

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

CONVENIENCE TRANSLATION INTO ENGLISH  
OF THE CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE INTERIM PERIOD  
1 JANUARY - 30 JUNE 2015 TOGETHER WITH  
AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

## REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Tel : +90 (212) 366 6000  
Fax : +90 (212) 366 6010  
www.deloitte.com.tr

To the Board of Directors of  
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş.

Mersis No: 0291001097600016  
Ticari Sicil No : 304099

### *Introduction*

We have reviewed the accompanying consolidated balance sheet of Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiary (together will be referred as the "Group") as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. Group management is responsible for the preparation and presentation of the consolidated financials' information related with the interim period according to the "Interim Period Financial Reporting" Standard ("TAS 34"). Our responsibility is to express an opinion on these consolidated financial statements 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".

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



Berkman Özata, SMMM  
Partner

Istanbul, 10 August 2015

<b>INDEX</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED BALANCE SHEET .....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS .....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....</b>	<b>6</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>7-46</b>
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP .....	7-8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	9-18
NOTE 3 SEGMENT REPORTING.....	19-21
NOTE 4 FINANCIAL LIABILITIES.....	21-22
NOTE 5 OTHER RECEIVABLES AND PAYABLES .....	22-23
NOTE 6 INVENTORIES.....	24
NOTE 7 PROPERTY, PLANT AND EQUIPMENT.....	25-27
NOTE 8 INVESTMENT PROPERTY .....	27
NOTE 9 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	27-29
NOTE 10 SALES AND COST OF GOODS SOLD .....	30
NOTE 11 EXPENSES BY NATURE.....	30
NOTE 12 OTHER OPERATING INCOME AND EXPENSES.....	30-31
NOTE 13 INCOME AND EXPENSE FROM INVESTING ACTIVITIES .....	31
NOTE 14 INCOME AND EXPENSE FROM FINANCING ACTIVITIES.....	31
NOTE 15 TAXATION ON INCOME.....	32-34
NOTE 16 RELATED PARTY DISCLOSURES .....	35-37
NOTE 17 FOREIGN CURRENCY RISK AND POSITION .....	37-44
NOTE 18 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	44
NOTE 19 INTERESTS IN OTHER ENTITIES .....	45-46
NOTE 20 EVENTS AFTER THE REPORTING PERIOD.....	46

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**REVIEWED CONDENSED CONSOLIDATED  
BALANCE SHEET AT 30 JUNE 2015**

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

	Notes	Reviewed 30 June 2015	Audited 31 December 2014
<b>ASSETS</b>			
Cash and Cash Equivalents		22.713.278	13.677.842
Trade Receivables (net)		325.736.235	283.519.457
<i>Trade Receivables from Related Parties</i>		<i>12.085.709</i>	<i>12.891.559</i>
<i>Trade Receivables from Third Parties</i>		<i>313.650.526</i>	<i>270.627.898</i>
Other Receivables	5	9.275.781	6.772.467
<i>Other Receivables from Third Parties</i>		<i>9.275.781</i>	<i>6.772.467</i>
Derivative Financial Instruments	17	12.241.570	1.875.061
Inventories	6	451.790.829	437.458.901
Prepaid Expenses		20.971.728	15.712.626
Assets Related to Current Tax		2.921.559	9.722.321
Financial Investments		86.443	74.620
Other Current Assets		55.947.233	54.846.704
<b>SUB TOTAL</b>		<b>901.684.656</b>	<b>823.659.999</b>
Assets Classified as Held for Sale		-	4.385.340
<b>Current Assets</b>		<b>901.684.656</b>	<b>828.045.339</b>
Financial Investments		302.737	285.638
Other Receivables	5	16.572.876	16.778.309
<i>Other Receivables from Third Parties</i>		<i>16.572.876</i>	<i>16.778.309</i>
Investment Property	8	25.870.274	22.332.047
Property, Plant and Equipment	7	1.062.139.564	985.755.026
Intangible Assets		72.218.528	71.626.902
<i>Goodwill</i>		<i>45.595.167</i>	<i>45.595.167</i>
<i>Other Intangible Assets</i>		<i>26.623.361</i>	<i>26.031.735</i>
Prepaid Expenses		12.044.298	9.650.074
Deferred Tax Assets	15	22.927.242	20.745.377
Other Non-Current Assets		25.505.819	16.299.604
<b>Non-Current Assets</b>		<b>1.237.581.338</b>	<b>1.143.472.977</b>
<b>Total Assets</b>		<b>2.139.265.994</b>	<b>1.971.518.316</b>

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

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**REVIEWED CONDENSED CONSOLIDATED  
BALANCE SHEET AT 30 JUNE 2015**

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

	Notes	Reviewed 30 June 2015	Audited 31 December 2014
<b>LIABILITIES</b>			
Short Term Borrowings	4	401.889.719	394.579.311
Short Term Portion of Long Term Borrowings	4	26.322.875	23.721.571
Trade Payables		168.048.636	156.419.355
<i>Trade Payables to Related Parties</i>		7.347.546	3.517.840
<i>Trade Payables to Third Parties</i>		160.701.090	152.901.515
Employee Benefit Obligations		5.897.905	4.698.100
Other Payables	5	13.957.163	15.939.956
<i>Other Payables to Third Parties</i>		13.957.163	15.939.956
Derivative Financial Instruments		1.195.543	-
Deferred Income		594.510	3.325.674
Short Term Provisions		12.134.444	12.358.296
<i>Short Term Provisions for Employee Benefits</i>		12.086.384	12.310.236
<i>Other Short Term Provisions</i>		48.060	48.060
Other Current Liabilities		20.406.736	15.743.441
<b>Current Liabilities</b>		<b>650.447.531</b>	<b>626.785.704</b>
Long Term Borrowings	4	212.039.844	138.878.485
Trade Payables		547.045	502.799
<i>Trade Payables to Third Parties</i>		547.045	502.799
Other Payables	5	11.737.665	11.367.331
<i>Other Trade Payables to Third Parties</i>		11.737.665	11.367.331
Government Grants		2.556.674	2.501.429
Long Term Provisions		36.063.698	33.603.623
<i>Long Term Provisions for Employee Benefits</i>		36.063.698	33.603.623
Deferred Tax Liabilities	15	85.131.375	71.058.392
<b>Non-Current Liabilities</b>		<b>348.076.301</b>	<b>257.912.059</b>
<b>Total Liabilities</b>		<b>998.523.832</b>	<b>884.697.763</b>
<b>SHAREHOLDERS' EQUITY</b>			
Equity Attributable to Owners of the Company		906.303.243	886.720.375
Share Capital		194.529.076	194.529.076
Share Premium		62.052.856	62.052.856
Shareholders' Contribution		375.895.300	375.895.300
<b>Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss</b>			
<i>Financial Assets Fair Value Reserve</i>		(270.151)	(270.151)
<i>Currency Translation Differences</i>		158.742.071	113.415.666
<i>Hedging Reserve</i>		8.065.212	1.511.419
<b>Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss</b>			
<i>Defined Benefit Plans Remeasurement Fund</i>		(3.079.114)	(3.079.114)
Restricted Reserves		30.757.308	30.757.308
Retained Earnings		44.102.951	34.748.037
Net Income for the Period		35.507.734	77.159.978
Non-Controlling Interests		234.438.919	200.100.178
<b>Total Equity</b>		<b>1.140.742.162</b>	<b>1.086.820.553</b>
<b>Total Liabilities and Equity</b>		<b>2.139.265.994</b>	<b>1.971.518.316</b>

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

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**REVIEWED CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Limited Reviewed 1 January- 30 June 2015	Non- Audited 1 April- 30 June 2015	Limited Reviewed 1 January- 30 June 2014	Non- Audited 1 April- 30 June 2014
<b>PROFIT OR LOSS</b>					
Sales	10	868.967.723	457.918.256	868.040.379	429.016.387
Cost of Sales (-)	10	(726.732.360)	(375.670.699)	(736.170.557)	(369.174.235)
<b>GROSS PROFIT</b>		<b>142.235.363</b>	<b>82.247.557</b>	<b>131.869.822</b>	<b>59.842.152</b>
Marketing Expenses (-)	11	(34.297.857)	(17.666.637)	(30.542.780)	(15.863.738)
General and Administrative Expenses (-)	11	(43.181.086)	(23.944.546)	(32.298.887)	(15.941.037)
Research and Development Expenses (-)	11	(859.891)	(523.118)	(1.804.999)	(736.821)
Other Operating Income	12	78.112.024	37.340.262	41.807.930	18.914.231
Other Operating Expenses (-)	12	(67.607.145)	(29.804.235)	(37.163.209)	(21.396.703)
<b>OPERATING PROFIT</b>		<b>74.401.408</b>	<b>47.649.283</b>	<b>71.867.877</b>	<b>24.818.084</b>
Income From Investing Activities	13	6.963.556	5.791.160	1.377.538	1.018.271
Expenses From Investing Activities (-)	13	(1.135.724)	(328.137)	(311.072)	(296.235)
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSE</b>		<b>80.229.240</b>	<b>53.112.306</b>	<b>72.934.343</b>	<b>25.540.120</b>
Financial Income	14	-	-	4.046.077	2.595.132
Financial Expenses (-)	14	(25.248.827)	(13.062.705)	(6.995.228)	(3.692.071)
<b>CONTINUING OPERATIONS</b>		<b>54.980.413</b>	<b>40.049.601</b>	<b>69.985.192</b>	<b>24.443.181</b>
Tax Expense:					
- Current Tax Expense	15	(2.313.665)	(1.764.163)	(10.218.239)	(4.373.117)
- Deferred Tax Income/ (Expense)	15	(4.893.203)	(4.037.745)	(3.117.911)	(980.917)
<b>NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>47.773.545</b>	<b>34.247.693</b>	<b>56.649.042</b>	<b>19.089.147</b>
<b>DISCONTINUED OPERATIONS</b>					
Discontinued Operations	18	-	-	(1.609.084)	48.196
<b>PROFIT FOR THE PERIOD</b>		<b>47.773.545</b>	<b>34.247.693</b>	<b>55.039.958</b>	<b>19.137.343</b>
<b>NET PROFIT ATTRIBUTABLE TO:</b>					
- Owners of the Parent		35.507.734	24.832.937	45.063.606	13.891.729
- Non-Controlling Interests		12.265.812	9.414.757	9.976.352	5.245.614
Earnings per 1.000 ordinary shares		1,83	1,28	2,32	0,71

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

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**REVIEWED CONDENSED CONSOLIDATED STATEMENT OF OTHER  
COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

	Limited Reviewed 1 January- 30 June 2015	Non- Audited 1 April- 30 June 2015	Limited Reviewed 1 January- 30 June 2014	Non- Audited 1 April- 30 June 2014
<b>PROFIT FOR THE PERIOD</b>	<b>47.773.545</b>	<b>34.247.693</b>	<b>55.039.958</b>	<b>19.137.343</b>
<b>Other Comprehensive Income:</b>				
<b>Income or Expenses That Will Not Be Reclassified to Profit or Loss</b>	-	-	-	-
<b>Income or Expenses That Will Be Reclassified to Profit or Loss</b>	<b>81.204.476</b>	<b>8.269.695</b>	<b>9.783.530</b>	<b>(12.997.624)</b>
Currency translation differences	74.650.683	14.835.769	8.054.446	(13.386.077)
Hedging reserve gains	8.493.970	(8.280.876)	2.158.512	485.566
Tax (expense) related to other comprehensive income items (*)	(1.940.177)	1.714.802	(429.428)	(97.113)
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>	<b>81.204.476</b>	<b>8.269.695</b>	<b>9.783.530</b>	<b>(12.997.624)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>128.978.021</b>	<b>42.517.388</b>	<b>64.823.488</b>	<b>6.139.719</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
- Owners of the Parent	87.387.932	29.556.510	55.328.561	6.604.823
- Non-Controlling Interests	41.590.089	12.960.878	9.494.927	(465.104)

(\*) 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 GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**REVIEWED CONDENSED CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

	Share Capital (**)	Share Premium	Shareholders' Contribution	Assets Fair Value Reserve	Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss			Currency Transition Differences	Remeasurement Fund	Retained Earnings			Equity Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
					Hedging Reserve	Hedging Reserve	Differences			Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	Plans Benefit Fund	Restricted Reserves			
Previously reported balances at															
1 January 2014	194.529.076	62.052.856	444.666.957	(270.151)	-	112.871.858	-	(1.268.696)	31.024.246	3.658.291	30.822.808	878.087.245	170.610.241	1.048.697.486	
Transfers	-	-	-	-	-	-	-	-	-	30.822.808	(30.822.808)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(1.338.314)	(1.338.314)	
Total comprehensive income	-	-	-	-	1.729.084	8.535.871	-	-	-	-	45.063.606	55.328.561	9.494.927	64.823.488	
Balances at	194.529.076	62.052.856	444.666.957	(270.151)	1.729.084	121.407.729	(1.268.696)	31.024.246	34.481.099	45.063.606	933.415.806	178.766.854	1.112.182.660		
Previously reported balances at															
1 January 2015	194.529.076	62.052.856	375.895.300	(270.151)	1.511.419	113.415.666	(3.079.114)	30.757.308	34.748.037	77.159.978	886.720.375	200.100.178	1.086.820.553		
Transfers	-	-	-	-	-	-	-	-	77.159.978	(77.159.978)	-	-	-		
Dividends paid	-	-	-	-	-	-	-	-	(67.805.064)	-	(67.805.064)	(7.251.348)	(75.056.412)		
Total comprehensive income	-	-	-	-	6.553.793	45.326.405	-	-	-	35.507.734	87.387.932	41.590.089	128.978.021		
Balances at	194.529.076	62.052.856	375.895.300	(270.151)	8.065.212	158.742.071	(3.079.114)	30.757.308	44.102.951	35.507.734	906.303.243	234.438.919	1.140.742.162		

(\*) It was resolved at Ordinary General Assembly Meeting for 2014 of the Group, held on 24 March 2015, to distribute 34,70% gross, 33,4769% net profit share to shareholders representing TL 194.529.076,00 capital in accordance with their legal status, amounting to TL 67.501.589,37. In accordance with the resolution, the dividend payments commenced on 29 May 2015.

(\*\*) Amounting TL 19.452.907 nominal value share of Hacı Ömer Sabancı Holding A.Ş. at the Group have been sold to a total of 61 local and foreign investor with a nominal value of TL 1,00 and TL 5,00 price per share between 11 May 2015 and 20 May 2015. After the transactions share of Hacı Ömer Sabancı Holding A.Ş. at the Group resulted as 71,11%.

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



**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**REVIEWED CONDENSED CONSOLIDATED STATEMENT OF  
CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

	Notes	Limited Reviewed 1 January- 30 June 2015	Limited Reviewed 1 January- 30 June 2014
<b>A. CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>53.725.770</b>	<b>46.538.311</b>
Profit for the period from continuing operations		47.773.545	56.649.042
Profit / loss from discontinued operations		-	(1.609.084)
<b>Adjustments to reconcile profit / loss for the period</b>			
Adjustments related to depreciation and amortization expenses	7	42.652.724	37.603.167
Provision for impairment on property, plant and equipment		386.222	-
Adjustments related to retirement pay provision		(100.278)	(1.429.655)
Adjustments related to deferred taxes	15	4.893.203	3.117.911
Adjustments related to interest income	14	(1.859.763)	(1.385.129)
Adjustments related to interest expense	14	10.819.893	8.079.625
Adjustments related to (gain) / loss on sale of property, plant and equipment		(3.968.068)	(141.600)
Adjustments related to redemption of government grants		(84.269)	(87.515)
Adjustments related to inventory obsolescence	6	1.192.654	1.163.917
Adjustments related to personnel bonus accruals		4.575.155	4.348.093
Adjustments related to vacation pay provision		3.906.951	3.617.850
Adjustments related to personnel bonus accruals		10.748.508	483.960
Adjustments related to provision for doubtful receivables		(1.202)	32.510
Adjustments related to insurance income accruals		(129.301)	47.172
Adjustments related to tax expense	15	2.313.665	10.218.239
Adjustments related to unrealized finance expenses on credit purchases		1.629.866	1.033.664
Adjustments related to unearned finance income on credit sales		(4.344.164)	(3.875.231)
Adjustments related to unrealized foreign exchange (gains) / losses		1.490.482	(1.034.506)
Adjustments related to fair value changes of derivative financial instruments		(2.980.815)	(418.058)
<b>Changes in working capital</b>			
Adjustments related to increase/ decrease in trade receivables		(43.942.500)	(37.269.081)
Adjustments related to increase/ decrease in inventories		(16.604.740)	(68.070.264)
Adjustments related to increase/ decrease in other short-term receivables		572.515	(12.346.558)
Adjustments related to increase/ decrease in other long-term receivables		(8.871.481)	(508.252)
Adjustments related to increase/ decrease in trade payables		15.973.445	44.882.534
Adjustments related to increase/ decrease in other long-term trade payables		44.246	(31.737)
Adjustments related to increase/ decrease in other short-term other payables		1.680.818	138.113
Adjustments related to increase/ decrease in other long-term other payables		370.334	928.169
Adjustments related to increase/ decrease in short-term benefits to employees		975.954	2.180.947
Adjustments related to increase/ decrease in prepaid expenses		(7.653.325)	11.852.903
Change in assets related to current tax		6.800.761	-
Change in deferred income		(2.731.164)	(1.536.741)
Change in financial instruments		6.553.793	1.729.084
Change in derivative instruments		(9.170.965)	2.147.142
Employee vacation pay provisions provision		(1.516.373)	(2.161.728)
Employee bonuses paid		(5.723.837)	(4.875.556)
Taxes paid		(2.313.665)	(8.619.504)
Adjustments related to increase/ decrease in retirement pay and employee		366.946	1.684.468
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(24.788.168)</b>	<b>(125.500.757)</b>
Purchase of property, plant, equipment and intangible assets		(40.249.795)	(128.025.685)
Proceeds from sale of property, plant and equipment		13.601.864	1.430.606
Interest received	14	1.859.763	1.094.322
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(4.293.716)</b>	<b>70.464.439</b>
Dividends paid		(67.805.064)	-
Dividends paid to non-controlling interests		(7.251.348)	(1.338.314)
Proceeds from borrowings – net		81.582.589	79.882.378
Interest paid	14	(10.819.893)	(8.079.625)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT BEFORE THE CURRENCY TRANSLATION DIFFERENCE IMPACT (A+B+C)</b>		<b>24.643.886</b>	<b>(8.498.007)</b>
<b>D. CURRENCY TRANSLATION DIFFERENCE IMPACT ON CASH AND CASH EQUIVALENTS</b>		<b>(15.608.448)</b>	<b>260.001</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT (A+B+C+D)</b>		<b>9.035.438</b>	<b>(8.238.006)</b>
<b>E. CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD</b>		<b>13.677.842</b>	<b>52.468.112</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>22.713.280</b>	<b>44.230.106</b>

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

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret Anonim Şirketi ("Kordsa Global" or the "Company") was established on 9 February 2006 as a subsidiary of Hacı Ömer Sabancı Sabancı Holding A.Ş. ("Sabancı Holding") and is registered in İstanbul, Turkey. The Company operates under Turkish Commercial Code.

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 Global is registered with the Capital Markets Board of Turkey ("CMB") and its shares have been traded in Borsa İstanbul ("BIST") since 1991. As of 30 June 2015, 28,89% of the Group's shares are listed on BIST. As of the same date, the shareholders owning the Group's shares and the percentage of the shares are as follows:

Shareholder Structure	Capital Share %	
	30 June 2015	31 December 2014
Hacı Ömer Sabancı Holding A.Ş. (*)	71,11	91,11
Other	28,89	8,89
	<b>100,00</b>	<b>100,00</b>

Average number of employees within the Group is 3.996 (31 December 2014: 4.048).

The address of the registered office is as follows:

Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş.  
Sabancı Center Kule 2  
Kat: 17  
34330 4. Levent  
İstanbul

- (\*) Amounting TL 19.452.907 nominal value share of Hacı Ömer Sabancı Holding A.Ş. at the Group have been sold to a total of 61 local and foreign investor with a nominal value of TL 1,00 and TL 5,00 price per share between 11 May 2015 and 20 May 2015. After the transactions share of Hacı Ömer Sabancı Holding A.Ş. at the Group resulted as 71,11%.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

**NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP (cont'd)**

**Subsidiaries**

In accordance with the operating country and segment reporting purpose, geographical divisions in which the subsidiaries that are consolidated in the consolidated financial statements as at 30 June 2015 and 31 December 2014 are as follows:

**30 June 2015**

<b>Subsidiaries</b>	<b>Country</b>	<b>Geographical division</b>	<b>Area of activity</b>
InterKordsa GmbH	Germany	Europe, Middle East and Africa	Single cord manufacture, industrial yarn and cord fabric trade
Nile Kordsa Company SAE	Egypt	Europe, Middle East and Africa	Cord fabric manufacture and trade
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

**31 December 2014**

<b>Subsidiaries</b>	<b>Country</b>	<b>Geographical division</b>	<b>Area of activity</b>
InterKordsa GmbH	Germany	Europe, Middle East and Africa	Single cord manufacture, industrial yarn and cord fabric trade
Nile Kordsa Company SAE	Egypt	Europe, Middle East and Africa	Cord fabric manufacture and trade
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 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

(\*) Operating in Indonesia, the Company provides nylon 6.6 and polyester HMLS yarns along with the cord fabric manufacturing plants.

The Company's shares are traded in Indonesia Stock Exchange ("IDX").

**Approval of the Financial Statements**

These interim condensed consolidated financial statements have been approved to be issued during the meeting of the Board of Directors held on 10 August 2015, and have been signed by the Chief Financial Officer and Chief Operating Officer, South America Fatma Arzu Ergene and Global Finance Manager Ümit Coşkun.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

---

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

**2.1 Basis of Presentation**

**Statement of Compliance with TAS**

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries.

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.

Moreover, financial tables and notes are presented in accordance with the format declared by CMB on 7 June 2013.

The Group issued the condensed financial statements as of 30 June 2015 in accordance with Turkish Accounting Standard No: 34 "Interim Financial Reporting".

Based on this Communiqué, explanations and disclosures which are required in the annual consolidated financial statements prepared in accordance with TAS / TFRS have been summarized or not presented to comply with TAS 34. The accompanying condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2014. Interim financial results are not solely indicators of the results for the year end.

**Functional and Presentation Currency**

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

Based on CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the POA Accounting Standards are not subject to inflation accounting effective from 1 January 2005. Therefore, starting from January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying financial statements.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

**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 2015:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Group and its subsidiaries (%)</b>	<b>Proportion of effective interest (%)</b>
InterKordsa GmbH	100,00	100,00
Nile Kordsa Company	51,00	51,00
Kordsa, Inc.	100,00	100,00
Kordsa Brazil	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 table below sets out all Subsidiaries and shows their shareholding rates at 31 December 2014:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Group and its subsidiaries (%)</b>	<b>Proportion of effective interest (%)</b>
InterKordsa GmbH	100,00	100,00
Nile Kordsa Company	51,00	51,00
Kordsa, Inc.	100,00	100,00
Kordsa Brazil	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 consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the amount of the investor's returns.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

---

**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 give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- 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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

---

**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 TFRSs). 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 and significant accounting errors should be applied retrospectively and prior period financial statements should be restated. There are no changes in the accounting policies of the Group in the current period.

**2.3 Changes in Accounting Estimates and Errors**

Changes in the accounting estimates should be accounted in financial statements prospectively; if the change is related to only one period, it should be accounted at the current year that the change is performed, but if it is related to more than one period it should be accounted at both the current and future periods. There are no significant changes in the accounting estimates for the current period.

Identified accounting errors are corrected in financial statements retrospectively.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

**2.4 New and Revised Turkish Accounting Standards (cont'd)**

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

None.

b) New and revised standards effective from 2015 applied with no material effect on the Group's consolidated financial statements

Amendments to TAS 19	<i>Offsetting Financial Assets and Financial Liabilities<sup>1</sup></i>
Annual Improvements to 2010-2012 Cycle	<i>TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39<sup>1</sup></i>
Annual Improvements to 2011-2013 Cycle	<i>TFRS 3, TFRS 13, TAS 40<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning after 30 June 2014.

**Amendments to TAS 19 *Defined Benefit Plans: Employee Contributions***

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

**Annual Improvements to 2010-2012 Cycle**

**TFRS 2:** Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

**TFRS 3:** Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

**TFRS 8:** Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

**TFRS 13:** Clarify that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

**TAS 16 and TAS 38:** Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

**TAS 24:** Clarify how payments to entities providing management services are to be disclosed.



**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

**2.4 New and Revised Turkish Accounting Standards (cont'd)**

- b) New and revised standards effective from 2015 applied with no material effect on the Group's consolidated financial statements (cont'd)

These changes is annual improvements to 2010-2012 cycle have also caused changes in related parts of TFRS 9, TAS 37 and TAS 39 respectively.

**Annual Improvements to 2011-2013 Cycle**

**TFRS 3:** Clarify that TFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

**TFRS 13:** Clarify the scope of the portfolio exception in paragraph 52.

**TAS 40:** Clarifying the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property.

- (c) New and revised TFRSs in issue but not yet effective

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

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>TFRS 9 and Mandatory Effective Date for Transition Explanations</i>
Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation<sup>1</sup></i>
Amendments to TAS 16, TAS 41 TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	<i>Agriculture: Bearer Plants<sup>1</sup></i>
Amendments to TFRS 11 and TFRS 1	<i>Accounting for Acquisition of Interests in Joint operations<sup>1</sup></i>
Annual Improvements to 2011-2013 Cycle	<i>TFRS 1<sup>2</sup></i>
Amendments to TAS 1	<i>Disclosure Initiative<sup>2</sup></i>
Annual Improvements to 2012-2014 Cycle	<i>TFRS 5, TFRS 7, TAS 34, TAS 19<sup>2</sup></i>
Amendments to TAS 27	<i>Equity Method in Separate Financial Statements<sup>2</sup></i>
Amendments to TAS 10 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>2</sup></i>
Amendments to TFRS 10, TFRS 12 and TAS 28	<i>Investment Entities: Applying the Consolidation Exception<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 31 December 2015.

<sup>2</sup> Effective for annual periods beginning on or after 01 January 2016.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

---

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

**2.4 New and Revised Turkish Accounting Standards (cont'd)**

(c) New and revised TFRSs in issue but not yet effective (cont'd)

***TFRS 9 Financial Instruments***

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

***Amendments to TFRS 9 and TFRS 7 Mandatory Effective Date of TFRS 9 and Transition Disclosures***

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

***Amendments to TAS 16 and TAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation***

This amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

***Amendments to TAS 16, TAS 41 TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 Agriculture: Bearer Plants***

This amendment include "bearer plants" within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with TAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

These changes in TAS 16 and TAS 41 caused changes in related parts of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 respectively.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

---

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

**2.4 New and Revised Turkish Accounting Standards (cont'd)**

(c) New and revised TFRSs in issue but not yet effective (cont'd)

**Amendments to TFRS 11 TFRS 1 *Accounting for Acquisition of Interests in Joint operations***

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in TFRS 3 and other TFRSs, except for those principles that conflict with the guidance in TFRS 11
- disclose the information required by TFRS 3 and other TFRSs for business combinations.

This change in TFRS 11 caused changes in related parts of TAS 1.

**Annual Improvements to 2011-2013 Cycle**

**TFRS 1:** Clarify which versions of TFRSs can be used on initial adoption (amends basis for conclusions only).

**Amendments to TAS 1 *Disclosure Initiative***

This amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports.

**Annual Improvements 2012-2014 Cycle**

**TFRS 5:** Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

**TFRS 7:** Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

**TAS 34:** Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

Amendments related to 2012-2014 period caused changes in related parts of TAS 19 standard.

**Amendments to TAS 27 *Equity Method in Separate Financial Statements***

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

---

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

**2.4 New and Revised Turkish Accounting Standards (cont'd)**

(c) New and revised TFRSs in issue but not yet effective (cont'd)

**Amendments to TFRS 10 and TAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

**Amendments to TFRS 10, 12, TAS 28 *Investment Entities: Applying the Consolidation Exception***

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

The Group evaluates the effects of these standards on the consolidated financial statements.

**2.5 Summary of Significant Accounting Policies**

The condensed consolidated interim financial statements for the period ended on 30 June 2015 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 30 June 2015 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2014. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2014.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

**2.4 New and Revised Turkish Accounting Standards (cont'd)**

(c) New and revised TFRSs in issue but not yet effective (cont'd)

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

Preparation of the consolidated financial statements in accordance with Public Oversight Accounting and Auditing Standards Authority necessitates the usage of estimations and assumptions that can affect amounts of reported assets and liabilities as of balance sheet date, the explanation for the contingent assets and liabilities and income and expenses reported during the accounting period. Although these estimations and assumptions are based on the best judgement of the Group management related with the current conditions and transactions, actual results may differ from these estimations. Estimations are revised on a regular basis; necessary adjustments and corrections are made; and they are included in the income statement when they accrue Critical accounting estimates and assumptions used in the condensed consolidated financial statements as of 30 June 2015 are consistent with the critical accounting estimates and assumptions used in the consolidated financial statements as of 31 December 2014.

**NOTE 3 - SEGMENT REPORTING**

The reportable geographical segments for segment reporting are as follows:

**a) Segment analysis for the period 1 January – 30 June 2015**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	347.452.793	155.375.277	120.892.127	245.247.526	-	868.967.723
Intersegment revenues	37.753.808	17.758.775	-	19.997.544	(75.510.127)	-
Revenues	385.206.601	173.134.052	120.892.127	265.245.070	(75.510.127)	868.967.723
Segment operating expenses	(305.889.334)	(186.290.888)	(125.371.957)	(233.770.619)	76.712.819	(774.609.979)
Segment operating result	79.317.267	(13.156.836)	(4.479.830)	31.474.451	1.202.692	94.357.744
Unallocated expenses (*)						(19.956.335)
						74.401.409

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

**b) Segment analysis for the period 1 April – 30 June 2015**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	190.413.123	74.522.257	64.313.073	128.669.803	-	457.918.256
Intersegment revenues	20.731.814	6.439.642	-	12.124.413	(39.295.869)	-
Revenues	211.144.937	80.961.899	64.313.073	140.794.216	(39.295.869)	457.918.256
Segment operating expenses	(161.966.674)	(90.971.849)	(62.797.400)	(121.781.474)	39.370.811	(398.146.586)
Segment operating result	49.178.263	(10.009.950)	1.515.673	19.012.742	74.942	59.771.670
Unallocated expenses (*)						(12.122.386)
						47.649.284

**c) Segment analysis for the period 1 January – 30 June 2014**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	364.862.556	183.126.409	106.792.904	213.258.510	-	868.040.379
Intersegment revenues	18.046.320	17.073.763	-	7.547.693	(42.667.776)	-
Revenues	382.908.876	200.200.172	106.792.904	220.806.203	(42.667.776)	868.040.379
Segment operating expenses	(335.906.041)	(202.914.372)	(103.627.546)	(189.219.316)	52.386.864	(779.280.411)
Segment operating result	47.002.835	(2.714.200)	3.165.358	31.586.887	9.719.088	88.759.968
Unallocated expenses (*)						(16.892.091)
						71.867.877

**d) Segment analysis for the period 1 April – 30 June 2014**

	Europe, Middle East and Africa	North America	South America	Asia	Intersegment elimination	Total
External revenues	184.626.538	86.182.896	50.391.799	107.815.154	-	429.016.387
Intersegment revenues	9.165.099	12.463.210	-	6.766.835	(28.395.144)	-
Revenues	193.791.637	98.646.106	50.391.799	114.581.989	(28.395.144)	429.016.387
Segment operating expenses	(184.687.144)	(103.957.286)	(43.337.530)	(98.818.336)	34.205.829	(396.594.467)
Segment operating result	9.104.493	(5.311.180)	7.054.269	15.763.653	5.810.685	32.421.920
Unallocated expenses (*)						(7.603.836)
						24.818.084

(\*) Income and expenses of Corporate Office, R&D Center and other unallocated consolidation adjustments are included in this line.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

**e) Segment Assets**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Europe, Middle East and Africa	819.447.567	771.266.356
North America	760.147.304	678.277.247
South America	251.623.975	239.273.896
Asia	305.111.283	280.057.288
<b>Segment assets (*)</b>	<b>2.136.330.129</b>	<b>1.968.874.787</b>
Unallocated assets	18.240.116	4.762.778
Less: Intersegment eliminations	(15.304.251)	(2.119.249)
<b>Total assets per consolidated financial statements</b>	<b>2.139.265.994</b>	<b>1.971.518.316</b>

(\*) Segment assets comprise mainly of operating assets and exclude deferred income tax assets, time deposits and 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 2015</b>	<b>1 April- 30 June 2015</b>	<b>1 January- 30 June 2014</b>	<b>1 April- 30 June 2014</b>
Fabric	668.726.917	351.914.748	631.703.710	310.200.913
Nylon Yarn	147.746.486	76.066.972	183.961.649	89.868.527
Other	52.494.320	29.936.536	52.375.020	28.946.947
	<b>868.967.723</b>	<b>457.918.256</b>	<b>868.040.379</b>	<b>429.016.387</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

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

**b) Segment Assets**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Fabric	997.635.900	874.995.952
Nylon Yarn	550.326.407	582.350.501
Polyester Yarn	269.845.257	233.321.909
Other	94.417.005	100.100.114
<b>Segment assets</b>	<b>1.912.224.569</b>	<b>1.790.768.476</b>
Unallocated assets	300.694.497	236.873.316
Less: Intersegment eliminations	(73.653.072)	(56.123.476)
<b>Total assets per consolidated financial statements</b>	<b>2.139.265.994</b>	<b>1.971.518.316</b>

**NOTE 4 - BORROWINGS**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Short-term borrowings	401.889.719	394.579.311
Short-term portion of long term borrowings	26.322.875	23.721.571
<b>Total short-term financial liabilities</b>	<b>428.212.594</b>	<b>418.300.882</b>
Long-term borrowings	212.039.844	138.878.485
<b>Total long-term financial liabilities</b>	<b>212.039.844</b>	<b>138.878.485</b>
<b>Total financial liabilities</b>	<b>640.252.438</b>	<b>557.179.367</b>



**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

**NOTE 4 - BORROWINGS (cont'd)**

**Bank borrowings**

	30 June 2015		31 December 2014	
	Weighted average effective interest rate %	TL	Weighted average effective interest rate %	TL
<b>Short-term borrowings</b>				
TL borrowings	-	102.695	-	1.323.846
USD borrowings	4,21	137.754.973	4,36	146.650.098
Euro borrowings	1,11	264.018.049	0,96	246.605.367
Other		14.002		-
		<b>401.889.719</b>		<b>394.579.311</b>
<b>Short-term portion of long-term borrowings</b>				
USD borrowings	4,85	26.322.875	4,56	23.721.571
		<b>26.322.875</b>		<b>23.721.571</b>
<b>Total short-term borrowings</b>		<b>428.212.594</b>		<b>418.300.882</b>
<b>Long-term borrowings</b>				
USD borrowings	4,85	151.202.368	4,56	138.878.485
Euro borrowings	3,10	60.837.476	-	-
<b>Total long-term borrowings</b>		<b>212.039.844</b>		<b>138.878.485</b>

The redemption schedules of borrowings are summarized below:

	30 June 2015	31 December 2014
Up to 1 year	428.212.594	418.300.882
1 to 2 years	52.972.791	25.208.301
2 to 3 years	87.327.674	42.198.432
3 to 4 years	26.262.712	12.667.309
4 to 5 years	42.372.825	54.790.962
Over 5 years	3.103.842	4.013.481
	<b>640.252.438</b>	<b>557.179.367</b>

**NOTE 5 – OTHER RECEIVABLES AND PAYABLES**

	30 June 2015	31 December 2014
<b>Other short-term receivables</b>		
Taxes and other dues (*)	8.124.995	5.213.142
Other	1.150.786	1.559.325
	<b>9.275.781</b>	<b>6.772.467</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

**NOTE 5 – OTHER RECEIVABLES AND PAYABLES (cont'd)**

	<b>30 June 2015</b>	<b>31 December 2014</b>
<b>Other long-term receivables</b>		
Taxes and other dues (*)	12.628.308	14.654.839
Other	3.944.568	2.123.470
	<b>16.572.876</b>	<b>16.778.309</b>

	<b>30 June 2015</b>	<b>31 December 2014</b>
<b>Other short-term payables</b>		
Payables on property, plant and equipment purchases	5.762.749	5.565.308
Taxes and duties payable	7.096.002	8.697.424
Other	1.098.412	1.677.224
	<b>13.957.163</b>	<b>15.939.956</b>

	<b>30 June 2015</b>	<b>31 December 2014</b>
<b>Other long-term payables</b>		
Taxes and duties payable (**)	11.737.665	11.367.331
	<b>11.737.665</b>	<b>11.367.331</b>

(\*) Prepaid taxes and other withholding taxes mainly comprise the social security premiums and other tax receivables of Kordsa Brazil which are over paid in excess in previous periods and the Company has the right to recollect from the Federal Bureau of Taxation.

(\*\*) Taxes and duties payables mainly comprise of long term social security contributions and other tax payables of Kordsa Brazil.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2015**

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

**NOTE 6 - INVENTORIES**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Finished goods	200.064.755	219.318.254
Raw materials and supplies	140.888.103	130.323.323
Semi-finished goods	59.139.483	46.079.469
Spare parts	23.421.525	21.292.426
Intermediate goods	19.242.528	10.371.228
Other inventories	20.310.173	19.077.128
	<b>463.066.567</b>	<b>446.461.828</b>
Less: Provision for obsolescence	(11.275.738)	(9.002.927)
	<b>451.790.829</b>	<b>437.458.901</b>

Movement schedules for provision for obsolescence for the years ended 30 June 2015 and 30 June 2014 are as follows:

	<b>1 January- 30 June 2015</b>	<b>1 January- 30 June 2014</b>
Balances at 1 January	9.002.927	8.082.858
Additions	3.650.656	1.961.248
Reversals	(2.458.002)	(797.331)
Currency translation differences	1.080.157	(141.931)
<b>Balance at 30 June</b>	<b>11.275.738</b>	<b>9.104.844</b>

The amount of provision for inventory obsolescence classified to cost of goods sold for the periods 30 June 2015 and 30 June 2014.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

The movement of property, plant and equipment for the year ended 30 June 2015 is as follows:

	1 January 2015	Additions	Disposals	Transfers to assets classified as held for sale	Transfers	Currency translation differences	30 June 2015
<b>Cost:</b>							
Land and land improvements	66.766.539	-	-	-	-	3.554.541	70.321.080
Buildings	299.268.144	288.838	-	-	6.195.056	19.224.444	324.976.482
Machinery and equipment	1.599.176.509	9.132.659	(46.552.133)	-	40.105.898	111.822.609	1.713.685.542
Motor vehicles	3.597.938	-	(66.818)	-	-	364.686	3.895.806
Furniture and fixtures	50.371.149	226.976	(1.304.892)	-	266.082	2.811.985	52.371.300
Construction in progress	74.948.739	30.044.322	-	-	(48.360.975)	5.851.746	62.483.832
	<b>2.094.129.018</b>	<b>39.692.795</b>	<b>(47.923.843)</b>	<b>-</b>	<b>(1.793.939)</b>	<b>143.630.011</b>	<b>2.227.734.042</b>
<b>Accumulated depreciation:</b>							
Land improvements	24.553.467	483.976	-	-	-	1.592.804	26.630.247
Buildings	164.531.820	3.394.010	-	-	-	7.293.548	175.219.378
Machinery and equipment	878.738.996	34.592.540	(36.859.307)	386.000	32.990	43.535.095	920.426.536
Motor vehicles	2.397.050	271.262	(66.818)	-	-	268.728	2.870.222
Furniture and fixtures	38.152.659	1.325.571	(1.285.175)	-	-	2.255.040	40.448.095
	<b>1.108.373.992</b>	<b>40.067.359</b>	<b>(38.211.300)</b>	<b>386.000</b>	<b>32,990</b>	<b>54,945,215</b>	<b>1,165,594,478</b>
<b>Net book value</b>	<b>985.755.026</b>						<b>1,062,139,564</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

The movement of property, plant and equipment for the year ended 30 June 2014 is as follows:

	1 January 2014	Additions	Disposals	Transfers to assets classified as held for sale	Transfers	Currency translation differences	30 June 2014
<b>Cost:</b>							
Land and land improvements	68.938.797	4.121	-	-	-	(182.755)	68.760.163
Buildings	287.906.818	118.051	-	-	3.141.618	1.469.868	292.636.355
Machinery and equipment	1.445.482.663	6.949.880	(2.133.037)	-	26.865.733	5.298.396	1.482.463.635
Motor vehicles	3.775.325	143.363	(144.226)	-	32.809	27.838	3.835.109
Furniture and fixtures	50.258.393	229.289	(94.904)	-	2.437.114	709.476	53.539.368
Construction in progress	87.998.186	124.881.812	(762.869)	(3.915.369)	(34.906.133)	(1.572.111)	171.723.516
	<b>1.944.360.182</b>	<b>132.326.516</b>	<b>(3.135.036)</b>	<b>(3.915.369)</b>	<b>(2.428.859)</b>	<b>5.750.712</b>	<b>2.072.958.146</b>
<b>Accumulated depreciation:</b>							
Land improvements	22.649.279	701.166	-	-	-	(40.811)	23.309.634
Buildings	159.221.087	4.692.436	-	-	-	493.202	164.406.725
Machinery and equipment	839.688.091	28.812.824	(1.650.289)	-	-	4.708.503	871.559.129
Motor vehicles	3.347.563	229.888	(105.959)	-	-	(4.169)	3.467.323
Furniture and fixtures	37.978.510	1.135.689	(89.782)	-	-	383.678	39.408.095
	<b>1.062.884.530</b>	<b>35.572.003</b>	<b>(1.846.030)</b>	<b>-</b>	<b>-</b>	<b>5.540.403</b>	<b>1.102.150.906</b>
<b>Net book value</b>	<b>881.475.652</b>						<b>970.807.240</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

TL 38.712.970 (30 June 2014: TL 34.306.000) of current period depreciation and amortisation expenses are included in cost of sales, TL 802.420 (30 June 2014: TL 804.453) is included in research and development expenses and TL 3.137.332 (30 June 2014: TL 2.492.174) is included in general administrative expenses.

**NOTE 8 – INVESTMENT PROPERTY**

Movement schedule of investment properties for the interim periods ended at 30 June 2015 and 30 June 2014 is as follows:

	30 June 2015	30 June 2014
<b>Balance at the beginning of the year</b>	<b>22.332.047</b>	<b>17.441.751</b>
Currency translation differences	3.538.227	(89.076)
<b>Closing balance</b>	<b>25.870.274</b>	<b>17.352.675</b>

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

**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 2015	31 December 2014
Pledges given to banks	181.183.154	153.986.755
Letter of guarantees	23.775.722	21.931.204
Letter of credits	3.578.420	21.108.245
Pledges	332.588	315.670
Pledges given for machinery and equipment	7.455.500	10.302.212
Other guarantees given	63.083	1.239.762
	<b>216.388.467</b>	<b>208.883.848</b>

**b) Guarantees received:**

	30 June 2015	31 December 2014
Letter of guarantees	9.418.178	10.099.767
Cheques and notes received as collateral	950.887	938.409
	<b>10.369.065</b>	<b>11.038.176</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

---

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

- i) During the preparation of the consolidated financial statements for the fiscal period 1 January to 31 December 2008, the Group found that a person employed in the accounting department of Kordsa Global İzmit had caused the Group to suffer loss through misappropriation of the Company's assets, and in an attempt to recover the money embezzled by the employee the Group initiated legal proceedings with a claim of TL 4.774.030 without limiting its right to litigation and to claim any excess.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

e) Guarantees, Pledges and Mortgages given by the Group ("GPM"):

30 June 2015	TL Equivalent	TL	USD	EUR	Thai Baht	Other TL Equivalent
A. Total of GPMs given on behalf of own legal personality	216.388.467	17.801.458	64.766.744	8.112.309	4.381.871	63.084
B. Total of GPMs given on behalf of subsidiaries consolidated in full	45.137.633	-	16.802.901	-	-	-
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	-	-	-	-	-	-
	261.526.100	17.801.458	81.569.645	8.112.309	4.381.871	63.084

**31 December 2014**

31 December 2014	TL Equivalent	TL	USD	EUR	Thai Baht	Other TL Equivalent
A. Total of GPMs given on behalf of own legal personality	208.883.848	15.712.298	75.835.260	5.947.370	4.687.221	211.680
B. Total of GPMs given on behalf of subsidiaries consolidated in full	55.129.863	-	23.774.144	-	-	-
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	-	-	-	-	-	-
	264.013.711	15.712.298	99.609.404	5.947.370	4.687.221	211.680

(\*) The percentage of the Group's other GPMs to the Group's equity as of 31 June 2015 is 0% (31 December 2014: 0%).



**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Sales income (gross)	883.794.448	465.278.754	878.928.577	435.555.261
Sales returns (-)	(3.941.889)	(2.376.937)	(570.579)	(330.830)
Sales discounts (-)	(7.529.659)	(3.314.065)	(4.243.632)	(3.196.686)
Other sales discounts (-)	(3.355.177)	(1.669.496)	(6.073.987)	(3.011.358)
<b>Sales Income (Net)</b>	<b>868.967.723</b>	<b>457.918.256</b>	<b>868.040.379</b>	<b>429.016.387</b>
Cost of sales (-)	(726.732.360)	(375.670.699)	(736.170.557)	(369.174.235)
<b>Gross Profit</b>	<b>142.235.363</b>	<b>82.247.557</b>	<b>131.869.822</b>	<b>59.842.152</b>

**NOTE 11 - EXPENSES BY NATURE**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Personnel expenses	28.821.453	14.803.326	23.260.990	10.837.499
Distribution expenses	19.648.148	10.095.741	19.368.729	9.589.916
Consultancy expenses	8.109.560	5.877.887	4.113.768	2.258.009
Depreciation and amortization expenses	3.939.754	2.001.942	3.087.267	2.608.983
Rent expenses	1.138.287	595.099	1.085.041	570.603
Service, maintenance expenses	798.830	525.533	513.511	251.759
Other	15.882.802	8.234.773	13.217.360	6.424.827
	<b>78.338.834</b>	<b>42.134.301</b>	<b>64.646.666</b>	<b>32.541.596</b>

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

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Other operating income				
Foreign exchange gains/ losses on trade receivables	58.564.661	26.733.666	23.261.662	8.631.335
Domestic production incentive income (*)	8.290.285	4.979.730	11.520.220	5.359.376
Unearned finance income on credit sales	4.344.164	2.084.516	3.875.231	2.473.726
Export incentive income	2.451.227	1.700.973	1.723.044	1.658.741
Rent income	63.790	31.895	59.838	29.919
Income from insurance claims	-	-	3.000	3.000
Other	4.397.897	1.809.482	1.364.935	758.134
	<b>78.112.024</b>	<b>37.340.262</b>	<b>41.807.930</b>	<b>18.914.231</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.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Other operating expenses	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Foreign exchange gains/ losses on trade payables	53.520.710	19.804.213	25.074.734	14.399.826
Taxes and duties	5.096.775	3.053.967	5.910.706	3.888.159
Unrealized finance expense on credit purchases	3.462.346	3.462.346	-	-
Donations	2.901.579	2.200.200	3.427.517	1.127.017
Expenses of the customer damages	1.629.866	855.930	1.033.664	774.614
Property, plant and equipment impairment loss (**)	351.913	226.917	97.221	55.792
Other	643.956	200.662	1.619.367	1.151.295
	<b>67.607.145</b>	<b>29.804.235</b>	<b>37.163.209</b>	<b>21.396.703</b>

(\*\*) Impairment losses as of 31 June 2015 arise from Kordsa Inc. and Nile Kordsa.

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

Expenses from investing activities	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Loss on sale of property, plant and equipment	1.135.724	328.137	311.072	296.235
	<b>1.135.724</b>	<b>328.137</b>	<b>311.072</b>	<b>296.235</b>

**NOTE 14 - FINANCIAL INCOME/ EXPENSES**

Finance income	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Foreign exchange gains	-	-	4.046.077	2.595.132
	-	-	<b>4.046.077</b>	<b>2.595.132</b>

Finance expenses	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Foreign exchange losses	14.049.015	6.849.205	-	-
Interest expenses	10.819.893	5.959.981	6.376.511	3.172.337
Other	379.919	253.519	618.717	519.734
	<b>25.248.827</b>	<b>13.062.705</b>	<b>6.995.228</b>	<b>3.692.071</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 15 - TAXATION ON INCOME**

**Corporate Tax**

	<b>30 Jun 2015</b>	<b>31 December 2014</b>
Corporate tax payable	2.313.665	13.407.206
Less: Prepaid taxes	(2.313.665)	(13.407.206)
	-	-

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax rate for tax accrual on taxable income is applied to the taxable profit which is calculated by adding non-deductible expenses and deducting certain exemptions that take place in tax laws (carryforward losses and if utilized exemptions for investment incentives).

The taxes on income reflected to consolidated income statements for the years ended 30 June 2015 and 2014 are summarized as follows:

	<b>1 January- 30 June 2014</b>	<b>1 April- 30 June 2015</b>	<b>1 January- 30 June 2014</b>	<b>1 April- 30 June 2014</b>
Current period corporate tax expense	(2.313.665)	(1.764.163)	(10.218.239)	(4.373.117)
Deferred tax income / (expense)	(4.893.203)	(4.037.745)	(3.117.911)	(980.917)
	<b>(7.206.868)</b>	<b>(5.801.908)</b>	<b>(13.336.150)</b>	<b>(5.354.034)</b>

**Deferred Taxes**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Deferred tax assets	22.927.242	20.745.377
Deferred tax liabilities	(85.131.375)	(71.058.392)
Deferred tax liability (net)	<b>(62.204.133)</b>	<b>(50.313.015)</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

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:

Country	30 June 2015	31 December 2014
Turkey	20,0%	20,0%
Egypt	30,0%	30,0%
Germany	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 2015 and 31 December 2014 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Provision for employment termination benefits	43.166.173	37.670.311	9.630.636	8.277.830
Carried forward tax losses	2.501.236	-	500.247	-
Inventories	9.325.626	13.709.356	2.638.260	3.526.602
Doubtful receivable provision	468.480	1.023.161	176.804	386.141
Consignment sales adjustment	2.280.949	604.519	456.190	120.904
Unearned credit finance income	351.112	664.065	70.222	132.813
Other	28.526.876	24.516.700	9.454.883	8.301.087
<b>Deferred tax assets</b>			<b>22.927.242</b>	<b>20.745.377</b>
Property, plant and equipment and intangibles	209.112.256	182.054.761	(73.288.725)	(64.443.268)
Other	59.213.249	33.075.620	(11.842.650)	(6.615.124)
<b>Deferred tax liabilities</b>			<b>(85.131.375)</b>	<b>(71.058.392)</b>
<b>Net deferred tax liability</b>			<b>(62.204.133)</b>	<b>(50.313.015)</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

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

Since it is not anticipated to be able to offset the financial losses of the Group's subsidiary Kordsa Brazil, which amounted to TL 64.389.447 as of 30 June 2015 (31 December 2014: TL 60.351.919), no deferred tax asset has been calculated and included in the above table. According to the Brazilian tax system, there is no time limitation for the carry forward of the financial losses. However, the maximum amount which can be offset within any given year is limited to the 30% of the total profit, which is subject to tax, of the related year.

	30 June 2015	31 December 2014
Deferred tax assets that are expected to be benefited from after one year	10.130.883	8.277.830
Deferred tax liabilities that are expected to be realized after one year	85.131.375	71.058.392

Movement tables of deferred tax as of 30 June 2015 and 2014 is as follows:

	1 January- 30 June 2015	1 January- 30 June 2014
<b>Balances at 1 January</b>	<b>(50.313.015)</b>	<b>(44.071.674)</b>
Current year deferred tax income / (expense) - net	(4.893.203)	(3.117.911)
Accounted for under equity	(1.940.177)	(429.428)
Currency translation differences	(5.057.739)	2.727.746
<b>Balances at 30 June</b>	<b>(62.204.134)</b>	<b>(44.891.267)</b>

**NOTE 16 – RELATED PARTY DISCLOSURES**

	30 June 2015	31 December 2014
<b>Bank balances:</b>		
Akbank T.A.Ş. – demand deposits	420.844	575.770
	<b>420.844</b>	<b>575.770</b>

	30 June 2015	31 December 2014
Akbank T.A.Ş. – bank borrowings	123.565.775	1.323.846

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 16 – RELATED PARTY DISCLOSURES (cont'd)**

Due from related parties:	30 June	
	2015	31 December 2014
Brisa Bridgestone Sabancı Lastik Sanayi ve Tic. A.Ş. ("Brisa")	12.017.035	12.820.148
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	52.339	48.033
Akbank A.G. (*)	3.053	2.318
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş.	13.282	13.509
Other	-	7.551
	<b>12.085.709</b>	<b>12.891.559</b>

(\*) Balance consists of the receivables from factoring transactions of Interkordsa.

Due to related parties:	30 June		31 December	
	2015	2015	2014	2014
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	3.816.779	3.816.779	2.841.513	2.841.513
Sabancı Üniversitesi	2.900.000	2.900.000	5.100	5.100
Bimsa	543.555	543.555	276.096	276.096
Aksigorta A.Ş.	77.846	77.846	68.109	68.109
Hacı Ömer Sabancı Holding A.Ş. ("Sabancı Holding")	-	-	19.252	19.252
Brisa	-	-	91.080	91.080
Other	9.366	9.366	216.690	216.690
	<b>7.347.546</b>	<b>7.347.546</b>	<b>3.517.840</b>	<b>3.517.840</b>

Product sales	1 January-	1 April-	1 January-	1 April-
	30 June 2015	30 June 2015	30 June 2014	30 June 2014
Brisa	29.100.498	14.739.738	26.648.155	11.176.318

Service sales	1 January-	1 April-	1 January-	1 April-
	30 June 2015	30 June 2015	30 June 2014	30 June 2014
Sabancı Holding	-	-	4.614	4.614
Enerjisa Enerji Üretim A.S	15.084	-	-	-
	<b>15.084</b>	<b>-</b>	<b>4.614</b>	<b>4.614</b>

Service sales arise from invoicing of common services incurred for the above companies which operate in the same area.

Product purchases	1 January-	1 April-	1 January-	1 April-
	30 June 2015	30 June 2015	30 June 2014	30 June 2014
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	19.514.768	9.882.626	18.381.336	8.748.287
	<b>19.514.768</b>	<b>9.882.626</b>	<b>18.381.336</b>	<b>18.664.912</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 16 – RELATED PARTY DISCLOSURES (cont'd)**

Services received	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Aksigorta	2.199.000	1.156.570	3.389.297	2.266.011
Bimsa	1.967.131	1.439.947	1.517.501	887.439
Ak Emeklilik A.Ş.	487.258	595	205.731	(89.264)
Sabancı Üniversitesi	44.323	17.161	28.087	17.443
Teknosa	536	282	944	481
Sabancı Holding	323	-	528	528
Other	235.049	120.801	357.282	174.144
	<b>4.933.620</b>	<b>2.735.356</b>	<b>5.499.370</b>	<b>3.256.782</b>

Property, plant and equipment purchases	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Bimsa	471.908	224.005	73.388	-
	<b>471.908</b>	<b>224.005</b>	<b>73.388</b>	<b>-</b>

Foreign exchange gains / (losses) - net	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Akbank T.A.Ş.	2.898.018	1.820.978	(250.280)	(335.218)

Rent expense	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Sabancı Holding	170.778	85.389	184.807	79.362

Rent income	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Bimsa	30.580	15.290	28.510	14.255
Other	-	-	14.114	7.057
	<b>30.580</b>	<b>15.290</b>	<b>42.624</b>	<b>21.312</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 16 – 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 2015 and 2014 are as follows:

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Short-term employee benefits	5.278.705	2.869.942	4.871.533	2.396.293
Other long-term benefits	66.693	35.281	57.053	35.178
Employee termination benefits	87.433	87.433	115.488	-
Post-employment benefits	111.879	55.389	98.631	46.108
	<b>5.544.710</b>	<b>3.048.045</b>	<b>5.142.705</b>	<b>2.477.579</b>

**Security and guarantee letters given:**

**30 June 2015**

Related parties	Amount	Currency	Detail	Bank
Kordsa Brazil	10.802.901	US Dollar	Loan Guarantee	IFC
Nile Kordsa	6.000.000	US Dollar	Loan Guarantee	IFC

**31 December 2014**

Related parties	Amount	Currency	Detail	Bank
Kordsa Brazil	13.860.360	US Dollar	Loan Guarantee	IFC
Nile Kordsa	9.913.784	US Dollar	Loan Guarantee	IFC

**NOTE 17 - 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. In addition, the Group aims to reduce foreign exchange risk arising from assets and liabilities by using currency and interest rate swap instruments. As of 30 June 2015, there are no swap transactions.



**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

Foreign currency position

Group's assets and liabilities denominated in foreign currencies at 30 June 2015 and 31 December 2014 are as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Assets	437.764.131	343.350.894
Liabilities	(568.762.999)	(504.943.411)
<b>Net foreign currency position</b>	<b>(130.998.868)</b>	<b>(161.592.517)</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

30 June 2015	Total TL equivalent	USD (*)	EUR (*)	Thai Baht (*)	Indonesian Rupiah ('000) (*)	Brazilian Real (*)	Other TL Equivalent
<b>Assets:</b>							
Trade receivables	302.248.439	40.366.839	32.658.477	325.031.714	53.538.627	56.244.003	9.748.618
Cash and cash equivalent	22.626.240	5.147.441	206.275	47.810.026	4.428.434	3.188.626	728.060
Other monetary receivables and assets	1.296.047	229.110	48.709	678.344	2.135.444	59.020	-
Other non-monetary receivables and assets	72.337.678	7.721.088	184.774	14.925.772	177.539.379	6.539.965	2.979.310
<b>Current assets</b>	<b>398.508.404</b>	<b>53.464.478</b>	<b>33.098.235</b>	<b>388.445.856</b>	<b>237.641.884</b>	<b>66.031.614</b>	<b>13.455.988</b>
Non-current assets held for sale	86.443	32.179	-	-	-	-	-
Other monetary receivables and assets	28.788.884	1.483.312	-	461.000	325.647	19.141.200	8.129.107
<b>Non-current assets</b>	<b>28.875.327</b>	<b>1.515.491</b>	<b>-</b>	<b>461.000</b>	<b>325.647</b>	<b>19.141.200</b>	<b>8.129.107</b>
<b>Total assets</b>	<b>427.383.731</b>	<b>54.979.969</b>	<b>33.098.235</b>	<b>388.906.856</b>	<b>237.967.531</b>	<b>85.172.814</b>	<b>21.585.095</b>
<b>Liabilities:</b>							
Ticari borçlar	140.955.066	33.986.119	10.919.309	15.477.099	28.574.492	7.572.037	3.550.095
Finansal borçlar	428.109.899	61.079.504	88.531.302	-	-	-	14.002
Parasal olan diğer borçlar ve yükümlülükler	39.031.381	4.572.781	427.981	83.931.423	51.678.040	8.764.074	795.175
<b>Total short-term liabilities</b>	<b>608.096.346</b>	<b>99.638.404</b>	<b>99.878.592</b>	<b>99.408.522</b>	<b>80.252.532</b>	<b>16.336.111</b>	<b>4.359.272</b>
Financial payables	212.039.844	56.286.470	20.400.200	-	-	-	-
Other monetary payables and liabilities	16.851.014	3.862.366	1.714.623	31.059.431	-	13.556.669	-
<b>Total long-term liabilities</b>	<b>228.890.858</b>	<b>60.148.836</b>	<b>22.114.823</b>	<b>31.059.431</b>	<b>-</b>	<b>13.556.669</b>	<b>-</b>
<b>Total liabilities</b>	<b>836.987.204</b>	<b>159.787.240</b>	<b>121.993.415</b>	<b>130.467.953</b>	<b>80.252.532</b>	<b>29.892.780</b>	<b>4.359.272</b>
Fair value of financial instruments used for foreign currency hedging	10.380.400	3.864.200	-	-	-	-	-
Hedged portion of foreign currency liabilities	268.224.205	34.350.000	59.000.000	-	-	-	-
<b>Net foreign currency asset / (liability) position</b>	<b>(130.998.868)</b>	<b>(66.593.071)</b>	<b>(29.895.180)</b>	<b>258.438.903</b>	<b>157.714.999</b>	<b>55.280.034</b>	<b>17.225.823</b>
<b>Monetary items net foreign currency asset / (liability) position</b>	<b>(481.941.151)</b>	<b>(112.528.359)</b>	<b>(89.079.954)</b>	<b>243.513.131</b>	<b>(19.824.380)</b>	<b>48.740.069</b>	<b>14.246.513</b>

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

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

31 December 2014	Total TL equivalent	USD (*)	EUR (*)	Thai Baht (*)	Indonesian Rupiah ('000) (*)	Brazilian Real (*)	Other TL Equivalent
<b>Assets:</b>							
Trade receivables	241.726.884	63.018.760	7.387.772	265.779.074	62.383.743	42.141.556	1.717.921
Cash and cash equivalent	13.562.431	2.242.079	223.759	59.741.542	9.068.196	799.513	1.141.028
Other monetary receivables and assets	1.690.202	243.396	46.399	1.044.947	4.673.650	57.506	-
Other non-monetary receivables and assets	59.712.847	5.697.044	432.847	32.473.526	193.883.006	4.948.204	2.535.620
<b>Current assets</b>	<b>316.692.364</b>	<b>71.201.279</b>	<b>8.090.777</b>	<b>359.039.089</b>	<b>270.008.595</b>	<b>47.946.779</b>	<b>5.394.569</b>
Other monetary receivables and assets	24.708.849	553.760	-	503.000	3.129.750	19.218.830	6.027.634
<b>Non-current assets</b>	<b>24.783.469</b>	<b>585.939</b>	<b>-</b>	<b>503.000</b>	<b>3.129.750</b>	<b>19.218.830</b>	<b>6.027.634</b>
<b>Total assets</b>	<b>341.475.833</b>	<b>71.787.218</b>	<b>8.090.777</b>	<b>359.542.089</b>	<b>273.138.345</b>	<b>67.165.609</b>	<b>11.422.203</b>
<b>Liabilities:</b>							
Ticari borçlar	133.069.050	41.459.807	6.018.874	14.959.360	43.410.048	7.308.894	4.425.403
Finansal borçlar	416.977.036	73.470.899	87.427.010	-	-	-	-
Parasal olan diğer borçlar ve yükümlülükler	39.001.242	7.126.794	1.036.350	59.437.751	31.081.735	9.752.996	1.061.977
<b>Total short-term liabilities</b>	<b>589.047.328</b>	<b>122.057.500</b>	<b>94.482.234</b>	<b>74.397.111</b>	<b>74.491.783</b>	<b>17.061.890</b>	<b>5.487.380</b>
Financial payables	138.878.485	59.889.628	-	-	-	-	-
Other monetary payables and liabilities	16.370.188	-	1.773.622	26.864.004	47.218.128	13.020.788	-
<b>Total long-term liabilities</b>	<b>155.248.673</b>	<b>59.889.628</b>	<b>1.773.622</b>	<b>26.864.004</b>	<b>47.218.128</b>	<b>13.020.788</b>	<b>-</b>
<b>Total liabilities</b>	<b>744.296.001</b>	<b>181.947.128</b>	<b>96.255.856</b>	<b>101.261.115</b>	<b>121.709.911</b>	<b>30.082.678</b>	<b>5.487.380</b>
Fair value of financial instruments used for foreign currency hedging	1.875.061	808.599	-	-	-	-	-
Hedged portion of foreign currency liabilities	239.352.590	35.100.000	56.000.000	-	-	-	-
<b>Net foreign currency asset / (liability) position</b>	<b>(161.592.517)</b>	<b>(74.251.311)</b>	<b>(32.165.079)</b>	<b>258.280.974</b>	<b>151.428.434</b>	<b>37.082.931</b>	<b>5.934.823</b>
<b>Monetary items net foreign currency asset / (liability) position</b>	<b>(462.533.015)</b>	<b>(115.856.954)</b>	<b>(88.597.926)</b>	<b>225.807.448</b>	<b>(42.454.572)</b>	<b>32.134.727</b>	<b>3.399.203</b>

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

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

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

	30 June 2015	31 December 2014
<b>Closing rates</b>		
US Dollars	2,6863	2,3189
Euro	2,9822	2,8207
Indonesian Rupiah (1000 units)	0,2015	0,1864
Brazilian Real	0,8658	0,8730
Thai Baht	0,0795	0,0703
Egyptian Pound	0,3521	0,3230
<b>Average rates</b>		
US Dollars	2,5603	2,1642
Euro	2,8566	2,9666
Indonesian Rupiah (1000 units)	0,1975	0,1845
Brazilian Real	0,8627	0,9422
Thai Baht	0,0777	0,0665
Egyptian Pound	0,3392	0,3079

Foreign currency position as of 30 June 2015 and 2014 in regard to the changes in foreign currency rates is depicted in the table below:

**30 June 2015**

	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	1.782.245	(1.782.245)	29.762.716	(29.762.716)
Hedged USD (-)	-	-	-	-
<b>USD net effect</b>	<b>1.782.245</b>	<b>(1.782.245)</b>	<b>29.762.716</b>	<b>(29.762.716)</b>
Change in EURO against TL by 10%				
Euro net assets/liabilities	(8.076.556)	8.076.556	3.140.046	(3.140.046)
Hedged Euro (-)	-	-	-	-
<b>Euro net effect</b>	<b>(8.076.556)</b>	<b>8.076.556</b>	<b>3.140.046</b>	<b>(3.140.046)</b>
Change in other currency against TL by 10%				
Other currency net assets/liabilities	2.929.149	(2.929.149)	-	-
Hedged other currency (-)	-	-	-	-
<b>Other currency net effect</b>	<b>2.929.149</b>	<b>(2.929.149)</b>	<b>-</b>	<b>-</b>
	<b>(3.365.162)</b>	<b>3.365.162</b>	<b>32.902.763</b>	<b>(32.902.763)</b>

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

31 December 2014

	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	(1.581.565)	1.581.565	26.365.600	(26.365.600)
Hedged USD (-)	-	-	-	-
<b>USD net effect</b>	<b>(1.581.565)</b>	<b>1.581.565</b>	<b>26.365.600</b>	<b>(26.365.600)</b>
Change in EURO against TL by 10%				
Euro net assets/liabilities	(923.814)	923.814	2.944.233	(2.944.233)
Hedged Euro (-)	-	-	-	-
<b>Euro net effect</b>	<b>(923.814)</b>	<b>923.814</b>	<b>2.944.233</b>	<b>(2.944.233)</b>
Change in other currency against TL by 10%				
Other currency net assets/liabilities	2.650.891	(2.650.891)	-	-
Hedged other currency (-)	-	-	-	-
<b>Other currency net effect</b>	<b>2.650.891</b>	<b>(2.650.891)</b>	<b>-</b>	<b>-</b>
	<b>145.512</b>	<b>(145.512)</b>	<b>29.309.833</b>	<b>(29.309.833)</b>

Export and import balances from Turkey as of 30 June 2015 and 2014 is as follows:

	30 June 2015		30 June 2014	
	Original balance	TL	Original balance	TL
Euro	64.561.710	184.896.203	71.636.804	212.530.760
US Dollars	42.617.112	108.971.536	27.550.713	59.871.682
<b>Total export</b>		<b>293.867.738</b>		<b>272.402.442</b>
			<b>1 January- 30 June 2015</b>	<b>1 January- 30 June 2014</b>
<b>Import</b>			<b>185.397.246</b>	<b>208.767.470</b>

***Derivative financial instruments***

The Group entered into foreign currency forward transactions with due date 2015 in order to manage the risks emerging from the sales transactions which are expected to occur within 6 months following the balance sheet 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 balance sheet date.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

30 June 2015	Average Rate	Foreign Currency (TL)	Contract Value (TL)	Fair Value (TL)
USD buy Euro sell				
less than 3 months	1,2014	55.468.920	22.366.940	4.317.955
between 3-6 months	1,2025	55.468.920	22.388.130	4.432.611
between 6-9 months	1,1400	44.733.000	17.133.500	721.169
between 9-12 months	1,1425	44.733.000	17.170.500	711.810
more than 1 year	1,1473	89.466.000	34.485.500	1.392.398
BRL buy Euro sell				
less than 3 months	2,7833	4.835.340	5.010.000	(572.114)
between 3-6 months	2,8507	4.835.340	5.131.200	(623.429)
				<b>10.380.400</b>

31 December 2014	Average Rate	Foreign Currency (TL)	Contract Value (TL)	Fair Value (TL)
USD buy Euro sell				
less than 3 months	1,2486	18.616.620	8.232.740	483.927
between 3-6 months	1,2491	18.616.620	8.235.280	473.538
between 6-9 months	1,2500	18.616.620	8.241.140	463.548
between 9-12 months	1,2500	18.616.620	8.251.630	454.048
				<b>1.875.061</b>

As of 30 June 2015, unearned gain arising from fair value changes of foreign currency forward contracts that are accounted for under hedging reserves in equity amounts to TL 8.076.582 (31 December 2014: TL 1.511.419). These contracts are expected to be settled within six months subsequent to balance sheet date and related funds are expected to be accounted for in profit or loss statement.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 17 - FOREIGN CURRENCY RISK AND POSITION (cont'd)**

**Hedging reserve movement table**

	<b>1 January- 30 June 2015</b>	<b>1 January- 30 June 2014</b>
<b>Balances at 1 January</b>	<b>1.875.061</b>	-
Increases/ decreases	16.466.219	1.165.742
Income tax related to gains / losses recognized in other comprehensive income	(2.315.189)	(429.428)
Reclassified to profit or loss	(6.749.008)	981.400
Foreign currency translation differences	(1.211.871)	11.370
<b>Balances at 30 June</b>	<b>8.065.212</b>	<b>1.729.084</b>

**Hedges of net investments in foreign operations:**

In case there are derivative financial instruments or non-derivative financial liabilities designated to hedge against the financial risks resulting from net investments in foreign operations;

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'other gains and losses' line item. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss in the same way as exchange differences relating to the foreign operation.

The Company subjected the net investment in its foreign subsidiaries and the US Dollar and Euro borrowings in other subsidiaries to the hedge of a net investment in foreign operations. The Company accounted for the foreign exchange losses arising from the related borrowings amounting to TL 28.196.339 (31 December 2014: TL 8.092.838) under Currency Translation Reserves in Equity in accordance with TAS 39 and TFRS Interpretation 16.

**NOTE 18 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

Assets held for sale comprise of the land in possession of Nile Kordsa Company for Industrial Fabrics S.A.E., one of the subsidiaries of the Group. Related asset has been disposed of during June 2015 resulting in a profit amounting to TL 4.198.432.

TL 1.250.941 of the total TL 1.609.084 amounting net loss for the period from discontinued operations for the period 1 January and 30 June 2014, has been arising from Kordsa Argentina S.A and TL 358.143 has been arising from KQNE.

**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**

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

**NOTE 19 - INTERESTS 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 2015			
	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	3.805.583	213.449.112	6.959.798
Other		8.460.229	20.989.807	
<b>Total</b>		<b>12.265.812</b>	<b>234.438.919</b>	

Subsidiary	31 December 2014			
	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	14.632.382	185.150.969	-
Other		2.780.687	14.949.209	
<b>Total</b>		<b>17.413.069</b>	<b>200.100.178</b>	

**Summary Balance Sheet Information:**

	PT Indo Kordsa Tbk	
	30 June 2015	31 December 2014
Cash and cash equivalents	11.235.533	9.430.876
Other current assets	241.981.570	222.030.082
Non-current assets	530.834.399	456.348.416
<b>Total assets</b>	<b>784.051.502</b>	<b>687.809.374</b>
Short-term borrowings	92.144.552	89.576.387
Other short-term liabilities	69.717.207	70.704.741
Long-term borrowings	125.602.424	103.166.395
Other long-term liabilities	35.681.025	27.779.062
<b>Total liabilities</b>	<b>323.145.208</b>	<b>291.226.585</b>
<b>Total equity</b>	<b>460.906.294</b>	<b>396.582.789</b>
Equity attributable to owners of the parent	410.990.172	351.157.317
Non-controlling interests (**)	49.916.122	45.425.472



**KORDSA GLOBAL ENDÜSTRİYEL İPLİK  
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2015**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 19 - INTEREST IN OTHER ENTITIES (cont'd)**

**Summary profit or loss statement information:**

	PT Indo Kordsa Tbk	
	30 June 2015	31 December 2014
Sales	264.915.977	217.777.462
Depreciation and amortization	6.693.958	4.648.217
Operating profit/ (loss)	(10.577.729)	(6.005.450)
Net financial income/ (expense)	(7.705.176)	246.520
Profit/ (loss) before tax	25.557.558	29.745.274
Profit for the period	9.564.170	10.867.018

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

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

**NOTE 20 – EVENTS AFTER THE REPORTING PERIOD**

None.