

**REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.’
CONSOLIDATED FINANCIAL STATEMENTS AND
FOOTNOTES AS OF 31 DECEMBER 2017**

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REYSAS TASIMACILIK VE LOJISTIK TICARET A.S (AND ITS SUBSIDIARIES)*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF 31 DECEMBER 2017 AND 31 DECEMBER 2016 PASSED THE
INDEPENDENT AUDIT
The amounts have been stated in Turkish Lira ("TL") unless otherwise specified.

| ASSETS | Footnote Ref. | Current Period 31 December 2017 | Previous Period 31 December 2016 |
|---|----------------------|--|---|
| Current Assets | | 262.875.497 | 217.156.288 |
| Cash and Cash Equivalents | 7 | 147.152.444 | 71.661.582 |
| Financial Investments | 8 | 24.027 | 20.638 |
| - Financial assets whose fair value difference is reflected to profit or loss | | 24.027 | 20.638 |
| --Other measured by reflecting fair value to the Profit/Loss | | 24 027 | 20 638 |
| Financial Assets (KV) | | | |
| Trade Receivables | | 42.067.836 | 63.876.453 |
| -Trade Receivables from Affiliates | 6 | 6.795.844 | 28.127.572 |
| Trade Receivables from non-Affiliates | 11 | 35.271.992 | 35.748.881 |
| Other Receivables | | 31.057.721 | 13.465.040 |
| -Other Receivables from Affiliates | 6 | 29.360.720 | 12.014.984 |
| -Other Receivables from non-Affiliates | 12 | 1.697.001 | 1.450.056 |
| Stocks | 14 | 1.626.652 | 2.439.874 |
| Prepaid Expenses | | 15.761.274 | 42.186.372 |
| -Expenses Prepaid to the affiliates | 6 | 60.596 | 35.236.602 |
| -Expenses Prepaid to the non-affiliates | 15 | 15.700.678 | 6.949.770 |
| Assets on Current Year Tax | 18 | 520.905 | 278.764 |
| Other Current Assets | | 24.664.638 | 23.227.565 |
| -Other Current Assets from Affiliates | 6 | - | - |
| -Other Current Assets from Non-Affiliates | 19 | 24.664.638 | 23.227.565 |
| Fixed Assets | | 1.041.366.054 | 893.157.965 |
| Financial Investments | 8 | - | - |
| Trade Receivables | 11 | - | 82.813 |
| -Trade Receivables from Affiliates | 6 | - | - |
| Trade Receivables from non-Affiliates | 11 | - | 82.813 |
| Other Receivables | | 1.161.755 | 792.297 |
| -Other Receivables from Affiliates | 6 | - | - |
| -Other Receivables from non-Affiliates | 12 | 1.161.755 | 792.297 |
| Stocks | 14 | 29.742.179 | 29.742.179 |
| Investments valued by Equity Method | 22 | 25.914.748 | 25.128.394 |
| Investment Properties | 23 | 451.231.150 | 402.136.307 |
| Tangible Fixed Assets | 24 | 512.670.424 | 406.271.503 |
| -Lands and parcels | 24 | 232.942.786 | 202.748.341 |
| -Land Improvements | 24 | 8.155.510 | 8.357.684 |
| - Buildings | 24 | 19.593.816 | 23.373.666 |
| - Plant, Machinery and Equipment | 24 | 20.842.336 | 16.298.718 |
| -Vehicles | 24 | 40.400.858 | 43.609.317 |
| -Furniture and Fixtures | 24 | 878.955 | 1.003.480 |
| -Special Costs | 24 | - | 62.755 |
| - Investments in Progress | 24 | 189.856.163 | 110.817.542 |
| Intangible Fixed Assets | 25 | 7.944 | 13.714 |
| -Licenses | 25 | 7.729 | 13.498 |
| -Computer Software | 25 | 215 | 215 |
| Other Intangible Fixed Assets | 25 | - | 1 |
| Prepaid Expenses | | 20.563.851 | 26.640.010 |
| -Expenses Prepaid to the affiliates | 6 | - | - |
| -Expenses Prepaid to the non-affiliates | 15 | 20.563.851 | 26.640.010 |
| Deferred Tax Asset | 33 | 74.003 | 2.350.748 |
| Total Assets | | 1.304.241.551 | 1.110.314.253 |

Attached footnotes constitute an integral part of financial statements.

**REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. (AND ITS SUBSIDIARIES)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF 31 DECEMBER 2017 AND 31 DECEMBER 2016 PASSED THE
INDEPENDENT AUDIT
The amounts have been stated in Turkish Lira ("TL") unless otherwise specified.**

| RESOURCES | Footnote Ref. | Current Period 31 December 2017 | Previous Period 31 December 2016 |
|--|--------------------------|--|---|
| Short-Term Liabilities | | 441.659.935 | 261.185.046 |
| Short-Term Borrowings | 9 | 314.133.305 | 156.529.470 |
| -Short Term Borrowings from Non-Affiliates | | 314.133.305 | 156.529.470 |
| - Bank Loans (Corporate Tax) | 9 | 288.789.887 | 144.499.097 |
| - Debts from Financial Leasing Transactions (Corporate Tax) | 9 | 25.343.418 | 12.030.373 |
| Trade Payables | | 55.228.245 | 81.711.188 |
| - Trade Payables to Affiliates | 6 | 20.735.877 | 51.033.845 |
| - Trade Payables to Non-Affiliates | 11 | 34.492.368 | 30.677.343 |
| Payables within the scope of Employee Benefits | 13 | 1.523.948 | 1.161.937 |
| Other Liabilities | | 60.322.117 | 11.183.958 |
| - Other Payables to Affiliates | 6 | 52.503.521 | 4.510.573 |
| - Other Payables to Non-Affiliates | 12 | 7.818.596 | 6.673.385 |
| Deferred Incomes | | 9.042.112 | 8.022.983 |
| - Deferred Incomes from Affiliates (Corporate Tax) | 6 | - | - |
| - Deferred Incomes from Non-Affiliates (Corporate Tax) | 15 | 9.042.112 | 8.022.983 |
| Period Profit Tax Liability | 17 | 639.687 | 2.016.355 |
| Short-Term Provisions | | 465.100 | 239.161 |
| - Provisions regarding Employee Benefits | 20 | 465.100 | 239.161 |
| - Other Short-term Provisions | 20 | - | - |
| Other Short-Term Liabilities | 19 | 305.421 | 319.994 |
| -Other Short-Term Liabilities to the affiliates | | - | - |
| -Other Short-Term Liabilities to the non-affiliates | 19 | 305.421 | 319.994 |
| Long-Term Liabilities | | 692.380.826 | 656.997.008 |
| Long-Term Borrowings | 9 | 657.398.163 | 621.803.756 |
| -Short Term Borrowings from Non-Affiliates | | 657.398.163 | 621.803.756 |
| - Bank Loans | 9 | 596.431.459 | 560.063.998 |
| - Debts from Financial Leasing Transactions | 9 | 60.966.704 | 61.739.758 |
| Trade Payables | 11 | - | - |
| Other Liabilities | | 1.818.062 | 707.016 |
| - Other Payables to Affiliates | 6 | - | - |
| - Other Payables to Non-Affiliates | 12 | 1.818.062 | 707.016 |
| Deferred Incomes | 15 | 21.444.085 | 22.722.597 |
| - Deferred Incomes from Affiliates | 6 | - | - |
| - Deferred Incomes from Non-Affiliates | 15 | 21.444.085 | 22.722.597 |
| Long-term Provisions | | 11.720.516 | 11.763.639 |
| - Long-term Provisions regarding Employee Benefits | 20 | 4.023.274 | 3.090.533 |
| - Other Long-term Provisions | 20 | 7.697.242 | 8.673.106 |
| SHAREHOLDERS EQUITY | | 170.200.790 | 192.132.199 |
| Shareholders' Equity Attributable to Parent | | 118.089.213 | 125.329.727 |
| Paid -In Capital | 26 | 119.350.000 | 119.350.000 |
| Distinction from capital adjustment | 26 | 40.859 | 40.859 |
| Reacquired Shares (-) | 26 | (2.177.230) | (2.177.230) |
| Other Accumulated Comprehensive Incomes not to be reclassified upon Profit or Loss or Expenses | | 10.324.445 | 10.676.803 |
| --Revaluation and Measurement Earnings (Losses) | 26 | 10.324.445 | 10.676.803 |
| ---Revaluation Increase (Decrease) in Tangible Fixed Assets | 26 | 8.898.510 | 8.898.510 |
| --- Re-measurement Profits (Losses) of Defined Benefit Plans | 26 | 1.425.935 | 1.778.293 |
| Other Earnings (Losses) | 26 | - | - |
| Other Accumulated Comprehensive Incomes not to be reclassified upon Profit or Loss or Expenses | 26 | - | - |
| Reserves on Retained Earnings | | 43.978.355 | 42.574.754 |
| --Legal Reserves | 26 | 10.010.542 | 10.038.391 |
| --Reserves on Repurchased Shares | 26 | 2.177.230 | 2.177.230 |
| --Gains From Fixed Asset Sales | | 31.790,583 | 30,359,133 |
| Previous Years Profits and Losses | 26 | (38.230.591) | (11.666.050) |
| Net Period Profit or Loss | | (15.196.625) | (33.469.409) |
| Non-Controlling Interests | | 52.111.577 | 66.802.472 |
| TOTAL RESOURCES* | | 1.304.241.551 | 1.110.314.253 |

Attached footnotes constitute an integral part of financial statements.

**REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. (AND ITS SUBSIDIARIES)
CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT OF 31 DECEMBER 2017 AND 31
DECEMBER 2016 PASSED THE INDEPENDENT AUDIT
(The amounts have been stated in Turkish Lira ("TL") unless otherwise specified).**

| Profit and Loss Statement | Footnote Ref. | Current Period 01.01.-31.12.2017 | Previous Period 01.01.-31.12.2016 |
|---|--------------------------|---|--|
| Continuing Operations | | | |
| Revenue | 27 | 449.649.155 | 379.744.743 |
| Cost of Sales (-) | 27 | (342.352.835) | (296.031.667) |
| Gross Profit from Business Operations | | 107.296.320 | 83.713.076 |
| General Administration Expenses (-) | 28 | (4.825.971) | (10.895.814) |
| Marketing, Selling and Distribution Expenses (-) | 28 | (1.542.244) | (1.440.598) |
| Research and Development Expenses(-) | 28 | - | - |
| Other Real Operating Incomes | 30 | 20.249.325 | 13.741.581 |
| Other Real Operating Expenses (-) | 30 | (10.234.521) | (24.274.541) |
| Real Operating Profit/Loss (-) | | 110.942.909 | 60.843.704 |
| Incomes from Investment Activities | 31 | 1.646.048 | 8.249.459 |
| Expenses from Investing Activities (-) | 31 | (9.280.200) | - |
| Profit / Loss Shares of Investments Valued by Equity Method | 22 | 1.931.480 | (310.104) |
| Operating Profit / Loss Before Financial Income (Expense) | | 105.240.237 | 68.783.059 |
| Financial Income | 32 | 23.964.800 | 21.609.838 |
| Financial Expenses (-) | 32 | (154.485.494) | (144.845.710) |
| Continuing Operations Profit/Loss Before Tax | | (25.280.457) | (54.452.813) |
| Continuing Operations Tax Income/ Expense (-) | | (4.578.379) | (3.379.174) |
| -Current Tax Income/Expenditure (-) | 17 | (3.623.818) | (4.277.782) |
| -Deferred Tax Income/Expenditure (-) | 33 | (954.561) | 898.608 |
| Continuing Operations Period Profit/Loss | | (29.858.836) | (57.831.987) |
| Discontinued Operations Period Profit/Loss (-) | | - | - |
| Period Profit/Loss | | (29.858.836) | (57.831.987) |
| Non-Controlling Interests | | (14.662.211) | (24.362.571) |
| Main Partnership Interest | | (15.196.625) | (33.469.409) |
| Earnings (Loss) per Share via Continuing Operations | 34 | (0,127) | (0,280) |
| Earnings (Loss) per Share via Discontinuing Operations | | - | - |
| Continuing Operations Period Profit/Loss | | (29.858.836) | (57.831.987) |
| Other Comprehensive Income Statement | | | |
| Those not reclassified in profit or loss | | (376.093) | 8.678.736 |
| - Tangible Fixed Assets Revaluation Increases/Decreases | | | 10.415.746 |
| - Intangible Fixed Assets Revaluation | | | 432.674 |
| Defined Benefit Plans Remeasurement Gains (Losses) | 26 | (449.172) | - |
| Taxes regarding Other Comprehensive Income not to be reclassified upon Profit or Loss | | 73.079 | (2.169.684) |
| -Re-measurement Profits/Losses of Defined Benefit Plans | 33 | 73,079 | (86,535) |
| Tax Effect for Increases/Decreases of Tangible Fixed Assets Revaluation | | | (2.083.149) |
| Those to be Reclassified as Profit or Loss | | - | - |
| Other Comprehensive Income / Expense | | (376.093) | 8.678.736 |
| Total Comprehensive Income | | (30.234.929) | (49.153.251) |
| Total Comprehensive Income Distribution: | | (30.234.929) | (49.153.251) |
| - Non-Controlling Interests | | (14.687.741) | (22.663.502) |
| - Main Partnership Interests | | (15.547.188) | (26.489.749) |

Attached footnotes constitute an integral part of financial statements.

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. (AND ITS SUBSIDIARIES)'

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE ACCOUNTING PERIOD EXPIRING ON 31 DECEMBER 2017 AND 31 DECEMBER 2016 PASSED INDEPENDENT AUDIT

(The amounts have been stated in Turkish Lira ("TL") unless otherwise specified).

| Grade | Paid -In Capital | Distinction from capital adjustment | Reacquired Shares | Revaluation and Measurement Earnings / Losses | | Reserves on Retained Earnings | Accumulated Profits | | Shareholders' Equity Attributable to Parent | Non-Controlling Interests | Total Shareholder's Equity | |
|--|------------------|-------------------------------------|-------------------|--|--|-------------------------------|---------------------------------|---------------------------------|---|---------------------------|----------------------------|--------------------|
| | | | | Revaluation increases/decreases of tangible fixed assets | Re-measurement Profits/Losses of Defined Benefit Plans | | Prior years' profits/losses (-) | Net Profit /Loss For The Period | | | | |
| 01 January 2016 Balance | 26 | 119.350.000 | 40.859 | (2.177.230) | 2.270.576 | 1.426.560 | 25.703.380 | 36.904.992 | (31.875.578) | 151.643.559 | 88.852.957 | 240.496.516 |
| Transfers | | | | | | 16.871.374 | (48.746.952) | 31.875.578 | | | | |
| Total Comprehensive Income (Expense) | | - | - | - | 8.332.597 | 346.139 | - | - | (33.469.409) | (24.790.673) | (24.362.571) | (49.153.244) |
| Transactions with non-controlling shareholders | | - | - | - | (1.704.663) | 5.594 | - | 175.910 | - | (1.523.159) | 2.312.086 | 788.927 |
| 31 December 2016 Balance | 26 | 119.350.000 | 40.859 | (2.177.230) | 8.898.510 | 1.778.293 | 42.574.754 | (11.666.050) | (33.469.409) | 125.329.727 | 66.802.472 | 192.132.199 |
| 01 January 2017 Balance | 26 | 119.350.000 | 40.859 | (2.177.230) | 8.898.510 | 1.778.293 | 42.574.754 | (11.666.050) | (33.469.409) | 125.329.727 | 66.802.472 | 192.132.199 |
| Transfers | | | | | | 1.431.450 | (34.900.859) | 33.469.409 | | | | |
| Total Comprehensive Income (Expense) | | | | | | (350.563) | - | - | (15.196.625) | (15.547.188) | (14.687.741) | (30.234.929) |
| Acquisition or Disposal of Subsidiaries | | - | - | - | - | (1.795) | (27.849) | 8.336.318 | - | 8.306.674 | (3.154) | 8.303.520 |
| --Disposal of Subsidiaries | | - | - | - | - | (1.795) | (27.849) | 8.336.318 | - | 8.306.674 | (3.154) | 8.303.520 |
| 31 December 2017 Balance | 26 | 119.350.000 | 40,859 | (2.177.230) | 8.898.510 | 1.425.935 | 43.978.355 | (38.230.591) | (15.196.625) | 118.089.213 | 52.111.577 | 170.200.790 |

Attached footnotes constitute an integral part of financial statements.

**REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. (AND ITS SUBSIDIARIES)
CONSOLIDATED CASH FLOW STATEMENT OF 31 DECEMBER 2017 AND 31 DECEMBER 2016 PASSED THE INDEPENDENT
AUDIT**

(The amounts have been stated in Turkish Lira ("TL") unless otherwise specified).

| A. CASH FLOWS DUE TO REAL OPERATING ACTIVITIES | Grade | 01.01. 31.12.2017 | 01.01. 31.12.2016 |
|--|--------------|---|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | 69.421.473 | 67.660.277 |
| Period Profit (Loss) | | (29.858.836) | (57.831.987) |
| Continuing Operations Period Profit (Loss) | | (29.858.836) | (57.831.987) |
| Adjustments on Reconciliation of Period Net Profit (Loss) | | 42.080.747 | 158.613.027 |
| Adjustments regarding Depreciation and Amortization Costs | 24-26 | 34.421.952 | 33.245.586 |
| Adjustments Related To Impairment (Cancellation) | 11 | - | (14.513.224) |
| - Adjustments Related To Impairment (Cancellation) in Receivables | 11 | - | (13.813.012) |
| | | Adjustments Related To Impairment (Cancellation) in Tangible Fixed Asset | (700.212) |
| Provisions-related Adjustments | 20 | (167.608) | 1.239.318 |
| Adjustments related to Provisions for Employee Benefits (Cancellation) | 20 | 808.256 | 623.405 |
| Adjustments Regarding Lawsuit and / or Penalty Provisions | | (975.864) | 615.913 |
| Adjustments for Losses (Gains) arisen from Disposal of Fixed Assets | 24-25 | (1.646.048) | 12.336.405 |
| Adjustments for Losses (Gains) arisen from Disposal of Tangible Fixed Assets | | (1.646.048) | 12.336.405 |
| Adjustments for Interest (Income) and Expenses | 11 | 97.123 | 123.235.872 |
| Adjustments related to Interest Incomes | | - | (21.609.838) |
| Adjustments related to Interest Expenses | 9 | 97.123 | 144.845.710 |
| Adjustments related to retained profits of investments valued by equity method | 22 | (786.354) | (310.104) |
| Adjustments related to retained profits of the subsidiaries | 22 | (786.354) | (310.104) |
| Tax (Income) Expense related Adjustments | 33 | 881.482 | 3.379.174 |
| Adjustments related to Losses (Gains) arising from disposal of subsidiaries and cooperative activities | | 9.280.200 | - |
| Changes occurred in the Business Capital | | 58.818.371 | (28.842.981) |
| Decrease in financial investments (Increase) | | (3.389) | (3.663) |
| Adjustments regarding Decrease (Increase) in Trade Receivables | | 20.505.583 | (14.180.667) |
| Decrease (Increase) in Trade Receivables from Affiliates | 6 | 19.945.882 | (4.862.568) |
| Decrease (Increase) in Trade Receivables from Non-Affiliates | 11 | 559.701 | (9.318.099) |
| Adjustments related to Decrease (Increase) in Other Receivables related to operations | | (17.962.139) | (4.519.814) |
| Decrease in Other Receivables related to the activities from affiliates (Increase) | 6 | (17.345.736) | (4.894.318) |
| Operations related Decrease (Increase) in Other Receivables from Non-Affiliates | 12 | (616.403) | 374.504 |
| Adjustments for Decreases (Increases) in Stocks | 14 | 813.222 | (29.667.139) |
| Decrease (Increase) in Prepaid Expenses | 15 | 32.501.051 | 1.233.081 |
| Adjustments regarding Increase (Decrease) in Trade Payables | | (25.860.614) | (7.112.164) |
| Increase (Decrease) in Trade Payables to Affiliates | 6 | (30.084.101) | (4.565.199) |
| Increase (Decrease) in Trade Payables to Non-Affiliates | 11 | 4.223.487 | (2.546.965) |
| Increase (Decrease) in Payables Within the Scope of Employee Benefits | 13 | 383.397 | 169.086 |
| Adjustments for Increase (Decrease) in Other Payables Related to Operations | | 50.249.409 | (541.259) |
| Operations related Decrease (Increase) in Other Payables to Affiliates | 6 | 47.993.152 | (1.882.871) |
| Operations related Decrease (Increase) in Other Payables to Non-Affiliates | 12 | 2.256.257 | 1.341.612 |
| Increase (Decrease) in Deferred Incomes | 15 | (258.383) | 27.166.565 |
| Adjustments for Other Increase (Decrease) realized in Operating Capital | | (1.549.766) | (1.387.007) |
| Decrease (Increase) related to Operations in Other Assets | 19 | (1.535.193) | (700.279) |
| Increase (Decrease) in Other Liabilities related to activities | 19 | (14.573) | (686.728) |
| Cash Flows Obtained From Activities | | 71.040.282 | 71.938.059 |
| Tax returns (payments) | 17-18 | (1.618.809) | (4.277.782) |
| B. CASH FLOWS DUE TO INVESTING ACTIVITIES | | (187.031.730) | (121.951.555) |
| Cash Flows Made for Sales of Shares or Debt Instruments of Other Entities or Funds | | - | 306.440 |
| Cash Inflows Related To Sales Resulting Loss of Subsidiaries' Control | | 700.000 | - |
| Cash Inflows Arising From Sales of Tangible and Intangible Assets | | 2.409.755 | 38.607.489 |
| Cash Inflows Arising From Sales of Tangible Fixed Assets | 24-25 | 2.409.755 | 38.607.489 |
| Cash Outflows from Purchase of Tangible and Intangible Assets | | (160.159.346) | (158.891.019) |
| Cash Outflows Arising From Purchase of Tangible Fixed Assets | 24-25 | (160.159.346) | (158.891.019) |
| Cash Inflows Arising From Sales of investment property | | 14.400.000 | - |
| Cash Outflows Arising From Purchase of investment property | | (44.382.139) | (1.974.465) |
| Dividends Earned* | | - | - |
| C. CASH-FLOWS FROM FINANCING ACTIVITIES | | 193.101.119 | 7.145.717 |
| Cash Inflows due to Borrowing | | 193.101.119 | 106.282.850 |
| Cash Inflows from Loans | 9 | 193.101.119 | 106.282.850 |
| Interest Earned | 9 | - | 21.609.838 |
| Interest Paid | 9 | - | (124.895.124) |
| Other Cash Inflows (Outflows) | 9 | - | 4.148.153 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS PRIOR TO FOREIGN EXCHANGE TRANSLATION EFFECT | | 75.490.862 | (47.145.561) |
| Effect Of Foreign Currency Exchange On Cash And Cash Equivalents | | - | - |
| Net Increase occurred in cash and cash equivalents | 7 | 75.490.862 | (47.145.561) |
| Cash and cash equivalents on hand at the beginning of the period | 7 | 71.661.582 | 118.807.143 |
| Cash and cash equivalents on hand at the end of the period | | 147.152.444 | 71.661.582 |

Attached footnotes constitute an integral part of financial statements.

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S

**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)**

NOTE 1 -COMPANY'S ORGANIZATION AND SUBJECT OF ACTIVITY

REYSAS TASIMACILIK VE LOJISTIK TICARET ANONIM SIRKETI's (Company) subject of activity is to transport cargo by land, sea and air through all kinds of vehicles. The Company also engages in storage service activities through the warehouses it owns.

Subject of activity of the company's subsidiary, REYMAR TÛTÛN MAMÛLLERİ DAĐITIM VE PAZARLAMA LTD. STI (Reymar), is distribution and marketing of tobacco products.

The Company's subsidiary operates REYSAS TAŞIT MUAYENE İŞLETİM ANONİM ŞİRKETİ (Reysas Vehicle Inspection)'s vehicle inspection stations whose subject of activity is privatized.

The company's subsidiary, **REYSAS GAYRİMENKUL YATIRIM ORTAKLIĐI ANONİM ŞİRKETİ** (Reysas GYO)'s subject of activity is to engage in written objectives and subjects in the regulations on Real Estate Investment Trusts of the Capital Markets Board regarding and to make investments to rights based on real estates, capital market instruments based on real estates, real estate projects and real estates. As of 31 December 2016, the company's free float rate is 38,06% (31 December 2016: 38,53%), relevant share certificates are quoted on Borsa Istanbul A.S. (BIST) and is traded on the National Market. The company is subject to registered capital system.

The subsidiary of Reysas Gayrimenkul Yatırım Ortaklığı A.S, **ARI LOJISTIK INSAAT SAN. VE TIC. ANONIM SIRKETI**'s (Arı Lojistik) subject of activity, is to acquire all kinds of vehicles and to transport by vehicles; to do brokerage, representation, agency, dealership and distributorship in relation to subject of activity and to provide storage of goods by transport.

Reysas GYO has purchased the capital of Arı Lojistik Insaat Sanayi ve Ticaret A.S., a subsidiary of REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. with a nominal value of TL 3.050.000 corresponding to 33,33% from the REYSAS TASIMACILIK VE LOJISTIK TICARET A.S over the value of TL 16.836.000 determined by the independent company valuation study done as of 28 March 2013 by the decision of the board of directors After this purchase, Reysas Tas. ve Loj. Tic. A.S has no share in Arı Lojistik Ins. San.ve Tic.A.S. The partnership interest of Reysas Gayrimenkul Yatırım Ortaklığı A.S. has reached 50%.

The Company's subsidiary REYSAS YATIRIM HOLDİNG ANONİM ŞİRKETİ (Reysas Yatırım Holding) has no significant activity in current period. The Group management plans to purchase real estate properties through this company in the future.

REYSAS DEMİRYOLU TASIMACILIGIA.S., One of the Company's subsidiaries, has actively engaged in activity on domestic freight transportation with its wagons it has. **REYSAS DEMİRYOLU YATIRIMLARI A.S** has engaged in activity in order to realize the Group's long-term railway investments.

REYSAS DEMİRYOLU YATIRIMLARI A.S has engaged in activity in order to realize the Group's long-term railway investments. In 2015, hotel construction has been completed and started operations.

Reysas Turizm Yatırımları ve Ticaret Ltd. Sti. has decided to increase its nominal capital from TL 13.000.000 to TL 38.000.000 as resolution of board of directors on 27.11.2015 and new capital of the company was registered in the Trade Registry Gazette dated December 11, 2015 and numbered 8966.All of the increased TL 25.000.000 has been met by being collected from current account of the partner, Reysas Tasımacılık ve Lojistik A.S.

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2016 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 1 -COMPANY’S ORGANIZATION AND SUBJECT OF ACTIVITY (cont.)**

Reysaş GYO has decided to purchase 34,21% of shares in the Reysaş Turizm Yatırımları ve Tic. Ltd. Sti., where it has 100% of the capital of main partner Reysaş Tasımacılık ve Lojistik Ticaret A.S, at the Board of Directors meeting dated December 18, 2015. In 15.12.2015 dated YMM.ÖA.466.1618.437/027 valuation report issued by Türkmen Bağımsız Denetim ve YMM A.S. Reysaş Turizm Yatırımları ve Tic. Ltd. Sti's value has been determined as TL 40.295.922. The company has purchased valuation report for TL 13.785.447, which is a part corresponding to 34,21% of shares of Reysaş Turizm Yatırımları ve Tic. Ltd. Sti as of 21.12.2015 by taking as basis the valuation report in question. The Company has subjected its subsidiary Reysaş Turizm Yatırımları ve Tic.Ltd.Sti's financial statements to consolidation by equity. The capital of the aforementioned subsidiary is TL 38.000.000 and the cost value of the Company is TL 13.785.447.

Capital Markets Board has resolved at the 10.03.2016 dated and 9/287 numbered meeting that acquisition of Reysaş Turizm Yatırımları ve Tic. Ltd. Sti is no appropriate according to the provisions of 28.Article of Principles Communiqué on real estates investment trusts and it shall be made an appropriate subsidiary in accordance with the provisions of Article 28 of the Communiqué mentioned within the 3 months in such a way that this matter will not damage the company.

Reysaş GYO has been made an appropriate subsidiary according to the scope of 28.Article of Communiqué mentioned in the April/2016 of Reysaş Turizm Yatırımları ve Tic.Ltd.Sti. as a result of studies made by it and the supporting information and documents related to this matter have been submitted to the Capital Markets Board.

Reysaş GYO, in accordance with 29.17.2017 dated and 415 numbered resolution of Board of Directors, has been decided to purchase the remaining 65.79% of the capital of Reysaş Turizm Yatırımları ve Tic.Ltd.Sti. , which is a subsidiary in the rate of 34,21%, at a price of TL 21.416.710 from Reysaş Tasımacılık ve Lojistik Tic.A.S. There is no change in the Group's share rate.

It has transferred the whole share of REYSAS KURU TEMIZLEME VE SERVIS HIZMETLERI TICARET LIMITED SIRKETI, which is in the position of subsidiary, for which it has indirectly share, to other shareholder who has share as of 31 December 2016. It has been left out of the scope of Subsidiary as of 31 December 2017. (Note 30)

The capital structures of the Company, its subsidiaries and associates accounted for using the equity method are as follows:

| REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. | 31.12.2017 | | 31.12.2016 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Share Amount | Share Rate (%) | Share amount | Share Rate (%) |
| Open To The Public | 76.456.399 | 64,06% | 76.456.399 | 64,06% |
| Durmus Döven | 21.388.404 | 17,92% | 21.388.404 | 17,92% |
| Rıfat Vardar | 14.551.518 | 12,19% | 14.551.518 | 12,19% |
| Other | 6.953.679 | 5,83% | 6.953.679 | 5,83% |
| Total | 119.350.000 | 100,00% | 119.350.000 | 100,00% |

| Reysaş Gayrimenkul Yatırım Ortaklığı A.S. | 31.12.2017 | | 31.12.2016 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Share amount | Share Rate (%) | Share amount | Share Rate (%) |
| Open To The Public | 93.618.300 | 38,06% | 94.782.381 | 38,53% |
| Reysas Tasımacılık ve Lojistik Ticaret A.S. | 152.381.690 | 61,94% | 151.217.609 | 61,47% |
| Other | 11 | 0,00% | 11 | 0,00% |
| Total | 246.000.001 | 100% | 246.000.001 | 100% |

Bilgili Bağımsız Denetim A.S.
Member firm of AGN International

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S

FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2016 PASSED INDEPENDENT AUDIT

(All sums are given in TL.)

NOTE 1- COMPANY'S ORGANISATION AND SUBJECT OF ACTIVITY (cont.)

| Reymar Tütün Sanayi ve Ticaret Ltd. Sti. | 31.12.2017 | | 31.12.2016 | |
|---|-------------------|----------------|-------------------|----------------|
| | Share Amount | Share Rate (%) | Share amount | Share Rate (%) |
| Reysas Tasimacılık ve Lojistik Ticaret A.S. | 25.492.500 | 99% | 25.492.500 | 99% |
| Durmus Döven | 257.500 | 1% | 257.500 | 1% |
| Total | 25.750.000 | 100% | 25.750.000 | 100% |

| Reysaş Taşıt Muayene İstasyonları İletim A.S. | 31.12.2017 | | 31.12.2016 | |
|---|-------------------|----------------|-------------------|----------------|
| | Share Amount | Share Rate (%) | Share amount | Share Rate (%) |
| REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. | 11.418.800 | 95,16% | 11.418.800 | 95,16% |
| Egemen Döven | 576.200 | 4,80% | 576.200 | 4,80% |
| Other | 5.000 | 0,04% | 5.000 | 0,04% |
| Total | 12.000.000 | 100% | 12.000.000 | 100% |

| Reysas Demiryolu Tasimacılığı. A.S. | 31.12.2017 | | 31.12.2016 | |
|---|----------------|----------------|----------------|----------------|
| | Share Amount | Share Rate (%) | Share Amount | Share Rate (%) |
| REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. | 700.000 | 100,00% | 150.000 | 100,00% |
| Total | 700.000 | 100% | 150.000 | 100% |

| Reysaş Demiryolu Yatırımları A.S. | 31.12.2017 | | 31.12.2016 | |
|---|------------------|----------------|------------------|----------------|
| | Share Amount | Share Rate (%) | Share amount | Share Rate (%) |
| REYSAS TASIMACILIK VE LOJISTIK TICARET A.S. | 1.000.000 | 100,00% | 1.000.000 | 100,00% |
| Total | 1.000.000 | 100% | 1.000.000 | 100% |

| Reysaş Yatırım Holding A.S. | 31.12.2017 | | 31.12.2016 | |
|---|-------------------|----------------|-------------------|----------------|
| | Share Amount | Share Rate (%) | Share Amount | Share Rate (%) |
| Reysas Tasimacılık ve Lojistik Ticaret A.S. | 13.493.625 | 89,96% | 13.493.625 | 89,96% |
| Durmus Döven | 1.506.375 | 10,04% | 1.506.375 | 10,04% |
| Total | 15.000.000 | 100% | 15.000.000 | 100% |

| Reysaş Turizm Yatırımları Ve Ticaret Ltd. Sti. | 31.12.2017 | | 31.12.2016 | |
|--|-------------------|----------------|-------------------|----------------|
| | Share Amount | Share Rate (%) | Share Amount | Share Rate (%) |
| REYSAS TASIMACILIK VE LOJISTIK TICARET A.S | - | - | 25.000.000 | 65,79% |
| Reysaş Gayrimenkul Yatırım Ortaklığı A.S. | 38.000.000 | 100% | 13.000.000 | 34,21 % |
| Total | 38.000.000 | 100% | 38.000.000 | 100% |

Bilgili Bağımsız Denetim A.S.
Member firm of AGN International

NOTE 1- COMPANY'S ORGANISATION AND SUBJECT OF ACTIVITY (cont.)

Reysaş Kuru Temizleme ve Servis Hizmetleri Tic. Ltd.Sti.

| | 31.12.2017 | | 31.12.2016 | |
|--|-------------------|----------------|-------------------|----------------|
| | Share amount | Share Rate (%) | Share Amount | Share Rate (%) |
| Reysaş Turizm Yatırımları Ve Ticaret Ltd. Sti. | - | - | 9.980.200 | 99,80% |
| Other | 10,000,000 | 100% | 19.800 | 0,20% |
| Total | 10.000.000 | 100% | 10.000.000 | 100% |

It has transferred the whole share of REYSAŞ KURU TEMİZLEME VE SERVIS HİZMETLERİ TICARET LIMITED SİRKETİ, which is in the position of subsidiary, for which it has indirectly share, to other shareholder who has share as of 31 December 2016. It has been left out of the scope of Subsidiary as of 31 December 2017. (Note 30)

While the Group engages in activity in "Abdurrahmangazi Mah.Bahriye Sok.No:8 Sancaktepe İstanbul" address, it has moved to Küçük Çamlıca Mahallesi Erkan Ocaklı Sokak No:13 Üsküdar/İstanbul address as of 21.11.2016. The joint managing company, Arı Lojistik Insaat San. ve Tic. A.S., has been continuing its operation at the address Acıbadem Cad. Yaprak Sokak No: 5/7 Kadıköy İstanbul. The Group has totally 5 branches in Ankara, Adapazarı, Bursa, Adana and Mersin including Istanbul Central District within the borders of the Republic of Turkey. Additionally, Reysaş Tasıt Muayene A.S., a subsidiary of the Group, operates vehicle inspection stations in the regions of Karabük, Bartın, Kastamonu, Tosya, Karadeniz Ereğli, Zonguldak Eskişehir, Sivrihisar. The Group has average 224 employees as of 31 December 2017. (31 December 2016: 203).The Group also employs personnel through subcontractors. As of 31 December 2017, the average number of subcontracted personnel employed is 514. (31 December 2016: 524).

As of 31 December 2017, the free float rate of Reysaş Tasımıcılık ve Lojistik Ticaret Anonim SİRKETİ is 64.06%. (31 December 2016: % 64,06).

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS

2.1 Applicable Accounting Standards

The Group keeps and prepares the legal books and statutory financial statements in accordance with Turkish Commercial Code (TCC) and Turkish Tax Laws and Uniform Chart of Accounts and Principles published by T.R. Ministry of Finance.

The attached financial statements have been prepared in accordance with TAS Taxonomy for the year 2016 and Serial II, provisions of "Principles Communiqué (Communiqué) No.14.1 on Financial Reporting in Capital Markets" published in the 13.06.2013 dated and 28676 numbered Official Gazette of Capital Markets Board ("CMB"). Referring to Article 5 of the Communiqué Turkey Accounting Standards / Turkey Financial Reporting Standards entered into force by the Public Oversight Accounting and Auditing Standards Authority ("POA") and annex and interpretations related to those mentioned ("TAS/IFRS") have been taken as basis.

The consolidated financial statements are based on statutory records and are expressed in TL, and are prepared in accordance with the TAS/ IFRS by subjecting to some revisions and classification changes in order for the Group to be able to provide its condition.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.1 Applied Accounting Standards (cont.)

The consolidated financial statements are prepared according to historical cost basis. Financial assets and liabilities are measured at fair value; changes in fair value are associated with the statement of comprehensive income / equity.

Group's financial statements prepared in accordance with TAS / TFRS accepted by POA have been approved by the Board of Directors on 12 March 2018. The General Assembly has the power to amend consolidated financial statements after publication of consolidated financial statements.

2.2 Adjustment of Financial Statements in High Inflation Periods

CMB, with the decision taken by it on 18.03.2005 with the number B.02.1.SP.K.017/152-7642, has announced with effect from 1 January 2005 for the companies preparing financial statement in accordance with accounting and reporting principles ("CMB Financial Reporting Standards") operating in Turkey and accepted by CMB that Inflation accounting application is not required. Therefore, in the financial statements, "Financial Reporting in Hyperinflationary Economies" standard ("UMS 29") issued by UMSK starting from 1 January 2005 has not been applied.

2.3 Consolidation Principles

Consolidated financial statements include financial statements of the Company and its subsidiaries and joint managing companies. Principles of preparation of consolidated financial statements are as follows;

The subsidiaries represent the companies, in which the parent company has more than 50% shares, voting rights or right of choice of majority of management or majority of management within the framework of capital and management relations, directly or through other subsidiaries or affiliates. Control power is defined by the parent company as the power to manage the financial and operating policies of its subsidiaries and the power to benefit from the activities.

- The subsidiaries have been included in the scope of consolidation as of the date of transfer of control on the activities to the Group and shall be left out of consolidation on the date when the control is removed. Accounting policies applied by subsidiaries have been made suitable with the accounting policies applied by the Group in order to ensure consistency.

- The financial statements of the subsidiaries have been consolidated by using the full consolidation method. In this context, registry value and equities of the subsidiaries have been clarified; registered value of the shares held by the Company and the dividends arising from those mentioned has been clarified from relevant equities and income statement accounts.

- Sales of goods and service made to each other with receivables and payables of the subsidiaries within the scope of consolidation, income and expense items occurred due to their transactions have been collected mutually.

- Amounts corresponding to parent company and subsidiaries are deducted from all equity account group items including the subsidiaries' paid/issued capital within the scope of consolidation and are shown with the "Minority Shares" account group name in the equity account group of the consolidated balance sheet.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)**2.3 Consolidation Principles (Cont.)****Equity Management**

The financial statements include the Company and the investments accounted according to the method of Sharing from shareholders' Equity Method. According to the equity method, subsidiary investment is initially recorded at cost of acquisition. After the acquisition date, share in the profit or loss of the investor's enterprise, to which investment is made, book value of the investment is increased or decreased to be reflected in the financial statements. The share the investor will receive from profit or loss of the enterprise is accounted as profit or loss of investor. Distributions received from a subsidiary to which investment is made (profit share etc.) reduces the book value of the investment. Changes occurred from amounts not yet reflected to the profit or loss of the subsidiary to which investment is made in the other comprehensive income by the subsidiary to which investment is made may require adjustment at book value of investment in the rate of the investor's share in the subsidiary. Such changes include amendments arising from revaluation of tangible fixed assets or foreign currency conversion adjustments. The share of the investor in these changes is accounted for in the investor's own other comprehensive income.

Arı Lojistik Insaat San.ve Tic. A.S. has been subjected to proportional consolidation before 31.12.2012 and before. REYSAS TASIMACILIK VE LOJISTIK TICARET A.S has sold the capital of Arı Lojistik Insaat Sanayi ve Ticaret A.S., a subsidiary of Reysas Gayrimenkul Yatırım Ortaklığı A.S with a nominal value of TL 3.050.000 corresponding to 33,33% to the Reysaş Gayrimenkul Yatırım Ortaklığı A.S over the value of TL 16.836.000 determined by the independent company valuation study done as of 28 March 2013 by the decision of the board of directors After this sales, Reysas Tas. ve Loj. Tic. A.S has no share in Arı Lojistik Ins. San.ve Tic. A.S. The partnership interest of Reysaş Gayrimenkul Yatırım Ortaklığı A.S. has reached 50%. After the sale process, the scope of consolidation has changed due to the absence of shares of REYSAS TASIMACILIK VE LOJISTIK TICARET A.S in Arı Lojistik Ins. San.ve Tic. A.S. Due to this change, Arı Lojistik Ins. San.ve Tic. A.S has been included in the financial statements of Reysas Gayrimenkul Yatırım Ortaklığı A.S., the subsidiary, by being accounted by using the equity method to the scope of consolidation. (Note: 22)

The company's consolidation rates are as follows;

| Title of the Partnership | Company's Share in the Capital | Company's Share in the Capital |
|--|--------------------------------|--------------------------------|
| | 31.12.2017 | Capital (%) 31.12.2016 |
| Reysaş Taşıt Muayene İstasyonları İletim A.S. | 95,16 | 95,16 |
| Reymar Tütün Mamülleri Dağıtım ve Pazarlama Ltd. Sti. | 99,00 | 99,00 |
| Reysaş Demiryolu Yatırımları A.S. | 100,00 | 100,00 |
| Reysaş Demiryolu TasımacılığıA.S. | 100,00 | 100,00 |
| Reysaş Yatırım Holding A.S.(Ortur Gen.Taşım.ve Tic.A.S.)* | 89,96 | 89,96 |
| Reysaş Gayrimenkul Yatırım Ortaklığı A.S. | 61,47 | 61,47 |
| Reysaş Turizm Yatırımları Ve Ticaret Ltd. Sti. (Effective Ratio) | 86,82 | 86,82 |
| Reysaş Kuru Temizleme ve Serv.Hizm.Tic.Ltd.Sti. | - | |
| (Reysaş Denizcilik Tic.Ltd. Sti.) (Effective Ratio) (**) | | 86,65 |

*Ortur Genel Tasımacılık Ve Ticaret Anonim SİRKETİ's trade name has been changed as Reysaş Yatırım Holding Anonim SİRKETİ by 06.08.2014 dated and 05 numbered resolution of board of directors; the aforementioned change of title has been published in the trade registry gazette dated 27.08.2014 and numbered 8640.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.3 Consolidation Principles (Cont.)

** Trade name of the company has been changed as Reysas Kuru Temizleme ve Servis Hizmetleri Ticaret Limited SİRKETİ by 07.07.2014 dated Resolution of shareholders' assembly of Reysas Denizcilik Ticaret ve Ltd. Sti., the company's subsidiary, which has share indirectly. The said change of trade name has been published in the Trade Registry Gazette dated 17.07.2014 and numbered 8614.

It has transferred the whole share of REYSAS KURU TEMİZLEME VE SERVİS HİZMETLERİ TICARET LIMITED SİRKETİ, which is in the position of subsidiary, for which it has indirectly share, to other shareholder who has share as of 31 December 2016. It has been left out of the scope of Subsidiary as of 31 December 2017. (Note 30)

2.4 Amendments in the International Financial Reporting Standards

Accounting policies, which serve as basis for preparing consolidated financial statements pertaining to account periods ending on 31 December 2017, have been applied in consistent manner with previous editions, except for new and revised TAS/IFRS and TAS/IFRS interpretations applicable as of 01 January 2017. The influence of these standards and interpretations on financial position and performance of the Group is explained in relevant paragraphs.

New standard, amendment and interpretations applicable as of 01 January 2014

Amendments in the TAS 7 Cash Flow Statements

They are valid for annual reporting periods beginning on or after 1 January 2017. These amendments provide additional disclosures that enable readers of the financial statements to evaluate changes in liabilities arising from financing activities. The amendments have been made for how financial statements can be improved as a part of "disclosure initiative" project of IASB. The amendments have a significant effect on footnotes of consolidated financial statement of the Group.

TAS 12 Amendments in Income Taxes

Amendments are valid for annual reporting periods starting on or after 1 January 2017. The amendment makes netting related to deferred tax accounting in case that an asset s measured at the fair value and fair value is below the tax base. It also clarifies some other aspects of accounting of deferred tax assets. The amendments have a significant effect on footnotes of consolidated financial statement of the Group.

Annual Improvements for 2014-2016

A netting has been made in relation to the scope of standard IFRS 12 "Disclosures on interests in other entities". The amendments will be applied retrospectively starting on 1 January 2017 or from annual reporting periods after that date. The amendments have a significant effect on footnotes of consolidated financial statement of the Group.

IFRSs published but not entered into force and not applied early

New standards that published as of approval date of interim summary consolidated financial statements but have not yet entered into force for the current reporting period and have not been implemented early by the Group, interpretations and amendments are as follows. The Group will make necessary changes to affect consolidated financial statements and footnotes unless otherwise stated and after new standards and interpretations enter into force.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.4 Amendments in the International Financial Reporting Standards (cont.)

TFRS Revenue arising from agreements made with the customers

POA has published the standard TFRS 15 Revenue from agreements made with the customers in September 2016. This standard published includes the amendments made by IASB in April 2016 to clarify IFRS 15. The new five-stage model in the standard describes the requirements for revenue recognition and measurement. The standard shall be applied to the revenue arising from agreements made with the customers and forms a model for accounting and measuring sales of some non-financial assets (for example; tangible fixed asset outflows) not related to ordinary activities of an entity. Implementation date of TFRS 15 is annual accounting periods starting on and after 1 January 2018. Early implementation is allowed. Two alternative applications have been presented for transition to TFRS 15; retrospective application or modified retrospective application. When modified retrospective application is preferred, previous periods shall not be rearranged but comparative figures shall be provided in the footnotes of the financial statements. The impacts of such amendment on the financial status and performance of the Group are evaluated.

TFRS 9 Financial Instruments-Classification and Remark

In January 2016, POA has issued TFRS 9 Financial Instruments in its final form in January 2016. TFRS 9 brings together three aspects of financial instruments recognition project. These are classification and measurement, impairment and hedge accounting. TFRS 9 is based on a rational, single classification and measurement approach that reflects the business model and cash flow characteristics in which financial assets are managed. Thereafter, a single model which can be applied to all financial instruments being subject to impairment with a forward-looking "expected loan loss" model that allows for more timely accounting of loan losses. In addition to this, TFRS 9 addresses the subject called as "own credit risk" which results in recognizing income in the profit or loss statement due to decrease in the fair value of financial debt depending on decrease in their own credit worthiness where banks and other entities choose the option to measure their financial liabilities at fair value. The standard also includes a developed hedging model in order to be associated risk management economics better with accounting applications. TFRS 9 is valid for annual accounting periods on or after 1 January 2018 and early implementation of all requirements of the standard is allowed. Alternatively, entities may choose to apply early provisions on the presentation of gains or losses of financial liabilities designated only as "those whose fair value change is reflected to profit or loss" without applying other requirements of the standard. The Group evaluates effects of the standard on financial status and performance.

New and revised standards and comments published by the International Accounting Standards Committee ("IASB") but not published by the POA

The new standards, interpretations and amendments to existing IFRSs listed below have been issued by the IASB but have not yet entered into force for the current reporting period. However, these new standards, interpretations and amendments have not yet been adapted/ issued by the POA to TFRS and therefore do not form a part of TFRS. The Group will make necessary changes to its consolidated financial statements and footnotes after this standard and interpretations enter into force under TFRS.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.4 Amendments in the International Financial Reporting Standards (cont.)

TFRS 10 and TAS 28: Asset Sales or Contributions to an Associate or Joint Venture by an Investor - Amendment

The international accounting standards committee (IASB) has deferred indefinitely the effective date of the amendments in TFRS 10 and TAS 28 in December 2015 as to be changed depending on the results of the on-going research project related to the equity method. However, it still allows early application.

Annual improvements-Period 2010-2012

Tfrs 13 Fair Value Measurement

As explained in the Justifications for Decision, short-term trade receivables and payables with no interest rate can be shown from the invoice amount if the discount effect is insignificant. The amendments will be applied immediately.

Annual improvements-Period 2011-2013

IFRS 16 Lease Transactions

International accounting standards committee (IASC) has issued the standard IFRS 16 “Lease Transactions” in January 2016. The new standard requires many leases to be included in the balance sheet under a single model for lessee companies by eliminating the distinction between operating leases and financial leases. Recognition for the lessor companies has not changed substantially and difference between operating leases and financial leasing continues. IFRS 16 shall supersede interpretations of IAS 17 and IAS 17 and is valid for annual accounting periods starting on and after 1 January 2019. Early application for IFRS is allowed as long as IFRS 15 “Revenue from Contracts Made with Customers” is also applied. The Group evaluates effects of the standard on financial status and performance.

TFRS 2 Classification and Measurement of Share Based Payment Transactions (Amendments)

IASC has issued amendments in the IFRS 2 Share Based Payments standard in June 2016. The amendments aims to clarify IFRS 2 in relation to how some certain share based payment transactions will be accounted.

The amendments cover accounting of the following subjects;

- the effects of progress payment conditions in the measurement of share-based payments paid in cash,
- share-based payment transactions with net offsetting in terms of withholding tax liabilities,
- Amendments in terms and conditions that convert the nature of transaction from share-based transaction to shareholders equity related share based transaction in cash.

The amendments shall be applied for annual accounting periods starting on and after 1 January 2018. Early application is allowed. The Group evaluates effects of the standard on financial status and performance.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.4 Amendments in the International Financial Reporting Standards (cont.)

TAS 40 Investment Properties: Transfers of Investment Properties (Amendments)

IASC has issued amendment in the standard IMS 40 “Investment Properties”. The amendments states that change of intended use will comply with the definition of “investment property” of real estate property or the compliance will expire and evidences related to change of intended use will be present. The amendments shall be applied for annual accounting periods starting on and after 1 January 2018. Early application is allowed. The amendment will have no effect on the financial position or performance of the Group.

IFRS Interpretation 22: Transactions and Advance Payments Made in Foreign Currency

This interpretation clarifies the accounting for transactions involving advance payments received or made in foreign currency. This interpretation specifies transaction date for the purpose of determination of foreign exchange rate to be used in the first recognition of relevant asset, expense or income as the date of initial recognition of non-monetary assets or liabilities arising from advance purchase or payment of the entity. The entity does not need to apply this interpretation to income taxes, or insurance policies (including reinsurance policies) or reinsurance policies it holds. The interpretation shall be applied for annual accounting periods starting on and after 1 January 2018. Early application is allowed. The Group evaluates effects of the standard on financial status and performance.

IFRS Annual improvements-Period 2014-2016

IASC has issued Annual Improvements related to the period of 2014-2016 by amending the following standards.

*IFRS 1“First-time Application of International Financial Reporting Standards” This amendment has removed short-term exceptions of some IFRS 7 disclosures, IMS 19 transition provisions and IFRS 10 Investment Establishments. The amendment will be applied for annual accounting periods on and after 1 January 2018.

* IAS 28 “Investments in Subsidiaries and Business Partnerships”: This amendment clarifies the fact that the entity may choose to measure its investments in associates and joint ventures in accordance with IFRS 9 Financial Instruments as the fair value difference is reflected to the profit or loss is valid during initial recognition of each associate or joint venture. The amendment will be applied for annual accounting periods on and after 1 January 2018. Early application is allowed.

The impacts of such amendments on the financial status and performance of the Group are evaluated.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.5 Comparative Information and Adjustment of Prior Period Financial Statements

The Group's current financial statements are prepared comparatively with the prior period to enable the determination of financial situation and performance trends. Comparative figures are reclassified, where necessary, in order to conform to the presentation of the current period financial statements.

Comparative information is reclassified when necessary and significant differences are explained. The Group has finally presented its financial statements by taking into consideration 2016 TAS Taxonomy issued by POA.

In 2016, the Group has classified receivables in the amount of TL 35.175.518, which has been shown in the "Short Term Trade Receivables from Related Parties" in the statement of financial position, under the account "Prepaid Expenses" in the current period. This classification made has no net effect on the statement of profit or loss.

Business Continuity Assumption

The financial statements have been prepared on the basis of the business continuity under the assumption that the company will benefit from its assets and fulfil its obligations in the next year and within the natural flow of its activities.

2.6 Netting/ Offsetting

Financial assets and liabilities have been indicated in net values in balance sheet on the condition that legal netting right is applicable; they are paid as net or are collectable or simultaneous fulfilment of obligations regarding asset acquisition.

2.7. Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and financial statements of prior period are re-adjusted. The Company has applied its accounting policies consistent with the previous financial year.

2.8. Changes and Errors in Accounting Estimates:

If the impact of any change in an accounting estimate is related with only a single period, such change is reflected in financial statements so as to be considered in determination of net profit or loss for the year when the change took place; if the impact is related with upcoming periods as well, the same shall apply on a going-forward basis to both the change period and upcoming period.

The correction sum regarding an error is taken into account in retrospective manner. In case an error occurs prior to rearrangement of comparative sums of previous periods when it appeared or if it takes place prior to next reporting period, it is corrected by means of rearrangement of retained earnings account in the mentioned period. If the readjustment of information leads to excessive cost, comparative information regarding previous periods will not be rearranged, and the retained earnings account of upcoming period shall be reorganized under cumulative effect of such error prior to beginning of the period.

There have been no changes or errors in accounting estimates in the current period.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.9 Currency Measurement Unit and Reporting Unit

Law No. 5083 on Official Currency of the Republic of Turkey published in the 31.01.2004 dated and 25363 numbered Official Gazette has been amended by the 4 April 2007 dated and 2007/11963 numbered Decision of Council of Ministers published in the 5.5.2007 dated and 26513 numbered Official Gazette. It has been stated that new expressions in the Turkish Lira and New Piastres are removed in the 1st Article of relevant decision and shall enter into force on 1 January 2009 in the 3rd Article. As new Turkish Lira, the previous currency, are converted to TL and piastres, 1 New Turkish Lira equals to 1 TL and 1 New Piastres to 1 piastre with the change. Accordingly, the attached financial statements and footnotes have been presented in TL.

2.10 Summary of Significant Accounting Policies

The significant accounting policies applied during preparation of the attached consolidated financial statements are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks and short term deposits with maturities less than three months. Cash and cash equivalents are short-term highly liquidity assets that are easily convertible to cash with maturities of less than three months and with no risk of impairment. Cash and cash equivalents are stated with their acquisition costs and total accrued interests. Bank balances in foreign currencies have been evaluated at period-end exchange rates.

Trade Receivables

Trade receivables that are originated by the Group by way of providing goods or services directly to a debtor have been evaluated at amortized cost by using effective interest method. Short-term trade receivables with no stated interest rate have been evaluated at invoice amount when the effect of accrual of interest is insignificant. A credit risk provision for trade receivables is established if there is situation indicating that the Group will not be able to collect all amounts due. Provision is the amount which is considered that it covers the possible losses which may arise from economic conditions or the risk the account has due to the nature by taking into consideration the collaterals received from the customer. The provision made is reflected in the statement of comprehensive income as impairment. If the amount of the impairment decreases due to a situation that will occur after the loss is recorded, the amount will be reflected to the statement of profit or loss and other comprehensive income in the current period.

Trade Payables

Trade and other trade payables are included in the records at reduced cost price representing billed or unbilled amount which will occur in relation to goods and service purchase.

Stocks

Stocks are increased in value with the lower one of cost or net realizable value. The Group's stocks consist of fuel stocks, spare parts stocks and other stocks. Stocks are increased in value with the lower one of cost or net realizable value. In calculation of cost of inventories First In First Out (FIFO) method is applied. Cost of inventories; includes all purchase costs, conversion costs and other costs incurred in bringing the inventories to their present location and condition. It includes conversion costs of inventories; directly related to production costs such as direct labor expenses. These costs also include amounts that are systematically distributed from fixed and variable general production expenses suffered in the conversion of raw materials and material into finished products.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.) Inventories (cont.)

Net realizable value is obtained by reducing the total of the estimated costs to be incurred for estimated completion cost and realizing the sales from estimated selling price occurred in the ordinary business operation.

Inventories have been reflected by being cleared of financial costs they include due to forward purchases.

Tangible Fixed Assets

Tangible fixed assets are shown at purchase cost value in such a way that their accumulated amortization and depreciation are shown as deducted. The cost value of the tangible asset consists of costs incurred to make taxes, whose purchase price and refund is impossible, and tangible fixed asset available.

Apart from land, plot and on-going investments, cost amounts of tangible fixed assets are subjected to prorata depreciation by using straight-line depreciation method according to their expected useful life. Expected useful life, residual value and depreciation method are reviewed annually for possible effects of changes in the estimates and are accounted prospectively if there is a change in the estimates.

The estimated useful lives of these assets are as follows:

| | <u>Years</u> |
|-----------------------------|--------------|
| Land Improvements | 5-50 |
| Buildings | 10-50 |
| Machinery and Equipment | 5-10 |
| Motor Vehicles | 4-10 |
| Furniture and Fixtures | 5-10 |
| Other Tangible Fixed Assets | 5-10 |
| Special Cost | 10-20 |

Expenses arising from changing any part of tangible fixed assets can be capitalized along with maintenance and repair costs if they have characteristic of increasing future economic benefits of the asset. All other expenses are accounted in profit or loss and other comprehensive income statement within expense items as they are incurred.

If there are conditions that indicate formation of impairment of tangible fixed assets, an examination is made to determine a possible impairment. As a result of examination, if registered value of tangible asset is more than its recoverable value registered value is reduced to its recoverable amount by making provision. Recoverable value is accepted as the highest one of future net cash flows and net selling price from the current use of the relevant tangible fixed asset.

Profit and losses occurred due to sales of tangible fixed assets are included in accounts of income and expense from investment activities.

Intangible fixed assets

Intangible fixed assets are included in the financial statements according to the criteria of existence of an economic benefit expected to be identifiable, have control over the relevant source and to be obtained in the future. Intangible fixed assets are stated by deducting accumulated depreciation and any permanent impairment losses from cost of acquisition. Depreciation is calculated on a pro-rata basis using the straight-line method for all intangible fixed assets. Acquired rights include information systems and computer software.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

Impairment of assets

The Group assesses at each balance sheet date whether there is an impairment related to an asset and whether there is any indication of impairment. If any such indication exists, the recoverable amount of that asset is estimated. If registered value of the asset or any cash-generating unit of that asset and if registered value of the asset or any cash-generating unit of that asset is higher than the amount recoverable through use or sale, impairment has occurred. The recoverable amount is found by choosing the highest one of an asset's net selling price and its usage value. Usage value is estimated present value of cash flows expected to be derived from continued use of an asset and its disposal at the end of its useful life. Impairment losses are accounted in profit or loss and other comprehensive income statement.

An impairment loss on a receivable is refused if subsequent increase in the recoverable amount of the asset, impairment is able to be associated with an event occurring in the periods following their recording. An impairment loss on other assets is reversed if there is a change in estimates used to determine recoverable amount. Due to cancellation of impairment loss, increase occurred in the registered value of asset must not exceed the registered value (net amount remained after being subjected to depreciation) which will be determined if no impairment is included in the financial statements in previous years.

Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of specific asset is capitalized as part of the cost of related qualifying asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Financial instruments

Financial instruments are agreements increasing financial assets of an establishment and financial liabilities or capital instruments of another establishment. The Group has divided its financial assets into 2 categories as those measured at fair value and amortized cost in accordance with TFRS 9 from 1 January 2010. This classification depends on whether the financial asset is a debt or capital investment.

(a) Financial assets measured at amortized cost

A financial asset is classified out of "amortized cost" if it is ensured with the terms for leading to cash flows for being held under a management model aimed at collecting contractual cash flows and payment of interest related to principal and principal balance on certain dates of agreement provisions of the financial asset. The content of the derivative embedded in the financial asset should be considered according to the fact that cash flows of investment and only interest payments related to principal and principal balance are not made and are not recognized.

Gains and losses arising from a financial asset, which is measured at amortized cost and is not a part of hedging relationship, are recognized in the profit or loss by using an effective interest method as a result of leaving relevant financial asset out of statement of financial position or its impairment.

(b) Financial assets measured at fair value

Debt instrument is classified as "those whose fair value difference is reflected to the profit or loss" when above 2 criteria is not met. The Group measures its financial investments as "those whose fair value difference is reflected to the profit or loss".

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

Financial Instruments (Cont.)

Regularly traded financial assets are recorded on the date of purchase and sale. The date of purchase and sale is the date that the management promises to buy or sell the asset. Financial assets are de-recognised when cash flow rights arising from financial assets expire or are transferred and the Group transfers all the risk and gainings.

On initial recognition, the Group measures the financial asset at fair value. Gains and losses arising from a financial asset, which is measured at fair value and is not part of the hedging relationship, are recognized in profit or loss in the period in which they are incurred. The Group has to reclassify all the financial assets affected by this change only in case of change of management model.

Financial Liabilities

The financial liabilities and equity instruments of the Group are classified on the basis of contract related regulations and definition of a financial liability and an equity-based instrument. The contract, which represents the right in remaining assets after deducting all debts of the group, is financial instrument grounding on equity. Accounting policies implemented for certain financial liabilities and financial instruments based on equity are indicated below.

Financial liabilities are classified as financial liabilities whose fair value difference is reflected on profit or loss or other financial liabilities.

a) Financial liabilities whose fair value difference is reflected on profit or loss

Financial liabilities, whose fair value is reflected to profit or loss, are recorded at fair value and revalued at fair value in the balance sheet at each reporting date. The amendments in fair values are recognized in the income statement. Net gain and losses recognized in the income statement also includes interest amount paid for such financial liability.

b) Other financial liabilities

Other financial liabilities including financial debts are recognized via fair values refined from operating costs in the beginning.

In later periods, other financial liabilities are recognized through amortized cost amount via effective interest method, together with interest expense calculated over effective interest rate.

Effective interest method is the method to calculate amortized costs of financial liability and to distribute relevant interest expense to its related period. Effective interest rate is the rate that reduces the estimated cash payments to be made earlier – if possible – than or at the end of expected lifetime of financial instrument to the exact current value of relevant financial liability.

Financial assets impairment

Financial assets shown at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidences indicating that a financial asset or a group of financial assets is impaired. If a or a group of financial asset is impaired, loss due to impairment is borne only after initial recognition of the asset for impairment if there is an objective evidence that a loss event and this loss event has an effect on estimated future cash flows of financial assets and that one or more events have caused.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

Financial assets impairment (cont.)

This criteria used by the Group include the followings in order to show objective evidence related to impairment loss.

- That the issuer or contractor is in significant financial difficulty;
- Violation of the contract, such as non-fulfilment or neglect of interest or principal payments;
- That a creditor bestows a privilege, which he cannot bestow under other conditions, on a debtor for economic or legal reasons related to the financial difficulty of the debtor.
- That it is highly probable that the debtor will enter bankruptcy or other financial restructuring;
- Removal of active market related to financial asset due to financial difficulties; or
- That there is observable data indicating a measurable decrease in estimated cash flows of mentioned assets in the future from initial recognition of a group of financial assets as the detection is not possible for each financial asset in the portfolio. Such data includes the followings:
 - o That there are negative changes in the payment situations of debtors in the portfolio and
 - o National or regional economic conditions associated with non-repayment of assets in the portfolio

The group firstly assesses whether there is an objective indicator of impairment or not.

For loans and receivables class, amount of loss is measured by the difference between reduced present values by using original effective interest rate of financial assets of estimated cash flows of the future with book value of assets. The book value of assets is reduced and the loss is recognized in profit or loss. If an investment made to hold to a credit or maturity has a variable interest rate, reduction ratio to be used in the calculation of impairment loss is current effective interest rate determined in the contract. As a useful way, Group may measure impairment by using observable market price based on the fair value of a vehicle.

If the amount of impairment loss decreases during the following period and if this decrease is able to be associated with an event that occurs after the impairment has been recognized (such as improvement in the credit rating of the debtor) cancellation of previously recognized impairment is registered in the statement of consolidated profit or loss.

Financial Lease Transactions

If all the benefits and risks of a lease are undertaken by the lessee, these leasing transactions are classified by the Group under the name of financial lease. Other leasing transactions are classified as operational leasing.

Financial Lease

Group as Lessee:

Financial leases are capitalized at the lowest one of the market value of the leased asset or the present value of the minimum financial lease payments on the date they were realized. Lease payments are treated as if they include principal and interest. Principal lease payments are shown as liabilities in the balance sheet and are reduced as they are paid. (**Note: 9**) Interest payments are expensed in the income statement during the financial leasing period. Tangible fixed assets obtained with the financial leasing agreements are subjected to the depreciation during useful life of asset. Net book value of the assets subjecting to financial leasing is included in the Note:24.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

Group as Lessor:

Not available.

Operational Leasing

Group as Lessee:

The lease agreements in which the lessor holds all the risks and benefits of the goods are called operational lease. Leasing payments made for operational lease are recorded as expense according to the normal method during the rental period. The most important operational leases of the Group relate to the vehicles rented for transportation services.

Group as Lessor:

The Group shows the fixed assets subject to operational lease according to the content of the fixed asset in the balance sheet. Leasing incomes arising from operational lease transactions are recorded as income according to the normal method during the rental period. The group generates rental and storage service income from warehouses serving various customers and leased vehicles and containers. These revenues are accounted in the sales revenue.

Bank Loans

Loans are recorded with the values after deducting transaction costs from the loan amount received on the date of receipt. Loans are subsequently stated at amortized cost using the effective interest method. After deducting transaction costs, difference between the remaining amount and the discounted cost value is reflected in the profit or loss and other comprehensive income statement as finance cost during the credit period. Financing cost arising from loans is recorded in profit or loss and other comprehensive income.

Revenue

Income is considered to have occurred where the risk and benefit of the goods sold are transferred to the buyer and where it is probable that the economic benefit of the sale will flow to the entity and the amount of revenue can be calculated reliably. In case that the customer is not satisfied with retail sales and if the customer is given a guarantee that the goods will be recovered unconditionally, significant risks and rewards of ownership are deemed transferred to the buyer. Revenues and expenses related to the same transaction are taken into the simultaneous financial statements. In cases that cash or cash equivalents are received against sales, revenue is the amount of such cash or cash equivalents. However, where cash inflow is postponed, the fair value of sale price can be less than nominal value of the cash to be received. Fair value of the sale price is found by reducing receivables' present value in case that the transaction realizes in the form of a financing transaction as when the Group makes an interest-free sale or applies an interest rate below the market interest rate. The interest rate that is applicable to similar financial instruments of an establishment with a similar credit rating; that reduces interest rate or nominal value of the financial instrument to cash sale price of the related goods or services is used.

In the event that collection of receivables related to the revenue previously recorded becomes suspicious, the related amount is taken into financial statements by being written as expense, not by adjusting revenue. Net sales consist of sales price invoiced after deducting discounts and returns.

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

In the group domestic sales, the conditions ensuring consideration of the goods sold as revenue take place when the goods go out of the factory area. In the case of overseas sales, the revenue is realized at the end of customs procedures of the goods.

Post-balance sheet events

Events after balance sheet date include all incidents between balance sheet date and date of authorization for transmission of balance sheet, even if they appear after public disclosure of a declaration about period profit or any other chosen financial information.

In case incidents that require adjustment occur after balance sheet date, the Group adjusts the amounts taken into consolidated financial statements in line with such new situation.

Provisions, contingent assets and obligations

In order for any provision amount to be included in the consolidated financial statements, the group should have an existing legal or implied obligation arising from past events, it should be probable that resources containing economic benefits will be released from the entity to fulfil this obligation and the amount of the obligation must be estimated reliably. If these criteria are not met, the Group discloses the related issues in the related notes. Contingent assets are not recognized unless they are realized and they are explained in notes only.

Contingent assets are assessed continually to ensure that relevant developments are appropriately reflected in the financial statements. In case that economic benefit is almost certain to put into operation the related asset and the related income are reflected to the financial statements of the period in which the change occurs. If an inflow of economic benefits is probable, an establishment presents the contingent asset in the footnotes of the financial statements.

Capital and dividends

Ordinary shares are classified as capital. Dividends, which are distributed over ordinary shares, are registered after being deducted from accumulated profit in the period they are declared.

Related parties

Within the scope of hereby report, the affiliates include Group shareholders or subsidiaries with which Group as direct or indirect capital and management relationship, such subsidiaries and non-subsidiaries, executive staff such as Group or Group board member or general manager who are directly or indirectly authorized and responsible with respect to planning, conduct and supervision of corporate activities, family members of such persons and companies under direct or indirect control of such persons. Operations with affiliates are indicated in footnotes of consolidated financial statements.

Bilgili Bağımsız Denetim A.S.
Member firm of AGN International

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

Taxes calculated on the basis of company earnings

Income tax expense consists of the sum of the corporate tax and deferred tax.

Corporate Tax

Corporate tax is calculated over the taxable portion of the period profit. Taxable profit differs from profit included in the profit or loss and other comprehensive income statement due to excluding items that are not taxable or deductible from tax with taxable or deductible items in other years. The Group's liability for corporate tax is calculated by using tax rates that have been enacted as of the balance sheet date.

Deferred tax

Deferred tax liability or asset is determined through calculation of tax effects by taking into account legalized tax rates in the light of temporary differences between the indicated amounts of assets and liabilities in consolidated financial statements and the amounts taken into account in legal tax base calculations according to balance sheet method. Deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by making taxable profits in the future while deferred tax liabilities are calculated for all taxable temporary differences. The said assets and liabilities cannot be accounted if temporary difference related to the transaction that does not affect commercial or financial profit / loss result from inclusion of goodwill or other asset and liabilities in the financial statements for the first time (excluding business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except for the situations where the Group is able to control the elimination of temporary differences and this difference is unlikely to disappear in the near future. Deferred tax assets arising from taxable temporary differences related to such investments and shares are calculated by making sufficient taxable profits in the near future provided that it is highly probable to benefit from these differences and differences in the future are likely to be eliminated.

Registered value of deferred tax asset is reviewed at each balance sheet date. Registered value of deferred tax asset is reduced to the extent that it is unlikely to make a financial profit and in such a way that it will allow to receive benefit some or all of which will provide.

Deferred tax assets and liabilities are calculated over tax rates that are expected to be valid in the period when assets will be realized or liabilities will be fulfilled and that have been enacted or substantively enacted by the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, tax consequences of the methods it estimates are taken into consideration for the purpose of restoring the book value of the group's assets or fulfilling its liabilities as of the balance sheet date.

Deferred tax assets and liabilities are set off in case that there is a legal right to set off current tax assets and current tax liabilities or these assets and liabilities are associated with income tax collected by the same tax authority or the Group intends to pay by clarifying Group's current tax assets and liabilities.

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Member firm of AGN International

NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.10 Summary of Significant Accounting Policies (cont.)

Deferred tax assets and liabilities are accounted as income or expense in deferred tax, profit or loss and other comprehensive income table of the period with the corporate tax associated with items accounted as receivable or debt directly in equity (this means that deferred tax related to the relevant items is accounted directly in equity in this case) or except for those arising from the initial recognition of business combinations. In business combinations, the tax effect is taken into consideration in calculating goodwill or determining the portion of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary purchased.

Employee Benefits/ Seniority Indemnities

According to applicable law, the Group is obliged to make a certain lump sum payment to employees whose employment is terminated due to retirement or for reasons other than the resignation and acts specified in the labour law. Such payment amounts are calculated based on the severance pay ceiling valid as of the balance sheet date. Provision for severance pay has been reflected in the financial statements attached by calculating according to the amount of future liabilities arising from the retirement of all employees according to their net present value.

Severance pay liability accounted in the balance sheet are calculated according to the net present value of future liabilities due to retirements of all employees and reflected in the financial statements. All actuarial gains and losses are accounted in other comprehensive income statement.

Cash flow Statement

In cash-flow statement, the cash-flows in the period are classified and reported grounding on principal, investment and financing activities. Cash and cash equivalents in the statement of cash flows include cash and bank deposits.

Government promotion and aids

Government promotions cannot be accounted unless there is no reasonable reason related that the Group has met the requirements for these promotions and this promotion is received. These promotions are accounted as income in the related period to match the costs which are expected to meet. Income from government promotions is accounted as a deduction from an eligible expense item.

Investment Properties

The Group's investment properties consist of land investments valued at cost. Investment properties are properties that are not used in the production of goods and service of the Group and are held for the purpose of making lease or value increase profit. These real estate properties are not used for administrative purposes.

Investment properties are de-recognized from balance sheet in case that they are out of use or sold. Profit or loss arising from the sale of these real estate properties are shown in profit or loss and other comprehensive income table.

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NOTE 2 -PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.11 Notable Accounting Estimates and Assumptions

The accounting estimates which have a significant effect on the registered values of asset and liabilities are as follows:

Deferred financial income/expense:

In calculating amortized cost of trade receivables and payables by using effective interest method, expected collection and payment terms are taken into consideration according to the existing data on receivables and payables. As a result of forward purchases and sales, the amount of financing income and expenses included in purchase costs and sales income during the period is calculated on an estimated basis and classified to income and expenses from the main activities according to the effective interest method by using the transfer rates of the trade receivables and payables of the related period.

Unrealized financing income and expenses included in purchase costs and sales income arising from forward purchases and sales and occurred within the period are determined approximately by using average trade receivables and debt turnover rates.

Useful Life:

Tangible and intangible assets are subject to amortization and depreciation over their estimated useful lives.

Severance Pay:

Provision for severance pay has been reduced to the value at the balance sheet date by calculating transfer rate in accordance with employee turnover rate, previous years experiences and expectations.

Lawsuit Provisions:

When allocating lawsuit provisions, the likelihood that the relevant lawsuits will be lost and the consequences to be incurred if they are lost are evaluated in accordance with the opinions of legal advisors and provision is reserved by using the data held by Group Management.

The estimates used are shown in the related accounting policies or footnotes.

NOTE 3 -BUSINESS COMBINATIONS

Not available. (31 December 2016- None.)

NOTE 4 -BUSINESS PARTNERS

Company has no joint venture in the current period.

(31 December 2016- There is no Joint Venture)

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.
FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)

NOTE 5-REPORTING PER DEPARTMENTS

The group has intensively engaged in three main subjects. The main activity of the Group is; Real Estate, Transportation, Storage and Logistics Service activities. Other subjects of activity of the Group are Vehicle Inspection Services and Distribution and Marketing of Tobacco Products.

| 01.01-31.12.2017 | Real Estate Leasing, Transportation Warehouse Logistics Service Activities | Vehicle, Inspection Service Activities | Tobacco Products. Distribution and Marketing Activities | Total | Elimination | 31.12.2017 INCOME TABLE |
|--|---|---|--|---------------------|----------------------|------------------------------------|
| Revenue | 298.644.860 | 72.018.041 | 90.812.519 | 461.475.420 | (11.826.265) | 449.649.155 |
| Cost of Sales (-) | (202.614.819) | (65.771.826) | (88.962.844) | (357.349.489) | 14.996.654 | (342.352.835) |
| Gross Profit/ (Loss) | 96.030.041 | 6.246.215 | 1.849.675 | 104.125.931 | 3.170.389 | 107.296.320 |
| Research and Development Expenses(-) | - | - | - | - | - | - |
| Marketing Expenses (-) | - | - | (1.696.401) | (1.696.401) | 154.157 | (1.542.244) |
| General Administration Expenses (-) | (4.581.908) | (334.379) | (84.128) | (5.000.415) | 174.444 | (4.825.971) |
| Other Activity Incomes | 19.506.372 | 529.951 | 460.003 | 20.496.326 | (247.001) | 20.249.325 |
| Other Operating Expenses (-) | (18.715.132) | (237.880) | (561.484) | (19.514.496) | (225) | (19,514,721) |
| Real Operating Profit/Loss | 92.239.373 | 6.203.907 | (32,335) | 98.410.945 | 3.251.764 | 101.662.709 |
| Income from Investment Activities | 11.949.021 | - | - | 11.949.021 | (10.302.973) | 1.646.048 |
| Expenses from Investing Activities (-) | - | - | - | - | - | - |
| Shares over Profit/Loss of Investments valued by Equity Method | (4.433.134) | - | - | (4.433.134) | 6.364.614 | 1.931.480 |
| Operating Profit / (Loss) Before Financial Income and Expense | 99.755.260 | 6.203.907 | (32,335) | 105.926.832 | (686,595) | 105.240.237 |
| Financial Income | 26.926.099 | 4.995.235 | 2.163 | 31.923.497 | (7.958.697) | 23.964.800 |
| Financial Expenses (-) | (155.512.004) | (6.799.513) | (132.674) | (162,444,191) | 7.958.697 | (154.485.494) |
| Continuing Operations Profit/(Loss) Before Tax | (28.830.645) | 4.399.629 | (162,846) | (24,593,862) | (686,595) | (25.280.457) |
| Continuing Operations Tax Income/(Expense) | | | | | | |
| -Current Tax Income/(Expenditure) | (3.449.855) | (115.353) | (58.610) | (3.623.818) | - | (3.623.818) |
| Deferred Tax Income/(Expenditure) | (159.484) | (879.702) | 84.625 | (954.561) | - | (954.561) |
| NET PERIOD PROFIT/LOSS | (32,439,984) | 3,404,574 | (136,831) | (29,172,241) | (686,595) | (29,858,836) |
| -Assets Total | 1.675.637.894 | 74.413.525 | 27.725.931 | 1.777.777.350 | (473.535.796) | 1.304.241.554 |
| -Shareholder's Equity Total | (1.182.732.099) | (46.329.699) | (3.075.326) | (1.232.137.124) | 98.096.359 | (1.134.040.765) |
| TOTAL SHAREHOLDER'S EQUITY | 492.905.795 | 28.083.826 | 24.650.605 | 545.640.226 | (375.439.437) | 170.200.790 |

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FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)

NOTE 5-REPORTING PER DEPARTMENTS (cont.)

| 01 January 2016 31.12.2016 | Real Estate Leasing, Transportation Warehouse Logistics Service Activities | Vehicle, Inspection Services Activities | Tobacco Products. Distribution and Marketing Activities | Other | Total | Elimination | 31.12.2016 dated Income Statement |
|---|---|--|--|-------------------|---------------------|----------------------|--|
| Revenue | 243.324.758 | 65.277.079 | 81.172.227 | 285.772 | 390.059.836 | (10.315.093) | 379.744.743 |
| Cost of Sales (-) | (169.481.915) | (57.791.230) | (78.710.615) | (260.412) | (306.244.172) | 10.212.505 | (296.031.667) |
| Gross Profit/Loss | 73.842.843 | 7.485.849 | 2.461.612 | 25.360 | 83.815.664 | (102.588) | 83.713.076 |
| General Administration Expenses (-) | (9.654.268) | (951.777) | (63.870) | (251.826) | (10.921.741) | 25.927 | (10.895.814) |
| Marketing, Sales and Distribution Expense (-) | -- | -- | (1.512.598) | -- | (1.512.598) | 72.000 | (1.440.598) |
| Research and Development Expense(-) | -- | -- | -- | -- | -- | -- | -- |
| Other Real Operating Income | 12.710.430 | 2.926.548 | 159.092 | 360.080 | 16.156.150 | (2.414.569) | 13.741.581 |
| Other Real Operating Expenses (-) | (25.025.490) | (420.070) | (133.336) | (1.071.400) | (26.650.296) | 2.375.755 | (24.274.541) |
| Real Operating Profit/Loss | 51.873.515 | 9.040.550 | 910.900 | (937.786) | 60.887.179 | (43.476) | 60.843.704 |
| Incomes from Investment Activities | 10.178.585 | -- | 60.000 | 0 | 10.238.585 | (1.989.126) | 8.249.459 |
| Expenses 8-) from Investment Activities | -- | -- | -- | -- | -- | -- | -- |
| Profit / Loss Shares of Investments Valued by Equity Method | 752.518 | -- | -- | -- | 752.518 | (1.062.622) | (310.104) |
| Operating Profit / (Loss) Before Financing Expenses | 62.804.618 | 9.040.550 | 970.900 | (937.786) | 71.878.282 | (3.095.224) | 68.783.059 |
| Financial Incomes | 21.044.361 | 565.477 | -- | -- | 21.609.838 | -- | 21.609.838 |
| Financial Expenses (-) | (138.817.621) | (5.901.994) | (124.882) | (1.213) | (144.845.710) | -- | (144.845.710) |
| Profit/Loss before Tax from Continuing Operations | (54.968.642) | 3.704.033 | 846.018 | (938.999) | (51.357.590) | (3.095.224) | (54.452.813) |
| Tax Income/Expense | (2.435.570) | (771.384) | (261.873) | 89.653 | (3.379.174) | -- | (3.379.174) |
| Period Profit/Loss From Continuing Operations | (57.404.212) | 2.932.649 | 584.145 | (849.346) | (54.736.764) | (3.095.224) | (57.831.987) |
| Period Profit/Loss | (57.404.212) | 2.932.649 | 584.145 | (849.346) | (54.736.764) | (3.095.224) | (57.831.987) |
| 01 January 2016 31.12.2016 | Real Estate Leasing, Transportation Warehouse Logistics Service Activities | Vehicle Inspection Service Activities | Tobacco Products. Distribution and Marketing Activities | Other | Total | Elimination | 31.12.2016 Balance Sheet |
| Total Asset | 1.427.236.492 | 79.438.959 | 27.128.962 | 19.686.736 | 1.553.491.149 | (443.176.898) | 1.110.314.251 |
| Total Liability | (913.856.551) | (54.656.628) | (2.342.501) | (5.907.732) | (976.763.412) | 58.581.360 | (918.182.052) |
| NET | 513.379.941 | 24.782.331 | 24.786.461 | 13.779.004 | 576.727.737 | (384.595.538) | 192.132.199 |

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REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 6 -RELATED PARTIES DISCLOSURES**

Explanations on related parties show consolidated balances and transactions of the Company's subsidiaries (shall hereinafter be referred to as the "Group") due to the necessity of preparing consolidated financial statements for REYSAS TASIMACILIK VE LOJISTIK TICARET A.S ("Company").

a) Debt and Receivable Balances with the Related Parties

| 31.12.2017 | Receivables | | Prepaid Expenses | | Debts |
|--|------------------|-------------------|------------------|-------------------|-------------------|
| | Commercial | Non-commercial | Advances | Commercial | Non-Commercial |
| Related Companies | | | | | |
| Egemen Oto Kiralama Tur. Tas. Ltd. Sti. | - | - | - | 234.925 | 5.524.159 |
| Egelog Doğalgaz Akark.Taşım.Dep.Turizm Ltd. Sti. | 844.225 | - | - | - | - |
| Elmas Hizmet Tedarik Insaat Ve Ticaret Ltd. Sti (in Liquidation) | - | 12.015.120 | - | 5.270.631 | - |
| Kolay Depo Depolama A.S. | 643 | - | - | - | 1,056,034 |
| Reypa Gıda Sanayi Ve Ticaret Limited SİRKETİ (in Liquidation) | - | - | - | - | 3.941.514 |
| Remkar Tasımacılık Ve Danışmanlık Ltd. Sti. | - | - | - | 5.287.758 | - |
| Rey Hava Taşımacılığı | - | 7.657.634 | - | - | - |
| Tanem Kahvecilik Ltd.Sti. (in Liquidation) | - | 2.572.398 | - | - | - |
| Reylne Uluslararası Tasımacılık Anonim Şirketi.(*) | 1.722.247 | - | - | 5.440.935 | - |
| Arı Lojistik | 97.685 | 582.669 | - | - | 1.653.573 |
| Emir İstif Makinaları San.ve Tic.Ltd. Sti. | 1.829.554 | - | - | - | - |
| Persco Personel Tedarik Yönetimi | - | - | - | 4.172.100 | - |
| Rey Otel Turizm İşletmeciliği ve Tic.Ltd Sti. | 2.600.440 | 1.415.949 | - | 641.113 | - |
| Metro Sigorta Aracılık Hizmetleri Ltd.Sti. | - | 2.147.829 | - | - | - |
| Rey Uluslararası Tasımacılık Ltd. Sti | - | - | - | 1.416 | - |
| Rey-Ta Reysaş Tarım Hayv.Gıda San.Tic.Ltd.Sti. | 35.192 | 2.209.382 | - | - | - |
| Deferred Financial Expenses (-) | (398.604) | - | - | (369.274) | - |
| Other | 64.463 | 759.739 | 31.095 | 32.424 | 39.214 |
| Shareholders (**) | - | - | - | - | 40.289.027 |
| Advances to Personnel | - | - | 29.501 | - | - |
| Total | 6.795.844 | 29.360.720 | 60.596 | 20.735.877 | 52.503.521 |

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 6 -RELATED PARTIES DISCLOSURES (cont.)**

| 31.12.2016 | Receivables | | Debts | | |
|--|-------------------|----------------------------|-------------------|-------------------|-------------------------|
| | Trade Receivables | Non-commercial Receivables | Prepaid Expenses | Commercial Debts | Non-commercial Payables |
| Egemen Oto Kiralama Tur. Tas. Ltd. Sti. | 685.846 | - | - | 1.384.802 | - |
| Çavuşoğlu Yapı End. Taah. Tic. Ltd. Sti. | 6.705.488 | 5.522.003 | - | - | - |
| Egelog Doğalgaz Akark.Taşım.Dep.Turizm Ltd. Sti. | 447.129 | - | - | - | - |
| Elmas Hizmet Tedarik Ve Tic. Ltd. Sti. | 1.003.615 | - | 36.005.458 | 36.016.035 | - |
| Kolay Depo Depolama A.S. | - | - | - | 1.051.524 | - |
| Reypa Gıda San.Tic. Ltd.Sti. | 13.566 | - | - | 3.890.177 | - |
| Remkar Tasımacılık Ve Danışmanlık Ltd. Sti. | 4.312.808 | - | - | - | - |
| Rey Hava Taşımacılığı | 4.685.621 | - | - | 1.425.000 | - |
| Tanem Kahvecilik | 1.832.510 | - | - | - | - |
| Reyline Uluslararası Tasımacılık Ltd. Sti. (*) | 202.801 | - | - | 1.201.136 | - |
| Rey Gıda Ürün.Tic. Ltd. Sti. | 801.062 | - | - | - | - |
| Arı Lojistik | 97.772 | 289.316 | - | - | - |
| Emir İstif Makinaları San.ve Tic.Ltd. Sti. | 457.675 | - | - | - | - |
| Persco Personel Tedarik Yönetimi | - | - | - | 4.870.673 | - |
| Rey Otel Turizm İşletmeciliği ve Tic.Ltd Sti. | 2.996.666 | - | - | 123.169 | - |
| Metro Sigorta Aracılık Hizmetleri Ltd.Sti. | 4.223.983 | - | - | 2.076.155 | - |
| Other | - | - | - | 166.331 | - |
| Deferred Financial Expenses (-) | (338.970) | - | (829.940) | (1.171.157) | - |
| Shareholders (**) | - | 6.203.665 | - | - | 4.510.573 |
| Advances to Personnel | - | - | 61.084 | - | - |
| Total | 28.127.572 | 12.014.984 | 35.236.602 | 51.033.845 | 4.510.573 |

(*) Rey Uluslararası Tas. Doğalgaz Akar.Dep. Dağıt. Ltd. Sti. has changed its title as Reyline Uluslararası Tasımacılık Ltd.Sti. and new title of the company has been registered on 15.08.2016.

(**) The detail of the debt and receivables to the partners are as follows;

| 31.12.2017 | Other Receivables | Other Debts |
|--------------------|-------------------|-------------------|
| Durmus Döven | - | 4.870.703 |
| Egemen Döven | - | 35.418.324 |
| Arife Vardar | - | - |
| Other Shareholders | - | - |
| Total | - | 40.289.027 |

| 31.12.2016 | Other Receivables | Other Debts |
|--------------------|-------------------|------------------|
| Durmus Döven | 2.739.412 | 4.502.421 |
| Egemen Döven | 2.710.845 | 8.152 |
| Arife Vardar | 721.068 | - |
| Other Shareholders | 32.340 | - |
| Total | 6.203.665 | 4.510.573 |

In the interest account of related parties, interest rate of 13,86% has been used for TL current accounts; 5,68% for USD current accounts; 4,13% for Euro current accounts. (31.12.2016: Interest rate of 13,95% for TL current accounts; 6,36% for USD current accounts; 5,38% for Euro current accounts)
As of 31.12.2017, total amount of benefits and fees provided to senior managers is TL 399.587 and consists completely of wage and daily allowance payments (31 December 2016: TL 293.634).

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FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
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NOTE 6 -RELATED PARTIES DISCLOSURES (cont.)

b) Purchases from Affiliates and Sales to Affiliates

Purchases from affiliates for the period of January 1, 2015- December 31, 2017.

| Title of Related Party | Service | Transport | Fixed Assets | Lease | Other (Delay Interest, Exchange Difference, Other) | Total |
|--|-------------------|-------------------|-------------------|------------------|---|--------------------|
| Related Company | | | | | | |
| Egelog Doğalgaz Akary. Taşım. Dep. Turizm Ltd. Sti. | - | | - | - | 940 | 940 |
| Egemen Oto Kir. Ve Turz. Ltd.Sti | 1.069.200 | | - | 99.133 | 95.880 | 1.264.212 |
| Elmas Hizmet Tedarik Insaat Ve Ticaret Ltd. Sti (in Liquidation) | 6.356.498 | | 38.565.924 | - | 24.953 | 44.947.376 |
| Emir İstif Makinaları San. Ve Tic.Ltd.Sti. | 4.500 | | - | 627.624 | - | 632.124 |
| Pts Personel Ted.Sis. Ve Tic.Ltd.Sti. | 24.560.848 | | - | - | 418.664 | 24.979.513 |
| Rey Hava Tas.Kargo Hiz.Ltd.Sti | 150.000 | | - | - | 1.900.000 | 2.050.000 |
| Remkar Tasımacılık ve Dan.Ltd.Sti. | 14.011.484 | | 12.139.134 | 1.515 | 55.550 | 26.207.683 |
| Rey Otel Turizm İşletmeciliği Ve Tic. Ltd. Sti. | 312.169 | | 1.140 | - | 2.569 | 315.878 |
| Reyline Uluslararası Tasımacılık Anonim Şirketi | 2.059.207 | 21.852.518 | - | 863.800 | 213.229 | 24.988.754 |
| Other | - | - | - | 272426 | 91611 | 364037 |
| Total | 48.523.907 | 21.852.518 | 50.706.198 | 1.864.497 | 2.803.396 | 125.750.516 |

(*) Rey Uluslararası Tas. Doğalgaz Akar.Dep. Dağıt. Ltd. Sti. has changed its title as Reyline Uluslararası Tasımacılık Ltd.Sti. and new title of the company has been registered on 15.08.2016.

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(All sums are given in TL.)

NOTE 6 -RELATED PARTIES DISCLOSURES (cont.)
b) Purchases from Affiliates and Sales to Affiliates (cont.)
Purchases from affiliates for the period of January 1, 2016 - December 31, 2016

| Title of Related Party | Service | Transport | Goods | Fixed Assets | Lease | Other (Delay Interest, Exchange Difference, Other) | Total |
|---|-------------------|-------------------|--------------|---------------------|------------------|---|--------------------|
| Çavuşoğlu Yapı End. Taah. Tic. Ltd. Sti. | - | - | - | - | - | 749.543 | 749.543 |
| Egelog Doğalgaz Akary. Taşım. Dep. Turizm Ltd. Sti. | - | - | - | 127.119 | - | 36.362 | 163.481 |
| Egemen Oto Kir. Ve Turz. Ltd.Sti | - | - | - | 527.698 | 342.594 | 100.868 | 971.160 |
| Elmas Hizmet Tedarik Ve Tic. Ltd. Sti. | 6.529.947 | 23.402 | - | 54.838.263 | - | 7.523.830 | 68.915.442 |
| Emir İstif Makinaları San. Ve Tic.Ltd.Sti. | - | - | - | - | 33.058 | - | 33.058 |
| Persco Personel Tedarik Yön. | 21.989.153 | - | - | - | - | 170.922 | 22.160.075 |
| Rey Hava Tas.Kargo Hiz.Ltd.Sti. | 200.000 | - | - | - | - | - | 200.000 |
| (*)Reyline Uluslararası Tasımacılık Ltd.Sti. | 3.780 | 11.803.405 | - | - | 595.130 | 199.984 | 12.602.299 |
| Tanem Kahvecilik Ltd.Sti. | 205.562 | - | - | - | - | - | 205.562 |
| Kolay Depo Depolama A.S. | - | - | - | - | - | 75.677 | 75.677 |
| Rey Otel Turizm İşletmeciliği ve Tic. Ltd.Sti. | 75.000 | - | - | - | - | 121.456 | 196.456 |
| Other | - | - | - | - | 383.509 | 20.037 | 403.546 |
| | 29.003.442 | 11.826.807 | - | 55.493.080 | 1.354.291 | 8.998.679 | 106.676.299 |

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(All sums are given in TL.)

NOTE 6 -RELATED PARTIES DISCLOSURES (cont.)
b) Purchases from Affiliates and Sales to Affiliates (cont.)

Sales to Related Parties for the Period 01 January 2017-31 December 2017

| Title of Related Party | Service | Transport | Fixed Asset | Lease | Other (Delay Interest, Exchange Difference, Other) | Total |
|---|----------------|------------------|--------------------|------------------|---|-------------------|
| Affiliate | | | | | | |
| Egelog Doğalgaz Akary. Taşım. Dep. Turizm Ltd. Sti. | - | 65.260 | - | 940 | 1.841.725 | 1.907.925 |
| Egemen Oto Kir. Ve Turz. Ltd.Sti | - | | - | 940 | 118.611 | 119.551 |
| Elmas Hizmet Tedarik Insaat Ve Ticaret Limited Sirketi (in Liquidation) | 3.252 | | 27.530 | - | 1.500.563 | 1.531.345 |
| Emir İstif Makinaları San. Ve Tic.Ltd.Sti. | 423.231 | | | 883.200 | 389.325 | 1.695.756 |
| Persco Personel Tedarik Yön. | - | | | - | 384.926 | 384.926 |
| Rey Hava Tas.Kargo Hiz.Ltd.Sti | - | | | 10.340 | 1.924.668 | 1.935.008 |
| Remkar Tasımacılık ve Dan.Ltd.Sti. | - | | | - | 620.823 | 620.823 |
| Rey Otel Turizm İşletmeciliği Ve Tic. Ltd. Sti. | 5.292 | | | 2.897.310 | 328.014 | 3.230.617 |
| Reyline Uluslar Arası Tasımacılık Ltd. Sti. | - | 100.176 | | 1.495.978 | 128.877 | 1.725.031 |
| Tanem Kahvecılık Ltd.Sti. (in Liquidation) | - | - | - | - | 293.290 | 293.290 |
| Other | 1.079 | - | - | 175.880 | 228.266 | 405.225 |
| Total | 432.853 | 165.436 | 27.530 | 5.464.588 | 7.759.088 | 13.849.497 |

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NOTE 6 -RELATED PARTIES DISCLOSURES (cont.)
b) Purchases from Affiliates and Sales to Affiliates (cont.)

Sales to Affiliates for the Period 01 January 2016-31 December 2016

| Title of Related Party | Service | Transport | Goods Fixed Asset | Lease | Other (Delay Interest, Exchange Difference, Other) | Total |
|--|------------------|------------------|--------------------------|----------------|---|-------------------|
| Çavuşoğlu Yapı End. Taah. Tic. Ltd. Sti. | | | | - | 1.526.179 | 1.526.179 |
| (*Ecelog Tasımacılık Amb. Dep. Tic. Ltd. Sti. (in Liquidation) | | | | - | 315.530 | 315.530 |
| Egelog Doğalgaz Akary.LTD. STI. | 1.893.361 | | | 1.253 | 300.487 | 2.195.101 |
| Egemen Oto Kiralama Tur. Tas. Ltd. Sti. | | | | 19.849 | 162.946 | 182.795 |
| Elmas Hizmet Tedarik Ve Tic. Ltd. Sti. | 53.838 | | - 957.416 | 89.833 | 6.047.387 | 7.148.474 |
| Emir İstif Makinaları San. Ve Tic.Ltd.Sti. | | | | 904.162 | 71.775 | 975.937 |
| Kolay Depo Depolama A.S. | | | | 111.855 | 3.817 | 115.672 |
| Rey Otel Turizm İletmeciliği ve Tic. Ltd.Sti. | | | | 1.753.596 | 456.386 | 2.209.982 |
| Persco Personel Tedarik Yönetim ve Danışmanlık Ltd.Sti. | 75.000 | | | - | - | 75.000 |
| Remkar Tasımacılık Ve Danışmanlık Ltd. Sti. | | | | - | 225.003 | 225.003 |
| Rey Hava TasımacılığıLtd.Sti. | | | | - | 381.617 | 381.617 |
| (†)Reyline Uluslararası Tasımacılık Ltd.Sti. | 24.441 | 133.749 | | 955.009 | 36.606 | 1.149.805 |
| Rey Gıda Ürn.Yiy.İç Ve Ser.Hiz.Ltd.Sti. | | | | - | 75.827 | 75.827 |
| Rey-ta Reysaş Tarım ve Hayvancılık | | | | 69.000 | 1.109 | 70.109 |
| Arı Lojistik Insaat San.ve Tic.A.S. | | | | - | 64.058 | 64.058 |
| Tanem Kahvecilik Ltd.Sti. | | | | - | 483.717 | 483.717 |
| Metro Sigorta Aracılık Hiz. Tic. Ltd. Sti. | | | | - | 195.105 | 195.105 |
| Other | | | | - | 152.320 | 152.320 |
| Total | 2.046.640 | 133.749 | - | 957.416 | 3.904.557 | 10.499.869 |
| | | | | | | 17.542.231 |

*Ecelog Taşımacılık Amb. Dep. Tic. Ltd. Şti has been decided to enter into liquidation since there is no benefit for the company to continue its operations with 10.05.2016 dated and 6 numbered decision of Board of Directors and related decision was published in the trade registry gazette dated 26.05.2016 and numbered 9083.

†Rey Uluslararası Taş. Doğalgaz Akar.Dep. Dağıt. Ltd. Sti. 's title has been changes as Reyline Uluslararası Taşımacılık Ltd. Sti. and the new title of the company has been registered on 15.08.2016.

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(All sums are given in TL.)****NOTE 7 CASH AND CASH EQUIVALENTS**

The Group's cash and cash equivalents as of 31 December 2017 and 31 December 2016 are as follows:

| | 31.12.2017 | 31.12.2016 |
|---------------------------|--------------------|-------------------|
| Cash | 513.856 | 402.502 |
| Cheques Received | - | 1.028.957 |
| Banks | | |
| - <i>Time Deposit</i> (*) | 104.345.343 | 63.219.402 |
| - <i>Demand Deposits</i> | 41.336.381 | 6.793.904 |
| Deferred Financial Income | (5.454) | (1.924) |
| Other Liquid Assets | 962.318 | 218.738 |
| Total | 147.152.444 | 71.661.582 |

Amount of blocked deposits as of 31 December 2017 is TL 13.300 (31 December 2016: TL 13.300)

(*) As of 31 December 2017, TL 20.000.000 of TL 104.200.212 in the Group's time deposit account consists of swap transactions. The swap's starting date is 13.11.2016 and the swap expiry date is 16.01.2018. The amount to be received by the company at the end of term is TL 20.473.688 and net interest income of TL 361.670 calculated as of 31.12.2017 has been reflected into profit loss statement.

As of 31 December 2016, TL 25.000.000 of TL 63.219.402 in the Group's time deposit account consists of swap transactions. The swap's starting date is 23.12.2016 and the swap expiry date is 24.01.2017. The Group's receivable at the end of the term is TL 25.240.330.TL 60.083 of interest income calculated as of 31 December 2016 is reflected to the profit and loss statement.

*The breakdown of time deposits with a maturity of less than 3 months is as follows;

31.12.2017

| Type of Currency | Interest Rate | Foreign Exchange Rate | For TL |
|-------------------------|----------------------|------------------------------|--------------------|
| USD \$ | 4,33% | 7.932.765 | 29.921.597 |
| EURO | 1,61% | 4.033.420 | 18.214.019 |
| TL | 10,78-16,06% | 56.209.728 | 56.209.728 |
| Total | | | 104.345.343 |

31.12.2016

| Type of Currency | Interest Rate | Foreign Exchange Rate | For TL |
|-------------------------|----------------------|------------------------------|-------------------|
| USD \$ | 4,50% | 6.016.558 | 21.173.470 |
| EURO | 2,05% | 504.938 | 1.873.269 |
| TL | 7,44%-12,90% | 40.172.663 | 40.172.663 |
| Total | | | 63.219.402 |

NOTE 8- FINANCIAL INVESTMENTS

As of 31 December 2017 and 31 December 2016, the Group's short-term financial investments classified as other financial assets measured by reflecting fair value difference to profit / loss.

Other Financial Assets Measured by Reflecting Fair Value Difference to the Profit/Loss

| | 31.12.2017 | 31.12.2016 |
|-----------------|---------------|---------------|
| BRL Liquid Fund | 8.021 | 7.476 |
| Gold Account | 16.006 | 13.162 |
| Total | 24.027 | 20.638 |

NOTE 9- FINANCIAL DEBTS**A) Short Term Borrowing from Affiliates**

| Short-term Financial Liabilities | 31.12.2017 | 31.12.2016 |
|---|--------------------|--------------------|
| Bank Loans | 288.789.887 | 144.499.097 |
| Debts from Financial Leasing Transactions | 25.343.418 | 12.030.373 |
| Total | 314.133.305 | 156.529.470 |

| Long-term Financial Liabilities | 31.12.2017 | 31.12.2016 |
|---|--------------------|--------------------|
| Bank Loans | 596.431.459 | 560.063.998 |
| Debts from Financial Leasing Transactions | 60.966.704 | 61.739.758 |
| Total | 657.398.163 | 621.803.756 |

Bank Loans

As of 31.12.2017, the detail of short-term Bank Loans on foreign currency basis is given below:

| | Foreign Exchange Balance | Interest Rate | For TL |
|--------------|-------------------------------------|----------------------|--------------------|
| TL | 162.302.315 | % 11,22-% 17,58 | 162.302.315 |
| USD | 17.977.560 | % 5,59-% 8,27 | 67.809.558 |
| EUR | 12.994.799 | % 4,22-% 5,87 | 58.678.013 |
| Total | | | 288.789.887 |

As of 31.12.2017, the detail of long-term Bank Loans on foreign currency basis is given below:

| | Foreign Exchange Balance | Interest Rate | For TL |
|--------------|-------------------------------------|----------------------|--------------------|
| TL | 292.990.117 | % 11,22-% 17,58 | 292.990.117 |
| USD | 31.821.837 | % 5,59-% 8,27 | 120.028.787 |
| EUR | 40.618.437 | % 4,22-% 5,87 | 183.412.554 |
| Total | | | 596.431.459 |

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(All sums are given in TL.)****NOTE 9- FINANCIAL DEBTS (cont.)****Bank Loans (cont.)**

As of 31.12.2016, the detail of short-term Bank Loans on foreign currency basis is given below:

| | Foreign Exchange Balance | Interest Rate | For TL |
|--------------|-------------------------------------|----------------------|--------------------|
| TL | 54.350.889 | %11,22-%17,58 | 54.350.889 |
| USD | 17.989.710 | %5,59-%8,27 | 63.309.386 |
| EUR | 7.234.379 | %4,22-%5,87 | 26.838.822 |
| Total | 79.574.978 | | 144.499.097 |

As of 31.12.2016, the detail of long-term Bank Loans on foreign currency basis is given below:

| | Foreign Exchange Balance | Internal Rate of Return | For TL |
|--------------|-------------------------------------|------------------------------------|--------------------|
| TL | 270.252.598 | %11,22-%17,58 | 270.252.598 |
| USD | 45.430.313 | %5,59-%8,27 | 159.878.358 |
| EUR | 35.023.327 | %4,22-%5,87 | 129.933.042 |
| Total | 350.706.238 | | 560.063.998 |

Repayment terms of credit debts are as follows:

| | 3 1 December 2017 | 301 December 2016 |
|-----------------------------|------------------------------|--------------------------|
| Payables within 0-3 months | 61.211.179 | 51.654.376 |
| Payables within 4-12 months | 227.578.708 | 92.844.721 |
| Payables within 1-5 months | 542.933.054 | 492.385.706 |
| Payables over 5 years | 53.498.406 | 67.678.292 |
| Total | 885.221.346 | 704.563.095 |

Debts from Financial Leasing Transactions

As of 31.12.2017, the detail of short term financial leasing payables on foreign currency basis is given below.

| | Foreign Exchange Balance | Internal Rate of Return | For TL |
|--------------|-------------------------------------|------------------------------------|-------------------|
| TL | 21.882.645 | %10,67-%14,72 | 21.882.645 |
| EUR | 766.421 | %4,03-%4,59 | 3.460.773 |
| Total | | | 25.343.418 |

As of 31.12.2017, the detail of long term financial leasing payables on foreign currency basis is given below.

| | Foreign Exchange Balance | Internal Rate of Return | For TL |
|--------------|-------------------------------------|------------------------------------|-------------------|
| TL | 52.753.185 | %10,67-%14,72 | 52.753.185 |
| EUR | 1.818.961 | %4,03-%4,59 | 8.213.519 |
| Total | | | 60.966.704 |

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(All sums are given in TL.)****NOTE 9- FINANCIAL DEBTS (cont.)****Debts from Financial Leasing Transactions (cont.)**

As of 31.12.2016, the detail of short term financial leasing payables on foreign currency basis is given below.

| | Foreign Exchange Balance | Internal Rate of Return | For TL |
|--------------|-------------------------------------|------------------------------------|-------------------|
| TL | 9.740.343 | % 10,67-% 14,72 | 9.740.343 |
| EUR | 617.276 | % 4,03-% 4,59 | 2.290.030 |
| Total | 10.357.619 | - | 12.030.373 |

As of 31.12.2016, the detail of long term financial leasing payables on foreign currency basis is given below.

| | Foreign Exchange Balance | Internal Rate of Return | For TL |
|--------------|-------------------------------------|--------------------------------|-------------------|
| TL | 54.762.614 | % 10,67-% 14,72 | 54.762.614 |
| EUR | 1.880.682 | % 4,03-% 4,59 | 6.977.144 |
| Total | 56.643.296 | - | 61.739.758 |

Repayment terms of financial leasing debts are as follows:

| | 31.12.2017 | 31.12.2016 |
|-----------------------------|-------------------|-------------------|
| Payables within 0-3 months | 4.681.563 | 2.490.034 |
| Payables within 4-12 months | 20.661.855 | 9.540.340 |
| Payables within 1-5 months | 60.966.704 | 61.739.758 |
| Total | 86.310.122 | 73.770.132 |

NOTE 10- OTHER FINANCIAL LIABILITIES

The Group has no other financial liabilities as of 31.12.2017. (31 December 2016: None.)

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(All sums are given in TL.)****NOTE 11- TRADE RECEIVABLE AND DEBTS**

The Group's trade receivables as of 31 December 2017 and 31 December 2016 are as follows:

| Trade Receivables | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Trade Receivables | 33.758.711 | 47.275.654 |
| <i>Trade Receivables Other Than Affiliates</i> | 26.564.263 | 30.336.643 |
| <i>Trade Receivables from Affiliates (Note:6)</i> | 7.194.448 | 16.939.011 |
| Received Collaterals | 9.057.053 | 17.216.293 |
| <i>Collaterals Received Other Than Affiliates</i> | 9.057.053 | 5.688.762 |
| <i>Collaterals Received from Affiliates (Note:6)</i> | - | 11.527.531 |
| Doubtful Trade Receivables | 19.063.416 | 29.867.101 |
| <i>Doubtful Trade Receivables Other than Affiliate</i> | 19.047.680 | 22.908.705 |
| <i>Doubtful Trade Receivables From Affiliate (Note: 6)</i> | 15.736 | 6.958.396 |
| Total Commercial Receivables | 61.879.180 | 94.359.048 |
| Provision for Doubtful Trade Receivables (-) | (19.063.416) | (29.867.101) |
| <i>Provision for Doubtful Trade Receivables Other than Affiliate</i> | (19.047.680) | (22.908.705) |
| <i>Provision for Doubtful Trade Receivables from Related Parties (Note:6)</i> | (15.736) | (6.958.396) |
| Deferred Financial Expenses other than affiliates (-) | (349.324) | (276.524) |
| Deferred Financial Expenses from Affiliates (-) | (398.604) | (338.970) |
| Total | 42.067.836 | 63.876.453 |

The Group's transactions related to overdue and doubtful receivables are as follows:

| | 31.12.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| Opening Balance | 29.867.101 | 22.718.987 |
| Provisions no Longer Required | (4.069.338) | - |
| Provision Reserved in the current period | - | 7.148.114 |
| Exits from Subsidiary Scope | (6.734.347) | |
| Total | 19.063.416 | 29.867.101 |

The Group's Long Term Trade Receivables are explained below as of 31 December 2017 and 31 December 2016:

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Trade Receivables | | |
| Received Collaterals | - | 95.900 |
| <i>Collaterals Received Other Than Affiliates</i> | - | 95.900 |
| <i>Collaterals Received from Affiliates (Note:6)</i> | - | - |
| Total Commercial Receivables | - | 95.900 |
| Deferred Financial Expenses other than affiliates (-) | - | (13.087) |
| Total | - | 82.813 |

The average maturity of trade receivables of the Group is 30-40 days.

NOTE 11- TRADE RECEIVABLE AND DEBTS (cont.)

The Group's trade payables are as of 31 December 2017 and 31 December 2016 as follows:

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Sellers | 35.232.884 | 39.025.485 |
| - Trade Payables Other Than Affiliates | 19.298.231 | 26.716.118 |
| - Trade Receivables to Affiliates (Note:6) | 15.934.653 | 12.309.367 |
| Notes Payables | 20.810.860 | 44.105.217 |
| Notes Payables Given other Than Affiliate | 15.640.362 | 4.209.582 |
| Notes Payables Given To Affiliates (Note: 6) | 5.170.498 | 39.895.635 |
| Deferred Financial Income other than affiliates (-) | (446.225) | (248.360) |
| Deferred Financial Income from affiliates (-) | (369.274) | (1.171.157) |
| Total | 55.228.245 | 81.711.188 |

The average maturity of the Group's trade payables is 30-60 days.

Long-term Trade Payables

There is not available. (31.12.2016: None)

NOTE 12 -OTHER RECEIVABLES AND PAYABLES

The Group's other receivables and payables as of 31 December 2017 and 31 December 2016 are as follows:

| Other Short-term Receivables | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Deposits and Guarantees Given | 202.799 | 232.664 |
| Other Receivables | 1.494.202 | 1.217.392 |
| Receivables from Affiliates (Note: 6) | 29.360.720 | 12.014.984 |
| - Receivables from Shareholders | - | 6.171.325 |
| - Receivables from subsidiaries | - | 59.468 |
| - Receivables from Affiliates | 12.015.120 | |
| - Receivables from Affiliates | 17.345.600 | 5.784.191 |
| Doubtful Other Receivables | 2.022.214 | 2.016.159 |
| Provision of Other Doubtful Receivables | (2.022.214) | (2.016.159) |
| Total | 31.057.721 | 13.465.040 |
| Other Long-Term Receivables | 31.12.2017 | 31.12.2016 |
| Deposits and Guarantees Given | 1.161.755 | 792.297 |
| Total | 1.161.755 | 792.297 |

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(All sums are given in TL.)****NOTE 12- OTHER RECEIVABLE AND DEBTS (cont.)**

| Other Short-term Payables | 31.12.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| Deposits and Guarantees Received | 1.244.771 | 1.198.769 |
| Taxes Payable (VAT, Advance Tax..) | 5.408.117 | 4.419.834 |
| Overdue, Deferred or Installed | | |
| Payables to the state (*) | 1.029.416 | 747.442 |
| <i>Payables to Affiliates (Note:6)</i> | 52.503.521 | 4.510.573 |
| - <i>Debts to Shareholders</i> | 40.289.027 | 4.510.573 |
| - <i>Bonded Debts to the Affiliate Companies</i> | 3.941.514 | - |
| - <i>Debts to the Affiliate Companies</i> | 8.272.980 | - |
| Other | 136.292 | 307.340 |
| Total | 60.322.117 | 11.183.958 |

(*) The Group Management has benefited from the ease of payment provisions in the Laws numbered 6552 and 6736.

| Other Long Term Payables | 31.12.2017 | 31.12.2016 |
|---------------------------------|-------------------|-------------------|
| Overdue, Deferred or Installed | | |
| Payables to the state (*) | 1.818.062 | 707.016 |
| Total | 1.818.062 | 707.016 |

(*) The Group Management has benefited from the ease of payment provisions in the Laws numbered 6552 and 6736.

NOTE 13 PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS

As of 31 December 2017, the detail of payables related to employee benefits is as follows.

| | 31.12.2017 | 31.12.2016 |
|------------------------------------|-------------------|-------------------|
| Taxes, Fees and Deductions Payable | 266.926 | 270.965 |
| Payable SSI Debts | 437.449 | 201.448 |
| Due to Personnel | 819.573 | 689.524 |
| Total | 1.523.948 | 1.161.937 |

NOTE 14 -INVENTORIES**a) Short Term Inventories**

The Group's short term inventories are as of 31 December 2017 and 31 December 2016 as follows:

| | 31.12.2017 | 31.12.2016 |
|-------------------------------|-------------------|-------------------|
| Merchandise | 807.688 | 1.580.074 |
| Other Inventories (*) | 818.964 | 859.800 |
| Provision for Inventories (-) | - | - |
| Total | 1.626.652 | 2.439.874 |

(*) Other stocks of the Group consist of fuel, spare parts and consumables.

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(All sums are given in TL.)****NOTE 14 -INVENTORIES (cont.)****b) Long Term Inventories**

In accordance with Reysaş Gayrimenkul Yatırım Ortaklığı A.S.'s 04/05/2016 dated and 298 numbered resolution of Board of Directors; preliminary contract for real estate sale has been signed with Sur Yapı Endüstri San. Ve Tic. Anonim SIRKETI from construction project companies for construction of house on improved lands with houses of 10.783,80 m² located on Istanbul Province Sancaktepe District 9-10 Sheet, 1674 Parcel and 18.316,57 m² on Istanbul Province Sancaktepe District 6650 Plot, 17 Parcel. Construction will start in 2016 and be completed in 30 months on the basis of "Revenue Sharing". Sales office production has been completed as of 31.12.2017 and sample apartment construction is on-going. The project was launched under the name "Neighborhood" and the pre-demand collection process has started.

While it is registered as "field" with the surface area of 10.783,80 m² on the 9-10 Sheet, 1674 Parcel in Istanbul Province, Sancaktepe District and in the land registry, it has been divided into two parcels as 1974 parcel (3.301,30 m²) and 1975 parcel (6.965,62 m²) as a result of separation (allotment) made on 04.08.2016 and in the meantime, has been transferred as zoning road (516,88 m²) within the framework of Articles 15 and 16 of the Reconstruction Law. The 1974 parcel (3.301,30 m²), which was formed by separation (allotment) has been granted to Sancaktepe Municipality on 25.10.2016. The property of the 1975 parcel (6.965,62 m²) which is under the ownership of Reysaş Gayrimenkul Yatırım Ortaklığı A.S., has been changed as "field".

The sections (total 2.199,19 m²) remained on the area located at 6650 Plot, 17 Parcel park (2.123,19 m²) and road (76 m²) in Istanbul Province, Sancaktepe District have been transferred on 04.08.2016 and surface area of them after transfers have been 16.117,38 m².

The total land area where the project will be realized (6.965.62 + 16.117.38 =) is 23.083 m².

These immovables have been taken into stocks in 2016. Inventories are classified as long-term by taking into consideration possible completion date of housing constructions.

Cost values total of the residential improved lands in question is TL 29.742.179 as of 31 December 2017. (31 December 2016: 29.742.179.)

NOTE 15 -PREPAID EXPENSES AND DEFERRED INCOMES

The Group's prepaid expenses and deferred income as of 31 December 2017 and 31 December 2016 are as follows:

Short term prepaid expenses;

| | 31.12.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| Prepaid Expenses for Future Months | 2.210.113 | 1.687.464 |
| License Fee (*) | 2.128.333 | 2.128.333 |
| Business Advances | 4.666.352 | 1.620.172 |
| Expenses Prepaid to the affiliates (Note:6) | 60.596 | 35.236.602 |
| Advances Given | 6.695.880 | 1.513.801 |
| Other Doubtful Assets | 226.286 | 226.286 |
| Provision for Other Doubtful Assets (-) (**) | (226.286) | (226.286) |
| TOTAL | 15.761.274 | 42.186.372 |

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(All sums are given in TL.)****NOTE 15 -PREPAID EXPENSES AND DEFERRED INCOMES (cont.)****Short term prepaid expenses (cont.)**

(**) Activity table of provision for other doubtful assets is as follows;

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| As of 1 January | 226.286 | 226.286 |
| Collection (-) | - | - |
| Additional Provision Reserved Within the Period | - | - |
| As of period end | 226.286 | 226.286 |
| Long Term prepaid expenses; | | |
| | 31.12.2017 | 31.12.2016 |
| Advances Given | 2.270.733 | 4.367.350 |
| Prepaid Expenses for Future Years | 24.864 | 222.434 |
| License Fee (*) | 18.268.254 | 22.050.226 |
| TOTAL | 20.563.851 | 26.640.010 |

(*) License Fee

It is the amount paid to Tüvtürk Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.S. in advance as license fee of Karabük, Bartın, Kastamonu, Tosya, Karadeniz Ereğli, Zonguldak, Eskişehir, Sivrihisar vehicle inspection stations by the Group. According to the terms of the license agreement the portion to be recognized as expense of this amount recognized as expense with monthly equal instalments is classified among current assets; the remaining balance is classified among fixed assets in 12 months period after the balance sheet date. The license period expires in 2027. There is no addition to the license fee in the current period and in the previous period.

Short term deferred incomes;

| | 31.12.2017 | 31.12.2016 |
|----------------------------------|------------------|------------------|
| Income Relating to Future Months | 7.714.281 | 6.054.748 |
| Advances Received | 1.327.831 | 1.968.235 |
| Total | 9.042.112 | 8.022.983 |

Long Term Deferred Incomes;

| | 31.12.2017 | 31.12.2016 |
|-----------------------------------|-------------------|-------------------|
| Income Relating to Future Periods | 21.444.085 | 22.722.597 |
| Total | 21.444.085 | 22.722.597 |

The Group has earned profit of TL 3.894.663 from 1 real estate property at Istanbul Province, Usküdar District, Bulgurlu Mah. 60 Plot, 24 Parcel which it has sold and leased back regarding financial leasing agreement No.150648473 made with Ak Finansal Kiralama A.S. on 03.12.2015. Earned income shall be deferred under TAS 17 Leasing Transactions Standard and reflected to the comprehensive income statement to be amortized during the lease period (60 months).

The Group has earned profit of TL 7.271.908 from 1 real estate property at Samsun Province, Carsamba District, 198 Plot, 1 Parcel which it has sold and leased back regarding financial leasing agreement No.16011745 made with Is Finansal Kiralama A.S. on 19.12.2016. Earned income shall be deferred under TAS 17 Leasing Transactions Standard and reflected to the comprehensive income statement to be amortized during the lease period (60 months).

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(All sums are given in TL.)****NOTE 15 -PREPAID EXPENSES AND DEFERRED INCOMES (cont.)****Deferred Incomes (cont.)**

The Group has earned profit of TL 18.291.481 from 1 real estate property at Izmir Province, Torbalı District, Torbalı Quarter 6 Plot, 194 Parcel which it has sold and leased back regarding financial leasing agreement No.16012390 made with Is Finansal Kiralama A.S. on 19.12.2016. Earned income shall be deferred under TAS 17 Leasing Transactions Standard and reflected to the comprehensive income statement to be amortized during the lease period (60 months).

It has been decided to sell the warehouse of 8.312 m2 on Kocaeli Province, Cayirova District, Akse Quarter, 2088 Plot, 2 Parcel at a price of TL 14.400.000 with the method "Sell and Lease Back" according to the company's 11.07.2017 dated and 384 numbered resolution of board of directors. Profit amount between fair value and sales value of the real estate property is TL 4.724.821. Earned profit shall be deferred under TAS 17 Leasing Transactions Standard and reflected to the comprehensive income statement to be amortized during the lease period (60 months).

The summary table regarding the transactions performed is as follows;

| Agreement No | Agreement Date | Sales Profit (TL) | Previous Period Profits | 2017 Those Reflected to Profit- Loss Table | Income Relating to Future Months | Income Relating to Future Periods |
|--------------|------------------|-------------------|-------------------------|--|----------------------------------|-----------------------------------|
| 150648473 | *3.Ara.15 | 3.894.663 | 843.844 | 778.934 | 778.933 | 1.492.954 |
| 16.011.745 | 19 December 2016 | 7.271.908 | - | 1.454.382 | 1.454.382 | 4.363.144 |
| 16.012.390 | 19 December 2016 | 18.291.481 | - | 3.658.296 | 3.658.296 | 10.974.889 |
| 16.012.390 | *11 July 2017 | 4.724.821 | - | 457.241 | 914.481 | 3.353.099 |
| 85.897 | | 34.182.873 | 843.844 | 6.348.852 | 6.806.092 | 20.184.085 |

The company has leased its warehouse to Emir Istif Mak.San.veTic.Ltd.Sti. at a price of total 2.100.000+VAT for 5 years for the period 01.02.2017 - 01.02.2022. Two invoices have been issued for the rental fee. The part of TL 350.000 of these invoices corresponding to the 10-month period in the current year has been recorded as income. The part of TL 420.000 corresponding to 12-month period of the invoices has been shown in the account "Short Term Deferred Incomes" and the remaining part of TL 1.330.000 in the "Long Term Deferred Incomes".

NOTE 16- GOVERNMENT INCENTIVES AND SUPPORTS

The Group has one Investment Incentive Certificate in 2017 and the details of incentive certificate are as follows:

| Date of document: | Document No | Subject | Starting Date of Investment | Ending Date of Investment | Total Investment Amount |
|-------------------|-------------|-------------------------|-----------------------------|---------------------------|-------------------------|
| 06.06.2014 | F/109795 | Railroad Transportation | 13.03.2013 | 14.03.2014 | 8.830.915 |

With the Investment Incentive Certificate dated 12 April 2013 and numbered B / 109795, Reysaş Demiryolu Tasımacılığı A.S. has decided to invest in the purchase of wagons for railway transportation. With this investment incentive certificate, the Company will benefit from interest support, discounted corporate tax and other exceptions. Within the scope of this investment incentive certificate, it has ordered 60 platform wagons to TUDEMŞAS, which is the only industrial investment in Eastern Anatolia Region of Turkish State Railways. The leasing financing method is planned to be used for wagon purchases and total investment value will be Euro 3.510.000. Reysaş Demiryolu Tasımacılığı A.S. has received 60 Wagons amounting to TL 9,066,916 on 10.09.2013.

NOTE 16- GOVERNMENT INCENTIVES AND SUPPORTS (cont.)

Regarding 20.12.2013 dated and 1116785 numbered application of the company, revision of fixed investment amount registered as TL 7.500.000 in such a way that it will be TL 8.830.915 has been considered as appropriate within the framework of provision of 17.Article of Communiqué No: 20128/1 and Resolution No. 2012/3305 and the implementation of that Decision.

As a result of the examination of 14.01.2014 dated and 4524 numbered application of the company, it has been understood that investment has been started by making investment expenditure at least in the rate of 10% of amount of fixed investment registered in the Investment Incentive Certificate until 31.12.2013 (including this date).

Regarding 11.04.2014 dated and 33073 numbered application of the company and 12.03.2014 dated and YMM.232/1706-05 numbered Certified Public Accountant Investment Incentive Certificate Closing Report completion visa of the investment has been made.

In sum, the subject of the incentive certificate is wagon investment and the company benefits from incentives in the subjects of interest support, reduced corporate tax and other exceptions. Interest support incentive, incentive subjects benefited, has been completed in 2016. The total amount of contribution to the investment calculated within the scope of said incentive certificate of the company and deserved for actual investment expenditure is TL 3.532.366. As of 31.12.2017, the total amount of the contribution transferred is TL 3,415,761. (31.12.2016: 3.415.761 TL)

NOTE 17 -PERIOD PROFIT TAX LIABILITY

Corporate Tax

Provisions required in the attached financial statements have been reserved for estimated tax liabilities related to the Group's activity results of current period.

Corporate tax rate to be accrued on taxable corporate income has been calculated over the base remained after addition of expenses not deducted from tax base recognized as expense in determination of commercial earning and after deduction of tax-exempt earnings, tax-free incomes and other discounts (past year losses, if any, and investment discounts used if preferred). The applicable corporate tax rate for the period ended 31 December 2017 is 20% (2016: 20%).

Temporary tax in Turkey is calculated and accrued as of quarterly periods. Advance tax rate required to be calculated over corporate incomes is 20% (2016:20%) in the phase of taxation of corporate incomes for the period 31.12.2017 as of temporary tax periods. Losses may be carried over for 5 years so as to be deducted from taxable profit that will occur during upcoming years. However, losses occurred cannot be retrospectively deducted from previously occurred years.

Tax rate used in corporate tax calculation has been taken into account as 4% for Reysas Demiryolu Tasımıcılığı and 20% for others.

There is no application such as coming to a mutual agreement with tax authority on tax payable in Turkey. Corporate tax returns are filed with the related tax office until the evening of the 25th day of the fourth month following the close of the accounting period. However, the tax authorities may review the accounting records within five years and the amount of tax payable may change if a wrong transaction is detected.

In addition to corporate tax, income tax withholding must also be calculated over profit shares except for those distributed to the full liability corporations and foreign companies' branches in Turkey acquiring profit share and declaring these profit shares by including them in the corporate earnings in case of distribution. Income tax withholding is applied as 15%.

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(All sums are given in TL.)****NOTE 17 -PERIOD PROFIT TAX LIABILITY**

Tax income/(expenses) reflected in the Group's income statement and balance sheet are as of the dates 31 December 2017 and 31 December 2016 as follows;

| | 31.12.2017 | 31.12.2016 |
|--|--------------------|-------------------|
| Provision for Current Period Legal Tax | 3.623.818 | 4.277.782 |
| Prepaid Taxes (-) | (2.984.131) | (2.261.427) |
| Total Net Tax Payable | 639.687 | 2.016.355 |
| | 31.12.2017 | 31.12.2016 |
| Provision for current period legal tax (-) | (3.623.818) | (1.816.589) |
| Deferred Tax Income / (Expense) | (954.561) | 1.044.775 |
| Total Tax Income / (Expense), Net | (4.578.379) | (771.814) |

NOTE 18- ASSETS RELATED TO CURRENT PERIOD TAX

As of the dates 31 December 2017 and 31 December 2016, the Group's tax amount to be refunded is as follows:

| | 31.12.2017 | 31.12.2016 |
|---------------|-------------------|-------------------|
| Prepaid Taxes | 520.905 | 278.764 |
| Total | 520.905 | 278.764 |

NOTE 19- OTHER CURRENT ASSETS / OTHER FIXED ASSETS AND OTHER SHORT / LONG TERM LIABILITIES

As of 31 December 2017 and 31 December 2016, other current/fixed assets and other short / long term liabilities of the Group are as follows:

| Other Current Assets | 31.12.2017 | 31.12.2016 |
|-----------------------------|-------------------|-------------------|
| Income Accruals | - | 53.953 |
| Deferred VAT | 24.664.638 | 23.173.612 |
| Total | 24.664.638 | 23.227.565 |

The Group has no other fixed assets as of 31 December 2017. (31 December 2016- None.)

| Other Short-Term Liabilities | 31.12.2017 | 31.12.2016 |
|-------------------------------------|-------------------|-------------------|
| Expense Accruals | 305.421 | 319.994 |
| Other | - | - |
| Total | 305.421 | 319.994 |

The Group has no other long term liability as of 31 December 2017. (31 December 2016: None.)

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(All sums are given in TL.)****NOTE 20 -PROVISIONS, CONDITIONAL ASSET AND LIABILITIES****20.1 Short Term Provisions**

As of 31 December 2017 and 31 December 2016, the Group's short term provisions are as follows:

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Short Term Provisions for Employee Benefits (*) | 465.100 | 239.161 |
| Expense Provisions | | - |
| Total | 465.100 | 239.161 |

(*) Short Term Provisions for Employee Benefits

| | 31.12.2017 | 31.12.2016 |
|---------------------------|-------------------|-------------------|
| Employee Leave Provisions | 299.877 | 239.161 |
| Total | 465.100 | 239.161 |

Activities of leave pay provision are as follows:

| | 31.12.2017 | 31.12.2016 |
|-------------------------------|-------------------|-------------------|
| 1 January | 239.161 | 338.263 |
| Paid/Decrease in the Year (-) | 225.939 | (99.102) |
| Increase in the Year (+) | | - |
| Total | 465.100 | 239.161 |

20.2 Long Term Provisions

As of 31 December 2017 and 31 December 2016, the Group's long term provisions are as follows:

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Long-term Provisions regarding Employee Benefits (**) | 4.023.274 | 3.090.533 |
| Lawsuit Provisions (**) | 7.697.242 | 8.673.106 |
| Total | 11.720.516 | 11.763.639 |

(**) Long Term Provisions for Employee Benefits

Pursuant to the provisions of the Labour Law in force, there is an obligation to pay legal severance pay entitled by the employees, whose employment agreement terminates, in such a way that they are entitled to severance pay. In addition, there is also an obligation to pay legal severance pay to the employees who are entitled to leave the job by receiving severance pay as per the provision of 60.Article amended by the Laws No.4447 dated 25.08.1999 and No. 2422 dated 06.03.1981 of Social Insurances Law No.506 in force.

Severance payments are calculated on a monthly salary for each year of service. TL 4.732.48, severance pay to be paid as of relevant balance sheet date, is subject to the ceiling (31 December 2016- TL 4.297)

NOTE 20 -PROVISIONS, CONDITIONAL ASSET AND LIABILITIES (cont.)**20.2 Long Term Provisions (cont.)**

The severance pay obligation is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Revised UMS 19 "Employee Benefits" stipulates calculation of business liabilities within the scope of benefit plans by using actuarial valuation methods. Accordingly, actuarial assumptions used in the calculation of the total liabilities are specified below.

The principal assumption is that maximum liability for each year of service will increase in line with inflation. Therefore, discount rate applied represents expected real interest rate after adjusting the effects of future inflation.

As of the dates 31 December 2017 and 31 December 2016, liabilities in the attached financial statements are calculated by estimating the present value of employees' future probable obligation arising from their retirement.

Provisions at the balance sheet date are calculated by using real discount rate (31 December 2016-2,60%) acquired approximately as 2,16% according to annual inflation rate of 7,79% (31 December 2016- 7,5%) and discount rate of 10,12% (31 December 2016 - 10,30%) assumptions.

Total costs other than actuarial gain/(loss) occurred in relation to severance pay are included in the income statement prepared as of 31 December 2017. As of 31 December 2017 actuarial gain / (loss) amounting to TL 449.172 is reflected in other comprehensive income statement. (31 December 2016- TL 432.674)

As of the dates 31 December 2017 and 31 December 2016, activities for severance pay provision are as follows:

| | 31.12.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| Provisions for severance pay | 4.023.274 | 3.090.533 |
| Total | 4.023.274 | 3.090.533 |
| | 31.12.2017 | 31.12.2016 |
| Opening Balance | 3.090.533 | 2.368.026 |
| Service Cost | 807.317 | 883.899 |
| Actuarial Loss / (Gain) | 449.172 | (432.674) |
| Interest Cost | 80.619 | 312.762 |
| Payment (-) | (404.233) | (41.480) |
| Outflows from the scope of consolidation | (133) | - |
| Semester-end | 4.023.274 | 3.090.533 |

NOTE 20 -PROVISIONS, CONDITIONAL ASSET AND LIABILITIES (cont.)**20.3 Lawsuit and Disputes**

The Group's unascertained lawsuit liability against the lawsuits at the stage of litigation is TL 7.697.242. (31 December 2016- TL -8.673.106)

(***) Activity table of lawsuit provisions are as follows;

| | 31.12.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| <i>Activities in Long Term Debt Provisions</i> | | |
| As of 1 January | 8.673.106 | 8.057.193 |
| Payment / Provision Cancellations made in the Period (-) | (1.449.893) | (1.065.571) |
| Lawsuit Provision allocated in the Period | 474.029 | 1.681.484 |
| Total | 7.697.242 | 8.673.106 |

20.4. Given/Received Guarantees/Mortgages/Pledges**a-Collateral-Pledges-Mortgages Received by the Group**

The Group's collaterals / pledges / mortgages received as of 31 December 2017 and 31 December 2016 are as follows;

| Collateral, Pledge, Mortgage and Bails | 31.12.2017 | | | | TL |
|---|-------------------|-------------------|----------------|------------------|-------------------|
| | Total TL | Provisions | USD | EUR | |
| Received Collateral Cheques | 11.133.503 | | 300.832 | 1.040.000 | 5.302.675 |
| Received Letters of Guarantee | 11.612.228 | | 100.000 | 69.040 | 10.923.288 |
| Received Guaranteed Bills | 21.867.428 | | 470.300 | 430.416 | 18.149.960 |
| Total | 44.613.159 | | 871.132 | 1.539.456 | 34.375.923 |

| Collateral, Pledge, Mortgage and Bails | 31.12.2016 | | | | TL |
|---|-------------------|-------------------|------------------|----------------|-------------------|
| | Total TL | Provisions | USD | EUR | |
| Received Collateral Cheques | 4.234.565 | | | 140.000 | 3.715.179 |
| Received Letters of Guarantee | 6.393.151 | | 665.832 | | 4.049.955 |
| Received Guaranteed Bills | 11.902.090 | | 570.300 | 458.516 | 8.194.042 |
| Total | 22.529.807 | | 1.236.132 | 598.516 | 15.959.176 |

NOTE 20 -PROVISIONS, CONDITIONAL ASSET AND LIABILITIES (cont.)

b-Guarantee-Pledge-Mortgages Given by the Group

The group's guarantee/pledge/mortgage is as of the dates 31 December 2017 and 31 December 2016 as follows;

| Collateral, Pledge, Mortgage and Bails | 31.12.2017 | | | |
|--|----------------------|--------------------|-------------------|--------------------|
| | Total TL Provisions | USD | EUR | TL |
| Collaterals | 45.138.522 | 9.948.654 | 75.000 | 7.274.533 |
| Pledges/Bails | - | - | - | - |
| Mortgages | 1.506.995.570 | 125.516.000 | 23.340.000 | 928.170.000 |
| Total | 1.552.134.092 | 135.464.654 | 23.415.000 | 935.444.533 |

| Collateral, Pledge, Mortgage and Bails | 31.12.2016 | | | |
|--|----------------------|--------------------|-------------------|--------------------|
| | Total TL Provisions | USD | EUR | TL |
| Collaterals | 19.581.754 | 638.966 | 939.000 | 13.849.509 |
| Pledges/Bails | - | - | - | - |
| Mortgages | 1.238.335.373 | 132.516.000 | 13.340.000 | 722.495.000 |
| Total | 1.257.917.126 | 133.154.966 | 14.279.000 | 736.344.509 |

B. Total amount of WPMs provided in the name of partnerships that is included within the scope of full consolidation

| Collateral, Pledge, Mortgage and Bails | 31.12.2017 | | | |
|--|----------------------|--------------------|-------------------|--------------------|
| | Total TL Provisions | USD | EUR | TL |
| Bails | 1.023.981.807 | 125.601.000 | 33.950.000 | 396.926.170 |
| Total | 1.023.981.807 | 125.601.000 | 33.950.000 | 396.926.170 |

| Collateral, Pledge, Mortgage and Bails | 31.12.2016 | | | |
|--|----------------------|--------------------|-------------------|--------------------|
| | Total TL Provisions | USD | EUR | TL |
| Bails | 1.022.730.775 | 125.440.000 | 40.633.962 | 430.534.391 |
| Total | 1.022.730.775 | 125.440.000 | 40.633.962 | 430.534.391 |

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NOTE 20 -PROVISIONS, CONDITIONAL ASSET AND LIABILITIES (cont.)

| TRIKs Given by the Company (Collateral - Pledge - Mortgages - Bails) | 31.12.2017 | | | |
|--|----------------------|--------------------|-------------------|----------------------|
| | TL Provisions | USD | EUR | TL |
| A) TRIKs which it has given on behalf of its own legal entity | 1.552.134.092 | 135.464.654 | 23.415.000 | 935.444.533 |
| B) TRIKs which it has given for partnerships included in the scope of full consolidation | 1.023.981.807 | 125.601.000 | 33.950.000 | 396.926.170 |
| C) TRIKs which it has given for providing debt of other 3rd parties in order to execute ordinary commercial activities | - | - | - | - |
| D) TRIKs which it has given within the framework of 12/2 Article of Corporate Administration Communique | - | - | - | - |
| E) Other given TRIKs | - | - | - | - |
| İ) TRIKs given in favour of main partner | - | - | - | - |
| İi) TRIKs given in favour of other group companies not included in the scope of B and C articles | - | - | - | - |
| İii) TRIKs given in favour of 3rd parties not included in the scope of C Article | - | - | - | - |
| Total | 2.576.115.899 | 261.065.654 | 57.365.000 | 1.332.370.703 |

| TRIKs Given by the Company (Collateral - Pledge - Mortgages - Bails) | 31.12.2016 | | | |
|--|----------------------|--------------------|-------------------|----------------------|
| | TL Provisions | USD | EUR | TL |
| A) TRIKs which it has given on behalf of its own legal entity | 1.257.917.126 | 133.154.966 | 14.279.000 | 736.344.509 |
| B) TRIKs which it has given for partnerships included in the scope of full consolidation | 1.022.730.775 | 125.440.000 | 40.633.962 | 430.534.391 |
| C) TRIKs which it has given for providing debt of other 3rd parties in order to execute ordinary commercial activities | - | - | - | - |
| D) TRIKs which it has given within the framework of 12/2 Article of Corporate Administration Communique | - | - | - | - |
| E) Other given TRIKs | - | - | - | - |
| İ) TRIKs given in favour of main partner | - | - | - | - |
| İi) TRIKs given in favour of other group companies not included in the scope of B and C articles | - | - | - | - |
| İii) TRIKs given in favour of 3rd parties not included in the scope of C Article | - | - | - | - |
| Total | 2.280.647.901 | 258.594.966 | 54.912.962 | 1.166.878.900 |

The proportion of other TRIs to the shareholder's equity given by the company is 0% as of 31.12.2017. (31.12.2016: % 0).

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(All sums are given in TL.)****NOTE 20 -PROVISIONS, CONDITIONAL ASSET AND LIABILITIES (cont.)****Total amount of insurance on assets;**

As of 31 December 2017, total amount of insurance coverage on assets is TL 363.088.375.(31.12.2016: 286.915.145).

NOTE 21- COMMITMENTS

None. (31 December 2016: None.)

NOTE 22- INVESTMENTS VALUED BY EQUITY METHOD

Reysaş Gayrimenkul Yatırım Ortaklığı A.S. purchased share with a nominal value of TL 1.525.305 in the rate of 16.67% of the subsidiary with the title of Reysaş Tasımacılık ve Lojistik Ticaret A.S'deki Arı Lojistik Insaat Sanayi ve Ticaret A.S., which is in the position of main partner with board of directors' decision taken on 22 February 2011, at value of TL 4.127.642; its share with nominal value of TL 3.050.000 in the rate of 33,33% at a value of TL 16.836.000 with board of directors' decision taken on 28 March 2013.

After this purchase, Reysaş Taşımacılık ve Lojistik Tic. A.S.'s Arı Lojistik Ins. San.ve Tic. A.S. has no shares; partnership interest of Reysaş Gayrimenkul Yatırım Ortaklığı A.S. has reached 50%.

After this sales transaction, Reysaş Gayrimenkul Yatırım Ortaklığı A.S. has subjected Arı Lojistik Insaat Sanayi ve Ticaret A.S. not traded at the exchange to consolidation with the equity. The part of participation cost exceeding net fair value of the assets acquired is associated with income statement.

As of 31 December 2017, balance sheet value of Arı Lojistik Ins. San.ve Tic. A.S., whose cost price as a result of valuation with the equity method made in the Reysaş Gayrimenkul Yatırım Ortaklığı A.S. is TL 20.963.642, is TL 25.914.746.

As of 31 December 2016, balance sheet value of Arı Lojistik Ins. San.ve Tic. A.S., whose cost price as a result of valuation with the equity method made in the Reysaş Gayrimenkul Yatırım Ortaklığı A.S. is TL 20.963.642, is TL 25.128.394.

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Total Assets of Arı Lojistik A.S. | 62.240.440 | 58.261.399 |
| Total Liabilities of Arı Lojistik A.S. | (10.410.949) | (8.004.613) |
| Net Assets of Arı Lojistik A.S. | 51.829.491 | 50.256.786 |
| The Value of the Subsidiary in the Real Estate Investment Trust According to the Equity Method (50%) | 25.914.746 | 25.128.394 |
| | 31.12.2017 | 31.12.2016 |
| Balance on the 1st day of January | 25.128.394 | 25.438.497 |
| Period Profit / (Loss) Share of Subsidiary | 1.931.483 | (310.103) |
| Dividend incomes | (1.145.129) | |
| Total | 25.914.746 | 25.128.394 |

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REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 22- INVESTMENTS VALUED BY EQUITY METHOD (cont.)**

Financial statement summary information of investments valued with the method of shareholder's equity:

| | 31.12.2017 | | | | |
|----------------------|--------------|-------------------|----------------------|-----------|-------------------|
| | Total Assets | Total Liabilities | Shareholder's Equity | Revenue | Profit/ (Loss) |
| Ari Lojistik'in A.S. | 58.261.399 | (10.410.949) | 51.829.491 | 6.254.773 | 3.862.962 |
| | | | | | 31.12.2016 |
| | Total Assets | Total Liabilities | Shareholder's Equity | Revenue | Profit/ (Loss) |
| Ari Lojistik'in A.S. | 58.261.399 | (8.004.613) | 50.256.786 | 5.403.289 | 3.903.795 |

NOTE 23- INVESTMENT PROPERTIES

Activities realized in relation to the real estate properties for investment purpose in the periods expiring on the dates 31 December 2017 and 31 December 2016 are as follows:

| Cost | 31.12.2016 | Purchases | Outflows (-) | Transfers | 31.12.2017 |
|--------------------------------|--------------------|-------------------|---------------------|-------------------|--------------------|
| Land | 171.509.551 | 35.637.684 | (2.935.000) | (40.361.161) | 163.851.074 |
| Buildings | 284.529.469 | 8.741.347 | (8.980.761) | 76.403.494 | 360.693.549 |
| Plant, Machinery and Equipment | 2.371.660 | - | - | - | 2.371.660 |
| Vehicles | 49.194 | - | - | - | 49.194 |
| Furniture and Fixtures | 5.038.430 | 3.108 | | | 5.041.538 |
| Total | 463.498.304 | 44.382.139 | (11.915.761) | 36.042.333 | 532.007.015 |
| Accumulated Depreciations | 31.12.2016 | Period Expense | Outflows (-) | Transfers | 31.12.2017 |
| Buildings | 59.320.974 | 20.434.737 | (2.240.582) | - | 77.515.129 |
| Plant, Machinery and Equipment | 331.775 | 209,638 | - | - | 541.413 |
| Vehicles | 28.386 | 16.396 | - | - | 44.782 |
| Furniture and Fixtures | 1.680.862 | 993.680 | - | - | 2.674.542 |
| Total | 61.361.997 | 21.654.451 | (2.240.582) | - | 80.775.866 |
| Net Book Value | 402.136.307 | | | | 451.231.150 |

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(All sums are given in TL.)****NOTE 23- INVESTMENT PROPERTIES (cont.)**

| Cost | 01.01.2016 | Purchases | Outflows (-) | RevaluationClassification/Additions | 31.12.2016 | |
|----------------------------------|--------------------|-----------------------|---------------------|--|--------------------|--------------------|
| Land | 120.472.559 | 1.931.000 | | 664.170 | 48.441.822 | 171.509.551 |
| Buildings | 22.183.192 | - | | 6.761.564 | 255.584.713 | 284.529.469 |
| Plant, Machinery and Equipment | 2.371.660 | - | | - | - | 2.371.660 |
| Vehicles | 49.194 | - | | - | - | 49.194 |
| Furniture and Fixtures | 4.994.965 | 43.465 | | - | - | 5.038.430 |
| Total | 150.071.570 | 1.974.465 | | 7.425.734 | 304.026.535 | 463.498.304 |
| Accumulated Depreciations | 01.01.2016 | Period Expense | Outflows (-) | RevaluationClassification/Additions | 31.12.2016 | |
| Buildings | 322.733 | 642.943 | | | 58.355.298 | 59.320.974 |
| Plant, Machinery and Equipment | 122.136 | 209.639 | | | - | 331.775 |
| Vehicles | 11.990 | 16.396 | | | - | 28.386 |
| Furniture and Fixtures | 591.717 | 1.089.145 | | | - | 1.680.862 |
| Total | 1.048.576 | 1.958.123 | | | 58.355.298 | 61.361.997 |
| Net Book Value | 149.022.994 | | | | | 402.136.307 |
| Net Book Value | | | | 31.12.2016 | | 31.12.2017 |
| Land | | | | 171.509.551 | | 163.851.074 |
| Buildings | | | | 225.208.495 | | 283.178.421 |
| Plant, Machinery and Equipment | | | | 2.039.885 | | 1.830.247 |
| Vehicles | | | | 20.808 | | 4.412 |
| Furniture and Fixtures | | | | 3.357.568 | | 2.366.996 |
| Total | | | | 402.136.307 | | 451.231.150 |

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FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
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NOTE 24 - TANGIBLE FIXED ASSETS

Activities realized in the tangible fixed assets and relevant accumulated depreciations within the periods expiring on the dates 31 December 2017 and 31 December 2016 are as follows:

| Cost | 31.12.2016 | Purchases | Outflows (-) | Transfer | Impairment | Subsidiary Outflow | 31.12.2017 |
|----------------------------------|--------------------|-----------------------|---------------------|---------------------|--------------------|---------------------------|--------------------|
| Land | 202.748.341 | 31.895.831 | - | (1.564.122) | (137.264) | - | 232.942.786 |
| Land Improvements | 10.111.947 | - | - | - | - | - | 10.111.947 |
| Buildings (*) | 28.385.808 | 35.000 | - | - | (3.365.275) | - | 25.055.533 |
| Plant, Machinery and Equipment | 26.178.935 | 8.318.944 | (558.506) | - | - | (107.260) | 33.832.113 |
| Vehicles | 84.932.709 | 6.274.468 | (2.485.381) | - | - | - | 88.721.796 |
| Furniture and Fixtures | 4.719.751 | 101.046 | (10.100) | - | - | (36.012) | 4.774.685 |
| Special Costs | 756.753 | 17.225 | - | - | - | (141.285) | 632.693 |
| Investments in Progress | 110.817.542 | 113.516.832 | - | (34.478.211) | - | - | 189.856.163 |
| Total | 468.651.786 | 160.159.346 | (3.053.987) | (36.042.333) | (3.502.539) | (284.558) | 585.927.715 |
| | 31.12.2016 | Period Expense | Outflows (-) | Transfer | Impairment | Subsidiary Outflow | 31.12.2017 |
| Accumulated Depreciations | | | | | | | |
| Land Improvements | 1.754.263 | 202.174 | - | - | - | - | 1.956.437 |
| Buildings | 5.012.142 | 449.575 | - | - | - | - | 5.461.717 |
| Plant, Machinery and Equipment | 9.880.217 | 3.719.908 | (558.506) | - | - | (51.842) | 12.989.777 |
| Vehicles | 41.323.392 | 8.190.454 | (1.192.908) | - | - | - | 48.320.938 |
| Furniture and Fixtures | 3.716.271 | 194.993 | (4.293) | - | - | (11.242) | 3.895.729 |
| Special Costs | 693.998 | 4.628 | - | - | - | (65.933) | 632.693 |
| Total | 62.380.283 | 12.761.732 | (1.755.707) | - | - | - | 73.257.291 |
| Net Book Value | 406.271.503 | | | | | | 512.670.424 |

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NOTE 24 - TANGIBLE FIXED ASSETS (cont.)

| Cost | 01.01.2016 | Purchases | Outflows (-) | Tangible Fixed Asset Impairment Provision (-) Cancellation (+) | Transfer/ Adj. | Elimination | 31.12.2016 |
|----------------------------------|--------------------|-----------------------|---------------------|---|-----------------------|--------------------|--------------------|
| Land | 221.903.909 | 28.899.098 | (10.867.475) | 1.969.423 | (37.248.014) | (1.908.600) | 202.748.341 |
| Land Improvements | 10.111.947 | - | - | - | - | - | 10.111.947 |
| Buildings (*) | 201.506.975 | 40.013.160 | (17.437.070) | (1.269.210) | (194.381.454) | (46.593) | 28.385.808 |
| Plant, Machinery and Equipment | 21.543.842 | 6.440.720 | (1.805.627) | - | - | - | 26.178.935 |
| Vehicles | 83.950.382 | 8.355.525 | (7.373.198) | - | - | - | 84.932.709 |
| Furniture and Fixtures | 4.283.304 | 450.587 | - | - | - | (14.140) | 4.719.751 |
| Special Costs | 756.753 | - | - | - | - | - | 756.753 |
| Investments in Progress | 140.588.304 | 76.001.049 | (1.124.119) | - | (104.647.692) | - | 110.817.542 |
| Total | 684.645.416 | 160.160.139 | (38.607.489) | 700.213 | (336.277.160) | (1.969.333) | 468.651.786 |
| Accumulated Depreciations | 01.01.2016 | Period Expense | Outflows (-) | Tangible Fixed Asset Impairment Provision (-) Cancellation (+) | Transfer/ Adj. | Elimination | 31.12.2016 |
| Land Improvements | 1.552.087 | 202.176 | - | - | - | - | 1.754.263 |
| Buildings | 49.167.348 | 19.564.133 | (6.495.652) | - | (57.223.687) | - | 5.012.142 |
| Plant, Machinery and Equipment | 7.696.192 | 2.648.299 | (464.274) | - | - | - | 9.880.217 |
| Vehicles | 42.779.503 | 8.619.701 | (6.567.369) | - | (3.508.443) | - | 41.323.392 |
| Furniture and Fixtures | 3.500.624 | 215.647 | - | - | - | - | 3.716.271 |
| Special Costs | 662.996 | 31.002 | - | - | - | - | 693.998 |
| Total | 105.358.750 | 31.280.958 | (13.527.295) | | (60.732.130) | | 62.380.283 |
| Net Book Value | 579.286.666 | | | | | | 406.271.503 |

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REYSAS TASIMACILIK VE LOJISTIK TICARET A.S**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 24 -TANGIBLE FIXED ASSETS (cont.)**

| Net Book Value | 31.12.2016 | 31.12.2017 |
|--------------------------------|--------------------|--------------------|
| Land | 202.748.341 | 232.942.786 |
| Land Improvements | 8.357.684 | 8.155.510 |
| Buildings | 23.373.666 | 19.593.816 |
| Plant, Machinery and Equipment | 16.298.718 | 20.842.336 |
| Vehicles | 43.609.317 | 40.400.858 |
| Furniture and Fixtures | 1.003.480 | 878.955 |
| Investments in Progress | 110.817.542 | 189.856.163 |
| Special Costs | 62.755 | - |
| Total | 406.271.503 | 512.670.424 |

(*) The Group has purchased real estate property formed of building of 700 m2 on the land of 687 m2 at Istanbul Province, Usküdar District, Bulgurlu Mah. 60 Plot, 24 parcel with the price of TL 6.151.694 including VAT by cash on 11.12.2014 from Elf Yapı A.S. The Company has sold this real estate property at a price of TL 9.000.000 and leased back regarding financial leasing agreement No. 150648473 made with AK Finansal Kiralama A.S. on 03.12.2015. The value of real estate property has been determined as TL 9.000.000 in the valuation report issued on 27.11.2015 by Emek Taşınmaz Değerleme ve Danışmanlık A.S. Fixed asset being subject to sales, leasing back is shown in the line of buildings.

The immovable property of 11.929 m2 on Kocaeli Province, Cayırova District, 420 Plot, 33 Parcel, whose appraisal value is TL 25.730.00, has been purchased for an amount of TL 22.496.489 on 18.05.2017 according to real estate property's appraisal report dated 07.04.2017.

It has been decided to sell the warehouse of 8.312 m2 on Kocaeli Province, Cayırova District, Akse Quarter, 2088 Plot, 2 Parcel at a price of TL 14.400.000 with the method "Sell and Lease Back" according to the Reysaş GYO A.S.'s 11.07.2017 dated and 384 numbered resolution of board of directors. Real estate's property's fair value is TL 16.491.000 as of 31.12.2016.

Mortgage etc. information established on active values are included in the Note:20.

Insurance information of the active values are not included in the Note:20.

As of 31 December 2016, total impairment loss in the consolidated financial statements is related to the immovable properties included in the asset of Reysaş Gayrimenkul Yatırım Ortaklığı A.S. and as follows:

The company has recorded 18 warehouses which has been set as in-kind capital by the REYSAS TASIMACILIK VE LOJISTIK TICARET A.S , main partner, in May 2010 through partial division and 3 warehouses under construction on that date at fair value of TL 206.939.059 in total. Warehouses in Trabzon-Arsin, Bursa-Nilüfer and Sakarya-Karasu, which are included in 21 warehouses specified above, have been sold as of 31 December 2014. The warehouse in Ordu-Altınordu has been sold on 29.01.2016. Value increase amount of TL 1.342.264 transferred to the fund in the previous periods due to the sale of this warehouse has been cancelled in the current period. After these sales, the fair value of the remaining 17 warehouses was TL 167.649.448. Provision for losses of TL 2.392.010 allocated in the previous period for such real estate properties have been cancelled in 2016 regarding valuation reports issued at the end of the year by Emek Taşınmaz Değerleme ve Danışmanlık A.S.

NOTE 24 -TANGIBLE FIXED ASSETS (cont.)

The company has purchased real estate property (land) in size of 56.019,50 m2 at Sakarya Province, Arifiye District, Yukarkirezce Village, 2587 Plot, 47 Parcel from Egelog Doğalgaz Akaryakıt Tasımacılık Depolama Turizm Ltd. Sti (related party) at a price of TL9.565.000 on 30.06.2011. The value of real estate property has been determined as TL 9.585.000 in the valuation report issued on 30.06.2011 by Standart Gayrimenkul Değerleme Uygulamaları A.S. The value of real estate property has been determined as TL 7.843.000 in the valuation report issued on 30.12.2013 by A Pozitif Gayrimenkul Değerleme A.S. In accordance with the valuation report, TL 1.121.000 of provision for losses allocated in the previous periods has been cancelled. The current period impairment for the real estate property is TL 1.722.000.

The company has purchased real estate property of 34.200 m2 located at Sakarya Province, Akyazı District, Yukarkirezce Village, G24C08A3ACD sheet, 2587 plot, 46 parcel from Egelog Doğalgaz Akaryakıt Tasımacılık Ltd. Sti (related party) at a price of TL 10.260.000 on 26.09.2013. The value of real estate property has been determined as TL 10.260.000 in the valuation report issued on 29.08.2013 by A Pozitif Gayrimenkul Değerleme A.S. The value of real estate property has been determined as TL 4.790.000 in the valuation report issued on 30.12.2013 by A Pozitif Gayrimenkul Değerleme A.S. Regarding valuation report, provision for losses of TL 4.662.718 has been allocated in the current period. The impairment for the real estate property is TL 4.325.000.

The company has purchased real estate property in size of 3.033 m2 at Kocaeli Province, Cayırova District, 2079 Plot, 4 Parcel at a price of TL 1.342.102 on 14.02.2013. Two buildings consisting of basement and ground floor have been built on the land. The amount of total expenditure made for construction is TL 10.886.063. The value of real estate property has been determined as TL 9.971.804 in the valuation report issued on 30.12.2013 by A Pozitif Gayrimenkul Değerleme A.S. In accordance with the valuation report, TL 2.736.761 of provision for losses allocated in the previous periods has been cancelled. Impairment for the real estate property in 201.. is TL 541.518.

The company has purchased the land of 10.132,75 m2 at Antalya Province, Kumluca District, Sarıkavak Village, 294 Plot, 24 numbered parcel from Ayhan 1 Nak.Oto.San.Gıda Tar.Üre.Ith.Ihr.Ve Tic.Ltd at a price of TL 1.398.305 on 11.05.2015. There is a single storage, storage building built in discrete order as reinforced concrete on the parcel. The total expenditure made for the storage building is 15.391.397 TL. The value of real estate property has been determined as TL 11.097.000 in the valuation report issued on 30.12.2017 by Bilgi Gayrimenkul Değerleme A.S. Regarding valuation report, provision for losses of TL 2.025.430 has been allocated in 2017.

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(All sums are given in TL.)****NOTE 25- INTANGIBLE FIXED ASSETS**

Intangible assets during the years ended 31 December 2017 and 31 December 2016 and activities realized in the relevant redemptions are as follows:

| Cost | 31.12.2016 | Purchases/Transfer | Outflows (-) | 31.12.2017 |
|-----------------------|-------------------|---------------------------|---------------------|-------------------|
| Licenses | 157.750 | - | - | 157.750 |
| Computer Programs | 698.839 | - | - | 698.839 |
| Total | 856.589 | - | - | 856.589 |
| Redemptions | 31.12.2016 | Period Expense | Outflows (-) | 31.12.2017 |
| Licenses | 144.252 | 5.769 | - | 150.021 |
| Computer Programs | 698.624 | - | - | 698.624 |
| Total | 842.876 | 5.769 | - | 848.645 |
| Net Book Value | 13.714 | | | 7.944 |

| Cost | 01.01.2016 | Purchases/Transfer | Outflows (-) | 31.12.2016 |
|-----------------------|-------------------|---------------------------|---------------------|-------------------|
| Licenses | 157.750 | - | - | 157.750 |
| Computer Programs | 698.839 | - | - | 698.839 |
| Total | 856.589 | - | - | 856.589 |
| Redemptions | 01.01.2016 | Period Expense | Outflows (-) | 31.12.2016 |
| Licenses | 137.771 | 6.481 | - | 144.252 |
| Computer Programs | 698.600 | 24 | - | 698.624 |
| Total | 836.371 | 6.505 | - | 842.876 |
| Net Book Value | 20.218 | | | 13.714 |

| Net Book Value | 31.12.2016 | 31.12.2017 |
|-----------------------|-------------------|-------------------|
| Licenses | 13.498 | 7.729 |
| Computer Programs | 215 | 215 |
| Total | 13,714 | 7,944 |

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 26- SHAREHOLDER'S EQUITY****- Paid -In Capital**

Shareholders and share rates of Reysaş Tasımıcılık ve Lojistik Ticaret Anonim SİRKETİ are as follows as of 31 December 2017 and 31 December 2016:

| | 31.12.2017 | | 31.12.2016 | |
|--------------------|--------------------|----------------|--------------------|----------------|
| | Share Amount | Share Rate (%) | Share Amount | Share Rate (%) |
| Open To The Public | 76.456.399 | 64.06% | 76.456.399 | 64.06% |
| Durmus Döven | 21.388.404 | 17.92% | 21.388.404 | 17.92% |
| Rıfat Vardar | 14.551.518 | 12,19% | 14.551.518 | 12.19% |
| Other | 6.953.679 | 5,83% | 6.953.679 | 5,83% |
| Total | 119.350.000 | 100,00% | 119.350.000 | 100,00% |

The Company's capital consists of 119.350.000 shares, each with a nominal value of TL 1. The Company's capital shares are divided into 3 groups. These are A group with 6,683,600 registered share certificates, B Group with 1,670,900 registered share certificates and C group with 110,995,500 bearer share certificates. Group A and B shareholders have the privilege to elect the board of directors.

The distribution of the privileged Group A and B shares of the company is as follows.

| Partners | A Group | | B Group | |
|--------------------------------------|------------------|----------------|------------------|----------------|
| | Share Amount | Share Rate (%) | Share Amount | Share Rate (%) |
| Döven Family | 3.341.800 | 50% | 1.148.744 | 69% |
| Rıfat Vardar | 3.341.800 | 50% | 522.156 | 31% |
| Capital with historical value | 6.683.600 | 100% | 1.670.900 | 100% |

3 Members of Board of Directors consisting of 7 members shall be elected among candidates who will be shown as representative on behalf of the majority of Group A shareholders, 2 members shall be elected among candidates who will be shown as representative on behalf of the majority of Group B shareholders and 2 members as Independent. There is no royalty provided by the C group shares. The Group's management is carried out through the representatives of privileged shareholders.

There is no capital / reciprocal share capital adjustment as of the end of the period since the Company does not have any subsidiaries that will be subject to mutual capital adjustment.

-Positive distinction from capital adjustment

| | 31.12.2017 | 31.12.2016 |
|-------------------------------------|------------|------------|
| Distinction from capital adjustment | 40.859 | 40.859 |

- Entity's Own Repurchased Shares

| | 31.12.2017 | 31.12.2016 |
|--------------------|-------------|-------------|
| Repurchased Shares | (2.177.230) | (2.177.230) |

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NOTE 26 -SHAREHOLDER’S EQUITY (cont.)

- Entity’s Own Repurchased Shares (cont.)

With 10.08.2011 dated and 26/767 numbered decision of the Capital Markets Board dated, procedure and principles that companies, whose shares are traded on the ISE, will comply with during the acquisition of their shares have been determined. Accordingly, the total nominal value of the shares to be repurchased may not exceed 10% of the paid / issued capital of the company. Maximum retention period for repurchased shares and free shares acquired under such shares can be freely determined by the company for a period not to exceed 3 years and shares not sold out in the meantime shall be cancelled by capital reduction. Repurchased shares are tracked as a discount item under equity in the balance sheet within the framework of Turkey Accounting Standards No. 32 and necessary descriptions are made in the financial statement footnotes. Gains and losses arising from the disposal of such shares cannot be associated with the income statement.

- Other Comprehensive Income or Expenses that will not be reclassified as Profit or Loss

--Revaluation and Measurement Gains / Losses

a. Revaluation increases (decreases) of tangible fixed assets

Value increase amount arising from real estate valuation of the Group has been reflected on relevant active values in financial statements and the amount of TL 8.898.510 has been shown in the account of “Revaluation Measurement Gains/Losses” in liabilities.

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Transfer | 8.898.510 | 2.270.576 |
| Revaluation Surplus Of Real Estate Property | - | 7.917.322 |
| Deferred Tax Asset | - | (1.289.388) |
| Revaluation increases (decreases) of tangible fixed assets | 8.898.510 | 8.898.510 |

b. Defined Benefit Plans Remeasurement Gains (Losses)

Amendments made to TAS 19 change defined benefit plans and accounting for redundancy pay. Pursuant to changes made, changes in defined benefit obligations and fair value of assets should be recorded. Thus, the ‘corridor method that was allowed in the previous version of TAS 19 is eliminated and recording of past service costs is accelerated. The amendments require all actuarial gains and losses to be accounted as other comprehensive income in an instant in order for net retirement asset or liability to be shown in the financial statements to reflect full value of plan deficit or surplus. In addition, “a net interest amount” calculated as a result of discount rate applied to the net interest liability or asset defined instead of interest expense related to plan assets with estimated returns, which may be acquired from plan assets described in the previous edition of TAS 19, has been used.

In this context, the Company has calculated actuarial profit / loss in defined benefit plans related to its personnel and showed them in the financial statements.

| | 31.12.2017 | 31.12.2016 |
|---------------------------------|-------------------|-------------------|
| Transfer | 1.778.293 | 1.426.560 |
| Actuarial Gain/Loss | (449.172) | 439.666 |
| Deferred Tax Asset | 73.079 | (87.933) |
| Other | 23.735 | - |
| Net Actuarial Gains/Loss | 1.425.935 | 1.778.293 |

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.
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NOTE 26 -SHAREHOLDER'S EQUITY (cont.)

- Reserves on Retained Earnings

Reserves on Retained Earnings consist of real estate property returns on sales exempted from legal reserves and corporate tax.

The legal reserves are divided into primary and secondary legal reserves according to Turkish Trade Code. The primary legal reserves are allocated as 5% of legal net profit until it reaches 20% of the paid-in capital of the company according to Turkish Commercial Code. Secondary legal reserves are 10% of distributed profit exceeding 5% of paid-in capital. According to the Turkish Commercial Code, legal reserves can only be used to clarify damages as long as they do not exceed 50% of the paid-in capital; otherwise it is not possible to use it in any way.

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Real Estate Property or Subsidiary Return on Sales To Be Added To the Capital | 31.790.583 | 30.359.133 |
| Legal Reserves | 10.010.542 | 10.038.391 |
| Reserves on Repurchased Shares | 2.177.230 | 2.177.230 |
| Total | 43.978.355 | 42.574.754 |

-Profits/Losses From Previous Year

Accumulated earnings consist of retained earnings, extraordinary reserves and previous year losses, if any.

The following transactions have been realized in the Previous Year Profit / Loss account within the year.

| | 31.12.2017 | 31.12.2016 |
|--------------------------------|---------------------|---------------------|
| Beginning of period | (11.666.050) | 36.904.992 |
| Period Profit/Loss | (33.469.409) | (31.875.578) |
| Transfer to the Legal Reserves | (1.431.450) | (16.871.374) |
| Disposal of Subsidiaries | 8.336.318 | - |
| Other | - | 175.910 |
| Semester-end | (38.230.591) | (11.666.050) |

Companies, whose shares are traded on BIST, are subject to dividend requirement brought by CMB as follows:

Publicly-held companies distribute their profits within the framework of the profit distribution policies to be determined by the general assemblies and in accordance with the provisions of the relevant legislation according to 19.Article of Capital Market Law No. 6362 which entered into force on 30.12.2012 and CMB's Communiqué on Profit Share No.II-19.1 entered into force from the date of 01.02.2014. The Board may determine different principles regarding the profit distribution policies of publicly-held companies on the basis of similar partnerships.

Unless the legal reserves required to be set aside according to the TCC and the dividend determined for the shareholders in the articles of association or the profit distribution policy are reserved; unless the dividend determined for the shareholders is paid in cash, no dividend can be distributed to these persons as it cannot be decided that other legal reserve is allocated, profit is transferred to the following year and share is distributed from the profit to dividend shareholders, members of board of directors, partnership employees and persons other than shareholders.

In publicly-held companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their issuance and acquisition dates.

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NOTE 26 -SHAREHOLDER’S EQUITY (cont.)

Partnerships distribute their profits within the framework of profit distribution policies to be determined by the general assemblies and with the resolution of general assembly in accordance with relevant legislation provisions according to the regulations in force. In these adjustments, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies. In addition, dividends may be paid in instalments of equal or different amounts and advance dividend will be able to be distributed in cash over the profit in the interim financial statements.

| | 31.12.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Retained Profits/Losses | (38.230.591) | (11.666.050) |
| - Non-Controlling Interests | | |
| As of 31 December 2017, consolidated equity of participation is TL 61.825.992. (31 December 2016: TL 66.802.472). | | |
| | 31.12.2017 | 31.12.2016 |
| Opening Balance | 66.802.472 | 88.852.957 |
| Changes in equity | (25.530) | 2.312.093 |
| Subsidiary Sales | (3.154) | - |
| Net Period Profit | (14.662.211) | (24.362.578) |
| Closing Balance | 52.111.577 | 66.802.472 |

NOTE 27- SALES AND SALES’ COST

As of 31 December 2017 and 31 December 2016, breakdown of the Group’s sales income and costs are as follows:

| | 01/01/2017 31.12.2017 | 01/01/2016 31.12.2016 |
|------------------------------------|----------------------------------|----------------------------------|
| Domestic Sales | 404.357.520 | 352.516.402 |
| Export Sales | 34.132.205 | 19.872.307 |
| Other Incomes | 13.532.562 | 12.516.780 |
| Sales Returns (-) | (2.373.132) | (5.159.664) |
| Sales Discounts (-) | - | (1.082) |
| Net Sales | 449.649.155 | 379.744.743 |
| Costs of Sold Commercial Goods (-) | (88.968.312) | (78.705.243) |
| Cost of Services Sold (-) | (253.384.523) | (217.326.424) |
| Cost of Sales (-) | (342.352.835) | (296.031.667) |
| Gross Profit/ (Loss) | 107.296.320 | 83.713.076 |

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 28 -RESEARCH AND DEVELOPMENT EXPENSES, MARKETING SALES AND DISTRIBUTION EXPENSES, GENERAL MANAGEMENT EXPENSES****a) Research and Development Expenses (-)**

The Group has no research and development expenses. (31 December 2016- None.)

b) Marketing, Sales and Distribution Expenses (-)

| | 01.01.2017 | 01.01.2016 |
|----------------------------|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Personnel Expenses | 595.007 | 575.443 |
| Taxes And Other Legal Dues | 36.372 | 17.032 |
| Vehicle Expenses | 144.171 | 113.445 |
| Consultancy Expenses | - | 5.850 |
| Amortisation Expenses | 68.421 | 69.421 |
| Rent Expenses | 223.729 | 356.390 |
| Insurance Expenses | 70.682 | 59.936 |
| Other | 403.863 | 243.081 |
| Total | 1.542.244 | 1.440.598 |

c) General Management Expenses (-)

| | 01.01.2017 | 01.01.2016 |
|---|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Personnel Expenses | 1.307.456 | 1.850.643 |
| Passenger Car and Transportation Expenses | 149.900 | 169.270 |
| Telephone Expense | 150.544 | 284.636 |
| Representation Hospitality Expenses | 127.226 | 136.681 |
| Travel Expenses | 132.650 | 133.274 |
| Electricity, Water, Heating Expenses | 181.794 | 220.361 |
| Insurance Expenses | 11.101 | 6.268 |
| Maintenance-Repair Expenses | 125.746 | 43.594 |
| Taxes And Other Legal Dues | 980.513 | 215.138 |
| Consultancy, Audit and Expertise Expenses | 587,032 | 372,563 |
| Depreciation and Amortization | 593 | - |
| Food and Beverage Expenses | 22.671 | 1.678 |
| Rent Expenses | - | 201.223 |
| Donation and Aid Expenses | 677 | 6.372.141 |
| Other | 1.048.068 | 888.344 |
| Total | 4.825.971 | 10.895.814 |

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NOTE 29 EXPENSES ACCORDING TO THE QUALITIES

| | 01/01/2017 | 01/01/2016 |
|--------------------------------|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Amortisation Expenses | | |
| Production Cost | 34.352.938 | 31.082.618 |
| Marketing Expenses | 68.421 | 69.421 |
| Renewal Fund | - | 2.093.547 |
| General Administration Expense | 593 | - |
| Total | 34.421.952 | 33.245.586 |

NOTE 30 OTHER REAL OPERATING INCOME/EXPENSES

As of 31 December 2017 and 31 December 2016, the Group's operating income / expenses are as follows:

| | 01.01.2017 | 01.01.2016 |
|-------------------------------------|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Other Real Operating Incomes | | |
| Delay Interest Income | - | 1.755.644 |
| Insurance Compensation Income | | 239.031 |
| Real Estate Property Sales Profit | - | 790.300 |
| Provisions no Longer Required | 4.248.860 | 1.219.825 |
| Exchange difference income | 3.888.938 | 7.026.264 |
| Deferred Financial Income | 2.349.379 | 1.503.803 |
| Sell Lease Back Income | 6.348.852 | - |
| Other | 3.413.296 | 1.206.714 |
| Total | 20.249.325 | 13.741.581 |

| | 01/01/2017 | 01/01/2016 |
|---|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Other Real Operating Incomes | | |
| Delay Interest Expense | - | 3.790.887 |
| Doubtful Receivables and Provision for Litigation | 554.089 | 10.864.009 |
| Exchange difference expense | 3.471.763 | 3.513.430 |
| Deferred Financial Income | 2.172.688 | 2.081.972 |
| Tax and Delay Fines, Lawsuit Execution and Other Compensation | - | 1.533.987 |
| Fixed Asset Amortisation Adjustments | - | 1.735.818 |
| Other | 4.035.981 | 754.438 |
| Total | 10.234.521 | 24.274.541 |

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 31 -INCOMES AND EXPENSES FROM INVESTING ACTIVITIES**

Income acquired by the Group from investment operations of account periods ending on 31 December 2017 and 31 December 2016.

| | 01.01.2017 | 01.01.2016 |
|--|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Dividend income from participations | - | 4.072.170 |
| Marketable securities' increase in value | - | 3.538 |
| Marketable securities' increase in value | - | 100.457 |
| Investment Property Rental Income | - | 420.000 |
| Fixed Asset Sales Profits | 1.646.048 | 3.653.294 |
| Total | 1.646.048 | 8.249.459 |

As of 31 December 2017 and 31 December 2016, the Group's expense from investing activities for the account periods ended on the dates 31 December 2016 and 31 December 2015 is as follows:

| | 01/01/2017 | 01/01/2016 |
|-----------------------|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Subsidiary Sales Loss | 9.280.200 | - |
| Total | 9.280.200 | - |

Bağlı Ortaklık Reysaş Turizm Yatırımları ve Tic.Ltd.Sti. has transferred all of its shares in the Reysaş Kuru Temizleme ve Servis Hizmetleri Ltd.Sti. to the other shareholder in the company.

NOTE 32 -FINANCE REVENUES AND EXPENSES (-)

Financial incomes for the periods ended at 31 December 2017 and 31 December 2016 are as follows:

| | 01.01.2017 | 01.01.2016 |
|--|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Interest Incomes | 5.697.392 | 1.658.288 |
| Foreign Exchange Differences Income on Loan and Other Financial Activities | 18.207.488 | 19.951.550 |
| Other | 59.920 | - |
| Total | 23.964.800 | 21.609.838 |

Financial expenses for the periods ended at 31 December 2017 and 31 December 2016 are

| | 01.01.2017 | 01.01.2016 |
|---|--------------------|--------------------|
| | 31.12.2017 | 31.12.2016 |
| Commission Expenses | 1.762 | - |
| Interest Expenses | 91.252.351 | 68.881.670 |
| Foreign Exchange Differences on Loan and Other Financial Activities | 63.231.381 | 75.964.040 |
| Total | 154.485.494 | 144.845.710 |

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(All sums are given in TL.)****NOTE 33- DEFERRED TAX ASSET/LIABILITY****Deferred Taxes**

The Group has accounted deferred tax asset and liability for temporary timing differences arising from differences among financial statements prepared according to TAS/TFRS with the legal financial statements subject to tax. These differences usually arise from inclusion of financial statements prepared according to TAS/TFRS with tax-based statements of some income and expense items and such differences are specified below.

Tax rate used in calculation of deferred tax has been taken into account 4% for Reysas Demiryolu Tasimacılığı and 20%-22% for the others. (2016 :20%).

Corporate tax rate has been increased from 20% to 22% for 2018, 2019 and 2020 within the scope of "Law No. 7061 on Amendment in some tax laws and some other laws" entered into force by being published in the Official Gazette dated 5 December 2017. Within the scope of this law, deferred tax assets and liabilities in the consolidated financial statements of 31 December 2017 have been calculated with temporary differences' rate 22% for the part to form tax effect in the years 2018, 2019 and 2020 and 20% for the part to form tax effect in 2021 and subsequent periods.

| | Temporary Differences | | Deferred Tax Taxes / (Liabilities) | |
|---|-----------------------|---------------------|---------------------------------------|--------------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| Deferred Tax Assets | | | | |
| Provisions for severance pay | 3.908.006 | 3.054.745 | 764.162 | 599.825 |
| Leave Provisions | 441.858 | 227.207 | 90.858 | 44.145 |
| Deferred Financial Income | 465.911 | 449.349 | 92.968 | 86.330 |
| Interest Income/ (Expense), Net | - | 1.718.015 | - | 292.491 |
| Provision for doubtful accounts | 16.964.683 | 26.358.759 | 3.415.531 | 5.271.752 |
| Expense Accruals | 880.745 | 602.207 | 194.108 | 120.441 |
| Lawsuit provision | 7.223.213 | 8.673.106 | 1.444.643 | 1.734.621 |
| Losses of previous periods | - | 260.505 | - | 52.101 |
| Installed Debts | 38.389 | - | 7.664 | - |
| Other | 140.042 | 815.257 | 29.711 | 163.051 |
| Total | 30.062.847 | 42.159.150 | 6.039.645 | 8.364.757 |
| Deferred Tax Liabilities | | | | |
| Tangible and Intangible Fixed Assets | (15.897.385) | (17.943.889) | (3.173.001) | (3.553.974) |
| Interest Income/ (Expense), Net | - | (187.089) | - | (37.418) |
| Deferred Financial Income | (386.802) | (1.338.406) | (81.662) | (250.949) |
| Renewal/Revaluation Fund | (10.358.266) | (10.358.265) | (2.071.653) | (2.071.653) |
| *Other2 | (3.196.629) | (46.149) | (639.326) | (9.229) |
| Inventories | - | (453.935) | - | (90.786) |
| Total | (29.839.082) | (30.327.733) | (5.965.642) | (6.014.010) |
| Deferred Tax Asset/ (Liability), net | | | 74.003 | 2.350.746 |
| Outflows from the scope of consolidation | | | (1.395.263) | - |
| Deferred Income/Expense of the Period | | | (881.482) | (673.606) |
| --Revaluation and Measurement Earnings (Losses) | | | (73.079) | 1.572.214 |
| Deferred Income/Expense of the Period | | | (954.561) | 898.608 |

REYSAS TASIMACILIK VE LOJISTIK TICARET A.S.**FOOTNOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2017 PASSED INDEPENDENT AUDIT
(All sums are given in TL.)****NOTE 34- EARNINGS PER SHARE**

Profit/loss amount per share is calculated by dividing net profit / loss by weighted average number of shares of the company during the year. Profit/(Loss) per share calculation of the company is as follows:

| | 01.01.2017 | 01.01.2016 |
|---|-------------------|-------------------|
| | 31.12.2017 | 31.12.2016 |
| Net Period Profit (Loss) of the Participations | (15.196.625) | (33.469.409) |
| Weighted Average Number of Issued Ordinary Shares | 119.350.000 | 119.350.000 |
| Profit / (Loss) per share | (0,127) | (0,280) |

NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**(a) Capital Risk Management**

The group's capital cost and risks associated with each class of capital are evaluated by the top management. Based on senior management evaluations, dividend payments are aimed to be kept in balance by issuing new shares as much as new debt is paid or existing debt is repaid in order to maintain and rearrange capital structure. In addition, when trying to ensure the continuity of its activities in the capital management, it aims to increase its profitability by using the debt and equity balance in the most efficient way. The Group monitors capital by using debt/total capital rate. This ratio is found by dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from total debt amount.

| | 31.12.2017 | 31.12.2016 |
|---------------------------|-------------------|-------------------|
| Total Liabilities | 1.134.040.761 | 918.182.052 |
| Cash and Cash Equivalents | 147.152.444 | 71.661.581 |
| Net Debt | 986.888.317 | 846.520.471 |
| Equities | 170.200.790 | 192.132.199 |
| Net Debt/Equity Rate | 5,80 | 4,41 |

(b) Important Accounting Policies

Group's Important Accounting Policies related to financial instruments are declared in the 2 numbered footnote.

(c) Risks exposed by the Group

Due to its operations, the Group is exposed to changes in foreign exchange rates, interest rates and other risks. The Group also has the risk that the counterparty will be unable to meet the requirements of the agreement due to the possession of financial instruments. Market risks encountered at the Group level are measured on the basis of sensitivity analysis. In the current year, there has been no change in the market risk exposed by the Group or in the method of dealing with the risks encountered or in the method how it measures these risks when compared to the previous year.

NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

(c.1) Exchange risk and management

Transactions in foreign currency has caused occurrence of exchange risk. The Group is exposed to foreign exchange risk due to change of the exchange rates used in the conversion of assets and liabilities in foreign currency into Turkish Lira. Commercial transactions, whose foreign exchange risk will occur in the future, arise from the difference between recorded assets and liabilities. The Group is exposed to foreign exchange rate risk depending on foreign exchange rate change due to the financial liabilities, trade payables and receivables in foreign currencies. The Group is mainly exposed to foreign exchange risk due to its assets and liabilities in USD. Another important currency in terms of exchange rate risk is the Euro.

As of 31 December 2017, period profit/(loss) before tax and minority interest would be TL 36.218.086 lower/higher in case that foreign exchange rate is 10% higher/lower provided that other conditions remain constant (31 December 2016: the period profit / (loss) before the tax and minority interest for the period would have been 33.775.407 lower / higher.)

Exchange Rate Sensitivity Analysis Statement**Current Period (31 December 2017)**

| | Profit/Loss | |
|--|----------------------------------|-------------------------------|
| | Appreciation of Foreign Currency | Foreign Currency Depreciation |
| If the USD changes by 10% against TL: | | |
| 1- USD net asset/liability | (15.377.642) | 15.377.642 |
| 2- Portion protected from USD risk (-) | - | - |
| 3- USD Net Effect (1+2) | (15.377.642) | 15.377.642 |
| If the Euro changes by 10% against TL: | | |
| 4- EUR net asset/liability | (19.860.937) | 19.860.937 |
| 5- Portion protected from EUR risk (-) | - | - |
| 6- EUR Net Effect (4+5) | (19.860.937) | 19.860.937 |
| TOTAL (3+6+9) | (35.238.579) | 35.238.579 |

Exchange Rate Sensitivity Analysis Statement**Previous Period (31 December 2016)**

| | Profit/Loss | |
|--|----------------------------------|-------------------------------|
| | Appreciation of Foreign Currency | Foreign Currency Depreciation |
| If the USD changes by 10% against TL: | | |
| 1- USD net asset/liability | (20.307.650) | 20.307.650 |
| 2- Portion protected from USD risk (-) | - | - |
| 3- USD Net Effect (1+2) | (20.307.650) | 20.307.650 |
| If the Euro changes by 10% against TL: | | |
| 4- EUR net asset/liability | (13.497.075) | 13.497.075 |
| 5- Portion protected from EUR risk (-) | - | - |
| 6- EUR Net Effect (4+5) | (13.497.075) | 13.497.075 |
| If the GBP changes by 10% against TL: | | |
| 7- GBP net asset/liability | 29.318 | (29.318) |
| 8- Portion protected from GBP risk (-) | - | - |
| 9- GBP Net Effect (7+8) | 29.318 | (29.318) |
| TOTAL (3+6+9) | (33.775.407) | 33.775.407 |

NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

FOREIGN CURRENCY TABLE

Current Period-31 December 2017

| | For TL | USD | EUR |
|---|----------------------|---------------------|---------------------|
| 1. Trade Receivables | | | |
| 2a. Monetary Financial Assets | 11.694.151 | 1.465.433 | 1.365.670 |
| 2b. Non-Monetary Financial Assets | 84.637.833 | 7.965.175 | 12.090.353 |
| 3. Other | - | - | - |
| 4. Current Assets (1+2+3) | 96.331.985 | 9.430.608 | 13.456.024 |
| 5. Non-Monetary Financial Assets | - | - | - |
| 6. Other | - | - | - |
| 7. Fixed Assets (5+6) | - | - | - |
| 8. Total Assets (4+7) | 96.331.985 | 9.430.608 | 13.456.024 |
| 9. Trade Payables | 7.114.574 | 400.166 | 1.241.321 |
| 10. Financial Liabilities | 129.948.343 | 17.977.560 | 13.761.219 |
| 11. Other Monetary Liabilities | - | - | - |
| 12. Short-Term Liabilities | 137.062.918 | 18.377.726 | 15.002.541 |
| 13. Financial Liabilities | 311.654.860 | 31.821.837 | 42.437.399 |
| 14. Long-Term Liabilities | 311.654.860 | 31.821.837 | 42.437.399 |
| 15. Total Liabilities (12+14) | 448.717.778 | 50.199.563 | 57.439.940 |
| 16. Net Foreign Currency Asset/ (Liability) Position (8-15) | (352.385.794) | (40.768.955) | (43.983.916) |
| 17. Monetary Items Net Foreign Currency Asset / (Liability) Position | (352.385.794) | (40.768.955) | (43.983.916) |

NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

| FOREIGN CURRENCY TABLE | Previous Period (31 December 2016) | | | |
|--|------------------------------------|---------------------|---------------------|---------------|
| | For TL | USD | EUR | GBP |
| 1. Trade Receivables | 10.039.529 | 1.209.347 | 1.479.936 | 67.883 |
| 2a. Monetary Financial Assets | 50.886.551 | 6.021.891 | 8.004.074 | - |
| 2b. Non-Monetary Financial Assets | - | - | - | - |
| 3. Other | 258.162 | 1.190 | 68.459 | - |
| 4. Current Assets (1+2+3) | 61.184.242 | 7.232.428 | 9.552.468 | 67.883 |
| 5. Trade Receivables | - | - | - | - |
| 6a. Monetary Financial Assets | - | - | - | - |
| 6b. Non-Monetary Financial Assets | 2.755.778 | 536.683 | 233.722 | - |
| 7. Other | - | - | - | - |
| 8. Fixed Assets (5+6+7) | 2.755.778 | 536.683 | 233.722 | |
| 9. Total Assets (4+8) | 63.940.020 | 7.769.111 | 9.786.190 | 67.883 |
| 10. Trade Payables | 8.470.638 | 1.499.775 | 860.571 | - |
| 11. Financial Liabilities | 92.846.190 | 17.989.710 | 7.961.617 | - |
| 12a. Other Monetary Liabilities | 59.341 | 16.744 | 112 | - |
| 12b. Other Non-Monetary Liabilities | - | - | - | - |
| 13. Short-Term Liabilities (10+11+12) | 101.376.169 | 19.506.228 | 8.822.300 | |
| 14. Trade Payables | - | - | - | - |
| 15. Financial Liabilities | 297.303.982 | 45.430.313 | 37.042.946 | - |
| 16 a. Other Monetary Liabilities | - | - | - | - |
| 16 b. Other Non-Monetary Liabilities | - | - | - | - |
| 17. Long-Term Liabilities (14+15+16) | 297.303.982 | 45.430.313 | 37.042.946 | |
| 18. Total Liabilities (13+17) | 398.680.151 | 64.936.542 | 45.865.245 | |
| 19. Net Asset / (Liability) Position of Foreign Currency Derivative Instruments out of Financial Position Statement (19a-19b) | - | - | - | - |
| 19a. Amount of Foreign Currency Derivatives out of active characteristic financial position statement | - | - | - | - |
| 19b. Amount of Foreign Currency Derivatives out of passive characteristic financial position statement | - | - | - | - |
| 20. Net Foreign Currency Asset/ (Liability) Position (9-18+19) | (334.740.131) | (57.167.430) | (36.079.055) | 67.883 |
| TL 21 Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23) | (337.754.071) | (57.705.304) | (36.381.236) | 67.883 |
| 22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedges | - | - | - | - |
| 23. Amount of Hedged Part of Foreign Currency Assets | - | - | - | - |
| 24. Amount of Hedged Part of Foreign Currency Liabilities | - | - | - | - |
| *25.Export | - | - | - | - |
| *26.Import | - | - | - | - |

NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

(c.2) Interest rate risk and management

The group's liabilities related to financial loans on fixed and variable interest are included in Note:9, fixed interest assets (such as deposit) are included in the Note: 7.

| | Fixed Interest Financial Instruments | 31.12.2017 | 31.12.2016 |
|-----------------------|--|-------------------|-------------------|
| Financial Assets | Deposit Accounts (shorter than 3 months) | 104.345.343 | 63.219.402 |
| Financial Liabilities | | 772.601.364 | 474.263.207 |
| | Variable Interest Financial Instruments | | |
| Financial Assets | | - | - |
| Financial Liabilities | | 198.930.104 | 329.754.197 |

Interest analysis is made by taking into consideration net amount of all variable interest assets and liabilities. Another assumption of the analysis is that all variables except interest rates remain constant. In addition, the balance of net interest assets and liabilities has been considered constant throughout the period.

On December 31, 2017, if the interest was 1 point lower/higher and all other variables remained constant, profit/(loss) before tax and minority interest would be TL 226.772 lower/higher (31 Aralık 2016: profit/(loss) before tax and minority interest would be TL 383.437 lower/higher).

(c.3) Credit risk management

Ownership of financial instruments also involves the risk that the counterparty will be unable to meet requirements of the agreement. The Group's collection risk arises from its trade receivables and other receivables. A significant portion of the Group's trade and other receivables result from related parties and detailed information regarding these receivables is given in Note: 6. Trade receivables and other receivables are evaluated by taking into account Group policies and procedures and accordingly after reserving doubtful receivable provision, they are indicated in net in the balance sheet. (Note 11-12-15) The Group Management considers that provisions for receivables are sufficient.

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NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

| 31.12.2017 | Receivables | | | | Cash and Cash |
|--|-------------------|-------------------|-------------------|------------------|--------------------|
| | Trade Receivables | | Other Receivables | | Equivalents |
| | Affiliate | Other Party | Affiliate | Other Party | Bank Deposit |
| Current Period | | | | | |
| Maximum loan risk incurred as of reporting date (A+B+C+D+E) (1) | 6.845.124 | 35.222.712 | 29.360.720 | 2.858.756 | 145.681.724 |
| - Secured part of maximum risk via guarantee etc. | - | - | - | - | - |
| A. A. Net book value of financial assets that are undue or not subject to impairment (2) | 6.845.124 | 35.222.712 | 29.360.720 | 2.858.756 | 145.681.724 |
| B. Book value of financial assets whose terms have been renegotiated, otherwise which will be considered to be overdue or impaired | | | | | |
| C. Net book value of financial assets that are overdue but not subject to impairment | - | - | - | - | - |
| - Part secured via guarantee etc. | - | - | - | - | - |
| D. C. Net book values of impaired assets | - | - | - | - | - |
| - Overdue (gross book value) | 15.736 | 19.047.680 | - | 2.022.214 | |
| - Impairment (-) | (15.736) | (19.047.680) | - | (2.022.214) | |
| E. Off-balance sheet credit risk factors | - | - | - | - | - |

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NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

| Previous Period | Receivables | | | | Footnote | Bank Deposit | Footnote |
|--|-------------------|-------------------|-------------------|------------------|----------------|-------------------|----------|
| | Trade Receivables | | Other Receivables | | | | |
| | Related | Other | Related | Other | | | |
| Maximum loan risk incurred as of reporting date (A+B+C+D+E) | 28.127.572 | 35.831.694 | 12.014.984 | 2.242.353 | 6-11-12 | 70.013.306 | 7 |
| - Secured part of maximum risk via guarantee etc. | - | - | - | - | - | - | - |
| A. Net book value of financial assets that are undue or not subject to impairment | 28.127.572 | 35.831.694 | 12.014.984 | 2.242.353 | 6-11-12 | 70.013.306 | 7 |
| B. Book value of financial assets whose terms have been renegotiated, otherwise which will be considered to be overdue or impaired | - | - | - | - | - | - | - |
| C. Net book value of financial assets that are overdue but not subject to impairment | - | - | - | - | - | - | - |
| - Part secured via guarantee etc. | - | - | - | - | - | - | - |
| D. C. Net book values of impaired assets | - | - | - | - | - | - | - |
| - Overdue (gross book value) | 6,958,396 | 22.908.705 | - | 2.016.159 | 6-11-12 | - | - |
| - Impairment (-) | (6.958.396) | (22.908.705) | - | (2.016.159) | 6-11-12 | - | - |
| - Secured part of net value via guarantee etc. | - | - | - | - | - | - | - |
| - Undue (Gross book value) | - | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - | - |
| - Secured part of net value via guarantee etc. | - | - | - | - | - | - | - |
| E. Off-balance sheet credit risk factors | - | - | - | - | - | - | - |

NOTE 35 -QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

c.4) Liquidity Risk and Management

The Group monitors cash flows on a regular basis and maintains sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities and tries to manage liquidity risk.

Liquidity risk tables

Prudent liquidity risk management means keeping sufficient cash, availability of funding through sufficient credit transactions and the ability to close out market positions.

The risk of ability to fund existing and prospective reasonable debt requirements is managed by perpetuating the accessibility of adequate and high quality creditors.

The following table specifies maturity distribution of the Company's non-derivative financial liabilities on the basis of TL.

| Agreement Terms of Previous Period | Book Value | Total of Cash Outs pursuant to Contract | Shorter than 3 months | 3 to 12 months (II) | 1 to 5 years (III) | Longer than 5 years (IV) |
|---|----------------------|--|------------------------------|----------------------------|---------------------------|---------------------------------|
| Non-derivative Liabilities | 1.088.303.729 | 1.089.119.228 | 169.720.488 | 260.182.514 | 605.717.819 | 53.498.406 |
| Bank Loans | 884.625.183 | 884.625.182 | 60.615.015 | 227.578.708 | 542.933.054 | 53.498.406 |
| Finance Lease Obligations | 86.310.122 | 86.310.122 | 4.681.563 | 20.661.855 | 60.966.704 | - |
| Other Financial Liabilities | - | - | - | - | - | - |
| Commercial Debts | 55.228.245 | 56.043.744 | 51.627.816 | 4.415.928 | - | - |
| Other Liabilities | 62.140.179 | 62.140.179 | 52.796.094 | 7.526.023 | 1.818.062 | - |

| Agreement Terms of Previous Period | Book Value | Total of Cash Outs pursuant to Contract | Shorter than 3 months | 3 to 12 months (II) | 1 to 5 years (III) | Longer than 5 years (IV) |
|---|--------------------|--|------------------------------|----------------------------|---------------------------|---------------------------------|
| Non-Derivative Financial Liabilities | 897,619,566 | 892,923,499 | 105,520,115 | 151,610,858 | 568,114,234 | 67,678,292 |
| Bank Loans | 704,563,095 | 698,841,065 | 48,873,110 | 92,421,125 | 489,868,538 | 67,678,292 |
| Finance Lease Obligations | 99,454,312 | 99,060,753 | 4,657,303 | 16,799,558 | 77,603,892 | - |
| Other Financial Liabilities | - | - | - | - | - | - |
| Commercial Debts | 81.711.185 | 83.130.702 | 41.416.001 | 41.714.701 | - | - |
| Other Liabilities | 11.890.974 | 11.890.974 | 10.573.698 | 675.474 | 641.802 | - |

NOTE 36- FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND REMARKS WITHIN THE SCOPE OF HEDGING ACCOUNTING)

Targets in the financial risk management

Group's financing department is responsible for ensuring regular access to financial markets and monitoring and managing the financial risks exposed in relation to the Group's activities. These risks are; market risk (including exchange rate risk, fair interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group does not use derivative financial instruments to mitigate the effects of these risks and to hedge against these financial risks. The Group does not have any speculative financial instruments (including derivative financial instruments) and does not have any activity related to the purchase and sale of such instruments.

Fair Value of Financial Instruments

Fair value is the amount by which a financial instrument can be exchanged in a current transaction between voluntary parties other than a mandatory sale or liquidation. If any, it is best determined by a quoted market price. The Group has determined estimated fair values of financial instruments by using available market information and appropriate valuation methods. However, market data should be evaluated and estimating real values requires interpretation and judgement. Consequently, the estimates presented herein are not necessarily indicative of the amounts the Group could always acquire in a current market operation.

The method and assumptions used for estimation of financial instruments' fair value are as follows:

Monetary Assets

Balances in foreign currency are translated into Turkish Lira by buying rate of exchange in force at the end of the period. It is stipulated that these balances are close to the registered value.

Certain financial assets, including cash and cash equivalents, are carried at cost value. It is stipulated that their registered values are equal to their fair values due to their short-term nature.

It is stipulated that registered values of trade receivables reflect fair value together with the provisions for doubtful receivables.

Monetary liabilities

It is assumed that bank loans and other monetary debts approach their fair value of registered values since they are short-term.

Fair Value Estimation:

The Group has applied the amendment in TFRS 7 for financial instruments measured at fair value in the balance sheet being effective from January 1, 2009. This amendment has been explained on the basis of the stages specified in the following hierarchy of fair value calculations.

Level 1: They are quoted prices in active markets for certain assets and liabilities.

Level 2: They are directly or indirectly observable inputs for assets and liabilities other than quoted prices included in level 1.

Level 3: They are inputs for assets and liabilities that cannot be determined based on observable market data.

NOTE 36- FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND REMARKS WITHIN THE SCOPE OF HEDGING ACCOUNTING (cont.))

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approach their carrying values.

The Group has shown short term financial investments at fair value in the financial statements as of 31 December 2017 and 31 December 2016. (Level 1)

Registered values of some financial assets shown as cost such as cash and cash equivalents are considered to be their fair values due to their short-term nature.

Trade receivables and payables are evaluated over discounted costs by using effective interest method and in this way it is considered that registered values approach their fair values.

NOTE 37 -POST-BALANCE SHEET EVENTS

31.12.2017

The parent company's Ankara Branch at the address Şaşmaz Sanayi Sitesi Bahçekapı 2472 Cadde, 27.Sokak N12, Mersin Taskent Branch at the address Sariibrahimli Mah.Kızılyaka Sokak Küme Evleri N24/A, Istanbul Orhanlı 4 Depo Branch at the address Tuzla İlçesi Orta Mah. 43/26 have been closed since the activities in the regions will be carried out from the center of Istanbul.

Reysaş GYO's Storage of 41.865,06 m2 built on a land of 21.536,25 m2 at the Istanbul Province, Esenyurt District, 2642 Plot, 1 Parcel has been settled as of 05/03/2018 and the area of 29.494 m2 has been delivered to CarrefourSa Carrefour Sabancı Ticaret Merkezi A.S. According to lease agreement, approximately 24.000.000 USD rental income including VAT will be obtained in total 7 years with 2 year option.

Storage area of 17.1719 m2 of the storage of 33.424,36 m2 on a land of 25.053,36 m2 at the Istanbul Province, Tuzla District, Orhanlı Quarter, 1850 Parcel in the portfolio of Reysaş GYO has been rented out for 2 years by making additional protocol to "Adel Kalemcilik Ticaret ve Sanayi A.S." The rented storage will generate an income of approximately USD 2,800,000 including VAT in 2 years.

Storage and office area of 13.207 m2 of the storage of 63.189 m2 on a land of 31.240 m2 at the Kocaeli Province, Cayirova District, Akse Quarter, 2086 Plot, 5 Parcel in the portfolio of Reysaş GYO has been rented out for 1 year by making additional protocol to "Dhl Global Forwarding Tasimacilik A.S." The rented storage area will generate approximately USD 1.250.000 in 1 year, including VAT.

31.12.2016

- Storage area of 150 m2 of the storage of 3.962 m2 at a land of 7.352 at Istanbul Province, Arnavutköy District, Omerli Quarter, 111 Plot, 6 Parcel included in the portfolio of Reysaş Gayrimenkul Yatırım Ortaklığı A.S. has been leased for 3 years to "Fast Milletlerarası Tasimacılık ve Turizm A.S.". The rented storage will generate an income of approximately USD 30,000 including VAT in 3 years.

- Construction Building License has been obtained for construction of logistics storage of 41.865,06 m2 to be built at Istanbul Province, Esenyurt, 2642 Plot, 1 Parcel announced to the public with a special circumstances disclosure on 31.08.2015 by Reysaş Gayrimenkul Yatırım Ortaklığı A.S. For storage facility, the Company has signed a lease agreement for 7 years between CarrefourSA Carrefour Sabancı Ticaret Merkezi A.S. and the company on August 31, 2015. 27.500.000 USD revenue including VAT will be obtained from the rented storage in 7 years. Storage construction will be completed and delivered on May 2017.

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NOTE 37 -POST-BALANCE SHEET EVENTS (CONT.)

- Reysaş Gayrimenkul Yatırım Ortaklığı A.S has obtained Building Construction License for logistics storage of 31.383 m2 to be built at Kocaeli Province, Cayırova District, 2085 Plot, 4 Parcel. Storage to be offered to the existing and new customers of Reysaş GYO will be the 12th Block Building within the Çayırova campus.

- The storage area of 90.040 m2 of the warehouse of approximately 90.040 m2 on the completion of the construction on a land of 36.912,51 m2 at Istanbul Province, Tuzla District, Tepeören Quarter, 1586 Parcel included in the portfolio of Reysaş Gayrimenkul Yatırım Ortaklığı A.S. has been rented to "Borusan Lojistik Dağıtım Depolama Tasımacılık ve Ticaret A.S" for 10 years. According to the rental agreement made, A Block of the storage is planned to be delivered in the first quarter of 2018 and B Block is planned to be delivered in the first half of 2018. The rented warehouse will generate USD 75.000,000 revenue in 10 years including USD increases and VAT.

NOTE 38 -OTHER ISSUES

The financial statements have been approved by the Company's Board of Directors on 12 March 2018 for being issued on the on the Public Disclosure Platform (PDP). However there is no such intention, the Company Management and certain regulatory bodies have the authority to amend financial statements prepared in accordance with the legislation.

Bilgili Bağımsız Denetim A.S.
Member firm of AGN International