazette dated April 09, 2013 numbered 1335 and also in Company website and Public Disclosure Platform with the General Shareholders' Meeting Information Document containing explanatory information in regard to the matters on the agenda was prepared.

Out of 22,000,000 shares corresponding to the entire capital of the Company, amounting to TRY 22,000,000,000; 6.080.923 shares corresponding to TRY 6.080.923, consisting of 5,262 Class A Shares corresponding to TRY 5,262 and 6,075,661 Class B Shares corresponding to TRY 6,075,661 were represented in proxy and 265,235 Class B Shares corresponding to TRY 265,235 were represented in person at the meeting; total 6,081,188,235 shares corresponding to TRY 6,081,188,235 were physically presented at the meeting; and 1 Class B Share corresponding to TRY 1 was electronically represented at the meeting; as a result, 6,081,189,235 shares corresponding to TRY 6,081,188,235 attended the meeting. No questions were asked by the shareholders in the meeting.

No agenda proposed by the shareholders during the meeting.

To facilitate the participation in the General Shareholders' Meeting the time and the place for the meeting is announced clearly in Company website and Public Disclosure Platform.

The majority of independent board must cast affirmative votes for board to decide. During the period no negative votes casted by the independent board members and therefore no transaction mentioned in the general assembly meeting.

No stakeholders or media representatives attended the meeting. A representative of the Corporate Governance Rating Company attended the meeting as a guest.

A General Shareholders' Meeting Information Document containing explanatory information in regard to the matters on the agenda was prepared and announced on the Company website before the meeting. Before the General Shareholders' Meeting, the Annual Report and Financial Statements, the dividend distribution proposal and Articles of Association were available for review at the headquarters of the Company where the meeting was held.

In the General Shareholders' Meeting under a separate agenda item regarding donations and financial aid, shareholders were informed that no donations or financial aid were made within the reporting period.

General Shareholders' Meeting minutes are announced on the Company website under Investor Relations section under Corporate Governance header at the link for General Assembly and in Central Registry Agency's (CRA) disclosure platform.

There has not been any occasion that may lead to conflict of interest between Executive shareholders, board of director members, managers with administrative responsibility, their spouses and their first and secondary level kinship by consanguinity or marriage, and their partnerships or affiliates.

2.4. Voting Rights and Minority Rights

The issued capital of the Company consists of 5,262 Class A Registered Shares, having a total nominal value of TRY, 5262 and each having a nominal value of TRY 1 and 21,994,738 Class B Registered Shares, having a total nominal value of TRY 21,994,738 and each having a nominal value of TRY 1.

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According to Article 16 in the Articles of Association, Group A shares have privileges for the election of two thirds of Board of Directors Members while Group B shares have no privileges. Shareholders Egeli & Co. Investment Holding and Tan Egeli are leading investor of the company.

Class A and Class B Shares are registered. Transfer of the registered shares may not be restricted. Entire of Class A Shares is held by Tan Egeli.

Any other company, in a mutual participation relation with the Company, did not vote at the ordinary general assembly meeting.

The minority rights were not determined as less than one twentieth of the capital in the articles of association of the Company.

2.5. Dividend Rights

There are no privileges for participation in the profit of the Company. Dividend distribution is made within its statutory time and the information on the dividend policy was submitted for the information of the shareholders at the general assembly meeting. The information on the dividend policy is disclosed in the annual report and the official web site of the company.

No dividend distribution shall be made to the shareholders since a loss is declared in the financial statements for the reporting period.

2.6. Assignment of Shares

There are no provisions in the Articles of Association restricting assignment of shares.

Group A and B shares are nominative. Assignment of nominative shares shall not be restricted. 5,262 Group A privileged shares owned by leading investors and 5,494,738 Group B shares shall not be assigned within the two years following the conversion to venture capital investment trust. However, if any Group B shares are issued for capital increases, the condition that leading investors shall hold at least 25% of the capital in the partnership shall not be pursued. Assignment of privileged shares is subject to an approval by Board of Directors. Assignment of privilege shares are subject to board of director's approval.

SECTION III – PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website

The corporate website www.egcyo.com of the Company is actively used both in Turkish and in English for implementation of the disclosure policy within the framework of the Corporate Governance Principles of the Capital Market Board.

3.2 Annual Report

Annual report of the Company is prepared in line with the capital market regulations and the Corporate Governance Principles of the Capital Markets Board.

SECTION IV – STAKEHOLDERS

4.1. Informing Stakeholders

The Company defines any persons, groups or establishments affecting or being affected by achievement of its objectives and sustainment of its operations and thus having legitimate interests on the operations of the Company as its stakeholders. The Company believes that the shareholder value can only be maximized by watching over the interests of all stakeholders and that the interests of the shareholders and stakeholders run parallel to each other. The company takes maximum care for the interests of stakeholders under this philosophy.

Stakeholders are invited to the meetings regarding any matters concerning them or are informed via communication methods as required. Meetings, Company website, email, Public Disclosure Platform, CRA and E-Management system are used as communication methods.

Responsibility for assessment of the views of stakeholders regarding transactions they consider to be against the regulation or ethically inappropriate is given to Audit Committee. Stakeholders may contact the company to share their views via investor relations' e-mail and telephone.

4.2. Participation of Stakeholders in Management
No preparation was made for participation of stakeholders in the management

4.3. Human Resources Policy
The most important capital of EGC Investment Holding for achieving its targets is its qualified human resources. The responsibility for carrying out the relationships with employees is fulfilled by Zeynep Aygül, Human Resources Officer of the Group. Human Resources activities of the Company is focused on finding and maintaining well educated, expert and competent human resources through the concept of the right person for the right job.

The required measures for avoiding discrimination in terms of race, religion, language, gender, age, physical handicap or any other reason, respecting human rights and protecting the employees from physical, sexual, mental or sentimental abuse are taken and monitored by Audit Committee. During recruitment no discrimination is made to anyone and the selection process is carried out based on objective criteria. The principle of providing equal opportunity for equal people is adopted for career planning. There were no complaints received by the Company in regard to discrimination.

Job descriptions and distribution of employees and also performance and reward criteria based on the Company's human resources policy is announced to employees.

The Company takes care for installing and applying systems for accurately assessing the individual differences for the employees, preparing a convenient environment for personal and professional development of the employees and providing a convenient workplace environment.

Human Resources Processes of the Company are carried out under the following headings:

- Human Resources Planning
- Job Descriptions and Job Evaluation
- Training and Development
- Performance Assessment and
- Rewarding

Skilled Human Resources
The Company pays attention that any persons joining the team shall hold the competencies, qualifications, knowledge, education and career required by the position, be suitable for teamwork and be open for changes and development.

Improvement of Performance
The training objectives of the Company are providing the employees adopt certain knowledge, skills and behavior as well as providing support for them so that they shall apply the same also in their lives. Competencies and professional skills of the employees are objectively assessed within the scope of the Performance Assessment System and their areas in need of development are specified. Training requirements set by the employees and managers together are met within a systematic training program in the next stage.

Rewarding
In order to provide the right remuneration for the right job and maintain the balances within the Company, a rewarding policy consistent with the steps specified in line with market conditions is applied in the Company through a flexible Rewarding System consistent with the constantly changing employment environment. The Company takes care for forming the reward package in such a way providing the employees be motivated towards the targets of the Company.

4.4. Code of Ethics and Social Responsibility
Code of Ethics put into effect by the Company's board after being submitted for the approval of the shareholders in the general assembly. EGC Investment Holding Code of Ethics is binding for anyone connected to the Company including Board of Directors Members. Codes of Ethics of the Company communicated to all employees by signing. Code of Ethics of the Company is disclosed to the public on the Company website and also related section of this report.

EGC Agri Capital's fields of operation have developed to comprise investment opportunities in agriculture and it focuses on creating values and providing sustainable positive return in the long run, builds up its investment philosophy based on the Sustainable and Socially Responsible Investing approach.

In line with this approach, the Company concentrates in the fields contributing to environmental sustainability, protecting the interests of the society and economy in the long run while singling out investment opportunities. The concept of Social Responsibility has become an inseparable part of EGC Agri Capital business model within the scope of this approach.

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Having adopted contributing to the development of agriculture industry in our country within the scope of Sustainable and Socially Responsible Investing approach, Company provides works for enhancing added value and institutionalization in agriculture. In this context,

- canalizing institutional and individual investments to agriculture industry for building up a sustainable and competitive agriculture industry;
- developing the local improvement capacity through agricultural activities which are of vital importance for our national economy and increasing the business opportunities;
- improving the environmental conditions on the countryside;
- materializing mechanisms which enable resources be utilized efficiently, including Risk Management;
- raising human labor required for the sustainability of quality in agriculture and
- materializing agricultural production by efficiently utilizing scientific approaches and technologies

is aimed.

The Company's works for achieving these objectives will accomplish a significant Social Responsibility mission by enhancing added value and institutionalization in agriculture industry which is of vital importance for our country.

As a member of EMPEA (Emerging Markets Private Equity Association), EGC Agri Capital has adopted contributing to the society and minimizing the damage given to the natural environment by its operations as an inseparable part of its business model.

In all investment operations planned within EGC Agri Capital, which has specified complying with Socially Responsible Investing Principles while materializing its investments as its main objective, developing environment friendly and profitable businesses is aimed.

SECTION V- BOARD OF DIRECTORS

5.1. Board Composition and Structure

Board of Directors, which shall comprise at least 5 and at most 12 members the majority of which shall be nonexecutive, holding the conditions specified in Turkish Commercial Code and Capital Markets legislation, elected for a term of at most 3 years by General Shareholders' Meeting in accordance with the provisions of Turkish Commercial Code, is responsible for managing, representing and binding the Company against third parties. . Among these members there shall be independent members as well. The number and qualifications of Independent Board of Directors Members shall be determined in accordance with the compulsory Corporate Governance Principles. Accordingly, Board of Directors Members Ahmet Berker Argun and Murat Nadir Tansel Saraç were elected for Board of Directors as independent members. In the first meeting Board of Directors shall elect from among its members a Chairman and Vice-chairman who shall deputize the Chairman.

Group A shareholders are privileged for nominating candidates for the election of two thirds of Board of Directors Members. The rest of Board of Directors Members shall be determined by Shareholders' Assembly.

Board of Directors Members shall be elected for a term of at most 3 years. Regarding members whose term is over, it is possible for them to be re-elected. If any opening for membership emerges for any reason or a member loses their independence, Board of Directors shall temporarily elect a person holding the conditions specified in Turkish Commercial Code and Capital Markets legislation and shall submit them for the approval of the first Shareholders' Assembly. Any members elected in such manner shall complete the term of the previous member.

For sound fulfillment of the duties and responsibilities of Board of Directors, certain Committees shall be formed within Board of Directors. While forming the Committees Capital Markets legislation shall be complied. Duties of the Nomination Committee are fulfilled under Corporate Governance Committee. Independent member Ahmet Berker Argun is Corporate Governance Committee Chairman.

Due to contributions of the current independent members who work efficiently, our Board of Directors saw fit that current independent members of the Company shall be renominated and be submitted for the approval of member in the General Shareholders' Meeting dated April 26, 2013. No other candidates were nominated for Corporate Governance Committee other than these candidates.

Due to resigned of the independent board member Mehmet Ali Güneysu on September 4, 2013, Ahmet Berker Argun had been appointed as an independent board member.

Every independent member has the criteria for the independence.

CVs of the members of the board of directors are given in the board of directors section of this report.

The Corporate Governance Committee convened to evaluate independent member election at the meeting dated April 4, 2013. Necessary evaluations were made on whether Ahmet Berker Argun appointed as the independent board of directors member in lieu of Mehmet Ali Güneysu, independent board of directors member, fulfills the following criteria required for appointment to independent membership at the board of directors meeting held on September 4, 2013 with regard to appointment of a new independent member as a result of the resignation by an independent member within the relevant year.

Name-Surname	Title	Executive/ Non-Executive/ Independent	Term of Office
Tan Egeli	Chairman	Nonexecutive	26.04.2013/ Until the next general assembly
Ersoy Çoban	Vice-chairman	Nonexecutive	26.04.2013/ Until the next general assembly
Elif Pehlivanlı	Member	Nonexecutive	26.04.2013/ 03.02.2014
Dr. Burak Koçer	Member	Nonexecutive	26.04.2013/ 03.02.2014
M. Ali Güneysu	Member	Independent	26.04.2013/ 04.09.2013
Ahmet Berker Argun	Member	Independent	04.09.2013/ Until the next general assembly
M. Nadir Tansel Saraç	Member	Independent	26.04.2013/ Until the next general assembly
Murat Çilingir	Member	Nonexecutive	03.02.2014 Until the next general assembly
Akın Aydın	Member	Nonexecutive	03.02.2014/ Until the next general assembly

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Declaration of Independence

In regard to the office of Independent Board of Directors membership I shall undertake at Egeli & Co. Agriculture Investment Trust ("Company"), in accordance with;

Corporate Governance Communique of the Capital Markets Board with the number II-17.1, which entered into force upon its promulgation in the Official Gazette dated 03 January 2014 and with the number 28871

- Articles of Association of the Company and
- Provisions of other relevant legislation

I hereby declare that I hold the qualifications and criteria of an "Independent Board Member", I have read and understood the aforementioned information and documents and I shall completely fulfill the duties specified in the aforementioned information and documents.

I hereby declare that I hold all the qualifications required for being able to be qualified as an independent member in accordance with Communique for Specification and Application of Corporate Governance Principles with Serial: II-17.1, accordingly;

a) No employment relation exists at any executive position, which requires assumption of duties and responsibilities between the company, management and control of the company or subsidiaries on which the company has considerable effects, shareholders controlling the company or having considerable effects on the company and legal entities controlled by these shareholders on one side and the independent member himself, his spouse and lineal consanguinity up to second degree on the other side; he would not hold more than 5% of the capital controlling or voting rights or privileged shares together with the others or by himself; or no important commercial relation has not been established in the last five years;

b) The independent member has not served as a shareholder (5% or more), top-executive assuming important tasks and responsibilities or a member of the board of directors in the companies from which the company considerably buys services or products or to which the company considerably sells services and products within the frame of the agreements executed particularly on the matters of audit (including tax audit, legal audit and internal audit) of the company), rating and consulting of the company in the last five years;

c) The independent member is required to have occupational education, knowledge and experience to fulfill the duties to be assumed by him due to his independent membership in the board of directors;

ç) The independent member is required not to work on full-time basis in any public institution and organization, excluding academic position at the university, after appointment to the board of directors; provided that the relevant laws and regulations are abided;

d) The independent member is required to reside in Turkey according to Income Tax Law dated 31/12/1960 and numbered 193.

e) The independent member is required to have stronger ethical standards, occupational prestige and experience to contribute to the activities of the company positively, protect his impartiality in conflicts of interests arisen between the company and the shareholders and to freely decide by considering rights of the beneficiaries;

f) The independent member is required to spare time for the company affairs to the extent that he would be able to follow up the activities of the company and fulfill the requirements of the tasks he assumes.

g) The independent member is required not to have served as member of the board of directors for more than six years in the last ten years.

ğ) The independent member is required not to become an independent member in more than three companies controlled by the same person or the company or the companies controlling the company and in more than total five companies quoted on the stock exchange.

h) The independent member is required not to have been registered and announced for and on behalf of the legal entity appointed as the member of the board of directors.

The independent member is required to have represent and acknowledge that he would devote himself to the extent that he would fully perform the affairs of the company.

Again I hereby declare and acknowledge that if any situation emerges that may annul my independence for any reason, I shall convey this change to Board of Directors as to be disclosed to the public.

Ahmet Berker ARGUN

Declaration of Independence

In regard to the office of Independent Board of Directors membership I shall undertake at Egeli & Co. Agriculture Investment Trust (“Company”), in accordance with;

- Corporate Governance Communique of the Capital Markets Board with the number II-17.1, which entered into force upon its promulgation in the Official Gazette dated 03 January 2014 and with the number 28871
- Articles of Association of the Company and
- Provisions of other relevant legislation

I hereby declare that I hold the qualifications and criteria of an “Independent Board Member”, I have read and understood the aforementioned information and documents and I shall completely fulfill the duties specified in the aforementioned information and documents.

I hereby declare that I hold all the qualifications required for being able to be qualified as an independent member in accordance with Communique for Specification and Application of Corporate Governance Principles with Serial: II-17.1, accordingly;

a) No employment relation exists at any executive position, which requires assumption of duties and responsibilities between the company, management and control of the company or subsidiaries on which the company has considerable effects, shareholders controlling the company or having considerable effects on the company and legal entities controlled by these shareholders on one side and the independent member himself, his spouse and lineal consanguinity up to second degree on the other side; he would not hold more than 5% of the capital controlling or voting rights or privileged shares together with the others or by himself; or no important commercial relation has not been established in the last five years;

b) The independent member has not served as a shareholder (5% or more), top-executive assuming important tasks and responsibilities or a member of the board of directors in the companies from which the company considerably buys services or products or to which the company considerably sells services and products within the frame of the agreements executed particularly on the matters of audit (including tax audit, legal audit and internal audit) of the company), rating and consulting of the company in the last five years;

c) The independent member is required to have occupational education, knowledge and experience to fulfill the duties to be assumed by him due to his independent membership in the board of directors;

ç) The independent member is required not to work on full-time basis in any public institution and organization, excluding academic position at the university, after appointment to the board of directors; provided that the relevant laws and regulations are abided;

d) The independent member is required to reside in Turkey according to Income Tax Law dated 31/12/1960 and numbered 193.

e) The independent member is required to have stronger ethical standards, occupational prestige and experience to contribute to the activities of the company positively, protect his impartiality in conflicts of interests arisen between the company and the shareholders and to freely decide by considering rights of the beneficiaries;

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The independent member is required to have represent and acknowledge that he would devote himself to the extent that he would fully perform the affairs of the company.

Again I hereby declare and acknowledge that if any situation emerges that may annul my independence for any reason, I shall convey this change to Board of Directors as to be disclosed to the public.

M. Nadir Tansel SARAÇ

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Other Duties of Board Members

Service in other companies provided by Board Members is subject to approval by Shareholders' Assembly in accordance with Turkish Commercial Code. In the General Shareholders' Meeting dated 26 April 2013, Board Members were authorized and approved in accordance with Corporate Governance Principles article 1.3.7 and 1.3.8 and Turkish Commercial Code Articles 395 and 396 which were in effect at that time. Board members' other duties in the group and out of the group, does not lead to any conflict of interest. In-group and Out of Group offices executed by Board of Directors Members are as follows:

Tan Egeli:
Within the Group: General Manager at Egeli & Co. Asset Management, Chairman of the Board of Egeli & Co. Investment Holding, Egeli & Co. Investment Trust, Egeli & Co. Corporate Support Services, Egeli & Co. Financial Investment, Bati Agriculture Investments, EGC Electric Energy Production.

Out of the group: Chairman of the Board of Simya Agriculture Investments, Board of Directors Member at Istanbul Erkek Lisesi Foundation.

Ersoy Çoban:
Within the Group: Vice-chairman of the board at Egeli & Co. Asset Management and Egeli & Co. Investment Holding, board member at Egeli & Co. Investment Trust, Egeli & Co. Corporate Support Services, Bati Agriculture Investments, EGC Electric Energy Production.

Out of the group: member of the board of Simya Agriculture Investments

Murat Çilingir:
Within the Group: Vice-chairman of the board at Egeli & Co. Asset Management and Egeli & Co. Investment Holding, Board Member of Egeli & Co. Investment Trust, Egeli & Co. Financial Investment and Bati Agriculture Investments.
Out of the group: None

Dr. Burak Koçer:
Within the Group: General Manager at Egeli & Co. Corporate Support Services,
Out of the group: Independent Board Member at Bosch Fren Sistemleri A.S. and Federal Mogul İzmit Piston ve Pim Üretim Tesisleri A.Ş.

M. Nadir Tansel Saraç:
Within the Group: Independent Board Member of Egeli & Co. Investment Holding
Out of the group: Independent Board of Directors Member at Beyaz Filo Fleet Leasing and Flap Congress Services

Ahmet Berker Argun:
Within the Group: Independent Board Member of Egeli & Co. Investment Holding
Out of the group: Board Member of Association of Consumer Finance Companies –TUFİDER and Trade Council of Shopping Centers and Retailers-AMPD and founder member of Association of Human Resources Management-INKADE

Akın Aydın:
Within the Group: General manager at Egeli & Co. Investment Trust and board member at Karesi Geothermal, EGC Electric.
Out of the group: None

5.2. Board Practices
Board of Directors shall meet as necessary in line with the business of the Company with the invitation of chairman or vice-chairman. Any of the members of the board of directors may apply in writing to the chairman or vice chairman and request call for the meeting. Extraordinary conditions if the Chairman does not invite members for a meeting, the members shall be authorized to make a call ex officio.

In the meetings every member has a right for one vote. Voting right shall be exercised personally. As long as a member does not request a meeting, resolutions may be taken by members notifying their written approval to a proposal made by another member.

The agenda shall be specified by the Chairman of the Board. Any Board Member may add any other matters to the agenda by the board decision.

The Board of Directors meets at the headquarters of the Company. However, Board of Directors may also meet at any other place deemed convenient.

The board of directors convenes with a majority and reaches its resolutions with the majority of the participants in the meeting. In case of equality of votes, such issue is left for the next meeting. A proposal which also receives equal number of votes at that meeting is deemed to be rejected.

Votes shall be cast as “accept” or “decline”. Any members casting a vote of decline shall indicate his/her objection in writing on the resolution and sign it.

Any members not attending the meeting shall not cast a written vote or a vote by any other means unless they have a valid excuse.

Any transactions made and Board of Directors resolutions taken which do not comply with the compulsory Corporate Governance Principles shall be deemed against the Articles of Association and invalid.

In case of equality, Board of Directors Members do not have any right to vote and/or authorization for veto. Every Board of Directors Member has one vote including Chairman of the Board and none of the members has a weighted vote. In 2013 Board of Directors conducted 17 meetings. 50% of these meetings were conducted with full participation.

Faults of the members of the board of directors during their terms of office are insured against the loss possibly caused by them and the policy liability limit is USD 10 million.

5.3. Number, Structure and Independence of Board Committees
Operating principles of the committees, constituted in the body of the board of directors, were prepared and arrangements were made for follow-up by the relevant departments. In 2013 four Corporate Governance Committee meetings, two Remuneration Committee meetings, five Audit Committee meetings and six Committee of Early Detection of Risks meetings were conducted. . In Audit Committee meetings recommendation for the acknowledgement of Financial Statements was submitted to Board of Directors; In Remuneration Committee meetings, remuneration to be offered to the members of the independent board of directors and remuneration paid to the executives based on the performance of the company were revised; at the corporate governance committee meetings, the matters on election of the independent members and evaluation of the change, information required to be disclosed to the public on the official website of the company to optimize the corporate governance performance of the company, protection of efficient communication between the company and the shareholders under the light of the report presented by the investor relations department, information of the investors accurately, completely and timely as per the related laws and regulations and whether the information needed by the investors is timely and fully disclosed on the investors relations page of the official website of the company and whether the questions asked by the investors are replied as soon as possible were discussed; at the risk committee meetings, preparations made for definition and management of the risks relating to operational, financial, administrative and informatory systems, which may jeopardize existence, development and sustainability of the company were evaluated.

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Board of Directors have observed that committees have made significant contributions to the Company in improving the implementation of Corporate Governance practices, ensuring the accuracy, transparency and issuance of Financial Statements compliant with the legislation within the scope of their Terms of Reference.

Committee members are elected from nonexecutive board members and independent board members. Chairman of the committee is from independent member.

Since there are two independent members in the Board of Directors, same independent members need to serve in more than one committee. The procedures of the committees are disclosed in the Company's corporate website and in Public Disclosure Platform as terms of reference.

The chairman and member of the audit committee were appointed from among the independent members; the chairmen of the other committees were appointed from among the independent members whereas the members of the same were appointed from among the members of the non-executive board members. Qualifications of these persons are set forth in this annual report and in company web site.

Audit Committee
Chairman: Ahmet Berker Argun
Member: M. Nadir Tansel Saraç

Audit Committee Terms of Reference

1. Purpose

1.1 This procedure aims to determine the terms of reference of the audit committee, which assists the board of directors in implementing the independent audit and internal audit processes of Egeli & Co. Agriculture Investment Trust (the "Company") in line with regulations and disclosing the Company's financial statements timely, accurately, and fairly to reflect the truth, as well as oversees and monitors potential complaints by stakeholders regarding compliance of the Company's transactions to legal and ethical standards.

2. Membership

2.1 The audit committee shall consist of at least two members. All members of the committee shall be selected from among the independent members of the board.

2.2 Members of the committee shall be appointed by the board, one of the members being appointed as the committee chairman.

2.3 Only members of the committee have to right to attend the committee meetings. However, other Company officers or independent advisors may be invited to attend the meetings by the chairman of the committee, when appropriate. In general, it is expected that independent auditor of the Company would attend the committee meeting once a year to provide feedback to the Committee. The chief executive officer or the general manager of the Company cannot become committee members or attend the committee meetings.

3. Quorum

3.1 The quorum for committee meeting shall be the majority of the total number of members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

4. Frequency of Meetings

4.1 As a principle, the committee shall meet four times a year in accordance with the time schedule for disclosure of the financial statements. The committee members may organize additional meetings if required.

5. Notice of Meetings

5.1 Meetings of the committee shall be called by the chairman of the committee.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the committee and other persons required to attend the meeting at least five days before the date of the meeting. Supporting papers along with the agenda shall be sent to the committee members at the same time.

6. Minutes of Meetings

6.1 The chairman of the committee authorizes a committee member or any other attendee to be invited to minute the proceedings and resolutions at each meeting.

6.2 Minutes of committee meetings shall be circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.

7. Duties

7.1 To monitor the integrity of the annual and quarterly financial statements of the Company, and any other formal announcement relating to its financial performance.

7.2 To review presentations and press releases regarding the financial performance of the Company together with the top management.

7.3 To review the financial information and reference documents prepared for the analysts and rating agencies together with the top management.

7.4 To examine the consistency of accounting policies across reporting periods.

7.5 To assess the effect of new developments and regulations in accounting as well as off- balance sheet items on the financial statements together with the top management.

7.6 To advice the top management with regard to appointment or replacement of the internal audit manager and ensure efficient operation of the internal audit processes.

7.7 To review transactions with related parties. The ratification of a related party transaction is assessed under the resolution of the board of directors.

7.8 To recommend to the board of directors on the engagement with the independent audit company. Pursuant to this scope, the committee determines the appropriate cost for a healthy independent audit and advices the board of directors on the agreements terms including the scope of work and fees.

7.9 To review independent audit company's relationships with the Company and its executives to ensure the independence of the audit. It examines whether the independence is jeopardized by non-audit services or for any other reason and submits a report to the board of directors regarding the same.

7.10 To examine whether the independent audit team has adequate competence and sources.

7.11 To examine together with the independent auditor the problems and difficulties experienced in the audit process and evaluate measures taken by the top management.

7.12 To examine together with the independent auditor responsibilities, budget and staff of the internal audit function.

7.13 To evaluate, together with the independent auditor, disagreements between the independent auditor and the top management, which may partially or entirely affect the contents of the financial statements or independent audit report regardless whether they are resolved later.

7.14 To examine the report issued by the legal advisor of the Company and evaluate legal matters, which may considerably affect the financial statements.

7.15 To oversee and monitor potential complaints by stakeholders submitted to the Investor Relations Unit regarding compliance of the Company's transactions to legal and ethical standards.

7.16 To support the Board of Directors on the implementation of the Code of Ethics and examines complaints made in that respect.

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8. Reporting Responsibilities

8.1 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

8.2 The committee shall submit a report to the board of directors on proposals received from the independent audit companies, evaluation of the committee regarding the same and independence of the audit company.

9. Public Disclosures

9.1 The committee shall advice the board of directors on the statement of responsibility to be published in the annual report.

10. Authority

10.1 The committee is authorized to seek any information it requires from any employee of the company in order to perform its duties.

10.2 The committee may obtain legal advisory or professional advice on any matter within its terms of reference. Such services shall be reimbursed from the internal audit budget.

10.3 The committee shall call any employee to be questioned at a meeting of the committee as and when required

The committee is authorized to ratify non-audit services to be supplied by an independent audit firm.

Corporate Governance Committee
Chairman: Ahmet Berker Argun
Member: Akın Aydın

CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

1. Purpose

1.1 This procedure aims to determine the terms of reference of the Corporate Governance Committee, which assists the Board of Directors in terms of compliance of Egeli & Co. Agriculture Investment Trust (the "Company") to the corporate governance principles, performance of the investor relations activities in accordance with the related laws and regulations, nomination of candidates for the board and the top management, assessment of board and executive performance and top-management career planning and improving of the Company's risk management process.

2. Membership

2.1 The corporate governance committee shall consist of at least two members. The chairman of the committee shall be selected from among the independent members of the board. The majority of the committee members shall be selected from among the non-executive directors. In case the committee consists of two members, all members shall be selected from among the non-executive directors, committee chairman being an independent director.

2.2 Members of the committee shall be appointed by the board, one of the members being appointed as the committee chairman.

2.3 Only members of the committee have to right to attend the committee meetings. However, other Company officers or independent advisors may be invited to attend the meetings by the chairman of the committee, when appropriate. The chief executive officer or the general manager of the Company cannot become committee members or attend the committee meetings.

2.4 The Committee members shall appointed for maximum term of office for which they are appointed as the members of the board. The members, who complete their terms of office, may be re-elected as long as they continue to have the required qualifications.

3. Quorum

3.1 The quorum for committee meeting shall be the majority of the total number of members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

4. Frequency of Meetings

4.1 As a principle, the committee shall meet once each quarter. The committee members may organize additional meetings if required.

5. Notice of Meetings

5.1 Meetings of the committee shall be called by the chairman of the committee.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the committee and other persons required attending the meeting at least five days before the date of the meeting. Supporting papers along with the agenda shall be sent to the committee members at the same time.

6. Minutes of Meetings

6.1 The chairman of the committee authorizes a committee member or any other attendee to be invited to minute the proceedings and resolutions at each meeting.

6.2 Minutes of committee meetings shall be circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.

7. Duties

7.1 Terms of reference of the corporate governance committee covers the responsibilities defined by the capital markets regulations for the nomination committee, risk committee and the corporate governance committee and involves the following:

7.2 To monitor the Company's compliance to the corporate governance principles, and reasons not to comply to a specific principle if not fully complied with, review resulting conflicts of interest and advice the board for improvement. Pursuant to this scope, the committee ensures that the corporate governance compliance declaration and corporate governance compliance report is issued in accordance with the related laws and regulations.

7.3 To monitor investor relations activities, in cooperation with the board of directors, to maintain effective communication between the Company and investors, resolve and settle possible disputes. Pursuant to this scope, the committee takes necessary measures for providing accurate, complete and timely information to the investors in compliance with the related laws and regulations and ensures efficient functioning of the disclosure process. The committee ensures that the investor relations unit prepares the investor relations section of the corporate website and the documents to be submitted to the shareholders at the general assembly are up-to-date and accurate.

7.4 To monitor the composition and the size of the board of directors including competencies, know-how, experience and diversification needed and advices the board of directors regarding the same.

7.5 To carry out activities to establish a transparent system to identify, evaluate and train appropriate candidates for the board of directors and determine policies and strategies regarding the same.

7.6 To determine and monitor approaches, principles and practices on performance assessment and career planning of the board of directors and the top management.

7.7 To evaluate the succession planning for the board of directors and the top management in line with the challenges the Company encounters, and competencies and experiences required at the board.

7.8 To review the composition of the board of directors, performance of individual members and advice the board of directors on re-nomination of non-executive members whose terms are expired. The committee members shall not comment on their re-nomination. The nomination process for existing committee members shall be governed by the board of directors.

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7.9 To carry out activities for identification of risks promptly, which may threaten existence, development and continuity of the Company and take necessary measures regarding risks identified and implement relevant risk management processes.

7.10 To advice the board of directors on risk appetite, tolerance and strategy of the company, considering existing and expected financial and macroeconomic circumstances.

7.11 To review the ability of the Company to define and manage the new risk types.

7.12 To examine risks of brought by a strategically important transaction such as a significant M&A transaction and its impact on the risk appetite/tolerance of the Company and advice the board of directors accordingly prior to board approval.

7.13 To overview efficiency of the internal audit and risk management processes at least once a year and approve the disclosures to be made regarding the same in the annual report.

7.14 To ensure that all employees are informed in writing regarding internal policies, processes, regulations and terms of reference of the Company.

8. Reporting Responsibilities

8.1 The committee shall make whatever recommendations to the board and auditor of the Company it deems appropriate on any area within its remit where action or improvement is needed each two months in writing.

8.2 The committee shall coordinate the preparation of the corporate governance compliance report to be published in the annual report and approve the same.

8.3 The committee shall ensure that necessary disclosures are made in the annual report with regard to the risk management practices and strategy of the Company.

9. Public Disclosures

9.1 The committee ensures that the contents of the Company's annual report is accurate, consistent and in compliance with the related laws and regulations and the disclosure policy of the Company.

9.2 The committee develops recommendations to ensure that the public disclosures, analyst presentations and disclosures of material events comply with the related laws and regulations and the disclosure policy of the Company.

10. Authority

10.1 The committee may obtain legal advisory or professional advice on any matter within its terms of reference. The committee is authorized to seek any information it requires from any employee of the company in order to perform its duties.

Remuneration Committee
Chairman: M. Nadir Tansel Saraç
Member: Tan Egeli

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Purpose

1.1 This procedure aims to determine the terms of reference of the compensation committee, which assists the board of directors in relation to remuneration of the board members and the top management of Egeli & Co. Agriculture Investment Trust (the "Company").

2. Membership

2.1 The remuneration committee shall consist of at least two members appointed by the board, one of the members being appointed as the committee chairman. The chairman of the committee shall be selected from among the independent members of the board.

2.2 Only members of the committee have to right to attend the committee meetings. However, other Company officers or independent advisors may be invited to attend the meetings by the chairman of the committee, when appropriate. The chief executive officer or the general manager of the Company cannot become committee members or attend the committee meetings.

2.3 The Committee members shall be appointed for maximum term of office for which they are appointed as the members of the board. The members, who complete their terms of office, may be re-elected as long as they continue to have the required qualifications.

3. Quorum

3.1 The quorum for committee meeting shall be the majority of the total number of members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

4. Frequency of Meetings

4.1 As a principle, the committee shall meeting twice a year. The committee members may organize additional meetings if required.

5. Notice of Meetings

5.1 Meetings of the committee shall be called by the chairman of the committee.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the committee and other persons required to attend the meeting at least five days before the date of the meeting. Supporting papers along with the agenda shall be sent to the committee members at the same time.

6. Meeting Minutes

6.1 The chairman of the committee authorizes a committee member or any other attendee to be invited to minute the proceedings and resolutions at each meeting.

6.2 Minutes of committee meetings shall be circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.

7. Duties

7.1 To determine in writing the committee's recommendations for remuneration of the board members and the top management in line with the long term objectives of the Company.

7.2 To ensure that the remuneration principles are disclosed under a separate agenda item at the general assembly meeting and published on the corporate website.

7.3 To determine the criteria to be used in determination of remuneration based on the performance of both the Company and the member in line with the relevant laws and regulations.

7.4 To advice the board of directors on the payment to be made to the members of the board of directors and the top management also by considering the degree of achievement of the criteria.

8. Public Disclosures

8.1 The committee ensures accurate and complete disclosure of the principles of remuneration of the board of directors and the top management in the annual report.

9. Authorities

9.1 The committee may obtain legal advisory or professional advice on any matter within its terms of reference.

Committee of Early Detection of Risks
Chairman: Ahmet Berker ARGUN
Member: Ersoy ÇOBAN

COMMITTEE OF EARLY DETECTION OF RISKS TERM OF REFERENCES

1. Purpose

This procedure aims to determine the terms of reference of the Committee of Early Detection of Risks, which assists the Board of Directors in terms of early detection of the risks of Egeli & Co. Agriculture Investment Trust (the "Company"). The Committee for Early Detection of Risks is established for early detection of risks that might endanger the existence, development and perpetuation of the Company and to implement measures required against the risks determined as well as the management of risks.

2. Membership

2.1 The Committee of Early Detection of Risks shall consist of at least two members. The chairman of the committee shall be selected from among the independent members of the board. In case the committee consists of two members, all members shall be selected from among the non-executive directors, committee chairman being an independent director.

2.2 Members of the committee shall be appointed by the board, one of the members being appointed as the committee chairman.

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2.3 Only members of the committee have to right to attend the committee meetings. However, other Company officers or independent advisors may be invited to attend the meetings by the chairman of the committee, when appropriate. The chief executive officer or the general manager of the Company cannot become committee members or attend the committee meetings.

2.4 The Committee members shall appointed for maximum term of office for which they are appointed as the members of the board. The members, who complete their terms of office, may be re-elected as long as they continue to have the required qualifications.

3. Quorum

3.1 The quorum for committee meeting shall be the majority of the total number of members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

4. Frequency of Meetings

4.1 As a principle, the committee shall meet once each two months. The committee members may organize additional meetings if required.

5. Notice of Meetings

5.1 Meetings of the committee shall be called by the chairman of the committee.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the committee and other persons required attending the meeting at least three days before the date of the meeting. Supporting papers along with the agenda shall be sent to the committee members at the same time.

6. Minutes of Meetings

6.1 Minutes of the meeting shall be kept in a documented manner.

6.2 Minutes of committee meetings shall be signed by all committee members and circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.

7. Duties

7.1 The Committee shall carry out duties for the identification of any risks that might endanger the existence, development and continuity of the Company, the implementation of required measures and the management of risks.

7.2 The Committee for Early Detection of Risks shall carry out studies in order to detect the Company's risks, develop methods of measurement, secures reliability of the methods of measurement, create strategies for the risk management, oversee the application of these strategies, determine the maximum limits for the risks of the Company and provide recommendations for the Board of Directors.

7.3 The Committee for Early Detection of Risks shall share its view with the Board of Directors for creating internal control systems including risk management systems and process of information that will minimize the effects of risks which might affect the stakeholders, particularly the shareholders, of the Company.

8. Reporting Responsibilities

8.1 The committee shall oversee and advise the Board every two months, in writing, on the current risk exposures of the Company by identifying threats and proposing actions. The report shall be sent to the Auditors.

8.2 The Risk Detection Committee shall prepare and present to the Board of Directors an annual assessment report, which shall be included in the annual reports, for working principles including its members, frequency of the sessions and executed activities, in order to provide a basis for board's evaluations of its effectiveness.

8.3 The committee shall ensure that necessary disclosures are made in the annual report with regard to the risk management practices and strategy of the Company.

9. Public Disclosures

9.1 The committee shall coordinate the preparation of the report included in the annual report.

10. Authority

10.1 The committee may obtain legal advisory or professional advice on any matter within its terms of reference.

10.2 The committee is authorized to seek any information it requires from any employee of the company in order to perform its duties

5.4. Risk Management and Internal Control Mechanism

The purpose in the risk management and internal audit mechanism is based on development of implementations for definition of all the possible risks which the company encounters or may possibly encounter and for minimization of these risks and based on the follow up of all these implementations

Internal Control Mechanisms were formed in the Company and in 2013 the efficiency of Risk Management and Internal Control was monitored under supervision by Committee of Early Detection of Risk. Risk Management and Internal Control Mechanisms are efficiently operated for specifying and managing the risks encountered by the Company. Risk Management operations are handled under two main headers as Operational and Financial Risk Management.

5.5. Strategic Goals

While the board of directors of the company administers and represents the company by keeping the risk, growth and return balance at the most appropriate level by means of its strategic decisions and by protecting principally long term interests of the company with the rationalist and prudent risk management approach on one hand, it is responsible for achievement by the company of its operational and financial performance objectives determined and disclosed to the public on the other hand. Strategic goals of the Company are set in line with proposals of senior managers and Board of Directors and are linked to budget targets. Budget targets and achievement rates are followed by the General Manager and Chairman of the Board of the Company and are assessed in Board of Directors meetings where the Interim Financial Statements of the Company are discussed.

5.6. Financial Rights

Remuneration Policy, consisting of any and all rights, interests and remuneration provided to the members of the board of directors and executives holding administrative responsibility as well as written criteria and remuneration principles used in determination of the same, is published on the official website of the company. As per the Corporate Governance Principles, the Remuneration Policy, determined by the board of directors, published and disclosed to the public on the official web site of the company, determining principles of remuneration for the members of the board of directors and the top executives, was submitted for the information of the shareholders at the General Assembly held on April 26, 2013 within the frame of the arrangements of the Capital Market Board; and no update has been made since then. The aforesaid disclosure was made to include the board of directors and the top executives of the company.

Remuneration is provided for only members with independent member status in Board of Directors and a remuneration of monthly net TRL 1.750 for Board of Directors membership is paid only for Independent Board Members of the Company and no remuneration is provided to other members.

The Company did not grant any warranties or loans or provide loan facilities to any Board Members or managers.

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

CONTENTS PAGE

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

To the Board of Directors of Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş.

1. We have audited the accompanying consolidated balance sheet of Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 December 2013 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards ("TAS") as published by Public Oversight, Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error and/or fraud. In making those risk assessments, the entity's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the consolidated financial statements prepared by the Group and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the TAS (Note 2).

Reports on independent auditor's responsibilities arising from other regulatory requirements

5. In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

6. Pursuant to Article 378 of Turkish Commercial Code no 6102, Board of Directors of publicly traded companies are required to form an expert committee and to run and develop the necessary system for purposes of early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4 of Article 398 of the Code, the auditor is required to prepare a separate explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management and, if such a system exists, the report, the principles of which shall be announced by the POA, shall be describe the structure of the system and the practises of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Group formed the mentioned committee on 27 March 2013 and it is comprised of 2 members. The committee has met 6 times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the Group and its development, applying the necessary measures and remedies in this regard, and managing risks, and has submitted the relevant reports to the Board of Directors.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

ORIGINALLY SIGNED IN TURKISH

Talar Gül, SMMM
Partner

Istanbul, 11 March 2014

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS (BALANCE SHEET) AT 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

	Notes	(Audited) 31 December 2013	(Audited) 31 December 2012
ASSETS			
Current assets			
Cash and cash equivalents	4	3,942,919	6,210,794
Financial investments	5	-	4,358,456
Trade receivables	7	501,114	344,111
-Due from related parties	*7, 28*	*35,138*	-
-Other receivables from non-related parties	*7*	*465,976*	*344,111*
Other receivables	14	460,271	32,340
- Due from related parties	*14, 28*	*350,000*	-
- Other receivables from non-related parties	*14*	*110,271*	*32,340*
Inventories	11	1,216,558	567,211
Prepaid expenses	12	27,667	-
Biological assets	13	103,950	235,450
Current income tax asset	15, 26	49,142	160,740
Other current assets	10	1,153,023	657,289
Total current asset		**7,454,644**	**12,566,391**
Non-current assets			
Investments in joint ventures	5	1,416,693	1,428,844
Biological assets	13	2,401,159	2,237,657
Property and equipment	16	6,691,887	4,899,154
Intangible assets	17	1,481,564	1,483,674
-Goodwill	*17*	*1,479,925*	*1,479,925*
- Other intangible assets	*17*	*1,639*	*3,749*
Other non-current assets	10	328,651	374,924
Deferred tax asse	26	34,334	-
Total non-current asset		**12,354,288**	**10,424,253**
TOTAL ASSETS		**19,808,932**	**22,990,644**

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

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS (BALANCE SHEET)AT 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

	Notes	(Audited) 31 December 2013	(Audited) 31 December 2012
LIABILITIES			
Current liabilities			
Borrowings	6	66,750	213,150
Short term portion of long term borrowings	6	668,400	668,400
Trade payables	7	590,191	151,069
- Due to related parties	*28*	*5,803*	*15,034*
- Other trade payables to non-related parties	*7*	*584,388*	*136,035*
Liabilities for employee benefits	8	52,398	-
Other payables	9	71,188	10,566
- Due to related parties	*9, 28*	*3,788*	-
- Other payables to non-related parties	*9*	*67,400*	*10,566*
Short term provisions		21,661	16,743
- Provisions for employee benefits	*20*	*21,661*	*16,743*
Other liabilities	10	83,181	79,794
Total current liabilities		**1,553,769**	**1,139,722**
Non-current liabilities			
Borrowings	6	2,248,715	2,673,600
Long term provisions			
-Provisions for employee benefits	*20*	*60,836*	*29,758*
Deferred tax liability	26	-	272,553
Total non-current liabilities		**2,309,551**	**2,975,911**
Shareholders' equity			
Shareholders' equity		**15,945,612**	**18,739,560**
Share capital	21	22,000,000	22,000,000
Adjustment to share capital	21	789,204	789,204
Share premium		10,870	10,870
Other comprehensive income/expense not to be			
Reclassified to profit or loss		8,741	-
- Actuarial profit		*8,741*	-
Restricted reserves	21	474,975	474,975
Accumulated deficit (-)	21	(4,760,038)	(4,116,030)
Net loss for the period (-)		(2,578,140)	(419,459)
Non-controlling interests		**-**	**135,451**
Total shareholders' equity		**15,945,612**	**18,875,011**
TOTAL LIABILITIES		**19,808,932**	**22,990,644**

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

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME STATEMENTS FOR THE YEAR ENDED 31 JANUARY- 31 DECEMBER 2013

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

	Notes	(Audited) 1 January - 31 December 2013	(Audited) 1 January - 31 December 2012
PROFIT/LOSS			
Revenue	22	3,590,307	2,959,704
Cost of sales (-)	22	(3,939,159)	(2,010,460)
Gross profit		**(348,852)**	**949,244**
General administrative expenses (-)	23	(2,524,828)	(1,597,462)
Other operating income	24	131,831	67,382
Other operating expenses (-)	24	(103,336)	(5,844)
Income (expence) from investments in joint venture	5	(12,150)	28,844
Operating loss (-)		**(2,857,335)**	**(557,836)**
Financial expenses (-)	25	(6,113)	-
Loss before tax from continuing operations (-)		**(2,863,448)**	**(557,836)**
Tax income/ (expense) from continuing operations			
- Current period tax expense (-)		(24,404)	-
- Deferred tax income	26	309,712	92,865
Loss from continuing operations (-)		**(2,578,140)**	**(464,971)**
Comprehensive loss attributable to			
Non-controlling interests		-	(45,512)
Equity holders of the parent		(2,578,140)	(419,459)
Loss per share from continuing operations (Corresponds to per share which is TRY1 nominal)	27	(0,1172)	(0,0191)
Other comprehensive income			
Expenses not to be reclassified to profit or loss			
Measureent gains of defined benefit plans,		8,741	-
Total comprehensive loss (-)		**(2,569,399)**	**(464,971)**
Comprehensive loss attributable to			
Non-controlling interests		-	(45,512)
Equity holders of the parent		(2,569,399)	(419,459)

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

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

	Share capital	Adjustment to share capital	Share premium	Actuarial income (*)	Restricted reserves	Accumulated deficit (-)	Net loss for the period (-)	Non-controlling interest	Total equity
1 January 2012 (Period beginning)	**22,000,000**	**789,204**	**10,870**	**-**	**474,975**	**(3,525,016)**	**(569,233)**	**32,893**	**19,213,693**
Proceeds from acquisition of subsidiaries	-	-	-	-	-	-	-	180,963	180,963
Transfers	-	-	-	-	-	(569,233)	569,233		-
Non-Controlling interest	-	-	-	-	-	(21,781)	-	(32,893)	(54,674)
Total comprehensive expense (-)	-	-	-	-	-	-	(419,459)	(45,512)	(464,971)
31 December 2012 (Period end)	**22,000,000**	**789,204**	**10,870**	**-**	**474,975**	**(4,116,030)**	**(419,459)**	**135,451**	**18,875,011**
1 January 2013 (Period beginning)	**22,000,000**	**789,204**	**10,870**	**-**	**474,975**	**(4,116,030)**	**(419,459)**	**135,451**	**18,875,011**
Transfers	-	-	-	-	-	(419,459)	419,459	-	-
Non- Controlling interest	-	-	-	-	-	(224,549)	-	(135,451)	(360,000)
Total comprehensive expense (-)	-	-	-	8,741	-	-	(2,578,140)	-	(2,569,399)
31 December 2013 (Period end)	**22,000,000**	**789,204**	**10,870**	**8,741**	**474,975**	**(4,760,038)**	**(2,578,140)**	**-**	**15,945,612**

(*) Reclassification none to profit or loss,.

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 1 JANUARY- 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

	Notes	(Audited) 1 January - 31 December 2013	(Audited) 1 January - 31 December 2012
A. Cash flows from operating activities:			
Loss before tax		(2,863,448)	(557,836)
Adjustments to reconcile net loss to net cash from operating activities:			
Financial investments fair value decrease/increase		-	46,818
Depreciation and amortization	16, 17	536,391	411,207
Provision for employee termination benefits	20	42,643	13,902
Provision for unused vacation	20	4,918	6,453
Interest income accrual adjustment,		(10,534)	25,555
Biological asset valuation	22	(32,002)	159,593
Investments in joint venture	5	12,150	(28,844)
		(2,309,882)	**76,848**
Changes in net working capital			
Proceeds from sales (buy) of short-term financial investment		4,358,456	(356,217)
Changes in trade receivables		(157,003)	(66,238)
Changes in trade payables		442,909	34,712
Changes in prepaid expenses		(27,667)	-
Changes in other assets and liabilities		(462,857)	(180,430)
Changes in inventories		(649,347)	(478,242)
Taxes paid		(24,404)	-
Net cash (used in)/from operating activities		**1,170,205**	**(969,567)**
B. Cash flows used in investing activities			
Purchases of tangible and intangible assets		(3,723,795)	(978,676)
Outputs of tangible and intangible assets		213,959	-
The state aid received under incentives		1,483,617	-
Additional share purchasing of subsidiary		(360,000)	(189,552)
Subsidiary acquisition		-	(4,028,861)
Joint-venture acquisition		-	(1,400,000)
Net cash flows (used in)/from investing activities		**(2,386,219)**	**(6,597,089)**
C. Cash flows from financing activities			
Financial liabilities of paid		(872,077)	(197,331)
Change in restricted cash used for borrowing		3,280,201	-
Net cash flows (used in)/from financing activities		**2,408,124**	**(197,331)**
Net increase/ (decrease) in cash and cash equivalents A+B+C		**1,192,110**	**(7,763,987)**
D. Cash and cash equivalents at the beginning of the period		**2,355,119**	**10,119,106**
Cash and cash equivalents at the end of the period A+B+C+D	**4**	**3,547,229**	**2,355,119**

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

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("the Company") was incorporated and started its financial operations on 19 October 1994. The Company was established under the trade name "Egeli & Co Yatırım Ortaklığı A.Ş." and operated as an investment trust in line with Capital Markets Board ("CMB") legislation but changed its status as an investment trust and turned into a venture capital fund under the trade name "Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş." according to its registration on 9 June 2011 at the Istanbul Trade Registry Office. The Company follows the related legislation and CMB regulations in its operating principles, investment policies and management restrictions. The company's shares have been offered to the public and are traded in the Borsa İstanbul A.Ş. ("BİST")

The Company carries out the following procedures and transactions:

a. Invests in venture capital companies in line with the principles stated in CMB Communiqué Serial: VI No: 15
b. Participates in the management of venture capital companies and gives them consultancy services;
c. Invests in capital market instruments and money market tools on secondary markets to diversify its portfolio.
d. Invests in overseas venture capital funds that seek to invest in venture capital companies located in Turkey.

The registered office address of the Company is as follows: Abdi İpekçi Caddesi, Azer İş Merkezi No:40 Kat:3 Daire: 10 Harbiye Şişli - Istanbul, Turkey,

The Group's subsidiaries and joint ventures, subject of operations basis, are as follows:

Subsidiary	Subject of Operations
Batı Tarımsal Yatırımlar A.Ş. ("Batı Tarım")	Agricultural operations
Doğa Tarım Hayvancılık Gıda Pazarlama San. ve Tic. A.Ş. ("Doğa Tarım") (*)	Dairy farming and milk sale

(*) On 3 July 2013, since the change of type, Doğa Tarım Hayvancılık Gıda Paz. San. ve Tic. Ltd. Şti.'s name has been changed to Doğa Tarım Hayvancılık Gıda Pazarlama San. ve Tic. A.Ş.

Joint venture	Subject of Operations
Tolina Tarım Hayvancılık Gıda Ürünleri Tic ve San. A.Ş. ("Tolina Tarım" veya "iş ortaklığı")	Organic dairy farming and milk sale

Parent company, subsidiaries and joint ventures has referred as "Group" collectively.

The total number of personnel employed in the Group as of 31 December 2013 is 48 (31 December 2012: 29).

The consolidated financial statements for the interim period 31 December 2013 have been approved by the Board of Directors on 11 March 2014. General Assembly and regulators has the power to amend the financial statements.

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards applied and compliance to IAS/TAS

The consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, interim consolidated financial statements are prepared in accordance with Turkish Accounting Standards("TAS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards.

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

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

The Company and its Turkish subsidiaries and joint venture maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These consolidated financial statements have been prepared under historical cost conventions except for financial assets which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

2.1.2 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.1.3 Going concern

The Group's consolidated financial statements have been prepared using a going concern basis of accounting.

2.1.4 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"), the financial statements are presented in TRY, which is the Group's functional and presentation currency.

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated,)

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting standards

a) Amendments in International Financial Reporting Standards (“IFRS”)

The Group has applied new standards, amendments and interpretations to existing standards published by IASB and IFRIC that are effective as at 1 January 2013 and are relevant to the Group’s operations.

Standards, amendments and IFRICs applicable to 31 December 2013

- Amendment to TAS 1, ‘Financial statement presentation’, regarding other comprehensive income; is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- Amendment to TAS 19, ‘Employee benefits’; is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

- Amendment to TFRS 1, ‘First time adoption’, on government loans; ; is effective for annual periods beginning on or after 1 January 2013. This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to TFRS. It also adds an exception to the retrospective application of TFRS, which provides the same relief to first-time adopters granted to existing preparers of TFRS financial statements when the requirement was incorporated into TAS 20 in 2008.

- Amendment to TFRS 7, ‘Financial instruments: Disclosures’, on asset and liability offsetting; is effective for annual periods beginning on or after 1 January 2013. This amendment includes new disclosures to facilitate comparison between those entities that prepare TFRS financial statements to those that prepare financial statements in accordance with US GAAP.

- Amendment to TFRSs 10, 11 and 12 on transition guidance¸; is effective for annual periods beginning on or after 1 January 2013. These amendments provide additional transition relief to TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before TFRS 12 is first applied.

- Annual improvements 2011; is effective for annual periods beginning on or after 1 January 2013. These annual improvements, address five issues in the 2009-2011 reporting cycle. It includes changes to:

  - TFRS 1, ‘First time adoption’
  - TAS 1, ‘Financial statement presentation’
  - TAS 16, ‘Property plant and equipment’
  - TAS 32, ‘Financial instruments; Presentation”
  - TAS 34, ‘Interim financial reporting

EGELİ & CO TARIM GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated,)

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

- TFRS 10, 'Consolidated financial statements'; is effective for annual periods beginning on or after 1 January 2013. The objective of TFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

- TFRS 11, *'Joint arrangements'*; is effective for annual periods beginning on or after 1 January 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- TFRS 12, 'Disclosures of interests in other entities'; is effective for annual periods beginning on or after 1 January 2013. TFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- TFRS 13, 'Fair value measurement'; is effective for annual periods beginning on or after 1 January 2013. TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The requirements, which are largely aligned between TFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within TFRSs or US GAAP.

- TAS 27 (revised 2011), 'Separate financial statements'; is effective for annual periods beginning on or after 1 January 2013. TAS 27 includes the provisions on separate financial statements that are left after the control provisions of TAS 27 have been included in the new IFRS 10.

- TAS 28 (revised 2011), 'Associates and joint ventures'; is effective for annual periods beginning on or after 1 January 2013. TAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of TFRS 11.

- TFRIC 20, 'Stripping costs in the production phase of a surface mine' is effective for annual periods beginning on or after 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under TFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

New IFRS standards, amendments and IFRICs effective after 31 December 2013:

The Group will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date. It is expected that the application of the standards and the interpretations except for the ones the impacts of which were disclosed above will not have a significant effect on the consolidated financial statements of the Group.

- Amendment to TAS 32, 'Financial instruments: Presentation', on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014. These amendments are to the application guidance in TAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- Amendments to TFRS 10, 12 and IAS 27 on consolidation for investment entities is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made TFRS 12 to introduce disclosures that an investment entity needs to make.

- Amendment to TAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to TAS 39 'Financial Instruments: Recognition and Measurement' - 'Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

- TFRIC 21, 'Levies' is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of TAS 37. 'Provisions, contingent liabilities and contingent assets'. TAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- TFRS 9 'Financial instruments' – classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace TAS 39. 'Financial instruments: Recognition and measurement'. TFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

  The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

- Amendments to TFRS 9,'Financial instruments', regarding general hedge. These amendments to TFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

- Amendment to TAS 19 regarding defined benefit plans; is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 6 standards:

  - TFRS 2, 'Share-based payment'
  - TFRS 3, 'Business Combinations'
  - TFRS 8, 'Operating segments'
  - TAS 16, 'Property, plant and equipment' and TAS 38,'Intangible assets'
  - Consequential amendments to TFRS 9, 'Financial instruments', TAS 37, 'Provisions, contingent liabilities and contingent assets'
  - TAS 39, Financial instruments - Recognition and measurement'

- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:

  - TFRS 1, 'First time adoption'
  - TFRS 3, 'Business combinations'
  - TFRS 13, 'Fair value measurement'
  - TAS 40, 'Investment property',

  It is expected that the application of the standards and the interpretations except for the ones the impacts of which were disclosed above will not have a significant effect on the consolidated financial statements of the Group.

2.3 Summary of significant accounting policies

The significant accounting policies followed in the preparation of financial statements are summarized below:

2.3.1 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiary. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards, applying uniform accounting policies and presentation. The results of each subsidiary are included from their effective dates of acquisition.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

Joint venture

The joint venture has been established by Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. and an entrepreneur party within the framework of an agreement to be jointly managed and to fulfil an economical activity. Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. provides this joint control through benefiting from the shares directly or indirectly owned by itself and the right to use the voting rights associated with the shares owned by the related parties.

The Company became a shareholder (43.58%) of Tolina Tarım Hayvancılık Gıda Sanayi ve Ticaret Limited Şirketi with a nominal capital of TRY1,815,000 on 16 October 2012 through capital increase and 1,401 shares (1 free of charge) were purchased in return for TRY1,400,000. The Company is engaged in organic dairy farming and milk sale activities.

“Tolina Tarım”, whose type was changed after the purchasing transaction performed through capital contribution, became a joint stock company with all its assets on 18 January 2013, The capital of the new Company is TRY3,215,000.

Voting rights and shareholding rates of the joint venture as of 31 December 2013 and 31 December 2012 are presented in the table below:

Joint venture	Company’s direct voting right	Total voting right	Effective , shareholding rate
Tolina Tarım Hayvancılık Gıda Ürünleri Tic ve San. A,Ş	%43.58	%43.58	%43.58

Investments made into the joint venture are recognised via the equity accounting method. In the equity accounting method, investments in the joint venture are first recorded on the financial statements at their cost values, and this amount is increased or decreased in line with the entrepreneur company’s share in the profit or loss of the associate after the date of the acquisition (Note 5).

Subsidiary

A subsidiary is a company in which Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. has the power to control the financial and operating policies for the benefit of Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş., either through the power to exercise more than 50% of voting rights relating to shares in the company as a result of ownership interest owned directly or indirectly by itself, and/or as a result of agreements by certain related parties.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

The table below sets out the subsidiaries and shows the proportion of ownership interests:

	The Company’s direct ownership interest (%)		Total ownership interest (%)		Proportion of effective interest (%)	
Subsidiary	**31 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**
Batı Tarımsal Yatırımlar A.Ş.	100.00	100.00	100.00	100.00	100.00	100.00
Doğa Tarım Hayvancılık Gıda Paz, San. ve Tic, A.Ş.	100.00	90.05	100.00	90.05	100.00	90.05

The Group combines individual income and expenses, assets and liabilities and cash flows of the subsidiary on a line-by-line basis with similar items in the consolidated financial statements. Intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Batı Tarımsal Yatırımlar A.Ş. (“Batı Tarım”) was established on 30 March 2011 with capital worth TRY500,000 by the related party of the Company “Egeli & Co Yatırım Holding A.Ş.” with TRY499,960 and capital share of 99,99%. The Company acquired 454,960 shares, with a nominal value of TRY454,960 of Batı Tarımsal Yatırımlar A.Ş., via Egeli & Co Yatırım Holding A.Ş., for TRY463,425 on 15 June 2011. The Company acquired 100% of Batı Tarım after purchasing 9,01% of Batı Tarım nominal shares amounting to TRY180,000 in return for TRY189,552 as of 27 September 2012 (Note 26).

Doğa Tarım Hayvancılık Gıda Paz. San. ve Tic. Ltd. Şti, (“Doğa Tarım”) was established in Denizli on 21 September 2010 in order to perform cattle and dairy farming activities. “Doğa Tarım” has licence for 600 milkers and performs milk production. The Company purchased 1,801 shares of “Doğa Tarım”, with a nominal value of TRY450,250 in return for TRY3,203,837 on 27 June 2012. The Company acquired 49,750 shares, with a nominal value of TRY49,750, which corresponds to 9.95% of the remaining company capital, for TRY360,000 on 3 July 2013 in accordance with the Supplemental Agreement to the Share Transfer Agreement dated 27 June 2012.

The financial statements of related subsidiaries and joint ventures are included in the consolidated financial statements as of the acquisition date.

Non controlling interest

Shares of the shareholders with consolidated equity of participants are represented as “non controlling interest” in the consolidated balance sheet and the consolidated statement of profit or loss and other comprehensive income within the net asset and operating results of the subsidiaries.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3.2 Business combinations and goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity, Business combinations are accounted for using the purchase method in the scope of IFRS 3.

Purchasing cost incurred as a result of acquisition of an enterprise is allocated to identifiable assets, liabilities and contingent liabilities of the enterprise on the date of acquisition. The difference between purchasing cost and the fair value of identifiable assets, liabilities and contingent liabilities of the entity on the date of acquisition is recognised as goodwill in the consolidated financial assets. In business combinations, the assets, intangible assets and contingent liabilities that are not covered by the financial statements of the acquired company/entity but that could be separated from the goodwill are recognised in the consolidated financial statements at their fair values. The goodwill previously recognised in the financial statements of the acquire is not considered as an identifiable asset.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for in the consolidated statement of income in the related period.

In the event of impairment experienced with regard to the goodwill amount, the impact of this situation is reflected to the period results. An impairment test is performed each year at the same date in order to determine whether there is any impairment of goodwill value or not.

2.3.3 Segment reporting

Segment reporting has been arranged so that uniformity is ensured with the reporting about the Group's activities made to the decision making body. The body authorised to take decisions about the Group's activities, is responsible for taking the decisions about the sources to be allocated for the departments and evaluating the performance of departments. The Board of Directors taking the strategic decisions regarding the Group has been selected as the authorised body.

The Group management has determined the operation departments based on the reports that are reviewed by the Board of Directors and that have an effect on the strategic decisions.

The Group management evaluates the Group's performance on an industrial basis, in accordance with agricultural and livestock activities, capital market activities and sections. The Board of Directors follows up the performance of operation departments according to the principle "profitability before financial income/expenses".

2.3.4 Financial assets

The Group classifies and accounts for its financial assets as "Financial assets at fair value through profit or loss" and "Marketable securities to be held until maturity".

Purchases and sales of the financial assets are recognised and derecognised based on "Settlement date".

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

The classification of the financial assets is determined by the Group management at inception by considering the purpose for which the financial assets are acquired.

All financial assets, except for the financial assets measured at fair value through profit or loss and the ones recorded at their fair value, are first recognised at their fair market value through cost, including the purchasing expenses relating to the investment if existent.

Financial assets at fair value through profit or loss

Financial assets, which are classified as "Financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short term profit making exists independently from the acquisition purpose.

Financial assets held for trading use the fair values when they are first recognised, and they are valued with their fair values in the periods following the first recognition. Gains and losses emerging as a result of the performed valuation are included in the profit/loss accounts. Profit or loss obtained from purchase-sales of financial assets held for trading is added under the "Interest, fee, premium, commission and other income/expenses" account within the main operating income account in the consolidated statement of comprehensive income. Interest and coupon income obtained from financial assets held for trading and the amounts resulting from unrealised value increases or decreases in their fair values are included under the "Interest, fee, premium, commission and other income/expenses" account in the consolidated statement of comprehensive income.

In assessing the fair value of the trading securities, the best bid price on the BİST as of the balance sheet date is used.

All regular way purchases and sales of trading securities are recognized at the settlement date, which is the date that the asset is delivered to/from the Group.

Financial asset to be held until maturity

Held-to-maturity financial assets are assets that are held until maturity with custody intentions; with regard to which the conditions required for being held to maturity, including the funding capability, are fulfilled; which have fixed terms with fixed and definable payments and remain outside the loans and receivables; which are not classified as "held for trade" during the initial recognition and which are not shown as "available-for-sale" in the records. These assets are initially recognised at their acquisition cost and this value is accepted as the reasonable value.

Held-to-maturity financial assets are valued at a "discounted amount" by using an effective interest method pursuant to recognition. Interest income relating to held-to-maturity financial assets are reflected to the consolidated statement of comprehensive income. The Company does not allocate any impairment provision for the short-term market fluctuations under the condition that no collection risk emerges on the securities representing the borrowing classified under held-to-maturity financial assets. In the event that collection risk emerges, the amount of the impairment is the difference between the book value of the financial asset and the cash flows that are still expected to be collected from the financial assets, if any, obtained through discounting based on the original effective interest rate.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3.5 Inventories

The inventories are mostly comprised of animal feed and farm drugs, and they are valued based on the lower of the cost or net realisable value, Inventory costs include all purchasing costs and other costs that are incurred for bringing the inventories to their current status and position.

2.3.6 Borrowings and borrowing costs

The loans are recorded with their values obtained after transaction costs are reduced from the received loan amount on the date of receiving. Later on, the loans are determined over the discounted cost value by using the effective interest method. And the difference between the amount remaining after the transaction costs are deducted and the discounted cost value is recognised under the consolidated statement of income as a financing cost throughout the loan period.

The fees paid for the loan arrangements are defined as loan transaction costs in cases where it is possible to partially or fully use the loan arrangement. In this case, the payment is postponed until the loan usage. In cases where there is no evidence demonstrating that the loan arrangement can be partially or fully used, the fee is capitalised as a prepayment aiming to provide liquidity and it is amortised throughout the period of the related loan arrangements.

2.3.7 Sale and repurchase agreements

Securities sold under sale and repurchase agreements ("repos") are retained in the financial statements and the counterparty liability is recorded as due to customers, Securities purchased under agreements to resell ("reverse repos") are recorded as reverse repo receivables on the cash and are due from the bank's account, together with the difference between the sale and repurchase price, which is accrued evenly over the life of the agreement using the effective yield method.

2.3.8 Interest income and expenses

Interest income and expenses are recognised in the income statement in the period to which they relate on an accrual basis, Interest income includes coupons earned on fixed income investment securities and amortisation of discounts on government bonds.

2.3.9 Foreign exchange transactions

The functional currency of the Group is TRY. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period end, exchange rates of monetary assets, and liabilities denominated in foreign currencies are recognised in the income statement.

2.3.10 Biological Assets

Biological assets consist of the cattle owned by Doğa Tarım, and these assets are recognised by deducting the deemed sales costs from the fair values. The gains or losses incurred during the recognition of the biological assets through deducting the deemed sales costs from the fair value are recognised under main activity income/expenses in the statement of comprehensive income of the period they are incurred in.

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The Group has taken each animal group in more detail, including the ages of the animals and also the significant features of the biological assets into consideration in order to reach the most reliable fair-value estimation while estimating the fair value.

In cases where the fair value of the biological assets cannot be determined in a reliable manner; the fair value is measured with the value obtained through deducting the depreciation amount accumulated until the balance sheet date from the amount obtained by adding the incurred costs for the expected usage of the relevant biological asset to the up-to-date fair value of the closest phase for which the fair value was determined in a reliable manner (Note 13).

2.3.11 Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property and equipment using the straight-line method based on the useful lives of such assets. Lands have not been amortized in consequence of their indefinite useful lives (Note 16).

The depreciation periods estimated considering useful lives of tangible assets are as follows:

Buildings	10 - 50 years
Machinery and equipment	5 - 20 years
Motor Vehicles	5 - 15 years
Furniture and Fixtures	3 - 5 years

2.3.12 Intangible assets and Goodwill

Other than goodwill, intangible assets include software and comprise acquired computer software, They are recorded at acquisition cost and amortized on a straight-line basis over their estimated economic lives for a period ranged from three to five years from the date of acquisition (Note 17).

Goodwill

On the acquisition date, the portion of the acquisition amount which exceeds the share of the acquired joint venture in the fair value of its net identifiable assets is recognised as goodwill.

Goodwill is reviewed once a year for impairment, or more frequently when the conditions point to an impairment, and recognised in the balance sheet after accumulated impairment provisions are deducted from the cost value. Goodwill is allocated to cash-generating units for the purpose of impairment testing. the allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. The goodwill impairments allocated may not be cancelled (Note 17).

Profit and losses incurred from the sale of an enterprise also include the book value of the goodwill on the enterprise sold.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3.13 Impairment of assets

Financial assets except trading financial assets are evaluated each period to determine whether they have indicators of impairment. The financial instruments are accepted as impaired in case that the expected collectable amount calculated by discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument.

2.3.14 Revenue recognition

Income and expenses are recognized on an accrual basis.

The Group records income from the sales of securities in its portfolio when the sales are conducted.

2.3.15 Fees and commissions

Brokerage commissions are recorded as income or expense at the time the transactions to which they relate are made. All fees and commissions are recognized on an accrual basis and booked under the "interest, fees, premiums, commissions and other income" account as interest income in the consolidated income statement (Note 22).

2.3.16 Taxes

Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. is exempt from corporate tax as per Article 5, sub-paragraph d-3 of the Corporate Tax Law. Moreover, venture capital revenue is not subject to advance tax.

Corporate tax - the subsidiary

The Corporate Tax Law was altered by Law No.5520 on 21 June 2006. The majority of regulations in Corporate Tax Law No. 5520 became effective as of 1 January 2006. According to this Law, the corporation tax rate of the fiscal year 2011 is 20% (2010: 20%), Corporate tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (e.g. research and development expenditure deductions).

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

The deferred tax assets and the deferred tax liabilities can be netted off only if there is a legal right in this respect according to the tax legislation of the country they are dependent on.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3.17 Related parties

For the purpose of the accompanying financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies, are considered and referred to as related parties (Note 28).

2.3.18 Capital and dividends

Share capital is recognized at the nominal amount and amounts received in excess of the part value are recognized in a share premium account. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction.

In the event that the the shares issued within the scope of capital increases are issued with an amount that is higher than their nominal values, the difference emerging between the issuing amount and the nominal value is recognised under equities as "Share Issuance Premiums".

2.3.19 Cash flow statement

Cash and bank accounts maturities less than three months as well as receivables from reverse repo transactions have all been accounted due to cash flow statements (Note 4).

2.3.20 Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and which will be treated as "contingent assets or liabilities" are not included in the financial statements and disclosed in explanatory notes to the financial statements.

Contingent assets generally arise from unplanned or other unexpected events that bear the probability of inflow of economic benefits to the Group. Contingent assets are not shown on the financial statements, since they may imply the accounting of an income that will never be gained. Contingent assets are disclosed in financial statement disclosures, if the inflow of the economic benefits to the Group is probable. Contingent assets are subject to continuous evaluation in order to reflect the effect of developments in contingent assets to financial statements accurately. In case that the probability of inflow of the economic benefit to the Group is almost certain, the related asset and the income generated from the asset are reflected to the financial statements of the regarding period (Note 19).

2.3.21 Government incentives

Government incentives relating to biological assets measured by deducting the deemed marketplace cost from the fair value can only be recognised as income once the conditions regarding the relevant government incentive are fulfilled, including the entity's not performing some certain agricultural activities, if they have been granted conditionally. State aid is included on the income statement systematically throughout the related period in order to relate it with the costs targeted to be fulfilled. Accordingly, state aid corresponding to the period in which the costs related to the state aid are included in financial statements is recognised in the income statement in the same period as these costs. State aid regarding assets subject to amortisation is recognised by deducting it from the cost of tangible assets (Note 18).

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3.22 Employee benefits

The Group accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause "Employee Benefits" ("IAS 19") and classifies them as "Provisions for Employee Benefits" at the balance sheet.

Employee termination benefits, as required by the Turkish Labour Law, are recognized in these consolidated financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections.

Provision for severance pay is the amount calculated based on the discounted values of the liabilities that are expected to arise within the framework of the Turkish Labour Law in case of Group employees' retirement (Note 20).

2.3.23 Cash and cash equivalents

Cash and cash equivalents which are immediately convertible to cash and carry an insignificant risk of changes in value, or other short-term highly liquid investments, demand deposit accounts from date of purchase and maturities of 3 months or less than 3 months.

2.3.24 Earnings per share

Earnings per share disclosed in these consolidated statements of income are determined by dividing the net loss/profit by the weighted average number of shares that have been outstanding during the year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

2.3.25 Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed.

The Group adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements.

2.4 Critical accounting estimates and judgements

Preparation of financial statements requires balance sheet assets and liabilities as of the date reported or described in the relevant period and the amounts of contingent assets and liabilities consists of estimates and assumptions that affect the reported amounts of revenues and expenses. These estimates are based on management's best, current knowledge, and actual results may differ from those estimates. These estimates and assumptions are regularly reviewed and in the event that adjustments are required to be made, they are reflected in the operating results of the related period. The main estimates are; goodwill impairment, the fair value of biological assets and calculation of deferred tax asset over accumulated losses.

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NOTE 3 - SEGMENT REPORTING

a) Segment assets and liabilities

	31 December 2013	31 December 2012
Total assets:		
Agriculture and livestock operations	16,048,442	14,654,264
Capital market operations	3,726,156	8,336,380
Deferred tax assests	34,334	-
Total assets	**19,808,932**	**22,990,644**
Liabilities:		
Agriculture and livestock operations	3,736,401	3,753,137
Capital market operations	126,919	89,943
Deferred tax liabilities	-	272,553
Total liabilities	**3,863,320**	**4,115,633**

b) Property, equipment and intangible assets

	31 December 2013	31 December 2012
Investment expenditures		
Agriculture and livestock operations -Cost	4,024,588	978,676
Agriculture and livestock operations -		
The scope of incentive grants received (-) (Note 16 ve 18)	(1,483,617)	-
	2,540,971	**978,676**
Amortisation and depreciation		
Agriculture and livestock operations	(534,280)	(409,097)
Capital market operations	(2,111)	(2,110)
	(536,391)	**(411,207)**

c) Incomes and losses from main operations

	31 December 2013	31 December 2012
Income from main operation		
Agriculture and livestock operations	2,724,653	922,440
Capital market operations	865,654	2,037,264
	3,590,307	**2,959,704**

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NOTE 3 - SEGMENT REPORTING (Continued)

	31 December 2013	31 December 2012
Loss from main operation		
Agriculture and livestock operations	(3,410,542)	(1,555,615)
Capital market operations	(528,617)	(454,845)
	(3,939,159)	**(2,010,460)**
Gross profit	**(348,852)**	**949,244**
Agriculture and livestock operations	(685,889)	(633,175)
Capital market operations	337,037	1,582,419
Gross profit	**(348,852)**	**949,244**

d) Operating expenses

General administrative expenses

Capital market operations	(1,199,108)	(1,195,383)
Agriculture and livestock operations	(1,325,720)	(402,079)
	(2,524,828)	**(1,597,462)**

e) Other operating income and expenses

Agriculture and livestock operations	28,908	44,366
Capital market operations	(413)	17,172
	28,495	**61,538**

f) Shares of profit for the period belongs to the joint venture accounted through equity method

Agriculture and livestock operations	(12,150)	28,844
Capital market operations	-	-
	(12,150)	**28,844**
Loss before financial income/expenses (-)	**(2,857,335)**	**(557,836)**

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2013	31 December 2012
Cash	205	1,569
Time deposits (*)	4,063,937	6,072,087
Demand deposits	97,788	148,527
Given payment orders	(219,011)	(49,760)
Type B liquid fund	-	9,886
Other	-	28,485
	3,942,919	**6,210,794**

(*) As of 31 December 2013 the time deposit amounting to TRY 602,280 is under blockage in return for the loan received (31 December 2012: 3,882,481) (Notes 6 and 19).

As of 31 December 2013 details of time deposits are as follows,

Interest rate	Maturity date	Cost	Book value
7,25%	2 January 2014	1,749,236	1,749,583
9,25%	13 January 2014	1,700,000	1,709,479
7,50%	13 January 2014	602,280	604,875
		4,051,516	**4,063,937**

As of 31 December 2012 details of time deposits are as follows,

Interest rate	Maturity date	Cost	Book value
%8,25	4 February 2013	1,900,000	1,900,429
%5,00	2 January 2013	144,866	144,896
%6,00	2 January 2013	121,786	121,806
%5,75	11 January 2013	3,882,481	3,904,956
		6,049,133	**6,072,087**

For the purpose of the preparation of a consolidated statement of cash flows, details of cash and cash equivalents are as follows:

	31 December 2013	31 December 2012
Cash	205	1,569
Banks	3,547,024	2,315,179
Type B liquid fund	-	9,886
Other	-	28,485
	3,547,229	**2,355,119**

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NOTE 5 - FINANCIAL INVESTMENTS

Short-term financial investments

	31 December 2013	31 December 2012
Financial assets at fair value through profit or loss	-	3,161,273
Marketable securities to be held until maturity	-	1,197,183
	-	**4,358,456**

Financial assets at fair value through profit and loss:

	31 December 2013	31 December 2012
Financial asset available for sale	-	3,161,273
	-	**3,161,273**

Financial assets of the Group at fair value through profit or loss are held for trading and measured at their fair value. In assessing the fair value of the trading securities, the best bid price on the BIST as of the balance sheet date is used. In case that the fair value price is not formed in active market conditions it is accepted that the fair value of the asset has not been determined reliably and their cost value is taken into account as fair value.

	31 December 2013			31 December 2012		
	Cost	Fair Value	Book Value	Cost	Fair Value	BookValue
Share certificates	-	-	-	2,336,118	2,289,300	2,289,300
Government bonds	-	-	-	557,963	599,289	599,289
Eurobond	-	-	-	255,074	272,684	272,684
	-	**-**	**-**	**3,149,155**	**3,161,273**	**3,161,273**

Held to maturity financial assets	31 December 2013	31 December 2012
Private sector coupons and bonds	-	1,197,183

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NOTE 5 - FINANCIAL INVESTMENTS (Continued)

Investments accounted through equity method:

	Percentage of share	31 December 2013	Percentage of share	31 December 2012
Tolina Tarım	%43.58	1,416,693	%43.58	1,428,844
Total		**1,416,693**		**1,428,844**

The Company became a shareholder (43,58%) of Tolina Tarım Hayvancılık Gıda Sanayi ve Ticaret Limited Şirketi with a nominal capital of TRY1,815,000 on 16 October 2012 through capital increase, and 1,401 shares (1 free of charge) were purchased in return for TRY1,400,000. The Company was established in order to operate in the field of organic dairy farming and milk sale (Note 2.3.1).

“Tolina Tarım”, whose type was changed after the purchasing transaction performed through capital contribution, became a joint stock company with all its assets on 18 January 2013. The capital of the new Company is TRY3, 215,000.

A table regarding the movements of the joint venture valued through the equity accounting method is presented below:

	2013	2012
Opening Balance - 1 January	**1,428,844**	**-**
Purchase of joint venture shares	-	1,400,000
Shares of the joint venture in the profit/(loss) for the period	(12,150)	28,844
Closing Balance - 31 December	**1,416,694**	**1,428,844**

Summary financial information to the joint venture are as below:

	31 December 2013	31 December 2012
Total assets	4,746,622	4,081,784
Total Liabilities	1,582,802	890,084
Revenue	1,515,191	38,842
Net loss for the period	(27,880)	(23,301)

NOTE 6 - BORROWINGS

	31 December 2013	31 December 2012
Short-term borrowings		
Short-term portion of long-term borrowings	668,400	668,400
Short-term other borrowings	66,750	213,150
	735,150	**881,550**
Long-term borrowings		
Long-term borrowings	2,005,200	2,673,600
Long-term finance lease liabilities	243,515	-
	2,248,715	**2,673,600**

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NOTE 6 - BORROWINGS (Continued)

Non-current liabilities of the Group consist of the interest-free agricultural incentive loans to Doğa Tarım, one of the subsidiaries, received from T,C, Ziraat Bankası A.Ş.,

Repayment schedule of long-term borrowings is as follows:

	31 December 2013	31 December 2012
2014	-	668,400
2015	668,400	668,400
2016	668,400	668,400
2017	668,400	668,400
	2,005,200	**2,673,600**

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
Short-term receivables:		
Receivables from milk customers	442,460	331,523
Receivables to related parties	35,138	-
Receivables from meat customers	13,590	12,588
Other	9,926	-
	501,114	**344,111**

Short-term payables:		
Trade payables	584,388	136,035
Trade payables to related parties (Note 28)	5,803	15,034
	590,191	**151,069**

NOTE 8 - LIABILITIES FOR EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
Payables to personnel	52,398	-
	52,398	**-**

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NOTE 9 - OTHER PAYABLES

	31 December 2013	31 December 2012
Short-term payables:		
Taxes and funds payable	13,139	-
Social security premiums payable	6,945	-
Due to related parties	3,788	-
Other	47,316	10,566
	71,188	**10,566**

NOTE 10 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Other current assets:		
Deffered VAT	1,002,550	497,860
Job advances	142,352	52,499
Diğer	8,121	106,930
	1,153,023	**657,289**

	31 December 2013	31 December 2012
Other non-current assets:		
Advances given	278,036	325,326
Other	50,615	49,598
	328,651	**374,924**
Other short-term liabilities:		
Taxes and funds payable	56,480	46,891
Insurance premiums	26,701	29,114
Other	-	3,789
	83,181	**79,794**

NOTE 11 - INVENTORIES

	31 December 2013	31 December 2012
Raw material	1,216,558	567,211
	1,216,558	**567,211**

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NOTE 12 - PREPAID EXPENCES

	31 December 2013	31 December 2012
Advances given for purchase orders	27,667	-
	27,667	**-**

NOTE 13 - BIOLOGICAL ASSETS

	31 December 2013	31 December 2012
Short term biological assets		
Male animals	103,950	235,450
	103,950	**235,450**
Long term biological assets		
Female animals	2,401,159	2,237,657
	2,401,159	**2,237,657**

		31 December 2013
Male animals	**Quantity**	**Fair value**
Male calf	55	103,950
	55	**103,950**

		31 December 2013
Female animals	**Quantity**	**Fair Value**
Dairy cow (*)	278	1,642,282
Female calf	159	409,902
Heifer	45	348,975
	482	**2,401,159**
Total	**537**	**2,505,109**

(*) The book value of the dairy cows has been obtained by using fair values of dairy cows and deducting the accumulated depreciation amounting to TRY152,184 calculated on a five-year life from this amount.

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NOTE 13 - BIOLOGICAL ASSETS (Continued)

		31 December 2012
Male animals	**Quantity**	**Fair Value**
Male weaner	47	157,450
Male calf	52	78,000
	99	**235,450**
Female animals	**Quantity**	**Fair Value**
Dairy cow (*)	202	1,369,657
Heifer	136	748,000
Female calf	80	120,000
	418	**2,237,657**
Total	**517**	**2,473,107**

(*) The book value of the dairy cows has been obtained by adding the costs incurred for the expected milk production to the current pregnant heifer prices and deducting the accumulated depreciation amounting to TRY152,184 calculated on a five-year life from this amount.

Movement of the biological assets within the relevant period are as follows:

	2013	2012
1 January - Opening balance	**2,473,107**	**-**
Physical effect (Birth, death and net effect of the sales)	(19,634)	54,200
The effect of changes in fair value	51,636	(213,793)
Acquisition of subsidiaries	-	2,632,700
31 December - Closing balance	**2,505,109**	**2,473,107**

The Group has taken each animal group, the ages of the animals in detail, and also the significant features of the biological assets into consideration in order to reach the most reliable fair value estimation when estimating the fair value. Moreover, based on the animal prices issued by the General Directorate of Agricultural Enterprises, factors such as the health status of the animals, vaccination and treatment records, pedigree records, family milk averages, the degree of genetic transfer of fathers and grandfathers (mother-father) in pedigree, and the degree of genetic transfer of insemination bulls in pregnant heifers have also been taken into account when determining the fair value.

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NOTE 14 - OTHER RECEIVABLES

	31 December 2013	31 December 2012
Other receivables		
Due from related parties (Note 28)	350,000	-
Receivables from tax office	110,271	32,340
	460,271	**32,340**

NOTE 15 - CURRENT INCOME TAX ASSET

	31 December 2013	31 December 2012
Current income tax asset:		
Prepaid taxes	49,142	160,740
	49,142	**160,740**

NOTE 16 - PROPERTY AND EQUIPMENT

	Lands (*)	Land improvements	Buildings (*)	Machinery and equipment	Motor vehicles	Fixture and Furniture	Construction in progress	Total
Cost								
1 January 2013	1,018,278	-	2,709,679	216,742	146,961	840,669	395,272	5,327,601
Additions	16,800	150,226	486,419	599,954	102,886	205,933	978,753	2,540,971
Disposals	-	-	-	-	-	(73,395)	(140,563)	(213,958)
31 December 2013	**1,035,078**	**150,226**	**3,196,098**	**816,696**	**249,847**	**973,207**	**1,233,462**	**7,654,614**
Accumulated depreciation								
1 January 2013	-	-	(131,000)	(42,045)	(9,815)	(245,587)	-	(428,447)
Period expense	-	(1,669)	(266,411)	(44,009)	(36,007)	(186,184)	-	(534,280)
31 December 2013	**-**	**(1,669)**	**(397,411)**	**(86,054)**	**(45,822)**	**(431,771)**	**-**	**(962,727)**
31 December 2013 net book value	**1,035,078**	**148,557**	**2,798,687**	**730,642**	**204,025**	**541,436**	**1,233,462**	**6,691,887**

	Lands (*)	Land improvements	Buildings (*)	Machinery and equipment	Motor vehicles	Fixture and Furniture	Construction in progress	Total
Cost								
1 January 2012	546,780	-	-	29,305	-	25,839	157,658	759,582
Additions by acquisition	303,750	-	2,620,000	89,187	54,763	595,294	-	3,662,994
Additions	167,748	-	89,679	98,250	156,763	219,536	246,700	978,676
Disposals	-	-	-	-	(64,565)	-	(9,086)	(73,651)
31 December 2012	**1,018,278**	**-**	**2,709,679**	**216,742**	**146,961**	**840,669**	**395,272**	**5,327,601**
Accumulated depreciation								
1 January 2012	-	-	-	(29,305)	-	(1,474)	-	(30,779)
Period expense	-	-	(131,000)	(12,740)	(21,244)	(244,113)	-	(409,097)
Disposals	-	-	-	-	11,429	-	-	11,429
31 December 2012	**-**	**-**	**(131,000)**	**(42,045)**	**(9,815)**	**(245,587)**	**-**	**(428,447)**
31 December 2012 net book value	**1,018,278**	**-**	**2,578,679**	**174,697**	**137,146**	**595,082**	**395,272**	**4,899,154**

(*) "There is a mortgage limited to TRY10,000,000 on the milk production facility owned by "Doğa Tarım" as a guarantee for the loan received from T,C, Ziraat Bankası A.Ş (Notes 6 and 19).

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NOTE 16 - PROPERTY AND EQUIPMENT (Continued)

Financial leasing transactions of the Group acquired tangible assets as tenant include the following balances:

	31 December 2013	31 December 2012
Cost	320,590	-
Accumulated depreciation (-)	(9,914)	-
	310,676	**-**

As explained in Footnote 18, the Group recognised the grant amounting to TRY1,483,617, taken as an incentive, by deducting it from the purchase costs of underground and overland arrangements, buildings and machine and equipment items for the current period which were classified under tangible fixed assets and included in the incentive.

NOTE 17 - INTANGIBLE ASSETS

	31 December 2013	31 December 2012
Goodwill	1,479,925	1,479,925
Other intangible assets	1,639	3,749
	1,481,564	**1,483,674**

(*) The Group have goodwill in the consolidated financial statements amounting TRY1,479,925 from the purchase of Doğa Tarım on 27 June 2012 as of 31 December 2013 and 31 December 2012, As stated in Footnote 2.3.12, the Group applies impairment tests to impairment amounts once a year or more frequently when the circumstances indicate impairment. The recoverable value for the impairment test which occurred following the acquisition of Doğa Tarım was determined according to value in use calculations. Value in use was calculated by discounting the free cash flows by the weighted average capital cost. The value in use calculation is based on the projections confirmed by management and it is sensitive to the growth rate used to calculate the growth and profitability rates, discount rate and estimated cash flow for the post projection period. Discount rates used in the calculation were chosen after reviewing the current market conditions. The discount rate used (weighted average capital cost) was 11.6% and 3.0% was used as the constant growth rate for the estimation of cash flows that would occur in the periods after the projection period. In this respect, the Group made an impairment test within the context of the calculation in question on 31 December 2013 and could not find any impairment.

The movements of other intangible assets are stated below:

31 December 2013	
Cost	
1 January 2013 opening balance	44,959
Additions	-
31 December 2013 closing balance	**44,959**
Accumulated amortization	
1 January 2013 opening balance	(41,209)
Period expense	(2,111)
31 December 2013 closing balance	**(43,320)**
31 December 2013 net book value	**1,639**

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NOTE 17 - INTANGIBLE ASSETS (Continued)

31 December 2012	
Cost	
1 January 2012 opening balance	44,959
Additions	-
31 December 2012 closing balance	**44,959**
Accumulated amortization	
1 January 2012 opening balance	(39,099)
Period expense	(2,110)
31 December 2012 closing balance	**(41,209)**
31 December 2012 net book value	**3,749**

NOTE 18 - GOVERNMENT INCENTIVES

"Doğa Tarım", one of the Group's subsidiaries, benefits from the following incentives since it fulfils the conditions stated in "Regulation on the Definition, Registration and Monitoring of Bovines" promulgated in the official gazette No. 24829, dated 28 July 2002.

Incentive Type	**Conditions**	**Duration**
Cleanliness incentive	For the entities clear from diseases;	1 year
	this payment is made per each animal for all cattle that are present, in the entity with health certificates at the time of the cleanliness test except for breeding bulls and male animals older than six months.	
Milk incentive	Selling raw milk to the milk processing facilities that have milk incentive code numbers and food registration certificates in return for a producer receipt and being a member of a livestock organisation.	1 year

As part of the Instrument for Pre-Accession Assistance Program declared and managed by the Agriculture and Rural Development Support Institution and supported by the European Union, the Group collected the portion of the grant amounting to TRY1,483,617, which is a part of the incentive, on 30 December 2013 for use in the investment in a sheep farm in Denizli-Şenyayla by Batı Tarımsal Yatırımlar A.Ş., a joint venture of the Group. This amount was recognised by deducting it from the cost of the assets subject to amortisation, classified under tangible fixed assets in the consolidated statement of financial position regarding the investment which is the subject of the grant (Footnote 16).

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NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

There is a mortgage limited to TRY10,000,000 on the milk production facility owned by “Doğa Tarım” as a guarantee for the loan received from T,C, Ziraat Bankası A.Ş., and there is also a blockage of TRY 602,280 on its time deposit (31 December 2012: 3,882,481 TRY) (Notes 4 and 6).

NOTE 20 - PROVISION FOR EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
Short term employee benefits		
Provision for unused vacation	21,661	16,743
	21,661	**16,743**
Long term employee benefits		
Provision for employment termination benefits	60,836	29,758
	60,836	**29,758**

Provision for unused vacation

In accordance with existing labour law in Turkey, the Group is required to make payments to employees for the remaining vacation days up to the termination date regarding the current salary amount. The unused vacation balance is the undiscounted total liability amount as of the balance sheet date which is equal to the unused vacation balance that has been earned by all personnel.

Employment Termination Benefit

Under Turkish Labour 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, is called up for military service, dies or who retires. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to the length of service prior to retirement.

The amount payable consists of one month’s salary limited to a maximum of TRY3,254,44 (31 December 2012: TRY3,033,98) for each period of service at 31 December 2013.

The liability is not funded, as there is no funding requirement,

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NOTE 20 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees. TFRS requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2013	31 December 2012
Discount rate (%)	3.49	4.66
Turnover rate to estimate the probability of retirement (%)	100	100

Additionally, the principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore the maximum amount of employment termination benefits of the Group is determined every six months and is calculated using the maximum amount of TRY3,438,22 (1 January 2013: TRY3,129,25) valid from 1 January 2014.

Movements in the reserve for employment termination benefits during the current year are as follows:

	2013	2012
Opening balance - 1 January	**29,758**	**15,856**
Service cost	37,534	12,640
Interest cost	5,109	1,262
Actuarial profit (*)	(11,565)	-
Closing balance - 31 December	**60,836**	**29,758**

(*) Actuarial profit for the 12 month period ended 31 December 2013, has been recognised in the "Other income and expenses which cannot be re-classified regarding profits and losses account in equity capital, including tax effects. Due to the fact that the actuarial losses arising in 1 January - 31 December 2012 interim period, does not have a significant effect on the financial statements of the previous period, no correction is made in the financial statements of the previous period. Also, service and interest costs regarding the period in question and all of the actuarial losses are recognised in the income/expenses statement.

NOTE 21 - SHAREHOLDER'S EQUITY

The Company's paid-in capital is TRY22,000,000 (31 December 2012: TRY22,000,000), each with a nominal value derived by dividing by 22,000,000 shares (31 December 2012: 22,000,000), that is TRY1.

The Company is subject to registered capital system, registered capital amount has been determined as TRY200,000,000 (31 December 2012: TRY200,000,000).

The Company, as the parent company, owns 5,262 Class A privileged bearer shares with a nominal value of TRY1 each, Class A shares have the right to nominate candidates for two-thirds of the members of the Board of Directors, and all of these shares are owned by Tan Egeli as of the preparation date of these financial statements.

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NOTE 21 - SHAREHOLDER'S EQUITY (Continued)

Net book value of issued and paid-in capital as of 31 December 2013 and 31 December 2012 are as below:

Shareholders	Share (%)	31 December 2013 TRY	Share (%)	31 December 2012 TRY
Egeli & Co Yatırım Holding A.Ş.	27.62	6,075,661	27.62	6,075,661
Egeli & Co Girişim SermayesiYatırım Ortaklığı A.Ş.	5.75	1,264,958	5.75	1,264,958
Tan Egeli	3.49	768,562	3.49	768,562
Egeli & Co Finansal Yatırımlar A.Ş.	2.11	463,272	2.11	463,272
Diğer/Halka Arz	61.03	13,427,547	61.03	13,427,547
Total paid-in share capital	**100.00**	**22,000,000**	**100.00**	**22,000,000**
Adjustment to share capital		**789,204**		**789,204**
Total capital		**22,789,204**		**22,789,204**

Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital due to the inflation adjustments. Capital adjustment differences have no other use other than being transferred to share capital.

Reserves, accumulated losses, retained earnings:

	31 December 2013	31 December 2012
Restricted reserves		
- Legal reserves	474,975	474,975
Accumulated losses (-)	(4,760,038)	(4,116,030)
	(4,285,063)	**(3,641,055)**

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"), The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of the paid-in share capital.

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NOTE 21 - SHAREHOLDER’S EQUITY (Continued)

Retained earnings

In accordance with the CMB regulations effective until 01 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under “Accumulated losses” could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under “accumulated losses” could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

However, the application that is valid until 01 January 2008, corrected for the inflation in accordance with the regulation of the financial statements as a result of the first equity “capital, share premium, legal reserves, statutory reserves, special reserves and extraordinary reserves, “presented at their historical amounts of these items are given and the corrected values in such accounts’ equity inflation adjustment differences” account. For all equity accounts “equity inflation adjustment differences” could be used free of charge for share capital increase, extraordinary values, free capital increase, cash dividend distribution or to offset losses.

In accordance with the Communiqué Serial: XI, No: 29 which became effective as of 1 January 2008 and according to the CMB’s announcements clarifying the said Communiqué, “Share capital”, “Restricted reserves allocated from profit” and “Share premiums” need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows):

- If the difference is arising from the valuation of “Paid-in capital” and has not yet been transferred to capital, it should be classified under the “Inflation adjustment to share capital”;
- If the difference is arising from valuation of “Restricted reserves” and “Share premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained earnings”,

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Bonus share

Companies whose shares are listed in the BIST are subject to dividend conditions set by the Capital Markets Board.

Publicly traded companies make dividend distributions in accordance with the Capital Markets Board Communiqué on Dividends No. II-19, 1 enacted on 1 February 2014.

Affiliates distribute their profits with the decision of a general assembly within the framework of profit distribution policies determined by their general assemblies and in accordance with the provisions of the related legislation. Within the context of the communiqué mentioned above, a minimum distribution rate was not determined. Companies pay dividends in accordance with their articles of association or profit distribution policies. Also, dividends may be paid in equal or unequal instalments and dividend advances may be distributed in cash based on the profit in the interim financial statements.

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NOTE 22 - REVENUE AND COST OF SALES

	1 January- 31 December 2013	1 January- 31 December 2012
Revenue		
Revenue from milk	2,247,407	791,294
Interest income	586,854	996,007
Sales of biological asset	358,019	-
Share sale profit, net	201,588	693,449
Redemption incomes of bonds and bills	46,773	299,386
Fair value change of biological asset	32,002	-
Other	117,664	179,568
	3,590,307	**2,959,704**
Cost of sales		
Costs of agricultural operation	(3,410,542)	(1,396,022)
Portfolio management fee (Note 28)	(399,542)	(403,560)
Fair value changes of biological asset	-	(159,593)
Other	(129,075)	(51,285)
	(3,939,159)	**(2,010,460)**
Gross profit/ (loss)	**(348,852)**	**949,244**

NOTE 23 - GENERAL ADMINISTRATIVE EXPENSES

	1 January- 31 December 2013	1 January- 31 December 2012
General administrative expenses		
Personnel expenses	(807,762)	(607,376)
Amortization expences	(526,626)	(21,079)
Advisory expenses	(267,364)	(175,910)
Support services expenses	(135,867)	(153,981)
Audit expenses	(117,375)	(94,847)
Transportation expenses	(85,016)	(71,192)
Rent expenses and the share of building expenses	(71,765)	(59,805)
Travel expense	(69,643)	(29,263)
Tax, notary and duty expenses	(74,441)	(46,592)
Insurance expenses	(25,943)	(1,050)
Maintenance expenses	(19,226)	(6,061)
Trade registiry expenses	(14,005)	(9,933)
Communication expenses	(12,170)	(8,641)
Other	(297,625)	(311,732)
Total operating expenses	**(2,524,828)**	**(1,597,462)**

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NOTE 24 - OTHER OPERATING INCOME /EXPENSE

	1 January- 31 December 2013	1 January- 31 December 2012
Other operating income		
Compensation income	92,193	45,599
Other	39,638	21,783
	131,831	**67,382**

	1 January - 31 December 2013	1 January - 31 December 2012
Other operating expenses		
Foreign currency exchange loss (-)	(53,764)	-
Other	(49,572)	(5,844)
	(103,336)	**(5,844)**

NOTE 25 - FINANCIAL EXPENSE

Financial expense(-)		
interest expenses	(6,113)	-
	(6,113)	**-**

NOTE 26 - INCOME TAXES

Corporate tax - Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş.

The Company is exempt from corporate tax as per Article 5, sub-paragraph d-3 of the Corporate Tax Law. Moreover, venture capital revenue is not subject to advance tax. According to Article 15, sub-paragraph 3 of the Corporate Tax Law and a Council of Ministers decree, the withholding tax rate to be applied to portfolio management revenue obtained by venture capital investment trusts has been determined as 0% (zero).

Corporate tax - Subsidiary

The Corporate Tax Law has been amended through the Law No. 5520, dated 13 June 2006. Many clauses of Corporate Tax Law No. 5520 have been enforced starting from 1 January 2006. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2012,The corporate tax rate is calculated on the total income of the Company after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to a withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

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NOTE 26 - INCOME TAXES (Continued)

Corporations are required to pay advance corporate quarterly tax at a rate of 20% on their corporate income, Advance tax is declared by the 10th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date.

Tax returns are open for five years from the beginning of the year following the date of filing, during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset future taxable income for up to five years, Losses cannot be carried back to offset profits from previous periods.

Deferred tax

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between its financial statements as reported for CMB Accounting Standards and its statutory tax financial statements. The relevant temporary differences result from the fact that the incomes and expenditures are recognised in different reporting periods as per CMB Financial Reporting Standards and tax laws and the exemption of carried forward financial losses. Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming periods under the liability method is 20%.

Deferred tax assets are recognised to the extent that it is probable that sufficient financial profit will be available for utilising the deductible temporary differences.

Since Turkish tax legislation does not allow for the preparation of a consolidated tax return, tax provisions are separately calculated on a per company basis.

Deferred tax assets are recognised to the extent that the relevant tax benefit is probable. The amount of future taxable profits and future possible tax benefits depends on the Group's medium-term business plan and assumptions made after that. The business plan is based on Group expectations deemed reasonable under the conditions.

As of 31 December 2013 and 31 December 2012 the cumulative temporary differences and deferred tax assets and liabilities using enacted tax rates are as follows:

	31 December 2013	31 December 2012
Current period tax liabilities:		
Prepaid taxes	49,142	160,740
Prepaid taxes	**49,142**	**160,740**

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NOTE 26 - INCOME TAXES (Continued)

As of 31 December 2013 and 2012 the cumulative temporary differences and deferred tax assets and liabilities using enacted tax rates are as follows:

	31 December 2013	31 December 2012
Current year tax expence (-)	(24,404)	-
Deferred tax income	309,712	92,865
Total tax income	**285,308**	**92,865**

	31 December 2013	31 December 2012
Deferred tax assets	289,094	5,952
Deferred tax liabilities	(254,760)	(278,505)
Deferred tax liabilities, net (-)	**34,334**	**(272,553)**

	31 December 2013		31 December 2012	
	Total temporary Differences	Deferred tax assets/ (liabilities)	Total temporary differences	Deferred tax / (assets/ (liabilities)
Deferred tax assets				
Losses of previous periods	864,455	172,891	-	-
Inventory	335,834	67,167	-	-
Biological asstes	245,180	49,036	-	-
Other	-	-	29,758	5,952
	1,445,469	**289,094**	**29,758**	**5,952**
Deferred tax liabilities				
Tangible assets	(1,190,300)	(238,060)	(1,157,382)	(231,476)
Intangible assets	(56,446)	(11,289)	-	-
Biological asstes	-		(235,145)	(47,029)
Other	(27,052)	(5,411)	-	-
	(1,273,798)	**(254,760)**	**(1,392,527)**	**(278,505)**
Deferred tax liabilities (-) , net		**34,334**		**(272,553)**

The movement of deferred tax liabilities is as follows:

	2013	2012
Opening Balance- 1 January	**(272,553)**	**-**
Deferred tax income relevant to income statement	309,712	92,865
Deferred tax income recognized in the equity	(2,825)	-
Acquisition of subsidiaries	-	(365,418)
Closing balance - 31 December	**34,334**	**(272,553)**

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NOTE 26 - INCOME TAXES (Continued)

As of 31 December 2013, the Group has deferred tax asset amounting to TRY172,891 (31 December 2012: None) which is not reflected in the financial statements deriving from the unused financial loss amounting to TRY864,455 (31 December 2012: None):

	31 December 2013	31 December 2012
2018	864,455	-
Total	**864,455**	**-**

As of 31 December 2013, the Group has deferred tax asset amounting to TRY197,576 (31 December 2012: TRY103,235) which is not reflected in the financial statements deriving from the unused financial loss amounting to TRY987,878 (31 December 2012: TRY516,177):

	31 December 2013	31 December 2012
2015	-	65,702
2016	-	40,277
2017	398,262	410,198
2018	589,616	-
Total	**987,878**	**516,177**

NOTE 27 - EARNINGS/LOSS PER SHARE

Per share in the gain/loss stated on profit or loss and other comprehensive income, has been calculated by, net loss for the current period / profit shares in issue during the period divided by the weighted average number was found.

In Turkey, companies can increase their share capital by distributing "free shares" of earnings to existing shareholders, retained earnings and revaluation funds. These type of "bonus shares", comprised of a certain amount of retained earnings per share, are regarded as issued shares. Accordingly, the weighted average number of shares used for earnings per share, is derived by giving retroactive effect to previous transactions.

Earnings per share is calculated as dividing net profit distributed to shareholders by weighted average number of shares issued.

	31 December 2013	31 December 2012
Net loss attributable to shareholders (-)	(2,578,140)	(419,459)
The average number of shares	22,000,000	22,000,000
(Loss)/earning per share (As TRY1 per share)	**(0,1172)**	**(0,0191)**
Total comprehensive (loss)/income	(2,569,399)	(419,459)
Comprehensive (loss)/earning per share (As TRY1 per share)	**(0,1168)**	**(0,0191)**

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NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. As of 31 December 2013 and 31 December 2012 balances of related parties are as follows:

	31 December 2013	31 December 2012
Other receivables from related parties		
Tolina Tarım	35,138	-
	35,138	**-**

	31 December 2013	31 December 2012
Other receivables from related parties		
Tolina Tarım	350,000	-
	350,000	**-**

	31 December 2013	31 December 2012
Trade payables to related parties		
Due to related parties	3,788	-
	3,788	**-**

Trade payables to related parties		
	31 December 2013	**31 December 2012**
Egeli & Co Portföy Yönetimi A.Ş. (*)	5,803	15,034
	5,803	**15,034**

(*) Consists of portfolio management fees as part the portfolio management contract's unpaid portion.

b. The details of transaction with related parties are listed below as of 31December 2013 and 2012:

	1 January - 31 December 2013	1 January - 31 December 2012
Portfolio management fee		
Egeli& Co Portföy Yönetim A.Ş. (**) (Dipnot 22)	399,542	403,560
	399,542	**403,560**

(**) Consists of portfolio management commisions as part the portfolio management contract.

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NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

	31 December 2013	31 December 2012
Support and rent expenses		
Egeli & Co Kurumsal Destek Hizmetleri A.Ş. (*)	103,640	153,981
Egeli & Co Finansal Yatırımlar A.Ş. (**)	38,928	37,038
	142,568	**191,019**

(*) Consists of accounting, operation, management, technical service, corporational support and reporting etc. services received.
(**) Consists of rent and usage expenses.

c. The details of benefits which provided to high level executives are as follows;

	31 December 2013	31 December 2012
Gross wages and other short term benefits	285,143	251,490
	285,143	**251,490**

NOTE 29 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks due to its operations. The details of these risks and The Group's risk management are as follows,

Financial Risk Management

The Group's activities expose it to a variety of risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group is exposed to a variety of financial risks due to its operations. The details of these risks and The Group's risk management are as follows:

a. Credit risk disclosures

Credit risk is the risk that one party to a financial instrument will fail to meet regarding the terms of their agreements as foreseen and which causes the other party to incur a financial loss.

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NOTE 29 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Group's maximum credit risk exposure:

31 December 2013

Note	Trade receivables (Note 7)	Cash and cash equivalents (Note 4)	Financial investments (Note 5)
As of reporting date max, credit risk exposed	**501,114**	**3,942,919**	**-**
Net book value of neither past due nor impaired financial assets	501,114	3,942,919	-

31 December 2012

Note	Trade receivables (Note 7)	Cash and cash equivalents (Note 4)	Financial investments (Note 5)
As of reporting date max, credit risk exposed	**344,111**	**6,210,794**	**4,358,456**
Net book value of neither past due nor impaired financial assets	344,111	6,210,794	4,358,456

For the purpose of the above table, collaterals and other guarantees which increase the collectability of the financial asset have not been taken into account. The Group does not hold any financial assets that are past due but not impaired with renegotiated conditions which would otherwise be past due and impaired. In addition, the Group does not hold any off balance sheet items with credit risk and impaired assets.

b, Liquidity risk disclosures

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient funds. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Group manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

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NOTE 29 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Group does not have any derivative financial liabilities. The following table presents the cash flows payable by the Group under other financial liabilities according to their remaining contractual maturities as of 31 December 2013 and 31 December 2012:

	31 December 2013					
	Up to 1 month	**Between 1-3 months**	**Between 3 months-1year**	**Between 1-5 years**	**Demand**	**Total**
Cash and cash equivalents	3,844,926	-	-	-	97,993	3,942,919
Trade receivables	-	501,114	-	-	-	501,114
Other receivables	-	110,271	350,000	-	-	460,271
Total assets	**3,844,926**	**611,385**	**350,000**	**-**	**97,993**	**4,904,304**
Financial liabilities	-	735,150	-	2,248,715	-	2,983,865
Trade payables	-	590,191	-	-	-	590,191
Other payables	-	71,188	-	-	-	71,188
Provisions for employee benefits	-		21,661	60,836	-	82,497
Other liabilities	-	83,181	-	-	-	83,181
Total liabilities	**-**	**1,479,710**	**21,661**	**2,309,551**	**-**	**3,810,922**
Net liquidity excess/ (shortage)	**3,844,926**	**(868,325)**	**328,339**	**(2,309,551)**	**97,993**	**1,093,382**

	31 December 2012					
	Up to 1 month	**Between 1-3 months**	**Between 3 months-1year**	**Between 1-5 years**	**Demand**	**Total**
Cash and cash equivalents	4,121,898	1,900,429	-	-	188,467	6,210,794
Financial investments	-	-	2,069,156	-	2,289,300	4,358,456
Trade receivables	-	344,111	-	-	-	344,111
Other receivables	-	32,340	-	-	-	32,340
Total assets	**4,121,898**	**2,276,880**	**2,069,156**	**-**	**2,477,767**	**10,945,701**
Financial liabilities	-	881,550	-	2,673,600	-	3,555,150
Trade payables	-	151,069	-	-	-	151,069
Provisions foremployee benefits	-	-	16,743	29,758	-	46,501
Other payables	-	10,566	-	-	-	10,566
Other liabilities	-	79,794	-	-	-	79,794
Total liabilities	**-**	**1,122,979**	**16,743**	**2,703,358**	**-**	**3,843,080**
Net liquidity excess/ (shortage)	**4,121,898**	**1,153,901**	**2,052,413**	**(2,703,358)**	**2,477,767**	**7,102,621**

According to the contract, as there is no difference between the price of the book and the value of cash outflows, there is no extra table presented for cash inputs and outputs.

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NOTE 29 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c. Information on market risk disclosures

1. Foreign currency risk

Since the Group have not any material assets and liabilities denominated in foreign currency as of 31 June 2013 and 2012, the Group was not exposed to currency risk.

2. Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. The group does not have floating rate assets and liabilities sensitive to changes in interest rate as of 31 December 2013 and 2012.

d. Capital risk management

The Group's objectives when managing capital is to decrease the investment risk through portfolio diversification. The Group aims to provide returns for shareholders by preserving and increasing the value of its portfolio. In order to add value to its portfolio, the Group invests in high-yielding marketable securities and other financial instruments, monitors the developments in capital markets and other financial institutions and modifies its portfolio strategy accordingly.

NOTE 30 - FINANCIAL INSTRUMENTS

Fair value of the financial instruments

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 market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here are not necessarily indicative of the amounts the Group could realise in a current market exchange.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

a. Financial assets:

The fair values of certain financial assets carried at cost, including cash due from banks, are considered to approximate their respective carrying values.

Market prices are used on the determination of the fair values of marketable securities.

b. Financial liabilities:

The Group assumes that the carrying values of financial assets and liabilities are close to their fair values are due to their short term maturity.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities.
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in the first level.
- Third level: Financial assets and liabilities are valued with inputs that cannot be based on the data observed in the market and used to determine the fair value of the asset or liability.

The Group's assets and liabilities measured at fair value are as follows:

31 December 2013: None.

31 December 2012	Level 1	Level 2	Level 3
Financial instruments held for trading	3,161,273	-	-
	3,161,273	**-**	**-**

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NOTE 31 - ANIMAL HEALTH RISK

The main risks regarding Doğa Tarım's field of activity are the ones relating to animal health. Since the number of industrial producers and the number of animals per entity is very low in Turkey in terms of livestock and dairy farming, it is not possible to take the precautions required for protecting animal health. Common animal diseases such as foot-and-mouth disease, brucella and tuberculosis pose a significant risk for cattle breeding.

The Company has taken all precautions required for preventing the entrance and spread of disease to the animals within the farm and has not experienced any epidemics since the day it was established. And it has been granted a "Disease Cleanliness Certificate" by the Ministry of Agriculture as a result of the precautions it took, and this certificate is annually renewed after inspections and monitoring. Based on the disease possibility, the risk is maintained on a minimum level through insurance of all biological assets within the scope of "All Risk".

NOTE 32 - SUBSEQUENT EVENTS

1) The investment in the Denizli-Şenyayla farm for raising sheep for meat and milk, made with the support of the IPARD grand of Batı Tarımsal Yatırımlar A.Ş., which is a joint venture of the company, has been completed and began operating by purchasing 543 small cattle in 2014 for trial production

2) As a result of its share and purchase activities in 2014, the Company became the owner of 2.01% of the shares of Egeli & Co Yatırım Holding A.Ş., which is the leading investor in the Company, as of the preparation date of the financial statements.

NOTE 33 - OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS

None.

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