

**KORDSA Teknik Tekstil A.Ş. and Its Subsidiaries**

CONVENIENCE TRANSLATION INTO ENGLISH  
OF THE CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE INTERIM PERIOD  
1 JANUARY - 30 JUNE 2017 TOGETHER WITH  
AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)



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### ***Review Report on Interim Condensed Financial Information***

To the Board of Directors of Kordsa Teknik Tekstil Anonim Şirketi,

#### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Kordsa Teknik Tekstil Anonim Şirketi (the "Company") and its subsidiaries (the "Group") as at 30 June 2016, the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

#### *Scope of Review*

We conducted our review in accordance with Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



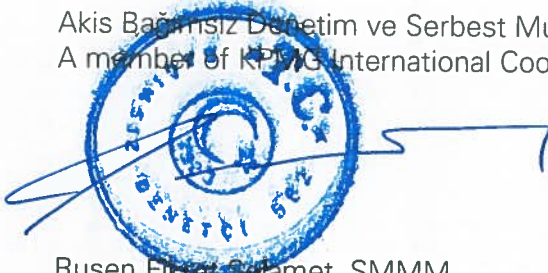
### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 *Interim Financial Reporting*.

### *Other Matter*

The consolidated financial statements of the Group as at and for the year ended 31 December 2016 and the condensed consolidated interim financial information of the Group as at and for the six-month period ended 30 June 2016 were audited and reviewed by another auditor who expressed an unqualified opinion and an unqualified conclusion on 20 February 2017 and 9 August 2016, respectively.

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



Ruşen Fikret Selamet, SMMM  
Partner  
31 June 2017  
İstanbul, Türkiye

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# KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES

## REVIEWED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

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

	Notes	Reviewed 30 June 2017	Audited 31 December 2016
<b>ASSETS</b>			
Cash and Cash Equivalents		49,435,757	38,578,445
Financial Investments		112,856	113,245
<i>Financial Assets Available for Sale</i>		112,856	113,245
Trade Receivables		478,327,369	372,220,309
<i>Trade Receivables from Related Parties</i>	17	21,410,771	20,944,786
<i>Trade Receivables from Third Parties</i>		456,916,598	351,275,523
Other Receivables	5	11,496,681	11,390,436
<i>Other Receivables from Third Parties</i>		11,496,681	11,390,436
Derivative Financial Instruments	18	-	1,221,515
<i>Derivative financial assets held for hedging</i>		-	1,221,515
Inventories	6	588,588,441	537,383,667
Prepayments		27,005,181	19,311,952
Other Current Assets		34,559,545	43,142,543
<b>SUB TOTAL</b>		<b>1,189,525,830</b>	<b>1,023,362,112</b>
Assets Held for Sale		16,943,483	21,780,383
<b>Current Assets</b>		<b>1,206,469,313</b>	<b>1,045,142,495</b>
Financial Investments		381,972	386,091
<i>Financial assets available for sales</i>		381,972	386,091
Other Receivables	5	20,558,910	20,378,723
Investment Property	8	39,985,756	40,123,712
Property, Plant and Equipment	7	1,230,141,914	1,215,832,426
Intangible Assets		78,659,572	76,157,412
<i>Goodwill</i>		45,595,167	45,595,167
<i>Other Intangible Assets</i>		33,064,405	30,562,245
Prepayments		71,589,277	76,467,521
Deferred Tax Assets	15	44,689,778	35,223,175
Other Non-Current Assets		32,150,695	33,962,562
<b>Non-Current Assets</b>		<b>1,518,157,874</b>	<b>1,498,531,622</b>
<b>Total Assets</b>		<b>2,724,627,187</b>	<b>2,543,674,117</b>

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

# KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES

## REVIEWED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

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

	Notes	Reviewed 30 June 2017	Audited 31 December 2016
<b>LIABILITIES</b>			
Short Term Borrowings	4	550,721,492	351,842,461
Short Term Portion of Long Term Borrowings	4	18,778,058	22,282,612
Trade Payables		280,836,894	284,235,131
<i>Trade Payables to Related Parties</i>	17	4,189,488	6,473,265
<i>Trade Payables to Third Parties</i>		276,647,406	277,761,866
Payables Related to Employee Benefits		7,118,998	5,240,913
Other Payables	5	13,033,831	13,434,699
Derivative Financial Instruments	18	6,544,505	-
<i>Derivative financial liabilities held for hedges</i>		6,544,505	-
Deferred Income		6,712,549	6,948,837
Income Tax Payables	15	3,342,117	3,911,647
Short Term Provisions		18,636,586	23,230,157
<i>Short Term Provisions for Employee Benefits</i>		18,588,526	23,182,097
<i>Other Short Term Provisions</i>		48,060	48,060
Other Current Liabilities		39,602,774	18,050,451
<b>SUB TOTAL</b>		<b>945,327,804</b>	<b>729,176,908</b>
Liabilities Held for Sale		11,974,853	11,718,193
<b>Current Liabilities</b>		<b>957,302,657</b>	<b>740,895,101</b>
Long Term Borrowings	4	104,984,859	160,882,339
Other Payables	5	14,635,498	14,150,921
Long Term Provisions		55,027,579	51,729,552
<i>Long Term Provisions for Employee Benefits</i>		55,027,579	51,729,552
Deferred Tax Liabilities	15	105,839,331	104,338,305
<b>Non-Current Liabilities</b>		<b>280,487,267</b>	<b>331,101,117</b>
<b>Total Liabilities</b>		<b>1,237,789,924</b>	<b>1,071,996,218</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Equity Attributable to Owners of the Company</b>		<b>1,160,211,718</b>	<b>1,154,127,343</b>
Share Capital		194,529,076	194,529,076
Share Premium		62,052,856	62,052,856
<b>Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss</b>		(7,682,977)	(6,589,713)
<i>Loss From Remeasurement of Defined Benefit Plan</i>		(7,682,977)	(6,589,713)
<b>Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss</b>		248,095,519	271,359,642
<i>Currency Translation Reserves</i>		253,589,639	270,641,212
<i>Cash Flow Hedge Reserve</i>		(5,223,969)	988,581
<i>Other Financial Assets Fair Value Reserve</i>		(270,151)	(270,151)
Restricted Reserves		54,948,350	46,763,317
Retained Earnings		520,164,823	442,931,364
Net Income for the Period		88,104,071	143,080,801
<b>Non-Controlling Interests</b>		<b>326,625,545</b>	<b>317,550,556</b>
<b>Total Equity</b>		<b>1,486,837,263</b>	<b>1,471,677,899</b>
<b>Total Liabilities and Equity</b>		<b>2,724,627,187</b>	<b>2,543,674,117</b>

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

# KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES

## REVIEWED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH ENDED PERIOD 30 JUNE 2017 AND 2016

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

	Notes	Reviewed 1 January- 30 June 2017	Not-reviewed 1 April- 30 June 2017	Reviewed 1 January- 30 June 2016	Not-reviewed 1 April- 30 June 2016
<b>PROFIT OR LOSS</b>					
Sales	10	1,239,157,072	607,913,240	960,446,638	472,734,797
Cost of Sales (-)	10	(996,657,539)	(501,852,242)	(760,280,000)	(369,649,920)
<b>GROSS PROFIT/ (LOSS)</b>		<b>242,499,533</b>	<b>106,060,998</b>	<b>200,166,638</b>	<b>103,084,877</b>
General and Administrative Expenses (-)	11	(48,555,941)	(21,987,637)	(40,080,746)	(19,663,278)
Marketing Expenses (-)	11	(47,963,405)	(24,060,848)	(38,806,344)	(20,231,080)
Research and Development Expenses (-)	11	(3,358,408)	(2,146,647)	(2,300,716)	(1,181,558)
Other Operating Income	12	63,831,930	15,277,681	102,241,877	59,959,813
Other Operating Expenses (-)	12	(54,714,486)	(17,801,266)	(96,376,153)	(61,219,909)
<b>OPERATING PROFIT/ (LOSS)</b>		<b>151,739,223</b>	<b>55,342,281</b>	<b>124,844,556</b>	<b>60,748,865</b>
Income From Investing Activities	13	8,746,964	4,436,823	4,089,570	656,619
Expenses From Investing Activities (-)	13	(252,433)	(248,694)	(1,753,287)	(28,166)
<b>OPERATING PROFIT/ (LOSS) BEFORE FINANCIAL EXPENSES</b>		<b>160,233,754</b>	<b>59,530,410</b>	<b>127,180,839</b>	<b>61,377,318</b>
Financial Income	14	-	-	13,565,447	6,555,021
Financial Expenses (-)	14	(23,466,060)	(10,678,966)	(12,107,717)	(5,275,119)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>136,767,694</b>	<b>48,851,444</b>	<b>128,638,569</b>	<b>62,657,220</b>
Tax Expense:		<b>(21,241,247)</b>	<b>(7,641,024)</b>	<b>(15,975,373)</b>	<b>(10,035,065)</b>
- Current Tax Expense	15	(25,110,849)	(13,309,043)	(17,023,686)	(9,790,803)
- Deferred Tax Benefit / (Expense)	15	3,869,602	5,668,019	1,048,313	(244,262)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>		<b>115,526,447</b>	<b>41,210,420</b>	<b>112,663,196</b>	<b>52,622,155</b>
<b>DISCONTINUED OPERATIONS</b>					
Net Loss From Discontinued Operations	19	(3,752,849)	(3,752,849)	(11,826,374)	(8,400,181)
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>111,773,598</b>	<b>37,457,571</b>	<b>100,836,822</b>	<b>44,221,974</b>
<b>NET PROFIT ATTRIBUTABLE TO:</b>					
- Non-Controlling Interests		23,669,527	10,493,807	13,277,347	7,165,172
- Owners of the Parent		88,104,071	26,963,764	87,559,475	37,056,802
Earnings per share	16	4.53	1.00	4.50	1.90
Earnings per share from continuing operations;	16	4.72	2.00	5.11	2.34
Loss per share from discontinuing operations;	16	(0.19)	-	(0.61)	(0.44)

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES****REVIEWED CONDENSED CONSOLIDATED STATEMENT OF OTHER  
COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD 30 JUNE 2017 AND 2016**  
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Reviewed 1 January- 30 June 2017	Not Reviewed 1 April- 30 June 2017	Reviewed 1 January- 30 June 2016	Not Reviewed 1 April- 30 June 2016
<b>PROFIT FOR THE PERIOD</b>	<b>111,773,598</b>	<b>37,457,571</b>	<b>100,836,822</b>	<b>44,221,974</b>
<b>Other Comprehensive Income:</b>				
<b>Income or Expenses That Will Not Be Reclassified to Profit or Loss</b>	<b>(1,093,264)</b>	<b>(536,559)</b>	<b>991,311</b>	<b>991,311</b>
Defined benefit plans remeasurement fund	(1,311,917)	(643,871)	991,311	991,311
Deferred tax income	218,653	107,312	-	-
<b>Income or Expenses That Will Be Reclassified to Profit or Loss</b>	<b>(21,346,068)</b>	<b>(60,980,814)</b>	<b>1,857,410</b>	<b>27,034,919</b>
Currency translation differences	(15,133,518)	(55,125,272)	8,067,586	24,780,871
Hedging reserve (loss) / gains	(7,765,688)	(7,322,270)	(7,762,720)	2,817,560
Tax benefit / (expense) related to other comprehensive income items (*)	1,553,138	1,466,728	1,552,544	(563,512)
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>	<b>(22,439,332)</b>	<b>(61,517,373)</b>	<b>2,848,721</b>	<b>28,026,230</b>
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE)</b>	<b>89,334,266</b>	<b>(24,059,802)</b>	<b>103,685,543</b>	<b>72,248,204</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
- Owners of the Parent	63,746,684	(13,925,612)	92,367,910	61,454,128
- Non-Controlling Interests	25,587,582	(10,134,190)	11,317,633	10,794,076

(\*)Tax expense related to other comprehensive income accounts consists of the deferred taxes of hedging reserves.

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



**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**REVIEWED CONDENSED CONSOLIDATED STATEMENT OF**  
**CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017 AND 2016**

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

	Share Capital	Share Premium	Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss				Retained Earnings				
			Revaluation and Remeasurement Gain / (Losses)	Currency Translation Reserves	Gains/(Losses) on Hedging Reserve	Gains/(Losses) on Financial Assets Fair Value Reserve	Restricted Reserves Appropriated From Profit	Retained Earnings	Net Income for The Period	Equity Attributable to Owners of The Company	Non-Controlling Interests	Total Equity
					Gains/(Losses) on Cashflow Hedges	Gains/(Losses) on Other Revaluation and Reclassification						
<b>1 January 2016</b>	<b>194,529,076</b>	<b>62,052,856</b>	<b>(6,546,696)</b>	<b>156,866,115</b>	<b>9,540,417</b>	<b>(270,151)</b>	<b>30,757,308</b>	<b>420,301,726</b>	<b>99,250,907</b>	<b>966,481,558</b>	<b>249,537,096</b>	<b>1,216,018,654</b>
Transfers	-	-	-	-	-	-	16,006,009	83,244,898	(99,250,907)	-	-	-
Total comprehensive income	-	-	991,311	10,073,722	(6,210,176)	-	-	-	87,559,475	92,414,332	11,317,633	103,731,965
Dividends paid(*)	-	-	-	-	-	-	-	(60,615,260)	-	(60,615,260)	(11,438,129)	(72,053,389)
<b>Balances at 30 June 2016</b>	<b>194,529,076</b>	<b>62,052,856</b>	<b>(5,555,385)</b>	<b>166,939,837</b>	<b>3,330,241</b>	<b>(270,151)</b>	<b>46,763,317</b>	<b>442,931,364</b>	<b>87,559,475</b>	<b>998,280,630</b>	<b>249,416,600</b>	<b>1,247,697,230</b>
<b>1 January 2017</b>	<b>194,529,076</b>	<b>62,052,856</b>	<b>(6,589,713)</b>	<b>270,641,212</b>	<b>988,581</b>	<b>(270,151)</b>	<b>46,763,317</b>	<b>442,931,364</b>	<b>143,080,801</b>	<b>1,154,127,343</b>	<b>317,550,556</b>	<b>1,471,677,899</b>
Transfers	-	-	-	-	-	-	8,185,033	134,895,768	(143,080,801)	-	-	-
Total comprehensive income	-	-	(1,093,264)	(17,051,573)	(6,212,550)	-	-	-	88,104,071	63,746,684	25,587,582	89,334,266
Dividends paid(**)	-	-	-	-	-	-	-	(57,662,309)	-	(57,662,309)	(16,512,593)	(74,174,902)
<b>Balances at 30 June 2017</b>	<b>194,529,076</b>	<b>62,052,856</b>	<b>(7,682,977)</b>	<b>253,589,639</b>	<b>(5,223,969)</b>	<b>(270,151)</b>	<b>54,948,350</b>	<b>520,164,823</b>	<b>88,104,071</b>	<b>1,160,211,718</b>	<b>326,625,545</b>	<b>1,486,837,263</b>

(\*) In accordance with the Ordinary General Assembly Meeting for 2015 of the Group held on 23 March 2016, the company distributed a dividend of 31.16% gross and 26.486% net profit to shareholders representing TL 194.529.076 of the capital in accordance with their legal status, amounting to TL 60.615.260. In accordance with the resolution, the dividend payment was made on 4 April 2016.

(\*\*) In accordance with the Ordinary General Assembly Meeting for 2016 of the Group held on 27 March 2017 the company distributed a dividend of 29.642 % gross and 25.1957 % net profit to shareholders representing TL 194.529.076 of the capital in accordance with their legal status, amounting to TL 57.662.309. In accordance with the resolution, the dividend payment was made on 10 April 2017.

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**REVIEWED CONDENSED CONSOLIDATED STATEMENT OF**  
**CASH FLOWS FOR THE SIX MONTH PERIOD 30 JUNE 2017 AND 2016**  
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Reviewed 1 January- 30 June 2017	Reviewed 1 January- 30 June 2016
<b>A. CASH FLOWS FROM BY OPERATING ACTIVITIES</b>		<b>39,441,933</b>	<b>186,879,230</b>
Profit/ (Loss) for the year		<b>111,773,598</b>	<b>100,836,822</b>
Profit/ (Loss) for the period from continuing operations		115,526,447	112,663,196
Profit/ (Loss) from discontinued operations		(3,752,849)	(11,826,374)
<b>Adjustments to reconcile profit / loss for the period</b>		<b>85,894,899</b>	<b>79,829,204</b>
Adjustments related to depreciation and amortization expenses	7	50,492,747	39,361,078
Adjustments related to impairment		(2,747,201)	4,781,345
<i>(Reversal of ) provision for doubtful receivables</i>		(840,557)	1,554,622
<i>(Reversal of ) provision for inventories</i>		(1,746,715)	3,226,717
<i>(Reversal of ) provision for impairment on property , plant and equipment</i>	6	(159,929)	6
Adjustments related provisions		17,113,058	12,050,159
<i>(Reversal of ) provision for employment benefits</i>		17,103,367	12,010,373
<i>Adjustments related to other provisions</i>		9,691	39,786
Adjustments related to interest (income) /expense		11,437,993	7,629,476
<i>Adjustments related to interest income</i>	13	(1,097,804)	(984,816)
<i>Adjustments related to interest expense</i>	14	14,578,079	10,402,340
<i>Adjustments related to unrealized finance expense on credit purchases</i>		3,666,615	1,862,269
<i>Adjustments related to unrealized finance income on credit sales</i>		(5,708,897)	(3,650,317)
Adjustments related to unrealized foreign exchange (gains) /losses		20,282	2,260,087
Adjustments related to fair value gains/ (losses)		(4,902,930)	(876,847)
<i>Adjustments related to fair value gains/ (losses) of derivative financial instruments</i>		(4,902,930)	(876,847)
Adjustments related to tax expense	15	21,241,247	15,975,373
Adjustments related to (gain) / loss on sale of non-current assets		(6,760,297)	(1,351,467)
<i>Adjustments related to (gain) / loss on sale of property , plant and equipment</i>		(6,760,297)	(1,351,467)
<b>Changes in working capital</b>		<b>(158,226,564)</b>	<b>6,213,204</b>
Adjustment related to (increase)/decrease in trade receivables		(105,369,144)	(60,180,634)
Adjustment related to (increase)/decrease in other receivables associated with operating activities		(8,185,591)	(7,836,356)
Change in derivative instruments		7,439,019	7,994,634
Adjustment related to (increase)/decrease in inventories		(49,481,817)	(46,055,752)
Changes in prepayments		(2,814,985)	(3,128,470)
Adjustment related to (increase)/decrease in trade payables		2,310,660	75,072,342
Adjustment related to (increase)/decrease in employee benefits		(2,715,487)	3,919,435
Adjustment related to (increase)/decrease in other payables associated with operating activities		484,577	813,184
Change in deferred income		(236,288)	1,064,568
Adjustment related to (increase)/decrease in working capital		29,621,275	35,308,798
<i>Changes in other assets related to operating activities</i>		13,706,683	26,324,320
<i>Changes in other liabilities related to operating activities</i>		15,914,592	8,984,478
Provision for employment termination benefits paid		(8,691,964)	(8,637,395)
Tax refund / payments		(25,680,379)	(12,986,841)
Net cash flows related to discontinued operations		5,093,560	20,865,691
<b>B.CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(61,192,582)</b>	<b>(72,020,742)</b>
Proceeds from sale property ,plant and equipment		7,289,674	1,609,410
Purchase of sale property ,plant, equipment and intangible assets		(69,580,060)	(74,614,968)
Interest received	13	1,097,804	984,816
<b>C.CASH FLOWS GENERATED FROM (USED IN ) FINANCING ACTIVITIES</b>		<b>50,285,637</b>	<b>(87,953,245)</b>
Cash inflow from borrowings		139,050,747	-
Cash outflow for repayment of borrowings		-	(5,399,784)
Cash outflow factoring financial debts		(12,129)	(97,732)
Dividends paid		(57,662,309)	(60,615,260)
Interest paid	14	(14,578,079)	(10,402,340)
Cash outflow for contributions (dividends) and other financial instruments		(16,512,593)	(11,438,129)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT BEFORE THE CURRENCY TRANSLATION DIFFERENCE IMPACT (A+B+C)</b>		<b>28,534,988</b>	<b>26,905,243</b>
<b>D. CURRENCY TRANSLATION DIFFERENCE IMPACT ON CASH AND CASH EQUIVALENTS</b>		<b>(17,677,676)</b>	<b>(4,289,698)</b>
<b>NET INCREASE, IN CASH AND CASH EQUIVALENT (A+B+C+D)</b>		<b>10,857,312</b>	<b>22,615,545</b>
<b>E. CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD</b>		<b>38,578,445</b>	<b>17,783,491</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>49,435,757</b>	<b>40,399,036</b>

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

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**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP**

Kordsa Teknik Tekstil Anonim Şirketi (“Kordsa” or the “Company”) was established in 1973 as a subsidiary of Hacı Ömer Sabancı Holding A.Ş. (“Sabancı Holding”) in İzmit district of Kocaeli city and is registered in Turkey. The Company operates under the Turkish Commercial Code.

The Company and its consolidated subsidiaries will be referred to as “Group”. The Group is mainly engaged in production of carcass and industrial fabrics included in the structure of vehicle tires, manufacture of industrial fabrics included in the structure of rubber and plastic materials such as transmission belts, V belts, rubber hoses etc., production of heavy denier fibre and connection fabrics, conversion of any type of yarn into cord fabric, fabric for mechanical rubber goods and other rubber reinforcement materials and the marketing thereof, production of Nylon 6, Nylon 6.6 and PET (Polyethylene-terephthalate) HMLS (High Modulus Low Shrinkage) polyester, and rayon heavy decitex yarn for use in tires and mechanical rubber goods; participating in capitals and management of every domestic and foreign company that is founded for mainly marketing, sales, import and export along with commercial and industrial infrastructure services, transportation services, mining, tourism and construction while providing these companies with the same management and behavioural principles to operate more efficiently, rationally and profitably, in accordance with and responding to the current conditions, creating competition conditions in favour of these companies.

Kordsa changed its name which was “ Kordsa Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret Anonim Şirketi”, to “Kordsa Teknik Tekstil Anonim Şirketi” in accordance with the decision made at the General Assembly for the year 2016 dated 27 March 2017. The change of the title has been registered by the Registry of Commerce of Kocaeli on 10 April 2017.

Kordsa is registered with the Capital Markets Board of Turkey (“CMB”) and its shares have been traded in Borsa Istanbul (“BIST”) since 1991. As of 30 June 2017, 28,89% of the Group shares are listed on BIST. As of the same date, the shareholders owning the Group shares and the percentage of the shares are as follows:

Shareholder Structure	Capital Share %	
	30 June 2017	31 December 2016
Hacı Ömer Sabancı Holding A.Ş.	71.11	71.11
Other	28.89	28.89
	<b>100.00</b>	<b>100.00</b>

Average number of employees of the Group is 3.893 (31 December 2016: 3.782).

The address of the registered office is as follows:

Kordsa Teknik Tekstil A.Ş.  
Alikahya Fatih Mah.  
Sanayici Cad.No:90  
41310 İzmit  
Kocaeli

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**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (cont’d)**

**Subsidiaries**

The subsidiaries included in the consolidation scope of the accompanying condensed consolidated financial statements, their country of incorporation, nature of business and their respective operating segments as at 30 June 2017 and 31 December 2016 are as follows:

**30 June 2017**

<b>Subsidiaries</b>	<b>Country</b>	<b>Geographical division</b>	<b>Area of activity</b>
Kordsa Inc.	United States of America	North America	Industrial yarn and cord fabric manufacture and trade
Kordsa Brezilya S.A.	Brazil	South America	Industrial yarn and cord fabric manufacture and trade
PT Indo Kordsa Tbk (*)	Indonesia	Asia	Industrial yarn and cord fabric manufacture and trade
PT Indo Kordsa Polyester (*)	Indonesia	Asia	Industrial yarn manufacture and trade
Thai Indo Kordsa Co., Ltd.	Thailand	Asia	Cord fabric manufacture and trade
Nile Kordsa Company SAE (**)	Egypt	Europe, Middle East and Africa	Cord fabric manufacture and trade

**31 December 2016**

<b>Subsidiaries</b>	<b>Country</b>	<b>Geographical division</b>	<b>Area of activity</b>
Kordsa Inc.	United States of America	North America	Industrial yarn and cord fabric manufacture and trade
PT Indo Kordsa Tbk (*)	Brazil	South America	Industrial yarn manufacture and trade
PT Indo Kordsa Polyester (*)	Indonesia	Asia	Industrial yarn and cord fabric manufacture and trade
Thai Indo Kordsa Co., Ltd.	Indonesia	Asia	Industrial yarn manufacture and trade
Thai Indo Kordsa Co., Ltd.	Thailand	Asia	Cord fabric manufacture and trade
Nile Kordsa Company SAE (**)	Egypt	Europe, Middle East and Africa	Cord fabric manufacture and trade

(\*) The Company’s shares are traded in Indonesia Stock Exchange (“IDX”).

(\*\*) In accordance with the Group’s Board of Directories’ decision numbered 2015/29 dated 31 December 2015, the assets and liabilities of Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH of which shares held by the Group by 51% and 100%, respectively, have been classified as “Assets/liabilities held for sale” in the condensed consolidated statement of financial position as of 31 December 2015.

**Approval of the Financial Statements**

These interim condensed consolidated financial statements have been approved to be issued at the Board of Directors’ Meeting held on 31 July 2017, and have been signed by the Chief Financial Officer and Chief Operating Officer of South America, Fatma Arzu Ergene, and Global Finance Manager, Serdar Samsun. The Company’s shareholders have the power to amend the consolidated financial statements after their issue.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

Statement of Compliance with TAS

The Company and its consolidated subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”) and Tax Legislation. The Company’s foreign entities maintain their books of account and prepare their statutory financial statements in accordance with the related legislation and generally accepted accounting principles applicable in the countries they operate.

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations (“TAS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The condensed consolidated interim financial statements are presented in accordance with the reporting templates promulgated by Capital Market Board of Turkey on 7 June 2013.

The Group issued the condensed financial statements as of 30 June 2017 in accordance with Turkish Accounting Standard No: 34 “Interim Financial Reporting”.

These condensed consolidated interim financial statements do not constitute solely an indicator for the yearend figures and do not include all the information and explanations required for full annual financial statements and should be read in conjunction with the Group’s last audited annual consolidated financial statements as at and for the year ended 31 December 2016.

Functional and Presentation Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which they operate (its functional currency). For the purpose of these condensed consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

Preparation of Financial Statements in Hyperinflationary Periods

In accordance with a decision taken by CMB numbered 11/367 on 17 March 2005, it has announced that inflation accounting is not effective for the entities operating in Turkey and preparing their financial statements in accordance with the TAS starting from 1 January 2005. Therefore, TAS 29 “Financial Reporting in Hyperinflationary Economies” has not been applied since 1 January 2005.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.1 Basis of Presentation (cont’d)**

Basis of Consolidation

The table below sets out all subsidiaries and shows their shareholding rates at 30 June 2017:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Group and its subsidiaries (%)</b>	<b>Proportion of effective interest (%)</b>
Nile Kordsa Company SAE	51,00	51,00
Kordsa, Inc.	100,00	100,00
Kordsa Brazil S.A.	97,31	97,31
PT Indo Kordsa Tbk(*)	60,48	60,48
PT Indo Kordsa Polyester	99,97	60,46
Thai Indo Kordsa Co. Ltd	64,19	38,82

(\*)Kordsa shares in PT Indo Kordsa Tbk increased to 60.48% from 60.21% per the share purchase agreement dated 26 May 2017.

The table below sets out all Subsidiaries and shows their shareholding rates at 31 December 2016:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Group and its subsidiaries (%)</b>	<b>Proportion of effective interest (%)</b>
Nile Kordsa Company SAE	51,00	51,00
Kordsa, Inc.	100,00	100,00
Kordsa Brazil S.A:	97,31	97,31
PT Indo Kordsa Tbk	60,21	60,21
PT Indo Kordsa Polyester	99,97	60,20
Thai Indo Kordsa	64,19	38,65

The accompanying condensed consolidated financial statements include the financial statements of the Group and entities controlled by the Group’s subsidiaries. The Group has control over an entity when

- the Group has power over the investee/assets,
- exposure, or rights, to variable returns from its involvement with the entity and
- the ability to use its power over the entity to affect the amount of the Group’s returns.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**

**2.1 Basis of Presentation (cont'd)**

Basis of Consolidation (cont'd)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to the control power, including:

- The comparison of voting rights held by the Group to those held by the other shareholders;
- Potential voting rights held by the Group and other shareholders;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.1 Basis of Presentation (cont’d)**

Basis of Consolidation (cont’d)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TASs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**2.2 Changes in Accounting Policies**

Significant changes in the accounting principles should be applied retrospectively and prior period consolidated financial statements should be restated.

**2.3 Changes in Accounting Estimates and Errors**

If the changes in accounting estimates are related with a period, they are applied in the period they are related with and if the changes are related with the future periods, they are applied both in the period the change is made and prospectively in the future periods. There are no significant changes in the accounting estimates for the current period.

Significant accounting errors should be applied retrospectively and prior period consolidated financial statements should be restated.



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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4 New and Revised Accounting and Reporting Standards**

a) Amendments to TAS affecting amounts reported and/or disclosures in the financial statements

None.

b) Standards and interpretations issued but not yet effective

**Standards issued but not yet effective and not early adopted as of 30 June 2017**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

**TFRS 15 Revenue from Contracts with Customers**

As issued in September 2016 by POA, the new standard replaces existing TFRS guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the group expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under TFRS. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 15.

**TFRS 9 Financial Instruments (2017 version)**

TFRS 9 *Financial Instruments*, has been published by POA in January 2017, replaces the existing guidance in TAS 39 *Financial Instruments: Recognition and Measurement*. This version includes referrals in earlier versions of TFRS 9 and revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from TAS 39. TFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 9.

***The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA***

The following standards, interpretations and amendments to existing International Financial Reporting Standards (“IFRS”) standards are issued by the IASB but not yet effective up to the date of issuance of the consolidated financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**Summary of significant accounting policies (cont’d)**

*The new standards, amendments and interpretations that are issued by IASB but not issued by POA (cont’d)*

**Amendments to IAS 7 *Statement of Cash Flows* – Disclosure Initiative**

IAS 7 Statement of Cash Flows has been amended as part of the IASB’s broader disclosure initiative to improve presentation and disclosure in consolidated financial statements. The amendments will require disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for periods beginning on or after 1 January 2017, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 7.

**Amendments to IAS 12 *Income Taxes*– Recognition of Deferred Tax Assets for Unrealized Losses**

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are effective for annual periods beginning on or after 1 January 2017. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 12.

**Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions**

IFRS 2 Share-Based Payment has been amended by IASB to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS 2.

***Annual Improvements to IFRSs 2014-2016 Cycle***

**Improvements to IFRSs**

The IASB issued Annual Improvements to IFRSs - 2014–2016 Cycle. The amendments are effective as of 1 January 2018. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

***Annual Improvements to IFRSs 2014-2016 Cycle***

***IFRS 1 “First Time Adoption of International Financial Reporting Standards”***

IFRS 1 is amended to clarify that the deletion of short-term exemptions for first-time adopters within the context of ‘Annual Improvements to IFRSs 2012-2014 Cycle’ related to disclosures for financial instruments, employee benefits and consolidation of investment entities.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**Summary of significant accounting policies (cont’d)**

*The new standards, amendments and interpretations that are issued by IASB but not issued by POA (cont’d)*

*IFRS 12 “Disclosure of Interests in Other Entities”*

The amendments clarify that the entity is not required to disclose summarized financial information for that subsidiary, joint venture or associate under the requirements of IFRS 12, when an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5.

*IAS 28 “Investments in Associates and Joint Ventures”*

The amendment enable when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9.

**IAS 40 – Transfers of Investment Property**

Amendments to IAS 40 - Transfers of Investment Property issued by IASB have been made to clarify uncertainty about that provide evidence of transfer of /from investment property to other asset groups. A change in management’s intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the statement of consolidated financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 40.

**IFRIC 22 – Foreign Currency Transactions and Advance Consideration**

On 8 December 2016, IASB issued IFRIC 22 Foreign Currency Transactions and Advance Consideration to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. This IFRIC is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 22.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**Summary of significant accounting policies (continued)**

**Standards and interpretations issued but not yet effective (continued)**

*The new standards, amendments and interpretations that are issued by IASB but not issued by POA (cont’d)*

IFRS 16 Leases

On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently changes to IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15 Revenue from Contracts with Customers. The group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.

IFRIC 23 –Uncertainty Over Income Tax Treatments

On 17 June 2017, IASB issued IFRIC 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company’s tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 23.

IFRS 17 –Insurance Contracts

The group does not expect that application of IFRS 17 will have significant impact on its consolidated financial statements.

**2.5 Summary of Significant Accounting Policies**

The condensed consolidated interim financial statements for the period ended on 30 June 2017 have been prepared in accordance with TAS 34, the standard on the preparation and presentation of interim period financial statements. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 31 December 2016 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2016. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2016.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.6 Critical Accounting Judgments, Estimates and Assumptions**

The preparation of condensed consolidated interim financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In preparing these condensed consolidated interim financial statements, the significant judgments and estimates made by the management in applying the Group’s accounting policies and the key sources of estimations and assumptions were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

**NOTE 3 - SEGMENT REPORTING**

The reportable geographical segments for segment reporting are as follows:

**a) Segment analysis for the period 1 January – 30 June 2017**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	453,771,765	216,560,915	175,943,195	392,881,197	-	1,239,157,072
Intersegment revenues	24,516,763	50,206,293	-	26,883,861	(101,606,917)	-
Revenues	478,288,528	266,767,208	175,943,195	419,765,058	(101,606,917)	1,239,157,072
Segment operating expenses	(398,300,727)	(289,071,610)	(166,426,836)	(345,233,228)	111,614,552	(1,087,417,849)
Segment operating result	79,987,801	(22,304,402)	9,516,359	74,531,830	10,007,635	151,739,223
<b>Operating Profit</b>						<b>151,739,223</b>

**b) Segment analysis for the period 1 April – 30 June 2017**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	224,218,812	107,603,995	80,159,188	195,931,245	-	607,913,240
Intersegment revenues	9,220,009	26,592,656	-	16,235,049	(52,047,714)	-
Revenues	233,438,821	134,196,651	80,159,188	212,166,294	(52,047,714)	607,913,240
Segment operating expenses	(205,952,902)	(146,914,683)	(80,075,708)	(175,603,825)	55,976,159	(552,570,959)
Segment operating result	27,485,919	(12,718,032)	83,480	36,562,469	3,928,445	55,342,281
<b>Operating Profit</b>						<b>55,342,281</b>

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**NOTE 3 - SEGMENT REPORTING (cont’d)**

**c) Segment analysis for the period 1 January – 30 June 2016**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	354,636,986	199,730,790	136,135,138	269,943,724	-	960,446,638
Intersegment revenues	14,963,604	14,414,808	-	33,396,107	(62,774,519)	-
Revenues	369,600,590	214,145,598	136,135,138	303,339,831	(62,774,519)	960,446,638
Segment operating expenses	(322,989,565)	(204,382,490)	(124,389,709)	(250,337,299)	66,496,981	(835,602,082)
Segment operating result	46,611,025	9,763,108	11,745,429	53,002,532	3,722,462	124,844,556
<b>Operating Profit</b>						<b>124,844,556</b>

**d) Segment analysis for the period 1 April – 30 June 2016**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	175,309,704	86,410,599	73,349,148	137,665,346	-	472,734,797
Intersegment revenues	9,210,522	9,055,105	-	20,475,883	(38,741,510)	-
Revenues	184,520,226	95,465,704	73,349,148	158,141,229	(38,741,510)	472,734,797
Segment operating expenses	(161,375,591)	(90,995,936)	(69,520,532)	(128,517,953)	38,424,080	(411,985,932)
Segment operating result	23,144,635	4,469,768	3,828,616	29,623,276	(317,430)	60,748,865
<b>Operating Profit</b>						<b>60,748,865</b>

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**NOTE 3 - SEGMENT REPORTING (cont’d)**

**e) Segment Assets**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Europe, Middle East and Africa	979,098,081	859,123,394
Asia	1,004,483,301	980,499,447
South America	293,039,595	286,690,211
North America	425,696,004	413,615,606
<b>Segment assets (*)</b>	<b>2,702,316,981</b>	<b>2,539,928,658</b>
Unallocated assets	28,708,282	16,935,139
Less: Intersegment eliminations	(6,398,076)	(13,189,680)
<b>Total assets per consolidated financial statements</b>	<b>2,724,627,187</b>	<b>2,543,674,117</b>

(\*) Segment assets comprise mainly of operating assets and exclude deferred tax assets, time deposits and finance income from available for sale financial assets.

The segment reporting in the basis of industry groups of reportable segments is as follows:

**a) External revenues**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
Fabric	951,269,522	464,024,526	725,812,460	366,755,237
Nylon Yarn	241,579,106	122,012,881	200,644,732	85,439,781
Other	46,308,444	21,875,833	33,989,446	20,539,779
	<b>1,239,157,072</b>	<b>607,913,240</b>	<b>960,446,638</b>	<b>472,734,797</b>

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**NOTE 4 - BORROWINGS**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Short-term borrowings	550,721,492	351,842,461
Short-term portion of long term borrowings	18,778,058	22,282,612
<b>Total short-term financial liabilities</b>	<b>569,499,550</b>	<b>374,125,073</b>
Long-term borrowings	104,984,859	160,882,339
<b>Total long-term financial liabilities</b>	<b>104,984,859</b>	<b>160,882,339</b>
<b>Total financial liabilities</b>	<b>674,484,409</b>	<b>535,007,412</b>

**Bank borrowings**

	<u>30 June 2017</u>		<u>31 December 2016</u>	
	Weighted average effective interest rate %	TL	Weighted average effective interest rate %	TL
<b>Short-term borrowings</b>				
TL borrowings	13.08	111,150,000	-	509,035
USD borrowings	2.91	99,696,497	3.28	40,977,154
Euro borrowings	0.98	320,615,345	0.87	300,600,124
Other (*)	10.00	19,259,650	10.25	9,756,148
		<b>550,721,492</b>		<b>351,842,461</b>
<b>Short-term portion of long-term borrowings</b>				
USD borrowings	5.01	18,778,058	5.06	22,282,612
		<b>18,778,058</b>		<b>22,282,612</b>
<b>Total short-term borrowings</b>		<b>569,499,550</b>		<b>374,125,073</b>
<b>Long-term borrowings</b>				
USD borrowings	5.01	71,624,204	5.06	96,612,195
Euro borrowings	3.10	14,811,100	3.10	60,619,766
Other borrowings (*)	10.50	18,549,555	10.50	3,650,378
<b>Total long-term borrowings</b>		<b>104,984,859</b>		<b>160,882,339</b>

(\*)Consist of Indonesian Rupee currency loans

The redemption schedules of borrowings are summarized below:

	<b>30 June 2017</b>	<b>31 December 2016</b>
1 to 2 years	36,283,165	83,024,271
2 to 3 years	21,842,529	19,615,337
3 to 4 years	21,585,899	19,615,340
4 to 5 years	23,548,358	35,991,060
Over 5 years	1,724,908	2,636,331
	<b>104,984,859</b>	<b>160,882,339</b>



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**NOTE 5 – OTHER RECEIVABLES AND PAYABLES**

	<b>30 June</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
<b>Other short-term receivables</b>		
Taxes and other duties (*)	10,727,102	7,255,050
Other	769,579	4,135,386
	<b>11,496,681</b>	<b>11,390,436</b>

	<b>30 June</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
<b>Other long-term receivables</b>		
Litigation guarantee receivables (**)	17,885,650	17,635,021
Other	2,673,260	2,743,702
	<b>20,558,910</b>	<b>20,378,723</b>

(\*) Taxes and other duties mainly comprise of Kordsa Brazil’s other tax receivables from tax incentives for the domestic production which are not collected yet.

(\*\*) This amount related to the guarantees paid to Brazilian courts for the lawsuits against Kordsa Brazil.

	<b>30 June</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
<b>Other short-term payables</b>		
Taxes and duties payable	12,693,289	11,514,964
Other	340,542	1,919,735
	<b>13,033,831</b>	<b>13,434,699</b>

	<b>30 June</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
<b>Other long-term payables</b>		
Taxes and duties payable (***)	14,635,498	14,150,921
	<b>14,635,498</b>	<b>14,150,921</b>

(\*\*\*) Taxes and duties payables mainly comprise of the employee and tax related law suits against Kordsa Brazil.

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**NOTE 6 – INVENTORIES**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Finished goods	250,949,272	270,269,888
Raw materials and supplies	193,903,138	132,633,052
Semi-finished goods	73,519,199	75,153,889
Spare parts	35,671,858	29,630,796
Intermediate goods	14,650,692	11,318,029
Other inventories	34,593,911	34,800,599
	<b>603,288,070</b>	<b>553,806,253</b>
Less: Provision for obsolescence	(14,699,629)	(16,422,586)
	<b>588,588,441</b>	<b>537,383,667</b>

Movement schedules for provision for obsolescence for the six month periods ended 30 June 2017 and 30 June 2016 are as follows:

	<b>1 January- 30 June 2017</b>	<b>1 January- 30 June 2016</b>
Balances at 1 January	16,422,586	11,715,477
Additions	1,838,407	4,742,408
Reversals	(3,585,122)	(1,515,692)
Currency translation differences	23,758	(721,440)
<b>Balance at 30 June</b>	<b>14,699,629</b>	<b>14,220,753</b>

The amount of provision for inventory obsolescence classified to cost of goods sold for the periods 30 June 2017 and 30 June 2016.

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**NOTE 7 – PROPERTY, PLANT AND EQUIPMENT**

The movement of property, plant and equipment for the six month periods ended 30 June 2017 is as follows:

	<b>1 January 2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency translation differences</b>	<b>30 June 2017</b>
<b>Cost:</b>						
Land and land improvements	73,609,189	-	(524,044)	-	609,035	73,694,180
Buildings	352,920,133	140,511	-	235,740	1,365,392	354,661,776
Machinery and equipment	1,989,454,268	9,646,267	(1,365,155)	34,048,548	(544,713)	2,031,239,215
Motor vehicles	3,368,246	-	-	7,407	(19,456)	3,356,197
Furniture and fixtures	67,704,965	50,282	(203,277)	4,956,410	(412,395)	72,095,985
Construction in progress	110,579,839	58,988,183	-	(46,607,700)	(1,257,478)	121,702,844
	<b>2,597,636,640</b>	<b>68,825,243</b>	<b>(2,092,476)</b>	<b>(7,359,595)</b>	<b>(259,615)</b>	<b>2,656,750,197</b>
<b>Accumulated depreciation:</b>						
Land improvements	31,270,820	386,580	(21,419)	-	(72,295)	31,563,686
Buildings	199,410,727	3,783,686	-	-	1,180,356	204,374,769
Machinery and equipment	1,097,674,702	40,101,799	(1,345,059)	-	(1,155,252)	1,135,276,190
Motor vehicles	2,865,247	129,690	-	-	(20,859)	2,974,078
Furniture and fixtures	50,582,718	2,339,282	(196,622)	-	(305,818)	52,419,560
	<b>1,381,804,214</b>	<b>46,741,037</b>	<b>(1,563,100)</b>	<b>-</b>	<b>(373,868)</b>	<b>1,426,608,283</b>
<b>Net book value</b>	<b>1,215,832,426</b>					<b>1,230,141,914</b>

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**NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (cont’d)**

The movement of property, plant and equipment for the six month periods ended 30 June 2016 is as follows:

	<b>1 January 2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency translation differences</b>	<b>30 June 2016</b>
<b>Cost:</b>						
Land and land improvements	67,742,656	-	(149,249)	-	243,467	67,836,874
Buildings	312,608,157	51,418	-	128,721	3,370,120	316,158,416
Machinery and equipment	1,688,749,258	5,287,423	(398,996)	7,997,004	32,091,303	1,733,725,992
Motor vehicles	3,554,077	-	(492,840)	-	92,951	3,154,188
Furniture and fixtures	53,754,289	47,041	(25,411)	1,535,431	2,927,069	58,238,419
Construction in progress	81,741,753	68,881,740	-	(9,851,969)	440,797	141,212,321
	<b>2,208,150,190</b>	<b>74,267,622</b>	<b>(1,066,496)</b>	<b>(190,813)</b>	<b>39,165,707</b>	<b>2,320,326,210</b>
<b>Accumulated depreciation:</b>						
Land improvements	27,713,224	325,824	-	-	(17,223)	28,021,825
Buildings	174,611,578	3,213,872	-	-	2,348,524	180,173,974
Machinery and equipment	918,092,164	30,699,865	(297,773)	-	21,119,033	969,613,289
Motor vehicles	2,717,971	221,462	(486,915)	-	137,739	2,590,257
Furniture and fixtures	39,912,949	1,723,159	(23,864)	-	1,674,942	43,287,186
	<b>1,163,047,886</b>	<b>36,184,182</b>	<b>(808,552)</b>	<b>-</b>	<b>25,263,015</b>	<b>1,223,686,531</b>
<b>Net book value</b>	<b>1,045,102,304</b>					<b>1,096,639,679</b>

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**NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (cont’d)**

TL 45.482.220 (30 June 2016: TL 35.858.890) of current period depreciation and amortisation expenses are included in cost of sales, TL 1.205.398 (30 June 2016: TL 664.553) is included in research and development expenses and TL 3.805.129 (30 June 2016: TL 2.837.627) is included in general administrative expenses.

**NOTE 8 – INVESTMENT PROPERTY**

Movement schedule of investment properties for the interim periods ended at 30 June 2017 and 30 June 2016 is as follows:

	30 June 2017	30 June 2016
<b>Balance at the beginning of the year</b>	<b>40,123,712</b>	<b>28,190,849</b>
Currency translation differences	(137,956)	(135,737)
<b>Closing balance</b>	<b>39,985,756</b>	<b>28,055,112</b>

Investment properties belongs to PT Indo Kordsa that is located in Asia Pacific Region.

**NOTE 9 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

Commitments and contingencies, from which the Group management does not anticipate any significant losses or liabilities are summarized below:

**a) Guarantees given**

	30 June 2017	31 December 2016
Pledges given to banks	233,083,122	225,433,754
Letter of guarantees	30,770,971	21,197,037
Letter of credits	59,932,980	4,374,489
Pledges	425,699	892,614
	<b>324,212,772</b>	<b>251,897,894</b>

**b) Guarantees received**

	30 June 2017	31 December 2016
Letter of guarantees	9,942,631	8,300,295
Cheques and notes received as collateral	757,456	752,455
	<b>10,700,087</b>	<b>9,052,750</b>

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**NOTE 9 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES ( cont'd)**

<b>30 June 2017</b>	<b>TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EUR</b>	<b>Thai Baht</b>	<b>Other TL Equivalent</b>
A. Total of GPMs given on behalf of own legal personality	324,212,773	17,717,248	78,401,632	5,316,000	4,230,500	-
B. Total of GPMs given on behalf of subsidiaries consolidated in full	-	-	-	-	-	-
C. GPM given for continuation of its economic activities on behalf of third parties	-	-	-	-	-	-
D.Total amount of other GPM	-	-	-	-	-	-
i. Total amount of GPM given on behalf of the majority shareholder	-	-	-	-	-	-
ii. Total amount of GPM given to on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of GPM given on behalf of third parties which are not in scope of clause C	-	-	-	-	-	-
	-	-	-	-	-	-
	324,212,773	17,717,248	78,401,632	5,316,000	4,230,500	-
<b>31 December 2016</b>	<b>TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EUR</b>	<b>Thai Baht</b>	<b>Other TL Equivalent</b>
A. Total of GPMs given on behalf of own legal personality	251,897,894	13,693,814	65,295,692	2,022,486	9,288,136	-
B. Total of GPMs given on behalf of subsidiaries consolidated in full	5,500,510	-	1,563,000	-	-	-
C. GPM given for continuation of its economic activities on behalf of third parties	-	-	-	-	-	-
D.Total amount of other GPM (*)	-	-	-	-	-	-
i. Total amount of GPM given on behalf of the majority shareholder	-	-	-	-	-	-
ii. Total amount of GPM given to on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of GPM given on behalf of third parties which are not in scope of clause C	-	-	-	-	-	-
	-	-	-	-	-	-
	257,398,404	13,693,814	66,858,692	2,022,486	9,288,136	-

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**NOTE 10 - SALES AND COST OF GOODS SOLD**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
Sales income (gross)	1,252,309,804	617,847,642	974,900,433	479,567,208
Sales returns (-)	(1,613,787)	(452,583)	(3,781,433)	(1,810,964)
Sales discounts (-)	(3,185,488)	(5,075,963)	(7,792,034)	(3,695,547)
Other sales discounts (-)	(8,353,457)	(4,405,856)	(2,880,328)	(1,325,900)
<b>Sales Income (Net)</b>	<b>1,239,157,072</b>	<b>607,913,240</b>	<b>960,446,638</b>	<b>472,734,797</b>
Cost of sales (-)	(996,657,539)	(501,852,242)	(760,280,000)	(369,649,920)
<b>Gross Profit</b>	<b>242,499,533</b>	<b>106,060,998</b>	<b>200,166,638</b>	<b>103,084,877</b>

**NOTE 11 - EXPENSES BY NATURE**

For the periods ended 30 June 2017 and 2016, expenses by nature of the general and administrative expenses, marketing expenses and research and development expenses, respectively, comprised the following:

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
Personnel expenses	35,866,222	13,710,678	28,786,073	14,806,999
Distribution expenses	29,734,803	14,697,573	21,344,433	10,951,583
Consultancy expenses	9,249,525	6,188,140	6,781,447	3,297,369
Depreciation and amortization expenses	5,010,527	2,605,487	3,502,190	1,776,278
Rent expenses	1,478,770	791,265	1,242,390	654,964
Service, maintenance expenses	1,408,507	784,892	1,240,198	731,564
Other	17,129,400	9,417,097	18,291,075	8,857,159
	<b>99,877,754</b>	<b>48,195,132</b>	<b>81,187,806</b>	<b>41,075,916</b>

**NOTE 12 - OTHER OPERATING INCOME AND EXPENSES**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Other operating income</b>				
Foreign exchange gains/ losses on trade receivables	41,522,648	5,444,309	85,702,321	52,115,024
Domestic production incentive income (*)	12,531,100	5,650,340	8,323,473	4,589,088
Unearned finance income on credit sales	5,708,897	3,379,566	3,650,317	1,893,665
Export incentive income	237,111	59,072	-	-
Rent income	135,739	71,369	75,421	34,211
Income from insurance claims	-	-	68,056	16,639
Other	3,696,435	673,025	4,422,289	1,311,186
	<b>63,831,930</b>	<b>15,277,681</b>	<b>102,241,877</b>	<b>59,959,813</b>

(\*) Domestic production incentive income refers to the Brazilian Subsidiary’s sales tax return income on finished goods produced and sold in its own country.

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**NOTE 12 - OTHER OPERATING INCOME AND EXPENSES (cont’d)**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Other operating expenses</b>				
Foreign exchange gains/ losses on trade payables	34,259,487	8,211,281	77,261,763	48,061,399
Donations	7,604,280	4,008,750	5,678,892	2,600,650
Taxes and duties	4,609,191	2,315,393	5,065,117	3,434,010
Late interest expenses	3,666,615	1,843,183	1,862,269	992,829
Other	4,574,913	1,422,659	6,508,112	6,131,021
	<b>54,714,486</b>	<b>17,801,266</b>	<b>96,376,153</b>	<b>61,219,909</b>

**NOTE 13 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Income from investing activities</b>				
Gain on sale of property, plant and equipment (*)	7,012,730	3,085,618	3,104,754	6,693
Interest income	1,734,234	1,351,205	984,816	649,926
	<b>8,746,964</b>	<b>4,436,823</b>	<b>4,089,570</b>	<b>656,619</b>

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Expenses from investing activities</b>				
Loss on sale of property, plant and equipment(**)	252,433	248,694	1,753,287	28,166
	<b>252,433</b>	<b>248,694</b>	<b>1,753,287</b>	<b>28,166</b>

(\*)Gain on sale of property, plant and equipment comprises of the gain on sale of the Group’s land located in İzmit that was not utilized for production as of 30 June 2017.

(\*\*) Loss on sale of property, plant and equipment comprises of the loss on sale of the Group’s machinery and equipment located in the Group’s İzmit facilities that was not utilized for production as of 30 June 2017.

**NOTE 14 - FINANCIAL INCOME/ EXPENSES**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Finance income</b>				
Foreign exchange gains	-	-	13,565,447	6,555,021
	-	-	<b>13,565,447</b>	<b>6,555,021</b>
<b>Finance expenses</b>				
Interest expenses	14,578,079	8,313,452	10,402,340	4,705,715
Foreign exchange losses	5,497,150	2,449,835	1,344,175	382,622
Derivative financial instruments	2,770,585	(210,716)	-	-
Other	620,246	126,395	361,202	186,782
	<b>23,466,060</b>	<b>10,678,966</b>	<b>12,107,717</b>	<b>5,275,119</b>



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**NOTE 15 - TAXATION ON INCOME**

**Corporate Tax**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Corporate tax payable	12,402,540	27,787,803
Less: Prepaid taxes on income	(9,060,423)	(23,876,156)
	<b>3,342,117</b>	<b>3,911,647</b>

Kordsa is subject to Turkish corporate taxes. Provision is made in the accompanying condensed consolidated financial statements for the estimated charge based on the Group’s results for the years and periods. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the condensed consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Corporate income tax is calculated on the statutory corporate income tax base, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes (carryforward losses, if any, and if utilized exemptions for investment incentives).

The taxes on income presented in the condensed consolidated statement of profit or loss for the periods ended 30 June 2017 and 2016 are summarized as follows:

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
Current period corporate tax expense	(25,110,849)	(13,309,043)	(17,023,686)	(9,790,803)
Deferred tax income / (expense)	3,869,602	5,668,019	1,048,313	(244,262)
	<b>(21,241,247)</b>	<b>(7,641,024)</b>	<b>(15,975,373)</b>	<b>(10,035,065)</b>

**Deferred Taxes**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Deferred tax assets	44,689,778	35,223,175
Deferred tax liabilities	(105,839,331)	(104,338,305)
Deferred tax liability (net)	<b>(61,149,553)</b>	<b>(69,115,130)</b>

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TAS and their statutory tax financial statements.

Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realised or settled based on the taxable income under the liability method are mentioned below:

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**NOTE 15 - TAXATION ON INCOME (cont’d)**

<b>Country</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
Turkey	20.0%	20.0%
Egypt	30.0%	30.0%
United States of America	35.0%	35.0%
Brasil	21.5%	21.5%
Indonesia	25.0%	25.0%
Thailand	20.0%	20.0%

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided at 30 June 2017 and 31 December 2016 using the enacted tax rates are as follows:

	<u>Cumulative temporary differences</u>		<u>Deferred tax assets/(liabilities)</u>	
	<b>30 June 2017</b>	<b>31 December 2016</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
Provision for employment termination benefits	50,974,427	59,489,466	10,792,734	13,078,606
Inventories	8,763,975	15,419,861	2,495,371	4,473,861
Doubtful receivable provision	874	820,160	330	309,529
Consignment sales adjustment	1,052,334	4,350,419	300,467	870,084
Finance income	1,009,992	466,935	201,998	93,387
Other	94,943,007	52,631,674	30,898,878	16,397,708
<b>Deferred tax assets</b>			<b>44,689,778</b>	<b>35,223,175</b>
Property, plant and equipment and intangibles	215,575,317	231,375,290	(85,219,020)	(88,692,405)
Other	103,101,555	78,229,501	(20,620,311)	(15,645,900)
<b>Deferred tax liability</b>			<b>(105,839,331)</b>	<b>(104,338,305)</b>
<b>Net deferred tax liability</b>			<b>(61,149,553)</b>	<b>(69,115,130)</b>

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**NOTE 15 - TAXATION ON INCOME (cont’d)**

Movements of deferred tax balances as of 30 June 2017 and 2016 are as follows:

	<b>1 January- 30 June 2017</b>	<b>1 January- 30 June 2016</b>
<b>Balances at 1 January</b>	<b>(69,115,130)</b>	<b>(54,339,109)</b>
Current year deferred tax income / (expense) - net	3,869,602	1,048,313
Attributable to equity	1,553,138	1,552,544
Currency translation differences	2,542,837	590,887
<b>Balances at 30 June</b>	<b>(61,149,553)</b>	<b>(51,147,365)</b>

**NOTE 16 – EARNING PER SHARE**

Earnings per share for each class of share disclosed in the condensed consolidated statement of profit or loss is determined by dividing the net income attributable to that class of share by the weighted average number of shares of that class outstanding during the year.

	<b>1 January- 30 June 2017</b>	<b>1 January- 30 June 2016</b>
Net income attributable to equity holders of the parent	88,104,071	87,559,475
Weighted average number of ordinary shares	19,452,907,600	19,452,907,600
Per 1.000 units of common stocks	4.53	4.50
Earning per share from continuing operations		
Net income attributable to equity holders of the parent	91,856,920	99,385,849
Weighted average number of ordinary shares	19,452,907,600	19,452,907,600
Per 1.000 units of common stocks	4.72	5.11
Earning per share from discontinuing operations		
Net income attributable to equity holders of the parent	(3,752,849)	(11,826,374)
Weighted average number of ordinary shares	19,452,907,600	19,452,907,600
Per 1.000 units of common stocks	(0.19)	(0.61)

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**NOTE 17 – RELATED PARTY DISCLOSURES**

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Bank balances:</b>		
Akbank T.A.Ş. – demand deposits	135,503	96,253
	<b>135,503</b>	<b>96,253</b>

	<b>30 June 2017</b>	<b>31 December 2016</b>
Akbank T.A.Ş. – bank borrowings	44,811,100	60,619,766
	<b>44,811,100</b>	<b>60,619,766</b>

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Due from related parties:</b>		
Brisa Bridgestone Sabancı Lastik Sanayi ve Tic. A.Ş. (“Brisa”)	20,936,972	20,291,969
Enerjisa Enerji Üretim A.Ş. (“Enerjisa”)	127,013	61,092
Hacı Ömer Sabancı Holding A.Ş.	116,576	-
Aksigorta A.Ş.	104,755	77,775
Sabancı Üniversitesi	99,134	488,403
Bimsa	23,310	21,933
Akbank A.Ş.	3,011	3,614
	<b>21,410,771</b>	<b>20,944,786</b>

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Due to related parties:</b>		
Enerjisa Enerji Üretim A.Ş. (“Enerjisa”)	3,257,275	3,883,122
Bimsa	932,213	718,024
Enerjisa Doğalgaz Toptan Satış A.Ş. (“Gasco”)	-	1,758,105
Temsa Global Sanayi ve Ticaret A.Ş. (“Temsa”)	-	47,178
Brisa	-	42,831
Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)	-	15,239
Hacı Ömer Sabancı Holding A.Ş.	-	8,282
Aksigorta A.Ş.	-	484
	<b>4,189,488</b>	<b>6,473,265</b>

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Product sales</b>				
Brisa	35,340,987	17,563,449	30,528,480	14,984,984
	<b>35,340,987</b>	<b>17,563,449</b>	<b>30,528,480</b>	<b>14,984,984</b>

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**NOTE 17 – RELATED PARTY DISCLOSURES (cont'd)**

	<b>1 January- 30 June 2017</b>	<b>1 April- 30 June 2017</b>	<b>1 January- 30 June 2016</b>	<b>1 April- 30 June 2016</b>
<b>Product purchases</b>				
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	23,169,676	11,126,063	22,653,714	11,422,021
Bimsa Ulus.İs, Bilgi ve Yon. Sis.i A.S	2,010	2,010	-	-
Enerjisa Doğalgaz Toptan Satış A.Ş. ("Gasco")	-	-	8,636,456	4,115,619
	<b>23,171,686</b>	<b>11,128,073</b>	<b>31,290,170</b>	<b>15,537,640</b>
<b>Services received</b>				
Aksigorta	6,369,452	1,272,845	3,283,453	7,878
Bimsa	2,532,958	1,577,366	2,428,271	1,565,960
Sabancı Üniversitesi	515,638	448,297	274,981	140,750
AvivaSA Emeklilik ve Hayat A.Ş.	520,999	-	651,975	6,097
Diğer	419,559	-	43,409	29,584
	<b>10,358,606</b>	<b>3,298,508</b>	<b>6,682,089</b>	<b>1,750,269</b>
<b>Property, plant and equipment purchases</b>				
Bimsa	167,639	-	227,260	47,315
Teknosa	-	-	1,282	1,282
	<b>167,639</b>	<b>-</b>	<b>228,542</b>	<b>48,597</b>
<b>Interest income</b>				
Akbank T.A.Ş.	476,488	281,637	184,237	168,475
<b>Interest expense</b>				
Akbank T.A.Ş.	2,806,072	1,416,176	1,543,153	932,752
<b>Foreign exchange gains / (losses) - net</b>				
Akbank T.A.Ş.	3,314	-	486,017	136,593
<b>Rent expense</b>				
Sabancı Holding	-	-	179,790	89,895
<b>Rent income</b>				
Bimsa	29,858	11,943	27,333	10,933
<b>Donations</b>				
Sabancı Üniversitesi	7,500,000	7,500,000	5,600,000	2,600,000

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**NOTE 17 – RELATED PARTY DISCLOSURES (cont’d)**

**Remunerations:**

The Group defined its top management as board of directors, the president (CEO) and vice presidents, and the general managers of the subsidiaries.

Details of the remunerations provided by the Group for 30 June 2017 and 2016 are as follows:

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Short-term employee benefits	5,897,442	2,792,877	6,066,340	3,227,345
Other long-term benefits	54,021	25,906	60,713	31,547
Post-employment benefits	182,728	72,411	108,811	65,810
	<b>6,134,191</b>	<b>2,891,194</b>	<b>6,235,864</b>	<b>3,324,702</b>

**Security and guarantee letters given:**

**30 June 2017**

Related parties	Amount	Currency	Detail	Bank
Kordsa Brazil	-	-	-	-

**31 December 2016**

Related parties	Amount	Currency	Detail	Bank
Kordsa Brazil	1,563,000	USD	Loan Guarantee	IFC

**NOTE 18 - FOREIGN CURRENCY RISK AND POSITION**

**Foreign exchange risk**

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Turkish Lira. Foreign Exchange risk is monitored with an analysis of foreign exchange positions.

Foreign currency position

Group’s assets and liabilities denominated in foreign currencies at 30 June 2017 and 31 December 2016 are as follows:

	30 June 2017	31 December 2016
Assets	530,628,273	468,729,556
Liabilities	(667,351,824)	(629,313,191)
<b>Net foreign currency position</b>	<b>(136,723,551)</b>	<b>(160,583,635)</b>

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**NOTE 18 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

30 June 2017	Total TL equivalent	USD (*)	EUR (*)	Thai Baht (*)	Indonesian Rupiah ('000) (*)	Brazilian Real (*)	Other TL Equivalent
<b>Assets:</b>							
Trade receivables	426,369,581	57,931,728	32,021,048	407,757,665	-	51,412,165	-
Cash and cash equivalent	48,512,013	6,561,660	17,407	231,087,868	2,920,048	762,850	2,564
Other monetary receivables and assets	4,135,384	1,069,940	-	140	377,985	267,379	-
Other non-monetary receivables and assets	31,481,232	1,508,081	745	23,104,950	48,493,743	10,409,659	-
<b>Current assets</b>	<b>510,498,210</b>	<b>67,071,409</b>	<b>32,039,200</b>	<b>661,950,623</b>	<b>51,791,776</b>	<b>62,852,053</b>	<b>2,564</b>
Financial assets available for sale	112,856	32,179	-	-	-	-	-
Other monetary receivables and assets	20,017,207	(81,017)	-	615,000	-	19,090,110	-
<b>Non-current assets</b>	<b>20,130,063</b>	<b>(48,838)</b>	<b>-</b>	<b>615,000</b>	<b>-</b>	<b>19,090,110</b>	<b>-</b>
<b>Total assets</b>	<b>530,628,273</b>	<b>67,022,571</b>	<b>32,039,200</b>	<b>662,565,623</b>	<b>51,791,776</b>	<b>81,942,163</b>	<b>2,564</b>
<b>Liabilities:</b>							
Trade payables	234,668,823	52,792,509	8,393,036	28,715,848	10,511,094	6,120,968	3,408,047
Borrowings	457,838,415	33,697,391	80,093,766	-	72,319,996	-	-
Other monetary payables and liabilities	73,487,120	7,021,497	-	336,867,890	6,474,586	11,687,533	-
<b>Total short-term liabilities</b>	<b>765,994,358</b>	<b>93,511,397</b>	<b>88,486,802</b>	<b>365,583,738</b>	<b>89,305,676</b>	<b>17,808,501</b>	<b>3,408,047</b>
Borrowings	104,983,373	20,422,189	8,333,908	-	70,446,025	-	-
Other monetary payables and liabilities	14,635,498	3,432,914	-	38,471,844	-	13,805,468	-
<b>Total long-term liabilities</b>	<b>119,618,871</b>	<b>23,855,103</b>	<b>8,333,908</b>	<b>38,471,844</b>	<b>70,446,025</b>	<b>13,805,468</b>	<b>-</b>
<b>Total liabilities</b>	<b>885,613,229</b>	<b>117,366,500</b>	<b>96,820,710</b>	<b>404,055,582</b>	<b>159,751,701</b>	<b>31,613,969</b>	<b>3,408,047</b>
Fair value of financial instruments used for foreign currency hedge	(6,544,505)	(1,866,073)	-	-	-	-	-
Hedged portion of foreign currency liabilities	224,805,910	181,891	56,000,000	-	-	-	-
<b>Net foreign currency asset / (liability) position</b>	<b>(136,723,551)</b>	<b>(52,028,111)</b>	<b>(8,781,510)</b>	<b>258,510,041</b>	<b>(107,959,925)</b>	<b>50,328,194</b>	<b>(3,405,483)</b>
<b>Monetary items net foreign currency asset / (liability) position</b>	<b>(386,466,188)</b>	<b>(51,852,010)</b>	<b>(64,782,255)</b>	<b>235,405,091</b>	<b>(156,453,668)</b>	<b>39,918,535</b>	<b>(3,405,483)</b>

(\*) The amounts are denominated in the related currency.

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31 December 2016	Total TL equivalent	USD (*)	EUR (*)	Thai Baht (*)	Indonesian Rupiah ('000) (*)	Brazilian Real (*)	Other TL Equivalent
<b>Assets:</b>							
Trade receivables	347,803,811	41,893,437	23,518,381	311,991,884	85,158,384	50,300,644	-
Cash and cash equivalent	38,523,509	5,368,980	15,426	146,365,032	4,806,689	3,643,909	2,465
Other monetary receivables and assets	4,135,384	1,066,261	-	148	379,994	262,505	-
Other non-monetary receivables and assets	36,184,497	2,552,199	261,489	21,148,287	68,861,500	5,649,821	18,429
<b>Current assets</b>	<b>426,647,201</b>	<b>50,880,877</b>	<b>23,795,296</b>	<b>479,505,351</b>	<b>159,206,567</b>	<b>59,856,879</b>	<b>20,894</b>
Financial assets available for sale	113,245	32,179	-	-	-	-	-
Other monetary receivables and assets	40,747,596	5,347,671	22,223	615,000	6,618,352	18,569,724	-
<b>Non-current assets</b>	<b>40,860,841</b>	<b>5,379,850</b>	<b>22,223</b>	<b>615,000</b>	<b>6,618,352</b>	<b>18,569,724</b>	<b>-</b>
<b>Total assets</b>	<b>467,508,042</b>	<b>56,260,727</b>	<b>23,817,519</b>	<b>480,120,351</b>	<b>165,824,919</b>	<b>78,426,603</b>	<b>20,894</b>
<b>Liabilities:</b>							
Trade payables	249,616,695	57,845,554	7,073,442	16,743,348	32,242,959	6,997,703	1,876,685
Borrowings	373,863,859	17,975,619	81,026,476	-	38,194,281	-	-
Other monetary payables and liabilities	40,416,888	4,393,015	9,711	72,696,230	18,756,830	11,854,058	67,978
<b>Total short-term liabilities</b>	<b>663,897,442</b>	<b>80,214,188</b>	<b>88,109,629</b>	<b>89,439,578</b>	<b>89,194,070</b>	<b>18,851,761</b>	<b>1,944,663</b>
Borrowings	160,880,853	27,452,457	17,323,956	-	13,936,826	-	-
Other monetary payables and liabilities	14,150,921	3,449,165	-	37,835,724	-	13,105,042	-
<b>Total long-term liabilities</b>	<b>175,031,774</b>	<b>30,901,622</b>	<b>17,323,956</b>	<b>37,835,724</b>	<b>13,936,826</b>	<b>13,105,042</b>	<b>-</b>
<b>Total liabilities</b>	<b>838,929,216</b>	<b>111,115,810</b>	<b>105,433,585</b>	<b>127,275,302</b>	<b>103,130,896</b>	<b>31,956,803</b>	<b>1,944,663</b>
Fair value of financial instruments used for foreign currency hedge	1,221,514	347,100	-	-	-	-	-
Hedged portion of foreign currency liabilities	208,394,511	181,891	56,000,000	-	-	-	-
<b>Net foreign currency asset / (liability) position</b>	<b>(161,805,149)</b>	<b>(54,326,092)</b>	<b>(25,616,066)</b>	<b>352,845,049</b>	<b>62,694,023</b>	<b>46,469,800</b>	<b>(1,923,769)</b>
<b>Monetary items net foreign currency asset / (liability) position</b>	<b>(407,605,671)</b>	<b>(57,407,282)</b>	<b>(81,877,555)</b>	<b>331,696,762</b>	<b>(6,167,477)</b>	<b>40,819,979</b>	<b>(1,942,198)</b>

(\*) The amounts are denominated in the related currency.



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**NOTE 18 - FOREIGN CURRENCY RISK AND POSITION (cont’d)**

TL equivalents of the foreign currencies where the group operates are as follows:

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Closing rates</b>		
Usd	3.5071	3.5192
Euro	4.0030	3.7099
Indonesian Rupiah (1000 units)	0.2633	0.2619
Brazilian Real	1.0601	1.0798
Thai Baht	0.1032	0.0982
Egyptian Pound	0.1939	0.1897
<b>Average rates</b>		
	<b>30 June 2016</b>	<b>31 December 2015</b>
Usd	3.6367	2.9185
Euro	3.9308	3.2562
Indonesian Rupiah (1000 units)	0.2735	0.2174
Brazilian Real	1.1442	0.7867
Thai Baht	0.1048	0.0823
Egyptian Pound	0.2085	0.3727

A change of the TL against the other currencies below would have effect the condensed consolidated financial statement as of 30 June 2017 and 31 December 2016 as follows:

	<b>Profit/Loss</b>		<b>Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>30 June 2017</b>				
Change in USD against TL by 10%				
USD net assets/liabilities	(13,745,294)	13,745,294	38,256,303	(38,256,303)
Hedged USD (-)	-	-	-	-
<b>USD net effect</b>	<b>(13,745,294)</b>	<b>13,745,294</b>	<b>38,256,303</b>	<b>(38,256,303)</b>
Change in EURO against TL by 10%				
Euro net assets/liabilities	(1,427,060)	1,427,060	-	-
Hedged Euro (-)	-	-	-	-
<b>Euro net effect</b>	<b>(1,427,060)</b>	<b>1,427,060</b>	<b>-</b>	<b>-</b>
Change in other currency against TL by 10%				
Other currency net assets/liabilities	116,992	(116,992)	-	-
Hedged other currency (-)	-	-	-	-
<b>Other currency net effect</b>	<b>116,992</b>	<b>(116,992)</b>	<b>-</b>	<b>-</b>
	<b>(15,055,362)</b>	<b>15,055,362</b>	<b>38,256,303</b>	<b>(38,256,303)</b>

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**NOTE 18 - FOREIGN CURRENCY RISK AND POSITION (cont’d)**

31 December 2016

	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets/liabilities	(6,684,888)	6,684,888	39,422,359	(39,422,359)
Hedged USD (-)	-	-	-	-
<b>USD net effect</b>	<b>(6,684,888)</b>	<b>6,684,888</b>	<b>39,422,359</b>	<b>(39,422,359)</b>
Change in EURO against TL by 10%				
Euro net assets/liabilities	(7,867,349)	7,867,349	-	-
Hedged Euro (-)	-	-	-	-
<b>Euro net effect</b>	<b>(7,867,349)</b>	<b>7,867,349</b>	<b>-</b>	<b>-</b>
Change in other currency against TL by 10%				
Other currency net assets/liabilities	1,769,679	(1,769,679)	-	-
Hedged other currency (-)	-	-	-	-
<b>Other currency net effect</b>	<b>1,769,679</b>	<b>(1,769,679)</b>	<b>-</b>	<b>-</b>
	<b>(12,782,558)</b>	<b>12,782,558</b>	<b>39,422,359</b>	<b>(39,422,359)</b>

Export and import balances from Turkey as of 30 June 2017 and 2016 is as follows:

	30 June 2017		30 June 2016	
	Original balance	TL	Original balance	TL
Euro	68,332,229	268,483,924	63,980,063	208,108,739
US Dollars	34,544,607	125,796,083	38,939,970	113,758,096
<b>Total export</b>		<b>394,280,007</b>		<b>321,866,835</b>
			<b>1 January-30 June 2017</b>	<b>1 January-30 June 2016</b>
Import			285,522,334	206,200,785

***Derivative financial instruments***

The Group entered into foreign currency forward transactions with due date 2017 in order to manage the risks emerging from the sales transactions which are expected to occur within 6 months following the reporting date. The carrying values of the items hedged against the non-financial risk will be adjusted once the expected sales will take place.

The Group also uses fair value hedge with its derivative portfolio to hedge its trade receivables and payables from the effects of the exchange rate differences in the markets. According to this, the net-off figures of the exchange rate change in the balance sheet and the exchange rate change of the derivative portfolio are presented in the income statement and the effectiveness of the hedge accounting is evaluated at each reporting date.

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**NOTE 18 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

<b>30 June 2017</b>	<b>Average Rate</b>	<b>Foreign Currency (TL)</b>	<b>Contract Value (TL)</b>	<b>Fair Value (TL)</b>
USD buy Euro sell				
less than 3 months	1.0835	48,036,000	13,001,800	(2,677,236)
between 3-6 months	1.0858	36,027,000	10,323,900	(1,995,158)
				<b>(6,544,505)</b>
<b>31 December 2016</b>	<b>Average Rate</b>	<b>Foreign Currency (TL)</b>	<b>Contract Value (TL)</b>	<b>Fair Value (TL)</b>
USD buy Euro sell				
less than 3 months	1.1261	11,129,700	3,378,400	736,621
between 3-6 months	1.1296	7,419,800	2,259,100	484,894
				<b>1,221,515</b>

**Hedging reserve movement table**

	<b>1 January- 30 June 2017</b>	<b>1 January- 30 June 2016</b>
<b>Balances at 1 January</b>	<b>988,581</b>	<b>9,540,417</b>
Increases/ decreases	(7,714,307)	(3,983,847)
Income tax related to gains / losses recognized in other comprehensive income	1,553,138	1,552,544
Foreign currency translation differences	(51,381)	(3,778,873)
<b>Balances at 30 June</b>	<b>(5,223,969)</b>	<b>3,330,241</b>

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**NOTE 18 - FOREIGN CURRENCY RISK AND POSITION (cont’d)**

Hedges of net investments in foreign operations:

When a derivative (or a non-derivative financial liability) is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in other comprehensive income, and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in equity is removed and included in profit or loss on disposal of the foreign operations.

The Company applied a net investment hedge accounting on the net investment in its foreign subsidiaries and the USD dominated borrowings in other subsidiaries.

The Company accounted for the foreign exchange losses arising from the related borrowings amounting to TL 17.593.427 (31 December 2016: TL 21.813.684) under “Currency Translation Reserves” under the equity in accordance with TAS 39 and TFRS Interpretation 16.

**NOTE 19 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

Net loss amounting to TL 3.752.849 for the six month period ended 30 June 2017 presented in the condensed consolidated profit or loss comprises the loss from Nile Kordsa .

Net loss amounting to TL 11.826.374 for the six month period ended 30 June 2017 presented in the condensed consolidated profit or loss comprises of the losses amounting to TL 7.330.465 and TL 4.495.909 from Nile Kordsa and Interkordsa, respectively.

**NOTE 20 - INTEREST IN OTHER ENTITIES**

Financial information in respect of each of the Group’s subsidiaries that has material non-controlling interests is set out below:

Subsidiary	30 June 2017			
	Non-controlling interests %	Profit/ (loss) allocated to non-controlling interests	Net profit/ loss attributable to non-controlling interests	Dividend distributed to non-controlling interests
PT Indo Kordsa Tbk (*)	39.52%	27,628,219	320,300,444	16,512,593
Other		(3,958,694)	6,325,101	
<b>Total</b>		<b>23,669,525</b>	<b>326,625,545</b>	

Subsidiary	31 December 2016			
	Non-controlling interests %	Profit/ (loss) allocated to non-controlling interests	Net profit/ loss attributable to non-controlling interests	Dividend distributed to non-controlling interests
PT Indo Kordsa Tbk (*)	39.79%	40,575,498	309,527,602	15,358,848
Other		(5,543,428)	8,022,954	
<b>Total</b>		<b>35,032,070</b>	<b>317,550,556</b>	

(\*) Consists of consolidated financial statements of PT Indo Kordsa Tbk, PT Indo Kordsa Polyester and Thai Indo Kordsa Co., Ltd.

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**NOTE 20 - INTEREST IN OTHER ENTITIES (cont'd)**

**Summary Balance Sheet Information**

	<b>PT Indo Kordsa Tbk</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>
Cash and cash equivalents	47,519,692	34,484,144
Other current assets	317,820,085	304,410,604
Non-current assets	658,672,247	671,070,440
<b>Total assets</b>	<b>1,024,012,024</b>	<b>1,009,965,188</b>
Short-term borrowings	84,720,153	43,002,199
Other short-term liabilities	85,883,273	131,771,556
Long-term borrowings	90,172,957	100,261,830
Other long-term liabilities	50,400,108	52,641,278
<b>Total liabilities</b>	<b>311,176,491</b>	<b>327,676,863</b>
<b>Total equity</b>	<b>712,835,530</b>	<b>682,288,325</b>
<b>Equity attributable to owners of the parent</b>	<b>649,032,880</b>	<b>619,101,018</b>
<b>Non-controlling interests (**)</b>	<b>63,802,650</b>	<b>63,187,307</b>

**Summary of the profit or loss statement information**

	<b>PT Indo Kordsa Tbk</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>
Sales	419,477,307	303,252,541
Cost of sales	(304,000,185)	(217,242,220)
Depreciation and amortization	(18,821,011)	(15,413,166)
Operating profit/ (loss)	74,543,252	52,962,979
Net financial income/ (expense)	(4,633,791)	(5,465,729)
Profit/ (loss) before tax	69,909,461	47,497,251
Tax expenses	(16,482,301)	(13,656,130)
Minority interests	(25,483,799)	(15,982,361)
Profit for the period	27,943,361	17,858,760

(\*\*) Resulting from the consolidation of Thai Indo Kordsa Co., Ltd. under PT Indo Kordsa Tbk.

**NOTE 21 – EVENTS AFTER THE REPORTING PERIOD**

None.