ANADOLU CAM SANAYİİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

(ORIGINALLY ISSUED IN TURKISH)

ANADOLU CAM SANAYİİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2016 AND 31 DECEMBER 2015

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

ASSETS	NOTES	31 March 2016	31 December 2015
Current Assets		**1.652.151.429**	**1.418.216.304**
Cash and cash equivalents	6	864.997.499	676.794.931
Trade receivables	10, 37	308.466.225	284.883.710
- *Due from related parties*	*37*	*10.068.130*	*11.305.038*
- *Due from other parties*	*10*	*298.398.095*	*273.578.672*
Other receivables	11, 37	4.192.409	5.823.229
- *Due from related parties*	*37*	*1.308.613*	*924.002*
- *Due from other parties*	*11*	*2.883.796*	*4.899.227*
Derivative instruments	12	70.487.205	89.385.881
Inventories	13	345.839.083	315.371.129
Prepaid expenses	14	29.927.588	21.137.129
Current income tax assets	35	5.585.387	11.212.063
Other current assets	26	22.656.033	13.608.232
Non-current Assets		**2.137.321.724**	**2.332.268.647**
Financial assets	7	95.481.907	347.741.699
Other receivables	11	14.568.774	14.555.704
Investments accounted for under equity method	16	29.146.279	32.870.849
Property, plant and equipment	18	1.802.760.493	1.711.696.795
Intangible assets	19, 20	2.875.272	2.839.184
- *Goodwill*	*20*	*2.231.328*	*2.120.003*
- *Other intangible assets*	*19*	*643.944*	*719.181*
Prepaid expenses	14	16.820.099	52.682.384
Deferred tax assets	35	150.682.566	144.410.005
Other non-current assets	26	24.986.334	25.472.027
TOTAL ASSETS		**3.789.473.153**	**3.750.484.951**

ANADOLU CAM SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2016 AND 31 DECEMBER 2015

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

LIABILITIES	**Notes**	**31 March 2016**	**31 December 2015**
Current Liabilities		**1.005.264.110**	**958.557.543**
Short-term borrowings	8	219.429.651	212.712.210
Short-term portion of long-term borrowings	8	413.653.825	411.756.364
Trade payables	10, 37	193.213.343	137.419.973
- *Due to related parties*	*37*	*76.536.088*	*42.527.465*
- *Due to other parties*	*10*	*116.677.255*	*94.892.508*
Payables to employees	24	4.533.220	2.167.124
Other payables	11, 37	129.561.442	174.787.069
- *Due to related parties*	*37*	*95.832.957*	*144.558.965*
- *Due to other parties*	*11*	*33.728.485*	*30.228.104*
Derivative instruments	12	-	1.557.339
Deferred income	14	6.796.521	6.762.703
Current income tax liabilities	35	5.575.595	-
Short-term provisions	22, 24	17.741.027	4.337.854
- *Provisions for employee benefits*	*24*	*3.365.763*	*2.427.064*
- *Other short-term provisions*	*22*	*14.375.264*	*1.910.790*
Other current liabilities	26	14.759.486	7.056.907
Non-current Liabilities		**998.427.010**	**1.045.231.365**
Long-term borrowings	8	871.123.941	910.282.469
Other non-current liabilities	11	57.745.800	57.112.919
Provisions for employee benefits	24	40.807.354	39.670.274
Deferred tax liabilities	35	28.749.915	38.165.703
EQUITY	**27**	**1.785.782.033**	**1.746.696.043**
Equity holders of the parent	**27**	**1.685.313.379**	**1.640.813.845**
Paid-in capital		444.000.000	444.000.000
Adjustments to share capital		1.431	1.431
Share premium		35	35
Other comprehensive income/expense not to be reclassified to profit or loss		415.999.674	410.010.489
- *Revaluation funds*		*415.478.055*	*409.488.870*
- *Remeasurement differences*		*521.619*	*521.619*
Other comprehensive income/expense to be reclassified to profit or loss		72.856.506	287.734.892
- *Currency translation differences*		*16.212.200*	*6.600.537*
- *Hedging reserves*		*(14.891.127)*	*(10.299.155)*
- *Financial asset revaluation fund*		*71.535.433*	*291.433.510*
Restricted reserves		103.448.746	92.216.907
Retained earnings		395.614.049	355.248.579
Net profit for the period		253.392.938	51.601.512
Non-controlling Interests	**27**	**100.468.654**	**105.882.198**
TOTAL LIABILITIES AND EQUITY		**3.789.473.153**	**3.750.484.951**

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AS OF 31 MARCH 2016 AND 31 DECEMBER 2015
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	**1 January- 31 March 2016**	**1 January - 31 March 2015**
Revenue	28	345.399.069	287.971.891
Cost of sales (-)	28	(275.920.311)	(229.762.632)
Gross profit		**69.478.758**	**58.209.259**
General administrative expenses (-)	29,30	(40.225.129)	(35.159.087)
Marketing expenses (-)	29,30	(23.078.011)	(18.153.909)
Research and development expenses (-)	29,30	(3.497.067)	(2.150.744)
Other operating income	31	9.162.875	15.558.310
Other operating expenses (-)	31	(6.698.530)	(8.452.432)
Income from investments accounted for under equity method	16	3.317.190	2.185.279
Operating profit		**8.460.086**	**12.036.676**
Income from investing activities	32	272.604.739	81.525.542
Expenses from investing activities (-)	32	(818.549)	(827.385)
Operating profit before financial income/(expense)		**280.246.276**	**92.734.833**
Financial income	33	78.777.677	124.150.972
Financial expenses (-)	33	(93.362.012)	(158.428.743)
Profit before tax		**265.661.941**	**58.457.062**
Gain on taxation on (expense)/income		**(11.607.506)**	**730.505**
Current tax expense (-)	35	(12.615.316)	(9.914.969)
Deferred tax income	35	1.007.810	10.645.474
Profit for the period		**254.054.435**	**59.187.567**
Attributable to:			
Non-controlling interest	27	661.497	(17.664.526)
Equity holders of the parent		**253.392.938**	**76.852.093**
Earnings per share	**36**	**0,5707**	**0,1731**

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

CONSOLIDATED STATEMENTS OF OTHER COMPHERENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

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

	Notes	1 January- 31 March 2016	1 January - 31 March 2015
Profit for the period	**27**	**254.054.435**	**59.187.567**
Other comprehensive income			
Items that will not be reclassified to profit or loss	**27**	**5.952.726**	**-**
Gains on revaluation of land and buildings		7.411.891	-
Remeasurement differences on defined benefit plans		-	-
Share of other comprehensive income of investments accounted for using the equity method		-	-
Items that will not be reclassified to profit or loss Income tax relating to these items		(1.459.165)	-
- Current tax expense		-	-
- Deferred tax expense		*(1.459.165)*	-
Items that may be reclassified to profit or loss	**27**	**38.975.824**	**40.638.314**
Currency translation differences		9.614.598	21.041.641
Changes in the fair value of available-for-sale financial assets		35.740.208	30.018.485
Cash flow hedging		(5.739.965)	(11.151.110)
Items that may be reclassified to profit or loss Income tax relating to these items		(639.017)	729.298
- Current tax expense		-	-
- Deferred tax expense		*(639.017)*	*729.298*
Other Comprehensive Income		**44.928.550**	**40.638.314**
Total Comprehensive Income		**298.982.985**	**99.825.881**
Attributable to:			
Non-controlling interest		661.497	(22.113.300)
Equity holders of the parent		298.321.488	121.939.181
Earnings per share	**36**	**0,6719**	**0,2746**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

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

					Other Comprehensive Income and Expense that will not be Reclassified to Profit or Loss		Other Comprehensive Income and Expense that may be Reclassified to Profit or Loss			Retained Earnings				
	Paid-in Capital	**Adjustments to Share Capital**	**Adjustments to on Cross Capital and Investment Transactions (-)**	**Share Premium**	**Revaluation Funds**	**Other Gains/ Losses**	**Currency Translation Difference**	**Other Gains/ Losses**	**Restricted Reserves**	**Retained Earnings**	**Net Profit for the Period**	**Equity Attributable to Equity Holders of the Parent**	**Non-Controlling Interest**	**Total Equity**
Balances at 1 January 2015	**444.000.000**	**1.431**	**-**	**35**	**-**	**(1.638.362)**	**(80.213.575)**	**285.824.829**	**79.672.185**	**605.714.232**	**101.778.957**	**1.435.139.732**	**88.007.083**	**1.523.146.815**
Transfers	-	-	-	-	-	-	-		12.544.722	89.234.235	(101.778.957)	-	-	-
Total comprehensive income	-	-	-	-	-	-	21.119.181	23.967.907	-	-	76.852.093	121.939.181	(22.113.300)	99.825.881
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(7.555.555)	(7.555.555)
Balances at 31 March 2015	**444.000.000**	**1.431**	**-**	**35**	**-**	**(1.638.362)**	**(59.094.394)**	**309.792.736**	**92.216.907**	**694.948.467**	**76.852.093**	**1.557.078.913**	**58.338.228**	**1.615.417.141**

					Other Comprehensive Income and Expense that will not be Reclassified to Profit or Loss		Other Comprehensive Income and Expense that may be Reclassified to Profit or Loss			Retained Earnings				
	Paid-in Capital	**Adjustments to Share Capital**	**Adjustments to on Cross Capital and Investment Transactions (-)**	**Share Premium**	**Revaluation Funds**	**Other Gains/ Losses**	**Currency Translation Difference**	**Other Gains/ Losses**	**Restricted Reserves**	**Retained Earnings**	**Net Profit for the Period**	**Equity Attributable to Equity Holders of the Parent**	**Non-Controlling Interest**	**Total Equity**
Balances at 1 January 2016	**444.000.000**	**1.431**	**-**	**35**	**409.488.870**	**521.619**	**6.600.537**	**281.134.355**	**92.216.907**	**355.248.579**	**51.601.512**	**1.640.813.845**	**105.882.198**	**1.746.696.043**
Transfers	-	-	-	-	-	-	-	-	11.231.839	40.369.673	(51.601.512)	-	-	-
Total comprehensive income	-	-	-	-	5.952.726	-	9.614.598	(224.490.049)	-	-	253.392.938	44.470.213	661.497	45.131.710
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(6.000.000)	(6.000.000)
Transactions with non-controlling interests	-	-	-	-	36.459	-	(2.935)	-	-	(4.203)	-	29.321	(75.041)	(45.720)
Balances at 31 March 2016	**444.000.000**	**1.431**	**-**	**35**	**415.478.055**	**521.619**	**16.212.200**	**56.644.306**	**103.448.746**	**395.614.049**	**253.392.938**	**1.685.313.379**	**100.468.654**	**1.785.782.033**

Disclosures regarding the changes in equity is explained in Note 27.

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

(Tüm tutarlar aksi belirtilmedikçe Türk Lirası (“TL”) olarak ifade edilmiştir.)

	Notes	1 January - 31 March 2016	1 January - 31 March 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		**8.953.106**	**(49.867.370)**
Net profit for the period	**27**	**254.054.435**	**59.187.567**
Adjustments to reconcile net profit to net cash provided by operating activities		**(174.570.729)**	**406.181**
Depreciation and amortization	18, 19	57.061.657	48.277.072
Adjustments for impairments/reversals	10, 11, 13	330.063	455.182
Changes in provisions	3, 22, 24	15.050.108	15.128.179
Interest income and expenses	8, 31, 33	20.270.364	25.951.206
Unrealized foreign exchange losses	31, 33	(3.337.692)	(8.458.783)
Income from investments accounted for under equity method	16	(3.317.190)	(2.185.279)
Income taxes	35	11.607.506	(730.505)
Gains/losses on sales of property, plant and equipment	32	(264.951.408)	(73.171.280)
Dividend income	32, 37	(6.834.782)	-
Cash inflows/outflows resulted from other adjustments	22, 24	-	(4.859.611)
Expense accruals	26	(449.355)	-
Changes in net working capital		**(32.646.603)**	**(75.176.264)**
Increases/decreases in inventories	3, 13	(30.888.249)	(73.245.779)
Increases/decreases in trade receivables	3, 10	(25.866.443)	(41.369.852)
Increases/decreases in other receivables	3, 11, 37	1.630.820	37.549.208
Increases/decreases in trade payables	3, 10	53.132.655	10.500.621
Increases/decreases in other payables.	3, 11, 14, 26, 37	(42.839.580)	(10.784.024)
Other adjustments related to increases/decreases in working capital	3, 14,26	1.525.749	37.843
Proceeds from contracts that are held for trading	12, 33	10.658.445	2.135.719
Cash flows from operating activities		**46.837.103**	**(15.582.516)**
Interest paid	8,31,33,37	(24.823.880)	(23.756.687)
Interest received	31, 33, 37	75.401	3.527.493
Current income taxes paid	35	(12.625.661)	(12.230.991)
Employment termination benefits paid	24	(509.857)	(1.824.669)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sales of investment properties	17,32	5.989.184	-
Cash outflows to purchase shares in other entities or funds or debt instruments	7,32	-	-
Proceeds from the sales of shares in other entities or funds or debt instruments	7, 16, 32	284.853.981	79.938.636
Proceeds from sales of property, plant and equipment and intangible assets	18,19,32	3.618.915	2.406.140
Cash outflows due to purchases of property, plant and equipment and intangible assets	8,18,19	(122.412.594)	(44.068.264)
Advances given	14	(29.485.455)	(13.900.151)
Increases/decreases in prepaid expenses other than advances given	14	66.241.143	5.216.266
Dividend received	16, 32	13.876.543	6.424.028
Interest received	6, 33	6.471.501	2.167.916
Other cash inflow/outflow	10, 11, 26	1.021.625	11.511

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

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016
(Tüm tutarlar aksi belirtilmedikçe Türk Lirası ("TL") olarak ifade edilmiştir.)

	Notes	1 January - 31 March 2016	1 January - 31 March 2015
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(48.330.552)**	**16.296.978**
Proceeds from borrowings	8	91.950.623	113.673.313
Repayment of borrowings	8	(134.206.135)	(89.741.408)
Cash outflows from debt payments on finance lease contracts	8	-	(79.372)
Dividends paid	27	(6.000.000)	(7.555.555)
Transactions with non-controlling interests, net	27	(75.040)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**190.797.397**	**4.625.690**
D. EFFECT OF UNREALIZED EXCHANGE LOSS/(GAIN) ON CASH AND CASH EQUIVALENTS		**(2.594.829)**	**63.692.696**
Effect of exchange rate changes on cash and cash equivalents	31, 33	(9.498.509)	38.542.147
Effect of currency translation differences	27	6.903.680	25.150.549
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**188.202.568**	**68.318.386**
E. . CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**6**	**675.838.100**	**557.250.692**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)	**6**	**864.040.668**	**625.569.078**

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

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

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Anadolu Cam Sanayii A.Ş. and its subsidiaries (the "Group") consists of Anadolu Cam Sanayii A.Ş.(the "Company") and its fourteen subsidiaries, one joint venture and one associate. The Company was established in Turkey in 1969 and started its operations in 1973. In 1976, the Company joined the group of Türkiye İş Bankası and Türkiye Şişe ve Cam Fabrikaları A.Ş ("Şişecam Holding").

The Group's activities consist of glass packaging manufacturing and sales. From the Turkey perspective, production takes place in Mersin, Bursa/Yenişehir and Eskişehir factories. All marketing and selling activities of the Company are managed by its "Sales and Management Centre". Its export sales are managed by Şişecam Dış Ticaret A.Ş.. The Company's shares are traded on Borsa İstanbul A.Ş. ("BIST"), formerly named as Istanbul Stock Exchange ("ISE"), since 1986. Türkiye Şişe ve Cam Fabrikaları A.Ş. holds 79,11% of the shares in the Company and has control in the management as of the date of this financial statements.

The Head Office and Shareholder Structure of the Company

The shareholder structure of the Company is presented in Note 27.

The Company is registered in Turkey and its contact information is presented below:

İş Kuleleri Kule - 3, 4. Levent 34330, Beşiktaş / İstanbul / Türkiye

Telefon : + 90 (212) 350 50 50
Faks : + 90 (212) 350 57 57
http://www.sisecamcamambalaj.com

The Company Trade Registry Information

Registered Trade Office: Istanbul Registry of Commerce Office
Registered no: 103040
Central registration system no :0–8127–3186–65213508

Personnel Structure of the Group

	31 March 2016	31 December 2015
Personnel paid on a monthly basis	1.244	1.323
Personnel paid on a hourly basis	3.068	3.015
Total	**4.312**	**4.338**

174 of the personnel included in total are from associate ad joint venture that are accounted for under equity method (31 December 2015: 176 Persons).

Companies included in consolidation:

The Company consolidates its subsidiaries stated below on a line-by-line basis. Joint ventures and associates are accounted for using the equity accounting method in the consolidated financial statements.

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

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

Title of Entity	Nature of Business	Country of Registration
Anadolu Cam Yenişehir Sanayi A.Ş.	Glass packaging production and sales	Turkey
Anadolu Cam Eskişehir Sanayi A.Ş.	Glass packaging production and sales	Turkey
OOO Ruscam	Glass packaging production and sales	Russia
PAO Ruscam Pokrovsky	Glass packaging production and sales	Russia
OOO Ruscam Glass Packaging Holding	Glass packaging production and sales	Russia
OOO Ruscam Glass	Glass packaging production and sales	Russia
OOO Energosystems	Rent of industrial products	Russia
OOO Ruscam Management Company	Finance and investment company	Russia
JSC Mina (*)	Glass packaging production and sales	Georgia
CJSC Brewery Pivdenna	Glass packaging production and sales	Ukraine
Merefa Glass Company Ltd.	Glass packaging production and sales	Ukraine
Anadolu Cam Investment B.V.	Finance and investment company	Netherlands
Balsand B.V.	Finance and investment company	Netherlands
AC Glass Holding B.V.	Finance and investment company	Netherlands

	31 March 2016		31 December 2015	
	Direct and indirect ownership (%)	Effective ownership (%)	Direct and indirect ownership (%)	Effective ownership (%)
Anadolu Cam Yenişehir Sanayi A.Ş.	85,00	85,00	85,00	85,00
Anadolu Cam Eskişehir Sanayi A.Ş.	85,00	85,00	85,00	85,00
OOO Ruscam	100,00	100,00	100,00	100,00
PAO Ruscam Pokrovsky	100,00	100,00	100,00	100,00
OOO Ruscam Glass Packaging Holding	100,00	100,00	100,00	100,00
OOO Ruscam Glass	100,00	100,00	100,00	100,00
OOO Energosystems	100,00	100,00	100,00	100,00
OOO Ruscam Management Company	100,00	100,00	100,00	100,00
JSC Mina (*)	100,00	100,00	99,86	99,86
CJSC Brewery Pivdenna	100,00	100,00	100,00	100,00
Merefa Glass Company Ltd.	100,00	100,00	100,00	100,00
Anadolu Cam Investment B.V.	100,00	100,00	100,00	100,00
Balsand B.V.	100,00	100,00	100,00	100,00
AC Glass Holding B.V.	100,00	100,00	100,00	100,00

(*) The Group acquired 0,14% of JSC Mina's shares on 17 March 2016.

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

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Joint Venture:

	Nature of Business	Country of Registration
Omco İstanbul Kalıp San. ve Tic. A.Ş.	Glass moulds production and sales	Turkey

	31 March 2016		31 December 2015	
	Direct and indirect ownership (%)	Effective ownership (%)	Direct and indirect ownership (%)	Effective ownership (%)
Omco İstanbul Kalıp San. ve Tic. A.Ş.	50,00	50,00	50,00	50,00

Associates:

	Nature of Business	Country of Registration
Camiş Elektrik Üretim A.Ş.	Electricity production and sales	Turkey

	31 March 2016		31 December 2015	
	Direct and indirect ownership (%)	Effective ownership (%)	Direct and indirect ownership (%)	Effective ownership (%)
Camiş Elektrik Üretim A.Ş.	26,09	26,09	26,09	26,09

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") (together will be referred as "TAS/TFRS").

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation (Continued)

The Company (and its subsidiaries and Joint Ventures registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries, joint ventures and associates operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

Presentation and Functional Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional and presentation currency of the Company.

Preparation of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's decision No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards TAS/TFRS 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 consolidated financial statements.

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

Comparatives and Restatement of Prior Periods' Financial Statements

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

Financial Statements of Foreign Subsidiaries

Financial statements of subsidiaries, associates and joint ventures operating in foreign countries are prepared in accordance with the legislation of the country in which they operate and assets and liabilities in financial statements prepared according to the Group's accounting policies are translated into TRY from the foreign exchange rate at the statement of financial report date whereas income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets of foreign undertakings and differences between the average and statement of financial position date rates are included in the "currency translation differences" under shareholders' equity.

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Foreign currencies and exchange rates of the countries where the Group's foreign operations take place are summarized below:

	31 March 2016		31 December 2015		31 March 2015	
Döviz Cinsi	Year End	Period Average	Year End	Period Average	Year End	Period Average
US Dollars ("USD")	2,83340	2,94090	2,90760	2,71907	2,61020	2,45709
Euro ("EUR")	3,20810	3,24204	3,17760	3,01871	2,83090	2,77094
Russian Rubles ("RUR")	0,04169	0,03925	0,03961	0,04456	0,04469	0,03904
Georgian Lari	1,19659	1,20772	1,21408	1,19773	1,17181	1,18532
Ukrainian Hryvnia	0,10807	0,11464	0,11088	0,12152	0,11134	0,11636

Consolidation Principles

The consolidated financial statements include the Group's accounts prepared in accordance with principles set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TAS/TFRS applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Note 1 sets out all subsidiaries included in the scope of consolidation and shows their ownership and effective interests (%) as of 31 March 2016 and 31 December 2015.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries is included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

The statements of financial position and statements of income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiaries are eliminated during the consolidation. The cost of, and the dividends arising from, shares held by the Company in its subsidiaries are eliminated from equity and income for the period, respectively.

The non-controlling interests' shares in the net assets and results of Subsidiaries for the period are separately classified as non-controlling interest in the consolidated statement of financial position and statement of income. The non-controlling interests consist of shares from the initial business combinations and the non-controlling shares from the changes in equity after the date of business combinations.

When losses applicable to the non-controlling portion exceed the non-controlling interest in the equity of the subsidiary, the excess of loss and the further losses applicable to the non-controlling interests are charged against the non-controlling interest.

The Group has not consolidated financial statements of subsidiaries which have not a material impact on the consolidated financial statements as of 31.03.2016. They have classified as available for sale financial assets in consolidated financial statements (Note7).

Joint Ventures

Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by two or more parties. The Company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly held by itself. The table in Note 1 sets out all Joint Ventures included in the scope of consolidation and shows their ownership and effective interests as of 31 March 2016 and 31 December 2015. Joint Ventures are accounted for under equity accounting method.

Associates

Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. The equity method is used for accounting of associates.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables or the significant influence ceases the Group does not continue to apply the equity method, unless it has incurred obligations or made payments on behalf of the associate. Subsequent to the date of the cessation of the significant influence the investment is carried either at fair value when the fair values can be measured reliably or otherwise at cost when the fair values cannot be reliably measured.

"Income and loss from investments accounted for under equity accounting" is presented in the consolidated statemens of profit and loss under "Operating Profit", since income and loss from the investments in joint ventures and associates is one of the Group's main operations.

Available-for-Sale Investments

Available-for-sale investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are carried at cost less any provision for impairment.The Group has not assets held for sale which accounted at cost as of 31 March 2016.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Available-for-sale investments, in which the Group has an interest that is below 20% or in which a significant influence is not exercised by the Group, that have quoted market prices in active markets and whose fair values can be reliably measured, are carried at their fair values in the consolidated financials statements

2.2 Statement of Compliance with TAS

The Group prepared the accompanying consolidated financial statements as of 31 March 2016 in accordance with the Communiqué Serial II. No 14.1 and the related announcements. The accompanying consolidated financial statements and explanory notes were disclosed in compliant with the reporting formats recommended by CMB compulsory explanation.

2.3 Significant Changes in the Accounting Policies

Material changes in accounting policies are corrected, retrospectively; by restating the prior periods' consolidated financial statements. The accounting policies used in the preparation of these consolidated financial statements for the period ended 31 March 2016 are consistent with those used in the preparation of financial statements for the year ended 31 December 2015.

Beginning from 31 December 2015, the Group has changed its measurement policy of land and buildings from cost method to fair value method.

2.4 Restatement and Errors in the Accounting Policies and Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 31 March 2016 are consistent with those used in the preparation of financial statements for the year ended 31 December 2015.

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

2.5 Amendments in International Financial Reporting Standards

The Group has applied new standards, amendments and interpretations to existing TAS/ TFRS standards published by IASB and TAS/IFRIC that are effective as at 1 January 2015 and are relevant to the Group's operations. There are no relevant amendments or interpretations for the Group which have been enforced as of 1 January 2016 and in interim periods to 31 March 2016.

a. Standards, amendments and interpretations applicable as at 31 March 2016

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Amendments in International Financial Reporting Standards (Continued)

a. Standards, amendments and interpretations applicable as at 31 March 2016

- Amendments to IAS 16 'Property,plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

  • IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
  • IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
  • IAS 19, 'Employee benefits' regarding discount rates.
  • IAS 34, 'Interim financial reporting' regarding disclosure of information.

- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improvepresentation and disclosure in financial reports.

- Amendment to IFRS 10 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016.These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

b) Standards, amendments and interpretations effective after 31 March 2016:

- IAS 7 'effective from annual periods beginning on or after 1 January 2017. The improvements are part of the Board's Disclosure Initiative. The amendments require companies to provide information about changes in their financing liabilities and come as a response to requests from investors for information that helps them better understand changes in a company's debt. The amendments will help to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).

- IAS 12 'Income Taxes' effective from annual periods beginning on or after 1 January 2017. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarify certain other aspects of accounting for deferred tax assets.

- IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- IFRS 16 'leases' effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied. New standard requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same.

The Group will apply the amendments stated above after evaluating the impact to the operations as of effective date. No signficant influence of standarts and amendments implementation stated above is expected on the Group's consolidated financial statements in the subsequent periods.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies

Revenue Recognition

Revenues are recognized on an accrual basis at the fair values of consideration received or receivable incurred or to be incurred. Net sales represent the invoiced value of trading goods and services given, less sales discounts and returns. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized in the period on an accrual basis as operating income (Notes 28 and 31)

<u>Sales of Goods</u>

The Group's sales consist of glass packaging. Revenue obtained from the sales of the goods is accounted for when the conditions below are met:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods,,
- The Group retains neither countinuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the Group, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Interest Income</u>

Interest income is accrued using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

<u>Dividend Income</u>

Dividend income is recorded as income of the collection right transfer date. Dividend payables are recognized in the period that the profit distribution is declared.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Inventories consist of raw material, semi-finished goods, finished goods, commercial goods and other stocks (Note 13).

Property, Plant and Equipment

Property, plant and equipment except for land and buildings are carried at cost less accumulated depreciation and any impairment in value. Land and buildings are stated at fair value as of revaluation date less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Land and buildings were accounted for under the net method in accordance with revaluation method. The change of accounting policy was applied with the financial statements as of 31 December 2015.

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Assets to be used for administrative purposes, or used in the production of goods and services and are in the course of construction are carried at cost, less any recognized impairment loss. For assets that need considerable time to be ready for sale or use, borrowing costs are capitalized in accordance with the Group's accounting policy. As it is for the other fixed assets, such assets are depreciated when the assets are ready for their intended use.

Cost amounts of property, plant and equipment assets excluding land and construction in progress are subject to amortization by using the straight-line method in accordance with their expected useful life. There is no depreciation allocated for lands due to indefinite useful lives. Expected useful life, residual value and amortization method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively (Note 18).

Leased assets are subject to similar amortization procedures, as with the other tangible assets on the shorter of the related leasing period and economic life of the asset.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful life
Buildings	10-50 years
Land improvements	8-50 years
Machinery and equipment	3-25 years
Motor vehicles	3-15 years
Furniture and fixtures	2-20 years
Other tangible assets	4-15 years

Property, plant and equipment are reviewed for impairment losses. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Costs of property, plant and equipment are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of income during the financial period in which they were incurred.

Gain or losses on disposal of property, plant and equipment are included in the related operating income or expense line item and are determined as the difference between the carrying value and amounts received.

Intangible Assets

<u>Intangible Assets Acquired</u>

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis. Purchase costs are included in the related assets and are amortized at between 3 and 5 years based on their economic lives (Note 19).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Intangible Assets (Continued)

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3 - 5 years).

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately (Note 19).

Customer Relationships

The customer relationships and contracts acquired in a business combination are accounted for at fair value at the date of transaction. Contracted customer relationships are amortized by the straight-line method in accordance with their expected useful lives (3 years) and carried at cost less accumulated amortization. When an indication of impairment exists, the Group compares the carrying amount of the intangible asset with its net realizable value which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the consolidated statement of income.

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately (Note 19).

Investment Properties

Land and buildings those are held for long-term rental yields or value increase or both, rather than in the production of supply of goods and services or administrative purposes or for the sale in the ordinary course of business are classified as "Investment property". Investment properties are accounted for using the fair value model at the financial statements.

If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply TAS 16 "Property, Plant and Equipment" up to the date of change in use. The entity treats any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value as a revaluation in accordance with TAS 16 and revaluation differences are accounted for under equity.

Fair value of investment property is calculated for each year by the independent valuation firms that have CMB licenses and required professional experience (Note 17). In subsequent periods, profit or loss due to the revaluation of fair value of investment property are accounted for under current period's profit or loss.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Non-Currents Assets Held for Sale

Non-current asset are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets are classified as assets held for sale when their carrying amount is considered to be recovered principally through a sale transaction instead of usage. The assets can be a business unit, sales group or a separate tangible asset. The sale of assets held for sale is expected to be settled within 12 months after the end of balance sheet date. Various events or circumstances can extend the completion time more than one year. If there is no sufficient evidence supporting that the delay is beyond the control of entity and sales plan of sales transaction of the asset (or disposal asset group) continues; the delay does not prevent the classification of assets (or disposal asset group) as assets held for sale.

Assets held for sale are stated at the lower of carrying amount and fair value. The impairment loss is recognized as expense under consolidated income statement of the period, at which time the carrying value is less than the fair value.

Derivative Financial Instruments

Derivative financial instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The derivative instruments of the Group mainly consist of foreign exchange forward contracts. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements and fair value difference of these derivatives are accounted for under consolidated income statements. Derivatives of the Group which qualified for hedge accounting under specific rules are measured using the methods stated as below:

Cash Flow Hedge

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group. Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognized in equity as "hedging reserves". Where the forecasted transaction or firm commitment results in the recognition of an asset or of a liability, the gains and losses previously recognized under equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts recognized under equity are transferred to the consolidated income statement in the period in which the hedged firm commitment or forecasted transaction affects the consolidated income statement.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gains or losses previously recognized in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Impairment of Assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the consolidated statement of income.

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortisation amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the consolidated statement of income.

Leases

a) The Group as the lessee

Financial leasing

Leasing of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leasing. Finance leased is capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Financial costs of leasing are distributed over the lease period with a fixed interest rate. The property, plant and equipment acquired under financial leases are depreciated over the useful lives of the assets. If there is a decrease in the value of the property, plant and equipment under financial leasing, the Group provides impairment. The foreign exchange and interest expenses related with financial leasing have been recorded in the statement of profit and loss. Lease payments have been deducted from leasing debts.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

b) The Group as the lessor:

Operating leases

Assets leased out under operating leases, excluding land and investment properties, are included in property, plant and equipment in the consolidated statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognized in the consolidated statement of income on a straight-line basis over the lease term.

Borrowing Costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of income over the period of the borrowings (Notes 8 and 33).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Borrowing Costs (Continued)

In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel (general managers, head of group, vice general managers, vice head of group and factory managers) and Board members, in each case together with the companies controlled by/or affiliated with them, associated companies and other companies within the Group are considered and referred to as related parties (Note 37).

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting.

Financial assets

Classification

The group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and held to maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. Those with maturities greater than 12 months are classified as non-current assets. The Group's receivables are classified as "trade and other receivables" in the statement of financial position (Notes 10 and 11).

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the related investments within 12 months of the statement of financial position date (Note 7).

Held to maturity financial assets

Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity, excluding the financial assets classified as originated loans and advances to customers are classified as "held-to-maturity financial assets". Held-to-maturity financial assets are carried at amortized cost using the effective yield method (Note 7).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Loans and receivables are carried at amortized cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analyzed for translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in the income statement; translation differences on non-monetary securities are recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity. Held-for-trading derivative financial instruments are initially recognized in the consolidated financial statements at cost and are subsequently measured at their fair value. Changes in the fair values of held-for-trading derivative financial instruments are included in the consolidated statements of income. Dividends on available-for sale equity instruments are recognized in the statement of income as part of financial income when the Group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. If the market for a financial asset is not active and the fair value of the financial asset cannot be measured reliably, aforementioned financial assets are accounted for cost minus impairment in the consolidated financial statements.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of income. Impairment losses recognized in the statement of income on equity instruments are not reversed through the statement of income

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Trade receivables (Continued)

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the reversal of the provision is credited to other operating income

Interest income/expenses and foreign exchange gain/losses arising from trading activities are accounted for under "Other Operating Income/Expenses" in the consolidated statement of profit and loss (Note 10 and Note 31).

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6). Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments (Note 7).

Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

Financial liabilities are classified as either equity instruments or other financial liabilities.

Equity instruments

Financial liabilities related to non-controlling share put options are reflected in the financial statements in conformity with their discounted value of them own redemption plan. The discounted value of the financial liability which is the subject of the put option is estimated to be the fair value of the financial asset.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis (Note 8).

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 10).

Business Combinations and Goodwill

A business combination is the bringing together of separate entities or business into one reporting entity. Business combinations are accounted for using the purchase method in the scope of TFRS 3 (Note 3).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Business Combinations and Goodwill (Continued)

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of business combination depending on events after acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognized in the related period. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquire. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Legal mergers arising between companies controlled by the Group are not considered within the scope of TFRS 3. Consequently, no goodwill is recognized in these transactions. Similarly, the effects of all transactions between the legally merged enterprises, whether occurring before or after the legal merger, are corrected in the preparation of the consolidated financial statements.

<u>Transactions with Non-controlling Interests</u>

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing at the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation differences. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at closing rates.

Earnings per Share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation (Note 36).

Subsequent Events

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 22).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Onerous Contracts

A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Group.

Present obligations arising under onerous contracts are measured and recognized as a provision.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities (Note 15).

Segment Reporting

The Group divided its activities to three segments according to geographical distribution so that the Management can evaluate the performances and decide on the source distribution. These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns. When evaluating the segments' performance, the chief operating decision-maker, who is Group Management, is utilizing gross profit in the financial statements (Note 5).

Operating segments are reported in a manner consistent with the reporting provided to the Group's chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. As the sectors merged under "Other" do not meet the required quantitative thresholds to be a reportable segment, these have been merged for the purpose of segment reporting.

For an operating segment to be identified as a reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its profit or loss is 10% or more of the combined profit or loss or its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Government grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the required conditions (Note 21).

Government grants related to costs are accounted as income on a consistent basis over the related periods with the costs.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statements of income on a straight-line basis over the expected lives of the related assets.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity (Note 35). In such case, the tax is recognized in shareholders’ equity.

The current period tax on income is calculated for the Group’s subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

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

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

Employee Benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefit to all personnel in cases of termination of employment without due cause, call for military service, retirement or death upon the completion of a minimum one year service. The provision which is allocated by using the defined benefit pension’s current value is calculated by using the estimated liability method. All remeasurements differences stemmed from actuarial changes are recognized in the consolidated statements of income (Note 24).

The liabilities related to employee termination benefits are accrued when they are entitled.

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group’s activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Treasury Shares

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued and is shown as treasury shares in the consolidated balance sheet. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, and is included in equity attributable to the Company's equity holders.

Dividends

Dividend income is recognized by the Group at the date the right to collect the dividend is realized. Dividend payables are recognized in the period profit distribution is declared.

2.7 Significant Accounting Estimates and Assumptions

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the statement of financial position date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS/TFRS and their statutory financial statements. The Group have deferred tax assets which from might occur discounted financial losses in subsequent periods and discounted temporary differences. The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, current period losses, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations.

As a result of the assessment of Group Management, a deferred income tax asset amounting to TRY 127.576.536 (31 December 2015: TRY 125.990.708) results from temporary differences as of 31 March 2016 that are arising from unused carry forward tax losses and can be used as long as the tax allowances continue. The Group is entitled with corporate tax allowances (in accordance with Corporate Tax Law No. 5520, article 32/A). As of 31 March 2016, the amount of corporate tax allowances related to temporary differences and that can be utilized during the period of corporate tax allowance right is TRY 82.256.859 (31 December 2015: TRY 84.561.799) (Note 35)

At the Board of Directors meeting held on 30 December 2015, the Group management decided to change its accounting policy related to measurement of land and buildings from cost method to fair value method in accordance with TAS 16. This change in the accounting policy was effective from 31 December 2015.

Land and buildings are stated at revalued amounts in accordance with TAS 16 revaluation method. Fair values in the financial statements dated 31 December 2015 are based on the valuation reports prepared by independent valuation companies.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of Significant Accounting Policies (Continued)

As there were recent similar buying/ selling transactions nearby, revaluations of land were based on the method of reference comparison whereas if there were recent similar buying/ selling transactions nearby revaluations of buildings were based on of reference comparison if not the method of cost approach.

In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m2 sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.

In the cost approach method, fair value of the buildings and land improvements was calculated by considering recent re-construction costs and related depreciation. In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components.

The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the The Group performs impairment assessment for lands and buildings of which valuations are based on market value and cost approach, in accordance with the “TAS 36 Impairment of Assets”, and impairment has been recognized in income statement.

Net book values of related assets have been adjusted to reflect the revalued amounts and the gain has been accounted for under the revaluation reserve in equity, net-off relevant deferred tax impact.

Revaluation gains on land and buildings were accounted under other comprehensive income. Revaluation losses that exceed the accumulated gains accounted for under equity, are recognized in the consolidated statement of profit or loss.

3. BUSINESS COMBINATIONS

There is no business combination between 1 January and 31 March 2016 within the scope of TFRS 3 “Business Combinations” standard (2015: None).

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

4. INTEREST IN OTHER ENTITIES

The Group presents the disclosures related to the changes in ownership rates that do not result in control ceases in the subsidiaries in Note 27.

The disclosures related to Company's subsidiaries, business associations and affiliate's names, affiliated country and ownership rates presented in Note 1.

Statement of Financial Position as of 31 March 2016

	Turkey	**Russia Ukraine Georgia**	**Netherlands**
Current assets	333.266.279	490.591.808	33.397.821
Non-current assets	842.940.986	792.262.180	1.087.462.202
Total assets	**1.176.207.265**	**1.282.853.988**	**1.120.860.023**
Current liabilities	441.217.821	827.765.874	79.826.010
Non-current liabilities	65.198.409	424.983.752	153.988.800
Total liabilities	**506.416.230**	**1.252.749.626**	**233.814.810**
Non-controlling interest	100.468.655	-	-
Net assets	**569.322.380**	**30.104.362**	**887.045.213**
Dividend paid	40.000.000	-	-

Profit/(loss) for the interim period of 31 March 2016

	Turkey	**Russia Ukraine Georgia**	**Netherlands**
Revenue	181.555.058	105.386.905	-
Net profit/(loss) for the period	**4.409.983**	**(21.830.826)**	**(1.945.262)**
Other comprehensive income/(loss)	-	(16.451.076)	(161.255)
Total comprehensive income/(loss)	**4.409.983**	**(38.281.903)**	**(2.106.516)**

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

4. INTEREST IN OTHER ENTITIES (Continued)

Statement of Financial Position as of 31 December 2015

	Turkey	Russia Ukraine Georgia	Netherlands
Current assets	282.867.080	470.930.456	33.437.781
Non-current assets	842.384.287	729.484.732	986.628.402
Total assets	**1.125.251.367**	**1.200.415.188**	**1.020.066.183**
Current liabilities	349.752.471	777.142.997	75.377.516
Non-current liabilities	70.117.844	447.405.494	152.440.919
Total liabilities	**419.870.315**	**1.224.548.491**	**227.818.435**
Non-controlling interest	105.807.157	75.039	-
Net assets	**599.573.895**	**(24.208.342)**	**792.247.748**
Dividend paid	50.000.000	2.705.552	-

Profit/(loss) for the interim period of 31 March 2015

	Turkey	Russia Ukraine Georgia	Netherlands
Revenue	138.839.367	90.380.092	-
Net profit/(loss) for the period	**6.259.044**	**(46.387.701)**	**2.084.206**
Other comprehensive income/(loss)	-	7.636.390	51.649
Total comprehensive income/(loss)	**6.259.044**	**(38.751.311)**	**2.135.855**

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

5. SEGMENT REPORTING

a) Geographical segments

1 January - 31 March 2016	Turkey	Russia, Ukraine and Georgia	Netherlands	Consolidation adjustments	Consolidated
Revenue from third parties	242.154.357	103.244.712	-	-	345.399.069
Revenue from Group companies	198.435.680	2.142.193	-	(200.577.873)	-
Total net sales (*)	**440.590.037**	**105.386.905**	**-**	**(200.577.873)**	**345.399.069**
Cost of sales (-)	370.668.895)	(94.904.514)	-	191.566.876	(274.006.533)
Gross profit	**69.921.142**	**10.482.391**	**-**	**(9.010.997)**	**71.392.536**
Operating expenses (-)	(66.087.759)	(23.365.635)	(141.996)	20.881.405	(68.713.985)
Other operating income	16.531.866	3.220.858	-	(10.589.849)	9.162.875
Other operating expenses (-)	(2.819.794)	(2.336.625)	(99.728)	(1.442.383)	(6.698.530)
Income from investments accounted for under equity method	3.317.190	-	-	-	3.317.190
Operating profit/(loss)	**20.862.645**	**(11.999.011)**	**(241.724)**	**(161.824)**	**8.460.086**
Income from investing activities	312.601.033	1.045.467	-	(41.041.761)	272.604.739
Expense from investing activities (-)	(5.080)	(1.113.347)	-	299.878	(818.549)
Operating profit before financial income and expense	**333.458.598**	**(12.066.891)**	**(241.724)**	**(40.903.707)**	**280.246.276**
Financial income	32.096.358	59.179.365	321.501	(12.819.547)	78.777.677
Financial expense (-)	(33.321.353)	(70.671.982)	(2.025.039)	12.656.362	(93.362.012)
Profit/(loss) before tax from continued operations	**332.233.603**	**(23.559.508)**	**(1.945.262)**	**(41.066.892)**	**265.661.941**
Tax income/(expense) for the period	(13.336.188)	1.728.682	-	-	(11.607.506)
Profit/(Loss) for the period	**318.897.415**	**(21.830.826)**	**(1.945.262)**	**(41.066.892)**	**254.054.435**
Purchase of tangible and intangible fix assets	55.264.432	67.148.162	-	-	122.412.594
Depreciation and amortization charges	(34.424.545)	(22.637.112)	-	-	(57.061.657)
Earnings before interest, taxes, depreciation and amortization (EBITDA)(**)	**367.883.143**	**10.570.221**	**(241.724)**	**(40.903.707)**	**337.307.933**
Statement of financial position (31 March 2016)					
Total assets	**3.808.428.047**	**1.282.853.988**	**1.120.860.023**	**(2.422.668.905)**	**3.789.473.153**
- *Investments accounted for under equity method*	*29.146.279*	-	-	-	*29.146.279*
Total liabilities	**1.115.295.924**	**1.252.749.626**	**233.814.810**	**(598.169.240)**	**2.003.691.120**

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating in.
(**) Ebitda: Ebitda was not defined by TAS. Due to represent and better understanding of operation performance for decision makers, ebitda is defined as; profit before tax, interest and amortization expenses by the Group.

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

5. SEGMENT REPORTING (Continued)

a) Geographical segments

1 January - 31 March 2015	Turkey	Russia, Ukraine and Georgia	Netherlands	Consolidation adjustments	Consolidated
Revenue from third parties	201.068.999	86.902.892	-	-	287.971.891
Revenue from Group companies	152.399.662	3.477.200	-	(155.876.862)	-
Total net sales (*)	**353.468.661**	**90.380.092**	**-**	**(155.876.862)**	**287.971.891**
Cost of sales (-)	299.908.762)	(79.727.436)	-	149.873.566	(229.762.632)
Gross profit	**53.559.899**	**10.652.656**	**-**	**(6.003.296)**	**58.209.259**
Operating expenses (-)	(55.123.768)	(18.409.363)	(51.137)	18.120.528	(55.463.740)
Other operating income	21.039.038	4.619.228	-	(10.099.956)	15.558.310
Other operating expenses (-)	(1.792.424)	(3.054.699)	-	(3.605.309)	(8.452.432)
Income from investments accounted for under equity method	2.062.435	122.844	-	-	2.185.279
Operating profit/(loss)	**19.745.180**	**(6.069.334)**	**(51.137)**	**(1.588.033)**	**12.036.676**
Income from investing activities	129.325.798	-	-	(47.800.256)	81.525.542
Expense from investing activities (-)	(117.801)	(709.584)	-	-	(827.385)
Operating profit before financial income and expense	**148.953.177**	**(6.778.918)**	**(51.137)**	**(49.388.289)**	**92.734.833**
Financial income	51.188.533	82.037.021	3.022.504	(12.097.086)	124.150.972
Financial expense (-)	(40.015.775)	(130.082.227)	(887.161)	12.556.420	(158.428.743)
Profit/(loss) before tax from continued operations	**160.125.935**	**(54.824.124)**	**2.084.206**	**(48.928.955)**	**58.457.062**
Tax income/(expense) for the period	(7.705.918)	8.436.423	-	-	730.505
Profit/(Loss) for the period	**152.420.017**	**(46.387.701)**	**2.084.206**	**(48.928.955)**	**59.187.567**
Purchase of tangible and intangible fix assets	29.558.643	14.509.621	-	-	44.068.264
Depreciation and amortization charges	(29.008.777)	(19.268.295)	-	-	(48.277.072)
Earnings before interest, taxes, depreciation and amortization (EBITDA)(**)	**177.961.954**	**12.489.377**	**(51.137)**	**(49.388.289)**	**141.011.905**
Statement of financial position (31 March 2015)					
Total assets	**2.871.469.569**	**1.078.955.868**	**589.133.215**	**(1.252.423.210)**	**3.287.135.442**
- *Investments accounted for under equity method*	*26.799.939*	*13.808.925*	-	-	*40.608.864*
Total liabilities	**877.676.970**	**1.240.292.616**	**122.465.884**	**(568.717.169)**	**1.671.718.301**

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating in.
(**) Ebitda: Ebitda was not defined by TAS. Due to represent and better understanding of operation performance for decision makers, ebitda is defined as; profit before tax, interest and amortization expenses by the Group

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

6. CASH AND CASH EQUIVALENTS

	31 March 2016	31 December 2015
Cash on hand	11.375	7.266
Cash at banks	864.983.777	676.782.145
- "Demand deposits"	*10.824.389*	*31.574.743*
- "Time deposits (with maturities of three months or less)"	*854.159.388*	*645.207.402*
Other	2.347	5.520
	864.997.499	**676.794.931**

Time deposit

Currency	Interest Rate (%)	Maturity	31 March 2016	31 December 2015
US Dollars	2,5	February 2016	518.148.045	460.550.671
EUR	1,5	March 2016	17.772.897	44.052.040
Turkish lira	10,8	March 2016	202.938.294	28.090.256
TRY equivalent of others	-	-	115.300.152	112.514.435
			854.159.388	**645.207.402**

Cash and cash equivalents as of 31 March 2016 and 2015 presented in the consolidated statement of cash flows are as follows:

	31 March 2016	31 December 2015
Cash and cash equivalents	864.997.499	676.794.931
Less: Interest accrual	(956.831)	(1.048.781)
	864.040.668	**675.746.150**

7. FINANCIAL ASSETS

Available-for-sale financial assets	31 March 2016	31 December 2015
Financial investments carried at market price	95.481.907	347.741.699
	95.481.907	**347.741.699**

Movements of available-for-sale financial assets during the periods ended at 31 March 2016 and 2015 are as follows:

	2016	2015
1 January	347.741.699	340.447.557
Sales of financial assets held for sale	(288.000.000)	(80.573.150)
Change in fair value	35.740.208	103.583.447
31 March	**95.481.907**	**363.457.854**

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

7. FINANCIAL ASSETS (Continued)

Financial assets carried at market price	**Share (%)**	**31 March 2016**	**Share (%)**	**31 December 2015**
Soda Sanayii A.Ş. (*)	2,85	95.481.907	12,54	347.741.699

(*) The shares of Soda Sanayii are publicly traded on Borsa Istanbul A.Ş. and their fair values are publicly disclosed. The Group accounted for the fair value increases amounting to TRY35.740.208 under equity (31 December 2015: TRY87.867.262). 9,70% of the shares of Soda Sanayii A.Ş. were sold to domestic and foreign investors on 18 March 2016 for TRY288.000.000. It has been occurred cost of sales in amount of TRY3.146.018.

8. FINANCIAL LIABILITIES

Current financial liabilities	**31 March 2016**	**31 December 2015**
Short-term borrowings	219.429.651	212.712.210
Short-term portion of long-term borrowings	**31 March 2016**	**31 December 2015**
Short-term portion of long-term borrowings and interests	409.864.778	410.974.058
Bonds issued through Şişecam Holding (*)	4.072.752	1.064.939
Discount difference of bonds issued through Şişecam Holding	(283.705)	(282.633)
Financial leases	260	260
Deferred financial lease liability costs (-)	(260)	(260)
Total short-term portion of long-term borrowings	**413.653.825**	**411.756.364**
Total current financial liabilities	**633.083.476**	**624.468.574**

Non-current financial liabilities	**31 March 2016**	**31 December 2015**
Long-term borrowings	588.671.913	620.477.626
Bonds issued through Şişecam Holding (*)	283.340.000	290.760.000
Discount difference of bonds issued	(887.972)	(955.157)
Financial leases	-	-
Deferred financial lease liability costs (-)	-	-
Total non-current financial liabilities	**871.123.941**	**910.282.469**
Total financial liabilities	**1.504.207.417**	**1.534.751.043**

(**) T. Şişe ve Cam Fabrikaları A.Ş. issued fixed interest bonds with a nominal value of USD 500 million and maturity dated May 2020 representing a 7 year term. Interest rate of the bond was determined as 4,25%. The capital payment of the bond will be made at the maturity date. USD 100 million provided from this bond issue was transferred to Group with the same condition and the Group is guarantor for the portion transferred to itself regarding the principle, interest and other payments.

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

8. FINANCIAL LIABILITIES (Continued)

As of the date of the statement of financial position, risk of changes in interest rates on loans and contractual repricing dates are as follows:

Repricing periods for loans	31 March 2016	31 December 2015
Less than 3 months	115.061.933	124.925.194
3 - 12 months	275.601.350	402.537.821
1 - 5 years	807.432.835	695.436.852
More than 5 years	19.870.221	21.264.027
	1.217.966.339	**1.244.163.894**

The interest rate for the issued bonds amounting to TRY 286.241.075 is 4,25% (Effective interest rate 4,415%) and the coupon interest payments would be paid semi-annually in equal instalments (31 December 2015: TRY 290.587.149).

Financial leases are paid up in equal monthly installments. (2015: TRY 260).

The impact of variance on market rate and reduction operation are not significant due to given interest rates for short-term loans and their carrying values approximate to their fair values. The fair values are determined using the weighted average effective annual interest rates. The long-term financial liabilities are generally subject to repricing within three and six month periods and a large amount of those liabilities consists of foreign currency denominated loans. Therefore, it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method approximate to their fair values.

Short and long-term bank borrowings are summarized as below:

31 March 2016

Currencies	Maturity	Interest (%) (*)	Short-term	Long-term
RUR	2016–2017	9,8-15,5	250.825.079	66.823.350
EUR	2016–2022	2,3-3,6	222.139.601	479.366.544
US Dollars	2016–2017	3,0-4,0	142.471.714	304.683.320
Ukrainian Hryvnia ("UAH")	2016–2021	22,0-26,5	17.617.583	20.250.727
Turkish Lira and other	2016	-	29.499	-
			633.083.476	**871.123.941**

(*) The weighted average interest rate for EUR is Euribor + 2,47%, for USD is Libor + 3,20%, for RUR is Mosprime+2,17%, for UAH is 22,93% (Average effective annual interest rate for EUR is 5,01%, for USD is 6%, for RUR is 16,15%, and for UAH is 22,93%.)

31 December 2015

Currencies	Maturity	Interest (%) (*)	Short-term	Long-term
RUR	2015-2017	9,8-16,0	237.494.786	89.731.639
EUR	2015-2022	1,2-6,0	209.294.027	485.856.652
US Dollars	2015-2020	1,5-4,5	158.911.590	312.618.320
Ukrainian Hryvnia ("UAH")	2015-2021	22,5-29,5	18.713.587	22.075.858
Turkish Lira and other	2015	-	54.584	-
			624.468.574	**910.282.469**

(**) The weighted average interest rate for EUR is Euribor + 2,49%, for USD is Libor + 2,80%, for RUR is Mosprime+2,18%, for UAH is 22,96% (Average effective annual interest rate for EUR is 2,59%, for USD is 4,17%, for RUR is 12,70%, and for UAH is 22,96%.)

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

8. FINANCIAL LIABILITIES (Continued)

The redemption schedule of the financial liabilities is as follows:

	31 March 2016	31 December 2015
Less than 1 year	633.083.476	624.468.574
1 - 2 years	166.908.864	187.507.172
2 - 3 years	362.056.215	356.828.858
3 - 4 years	28.777.245	38.530.059
4 - 5 years	14.386.625	19.691.430
More than 5 years	298.994.992	307.724.950
	1.504.207.417	**1.534.751.043**

Short and long-term bank borrowings between 1 January - 31 March 2016 are summarized below:

Bank Borrowings	Principal	Interest	Commission	Total
1 January	1.239.774.970	8.963.106	(4.574.182)	1.244.163.894
Currency translation differences	31.594.189	148.241	(48.792)	31.693.638
Foreign exchange gains / (losses)	(13.940.655)	-	-	(13.940.655)
Additions during the period	92.281.817	18.156.427	(331.194)	110.107.050
Payments during the period	(134.206.132)	(20.464.119)	612.666	(154.057.585)
31 March 2016	**1.215.504.189**	**6.803.655**	**(4.341.502)**	**1.217.966.342**

Bonds issued	Principal	Interest	Discount on Bonds	Commission	Total
1 January	290.760.000	1.064.938	(877.065)	(360.724)	290.587.149
Foreign exchange gains / (losses)	(7.420.000)	-	-	-	(7.420.000)
Additions during the period	-	3.007.813	-	-	3.007.813
Payments during the period	-	-	45.695	20.418	66.113
31 March 2016	**283.340.000**	**4.072.751**	**(831.370)**	**(340.306)**	**286.241.075**

Financial leases	Principal+Interest	Interest (-)	Commission	Total
1 January	260	(260)	-	-
Payments during the period	-	-	-	-
31 March 2016	**260**	**(260)**	**-**	**-**

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

8. FINANCIAL LIABILITIES (Continued)

Short and long-term bank borrowings between 1 January - 31 March 2015 are summarized below:

Bank Borrowings	Principal	Interest	Commission	Total
1 January	1.011.795.799	11.686.086	(2.188.783)	1.021.293.103
Currency translation differences	44.769.349	1.406.232	(70.810)	46.104.771
Foreign exchange gains /(losses)	23.578.181	-	-	23.578.181
Additions during the period	113.706.017	27.661.261	(32.704)	141.334.574
Payments during the period	(89.741.411)	(22.156.265)	194.896	(111.702.780)
31 March 2015	**1.104.107.936**	**18.597.314**	**(2.097.400)**	**1.120.607.850**

Bonds issued	Principal	Interest	Discount on Bonds	Commission	Total
1 January	231.890.000	754.573	(1.055.140)	(442.398)	231.147.034
Foreign exchange gains / (losses)	29.130.000	-	-	-	29.130.000
Additions during the period	-	2.858.687	-	-	2.858.687
Payments during the period	-	-	43.231	20.418	63.649
31 March 2015	**261.020.000**	**3.613.260**	**(1.011.910)**	**(421.980)**	**263.199.370**

Financial leases	Principal+Interest	Interest (-)	Commission	Total
1 January	111.126	(4.464)	-	106.662
Payments during the period	(83.142)	3.770	-	(79.372)
31 March 2015	**27.984**	**(693)**	**-**	**27.291**

Capitalized finance expenses

	1 January- 31 March 2016	1 January- 31 March 2015
Interest expenses	-	-
Foreign exchange loss	-	-
	-	-

9. OTHER FINANCIAL LIABILITIES

None (31 Decembe 2015: None) .

10. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivable	31 March 2016	31 December 2015
Trade receivables	296.462.043	275.967.995
Notes receivables	6.144.780	2.351.796
Deferred finance charges (-)	(2.326.333)	(1.782.461)
Due from related parties (Note 37)	10.068.130	11.305.038
Other trade receivables	942.613	224.098
Allowance for doubtful receivables (-)	(2.825.008)	(3.182.756)
	308.466.225	**284.883.710**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

10. TRADE RECEIVABLES AND PAYABLES (Continued)

Sales terms for the Group’s domestic sales based on the main product lines are as follows:

The Group has been selling its products in advance since 1 November 2009. For customers not paying in advance, a monthly interest of 1,25% for payment terms up to 121 days, and a monthly interest rate of 2% is applied for payments exceeding 121 days.

The average term for the domestic sales is 66 days. (2015: 49 days).

The average term for the foreignsales is 60 days. (2015: 60 days).

The Group has recognized provision for doubtful receivables. Allowance for doubtful receivables is determined by referring to past default experience. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date.

The Group has no significant concentration on credit risk, with exposure spread over a large number of counterparties and customers. Accordingly, the management believes that no further credit provision is required in excess of the allowance for doubtful receivables.

The movement of the allowance for doubtful receivables is as follows:

	2016	**2015**
1 January	(3.182.756)	(4.161.108)
Charge for the period	-	(220.794)
Currency translation differences	28	10.210
Reversals	357.720	46.514
31 March	**(2.825.008)**	**(4.325.178)**

The Group has obtained the following collaterals for trade receivables:

	31 March 2016	**31 December 2015**
Letter of guarantees	45.260.213	47.912.031
Mortgages	5.515.000	4.514.545
Direct Debiting System (DDS)	14.431.308	14.475.930
Eximbank domestic credit insurance	65.044.338	69.695.553
Promissory notes and bills	246.268	403.401
	130.497.127	**137.001.460**

As of 31 December 2016, TRY23.888.945 (31 December 2015: TRY36.282.307) of trade receivables was due but not impaired. This is related to several independent customers with no recent history of default. The aging analysis of overdue but not impaired trade receivables is as follows:

	31 March 2016	**31 December 2015**
1-30 days	15.502.239	24.150.549
1-3 months	4.192.652	7.400.060
3-12 months	3.596.648	3.800.652
1-5 years	597.406	931.046
Total overdue receivables	**23.888.945**	**36.282.307**
The part under guarantee with collateral, etc.	**7.968.697**	**15.466.990**

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

10. TRADE RECEIVABLES AND PAYABLES (Continued)

Trade Payables

Current trade payables	**31 March 2016**	**31 December 2015**
Trade payables	116.935.822	95.165.723
Due to related parties (Note 37)	76.536.088	42.527.465
Other trade payables	78.803	28.800
Deferred finance charges (-)	(337.370)	(302.015)
	193.213.343	**137.419.973**

11. OTHER RECEIVABLES AND PAYABLES

Other current receivables	**31 March 2016**	**31 December 2015**
Due from related parties (Note 37)	1.308.613	924.002
Other receivables	1.009.833	1.019.876
Due from tax authorities	1.468.199	2.833.816
Due from personnel	264.018	936.195
Deposits and guarantees given	141.746	109.340
Allowance for doubtful receivables (-)	-	-
	4.192.409	**5.823.229**

The movement for doubtful receivables is as follows:

	2016	**2015**
1 January	-	(2.555.216)
Currency translation differences	-	(281.276)
Charge for the period	-	-
Collections	-	1.048.321
31 March	**-**	**(1.788.171)**

Other non-current receivables	**31 March 2016**	**31 December 2015**
Deposits and guarantees given	113.564	100.494
Due from tax authority	14.455.210	14.455.210
	14.568.774	**14.555.704**

Other current payables	**31 March 2016**	**31 December 2015**
Due to related parties (Note 37)	95.832.957	144.558.965
Deposits and guarantees received	4.374.694	4.125.324
Payable to purchase additional shares in subsidirias (Note 27)	25.664.800	25.420.800
Rediscount of payable to purchase additional shares in subsidirias (-)	-	(13.867)
Other trade payables	3.688.991	695.847
	129.561.442	**174.787.069**

Other non-current payables	**31 March 2016**	**31 December 2015**
Payable to purchase additional shares in subsidirias (Note 27)	57.745.800	57.196.800
Rediscount of payable to purchase additional shares in subsidirias (-)	-	(83.881)
	57.745.800	**57.112.919**

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

12. DERIVATIVE INSTRUMENTS

On 27 November 2013 the Group has converted the US dollars and loans with a floating interest rate that it procured from HSBC Russia, through cross-currency and interest rate swapping transactions and fixed the interest rates during the maturity period to make the liability position of the companies, located in Russia and operating in the glass packaging segment, compatible with their asset position in terms of currency, and to hedge the companies against possible increases in interest rates.

Hedging instruments include interest rates swaps converting a floating rate of Libor+2,55% to a fixed rate of 9,30% with 3-month intervals for a USD denominated borrowing of USD 70 million, and cross currency swaps converting USD denominated capital and interest payables into Russian ruble denominated ones.

The Group signed the following agreements;

- A foreign currency swap agreement with ZAO Citibank dated 17 November 2015, including the purchase of Ruble by the sales of USD 6 million at a parity of 69,6 USD/RUR.

- A foreign currency swap agreement with ZAO Citibank dated 30 December 2015, including the purchase of Ruble by the sales of EUR 5 million at a parity of 84,865-87,8397 EUR/RUR.

Derivative instruments are as follows:

	31 March 2016		**31 December 2015**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Swap transactions	69.338.699	-	89.385.881	-
Forward transactions	1.148.506	-	-	1.557.339
	70.487.205	**-**	**89.385.881**	**1.557.339**

Transactions related to derivative instruments are as follows:

Net Asset / (Liabilities)	**2016**	**2015**
1 January	87.828.542	84.341.541
Currency translation differences	3.151.603	8.9191.596
Foreign exchange gains/(losses) accounted under profit or loss	(4.088.301)	12.100.497
Interest income/(expense) charged to statement of profit and loss	(6.229)	26.824
Change in fair value accounted for under equity	(4.591.972)	(11.151.110)
Foreign exchange gains/(losses) charged to equity	(11.806.438)	-
31 March	**70.487.205**	**94.237.348**

13. INVENTORIES

	31 March 2016	**31 December 2015**
Raw materials	98.421.915	96.964.398
Semi-finished goods	4.558.504	3.955.249
Finished goods	242.633.616	214.438.521
Trade goods	1.056.742	953.451
Other inventories	1.309.505	833.002
Provision for impairment of inventory (-)	(2.141.199)	(1.773.492)
	345.839.083	**315.371.129**

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

13. INVENTORIES (Continued)

The movement of provision for impairment of inventory is as follows:

	2016	**2015**
1 January	(1.773.492)	(1.197.337)
Provisions for the period	52.588	-
Additions	(330.063)	(234.388)
Currency translation differences	(90.232)	(123.901)
31 March	**(2.141.199)**	**(1.555.626)**

14. PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses

Short-term prepaid expenses	**31 March 2015**	**31 December 2015**
Advances given for inventories	23.704.516	20.683.078
Prepaid expenses	6.223.072	454.051
	29.927.588	**21.137.129**

Long-term prepaid expenses	**31 March 2015**	**31 December 2015**
Advances given for tangible and intangible assets	13.582.216	49.258.294
Prepaid expenses	3.237.883	3.424.090
	16.820.099	**52.682.384**

Deferred income

Short-term deferred income	**31 March 2015**	**31 December 2015**
Advances received	6.796.521	6.762.703
	6.796.521	**6.762.703**

15. CONSTRUCTION CONTRACTS

None (2015: None).

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

16. JOINT VENTURES AND ASSOCIATES

Net asset values presented in the statement of financial position of the associates and joint ventures are as follows:

	31 March 2016	31 December 2015
Camiş Elektrik Üretim A.Ş.	15.128.192	15.699.325
Omco İstanbul Kalıp San. ve Tic. A.Ş.	14.018.087	17.171.524
	29.146.279	**32.870.849**

	31 March 2016	31 March 2015
Camiş Elektrik Üretim A.Ş.	15.128.192	14.758.534
Omco İstanbul Kalıp San. ve Tic. A.Ş.	14.018.087	12.041.405
OAO FormMat (*)	-	9.077.192
OOO Balkum (*)	-	4.731.733
	29.146.279	**40.608.864**

(*) The group, sold all of its shares to Sudel Invest S.a.r.l. on 10 December 2015 and excluded from the scope of consolidation.

Movements of the investments accounted for under equity accounting method during the year are below:

	2016	2015
1 January	32.870.849	43.468.815
Dividend income from associates and joint ventures	(7.041.760)	(6.424.027)
Currency translation differences	-	1.378.797
Profit/(loss) for the period (net) from associates and joint ventures	3.317.190	2.185.279
31 March	**29.146.279**	**40.608.864**

The summary of the financial statements of associates and joint ventures is as follows:

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

16. JOINT VENTURES AND ASSOCIATES (Continued)

Omco İstanbul Kalıp San. ve Tic. A.Ş.

	31 March 2016	31 December 2015
Current assets	32.967.343	36.104.945
Non-current assets	8.455.822	8.521.422
Total assets	**41.423.165**	**44.626.367**
Current liabilities	9.674.056	6.718.390
Non-current liabilities	3.712.935	3.564.930
Total liabilities	**13.386.991**	**10.283.320**
Net assets	**28.036.174**	**34.343.047**
Group share (%)		
- Direct and indirect ownership rate (%)	50,00	50,00
- Effective ownership rate (%)	50,00	50,00
Group share in net assets	**14.018.087**	**17.171.524**

	1 January - 31 March 2016	1 January - 31 March 2015
Revenue	19.829.990	15.433.871
Profit from continuing operations	**-**	**2.683.778**
Other comprehensive income	-	-
Total comprehensive income	**5.167.405**	**2.683.778**
The Group share in profit from continuing operations	**2.583.702**	**1.340.849**
Dividend distribution from retained earnings	**11.474.277**	**9.724.501**
The Group share in dividend distributed	**5.737.139**	**4.858.481**

The company has decided to pay dividend on 31 March 2016 in the shareholder's ordinary General Meeting which was made on 16 March 2016.

Joint venture'snon-group shares are belonged to Omco International N.V.

The Group included the Joint Venture within the scope of consolidation since 30 June 2001.

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

16. JOINT VENTURES AND ASSOCIATES (Continued)

Camiş Elektrik Üretim A.Ş.

	31 March 2016	31 December 2015
Current assets	57.306.082	58.964.883
Non-current assets	9.667.541	10.245.613
Total assets	**66.973.623**	**69.210.496**
Current liabilities	8.182.360	8.247.993
Non-current liabilities	812.040	794.396
Total liabilities	**8.994.400**	**9.042.389**
Net assets	**57.979.223**	**60.168.107**
Group share (%)		
Direct and indirect ownership rate (%)	26,09	26,09
Effective ownership rate (%)	26,09	26,09
Group share in net assets	**15.128.192**	**15.699.325**

	1 January - 31 March 2016	1 January - 31 March 2015
Revenue	13.256.111	13.425.751
Profit from continuing operations	**2.811.116**	**2.765.498**
Other comprehensive income	-	-
Total comprehensive income	**2.811.116**	**2.765.498**
The Group share in profit from continuing operations	**733.488**	**721.586**
Dividend distribution from retained earnings	**5.000.000**	**6.000.000**
The Group share in dividend distributed	**1.304.621**	**1.565.546**

17. INVESTMENT PROPERTIES

None (2015: None).

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

18. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Land improvements	Buildings	Machinery, and equipment	Vehicles	Furniture and Fixture	Other fixed assets	Construction in progress	Total
1 January 2016	**297.285.216**	**61.808.731**	**598.538.616**	**1.726.677.323**	**7.500.949**	**76.833.106**	**295.087.308**	**41.987.390**	**3.105.718.639**
Currency translation difference	651.205	2.467.292	15.183.461	22.853.404	197.998	1.982.905	4.417.815	3.050.862	50.804.942
Additions (*)	-	185.180	32.746	21.298.940	-	91.137	3.764.355	96.960.844	122.333.202
Disposals	-	-	-	(1.531.996)	(144.965)	(54.704)	(8.224.025)	(35.018)	(9.990.708)
Transfers from construction in progress	-	140.893	1.148.848	51.767.501	-	2.588.867	18.482.775	(74.128.884)	
31 March 2016	**297.936.421**	**64.602.096**	**614.903.671**	**1.821.065.172**	**7.553.982**	**81.441.311**	**313.528.228**	**67.835.194**	**3.268.866.075**
Accumulated depreciation									
1 January 2016	**60.536**	**44.656.388**	**12.658.538**	**1.071.640.794**	**6.448.218**	**50.877.874**	**207.679.496**	**-**	**1.394.021.844**
Currency translation difference	(1.534)	2.001.442	683.620	15.239.699	170.987	1.319.809	3.020.145	-	22.434.168
Charge for the period	-	552.937	7.337.861	32.564.843	121.286	1.324.886	15.005.108	-	56.906.921
Disposals	-	-	-	(1.342.441)	(144.965)	(51.935)	(5.718.010)	-	(7.257.351)
31 March 2016	**59.002**	**47.210.767**	**20.680.019**	**1.118.102.895**	**6.595.526**	**53.470.634**	**219.986.739**	**-**	**1.466.105.582**
Net book value as of 31 March 2016	**297.877.419**	**17.391.329**	**594.223.652**	**702.962.277**	**958.456**	**27.970.677**	**93.541.489**	**67.835.194**	**1.802.760.493**
Net book value as of 31 December 2015	**297.224.680**	**17.152.343**	**585.880.078**	**655.036.529**	**1.052.731**	**25.955.232**	**87.407.812**	**41.987.390**	**1.711.696.795**

(*) The Group did not capitalize any borrowing costs.

The Group does not have any mortgages over land and buildings which were provided to a financial institution (2015: None).

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

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	**Land**	**Land improvements**	**Buildings**	**Machinery, and equipment**	**Vehicles**	**Furniture and Fixture**	**Other fixed assets**	**Construction in progress**	**Total**
1 January 2015	**23.098.838**	**35.506.888**	**535.350.708**	**1.628.344.366**	**7.463.231**	**40.212.512**	**252.175.344**	**33.250.668**	**2.555.402.555**
Currency translation difference	91.647	2.819.474	25.272.173	30.270.959	264.113	469.205	7.349.631	1.569.823	68.107.025
Classification	-	6.429.324	-	(10.232.233)	562.882	3.176.381	63.646	-	-
Additions	-	374.953	117.985	1.047.470	132.189	8.089	3.654.002	38.190.128	43.524.816
Disposals	-	-	(1.613)	(1.521.456)	(59.719)	(312.316)	(2.993.599)	(78.927)	(4.967.630)
Transfers from construction in progress	-	4.600	339.674	6.520.528	34.107	384.852	10.250.746	(17.534.507)	-
31 March 2015	**23.190.485**	**45.135.239**	**561.078.927**	**1.654.429.634**	**8.396.803**	**43.938.723**	**270.499.770**	**55.397.185**	**2.662.066.766**
Accumulated depreciation									
1 January 2015	**-**	**27.650.217**	**149.076.600**	**999.750.628**	**6.520.577**	**28.869.101**	**173.840.191**	**-**	**1.385.707.314**
Currency translation difference	2.430.693	9.017.797	23.923.160	255.883	471.165	5.382.716	-	41.481.414	
Classification	-	5.972.087	(1.002.625)	(7.264.591)	366.575	2.849.936	(921.382)	-	-
Charge for the period	-	287.229	4.752.501	28.659.901	99.746	785.576	13.510.382	-	48.095.335
Disposals	-	-	(1.344)	(1.002.832)	(42.793)	(255.303)	(1.500.050)	-	(2.802.322)
31 March 2015	**-**	**36.340.226**	**161.842.929**	**1.044.066.266**	**7.199.988**	**32.720.475**	**190.311.857**	**-**	**1.472.481.741**
Net book value as of 31 March 2015	**23.190.485**	**8.795.013**	**399.235.998**	**610.363.368**	**1.196.815**	**11.218.248**	**80.187.913**	**55.397.185**	**1.189.585.025**
Net book value as of 31 December 2014	**23.098.838**	**7.856.671**	**386.274.108**	**628.593.738**	**942.654**	**11.343.411**	**78.335.153**	**33.250.669**	**1.169.695.242**

The Group does not have any mortgages over land and buildings which are provided to a financial institution (2014: None).

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

19. INTANGIBLE ASSETS

Cost:	
1 January 2016	**6.008.008**
Currency translation differences	(24.810)
Additions	79.392
Disposals	-
31 March 2016	**6.062.590**
Accumulated amortization:	
1 January 2015	**5.288.827**
Currency translation differences	(24.917)
Charge for the period (*)	154.736
Disposals	-
31 March 2016	**5.418.646**
Net book value as of 31 March 2016	**643.944**
Net book value as of 31 December 2015	**719.181**

Cost:	
1 January 2015	**5.506.431**
Currency translation differences	(247.282)
Additions	543.448
Disposals	-
31 March 2015	**5.802.597**
Accumulated amortization:	
1 January 2015	**5.088.892**
Currency translation differences	(176.130)
Charge for the period (*)	181.737
Disposals	-
31 March 2015	**5.094.499**
Net book value as of 31 March 2015	**708.098**
Net book value as of 31 December 2014	**417.539**

(*) Allocation of amortization expense is disclosed in Note 28 and Note 30.

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

20. GOODWILL

The movement of the changes in goodwill is as follows:

	2016	2015
1 January	2.120.003	2.311.035
Currency translation differences	111.325	219.785
31 March	**2.231.328**	**2.530.820**

21. GOVERNMENT GRANTS

None (2015: None).

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions

	31 March 2016	31 December 2015
Provisions for employee benefits (Note 24)	3.365.763	2.427.064
Accrued expenses	14.375.264	1.910.790
	17.741.027	**4.337.854**

The Group is claimant or defendant in several lawsuits resulting from its ordinary activities during the period. The Group Management assesses that the probability of an outflow of resources due to lawsuits amounting to TRY 4.554.337 is remote based on the opinions from the independent legal and tax attorneys as of 31 March 2016 (31 December 2015: TRY 4.564.633).

Collaterals, pledges and mortgages "CPM" given by the Group as of 31 March 2016 and 2015 are as follows:

	31 March 2016				
The CPMs given by the Group	**TRY equivalent**	**USD**	**EURO**	**RUR**	**TRY**
A. CPM's given in the name of its own legal personality	2.500.193	-	-	-	2.500.193
B. CPM's given on behalf of the fully consolidated companies	959.948.500	8.446.000	174.602.173	9.015.983.988	-
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	283.340.000	100.000.000	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder (*)	283.340.000	100.000.000	-	-	-
ii. Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	None	None	None	None	None
Total	**1.245.788.693**	**108.446.000**	**174.602.173**	**9.015.983.988**	**2.500.193**

The ratio of other CPM's provided by the Group to its equity is 15,87 % as of 31 March 2016.

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

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	31 December 2015				
The CPMs given by the Group	**TRY equivalent**	**USD**	**EURO**	**RUR**	**TRY**
E. CPM's given in the name of its own legal personality	2.226.496	-	-	-	2.226.496
F. CPM's given on behalf of the fully consolidated companies	967.455.615	8.446.000	175.030.744	9.763.199.513	-
G. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	290.760.000	100.000.000	-	-	-
i . Total amount of CPM's given on behalf of the majority shareholder (*)	290.760.000	100.000.000	-	-	-
ii Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	None	None	None	None	None
Total	**1.260.442.111**	**108.446.000**	**175.030.744**	**9.763.199.513**	**2.226.496**

The ratio of other CPM's provided by the Group to its equity is 16,65% as of 31 December 2015.

(*) Some of the financing needs of the Group are provided by the main partner Türkiye Şişe ve Cam Fabrikaları A.Ş. and within the same conditions it is also being used by the related companies. In this context, "Given on behalf of the majority shareholder" section on the table D-i category above, 100 million USD of CPM which was issued abroad by Şişecam on 9 May 2013 with the history of 7-year term and has a total of 500 million USD bonds in nominal values derived from the funds; was provided by the Group, much of the funding amount for the principal, interest and other payments Group by solely consists of the issued guarantees. The Group does not have any CPMs provided to third parties at 31 December 2015.

23. COMMITMENTS

As per the agreements signed between the Group and Shell Enerji A.Ş., Boru Hatları ve Petrol Taşıma A.Ş. ("BOTAŞ") and Eskişehir Organize Sanayii Bölge Müdürlüğü, there is natural gas purchasing commitment 125.046.527 sm3 between the dates 1 April 2016 - 31 December 2016 (31 December 2015: 168.130.000 sm3).

24. EMPLOYEE BENEFITS

Short-term liabilities for employee benefits

	31 March 2016	**31 December 2015**
Payables to personnel	4.533.220	2.167.124

Short-term provisions for employee benefits	**31 March 2016**	**31 December 2015**
Unused vacation provision	3.365.763	2.427.064

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

24. EMPLOYEE BENEFITS (Continued)

Long-term provision for employee benefits

Provision for employment termination benefit

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Also, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2242 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transitional provisions related with retirement prerequisites have been removed due to the amendments in the relevant law on 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 4.092,53 for each period of service as of 31 March 2016 (31 December 2015: TRY 3.828,37). TRY 4.092,53 which is effective from 1 January 2016, is taken into consideration in the calculation of provision for employment termination benefits (1 January 2016: TRY 4.092,53).

Liability of employment termination benefits is not subject to any funding as there is no obligation.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Remeasurement differences are accounted under other comprehensive income.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of 31 March 2016 and 31 December 2015 the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 5,00% (31 December 2015: 5,00%) and a discount rate of 10,13% (31 December 2015: 10,13%), the real discount rate is approximately 4,89% (31 December 2015: 4,89%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered. The probability of the workers retirement rate as of the date of 31 March 2016 is 99,48% (31 December 2015: 99,27%).

The movement of the employment termination benefits is as follows:

	2016	**2015**
1 January	39.670.274	40.792.101
Service costs	1.163.719	1.252.880
Interest costs	483.218	430.113
Payments made during the period	(509.857)	(1.824.668)
31 March	**40.807.354**	**40.650.426**

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

25. IMPAIRMENT OF ASSETS

	31 March 2016	31 December 2015
Provision for trade receivables	2.825.008	3.182.756
Provision for other receivables	-	-
Provision for impairment on inventories	2.141.199	1.773.492
	4.966.207	**4.956.248**

26. OTHER ASSETS AND LIABILITIES

Other non-current assets	**31 March 2016**	**31 December 2015**
Deferred Value Added Taxes ("VAT")	14.166.275	5.572.939
Deductible VAT	3.187.919	3.272.908
Deductible VAT on export sales	4.852.470	2.522.347
Other	449.369	2.240.038
	22.656.033	**13.608.232**

Other current assets	**31 March 2016**	**31 December 2015**
Deductible VAT	24.986.328	25.472.021
Other	6	6
	24.986.334	**25.472.027**

Other current liabilities	**31 March 2016**	**31 December 2015**
Taxes and funds payables	10.692.278	4.225.979
Social security premiums payable	3.849.699	2.650.957
VAT and other payables	217.509	179.971
Other	-	-
	14.759.486	**7.056.907**

27. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Equity components "Paid-in Share Capital", "Restricted Reserves" and "Share Premiums", are accounted as legal reserves in accordance with related Article of the Turkish Commercial Code ("TCC") and are presented with in the statutory financial statements. Each equity account should be disclosed separately as 'adjustment to share capital', 'share premiums' and 'restricted reserves'. The differences, that are recognized through the valuation made in accordance with TAS/TFRS and cannot be subject to dividend distribution or capital increase as of reporting date (such as inflation adjustment differences) and relevant to the paid-in share capital, are associated with "Adjustments to Share Capital" which is under paid-in share capital and the differences resulting from the "Restricted Reserves" and "Share Premiums" are associated with "Retained Earnings".

a) Capital / Treasury Shares

The approved and paid-in share capital of the Company consists of 44.400.000.000 shares issued on bearer with a nominal value of Kr 1 (One Kr) each (Kr represents 1/100 of TRY).

	31 March 2016	31 December 2015
Registered capital ceiling	1.000.000.000	1.000.000.000
Approved and paid-in capital	444.000.000	444.000.000

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

27. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Contiuned)

	31 March 2016		31 December 2015	
Shareholders	**Amount TRY**	**Share (%)**	**Amount TRY**	**Share (%)**
T. Şişe ve Cam Fabrikaları A.Ş.	351.246.096	79,11	351.246.096	79,11
Camiş Madencilik A.Ş.	59.177	0,01	59.177	0,01
Paşabahçe Cam San. ve Tic. A.Ş.	34	0,00	34	0,00
Other (*)	92.694.693	20,88	92.694.693	20,88
Nominal capital	**444.000.000**	**100,00**	**444.000.000**	**100,00**
Distinction from share capital adjustment	1.431	-	1.431	-
Adjustment on share capital	**444.001.431**	**100,00**	**444.001.431**	**100,00**

(*) Composed of publicly traded portion.

Ultimate shareholders of the Company, indirectly, are as follows:

	31 March 2016		31 December 2015	
Shareholders	**Amount TRY**	**Share (%)**	**Amount TRY**	**Share (%)**
T. İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı	121.725.223	27,42	121.671.042	27,40
Atatürk Hisseleri (Cumhuriyet Halk Partisi)	64.966.086	14,63	64.928.172	14,62
Other (*)	257.308.691	57,95	257.400.786	57,97
Nominal capital	**444.000.000**	**100,00**	**444.000.000**	**100,00**

(*) Composed of publicly traded portion of İşbankası shares.

b) Share Premium

It determines the difference between the nominal price and the sales price of the shares publicly traded. It is TRY 35 as of 31 March 2016 (31 December 2015:TRY 35).

c) Other Comprehensive Income that will not be reclassified to profit or loss

	31 March 2016	31 December 2015
Provision for remeasurement difference on employment termination benefit	521.619	521.619
	521.619	**521.619**

The movement of revaluation funds was accounted for under in comprehensive income statement and changes in equity statement.

Provision for employement termination benefits remeasurement differences

The amendment in TAS-19 "Employee Benefits" does not permit the remeasurement differences considered in the calculation of provision for employee termination benefits to be accounted for under the comprehensive statement of income. The gains and losses arising from the changes in the actuarial assumption have been accounted for by "Revaluation Funds" under the equity. The funds for remeasurement differences in the employee termination benefits are not in a position to be reclassified under profit and loss.

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

27. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Contiuned)

Provisions for employment termination benefits remeasurement differences movement is as follows:

	2016	**2015**
1 January	521.619	(1.638.362)
Change effect on non-controlling interest	-	-
Deferred tax effect	-	-
Charge for the period	-	-
Accounted under equity	-	-
31 March	**521.619**	**(1.638.362)**

d) Other Comprehensive Income that may be reclassified to profit or loss

	31 March 2016	**31 December 2015**
Currency transition differences	16.212.200	6.600.537
Financial asset revaluation fund	71.535.433	291.433.510
Hedging reserves	(14.891.127)	(10.299.155)
	72.856.506	**287.734.892**

Currency translation differences

It consists of the conversion of subsidiaries' functional currencies to the reporting currency which is recognized under equity.

There is no currency translation difference allocated to non-controlling interest (31 December 2015: TRY (18.538.349).

Hedging

It consists of the effect of changes in the fair value of risks associated in relation to cash flow hedging instruments.

Movement for cash flow hedging for the period is as follows:

	2016	**2015**
1 Janaury	(10.299.155)	7.978.533
Effect of deferred tax	1.147.993	2.230.222
Effect of non-controlling interest	(5.739.965)	(11.151.110)
Effective portion of cash flow hedge accounted under equity	-	4.371.234
31 March	**(14.891.127)**	**3.428.879**

Revaluation fund on financial assets

The revaluation fund on financial assets arises from the measurement of available-for-sale financial assets at their fair value. In case of derecognition of assets carried at fair value, the cumulative gains or losses related to the assets previously recognized in equity are included in the profit or loss for the year. Gains and losses arising from changes in fair value are recognized directly in equity, until the asset is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the year.

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

27. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

Movement of revaluation fund on financial assets for the period is as follows:

	2016	2015
1 January	291.433.510	277.846.296
Change in fair value	35.740.208	30.018.485
Effect of deferred tax	(1.787.010)	(1.500.924)
Financial asset sale	(253.851.275)	-
31 March	**71.535.433**	**306.363.857**

e) Restricted Reserves

Retained earnings in the statutory financial statements can be distributed as dividends other than judgments related to legal reserves described below

Legal reserves consist of first and second legal reserves, calculated in accordance with the Turkish Commercial Code. The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is calculated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions; however, holding companies are not subject to this application.Publicly held corporations make their dividend distributions within the framework set forth in the standards and notifications published by TMS/TFRS.

"Legal Reserves", "Share Premiums" in the legal reserve status and legal reserves allocated for specific purposes (participation sales revenue allocated to obtain tax advantage) other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of TMS/TFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous year's profits/losses.

Restricted reserves attributable to equity holders of the Parent	31 March 2016	31 December 2015
Legal reserves	84.892.413	73.660.574
Statutory reserves	18.556.333	18.556.333
	103.448.746	**92.216.907**

f) Retained Earnings

The Group's extraordinary reserves presented in the retained earnings that amount to TRY 395.614.049 (31 December 2015: TRY 355.248.579) is TRY 586.048.002 (31 December 2015: TRY 427.964.272).

<u>Profit Distribution</u>

Dividends are distributed according to Communiqué Serial: II-19.1 on "Principles Regarding Distribution of Dividends for quoted entities subject to Capital Market Board Law", principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated statutory books.

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

27. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

Reserves subject to dividend distribution

The Company's net distributable profit statutory accounts and the amount of reserves subject to dividend distribution as of balance sheet date are listed as below:

	31 March 2016	31 December 2015
Net profit for the period	278.403.446	224.636.772
Legal reserves	(13.920.172)	(11.231.839)
Distributable profit (*)	**264.483.274**	**213.404.933**
Extraordinary reserves	586.048.002	427.964.272
	850.531.276	**641.369.205**

(*) Pursuant to the Article 5/1-e of Corporate Tax Law, the reserve amount that will not be paid as dividend from current year's profit amounts to TRY 181.375.293.

g) Non-controlling interest

Shares attributable to third parties in including the approved and paid-in capital of the consolidated subsidiaries and joint ventures which are not fully owned, are separately accounted for as "Non-controlling Interests" in the consolidated financial statements by a reduction of related equity components. Shares attributable to third parties in the net profit or loss for the period of the consolidated subsidiaries and joint ventures, which are not fully owned are separately accounted for as non-controlling interests in the distribution of period profit / (loss) section of the consolidated statement of income.

	31 March 2016	31 December 2015
Equity attributable to owner's of the parent	(29.321)	34.640.957
Non-controlling interest	75.041	178.207.065
Paid Amount	**45.720**	**212.848.022**

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

28. REVENUE AND COST OF SALES

Sales	1 January - 31 March 2016	1 January - 31 March 2015
Revenue	374.843.714	309.226.243
Other income	39.548	28.542
Sales discount (-)	(19.729.986)	(11.582.068)
Sales returns	(1.057.447)	(379.051)
Other sales discounts (-)	(8.696.760)	(9.321.775)
	345.399.069	**287.971.891**

Cost of sales		
Direct materials	(95.507.825)	(91.694.999)
Direct labor	(23.118.628)	(20.027.129)
Manufacturing overheads	(129.628.048)	(118.299.627)
Depreciation and amortization	(53.554.846)	(45.562.457)
Change in work-in-progress	603.255	373.819
Change in finished goods	28.195.095	50.289.433
Cost of goods sold	**(273.010.997)**	**(224.920.960)**
Cost of trade goods sold	(2.292.996)	(4.142.416)
Cost of services given	(616.318)	(432.066)
Other costs	-	(267.190)
	(275.920.311)	**(229.762.632)**

29. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 March 2016	1 January - 31 March 2015
General administrative expenses	(40.225.129)	(35.159.087)
Marketing expenses	(23.078.011)	(18.153.909)
Research and development expenses	(3.497.067)	(2.150.744)
	(66.800.207)	**(55.463.740)**

30. OPERATING EXPENSES BY NATURE

	1 January - 31 March 2016	1January - 31 March 2015
Salaries and wages	(17.753.336)	(16.576.185)
Outsourced services	(24.972.802)	(17.500.716)
Tax expenses	(2.947.007)	(3.101.065)
Depreciation and amortization	(3.506.811)	(2.714.616)
Indirect material costs	(516.705)	(460.580)
Miscellaneous expenses	(17.103.546)	(15.110.578)
	(66.800.207)	**(55.463.740)**

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

31. OTHER OPERATING INCOME AND EXPENSES

Other operating income

	1 January - 31 March 2016	1 January - 31 March 2015
Financial income from other operating activities	2.508.370	10.205.441
Gain on sales of raw materials	1.199.379	1.222.274
Service income	140.972	48.522
Rent income	1.969.058	1.639.077
Compensation income	1.235.580	-
Reversal of provisions	357.720	962.605
Failure payments	67.613	82.917
Income from sales of scrap items	812.005	724.460
Other operating income	872.178	673.014
	9.162.875	**15.558.310**

Other operating expenses

	1 January - 31 March 2016	1 January - 31 March 2015
Financial expenses from other operating activities	(4.169.092)	(4.811.678)
Loss on sales of raw materials	(949.019)	(1.212.298)
Losses on deposits and guarantees	-	(1.153.833)
Prior period losses	(36.016)	(54.713)
Provision expenses	(353.250)	(215.573)
Penalties	(240.971)	(11.288)
Commission expenses	(135.855)	(156.398)
Other	(814.327)	(836.651)
	(6.698.530)	**(8.452.432)**

32. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities

	1 January - 31 March 2016	1 January - 31 March 2015
Gain on sale of assets held for sale	264.065.850	72.930.449
Dividend income	6.834.782	7.526.877
Gain on sales of tangible assets	1.704.107	1.068.216
	272.604.739	**81.525.542**

Expenses from investing activities

	1 January - 31 March 2016	1 January - 31 March 2015
Loss on sales of tangible assets	(818.549)	(827.385)
	(818.549)	**(827.385)**

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

33. FINANCIAL INCOME AND EXPENSES

Financial Income

	1 January - 31 March 2016	1 January - 31 March 2015
Interest Income	6.555.590	6.633.093
- *Time deposits*	*6.471.501*	*3.368.552*
- *Interest income from related parties*	*75.401*	*3.196.642*
- *Derivative instruments*	*8.688*	*26.824*
- *Other*	-	*41.075*
Gain on foreign exchange differences	72.222.087	117.517.879
- *Derivative instruments*	*16.778.055*	*12.100.497*
- *Bond issued*	*12.750.000*	-
- *Cash and cash equilavents*	*1.124.619*	*39.703.667*
- *Bank borrowings*	*39.905.479*	*56.406.657*
- *Other receivables and payables*	*1.663.934*	*9.198.856*
- *Other*	-	*108.202*
	78.777.677	**124.150.972**

Financial Expense

	1 January - 31 March 2016	1 January - 31 March 2015
Interest expenses	(26.217.698)	(32.120.370)
- *Bank borrowings*	*(18.769.093)*	*(3.867.963)*
- *Bond issued*	*(3.073.926)*	*(2.922.336)*
- *Interest expense from related parties*	*(4.359.762)*	*(24.510.200)*
- *Derivative instruments*	*(14.917)*	-
- *Other*	-	*(819.871)*
Loss on foreign exchange differences	(67.144.314)	(126.308.373)
- *Bank borrowings*	*(25.964.824)*	*(79.982.537)*
- *Other receivables and payables*	*(4.360.004)*	*(15.950.217)*
- *Bond issued*	*(5.330.000)*	*(29.130.000)*
- *Cash and cash equilavents*	*(10.623.130)*	*(1.161.520)*
- *Derivative instruments*	*(20.866.356)*	-
- *Other*	-	*(84.099)*
	(93.362.012)	**(158.428.743)**

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

33. FINANCIAL INCOME AND EXPENSES (Continued)

Financial Income/Expenses (Net)	**1 January - 31 March 2016**	**1 January - 31 March 2015**
Interest income/(expense)	(19.662.108)	(25.487.277)
- *Bank deposits and borrowings*	*(12.297.592)*	*(499.411)*
- *Interest income/(expenses) from related parties*	*(4.284.361)*	*(21.313.558)*
- *Bonds issued*	*(3.073.926)*	*(2.922.336)*
- *Derivative instruments*	*(6.229)*	*26.824*
- *Other*	-	*(778.797)*
Gain/(loss) on foreign exchange differences	5.077.773	(8.790.495)
- *Cash and cash equivalents*	*(9.498.511)*	*38.542.147*
- *Bank borrowings*	*13.940.655*	*(23.575.880)*
- *Other receivables and payables*	*(2.696.070)*	*(6.751.361)*
- *Bonds issued*	*7.420.000*	*(29.130.000)*
- *Derivative instruments*	*(4.088.301)*	*12.100.497*
- *Other*	-	*24.102*
	(14.584.335)	**(34.277.772)**

34. ASSETS HELD FOR SALE

None. (2015: None.).

35. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TAS/TFRS and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for TAS/TFRS and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return, therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. In this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

	31 March 2016	**31 December 2015**
Deferred tax assets	150.682.566	144.410.005
Deferred tax liabilities (-)	(28.749.915)	(38.165.703)
Deferred tax assets (net)	**121.932.651**	**106.244.302**

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

35. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Temporary differences	**31 March 2016**	**31 December 2015**
Useful life and valuation differences on tangible and intangible assets	409.437.748	418.364.770
Corporate tax allowances	(411.284.296)	(422.808.997)
Carry forward tax losses	(646.586.041)	(637.541.832)
Financial assets available for sale	89.376.807	320.848.465
Employment termination benefits	(40.807.350)	(39.670.274)
Impairment on inventory	887.720	(1.358.124)
Derivative instruments	70.487.205	87.828.542
Other	(8.967.548)	(9.298.667)
	(537.455.755)	**(283.636.117)**

	31 March 2016	**31 December 2015**
Useful life and valuation differences on tangible and intangible assets	(79.069.579)	(80.691.382)
Corporate tax allowances	82.256.859	84.561.799
Carry forward tax losses	127.576.536	125.990.708
Financial assets available for sale	(4.468.840)	(16.042.423)
Employment termination benefits	8.161.470	7.934.055
Impairment on inventory	(177.341)	271.855
Derivative instruments	(14.097.441)	(17.565.708)
Other	1.750.987	1.785.398
	121.932.651	**106.244.302**

The expiry dates of carry forward tax losses that are utilized are as follows:

	31 March 2016	**31 December 2015**
Within 1 years	3.932.585	48.630
Within 2 years	57.500.789	3.883.955
Within 3 years	37.883.003	58.527.762
Within 4 years	32.109.560	47.469.884
Within 5 years	23.106.044	33.062.460
Within 6 years	60.519.215	18.728.943
Within 7 years	55.544.101	63.717.918
Within 8 years	132.979.763	52.772.892
Within 9 years	162.325.227	126.345.129
Within 10 years	-	161.128.334
No expiry date	80.685.754	71.855.925
	646.586.041	**637.541.832**

Carry forward tax losses can be utilized against corporate income taxes for a period of 5 years in Turkey whereas in Russia these losses can be utilized for a period of 10 years. However, current period losses cannot be used to offset previous year profits.

The amount of carry forward tax losses that are not subject to deferred tax calculation is TRY 114.613.636 (31 December 2015: TRY 115.622.863).

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

35. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Movements of deferred tax assets/(liabilities) are as follows:

	2016	2015
1 January	106.244.302	106.349.891
Charged to the statement of profit or loss	1.007.811	10.645.473
Charged to the other comprehensive income	(2.098.182)	729.298
Currency translation differences	16.778.720	3.060.800
31 March	**121.932.651**	**120.785.462**

Corporate Tax

The Group is subject to Turkish corporate taxes. Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, non-taxable revenues and other discounts (if any previous year losses, if preferred investment allowances and also R&D center incentive) are deducted.

In Turkey, corporate tax rate applied is 20% (2015: 20%).

The principal tax rates (%) of the tax authorities in each country used to calculate deferred taxes as of 31 March 2016 is as follows:

Country	Tax rate (%)
Georgia	15,0
Russia	20,0
Ukraine	18,0

In Turkey, advance tax returns are filed on a quarterly basis. 20% of temporary tax rate is applied during the taxation of corporate income (2015: 20 %).

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 - 25 April following the close of the accounting year to which they relate (Companies with special accounting periods file their tax returns between 1- 25 of the fourth month subsequent to the fiscal year end). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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

35. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Income Witholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. This rate was changed to 15% for all Companies as of 23 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

An advance taxation of 19.8% has to be made on the investment allowance amount benefited basing on the investment incentive certificates received before 24 April 2003. Out of the investment expenses without incentive certificate made after this date, 40% of the ones directly related to the companies' production activities can be deducted from the taxable revenue. Any advance tax deduction is not made from the investment expenses without investment incentive.

Investment Allowances

Investment allowances are not applicable after 1 January 2006. If companies' taxable incomes are not sufficient, the amount of unused investment allowance as of 31 December 2005 and the incentive allowances incurred from 1 January 2006 onwards, can be transferred to the following years in order to be deducted from the taxable revenues of the following years.

Law No.6009 published on 1 August 2010 allows for unused investment allowances to be used in future periods without limitation. A 20% corporate tax is calculated on earnings after deducting investment incentives. The arrangements made with the Law No.6009 came into force in 1 August 2010 to be applied on income for the year 2010.

Corporate Tax Allowance Practice

Corporate tax allowances can be taken for regional implementation of investments and large scale investments in accordance with Decision No: 2009/15199 of the Government Subsidies for Investments, and the framework of 5520 Corporate Income Tax Law No. 32/A. These allowances are used to reduce tax payable until the investment amount as calculated based on an incentive rate in the incentive certificate is reached. An allowance for VAT and custom tax can be utilized in accordance with incentive certificates in line with the same decision.

The current year tax asset is TRY 5.575.595 (31 December 2015 TRY 11.212.063). The prepaid taxes are higher than tax liabilities for some joint ventures and these prepaid taxes are classified in current year tax.

	31 March 2016	31 December 2015
Current tax provision	12.615.868	30.694.162
Prepaid taxes and funds (-)	(7.040.273)	(41.906.225)
Prepaid income tax asset	**5.575.595**	**(11.212.063)**

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

35. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

	1 January - 31 March 2016	1 January - 31 March 2015
Corporate tax provision	(12.615.868)	(9.916.489)
Currency translation differences	552	1.520
Deferred tax income	1.007.810	10.645.472
Tax provision in the statement of profit or loss	**(11.607.506)**	**730.503**

Reconciliation of provision for tax	1 January - 31 March 2016	1 January - 31 March 2015
Profit before taxation and non-controlling interest	265.661.941	58.457.063
Effective tax rate	20%	20%
Calculated Tax	**(53.132.388)**	**(11.691.413)**
Tax Reconciliation		
Dividends and other non-taxable income	44.513.817	25.931.580
Tax allowances	(114.391)	2.168.765
Dissallowable expenses	(3.600.041)	(5.600.623)
The effect of the foreign companies using different effective tax rate	(495.554)	(862.989)
Gain on investments accounted for under equity method	(663.438)	(437.056)
Derivative instruments	2.514.757	(4.305.253)
Tax deductible accumulated losses	2.513.262	2.525.206
Other	5.896.416	4.878.893
Adjustments for consolidation	(6.886.502)	(8.911.679)
Currency translation differences	(2.153.444)	(2.964.929)
Tax provision in the statement of profit or loss	**(11.607.506)**	**730.503**

36. EARNINGS PER SHARE

	1 January - 31 March 2016	1 January - 31 March 2015
Average number of shares existing during the year	44.400.000.000	44.400.000.000
Net profit for the period attributable to equity holders of the parent	253.392.938	76.852.093
Earnings per share	**0,5707**	**0,1731**
Total comprehensive income attributable to equity holders of the parent	298.321.488	121.939.181
Earnings per share per total comprehensive income	**0,6719**	**0,2746**

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

37. RELATED PARTY DISCLOSURES

Türkiye Şişe ve Cam Fabrikaları A.Ş. is the main shareholder of the Group and retains the control of the Group. All significant transactions and balances between the Group and its subsidiaries are eliminated in consolidation and not disclosed in this Note. The details of transactions between the Group and other related parties are disclosed below.

Deposits	**31 March 2016**	**31 December 2015**
T. İş Bankası A.Ş.		
- Time deposits	660.865.963	202.156.939
- Demand deposits	3.119.092	13.401.222
	663.985.055	**215.558.161**
İşbank AG		
- Time deposits	-	429.232.006
- Demand deposits	587.774	58.787
	587.774	**429.290.793**

Borrowings	**31 March 2016**	**31 December 2015**
T. İş Bankası A.Ş.	-	35.452.690
	-	**35.452.690**

Financial liabilities	**31 March 2016**	**31 December 2015**
Bonds issued through Şişecam Holding (*)	286.241.075	290.587.149

(*) T. Şişe ve Cam Fabrikaları A.Ş. issued fixed interest bond whose nominal value is USD 500 million as of 9 May 2013 and maturity date is May 2020 with 7 year term. Interest rate of these bonds is determined as 4,25%. The capital payment of bond will be made at maturity date. USD 100 million provided from this bond issue was transferred to Group with the same condition and Group is guarantor for the portion transferred to Group regarding to principle, interest and similar payments.

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

37. RELATED PARTY DISCLOSURES (Continued)

Trade receivables	**31 March 2016**	**31 December 2015**
Soda Sanayii A.Ş.	6.834.782	2.855.565
Camiş Limited	2.492.710	2.469.011
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	433.817	370.214
Şişecam Dış Ticaret A.Ş.	158.685	786.284
OOO Posuda	35.611	22.612
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	15.500	15.500
Trakya Cam Sanayii A.Ş.	14.441	11.357
Şişecam Chem Investment B.V.	12.236	12.120
TRSG Autoglass Holding B.V.	12.236	12.120
Trakya İnvestment B.V.	12.236	12.120
Paşabahçe Investment B.V.	12.236	12.120
SC Glass Trading B.V.	12.236	12.120
TRSG Glass Holding B.V.	12.236	12.120
Trakya Yenişehir Cam Sanayii A.Ş.	5.117	5.595
Trakya Glass Rus ZAO	4.051	-
Şişecam Enerji A.Ş.	-	2.803.031
Camiş Madencilik A.Ş.	-	915.565
Paşabahçe Cam Sanayii ve Tic. A.Ş.	-	732.500
OOO Balkum	-	219.566
Sudel Invest S.A.R.L.	-	23.365
Madencilik Sanayii ve Tic. A.Ş.	-	2.153
	10.068.130	**11.305.038**

Other receivables	**31 March 2016**	**31 December 2015**
Paşabahçe Cam Sanayii ve Tic. A.Ş.	1.203.759	18.215
Paşabahçe Mağazaları A.Ş.	104.854	-
Camiş Madencilik A.Ş.	-	900.074
Camiş Elektrik Üretim A.Ş.	-	5.713
	1.308.613	**924.002**

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

37. RELATED PARTY DISCLOSURES (Continued)

Trade payables	31 March 2016	31 December 2015
Soda Sanayii A.Ş.	25.117.454	8.756.160
Camiş Limited	10.125.719	10.030.778
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	9.327.831	4.660.650
Şişecam Enerji A.Ş.	8.128.586	10.694.068
Şişecam Dış Ticaret A.Ş.	7.114.880	2.956.749
Camiş Madencilik A.Ş.	6.328.719	477.945
Türkiye Şişe ve Cam Fabrikaları A.Ş.	5.421.175	2.303.262
Camiş Ambalaj Sanayii A.Ş.	2.722.132	913.320
Şişecam Bulgaria EOOD	1.865.831	965.800
Trakya Polatlı Cam Sanayii A.Ş.	260.274	-
OOO Posuda	82.310	78.203
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	41.177	44.395
OOO Balkum	-	326.334
Camiş Egypt Mining Ltd. Co.	-	316.347
Paşabahçe Mağazaları A.Ş.	-	3.454
	76.536.088	**42.527.465**

Other payables	31 March 2016	31 December 2015
Türkiye Şişe ve Cam Fabrikaları A.Ş.	75.278.179	140.048.969
Camiş Madencilik A.Ş.	7.082.939	-
Soda Sanayii A.Ş.	5.793.327	714.322
Camiş Ambalaj Sanayii A.Ş.	3.257.552	529.002
Çayırova Cam Sanayii A.Ş.	836.279	324.882
Trakya Cam Sanayii A.Ş.	560.929	315.763
Şişecam Dış Ticaret A.Ş.	501.286	688.238
Trakya Yenişehir Cam Sanayii A.Ş.	350.340	-
Cam Elyaf Sanayii A.Ş.	316.635	201.645
Paşabahçe Cam Sanayii ve Tic. A.Ş.	188.277	44.080
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	132.414	132.414
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	65.436	80.827
Trakya Yenişehir Cam Sanayii A.Ş.	-	9.459
Other	1.469.364	1.469.364
	95.832.957	**144.558.965**

Sales	1 January - 31 March 2016	1 January - 31 March 2015
Paşabahçe Cam Sanayii ve Tic. A.Ş.	13.486	-
Türkiye Şişe ve Cam Fabrikaları A.Ş.	2.745	-
Paşabahçe Mağazaları A.Ş.	-	48.923
Trakya Cam Sanayii A.Ş.	-	1.155
	16.231	**50.078**

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

37. RELATED PARTY DISCLOSURES (Continued)

Purchases	**1 January - 31 March 2016**	**1 January - 31 March 2015**
Soda Sanayii A.Ş.	20.369.941	17.690.923
Şişecam Enerji A.Ş.	14.667.540	20.134.965
Camiş Madencilik A.Ş.	12.310.667	11.682.610
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	8.705.331	3.764.574
Camiş Ambalaj Sanayii A.Ş.	3.778.554	2.858.970
Camiş Egypt Mining Ltd. Co.	2.733.173	602.262
Şişecam Bulgaria EOOD	1.561.366	1.218.106
Trakya Yenişehir Cam Sanayii A.Ş.	326.825	17.026
Trakya Cam Sanayii A.Ş.	207.029	260.678
Paşabahçe Cam Sanayii ve Tic. A.Ş.	136.624	171.719
Türkiye Şişe ve Cam Fabrikaları A.Ş.	102.424	94.828
Şişecam Dış Ticaret A.Ş.	930	-
OOO Balkum	-	1.184.832
Denizli Cam Sanayii ve Tic. A.Ş.	-	10.209
Cam Elyaf Sanayii A.Ş.	-	3.653
	64.900.404	**59.695.355**

Interest income	**1 January - 31 March 2016**	**1 January - 31 March 2015**
T. İş Bankası A.Ş.	4.961.470	3.097.842
Soda Sanayii A.Ş.	38.865	2.791
Paşabahçe Cam Sanayii ve Tic. A.Ş.	28.509	3.797
Camiş Madencilik A.Ş.	6.092	3.953
Paşabahçe Mağazaları A.Ş.	1.224	2.139
Trakya Cam Sanayii A.Ş.	429	4.390
Trakya Yenişehir Cam Sanayii A.Ş.	159	-
Camiş Elektrik Üretim A.Ş.	122	463
Türkiye Şişe ve Cam Fabrikaları A.Ş.	-	3.173.221
Camiş Ambalaj Sanayii A.Ş.	-	5.712
	5.036.870	**6.294.308**

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

37. RELATED PARTY DISCLOSURES (Continued)

Interest expenses	1 January - 31 March 2016	1 January - 31 March 2015
Türkiye Şişe ve Cam Fabrikaları A.Ş.	3.702.558	313.562
T. İş Bankası A.Ş.	973.305	975.109
Soda Sanayii A.Ş.	253.428	18.075
Camiş Madencilik A.Ş.	194.876	86.093
Camiş Ambalaj Sanayii A.Ş.	66.669	37.766
Şişecam Enerji A.Ş.	53.651	-
Şişecam Dış Ticaret A.Ş.	28.308	9.848
Çayırova Cam Sanayii A.Ş.	16.136	24.621
Trakya Cam Sanayii A.Ş.	14.830	5.318
Cam Elyaf Sanayii A.Ş.	8.975	646
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	6.200	19.981
Trakya Polatlı Cam Sanayii A.Ş.	5.529	-
Trakya Yenişehir Cam Sanayii A.Ş.	5.070	63
Paşabahçe Cam Sanayii ve Tic. A.Ş.	3.504	5.900
Paşabahçe Mağazaları A.Ş.	27	49
İş Finansal Kiralama A.Ş.	-	3.770
Denizli Cam Sanayii ve Tic. A.Ş.	-	85
	5.333.066	**1.500.886**

Dividend income	1 January - 31 March 2016	1 January - 31 March 2015
Soda Sanayii A.Ş.	6.834.782	7.526.877
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	5.737.139	4.857.225
	12.571.921	**12.384.102**

Other income	1 January - 31 March 2016	1 January - 31 March 2015
Paşabahçe Cam Sanayii ve Tic. A.Ş.	335.364	313.424
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	193.880	135.914
Paşabahçe Mağazaları A.Ş.	92.016	90.603
Türkiye Şişe ve Cam Fabrikaları A.Ş.	37.671	14.652
Trakya Cam Sanayii A.Ş.	41.068	38.382
OOO Posuda	10.946	-
Trakya Glass Rus ZAO	3.232	1.572
T. İş Bankası A.Ş.	-	2.303
Camiş Ambalaj Sanayii A.Ş.	-	1.082
	714.177	**597.932**

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

37. RELATED PARTY DISCLOSURES (Continued)

Other expenses	1 January - 31 March 2016	1 January - 31 March 2015
Türkiye Şişe ve Cam Fabrikaları A.Ş.	10.046.395	9.889.719
İş Gayrimenkul Yatırım Ortaklığı A.Ş.(1)	610.332	448.683
Çayırova Cam Sanayii A.Ş.	393.120	479.860
İş Merkezleri Yönetim Ve İşletim A.Ş.(2)	185.573	137.585
Şişecam Dış Ticaret A.Ş.	135.662	56.681
İş Yatırım Menkul Değerler A.Ş.	40.947	-
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	40.353	-
Anadolu Hayat Emeklilik Sigorta A.Ş.	38.762	-
Trakya Cam Sanayii A.Ş.	10.642	11.802
Paşabahçe Mağazaları A.Ş.	3.308	1.904
OOO Posuda	-	2.068
	11.505.094	**11.028.302**

(1) TRY 610.332 of the total amount consists of rent expenses for İş Kuleleri, Kule 3 for the period of 1 January- 31 March 2016 (1 January - 31 December 2015: TRY 447.554).

(2) Amount comprises from the administrative and management expenses related with İş Kuleleri Kule 3, where the Group is located.

Key management compensation benefits	1 January - 31 March 2016	1 January - 31 March 2015
Parent (Holding)	757.400	694.880
Consolidated entities	1.917.673	984.809
	2.675.073	**1.679.689**

Key management personnel is composed of top management, members of board of directors, general manager and vice general manager and factory directors. The Group did not provide key management with post-employment benefits, benefits due to outplacement, share-based payment and other long-term benefits for the period 1 January-31 March 2016 and 1 January-31 March 2015.

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings and other debts disclosed in Notes 8 and 10, cash and cash equivalents disclosed in Note 6 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 27.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by total equity. Net debt is calculated as total liability (comprises of financial liabilities, leasing and trade payables as presented in the statement of financial position) less cash and cash equivalents.

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

a) Capital Risk Management (Continued)

As of 31 March 2016 and 31 December 2015 the Group's net debt / total equity ratios are as follows:

	31 March 2016	31 December 2015
Financial liabilities and trade payables	1.697.420.760	1.672.171.016
Less: Cash and cash equivalents	(864.997.499)	(676.794.931)
Net debt	**832.423.261**	**995.376.085**
Total equity	**1.785.782.033**	**1.746.696.043**
Net debt / total equity ratio	**0,47**	**0,57**

The Group's general strategy is in line with prior periods.

b) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

The Group manages its financial instruments centrally in accordance with the Group's risk policies via Financial Transactions Department. The Group's cash inflows and outflows are monitored by the reports prepared on a daily, weekly and monthly basis and compared to the monthly and yearly cash flow budgets.

Risk management is carried out by the Risk Management Department, which is independent from steering, under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors sets out written principles for overall risk management, as well as written policies covering specific areas, such as; foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Group's credit risks mainly arise from its trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. Use of credit limits is monitored by the Group by taking into consideration the customer's financial position, past experiences and other factors and customer's credibility is evaluated on a consistent basis. Trade receivables are evaluated based on the Group's policies and procedures and presented net of doubtful provision in the financial statements accordingly (Note 10).

Trade receivables consist of many customers operating in various industries and locations. Credit risk of the receivables from counterparties is evaluated periodically.

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management (Continued)

	Receivables					
	Trade Receivables		Other Receivables		Cash and	
	Related	Third	Related	Third	cash	Derivative
Maximum credit risk exposed as of statement of financial position date	Parties	Parties	Parties	Parties	equivalents	instruments
Maximum credit risk exposed as of 31 March 2016 (*) (A+B+C+D+E)	**10.068.130**	**298.398.095**	**1.308.613**	**17.452.570**	**864.997.499**	**70.487.205**
- The part of maximum risk under guarantee with collaterals, etc.-	-	(130.497.127)	-	-	-	-
A. Net book value of financials assets that are neither past due nor impaired	10.068.130	274.509.150	1.308.613	17.452.570	864.997.499	70.487.205
- The part under guarantee with collaterals, etc.	-	(122.528.430)	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	23.888.945	-	-	-	-
- The part under guarantee with collaterals, etc.	-	(7.968.697)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	2.825.008	-	-	-	-
- Impairment (-)	-	(2.825.008)	-	-	-	-
- The part under guarantee with collaterals, etc	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk.	-	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not considered in the calculation.

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management (Continued)

	Receivables					
	Trade Receivables		Other Receivables		Cash and	
	Related	Third	Related	Third	cash	Derivative
Maximum credit risk exposed as of statement of financial position date	**Parties**	**Parties**	**Parties**	**Parties**	**equivalents**	**instruments**
Maximum credit risk exposed as of 31 December 2015 (*) (A+B+C+D+E)	**11.305.038**	**273.578.672**	**924.002**	**19.454.931**	**676.794.931**	**87.828.542**
- The part of maximum risk under guarantee with collaterals, etc.-	-	(137.001.460)	-	-	-	-
A. Net book value of financials assets that are neither past due nor impaired	11.305.038	237.296.365	924.002	19.454.931	676.794.931	87.828.542
- The part under guarantee with collaterals, etc.	-	(121.534.470)	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	36.282.307	-	-	-	-
- The part under guarantee with collaterals, etc.	-	(15.466.990)	-	-	-	-
D. Net book value of impaired assets						
- Past due (gross carrying amount)	-	3.182.756	-	-	-	-
- Impairment (-)	-	(3.182.756)	-	-	-	-
- The part under guarantee with collaterals, etc	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk.	-	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not considered in the calculation.

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management (Continued)

Guarantees received from the customers are as follows:

	31 March 2016	31 December 2015
Letters of guarantee	45.260.213	47.912.031
Mortgages	5.515.000	4.514.545
Direct Debiting System (DDS)	14.431.308	14.475.930
Eximbank domestic credit insurance	65.044.338	69.695.553
Security cheques and bonds	246.268	403.401
	130.497.127	**137.001.460**

Collaterals for the trade receivables that are past due but not impaired are as stated below:

	31 March 2016	31 December 2015
1-30 days overdue	15.502.239	24.150.549
1-3 months overdue	4.192.652	7.400.060
3-12 months overdue	3.596.648	3.800.652
1-5 years overdue	597.406	931.046
Total overdue receivables	**23.888.945**	**36.282.307**
The part secured with guarantee (-)	**7.968.697**	**15.466.990**

b.2) Liquidity Risk Management

The Group manages liquidity risk by providing the continuity of sufficient funds and loan reserves via matching the maturities of financial assets and liabilities by following cash flow regularly.

Liquidity risk tables

Conservative liquidity risk management requires maintaining adequate reserves in addition to having the ability to utilize adequate level of credit lines and funds as well as closing market positions.

Funding risk attributable to the current and future potential borrowing needs is managed by providing continuous access to an adequate number of high quality creditors.

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.2) Liquidity Risk Management (Continued)

Liquidity risk tables (Continued)

The following table details the maturities for the financial liabilities of the Group The tables show the undiscounted contractual casf outflows of the financial liability. The amount of interest payable to be paid of financial liabilities are included in the table.

	31 March 2016					
Non-derivative financial liabilities	**Carrying value**	**Total Cash Outflows in accordance with contracts (I+II+III+IV)**	**Less than 3 months (I)**	**3–12 months (II)**	**1–5 years (III)**	**More than 5 years (IV)**
Bank loans	1.217.966.342	1.311.804.270	120.708.881	551.282.444	622.191.967	17.620.978
Bonds issued	286.241.075	340.496.750	6.020.975	6.020.975	328.454.800	-
Financial leases	-	260	260	-	-	-
Trade payable	116.677.255	117.014.625	88.849.122	27.480.389	685.114	-
Due to related parties	172.369.045	172.369.045	158.761.123	13.459.849	-	148.073
Other financial liabilities	91.474.285	91.474.285	8.057.947	25.670.538	57.745.800	-
	1.884.728.002	**2.033.159.235**	**382.398.308**	**623.914.195**	**1.009.077.681**	**17.769.051**

Derivative Financial Liabilities	**Carrying value**	**Total Cash Outflows in accordance with contracts (I+II+III+IV)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Cash inflows	70.487.205	70.487.205	-	70.487.205	-	-
Cash outflows	-	-	-	-	-	-
	70.487.205	**70.487.205**	**-**	**70.487.205**	**-**	**-**

	31 December 2015					
Non-derivative Financial Liabilities	**Carrying value**	**Total Cash Outflows in accordance with contracts (I+II+III+IV)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Bank loans	1.244.163.894	1.336.228.639	133.110.152	526.688.261	623.896.616	52.533.610
Bonds issued	290.587.149	346.263.651	6.178.650	6.178.650	333.906.351	-
Financial leases	-	260	260	-	-	-
Trade payable	94.892.508	95.194.523	89.239.355	5.144.354	810.814	-
Due to related parties	187.086.430	189.044.962	175.190.936	13.713.341	140.685	-
Other financial liabilities	87.341.023	87.438.769	4.815.717	5.452	82.617.600	-
	1.904.071.004	**2.054.170.804**	**408.535.070**	**551.730.058**	**1.041.372.066**	**52.533.610**

Derivative Financial Liabilities	**Carrying value**	**Total Cash Outflows in accordance with contracts (I+II+III+IV)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Cash inflows	89.385.881	89.385.881	-	89.385.881	-	-
Cash outflows	(1.557.339)	(1.557.339)	-	(1.557.339)	-	-
	87.828.542	**87.828.542**	**-**	**87.828.542**	**-**	**-**

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.3) Market Risk Management

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. At a Group level, market risk exposures are measured by sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1) Foreign currency risk management

The transactions denominated in foreign currencies are subject to foreign currency risk. The Group considers the currencies not included in the functional currencies of the countries, in which its subsidiaries and associates operate, as foreign currency.

The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

	Foreign Currency Position of 31 March 2016			
	TRY Equivalent	**USD**	**EURO**	**Other**
1. Trade Receivables	33.647.318	2.406.475	8.362.835	-
2a. Monetary financial assets, (cash and cash equivalents included)	652.393.045	203.542.338	6.033.475	40.273
2b. Non-Monetary financial assets	-	-	-	-
3. Other	3.489.810	132.682	970.628	-
4. Current Assets (1+2+3)	**689.530.173**	**206.081.495**	**15.366.938**	**40.273**
5. Trade receivables -	-	-	-	
6a. Monetary financial assets -	-	-	-	
6b. Non-monetary financial assets	-	-	-	-
7. Other	1.592.829	136.448	327.669	155.021
8. Non-Current Assets (5+6+7)	**1.592.829**	**136.448**	**327.669**	**155.021**
9. Total Assets (4+8)	**691.123.002**	**206.217.943**	**15.694.607**	**195.294**
10. Trade payables	14.334.668	517.652	3.993.198	57.374
11. Financial liabilities	315.613.151	50.311.776	53.944.629	-
12a. Other monetary liabilities	24.522.289	4.104.435	4.018.822	-
12b. Other non-monetary liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**354.470.108**	**54.933.863**	**61.956.649**	**57.374**
14. Trade payables -	-	-	-	-
15. Financial liabilities	691.081.342	107.624.039	120.363.888	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	**691.081.342**	**107.624.039**	**120.363.888**	**-**
18. Total liabilities (13+17)	**1.045.551.450**	**162.557.902**	**182.320.537**	**57.374**
19. Net asset position of off balance sheet	102.962.300	42.000.000	(5.000.000)	-
19a. Total amount of assets hedged	136.003.200	48.000.000	-	-
19b. Total amount of liabilities hedged	33.040.900	6.000.000	5.000.000	-
20. Net foreign assets / (liability) position (9–18+19)	**(251.466.148)**	**85.660.041**	**(171.625.930)**	**137.920**
21. Net foreign asset / (liability) position of monetary items (=1+2a+3+5+6a–10–11-12a–14–15-16a)	**(359.511.087)**	**43.390.911**	**(167.924.227)**	**(17.101)**
22. Fair value of financial instruments used in foreign currency hedge	-	-	-	-
23. Export	36.102.297	3.360.307	8.087.491	-
24. Import	24.555.200	533.648	5.515.967	5.102.808

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.3) Market Risk Management (Continued)

b.3.1) Foreign Currency Risk Management (Continued)

		Foreign Currency Position as of 31 December 2015			
		TRY Equivalent	**USD**	**EURO**	**Other**
1.	Trade Receivables	20.950.107	1.702.772	5.005.759	92.828
2a.	Monetary financial assets, (cash and cash equivalents included)	564.400.521	178.055.411	14.673.202	61.044
2b.	Non-Monetary financial assets	-	-	-	-
3.	Other	3.640.251	69.880	1.081.656	-
4.	**Current Assets (1+2+3)**	**588.990.879**	**179.828.063**	**20.760.617**	**153.872**
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	35.251.167	2.700	10.397.505	2.204.204
8.	**Non-Current Assets (5+6+7)**	**35.251.167**	**2.700**	**10.397.505**	**2.204.204**
9.	**Total Assets (4+8)**	**624.242.046**	**179.830.763**	**31.158.122**	**2.358.076**
10.	Trade payables	27.336.655	532.246	8.036.916	250.993
11.	Financial liabilities	320.981.598	54.681.959	50.978.202	-
12a.	Other monetary liabilities	16.583.560	3.464.305	2.048.951	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	**Current Liabilities (10+11+12)**	**364.901.813**	**58.678.510**	**61.064.069**	**250.993**
14.	Trade payables	-	-	-	-
15.	Financial liabilities	706.441.868	107.613.623	123.849.602	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	**Non-current liabilities (14+15+16)**	**706.441.868**	**107.613.623**	**123.849.602**	**-**
18.	**Total liabilities (13+17)**	**1.071.343.681**	**166.292.133**	**184.913.671**	**250.993**
19.	Net asset position of off balance sheet derivative instruments(19a - 19b)	122.223.000	47.500.000	(5.000.000)	-
19a.	Total amount of assets hedged	155.556.600	53.500.000	-	-
19b.	Total amount of liabilities hedged	33.333.600	6.000.000	5.000.000	-
20.	**Net foreign assets / (liability) position (9–18+19)**	**(324.878.635)**	**61.038.630**	**(158.755.549)**	**2.107.083**
21.	**Net foreign asset / (liability) position of monetary items (=1+2a+3+5+6a–10–11-12a–14–15-16a)**	**(485.993.053)**	**13.466.050**	**(165.234.710)**	**(97.121)**
22.	Fair value of financial instruments used in foreign currency hedge	-	-	-	-
23.	Export	106.289.826	11.548.407	24.802.014	18.810
24.	Import	40.361.567	3.599.898	9.865.800	791.205

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.3) Market Risk Management (Continued)

b.3.1) Foreign Currency Risk Management (Continued)

The Group is mainly exposed to USD and EUR denominated interest rate risk. The exposure to other currencies does not have material impact.

The following table shows the sensivity of the Group to a 10% increase and decrease in USD/TRY and EUR/TRY parities. The 10% benchmark is also used by the Group in its internal top level management reportings. The sensivity analysis is only applied to foreign exchange denominated monetary items at period ends by using 10% change in foreign currencies. This analysis is made by considering the functional currencies of the Group companies and foreign currencies are determined for the currencies that are different than the functional currencies. Positive sign is used for the increase in profit before tax and equity lines.

Foreign currency sensivity

	31 March 2016			
	Profit / (Loss)		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	12.294.381	(12.294.381)	-	-
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	**12.294.381**	**(12.294.381)**	**-**	**-**
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(53.871.771)	53.871.771	88.706.855	(88.706.855)
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	**(53.871.771)**	**53.871.771**	**88.706.855**	**(88.706.855)**
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	5.626.281	(5.626.281)	3.284.114	(3.284.114)
8- Other currencies hedged from risks (-)	-	-	-	-
9- Other currencies net effect (7+8)	**5.626.281**	**(5.626.281)**	**3.284.114**	**(3.284.114)**
Total (3+6+9)	**(35.951.109)**	**35.951.109**	**91.990.969**	**(91.990.969)**

	31 December 2015			
	Profit / (Loss)		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	3.915.389	(3.915.389)	-	-
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	**3.915.389**	**(3.915.389)**	**-**	**-**
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(52.504.981)	52.504.981	79.224.773	(79.224.773)
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	**(52.504.981)**	**52.504.981**	**79.224.773**	**(79.224.773)**
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	(9.713)	9.713	(1.097.166)	1.097.166
8- Other currencies hedged from risks (-)	-	-	-	-
9- Other currencies net effect (7+8)	**(9.713)**	**9.713**	**(1.097.166)**	**1.097.166**
Total (3+6+9)	**(48.599.305)**	**48.599.305**	**78.127.607**	**(78.127.607)**

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.3.2) Interest Rate Risk Management

The Group's exposure to interest rate risk is related to its financial liabilities. The Group's financial liabilities mostly consist of floating interest rate borrowings. Based on the current statement of financial position composition and analysis calculated by the Group, if the TRY interest rates were increased / decreased by 1% and foreign currency interest rates were increased / decreased by 0,25% with the assumption of keeping all other variables constant, the effect on net profit / loss for the period before taxation and non-controlling interest would decrease / increase by TRY 417.222 as of 31 March 2016 (31 December 2015: TRY 1.656.331).

Interest rate sensitivity

The Group's financial instruments that are sensitive to interest rates are as follows:

	31 March 2016			
	Floating Interest	**Fixed Interest**	**Non-interest bearing**	**Total**
Financial Assets	**-**	**1.181.371.138**	**106.335.676**	**1.287.706.814**
Cash and cash equivalents	-	854.159.388	10.838.111	864.997.499
Available for sale financial assets	-	-	95.481.907	95.481.907
Trade receivables	-	298.398.095	-	298.398.095
Due from related parties	-	11.376.743	-	11.376.743
Other receivables	-	17.436.912	15.658	17.452.570
Financial Liabilities	**960.016.340**	**796.524.958**	**128.186.704**	**1.884.728.002**
Bank borrowings	673.775.265	416.004.373	128.186.704	1.217.966.342
Bonds issued	286.241.075	-	-	286.241.075
Financial leases	-	-	-	-
Trade payables	-	116.677.255	-	116.677.255
Due to related parties	-	172.369.045	-	172.369.045
Other payables	-	91.474.285	-	91.474.285

	31 December 2015			
	Floating Interest	**Fixed Interest**	**Non-interest bearing**	**Total**
Financial Assets	**-**	**950.470.045**	**379.329.228**	**1.329.799.273**
Cash and cash equivalents	-	645.207.402	31.587.529	676.794.931
Available for sale financial assets	-	-	347.741.699	347.741.699
Trade receivables	-	273.578.672	-	273.578.672
Due from related parties	-	12.229.040	-	12.229.040
Other receivables	-	19.454.931	-	19.454.931
Financial Liabilities	**952.721.834**	**824.626.153**	**126.723.017**	**1.904.071.004**
Bank borrowings	662.134.685	455.306.192	126.723.017	1.244.163.894
Bonds issued	290.587.149	-	-	290.587.149
Financial leases	-	-	-	-
Trade payables	-	94.892.508	-	94.892.508
Due to related parties	-	187.086.430	-	187.086.430
Other payables	-	87.341.023	-	87.341.023

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

38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

b.3.3) Other price risks

Equity Price Sensitivity

Sensitivity analysis disclosed below is determined based on the equity share price risks as of the reporting date.

If the equity share prices were increased / decreased by 10% with all other variables held constant as of the reporting date:

- Net profit/loss would not be affected as of 31 March 2016 to the extent that equity share investments are not classified as available for sales assets or disposed of or impaired.

- The other equity funds would increase/decrease by TRY 9.070.781 (2015: TRY 33.035.461 of increase/decrease). This change is resulted from the fair value change of equity share investments classified as available for sale.

Group's sensitivity to equity share price has not changed materially when compared to the prior year.

39. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

Categories of Financial Instruments

31 March 2016	Assets and liabilities at amortized cost	Loans and receivables	Available for sale financial assets	Financial assets or liabilities fair value through profit or loss	Carrying Value	Note
Financial assets	**935.484.704**	**309.774.838**	**95.481.907**	**-**	**1.340.741.449**	
Cash and cash equivalents	864.997.499	-	-	-	864.997.499	6
Trade receivables	-	298.398.095	-	-	298.398.095	10,11
Due from related parties	-	11.376.743	-	-	11.376.743	37
Derivative financial instruments	70.487.205	-	-	-	70.487.205	12
Financial investments	-	-	95.481.907	-	95.481.907	7
Financial liabilities	**1.793.253.717**	**-**	**-**	**-**	**1.793.253.717**	
Financial liabilities	1.504.207.417	-	-	-	1.504.207.417	8
Trade payables	116.677.255	-	-	-	116.677.255	10
Due to related parties	172.369.045	-	-	-	172.369.045	37

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

39. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Continued)

31 December 2015	Assets and liabilities at amortized cost	Loans and receivables	Available for sale financial assets	Financial assets or liabilities fair value through profit or loss	Carrying Value	Note
Financial assets	**766.180.812**	**285.807.712**	**347.741.699**	**-**	**1.399.730.223**	
Cash and cash equivalents	676.794.931	-	-	-	676.794.931	6
Trade receivables	-	273.578.672	-	-	273.578.672	10
Due from related parties	-	12.229.040	-	-	12.229.040	37
Derivative financial instruments	89.385.881	-	-	-	89.385.881	12
Financial investments	-	-	347.741.699	-	347.741.699	7
Financial liabilities	**1.818.287.320**	**-**	**-**	**-**	**1.818.287.320**	
Financial liabilities	1.534.751.043	-	-	-	1.534.751.043	8
Trade payables	94.892.508	-	-	-	94.892.508	10
Due to related parties	187.086.430	-	-	-	187.086.430	37
Derivative financial instruments	1.557.339	-	-	-	1.557.339	12

Fair Value of Financial Instruments

	31 March 2016			
Financial assets	**Total**	**Category 1**	**Category 2**	**Category 3**
Financial assets available for sale	95.481.907	95.481.907	-	-
Derivative financial instruments	70.487.205	-	70.487.205	-
Total	**165.969.112**	**95.481.907**	**70.487.205**	**-**

	31 March 2016			
Financial liabilities	**Total**	**Category 1**	**Category 2**	**Category 3**
Derivative financial instruments	-	-	-	-
Total	**-**	**-**	**-**	**-**

	31 December 2015			
Financial assets	**Total**	**Category 1**	**Category 2**	**Category 3**
Financial assets available for sale	347.741.699	347.741.699	-	-
Derivative financial instruments	89.385.881	-	89.385.881	-
Total	**437.127.580**	**347.741.699**	**89.385.881**	**-**

	31 December 2015			
Financial liabilities	**Total**	**Category 1**	**Category 2**	**Category 3**
Derivative financial instruments	1.557.339	-	1.557.339	-
Total	**1.557.339**	**-**	**1.557.339**	**-**

39. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Continued)

The classification of the Group's financial assets and liabilities at fair value is as follows:

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

40. SUBSEQUENT EVENTS

None.

41. OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED FOR THE CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS

Approval of Financial Statements

The Group's consolidated financial statements at 31 March 2016 prepared in accordance with the Capital Markets Board's Communiqué Serial: II, No: 14.1, are reviewed by considering the opinion of the Audit Committee and it was concluded that the accompanying consolidated financial statements present fairly the consolidated balance sheet of the Group in accordance with the regulations issued by the Capital Markets Board and accounting policies applied by the Group. The accompanying financial statements are authorized by the Finance Director, Frederic Robert Colley, and the budget and finance controlling manager Sibel Koç Karacaoğlu, and approved for the public announcement by the Board of Directors on 10 May 2016.

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