

**SASA POLYESTER
SANAYİ A.Ş. AND ITS SUBSIDIARY**

CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS'
REVIEW REPORT FOR THE INTERIM PERIOD
1 JANUARY- 30 JUNE 2017

*(REPORT ON REVIEW OF CONDENSED INTERIM
FINANCIAL INFORMATION ORIGINALLY
ISSUED IN TURKISH)*

**CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH**

**REVIEW REPORT ON CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

To the Board of Directors of SASA Polyester Sanayi A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of SASA Polyester Sanayi A.Ş. and its subsidiary (together will be referred as the "Group") as at 30 June 2017 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated 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 Independent Auditing Standards 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 consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

Other Matters

Independent audit of the Group financial statements for the year ended 31 December 2016 and the review of the interim financial statements for the period ended 30 June 2016 were conducted by another independent audit firm. The predecessor auditor expressed unqualified opinion on the financial statements for the year ended 31 December 2016 and expressed unmodified conclusion on the interim financial statements for the period ended 30 June 2016, in its audit and review reports dated 16 February 2017 and 29 July 2016 respectively.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Ali Çiçekli
Partner
Istanbul, 8 August 2017

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SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

		Current Period (Reviewed)	Prior Period (Audited)
		Notes 30 June 2017	31 December 2016
ASSETS			
Current Asset		1,016,989	772,432
Cash and Cash Equivalents	3	116,290	7,479
Trade Receivables	5	367,495	413,624
- Trade Receivables from Third Parties	5	342,211	401,951
- Trade Receivables from Related Parties	27	25,284	11,673
Other Receivables	7	253,592	152,970
- Other Receivables from Third Parties	7	21,057	3,061
- Other Receivables from Related Parties	7	232,535	149,909
Inventory	8	232,848	177,158
Prepaid Expenses to Third Parties	9	2,536	2,758
Other Current Assets from Third Parties	17	38,738	12,894
Assets Held for Sale	13	5,490	5,549
Non-Current Asset		907,252	259,755
Other Receivables from Third Parties	7	77	77
Investment Properties	10	583	672
Tangible Assets	11	803,790	175,955
Intangible Assets	12	1,135	1,509
Prepaid Expenses to Third Parties	9	101,667	55,072
Deferred Tax Assets	25	-	3,737
Other Non-Current Assets from Third Parties	17	-	22,733
TOTAL ASSETS		1,924,241	1,032,187
LIABILITIES			
Current Liabilities		448,554	298,859
Short-Term Borrowings	4	245,490	165,458
-Short-Term Borrowings from Third Parties	4	211,961	157,214
- Bank Loans	4	211,961	157,214
-Short-Term Portion of the Long-Term Borrowings from Third Parties	4	33,529	8,244
- Bank Loans	4	33,529	8,244
Trade Payables	5	181,142	114,746
- Trade Payables to Third Parties	5	181,142	114,746
Liabilities for Employee Benefits	6	7,722	4,453
Other Payables	7	1,394	865
- Other Payables to Third Parties	7	1,394	865
Deferred Income from Third Parties	7	2,223	403
Provision for Corporate Tax	25	7,602	10,248
Short-Term Provision		2,981	2,686
-Other Short-Term Provisions	14	2,492	1,186
-Short-Term Provisions for Employee Benefits	16	489	1,500
Non-Current Liabilities		390,269	205,213
Long-Term Borrowings	4	336,359	177,251
-Long-Term Borrowings from Third Parties	4	336,359	177,251
- Bank Loans	4	336,359	177,251
Other Payables to Third Parties	7	407	452
Long-Term Provision	16	28,065	27,510
-Long-Term Provisions for Employee Benefits	16	28,065	27,510
Deferred Tax Liabilities	25	25,438	-
EQUITY		1,085,418	528,115
Share Capital	18	412,500	366,300
Share Capital Inflation Adjustments	18	13	46,213
Restricted Reserves	18	23,794	10,099
Other Comprehensive Income / (Expense) Not to be Reclassified to Profit or Loss	18	538,996	(2,073)
-Remeasurement losses of defined benefit pension plans	18	(2,073)	(2,073)
-Gains on revaluation of property, plant and equipment	18	541,069	-
Accumulated Losses	18	-	(29,472)
Net Profit for the Period		110,115	137,048
TOTAL LIABILITIES		1,924,241	1,032,187

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

		(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
	Notes				
Revenue	19	815,978	406,724	581,042	297,059
Cost of Sales (-)	19	(657,307)	(345,377)	(498,239)	(244,060)
GROSS PROFIT		158,671	61,347	82,803	52,999
General Administrative Expenses (-)	20	(8,836)	(4,750)	(8,185)	(3,915)
Marketing Expenses (-)	20	(27,956)	(12,234)	(28,700)	(14,965)
Research and Development Expenses (-)	20	(824)	(428)	(762)	(375)
Other Operating Income	22	128,053	39,895	38,558	24,740
Other Operating Expenses (-)	22	(94,187)	(33,721)	(34,239)	(19,071)
OPERATING PROFIT		154,921	50,109	49,475	39,413
Income from Investing Activities	21	357	6	1,206	6
Expenses from Investing Activities (-)	21	(338)	-	(3)	(3)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		154,940	50,115	50,678	39,416
Financial Income	23	14,410	5,471	8,067	5,611
Financial Expenses (-)	24	(36,606)	(14,884)	(10,663)	(7,437)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		132,744	40,702	48,082	37,590
Tax Income / Expense from Continued Operations (-)		(22,629)	(8,599)	(8,318)	(6,891)
-Current Tax Expense (-)	25	(21,931)	(7,608)	(5,635)	(5,310)
- Deferred Tax Expense (-)	25	(698)	(991)	(2,683)	(1,581)
PROFIT FROM THE PERIOD		110,115	32,103	39,764	30,699
Earnings per Share	26	0.2669	0.0778	0.0964	0.0744
Other Comprehensive Income / Expense		541,069	-	-	-
Items that will not be reclassified subsequently to profit or loss:		541,069	-	-	-
Gain on revaluation of property, plant and equipment	11	569,546	-	-	-
Tax effect of gain on revaluation of property, plant and equipment (-)	25	(28,477)	-	-	-
TOTAL COMPREHENSIVE INCOME		651,184	32,103	39,764	30,699

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

SASA POLYESTER SANAYI A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

	Notes	Share Capital	Share Inflation Adjustments	Restricted Reserves	Gains on			Accumulated Losses	Net Profit for the Period	Total
					Revaluation of Property, Plant and Equipment	Defined Benefit Pension Plans	Remeasurement Losses of			
Balance at 1 January 2016	18	216,300	196,213	5,963	-	(2,073)	(96,067)	70,731	391,067	
Transfers		-	-	4,136	-	-	66,595	(70,731)	-	
Total Comprehensive Income		-	-	-	-	-	-	39,764	39,764	
Balance at 30 June 2016	18	216,300	196,213	10,099	-	(2,073)	(29,472)	39,764	430,831	
Balance at 1 January 2017	18	366,300	46,213	10,099	-	(2,073)	(29,472)	137,048	528,115	
Transfers		46,200	(46,200)	13,695	-	-	123,353	(137,048)	-	
Dividend		-	-	-	-	-	(93,881)	-	(93,881)	
Total Comprehensive Income		-	-	-	541,069	-	-	110,115	651,184	
Balance at 30 June 2017	18	412,500	13	23,794	541,069	(2,073)	-	110,115	1,085,418	

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

	Notes	Current Period (Reviewed) 1 January - 30 June 2017	Prior Period (Reviewed) 1 January - 30 June 2016
Profit Before Taxation		132,744	48,082
Cash Flows from Operating Activities			
Adjustments related to depreciation and amortization expense	10,11,12	6,870	5,719
Adjustments related to interest expense	24	7,393	4,792
Adjustments related to gain on sale of fixed assets	21	(21)	(1,203)
Adjustments related to loss on sale of assets held for sale	21	2	-
Adjustments related to provision (cancellation) for employee benefits	16	5,225	5,116
Adjustments related to free provisions for possible risks	14	1,306	384
Adjustments related to deposit interest income	23	(5,276)	(988)
Rediscount Interest Income		1,577	195
Adjustments related to impairment (cancellation) of receivables	5	(518)	78
Adjustments related to other provisions (cancellation)	16	-	(1,264)
Adjustments related to impairment (cancellation) on inventory	8	(1,995)	(6,350)
Operating Cash Flows Provided		147,307	54,561
Before Changes in Working Capital:			
Changes in Operating Assets and Liabilities			
Decrease (increase) in trade receivables from third parties		58,075	(108,914)
Decrease (increase) in trade receivables from related parties	5	(13,611)	(1,102)
Decrease (increase) in inventories		(53,695)	3,519
Changes in other receivables	7	(100,622)	(263)
Decrease (increase) in prepaid expenses	9	222	(19,757)
Changes in other current assets	17	(3,111)	(16,277)
Changes in other non-current assets	17	-	35,474
(Decrease) increase in trade payables to third parties		67,002	6,718
Changes in other payables	7	484	-
(Decrease) increase in deferred income	7	1,820	(44)
Increase (decrease) in debt for employee termination benefits	6	3,269	1,734
Changes in short-term liabilities	7	-	580
Net Cash (Used) / Generated After			
Changes in Working Capital		107,140	(43,771)
Employment termination benefits paid	16	(4,181)	(1,817)
Payments related to other provisions	16	(1,500)	(1,236)
Dividends paid	18	(93,881)	-
Other cash used	25	(24,577)	(3,450)
Net Cash (Used) / Generated in Operating Activities		(16,999)	(50,274)
Investing Activities:			
Purchase of property, plant and equipment		(111,545)	(14,892)
Proceeds from sale of property, plant and equipment	11, 13	275	1,293
Proceeds from sale of assets held for sale	13	57	-
Net Cash Used in Investing Activities		(111,213)	(13,599)
Financing Activities:			
Proceeds from borrowings		326,362	244,038
Interest paid		(1,188)	(6,363)
Interest received	23	5,276	988
Repayment of borrowings		(93,427)	(106,116)
Net Cash Generated by Financing Activities		237,023	132,547
NET CHANGE IN CASH AND CASH EQUIVALENTS	3	108,811	68,674
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	7,479	34,456
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	116,290	103,130

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Sasa Polyester Sanayi A.Ş. ("Group") was incorporated on 8 November 1966 in Adana. The Group is mainly engaged in the production and marketing of polyester fibre, yarns and related products and polyester chips. The Group is a subsidiary of Erdemoğlu Holding A.Ş. ("Erdemoğlu Holding") and accordingly its ultimate parent company is Erdemoğlu Holding.(*). Shares of Sasa Polyester Sanayi A.Ş. are quoted on the Borsa İstanbul A.Ş. Yıldız Pazar and BIST 50 index.

The address of the registered office is Yolgeçen Mahallesi Turhan Cemal Beriker Bulvarı No:559 01355 Seyhan/Adana.

As of 31 December 2016, number of employees of the Group is 1,218 (31 December 2016: 1,241).

Subsidiary

The Company has founded, Sasa Dış Ticaret A.Ş. with TL 2,000 paid in capital owning 100% of shares, ("the Subsidiary"), in accordance with the Board of Directors decision numbered 24 and dated 27 August 2015, in order to gain an effective structure to the Company's export operations. Sasa and its subsidiary, together will be referred to as the "Group".

Approval of Condensed Consolidated Financial Statements

Board of Directors has approved the condensed consolidated financial statements and delegated authority for publishing it on 8 August 2017. General shareholders' meeting has the authority to modify the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

Basis of Preparation of Financial Statements and Significant Accounting Policies

The financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

The Group prepared its consolidated interim financial statements for the period ended 30 June 2017 in accordance with the TAS 34 "Interim financial reporting" in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim consolidated financial statements whether full set or condensed. In this framework, Group preferred to present its interim consolidated financial statements in full set. Therefore, such interim period condensed consolidated financial statements have to be assessed together with the consolidated financial statements corresponding to the year ending on 31 December 2016.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of preparation (continued)

Basis of Preparation of Financial Statements and Significant Accounting Policies (continued)

The Company and its subsidiaries maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

Preparation of Financial Statements in Hyperinflationary Periods

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

Going Concern

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

Comparatives and Restatement of Prior Periods’ Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The statement of financial position of the Group as of 30 June 2017 has been provided with the comparative financial information of 31 December 2016, and the statement of profit or loss, the statement of other comprehensive income, the statement of cash flow and the statement of changes in equity for the period 30 June 2016.

Changes in the Accounting Policies

Material changes in accounting policies are corrected, retrospectively; by restating the prior periods’ consolidated financial statements. The accounting policies used in the preparation of these consolidated financial statements for the period ended 30 June 2017 are consistent with those used in the preparation of financial statements for the year ended 31 December 2016. In the current year, the Group has recorded lands under property, plant and equipment that are revaluated by cost method as revalued amount.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of preparation (continued)

Basis of the consolidation

Consolidated financial statements consist the parent company's and subsidiary's financials-from the beginning of parent company's control on subsidiary till the end. All the adjustments and reclassifications has been applied on the financial statements and legal records of subsidiaries which has been included on consaolidation in accordance to announcement of compliance procedures of TMS/ TFRS with the serial number II.14.1. have been constituted by AASA (Accounting and Auditing Standards Authority) and Groups accounting policy about presentation.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Group controls an entity when the Company exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries' assets, liabilities, equity, income and expense balances and cash flow transactions are fully consolidated to the Group's financial statements. Net book value of the Company and its subsidiaries' shares are eliminated with related equity items. Inter-company balances and transactions between group companies are eliminated during consolidation.

The table below sets out all consolidated subsidiaries and shows the proportion of ownership interest and effective interest of the Group in these subsidiaries at 30 June 2017 and 31 December 2016:

The details of subsidiary, in terms of total shares owned and effective ownership rate (%) is as follows:

	30 June 2017	31 December 2016
Sasa Dış Ticaret A.Ş.	100.00	100.00

Restatement and Errors in the Accounting Policies and Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the year ended 31 December 2017 are consistent with those used in the preparation of financial statements for the year ended 31 December 2016 and 30 June 2016. Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

2.2 Offsetting

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

2.3 New and Revised Turkish Accounting Standards

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

None.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3 New and Revised Turkish Accounting Standards (continued)

b) New and revised TAS applied with no material effect on the consolidated financial statements

None.

c) New and revised TAS in issue but not yet effective

The Group has not applied the following new and revised TAS that have been issued but are not yet effective:

TFRS 9	<i>Financial Instruments</i> ¹
TFRS 15	<i>Revenue from Contracts with Customers</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2018.

TFRS 9 *Financial Instruments*

TFRS 9, issued by Public Oversight Authority (“POA”) in 2010, introduces new requirements for the classification and measurement of financial assets. TFRS 9 is amended in 2011 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Revised version of IFRS 9 is issued by POA in January 2017 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income (“FVTOCI”) measurement category for certain simple debt instruments.

TFRS 9 is effective for the annual periods beginning on or after 1 January 2018. Early adoption is permitted.

TFRS 15 *Revenue from Contracts with Customers*

TFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts,
- Recognise revenue when the entity satisfies a performance obligation.

TFRS 15 also clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.6 Significant Accounting Estimations and Decisions

Property, Plant and Equipment

Fair Value Method

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

When a revaluated asset is sold, revaluation reserve is transferred to retained earnings. Revaluation reserve is not transferred to retained earnings unless revaluated asset is derecognised.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

SASA POLYESTER SANAYI A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 3- CASH AND CASH EQUIVALENTS

	<u>30 June 2017</u>	<u>31 December 2016</u>
Cash on Hand	9	10
Banks	116,281	7,469
-Demand Deposits	30,281	3,325
-Time Deposits (*)	86,000	4,144
	<u>116,290</u>	<u>7,479</u>

(*) The details of time deposits of financial statements at 30 June 2017 and 31 December 2016 is as follows:

<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Due</u>	<u>30 June 2017</u>
TL	14.95	11 July 2017	86,000
			<u>86,000</u>

<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Due</u>	<u>31 December 2016</u>
TL	9.85	2 January 2017	100
EUR	0.25	2 January 2017	4,044
			<u>4,144</u>

As of 30 June 2017 and 31 December 2016 there is no restricted cash of Group's deposits.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 4 – FINANCIAL BORROWINGS

Short-Term Financial Borrowings

	<u>30 June 2017</u>	<u>31 December 2016</u>
Short-Term Bank Borrowings	211,961	157,214
Current Portion of Long-Term Financial Borrowings	33,529	8,244
	245,490	165,458

Long-Term Financial Borrowings

	<u>30 June 2017</u>	<u>31 December 2016</u>
Long-Term Bank Borrowings	336,359	177,251
	336,359	177,251

Foreign currency denominated bank borrowings and corresponding interest expense accruals as at 30 June 2017 and 31 December 2016 are as follows:

Principal	<u>30 June 2017</u>			<u>31 December 2016</u>		
	Weighted Average Effective Interest Rates (%)	Original Amount	TL	Weighted Average Effective Interest Rates (%)	Original Amount	TL
TL	15.24	-	19,636	-	-	-
USD	-	-	-	2.46	9,500	33,057
EUR	4.15	137,539	550,568	3.78	82,000	304,212
			570,204			337,269
Accrued Interest						
TL		-	8		-	-
EUR		2,828	11,637		1,466	5,440
			581,849			342,709

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(Amounts are expressed in TL unless otherwise stated.)

NOTE 4 – FINANCIAL BORROWINGS (continued)

The redemption schedule of the Group's of financial borrowings is as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Within 1 year	245,490	165,458
Within 1-2 years	61,725	31,074
Within 2-3 years	57,921	31,074
Within 3-4 years	57,921	31,074
Within 4-5 years	49,026	26,952
Later than 5 years	109,766	57,077
	<u>581,849</u>	<u>342,709</u>

NOTE 5 - TRADE RECEIVABLES AND TRADE PAYABLES

Trade Receivables

	<u>30 June 2017</u>	<u>31 December 2016</u>
Trade receivables (*)	224,670	244,511
Cheques received (**)	122,824	162,572
Deferred financing income (-)	(2,183)	(1,514)
Provision for doubtful receivables	(3,100)	(3,618)
	<u>342,211</u>	<u>401,951</u>
Trade receivables from related parties (Note 27)	<u>25,284</u>	<u>11,673</u>
	<u>367,495</u>	<u>413,624</u>

(*) As of 30 June 2017 trade receivables are discounted by using monthly TL 1.41%, USD 0.42%, EUR 0.57% (As of 31 December 2016: TL 0.84%, USD 0.13%, EUR 0.13%).

(**) Cheques received constitute the cheques obtained from customers and kept in portfolio as a result of trade activities and consist of TL 116,834 with maturities of less than three months. (31 December 2016: TL 78,579).

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 5 - TRADE RECEIVABLES AND TRADE PAYABLES (continued)

Overdue period	<u>30 June 2017</u>	<u>31 December 2016</u>
Up to 1 month	29,815	21,758
1 - 3 months	3,244	1,463
Over 3 months	241	239
Total	33,300	23,460

As of 30 June 2017 and 31 December 2016, due to existence of receivable insurance, bank guarantee, mortgage and other guarantees, the Group has not recorded any provision relation to trade receivables that were past due but not impaired.

The movements of the provision for doubtful receivables during the period are as follows:

Over Period	<u>30 June 2017</u>	<u>31 December 2016</u>
Over 6 months	3,100	3,618
Total	3,100	3,618

The movements of the provision for doubtful receivables during the period are as follows:

	<u>1 January - 30 June 2017</u>	<u>1 January - 30 June 2016</u>
Balance at 1 January	(3,618)	(3,591)
Charged for the period	(12)	(78)
Released provision for the period	530	-
Balance at 30 June	(3,100)	(3,669)

Trade Payables

	<u>30 June 2017</u>	<u>31 December 2016</u>
Trade payables	181,142	114,746
	181,142	114,746

As of 30 June 2017 trade payables are discounted by using monthly TL 1.41%, USD 0.42%, EUR 0.57% (31 December 2016: TL 0.84%, USD 0.13%, EUR 0.13%).

As of 30 June 2017 average turnover for trade receivables and trade payables are 61 days and 52 days, respectively (31 December 2016: 57 days and 58 days respectively).

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 6 - PAYABLES RELATED TO EMPLOYEE BENEFITS

Payables Related to Employee Benefits

	<u>30 June 2017</u>	<u>31 December 2016</u>
Social Security and Taxes Payable	5,108	2,864
Due to Personnel	2,614	1,589
	<hr/>	<hr/>
	7,722	4,453

NOTE 7 - OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME

Other Current Receivables

	<u>30 June 2017</u>	<u>31 December 2016</u>
Job advance	4,392	466
Receivables from insurance indemnity	460	408
Deposits and guarantees	3	2
Other receivables	16,202	2,185
	<hr/>	<hr/>
	21,057	3,061

Receivables from related parties (Note 27)	232,535	149,909
	<hr/>	<hr/>
	253,592	152,970

Other Non-Current Receivables

	<u>30 June 2017</u>	<u>31 December 2016</u>
Deposits and guarantees	77	77
	<hr/>	<hr/>
	77	77

Other Payables

	<u>30 June 2017</u>	<u>31 December 2016</u>
Taxes payables	1,165	524
Installment tax liabilities	227	316
Other	2	25
	<hr/>	<hr/>
	1,394	865

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 7 - OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME (continued)

Deferred Income

	<u>30 June 2017</u>	<u>31 December 2016</u>
Advances taken	2,223	403
	<u>2,223</u>	<u>403</u>

Other Non-Current Liabilities

	<u>30 June 2017</u>	<u>31 December 2016</u>
Installement tax liabilities	407	452
	<u>407</u>	<u>452</u>

NOTE 8 – INVENTORIES

	<u>30 June 2017</u>	<u>31 December 2016</u>
Raw materials and supplies	139,386	98,726
Intermediate goods	47,064	53,535
Finished goods	37,454	17,372
Spare parts	4,752	4,040
Semi-finished goods	2,200	3,479
Production residuals (*)	636	1,194
Other	3,885	3,336
Provision for the impairment on inventory (**)	(2,529)	(4,524)
	<u>232,848</u>	<u>177,158</u>

(*) Due to production residuals are recognized in inventories with the lower of cost or the selling prices, these inventories are not impaired.

(**) Impairment has been allocated to finished goods, intermediate goods and other inventories.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 8 – INVENTORIES (continued)

Movement of Provision for Impairment of Inventories

	1 January - 30 June 2017	1 January - 30 June 2016
Balance at 1 January	(4,524)	(13,287)
Provision gain for impairment on inventory (Note 19)	1,995	6,350
Balance at 30 June	(2,529)	(6,937)

The Group has decreased TL 1,995 of its provision for impairment of inventories which was amounting TL 4,524 at the beginning of the period, and therefore provision for impairment of inventories is TL 2,529 in the current period. As of 30 June 2017, total inventory accounted with net realizable value is TL 87,047 (31 December 2016: TL 75,431).

NOTE 9 - PREPAID EXPENSES

Prepaid Expenses (Short-term)

	<u>30 June 2017</u>	<u>31 December 2016</u>
Prepaid insurance expenses	888	2,483
Other prepaid expenses	1,648	275
	2,536	2,758

Prepaid Expenses (Long-term)

	<u>30 June 2017</u>	<u>31 December 2016</u>
Advance for property, plant and equipment (*)	101,667	55,072
	101,667	55,072

(*) Given advance is related to advance paid for fibre and chips investments of the Group.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 10 - INVESTMENT PROPERTIES

The movement schedules of investment properties and related accumulated depreciation for the years ended 30 June 2017 and 2016 are as follows:

	1 January 2017	Additions	30 June 2017
Cost			
Land	5	-	5
Buildings	3,780	-	3,780
	3,785	-	3,785
Accumulated depreciation			
Buildings	3,113	89	3,202
	672		583

Real estate properties of the Group which have net book value amounting to TL 583 as of 30 June 2017 (31 December 2016: TL 672) are rented to third parties with lease agreements. The Group has generated rent income of TL 132 (31 December 2016: TL 499) throughout the period resulting from these lease agreements. The fair value of factory building was carried out according to the discounted cash flow and has been calculated TL 5,991 (31 December 2016: TL 5,427) with 5.1% inflation rate and 10.02% rediscount rates.

	1 January 2016	Additions	30 June 2016
Cost			
Land	5	-	5
Buildings	3,780	-	3,780
	3,785	-	3,785
Accumulated depreciation			
Buildings	2,935	89	3,024
	850		761

The total depreciation for the periods 30 June 2017 and 2016 is presented in Note 11.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

The movement schedules of property, plant and equipment and related accumulated depreciation for 30 June 2017 and 2016 are as follows;

	1 January 2017	Additions	Revaluation	Disposals	30 June 2017
Cost					
Land	25,764	-	569,546	-	595,310
Land improvements	7,193	-	-	-	7,193
Buildings	63,750	-	-	-	63,750
Machinery and equipment	440,918	628	-	(1,133)	440,413
Motor vehicles	2,177	143	-	(110)	2,210
Furniture and fixtures	6,190	210	-	(59)	6,341
Construction in progress	22,907	63,315	-	-	86,222
	568,899	64,296	569,546	(1,302)	1,201,439
Accumulated depreciation					
Land improvements	6,256	39	-	-	6,295
Buildings	46,153	1,554	-	-	47,707
Machinery and equipment	334,152	3,909	-	(879)	337,182
Motor vehicles	1,752	57	-	(110)	1,699
Furniture and fixtures	4,631	194	-	(59)	4,766
	392,944	5,753	-	(1,048)	397,649
Net book value	175,955				803,790

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (continued)

	1 January 2016	Additions	Transfers	Disposals	30 June 2016
Cost					
Land	25,764	-	-	-	25,764
Land improvements	7,193	-	-	-	7,193
Buildings	62,328	-	-	-	62,328
Machinery and equipment	396,821	1,182	618	(98)	398,523
Motor vehicles	1,790	-	-	-	1,790
Furniture and fixtures	5,910	156	-	(109)	5,957
Construction in progress	2,532	13,312	(618)	-	15,226
	502,338	14,650	-	(207)	516,781
Accumulated depreciation					
Land improvements	6,178	39	-	-	6,217
Buildings	43,087	1,525	-	-	44,612
Machinery and equipment	305,475	3,418	-	(12)	308,881
Spare part	-	-	-	-	-
Motor vehicles	1,708	12	-	-	1,720
Furniture and fixtures	4,286	208	-	(105)	4,389
	360,734	5,202	-	(117)	365,819
Net book value	141,604				150,962

As of 30 June 2017, construction in process consists of new fibre and chips plant project.

As of 30 June 2017, amounting to TL 864 has been capitalized. (2016: TL 864)

As of 30 June 2017, there is a mortgage on property plant and equipment amounting to TL 523,600 (31 December 2016: TL 523,600). There is no debt related to property, plant and equipment purchased by finance lease.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (continued)

As of 30 June 2017 and 2016, total depreciation and amortization charges for the period (property, plant and equipment, intangible assets, investment properties) between and the related income statement accounts are as follows:

	<u>1 January - 30 June 2017</u>	<u>1 January - 30 June 2016</u>
Production cost (Note 19)	5,403	4,272
General administrative expenses (Note 20)	613	624
Research expenses (Note 20)	551	552
Marketing and selling expenses (Note 20)	303	271
	<hr/> 6,870	<hr/> 5,719

NOTE 12 – INTANGIBLE ASSETS

The movement schedules of intangible assets and related accumulated depreciation for the year ended 30 June 2017 and 2016 are as follows:

	<u>1 January 2017</u>	<u>Additions</u>	<u>30 June 2017</u>
Cost			
Rights	6,980	654	7,634
Development costs	7,600	-	7,600
	<hr/> 14,580	<hr/> 654	<hr/> 15,234
Accumulated amortization			
Rights	5,739	882	6,621
Development costs	7,332	146	7,478
	<hr/> 13,071	<hr/> 1,028	<hr/> 14,099
Net book value	<hr/> 1,509		<hr/> 1,135

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 12 – INTANGIBLE ASSETS (continued)

	1 January 2016	Additions	30 June 2016
Cost			
Rights	6,676	244	6,920
Development costs	7,600	-	7,600
	14,276	244	14,520
Accumulated amortization			
Rights	5,169	282	5,451
Development costs	7,039	146	7,185
	12,208	428	12,636
Net book value	2,068		1,884

The total amortization for the periods 30 June 2017 and 2016 is presented in Note 11.

NOTE 13 – ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

	1 January 2017	Additions	Transfers	Disposals	30 June 2017
Cost					
Land	14	-	-	-	14
Land improvements	226	-	-	-	226
Buildings	2,384	-	-	-	2,384
Machinery and equipment	2,910	-	-	(58)	2,852
Motor vehicles	-	-	-	-	-
Furniture and fixtures	14	-	-	-	14
Net book value	5,548	-	-	(58)	5,490
	1 January 2016	Additions	Transfers	Disposals	30 June 2016
Cost					
Land	14	-	-	-	14
Land improvements	226	-	-	-	226
Buildings	2,384	-	-	-	2,384
Machinery and equipment	3,195	-	-	-	3,195
Motor vehicles	-	-	-	-	-
Furniture and fixtures	14	-	-	-	14
Net book value	5,833	-	-	-	5,833

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NOTE 14- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	<u>30 June 2017</u>	<u>31 December 2016</u>
Provision for restructuring and demand of other receivables (*)	2,492	1,186
	<u>2,492</u>	<u>1,186</u>

(*) Provision for restructuring and demand of other receivables are consisting of reinstatements lawsuits which were filed by ex-workers against to the Group due to changes of business organizations and possible expenses of other receivables lawsuits. Such lawsuits are pending as of balance sheet date.

Provision for restructuring expenses and other receivables

	<u>1 January - 30 June 2017</u>	<u>1 January - 30 June 2016</u>
Balance at 1 January	1,186	1,064
Charge for the period (Note 22)	1,306	147
Released provisions for the period	-	(76)
Balance at 30 June	2,492	1,135

NOTE 15 - COMMITMENTS

Commitments and contingencies, which are not included in the liabilities at 30 June 2017 and 2016 are as follows:

Commitments based on export incentive certificates

	<u>30 June 2017</u>	<u>30 June 2016</u>
Total amount of export commitment of documents recorded	3,500,942	2,702,526
Total amount of export commitment of documents which are presently fulfilled but the closing transactions are not concluded y	3,275,515	2,021,781
Total amount of open export incentives	225,427	680,745
Open export incentives	82,436	179,379
	<u>30 June 2017</u>	<u>30 June 2016</u>
Open letter of credits	356,305	30,778

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NOTE 15 - COMMITMENTS (continued)

Collaterals, pledges and mortgages 'CPM' given by the Group

	30 June 2017				31 December 2016			
	TL Equivalent	TL	USD	EUR	TL Equivalent	TL	USD	EUR
A.Total amounts of CPM given on behalf of its own legal entity (*)	787,007	554,735	4,080	54,450	567,608	545,811	4,080	2,000
B.Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation	-	-	-	-	-	-	-	-
C.Total amounts of CPM given in order to guarantee third parties debts for routine trade operations (*)	-	-	-	-	-	-	-	-
D.Total amount of other CPMs given								
- Total amount of CPMs given on behalf of the majority shareholder	-	-	-	-	-	-	-	-
- Total amount of CPMs given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-	-	-	-
- Total amount of CPMs given on behalf of third parties which are not in scope of C	-	-	-	-	-	-	-	-
Total CPM Amount	787,007	554,735	4,080	54,450	567,608	545,811	4,080	2,000

(*) USD and EUR are expressed as USD 1,000 and EUR 1,000.

As of 30 June 2017 the percentage of the other CPM's given by the Group to the total equity is 0% (31 December 2016: 0%).

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

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NOTE 15 - COMMITMENTS (continued)

Mortgages and guarantees taken at 30 June 2017 and 31 December 2016 are as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Letter of guarantees taken	48,180	8,002
Cheques and notes of guarantees taken	1,719	1,719
Mortgages taken	234	234
Total	50,133	9,955

NOTE 16 - PROVISION FOR EMPLOYEE TERMINATION BENEFITS

Short- term employee benefits

	<u>30 June 2017</u>	<u>31 December 2016</u>
Provision for premiums	-	1,500
Provision for personnel expense	489	-
	489	1,500

Long- term employee benefits

	<u>30 June 2017</u>	<u>31 December 2016</u>
Provision for employment termination benefits	25,380	25,083
Unused vacation provision	2,685	2,427
	28,065	27,510

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NOTE 16 - PROVISION FOR EMPLOYEE TERMINATION BENEFITS (continued)

Unused Vacation Provision

The Group provides annual pay vacation to each employee who has completed one year of service.

Movements of unused vacation allowances at 30 June 2017 and 2016 are as follows:

	<u>1 January - 30 June 2017</u>	<u>1 January - 30 June 2016</u>
Balance at 1 January	2,427	2,063
Charge for the period (Note 22)	532	675
Provision released	(274)	-
Balance at 30 June	2,685	2,738

Movements of premiums are as follows:

	<u>1 January - 30 June 2017</u>	<u>1 January - 30 June 2016</u>
Balance at 1 January	1,500	2,500
Charge for the period	(1,500)	(1,236)
Provision released	-	(1,264)
Balance at 30 June	-	-

Movements of personnel are as follows:

	<u>1 January - 30 June 2017</u>	<u>1 January - 30 June 2016</u>
Balance at 1 January	-	-
Charge for the period	2,801	3,099
Provision released	(2,312)	(2,715)
Balance at 30 June	489	384

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 16 - PROVISION FOR EMPLOYEE TERMINATION BENEFITS (continued)

Provision for employment termination benefits

There are no agreements for pension commitments other than the legal requirement as explained below.

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause excluding 25/2 article of labor law, is called up for military service or dies. As of 8 September 1999 related labor law was changed and retirement requirements made gradual. The amount payable consist of one gross wage for each year of service limited to maximum termination indemnity for non-union employees and 47 days gross wage for each year of service limited to maximum termination indemnity for union employees. Same payment is done for days remaining from 1 year.

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

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

TFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly following actuarial assumptions were used in the calculation of the total liability.

	30 June 2017	30 June 2016
Discount rate (%)	3.81	3.81
Retention rate to estimate the probability of retirement (%)	98	98

Discount rate is derived upon the difference of long-term interest's rates in TL and the expected inflation rate.

The principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 4.73 (1 January 2017: TL 4.43), which is expected to be effective from 1 July 2017, has been taken into consideration in calculating the provision for employment termination benefits of the Group.

Movements in the reserve for employment termination benefits are as follows:

	1 January - 30 June 2017	1 January - 30 June 2016
Balance at 1 January	25,083	21,620
Charge for the period	4,478	4,294
Paid during the period	(4,181)	(1,741)
Balance at 30 June	25,380	24,173

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

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NOTE 17 - OTHER ASSETS AND LIABILITIES

Other Current Assets

	<u>30 June 2017</u>	<u>31 December 2016</u>
VAT receivable (*)	37,738	12,397
Deferred special consumption tax	1,000	497
	38,738	12,894

Other Non-Current Assets

	<u>30 June 2017</u>	<u>31 December 2016</u>
VAT receivable (*)	-	22,733
	-	22,733

(*) The Group applied for a VAT refund amounting to TL 13,980 as of 30 June 2017 and expects to collect it in cash in the next few months (31 December 2016: TL 2,154).

NOTE 18 - SHAREHOLDERS' EQUITY

Sasa Polyester Sanayi A.Ş fully paid and issued capital each Kr 1 nominal value of 41,250,000,000 shares (31 December 2016: 21,630,000,000). The shareholders and shareholding structure of the Group at 30 June 2017 and 31 December 2016 are as follows:

	<u>30 June 2017</u>		<u>31 December 2016</u>	
	Share amount (TL)	Share (%)	Share amount (TL)	Share (%)
Erdemoğlu Holding A.Ş.	349,816	84.80	310,636	84.80
Other	62,684	15.20	55,664	15.20
Share Capital (*)	412,500	100	366,300	100
Adjustments to share capital (**)	13		46,213	
Total Capital	412,513		412,513	

(*) The total capital of the Group is increased to TL 412,500,000 (full TL) through bonus issues amounting to TL 46,200,000 (full TL) on 26 April 2017.

(**) Adjustment to share capital represents the difference between offset off amount of adjusted share capital amount of the Group and accumulated loss, and share capital amount before adjustments.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 18 - SHAREHOLDERS' EQUITY (continued)

Shareholders' equity items of company as at 30 June 2017 and 31 December 2016 prepared in accordance with the Communiqué No: XI-29 are as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Share capital (*)	412,500	366,300
Adjustment to share capital	13	46,213
Restricted reserves	23,794	10,099
Accumulated loss	-	(29,472)
Actuarial loss	(2,073)	(2,073)
Gain on revaluation of property, plant and equipment	541,069	-
Total comprehensive income	110,115	137,048
Total share capital	1,085,418	528,115

(*)TL 46,200 of capital increase by bonus issue (at the rate of 12.61261%) was approved by CMB on 14 April 2017 and dividend distribution was made on 24 April 2017. As a result, share capital of the Group has reached to TL 412,500.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital.

In accordance with the CMB's requirements which were effective until 1 January 2008, the amount generated from first-time application of inflation adjustments on financial statements, and followed under the "accumulated loss" item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB's regulation issued on profit distribution. The related amount that was followed under the "accumulated loss" item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB's requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely "Capital issue premiums", "Legal reserves", "Statutory reserves", "Special reserves" and "Extraordinary reserves" were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the "Shareholders' equity inflation restatement differences" line item in aggregate. "Shareholders' equity inflation restatement differences" related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue; cash profit distribution or loss offsetting.

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NOTE 18 - SHAREHOLDERS' EQUITY (continued)

In accordance with the Communiqué No: XI-29 and related announcements of CMB, effective from 1 January 2008, "Share capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences as part of TAS/TFRS shall be disclosed as follows:

-“ if the difference is arising due to the inflation adjustment of “Paid-in Capital” and not yet been transferred to capital should be classified under the “Inflation Adjustment to Share Capital”;

-“ if the difference is due to the inflation adjustment of “Restricted Reserves” and “Share Premium” and the amount has not been utilized in dividend distribution or capital increase yet, it shall be classified under “Retained Earnings”.

There is no other usage other than the addition of capital adjustment differences to the capital.

Dividend Distribution

Listed companies shall distribute their profit in accordance with the Capital Market Board's Communiqué on Dividends II-19.1 which is effective from February 1, 2014.

Companies shall distribute their profits as part of the profit distribution policies to be determined by their general assemblies and in accordance with the related regulation provisions. A minimum distribution rate has been determined as 50% of profit available for distribution according to dated 2013 Ordinary General Assembly decision which occurred in March 24, 2014.

The companies pay dividends as determined in their main agreements or profit distribution policies. Furthermore, dividends may be paid in instalments with same or different amounts and profit share advances may be distributed over the profit in the financial statements.

In accordance with the Turkish Commercial Code (TCC), no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of a usufruct right certificate, to the members of the board of directors or to the employees unless the required reserves and the dividend for shareholders as determined in the main agreement or in the dividend distribution policy of the Group are set aside; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash

As part as the resolution of General Assembly on 30 March 2017, dividend distribution amounting to TL 93,881 was approved and paid on 14 April 2017.

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NOTE 19 - SALES AND COST OF SALES

Sales Revenue

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Domestic sales	454,367	241,811	322,927	177,818
Foreign sales	336,344	147,718	252,581	117,912
Domestic trade goods sales	32,068	20,135	605	-
Other sales	4,165	1,629	9,883	4,745
Sales return	(1,622)	(582)	(1,620)	(448)
Sales discounts	(9,344)	(3,987)	(3,324)	(2,968)
Other discounts	-	-	(10)	-
Sales Revenue	815,978	406,724	581,042	297,059

Cost of Sales

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Direct first raw material and supplies expense	530,909	267,712	372,892	194,102
Energy expenses	52,524	25,863	50,263	22,806
Labour expenses	36,442	20,110	32,018	16,429
Spare parts and maintenance expenses	7,463	4,012	4,844	3,106
Depreciation and amortization expenses	4,569	2,549	3,939	2,141
Usage of semi-finished goods	1,279	1,106	217	1,089
Insurance expenses	1,083	535	1,087	701
Other expenses	7,149	3,348	6,005	1,331
Production Cost for the Year	641,418	325,235	471,265	241,705
Usage of WIP and finished goods	(19,820)	(14,194)	26,595	2,525
Cost of waste goods sold	2,835	1,116	3,413	1,661
Other idle period expense	3,625	2,176	2,578	1,237
Depreciation and amortization of idle period	834	465	333	-
Cost of trade goods sold	31,158	31,158	588	-
Provision / (cancellation) for impairment on inventory	(1,995)	(570)	(6,350)	(3,000)
Inventory count differences	(748)	(9)	(183)	(68)
Cost of Goods Sold During the Year	657,307	345,377	498,239	244,060

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NOTE 20 - SELLING, MARKETING AND DISTRIBUTION, GENERAL ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT EXPENSES

General Administrative Expenses

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Personnel expenses	4,840	2,520	5,327	2,356
Premium provision for top management	-	-	-	314
Severance and notice pay	952	593	584	335
Consultancy expenses	672	377	476	120
Depreciation and amortization expenses	613	307	624	332
Insurance expenses	278	127	259	130
Supplies, repair and maintenance expenses	196	115	248	55
Assisted services expenses	166	67	132	-
Energy expenses	159	75	109	48
Other expenses	960	569	426	225
	8,836	4,750	8,185	3,915

Selling, Marketing and Distribution Expenses

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Export expenses	21,004	8,563	21,646	11,527
Personnel expenses	2,444	1,286	3,299	1,565
Taxes and duties expenses	1,739	1,494	1,877	918
Insurance expenses	425	160	333	171
Depreciation and amortization expenses	303	151	271	135
Energy expenses	132	4	296	143
Rent expenses	37	21	9	5
Other expenses	1,872	555	969	501
	27,956	12,234	28,700	14,965

Research and Development Expenses

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Depreciation and amortization expenses	551	275	552	276
First raw material and supplies expenses	53	50	9	-
Maintenance expenses	27	13	32	20
Other expenses	193	90	169	79
	824	428	762	375

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(Amounts are expressed in TL unless otherwise stated.)

NOTE 21 - INCOME FROM INVESTING OPERATIONS

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Gain on sales of property, plant and equipment (*)	357	6	1,206	6
Loss on sales of property, plant and equipment	(338)	-	(3)	(3)
	19	6	1,203	3

(*) The amount is related to sales of residual machinery and equipment of the Group.

NOTE 22- OTHER OPERATING INCOME / EXPENSE

Other Operating Income

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Foreign exchange income from trade receivables/payables	115,201	33,642	22,376	15,112
Scrap sales income	4,455	1,475	333	142
Provision no longer required	1,774	1,663	2,500	1,264
Miscellaneous sales income	1,287	678	8,800	4,937
Financial income from credit sales	620	505	1,250	624
Other income	4,716	1,932	3,299	2,661
	128,053	39,895	38,558	24,740

Other Operating Expense

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Foreign exchange expense from trade receivables/payables	88,595	30,756	22,475	12,198
Provision for restructuring expenses	1,306	248	147	4,456
Taxes and duties paid	922	543	803	417
Provision for unused vacation	532	215	675	394
Cost of miscellaneous sales	252	149	8,518	11
Other expenses	2,580	1,810	1,621	1,595
	94,187	33,721	34,239	19,071

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 23 - FINANCIAL INCOME

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Foreign exchange income	9,134	2,236	7,079	4,924
Interest income	5,276	3,235	988	687
	14,410	5,471	8,067	5,611

NOTE 24 - FINANCIAL EXPENSES

	1 January- 30 June <u>2017</u>	1 April- 30 June <u>2017</u>	1 January- 30 June <u>2016</u>	1 April- 30 June <u>2016</u>
Foreign exchange losses	29,213	10,160	5,871	4,589
Interest expenses	7,393	4,724	4,792	2,848
	36,606	14,884	10,663	7,437

NOTE 25 - TAX ASSETS AND LIABILITIES

Deferred income taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Accounting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for International Financial Reporting Standards and tax purposes.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

(Amounts are expressed in TL unless otherwise stated.)

NOTE 25 - TAX ASSETS AND LIABILITIES (continued)

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:

	Cumulative temporary difference		Deferred income tax asset / (liabilities)	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Net difference between the tax base and carrying value of property, plant and equipment and intangible assets	(32,202)	(28,764)	(6,441)	(5,753)
Revaluation differences of property, plant and equipment	(569,546)	-	(28,477)	-
Retirement pay provision	25,380	25,083	5,076	5,017
Valuation differences of inventories	13,626	19,061	2,725	3,812
Correction of the sale that are not realized	(404)	(4,349)	(81)	(870)
Provision for accumulated unused vacation	2,685	2,427	537	485
Net difference between the tax base and carrying value of assets held for sale	-	(834)	-	(167)
Provision for restructuring expense	2,492	1,186	498	237
Revaluation differences of investment properties	677	615	135	123
Provision for doubtful receivable	1,370	1,370	274	274
Provision for export expense	-	3	-	1
Adjustment for not accrued financial expenses	(606)	(126)	(121)	(25)
Adjustment for not accrued financial income	2,183	1,514	437	303
Provision for premium	-	1,500	-	300
Deferred income tax assets			9,682	9,682
Deferred income tax liabilities			(35,120)	(5,945)
Deferred income tax asset			(25,438)	3,737

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NOTE 25 - TAX ASSETS AND LIABILITIES (continued)

Movements in deferred taxes can be analyzed as follows:

	1 January - 30 June 2017	1 January - 30 June 2016
Balance at 1 January	3,737	8,398
Deferred tax expense of the period	(698)	(2,683)
Revaluation differences recognized at equity	(28,477)	-
Balance at 30 June	(25,438)	5,715

In addition, while applying reduced corporate income tax, the Group benefitted from TL 3,455 investment support of the TL 5,376 which is the total investment support. Investment amount of the investment incentive certificate is revised on 19 August 2016 by applying to Ministry of Economy upon 17th Article of the Council of Ministers' Decision numbered 2012/3305. After this revision, investment support amount is increased by TL 12,300.

Corporate Income Tax Law has been changed with the law numbered 5520 which was published at 13 June 2006. Most of the rules of the new Corporate Income Tax Law are applicable from 1 January 2006 According to this; corporate tax rate applicable for the year 2017 is 20% (2016: 20%).

Corporate tax rate is applied to the taxable profit which is calculated by adding non-taxable expenses and deducting some exemptions taken place in tax laws (exemptions for participation revenues, exemptions for investment incentives) and discounts (R&D discount) from accounting profit of the Group. No additional taxes are paid unless profit is distributed (except 19.8% withholding tax paid over used investment incentives according to the GVK temporary article).

The Constitutional Court abolished the provisions of Temporary Article 69 of the Income Tax Law regarding the time limitation to the investment allowance in its meeting held on 15 October 2009, and published the minutes of the relevant meeting on its website in October 2009. The decision of the Constitutional Court on the cancellation of the time limitation for investment allowance for the years 2006, 2007 and 2008 came into force with its promulgation in the Official Gazette, dated 8 January 2010, and thereby the time limitation regarding investment allowance was removed, however it has also been stated that balance regarding the calculation of the tax bases could not exceed 25% percent of the relevant income and the remaining balance after the investment allowance should be subject to 20% of corporate tax.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

The Group makes advance tax calculations at the rate of 20% on its quarterly financial income and declares on 14th day of the second month after period (including Income Tax Law No. 5615, which was enacted on April 4, 2007 and the law related to amendments on the Laws, and declarations must be given related to March 2007). The temporary tax paid during the year belongs to that year and is deducted from the corporation tax that will be calculated over corporate tax declaration. If advance tax amount that is paid remains in spite of the deduction, this amount can be returned in cash or offset to any other financial debt.

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NOTE 25 - TAX ASSETS AND LIABILITIES (continued)

A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of 5 years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to tax office which they relate. However, tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Total taxes payable for 31 December 2016 and 2015 have been reconciled to the current year tax charge as follows:

	1 January 30 June 2017	1 April 30 June 2017	1 January 30 June 2016	1 April 30 June 2016
Current period tax expense	(21,931)	(7,608)	(5,635)	(5,310)
Deferred tax expense	(698)	(991)	(2,683)	(1,581)
Total tax expense	(22,629)	(8,599)	(8,318)	(6,891)

Corporate tax rate actualized on the basis of taxable profit of the Group is calculated from remaining tax assesment after addition of non deductible expenses and deduction of tax exempt earnings, tax free income and other incentive (accumulated prior year losses and investment incentive).

Corporate Tax

	30 June 2017	31 December 2016
Corporate tax to be paid	21,931	15,961
Prepaid taxes	(14,329)	(5,713)
Total tax expense for the period	7,602	10,248

NOTE 26 - EARNINGS PER SHARE

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Net gain attributable to shareholders	110,115	32,103	39,764	30,699
Number of ordinary shares	41,250,000,000	41,250,000,000	41,250,000,000	41,250,000,000
Earnings per share (TL)	0.2669	0.0778	0.0964	0.0744

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2017

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NOTE 27 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties:

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b) Other receivables from related parties:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Merinos Halı San. Tic. A.Ş.	152,114	71,643
Dinarsu İmalat ve Ticaret T.A.Ş.	80,421	78,266
Total	232,535	149,909

It is the amount valued in group companies to make use of the Company's excessive funds in the most optimal way. Average maturity of the other receivables from related parties is 135 days on 30 June 2017. The interest rate used in 2017 for receivables from related parties is 4.20%.

c) Sales to related parties:

	<u>1 January- 30 June 2017</u>	<u>1 April- 30 June 2017</u>	<u>1 January- 30 June 2016</u>	<u>1 April- 30 June 2016</u>
Özerdem Mensucat San. Tic. A.Ş.	31,073	13,958	2,767	1,381
Merinos Halı San. Tic. A.Ş.	8,831	3,624	3,108	1,736
Merinos Mobilya Tekstil San. Tic. A.Ş.	128	-	132	92
Dinarsu İmalat ve Ticaret T.A.Ş.	11	2	218	150
Zeki Mensucat San. Tic. A.Ş.	9	-	-	-
Total	40,052	17,584	6,225	3,359

d) Purchases from related parties:

	<u>1 January- 30 June 2017</u>	<u>1 April- 30 June 2017</u>	<u>1 January- 30 June 2016</u>	<u>1 April- 30 June 2016</u>
Merinos Halı San. Tic. A.Ş.	35	-	-	-
Total	35	-	-	-

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NOTE 27 - RELATED PARTY DISCLOSURES (continued)

e) Financial income from related parties;

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Merinos Halı San. Tic. A.Ş.	2,338	1,435	-	-
Dinarsu İmalat ve Ticaret T.A.Ş.	1,822	900	-	-
Total (*)	4,160	2,335	-	-

(*) It includes the interest numbers calculated by the Company. The weighted average Euro foreign exchange interest rate used in 2017 for other receivables from related parties is 4.20%.

f) Exchange rate difference income from related parties;

	1 January- 30 June 2017	1 April- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2016
Merinos Halı San. Tic. A.Ş.	10,823	4,963	-	-
Dinarsu İmalat ve Ticaret T.A.Ş.	349	-	-	-
Total	11,172	4,963	-	-

g) As of 30 June 2017 and 2016 remuneration of directors and key management personnel amounts 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 benefits provided to key management	854	539	1,083	410
Total	854	539	1,083	410

NOTE 28 - FINANCIAL RISK MANAGEMENT

Financial Risk Management

Financial risk factors

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

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NOTE 28 - FINANCIAL RISK MANAGEMENT (continued)

The Group's risk management is implemented by the Group's Treasury Department according to approved policies by Board of Directors. Treasury Department detects and evaluates financial risks and relieve of a risk through close relations with other departments of the Group.

Market risk

Foreign exchange risk

The Group is subject to foreign exchange risk due to foreign currency denominated liabilities and assets' translation to Turkish Lira. Foreign exchange risk is traced and minimized through the analysis of foreign currency position.

Foreign Currency Position Table

Assets and liabilities denominated in foreign currencies at 30 June 2017 and 31 December 2016 are as follows:

	30 June 2017			
	TL Equivalent	USD	EUR	GBP
Trade receivables	335,242	69,615	22,757	-
Monetary financial assets (Including cash and banks)	27,020	1,059	5,816	5
Other	275,405	23	68,779	-
Current asset	637,667	70,697	97,352	5
Total asset	637,667	70,697	97,352	5
Trade payables (Including other payables)	161,884	6,679	34,585	3
Financial liabilities	225,846	-	47,762	-
Other	14,286	353	3,259	0
Short-term liabilities	402,016	7,032	85,607	3
Financial liabilities	336,359	-	84,027	-
Long-term liabilities	336,359	-	84,027	-
Total liabilities	738,375	7,032	169,633	3
Net foreign currency position	(100,708)	63,665	(72,281)	1

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NOTE 28 - FINANCIAL RISK MANAGEMENT (continued)

	31 December 2016			
	TL Equivalent	USD	EUR	GBP
Trade receivables	425,809	89,347	29,964	50
Monetary financial assets (Including cash and banks)	6,947	502	1,313	72
Other	153,009	78	41,161	8
Current asset	585,765	89,927	72,438	129
Total asset	585,765	89,927	72,438	129
Trade payables (Including other payables)	88,471	7,271	16,928	19
Financial liabilities	165,458	9,500	36,444	-
Other	5,440	-	1,466	-
Short-term liabilities	259,369	16,771	54,838	19
Financial liabilities	177,251	-	47,778	-
Long-term liabilities	177,251	-	47,778	-
Total liabilities	436,620	16,771	102,616	19
Net foreign currency position	149,145	73,156	(30,178)	110

Foreign Currency Sensitivity Analysis

As of 30 June 2017;	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
10% change in US Dollar /TL parity		
US Dollar net asset	22,328	(22,328)
US Dollar net hedged amount	-	-
US Dollar net effect	22,328	(22,328)
10% change in EUR /TL parity		
EUR net asset	(28,934)	28,934
EUR net hedged amount	-	-
EUR net effect	(28,934)	28,934
10% change in GBP /TL parity		
GBP net asset	1	(1)
GBP net hedged amount	-	-
GBP net effect	1	(1)
Total	(6,605)	6,605

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NOTE 28 - FINANCIAL RISK MANAGEMENT (continued)

Foreign Currency Sensitivity Analysis (continued)

As of 31 December 2016;	<u>Profit / (Loss)</u>	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
10% change in US Dollar /TL parity		
US Dollar net asset	25,745	(25,745)
US Dollar net hedged amount	-	-
US Dollar net effect	25,745	(25,745)
10% change in EUR /TL parity		
EUR net asset	(11,196)	11,196
EUR net hedged amount	-	-
EUR net effect	(11,196)	11,196
10% change in GBP /TL parity		
GBP net asset	48	(48)
GBP net hedged amount	-	-
GBP net effect	48	(48)
Total	14,597	(14,597)

Fair value of financial instruments:

Financial assets and liabilities are also considered to reflect their fair values.

NOTE 29 - SUBSEQUENT EVENT

None.