


*20 years of
commitment to
excellence...*

2015 Annual Report



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ÜNLÜ & Co's story began at a time when investment banking did not really exist as a business and company acquisitions rarely happened. We started out as a small advisory services company with four people and very limited means but a relentless commitment to success. In the twenty years since then, we have been pioneers in creating new businesses and products and contributed to the growth and development of investment banking in Turkey.

ÜNLÜ & Co's 20 year history and success in Turkey has been built upon the trust of its clients and dedication of its employees. As it embarks on a quest to become a regional leader, ÜNLÜ & Co continues to rely upon its professional corporate management, well established infrastructure, competent staff and growing clients.

Our company offers corporate mergers & acquisitions, public offerings, equity trading, bond issuances and asset management services since its establishment. ÜNLÜ & Co has been at the top of the league tables and consistently recognized by industry experts through numerous awards.

We are Turkey's leading and most comprehensive investment banking and asset management group and our goal is to extend our capabilities to our region. Just as we have done since our inception 20 years ago, we are fully committed to expanding our product offering and client reach, strengthening our capital resources, and growing our business to create value for the Turkish economy which continues to offer enormous potential in every aspect.

As we close this chapter, we would like to thank all our stakeholders who made it possible. With your support and our continued drive and commitment, we are confident that there will be many more chapters to come.

CORPORATE PROFILE

regional leader

Headquartered in İstanbul, ÜNLÜ & Co employs 355 people, each a specialist in their respective field, in line with its goal of becoming a regional leader in the provision of financial products and services.

Gearing up to celebrate its 20th anniversary in 2016, ÜNLÜ & Co is a financial services group and Turkey's leading provider of investment banking and asset management products and services. ÜNLÜ & Co's extensive knowledge and experience is the foundation of its solid local market position combined with the ability to deliver world-class standards of service in order to design and provide products and solutions that uniquely address its clients' needs.

A CORPORATE BRAND FOCUSED ON CREATING STAKEHOLDER VALUE

ÜNLÜ & Co strives to consistently increase the value it creates for all its stakeholders, its clients, employees and investors. ÜNLÜ & Co aims to achieve this goal by also serving the best interests of the financial community and the broader society.

Headquartered in İstanbul, ÜNLÜ & Co has a staff of 355 high caliber professionals, working together for the aim of making ÜNLÜ the leading provider of financial products and services for the entire region. ÜNLÜ & Co provides world class investment banking and asset management solutions to a diverse client base ranging from domestic and international investors to leading corporates, multinationals and financial institutions.

Operating a synergetically integrated platform, ÜNLÜ & Co is capable of serving its clients with a variety of sophisticated financial solutions ranging from corporate finance advisory to capital markets, from debt capital markets & advisory to global markets, from venture capital advisory to institutional equity sales and from non-performing loans management to portfolio management.

ÜNLÜ & CO: THE SUCCESS OF AN ENTREPRENEURIAL SPIRIT

A successful example of true entrepreneurial spirit, ÜNLÜ & Co was originally founded in 1996 as a boutique advisory firm. Ever since then it has been pioneering and shepherding the growth and development of investment banking in Turkey by introducing new products to the market and opening up many new business lines.

Placing the client at the center of everything that it does and regarding client satisfaction and mutual trust and loyalty as essential to its business model, ÜNLÜ & Co develops unique and original products and services that are the cornerstones of its sustainable and profitable growth.

With its deep knowledge and experience of the Turkish economy and of the companies that are active in various sectors, other important features of ÜNLÜ & Co Group are its members'

collaborative interactions, high level of credibility, and rock-solid know-how in international investment banking. This is what truly distinguishes ÜNLÜ & Co from its competitors and strengthens its reputation as a trusted business partner.

ÜNLÜ & CO'S DNA

Enterprise, client-focus, commitment, expertise, teamwork, and loyalty are the genes that make up ÜNLÜ & Co's DNA. These genes are the markers of values that are accepted by all Group employees in their conduct of all aspects of the Group's business. They are also the key elements of the Group's sustainable growth and success.

Developing its strategies in parallel with Turkey's goal of becoming a regional financial services hub and aware of the duties and responsibilities that this entails, ÜNLÜ & Co is committed to fulfilling the demands of the role it has assumed in the years ahead as well.

A BROAD-OF-VISION SERVICE PROVIDER

Since the day it was founded, ÜNLÜ & Co has been actively engaged in efforts to make the whole world aware of Turkey's economic, social, and workforce potential. In the course of its two decades of life, it has met with numerous investors and representatives of companies based in Europe, the USA, and the Middle East and it has

been providing multidimensional support for undertakings not only to promote Turkey but also to provide international investors interested in Turkey with accurate information while encouraging them to actively do business in Turkey's growing economy.

ÜNLÜ & Co will continue to support international investors with an aspiration to enter Turkish market while creating added value for the Turkey's economy.

OUR GOAL: TO BE THE REGION'S BIGGEST INVESTMENT BANKING SERVICES AND ASSET MANAGEMENT GROUP

As it embarks on its 20th year in business empowered by its clients' trust, professional and competent human resources, corporate structure, and superior technological infrastructure (while drawing also on the strengths of its leadership in local market), ÜNLÜ & Co continues to advance boldly and confidently as it ventures abroad in parallel with its goal of becoming the biggest investment banking services and asset management group in its region.

ÜNLÜ & CO'S PROMISE IS TO INCREASE THE VALUE THAT IT CREATES FOR ITS CLIENTS, ITS EMPLOYEES, ITS INVESTORS, THE WORLD OF FINANCE, AND SOCIETY AT LARGE.

bespoke solutions

ÜNLÜ & Co will continue to support international investors wishing to enter Turkey while creating added value for the Turkish economy through its professional services and bespoke solutions.

OUR PRODUCTS, SERVICES AND SOLUTIONS

ÜNLÜ & Co's, product, service, and solution competencies are concentrated mainly in two areas of financial services.

INVESTMENT BANKING SERVICES

ADVISORY

CORPORATE FINANCE

Mergers & Acquisitions

Corporate M&As

Financial restructuring

Capital Markets

Initial and secondary offerings

Capital increases

DEBT CAPITAL MARKETS & ADVISORY

Debt capital markets

Foreign and local currency bond issuance

Intermediation in syndicated facilities

CLN, Eurobond, convertible bonds

Financial Advisory

Structured Financial Instruments

Acquisitions and project finance

Structured trade instruments

MARKETS

INSTITUTIONAL SALES AND EQUITIES

Equities

Institutional sales

Research

Block sales

Derivative Products

Futures trading on Borsa Istanbul Futures and

Options Market

OTC options

Global Markets

Currency, interest and commodity transactions

Repo finance transactions

Asset & Liabilities management

Private sector bonds

INDIVIDUAL SERVICES

Financial Advisory & Brokerage Services

High-touch sales & Trading

Investment advisory

Online trading & Mobile solutions

Brokerage for professional investors

Leveraged Platforms: FX & CFD

International Capital Markets: ICM Platform

Individual asset management

Individual financial planning

ASSET MANAGEMENT SERVICES

ALTERNATIVE INVESTMENTS

Non-Performing Loans ("NPL")

Portfolio investments
Single case restructuring
Management of NPL's

ÜNLÜ ALTERNATIVES

ÜNLÜ Private Equity
ÜNLÜ LT Investments

212 CAPITAL

Internet, mobile and e-commerce early-stage fund

MENA FİNANS

Financial services platform, providing services to Middle East investors

ASSET & WEALTH MANAGEMENT

Fixed income portfolio and managed accounts
Mutual funds
Hedge funds



Maslak office, ÜNLÜ & Co

KEY FINANCIAL HIGHLIGHTS

ÜNLÜ & Co

13.0%

Growth of ÜNLÜ & Co's total assets in 2015

16.2%

Growth of ÜNLÜ & Co's shareholders' equity in 2015

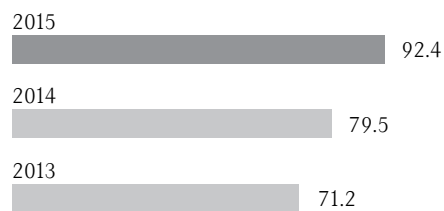
42.4%

Increase in ÜNLÜ & Co's net income in 2015

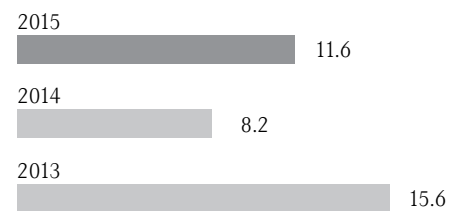
TOTAL ASSETS (TRY MILLION)



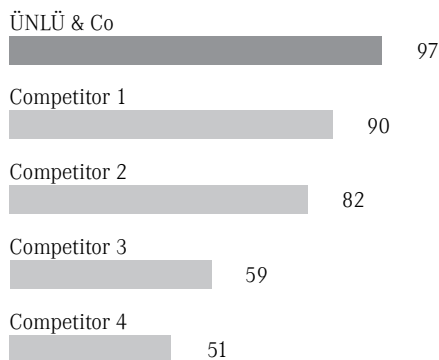
SHAREHOLDERS' EQUITY (TRY MILLION)



NET INCOME (TRY MILLION)



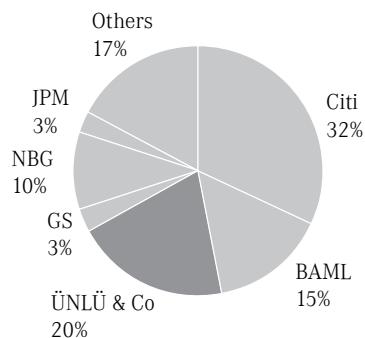
LEADER IN THE M&A MARKET



Based on number of deals made between 1998-2015

*Source: Mergermarket ÜNLÜ & Co

2010-2015 YTD MARKET SHARE*

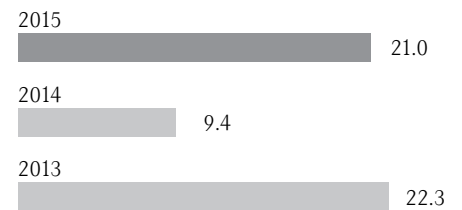


*IPO/SPQ/Placements

Source: Bloomberg, December 2015

A LEADING POSITION IN EQUITY CAPITAL MARKETS

ÜNLÜ & Co is one of the leading firms in Turkey in the areas of private placements, initial and secondary public offerings, and block trades. The USD 2.4 billion worth of ECM transactions completed by the company since 2010 rank it in second place with a 20% share of this market.

ÜNLÜ SECURITIES**14.8%***Growth of ÜNLÜ Securities' total assets in 2015***23.3%***Growth of ÜNLÜ Securities' shareholders' equity in 2015***124.5%***Increase in ÜNLÜ Securities' net income in 2015***TOTAL ASSETS (TRY MILLION)****SHAREHOLDERS' EQUITY (TRY MILLION)****NET INCOME (TRY MILLION)**

2015 was a year in which ÜNLÜ & Co achieved results that reflected its successful business strategies and strengthened its position from the standpoints of sustainable growth and profitability.

OUR VISION, MISSION AND STRATEGY



Our Vision

Is to become the leading investment banking services provider and asset management group in the region.

Our Mission

Is to continuously work to achieve our vision with the entrepreneurial spirit and expertise on the knowledge of local markets and to grow the business we have while adding value and profit to our clients' businesses.

Our Strategy

Is to keep our leading position via developing our corporate business principles and management approach to achieve our business development goals and ensure sustainable success.

OUR GENES



Client Dedication

Creating “the best alternative for the client” is one of the strongest underlying fundamentals of all ÜNLÜ & Co solutions.

Entrepreneurship

The whole value added solutions of ÜNLÜ & Co presented to its clients are derived from the company’s entrepreneurial spirit.

Teamwork

ÜNLÜ & Co’s business models are based on synergistic efforts of different teams concentrating on client’s needs by setting joint targets in the most professional and colligate fashion.

Determination

ÜNLÜ & Co strives for successful results with all of its resources, collective devotion and focus, and demonstrates sheer determination for the desirable outcome.

Commitment

ÜNLÜ & Co embraces commitment, loyalty and sustainability both within the company and among its clients. Stability resulting from the ownership is a key pillar for ÜNLÜ & Co.

Expertise

ÜNLÜ & Co shows complete awareness in all solution phases with its team of professionals who are competent and leading experts in their fields.



*20 years of commitment
to excellence..*

*With our superior-quality financial
solutions and tailor-made advisory
services, we satisfy our clients' needs
while helping them construct their
corporate futures.*

For the finest quality
service, we're on
your side.



ÜNLÜ & CO's MILESTONES

Celebrating its 20th year in business in 2016, ÜNLÜ & Co is a financial services group that provides the broadest and most comprehensive services in the areas of investment banking and asset management in Turkey.

1996

Dundas Ünlü & Co commences operations as a boutique mergers & acquisitions advisory firm.

Founded in İstanbul as Dundas Ünlü & Co at its inception, the company started out by providing advisory services to international investors wishing to invest in the Turkish market. Positioning itself in financial markets as a leading provider of M&A advisory services, Dundas Ünlü & Co contributed significantly to the growth and development of this market in Turkey.

2002

Having acquired a local brokerage house, Dundas Ünlü & Co ventures into investment banking.

Dundas Ünlü & Co took a step in corporate finance when it acquired Işıklar Menkul, a small brokerage house, in 2002. With this acquisition, the company added to its portfolio an array of investment banking products and services capable of addressing the needs of different clients.

2003

Dundas Ünlü begins providing asset management services and sets up an in-house non-performing loan unit.

This year was highlighted by the succession of new ventures. a fixed-income unit that was established in 2003 was followed by an asset management unit in 2004 and by the launching of an equity fund (called "DUA") and a fixed-income fund (called "DUB") in 2005. As a result of these undertakings, Dundas Ünlü not only expanded the scope of its product and service offerings but also became and continued to grow as the reference point that clients had consulted for the investment financing that they required.

2005

The product and service lineup continues to expand with new additions.

A significant milestone was reached when Dundas ÜNLÜ & Co teamed up with the US-based investment bank Lehman Brothers.

Another important step in the direction of institutionalization was taken when Tahincioğlu Holding acquired a stake in the company.

With setting up an institutional sales unit, Dundas ÜNLÜ & Co began providing clients with equity sales and capital market services. Before this, the successful performance of this unit positioned Dundas ÜNLÜ & Co among the top brokers servicing international institutional clients in Turkey.

2006/2007

The company expands into the alternative investments business line with the launching of the DU Private Equity Fund while it also enters into a strategic partnership with South-Africa based Standard Bank.

DU Private Equity, one of Turkey's biggest private equity funds, was set up in 2006. The same year saw the establishment of DUFDA, an adjunct to the company's NPL unit and a ground-breaking service provider in the corporate collections business line.

In 2007, the company underwrote the first private-sector corporate bond issue that had been initiated in Turkey in nearly a decade.

The same year, South Africa-based Standard Bank became a shareholder in the Company through its acquisition of the majority of shares previously belonging to Alasdair Dundas and Tahincioğlu Holding.

With this change in shareholder structure, the company underwent a reorganization as well. The company's name was changed to Standard ÜNLÜ while the arrival of a new shareholder gave the company access to an extensive global financial services network and the ability to diversify its debt-financing products. This union of strengths transformed Standard ÜNLÜ into Turkey's leading provider of investment banking and asset management products and services.

2009

PLATO Finansal Danışmanlık Servisleri AŞ is set up.

With the 2009 launching of PLATO Finansal Danışmanlık Servisleri AŞ, a financial advisory services provider, the company began providing collections management services for retail and SME NPL portfolios.

2011

An e-commerce fund is set up to invest in technology start-ups.

Standard Varlık, which had been founded in 2009, was acquired by the Group and renamed İSTANBUL Varlık.

The same year also saw the establishment of 212 Capital Partners, a firm set up to provide early-stage venture capital to technology, internet, and communication companies in Turkey. A joint venture in which some of the country's leading technology companies, investors, and managers took part, 212 Capital Partners began supplying financial support to startups seeking to enter vertical markets in the areas of software, social gaming, e-commerce, mobile apps, social media, and cloud computing.

2012-2013

The Group is renamed ÜNLÜ & Co and MENA Finans commences operations.

In 2012 ÜNLÜ & Co (ÜNLÜ Finansal Yatırımlar AŞ) acquired a 75% stake in Standard ÜNLÜ. With this change in its majority shareholder, the company also underwent a restructuring.

Late the same year, MENA Finans was set up and began serving investors in the Middle East and North Africa in keeping with the Group's regional expansion plans.

İSTANBUL Varlık, formerly Standard Varlık, achieved a 40% rate of growth in its assets by expanding relationships with banks in two year, following its acquisition by the Group.

A hedge fund was also set up in line with the Group's intention to expand the range of its portfolio management products.

2014

While successfully defending its leading position in the Turkish market, ÜNLÜ & Co ventures in the regional investment banking business line.

During this period, ÜNLÜ & Co rose to the top of Turkey's M&A league table with USD 3.7 billion worth of such deals, also intermediated the largest foreign company acquisition ever.

In the area of debt capital markets & advisory, ÜNLÜ & Co underwrote the country's biggest private-sector corporate bond issue, whose TRY 805 million total accounted for a 24% market share. ÜNLÜ & Co's performance in 2014 elevated it to first place among Turkey's investment brokerage houses.

An ÜNLÜ long-term investment fund was set up in order to invest in an array of different asset classes.

ÜNLÜ Portföy's 474.8% rate of year-on growth made it the fastest-growing portfolio management company in Turkey in 2014.

The same year, the Group's Singapore office commenced operations while significant progress was also made in the direction of its regional expansion and ventures in the Middle East.

2015

With the initiation of efforts to enter the Iranian market, the Group took its first step to become the region's biggest investment banking services and asset management group while the Group's business partnership with Standard Bank was also restructured.

Having identified the Iranian market as the best candidate in order to kick-start the Group's regional expansion, some initiatives have been taken to enter the market.

ÜNLÜ Finansal Yatırımlar AŞ was turned into a holding company and renamed as ÜNLÜ & Co Yatırım Holding AŞ.

A team composed of 30 professionals was formed was formed to conduct the Group's recently launched financial advisory and brokerage services aimed at retail investors.

ÜNLÜ & CO - BECOMING A LEADING REGIONAL FINANCIAL INSTITUTION

REGIONAL GROWTH

1996

Dundas Ünlü & Co opens its doors as a boutique M&A advisory firm.

2002

With the acquisition of a local brokerage house, capabilities in investment banking expanded.

2003

Entered in the non-performing loans (NPL) business as an advisor. Started to build asset management capabilities.

2006

New services launched. DU Private Equity Fund launched enabling expansion into alternative investments.

2007

Standard Bank London Holdings Ltd. became a partner. The company was renamed as 'Standard Ünlü'.

Ever since it was founded in 1996, ÜNLÜ & Co has been engaging in activities and undertaking new ventures that advance it steadily closer towards its goal of being a leading financial institution in its region.

2009

Retail and SME NPL capability launched.

2012

ÜNLÜ & Co takes over controlling interest. MENA Finans was established.

2015-2017

*Financial Advisory & Brokerage Services was established, Regional expansion into MENA, Raising capital to fund an investment bank
Establishment of new funds*

2011

E-commerce fund was launched to invest in start up technology companies by 212 Capital Partners.

2014

ÜNLÜ LT Investments Fund is launched to invest in a diverse range of assets.

A 20-YEAR RETROSPECTIVE

In 2015 ÜNLÜ & Co was selected as the “Best M&A House” in Turkey in Euromoney magazine’s Excellence Awards while the Mergermarket Group called it “Turkey Financial Adviser of the Year”.

OUR AWARDS

The many prestigious national and international awards that ÜNLÜ & Co has received in the course of the last 20 years are evidence of the admiration and appreciation that the company inspires among its stakeholders.

Regarding the satisfaction of its clients and business partners as an important benchmark of its overall success, ÜNLÜ & Co puts emphasis on importance to the awards that are bestowed upon it. Among many, some of the awards which the Group received in 2015 that certify its success are these:

LANDMARK DEALS

December 1997

HUHTAMAKI

of Finland

has acquired a 50% shareholding in



of Turkey

The undersigned initiated the transaction and acted as the exclusive Financial Advisor to Huhtamaki Oy

DUNDAS, ÜNLÜ & Co

First transaction

2005

ALTINYILDIZ

Altinyıldız

TRY 20,000,000

Two-year corporate bond

The arranger and bookrunner

DJ DUNDAS ÜNLÜ
MENKUL DEĞERLER A.Ş.

First corporate bond issue

February 2007



TAV Havalimanları Holding A.Ş.
of Turkey

Initial Public Offer
US\$321 million


The undersigned acted as
the Lead Advisor to TAV

DJ DUNDAS ÜNLÜ
MENKUL DEĞERLER A.Ş.


*TAV public offering and
block sale*

- ACQ5 Magazine Awards, “Investment Bank of the Year for a Consecutive Year”
- AI International Finance Awards, “Independent Financial Advisory Firm of the Year & Best MENA Finance Specialist” ve “Best Investment Bank”
- Bonds & Loans & Sukuk, “2nd Local Bond Deal of the Year” (through Gözde Girişim bond issuance)
- Business Worldwide M&A Awards, “Best Independent M&A Advisory Firm” ve “Investment Banking Firm of the Year”
- Deal Makers Global Awards, “Best Debt Finance & Advisory Firm of the Year”
- Euromoney Excellence Awards, “Best M&A House”
- European Business Awards - National Champion
- ICFM Awards, “250 Leading Firms” ve “Best Debt Finance & Advisory Firm of the Year”
- Lawyers World Global Awards, “Investment Advisory Firm of the Year”
- Mergermarket - Turkey Financial Adviser of the Year
- The Global M&A Atlas Awards, “Emerging Markets M&A Deal of the Year” (through United Biscuits transaction)
- 2015 Wealth & Finance Fund Awards, “Independent Financial Advisory Firm of the Year”

July 2011


 **arçelik**

has acquired

 **DEFY**


of South Africa
for US\$322 million

The undersigned acted as the Exclusive Financial
Advisor to Arçelik

 **Standard Ünlü**
A member of Standard Bank Group

Koç Group’s biggest cross-border company acquisition

July 2014


 **GOZDE**

Gözde Girişim

TRY 400,000,000

Local Currency Bond

Sole Lead Manager & Bookrunner


 **ÜNLÜ & Co**

Biggest company bond issue ever undertaken in the Turkish market

November 2014


YILDIZ ★ HOLDING

of Turkey
has acquired

 **UB**
United Biscuits

of the UK
for GBP 2.1 billion

The undersigned acted as financial advisor to
Yıldız Holding A.Ş.

 **ÜNLÜ & Co**

Biggest cross-border company acquisition



*20 years of commitment
to excellence..*

*With our dynamic, flexible, yet reliable
structure, we work for the short,
medium and long-term successes of
our clients even under difficult and
volatile market conditions.*

For the best decisions,
we're on your side.



LETTER FROM THE CHAIRMAN & CEO



For ÜNLÜ & Co, 2015 was a year in which all of our business lines from M&As to public offerings, from equity market trading to bond issues, and from funds management to portfolio and asset management achieved excellent results.

As it prepares to celebrate its 20th year in business, ÜNLÜ & Co is as committed as ever to strengthening its leading position in investment banking and asset management as it advances into the future.

When we set out as a small advisory firm in 1995, investment banking in the modern sense did not really exist yet in our country. ÜNLÜ & Co's success in the years that followed was achieved by marshaling its abilities in an appropriate and timely manner and by responding to growing market demand by adhering to an approach that focused on customer satisfaction and on crafting bespoke solutions.

With the advent of the 2000s, the Turkish economy embarked upon a process characterized by low inflation and stable growth. In such an environment, ÜNLÜ & Co made productive use of the growth and development-leveraging effects of its resources, quickly achieving a leading position in most of the business lines in which it was active.

It was, to put it briefly, an exciting journey: a journey filled with opportunities and, occasionally, difficulties; but it was also a journey that made our Group one of the most forceful players in the business of investment banking and asset management in Turkey.

At this point I must acknowledge our debt of thanks to two groups of stakeholders who contributed the most to making the ÜNLÜ & Co name what it is today. The first naturally are our clients—clients who have been trusting what we say and do since our very first day and who have repeatedly preferred to do business with us. It was thanks to their confidence that ÜNLÜ & Co was able to put its signature to some of the biggest and most comprehensive money- and capital market deals—deals such as company acquisitions and bond issues—ever undertaken in our country. It is thanks to them that we have been able to create increasingly more value for the sustainable development of the Turkish economy as well as for its private sector.

The other stakeholder group whose members have helped us construct our success are of course our employees. Through their devotion and teamwork and their commitment to our shared corporate values and objectives, our human resources have displayed some of the finest examples of professionalism; yet each and every one of them performs their job with the enthusiastic spirit of a talented amateur.

We believe that this synergistic alliance our clients, our employees, and all our other stakeholders will ensure that we achieve the corporate goals that we have set for ÜNLÜ & Co in this century.

For ÜNLÜ & Co, 2015 was a year in which good results were achieved in all of our business lines from mergers & acquisitions to public offerings, from equity market trading to bond issues, and from funds management to portfolio and asset management.

2015 WAS A YEAR IN WHICH VOLATILITIES IN GLOBAL AND NATIONAL MARKETS ADVERSELY AFFECTED ALL ASPECTS OF ECONOMIC ENDEAVOR.

2015 was a year in which the level of uncertainty was just as high in our own country as it was throughout the world. At the global level, uncertainties were provoked by slipping growth rates in emerging economies, by seriously heightened regional political risks in different parts of the world, and by US Federal Reserve Bank and European Central Bank monetary policy decisions. In our own country they were the product mainly of a need for a second round of parliamentary elections when the first failed to produce a government.

One of the principal sources of uncertainty in the global economy last year was what the Fed's approach would be with respect to raising interest rates. Two others were the global economic implications of faltering growth in China and other emerging economies on the one hand and what impact the ECB's quantitative easing would have on euro-area recovery.

Elsewhere the global repercussions of sociopolitical upheavals and events, especially in the Middle East, also had a significant impact on international investors' appetite for risk, on capital flows, and on asset prices.

The situation in our own country's markets was comparable to that in global ones last year. In the face of unfolding events, domestic demand remained weak while political tensions radiating mainly—but not entirely—from the southeast hampered the country's foreign trade. When the second round of elections on November 1st produced a parliamentary majority, Turkey's democracy was deemed to have passed an important test and the prospects of renewed stability grew stronger again.

Our opinion is that 2016 will be a year in which domestic markets will experience a revival and that domestic demand will be improving. From the standpoint of sustainable economic growth and stability however, it will continue to be important to take a proactive approach and to maintain an attitude of prudent cautiousness with respect to possible international market developments.

In the context of what I have just said therefore, we foresee that money and capital markets will embark upon a period of vigor in 2016 and that there will be an uptick in mergers & acquisitions, bond issues, and public offerings.

Our opinion is that 2016 will be a year in which domestic markets will experience a revival and that domestic demand will be improving.

LETTER FROM THE CHAIRMAN & CEO

Another important development in our Group last year was a restructuring of our strategic collaboration and partnership with our South African partner Standard Bank that took it to a new level.

ÜNLÜ & CO PERFORMED SUCCESSFULLY IN 2015 DESPITE ALL THE DOMESTIC AND INTERNATIONAL MARKET TURMOIL THAT PREVAILED.

Notwithstanding the uncertainties and upheavals that I have just briefly summarized, 2015 was a year of successful results and positive developments for our Group.

It was particularly a lively year for company mergers & acquisitions, which is one of our basic services in the investment banking business line. The big-ticket projects that we concluded in 2015 helped us maintain our leadership in this market while new deals in the bond market further clinched our leading position there. By steadily expanding the portfolio-management aspects of its asset management operations, ÜNLÜ & Co defended its standing as Turkey's second biggest independent portfolio management company.

Another important development in our Group last year was a restructuring of our strategic collaboration and partnership with our South African partner Standard Bank that took it to a new level. When our holding company took over full ownership of the ÜNLÜ Menkul Değerler brokerage, our existing partnership with Standard Bank was elevated to the level of

ÜNLÜ Yatırım Holding, in which the bank acquired a 4.95% stake. We regard this change in the partnership structure as an important step towards expanding our synergies with Standard Bank in such a way as to encompass all of our business lines.

IN 2015 WE TOOK OUR FIRST STEP IN THE DIRECTION OF OUR GOAL OF PURSUING REGIONAL GROWTH BY INITIATING THE FORMALITIES NECESSARY FOR US TO ENTER THE IRANIAN MARKET.

Another development that was both important and exciting for our Group last year was the taking of the first step towards becoming not just our country's but also our region's biggest investment banking services and asset management group by entering the Iranian market. ÜNLÜ & Co sees the Iranian market as a territory that has growth potential and in which many success stories will be written in the medium term. Our discussions and observations concerning the Iran's market reveal that the country offers important opportunities in the areas of both investment banking and asset management.

Another international-level project that we are undertaking is our application for a New York broker-dealer license, which will make it

possible for us to serve our US-based clients directly. We expect that licensing formalities will be completed before the end of 2016.

Another important undertaking of ours in 2015 was concerned with providing services to accredited retail investors.

We see the retail segment of the market as one with high potential and, in line with that view, we will begin offering our financial advisory and equity trading services to qualifying retail clients as well in 2016. For this purpose we have put together a retail services team of thirty people and our intention is to make it even bigger as circumstances warrant in the period ahead. In the same vein, we plan to open service locations in six different cities in 2016 in order to be closer to our retail clients in the provision of investment advisory services.

OUR EXPECTATIONS FOR 2016 ARE HIGH AND WE ARE FULLY PREPARED TO DEAL WITH THEM SUCCESSFULLY.

Anticipating that 2016 is going to be a good year for the Turkish economy and for our markets, we also foresee that our investment banking and asset management operations will gain additional momentum. Another important

threshold will be reached when our strategy for the Iranian market crystalizes and we formulate action plans in order to carry it out.

In both 2016 and the medium term thereafter, ÜNLÜ & Co will continue to enrich its product and service lineup, to strengthen its capitalization, and to expand its geographical reach not just in the Turkish market but also into other countries and regions where it believes there to be market potential.

Although ÜNLÜ & Co is already a leading financier in its home market, we are aware that there is still a lot more that needs to be done in the medium and long term for it to be a regional and, ultimately, a strong global player as well.

Having said that, let me close by extending, personally and on behalf of the ÜNLÜ & Co Board of Directors, our thanks to all of our stakeholders for their confidence and generous support.

Very truly yours,

Mahmut L. ÜNLÜ

Chairman & CEO

Another important threshold will be reached when our strategy for the Iranian market crystalizes and we formulate action plans in order to carry it out.

LETTER FROM THE DEPUTY CHAIRMAN & GENERAL MANAGER



The added value that ÜNLÜ & Co generates for its clients benefits not just their companies but also the entire Turkish economy.

ÜNLÜ & Co, celebrating its 20th year in business in 2016, as a preferred partner in every area it operates, continues to advance confidently towards becoming a regional investment banking and asset management services provider by strengthening its leading position in the sector.

ÜNLÜ & Co over the last twenty years has effectively monitored both local and global economic trends hence it achieved successful results by properly managing markets' business needs and by turning them into opportunities.

Ability to assess unique opportunities for all its clients differentiates ÜNLÜ & Co as a distinguished partner which is also beneficial to the Turkish economy and employment.

ÜNLÜ & Co has all the resources, energy, ambition and competencies needed to become a leader not only in Turkey but also in MENA region in the near future.

INSTITUTIONALIZATION IS A VITAL TOPIC FOR OUR GROUP.

Full compliance with all the criteria set in the regulatory framework governing Turkey's financial and more specifically capital markets is a high a priority for us.

It is the approach of an effective management by law abiding practices in all of our service and business processes.

For corporate governance, we seriously focus on the issues of oversight, compliance, and

risk management. We regard the proper and thorough functioning of these processes within our organization as a prerequisite of our success and performance.

HUMAN RESOURCES, OUR MOST IMPORTANT ASSET, ARE ALSO THE GUARANTEE OF OUR SUSTAINABLE FUTURE.

ÜNLÜ & Co treats its human resources as a big family and believes that its own corporate sustainability is possible only through their constant improvement and quality. We continuously focus on expanding and improving our employees' competencies. We regard such efforts as a major item of our investment.

Our goal is to attract and hold the young, ambitious and brilliant professionals and to make ÜNLÜ & Co the most preferred employer brand in our industry.

ÜNLÜ & CO BRAND IS THE KEY ELEMENT OF OUR SUCCESS.

One of our goals in 2016 will be to further develop the positioning of the ÜNLÜ & Co brand. To this end our Group, which has so far achieved a deserved reputation among mainly institutional investors, will begin providing investment advisory services together with equity sales and leveraged brokerage services for domestic professional retail investors as well.

I have no doubt this new business line will be a successful one and will contribute towards

increasing the recognition of our brand among a much broader target group.

ÜNLÜ & CO CONTINUED ITS SUCCESS IN 2015 WITH INCREASED NUMBER OF INTERNATIONAL AWARDS AND RECOGNITIONS.

In 2015 we have been awarded both by Global M&A Atlas as the “Emerging Markets M&A Deal of the Year” and by Euromoney as the “Best M&A House” for our involvement in the United Biscuits project. With our Gözde Girişim bond issue we brought home the “2nd Local Bond Deal of the Year” from the Bonds & Loans & Sukuk Conference and received the “Financial Adviser of the Year” award from Mergermarket Group.

Each award we receive represents another milestone in our corporate history, and it does confirm our success as a team and the validity of our strategies and also enhances our overall motivation.

As a company well aware of its social responsibilities, ÜNLÜ & Co continued to contribute to social enrichment in 2015 while supporting contemporary art and artists.

In 2015 we again engaged in social responsibility projects such as the Entrepreneurship Foundation, the Women Entrepreneurs Association of Turkey (KAGİDER), and the Turkish Foundation for Children in Need of Protection (TKMCV). Regarding Corporate Social Responsibility as a complementary element of its own

sustainability and as a concrete demonstration of its contribution to society, ÜNLÜ & Co is committed to taking a long-term and systematic approach in similar endeavors.

Having foreseen that 2015 would be a transition year in both its local and international businesses, ÜNLÜ & Co focused on strengthening its various business lines and on investing in its technological infrastructure.

In 2016 our goals will be to continuously create value for the Turkish economy and corporates as we see them our business partners to advance vigorously towards becoming an active player in regional markets, with particular attention being given to Iranian market. We will also be concentrating on introducing our new product line to domestic retail clients both through new delivery channels and on our high – end technologically developed online platform.

In brief, I would like to note that we are both hopeful and excited about the future. We thank to the support of all the stakeholders who have enabled ÜNLÜ & Co to successfully reach its 20th year in business. I extend my sincere appreciation and respect to everyone who has contributed to the success of the ÜNLÜ & Co brand and wish you all the best for 2016.

Can ÜNALAN

Deputy Chairman & General Manager

In 2016 our goals will be to continuously create value for the Turkish economy and corporates as we see them our business partners to advance vigorously towards becoming an active player in regional markets, with particular attention being given to Iranian market.

MARKETS REVIEW: 2015 HIGHLIGHTS AND A LOOK AT THE FUTURE

4%
growth

Turkish economy is expected to grow by 4% in 2015; a similar performance is projected for 2016 as well.

Arguably one of the most restive years in Turkey's political history, 2015 will also be remembered as a period in which remarkable developments took place from the standpoint of economic performance.

When the general elections held in June failed to give any party a parliamentary majority, there ensued an equally unsuccessful process of coalition-building that lasted for three months. With no government emerging from the June election, constitutionally-mandated new elections were held in November in which the Justice & Development (AK) Party recovered the parliamentary majority that it had hitherto commanded for nearly twelve years and thus the right to govern Turkey by itself for another four years.

THE TURKISH ECONOMY MANAGED TO GROW BY 3.4% IN THE FIRST THREE QUARTERS OF 2015.

Although both consumer confidence and real-sector perceptions suffered from such a protracted election process, the Turkish economy nevertheless managed to grow by 3.4% in the first three quarters of 2015, thereby substantially outperforming most expectations. Turkish economy is expected to grow by 4% in 2015; a similar performance is projected for 2016 as well. ÜNLÜ & Co Research Team projects Turkish economy to register 3.8% y/y growth in 2016.

Another encouraging development in 2015 is that national budget performance remained

essentially on track despite some irresolution attributable to the two rounds of parliamentary elections. While the budget showed a deficit of TRY 5.4 billion in the first three quarters of the year, the primary surplus weighed in at TRY 45.8 billion. This is a remarkable performance and one that distinguished Turkey's economy from that of its peers. Indeed this success is one of the reasons why Turkey was able to hold onto its investment-grade rating even as other developing countries were shorn of it. The government has set its sights on an overall budget surplus beginning in 2017 and, if it can actually pull that off, it will be an achievement that will really set Turkey apart from other emerging economies.

The collapse in commodity prices that began in late 2014 continued in 2015 with no loss of momentum. As one of the world's bigger commodity importers, Turkey was also one of the luckier beneficiaries of this process, one of whose outcomes was a significant improvement in a current account deficit that still represents one of its economy's most serious structural problems. The current account deficit (CAD) has declined to USD 32 billion by end-2015, which may imply a ratio of 4.5% to GDP, which is a significant improvement compared to the previous year. ÜNLÜ & Co Research Team expects CAD to retreat to USD 28 billion by end-2016, which would imply 4.1% CAD/GDP ratio.

The successful performance that the Turkish economy achieved in terms of growth, budget performance, and CAD was not to be seen on the inflation front however. Twelve-month inflation was 8.8% as of year-end, which was well

above TCMB's 5% target and prompted serious doubts about the central bank's inflation-management prowess. The inflationary pressures exerted by a substantial erosion in the value of the Turkish lira combined with the effects of highly volatile food prices are expected to subside in 2016, which holds out the prospect at least of somewhat better inflation-related data. ÜNLÜ & Co Research Team projects the annual inflation to retreat to 8.1% in 2016.

THE FED INCREASED ITS POLICY RATE BY 0.25% IN LATE 2015.

For most of 2015, as was also the case in previous years, the issue that dominated capital market agendas around the world was what the US Federal Reserve Bank would or would not do about interest rates. Citing significant improvements in inflation, employment, and growth figures, the Fed raised its policy rate by a quarter of a percentage point in December of the year. This increase, which was largely in line with expectations, and moreover the bank's assurances that additional modest increases of this sort would be contingent on continued recovery in the US economy, put global equity markets at ease.

Another serious issue with which Turkey had to contend in 2015 was political and diplomatic tensions with its neighbors: Russia to the north and Syria and Iraq to the south. The Turkish air force's downing of a Russian fighter jet late in the year on the grounds that it had violated Turkish airspace in particular nearly brought the two countries to the point of breaking off

diplomatic relations. As of this writing, both the possibility of Russia's energy policy retaliation and the geopolitical developments unfolding in Syria and Iraq remain serious elements of risk for markets to price in 2016.

THE OUTLOOK FOR 2016 IS POSITIVE.

Taking everything into account and despite the developments and risks outlined above, the market outlook for 2016 is generally held to be positive.

Three factors which are thought will help make 2016 a favorable year are relatively strong growth, budget discipline, and improvements in the current account deficit. Beyond that however, two developments that are likely to pose risks for markets are domestic and foreign policy uncertainties arising from debates over whether Turkey should or should not adopt a presidential system of government and the upcoming replacement of TCMB's head, whose term of office expires this year.

One thing that seems probable is that the Fed's interest rates will be higher in 2016 than they were in 2015. That being so, the decisions which that bank takes will in all likelihood continue to be a factor having the most serious impact on markets' performance this year. Other issues that will significantly alter the course of markets are what steps the European Central Bank takes to stimulate Eurozone growth and what policies China adopts to counter the slowdown in its economy.

agenda

For most of 2015, as was also the case in previous years, the issue that dominated capital market agendas around the world was what the US Federal Reserve Bank would or would not do about interest rates.



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INVESTMENT BANKING SERVICES

*Murat Ülker,
Yıldız Holding,
Chairman*

*Acquisition of United
Biscuits,
USD 3.2 billion, 2014*



respect

Thanks both to the high levels of market respect and recognition that it commands and to the long-term relationships that it has established with leading market actors, the corporate finance advisory department continues to be involved in landmark corporate finance advisory projects.

CORPORATE FINANCE ADVISORY

Corporate finance advisory is one of ÜNLÜ & Co's core business activities. The Group supplies high value-added, tailor-made services to domestic and international clients in the areas of company mergers and acquisitions and capital market transactions.

A service approach that helps clients to achieve their aims

ÜNLÜ & Co's corporate finance advisory department has been actively involved in merger and acquisition (M&A) projects for leading multinationals, as well as for some of Turkey's biggest companies, since 1996. With its professional and experienced staff, this department delivers service conforming to the highest international standards while taking a proactive approach in helping clients to achieve their aims.

Cross-border acquisitions and joint ventures, private equity placements and buyer/seller advisory are just a few of the services that the corporate finance advisory department is experienced in providing.

Thanks both to the high levels of market respect and recognition that it commands and to the long-term relationships that it has established with leading market actors, the corporate

finance advisory department continues to be involved in landmark corporate finance advisory projects.

Over the last two decades the department has been a party to high-profile deals such as:

- Yıldız Holding's acquisition of United Biscuits, one of the world's biggest and oldest biscuit makers, and of Godiva Chocolatier, a manufacturer of premium chocolate and related products;
- Koç Group company Arçelik's acquisition of Defy Appliances, a South African white goods manufacturing company;
- The world's biggest dairy products and France's second-biggest food products group Lactalis's acquisition from Yıldız Holding of Ak Gıda, one of Turkey's biggest milk and dairy products manufacturers;
- Boyner Group's acquisition of YKM, a clothing and fashion accessories retailer;
- Cadbury Schweppes' acquisition first of Kent Gıda (leading Turkish confectionery company) and then of Intergum (Turkey's leading chewing gum company).

In addition, ÜNLÜ & Co has also:

- Provided financial advisory services in the privatization sale of İDO (İstanbul municipality's commuter ferry operator) to a consortium of companies that included Souter Investments LLP;

- Provided advisory services in the TAV Havalimanları Holding (Turkey's leading airport management services) public offering;
- Served as co-global coordinator and book runner in the Bizim Tiptan (the leader cash & carry company in Turkey) public offering;
- Served as sole global coordinator and book runner in Akfen Holding's private placement and in Ülker Bisküvi's secondary market offering.

2015 was another year in which the corporate finance advisory department enjoyed new successes.

The department continued to underwrite successful corporate finance projects in 2015 despite disadvantages such as serious market turmoil, stiff market competition and highly volatile supply and demand.

During the 12 months to year-end, the department provided financial advisory services for eight M&A transactions, with an aggregate value of TRY 3.3 billion.

In 2015, the department worked with major French, Japanese, American and British multinational groups and firms as it continued to pilot strategic collaborations and partnerships between them, and also some of Turkey's leading companies in their respective sectors.

2015 M&A HIGHLIGHTS

Sale of DeFacto to DF Retail

One of ÜNLÜ & Co's major projects in 2015 was a garment-industry M&A that involved DF Retail purchasing an 85% stake in DeFacto, Turkey's second-largest ready-to-wear brand, with 275 stores around the country and 35 more overseas. DF Retail, which controls assets worth some USD 50 billion in a number of emerging markets, is managed by Singapore-based Templeton Asset Management.

In this acquisition, ÜNLÜ & Co provided financial advisory services to DeFacto, which was founded in 2003 and which set out initially with the idea of establishing itself as a Mediterranean garment brand. Collections created by the company's Barcelona-based design office have made DeFacto a label that is very popular among young people.

Sale of Söke Un to Mediterra Capital Partners I

Another major project completed by ÜNLÜ & Co last year was the sale of Söke Un, a company that was founded in 1963 and is today one of Turkey's five biggest flour mills. ÜNLÜ & Co served as sole adviser in a deal that involved the acquisition of a 100% stake in Söke Un by Mediterra Capital Partners I, a UK-based private equity fund.

8 deals

In 2015, ÜNLÜ & Co's corporate finance advisory department provided financial advisory services for eight M&A transactions.

*Cem Boyner,
Boyner Holding
Chairman*

*Mustafa Türkay Tatar,
Boyner Holding
Member of the Board
Group CFO*

*Acquisition of YKM,
TRY 190 million, 2012*



INVESTMENT BANKING SERVICES



*Serhat Çeçen,
IC İçtaş Enerji Yatırım Holding
Chairman*

**IC İçtaş Enerji Yatırım
Holding Bond Issue,
TRY 135 million, 2015**

90%

In 2015 ÜNLÜ & Co acted as sole financial adviser in the project that involved the sale of 90% stakes in three other Yıldız Holding subsidiaries (Della Gıda, Bahar Su and İlk Mevsim Meyve Suları) to DyDo DRINCO, a Japanese beverage company.

Söke Un is just one of a string of investments that the Mediterra Capital Partners I fund has undertaken in Turkey: others include Arzum Küçük Ev Aletleri, Logo Yazılım, Uğurlu Balık, Mikro Ödeme, Mobiliz, Netsis, ACP Sigorta Brokerliği and Erna Sigorta Brokerlik. Institutional investors in Mediterra Capital Partners I include the European Bank for Reconstruction and Development, the European Investment Fund, the International Finance Corporation (a World Bank agency) and FMO (a Dutch development bank).

Sale of a majority stake in Ak Gıda to Lactalis

A third major project completed by ÜNLÜ & Co in 2015 was related to Ak Gıda, a Yıldız Holding subsidiary. Founded in 1996, Ak Gıda is a dairy company with five production facilities in five different regions of Turkey. In a deal in which ÜNLÜ & Co acted as an adviser, a majority stake in Ak Gıda was acquired by Lactalis, the world's biggest dairy products and France's second-biggest food products group.

With a portfolio of 23 different brands and 339 products, Ak Gıda is included in the İstanbul Chamber of Industry's "Turkey's largest 500 industrial companies" list and had a turnover worth TRY 1,837 million in 2014. French-based Lactalis Group employs more than 54 thousand people at 200 plants in 56 countries around the world.



*Levent Çakıroğlu,
Koç Holding CEO*

**Koç Holding
Acquisition of Defy Appliances (SA),
USD 324 million, 2011**

M&A projects for two Japanese investors

In 2015 ÜNLÜ & Co negotiated M&A deals in Turkey for two Japanese firms. The first, which took place in June, involved the sale of a 50% stake in İnci Akü, an automotive battery maker that was founded in 1984 and was a subsidiary of İnci Holding, to GS Yuasa International Ltd, a leading international provider of replacement automotive batteries and automobile-related products.

The second project, which took place in October and in which ÜNLÜ & Co acted as sole financial adviser, involved the sale of 90% stakes in three other Yıldız Holding subsidiaries (Della Gıda, Bahar Su and İlk Mevsim Meyve Suları) to DyDo DRINCO, a Japanese beverage company. As a result of these sales, ownership of the Cola Turka, Çamlıca, Saka Su, Sunny, Maltana, Eskipazar, Flores and Link Turkish beverages brands passed to DyDo DRINCO.

DEBT CAPITAL MARKETS and ADVISORY

ÜNLÜ & Co has taken its place among the top 3 leading intermediary institutions of Turkey with a placement volume of over TRY 1.2 billion and a market share of 17% TRY for corporate bond issuances in the last 2 years. ÜNLÜ & Co has confirmed its leading position in the market by becoming the only independent intermediary institution among the top 5 by both deal size and number of issuances.

ÜNLÜ & Co Debt Capital Markets and Advisory Department brings the Company's debt finance product and advisory competencies together on a single platform. The department develops bespoke, comprehensive, and unique solutions that address a client's particular financing needs.

ÜNLÜ & Co Debt Capital Markets and Advisory Department differentiates itself by the strong, long-term relationships that it builds with clients and by its ability to tap a diverse array of financing resources.

ÜNLÜ & Co provides advisory and intermediary services for domestic and international debt capital markets, and financial advisory services to address event-driven and specific requirements of its clients. ÜNLÜ & Co's structuring capabilities and structured product expertise focuses on providing medium and long term financing through;

- Bonds (local/international, public/private, equity-linked),
- Syndicated Finance (Syndication/club loans),
- Islamic Finance (Murabaha Financing, Sukuk issuances),
- Acquisition Finance,
- Project and Export Finance,
- Mezzanine Finance,
- Securitizations.

ÜNLÜ & Co has confirmed its leading position in the market as the only independent investment house among the top 5 in TRY bond issuances.

In 2015, ÜNLÜ & Co once again continued to play a leading role in corporate bond issuances and maintained its unassailable position despite tough market conditions and stiff competition.

ÜNLÜ & Co completed five bond issues in this year; The company embarked upon the year with a project for Çalık Enerji Sanayi ve Ticaret AŞ ("Çalık Energy") that was followed successively by issues for Karsan Otomotiv Sanayii ve Ticaret AŞ ("Karsan"), Söktas Tekstil Sanayi ve Ticaret AŞ ("Söktas"), Palmet Enerji AŞ ("Palmet Energy"), and IC İçtaş Enerji Yatırım Holding A.Ş.'nin ("IC İçtaş Energy").

5 bond issues

In 2015 ÜNLÜ & Co completed five corporate bond issues.

INVESTMENT BANKING SERVICES

36

EUR million

In 2015 as a part of its investment advisory services ÜNLÜ & Co Debt Capital Markets and Advisory Department arranged a total of USD 75 million worth of project finance and EUR 36 million worth of working capital loans.

- In February, ÜNLÜ & Co completed TRY 150 million worth of two-year bonds issued by Çalık Energy, Turkey's largest and one of the world's leading privately-owned energy sector engineering contractors. The funding secured by Çalık Energy's first Turkish lira-denominated bond issuance, has been utilized to finance the firm's energy sector investments.
- ÜNLÜ & Co completed Karsan's TRY 20 million private placement with a maturity of 3-years in March. Karsan is a leading Original Equipment Manufacturer in the automotive industry as well as a supplier of manufacturing, marketing, sales, and after-sales services to some of the world's leading names in the commercial vehicle segment. This was Karsan's third bond issuance, all of which reach TRY 300 million in total, with ÜNLÜ & Co.
- In April ÜNLÜ & Co completed the issuance of two-year, TRY 25 million bond for Söktaş, one of the world's principal specialist manufacturers of fabrics for shirt-making. This was the first Turkish lira-denominated bond issuance by Söktaş.
- ÜNLÜ & Co's fourth bond issue in 2015 was for Palmet Energy, a subsidiary of the Palmet Group. The two-year, TRY 50 million issuance was Palmet Energy's first Turkish lira-denominated bond issuance.
- ÜNLÜ & Co completed its last bond issuance in 2015 for IC Energy, a member of one of Turkey's leading corporate groups whose companies are active in various business lines ranging from construction to energy and from tourism to infrastructure. Although originally planned to be in the TRY 75-125 million range, investor demand for these bonds drove the total of bonds sold to TRY 135 million worth e. This was IC Group's debut Turkish lira-denominated bond issuance.

Investment advisory: Long-term, successful relationships

In 2015, ÜNLÜ & Co Debt Capital Markets and Advisory Department once again successfully carried out its investment advisory operations, arranging a total of USD 75 million worth of project finance. During the same period ÜNLÜ & Co has also acted as the Coordinator for the five-year, EUR 36 million working capital loan for one of its clients.

*Hamdi Akın,
Akfen Holding
Chairman*

*Pelin Akın,
Akfen Holding
Board Member*

*Akfen Holding Public
Offering,
USD 276 million, 2010*





*Cem Karakaş,
Yıldız Holding
Vice Chairman*

*Gözde Girişim Bond Issue,
TRY 400 million, 2014*

ÜNLÜ & Co provided financial advisory services for the USD 75 million project financing to Heksagon Katı Atık, one of Turkey's largest solid waste management firms and a subsidiary of Kiraça Holding A.Ş.

ÜNLÜ & Co Debt Capital Markets and Advisory Department acted as the Financial Advisor and the Coordinator in the provision of USD 75 million project finance with a maturity of 11 years and a grace period of three years for investments in new waste management plants by Heksagon Katı Atık.

This eleven-year funding was secured from Canada-based Cordiant Capital and the International Finance Corporation (IFC).

ÜNLÜ & Co acted as the Financial Advisor and Coordinator for the EUR 36 million term loan with a maturity of five years from Commercial Bank of Qatar and ABank for Alışan Lojistik A.Ş., one of Turkey's leading logistical services providers.

In 2016, ÜNLÜ & Co Debt Capital Markets and Advisory Department will be focusing on strengthening its trusted advisor role in addressing its clients' debt funding requirements and maintaining its leading position in bond issuances with a mission to develop the debt capital markets.

INSTITUTIONAL SALES

ÜNLÜ & Co's Institutional Sales Department plays an important role in the fulfillment of company's strategic objectives. In 2015, the team once again succeeded in turning its extensive knowledge and experience into success.

Particularly strong in private placements, initial/secondary public offerings and block sales, ÜNLÜ & Co Institutional Sales department has led numerous projects since 2010.

Commanding a leading position in the market to serve institutions that invest in equities, the department has a diversified client network made up of European, American, Asian and Turkish hedge funds, pension funds and sovereign wealth funds.

The success of a research-based, client-focused team

Drawing on the strengths of its highly experienced team, its extensive contacts and the solid client relationships, the Institutional Sales Department creates added value for its clients. A team of professionals with research background, market acumen and analytical abilities are strong together with a client relationship approach that is rooted in mutual trust and an

75

USD million

ÜNLÜ & Co Debt Capital Markets and Advisory Department acted as the Financial Advisor and the Coordinator in the USD 75 million project finance deal of Heksagon Katı Atık.

INVESTMENT BANKING SERVICES

24 sales

During 2010-2015 the Institutional Sales Department was responsible for 24 of the 80 block equity placements made in the market.

uncompromising commitment to ethical values, make the department a preferred service provider in Turkish capital markets.

The Institutional Sales Department benefits from the vast corporate network and resources of ÜNLÜ & Co. This collaboration with other ÜNLÜ Group companies supports the department in providing solutions to clients.

Commanding a market share on the order of 43% for the last five years, ÜNLÜ & Co has been a consistent leader of its sector.

According to figures published by Bloomberg for 2010-2015, ÜNLÜ & Co is the market leader in equity placements / offerings with a 43% market share (not including privatizations and intra-group transactions). When accounting for these transactions, ÜNLÜ & Co accounted for a third of all block sales undertaken in the market during the last 6 years.

ÜNLÜ & Co conducted the first two private placements undertaken in Turkey by US-based Templeton Asset Management: one in 2013 and the other in 2015.

In 2016, ÜNLÜ & Co Institutional Sales Department will be looking to further expand its team and transaction volume, bolstering its leadership of the block sales market.

In 2016, the department plans to open an office in New York City in order to facilitate its access to US investors through a registered broker-dealer, ÜNLÜ Securities Inc. The department will also carry out studies to provide brokerage services for institutional investors wishing to enter the Iranian market, once ÜNLÜ & Co establishes a presence in that country.

RESEARCH

The ÜNLÜ & Co Research Department distinguishes itself in the sector through thematic reports that it prepares in line with investors' needs. The number of companies being tracked by the department as of end-2015 was 63.

Having expanded the scope of the equity research services that it provides to foreign institutional investors, the ÜNLÜ & Co Research Department produces high-quality research reports as part of its capacity as a bridge between Turkish and foreign firms. The ÜNLÜ & Co Research Department is staffed by a team of ten professionals whose job is to report the results of their research on individual companies and sectors. The department pays regular visits to companies, focuses on non-market issues whenever called for, and undertakes in-depth studies.



*Sani Şener,
TAV Havalimanları
Board Member and
CEO*

*TAV Advisory Services for
IPO,
USD 321 million, 2007*



*Agah Uğur,
Borusan Holding CEO*

*Borusan Holding -
Acquisition of Balnak
Lojistik, 2012*

Because of its dynamic point of view, ÜNLÜ & Co's approach to research and reporting is rooted in the principle of identifying and drawing attention to investment opportunities in the companies that it scrutinizes.

By the end of 2015, the number of companies being systematically monitored and covered by the ÜNLÜ & Co was 63. In 2014, this number was 49.

In 2015 the ÜNLÜ & Co Research Department added credit research to its product and service lineup.

Credit research is an area to which the ÜNLÜ & Co Research Department gives particular attention to. The department's credit research services, which were launched in 2015, focus especially on corporate debt markets and take an entirely objective point of view. The department's experienced staff analyzes companies and sectors, write up their findings, and issue comprehensive credit reports in which they express their independent views. These reports, which describe and assess both the positive and negative aspects of the object of their study, are intended especially to provide guidance for portfolio managers' investment decisions.

Detailed in their analysis and rich in their content, the superior-quality reports and publications put out by the ÜNLÜ & Co Research Department help investors make the right decisions by directing them towards high-yield and profitable investment opportunities.

Highlights from ÜNLÜ & Co Research Department reports

Market Oracle reports the findings of in-depth equity market studies. Published monthly and drawing its information from an extensive database, Market Oracle presents not only the views of the department itself but also examines what other analysts have said about different sectors. It seeks to analyze the consensus views on the markets' prospects.

İstanbul Calling is a daily bulletin in which the research department draws attention to and comments on economic and political developments as well as highlighting the latest company and sector news.

Monthly Cherry Picks is another monthly publication in which the research team summarizes its Top Picks and Pair Trade ideas in the equity market.

63
companies

**By the end of 2015,
the number of
companies being
systematically
monitored and
covered by the
ÜNLÜ & Co was 63.
In 2014, this number
was 49.**

INVESTMENT BANKING SERVICES

*Levent Çakıroğlu,
Koç Holding CEO*

*Koç Holding
Sales of İzocam,
USD 171,3 million, 2006*



38%

There was a significant (38%) rise in the revenues generated by ÜNLÜ & Co's research products and services in the twelve months to end-2015.

The ÜNLÜ & Co Research Department also regularly publishes banking industry reports in which weekly and monthly figures are examined, companies are assessed, and current views are expressed.

Since the introduction of credit research services in 2015, the ÜNLÜ & Co Research Department has also been publishing:

- Monthly reports on sectoral developments
- Reports of news and opinions concerning bonds issued by companies
- İhraç Notu, a semi-annual report concerning the performance of each corporate bond issue.

In 2015, the ÜNLÜ & Co Research Department published a total of 150 reports. The department plans to continue expanding and diversifying the range of its publications and reports in light of market expectations in the period ahead.

In 2015 the research department conducted ten roadshows meeting with a total of 120 investors.

During 2015, the ÜNLÜ & Co Research Department methodically kept track of the

companies whose shares are traded on Borsa İstanbul and it conducted corporate and analyst roadshows. Ten such roadshows, intended mostly for American and European investors, were organized last year and enabled the department to reach and provide essential information to a total of 120 potential investors.

There was a significant (38%) rise in the revenues generated by ÜNLÜ & Co's research products and services in the twelve months to end-2015.

In 2016...

In line with ÜNLÜ & Co's regional growth and leadership strategy, the research department plans to enter the Iranian market and to include that country's equity market in the purview of its operations. To this end, ÜNLÜ & Co has begun expanding its research staff with professionals who are familiar with the Iranian market and are competent in the Persian language. Another of ÜNLÜ & Co's 2016 goals is to increase the number of companies whose Borsa İstanbul-traded shares it monitors to 70.

GLOBAL MARKETS

ÜNLÜ & Co Global Markets Department, as part of its strong focus on corporate bond sales business, successfully completed placement of five issuances in 2015.

ÜNLÜ & Co Global Markets Department is responsible for the intermediation of Global Markets transactions and the sale of corporate bond issuances on Turkish Debt Capital Markets. It provides liquidity and hedging solutions to financial institutions and corporates in its client portfolio in line with their particular needs. In addition, the team arranges the placement of corporate bond issuances through its distribution network consisting of banks, pension funds, mutual funds, asset management companies, family offices, insurance companies, private sector companies and retail investors.

ÜNLÜ & Co Global Markets team offers derivative, structured and leveraged solutions across the following product areas and markets:

- Local Corporate Bonds
- Foreign Exchange (spot and forward foreign exchange, swaps and options)
- Credit (sovereign / corporate bonds, credit default swaps and credit linked notes)

- Rates (interest rate swaps, cross currency swaps)
- Equity Derivatives (equity / index related derivatives and solutions)
- Commodities (base & precious metals and energy forwards, swaps, options & commodities financing)
- Client Financing (financing and leverage of fixed income and equity portfolios)
- Money Markets

ÜNLÜ & Co Global Markets team aims to continue to be one of the leaders in Turkish Corporate Bond Market.

Despite difficult market conditions in a year of heightened domestic political and geopolitical risks, the team successfully completed five issuances in 2015. As a result of their close collaboration with the Debt Capital Markets & Advisory Department, the total volume of corporate bond issuances arranged by ÜNLÜ & Co in 2015 reached TRY 380 million.

380
TRY million

As a result of their close collaboration with the Debt Capital Markets & Advisory Department, the total volume of corporate bond issuances arranged by ÜNLÜ & Co in 2015 reached TRY 380 million.



Ahmet Çalık,
Çalık Holding
Chairman

Çalık Enerji Bond Issue,
TRY 150 million, 2015

ASSET MANAGEMENT SERVICES

3,000
stores

As of year-end 2015, ŞOK, one of the portfolio companies in which ÜNLÜ Alternative Asset Management provides advisory services, was operating close to 3,000 stores country-wide

*Murat Ülker,
Yıldız Holding
Chairman*

*Acquisition of Godiva,
USD 850 million, 2008*



*Hamdi Akın,
Akfen Holding
Chairman*

*Akfen Holding -
Acquisition of IDO (Akfen
Holding - Souter Investments),
USD 861 million, 2011*

ÜNLÜ ALTERNATIVE ASSET MANAGEMENT

In 2015, ÜNLÜ Alternative Asset Management continued to grow along with the companies owned by the funds to which it provides advisory services.

ÜNLÜ Alternative Asset Management provides advisory services to institutional investors and investment funds planning to undertake private equity investments in Turkey. The department seeks to differentiate itself from competitors by continuing to bolster the strong relationships that have been developed with Turkish firms over the years.

Conducting its operations with a team of ten professionals, ÜNLÜ Alternative Asset Management focuses on long-term investments in the shares of private-sector and publicly-traded companies, in non-performing loans, infrastructure and real estate asset classes through a variety of financing methods such as equity, debt, and other instruments.

2015 highlights concerning the investment funds to which ÜNLÜ Alternative Asset Management provides advisory services are presented below.

Investment in one of Turkey's leading clothing and accessories retailers

In the third quarter of 2015, investment in one of Turkey's leading clothing and accessories retailers was completed.

ŞOK, on its way to become the market leader

ŞOK Marketler A.Ş. (ŞOK), continued its strong growth in 2015.

With the completion of its infrastructure investments and other comprehensive projects, ŞOK is moving towards its goal of becoming a leading retailer in Turkey. As of year-end 2015, ŞOK was operating close to 3,000 stores country-wide, 800 of which were opened in 2015.

Stake in Golf Dondurmaları increased to 55%

There has been a change in the shareholding structure in Golf Dondurmaları. Following this change, Golf Dondurmaları has been undergoing a management reorganization and restructuring process.



ASSETS UNDER MANAGEMENT (TRY)

December 2015

585,489,600 (Number of Investors: 2,392)

December 2014

275,775,704 (Number of Investors: 1,255)

December 2013

46,956,500 (Number of Investors: 45)

PORTFOLIO MANAGEMENT

With a total assets under management of about TRY 600 million by 2015 year end and 2,400 investors, ÜNLÜ Portfolio Management ranks as one of the biggest asset management companies in the local asset management sector and is now a major player.

ÜNLÜ Portfolio Management has been managing one of Turkey's fastest growing mutual fund which is the largest mutual fund managed by an independent asset management company in Turkey. Client satisfaction in terms of consistent fund performance as well as service quality helped achieve continuous fund growth.

ÜNLÜ Portfolio Management caters investors under the following funds:

ÜNLÜ Portfolio Second Variable Fund (SUB) and ÜNLÜ Portfolio Third Variable Fund (SUC) are fixed income funds which are suitable

for investors with a low risk appetite who traditionally invest in Turkish Lira time deposits. Neither of these funds aforementioned do not invest in equities and thus volatility is minimal.

We also offer a Hedge Fund for those investors who are not sensitive to market volatilities and are aiming to benefit from market swings. The fund primarily concentrates on Turkish assets and aims to generate absolute return under all market conditions, with a mid-to-long term investment perspective.

Via our Capital Protected Funds, investors have the ability to invest in equity markets whilst having capital protection. The 'new generation' features of these funds such as higher levels of participation, more flexible exit opportunities and shorter maturity compared to peer funds in the market make these funds attractive for investors.

tripled

Having tripled the size of total assets under its management ÜNLÜ Portfolio Management ranks as one of the largest independent asset management companies.

ASSET MANAGEMENT SERVICES

superior services

İSTANBUL Varlık manages the NPL portfolios purchased from banks and other financial institutions together with two other Group companies—DUFDAS and PLATO—which provide superior and effective collection services.

2016 and beyond...

With an effort to cater investor needs, we will be broadening our product range in 2016. We will be launching our 'Regional Opportunities Fund' in the 1Q16, which will primarily focus on Iran. The fund has already been approved by the Turkish Capital Markets Board and will be offered to investors upon lifting of sanctions in 2016. We believe that Iran may be the last untapped frontier for the international investors and the lifting of sanctions is a great opportunity for our company and our clients. Another product in our pipeline is the 'Real Estate Investment Fund' through which investors will have the opportunity to invest in local real estate sector. With our target of becoming Turkey's number one asset management company, we will continue to diversify our product range.

İSTANBUL VARLIK

As of end 2015, ÜNLÜ & Co's non-performing loans (NPL) management business manages around TRY 1.4 billion of distressed assets. The Group's collection management services are provided by two subsidiaries: DUFDAS and PLATO.

A member of the ÜNLÜ & Co's Group companies, İSTANBUL Varlık Yönetim A.Ş. (İSTANBUL Varlık) was established in 2009

to invest in NPL portfolios with the permission of the Turkish Banking Regulation and Supervision Agency. İSTANBUL Varlık manages the NPL portfolios purchased from banks and other financial institutions together with two other Group companies—DUFDAS and PLATO—which provide superior and effective collection services.

İSTANBUL Varlık started the NPL business by focusing on the management of commercial and corporate NPL portfolios through DUFDAS. With the surge in retail NPL ratios that took place in the wake of Turkey's 2008 crisis, PLATO was established to concentrate on this segment. As of end 2015, the three companies, İSTANBUL Varlık, DUFDAS, PLATO, has more than 200 employees.

İSTANBUL Varlık manages circa TRY 1.4 billion of distressed assets and 265,000 borrowers.

In the volatile business climate of 2015, İSTANBUL Varlık continued to manage its sixteen NPL portfolios acquired from ten different banks and financial institutions with a total investment of more than TRY 200 million up to date.

PLATO FİNANSAL

PLATO Finansal has begun reaping the benefits of its ventures in 2015. Last year, the company added five major clients to its portfolio and increased its non-group revenues.

Established in 2009, PLATO Finansal provides NPL portfolio management services in the retail and micro-SME segments to İSTANBUL Varlık and other NPL companies. The portfolios under PLATO Finansal's management consist of:

- Credit card receivables
- Overdraft accounts
- Consumer, vehicle, residential and micro-SME loans.

Before 2015, around 95% of PLATO Finansal's revenues were from İSTANBUL Varlık, another ÜNLÜ & Co Group company. As of 2015, this ratio has fallen to around 75% as a result of the addition of five major corporate clients to its portfolio. PLATO Finansal's goal is to continue further diversifying its revenue sources and increase the share of non-group revenue streams in 2016.

Synergies created by a new and modern office environment

In 2015, PLATO Finansal moved into its new office located in Mecidiyeköy. With this relocation, the company has been able to expand its human resources, strengthen its technological infrastructure, and increase its operational capabilities. As of end 2015, PLATO Finansal

had a total of 200 people on its payroll, 150 of whom manned the company's call center.

PLATO Finansal enjoys a well-deserved reputation as a school in the NPL sector. The company gives particular importance to its employees' training and constantly invests in improving it. In 2015, 180 of PLATO Finansal's employees were provided with training averaging around 60 hours per person.

DUFDAS

DU Finansal Danışmanlık Hizmetleri (DUF-DAS) significantly increased its collections in 2015 through a combination of strategy development and collaboration.

Despite the slowdown in the economy, DUF-DAS achieved all of its collection targets in 2015.

Established in 2006, DUF-DAS undertakes the management of corporate and commercial NPL portfolios and provides borrowers with tailor-made payment solutions.

Strong relationships with its business partners and an extensive communication network form the core of DUF-DAS's NPL management strategies. Thanks to its experienced legal team and know-how, the company has been very successful in making big-ticket collections so far.

With its expanding team and proactive collection strategies DUF-DAS plans to continue growing by providing management and collection services for new portfolios in 2016.

60 hours

In 2015, 180 of PLATO Finansal's employees were provided with training averaging around 60 hours per person.

Established in 2006, DUF-DAS undertakes the management of corporate and commercial NPL portfolios and provides borrowers with tailor-made payment solutions.



*Cem Boyner,
Boyner Holding
Chairman*

*Boyner Holding -
Back - up Sales,
2012*

ASSET MANAGEMENT SERVICES

Thanks to the strong relationships that it has developed in the Middle East region specifically in Qatar, Bahrein, Saudi Arabia, and Kuwait in which its clients are particularly interested, MENA Finans provides an access point to the region.

MENA FINANS

Focusing on Middle Eastern and North African markets, MENA Finans provides boutique investment advisory services that target this region.

MENA Finans provides tailor-made and in-depth, knowledge-based solutions for investments being undertaken by:

- Private equity funds,
- Sovereign wealth funds,
- Investment banks,
- Family offices.

In the private equity business line, MENA Finans prefers to work with firms which it deems to have strong growth capacity and consistent revenue streams. In line with the needs of its international investors, the priority sectors company has identified food & agriculture, retailing, logistical services, pharmaceuticals, and health services.

MENA Finans provides its clients with integrated service that encompasses all stages of the investment cycle.

MENA Finans supplies comprehensive investment-management services which include sharia-compliant investment structuring, execution, and management until successful exit and which can satisfy the specific criteria of Middle Eastern and North African investors.

MENA Finans is a crucially-positioned company in ÜNLÜ & Co's regional expansion strategy.

MENA Finans is already playing an active role in the realization of ÜNLÜ & Co's long-term vision and strategic regional objectives. Thanks to the strong relationships that it has developed in the Middle East region specifically in Qatar, Bahrein, Saudi Arabia, and Kuwait in which its clients are particularly interested, it is serving as the Group's headquarter in the region.

Specially-developed investment opportunities for Middle Eastern and North African investors. MENA Finans also provides real estate investment services appealing to Middle Eastern and North African investors. The company identifies suitable real estate investment opportunities, structures them, and executes them in line with investors' requirements.

*Sani Şener,
TAV Havalimanları
Board Member and CEO
Burcu Geriş,
TAV Havalimanları VP & CFO
TAV - Finance for Tunisia,
EUR 392 million, 2008*





*Agah Uğur,
Borusan Holding CEO*

*Bariş Kökoğlu,
Borusan Holding President
- Finance and Financial
Affairs*

*Borusan Holding
Strategic Assessment,
2011*

MENA Finans focuses in particular on two types of real estate investment projects:

1- Income Generating Projects

2- Development Projects

In addition to helping clients tap sources of real estate investment financing, the company is also experienced in structuring sharia-compliant transactions.

MENA Finans also provides Mezzanine Financing opportunities to its investor base (including both debt and equity components) that are compatible with Middle Eastern and North African investors' criteria on the one hand and of transforming opportunities into investments on the other.

212 CAPITAL PARTNERS

Turkey has become an attractive destination compared to the other markets in the world in light of many different factors like demographic data (excess young population, fields of interest), improving risk-capital ecosystem, high internet and mobile penetration, improving internet and e-commerce ecosystem and powerful online & offline consumer habits.

As ÜNLÜ & Co we support Capital Partners (212), which supplies initiative capital in the establishment period of technology, Internet, communication firms and we become a partner of 212 Ltd. 212 plays a significant role in being one of the biggest funds for the companies that want to establish ventures in the vertical markets like software, social games, e-commerce, mobile, social media and cloud network.



HUMAN RESOURCES

*Cem Boyner,
Boyner Holding
Chairman*

*Mustafa Türkay Tatar
Boyner Holding
Member of the Board
Group CFO*

*Boyner Holding - Altınyıldız
Bond Issue,
TRY 20 million, 2005*



*Cem Karakaş,
Yıldız Holding
Vice Chairman*

*Yıldız Holding -
Sales of Ak Gıda, 2015*

355
employees

As of end of 2015,
ÜNLÜ & Co headcount
was 355 employees.

ÜNLÜ & Co Human Resources Department aims at acquiring and retaining employees of a broad vision, outstanding customer-orientation, and are open to innovation, as such qualities are essential to the Group's continued success and growth.

ÜNLÜ & Co's staff consists of talented young individuals and experienced investment banking professionals, all of whom embrace the Group's values, principles, and corporate culture with a strong drive for success.

ÜNLÜ & Co believes that respect for human rights is fundamental to all cohesive social interaction. Thus strict commitment to the principles of diversity and equal opportunity are at the heart of the Group's human resources policy.

With an effort to constantly nurture and improve employee performance, the ÜNLÜ & Co Human Resources Department gives particular attention to talent management. Leadership, commitment to teamwork, results-orientation, creativity, and relentless drive for excellence are regarded as essential traits of a successful ÜNLÜ & Co employee. Career-development opportunities are provided so as to ensure that talent is managed in the most effective and productive way possible.

In line with the ÜNLÜ Group's employment policy, the ÜNLÜ & Co Human Resources Department strives to respond to staffing needs in line with business goals and requirements to recruit highly capable individuals.

ÜNLÜ & Co Human Resources Highlights

- As of end of 2015, ÜNLÜ & Co headcount was 355 employees.
- 90% of ÜNLÜ & Co employees hold master's degrees from leading local and international universities.
- 35% are female and 65% are male.
- Their average age is 36.

There are, on average, 30% more women in strategic management and front-office roles than in operational units.

ÜNLÜ & Co's training budget accounts for a substantial percentage of its annual human resources costs.

Management Trainee (MT) Program

The ÜNLÜ & Co Management Trainee Program is an ambitious platform designed to equip new graduates with a unique skill set in core financial services and investment banking.

Under this program, candidates for full-time roles undergo eighteen months of hands-on training in different company units under the supervision of the Group's senior and experienced leaders.

The Program's main objective is to support this selected group of new graduates who aspire a career in finance and investment banking through designing their own career paths in line with their strengths and ambitions.

As of end of 2015, five management trainees are participants in the ÜNLÜ & Co Management Trainee Program. Two of them are graduates of Purdue University, two of Virginia University, and one of New York University.

Two trainees who had previously completed the program successfully have been hired into full-time roles in ÜNLÜ & Co team.

5 MTs

As of end of 2015, five management trainees are participants in the ÜNLÜ & Co Management Trainee Program. Two of them are graduates of Purdue University, two of University of Virginia and one of New York University.

ÜNLÜ & Co Key Demographic Indicators (31 December 2015)



355 employees



35%



65%

CORPORATE SOCIAL RESPONSIBILITY



ÜNLÜ & Co's social responsibility programs are focused on three areas: "Entrepreneurship", "Education" and "Support for Women".

While creating value for both the national economy and the finance industry through its business activities, ÜNLÜ & Co also focuses on contributing to the society through the various social responsibility projects.

During 2015, the Group continued to contribute to social wellbeing by co-sponsoring the Entrepreneurship Foundation of Turkey and taking part in the Duke of Edinburgh Fellowship and other scholarship programs.

Contributing increasingly more to the growth and development of Turkey's finance industry through its products and services, ÜNLÜ & Co also seeks to have a beneficial impact on and to create value for its community through the various social responsibility projects that it undertakes or supports.

Such engagement is evident not only for the value that ÜNLÜ & Co gives to the individuals and the community, but also for the responsibility that it undertakes as a corporate citizen.

Since the day it was founded, ÜNLÜ & Co has been regularly involved in efforts addressing issues in the areas of free enterprise, employment, and investment. ÜNLÜ & Co's social

responsibility programs are focused on three areas:

- 1) Entrepreneurship
- 2) Education
- 3) Support for women

ENTREPRENEURSHIP

ENTREPRENEURSHIP FOUNDATION OF TURKEY

One of the organizations that ÜNLÜ & Co supports is the Entrepreneurship Foundation, which was set up by some of Turkey's leading entrepreneurs, businesspeople, and opinion leaders. The foundation works with young people to advance the culture of entrepreneurship in Turkey, a country with has the youngest population in Europe.

The Entrepreneurship Foundation's Fellow Program brings young people together with successful entrepreneurs in order both to familiarize them with the world of business and to give them access to role models' experience.

Prospective candidates for the Fellow Program go through a rigorous six-step assessment

process. Those who are accepted take part in bi-monthly FellowUP inspiration meetings and in networking, traineeship, and experience activities.

Şebnem Kalyoncuoğlu Ünlü, who is a member of the Entrepreneurship Foundation Board of Trustees and an executive member of the ÜNLÜ Yatırım Holding Board of Directors, also gives young people the benefit of her experience and guidance by taking part in these meetings. During one of the foundation's "Starters Hub" sessions in which he took part, ÜNLÜ & Co chairman Mahmut Levent Ünlü talked about his own experiences as an entrepreneur.

For more detailed information:

<http://www.girisimcilikvakfi.org/eng/>



EDUCATION

“BOĞAZIÇI BUILDS SCHOOLS” PROJECT

One way in which ÜNLÜ & Co supports education is through its participation in the “Boğaziçi Builds Schools” project spearheaded by the Boğaziçi University & Robert College Alumni Association of Industrialists, Businesspeople, and Management Professionals (BRM).

BRM is a network that supports strong and synergistic communication among its members. The association's mission is to provide beneficial support to new graduates, to current students, and to youths whose material resources are limited but who aspire to be Boğaziçi University students.

With BRM's guidance, four primary and one middle school were built in villages in the province of Ağrı, thereby providing modern and well-ordered settings for the instruction of 650 pupils. As part of this project, the Ağrı Tezeren Primary School & Gymnasium were formally opened in September 2015.

<http://www.bogaziciokulyapiyor.org/>



KOÇ UNIVERSITY ANATOLIAN SCHOLARS PROGRAM

Introduced in 2011 by Koç University (KU) to provide financial assistance to students who are successful but unable to pursue their studies due to lack of financial means, the Anatolian Scholars Program has been growing steadily ever since thanks to the generosity of the program's donors.

ÜNLÜ & Co is a member of this program, that aims to help young people to get a fair education. A student enrolled in the Computer Engineering, receives financial support from ÜNLÜ & Co and she is currently pursuing her studies under Anatolian Scholars Program.

<https://anadolubursiyerleri.ku.edu.tr/node/77>



As part of the “Boğaziçi Builds Schools” project that ÜNLÜ & Co supports, the Ağrı Tezeren Primary School & Gymnasium were formally opened in September 2015.



CORPORATE SOCIAL RESPONSIBILITY

5-year

ÜNLÜ & Co became a member of the Duke of Edinburgh's International Award Fellowship program in 2015, for a period of five years support agreement.



ROBERT COLLEGE SCHOLARSHIP PROGRAM

Supported by Robert College alumni and volunteers, the Robert College Scholarship Program provides scholarship to merited students during the course of their education.

Since 2014, ÜNLÜ & Co has been taking part in and contributing to this program supporting young people in their efforts to get a good education and become individuals who are beneficial to their community and country. That year, a fully-endowed scholarship was established in ÜNLÜ & Co's name.

<http://webportal.robcol.k12.tr/tr/Sayfalar/default.aspx>



TURKISH FOUNDATION FOR CHILDREN IN NEED OF PROTECTION (TKMCV)

TKMCV believes that every young person has the right to live a life that they deserve by all possible means such as adequate nourishment to fair education. Founded in 1979, this non-governmental organization's aim is to help young people, supported by a good family environment, to grow up healthy and strong, be

educated, and develop their individual talents and abilities.

Every year ÜNLÜ & Co makes a donation to this NGO, whose survival is dependent on the support of its volunteers and donors. Through its support of the foundation's Kidsville project, ÜNLÜ & Co assists TKMCV in fulfilling its goal of helping children to grow up as socially beneficial individuals who are prepared for life.

<http://www.koruncuk.org/>



DUKE OF EDINBURGH FELLOWSHIP PROGRAM

The Duke of Edinburgh's International Award Fellowship is a personal development program for young people. The program's aim is to equip young people with the abilities they need to distinguish themselves not just in their own community but worldwide as well. Inaugurated in 1987, the program has 400 active donors and members in 42 countries.

ÜNLÜ & Co became a member of the program in 2015, at which time it signed a five-year support agreement. Under this agreement, the Group provides the program with material support.

In 2015 ÜNLÜ & Co Chairman Mahmut Levent Ünlü and ÜNLÜ Yatırım Holding Executive Board Member Şebnem Kalyoncuoğlu Ünlü attended a reception given by Prince Edward, Earl of Wessex at Buckingham Palace.

<http://www.intaward.org/world-fellowship>



SUPPORT FOR WOMEN

WOMEN ENTREPRENEURS ASSOCIATION OF TURKEY

Founded in 2002 as a joint undertaking of 37 women entrepreneurs, the Women Entrepreneurs Association of Turkey (KAGİDER) is a non-profit organization whose 305 members active in a wide range of businesses and sectors support the furtherance of the association's efforts and operations all over Turkey.

Seeking to stand by young women who are enterprising, actively engaged in communal and business life, hardworking, and productive and who have the ability to be tomorrow's leaders, ÜNLÜ & Co has been providing KAGİDER with material and moral support since 2014.

<http://www.kagider.org/>



MENTOR - MENTEE PROGRAM

ÜNLÜ & Co Chairman and CEO Mahmut Levent Ünlü continues to provide monthly mentoring support to his designated mentee under the "More Women On The Board" mentoring program organized by Forbes magazine to support women's management-level participation in business life.

In addition, our Corporate Finance Advisory Managing Director Simge Ündüz has been taking a management course given by Çalık Holding's Chairman Ahmet Çalık, under the Mentor-Mentee Program.

mentor - mentee program

Our Corporate Finance Advisory Managing Director Simge Ündüz has been participating in a mentoring program by Çalık Holding's Chairman Ahmet Çalık, under the Mentor-Mentee Program.



ÜNLÜ YATIRIM HOLDİNG BOARD OF DIRECTORS



MAHMUT LEVENT ÜNLÜ / CHAIRMAN

Mahmut Ünlü graduated from the Mechanical Engineering Department of Georgia Institute of Technology in 1989 and received an MBA degree from Rice University, Houston in 1991. He started his career in 'İktisat Bankası', a Turkish merchant bank in Corporate Finance in 1991. He then moved to Yatırım Bank, Turkey's first investment bank, and set up the Bank's Corporate Finance, Research and International Capital Markets businesses subsequently serving as Assistant General Manager between 1992 and 1995. In 1996, he left Yatırım Bank to co-found Dundas ÜNLÜ, a pioneer in M&A advisory. Mr. Ünlü served as Managing Partner and latterly as the CEO and built Dundas ÜNLÜ into the leading investment banking and asset management group in Turkey. He formed a strategic partnership with Standard Bank Group London Holdings in 2007, called "Standard ÜNLÜ" and served as the Deputy Chairman and CEO. He was also a member of the International Executive Committee of Standard Bank between 2008 and 2012. In 2012, he formed 'ÜNLÜ & Co' to acquire 75% stake of Standard ÜNLÜ as well as to control stakes in various asset management businesses and is currently serving as the Chairman and CEO.



CAN ÜNALAN / DEPUTY CHAIRMAN

Can Ünalán graduated from the Business Administration Department of İstanbul University in 1985, majoring in finance and received an MBA degree from Marmara University in 1986. Mr. Ünalán started his banking career in İşbank Audit Department in 1986 and then joined ABN AMRO Bank between 1993 and 2006, holding various positions ranging from CRO (Chief Risk Officer), COO (Chief Operations Officer) to CEO & Board Member. Being a member of Country Credit Committee and ALCO, Mr. Ünalán actively participated in the management positions within the organization. In 2006, Mr. Ünalán joined Garanti Bank - GE Capital partnership and was a member of the Corporate and Commercial Risk Committee. Before joining ÜNLÜ & Co, Mr. Ünalán was acting as the Turkey CEO in Mubadala GE Capital. He is now acting as the Deputy Chairman of ÜNLÜ & Co and General Manager of ÜNLÜ Securities.



İBRAHİM ROMANO / MEMBER

İbrahim Romano graduated from Boğaziçi University Economics Department in 1992 and attended International Relations Program at Istanbul University in 1993. He worked as a Project Assistant at Carrefour between 1993 and 1994, as an Assistant Manager at Yatırım Bank between 1994 and 1996 and as a Manager at Dundas ÜNLÜ between 1996 and 2002. He is serving as the Managing Director of the Corporate Finance Advisory Department at ÜNLÜ & Co.



SELÇUK TUNCALI / MEMBER

Selçuk Tuncalı graduated from the Mechanical Engineering department of Boğaziçi University in 1989 and obtained an International Management degree from Istanbul University and an MBA degree in finance from Rice University, Houston in 1992. He started his career as a Credit Marketing Officer at Interbank and Ticaret Leasing, and subsequently worked as Head of Treasury Marketing Unit at Finansbank and as Head of Fixed Income at İktisat Yatırım. He joined the company in 2002 and currently serves as the General Manager of İSTANBUL Varlık, the Non-Performing Loan business of ÜNLÜ & Co.

ÜNLÜ MENKUL DEĞERLER BOARD OF DIRECTORS



MAH MUT LEVENT ÜNLÜ / CHAIRMAN

Mahmut Ünlü graduated from the Mechanical Engineering Department of Georgia Institute of Technology in 1989 and received an MBA degree from Rice University, Houston in 1991. He started his career in 'İktisat Bankası', a Turkish merchant bank in Corporate Finance in 1991. He then moved to Yatırım Bank, Turkey's first investment bank, and set up the Bank's Corporate Finance, Research and International Capital Markets businesses subsequently serving as Assistant General Manager between 1992 and 1995. In 1996, he left Yatırım Bank to co-found Dundas ÜNLÜ, a pioneer in M&A advisory. Mr. Ünlü served as Managing Partner and latterly as the CEO and built Dundas ÜNLÜ into the leading investment banking and asset management group in Turkey. He formed a strategic partnership with Standard Bank Group London Holdings in 2007, called "Standard ÜNLÜ" and served as the Deputy Chairman and CEO. He was also a member of the International Executive Committee of Standard Bank between 2008 and 2012. In 2012, he formed 'ÜNLÜ & Co' to acquire 75% stake of Standard ÜNLÜ as well as to control stakes in various asset management businesses and is currently serving as the Chairman and CEO.



MARTIN BOTHA / DEPUTY CHAIRMAN

Martin Botha graduated from University of Cape Town in 1979 with a BSc in Engineering. Mr. Botha started his career as an engineer and got involved in engineering surveying in the Middle East and Africa for 4 years through a company he helped to establish. His banking career commenced with Nedbank's Treasury in Johannesburg before moving to Kleinwort Benson in London after the South African debt default. He joined Standard Bank's London businesses in 1988 and has led the development of numerous business areas, including the bank's natural resources franchises, as well as various geographic expansion initiatives. He is serving as the Deputy Chairman of the Board of Directors at ÜNLÜ Securities.



ATTILA KÖKSAL / CFA - EXECUTIVE BOARD MEMBER

Attila Köksal graduated from Boğaziçi University Mechanical Engineering Department in 1983 and received an MBA Degree from Drexel University, Philadelphia in 1985. He worked as General Manager at Inter Yatırım A.Ş. between 1991 and 1996 and fulfilled the role of CEO between 1996 and 2001. He acted as the General Manager of Dundas ÜNLÜ, Standard ÜNLÜ and ÜNLÜ & Co, the new partnership, between 2002 and 2013. Now he is serving as Executive Board Member of ÜNLÜ Securities.



ŞEBNEM KALYONCUOĞLU ÜNLÜ / EXECUTIVE BOARD MEMBER

Şebnem Kalyoncuoğlu Ünlü received her MSc degree in International Accounting and Finance from London School of Economics in 1996 and her BA degree in Management from Boğaziçi University in 1995. Mrs. Ünlü started her career at ABN AMRO Bank in Turkey, where she was Vice President of Structured Finance between 1996-1999. After that she joined Credit Suisse in London in 1999, covering Turkey in the Emerging Markets Coverage Group, followed by working as the Country Manager and Head of Investment Banking at Credit Suisse in London until 2006. Following that Mrs. Ünlü acted as the CEO of Alkhair Capital Turkey and Alkhair Asset Management Turkey.

Currently Mrs. Ünlü acts as the CEO of MENA Finans and additionally she is a Executive Board Member of ÜNLÜ Securities.

SENIOR MANAGEMENT



LEFT TO RIGHT

Tunç Yıldırım (Institutional Sales & Brokerage Managing Director), Batur Özyar (Institutional Sales & Brokerage Managing Director), Ayşe Akın (Debt Capital Markets & Advisory Managing Director), Tuncay Kuli (Chief Operations Officer), Hakan Ansen (Global Markets Director), Burak Dedeler (ÜNLÜ Alternatives Managing Director), Zafer Onat (Financial Advisory & Brokerage Services Managing Director), Selçuk Tuncalı (ÜNLÜ & Co Board Member and İSTANBUL Varlık General Manager), Esra Korkmazarslan (DUFDAS General Manager), Mehmet Sezgin (Corporate Finance Managing Director), Simge Ündüz (Corporate Finance Managing Director)

Seated: Can Ünalın (ÜNLÜ & Co Deputy Chairman and ÜNLÜ Securities General Manager), Mahmut L. Ünlü (ÜNLÜ & Co Chairman and CEO)

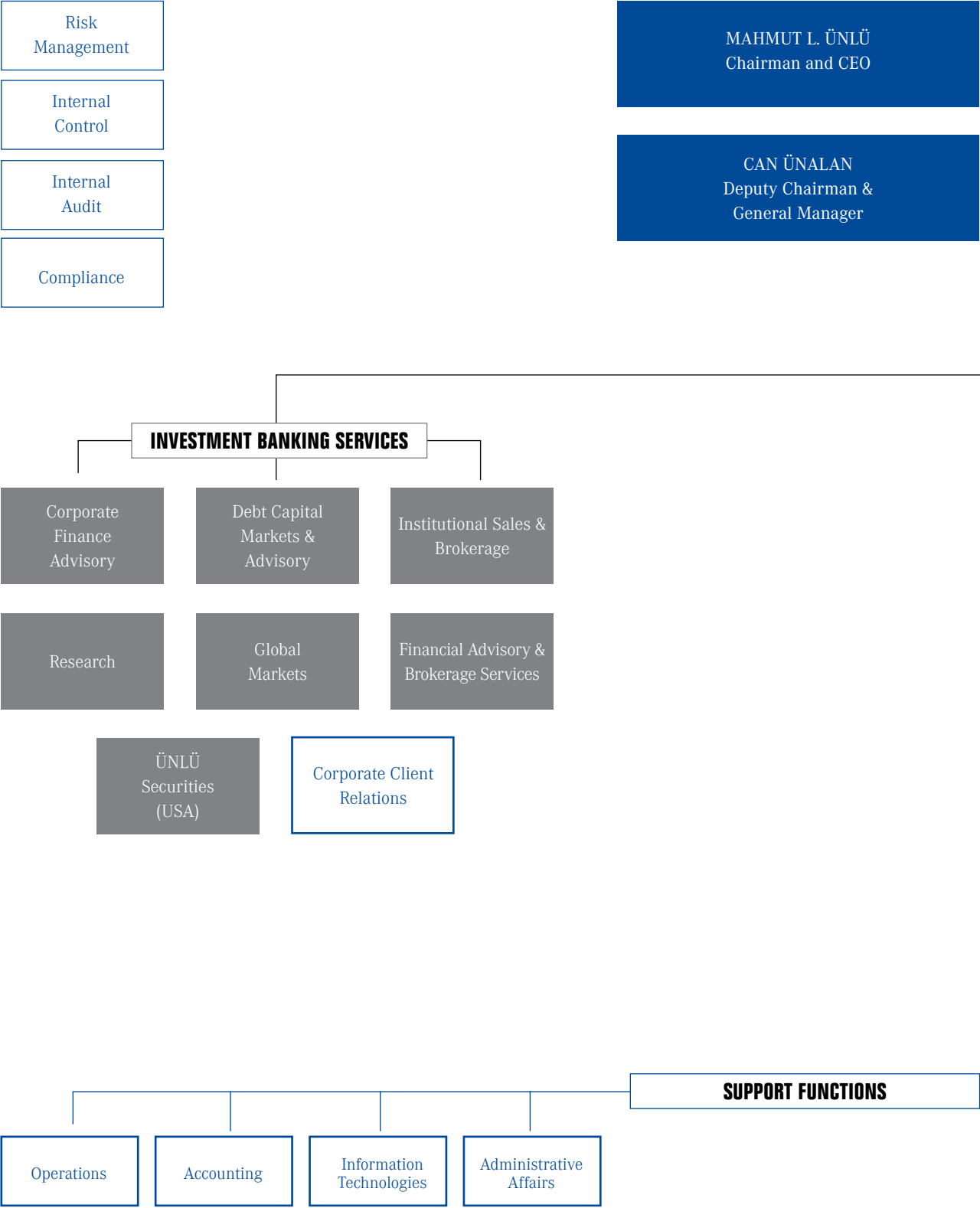


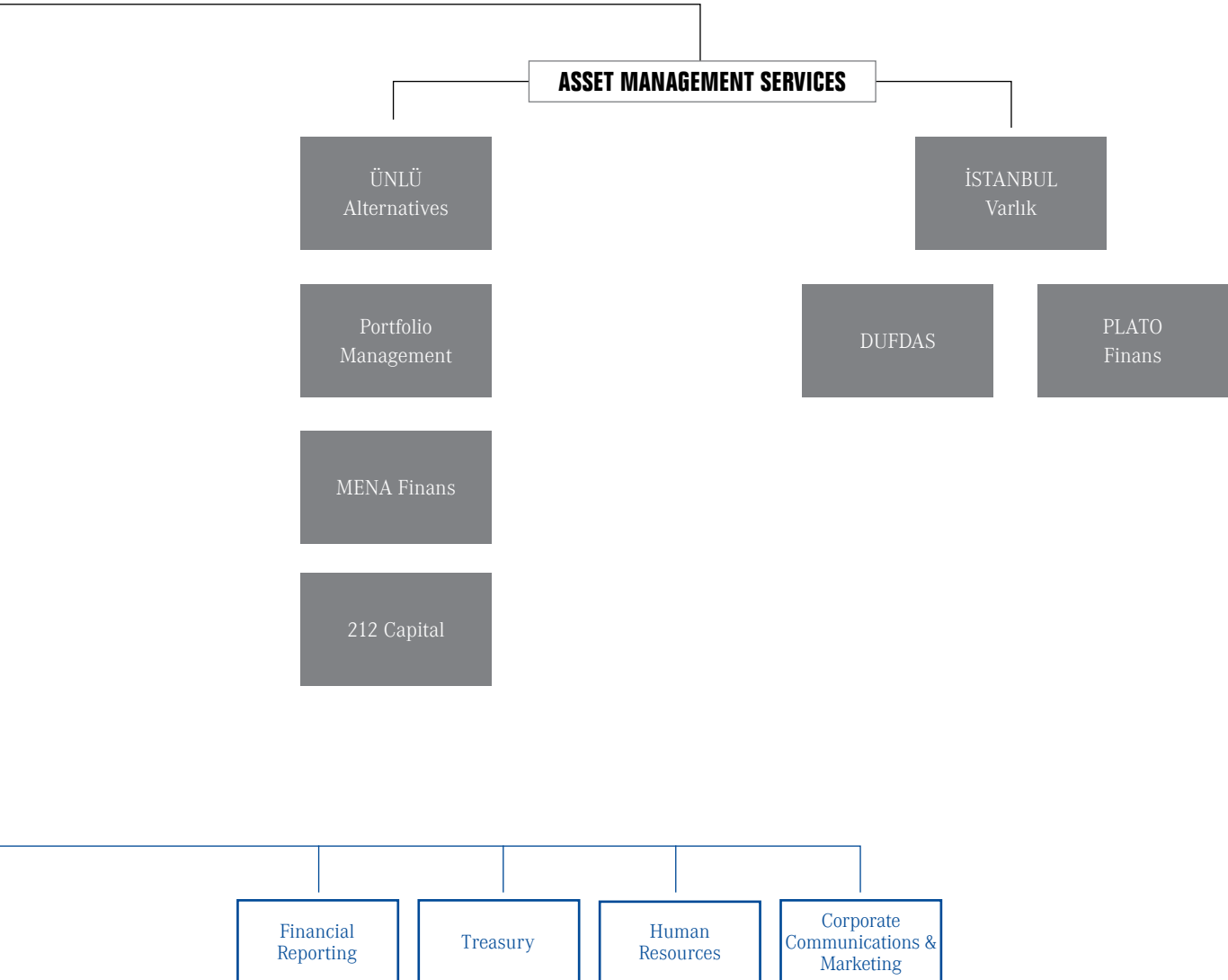
LEFT TO RIGHT

Kağan Çevik (ECM Managing Director), Banu Öksün (Human Resources Director), Kerem Göktan (ÜNLÜ Alternatives Managing Director), Erdem Selim (Debt Finance & Advisory Managing Director), Burak Yağcıoğlu (PLATO Finansal Danışmanlık Servisleri A.Ş. CEO), Banu Köker (Corporate Client Relations Managing Director), Murat Gülkan (ÜNLÜ Portföy General Manager), Utku Özay (ÜNLÜ Alternatives Managing Director), İbrahim Romano (ÜNLÜ & Co Board Member and Corporate Finance Managing Director), Vedat Mizrahi (Research Managing Director)

Seated: Şebnem Kalyoncuoğlu Ünlü (ÜNLÜ Securities Executive Board Member), Attila Köksal (ÜNLÜ Securities Executive Board Member)

ORGANIZATION CHART





CORPORATE GOVERNANCE & RISK MANAGEMENT POLICIES

ÜNLÜ & Co acts fairly and honestly to protect the customers' interests and market integrity while conducting its business activities.

ÜNLÜ & Co is not required to prepare Corporate Governance Principles Compliance Report since its shares are not listed on the stock exchange. However, compliance risk is managed and monitored by the Compliance Department. Compliance risk is defined as the risk of legal or regulatory sanctions, financial loss or loss to reputation that may be suffered as a result of failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice. Ensuring the effective management and supervision of compliance risk is under the ultimate authority and responsibility of the Board of Directors.

The Compliance Department develops policies for the compliance risks that the ÜNLÜ & Co group of companies may be exposed to, reviews the said policies on a regular basis in line with changes in business activities and market conditions and oversees their implementation.

Within the framework of a risk-based approach, ÜNLÜ & Co regularly analyzes regularly all business activities in which it is operating and where it is exposed to high risks within a program and is taking necessary precautions for the respective results.

ÜNLÜ & Co acts fairly and honestly to protect the customers' interests and market integrity while conducting its business activities. In this respect, it has established an organizational structure appropriate to prevent potential conflict of interests and has taken the necessary administrative measures.


The Compliance Department is also performing the requirements of ÜNLÜ & Co relating to the Prevention of Laundering Proceeds of Crime and Terrorism Financing and thus the company reports the results of risk monitoring to the Board of Directors on a regular basis.

ÜNLÜ & Co personnel operates under its Compliance Manual (which also includes a Corporate Code of Ethics) reflecting all its policies. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes a variety of risk sub-types, such as fraud, compliance, physical and legal risks.

ÜNLÜ & Co's operational risk management approach involves identifying, assessing, monitoring and measuring the risks. ÜNLÜ & Co aims to adopt operational risk practices that assist business-line management in understanding their inherent risk and reducing their risk profile in line with the Group's risk tolerance, while maximizing their operational performance and efficiency. ÜNLÜ & Co's operational risks and identification, evaluation, monitoring and mitigation of these risks are managed under the supervision of the Executive Committee.

ÜNLÜ & Co is making the necessary efforts in line with local regulations and international best practices to measure operational risk in accordance with its scale and is committed to the management and measurement of operational risk.

The occupational health and safety of employees is a priority for us. ÜNLÜ & Co aims to identify and reduce the probabilities of accidents or injuries in all of its operations. With this in mind, ÜNLÜ & Co Occupational Health and Safety Policy, which covers standards for health and safety requirements, is being implemented. Policy was developed in accordance with Occupational Health and Safety Law No. 6331 and related legislations. Training of staff on health and safety issues and raising awareness is an ongoing endeavor at ÜNLÜ & Co.



Training of staff on health and safety issues and raising awareness is an ongoing endeavor at ÜNLÜ & Co.

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”)
**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015 TOGETHER WITH INDEPENDENT
AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH**
(Originally Issued In Turkish)

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) INDEPENDENT AUDITOR’S REPORT



To the Board of Directors of ÜNLÜ Yatırım Holding A.Ş.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of ÜNLÜ Yatırım Holding A.Ş. (Formerly known as “ÜNLÜ Finansal Yatırımlar A.Ş.”) (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position (balance sheet) as at 31 December 2015 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Consolidated Financial Statements

2. The Group’s management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor’s Responsibility

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

An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on independent auditor’s professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ÜNLÜ Yatırım Holding A.Ş. and its subsidiaries as at 31 December 2015 and their financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) INDEPENDENT AUDITOR’S REPORT



Other Responsibilities Arising From Regulatory Requirements

5. In accordance with subparagraph 4 of Article 402 of the Turkish Commercial Code (“TCC”) No:6102; no significant matter has come to our attention that causes us to believe that the Company’s bookkeeping activities for the period 1 January - 31 December 2015 is not in compliance with the code and provisions of the Company’s articles of association in relation to financial reporting.
6. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within context of audit.

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

A handwritten signature in black ink, appearing to read "Didem Demer Kaya".

Didem Demer Kaya, SMMM
Partner

Istanbul, 31 March 2016

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) CONTENTS

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ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”)
CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (BALANCE SHEET) AT 31 DECEMBER 2015

(Originally Issued In Turkish)

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

	Notes	31 December 2015	31 December 2014
ASSETS			
Current assets		245,470,099	222,319,981
Cash and cash equivalents	5	104,128,590	65,825,950
Financial investments	6	15,818,008	7,445,591
Trade receivables	8	112,913,090	138,717,963
- Trade receivables due from related parties	4	642,781	3,654,343
- Trade receivables due from other parties	8	112,270,309	135,063,620
Other receivables	9	4,674,533	8,062,766
- Other receivables due from related parties	4	285,513	4,073,449
- Other receivables due from other parties	9	4,389,020	3,989,317
Current income tax assets	26	3,379,772	-
Prepaid expenses	10	559,552	420,976
Other current assets	11	1,137,113	1,846,735
Assets held for sale	12	2,859,441	-
Non-current assets		63,191,621	50,854,769
Financial investments	6	2,142,694	1,741,201
Investments accounted through equity method	7	22,750,868	15,348,543
Other receivables	9	68,831	57,860
Property and equipment	15	3,223,407	1,079,891
Intangible assets		30,457,977	29,901,727
- Goodwill	16	29,198,326	29,198,326
- Other intangible assets	16	1,259,651	703,401
Deferred tax assets	26	4,547,844	2,725,547
Total assets		308,661,720	273,174,750

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) **CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31 DECEMBER 2015**

(Originally Issued In Turkish)

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

	Notes	31 December 2015	31 December 2014
LIABILITIES			
Current liabilities		123,841,725	69,009,797
Financial liabilities	13	52,612,948	31,027,269
- Financial liabilities due to related parties	4	10,238,012	6,857,738
- Financial liabilities due to other parties	13	42,374,936	24,169,531
Other financial liabilities	14	3,549,831	-
Trade payables	8	47,253,257	20,275,958
- Trade payables due to related parties	4	34,232,884	4,705,088
- Trade payables due to other parties	8	13,020,373	15,570,870
Other payables	9	8,226,426	9,927,362
- Other payables due to related parties	4	184,061	4,370,513
- Other payables due to other parties	9	8,042,365	5,556,849
Current income tax liabilities	26	42,620	789,217
Short term provisions		12,002,613	6,797,605
- Provisions	17	505,000	354,000
- Provisions for employee benefits	19	11,497,613	6,443,605
Other short term liabilities	11	154,030	192,386
Non-current liabilities		92,457,532	124,674,415
Financial liabilities	13	82,785,055	115,952,062
- Financial liabilities due to related parties	4	33,481,131	29,215,898
- Financial liabilities due to other parties	13	49,303,924	86,736,164
Other payables	9	-	74,834
Long term provisions		1,494,258	1,049,438
- Provisions for employee benefits	19	1,494,258	1,049,438
Deferred tax liabilities	26	8,178,219	7,598,081
Shareholders' equity		92,362,463	79,490,538
Equity attributable to owners of the parent		92,965,155	62,551,785
Share capital	20	33,858,378	32,153,606
Share premium	20	23,850,053	439,820
Other comprehensive expenses that will not be reclassified to profit or loss		(425,715)	(56,823)
- Actuarial losses from employee benefits	20	(425,715)	(56,823)
Other comprehensive income that will be reclassified to profit or loss		9,578,140	4,279,541
- Currency translation differences	20	9,578,140	4,279,541
Retained earnings	20	18,921,432	19,786,051
Net income for the period	20	7,182,867	5,949,590
Non-controlling interests		(602,692)	16,938,753
Total liabilities and shareholders' equity		308,661,720	273,174,750

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

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) **CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015**

(Originally Issued In Turkish)

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

	Notes	1 January - 31 December 2015	1 January - 31 December 2014
PROFIT OR LOSS			
Sales		552,676,448	184,144,830
- Sales	21	454,313,148	113,016,051
- Service income	21	127,953,254	89,552,484
- Deductions from services income	21	(29,589,954)	(18,423,705)
Cost of sales	21	(445,455,175)	(109,217,059)
Gross profit		107,221,273	74,927,771
Marketing, selling and distribution expenses	22	(1,830,289)	(960,118)
General administrative expenses	22	(78,972,381)	(55,692,244)
Other operating income	23	20,430	190,244
Other operating expense	23	-	(567)
Operating profit		26,439,033	18,465,086
Share of (loss)/profit of investments accounted for using the equity method	7	(1,854,648)	2,560,417
Profit before financial expenses		24,584,385	21,025,503
Financial income	24	37,922,909	20,922,638
Financial expenses	25	(46,496,025)	(32,591,033)
Profit before tax from continuing operations		16,011,269	9,357,108
Tax expense from continuing operations			
- Tax expense for the period	26	(5,547,993)	(1,433,715)
- Deferred tax income	26	1,152,594	235,303
Profit from continuing operations		11,615,870	8,158,696
Profit attributable to:			
Equity holders of the parent		7,182,867	5,949,590
Non-controlling interests		4,433,003	2,209,106
Total profit		11,615,870	8,158,696
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		(358,258)	(208,849)
Remeasurement of post employment benefit obligations		(447,823)	(261,061)
Deferred tax income		89,565	52,212
Items that will be reclassified to profit or loss		5,279,658	2,441,363
Change in fair value of available for sale financial assets		-	827,250
Currency translation differences		5,279,658	1,614,113
Other comprehensive income		4,921,400	2,232,514
Total comprehensive income		16,537,270	10,391,210
Total comprehensive income attributable to:			
Equity holders of the parent		12,112,574	8,048,521
Non-controlling interests		4,424,696	2,342,689
Total comprehensive income		16,537,270	10,391,210

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

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) **CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015**

(Originally Issued In Turkish)

(Amounts expressed in Turkish lira [“TL”] unless otherwise indicated.)

	Notes	1 January - 31 December 2015	1 January - 31 December 2014
Cash flows from operating activities			
Net income for the period		7,182,867	5,949,590
Adjustments for to reconcile net income to net cash provided by operating activities			
Adjustments for depreciation and amortization	15, 16	928,631	694,829
Adjustments for provision for employment termination benefits		408,011	289,359
Adjustments for provision for unused vacation		503,674	132,569
Adjustments for provision for personnel bonus		9,526,279	4,236,374
Adjustments for tax expense		4,395,399	1,198,412
Adjustments for interest income		(5,073,839)	(4,243,304)
Adjustments for dividend income	24	(303,404)	(60,893)
Adjustments for provisions		151,000	(3,747,996)
Adjustments for decrease in assets held for sale		(2,859,441)	1,243
Adjustments for increase in investments accounted through equity method	7	(7,402,325)	(3,728,157)
Effects of exchange rate changes on cash and cash equivalents		(1,876,790)	1,608,053
Adjustments to reconcile net income or loss		5,158,111	-
Operating profit before changes in assets and liabilities		10,738,173	2,330,079
Adjustments for increase in financial investments		(8,773,910)	(2,436,067)
Adjustments for decrease/(increase) in trade receivables		25,804,873	(18,531,507)
Adjustments for decrease/(increase) in other receivables		3,377,262	(312,227)
Adjustments for decrease/(increase) in other current assets		571,046	(533,016)
Adjustments for increase in trade payables		26,977,299	10,514,321
Adjustments for (decrease)/increase in other payables		(1,775,770)	41,035
Adjustments for decrease in other liabilities		(38,356)	(203,946)
Changes in operating profit		56,880,617	(9,131,328)
Employment termination benefits paid		(557,159)	(318,349)
Bonus paid		(4,829,800)	(8,366,338)
Taxes paid		(6,384,155)	(2,547,968)
A. Cash flows provided by/(used in) operating activities		45,109,503	(20,363,983)
Net cash provided by investment activities			
Dividends received		303,404	60,893
Interest received		5,153,756	4,884,550
Cash outflows from purchasing property and equipment and intangibles	15, 16	(3,640,603)	(499,291)
Sales of tangible and intangible assets		12,206	-
B. Net cash provided by investing activities		1,828,763	4,446,152
Cash flows provided by financing activities:			
Cash inflows from the issues of shares and other equity instruments		1,704,772	1,186,852
Dividend paid		-	(8,250,000)
Decrease in financial liabilities		(11,581,328)	-
Increase in other financial liabilities		3,549,831	-
Cash inflows from the sales of subsidiary leads interest loss		1,758	-
Cash (outflows)/inflows from acquisition and sales of interest in a subsidiary		(28,780,350)	74,999
C. Net cash used in financing activities		(35,105,317)	(6,988,149)
D. The effect of change in foreign exchange rates on cash and cash equivalents		1,876,790	(1,608,053)
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		13,709,739	(24,514,033)
E. Cash and cash equivalents at the beginning of the period	5	47,071,332	71,585,365
Cash and cash equivalents at the end of the period (A+B+C+D+E)	5	60,781,071	47,071,332

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

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) **CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015**

(Originally Issued In Turkish)

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

			Attributable to owners of the parent		
	Notes	Paid capital	Share premium	Actuarial losses from employee benefits	Revaluation fund
1 January 2014		32,000,000	-	83,900	(625,541)
Capital increase	20	153,606	439,820	-	-
Transactions with non-controlling interests		-	-	-	-
Dividend paid		-	-	-	-
Transfers	20	-	-	-	-
Net income for the period		-	-	-	-
Other comprehensive income	20	-	-	(140,723)	625,541
31 December 2014		32,153,606	439,820	(56,823)	-
1 January 2015		32,153,606	439,820	(56,823)	-
Capital increase	20	1,704,772	23,410,233	-	-
Transactions with non-controlling interests		-	-	-	-
Transfers	20	-	-	-	-
Net income for the period		-	-	-	-
Other comprehensive income	20	-	-	(368,892)	-
31 December 2015		33,858,378	23,850,053	(425,715)	-

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”)

Currency translation differences	Attributable to owners of the parent		Total	Non-controlling interests	Total equity
	Retained earnings	Net income for the period			
2,665,428	9,652,971	10,076,831	53,853,589	17,327,314	71,180,903
-	-	-	593,426	-	593,426
-	56,249	-	56,249	18,750	74,999
-	-	-	-	(2,750,000)	(2,750,000)
-	10,076,831	(10,076,831)	-	-	-
-	-	5,949,590	5,949,590	2,209,106	8,158,696
1,614,113	-	-	2,098,931	133,583	2,232,514
4,279,541	19,786,051	5,949,590	62,551,785	16,938,753	79,490,538
4,279,541	19,786,051	5,949,590	62,551,785	16,938,753	79,490,538
-	-	-	25,115,005	-	25,115,005
-	(6,814,209)	-	(6,814,209)	(21,966,141)	(28,780,350)
-	5,949,590	(5,949,590)	-	-	-
-	-	7,182,867	7,182,867	4,433,003	11,615,870
5,298,599	-	-	4,929,707	(8,307)	4,921,400
9,578,140	18,921,432	7,182,867	92,965,155	(602,692)	92,362,463

ÜNLÜ YATIRIM HOLDİNG A.Ş. (Formerly known as “ÜNLÜ FİNANSAL YATIRIMLAR A.Ş.”) CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

(Originally Issued In Turkish)

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated.)

1 - ORGANISATION AND NATURE OF OPERATIONS

The establishment of ÜNLÜ Yatırım Holding A.Ş. (Formerly known as “ÜNLÜ Finansal Yatırımlar A.Ş.”) (“The Company”) was registered on 3 October 2011 and came into effect after Articles of Association were published in the Trade Registry Gazette numbered. 7915 dated 6 October 2011.

ÜNLÜ Yatırım Holding A.Ş.’s main purposes are to; use its funds to establish new equity companies to engage in investment, financing, organisation, and other common service field activities with established or to-be-established companies, organise its activities related to these issues and make commercial investments by participating in the relevant companies’ management process, make the necessary attempts to establish partnerships with these companies or third parties, do research and provide consultancy services to its affiliated companies about financial issues, excluding tax-related issues, especially about local and international finance market regulations, but not including investment consulting specified in capital markets regulations, and also about technical matters, planning, programming, budgeting, project design, financial and organizational matters, and firm values, collect investable funds and make use of these funds by investing them in other securities, along with the equity shares that have the capacity and potential to make a profit and which the equity companies have issued or will issue, and provide financing and credit from sources outside the group and engage in the other activities specified in the Articles of Association.

The address of the Company is; Ahi Evran Cad. Polaris Plaza B Blok No: 21 Kat: 1 Maslak, Istanbul.

The Company’s share capital is totally paid-in and amounting to TL 33,858,378 which consists of shares with a nominal value of TL1 each. 94.51% of the Company’s shares are owned by Mahmut Levent Ünlü.

Subsidiaries of the Company are ÜNLÜ Menkul Değerler A.Ş. (“ÜNLÜ Menkul”), ÜNLÜ Alternative Asset Management Limited (“UAAM”) (Formerly “SU Private Equity Management Ltd”), MENA Finansal Yatırımlar A.Ş. (“MENA Finans”) and Turkish Alternative Investments Limited (“TAIL”), details of all direct and indirect subsidiaries were given in the note 2.D.(a).

ÜNLÜ Menkul Değerler A.Ş. was established under the name of Işıklar Menkul Kıymetler A.Ş. on 3 January 1991 in order to carry out operations related to capital markets, in accordance with the Capital Market Law and relevant legislation. After the acquisition of Işıklar Menkul Kıymetler A.Ş. by the shareholders of Dundas ÜNLÜ & Co Ltd on 5 June 2012, its name changed to “Dundas ÜNLÜ Menkul Değerler A.Ş. The name was registered on 28 June 2002 and went into effect after being published in the Trade Registry Gazette No. 5609 on 8 August 2002.

The Capital Markets Board accepted Dundas ÜNLÜ Menkul Değerler A.Ş.’s application for share transfer on 09 August 2007. The share transfer process was completed as of 31 August 2007. In addition, it was resolved to change the trade name of Dundas ÜNLÜ Menkul to “Standard ÜNLÜ Menkul Değerler A.Ş.”.

As a result of, respectively the permission of Capital Markets Board permission No. 2012/35 dated 29 August 2013 and the Extraordinary General Assembly meeting on 30 October 2012, 59,033,300 of Mahmut Levent Ünlü’s shares in ÜNLÜ Menkul Değerler A.Ş. and 179,399,700 shares owned by Standard Bank London Holdings Limited, the Company’s majority shareholder, were transferred to ÜNLÜ Finansal Yatırım A.Ş. In addition, the Company’s name was changed to “ÜNLÜ Menkul Değerler A.Ş.” in its Articles of Association.

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1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

With regard to Board of Director’s decision dated 24 August 2015 numbered 2015/22 of ÜNLÜ Menkul, ÜNLÜ Menkul’s shareholder Standard Bank Group Limited transferred its 25% of shares with nominal amount of TL 2,500,000 each 1 kuruş total 250,000,000 registered shares to ÜNLÜ Yatırım Holding A.Ş.. The relevant decision was approved at a meeting of the CMB dated October 2, 2015.

UAAM was established on the Isle of Man in 2006. It operates at 33-37 Athol Street Isle of Man. UAAM provides financial consultancy services. As of 1 October 2012, all shares owned by UAAM had been acquired by ÜNLÜ Yatırım Holding A.Ş.

Mena was established in Turkey on 5 July 2012 and operates at Ahi Evran Cad, Polaris Plaza B Blok No: 21 Kat: 1 Maslak, Istanbul. Mena provides financial consultancy services. The Company is the founding shareholders of Mena with 99.99% ownership share. As of 17 March 2014, MENA Finans nominal shares amounting to 74.999 were transferred to Şebnem Kalyoncuoğlu Ünlü, and the share rate of the Company decreased to 74.99%.

TAIL was established in Guernsey on 15 August 2014. It operates at Carey House, Les Banques, St Peter Port, Guernsey, GY1 4BZ. TAIL provides financial consulting services. ÜNLÜ Finansal Yatırımlar A.Ş. is the founder of TAIL, and owns 100% of its shares.

For the purposes of the consolidated financial statements, ÜNLÜ Yatırım Holding A.Ş. and its subsidiaries are together referred to as “the Group”. As at 31 December 2015, there are 328 (31 December 2014: 279) employees in the Group.

The consolidated financial statements for the year ending 31 December 2015 were approved by the Board of Directors on 31 March 2016. The General Assembly has the authority to amend the approved this consolidated financial statements.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

(a) Accounting standards and the compliance to TAS

These consolidated financial statements as of 31 December 2015 had been prepared in accordance with clauses of “Principles Statement Related To Financial Reporting In Capital Market” Serie II-14.1, which had been published in Official Gazette dated 13 June 2013 no. 28676 by Capital Market Board (“CMB”). Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) and additions and comments related to these standards (“TAS/IFRS”) which had been constituted by Public Oversight Accounting and Auditing Standards Board (“POA”) had been grounded on relying on the 5. Article of this communiqué.

The Group complies with principles announced by CMB, Turkish Commercial Code (“TCC”), tax legislations and uniform chart of accounts which is published by Ministry of Finance of Turkish Republic, in accounting entries and preparation of legal financial statements. Consolidated financial statements have been prepared based on historical cost principal except of financial asset and liabilities where they are represented in fair values. Consolidated financial statements have been prepared via reflecting to legal records which were prepared according to historical cost principal, with required correction and classifications in order to be truly presented in accordance with TAS.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(b) New standards and amendments, and interpretations

The Group adopted the standards, amendments and interpretations published by the TAS and TFRS which are mandatory for the accounting periods beginning on or after 31 December 2015.

New standards, amendments and interpretations effective as of 31 December 2015

- Amendment to TAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project that affect 7 standards:
 - TFRS 2, Share-based payment'
 - TFRS 3, Business Combinations'
 - TFRS 8, Operating segments'
 - TFRS 13, Fair value measurement'
 - TAS 16, Property, plant and equipment' and TAS 38, Intangible assets'
 - Consequential amendments to TFRS 9, Financial instruments', TAS 37, Provisions, contingent liabilities and contingent assets', and
 - TAS 39, Financial instruments - Recognition and measurement'
- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12-13 cycle of the annual improvements project that affect 7 standards:
 - TFRS 1, First time adoption'
 - TFRS 3, Business combinations'
 - TFRS 13, Fair value measurement' and
 - TAS 40, Investment property'

Standards and amendments issued but not yet effective as of 31 December 2015

- Amendment to TFRS 11, Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions
- Amendments to TAS 16, Property, plant and equipment', and TAS 41, Agriculture', regarding bearer plants.
- Amendment to TAS 16, Property, plant and equipment' and TAS 38, Intangible assets', on depreciation and amortization, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- TFRS 14, Regulatory deferral accounts’, effective from annual periods beginning on or after 1 January 2016. TFRS 14, Regulatory deferral accounts’ permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items:
- Amendments to TAS 27, Separate financial statements’ on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to TFRS 10, Consolidated financial statements’ and TAS 28, Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in TFRS 10 and those in TAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards
 - TFRS 5, Non-current assets held for sale and discontinued operations’ regarding methods of disposal.
 - TFRS 7, Financial instruments: Disclosures’, (with consequential amendments to TFRS 1) regarding servicing contracts.
 - TAS 19, Employee benefits’ regarding discount rates.
 - TAS 34, Interim financial reporting’ regarding disclosure of information.
- Amendment to TAS 1, Presentation of financial statements’ on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the TASB initiative to improve presentation and disclosure in financial report.
- Amendment to TFRS 10, Consolidated financial statements’ and TAS 28, Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- TFRS 15, Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2018. TFRS 15, Revenue from contracts with customers’ is a converged standard from the TASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.
- TFRS 9 Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The following standards, comments and changes have not yet been released by POA:

- TFRS 9 “Financial Instruments”
- TFRS 15 “Revenue from Contracts with Customers”

The Group management does not consolidate any material impact of adoption of the aforementioned standards and interpretations on the consolidated financial statements of the Group in the upcoming periods.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(c) Comparative figures and the reclassification to the financial statements of the prior period

In order to determine the financial status and performance trends, the consolidated financial statements of the Group have been prepared in comparison with the consolidation financial statements of previous periods. The Group prepared its consolidated statement of financial position as of 31 December 2015 in comparison with the consolidated statement of financial position prepared as of 31 December 2014; prepared consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows between 1 January - 31 December 2015 in comparison with 1 January - 31 December 2014. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

Reclassifications made in the financial statements of 2014

In the Company's statement of financial position for the period ended at 31 December 2014, TL 3,491,220 which was classified in “trade receivables from related parties” is reclassified in “other receivables from related parties” in the comparative financial statements.

(d) Functional and presentation currency

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Consolidated financial statements are presented in Group's reporting currency TL.

(e) Offsetting

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

B. CHANGES IN ACCOUNTING POLICIES

Significant changes in accounting policies and accounting errors are applied retrospectively by restating the prior period financial statements. The accounting policies of the Group are not changed within the year of 2015.

C. CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates are not changed for the 1 January - 31 December 2015 period.

D. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements of the Company include its subsidiaries, which it controls directly or indirectly. This control is normally evidenced when the Company owns control power, either directly or indirectly, over company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

This control power is determined based on current and convertible voting rights. The financial statements of the subsidiaries are consolidated from the beginning of the control power over the subsidiaries to end of that power.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The table below shows all subsidiaries and other companies within the scope of consolidation, and provides their share ratios as of 31 December 2015 and 2014:

Name of the Company	Country	Main activity and service line	Final share ratio	
			31 December 2015	31 December 2014
Subsidiaries;				
ÜNLÜ Menkul Değerler A.Ş. ("ÜNLÜ Menkul") ^{(1) (**)}	Turkey	Intermediary services	100.00%	75.00%
ÜNLÜ Portföy Yönetimi A.Ş. ("ÜNLÜ Portföy") ⁽¹⁾	Turkey	Portfolio management	100.00%	74.99%
DU Finansal Danışmanlık Hizmetleri A.Ş. ("DU Finans") ^{(1) (2)}	Turkey	Financial consultancy	100.00%	74.99%
PLATO Finansal Danışmanlık Servisleri A.Ş. ("PLATO Finans") ^{(***) (2) (3)}	Turkey	Financial consultancy	76.02%	54.44%
İSTANBUL Varlık Yönetim A.Ş. ("İSTANBUL Varlık") ^{(1) (2)}	Turkey	Asset management	100.00%	74.99%
PLATO Teknoloji ve Eğitim Servisleri A.Ş. ("PLATO Teknoloji") ^{(****) (3)}	Turkey	Financial consultancy	100.00%	100.00%
ÜNLÜ Securities Inc. ("ÜNLÜ Securities") ^{(1) (*)}	U.S.A	Intermediary services	100.00%	-
MENA Finansal Yatırımlar A.Ş. ("MENA Finans") ^(*)	Turkey	Financial consultancy	74.99%	74.99%
SU General Partners S.A. ("SUGP") ^(****)	Luxembourg	Financial consultancy	-	100.00%
ÜNLÜ Alternative Asset Management Ltd. ("UAAM")	Isle of Man	Financial consultancy	100.00%	100.00%
Turkish Alternative Investments Limited ("TAIL") ⁽⁴⁾	Guernsey	Financial consultancy	100.00%	100.00%
Associates presented in the financial statements with equity method				
SU Turkish Private Equity Oppor. I. S.C.A.,SICAR ⁽⁵⁾	Luxembourg	Private equity	11.99%	11.99%
ÜNLÜ LT Investments Limited Partnership ("ÜNLÜ LT") ^{(**) (4) (6)}	Guernsey	Private equity	9.09%	9.09%

⁽¹⁾ ÜNLÜ Securities was established on 9 February 2015 in the United States and its founding partner, which owns 100% of its shares, is ÜNLÜ Menkul Değerler A.Ş.

^(*) The Company increased its ownership rate within its subsidiary ÜNLÜ Menkul by 25% up to 100% by share transfer agreement made with Standard Bank Group Limited as of 20 August 2015.

^(**) As of 30 December 2015, 3.53% of PLATO Finans’s non-controlling shares are transferred to other subsidiary of the Company DU Finans, as a result of this transaction ownership shares of ÜNLÜ Menkul over PLATO Finans has increased to 76.02%

^(***) As of 15 July 2015, SUGP has paid dividend amounting to 425,000 USD to the Company. As of 2 October 2015, all the shares that the Company owns were sold.

^(****) PLATO Teknoloji has been decided to be liquidated because of no profit expectations pointed through General Assembly decision dated 1 March 2016 (Note 31).

⁽¹⁾ ÜNLÜ Menkul own 100% shares of ÜNLÜ Securities, ÜNLÜ Portföy, DU Finans and İSTANBUL Varlık.

⁽²⁾ İSTANBUL Varlık owns 72.59%, DU Finans owns 3.43% of PLATO Finans’ shares.

⁽³⁾ PLATO Finans owns 100% of PLATO Teknoloji.

⁽⁴⁾ TAIL owns 9.09% of ÜNLÜ LT.

⁽⁵⁾ Turkish Holdings I Coöperatief UA (“THI”), Turkish Holdings III Coöperatief UA and Turkish Holdings IV Coöperatief UA are subsidiaries of SICAR with 100% share. SICAR accounts financial investments with their fair values in the financial statements.

⁽⁶⁾ ÜNLÜ LT accounts financial investments with their fair values in the financial statements.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Subsidiaries' balance sheet and comprehensive income statements are combined with consolidated statements of the Company and the carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Non-controlling interest transactions that do not result in a loss of control for the parent company are recognised as equity. These transactions are made between shareholders. The difference between the net book value of the subsidiary's gained assets and the fair value of the price paid to gain the said assets is recognised under the equity. Non-controlling interests and profit or loss resulting from the sales are categorised under the equities.

(b) Revenue recognition

(i) Fee and commission income and expenses

Fees and commissions are recorded as income or expense at the time the transactions to which they relate are made. Furthermore, funds management fees and portfolio management fees are recognized on an accrual basis. Common stock transaction commissions are netted off with commission returns. The Group records income from the sales of securities in its portfolio when the sales are conducted. Service income comprises of the commission income arising from financial services provided by the Group including brokerage services and portfolio management services. Commission income is recognized when the corresponding service is rendered. Performance fee income included in service income is recognized on an accrual basis, when the yield of the corporate portfolio is higher than “Benchmark Criteria” mentioned in the related agreement. Other income and expenses are recognized on an accrual basis.

(ii) Interest income and expenses and dividend income

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

Dividend income from common stock investments are recognized when the shareholders have the right to take the dividend.

Interest on loans is reflected in the consolidated financial statements over values of collection estimates of loans and receivables discounted via the effective interest method. The differences between the current net value and the book value of calculated collection estimates of loan portfolios are recorded under the item of “Interest income from loans” in the “Service income” account.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(c) Financial instruments

(i) Financial assets at fair value through profit or loss

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

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. In assessing the fair value of the trading securities, the best bid price as of the balance sheet date is used. In case that the fair value price is not formed in an active market conditions it is accepted that the fair value of the asset has not been determined reliably and “The discounted value” which is calculated by effective interest rate is taken into account as fair value. The gains and losses formed as a result of valuation made are booked to the related income/expense accounts.

All related realized and unrealized gains and losses derived from the change of trading financial assets’ fair value, and interest and coupon income derived from financial assets are reported as “Financial income”.

Assets in this category are classified as current assets.

(ii) Financial assets available-for-sale

The related assets are valued by fair value in the periods following their recording to the books. In case that the fair value price is not formed in an active market conditions it is accepted that the fair value of the asset has not been determined reliably and the discounted value which calculated by effective interest rate is taken into account as fair value.

Available-for-sale financial assets are subsequently re-measured at fair value. “Unrealized gains and losses” arising from changes in the fair value of securities classified as available-for-sale are recognized in shareholders’ equity as “Marketable Securities valuation reserve”, until there is a permanent decline in the fair values of such assets or they are disposed of.

When these securities are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

When these securities’ fair value differences are determined, this impairment loss effect is transferred to the income statement.

(d) Trade receivables

The Group books a provision for the doubtful receivables when there is an objective evidence of trade receivables are uncollectible. The correspondent provision amount is the difference between the book value and uncollectible receivable amount. The collectible amount is the discounted portion of trade receivables by effective interest rate including the collectible guarantees and securities.

In the event of the collections of the doubtful receivables whether the whole amount or the some part of it, after the booking of the provision for the doubtful receivables, the collected amount is deducted from the doubtful receivables provision (Note 8).

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(e) Trade payables

Trade payables refer to the obligatory payments for the goods and services obtained by the suppliers for the ordinary activities of the company. If the time period for the trade receivables to be paid is one year or less (or if it is longer, but is within the normal operating cycle of the company), these receivables are classified as short term liabilities. If not, they are classified as long term liabilities.

Trade payables are recorded with their fair values and recognized in the accounts of the following periods, through use of the effective interest rate method over discounted value, by allocation of a provision for impairment (Note 8).

(f) Derivative financial instruments

Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized in income statement when incurred. When a derivative is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in profit or loss as a component of income/(loss) on derivative instruments.

(g) Assets held for sale

A fixed asset classified as an asset kept for sales purposes (or a group of fixed assets to be disposed of) is measured by the lower of either its book value or sales cost deducted from fair value. In order for an asset to be classified as an asset for sales purposes (or a group of fixed assets to be disposed of), it should be promptly sellable under usual conditions frequently encountered in the sales of such assets with a high possibility of being sold. To achieve a high possibility for a sale, the proper administrative level should make a plan for the sale of the asset and start an active program for completion of the plan by determining purchasers. Furthermore, the asset should be put on the market actively at a price compatible with its fair value (Note 12).

(h) Property and equipment

Property and equipment are carried at cost less accumulated depreciation (Note 15).

Depreciation is provided on restated amounts of property and equipment using the straight-line method based on the useful lives of such assets, the estimated useful lives of assets are as it is shown below:

Office equipment	5 years
Furniture and fixtures	3 - 5 years
Other tangible assets	5 years
Leasehold improvements	shorter of 5 years or period of lease

Estimated useful life and depreciation method are reviewed every year to identify the effects of the changes in estimations and the changes in estimations are entered into accounts.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Gains and losses on the disposal of property and equipment are determined in reference to their carrying amounts and are taken into account in determining operating profit.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(i) Intangible assets

Intangible assets comprise acquired intellectual property, information systems and computer software. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated economic lives for a period not exceeding three to five years from the date of acquisition. To determine the change effect in estimation of the estimated useful lives and depreciation method is considered every year and accounted accordingly to changes in these estimations (Note 16).

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

(j) Impairment of financial assets

Financial assets except trading financial assets are evaluated each period to determine whether they have indicators of impairment.

The financial instruments are accepted as impaired in case that the expected collectable amount calculated by discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument. For the impaired financial assets the provision for the impairment has been calculated and the booked to the related provision expense accounts.

Cash and cash equivalents are liquid assets and do not have significant impairment risk.

The Group's loans under follow-up are comprised of non-performing loans purchased from banks and other financial institutions operating in Turkey. Loans and receivables are recognized as the estimated future cash flows discounted using the effective interest method in the financial statements.

The difference between the net present value of estimated future cash flows discounted using the effective interest rate and the carrying value of loan portfolios is recognized in the income statement as interest income.

The Group determined impairment losses based on the discounted cash flows projections expected to be derived from the future cash flows of non-performing corporate loans. The discount rates used to determine impairment losses is the expected return at the acquisition date of the portfolio. If the estimated discounted future cash flows are lower than the acquisition cost of the non-performing loans, impairment of financial assets is recognized.

If the Group does not perform any collection from the individual loans under follow up during the period between the acquisition date and the balance sheet date, impairment of financial assets is recognized in the financial statements in accordance with the number of days elapsed detailed below:

Number of days	Provision rate %
Up to 180 days	20
Between 180-360 days	50
Over 360 days	75-100

(k) Financial liabilities

Except for the liabilities related to financial instruments which are defined as financial liabilities held for trading and classified at their fair values, financial liabilities are recognized at their acquisition costs including the transaction cost and appraised at their discounted values calculated through “effective interest rate method” in the subsequent periods.

All financial expenses are recorded in the income statement and other comprehensive income statement in the period when they arise.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(l) Foreign exchange transactions

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. As of 31 December 2015 foreign currency at the end of the period for EUR transactions is TL3.1776, for USD transactions, it is TL2.9076, for GBP transactions, it is TL 4,3007 (31 December 2014: EUR: 2.8207, USD: 2.3189, GBP: 3.5961).

Any foreign exchange transactions which had converted to Turkish currency will be disclosed in “Foreign exchange gain/loss” item which is held in income statement.

With respect to the consolidated financial statements, assets and liabilities of the subsidiaries in foreign currency have been translated into TL with the closing exchange rate at the balance sheet date. Profit/Loss items of the subsidiaries have been translated into TL with average exchange rate of the reporting period. The resulting translation differences amounted to TL 9,578,140 is recognized in other comprehensive income and presented under the equity in the balance sheet (31 December 2014: TL 4.328.985 foreign currency loss).

(m) Provisions, contingent liabilities and assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the financial statements and treated as “Contingent assets or liabilities” (Note 17).

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

(n) Finance leases (where the Group is “lessee”)

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payment. Leased assets are included in the property and equipment and depreciation on the leased asset is charged to income on a straight-line basis over the useful life of the asset. Payables arising from financial leasing agreements are shown under “Finance lease payables” in the financial position statement.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(o) Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 31).

(p) Related parties

For the purpose of the accompanying consolidated financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of the business. These transactions consist of the transfer of the assets and liabilities between related parties by a price or free of charge (Note 4).

(r) Taxes calculated over corporation income

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognized in operating expenses (Note 26).

Turkish tax regulations do not enable the parent company to give tax statement over the consolidated financial statements of its subsidiaries and affiliates. Due to this reason, tax provisions reflected to these consolidated financial statements are calculated for each company the full consolidation scope.

Corporate tax is subject to offsetting when a legal right about netting off the current tax assets and liabilities or when they are related to the corporate tax collected by the same tax regulatory.

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax (Note 26).

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

Deferred tax liabilities and assets are recognized when it is probable that the future economic benefit resulting from the reversal of temporary differences will flow to or from the Company. Deferred tax assets resulting from temporary differences in the recognition of expense for income tax and financial reporting purposes are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

Deferred tax charges except for the ones that are accounted under the equity in the form of other reserves and the current tax balances accrued for the related reporting periods are directly recognized as income or expense in the statement of income.

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(s) Employee benefits

The Group accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause “Turkish Accounting Standard related to Employee Benefits” (“TAS 19”) and classifies as “Provisions for employee benefits” at the balance sheet.

The Group is liable to pay a collective amount of payment to the employees dismissed except for the cause of retirement or resignation and significant course of actions according to Labor Law in Turkey. Provision for employment termination benefit is determined according to the law and specific actuarial estimations and reflected in the financial statements (Note 19).

According to the current Labor Law in Turkey, in case a contract of employment is terminated for any reason, the Group is obliged to pay the employee or right owners the fee of accrued but unused annual leave as regards to the remuneration on the contract’s termination date.

Turkish Accounting Standards 19 (“TAS 19”), Employee Termination Benefits, was revised as of 1 January 2013. In this context, actuarial gain/loss related to employee termination benefit provision is classified under other comprehensive income.

Due to the permission given about the amendment applied to the previous period financials under the title of related standard “Transition and effective date”, the Company has accounted actuarial gains and losses under the “Other comprehensive income”, and other accumulated gains and losses were presented under the “Equity” in the name of “Actuarial losses from employee termination benefits” in the statement of financial position within the related period.

(t) Cash flow statement

For the purposes of cash flow statement, the Group considers cash due from banks with maturity periods of less than three months and mutual funds with a maturity of no more than three months (Note 5).

(u) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group performs the goodwill impairment test at 31 December. Impairment losses on goodwill could not be reversed; Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold (Note 16).

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(v) Earning per share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period (Note 27).

E. SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note 8 - Trade receivables and payables

Note 16 - Property and equipment

Note 17 - Provisions, contingent assets and liabilities

Note 19 - Provision for employee benefits

Note 26 - Tax assets and liabilities

Receivables to be liquidated: The financial assets of the Group, which are composed of non-performing receivables for goods purchased, are reflected in the balance sheet with their cost values and in order to determine their carrying values in the balance sheet, important projections, assumptions, and evaluations are made regarding the future estimated collections. Changes that might arise in these projections and assumptions in the following periods will affect the relevant period's profit/loss. The Group closely follows up on projections for future collections, and these projections and assumptions are reviewed and updated when necessary.

3 - SEGMENT REPORTING

Reporting of operating segments is organized on competent authority of activities based on uniformity. The executive committee, which is responsible for decision making of regarding the business activities of the decisions about resources to be allocated to the competent authority of department and evaluating performance of the department, is determined as competent authority for decision-making mechanism regarding to the company's activities.

One of the Group's subsidiaries, ÜNLÜ Menkul and ÜNLÜ Securities, engaged in brokerage activities in the capital markets in Turkey. UAAM, DU Finans, PLATO Finans and İSTANBUL Varlık give consultancy services regarding asset management. The Group's other subsidiary, ÜNLÜ Portföy, operates in corporate and individual portfolio management segment. SUGP, and TAIL operate in private equity sector; Mena, and the Company operate as investment holding.

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3 - SEGMENT REPORTING (Continued)

As at 31 December 2015 and 2014, segment reporting is prepared based on the brokerage, portfolio management activities and consultancy services.

31 December 2015	Brokerage, corporate finance and portfolio management services	Asset management, consultancy services	Private equity	Investment holding services	Eliminations	Total
Net sales						
Sales	446,565,957	7,747,191	-	-	-	454,313,148
Service income	73,790,660	63,420,634	-	-	(9,258,040)	127,953,254
Deductions from services income	(2,489,208)	(27,100,746)	-	-	-	(29,589,954)
Cost of sales	(445,455,175)	-	-	-	-	(445,455,175)
Gross profit	72,412,234	44,067,079	-	-	(9,258,040)	107,221,273
General administrative, marketing, selling and distribution expense	(49,004,616)	(39,416,963)	(582,498)	(1,126,880)	9,328,287	(80,802,670)
Other operating income/expenses, net	-	90,677	-	-	(70,247)	20,430
Operating profit	23,407,618	4,740,793	(582,498)	(1,126,880)	-	26,439,033
Shares of profit of investments accounted through equity method	-	(1,854,648)	-	-	-	(1,854,648)
Profit before financial expenses	23,407,618	2,886,145	(582,498)	(1,126,880)	-	24,584,385
Financial income	31,362,543	3,264,433	1,583	11,201,271	(7,906,921)	37,922,909
Financial expenses	(22,113,667)	(10,810,739)	-	(13,571,619)	-	(46,496,025)
Profit before tax from continuing operations	32,656,494	(4,660,161)	(580,915)	(3,497,228)	(7,906,921)	16,011,269
Tax expense	(5,547,993)	-	-	-	-	(5,547,993)
Deferred tax income/ (expense)	(950,237)	282,226	-	1,820,605	-	1,152,594
Net profit from continuing operations	26,158,264	(4,377,935)	(580,915)	(1,676,623)	(7,906,921)	11,615,870
Items that will not be reclassified to profit or loss	(242,055)	(116,203)	-	-	-	(358,258)
Actuarial losses from employee benefits	(302,568)	(145,255)	-	-	-	(447,823)
Deferred tax expense	60,513	29,052	-	-	-	89,565
Items that will not be reclassified to profit or loss	739	5,278,919	-	-	-	5,279,658
Available for sale financial assets valuation difference	-	-	-	-	-	-
Available for sale financial assets valuation difference tax effect	-	-	-	-	-	-
Currency translation differences	739	5,278,919	-	-	-	5,279,658
Other comprehensive income	(241,316)	5,162,716	-	-	-	4,921,400
Total comprehensive income	25,916,948	784,781	(580,915)	(1,676,623)	(7,906,921)	16,537,270
Operating segment assets	138,876,639	143,146,808	5,103,117	122,621,444	(101,086,288)	308,661,720
Operating segment liabilities	68,279,944	109,608,609	5,103,117	122,621,444	(89,313,857)	216,299,257
Purchase of tangible and intangible assets	2,023,662	1,610,977	5,964	-	-	3,640,603
Depreciation and amortization	721,467	186,616	11,737	5,811	-	928,631

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3 - SEGMENT REPORTING (Continued)

31 December 2015	Brokerage, corporate finance and portfolio management services	Asset management, consultancy services	Private equity	Investment holding services	Eliminations	Total
Net sales						
Sales	109,441,103	-	3,574,948	-	-	113,016,051
Sales income	37,128,862	52,423,622	1,763,321	-	(1,763,321)	89,552,484
Deductions from services income	(389,907)	(18,033,798)	-	-	-	(18,423,705)
Cost of sales	(109,217,059)	-	-	-	-	(109,217,059)
Gross profit	36,962,999	34,389,824	5,338,269	-	(1,763,321)	74,927,771
General administrative, marketing, selling and distribution expense	(32,819,730)	(20,754,244)	(4,493,914)	(347,795)	1,763,321	(56,652,362)
Other operating income/(expenses), net	190,244	-	-	(567)	-	189,677
Operating profit	4,333,513	13,635,580	844,355	(348,362)	-	18,465,086
Shares of profit of investments accounted through equity method	-	-	2,560,417	-	-	2,560,417
Profit before financial expenses	4,333,513	13,635,580	3,404,772	(348,362)	-	21,025,503
Financial income	10,609,609	8,221,832	47,595	10,293,602	(8,250,000)	20,922,638
Financial expenses	(11,528,442)	(14,994,099)	(35,448)	(6,033,044)	-	(32,591,033)
Profit before tax from continuing operations	3,414,680	6,863,313	3,416,919	3,912,196	(8,250,000)	9,357,108
Tax expense	(1,279,574)	(101,428)	(52,713)	-	-	(1,433,715)
Deferred tax income/(expense)	43,590	(1,269,943)	-	1,461,656	-	235,303
Profit from continuing operations	2,178,696	5,491,942	3,364,206	5,373,852	(8,250,000)	8,158,696
Items that will not be reclassified to profit or loss	(137,641)	(71,208)	-	-	-	(208,849)
Actuary gains from employee benefits	(172,051)	(89,010)	-	-	-	(261,061)
Deferred tax expense	34,410	17,802	-	-	-	52,212
Items that will be reclassified to profit or loss	827,250	-	1,614,113	-	-	2,441,363
Available for sale financial assets valuation difference	919,167	-	-	-	-	919,167
Available for sale financial assets valuation difference tax effect	(91,917)	-	-	-	-	(91,917)
Currency translation differences	-	-	1,614,113	-	-	1,614,113
Other comprehensive income	689,609	(71,208)	1,614,113	-	-	2,232,514
Total comprehensive income	2,868,305	5,420,734	4,978,319	5,373,852	(8,250,000)	10,391,210
Operating segment assets	88,464,300	129,867,681	9,378,060	86,243,005	(40,778,296)	273,174,750
Operating segment liabilities	32,553,767	119,410,014	3,657,887	41,223,969	(3,161,425)	193,684,212
Purchase of tangible and intangible assets	274,806	206,854	16,601	1,030	-	499,291
Depreciation and amortization	379,427	297,790	8,051	9,561	-	694,829

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4 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties

	31 December 2015	31 December 2014
Financial investments:		
Financial assets held for trading (Note 6)		
- ÜNLÜ Portföy Üçüncü Değişken Fon	1,043,615	-
- ÜNLÜ Portföy ÜNLÜ Serbest Özel Fon (Formerly “ÜNLÜ Menkul Değerler A.Ş. Özel Serbest Yatırım Fonu”)	655,200	539,050
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon (Formerly “ÜNLÜ Menkul Değerler A.Ş. Serbest Yatırım Fonu”)	621,198	576,400
	2,320,013	1,115,450
Available-for-sale financial assets (Note 6)		
- ÜNLÜ Private Equity GP Limited	1,982,983	1,581,490
- 212 Capital Partners I Coöperatief U.A.	1,607,192	1,176,217
- 212 Limited (Cayman Island)	5,674	5,674
	3,595,849	2,763,381
Investments accounted through equity method (Note7)		
- SICAR	17,905,068	15,324,920
- ÜNLÜ LT	4,845,800	23,623
	22,750,868	15,348,543
Receivables		
Trade receivables (Note 8)		
- ÜNLÜ Portföy İkinci Değişken Fon (Formerly known as “ÜNLÜ Menkul Değerler A.Ş. B Tipi Değişken Fon”)	543,961	-
- ÜNLÜ Portföy Üçüncü Değişken Fon	75,840	-
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon (Formerly known as “ÜNLÜ Menkul Değerler A.Ş. Serbest Yatırım Fonu”)	22,225	-
- ÜNLÜ Portföy İkinci Serbest Fon (Formerly known as “ÜNLÜ Menkul Değerler A.Ş. Özel Serbest Yatırım Fonu”)	516	-
- ÜNLÜ Portföy Birinci Değişken Fon (Formerly known as “ÜNLÜ Menkul Değerler A.Ş. A Tipi Değişken Fon”)	239	-
- Standard Bank PLC	-	2,868,589
- ÜNLÜ LT Investments Limited Partnership	-	785,754
	642,781	3,654,343
Other receivables (Note 9)		
- Su Turkish Private Equity Opportunities I, S.C.A., SICAR	-	3,491,220
- Receivables from personnel	285,513	582,229
	285,513	4,073,449

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4 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

	31 December 2015	31 December 2014
Liabilities:		
Other financial liabilities (Note 14) (Corporate bonds subjected to repo)		
- ÜNLÜ Portföy İkinci Değişken Fon	3,195,880	-
	3,195,880	-
Financial payables (Note 13)		
- Standard Bank London Holding Ltd.	42,371,262	36,073,636
- ÜNLÜ Portföy İkinci Değişken Fon	1,347,881	-
	43,719,143	36,073,636
Trade payables (Note 8)		
- Standard Bank of South Africa	30,780,828	10,435
- Turkish Retail Investments B.V.	3,109,372	4,655,168
- Turkish Holdings I Coöperatief	183,566	228
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon	143,176	-
- Turkish Holdings IV Cooperatief	15,612	38,640
- Standard Pacific Capital	253	253
- ÜNLÜ LT Investments Limited Partners	77	-
- Standard Bank PLC	-	364
	34,232,884	4,705,088
Short term other payables (Note 9)		
- Payables to personnel	184,061	472,953
- Payables to shareholders - Mahmut Levent Ünlü	-	3,897,560
	184,061	4,370,513

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4 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties

	1 January - 31 December 2015	1 January - 31 December 2014
Income from related parties:		
Revenue (Investment fund sales)		
- ÜNLÜ Portföy İkinci Değişken Fon	39,110,000	-
- ÜNLÜ Portföy Üçüncü Değişken Fon	500,000	-
	39,610,000	-
Cost of financial sector operations (Cost of Investment fund sales)		
- ÜNLÜ Portföy İkinci Değişken Fon	38,993,454	-
- ÜNLÜ Portföy Üçüncü Değişken Fon	497,468	-
	39,490,922	-
Service income (Commission Income)		
- ÜNLÜ Portföy İkinci Değişken Fon	4,696,151	1,248,679
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon	239,608	211,838
- ÜNLÜ Portföy Üçüncü Değişken Fon	157,610	-
- ÜNLÜ Portföy İkinci Serbest Fon	5,601	4,336
- ÜNLÜ Portföy Birinci Değişken Fon	2,574	2,475
	5,101,544	1,467,328
Service income (Consultancy Income)		
- Su Turkish Private Equity Opportunities I, S.C.A., SICAR	-	2,042,510
- ÜNLÜ LT Investments Limited Partnership	-	1,532,438
	-	3,574,948
Service income (Corporate finance income)		
- Standard Bank PLC	4,013,025	5,316,691
- SBG Securities	259,302	753,771
	4,272,327	6,070,462
Financial income (Dividend income)		
- 212 Limited	62,326	60,871
	62,326	60,871
Income from investments accounted through equity method		
- SICAR	-	2.560.417
	-	2.560.417

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4 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

	1 January- 31 December 2015	1 January - 31 December 2014
Expense to related parties:		
Financial expense		
- Standard Bank PLC	1,072,713	886,631
	1,072,713	886,631
Expense from investments accounted through equity method		
- SICAR	1,719,388	-
- ÜNLÜ LT	135,260	-
	1,854,648	-

c) Salaries and other benefits paid to Board of Directors and top management:

Top management consists of general manager, vice general manager, directors and other top management members. For the year ended 31 December 2015, the total amount of salary and other benefits provided to the top management by the Group is TL 13.829.563 (1 January - 31 December 2014: TL 13.832.296).

5 - CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Cash	14,906	33,010
Cash at banks (*)	97,996,741	64,553,636
<i>Demand deposit</i>	45,826,364	1,939,716
<i>Time deposit</i>	52,170,377	62,613,920
Receivables from reverse repurchase agreements (**)	4,914,816	1,000,054
Derivatives Market guarantees	763,147	-
B type liquid funds	438,980	239,250
	104,128,590	65,825,950

(*) Bank deposits include TL 43,299,053 (31 December 2014: TL 18,626,235) of bank deposits that belong to customers but which are kept in the Group's own accounts (Note 8).

(**) As of 31 December 2015, the maturity of reverse repurchase agreements is 4 January 2016 and the weighted average interest rate of reverse repurchase agreements is 10.94% (31 December 2014: 9.31%).

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5 - CASH AND CASH EQUIVALENTS (Continued)

As of 31 December 2015 and 2014, the details of the time deposits are as follows:

Currency	31 December 2015			31 December 2014		
	Original amount	Amount in TL	Interest rate (%)	Original amount	Amount in TL	Interest rate (%)
USD	12,097,995	35,176,130	0.75-2.00	9,036,081	20,953,769	1.05-2.25
TL	16,388,634	16,388,634	10.17-13.50	41,288,609	41,280,426	9.57-10.50
GBP	107,199	461,032	0.95	105,594	379,725	1.50
EUR	45,500	144,581	0.30	-	-	-
		52,170,377			62,613,920	

Cash and cash equivalents of the Group are shown in cash flow statements in 31 December 2015 and 2014 by deducing interest accruals and customer deposits is as follows:

	31 December 2015	31 December 2014
Cash and cash equivalents	104,128,590	65,825,950
Customer deposits	(43,299,053)	(18,626,235)
Interest accruals	(48,466)	(128,383)
	60,781,071	47,071,332

As of 31 December 2015 and 2014, there is no restriction on cash and cash equivalents.

6 - FINANCIAL INVESTMENTS

Short term financial investments

	31 December 2015	31 December 2014
Financial assets held for trading	14,205,142	6,263,700
Available for sale financial assets	1,612,866	1,181,891
	15,818,008	7,445,591

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6 - FINANCIAL INVESTMENTS (Continued)

Financial assets held for trading details as follows:

	31 December 2015			31 December 2014		
	Nominal	Fair value	Interest rate (%)	Nominal	Fair value	Interest rate (%)
Government bonds	3,900,000	4,454,930	10.84	400,000	394,162	8.28
Stocks	1,070,000	4,153,836	-	-	-	-
Private sector cooperate bonds	3,440,000	3,276,364	13.84	4,520,000	4,684,271	12.38
Investment funds	106,783,966	2,320,012	-	106,056,338	1,185,267	-
	14,205,142			6,263,700		

As of 31 December 2015 and 2014, securities given as collateral are as follows (Note 17):

	31 December 2015		31 December 2014	
	Nominal value	Fair value	Nominal value	Fair value
BIST treasury bills and government bonds market	3,700,000	4,249,722	200,000	186,048
CMB	200,000	205,207	200,000	208,114
	3,900,000	4,454,929	400,000	394,162

Details of available-for-sale financial assets are as follows:

	31 December 2015		31 December 2014	
	Share rate %	Share amount TL	Share rate %	Share amount TL
212 Capital Partners I Coöperatief U.A. ^(*)	3.31	1,607,192	3.31	1,176,217
212 Limited (Cayman Island)	32.50	5,674	32.50	5,674
		1,612,866		1,181,891

^(*) As of 31 December 2015, the total commitment amount for all shareholders of 212 Capital Partners I Coöperatief U.A. which is classified as available for sale financial assets in Company's financials with 3.31% share rate, is USD 30,200,000. Within 2015, a commitment realization requested from 212 Capital Partners I Coöperatief U.A. and ÜNLÜ Yatırım Holding A.Ş. participated this call through payments made USD 25,000 on 10 February 2015, USD 50,000 on 8 May 2015, USD 80,000 on 21 December 2015 totally USD 155,000 which corresponds to TL 430,975 (USD 100,000 on 9 May 2014 and USD 50,000 on 22 September 2014 which corresponds to TL 318,621) (Note 17).

As of 31 December 2015, the available-for-sale financial assets of the Group, which equal to TL 1.612.866 (31 December 2014: TL 1.181.891), are shown with their cost values since the fair values are not reliably measured.

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6 - FINANCIAL INVESTMENTS (Continued)

Long term financial investments

	31 December 2015	31 December 2014
<i>Available-for-sale financial assets</i>		
Unquoted share certificates	2,142,694	1,741,201
ÜNLÜ Private Equity GP Limited ^(*)	1,982,983	1,581,490
Borsa İstanbul A.Ş. (“BİST”)	159,711	159,711
	2,142,694	1,741,201

(*) ÜNLÜ Alternative Asset Management Limited, which is a direct subsidiary of ÜNLÜ Yatırım Holding A.Ş., obtained 682,000 non-voting privileged shares, equal to USD1 each, in return for payment made to ÜNLÜ Private Equity GP Limited.

7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Investments in associates

	31 December 2015	31 December 2014
SICAR	17,905,068	15,324,920
ÜNLÜ LT ^(*)	4,845,800	23,623
	22,750,868	15,348,543

(*) As of 31 December 2015, the total contingent capital amount which is subject to capital increase in the following periods for all shareholders of ÜNLÜ LT Investments Limited Partnership, Company's subsidiary as an investments valued with equity methods with a 9.09% share rate, is USD 110,000,000 and USD 1.794.412 was paid within 2015 (Note 17).

		31 December 2015	31 December 2014
Associates	Main activity	Share %	Share %
SICAR	Private equity	11.99	11.99
ÜNLÜ LT	Private equity	9.09	9.09

Summary of the financial information on SICAR is provided below:

	31 December 2015	31 December 2014
Total assets	149,572,559	131,479,731
Total liabilities (-)	239,212	3,665,555
Net assets	149,333,347	127,814,176
Share in net assets of the associate	17,905,068	15,324,920
Total share of the Company in the net assets of the subsidiaries	17,905,068	15,324,920

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7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

	1 January - 31 December 2015	1 January - 31 December 2014
(Loss)/profit for the period	(17,035,021)	22,365,737
	1 January - 31 December 2015	1 January - 31 December 2014
At the beginning of the period	15,324,920	11,423,080
Share of the (loss)/profit	(2,042,499)	2,681,652
Additional share acquisition	674,308	173,683
Currency translation differences	3,948,339	1,046,505
Total change in the associate in accordance with equity method	2,580,148	3,901,840
Period end	17,905,068	15,324,920

Summary of the financial information on ÜNLÜ LT is provided below:

	31 December 2015	31 December 2014
Total assets	53,364,034	275,000
Total liabilities (-)	54,903	15,147
Net assets	53,309,131	259,853
Share in net assets of the associate	4,845,800	23,623
Total share of the Company in the net assets of the subsidiaries	4,845,800	23,623
	1 January - 31 December 2015	1 January - 31 December 2014
Loss for the period	(4,907,253)	(15,147)
	1 January - 31 December 2015	1 January - 31 December 2014
At the beginning of the period	23,623	-
Share of the loss	(446,069)	(1,377)
Additional share acquisition	5,268,246	25,000
Total change in the associate in accordance with equity method	4,822,177	23,623
Period end	4,845,800	23,623

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8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2015	31 December 2014
Short term trade receivables		
Receivables to be liquidated	222,316,865	213,490,842
Specific provisions	(116,176,923)	(89,076,177)
Receivables on consultancy services	6,069,569	10,357,615
<i>Receivables on consultancy services</i>	<i>6,069,569</i>	<i>10,357,615</i>
<i>Doubtful trade receivables</i>	<i>179,360</i>	-
<i>Provision for doubtful trade receivables (-)</i>	<i>(179,360)</i>	-
Trade receivables due from related parties (Note 4)	642,781	3,654,343
Notes receivables	-	240,000
Other	60,798	51,340
	112,913,090	138,717,963

(*) Loans and receivables of Istanbul Varlık, subsidiary of the Company, are recorded to financial statements at their amortized values by using collection expectations through effective interest method. As of 31 December 2015, net amount of the receivables to be liquidated in the Group's consolidated statement of financial position; equals to the actual receivable balances resulting from the Group's activities. The Group bought non-performing loan portfolios amounting to TL 1.381.686.312 from banks and other financial institutions operating within Turkey for TL 178,769,662. The carrying value of non-performing loans after total provisions allocated is TL 106,139,942 as of 31 December 2015 (31 December 2014: TL 124,414,665).

Movement of specific provisions is as follows:

	31 December 2015	31 December 2014
Specific provisions		
Beginning of the period	89,076,177	71,042,379
Reversed provisions within the period (-)	-	(15,653,907)
Provision amount for the period (Note 21)	27,100,746	33,687,705
End of the period	116,176,923	89,076,177

Movement of provisions for doubtful accounts is as follows:

	31 December 2015	31 December 2014
Provisions for doubtful accounts		
Beginning of the period	-	-
Provision amount for the period (Note 21)	179,360	-
End of the period	179,360	-

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8 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2015	31 December 2014
Short term trade payables		
Liabilities from related party customer deposits (Note 4 and 5)	34,232,884	4,705,088
Liabilities from other customer deposits (Note 5)	9,066,169	13,921,147
Miscellaneous payables	3,542,803	986,375
Other trade payables	411,401	663,348
	47,253,257	20,275,958

9 - OTHER RECEIVABLES AND PAYABLES

	31 December 2015	31 December 2014
Short term other receivables		
Foreign receivables	1,832,444	3,147,552
Deposits and guarantees given	1,761,424	282,908
Other receivables due from related parties (Note 4)	285,513	4,073,449
Other	795,152	558,857
	4,674,533	8,062,766

Other long term receivables

Deposits and guarantees given	68,831	57,860
	68,831	57,860

Other short term payables

Taxes and funds payable	7,265,390	4,762,290
Social security premiums payable	482,144	203,369
Value Added Tax payables (“VAT”)	245,451	541,303
Payables to employees (Note 4)	184,061	472,953
Payables to shareholders (Note 4)	-	3,897,560
Other	49,380	49,887
	8,226,426	9,927,362

Other long term payables

Other payables	-	74,834
	-	74,834

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10 - PREPAID EXPENSES

	31 December 2015	31 December 2014
Short term prepaid expenses		
Prepaid expenses (*)	559,552	420,976
	559,552	420,976

(*) Prepaid expenses consists of information technologies and broadcasting expenses regarding following months.

11 - OTHER ASSETS AND LIABILITIES

	31 December 2015	31 December 2014
Other current assets		
Advances given	843,917	1,009,859
Prepaid taxes and duties	264,666	807,707
Other	28,530	29,169
	1,137,113	1,846,735
Other short term liabilities		
Expense accruals	154,030	192,386
	154,030	192,386

12 - ASSETS HELD FOR SALE

	31 December 2015	31 December 2014
Assets held for sale (*)	2,859,441	-
	2,859,441	-

(*) Assets held for sale consist of real estates and vehicles acquired during the collection of credit payment by İSTANBUL Varlık.

Movement of assets held for sale is as follows:

	31 December 2015	31 December 2014
Assets held for sale:		
Beginning of the period	-	1,243
Sales made during the period	-	(1,243)
Purchases during the period	2,859,441	-
End of the period	2,859,441	-

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13 - FINANCIAL LIABILITIES

	31 December 2015	31 December 2014
Short term financial liabilities		
Borrowings (*)	42,150,969	24,126,769
Financial liabilities due to related parties (Note 4)	10,238,012	6,857,738
Financial lease obligations	223,967	42,762
	52,612,948	31,027,269
Long term financial liabilities		
Borrowings (*)	48,818,308	86,735,489
Financial liabilities due to related parties (Note 4)	33,481,131	29,215,898
Financial lease obligations	485,616	675
	82,785,055	115,952,062

(*) Istanbul Varlık, which is subsidiary of the Company, intensively generates borrowing accounts of the Group. The Group has borrowings amounting to TL 18,077,505 (31 December 2014: TL 33,824,337) which do not have fixed interest rates. Each of these borrowings is individually matched with the loan portfolios purchased. Principal and interest payments of these borrowings are calculated based on collection performance of each loan portfolio. In accordance with the agreements, the Company is obliged to pay the principal and interest within the following month of each quarter and on the second business day following the end of each quarter. The interest rates of these borrowings are limited to 8%. Borrowings that the Company have used in 2015 and 2014 have 3-4 years maturity and fixed rates.

(*) As of 31 December 2015, short term payables to related parties amount of TL 1,347,881 is composed of private sector bonds with maturity of 10 June 2016 and nominal interest rate of 12,25% issued by the Company on 10 December 2015. (Note 4)

Details of borrowings are as follows:

	31 December 2015			31 December 2014		
Currency of borrowings	Original amount	Amount in TL	Interest rate (%)	Original amount	Amount in TL	Interest rate (%)
TL	90,969,277	90,969,277	8.00	110,862,258	110,862,258	11.25-30.00
USD	15,036,161	43,719,143	2.07	15,556,357	36,073,636	2.07
		134,688,420			146,935,894	

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13 - FINANCIAL LIABILITIES (Continued)

Details of financial lease obligations are as follows:

	31 December 2015	31 December 2014
Short term financial lease obligations		
Up to 1 year	344,889	44,211
Less: Future finance charges on financial lease	(120,922)	(1,449)
	223,967	42,762
Long term financial lease obligations		
1 to 2 years	344,319	675
2 to 3 years	316,707	-
Future finance charges on financial lease	(175,410)	-
	485,616	675

14 - OTHER FINANCIAL LIABILITIES

	31 December 2015	31 December 2014
Other financial liabilities		
Private sector bonds subject to reverse purchase agreements (*)	3,195,880	-
Liabilities arising from short selling (**)	353,951	-
	3,549,831	-

(*) As of 31 December 2015, the weighted average interest rate of private sector bonds subjected to reverse purchase agreements is 13.84%, and the maturity is 7 January 2016 (31 December 2014: None).

(**) As of 31 December 2015, liabilities arising from short selling consist of common stocks amounting to TL 5,000 nominal value (31 December 2014: None).

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15 - PROPERTY AND EQUIPMENT

	Office equipment	Furniture and fixtures	Other tangible assets	Leasehold improvements	Total
31 December 2015					
Net book value, 1 January 2015	366,043	551,321	17,793	144,734	1,079,891
Additions	997,602	1,263,234	258,127	361,133	2,880,096
Disposals (-)	-	-	12,206	-	12,206
Depreciation charge (-)	117,567	526,094	3,861	76,852	724,374
Net book value	1,246,078	1,288,461	259,853	429,015	3,223,407
Cost	4,072,086	3,764,524	476,670	2,299,329	10,612,609
Accumulated depreciation (-)	2,826,008	2,476,063	216,817	1,870,314	7,389,202
Net book value	1,246,078	1,288,461	259,853	429,015	3,223,407
	Office equipment	Furniture and fixtures	Other tangible assets	Leasehold improvements	Total
31 December 2014					
Net book value, 1 January 2014	477,025	730,127	39,050	54,461	1,300,663
Additions	101,670	109,758	5,986	110,442	327,856
Disposals (-)	7,303	-	21,510	-	28,813
Depreciation charge (-)	205,349	288,564	5,733	20,169	519,815
Net book value	366,043	551,321	17,793	144,734	1,079,891
Cost	3,074,484	2,501,290	230,749	1,938,196	7,744,719
Accumulated depreciation (-)	2,708,441	1,949,969	212,956	1,793,462	6,664,828
Net book value	366,043	551,321	17,793	144,734	1,079,891

As of 31 December 2015 and 2014 there is no restriction or mortgage on the Group's tangible assets.

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16 - INTANGIBLE ASSETS

A. OTHER INTANGIBLE ASSETS

	1 January 2015	Additions	Disposals	31 December 2015
Cost	1,249,374	760,507	-	2,009,881
Accumulated amortization (-)	545,973	204,257	-	750,230
Net book value	703,401			1,259,651

	1 January 2014	Additions	Disposals	31 December 2014
Cost	1,077,939	171,435	-	1,249,374
Accumulated amortization (-)	370,959	175,014	-	545,973
Net book value	706,980			703,401

As of 31 December 2015 and 2014, there is not the intangible assets created within the business

B. GOODWILL

i. The transfer of ÜNLÜ Menkul Değerler A.Ş.'s 142,216,490 units of shares of a total of 179,399,700 units of shares with a value of 1 (one) kurus (TL0.01) each, that constitutes 53% of the Company, that is owned by Standard Bank London Holdings Limited, and 59.033.300 units of shares which constitute 22% of the Company with a value of 1 (one) kurus (TL0.01) each owned by Mahmut Levent Ünlü, to ÜNLÜ Yatırım Holding A.Ş.(Formerly “ÜNLÜ Finansal Yatırımlar A.Ş.) 94.51% of whose shares are owned by Mahmut Levent Ünlü, via the share transfer agreement dated 10 April 2012 was approved by CMB on 29 August 2012.

The Company had become controlling shareholder by buying 268.333.000 units of shares of ÜNLÜ Menkul which constitutes 53% of ÜNLÜ Menkul's total nominal value of 142.216.490 shares, from Standard Bank London Holdings as of 30 October 2012.

The Company has added SU General Partners S.A. (Luxembourg) and ÜNLÜ Alternative Asset Management (Isle of Man) to its financial statements, by buying 100% shares of these companies as of 1 November 2012.

ii. The Company purchased 100% of SU General Partners S.A. total 3,615 units of shares via purchasing 2,417 units of shares that constitute 67% from Standard Bank PLC, 795 units of shares that constitute 22% from Mahmut Levent Ünlü, and the remaining 403 units of shares that constitute 11% from three different shareholders.

iii. As of 1 November 2012, the Company purchased 100% of ÜNLÜ Alternative Asset Management that constitutes 6,686 units of shares by acquiring 3,615 units of shares that constitutes 67% from Standard Bank PLC, 2,199 units of shares that constitute 22% from Mahmut Levent Ünlü, and remaining 1,115 units of shares that constitute 11% from three different shareholders.

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16 - INTANGIBLE ASSETS (Continued)

Net assets acquired by the Group and the details of the calculation of goodwill explained in the previous page are as follows:

	2012
Acquisition cost	77,865,314
Contingent considerations	-
Net acquisition cost	77,865,314
The acquisition cost does not include any other cost except for the amount paid mentioned above, the fair values of assets and liabilities arising from the acquisition are as follows:	
Cash and cash equivalents	66,581,075
Trade receivables	73,219,940
Other long term receivables	9,233,899
Financial investments	6,375,693
Property and equipment	829,328
Other current assets	589,422
Intangible assets	91,923
Financial liabilities	(68,077,741)
Provisions for employee benefits	(9,234,189)
Other payables	(8,791,049)
Trade payables	(4,936,085)
Deferred tax liabilities	(1,702,432)
Net assets acquired	64,179,784
Owner of the parent	48,666,988
Goodwill	29,198,326
Net acquisition cost	77,865,314
Cash and cash equivalents	(66,581,075)
Net cash flows	11,284,239

The Group applies an impairment test to the assets recorded as goodwill items on each 31 December. As of 31 December 2015, the Group reviewed its valuation methods, analyzed future revenue expectations and applied goodwill impairment test on these expectations using discounted cash flow method, with the conclusion to that no impairment was identified.

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17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

(i) Short term provisions

	31 December 2015	31 December 2014
Provision for lawsuits ^(*)	505,000	354,000
	505,000	354,000

^(*) As of 31 December 2015 provision for lawsuits amounting to TL 505,000 (31 December 2014: TL 354,000) consists of provisions for reemployment lawsuits.

Provision for lawsuits movement for the period ended 31 December 2015 and 2014 is as follows:

	31 December 2015	31 December 2014
Beginning of the period	354,000	245,000
Reversed provisions for the period	(202,000)	-
Provision for the period	353,000	109,000
End of the period	505,000	354,000

(ii) Assets kept on behalf of customers

	31 December 2015	31 December 2014
<i>Securities kept on behalf of customers:</i>		
Investment funds	3,050,261,825	3,987,953,348
Common stocks	391,539,730	403,928,770
Private sector cooperate bond, treasury bills and government bonds	21,725,786	31,988,560

(iii) Letter of guarantees given

	31 December 2015	31 December 2014
Collateral provided to courts and directorate of bailiff and execution ^(*)	11,077,417	11,316,807
Istanbul Settlement and Custody Bank Inc, money market deposit	5,500,000	-
Transaction collateral for BIST bonds and bills market	2,200,000	2,200,000
Collateral for CMB brokerage operations	1,551,776	1,551,776
Transaction collateral for BIST equity market	1,250,000	1,250,000
Collateral given to Aselsan Elektronik San, ve Tic, A.Ş.	100,000	100,000
Ministry of Finance	74,749	74,749
Collateral given to Turk Telekomünikasyon A.Ş.	18,200	18,200

^(*) It includes guarantees related to cases that have been taken to courts for the collection of receivables and its follow-up procedure of the Company's subsidiary İSTANBUL Varlık Yönetim A.Ş.

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17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(iv) Securities given as collaterals

As of 31 December 2015 and 2014 securities given as collaterals are as follows (Note 6):

	31 December 2015		31 December 2014	
	Nominal value	Fair value	Nominal value	Fair value
BIST Treasury and Bond Market	3,700,000	4,249,722	200,000	186,048
CMB	200,000	205,207	200,000	208,114
	3,900,000	4,454,929	400,000	394,162

(v) Contingent liabilities

(i) As of 31 December 2015, the total commitment amount in the following periods for all shareholders of 212 Capital Partners I Coöperatif U.A. which is classified as available for sale financial assets in Company’s financials with 3.31% share rate, is USD 30,200,000. Within 2015, a commitment realization requested from 212 Capital Partners I Coöperatif U.A. and ÜNLÜ Yatırım Holding A.Ş. participated this call through payments made USD 25,000 on 10 February 2015, USD 50,000 on 8 May 2015, USD 80,000 on 21 December 2015 totally USD 155,000 which corresponds to TL 430,975 (USD 100,000 on 9 May 2014 and USD 50,000 on 22 September 2014 which corresponds to TL 318,621) (Note 6).

(ii) As of 31 December 2015, the total commitment amount in the following periods for all shareholders of ÜNLÜ LT Investments Limited Partnership which is classified as investments valued with the equity methods in TAIL’s financials with a 9.09% share rate, is USD 110,000,000. ÜNLÜ LT has been realized commitment payments and paid USD 1,794,412 within 2015 (Note 7) (31 December 2014: None)

18 - CONTINGENCIES AND COMMITMENTS

Explanations regarding derivatives

Group’s fair value of open contracts in the Derivatives Market as of 31 December 2015 is USD 222,688 (31 December 2014: None).

31 December 2015

Contract definition	Maturity	Position	Number of contracts	Settlement price	Nominal value
F_XU0300216S0	28 February 2016	Short	25	89,080	222,688
Net position					222,688

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19 - PROVISION FOR EMPLOYEE BENEFITS

	31 December 2015	31 December 2014
Short term employee benefits		
Bonus provision	9,526,279	4,829,800
Unused vacation provision	1,971,334	1,613,805
	11,497,613	6,443,605
Long term employee benefits		
Provision for employment termination benefits	1,494,258	1,049,438
	1,494,258	1,049,438

The Company declared that, within the scope of the new amendments regarding bonus policy, it will give Group employees who had a performance bonus over a certain amount calculated in their names a pledged share certificate as an additional right, and regarding a separate agreement to be made with the Company and that this pledge will be removed by the Company on the condition that the requirements of the said agreement are met

Provisions for employment termination benefits

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service or reaches the retirement age (58 for women and 60 for men) or dies. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of TL 3,828 (31 December 2014: TL 3,438).

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

The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees.

International Financial Reporting Standards requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits, accordingly the following actuarial assumptions were used in the calculation of the total liability.

	31 December 2015	31 December 2014
Discount rate (%)	3.30	3.30
Turnover rate to estimate the probability of retirement (%)	92	95

The basic assumption is that the determined value for every working year increases proportional to inflation. Using this assumption, the existing discount ratio shows the real ratio, unaffected by inflation. Therefore, the maximum amount of employment termination benefits of the Group is determined every six months and is calculated using the maximum amount of TL 4,093 effective from 1 January 2016 (1 January 2015: TL 3,541).

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19 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

Movements in the provision for employee bonus for the period ended 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Beginning of the period	4,829,800	9,627,709
Provision during the period	9,526,279	4,829,800
Payment during the period (-)	(4,829,800)	(9,627,709)
End of the period	9,526,279	4,829,800

Movements in the provision for unused vacation for the period ended 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Beginning of the period	1,613,805	1,481,236
Provision during the period	503,674	463,901
Payment during the period (-)	(146,145)	(331,332)
End of the period	1,971,334	1,613,805

Movements in the provision for employment termination benefits for the period ended 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Beginning of the period	1,049,438	817,367
Service cost	292,765	189,794
Interest cost	115,246	99,565
Actuarial loss	447,823	261,061
Payment during the period (-)	(411,014)	(318,349)
End of the period	1,494,258	1,049,438

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20 - SHAREHOLDERS' EQUITY

Share capital

As of 31 December 2015 and 2014, share capital structure of the parent Company is as follows:

Name of the shareholder	31 December 2015		31 December 2014	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Mahmut Levent Ünlü	31,999,996	94.5113	31,999,996	99.5223
Standard Bank Holding Ltd, (**)	1,675,412	4.9483	-	-
Kağan Çevik (*)	58,200	0.1719	58,200	0.1810
Tunç Yıldırım (*)	29,100	0.0859	29,100	0.0905
Simge Ündüz (*)	19,255	0.0569	10,809	0.0336
Can Ünalın (*) (**)	18,437	0.0545	10,394	0.0323
Mehmet Batur Özyar (*)	11,016	0.0325	11,016	0.0343
İbrahim Romano (*) (**)	9,978	0.0295	9,978	0.0310
Tahir Selçuk Tuncalı (*) (**)	9,978	0.0295	9,978	0.0310
Vedat Mizrahi (*)	7,275	0.0215	7,275	0.0226
Hakan Suha Ansen (*)	7,079	0.0209	-	-
Mehmet Sait Sezgin (*)	6,859	0.0203	6,859	0.0213
Demet Kargın (*)	5,792	0.0171	-	-
Kamil Atilla Köksal (*)	1	0.0000	1	0.0000
	33,858,378	100.00	32,153,606	100.00

(*) With Decision No. 6, dated 22 January 2014, new amendments regarding the Company's bonus policy for the company-employee relationships of ÜNLÜ Yatırım Holding A.Ş. (Formerly “ÜNLÜ Finansal Yatırımlar A.Ş.”) were declared and will be valid as of and after 1 January 2014. The main purpose of the new policy, called a long term incentive procedure, is to sustain employee motivation and loyalty to the Group and their continued contribution to corporate targets with remuneration and reward policies.

Within this framework, for employees whose total gross bonus amounted to USD300,000 or higher at the end of the said performance year, the Group pays 65% of said amount, and for employees whose total gross bonus amount calculated at the end of said performance year is between USD150,000 and USD299,999, the Group pays 75% of the said amount in cash by the end of March of the year following the performance year, as a success bonus by the subsidiaries of the Company. The remaining 35% and 25% of the total gross bonus amounts are paid in cash by the subsidiaries of the Company, in accordance with the separate share purchase agreement made between ÜNLÜ Yatırım Holding A.Ş. Formerly “ÜNLÜ Finansal Yatırımlar A.Ş.” (“ÜYH”) and Group employees on behalf of the employees who were entitled to this performance bonus as an additional right, on the condition that the new shares which are issued by ÜYH and has a pledge of the Company over them, are purchased.

Within this scope, in 2015 the Company issued and registered 29,360 shares worth TL 293.099 on behalf of Group employees, within the scope of the bonus policy mentioned above (31 December 2014: 153,606 shares worth TL 1.186.852 on behalf of Group employees.) However, the Company's obligation to deliver these pledged shares to the employees that these shares are registered on behalf of will only arise within the scope of the requirements and when the loyalty period ends. As per the same agreement, the Company has the right to pay the current market value of the shares as of the delivery date to the employees who are entitled to these shares, instead of delivering them the shares.

(**) Shares of the Company shareholders Can Ünalın, İbrahim Romano, Tahir Selçuk Tuncalı, and Kamil Atilla Köksal, which have a nominal value of TL1, are not within the scope of the bonus policy described above.

(***) The company was acquired by Standard Bank Group Ltd. for TL 24,408,000 through issuing new shares with nominal value shares that equal TL 1,675,413, which is equivalent to 4.95% of the Company. The acquisition became official when Mahmut Ünlü and Standard Bank Group Ltd. signed the capital contribution agreement dated 20 August 2015. The acquisition took place on 20 October 2015.

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20 - SHAREHOLDER’S EQUITY (Continued)

With the decision of the Ordinary General Assembly dated 4 September 2012, the capital of ÜNLÜ Yatırım Holding A.Ş. was raised to TL 32,000,000 from TL 50,000. Capital increase had been fully covered by Mahmut Levent Ünlü. This capital increase decision had been registered with Trade Registry Gazette numbered 8154 dated 11 September 2012.

As a result of the Ordinary General Assembly meeting held on 23 May 2015, the paid-in capital of the Company was increased from TL 32,000,000 to TL 32,153,606, and Article 6 of the Company’s Articles of Association was changed. This capital increase was made by issuing shares at a premium, and pre-emptive rights of Mahmut Levent Ünlü and Kamil Attila Köksal were removed.

As a result of the Ordinary General Assembly meeting held on 29 September 2015, the paid-in capital of the Company was increased from TL 32,153,606 to TL 32,182,966 and Article 6 of the Company’s Articles of Association was changed. This capital increase was made by issuing shares at a premium, and Mahmut Levent Ünlü, İbrahim Romano, Tahir Selçuk Tuncalı, Kamil Attila Köksal, Kağan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Vedat Mizrahi and Mehmet Sezgin were waived their pre-emptive rights.

As a result of the Ordinary General Assembly meeting held on 20 October 2015, the paid-in capital of the Company was increased from TL 32,182,966 to TL 33,858,378 and Article 6 of the Company’s Articles of Association was changed. Excess of TL 1,675,412 increased in capital total amount of TL 22,732,588 was added to the statutory reserves as share premium. In this capital increase, all current shareholders of the Company were waived their pre-emptive rights, and all of the increase amount was paid by Standard Bank Group Ltd.

As of 31 December 2015, the registered share capital of the Company is TL 33,858,378 (31 December 2014: TL 32,153,606). The Company’s share capital is comprised of 33,858,378 issued shares, each having TL1 nominal value (31 December 2014: TL1, 32,153,606).

Share premium

For the year ended 31 December 2015, the share based right amounts that are obtained within the premium system stated above are accounted for on an accrual basis. Of the TL 2,534,975 (31 December 2014: TL 1,186,824) premium amounts paid in cash by registering shares on behalf of the employees, a total of TL 1,300,431 (31 December 2014: TL 593,426), which is calculated by taking the term of office of these employees, is recognized under equity, TL 182,966 is recognized under paid-in capital TL (31 December 2014: TL 153,606), and TL 1,117,465 is recognized under share premiums (31 December 2014: TL 439,820).

Standard Bank Group Ltd. paid a capital contribution of TL 24,408,000 in return for 4.95% share in the company on 20 October 2015. TL 22,732,588 of the premium of this capital contribution is subject to share as of 31 December 2015 because it exceeds TL 1,675,412.

Other comprehensive income

Due to on TAS 19 standard, the Group has actuarial loss amounting to TL 425,715 (31 December 2014: 56,823 TL) of net tax comes from employee termination benefit provision.

Currency translation profit amounting to TL 9,578,140 (31 December 2014: TL 4,279,541 currency translation profit) which is booked to “Currency translation differences” under shareholders’ equity is due to exchange of equity items of the subsidiaries subject to consolidation with period-end closing exchange rates and profit and loss items with annual average exchange rates.

Retained earnings

As of 31 December 2015, retained earnings of the Group are TL 18,921,432 (31 December 2014: TL: 19,786,051).

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21 - SALES AND COST OF SALES

	1 January - 31 December 2015	1 January - 31 December 2014
Sales	454,313,148	113,016,051
Sales of government bonds	258,069,146	99,989,222
Sales of common stocks	183,457,718	7,790,602
Consultancy income	7,747,191	3,574,948
Sales of investment funds	5,039,093	1,661,279
Service income	127,953,254	89,552,484
Interest income from loans (*)	52,050,472	50,116,485
Domestic corporate finance income	46,865,714	9,032,693
Commission on sales of common stocks	15,779,082	13,742,736
Foreign corporate finance income	5,514,138	13,455,748
Portfolio management income	5,086,554	1,560,884
Commission on custody transactions	539,201	228,264
Other service income	2,118,093	1,415,674
Deductions from services income (-)	29,589,954	18,423,705
Special provision expense to loans (-)	27,100,746	18,033,798
Commission expense (-)	2,309,848	389,907
Provision expense for doubtful receivables (-)	179,360	-
Financial sector operations income	552,676,448	184,144,830
Financial sector operations cost (-)	445,455,175	109,217,059
Cost of government bonds (-)	257,686,176	99,928,371
Cost of common stocks (-)	182,768,999	7,785,379
Cost of investment funds (-)	5,000,000	1,503,309
Gross profit from financial sector operations	107,221,273	74,927,771

(*) The interest income from loans has been composed of collections from non-performing loan receivables of the Company's direct subsidiary, İSTANBUL Varlık. Interest expenses on borrowings which are used for financing of these receivables are classified under financial expense (Note 25).

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22 - EXPENSES BY NATURE

	1 January - 31 December 2015	1 January - 31 December 2014
Marketing, sales and distribution expenses		
Marketing and distribution expenses	1,016,323	387,739
Advertisement and publicity expenses	414,666	342,261
Representation expenses	399,300	230,118
	1,830,289	960,118
General administrative expenses		
Personnel expenses	54,229,240	37,260,169
Consultancy and audit expenses	5,905,898	5,360,206
Tax and sundry expenses	5,566,481	1,214,189
Rent expenses	2,201,835	2,427,971
Data line rental expense	1,902,276	1,395,727
Travel expenses	1,469,385	1,122,174
Communication expenses	1,135,918	1,015,609
Depreciation and amortization expenses (Note 15 and 16)	936,303	722,612
Office building administrative expenses	830,693	621,485
Vehicle expenses	616,299	574,675
Information technology expenses	534,359	292,140
Lawsuit provision expenses	151,000	109,000
Other	3,492,694	3,576,287
	78,972,381	55,692,244

23 - OTHER OPERATING INCOME/EXPENSE

	1 January - 31 December 2015	1 January - 31 December 2014
Other operating income		
Other service income	20,430	190,244
	20,430	190,244
Other operating expense		
Other service expenses	-	567
	-	567

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24 - FINANCIAL INCOME

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange gain	30,584,269	15,968,257
Interest income	5,153,756	4,836,886
Dividend income	303,404	60,882
Derivatives market operations income	275,979	-
Other financial income ^(*)	1,605,501	56,613
	37,922,909	20,922,638

^(*) Other financial income amounting to TL 1,526,230 consists of Istanbul Varlık's discount income of early loan payment (1 January - 31 December 2014: None).

25 - FINANCIAL EXPENSE

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange losses	33,753,287	18,284,272
Interest expenses ^(*)	12,377,467	13,944,251
Repo interest expense	108,616	-
Other financial expense	256,655	362,510
	46,496,025	32,591,033

^(*) Interest expenses include TL 10,551,038 (31 December 2014: TL 12,471,291) of borrowing interest expenses that are used for financing of non-performing loan receivables of the Company's direct subsidiary İSTANBUL Varlık.

26 - TAX ASSETS AND LIABILITIES

Turkish Corporate Tax Law has been amended by Law No, 5520 dated 13 June 2006. Most of the articles of this new Law No, 5520 have come into force effective from 1 January 2006. The corporation tax rate is 20%.

Corporation tax rate is applicable on the total income of the companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, etc.) and income tax deductions (for example research and development expenses deduction). No further tax is payable unless the profit is distributed.

Except for the dividends paid to non-resident corporations which have a representative office in Turkey or resident corporations, dividends are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is declared by the 10th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability, if, despite offsetting, there remains a paid advance tax amount, it may be refunded or offset against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

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26 - TAX ASSETS AND LIABILITIES (Continued)

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

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

	1 January - 31 December 2015	1 January - 31 December 2014
Current year tax expense	5,547,993	1,433,715
Deferred tax income	(1,152,594)	(235,303)
Total tax expense	4,395,399	1,198,412

The breakdown of cumulative temporary differences and the related deferred tax assets and liabilities as of 31 December 2015 and 2014 calculated using the enacted tax rates, are as follows:

	Temporary differences		Deferred tax assets/ (liabilities)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Tax deductible previous years' losses	93,219,434	61,369,577	18,643,887	12,273,915
Provision for employment termination benefit and vacation pay liability	3,471,061	2,663,242	694,212	532,648
Lawsuit provision	505,000	354,000	101,000	70,800
Provision for doubtful receivables	179,360	-	35,872	-
Expense accruals	97,056	153,990	19,411	30,798
Other	2,778	2,462	556	491
Deferred tax assets			19,494,938	12,908,652
Loans and receivables valuation differences	87,269,195	70,794,517	17,453,839	14,158,903
Tax effect arising from investments valued with equity method	17,057,078	15,151,225	3,411,416	3,030,245
Income accruals	4,619,360	-	923,872	-
Difference between tax base and carrying value of tangible and intangible assets	937,072	195,156	187,414	39,031
Other	43,275	19,802	8,655	3,961
Deferred tax liabilities			21,985,196	17,232,140
Impairment on deferred tax assets (*)			(1,140,117)	(549,046)
Net-off			(13,806,977)	(9,634,059)
Deferred tax assets			4,547,844	2,725,547
Deferred tax liabilities			8,178,219	7,598,081

(*) As of 31 December 2015, PLATO Finans, subsidiary of the Company, had considered its work plan, and impaired its deferred tax asset which can be deducted from tax base in the following years, amounting to TL 1,140,117 (31 December 2014: TL 549,046).

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26 - TAX ASSETS AND LIABILITIES (Continued)

Expected income tax reconciliation using the Company’s statutory tax rate:

	31 December 2015	31 December 2014
Profit before tax	10,618,869	9,357,108
Theoretical income tax at the applicable tax rate of 20%	2,123,774	1,871,422
Portion of income/expense of investments accounted through equity method	(370,930)	(780,368)
Impact of different tax rates applicable to profits in the respective countries	556,962	186,700
Taxation effects of consolidation adjustments	942,540	(162,651)
Non-deductible expenses	51,357	73,599
Other	13,216	9,710
Current year tax expense	4,395,399	1,198,412

As of 31 December 2015, the Company has TL 22,003,395 accumulated losses.

As of 31 December 2015 tax deductible losses and last deduction dates of the Company are as follows:

	Carry forward tax losses	Last deduction date
2013	6,991,574	31 December 2018
2014	4,043,519	31 December 2019
2015	10,968,302	31 December 2020
	22,003,395	

As of 31 December 2015, İSTANBUL Varlık, subsidiary to the Company, has TL 65,238,563 accumulated losses. As of 31 December 2015 tax deductible losses and last deduction dates of İSTANBUL Varlık are as follows:

	Carry forward tax losses	Last deduction date
2012	284,301	31 December 2017
2013	23,297,545	31 December 2018
2014	24,148,131	31 December 2019
2015	17,508,586	31 December 2020
	65,238,563	

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26 - TAX ASSETS AND LIABILITIES (Continued)

As of 31 December 2015, PLATO Finans, subsidiary of the Company, has TL 5,529,085 accumulated losses. As of 31 December 2015, PLATO Finans's tax losses carried forward and last deduction dates are as follows:

	Carry forward tax losses	Last deduction date
2014 (*)	2,604,507	31 December 2019
2015 (*)	2,924,578	31 December 2020
	5,529,085	

(*) As of 31 December 2015, PLATO Finans, subsidiary of the Company, had considered its work plan, and impaired its deferred tax asset which can be deducted from tax base in the following years, amounting to TL 5,529,085. As of 31 December 2015 amount of TL 1,105,817 have been subjected to the impairment of deferred tax assets for future use.

As of 31 December 2015, DU Finans, subsidiary of the Company, has TL 448,391 accumulated losses.

As of 31 December 2015, DU Finans tax losses carried forward and last deduction date is as follows:

	Carry forward tax losses	Last deduction date
2015	448,391	31 December 2020
	448,391	

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27 - EARNINGS PER SHARE

Earnings per share are calculated through division of net profit to weighted average number of shares:

	31 December 2015	31 December 2014
<i>Basic</i>		
1. Profit from continuing operations attributable to owners of the parent	7,182,867	5,949,590
2. Weighted average number of ordinary shares in issue	32,440,181	32,089,604
3. Earnings per share (1/2)	0.2214	0.1854
<i>Diluted</i>		
4. Profit from continuing operations attributable to owners of the parent	7,182,867	5,949,590
5. General administrative expenses arising from share-based payments	263,763	73,275
6. Profit used to determine diluted earnings per share (4+5)	7,446,630	6,022,865
7. Weighted average number of ordinary shares in issue	32,440,181	32,089,604
8. Adjustments for: Share-based payments	84,675	29,360
9. Weighted average number of ordinary shares for diluted earnings per share (7+8)	32,524,856	32,118,964
10. Diluted earnings per share (6/9)	0.2290	0.1875

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28 - NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

i. Information on credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment.

31 December 2015	Trade receivables		Other receivables		Bank deposits	Financial investments
	Related parties	Other parties	Related parties	Other parties		
Maximum credit risk exposure as of the financial statements date (A+B+C+D)	642,781	112,270,309	285,513	4,457,851	98,759,888	23,314,498
- Maximum credit risk under guaranteed through net collateral, or etc.						
A. Net carrying value of financial assets which are neither impaired nor overdue	642,781	228,626,592	285,513	4,457,851	98,759,888	23,314,498
B. Net carrying value of impaired assets collateralized portion of the net exposure	-	-	-	-	-	-
C. Net book value of assets exposed to impairment loss	-	116,356,283	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment loss (-)	-	116,356,283	-	-	-	-
- The part under guaranteed through net collateral, or etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment loss (-)	-	-	-	-	-	-
- The part under guaranteed through net collateral, or etc.	-	-	-	-	-	-
D. Off-balance sheet items exposed to credit risk	-	-	-	-	-	-

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28 - NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2014	Trade receivables		Other receivables		Bank deposits	Financial investments
	Related parties	Other parties	Related parties	Other parties		
Maximum credit risk exposure as of the financial statements date (A+B+C+D)	3,654,343	135,063,620	4,073,449	4,047,177	64,553,636	10,426,096
- Maximum credit risk under guaranteed through net collateral, or etc.						
A. Net carrying value of financial assets which are neither impaired nor overdue	3,654,343	224,139,797	4,073,449	4,047,177	64,553,636	10,426,096
B. Net carrying value of impaired assets collateralized portion of the net exposure	-	-	-	-	-	-
C. Net book value of assets exposed to impairment loss	-	89,076,177	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment loss (-)	-	89,076,177	-	-	-	-
- The part under guaranteed through net collateral, or etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment loss (-)	-	-	-	-	-	-
- The part under guaranteed through net collateral, or etc.	-	-	-	-	-	-
D. Off-balance sheet items exposed to credit risk	-	-	-	-	-	-

For the purposes of the table above, collaterals and other guarantees which increase the collectability of the financial asset are not taken into account.

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ii. Information on liquidity risk

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

The Group does not have any derivative financial liabilities. The following table presents the cash flows payable by the Group under other financial liabilities according to their remaining contractual maturities as of 31 December 2015 and 2014:

31 December 2015							
	Carrying value	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Demand	Total contractual cash outflows
Financial liabilities	135,398,003	4,110,473	16,153,050	35,885,128	69,093,290	16,860,932	142,102,873
Other financial liabilities	3,549,831	3,549,831	-	-	-	-	3,549,831
Trade payables	47,253,257	47,230,281	-	22,976	-	-	47,253,257
Other payables and liabilities	8,380,456	739,617	-	7,640,839	-	-	8,380,456
Total liabilities	194,581,547	55,630,202	16,153,050	43,548,943	69,093,290	16,860,932	201,286,417
31 December 2014							
	Carrying value	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Demand	Total contractual cash outflows
Financial liabilities	146.979.331	9.152.789	4.604.736	24.037.769	91.165.720	31.529.286	160.490.300
Trade payables	20,275,958	2,058,528	18,209,966	7,464	-	-	20,275,958
Other payables and liabilities	10,194,582	5,961,561	4,158,187	-	74,834	-	10,194,582
Total liabilities	177,449,871	17,172,878	26,972,889	24,045,233	91,240,554	31,529,286	190,960,840

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iii. Information on market risk

Foreign currency risk

Assets and liabilities denominated in foreign currency held by the Group at 31 December 2015 and 2014 in original currency and total TL equivalents are as follows:

	31 December 2015				31 December 2014			
	TL Equivalent	USD	EUR	GBP	TL Equivalent	USD	EUR	GBP
Cash at banks	76,139,049	25,930,577	82,002	112,245	22,052,924	9,299,670	37,535	106,239
Trade receivables	1,103,698	142,470	216,973	-	8,631,604	3,436,190	235,197	-
Total assets	77,242,747	26,073,047	298,975	112,245	30,684,528	12,735,860	272,732	106,239
Trade payables and financial liabilities	96,010,650	32,819,861	36,282	108,897	9,489,518	3,875,683	37,732	110,054
Total liabilities	96,010,650	32,819,861	36,282	108,897	9,489,518	3,875,683	37,732	110,054
Net foreign currency position	(18,767,903)	(6,746,814)	262,693	3,348	21,195,010	8,860,177	235,000	(3,815)

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Foreign currency sensitivity analysis

31 December 2015

	Profit/loss		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% change in USD foreign currency rate				
1. USD net (liability)/asset	(1,961,704)	1,961,704	(1,961,704)	1,961,704
2. Hedged portion against USD currency risk (-)	-	-	-	-
3. Net effect of USD (1+2)	(1,961,704)	1,961,704	(1,961,704)	1,961,704
10% change in EUR foreign currency rate				
4. EUR net asset/(liability)	83,473	(83,473)	83,473	(83,473)
5. Hedged portion against EUR currency risk (-)	-	-	-	-
6. Net effect of EUR (4+5)	83,473	(83,473)	83,473	(83,473)
10% change in GBP foreign currency rate				
7. GBP net asset/(liability)	1,441	(1,441)	1,441	(1,441)
8. Hedged portion against GBP risk (-)	-	-	-	-
9. Net effect of GBP (7+8)	1,441	(1,441)	1,441	(1,441)
Total (3+6+9)	(1,876,790)	1,876,790	(1,876,790)	1,876,790

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28 - NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2014

	Profit/loss		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% change in USD foreign currency rate				
1. USD net asset/(liability)	2,054,587	(2,054,587)	2,054,587	(2,054,587)
2. Hedged portion against USD currency risk (-)		-	-	-
3. Net effect of USD (1+2)	2,054,587	(2,054,587)	2,054,587	(2,054,587)
10% change in EUR foreign currency rate				
4. EUR net asset/(liability)	66,286	(66,286)	66,286	(66,286)
5. Hedged portion against EUR currency risk (-)	-	-	-	-
6. Net effect of EUR (4+5)	66,286	(66,286)	66,286	(66,286)
10% change in GBP foreign currency rate				
7. GBP net asset/(liability)	(1,372)	1,372	(1,372)	1,372
8. Hedged portion against GBP risk (-)	-	-	-	-
9. Net effect of GBP (7+8)	(1,372)	1,372	(1,372)	1,372
Total (3+6+9)	2,119,501	(2,119,501)	2,119,501	(2,119,501)

Interest rate risk

According to the daily market conditions, the Group invests its cash as securities held for trading, reverse repurchase agreements or bank deposits.

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28 - NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Interest rate profile

	31 December 2015	31 December 2014
Fixed rate financial instruments		
Financial assets		
Investment securities held for trading	4,153,836	394,162
Time deposits and receivables from reverse repurchase agreements	57,085,193	63,613,974
Financial liabilities		
Financial liabilities	73,601,355	77,081,358
Floating rate financial instruments		
Financial assets		
Investment securities held for trading	3,276,364	4,684,271
Financial liabilities		
Financial liabilities	61,796,648	69,897,973

The profit before tax of the Group from the financial asset valuation will decrease by TL 697,674 (31 December 2014: TL 665,073) and increase by TL 697,674 (31 December 2014: TL 665,073) in the case of a 1% decrease/increase in TL market interest rates with all other factors remaining constant as of 31 December 2014.

Price risk

All common stocks in Group’s portfolio, measured at fair value through profit or loss, are actively traded in BIST. According to Group’s analysis, the profit before tax of the Group from the financial asset valuation will increase/decrease by TL 207,692 (31 December 2014: None) in the case of a 5% increase/decrease in BIST index with all other factors remaining constant as of 31 December 2015.

According to Group’s analysis, the profit before tax of the Group from the financial asset valuation will increase/decrease by TL 11,134 (31 December 2014: None) in the case of a 5% increase/decrease in the Derivatives Market index with all other factors remaining constant as of 31 December 2015.

iv. Share capital management

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

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29 - FINANCIAL INSTRUMENTS

The fair value of the financial instruments

Despite of the obligatory sale and the close-out, the fair value describes the amount of the financial instrument for its purchase and sell, to the consent process of related sides. Under this circumstance, the quoted market price reflects the fair value, most appropriately.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

Despite of the financial lease receivables and borrowings, the fair values of short-term assets and liabilities have been estimated close to their book values since the impact of the discount is irrelevant for the fair value.

The fair values and carrying values of financial assets and liabilities of the Group are as follows:

	Carrying value		Fair value	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Financial assets				
Banks	97,996,741	64,553,636	97,996,741	64,553,636
Trade receivables	112,913,090	138,717,963	112,913,090	138,717,963
Financial assets	17,960,702	9,186,792	17,960,702	9,186,792
Financial liabilities				
Financial liabilities	135,398,003	146,979,331	135,398,003	146,979,331

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29 - FINANCIAL INSTRUMENTS (Continued)

Fair value of the financial instruments

Fair value hierarchy

The fair values of financial asset and liabilities have been determined as follows:

- First level: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities.
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in Level 1.
- Third level: Financial assets and liabilities are valued with inputs that cannot be based on data observable in the market and used to determine the fair value of the asset or liability.

31 December 2015	Level 1	Level 2	Level 3	Total
Financial assets held for trading	11,885,130	-	2,320,012	14,205,142
Available-for-sale financial assets (*)	-	-	3,755,560	3,755,560
31 December 2014	Level 1	Level 2	Level 3	Total
Financial assets held for trading	6,263,700	-	-	6,263,700
Available-for-sale financial assets (*)	-	-	2,923,092	2,923,092

(*) Available for sale financial assets include equity shares of companies are shown with their cost values since the fair values are not reliably measured.

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30 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES

	Non-controlling interests	Non-controlling interests in current year	Retained non-controlling interests	Un-paid capital attributable to non-controlling interests	Dividend paid to non-controlling interests
31 December 2015					
MENA Finans	25.00%	696	27,987	-	-
PLATO Finans (*)	23.98%	(781,269)	(630,679)	(822,000)	-
ÜNLÜ Menkul (*) (**)	-	5,213,576	-	-	-
		4,433,003	(602,692)	(822,000)	-
31 December 2014					
ÜNLÜ Menkul	25.00%	2,972,371	17,168,293	-	2,750,000
PLATO Finans	45.56%	(763,609)	(258,842)	-	-
MENA Finans	25.00%	344	29,302	-	-
		2,209,106	16,938,753	-	2,750,000

(*) As disclosed in note 2.D. (A), changes in share of non-controlling interest in the shareholding have been occurred in the period..

(**) The Company has increased its ownership rate in the subsidiary ÜNLÜ Menkul to 25% up to 100% by share transfer agreement with Standard Bank Group Limited as of 20 August 2015. In the scope of IFRS 10, the profit/loss of non-controlling interest corresponding to the period is subjected to the relevant share transfer.

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30 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (Continued)

PLATO Finans, subsidiary of the Company, generates almost all the non-controlling part of the Group. Plate Finans’s condensed financial information given as follows.

	31 December 2015	31 December 2014
<i>PLATO Finans information of condensed balance sheet:</i>		
Current assets	1,167,311	2,667,341
Non-current assets	1,438,829	631,642
Total assets	2,606,140	3,298,983
Short-term financial liabilities	570,229	810,488
Other short-term liabilities	1,435,226	3,300,847
Other long-term liabilities	624,849	131,811
Total liabilities	2,630,304	4,243,146
Paid in capital	7,000,000	2,000,000
Unpaid capital	(822,000)	-
Accumulated losses	(6,000,771)	(2,778,398)
Other comprehensive income	(201,393)	(165,765)
Net assets	(24,164)	(944,163)
<i>PLATO Finans information of condensed income statement:</i>		
Sales	9,498,644	12,060,585
Net loss for the period	(3,222,373)	(2,707,970)
Other comprehensive income	(35,628)	(77,398)
Non-controlling interest	(781,269)	(763,609)
Equity holders of the parent	(2,476,732)	(2,021,759)
<i>PLATO Finans information of condensed cash flow statement:</i>		
Cash flow used in by operating activities	(3,106,877)	(3,050,630)
Cash flows provided by investment activities	(1,372,489)	(133,397)
Cash flows provided by financing activities	4,420,734	2,675,179
Net decrease in cash and cash equivalents	(66,712)	(512,815)
Cash and cash equivalents at the beginning of the period	94,843	607,657
Cash and cash equivalents at the end of the period	28,131	94,842

Information above represented amounts before inter-company eliminations.

PLATO Finans’s abovementioned consolidated summary balance sheet was prepared considering that the continuity of the company was clear. PLATO Finans’s capital increased to TL 3,000,000 (in full) from TL 2,000,000 (in full) with the company’s TL 725,850 contribution (in full) on 02 July 2015. The Extraordinary General Assembly held a meeting on 25 December 2015 because PLATO Finans’s capital and two-thirds of its total legal reserves were non-reciprocal because of the loss on last year’s balance sheet as per Turkish Commercial Code Article 376. As per the decision made in the meeting, PLATO Finans’s capital was increased to TL 7,000,000 (in full) from TL 3,000,000 (in full) with Istanbul Varlık’s contribution (in full) of TL 2,903,400 on 28 December 2015.

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31 - SUBSEQUENT EVENTS

- (i) The Group’s membership application to its subsidiary ÜNLÜ Securities Inc, Financial Industry Regulatory Authority (“FINRA”) has been accepted as of 9 February 2016.
- (ii) The Wellcome Trust has had share of 9,90% by investing TL 52,176,060 through a capital increase. The capital increase was registered on 17 February 2016 by The Istanbul Trade Registry Office and was published in Turkey Trade Registry Gazette No. 9021 as of 29 February 2016.
- (iii) The Group’s subsidiary ÜNLÜ Portföy established “Ünlü Portföy Üçüncü Serbest Fon” with the CMB’s decision dated 14 January 2016 numbered 2/57, this foundation decision was published in the Trade Registry Gazette numbered 9008 dated 10 February 2016. Related fund was begun to be managed as of 2 March 2016.
- (iv) The Group’s subsidiary ÜNLÜ Menkul applied to CMB as of 18 September 2015 with the decision of the Board of Directors dated 1 September 2015 and numbered 2015/28 in order to be able to operate brokerage and leveraged trading portfolio activities abroad. This application has been accepted with the statement dated 10 March 2016 numbered 2016/9 by CMB.
- (v) PLATO Teknoloji Eğitim ve Danışmanlık A.Ş. has been decided to be liquidated because of no profit expectations with the General Assembly decision dated 1 March 2016, this decision was announced in the Trade Registry Gazette numbered 9030 and dated 11 March 2016.

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Ahi Evran Caddesi, Polaris Plaza

B Blok, No: 21, K: 1

34398 Maslak - İstanbul - TURKEY

Trade Registration: İstanbul - 792072

T: +90 212 367 36 36

www.unluco.com