



**İŞ GİRİŞİM SERMAYESİ  
YATIRIM ORTAKLIĞI A.Ş.**

**Financial Statements as at and for the Year Ended  
31 December 2014 with Independent  
Auditors' Report Thereon**

*(Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish)*

**Akis Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik  
Anonim Şirketi  
29 January 2015**

**This report contains 2 pages of the independent auditors'  
report and 53 pages of the financial  
statements and their explanatory notes.**



**Akis Bağımsız Denetim ve Serbest  
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**Convenience Translation of the Independent Auditors' Report  
As at 31 December 2014 Originally Prepared and Issued in Turkish**

To the Board of Directors of İş Girişim Sermayesi Yatırım Ortaklığı Anonim Şirketi,

**Report on the Financial Statements**

We have audited the accompanying financial statements of İş Girişim Sermayesi Yatırım Ortaklığı Anonim Şirketi ("the Company") which comprise the statement of financial position as at 31 December 2014 and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 audit also includes 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 financial statements.

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



### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of İş Girişim Sermayesi Yatırım Ortaklığı as at 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with the Turkish Accounting Standards.

### **Report on Other Legal and Regulatory Requirements**

1) Pursuant to the fourth paragraph of the Article 398 of the Turkish Commercial Code (“TCC”) no. 6102; Auditors’ Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 29 January 2015.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2014, the Company’s bookkeeping activities are not in compliance with the TCC and provisions of the Company’s articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member of KPMG International Cooperative

Orhan Akova, SMMM  
*Partner,*  
29 January 2015  
İstanbul, Turkey

### **Additional paragraph for convenience translation to English:**

As explained in Note 2.1, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

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# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

(In Turkish Lira ("TL"))

	<u>Notes</u>	<u>Audited 31 December 2014</u>	<u>Restated (*) Audited 31 December 2013</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	27,125,692	59,938,078
Financial Investments	6	127,764,150	126,728,499
Other Receivables	8	1,180	1,180
<i>-Other Receivables from Third Parties</i>		<i>1,180</i>	<i>1,180</i>
Prepaid Expenses	14	51,986	44,683
Other Current Assets	15	677,407	483,926
<b>TOTAL CURRENT ASSETS</b>		<b><u>155,620,415</u></b>	<b><u>187,196,366</u></b>
<b>Non-current Assets</b>			
Other Receivables	8	150	150
<i>-Other Receivables from Third Parties</i>	4	<i>150</i>	<i>150</i>
Financial Investments	6	113,072,109	68,162,934
Tangible Assets	9	389,536	512,933
Intangible Assets	10	42,267	63,844
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>113,504,062</u></b>	<b><u>68,739,861</u></b>
<b>TOTAL ASSETS</b>		<b><u>269,124,477</u></b>	<b><u>255,936,227</u></b>

(\*) See Note 2.

The accompanying notes are an integral part of these financial statements.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (CONTINUED)

(In Turkish Lira ("TL"))

	Notes	Audited 31 December 2014	Restated (*) Audited 31 December 2013
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade Payables	7	503,114	504,608
-Due to Related Parties	4	503,114	504,608
Other Payables	8	230	449
-Other Payables to Third Parties		230	449
Employee Benefit Payables	16	32,645	32,176
Short-Term Provisions		1,988,953	2,428,925
-Short-Term Employee Benefits	13	1,988,953	2,428,925
Other Current Liabilities	15	429,203	289,575
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,954,145</b>	<b>3,255,733</b>
<b>Non-current Liabilities</b>			
Trade Payables	7	--	500,000
-Due to Related Parties	4	--	500,000
Long-Term Provisions		1,758,555	2,993,548
-Long-Term Employee Benefits	13	1,758,555	2,993,548
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,758,555</b>	<b>3,493,548</b>
<b>TOTAL LIABILITIES</b>		<b>4,712,700</b>	<b>6,749,281</b>
<b>EQUITY</b>			
Share Capital	17	74,652,480	66,654,000
Adjustment to Share Capital	17	21,606,400	21,606,400
Share Premium	17	7,000,000	7,000,000
Legal Reserves	17	19,185,249	14,402,807
Retained Earnings	17	127,370,080	65,755,536
Profit for the Period		14,597,568	73,768,203
<b>TOTAL EQUITY</b>		<b>264,411,777</b>	<b>249,186,946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>269,124,477</b>	<b>255,936,227</b>

(\*) See Note 2.

The accompanying notes are an integral part of these financial statements.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

(In Turkish Lira ("TL"))

		Audited 1 January-31 December 2014	Restated (*) Audited 1 January-31 December 2013
<b>CONTINUING OPERATIONS</b>	<b>Notes</b>		
Revenue	18	22,757,254	110,537,116
Cost of Sales (-)	18	--	(27,866,250)
<b>GROSS PROFIT</b>		<b>22,757,254</b>	<b>82,670,866</b>
General Administrative Expenses (-)	19	(8,054,465)	(13,090,515)
Other Operating Income	20	3,241	10,877
Other Operating Expenses (-)	20	(108,462)	(123,684)
Share of Profit of Equity-Accounted Investees, after tax		--	4,300,659
<b>OPERATING PROFIT</b>		<b>14,597,568</b>	<b>73,768,203</b>
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		<b>14,597,568</b>	<b>73,768,203</b>
<b>Income tax from continuing operations</b>		--	--
<b>PROFIT FOR THE PERIOD</b>		<b>14,597,568</b>	<b>73,768,203</b>
<b>OTHER COMPREHENSIVE INCOME</b>		--	--
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>14,597,568</b>	<b>73,768,203</b>
<b>Basic and Diluted Earnings per Share</b>	22	0.19554	0.98815

(\*) See Note 2.

The accompanying notes are an integral part of these financial statements.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

(In Turkish Lira (“TL”))

Notes	Share Capital	Adjustment To Share Capital	Share Premium	Other Comprehensive Income/Expense that may be Reclassified to Profit or Loss	Retained Earnings			Total Before Non-controlling Interests	Non-Controlling Interests	Total		
				Foreign Currency Translation Reserves	Other Reserves	Legal Reserves	Profit/(Loss) For the Period				Retained Earnings	
<b>Balance at 1 January 2013</b>	2.2	57,960,000	21,606,400	7,000,000	(257,148)	2,812,485	9,496,886	50,261,576	62,620,532	211,500,731	22,241,344	233,742,075
Adjustments related to changes in accounting policies		-	-	-	257,148	(2,812,485)	(118,018)	(4,014,196)	1,440,279	(5,247,272)	(22,241,344)	(27,488,616)
<b>Restated balance at 1 January 2013 (*)</b>	17	57,960,000	21,606,400	7,000,000	-	-	9,378,868	46,247,380	64,060,811	206,253,459	-	206,253,459
Transfers		8,694,000	-	-	-	-	5,023,939	(46,247,380)	32,529,441	-	-	-
Total comprehensive income		-	-	-	-	-	-	73,768,203	-	73,768,203	-	73,768,203
Dividends paid		-	-	-	-	-	-	-	(30,834,716)	(30,834,716)	-	(30,834,716)
<b>Balance at 31 December 2013</b>		<b>66,654,000</b>	<b>21,606,400</b>	<b>7,000,000</b>	-	-	<b>14,402,807</b>	<b>73,768,203</b>	<b>65,755,536</b>	<b>249,186,946</b>	-	<b>249,186,946</b>

Notes	Share Capital	Adjustment To Share Capital	Share Premium	Other Comprehensive Income/Expense that may be Reclassified to Profit or Loss	Retained Earnings			Total Before Non-controlling Interests	Non-Controlling Interests	Total		
				Foreign Currency Translation Reserves	Other Reserves	Legal Reserves	Profit/(Loss) For the Period				Retained Earnings	
<b>Balance at 1 January 2014</b>	2.2	66,654,000	21,606,400	7,000,000	(1,300,965)	2,639,654	14,520,826	68,664,493	68,403,268	248,187,676	20,515,532	268,703,208
Adjustments related to changes in accounting policies		-	-	-	1,300,965	(2,639,654)	(118,019)	17,728,693	(2,647,732)	13,624,253	(20,515,532)	(6,891,279)
<b>Restated balance at 1 January 2014 (*)</b>	17	66,654,000	21,606,400	7,000,000	-	-	14,402,807	86,393,186	65,755,536	261,811,929	-	261,811,929
Transfers		7,998,480	-	-	-	-	4,782,442	(86,393,186)	73,612,264	-	-	-
Total comprehensive income		-	-	-	-	-	-	14,597,568	-	14,597,568	-	14,597,568
Dividends paid		-	-	-	-	-	-	-	(11,997,720)	(11,997,720)	-	(11,997,720)
<b>Balance at 31 December 2014</b>		<b>74,652,480</b>	<b>21,606,400</b>	<b>7,000,000</b>	-	-	<b>19,185,249</b>	<b>14,597,568</b>	<b>127,370,080</b>	<b>264,411,777</b>	-	<b>264,411,777</b>

(\*) See Note 2.

The accompanying notes are an integral part of these financial statements.



# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

(In Turkish Lira (“TL”))

		Audited	Restated (*)
	Notes	1 January-31 December 2014	1 January-31 December 2013
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit for the Period</b>		<b>14,597,568</b>	<b>73,768,203</b>
<b>Adjustments to Reconcile Net Profit/Loss:</b>			
Depreciation	9	175,971	177,141
Amortization	10	21,577	--
Increase in bonus provision	13	257,000	4,771,697
Increase in vacation pay liability	13	195,450	48,892
Increase in severance pay liability	13	31,919	34,386
Increase in accrued expenses		33,657	(88,582)
Fair value gain/loss		722,108	(2,420,473)
Gain on sale from financial investment	18	--	(72,633,751)
Change in investments in equity accounted investees (net)		--	(4,300,659)
Change in fair value of investment securities (net)	18	(7,621,906)	2,338,472
Interest received	18	(3,982,529)	(2,465,118)
<b>Changes in working capital</b>			
Interest received		4,051,849	2,354,624
Increase in trade receivables		--	7,080
Decrease/(increase) in other receivables and current assets		(200,786)	176,803
Increase in trade payables		(501,493)	1,674
Increase in other payables		106,225	(94,114)
<b>Net cash from operating activities</b>			
Severance payments	13	(8,051)	(26,706)
Vacation payments	13	--	(20,971)
Bonus payments	13	(2,151,283)	(906,976)
<b>Net cash used in operating activities</b>		<b>5,727,276</b>	<b>721,622</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in financial investments		(26,420,047)	(27,850,626)
Acquisition of tangible assets	9	(52,574)	(54,218)
Proceeds from sale of financial investment		--	100,500,000
Acquisition of intangible assets	10	--	(63,844)
Proceeds from sale of tangible assets	9	--	5,281
<b>Net cash from / (used in) investing activities</b>		<b>(26,472,621)</b>	<b>72,536,593</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	17	(11,997,720)	(30,834,716)
<b>Net cash used in financing activities</b>		<b>(11,997,720)</b>	<b>(30,834,716)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>			
<b>D. EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>		<b>--</b>	<b>--</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		<b>59,626,899</b>	<b>17,203,400</b>
<b>NET INCREASE IN CASH EQUIVALENTS (A+B+C+D)</b>			
		<b>(32,743,065)</b>	<b>42,423,499</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>			
	5	<b>26,883,834</b>	<b>59,626,899</b>

(\*) See Note 2.

The accompanying notes are an integral part of these financial statements.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 1. ORGANIZATION OF THE COMPANY AND NATURE OF OPERATIONS

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“the Company” or “İş Girişim Sermayesi”), was established in İstanbul, Turkey. The registered address of the Company is İş Kuleleri Kule 2, Kat:2, Levent, İstanbul. Türkiye İş Bankası A.Ş is the ultimate shareholder of the Company. The Company’s shares are traded in the İstanbul Stock Exchange since 2004.

The Company operates in private equity business.

Private equity: Investing in venture capital companies which are established or will be established in Turkey and has potential to grow and need resources

As at 31 December 2014, the Company has 18 employees (31 December 2013: 18 employees).

### 2. BASIS OF PRESENTATION

#### 2.1 Basis of Presentation

##### a) Approval of the Financial Statements

The Company's financial statements as at and for the year ended 31 December 2014 approved by the Board of Directors and authorization for issue is given for publishing on 29 January 2015. The General Assembly and/or statutory authorities have power to amend the financial statements after their issue.

##### b) Preparation of Financial Statements and Statement of Compliance to TAS

The Company maintains its books of account and prepares its statutory financial statements in accordance with accounting principles of the Turkish Commercial Code (“TCC”) and tax legislation.

The accompanying financial statements are prepared in accordance with the Communiqué numbered II-14.1 “Basis for Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards (“TAS”) which is published by Public Oversight Accounting and Auditing Standards Authority (“POA”). TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The accompanying financial statements as at 31 December 2014 have been prepared in accordance with the resolution numbered 20/670 “Announcement on Financial Statements and Footnote Formats” published by the Capital Markets Board (“CMB”) dated 7 June 2013.

##### c) Policy Resolutions Promulgated by POA

The POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. “The financial statement examples and user guide” became immediately effective as of its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after 31 December 2012.

- ***Financial Statement Examples and User Guide (2013-1)***

The POA promulgated “financial statement examples and user guide” on 20 May 2013 in order to ensure the uniformity of financial statements and facilitate their audits. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply Turkish Accounting Standards, excluding financial institutions established to engage in banking, insurance, private pensions or capital market activities. The Company has made the classification stated in Note 2 in order to comply with the requirements of this regulation.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.1 Basis of Presentation (continued)

##### c) Policy Resolutions Promulgated by POA (continued)

- ***Accounting of Business Combinations Under Common Control (2013-2)***

In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. This resolution did not have any impact on the financial statements of the Company.

- ***Accounting of Redeemed Share Certificates (2013-3)***

Clarification has been provided on the conditions and circumstances when the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. This resolution did not have any impact on the financial statements of the Company.

- ***Accounting of Cross Shareholding Investments (2013-4)***

If a subsidiary of an entity holds shares of the entity then this is defined as cross shareholding investment. Accounting of this cross investment is assessed based on the type of the investment and different recognition principles adopted accordingly. With this resolution, this topic has been assessed under three main headings below and the recognition principles for each one of them have been determined.

i) the subsidiary holding the equity based financial instruments of the parent,

ii) the associates or joint ventures holding the equity based financial instruments of the parent

iii) the parent’s equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

This resolution did not have any impact on the financial statements of the Company.

##### d) Basis of Measurement

The financial statements have been prepared based on the historical cost, except for the investment securities which are measured at fair value.

The methods used to measure fair value are disclosed separately in Note 26.

##### e) Functional currency

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). Functional currency and presentation currency of the Company is Turkish Lira (“TL”).

The foreign exchange rates used by the Company as at 31 December 2014 and 31 December 2013 are as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
US Dollar	2.3189	2.1343
Euro	2.8207	2.9365

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.1 Basis of Presentation (continued)

##### f) Additional Paragraph for Convenience Translation to English

The differences between the accounting principles promulgated by the CMB, accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

##### g) Comparative Information

The Company’s financial statements are prepared including comparative information in order to enable readers to understand the trends in the financial position and performance of the Company. The change in presentation or reclassification of the financial statement items is applied retrospectively and the reclassifications made in the prior year financial information are disclosed in the notes to the financial statements.

##### h) Classifications to Prior Period Financial Statements

The reclassifications that are made at the Company’s statement of profit or loss and other comprehensive income for the year ended 31 December 2013 are as follows:

- Commission expenses that are paid to banks and brokerage companies amounting to TL 116,114 have been reclassified from general administrative expenses to other operating expenses. Foreign exchange gain of TL 10,290 has been reclassified from finance income to other operating income.

The reclassifications that are made at the Company’s statement of financial position as at 31 December 2013 are as follows:

- Taxes and funds payable of TL 144,991 has been reclassified from other current payables to other current liabilities.

##### i) Consolidation Exemptions

According to TFRS 10 Consolidated Financial Statements, investment entity:

- (a) Obtains funds from one or more investors for the purpose of providing investment management services,
- (b) its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of its investments on a fair value basis.

While the entity evaluates whether it meets the above mentioned definition, it also considers whether it has the significant features of the investment entities mentioned below:

- (a) Has more than one investment,
- (b) Has more than one investor,
- (c) Has investors who are not related parties, and
- (d) Has partnership shares in the form of equity and suchlike shares.

Since the Company meets the above requirements, it does not consolidate its subsidiaries. Instead, it measures investments in its subsidiaries and associate according to TFRS 10 by recognizing the changes in the fair value to the profit or loss.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.2 Changes in Accounting Policies

The Company adopted amendments for investment entities in TFRS 10 Consolidated Financial Statements and decided the Company was an investment entity on the basis of facts and circumstances existing on the first implementation date, 1 January 2014. Thus, the consolidation of previously consolidated subsidiaries Numnum Yiyecek ve İçecek A.Ş. (“Numnum”), Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş. (“Ortopro”), Toksöz Spor Malzemeleri Ticaret A.Ş. (“Toksöz”) and Nevotek Bilişim Ses ve İletişim Sistemleri Sanayi ve Ticaret A.Ş. (“Nevotek”), as if amendments to TFRS 10 Consolidated Financial Statements had been previously in force, was terminated. The difference between the previously reported carrying amount of the subsidiaries and the fair value of the investment in subsidiaries as at 31 December 2013 and total assets as at 1 January 2013 have been adjusted retrospectively by making the fair value measurements of Numnum, Ortopro and Toksöz from the earliest period applicable. As a result, total restated equity of the Company at 31 December 2013 is reduced by TL 19,516,262 in comparison with the total equity which was reported on 31 December 2013 before applying Investment Entities changes in TFRS 10.

The Company could have measured the fair value of Nevotek as at 30 June 2014. Therefore correction in equity has been made on 1 January 2014. The Company presents the difference in fair value of Nevotek amounting TL 12,624,983 in retained earnings as of 1 January 2014.

The following table summarises the restatements on the Company’s statement of financial position as at 31 December 2013 and statement of profit or loss and other comprehensive income for the year ended 31 December 2013.

<b>ASSETS</b>	<b>Reported 31 December 2013</b>	<b>Adjustments</b>	<b>Restated (*) 31 December 2013</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	76,025,923	(16,087,845)	59,938,078
Financial Investments	126,728,499	-	126,728,499
Trade Receivables	68,049,822	(68,049,822)	-
- Due from Related Parties	2,457	(2,457)	-
- Trade Receivables from Third Parties	68,047,365	(68,047,365)	-
Other Receivables	640,053	(638,873)	1,180
- Other Receivables from Third Parties	640,053	(638,873)	1,180
Prepaid Expenses	2,961,792	(2,917,109)	44,683
Inventories	54,281,259	(54,281,259)	-
Other Current Assets	6,245,075	(5,761,149)	483,926
<b>TOTAL CURRENT ASSETS</b>	<b>334,932,423</b>	<b>(147,736,057)</b>	<b>187,196,366</b>
<b>Non-Current Assets</b>			
Other Receivables	142,231	(142,081)	150
- Due From Related Parties	150	-	150
- Other Receivables From Third Parties	142,081	(142,081)	-
Investments in Equity Accounted Investees	-	-	-
Financial Investments	-	68,162,934	68,162,934
Tangible Assets	21,062,433	(20,549,500)	512,933
Intangible Assets	63,209,993	(63,146,149)	63,844
- Goodwill	38,673,879	(38,673,879)	-
- Other Intangible Assets	24,536,114	(24,472,270)	63,844
Prepaid Expenses	909,203	(909,203)	-
Deferred Tax Assets	424,236	(424,236)	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>85,748,096</b>	<b>(17,008,235)</b>	<b>68,739,861</b>
<b>TOTAL ASSETS</b>	<b>420,680,519</b>	<b>(164,744,292)</b>	<b>255,936,227</b>

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.2 Changes in Accounting Policies (continued)

	Reported 31 December 2013	Adjustments	Restated (*) 31 December 2013
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-Term Loans and Borrowings	30,215,418	(30,215,418)	-
Short Term Portion of Long Term Loans and Borrowings	17,290,184	(17,290,184)	-
Trade Payables	38,397,490	(37,892,882)	504,608
- Due to Related Parties	533,092	(28,484)	504,608
- Trade Payables to Third Parties	37,864,398	(37,864,398)	-
Employee Benefit Payables	2,300,800	(2,268,624)	32,176
Other Payables	982,494	(982,045)	449
- Other Payables to Third Parties	982,494	(982,045)	449
Current Tax Liability	160,860	(160,860)	-
Short-Term Provisions	4,461,381	(2,032,456)	2,428,925
- - Short-Term Employee Benefits	3,519,217	(1,090,292)	2,428,925
- - Other Short-Term Provisions	942,164	(942,164)	-
Other Current Liabilities	1,853,052	(1,563,477)	289,575
<b>TOTAL CURRENT LIABILITIES</b>	<b>95,661,679</b>	<b>(92,405,946)</b>	<b>3,255,733</b>
<b>Non-current Liabilities</b>			
Long-Term Loans and Borrowings	46,318,860	(46,318,860)	-
Trade Payables	1,648,650	(1,148,650)	500,000
- Due to Related Parties	500,000	-	500,000
- Trade Payables to Third Parties	1,148,650	(1,148,650)	-
Long-Term Provisions	4,657,299	(1,663,751)	2,993,548
- Long-Term Employee Benefits	4,657,299	(1,663,751)	2,993,548
Deferred Tax Liabilities	3,607,351	(3,607,351)	-
Other Non-Current Liabilities	83,472	(83,472)	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>56,315,632</b>	<b>(52,822,084)</b>	<b>3,493,548</b>
<b>TOTAL LIABILITIES</b>	<b>151,977,311</b>	<b>(145,228,030)</b>	<b>6,749,281</b>
<b>EQUITY</b>			
Share Capital	66,654,000	-	66,654,000
Adjustment to Share Capital	21,606,400	-	21,606,400
Share Premium	7,000,000	-	7,000,000
Other Reserves	2,639,654	(2,639,654)	-
Other Comprehensive Income Items That May Be Reclassified To Profit Or Loss	(1,300,965)	1,300,965	-
Legal Reserves	14,520,826	(118,019)	14,402,807
Retained Earnings	68,403,268	(2,647,732)	65,755,536
Profit for the Period	68,664,493	5,103,710	73,768,203
<b>Non-Controlling Interests</b>	<b>20,515,532</b>	<b>(20,515,532)</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>268,703,208</b>	<b>(19,516,262)</b>	<b>249,186,946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>420,680,519</b>	<b>(164,744,292)</b>	<b>255,936,227</b>

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.2 Changes in Accounting Policies (continued)

	Reported for the year ended 31 December 2013	Adjustments	Reclassifications (See 2.1.(h))	Restated for the year ended 31 December 2013
<b>CONTINUING OPERATIONS</b>				
Revenue	282,479,300	(171,942,184)	-	110,537,116
Cost of Sales (-)	(135,740,569)	107,874,319	-	(27,866,250)
<b>GROSS PROFIT</b>	<b>146,738,731</b>	<b>(64,067,865)</b>	-	<b>82,670,866</b>
General Administrative Expenses (-)	(41,055,599)	27,848,970	116,114	(13,090,515)
Marketing, Sales and Distribution Expenses (-)	(29,622,761)	29,622,761	-	-
Research and Development Expenses (-)	(3,678,774)	3,678,774	-	-
Other Operating Income	3,657,611	(3,657,024)	10,290	10,877
Other Operating Expense (-)	(7,850,141)	7,842,571	(116,114)	(123,684)
Share of Profit of Equity-Accounted Investees	4,300,659	-	-	4,300,659
<b>OPERATING PROFIT</b>	<b>72,489,726</b>	<b>1,268,187</b>	<b>10,290</b>	<b>73,768,203</b>
Investment Income	1,217,014	(1,217,014)	-	-
Investment Expense (-)	(312,996)	312,996	-	-
<b>PROFIT/LOSS BEFORE FINANCE COSTS</b>	<b>73,393,744</b>	<b>364,169</b>	<b>10,290</b>	<b>73,768,203</b>
Finance Income	7,548,457	(7,538,167)	(10,290)	-
Finance Costs (-)	(14,463,579)	14,463,579	-	-
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>	<b>66,478,622</b>	<b>7,289,581</b>	-	<b>73,768,203</b>
<b>Income tax from continuing operations</b>	<b>440,598</b>	<b>(440,598)</b>	-	-
- Current income tax income/(expense)	(294,697)	294,697	-	-
- Deferred tax income/(expense)	735,295	(735,295)	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>66,919,220</b>	<b>6,848,983</b>	-	<b>73,768,203</b>
<b>Other Comprehensive Income</b>				
<b>Items that Would Never Be Reclassified to Profit or Loss</b>				
Remeasurements of the defined benefit liability/ (asset)	339,288	(339,288)	-	-
Tax on Items that Would Never be Reclassified to Profit or Loss	(86,229)	86,229	-	-
<b>Items that May Be Reclassified to Profit or loss:</b>				
Foreign Currency Translations Differences	(1,376,427)	1,376,427	-	-
Tax on Items that May Be Reclassified Subsequently to Profit or Loss	-	-	-	-
<b>Other Comprehensive Income (After Tax)</b>	<b>(1,123,368)</b>	<b>1,123,368</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>65,795,852</b>	<b>7,972,351</b>	-	<b>73,768,203</b>
<b>Profit/loss attributable to:</b>				
Non-controlling interests	(1,745,273)	1,745,273	-	-
Owners of the Company	68,664,493	5,103,710	-	73,768,203
<b>Total comprehensive income attributable to</b>	<b>65,795,852</b>	<b>7,972,351</b>	-	<b>73,768,203</b>
Non-controlling interests	(1,898,643)	1,898,643	-	-
Owners of the Company	67,694,495	6,073,708	-	73,768,203

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2014  
(In Turkish Lira (“TL”) unless otherwise is stated)

## 2. BASIS OF PRESENTATION (continued)

### 2.2 Changes in Accounting Policies (continued)

Effect of changes in the accounting policies on the statement of cash flows is as follows:

	Reported for the year ended 31 December 2013	Adjustments	Restated for the year ended 31 December 2013
Cash flows from operating activities	(7,056,021)	7,777,643	721,622
Cash flows from investing activities	60,487,986	12,048,607	72,536,593
Cash flows from financing activities	(17,905,135)	(12,929,581)	(30,834,716)
EFFECT OF EXCHANGE RATE FLUCTUATINOS ON CASH HELD	(1,043,817)	1,043,817	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	40,514,194	(23,310,794)	17,203,400
NET INCREASE IN CASH AND CASH EQUIVALENTS	34,483,013	7,940,486	42,423,499
CASH AND CASH QUIVALENTS AT THE END OF THE PERIOD	74,997,207	(15,370,308)	59,626,899

### 2.3 Changes in the Accounting Estimates and Errors

Effect of changes in accounting estimates, if it is only related to one period, is recognized in the period that the change is made, if it is related with the future periods, is recognized in the current period and also in future periods, prospectively. There is not any significant change in Company’s accounting estimates in the current period.

Material accounting errors are corrected retrospectively and the prior period financial statements are restated accordingly.

### 2.4 Summary of Significant Accounting Policies

#### Revenue

##### Private equity

Revenues are comprised of sale of subsidiary and/or associate, income from consultancy services provided to associates.

Revenues of the sale of non-controlling interests of the subsidiary without a change in control and/or associate are recognized when the sales are realized. Consultancy services given to associates are recognized at the date of the service rendered.

As the Company is an investment entity, fair value remeasurements of subsidiaries and associates are presented under revenues.

##### Dividend and interest income

Interest income is accrued by remaining principal in proportion as effective interest rate that reduces expected cash flows obtained from financial asset during its expected useful life to its carrying value in the related period.

Dividend income from equity investments and associates are recognized when shareholders have the right to receive the dividend.

Income stems from the sale of security portfolio and coupon payment and amortization income are recognized when the transaction is realized. The period end valuation income is recognized in the related accounts as at the period end.



# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.4 Summary of Significant Accounting Policies (continued)

##### **Tangible Assets**

Tangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to write off the cost over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed every year, with the effect of any changes in estimates accounted prospectively.

The gain or loss arising on the disposal or retirement of an item of tangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Regular repair and maintenance costs of tangible assets are recognized as expense as incurred.

Leased assets are depreciated over the shorter of the lease term and their useful life.

The estimated useful lives for the current and comparative periods are as follows:

	<u>Useful Life</u>
Furnitures and fixtures	3-10 years
Leasehold improvements	5 years

##### **Intangible Assets**

Intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. These assets are amortized using the straight-line method based on their useful lives. The estimated useful lives and amortization method are reviewed every year, with the effect of any changes in estimates accounted prospectively.

##### Software

Acquired software is recognized with their acquisition costs and the costs incurred in the period until the software is ready to use. These costs are amortized over their estimated useful lives.

Useful life for software is 3 years.

##### **Financial Instruments**

Financial assets, except for the financial assets classified as at fair value through profit or loss and initially measured with fair value, are recognized with total of fair values and transaction costs related with acquisition. Investments are recognized and derecognized on a trade date where the purchase or sale of an investment under a contract whose terms require delivery of the investment within the time frame established by the market concerned.

Financial assets are classified into the following categories: “financial assets at fair value through profit or loss”, “held-to-maturity investments”, financial assets and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the initial recognition.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts to present value through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at financial assets at fair value through profit or loss.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and although they are not initially acquired for the purpose of trading, recognized in this category at the initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets at fair value through profit or loss unless they are designated as hedging instrument. The Company uses the best buying price, if not available the last transaction price, to determine the fair value of financial assets that are traded on a stock exchange.

##### Held-to-maturity investments

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method, less impairment and the associated revenues are measured using the effective interest method.

##### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable repayments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are measured at amortised cost using the effective interest method less any impairment losses.

##### Impairment of financial assets

Financial assets, other than those assets measured at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets measured at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, receivable from reverse repo and other short-term highly liquid investments which have maturities of three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

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(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as or other financial liabilities.

##### Other financial liabilities

Other financial liabilities are initially recognized at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments to net present value through the expected life of the financial liability, or, where appropriate, a shorter period.

##### **Foreign Currency Transactions**

When preparing the financial statements of the Company, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates at the end of the reporting periods. Foreign currency translation differences, except for the cases below, are recognized as profit or loss in related period.

##### **Earnings per Share**

Earnings per share disclosed in the statement of profit or loss and other comprehensive income are calculated by dividing net earnings by the weighted average number of shares that have been outstanding during the related period. The weighted average number of shares is the number calculated by multiplying and aggregating the number of ordinary shares outstanding at the beginning of the period and the number of shares withdrawn or issued during the period by a time-weighting factor. A time-weighting factor is the rate of the number of the days for which a specific number of shares have been outstanding to the total number of days in the period.

##### **Events After the Reporting Period**

Events after the reporting period are those events, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

As required by *TAS 10 Events after the Reporting Period*, the Company adjusts its financial statements to reflect adjusting events after the reporting period and discloses the material non-adjusting events after the reporting period in the notes to the financial statements.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.4 Summary of Significant Accounting Policies (continued)

##### **Related Parties**

TAS 24 “Related Party Disclosures” defines the persons who have direct or indirect control or significant influence over other persons through shareholding, contractual rights, family relationships or the like as related parties. The definition also includes shareholders and the Company management as related parties. Related party transactions are the transfer of resources and obligations between related parties regardless of whether a price is charged. With regard to accompanying financial statements, the Company’s shareholders, the Group entities with indirect equity relationship, and members of the Board of Directors and the top management of the Company are defined as related parties.

Top management of the Company includes general manager and vice general managers.

##### **Segment Reporting**

The Company operates only in the private equity business. For this reason, segment reporting is not prepared.

##### **Income Taxes**

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş is exempt from Corporate Tax in accordance with the 5th /d-3 article.

Besides, income from private equity is not subject to advance tax application and according to the 15th /3 article of the Turkish Corporation Tax Law, earning from portfolio management withholding rate is determined at 0% (zero).

##### **Employee Benefits**

###### Employee severance pay liability

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 “Employee Benefits” (“TAS 19”).

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligations. The actuarial gains and losses are recognized in other comprehensive income would never be reclassified to the profit or loss.

###### Employee bonuses

The Company makes provision if there is a contractual obligation or constructive obligation caused by previous applications.

###### Other short-term employee benefits

Other short-term employee benefits include vacation pay liability. In Turkey, according to the legislation, the employer has to make payments for unused vacation days when the personnel leave the company. Vacation pay liability is the undiscounted amount calculated over the unused vacation days of the employee.

###### Post-employment plans

The Company does not have any retirement or post-employment benefit plans.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Statements of Cash Flows

In the statement of cash flows, cash flows are classified as operating, investing and financing activities.

Cash flows from operating activities represent the cash flows provided from the Company’s private equity business.

Cash flows from investing activities represent the Company’s cash flows used in/provided from investing activities (fixed investments, financial investments and private equity investments).

Cash flows from financing activities represent the Company’s funds used in and repayment of the funds during the year.

##### Share Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are deducted from retained earnings and classified as dividend payable in the period that the dividend distribution decision is taken.

#### 2.5 Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with TAS requires making 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 estimate is revised and in any future periods affected.

The estimates are used particularly in the following notes:

Note 6 Determination of fair value of the subsidiaries and the associate

Shares of the subsidiaries and the associate are not publicly traded. When determining the fair values of the subsidiaries and the associate, Discounted Cash Flows (“DCF”) method of the income approach has been used. Discount and growth rates used are as follows:

<u>Name of subsidiary and associate</u>	<u>Discount rate</u>	<u>Ongoing growth rates</u>
Toksöz Spor	17.0%-18.0%	2.9%-3.9%
Numnum	16.8%-17.8%	2.9%-3.9%
Nevotek	12.1%-13.1%	1.6%-2.6%
Radore Veri Hizmetleri Anonim Şirketi (“Radore”)	13.4%-14.4%	2.9%-3.9%
Ortopro	17.2%-18.2%	2.9%-3.9%
Note 2.4	Useful lives of tangible and intangible assets	
Note 13	Employee benefits	

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira ("TL") unless otherwise is stated)

### 2. BASIS OF PRESENTATION (continued)

#### 2.6 New standards and interpretations not yet adopted as of 31 December 2014

- TFRS 9 *Financial Instruments*

The new standard, together with the amendment pulished in July 2014, is going to be effective for the reporting periods beginning from 1 January 2018 onwards. TFRS 9 introduces new requirements for the classification and measurement of financial assets. The amendments made in TFRS 9 will principally affect classification and measurement of financial assets and financial liabilities measured at fair value and will require the changes in the fair value of such financial liabilities related to credit risk to be recognised in the statement of other comprehensive income. Earlier adoption of the standard is permitted. The Company is not planning early adoption of this standard and the potential effects of this standard on the financial position and performance of the have not been evaluated.

#### 2.7 Control of compliance with restrictions on the ivestment portfolio, financial loans and total expenses

The information contained in the additional note related to Control of Compliance With Restrictions on the Investment Portfolio, Financial Loans and Total Expenses, is summary information derived from the financial statements according to "Communiqué on Financial Reporting in Capital Market" of CMB and this information has been prepared in accordance with the control of portfolio, financial loans and total expenses limits compliance, of CMB's "Communiqué on Principles Regarding Real Estate Investment Trusts", numbered III-48.3 published in the Official Gazette on 9 October 2013.

### 3. SEGMENT REPORTING

The Company operates only in private equity business. The Company management monitors its financial investments according to their fair value. Information regarding those financial investments is disclosed in Note 6.

### 4. RELATED PARTIES

The Company's ultimate shareholder is Türkiye İş Bankası A.Ş..

Benefits provided to key management during the period is as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Salaries and other benefits	3,432,943	3,663,842
	<b>3,432,943</b>	<b>3,663,842</b>

Key management compensation includes salaries, bonuses and insurance and other benefits.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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#### 4. RELATED PARTIES (continued)

The details of the transactions between the Company and other related parties are as follows:

Investment funds	31 December 2014	31 December 2013
İş Yatırım Menkul Değerler A.Ş. A Type Variable Fund	4,141,425	3,371,579
İş Yatırım Menkul Değerler A.Ş. Bosphorus Capital Fixed Return Hedge Fund	3,185,700	4,029,416
İş Yatırım Menkul Değerler A.Ş. Logos B Type Fixed Return Bond and Bill Fund	3,065,969	-
İş Yatırım Menkul Değerler A.Ş. Bosphorus Capital B Type Variable Fund	3,034,195	-
İş Yatırım Menkul Değerler A.Ş. Ark Hedge Fund	2,903,360	3,836,400
İş Yatırım Menkul Değerler A.Ş. Notus Portföy B Type Variable Fund	2,515,383	-
İş Yatırım Menkul Değerler A.Ş. Bosphorus Capital Absolute Return Hedge Fund	1,623,861	-
İş Yatırım Menkul Değerler A.Ş. Logos Dinamik Hedge Fund	1,274,498	-
İş Yatırım Menkul Değerler A.Ş. Taaleri Portföy B Type Variable Fund	351,823	-
İş Yatırım Menkul Değerler A.Ş. Ashmore A Type Variable Fund	-	189,947
	<b>22,096,214</b>	<b>11,427,342</b>

Private sector bonds	31 December 2014	31 December 2013
İş Finansal Kiralama A.Ş.	13,427,990	4,910,144
İş Yatırım Menkul Değerler A.Ş.	2,634,520	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	2,593,111	-
İş Faktoring A.Ş.	978,670	-
	<b>19,634,291</b>	<b>4,910,144</b>

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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AS AT 31 DECEMBER 2014

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### 4. RELATED PARTIES (continued)

Shares quoted in stock exchange	31 December 2014	31 December 2013
İş Yatırım Ortaklığı A.Ş.	5,398,527	5,035,164
	<b>5,398,527</b>	<b>5,035,164</b>
Cash and cash equivalents	31 December 2014	31 December 2013
Türkiye İş Bankası A.Ş. Time Deposit	20,381,564	48,177,534
Türkiye İş Bankası A.Ş. Demand Deposit	30	92
İş Yatırım Menkul Değerler A.Ş. Bosphorus Kapital B Type Short Term Bond Bill Fund	5,988,053	9,002,669
İş Yatırım Menkul Değerler A.Ş. B Type Short Term Bond Bill Fund	-	1,765,092
Türkiye İş Bankası A.Ş. Liquid Fund	-	82,437
	<b>26,369,647</b>	<b>59,027,824</b>

Balances with related parties	31 December 2014			
	Receivables Short Term		Payables Short Term	
	Trade	Other	Trade	Other
Mehmet Gürs (*)	-	-	(500,000)	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	(2,244)	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	(870)	-
	-	-	<b>(503,114)</b>	-
Balances with related parties	31 December 2013			
	Receivables Short Term		Payables Short Term	
	Trade	Other	Trade	Other
Mehmet Gürs (*)	-	-	(500,000)	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	(2,640)	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	(1,968)	-
	-	-	<b>(504,608)</b>	-



# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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### 4. RELATED PARTIES (continued)

Balances with related parties	31 December 2014			
	Receivables Long Term		Payables Long Term	
	Trade	Other	Trade	Other
Other	-	150	-	-
	-	<b>150</b>	-	-

  

Balances with related parties	31 December 2013			
	Receivables Long Term		Payables Long Term	
	Trade	Trade	Trade	Trade
Mehmet Gürs (*)	-	-	(500,000)	-
Other	-	150	-	-
	-	<b>150</b>	<b>(500,000)</b>	-

(\*) The Company has acquired 59.459 shares with a nominal value of TL 59,459 from Mehmet Gürs representing 19.244 % of Numnum's pre-investment share capital amounting to TL 308,975 by making a total payment of TL 4,000,000, of which TL 3,000,000 is paid in cash and TL 1,000,000 in instalments. TL 500,000 of TL 1,000,000 is paid to Mehmet Gürs on 21 January 2014 and remaining TL 500,000 is paid on 21 January 2015.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 4. RELATED PARTIES (continued)

1 January – 31 December 2014

Transactions with related parties	Interest received	Service expenses	Insurance expenses	Transaction and advisory commission expenses	Rent expenses	Dividend income	Other income	Other expenses
Numnum Yiyecek ve İçecek A.Ş.	-	-	-	-	-	-	-	(5,552)
Türkiye İş Bankası A.Ş.	2,247,416	(62,185)	-	(2,714)	-	-	-	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	(439,442)	-	-	-
İş Yatırım Menkul Değerler A.Ş.	-	-	-	(103,508)	-	-	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	-	-	-	-	-	(134,085)
Anadolu Anonim Türk Sigorta Şirketi	-	-	(69,572)	-	-	-	-	-
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	(11,808)	-	-	-	-	-	-
İş Yatırım Ortaklığı A.Ş.	-	-	-	-	-	970,697	-	-
	<b>2,247,416</b>	<b>(73,993)</b>	<b>(69,572)</b>	<b>(106,222)</b>	<b>(439,442)</b>	<b>970,697</b>	-	<b>(139,637)</b>

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 4. RELATED PARTIES (continued)

Transactions with related parties	1 January – 31 December 2013							
	Interest received	Service expenses	Insurance expenses	Transaction and advisory commission expenses	Rent expenses	Dividend income	Other income	Other expenses
Türkmed Diyaliz ve Böbrek Sağlığı Kurumları A.Ş.	-	-	-	-	-	-	14,000	-
Aras Kargo Yurtiçi Yurtdışı Taşımacılık A.Ş.	-	(1,066)	-	-	-	-	107,946	-
Numnum Yiyecek ve İçecek A.Ş.	-	-	-	-	-	-	-	(7,309)
Türkiye İş Bankası A.Ş.	1,944,232	(525)	-	(1,741)	-	-	-	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	(372,376)	-	-	-
İş Yatırım Menkul Değerler A.Ş.	-	-	-	(342,828)	-	-	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	-	-	-	-	-	(125,174)
Anadolu Anonim Türk Sigorta Şirketi	-	-	(68,802)	-	-	-	-	-
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	(11,752)	-	-	-	-	-	-
İş Yatırım Ortaklığı A.Ş.	-	-	-	-	-	1,038,178	-	-
	<b>1,944,232</b>	<b>(13,343)</b>	<b>(68,802)</b>	<b>(344,569)</b>	<b>(372,376)</b>	<b>1,038,178</b>	<b>121,946</b>	<b>(132,483)</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

#### 5. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as at 31 December 2014 and 2013 are as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash on hand	158	75
Cash at banks	20,382,697	48,177,626
<i>Demand deposit</i>	1,133	92
<i>Time deposits with maturities less than 3 months</i>	20,381,564	48,177,534
B type liquid fund	6,742,837	10,850,197
Receivables from reverse repo	-	910,180
	<b>27,125,692</b>	<b>59,938,078</b>

Reconciliation between the elements comprising cash and cash equivalents in the statement of financial position and statement of cash flows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash and cash equivalents	27,125,692	59,938,078
Less: Accrued interest	(241,858)	(311,179)
	<b>26,883,834</b>	<b>59,626,899</b>

As at 31 December 2014, the Company has no restricted deposits (31 December 2013: None).

As at 31 December 2014 and 31 December 2013 interest and maturity details of the bank deposits are as follows:

<b>31 December 2014</b>				
	<b>Interest Rate %</b>	<b>Maturity</b>	<b>Currency</b>	<b>Amount TL</b>
TL Time Deposit	10.30	12 January 2015	TL	20,134,840
TL Time Deposit	3.50	2 January 2015	TL	246,724
				<b>20,381,564</b>

<b>31 December 2013</b>				
	<b>Interest Rate %</b>	<b>Maturity</b>	<b>Currency</b>	<b>Amount TL</b>
TL Time Deposit	9.00	21 January 2014	TL	48,177,534
				<b>48,177,534</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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#### 5. CASH AND CASH EQUIVALENTS (continued)

The details of B type liquid mutual funds that are classified as cash and cash equivalent assets are as follows.

	31 December 2014	
	Nominal (*)	Fair value
B type liquid fund	566,307,428	6,742,837
		<b>6,742,837</b>

	31 December 2013	
	Nominal (*)	Fair value
B type liquid fund	949,196,114	10,850,197
		<b>10,850,197</b>

(\*) Mutual funds are shown in units.

Foreign currency risks, interest rate risks and sensitivity analysis for Company’s financial assets and liabilities are explained in Note 25.

As at 31 December 2014 the Company has no reverse repo transaction (31 December 2013: overnight, 7.24% interest rate).

#### 6. FINANCIAL INVESTMENTS

##### 6.1 Short term financial investments

	31 December 2014	31 December 2013
Financial assets designated at fair value through profit or loss	127,764,150	126,728,499
	<b>127,764,150</b>	<b>126,728,499</b>

	31 December 2014	
	Nominal (*)	Fair value
Private sector bonds	63,270,000	64,111,074
Government bonds	24,300,000	36,158,336
Mutual funds	1,391,259,710	22,096,213
Shares quoted to stock exchange	5,190,891	5,398,527
		<b>127,764,150</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### 6. FINANCIAL INVESTMENTS (continued)

#### 6.1 Short term financial investments (continued)

	31 December 2013	
	Nominal (*)	Fair value
Private sector bonds	55,980,000	56,252,458
Government bonds	46,000,000	51,995,460
Mutual funds	699,933,580	13,445,417
Shares quoted to stock exchange	5,190,891	5,035,164
		<b>126,728,499</b>

(\*) Nominal values of mutual funds and securities quoted in an active market are presented in units, government bonds and private sector bonds are presented in TL.

As at 31 December 2014, interest rates of private sector bonds and government bonds held for trading are between the rates 3.23% and 12.87% per annum (31 December 2013: between 7.05%-13.35% per annum).

#### 6.2 Long term financial investments

As at 31 December 2014 and 31 December 2013, details of private equity investments are as follows:

	31 December 2014	31 December 2013
Investments held-to-maturity	10,006,300	--
Financial investments designated at fair value through profit or loss	103,065,809	68,162,934
	<b>113,072,109</b>	<b>68,162,934</b>

#### Investments held-to-maturity

As at 31 December 2014 and 31 December 2013, details of investments held-to-maturity are as follows:

<u>Company name</u>	<u>Nominal</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. Debt Instrument	10,000,000	10,006,300	---
	<b>10,000,000</b>	<b>10,006,300</b>	-

Since these investments are not contemplated to be disposed of in the short term, they are classified as long term investments.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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### 6. FINANCIAL INVESTMENTS (continued)

#### 6.2 Long term financial investments (continued)

##### Financial investments designated at fair value through profit or loss

As at 31 December 2014 and 31 December 2013, fair value details of the subsidiaries and the associate are as follows:

<u>Name of subsidiary/associate</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Toksöz Spor	35,714,250	25,480,000
Numnum	22,993,272	28,024,468
Radore	17,578,800	-
Nevotek	17,281,362	4,485,966
Ortopro	9,498,125	10,172,500
	<b>103,065,809</b>	<b>68,162,934</b>

As at 31 December 2014 and 31 December 2013, details of the Company’s subsidiaries and associate are as follows:

<u>Subsidiaries and associate</u>	<u>Acquisition date</u>	<u>Place of establishment and operation</u>	<u>Share of capital (%)</u>		<u>Voting power</u>
			<u>31 December 2014</u>	<u>31 December 2013</u>	
Nevotek	30 September 2003	Turkey	81.24	81.24	81.24
Ortopro	10 December 2007	Turkey	32.50	32.50	52.50
Toksöz Spor	13 November 2012	Turkey	55.00	56.00	55.00
Num Num	5 December 2012	Turkey	61.66	61.66	61.66
Radore	1 December 2014	Turkey	28.50	-	28.50

As per the provisions of the Participation to Capital, Share Transfer and Shareholding Agreement signed with shareholders of the Company’s subsidiary Toksöz Spor dated 27 June 2012, 170,314 shares representing 1% of the subsidiary’s paid-in capital has been transferred to Şamil Toksöz and Kamil Toksöz, who are other shareholders of the subsidiary, free of charge on 22 April 2014. Thus, share of İş Girişim on Toksöz Spor’s capital decreased from 56% to 55%.

The Company has participated in the capital increase of TL 9.75 million of its subsidiary Toksöz Spor with an investment of TL 5.5 million in order to preserve its existing shareholding in the subsidiary and procedures related to the capital increase have been completed on 20 May 2014.

As per the Board of Directors resolution dated 2 October 2014, the Company’s General Directorate has been authorized for the acquisition of 28.50% of shares of Radore, which operates in database management sub-sector of IT sector, by participating in Radore’s capital increase through the purchase of shares amounting to TL 8,500,000. Therefore, the General Directorate has signed a Participation to Capital, Share Transfer and Shareholding Agreement with Radore, Radore’s existing shareholders and Doğuş SK Girişim Sermayesi Yatırım Ortaklığı A.Ş, which is to invest in Radore in the same amount and with the same conditions as İş Girişim, on 2 October 2014 and related procedures have been completed on 1 December 2014. The Company is being represented on the Board of Radore by one out of three Board members.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

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(In Turkish Lira (“TL”) unless otherwise is stated)

### 6. FINANCIAL INVESTMENTS (continued)

#### 6.2 Long term financial investments (continued)

##### Financial investments designated at fair value through profit or loss (continued)

Discounted cash flow method is used to determine fair values. Valuation model considers the present value of the expected payment, discounted using a risk adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast earnings before interest tax depreciation and amortisation (“EBITDA”), the amount to be paid under each scenario and the probability of each scenario. Subsidiaries’ estimated annual revenue growth rate is between 2.10% and 3.42%, estimated EBITDA ratio is between 10.2% and 41.69%, and estimated risk adjusted discount rates are between 12.1% and 18.2%.

Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin and net profit.

For the fair values of subsidiaries and associate of the Company, reasonably possible changes at 31 December 2014 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Sensitivity analysis 31 December 2014	Profit or (loss)	
	Increase	Decrease
Annual revenue growth rate (1% change)	6,535,000	(5,576,000)
EBITDA growth rate (0.5% change)	4,078,000	(4,079,000)
Risk adjusted discount rate (0.5% change)	6,377,000	(5,882,000)

There is no contractual restriction on the ability of the subsidiaries and the associate to transfer funds to the Company in the form of dividends or repayment of loans and advances given.

The Company does not have any commitments or intentions to provide financial support to the subsidiaries and the associate, including those that aim to assist the subsidiaries and the associate to obtain financial support.

The Company does not have any contractual agreements which may require it, its subsidiaries and its associate to provide financial support to a non-consolidated, controlled, restructured entity, including events and conditions that may expose it to losses.



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### 7. TRADE PAYABLES

As at 31 December 2014 and 31 December 2013, the details of the Company’s trade payables are as follows:

	31 December 2014	31 December 2013
Short term trade payables		
Due to related parties	503,114	504,608
	<b>503,114</b>	<b>504,608</b>
Long term trade payables		
Due to related parties	-	500,000
	-	<b>500,000</b>

### 8. OTHER RECEIVABLES AND PAYABLES

#### a) Other Receivables:

As at 31 December 2014 and 31 December 2013, the details of the Company’s other receivables are as follows:

	31 December 2014	31 December 2013
Other Short Term Receivables		
Other receivables	1,180	1,180
	<b>1,180</b>	<b>1,180</b>
Other Long Term Receivables		
Deposits and guarantees given	150	150
	<b>150</b>	<b>150</b>

#### b) Other Payables:

As at 31 December 2014 and 31 December.2013, the details of the Company’s other payables are as follows:

	31 December 2014	31 December 2013
Other Short Term Payables		
Other miscellaneous payables	230	449
	<b>230</b>	<b>449</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 9. TANGIBLE ASSETS

For the years ended 31 December 2014 and 31 December 2013, the movements of the Company’s tangible assets are as follows:

	<b>Furnitures and Fixtures</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b><u>Cost</u></b>			
Opening balances at 1 January 2014	381,841	1,052,047	1,433,888
Acquisitions	48,221	4,353	52,574
<b>Closing balances at 31 December 2014</b>	<b>430,062</b>	<b>1,056,400</b>	<b>1,486,462</b>
<b><u>Accumulated depreciation</u></b>			
Opening balances at 1 January 2014	(267,560)	(653,395)	(920,955)
Charge for the year	(48,305)	(127,666)	(175,971)
<b>Closing balances at 31 December 2014</b>	<b>(315,865)</b>	<b>(781,061)</b>	<b>(1,096,926)</b>
<b>Net carrying value at 31 December 2014</b>	<b>114,197</b>	<b>275,339</b>	<b>389,536</b>
<b>Net carrying value at 1 January 2014</b>	<b>114,281</b>	<b>398,652</b>	<b>512,933</b>

Total current year depreciation expenses amounting to TL 175,971 is included in administrative expenses (31 December 2013: TL 177,141).

	<b>Furnitures and Fixtures</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b><u>Cost</u></b>			
Opening balances at 1 January 2013	420,436	1,052,047	1,472,483
Acquisitions	54,218	-	54,218
Disposal	(92,813)	-	(92,813)
<b>Closing balances at 31 December 2013</b>	<b>381,841</b>	<b>1,052,047</b>	<b>1,433,888</b>
<b><u>Accumulated depreciation</u></b>			
Opening balances at 1 January 2013	(306,083)	(525,263)	(831,346)
Charge for the year	(49,009)	(128,132)	(177,141)
Disposal	87,532	-	87,532
<b>Closing balances at 31 December 2013</b>	<b>(267,560)</b>	<b>(653,395)</b>	<b>(920,955)</b>
<b>Net carrying value at 31 December 2013</b>	<b>114,281</b>	<b>398,652</b>	<b>512,933</b>
<b>Net carrying value at 1 January 2013</b>	<b>114,353</b>	<b>526,784</b>	<b>641,137</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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#### 10. INTANGIBLE ASSETS

For the years ended 31 December 2014 and 31 December 2013, the movements of the Company’s intangible assets are as follows:

<b>Cost</b>	<b>Software</b>	<b>Total</b>
Opening balances at 1 January 2014	63,844	63,844
Acquisitions	-	-
<b>Closing balances at 31 December 2014</b>	<b>63,844</b>	<b>63,844</b>
<b>Accumulated amortization</b>		
Opening balances at 1 January 2014	-	-
Charge for the year	(21,577)	(21,577)
<b>Closing balances at 31 December 2014</b>	<b>(21,577)</b>	<b>(21,577)</b>
<b>Net carrying value at 31 December 2014</b>	<b>42,267</b>	<b>42,267</b>
<b>Net carrying value at 1 January 2014</b>	<b>63,844</b>	<b>63,844</b>

Total current year amortization expenses amounting to TL 21,577 TL is included in administrative expenses (31 December 2013: None).

<b>Cost</b>	<b>Software</b>	<b>Total</b>
Opening balances at 1 January 2013	-	-
Acquisitions	63,844	63,844
<b>Closing balances at 31 December 2013</b>	<b>63,844</b>	<b>63,844</b>
<b>Accumulated amortization</b>		
Opening balances at 1 January 2013	-	-
Charge for the year	-	-
<b>Closing balances at 31 December 2013</b>	<b>-</b>	<b>-</b>
<b>Net carrying value at 31 December 2013</b>	<b>63,844</b>	<b>63,844</b>
<b>Net carrying value at 1 January 2013</b>	<b>-</b>	<b>-</b>

#### 11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

None (31 December 2013: None).

#### 12. COMMITMENTS

None (31 December 2013: None).

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

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### 13. EMPLOYEE BENEFITS

As at 31 December 2014 and 31 December 2013, the details of the Company’s employee benefits are as follows:

	31 December 2014	31 December 2013
<b>Short Term</b>		
Provision for employee bonuses	1,515,861	2,151,283
Vacation pay liability	473,092	277,642
	<b>1,988,953</b>	<b>2,428,925</b>
<b>Long Term</b>		
Provision for employee bonuses	1,652,078	2,910,939
Reserve for employee severance payments	106,477	82,609
	<b>1,758,555</b>	<b>2,993,548</b>

Under Turkish Labour Law, the Company is required to pay employment termination benefits to each employee whose employment is terminated by gaining the right to receive the termination benefits. In addition, based on the amended 60<sup>th</sup> article of the current Social Insurance Law’s numbered 506 together with amendments dated 6 March 1981, numbered 2422, dated 25 August 1999 and numbered 4447, the Company is obliged to pay termination benefits to the employees who are quitted by gaining right to receive their termination benefits. Some provisions for the pre-retirement service conditions are abolished from the law with amendment on 23 May 2002.

The reserve for severance pay liability as at 31 December 2014 is based on the monthly ceiling amounting to TL 3,438.22 TL (31 December 2013: TL 3,254.44).

The reserve has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the actuarial assumptions explained in the following paragraph were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying statement of financial position as at 31 December 2014, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provision at the end of the reporting period has been calculated assuming an annual inflation rate of 6% (31 December 2013: 5%) and a discount rate of 9.25% (31 December 2013: 7.73%) resulting in a net discount rate of approximately 3.07% (31 December 2013: 2.6 %) The anticipated rate of forfeitures is also considered.

The movement of reserve for employee severance payments:

	1 January- 31 December 2014	1 January- 31 December 2013
Provision as at 1 January	82,609	74,929
Cost of services	25,290	28,856
Interest cost	6,629	5,530
Paid severance indemnity	(8,051)	(26,706)
Provision as at 31 December	<b>106,477</b>	<b>82,609</b>

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### 13. EMPLOYEE BENEFITS (continued)

The movement of provision for employee bonuses:

	<b>1 January- 31 December 2014</b>	<b>1 January - 31 December 2013</b>
Provision as at 1 January	5,062,222	1,197,501
Charge for the year	257,000	4,771,697
Employee bonuses paid	(2,151,283)	(906,976)
Provision as at 31 December	<b>3,167,939</b>	<b>5,062,222</b>

The movement of vacation pay liability:

	<b>1 January- 31 December 2014</b>	<b>1 January- 31 December 2013</b>
Provision as at 1 January	277,642	249,721
Vacation paid	-	(20,971)
Charge for the year	195,450	48,892
Provision as at 31 December	<b>473,092</b>	<b>277,642</b>

### 14. PREPAID EXPENSES

As at 31 December 2014 and 31 December 2013, the details of the Company’s prepaid expenses are as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Short-term		
Prepaid expenses	40,926	34,490
Advance given to personnel	11,060	10,193
	<b>51,986</b>	<b>44,683</b>

There is no long term prepaid expense (31 December 2013: None).

### 15. OTHER ASSETS AND LIABILITIES

As at 31 December 2014 and 31 December 2013, the details of the Company’s other assets and liabilities are as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Other Current Assets		
Prepaid taxes and funds	677,407	483,926
	<b>677,407</b>	<b>483,926</b>
Other Short-Term Liabilities		
Accrued expenses	178,241	144,584
Taxes and funds payable	250,962	144,991
	<b>429,203</b>	<b>289,575</b>

There is no long term liability (31 December 2013: None).

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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#### 16. PAYABLES RELATED TO EMPLOYEE BENEFITS

As at 31 December 2014 and 31 December 2013, the details of the Company’s payables related to employee benefits are as follows:

	31 December 2014	31 December 2013
Social security withholdings payable	32,645	32,176
	<b>32,645</b>	<b>32,176</b>

#### 17. CAPITAL AND RESERVES

##### a) Share Capital

As at 31 December 2014 and 31 December 2013, the capital structure of the Company is as follows:

Shareholder	Company	%	31 December 2014	%	31 December 2013
İş Yatırım Menkul Değerler A.Ş.	A	8.9	6,635,776	8.9	5,924,800
İş Yatırım Menkul Değerler A.Ş.	B	20.1	15,018,515	20.1	13,409,388
Türkiye Teknoloji Geliştirme Vakfı	B	11.1	8,294,719	11.1	7,406,000
Türkiye Sınai Kalkınma Bankası A.Ş.	B	16.7	12,442,079	16.7	11,108,999
Other	B	12	8,958,298	12	7,998,479
Publicly held	B	31.2	23,303,093	31.2	20,806,334
Nominal capital			<b>74,652,480</b>		<b>66,654,000</b>

As at 31 December 2014 the Company's share capital consists of 7,465,248,000 unit shares (31 December 2013: 6,665,400,000 shares). The par value of each share is TL 0.01 (31 December 2013: TL 0.01 per share). The Company has distributed bonus shares amounting to TL 7,998,480 in accordance with general assembly resolution dated 26 March 2014.

The nominal share capital of the Company amounting to TL 74,652,480 comprised of Group A and Group B shares, amounting to TL 6,635,776 and TL 68,016,704, respectively. Group A shareholders have the privilege during the Board of Directors (“BOD”) election to nominate four members of the total seven members. In addition, one of the members of the Board representing Group B, is elected among the candidates nominated by Türkiye Teknoloji Geliştirme Vakfı unless their share in issued capital is below TL 2,000,000.

During the capital increase, Group A shares are issued in exchange for Group A shares, in exchange for Group B shares. During the capital increase through the restriction of pre-emption rights, only the Group B shares can be issued.

No preferred shares can be issued, except for the preferred shares giving the right to suggest candidate while electing the two thirds of the BOD members or giving dividend right. The fractional number is rounded when calculating the two thirds of the BOD members. After going to public, no preferences can be created including the preference to suggest candidate to the BOD membership and preference for taking dividend.

##### b) Inflation Adjustment Share Capital

As at 31 December 2014, the Company has inflation adjustment to share capital amounting TL 21,606,400 arising from the inflation accounting application until 31 December 2004 (31 December 2013: TL 21,606,400).

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 17. CAPITAL AND RESERVES (continued)

##### c) Share Premium

Excess amount between selling price and nominal value for each share was recorded as share premium in equity.

##### d) Legal reserves

In accordance with Turkish Commercial Code, legal reserves consist of first and second legal reserves. First legal reserves are generated by annual appropriations amounting to 5% of income disclosed in the Company’s statutory accounts until it reaches 20% of historical based paid-in share capital (not adjusted for the effects of inflation). Second legal reserve is generated by 10% over the total of cash dividend distribution after the first legal reserves and dividend distributions. The Company has transferred TL 4,782,442 to legal reserves in 2014 (31 December 2013: TL 5,023,940).

##### e) Retained Earnings

As at 31 December 2014, the Company has retained earnings amounting to TL 127,370,080 (31 December 2013: TL 65,755,536).

##### *Dividend distribution:*

Publicly held companies distribute dividends based on the Capital Market Board (“CMB”) regulations explained below:

According to CMB’s decision on 27 January 2010 numbered 02/51, corporations traded on the stock exchange market are not obliged to distribute a specified amount of dividends derived from the profits of 2009. For corporations that will distribute dividends, in relation to the resolutions in their general assembly meeting the dividends may be in cash, may be free by adding the profit into equity, or may be partially from both, it is also permitted not to distribute determined first party dividends falling below 5 percent of the paid-in capital of the company but, corporations that increased capital before distributing the previous year’s dividends and as a result their shares are separated as “old” and “new” are obliged to distribute 1st party dividends in cash.

The Company distributes dividend in accordance with requirements in Turkish Commercial Code and Capital Market Regulations.

In accordance with the resolutions dated 26 March 2014 in General Assembly of the Company, total TL 11,997,720 have been decided to be distributed in cash and TL 7,998,480 through capital increase via bonus shares (31 December 2013: TL 30,834,716 dividend in cash and TL 8,694,000 bonus shares).

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### 18. REVENUE AND COST OF SALES

For the years ended 31 December 2014 and 31 December 2013, the details of the Company’s revenue and cost of sales are as follows:

	1 January – 31 December 2014	1 January – 31 December 2013
<b>a) Revenue</b>		
Interest income from treasury bonds and private sector bonds	9,333,271	5,309,217
Fair value gains/losses (net) on Investment security	7,628,205	(2,338,472)
Interest income on bank deposits	3,982,529	2,465,118
Investment security trading income (net)	1,209,273	336,152
Dividend income	970,697	1,038,178
Reverse repo interest income	355,387	684,504
Increase/(decrease) in fair value of subsidiaries and associate	(722,108)	2,420,473
Domestic sales (*)	-	500,000
<i>Sales of equity accounted investees</i>	-	500,000
Overseas sales (*)	-	100,000,000
<i>Sales of equity accounted investees</i>	-	100,000,000
Other revenues	-	121,946
	<b>22,757,254</b>	<b>110,537,116</b>
<b>b) Cost of sales</b>		
Purchase of equity accounted investees (*)	-	(27,866,250)
	-	<b>(27,866,250)</b>

(\*) The Company has sold all shares in Aras Kargo of which the carrying amount was TL 27,866,250 to Post 206 Beteiligungs GmbH in return of TL 100,000,000 on 30 July 2013, and all shares in Türkmed of which the carrying amount was zero to Mr. Basri Yılmaz in return of TL 500,000 on 13 September 2013. The Company gain on these transactions amounting to TL 72,133,750 and TL 500,000, respectively.



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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#### 19. ADMINISTRATIVE EXPENSES

For the years ended 31 December 2014 and 31 December.2013, the details of the Company’s administrative expenses are as follows:

	<b>1 January- 31 December 2014</b>	<b>1 January- 31 December 2013</b>
Personnel expenses	4,310,061	9,615,714
Audit and consultancy expenses	886,469	835,674
Taxes and dues	552,549	314,706
Salaries of board of directors	546,150	638,000
Rent expenses	510,898	437,502
Outsourcing expenses	379,111	411,746
Depreciation and amortization expenses	197,548	177,141
Communication, electricity and stationary expenses	153,388	147,868
Representation expenses	80,064	126,573
Provision for employee termination benefits	31,919	34,386
Other expenses	406,308	351,205
	<b>8,054,465</b>	<b>13,090,515</b>

#### 20. OTHER OPERATING INCOME AND EXPENSES

For the years ended 31 December 2014 and 31 December 2013, the details of the Company’s other operating income and expenses are as follows:

	<b>1 January-31 December 2014</b>	<b>1 January-31 December 2013</b>
Other operating income		
Foreign exchange gain	9	10,290
Other	3,232	587
	<b>3,241</b>	<b>10,877</b>

	<b>1 January- 31 December 2014</b>	<b>1 January- 31 December 2013</b>
Other operating expenses		
Commissions paid	(108,462)	(116,114)
Other	-	(7,570)
	<b>(108,462)</b>	<b>(123,684)</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

İş Girişim Sermayesi Yatırım Ortaklığı AŞ is exempt from corporate taxes in accordance with 5<sup>th</sup>/d-3 article of Corporate Tax Law. In addition, income from venture capital activities is not subject to advance corporate tax.

With 3 sub paragraph of 15th article of Corporate Tax Law and with the decree of the Council of Ministers, the income arises from venture capital investment company will be subject to 0% withholding tax.

There are not any deferred tax assets or liabilities (31 December 2013: None).

#### 22. EARNINGS PER SHARE

	<b>1 January- 31 December 2014</b>	<b>1 January- 31 December 2013</b>
<b>Earnings per share</b>		
Weighted average number of shares available during the period (full amount) (*)	74,652,480	74,652,480
<b>Total</b>	<b>74,652,480</b>	<b>74,652,480</b>
<b>Net profit for the year</b>	<b>14,597,568</b>	<b>73,768,203</b>
Basic and diluted earnings per share (TL 1 nominal value)	0.19554	0.98815

(\*) Increase in share capital has been performed through internal resources and increase in number of shares is used in the calculation of previous year's earnings per share.

#### 23. EFFECTS OF EXCHANGE RATE CHANGES

The analysis of the effects of changes in foreign exchange in 31 December 2014 and 31 December 2013 is disclosed in Note 25.

#### 24. REPORTING IN HYPERINFLATIONARY PERIODS

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (Including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, TAS 29 “Financial Reporting in Hyperinflationary Economies” is not applied in the accompanying financial statements.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

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### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

#### Capital risk management

The Company manages its capital to ensure that the operations will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

98% of total equity and liabilities of the Company is comprised of shareholders equity. There is not any other significant financing resources other than share capital.

#### Financial risk factors

The risks of the Company, resulted from operations, include market risk (including currency risk, fair value interest rate risk, and price risk), credit risk and liquidity risk. The Company’s risk management program generally focuses on minimizing the effects of uncertainty in financial market on financial performance of the Company.

#### Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### Credit risk management (continued)

	Receivables				Cash and Cash Equivalents (**)	Financial Investments (***)
	Trade Receivables		Other Receivables			
	Related Parties	Third Parties	Related Parties	Third Parties		
<b>31 December 2014</b>						
Maximum credit risk exposure as at report date (*)	-	-	150	1,180	27,125,534	132,371,923
-The part of maximum risk under guarantee with collateral etc.						
A. Net book value of financial assets that are neither past due nor impaired	-	-	150	1,180	27,125,534	132,371,923
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired -the part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets						
- Past due (gross carrying amount)						
- Impairment (-)						
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Elements including credit risk on off statement of financial position						

(\*) Deposits and guarantees and collaterals are excluded since they are not financial assets.

(\*\*) Cash on hand is excluded.

(\*\*\*) Shares certificates are excluded.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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#### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### Credit risk management (continued)

	Receivables				Cash and Cash Equivalents (**)	Financial Investments (***)
	Trade Receivables		Other Receivables			
	Related Parties	Third Parties	Related Parties	Third Parties		
<b>31 December 2013</b>						
Maximum credit risk exposure as at report date (*)	-	-	150	1,180	59,938,003	121,693,335
-The part of maximum risk under guarantee with collateral etc.						
A. Net book value of financial assets that are neither past due nor impaired	-	-	150	1,180	59,938,003	121,693,335
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired -the part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets						
- Past due (gross carrying amount)						
- Impairment (-)						
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Elements including credit risk on off statement of financial position						

(\*) Deposits and guarantees and collaterals are excluded since they are not financial assets.

(\*\*) Cash on hand is excluded.

(\*\*\*) Shares certificates are excluded.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

#### Liquidity risk management

Liquidity risk management responsibility mainly belongs to the top management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The Company does not have any loans and uses only its shareholders equity. Investments in equity companies are financed through security portfolio or funds in time deposit. Securities in portfolio have secondary market and have high liquidity and maturity is arranged according to liquidity requirements.

The table below shows the maturity profile of Company’s non-derivative financial liabilities. The non derivative financial instruments is presented on an undiscounted cash flow basis and according to the earliest date of the payments required to be done.

31 December 2014

Contractual maturity	Carrying Value	Contractual cash flows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade payables	503,114	503,114	503,114	-	-	-
Other payables (*)	178,471	178,471	178,471	-	-	-
<b>Total Liabilities</b>	<b>681,585</b>	<b>681,585</b>	<b>681,585</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*)Taxes and other duties payables are excluded.

31 December 2013

Contractual maturities	Carrying Value	Contractual cash flows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade payables	1,004,608	1,004,608	504,608	-	500,000	-
Other payables (*)	145,033	145,033	145,033	-	-	-
<b>Total Liabilities</b>	<b>1,149,641</b>	<b>1,149,641</b>	<b>649,641</b>	<b>-</b>	<b>500,000</b>	<b>-</b>

(\*)Taxes and other duties payables are excluded.

#### Market risk management

The Company is exposed to financial risks related to foreign currency changes based on its operations.

The Company’s exposure to market risks is measured in accordance with sensitivity analysis.

There has been no change in the Company’s exposure to market risks or the manner which it manages and measures the risk compared to previous year.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

#### Foreign currency risk management

Transactions denominated in foreign currencies cause foreign currency fluctuations to arise.

The foreign currency denominated assets and liabilities of monetary and non-monetary items as at 31 December 2014 and 31 December 2013 are as follows:

	TL (Functional currency)	US Dollar	Euro	GBP
<b>31 December 2014</b>				
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	-	-	-	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	-	-	-	-
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	-	-	-	-
10. Trade Payables	-	-	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Financial Liabilities	(119,433)	(49,265)	(1,838)	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. SHORT TERM LIABILITIES	(119,433)	(49,265)	(1,838)	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. LONG TERM LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	(119,433)	(49,265)	(1,838)	-
19. Off balance sheet derivatives net asset/liability position (19a-19b)	-	-	-	-
19a. Active off balance sheet derivative(foreign currency)	-	-	-	-
19b. Passive off balance sheet derivative(foreign currency)	-	-	-	-
20. Net foreign currency asset liability position	(119,433)	(49,265)	(1,838)	-
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a))	(119,433)	(49,265)	(1,838)	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Hedged portion of foreign currency assets	-	-	-	-
24. Hedged portion of foreign currency liabilities	-	-	-	-
23. Export	-	-	-	-
24. Import	-	-	-	-

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### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

#### *Foreign currency risk management (continued)*

	TL (Functional currency)	US Dollar	Euro	GBP
<b>31 December 2013</b>				
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	-	-	-	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	-	-	-	-
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	-	-	-	-
10. Trade Payables	-	-	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Financial Liabilities	(76,946)	(21,673)	(1,838)	(7,200)
12b. Other Non-Monetary Liabilities	-	-	-	-
13. SHORT TERM LIABILITIES	(76,946)	(21,673)	(1,838)	(7,200)
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. LONG TERM LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	(76,946)	(21,673)	(1,838)	(7,200)
19. Off balance sheet derivatives net asset/liability position (19a-19b)	-	-	-	-
19a. Active off balance sheet derivative(foreign currency)	-	-	-	-
19b. Passive off balance sheet derivative(foreign currency)	-	-	-	-
20. Net foreign currency asset liability position	(76,946)	(21,673)	(1,838)	(7,200)
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(76,946)	(21,673)	(1,838)	(7,200)
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Hedged portion of foreign currency assets	-	-	-	-
24. Hedged portion of foreign currency liabilities	-	-	-	-
23. Export	-	-	-	-
24. Import	-	-	-	-

### 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

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#### Foreign currency risk management (continued)

#### Foreign currency risk sensitivity analysis

The Company is mainly exposed to foreign currency risks in US Dollar and Euro.

The following table shows the Company’s sensitivity to a 10% increase and decrease in US Dollar and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit / loss and other equity.

	31 December 2014			
	Profit / Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
	10% appreciation / depreciation of TL against the U.S. Dollar			
1 - US Dollar net asset / liability	(11,424)	11,424	-	-
2- Portion secured from US Dollar (-)	-	-	-	-
<b>3- US Dollar net effect (1 +2)</b>	<b>(11,424)</b>	<b>11,424</b>	-	-
	10% appreciation / depreciation of TL against Euro			
4 - Euro net asset / liability	(519)	519	-	-
5 - Portion secured from Euro (-)	-	-	-	-
<b>6 - Euro net effect (4+5)</b>	<b>(519)</b>	<b>519</b>	-	-
	10% appreciation / depreciation of TL against other currencies			
7- Other foreign currency net asset / liability	-	-	-	-
8- Portion secured from other currency (-)	-	-	-	-
<b>9- Other currency net effect (7+8)</b>	<b>(11,943)</b>	<b>11,943</b>	-	-
<b>TOTAL (3 + 6 +9)</b>	<b>(11,943)</b>	<b>11,943</b>	-	-

## 25. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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*Foreign currency risk management (continued)*

### Foreign currency risk sensitivity analysis

31 December 2013

	Profit / Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the U.S. Dollar				
1 - US Dollar net asset / liability	(4,626)	4,626	-	-
2- Portion secured from US Dollar (-)	-	-	-	-
<b>3- US Dollar net effect (1 +2)</b>	<b>(4,626)</b>	<b>4,626</b>	-	-
10% appreciation / depreciation of TL against Euro				
4 - Euro net asset / liability	(541)	541	-	-
5 - Portion secured from Euro (-)	-	-	-	-
<b>6 - Euro net effect (4+5)</b>	<b>(541)</b>	<b>541</b>	-	-
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset / liability	(2,528)	2,528	-	-
8- Portion secured from other currency (-)	-	-	-	-
<b>9- Other currency net effect (7+8)</b>	<b>(2,528)</b>	<b>2,528</b>	-	-
<b>TOTAL (3 + 6 +9)</b>	<b>(7,695)</b>	<b>7,695</b>	-	-

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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### 25. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

#### Interest rate risk

Changes in market interest rates causing fluctuations in the prices of financial instruments of the Company's interest rate risk leads to the necessity to deal with.

Interest positions at the end of the reporting period are as follows:

#### Interest Position Table

	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Fixed interest rate instruments</b>		
Financial assets		
Financial assets at fair value through profit or loss	56,411,137	34,568,073
Time deposits	20,381,564	48,177,534
	<b>76,792,701</b>	<b>82,745,607</b>
<b>Floating interest rate instruments</b>		
Financial assets		
Financial assets at fair value through profit or loss	43,858,273	73,679,845
Financial assets held to maturity	10,006,300	-
	<b>53,864,573</b>	<b>73,679,845</b>

Fixed and variable income securities that are classified as designated at fair value through profit and loss in the Company's statement of financial position are exposed to price risk depending on interest rate changes. As at 31 December 2014 and 31 December 2013 according to the analysis that the Company calculated, effect on fixed and variable income securities' market value and the Company's net profit/loss, under the assumption that all other variables remain constant, in the case of 1% interest rate increase or decrease of TL denominated securities and Eurobonds, presented below:

31 December 2014			
Type of risk	Risk rate	Direction of risk	Effect on net profit
Interest rate risk	1%	Increase	(1,947,205)
		Decrease	2,047,805
31 December 2013			
Type of risk	Risk rate	Direction of risk	Effect on net profit
Interest rate risk	1%	Increase	(2,253,828)
		Decrease	2,488,950

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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AS AT 31 DECEMBER 2014

(In Turkish Lira (“TL”) unless otherwise is stated)

### 25. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

#### Other price risks

The Company’s portfolio in share certificates and mutual funds, which are publicly traded, is exposed to price risk.

According to the statement of financial position as at 31 December 2014, in case of 10% increase/decrease, if all the other variables remain constant, in the value of share certificates that are in the Company's portfolio, with the effect of share certificates designated at fair value through profit or loss, net profit would be TL 539,853 (31 December 2013: TL 503,516) lower/higher.

According to the statement of financial position as at 31 December 2014, in case of 1% increase/decrease, if all the other variables remain constant, in the value of mutual funds that are in the Company's portfolio, with the effect of mutual funds designated at fair value through profit or loss, net profit would be TL288,391 (31 December 2012: TL 242,956) lower/higher.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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#### 26. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

31 December 2014	Financial assets measured with effective interest method	Loans and receivables	Financial assets and liabilities at fair value through profit or loss	Financial liabilities measured with effective interest method	Carrying Amount	Fair Value	Note
<u>Financial assets</u>							
Cash and cash equivalents	20,382,855	-	6,742,837	-	27,125,692	27,125,692	5
Financial investments	10,006,300	-	230,829,959	-	240,836,259	240,836,259	6
<u>Financial liabilities</u>							
Trade payables	-	-	-	503,114	503,114	503,114	7
Other financial liabilities (*)	-	-	-	178,471	178,471	178,471	8-15
31 December 2013	Financial assets measured with effective interest method	Loans and receivables	Financial assets and liabilities at fair value through profit or loss	Financial liabilities measured with effective interest method	Carrying Amount	Fair Value	Note
<u>Financial assets</u>							
Cash and cash equivalents	48,177,701	-	11,760,377	-	59,938,078	59,938,078	5
Financial investments	-	-	194,891,433	-	194,891,433	194,891,433	6
<u>Financial liabilities</u>							
Trade payables	-	-	-	1,004,608	1,004,608	1,004,608	7
Other financial liabilities (*)	-	-	-	145,033	145,033	145,033	8-15

(\*)Taxes and other duties payables are excluded.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 26. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (continued)

Fair Value of Financial Instruments:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that is observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Classification of fair values of financial assets and liabilities are as follows:

Financial assets	31 December 2014	Fair value hierarchy at the end of the reporting period		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial asset at fair value through profit or loss	230,829,959	127,764,150	-	103,065,809
Cash and cash equivalents (B type liquid funds)	6,742,837	6,742,837	-	-
<b>Total</b>	<b>237,572,796</b>	<b>134,506,987</b>	<b>-</b>	<b>103,065,809</b>

Financial assets	31 December 2013	Fair value hierarchy at the end of the reporting period		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial asset at fair value through profit or loss	194,891,433	126,728,499	-	68,162,934
Cash and cash equivalents (B type liquid funds)	10,850,197	10,850,197	-	-
(Reverse repurchase agreements)	910,180	910,180	-	-
<b>Total</b>	<b>206,651,810</b>	<b>138,488,876</b>	<b>-</b>	<b>68,162,934</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

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#### 26. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (continued)

The movement of fair values in Level 3 are as follows:

	<b>Subsidiaries and associate</b>
<b>Balance as of 1 January 2014</b>	<b>68,162,934</b>
Acquisitions	17,500,000
Capital increase	5,500,000
<b>Gain included in revenue</b>	
- Changes in the fair value	(722,108)
<b>Gain included in retained earnings*</b>	
- Changes in the fair value	12,624,983
<b>Balance as of 31 December 2014</b>	<b>103,065,809</b>

(\*) See Note 2.2 for details

Valuation methods of the fair values for Level 3 are presented in the Note 2.5 and 6.

#### 27. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED TO BE EXPLAINED FOR CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS

The Company has not been compliant with Article 22.1.b of the Communiqué No:II-48-3 Venture Capital Investment Trusts, with regard to minimum venture capital investment requirement of 51% due to exits from its portfolio as at 31 December 2013. In order to comply with this requirement, the Company has requested a deadline of 31 December 2015 from the CMB, which was responded positively, in accordance with Article 24.2 of the same Communiqué.

#### 28. EVENTS AFTER REPORTING PERIOD

As part of the “Capital Associates, Share Transfer and Shareholders Convention Agreement”, which was signed on 19 October 2012 with Numnum Yıyecek ve İçecek A.Ş shareholders and as announced in the Numnum investment statement on 6 December 2012, the last instalment of TL 500,000 of the amount due for acquisition of total share transfers, which was to be paid in two equal instalments amounting to TL 1,000,000 on January 2014 and January 2015, has been paid on 21 January 2015.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2014

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## ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH RESTRICTIONS ON THE INVESTMENT PORTFOLIO, FINANCIAL LOANS AND TOTAL EXPENSES

	Financial Statement Primary Accounts Items	Regulations	31.12.2014(TL)	31.12.2013 (TL)
<b>A</b>	Monetary and Capital Market Instruments	Article 20/1-(b)	154,889,842	186,666,577
<b>B</b>	Real estates, based on Real Estates, Rights based on Real Estates	Article 20/1-(a)	113,072,109	68,162,934
<b>C</b>	Subsidiaries	Article 20/1-(d) ve (e )	-	-
<b>D</b>	Other assets		1,162,526	1,106,716
<b>E</b>	Subsidiaries' Total Assets	Article 3/1-(a)	269,124,477	255,936,227
<b>F</b>	Financial loans	Article 29	-	-
<b>G</b>	Provisions, Contingent Assets and Liabilities	Article 20/2-(a)	-	-
<b>H</b>	Equity		261,411,777	249,186,946
<b>I</b>	Other liabilities		4,712,700	6,749,281
<b>E</b>	Total liabilities and equity	Article 3/1-(a)	269,124,477	255,936,227
	<b>Other Financial Information</b>	<b>Regulations</b>	<b>31.12.2014(TL)</b>	<b>31.12.2013 (TL)</b>
<b>A1</b>	Investment in Financial Markets Instruments	Article 20/1-(b)		
	1. Financial Markets Instruments		134,506,987	138,488,876
	A- Government Bond		36,158,336	51,995,460
	TRT260214T10		-	20,646,400
	TRT010420T19		1,607,310	1,370,960
	TRT060121T16		26,723,880	24,826,200
	TRT050314T14		-	5,151,900
	TRT110215T16		7,827,146	-
	B- Private Sector Bond		64,111,074	56,252,458
	Akbank T.A.Ş.		3,618,000	3,607,776
	Akfen Holding A.Ş.		672,035	-
	Bank Pozitif Kredi ve Kalkınma Bankası A.Ş.		4,461,621	2,527,699
	Boyner Büyük Mağazacılık A.Ş.		-	1,488,559
	Creditwest Faktoring A.Ş.		7,612,940	10,292,263
	Ereğli Demir Çelik Fab. A.Ş.		3,092,310	2,553,850
	İng Bank A.Ş.		-	4,739,209
	İş Faktoring A.Ş.		978,670	-
	İş Finansal Kiralama A.Ş.		13,427,990	4,910,144
	İş Gayrimenkul Yatırım Ortaklığı A.Ş.		2,593,111	-
	İş Yatırım Menkul Değerler A.Ş.		2,634,520	-
	Karsan Otomotiv San. ve Tic A.Ş.		512,875	-
	Koç Fiat Finansman A.Ş.		3,114,990	3,067,080
	Mercedes-Benz Finansman Türk A.Ş.		3,582,653	3,546,048
	Orfin Finansman A.Ş.		9,063,000	-
	Pakpen Plastik Boru ve Yapı Elemanları San. ve Tic A.Ş.		-	431,337
	Rönesans Holding A.Ş.		8,746,359	8,739,263
	Sarten Ambalaj San. ve Tic. A.Ş.		-	1,038,540
	Şekerbank T.A.Ş.		-	2,010,540
	Tam Faktoring A.Ş.		-	2,507,000
	Türkiye Ekonomi Bankası A.Ş.		-	4,793,150
	C- Reverse Repo		-	910,181
	D- Mutual Fund		28,839,050	24,295,613
	İş Bankası Liquid Fund (801)		-	82,437
	Ünlü Menkul Değ. B Type Variable Fund		-	2,018,075
	Kare Yatırım B Type Short Term Bond and Bills Fund		754,783	-
	İş Yatırım B Type Short Term. Bond and Bills Fund		-	1,765,090
	İş Yatırım Bosphorus Capital B Type Short Term. Bond and Bills Fund		5,988,053	9,002,669
	İş Yatırım İstanbul Portföy B Type Short Term Bond and Bills Fund		-	-
	İş Yatırım A Type Variable Fund		4,141,425	3,371,579
	İş Yatırım Ashmore A Type Variable Fund		-	189,947
	İş Yatırım Ark Hedge Fund		2,903,360	3,836,400
	İş Yatırım Bosphorus Capital Fixed Income Hedge Fund		3,185,700	4,029,416
	İş Yatırım Bosphorus Capital B Type Variable Fund		3,034,195	-
	İş Yatırım Bosphorus Capital Absolute Income Hedge Fund		1,623,861	-
	İş Yatırım Logos B Type Fixed Income Bond and Bills Fund		3,065,969	-
	İş Yatırım Logos Dynamic Value Hedge Funds		1,274,498	-
	İş Yatırım Notus Portföy B Type Variable Fund		2,515,383	-
	İş Yatırım Taaleri B Type Variable Fund		351,823	-
	E- Stocks		5,398,527	5,035,164
	İş Yatırım Ortaklığı A.Ş.		5,398,527	5,035,164
<b>A2</b>	TL and FX Denominated Term-Demand Deposits / Special Current - Sharing Account	Article 20/1-(b)	20,382,856	48,177,700
<b>B1</b>	Collective Investment Institutions Established Abroad	Article 21/3-(c)	-	-
<b>B2</b>	Combination of Debt and Equity Financing	Article 21/3-(f)	-	-
<b>B3</b>	Non-Listed Shares Of Publicly Traded Venture Company	Article 21/3-(e )	-	-
<b>B4</b>	Special Purpose Company	Article 21/3-(g)	-	-
<b>C1</b>	Participate in Portfolio Management Company	Article 20/1-(e )	-	-
<b>C2</b>	Participate in Consulting Company	Article 20/1-(d)	-	-
<b>F1</b>	Short-Term Loans	Article 29/1	-	-
<b>F2</b>	Long-Term Loans	Article 29/1	-	-
<b>F3</b>	Short-Term Debt Instruments	Article 29/1	-	-
<b>F4</b>	Long-Term Debt Instruments	Article 29/1	-	-
<b>F5</b>	Other Short-Term Financial Loans	Article 29/1	-	-
<b>F6</b>	Other Long-Term Financial Loans	Article 29/1	-	-
<b>G1</b>	Pledged	Article 20/2-(a)	-	-
<b>G2</b>	Collateral	Article 20/2-(a)	-	-
<b>G3</b>	Mortgages	Article 20/1-(a)	-	-
<b>I</b>	Outsourced Services Expenses	Article 26/1	2,284,813	2,147,472
	<b>Portfolio Restrictions (*)</b>	<b>Regulations</b>	<b>Current</b>	<b>Previous</b>
				<b>Min. /Max.</b>



# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

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			period	period	Rate
1	Monetary and Capital Market Instruments	Article 22/1- (b)	57.55	72.93	≤%65
2	Financial Markets Instruments	Article 22/1- (c)	49.98	54.11	
	A- Government Bond		13.44	20.32	
	TRT260214T10		-	8.07	≤%10
	TRT010420T19		0.60	0.54	≤%10
	TRT060121T16		9.93	9.70	≤%10
	TRT050314T14		-	2.01	≤%10
	TRT110215T16		2.91	-	≤%10
	B- Private Sector Bond		23.82	21.98	
	Akbank		1.34	1.41	≤%10
	Akfın Holding A.Ş.		0.25	-	≤%10
	Bank Pozitif Kredi ve Kalkınma Bankası A.Ş.		1.66	0.99	≤%10
	Boyner Büyük Mağazacılık A.Ş.		-	0.58	≤%10
	Creditwest Faktoring A.Ş.		2.83	4.02	≤%10
	Ereğli Demir Çelik Fab. A.Ş.		1.15	1.00	≤%10
	İng Bank A.Ş.		-	1.85	≤%10
	İş Faktoring A.Ş.		0.36	-	≤%10
	İş Finansal Kiralama A.Ş.		4.99	1.92	≤%10
	İş Gayrimenkul Yatırım Ortaklığı A.Ş.		0.96	-	≤%10
	İş Yatırım Menkul Değerler A.Ş.		0.98	-	≤%10
	Karsan Otomotiv San. ve Tic A.Ş.		0.19	-	≤%10
	Koç Fiat Finansman A.Ş.		1.16	1.20	≤%10
	Mercedes-Benz Finansman Türk A.Ş.		1.33	1.39	≤%10
	Orfin Finansman A.Ş.		3.37	-	≤%10
	Pakpen Plastik Boru ve Yapı Elemanları San. ve Tic A.Ş.		-	0.17	≤%10
	Rönesans Holding A.Ş.		3.25	3.41	≤%10
	Sarten Ambalaj San. ve Tic. A.Ş.		-	0.41	≤%10
	Şekerbank T.A.Ş.		-	0.79	≤%10
	Tam Faktoring A.Ş.		-	0.98	≤%10
	Türkiye Ekonomi Bankası A.Ş.		-	1.87	≤%10
	C- Reverse Repo		-	0.36	≤%10
	D- Mutual Fund		10.72	9.49	
	İş Bankası Liquid Fund (801)		-	0.03	≤%10
	Ünlü Menkul Değ. B Type Variable Fund		-	0.79	≤%10
	Kare Yatırım B Type Short Term Bond and Bills Fund		0.28	-	≤%10
	İş Yatırım B Type Short Term Bond and Bills Fund		-	0.69	≤%10
	İş Yatırım Bosphorus Capital B Type Short Term Bond and Bills Fund		2.23	3.52	≤%10
	İş Yatırım İstanbul Portföy B Type Short Term Bond and Bills Fund		-	-	≤%10
	İş Yatırım A Type Variable Fund		1.54	1.32	≤%10
	İş Yatırım Ashmore A Type Variable Fund		-	0.07	≤%10
	İş Yatırım Ark Hedge Fund		1.08	1.50	≤%10
	İş Yatırım Bosphorus Capital Fixed Income Hedge Fund		1.18	1.57	≤%10
	İş Yatırım Bosphorus Capital B Type Variable Fund		0.13	-	≤%10
	İş Yatırım Bosphorus Capital Absolute Income Hedge Fund		0.60	-	≤%10
	İş Yatırım Logos B Type Fixed Income Bond and Bills Fund		1.14	-	≤%10
	İş Yatırım Logos Dynamic Value Hedge t Funds		0.47	-	≤%10
	İş Yatırım Notus Portföy B Type Variable Fund		2.01	-	≤%10
	İş Yatırım Taaleri B Type Variable Fund		2.01	-	≤%10
	E- Stock		2.01	1.97	≤%10
	İş Yatırım Ortaklığı A.Ş.		2.01	1.97	≤%10
3	Venture Capital Investments	Article 22/1- (b)/(ğ)	42.01	26.63	≥%35*
4	Affiliates In Portfolio Management Companies And Consulting Firm	Article 22/1- (ç)	-	-	≤%10
5	Collective Investment Institutions Established Abroad	Article 22/1- (e)	-	-	≤%49
6	Combination of Debt and Equity Financing	Article 22/1- (h)	-	-	≤%25
7	Non-Listed Shares Of Publicly Traded Venture Company	Article 22/1- (f)	-	-	≤%25
8	TL and FX Denominated Term-Demand Deposits / Special Current - Sharing Account (*)	Article 22/1- (i)	7.57	18.82	≤%20
9	Face Values Of Short-Term Borrowings and Debt Instruments (*)	Article 29	-	-	≤%50
10	Face Values Of Long-Term Borrowings and Debt Instruments	Article 29	-	-	≤%200
11	Pledged, Collateral and Mortgages	Article 22/1- (d)	-	-	≤%10
12	Outsourced Services Expenses	Article 26/1	0.85	0.84	≤%2,5

\*According to 22(g). Clause of the Venture Capital Investment Trusts Basis Communiqué, since the amount of investments made to the venture companies that are suitable for small and medium size enterprises requirements exceeds the 5% of the total assets, portfolio limitation rate is applied as 35% instead of 51%.